

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

Collectanea J. Limited,)	
a Hong Kong Limited Corporation)	Case: 25-cv-9113
)	
Plaintiff,)	Judge: Edmond E. Chang
)	
v.)	Mag. Judge: Daniel P. McLaughlin
)	
The Partnerships And)	
Unincorporated Associations)	
Identified On Schedule "A")	
)	
Defendants.)	
)	

**MEMORANDUM IN SUPPORT OF PLAINTIFF’S MOTION FOR ENTRY OF
DEFAULT AND FINAL JUDGMENT PURSUANT TO FED.R.CIV.P. 55(a) AND 55(b)
(D.E. 32)**

COMES NOW, PLAINTIFF, by and through the undersigned counsel, and respectfully submits this memorandum in support of Plaintiff’s Motion for Entry of Default and Final Judgment pursuant to Fed.R.Civ.P. 55(a) and (b). [D.E. 32].

INTRODUCTION

First, this memorandum will discuss why Plaintiff has demonstrated entry of default and final judgment is proper as to Defendants (No. 1) Hoccus and (No. 2) Lanlos (the “Defaulting Defendants”). Next, this memorandum will discuss why a high statutory damages award is appropriate. In support of this argument, Plaintiff will explore why Congress intended on statutory damages as an alternative to actual damages in a case such as this, where Plaintiff created a marketing series with hundreds of images associated with its trademark brand and defendants’ infringement has resulted in indeterminable damage to Plaintiff from loss of sales,

loss of consumer base, and damage to the brand's goodwill. Plaintiff will also reference the statutory awards it has received from other courts in this district, where a finding of willfulness and injury has been found. This memorandum will conclude that a high statutory damages award is appropriate under the circumstances of this case.

I. JURISDICTION AND VENUE ARE PROPER IN THIS COURT

This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of 28 U.S.C. § 1338 (a) - (b), 28 U.S.C. § 1331, and the Federal Copyright Act, 17 U.S.C. § 101, et seq. [D.E. 1 at ¶1]. Venue is proper in this Court under 28 U.S.C. § 1391. [*Id.* at ¶2]. This Court may properly exercise personal jurisdiction over the Defaulting Defendants since each of the Defendants directly targets business activities toward consumers in the United States, including Illinois, through at least the fully interactive, commercial Internet stores operating under the Defaulting Defendants in Schedule A. [D.E. 1 at ¶¶2-4; D.E. 7]. *See uBID, Inc. v. GoDaddy Grp., Inc.*, 623 F.3d 421, 423-24 (7th Cir. 2010) (without the benefit of an evidentiary hearing, the plaintiff bears only the burden of making a prima facie case for personal jurisdiction; all of plaintiff's asserted facts should be accepted as true and any factual determinations should be resolved in its favor).

Through the fully interactive commercial Defendants' Internet Stores, Illinois residents can purchase products from Defaulting Defendants that are sold and advertised in listings for sale utilizing Plaintiff's registered copyrights without authorization. [D.E. 1 at ¶¶11, 23, 25, 34, 36; D.E. 7 at ¶¶22, 24]. This Court found personal jurisdiction under similar circumstances. *See NBA Properties, Inc. v. HANWJH*, No. 21-2909, 2022 WL 3367823 at *7 (7th Cir. Aug. 16, 2022) (“[Defendant's] actions certainly can be characterized as purposeful. It established an online store, using a third-party retailer, Amazon.com. Through this online store, it unequivocally

asserted a willingness to ship goods to Illinois and established the capacity to do so. When an order was placed, it filled the order, intentionally shipping an infringing product to the customer's designated Illinois address.”). Therefore, personal jurisdiction is proper because each of the Defendants is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois. [D.E. 1 at ¶¶2-5, 23, 25].

II. PLAINTIFF MEETS THE REQUIREMENTS FOR FED. R. CIV. P. 55(a) ENTRY OF DEFAULT

The Return of Summons reflects service on September 5, 2025. [D.E. 27]. Therefore, the twenty-one days for Defendants to respond to the Complaint, on September 26, 2025 has passed. [*Id.*] The Defaulting Defendants have failed to answer or otherwise respond to the Complaint, and failed to file a copy of an Answer or other response.

In summary, this Court should enter default under 55(a) against the Defaulting Defendants.

III. PLAINTIFF MEETS THE REQUIREMENTS FOR FED. R. CIV. P. 55(b) ENTRY OF FINAL DEFAULT JUDGMENT

Rule 55(b)(2) of the Federal Rules of Civil Procedure provides for a court-ordered default judgment. A default judgment establishes, as a matter of law, that defendants are liable to Plaintiff on each cause of action alleged in the Complaint. *United States v. Di Mucci*, 879 F.2d 1488, 1497 (7th Cir. 1989). When the Court determines that a defendant is in default, the factual allegations of a complaint are taken as true and may not be challenged, and the defendants are liable as a matter of law as to each cause of action alleged in the complaint. *Black v. Lane*, 22 F.3d 1395, 1399 (7th Cir. 1994).

A. Entry of Default Judgment is Appropriate.

1. Plaintiff Has Properly Pled a Claim for Copyright Infringement

To establish copyright infringement, Plaintiff is required to prove two elements: “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.” *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991). Plaintiff has demonstrated its ownership of valid copyrights by attaching to its Complaint and a Declaration, Copyright Registration No. VA 2-348-115 which has an effective registration date of May 22, 2023 (“Beadnova Works” hereinafter). [Doc. 1 at ¶6; Doc. 7 at ¶10]. This registration creates a *prima facie* presumption of validity of a copyright. 17 U.S.C. § 410(c); *Runstadler Studios Inc. v. MCM Ltd., P’ship*, 768 F.Supp.1292, 1294-1295 (N.D.Ill. 1991).

Here, Defendants are willfully and deliberately reproducing Plaintiff’s Beadnova Works, either in their entirety or in substantially similar form, and are willfully and deliberately distributing copies to the public through their advertisements, marketing, and displays. Plaintiff has proven it has more than a reasonable likelihood of success showing Defendants violated Plaintiff’s rights. Therefore, Plaintiff is entitled to entry of judgment in its favor regarding Count I for copyright infringement against the Defaulting Defendants.

2. Plaintiff Is Entitled to an Award of Statutory Damages

Section 501(c)(1) to chapter 17 of the United States Code provides that a Plaintiff may be awarded statutory damages for copyright infringement of not less than \$750 or more than \$30,000 per work for non-willful infringement. 17 U.S.C. § 504(c)(1). The Court in its discretion may increase an award for statutory damages up to \$150,000.00 when infringement was committed willfully. 17 U.S.C. § 504(c)(2).

“District courts enjoy wide discretion in awarding fees and may consider various factors such as “the difficulty or impossibility of proving actual damages, the circumstances of the infringement, and the efficacy of the damages as a deterrent to future copyright infringement.” *Chi-Boy Music v. Charlie Club*, 930 F.2d 1224, 1229 (7th Cir. 1991) (citations omitted) “Statutory damages are ‘most appropriate’ when an infringer’s nondisclosure makes actual damages uncertain.” *Luxottica USA LLC v. The Partnerships*, Case No. 2014-cv-09061 at *4 (N.D. Ill. June 18, 2015) (citing *Sara Lee Corp. v. Bags of N.Y., Inc.*, 36 F.Supp.2d 161, 165 (S.D.N.Y. 1999)). Damage awards limited to lost profits are typically ineffective deterrents because “[a] counterfeiter must fear more than just having to turn over his ill-gotten gains to the rightful owners.” *Lorillard Tobacco Co. v. S & M Cent. Serv. Corp.*, Case No. 03-cv-4986 *11 (N.D. Ill. Nov. 5, 2004). Here, none of the Defaulting Defendants have appeared and/or provided Plaintiff with information from which Plaintiff might determine Defendants’ sales. Thus, an award of statutory damages is particularly appropriate in the instant case.

To date, Plaintiff has received judgments in at least seven other lawsuits where under similar circumstances, the District Court found that Defendants willfully infringed Plaintiff’s registered property and that the infringement caused Plaintiff injury to support an award of statutory damages. *See* Case No. 24-cv-3821 (N.D.Ill. July 23, 2025) (Ellis, J.) (D.E. 131) (awarding statutory damages of \$15,000 for willful copyright infringement against each defaulting defendant), Case No. 24-cv-5184 (N.D.Ill. Dec. 5, 2024) (Harjani, J.) (D.E. 32) (awarding statutory damages of \$50,000 for willful copyright infringement against each defaulting defendant); Case No. 24-cv-4731 (N.D.Ill. Dec. 3, 2024) (Alonso, J.) (D.E. 47) (awarding statutory damages of \$150,000 for willful copyright infringement against each defaulting defendant), Case No. 24-cv-5462 (N.D.Ill. Sept. 18, 2024) (Harjani, J.) (D.E. 41)

(awarding statutory damages of \$50,000 for willful copyright infringement against each defaulting defendant), Case No. 24-cv-5610 (N.D.Ill. Nov. 4, 2024) (Jenkins, J.) (D.E. 49) (awarding statutory damages of \$50,000 for willful copyright infringement), Case No. 24-cv-6472 (N.D.Ill. Feb. 21, 2025) (Daniel, J.) (D.E. 85) (awarding statutory damages of \$75,000 for willful copyright infringement and \$75,000 for willful trademark infringement against each defaulting defendant); *Collectanea J. Limited v. 33 Corner et. al*, Case No. 23-cv-61538 (S.D.Fla. Aug. 28, 2024) (Middlebrooks, J.) (D.E. 70) (awarding statutory damages of \$15,000 for willful copyright infringement against each defaulting defendant).

The volume of infringers underscore just how significant Plaintiff's issue with infringement is. In its copyright series, Plaintiff created hundreds of original images which have similar bead placement, background, and other definable characteristics which individually and collectively are readily identifiable and associated with the Beadnova brand. Creating this form of content for any brand is a massive undertaking. The time, energy, and resources Plaintiff then has to expend to police its registered property distracts from continuing to focus on marketing, development, content creation, and product enhancement for his branded products. This dichotomy, of having to allocate resources to manage infringement rather than simply to manage its products, is exactly why Congress provides for the relief of infringement in the form of statutory awards. If Plaintiff only received actual damages, Plaintiff may not recover the time, resources, and costs that it invests into policing its property.

In addition to the significant resources Plaintiff devotes to policing its copyrights and protecting its customers, Plaintiff achieved sales of over \$4.5 million in Beadnova products in 2024. [D.E. 7 at ¶17]. Courts in this district have considered a plaintiff's sales when determining an appropriate statutory damages award. *See e.g., Emoji Company GmbH v. The Individuals*,

Corporations, Limited Liability Companies, Partnerships, and Unincorporated Associations Identified on Schedule A, Case No. 20-cv-4678, 2021 WL 3013294, at *4 (N.D. Ill. Jul. 16, 2021) (noting the plaintiff's claims of over \$800 million in retail sales and considering such evidence in assessing statutory damages).

For Plaintiff, seeing the (collectively) thousands of infringers simply taking the images and using the images on their storefronts takes away from Plaintiff's efforts to build consistent marketing and to make content associated with its brand. Any customers looking for Beadnova and its associated quality control, customer service, and warranties must either sift through hundreds or thousands of infringer storefronts before being able to find Plaintiff's storefront, or risk buying counterfeit products from an infringer. This is exponentially more difficult where so many Defaulting Defendants utilize Plaintiff's watermark in the images. This loss of goodwill and brand confidence is incalculable and is why high statutory damages should be awarded.

3. Defendants' Acts of Infringement Were Willful

"[A] finding of willfulness is justified if the infringer knows that its conduct is an infringement or if the infringer has acted in reckless disregard of the copyright owner's right." *Wildlife Express Corp. v. Carol Wright Sales, Inc.*, 18 F.3d 502, 511 (7th Cir. 1994) (internal quotation marks omitted). Although "evidence that notice had been accorded to the alleged infringer before the specific acts found to have constituted infringement occurred is perhaps the most persuasive evidence of willfulness, it is not the only way that willfulness can be established." *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1021 (7th Cir. 1991), overruled on other grounds, *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 521 n.8 (1994). Because "one who undertakes a course of infringing conduct may neither sneer in the face of [a] copyright owner nor hide its head in the sand like an ostrich," *ibid.*, courts may consider a variety of other factors

when evaluating willfulness, including “evidence that the defendant ignored the plaintiff’s notices about copyright protection ... and passed the matter off as a nuisance,” *Wildlife Exp. Corp.*, 18 F.3d at 512.

Here, given the Defendants’ default, the allegations of the complaint are taken as true and a finding of willfulness is therefore warranted. *See Scholz Design, Inc. v. Campbell Signature Homes, LLC*, No. 08-1087 at *2 (C.D. Ill. Feb. 12, 2009) (“The Court finds that Campbell’s copyright infringement was knowing, willful and intentional, because Scholz made this allegation in its Complaint.”); *Kinsey v. Jambow, Ltd.*, 76 F. Supp. 3d 708, 712 (N.D. Ill. 2014).

Even without reliance upon Defendants’ default, it is clear that Defaulting Defendants’ copyright infringement was willful. Defaulting Defendants clearly had knowledge that their activities constituted infringement or at least displayed a reckless disregard for Plaintiff’s rights in its registered copyrights, particularly with the use of Plaintiff’s watermark and/or reference to “Beadnova” on each photo. [*See, e.g.*, D.E. 8-5].

In addition, Plaintiff alleged in its Complaint that “Defendants have engaged in fraudulent conduct when registering the Defendant Internet Stores by providing false, misleading and/or incomplete information to Internet based e-commerce platforms.” [D.E. 1 at ¶29]. District courts in the Northern District of Illinois have routinely found infringement willful in cases involving this Plaintiff, and other copyright infringement cases. *See Andrew Blair Bailie v. The Partnerships, et al.*, Case No. 24-cv-6456 (N.D. Ill. Sept. 25, 2024) (Chang, J.) (D.E. 36) (awarding statutory damages of \$10,000 for willful copyright infringement against each defaulting defendant); Case No. 24-cv-3821 (N.D.Ill. July 23, 2025) (Ellis, J.) (D.E. 131) (awarding statutory damages of \$15,000 for willful copyright infringement against each defaulting defendant); Case No. 24-cv-4731 (N.D.Ill. Dec. 3, 2024) (Alonso, J.) (D.E. 47)

(awarding statutory damages of \$150,000 for willful copyright infringement against each defaulting defendant); Case No. 24-cv-5610 (N.D. Ill. Nov. 4, 2024) (Jenkins, J.) (D.E. 49) (awarding statutory damages of \$50,000 for willful copyright infringement); Case No. 24-cv-6472 (N.D.Ill. Feb. 21, 2025) (Daniel, J.) (D.E. 85) (awarding statutory damages of \$75,000 for willful copyright infringement and \$75,000 for willful trademark infringement against each defaulting defendant); *ABC Corporation v. The Partnerships and Unincorporated Associations Identified On Schedule A*, Case No. 1:22CV05563 (N.D.Ill. Feb. 13, 2023) (Ellis, J.) (D.E. 76) (awarding statutory damages in the amount of \$100,000 for willful copyright infringement); *Lei Tang v. The Partnerships and Unincorporated Associations Identified On Schedule A*, Case No. 1:23CV16489 (N.D.Ill. Mar. 23, 2024) (Kocoras, J.) (D.E. 54).

4. Plaintiff's Ongoing Investment in Marketing and Promotion and Brand Protection Efforts Justify a High Statutory Damages Award

Courts may also take into account the value of a plaintiff's brand and the efforts taken to protect, promote, and enhance that brand. *Lorillard Tobacco Co.*, Case No. 03-cv-4986 at *9-10. Plaintiff's success of the registered copyrights have resulted in significant infringement by individuals and entities who unlawfully use the Beadnova Works using Plaintiff's goodwill. Plaintiff has had to expend significant resources in policing its registered copyright images. [D.E. 7 ¶¶ 14, 33, 35, 37].

5. A High Statutory Damages Award is Justified Due to the Acts of Infringement Having Taken Place on the Internet

Many Courts, in this district and elsewhere, have awarded high damages where the predicate acts of infringement took place on the internet. *See Monster Energy Company v. Jing, et al.*, Case No. 2015-cv-00277 at * 7 (N.D. Ill. July 6, 2015) ("The internet platform defendants used, AliExpress.com, is a busy website that provides the potential to reach a vast customer

base.”); *Luxottica Group S.p.A. v. Hao Li, et al.*, Case No. 16-cv-00487 at *16 (N.D. Ill. Feb. 15, 2017) (“But even putting aside any evidence of defendant selling multiple products through multiple online sales platforms, defendant can reach a worldwide customer base on eBay alone.”); *Coach, Inc. v. Ocean Point Gifts*, Case No. 09-4215 (JBS) at *14-15 (D.N.J. Jun. 14, 2010) (finding high damage awards in counterfeit cases were “due in part to the wide market exposure that the Internet can provide”).

In addition to the fact that the internet permits wide market exposure, as Plaintiff set out in its Complaint, third party service providers like those used by Defendants do not adequately subject new sellers to verification and confirmation of their identities, allowing Defendant Internet Stores to routinely use false or inaccurate names and addresses when registering with these e-commerce platforms. [D.E. 7 at ¶¶28-29]. This point is particularly well illustrated here where Plaintiff, a moderately sized retailer, is attempting to establish its brand and secure market share amidst the constant overseas infringers doing business on the same platform. The audacity of infringers in attempting to deceive courts as to their identity and avoid liability has also been demonstrated in this judicial district. *See, e.g., Camelbak Products LLC v. The Partnerships and Unincorporated Associations Identified On “Schedule A”*, 1:20-cv-01544 (N.D. Ill. January 5, 2021) (D.E. 105 at 3) (“[T]he Court does not believe that the identification card submitted in support of [defendant]’s motion to vacate the default judgment is the actual identification card for the person who owns and operates [defendant]. It is either a fake identification card, or it is someone else’s identification card.”).

As discussed herein, *supra* subsection (2), the extent of damage to Plaintiff is significant, as Plaintiff has had to bring at least seven other suits to police its registered intellectual property.

Without sufficient deterrence, Plaintiff will not be able to regain control over the unbridled infringement and damage to its goodwill.

6. The Award of Statutory Damages Should be Sufficient to Compensate Plaintiff and to Deter Further Acts of Infringement

When the infringement is willful, the statutory damages award may be designed to penalize the infringer and to deter future violations. *See Illinois Bell Tel. Co. v. Haines & Co.*, 905 F.2d 1081, 1089 (7th Cir. 1990); *Bulgari, S. P.A. v. Xiaohong*, Case No. 15-cv-05148 at *5 (N.D. Ill., October 15, 2015) (Coleman, J.) (“This Court's award, moreover, must be adequate to deter future infringement, intentional or unintentional, by the defendant and others similarly situated.”). A high statutory damages award will serve to both compensate Plaintiff and to deter the Defaulting Defendants and others who are either now or may in the future infringe upon the registered works.

7. Plaintiff Is Entitled to a Permanent Injunction Preventing Further Acts Of Infringement of Its Registered Works

In addition to the foregoing relief, Plaintiff respectfully requests entry of a permanent injunction enjoining Defaulting Defendants from infringing or otherwise violating Plaintiff's registered copyright, including at least all injunctive relief previously awarded by this Court to Plaintiff in the TRO and Preliminary Injunction. “Without a permanent injunction, the defendants will likely continue their infringing conduct...” *Kinsey v. Jambow, Ltd.*, 76 F. Supp. 3d 708, 714 (N.D. Ill. 2014). Further, prevention of additional acts of infringement of Plaintiff's registered Beadnova Works serves the public interest. This Court and others in this judicial district routinely grant permanent injunctive relief to prevailing plaintiffs in copyright infringement cases. *See Collectanea J. Limited v. The Partnerships and Unincorporated Associations Identified on Schedule A*; Case No. 24-cv-5184 (N.D.Ill. Dec. 5, 2024) (Harjani, J.) [D.E. 32],

24-cv-5462 (N.D.Ill. Sept. 18, 2024) (Harjani, J.) [D.E. 41]; 24-cv-5610 (N.D.Ill. Sept. 16, 2024) (Jenkins, J.) [D.E. 49]; 24-cv-6472 (N.D.Ill. Feb. 21, 2025) (Daniel, J.) [D.E. 85]; *ABC Corporation v. The Partnerships and Unincorporated Associations Identified On Schedule A*; Case No. 1:22-cv-05563 (N.D.Ill. Feb. 13, 2023) (Ellis, J.) [Doc. 76]; *Lei Tang v. The Partnerships and Unincorporated Associations Identified On Schedule A*; Case No. 1:23CV16489 (N.D.Ill. Mar. 23, 2024) (Kocoras, J.) [Doc. 54].

8. The Court Should Authorize Immediate Execution Upon this Final Judgment Order

In both the TRO [D.E. 18] and the Preliminary Injunction Order [D.E. 31], in order to avoid the fraudulent transfer of assets beyond the jurisdiction of the Court, the Court prohibited Defaulting Defendants and third parties in possession of their assets from transferring funds. In addition to the immediate transfer of assets of the funds now restrained in Defendants' financial accounts and continued leave to serve Defaulting Defendants and third parties, including but not limited to Amazon, PayPal, and Payoneer, with this order via email, relief commonly afforded to plaintiffs in similar cases. *See Luxottica Group S.p.A. v. Uzilol Store, et al.* at ¶¶ 6-10, to the extent that it may be necessary for Plaintiff to utilize state law collections devices, Plaintiff respectfully requests that the Court dissolve the stay on execution contained in and as authorized by Fed.R.Civ.P. 62(a). *See* Fed. R. Civ. P. 62, Advisory Committee's Notes (2018) ("Amended Rule 62(a) expressly recognizes the court's authority to dissolve the automatic stay... One reason for dissolving the automatic stay may be a risk that the judgment debtor's assets will be dissipated.").

IV. CONCLUSION

Plaintiff respectfully requests that the Court enter default judgment against each Defaulting Defendant for statutory damages in the amount of \$150,000 for copyright

infringement and enter a permanent injunction order prohibiting Defaulting Defendants from using Plaintiff's federally registered Beadnova Works without authorization. A proposed order, embodying the relief requested herein and identifying the Defaulting Defendants, is submitted herewith.

WHEREFORE, Plaintiff requests that the Clerk enter default, as authorized by Fed.R.Civ.P. 55(a) and Fed.R.Civ.P. 55(b) against Defaulting Defendants as identified on the Schedule A to the proposed order.

Respectfully Submitted this 3rd day of October, 2025,

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