

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Shenzhen Dejiayun Network
Technology Co., Ltd., a Chinese
Corporation

Case: 0:23-cv-62275-WPD

Judge: William Dimitrouleas

Plaintiff,

v.

The Partnerships And
Unincorporated Associations
Identified On Schedule “A”

Defendants.

**PLAINTIFF’S MOTION FOR ENTRY OF A PRELIMINARY INJUNCTION
AND INCORPORATED MEMORANDUM OF LAW**

Plaintiff Shenzhen Dejiayun (“Plaintiff” or “Dejiayun”) seeks entry of a Preliminary Injunction pursuant to Fed.R.Civ.P. 65(a) against the Defendants identified on Schedule A. The scope of the Preliminary Injunction is identical to the Temporary Restraining Order entered on January 9, 2024. (D.E. 13). In support thereof, Plaintiff submits the following Memorandum of Law.

MEMORANDUM OF LAW

I. BACKGROUND AND PROCEDURAL HISTORY

Plaintiff filed the instant civil action on November 30, 2023 in order to combat the willful and intentional counterfeiting and infringement and false designation of origin utilizing its federally registered BAGILAANOE trademark, which is covered by U.S. Trademark Registration No. 5,745,285. (“BAGILAANOE”) (Doc. 1 at ¶ 3). Plaintiff alleged that Defendants’ unlawful activities have caused and will continue to cause Plaintiff irreparable

injury. Among other things, Plaintiff alleged that Defendants (1) deprive DEJIAYUN of its right to determine the manner in which its trademark BAGILAANOE is presented to the public through merchandising; (2) defraud the public into thinking their goods are valuable, authorized goods of the BAGILAANOE Mark; (3) deceive the public as to BAGILAANOE's sponsorship of and/or association with their goods and the websites through which such goods are marketed and sold; and (4) wrongfully trade and capitalize on BAGILAANOE's reputation and goodwill and the commercial value of the BAGILAANOE Mark.

On January 8, 2024, in order to facilitate the investigation of its claims and the identity and location of Defendants, Plaintiff moved for an order permitting expedited discovery. (D.E. 10). United States Magistrate Judge Patrick Hunt granted Plaintiff's motion on January 17, 2024 by sealed order. (DE 16). On January 17, 2024, Plaintiff filed its *Ex Parte* Application to Extend Temporary Restraining Order. (D.E. 17). On January 18, 2024, this Court granted Plaintiff's motion for extension of a temporary restraining order for fourteen additional days, expiring on February 6, 2024. (D.E. 18).

II. ARGUMENT

A. *A Preliminary Injunction Extending Relief Already Granted in the TRO Is Appropriate*

Plaintiff respectfully requests that this Court convert the TRO to a preliminary injunction to prevent further unlawful conduct by Defendants. "The basis of injunctive relief in the federal courts has always been irreparable harm and inadequacy of legal remedies." *Sampson v. Murray*, 415 U.S. 61, 88 (1974). In other words, "[t]he purpose of a temporary restraining order, like a preliminary injunction, is to protect against irreparable injury and preserve the status quo until the district court renders a meaningful decision on the merits." *Schiavo ex rel. Schindler v. Schiavo*, 403 F.3d 1223, 1231 (11th Cir. 2005) (internal citation omitted).

District courts have the power to issue injunctions and thus enjoin a defendant from transferring assets. *Palmer v. Braun*, 287 F.3d 1325, 1329 (11th Cir. 2002) (“The grant or denial of a preliminary injunction is within the sound discretion of the district court and will not be disturbed absent a clear abuse of discretion.”). Given the illicit nature of intellectual property infringement, broad asset restraints preserve the availability of permanent relief by preserving all assets, even if they may not be directly traceable to the fraudulent activity subject to equitable relief. *See S.E.C. v. Lauer*, 445 F. Supp. 2d 1362, 1370 (S.D. Fla. 2006) (noting that there is no requirement for the restrained assets be traceable to the fraudulent activity underlying a lawsuit); *Kemp v. Peterson*, 940 F.2d 110, 113-14 (4th Cir. 1991) (holding that district court may restrain assets not specifically traced to illegal activity). Furthermore, given the illicit nature of trademark infringement, it is necessary to maintain the status quo of asset preservation. *See SEC v. ETS Payphones*, 408 F.3d 727, 735 (11th Cir. 2005) (finding it proper to restrain all of the defendant’s assets to preserve funds for disgorgement).

B. This Court Has Already Found that the Requirements for a Preliminary Injunction Have Been Satisfied

The standard for granting a TRO and the standard for granting a preliminary injunction are identical in this Circuit. *Schiavo ex rel. Schindler*, 403 F.3d at 1225. As a result, the requirements for entry of a preliminary injunction extending the TRO have been satisfied by virtue of this Court’s entry of a TRO. Notwithstanding, this memorandum will review the factors which must be established for this Court to grant a preliminary injunction.

To prevail in federal court on a motion for a preliminary injunction on a copyright infringement claim, the movant must establish that: (1) it has a substantial likelihood of success on the merits of its copyright infringement claim; (2) a substantial threat exists that it will suffer irreparable injury if injunctive relief is denied; (3) the threatened injury to the movant outweighs

the threatened harm the injunction may do to the opponent; and (4) granting a preliminary injunction will serve the public interest. *Suntrust Bank v. Houghton Mifflin Company*, 268 F.3d 1257, 1265 (11th Cir. 2001); *Schiavo ex rel. Schindler*, 403 F.3d at 1225-26; *see also Levi Strauss & Co. v. Sunrise Int'l Trading Inc.*, 51 F.3d 982, 985 (11th Cir. 1995) (affirming entry of preliminary injunction).

1) Likelihood of Success on Counterfeiting and Infringement Claim

Title 15 U.S.C. §1114 provides liability for trademark infringement if, without the consent of the registrant, a defendant uses “in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.” Thus, DEJIAYUN must demonstrate (1) ownership of the trademarks at issue; (2) Defendants’ use of the trademarks is without DEJIAYUN’s authorization; and (3) Defendants’ use is likely to cause confusion, mistake, or deception as to the source, affiliation, or sponsorship of Defendants’ Goods. *See* 15 U.S.C. § 1114(1). DEJIAYUN’s evidence and price comparison chart submitted with the Motion for Temporary Restraining Order and Supplemental Declaration of Deng Jialiang satisfies the three requirements of 15 U.S.C. § 1114 by establishing that Defendants advertised, marketed, and offered for sale counterfeit items using the BAGILAANOE Mark. (D.E. 8, 8-3, 8-4). The first two elements of DEJIAYUN’s trademark counterfeiting and infringement claims are easily met.

(1) OWNERSHIP OF THE TRADEMARK AT ISSUE

The BAGILAANOE Mark was registered with the United States Patent and Trademark Office (hereinafter, “USPTO”) on May 7, 2019, for use with goods in Class 25 and assigned Reg.

No. 5,745,285. (D.E. 8, 8-1). A true and correct copy of BAGILAANOE's trademark registration record has been attached to the Deng Declaration. (D.E. 8-1).

(2) DEFENDANTS' USE OF THE TRADEMARKS IS WITHOUT DEJIAYUN'S AUTHORIZATION

The BAGILAANOE Mark is lawfully sold exclusively by the Plaintiff, has never been licensed and is not subject to sale by any authorized retailers. (D.E. 8 at ¶¶ 3, 7, 14, 16).

(3) DEFENDANTS' USE IS LIKELY TO CAUSE CONFUSION, MISTAKE, OR DECEPTION AS TO THE SOURCE, AFFILIATION, OR SPONSORSHIP OF DEFENDANTS' GOODS

The Eleventh Circuit uses a seven-factor test in determining the third element, likelihood of confusion. *See Ross Bicycles, Inc. v. Cycles USA, Inc.*, 765 F.2d 1502, 1506 (11th Cir. 1985). These factors are: (1) the strength of the mark; (2) the similarity of marks; (3) the similarity of the goods; (4) similarity of the sales methods; (5) the similarity of advertising media; (6) defendants' intent; and (7) evidence of actual confusion. *Id.*; *see also Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1303 (11th Cir. 1997). The seven factors listed are to be weighed and balanced and no single factor is dispositive. (*Id.*)

Strength of the Mark

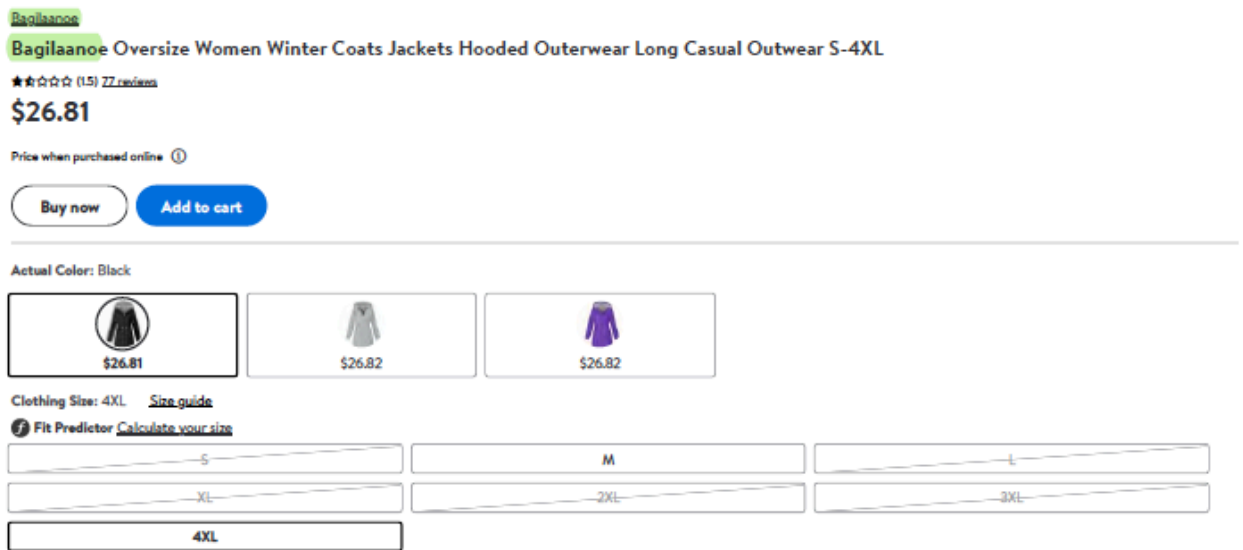
A trademark's strength is determined by viewing the mark in its entirety as it appears in the marketplace. *See Lone Star Steakhouse and Saloon, Inc. v. Longhorn Steaks, Inc.*, 106 F.3d 355, 362 (11th Cir. 1997). The spectrum of protectability and strength for trademarks is divided into four primary types of designations: (1) coined, fanciful or arbitrary; (2) suggestive; (3) descriptive; and (4) generic. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112 S. Ct. 2753, 120 L.Ed.2d 615 (1992). Arbitrary or fanciful marks are the strongest and deemed inherently distinctive and entitled to protection. (*See id.*). As an undeniably original name, there

can be no accident in offering for sale a product named BAGILAANOE unless the seller intends on using the Mark. Thus, BAGILAANOE is arbitrary and fanciful. (*See generally* D.E. 8, 8-1).

Furthermore, BAGILAANOE has value as a brand. (D.E. 8 at ¶¶ 4, 8, 9-11). Plaintiff has expended substantial time, labor, skill, and expense in developing, advertising, and promoting products under the BAGILAANOE Mark. (D.E. 8 at ¶¶ 11, 12). In addition, as the exclusive seller, Plaintiff has guarded the customer experience by establishing consistent and regular protocols for customer service. (D.E. 8 at ¶¶ 24, 25, 26). As a result, BAGILAANOE is recognized worldwide and has become a successful brand. (D.E. 8 at ¶¶ 8, 9, 10).

Similarity of the Mark

When an infringer uses the exact trademark, the likelihood of confusion is greater. *Turner Greenberg Assocs. v. C & C Imps.*, 320 F. Supp. 2d 1317, 1332 (S.D. Fla. 2004). In the instant case, Plaintiff has submitted evidence establishing that the Defendants are offering for sale, marketing and advertising with the BAGILAANOE Mark. (D.E. 8, 8-3, 8-4). Indeed, the Defendants place the Mark directly into the title of the product listing for their counterfeit products as exemplified below:



D.E. 8-3 at 8.

By identifying Bagilaanoe in the product listing as reflected in the example above, Defendants are associating their own counterfeit products with the BAGILAANOE Mark.

Similarity of the Products

“The greater the similarity between the products and services, the greater the likelihood of confusion.” *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 976 (11th Cir. 1983). Each Defendant is offering to sell, marketing, advertising, and listing its product for sale and distribution as “BAGILAANOE” and using the BAGILAANOE Mark. (D.E. 8, 8-3, 8-4). As testified to by Deng Jialiang and supported by the evidence provided in this case, the Defendants’ products are substantially similar in appearance. (D.E. 8, 8-3, 8-4). Standing alone, this similarity can be held sufficient to establish a likelihood of confusion. *See id.*

Similarity of Sales Method and Advertising Method

Convergent marketing channels increase the likelihood of confusion. *See Turner Greenberg Assocs.*, 320 F. Supp. 2d at 1332. Both Plaintiff and Defendants advertise and sell their products throughout the United States, including the Southern District of Florida, using the Walmart e-commerce platform. (D.E. 8 at ¶ 14; *see generally* D.E. 8-3, 8-4). As a result of identifying their products as BAGILAANOE, customers who search BAGILAANOE on the e-commerce platform would receive results of both Plaintiff and Defendants’ infringing products. (*See generally* D.E. 8 ¶¶ 13, 16-18). Furthermore, Defendants sell their products at significantly lower prices than Plaintiff, intentionally drawing customers away from Plaintiff. (D.E. 8 at ¶15; 8-4). Defendants are clearly intentionally availing themselves to the same consumers as BAGILAANOE, and thus directly competing with BAGILAANOE.

Defendants' Intent

This district has held that when an alleged infringer adopts a mark “with the intent of obtaining benefit from the plaintiff’s business reputation, ‘this fact alone may be sufficient to justify the inference that there is confusing similarity.’” *Turner Greenberg Assocs.*, 320 F. Supp.2d at 1333 (internal citation omitted). Defendants’ stores market products which appear substantially similar on the same e-commerce platform as Plaintiff. It is apparent that Defendants are offering not only the products, but utilizing the coinciding reputation and goodwill of BAGILANO that Plaintiff has built. *See Playboy Ent., Inc. v. P.K. Sorren Export Co. Inc. of Fla.*, 546 F. Supp. 987, 996 (S.D. Fla. 1982).

Evidence of Actual Confusion

Intent can be proven with direct or circumstantial evidence. *See Jellibears, Inc. v. Skating Clubs of Ga., Inc.*, 716 F.2d 833, 843 (11th Cir. 1983). Intent can “justify the inference that there is confusing similarity.” *Frehling Enters.*, 192 F.3d at 1340. But “it is neither a necessary nor sufficient condition for determining the ultimate legal fact of the ‘likelihood of confusion’.” *Jellibears*, 716 F.2d at 843 n.23. In the instant case, a reasonable inference may be made that actual confusion exists where Defendants are advertising, offering to sell, marketing, and displaying their products which appear substantially similar to Plaintiff’s products. (*See* D.E. 8 at ¶¶ 14-16).

The seven factors discussed above weigh only in Plaintiff’s favor and so Plaintiff has shown a probability of success on the merits of its trademark counterfeiting claim. As to the likelihood of the success on Plaintiff’s False Designation of Origin Claim, the test for liability is whether the public is likely to be deceived or confused by the similarity of the marks at issue. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 780 (1992). Whether the violation is called

infringement or false designation of origin, the test is identical and asks if there is a likelihood of confusion. *Id.* Because Plaintiff has established the merits of its trademark counterfeiting and infringement claim against Defendants, a likelihood of success is likewise established as to Plaintiff's claim for false designation of origin.

C. The Equitable Relief Sought Remains Appropriate

Courts throughout the Southern District of Florida and other sister districts regularly grant requests for similar injunctive relief as that requested by Plaintiff here. *See CBS, Inc. v. PrimeTime 24 Joint Venture*, 9 F.Supp.2d 1333, 1344-45 (S.D.Fla. 1998) (irreparable harm shown where infringing conduct resulted in lost network and station revenue).

By virtue of this Court's prior orders granting the temporary restraining order (D.E. 12) and extension of the temporary restraining order (D.E. 18), this Court has already found that immediate and irreparable harm will be mitigated or prevented by asset restraint. Plaintiff respectfully submits that there has been no change in circumstances which would affect this Court's reconsideration of any immediate and irreparable injury, loss, or damage to movant without the relief requested herein. In the absence of a preliminary injunction, Defendants will likely attempt to move any assets from any accounts in U.S.-based financial institutions to an offshore account, thus denying Plaintiff the equitable remedy of accounting for profits. (D.E. 8 at ¶ 21).

III. CONCLUSION

In view of the foregoing, Plaintiff respectfully requests that this Court enter the preliminary injunction in the form submitted herewith.

[signature on following page]

Respectfully Submitted this 29th of January, 2024,

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