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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

HERMAN MILLER INC.,

Plaintiff,

No. C 08-03437 WHA

v.

ALPHAVILLE DESIGN INC., ALL  
WORLD FURNITURE, INC., and  
YONGFENG FURNITURE CO., LTD.,

Defendants.

**ORDER GRANTING  
PLAINTIFF’S MOTION FOR  
DEFAULT JUDGMENT AND  
PERMANENT INJUNCTION  
AGAINST DEFENDANT  
YONGFENG FURNITURE  
CO., LTD.**

\_\_\_\_\_  
AND COUNTERCLAIM OF  
ALPHAVILLE DESIGN, INC.  
\_\_\_\_\_

**INTRODUCTION**

In this trademark infringement action, plaintiff Herman Miller, Inc., moves for default judgment, permanent injunction, statutory damages, and attorney’s fees and costs. For the following reasons, the motion is **GRANTED**.

**STATEMENT**

The following facts are alleged by plaintiff. Plaintiff is a manufacturer of office and home furniture. Plaintiff has used the names “Eames,” “Charles Eames,” and “Ray Eames” in connection with its furniture since 1951 due to a long-time working relationship between plaintiff and designers Charles and Ray Eames. On January 26, 1982, the United States Patent and Trademark Office issued plaintiff Registration No. 1,187,673 for the EAMES® trademark.

1 In 1956, Charles and Ray Eames designed the EAMES® Lounge Chair and Ottoman.  
2 Plaintiff now also owns Trademark Registration No. 2,716,843, which provides plaintiff with the  
3 exclusive right to use the EAMES® Lounge Chair and Ottoman design in connection with its  
4 furniture. Since the chair was developed in 1956, plaintiff has advertised and sold over 100,000  
5 EAMES® Lounge Chairs and Ottomans under the Herman Miller name. Plaintiff claims that the  
6 design of this chair is unique and distinctive. After many years of advertising and selling  
7 furniture in connection with these trademarks, plaintiff has developed a reputation for  
8 manufacturing and marketing EAMES® contemporary furniture products.

9 Defendant Yongfeng Furniture Co. Ltd. is located in China, but manufactures and exports  
10 furniture to co-defendant Alphaville Design, Inc., a Delaware corporation with its principle place  
11 of business in California. Plaintiff alleges that Yongfeng manufactures counterfeit EAMES®  
12 Lounge Chairs and Ottomans in China and transports these chairs to retailers for sale in the  
13 United States. These counterfeit chairs are “identical with, or substantially indistinguishable  
14 from” plaintiff’s registered EAMES® Lounge Chair and Ottoman. Yongfeng also advertises  
15 these counterfeit chairs as the “Charles Eames Chair and Ottoman Set.”

16 Plaintiff filed a complaint on July 16, 2008 (Dkt. No. 1). At that time, plaintiff did not  
17 know the identity of defendant Yongfeng Furniture Co. Ltd. and instead named this defendant as  
18 “Unknown China Company.” During the initial pre-trial conference on October 30, 2008, this  
19 Court ordered co-defendant Alphaville to disclose the name of the Unknown China Company to  
20 plaintiff to allow plaintiff to properly amend the complaint (Dkt. No. 46 at 6–9). On that same  
21 day, Alphaville filed a supplemental initial disclosure identifying Yongfeng Furniture Co., Ltd.,  
22 as the Unknown China Company (Dkt. No. 74 Exh. 19).

23 Plaintiff filed the first amended complaint on January 23, 2009 (Dkt. No. 65). It alleges  
24 claims against defendant Yongfeng Furniture Co., Ltd. for:

- 25 1. Trade dress infringement and unfair competition regarding the  
26 EAMES® Lounge Chair and Ottoman under 15 U.S.C. 1114(1) and 1125(a),  
27 California Business and Professions Code 17200 *et seq.*, and California common  
28 law; and



1 *Bauman v. DaimlerChrysler Corp.*, No. 07-15386, 2009 U.S. App. LEXIS 19360, at \*8–9  
2 (9th Cir. Aug. 28, 2009) (internal quotation marks and citations omitted).

3 Personal jurisdiction may be either general or specific to the allegations in the complaint.

4 *See Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 801–02 (9th Cir. 2004).

5 Plaintiff claims that this Court has specific jurisdiction over Yongfeng (*see* Dkt. No. 77).

6 The Ninth Circuit applies a three-element test for analyzing claims of specific jurisdiction:

7 (1) The non-resident defendant must purposefully direct his  
8 activities or consummate some transaction with the forum or  
9 resident thereof; or perform some act by which he purposefully  
avails himself of the privilege of conducting activities in the  
forum, thereby invoking the benefits and protections of its laws;

10 (2) The claim must be one which arises out of or relates to the  
11 defendant’s forum-related activities; and

12 (3) The exercise of jurisdiction must comport with fair play  
and substantial justice, *i.e.*, it must be reasonable.

13 *Id.* at 802.

14 **A. Purposeful Direction and Availment.**

15 The first element “includes both purposeful availment and purposeful direction. It may be  
16 satisfied by purposeful availment of the privilege of doing business in the forum; by purposeful  
17 direction of activities at the forum; or by some combination thereof.” *Yahoo! Inc. v. La Ligue*  
18 *Contre Le Racisme Et. L’Antisemitisme*, 433 F.3d 1199, 1206 (9th Cir. 2006). “Evidence of  
19 availment is typically action taking place in the forum that invokes the benefits and protections  
20 of the laws in the forum. Evidence of direction generally consists of action taking place outside  
21 the forum that is directed at the forum.” *Pebble Beach Co. v. Caddy*, 453 F.3d 1151, 1155  
22 (9th Cir. 2006).

23 Here, plaintiff argues that defendant Yongfeng *purposefully directed* activities at the  
24 forum by distributing counterfeit furniture to a company in California to facilitate the sale of such  
25 furniture in California. *See id.* at 1155–56 (“[E]vidence of purposeful direction includes activities  
26 such as distribution and advertising”). In purposeful direction cases, courts normally employ the  
27 “effects test” of *Calder v. Jones*, 465 U.S. 783 (1984). The Ninth Circuit construes *Calder* as  
28 imposing three requirements: “The defendant allegedly [must] have (1) committed an intentional

1 act, (2) expressly aimed at the forum state, (3) causing harm that the defendant knows is likely to  
2 be suffered in the forum state.” *Yahoo! Inc.*, 433 F.3d at 1207.

3 The following facts support the contention that Yongfeng committed an intentional act  
4 that was expressly aimed at the forum state, thereby fulfilling prongs one and two of the “effects  
5 test.” *First*, Yongfeng delivered counterfeit chairs under the EAMES® name to a company in  
6 California. *Second*, Yongfeng intended for the resale of the counterfeit chairs in California.  
7 *Third*, Yongfeng’s website states that it manufactures exclusively for export, with North America  
8 being a main export market.

9 The third prong of the “effects test” — causing harm that defendant knows is likely to be  
10 suffered in the forum state — is also met as to Yongfeng because plaintiff’s alleged harms of  
11 suffering a loss of goodwill and lost profits occurred in California due to sales of the counterfeit  
12 furniture in California, as defendant presumably knew they would be. Accordingly, all prongs  
13 of the “effects test” are satisfied.

14 **B. Connection to Forum-Related Activities.**

15 As to the second element of the specific jurisdiction test, plaintiff must show that its  
16 claims arise out of or relate to defendant Yongfeng’s forum-related activities. In making this  
17 determination, the Ninth Circuit inquires whether plaintiff would have been injured *but for*  
18 defendant’s conduct directed toward the forum state. *Ballard v. Savage*, 65 F.3d 1495, 1500  
19 (9th Cir. 1995); *Thomas Weisel Partners LLC v. BNP Paribas, et al.*, No. C 07-6198 MHP, 2008  
20 U.S. Dist. LEXIS 65936, at \*20 (N.D. Cal. Aug. 26, 2008) (Patel, J.).

21 There is no doubt that plaintiff’s claims arise from Yongfeng’s forum-related activities.  
22 Indeed, plaintiff’s claim stems from Yongfeng’s distribution of counterfeit furniture to a  
23 California-based company for sale in California. Additionally, *but for* Yongfeng’s conduct in  
24 infringing plaintiff’s trademarks, the alleged harm to plaintiff would not have occurred. In sum,  
25 this element is satisfied.

26 **C. Reasonableness.**

27 Because plaintiff has satisfied its burden under the first two elements of the specific  
28 jurisdiction test, the burden now shifts to defendants to “‘present a compelling case’ that the

1 exercise of jurisdiction would not be reasonable.” *Schwarzenegger*, 374 F.3d at 802 (quoting  
2 *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476–78 (1985)). Here, Yongfeng has failed to  
3 plead or otherwise defend; consequently, no compelling reasons have been presented as to why  
4 the exercise of jurisdiction over Yongfeng would be unreasonable. Presumably, had Yongfeng  
5 filed a responsive pleading or otherwise appeared in this case, Yongfeng might have emphasized  
6 a lack of geographic connection to the United States. Regardless, any such concerns would be  
7 insufficient to render jurisdiction unreasonable. If the reasonableness inquiry were dictated by  
8 the extent of a defendant’s geographic ties to the forum alone, the purposeful availment and  
9 purposeful direction inquiries would be meaningless.

10 Although the burden on the defendant is a relevant factor, the other fairness and  
11 reasonableness factors weigh in favor of finding that such an exercise of jurisdiction is  
12 reasonable, including the forum state’s interest in adjudicating the dispute, plaintiff’s interest in  
13 obtaining convenient and effective relief, judicial efficiency, and the shared interest of states “in  
14 furthering fundamental substantive social policies.” *Burger King Corp.*, 471 U.S. at 476–77.  
15 Plaintiff certainly has a strong interest in obtaining effective and efficient relief. Likewise, the  
16 forum state has an interest in adjudicating this dispute as the parties are conducting business in  
17 the forum and a decision now will prevent future suits over similar conduct thereby serving  
18 judicial efficiency. Finally, preventing the continued infringement of trademarks is certainly a  
19 substantive policy.

20 In sum, the three-element test for analyzing claims of specific jurisdiction is satisfied.  
21 Accordingly, personal jurisdiction over defendant Yongfeng is proper.

## 22 2. SERVICE OF PROCESS.

23 Federal Rule of Civil Procedure 4 governs service of process in federal court. Rule  
24 4(h)(2) authorizes service on a foreign corporation outside of the United States “in any manner  
25 prescribed for individuals by subdivision [4](f) except personal delivery as provided in paragraph  
26 (2)(C)(i) thereof,” unless a waiver of service has been obtained and filed. In the present case, no  
27 waiver of service was obtained. Rule 4(f) authorizes, *inter alia*, service by the methods  
28 prescribed in the Hague Convention on the Service Abroad of Judicial and Extrajudicial

1 Documents in Civil or Commercial Matters, Nov. 15, 1965, 20 U.S.T. 361, 658 U.N.T.S. 163  
2 (hereinafter the Hague Convention).

3 The Hague Convention governs service on persons in foreign countries that are parties to  
4 the Convention. Indeed, “[c]ompliance with the Convention is mandatory in all cases to which it  
5 applies.” *Volkswagenwerk Aktiengesellschaft v. Schlunk*, 486 U.S. 694, 705 (1988). Both China  
6 and the United States are parties to the Hague Convention. See *The Hague Conference on Private*  
7 *International Law website*, “Status Table of the Service Convention,” 1951–2009, available at  
8 *www.hcch.net* (last visited Oct. 8, 2009). Under the Hague Convention:

9 Requests for service must conform to a model form attached to the  
10 Hague Convention. *The Hague Convention*, art. 3, . . . The form,  
11 as well as all relevant documents, should be sent “by the judicial  
12 officer of authority in the state in which the documents originate  
13 to the designated central authority of the country in which the  
14 recipient is located.” *Cipolla v. Picard Porsche Audi, Inc.*,  
15 496 A.2d 130, 131–132 (R.I. 1985); see *The Hague Convention*,  
16 art. 4 . . . “Once a central authority receives a request in the proper  
17 form, it must serve the documents by a method prescribed by the  
18 internal law of the receiving state or by a method designated by the  
19 requester and compatible with that law. The central authority must  
20 then provide a certificate of service that conforms to a specific  
21 model.” *Schlunk*, 486 U.S. at 698; see *The Hague Convention* arts.  
22 5–6 . . . [T]he Hague Convention ensures that proper service upon  
23 foreign defendants will be effected in accordance with Rule  
24 4(h)(2).

17 *Nuance Communications, Inc. v. Abby Software House*, No. C 08-02912 JSW, 2009 U.S. Dist.  
18 LEXIS 75583, at \*10–11 (N.D. Cal. Aug. 25, 2009) (White, J.).

19 As explained in plaintiff’s submissions in response to the order concerning personal  
20 jurisdiction and service (Dkt. Nos. 77–78), plaintiff has complied with these requirements.  
21 Plaintiff’s request form for service, as well as all relevant documents, were sent to the Chinese  
22 Central Authority for personal service upon Yongfeng. Upon receipt of these documents, the  
23 Central Authority then served Yongfeng and returned the certificate of service to plaintiff,  
24 pursuant to the Hague Convention. Indeed, the “Central Authority’s return of a completed  
25 certificate of service is prima facie evidence that the Authority’s service . . . was made in  
26 compliance with [the foreign nation’s] law.” *Northrup King Co. v. Compania Productora*  
27 *Semillas Algodoneras Selectas, S.A.*, 51 F.3d 1383, 1390 (8th Cir. 1995); see also *Brockmeyer v.*  
28 *Marquis Publications, Ltd.*, 383 F.43d 798, 804 (9th Cir. 2004) (“The Hague Convention

1 affirmatively authorizes service of process through the Central Authority of a receiving state”).  
2 Defendant Yongfeng was, therefore, properly served with the first amended complaint in  
3 accordance with the requirements of due process.

4 **3. DEFAULT JUDGMENT.**

5 Under FRCP 55(b)(2), a party can apply to the court for entry of judgment by default.  
6 “The district court’s decision whether to enter a default judgment is a discretionary one.”  
7 *Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). In determining whether default judgment  
8 is appropriate, the following factors are considered:

9 (1) [T]he possibility of prejudice to plaintiff, (2) the merits of  
10 plaintiff’s substantive claim, (3) the sufficiency of the complaint,  
11 (4) the sum of money at stake in the action, (5) the possibility of a  
12 dispute concerning the material facts, (6) whether the default was  
13 due to excusable neglect, and (7) the strong policy underlying the  
14 Federal Rules of Civil Procedure favoring decisions on the merits.

15 *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986). For the following reasons, these  
16 factors favor entry of default judgment against defendant Yongfeng.

17 **A. Merits of Substantive Claims and**  
18 **Sufficiency of the Complaint.**

19 After the entry of default, all well-pleaded factual allegations in the complaint are taken as  
20 true, except as to the amount of damages. *Fair Housing of Marin v. Combs*, 285 F.3d 899, 906  
21 (9th Cir. 2002). The merits of plaintiff’s substantive claims and the sufficiency of the complaint  
22 are thus considered together.

23 At the outset, this order notes that plaintiff’s certificates of trademark registration  
24 regarding the EAMES® name and the EAMES® Lounge Chair and Ottoman are “prima facie  
25 evidence of the validity of the mark[s] and . . . shifts the burden of proof to the contesting party,  
26 who must introduce sufficient evidence to rebut the presumption of the holder’s right to protected  
27 use.” *Qualitex Co. v. Jacobson Products Co., Inc.*, 13 F.3d 1297, 1301 (9th Cir. 1994), *overruled*  
28 *on other grounds by Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159 (1995).

Plaintiff claims that defendant Yongfeng is liable for trademark infringement, trade dress  
infringement, and unfair competition based on Yongfeng’s use of the EAMES® trademark and  
counterfeit manufacture and distribution of the EAMES® Lounge Chair and Ottoman in violation



1 of 15 U.S.C. 1114(1) and 1125(a), California Business and Professions Code 17200 *et seq.*, and  
2 California common law. Because plaintiff holds registered trademarks on both the EAMES®  
3 name and the EAMES® Lounge Chair and Ottoman, the elements that plaintiff must meet to state  
4 a claim are the same as to *all* of plaintiff’s federal and state law claims.<sup>1</sup> These elements are as  
5 follows: (1) defendant must have used the protected trademark “in commerce,” and (2) that use  
6 must be likely to confuse or misrepresent to consumers the characteristics of goods or services.  
7 *Karl Storz Endoscopy-America, Inc. v. Surgical Technologies, Inc.*, 185 F.3d 848, 853–54  
8 (9th Cir. 2002).

9 Under 15 U.S.C. 1127, “a mark is ‘used in commerce’ when (1) the mark has been placed  
10 on the goods or their containers, labels or the documents associated with the goods or their sale,  
11 and (2) the goods are sold or transported in commerce.” *Karl Storz Endoscopy-America*, 185 F.3d  
12 at 855 (internal quotation marks omitted). Plaintiff’s complaint sufficiently states that defendant  
13 used the EAMES® name and counterfeit EAMES® furniture “in commerce” because the  
14 EAMES® name was placed on furniture that was near identical to the design of the EAMES®  
15 Lounge Chair and Ottoman, and such counterfeit furniture was then advertised, sold, and  
16 transported in commerce by defendant. Thus, this element is satisfied.

17 The second element is “[t]he core element . . . , *i.e.*, whether the similarity of the marks is  
18 likely to confuse customers about the source of the products.” *The Freecycle Network, Inc. v.*  
19 *Oey*, 505 F.3d 898, 902 (9th Cir. 2007) (internal quotation marks and citations omitted).  
20 The Ninth Circuit considers the following eight factors as relevant to determining whether there  
21 is a likelihood of confusion:

- 22 (1) [S]trength of the mark; (2) proximity of the goods;  
23 (3) similarity of the marks; (4) evidence of actual confusion;  
24 (5) marketing channels used; (6) type of goods and the degree of  
25 care likely to be exercised by the purchaser; (7) defendant’s intent

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26 <sup>1</sup> See *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 631–32 (9th Cir. 2007) (federal claims under  
27 15 U.S.C. 1114(1) and 1125(a) and state law claims for unfair competition under California Business and  
28 Professions Code 17200 and California common law are all subject to the same test); *E.S.S. Entertainment*  
*2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1098 n.1 (9th Cir. 2008) (trade dress infringement and  
trademark infringement claims under Section 1125(a) follow the same analysis); *Two Pesos, Inc. v. Taco*  
*Cabana, Inc.*, 505 U.S. 763, 768 (1992) (Section 1125(a) prohibits a broader range of practices than  
Section 1114(1), which requires a registered trademark, and thereby encompasses Section 1114(1) claims).

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in selecting the mark; and (8) likelihood of expansion of the product lines.

*Id.* at 903 n.5. Although not all elements must be satisfied, the complaint states sufficient facts to fulfill each element.

*First*, the mark is strong due to plaintiff’s use of the EAMES® name in connection with its furniture since at least 1951 and “industry-wide reputation” associated with the mark (First Amd. Compl. 4). *Second*, Yongfeng’s counterfeit furniture is in close-proximity to plaintiff’s because it is exported for sale in the United States (*id.* at 5). *Third*, the marks are substantially similar because “Yongfeng’s knockoff furniture is identical with, or substantially indistinguishable from” plaintiff’s design (*id.* at 6). *Fourth*, “evidence that the defendant intentionally copied the plaintiff’s mark” is “persuasive proof that future confusion is likely” because “a defendant is presumed able to accomplish this purpose.” *Kendall-Jackson Winery*, 150 F.3d at 1048. That the counterfeit furniture is identical to, or substantially indistinguishable from, the Herman Miller furniture and labeled with the EAMES® name is sufficient to show that Yongfeng intentionally copied plaintiff’s marks — actual confusion is therefore presumed. *Fifth*, there is similarity in marketing channels because of the close proximity of the goods and Yongfeng’s advertising to United States customers (*id.* at 5–6). *Sixth*, consumers are not likely to be particularly diligent in researching the actual manufacturer of the chair prior to purchasing given the familiarity of the EAMES® name in the United States. *Seventh*, the substantial similarity between the products demonstrates that Yongfeng’s intent in selecting the EAMES® mark was most likely for reasons of profit at the expense of plaintiff. *Eighth*, given that Yongfeng was bold enough to use the EAMES® name on substantially identical furniture, there is no reason why Yongfeng would not attempt to expand the product line of counterfeit EAMES® furniture in the future.

In sum, all factors militate in favor of a *strong* likelihood of consumer confusion, and the complaint sufficiently states claims for trademark infringement, trade dress infringement, and unfair competition under 15 U.S.C. 1114(1) and 1125(a), California Business and Professions Code 17200 *et seq.*, and California common law against defendant Yongfeng.

1                                    **B.        Remainder of the *Eitel* Factors.**

2                                    The remainder of the *Eitel* factors favor entering default judgment in favor of plaintiff.  
3                                    If this motion is not granted, plaintiff will be left without a remedy or a means to prevent  
4                                    Yongfeng’s continued infringement. Yongfeng never answered or otherwise responded to the  
5                                    complaint, so it is unclear whether there would be any dispute over material facts. Trademark  
6                                    and trade dress infringement are both strict liability claims, thereby limiting the scope of factual  
7                                    disputes. In general, the fact that a large sum of money is at stake disfavors default judgment.  
8                                    *See Eitel*, 782 F.2d at 1472 (stating that a three million dollar judgment at stake, considered in  
9                                    light of the parties’ dispute as to material facts, supported the court’s decision not to enter  
10                                    default judgment). Here, plaintiff asks for an even larger sum of money — more than four  
11                                    million dollars — in addition to a permanent injunction. As described below, however, the  
12                                    damages are statutory and the amount is left to the Court’s discretion. There is no evidence that  
13                                    Yongfeng’s failure to respond was the result of excusable neglect. Although federal policy does  
14                                    favor a decision on the merits, Rule 55(b) allows entry of default judgment in situations such as  
15                                    this, where the defendant has refused to litigate. On balance, the *Eitel* factors weigh in favor of  
16                                    granting default judgment.

17                                    **C.        Determination of Relief.**

18                                    Allegations of damages are not deemed true simply because of the defendant’s default.  
19                                    Some proof of the amount is required. *Geddes v. United Financial Group*, 559 F.2d 557, 560  
20                                    (9th Cir. 1977). Plaintiff seeks a permanent injunction, statutory damages, and attorney’s fees  
21                                    and costs.

22                                    **(1)        Permanent Injunction.**

23                                    Injunctive relief is available to prevent future trademark infringement under the Lanham  
24                                    Act. *See* 15 U.S.C. §§ 1116(c), 1125(a). Indeed, “[i]njunctive relief is the remedy of choice for  
25                                    trademark and unfair competition cases, since there is no adequate remedy at law for the injury  
26                                    caused by a defendant’s continuing infringement.” *Century 21 Real Estate Corp. v. Sandlin*,  
27                                    846 F.2d 1175, 1180 (9th Cir. 1988). Plaintiff has demonstrated that defendant Yongfeng’s  
28                                    infringement has caused irreparable injury by hurting the goodwill of Herman Miller’s iconic

1 furniture piece and the EAMES® name. Moreover, Yongfeng’s refusal to answer or appear in  
2 this action makes it difficult for plaintiff to prevent further infringement. An injunction would  
3 serve to prevent Yongfeng from continuing to infringe plaintiff’s trademarks and would resolve  
4 the on-going public confusion regarding the EAMES® furniture. In sum, the “traditional  
5 equitable principles” established by *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837, 1839–40  
6 (2006), are satisfied, and injunctive relief is warranted. Plaintiff’s motion for a permanent  
7 injunction is **GRANTED**. Defendant Yongfeng Furniture Co., Ltd., is hereby permanently  
8 enjoined from:

- 9 1. Exporting into the United States copies, reproductions, colorable  
10 imitations, or counterfeits of the EAMES® Lounge Chair and Ottoman; and
- 11 2. Using EAMES®, any colorable imitation thereof, or any other  
12 mark likely to cause confusion with EAMES® in connection with the sale of  
13 furniture for export into the United States.

14 (2) ***Statutory Damages.***

15 For trademark actions involving the use of a counterfeit mark, a plaintiff may elect to  
16 recover statutory damages at any time before final judgment is entered. 15 U.S.C. § 1117(c).  
17 In its discretion, a court can award “not less than \$1,000 or more than \$200,000 per counterfeit  
18 mark per type of goods or services sold, offered for sale, or distributed, as the court considers  
19 just.” *Ibid.* A court may also grant enhanced damages of up to \$2,000,000 per counterfeit mark  
20 on a finding of willful infringement. *Ibid.* Willful infringement occurs when the defendant  
21 knowingly and intentionally infringes on a trademark. *See Earthquake Sound Corp. v. Bumper*  
22 *Industries*, 352 F.3d 1210, 1216–17 (9th Cir. 2003). Willfulness can also be inferred from a  
23 defendant’s failure to defend. *Philip Morris USA, Inc. v. Castworld Products, Inc.*, 219 F.R.D.  
24 494, 500 (C.D. Cal. 2003).

25 Plaintiff argues that defendant Yongfeng’s infringement was willful for the following  
26 reasons. *First*, plaintiff notified Yongfeng that the furniture was both counterfeit and infringing  
27 on trademarks, yet Yongfeng persisted in its illegal behavior. *Second*, due to Yongfeng’s failure  
28 to appear, plaintiff has been unable to determine its precise damages because plaintiff does not

1 know exactly how many counterfeit EAMES® Lounge Chair and Ottoman sets Yongfeng has  
2 exported to the United States. *Third*, Yongfeng’s labeling of the furniture as the “Charles Eames  
3 Chair” proves that Yongfeng intended to copy and create counterfeits of the EAMES® Lounge  
4 Chair and Ottoman. This order agrees that these factors support a finding of willful infringement  
5 on the part of defendant Yongfeng.

6 Plaintiff asks for the maximum enhanced statutory damages for the infringement of each  
7 of two trademarks. At \$2,000,000 per counterfeit trademark, the tab comes to \$4,000,000. It is  
8 true that due to Yongfeng’s failure to appear and respond to the lawsuit, plaintiff does not know  
9 exactly how many counterfeit chairs have been sold — but that in itself simply does not support  
10 levying a statutory damages award of \$4,000,000. *See Chanel, Inc. v. Doan*, No. C 05-03464  
11 VRW, 2007 WL 781976, at \*5 (N.D. Cal. Mar. 13, 2007) (Walker, J.) (granting the plaintiff’s  
12 request for statutory damages on default judgment where it bore a plausible relationship to the  
13 defendant’s profits from infringement). Statutory damages are intended to serve as a deterrent,  
14 but that does not justify such a windfall. *See Peer International Corp. v. Pausa Records, Inc.*,  
15 909 F.2d 1332, 1332 (9th Cir. 1990).

16 A court has wide discretion to determine the amount of statutory damages between the  
17 statutory maxima and minima. *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir.  
18 1984). In calculating statutory damages, some courts have looked to estimates of actual  
19 damages. *Sara Lee Corp. v. Bags of New York, Inc.*, 36 F. Supp. 2d 161, 170 (S.D.N.Y. 1999).  
20 Here, plaintiff has presented no estimate of how much Yongfeng profited from its infringing  
21 activity. Plaintiff’s statements that Yongfeng generates over five million dollars in yearly  
22 revenue (as of 2005), currently has production capacity of over 5000 units per month, and  
23 employs dozens of personnel do not demonstrate how much of this revenue, production capacity,  
24 or personnel are a product of Yongfeng’s sales of counterfeit EAMES® chairs. No case cited by  
25 plaintiff in response to this problem is binding.

26 Plaintiff’s strongest argument for being awarded the maximum statutory damages is that  
27 because Yongfeng is located in China plaintiff will have to expend considerable resources just to  
28 collect on the money judgment. For this proposition, plaintiff cites Arthur Yan, *Enforcing and*

1 *Collecting Money Judgments in China from a U.S. Judgment Creditor's Perspective*, 36 GEO.  
2 WASH. INT'L L. REV. 757, 758 (2004). But this article does not state that enforcing a money  
3 judgment in China is *expensive*, nor does it detail *how expensive* such a process may be.  
4 Rather, the article simply explains that getting such judgments enforced in China has been  
5 “notoriously difficult in recent years.” *Id.* at 758. For example, the article lists one instance of  
6 a company located in the United States having held a judgment against a Chinese paramilitary  
7 unit in the amount of approximately \$10,000 since 1996. *Id.* at 758 n.4. It is certainly not true  
8 that the enforcement of a money judgment in China will cost \$4,000,000. Moreover, the fact that  
9 the judgment may not ultimately be enforced by a Chinese court does not warrant awarding  
10 plaintiff a windfall in statutory damages.

11 Accordingly, the Court concludes it is just to award statutory damages in the amount of  
12 \$250,000 per trademark infringed, for a total of \$500,000. This is 250 times the minimum  
13 allowed under the statute to reflect the finding of willfulness. These damages, coupled with the  
14 permanent injunction granted against defendant Yongfeng, will adequately serve the purpose of  
15 deterrence and will help defray any additional costs associated with attempting to enforce the  
16 judgment in China.

17 (3) *Attorney's Fees and Costs.*

18 An award of reasonable attorney's fees and costs is allowed in “exceptional cases” of  
19 trademark infringement. *See* 15 U.S.C. § 1117(a). “While the term ‘exceptional’ is not defined  
20 in the statute, attorneys’ fees are available in infringement cases where the acts of infringement  
21 can be characterized as malicious, fraudulent, deliberate, or willful.” *Rio Properties, Inc. v. Rio*  
22 *International Interlink*, 284 F.3d 1007, 1023 (9th Cir. 2002). This order has already determined  
23 that defendant Yongfeng's infringement was “willful.”

24 Plaintiff asks for \$9,461.69 in attorney's fees and \$3,965.60 in costs of the action, totaling  
25 \$13,427.29, which its counsel declares is substantially less than the amount of fees and costs  
26 actually accrued in prosecuting this action against defendant Yongfeng (First. Amd. Compl. 21).  
27 Defendant Yongfeng has failed to appear in this action, and the amount of attorney's fees and  
28

1 costs asked for by plaintiff seems reasonable under the circumstances. Accordingly, plaintiff will  
2 be granted its request of \$13,427.29 in attorney's fees and costs.

3 **CONCLUSION**


4 For the above reasons, plaintiff's motion for default judgment and permanent injunction  
5 is **GRANTED**. Defendant Yongfeng Furniture Co., Ltd., is hereby permanently enjoined from:

- 6 1. Exporting into the United States copies, reproductions, colorable  
7 imitations, or counterfeits of the EAMES® Lounge Chair and Ottoman; and  
8 2. Using EAMES®, any colorable imitation thereof, or any other  
9 mark likely to cause confusion with EAMES® in connection with the sale of  
10 furniture for export into the United States.

11 Plaintiff has the responsibility to serve the injunction order in such a manner as to make it  
12 operative in contempt proceedings. Plaintiff is awarded \$500,000 in damages and \$13,427.29  
13 in attorney's fees and costs.

14  
15 **IT IS SO ORDERED.**

16  
17 Dated: October 22, 2009.

  
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WILLIAM ALSUP  
UNITED STATES DISTRICT JUDGE