

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
OHIO, WESTERN DIVISION AT CINCINNATI

GS Holistic, LLC v. Stars Wireless and Smoke LLC, d/b/a Stars
Wireless & Smoke Shop

GS Holistic · No. 1:23-cv-641 · Decided January 23, 2026

SUMMARY

The United States District Court for the Southern District of Ohio partially granted GS Holistic, LLC's motion for default judgment against Stars Wireless and Smoke LLC, awarding \$150,000 in statutory damages and imposing injunctive and destruction-related relief for alleged willful trademark infringement. The court set aside the clerk's entry of default as to individual defendant Mahmoud Alili under Federal Rule of Civil Procedure 55(c), concluding that the balance of relevant factors and the preference for decisions on the merits supported relief. Alili's motion requesting clarification was overruled as moot.

CASE DETAILS

COURT	United States District Court for the Southern District of Ohio, Western Division at Cincinnati
WRITING FOR THE COURT	Walter H. Rice
JURISDICTION	United States District Court for the Southern District of Ohio, Western Division at Cincinnati
DECIDED	January 23, 2026
DOCKET	1:23-cv-641
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for default judgment against two defendants. Defendant Mahmoud Alili moved to set aside the Clerk's entry of default, and separately moved for clarification of facts in the complaint. The court granted default judgment against Stars Wireless and Smoke LLC, set aside the entry of default as to Alili, denied default judgment as to Alili, and overruled the clarification motion as moot.
STANDARD OF REVIEW	A motion to set aside a clerk's entry of default is governed by Federal Rule of Civil Procedure 55(c) and the good-cause factors of culpable conduct, a meritorious defense, and prejudice. The decision is

discretionary, subject to abuse-of-discretion review, with doubts generally resolved in favor of adjudicating cases on the merits.

PRECEDENTIAL VALUE

unpublished

TOPICS

default judgment

default

trademark infringement

injunctions

damages

PRACTICE AREAS

Civil procedure

Trademark law

Remedies

Commercial litigation

QUESTIONS PRESENTED

1. Whether default judgment should be entered against Stars Wireless for failing to obtain counsel, answer the complaint, or otherwise participate in the action.
2. Whether statutory damages of \$150,000 and equitable relief were warranted against Stars Wireless for willful trademark infringement and false designation of origin.
3. Whether Alili established good cause under Federal Rule of Civil Procedure 55(c) to set aside the Clerk's entry of default.
4. Whether Alili's motion requesting clarification of facts in the complaint should be granted.

HOLDINGS

1. Stars Wireless could not proceed pro se and, because it failed to obtain counsel after being ordered to do so, default judgment was properly sustained against it.
2. Default judgment was warranted against Stars Wireless because the well-pleaded allegations were deemed admitted and the undisputed evidence established liability for selling counterfeit goods bearing GS Holistic's trademarks, including willful violations of the Lanham Act.
3. A \$150,000 statutory-damages award, calculated as \$50,000 per infringed trademark, was connected to the harm shown by the evidence and sufficient to deter future infringement.
4. Stars Wireless was enjoined from purchasing, selling, or using the counterfeit products or other counterfeit Stundenglass products, and was ordered to destroy such products and certify the destruction.
5. Alili demonstrated good cause under Rule 55(c) to set aside the entry of default because his conduct was dilatory but not reckless, the prejudice to GS Holistic was minimal, and the strong preference for decisions on the merits outweighed the absence of a demonstrated meritorious defense.
6. Alili's motion requesting clarification of facts in the complaint was overruled as moot.

KEY QUOTATIONS

"28 U.S.C. § 1654, providing that 'parties may plead and conduct their own cases personally or by counsel' does not allow corporations, partnerships, or associations to appear in federal court otherwise than through a licensed attorney." (PAGEID 56-57)

“To be treated as culpable, the conduct of a defendant must display either an intent to thwart judicial proceedings or a reckless disregard for the effect of its conduct on those proceedings.” (PAGEID 105)

“In sum, the first and third factors, along with the above-discussed strong policy in favor of resolution on the merits, outweigh the lack of meritorious defenses.” (PAGEID 105)

FACTUAL BACKGROUND

GS Holistic alleged that Stars Wireless sold counterfeit tobacco infusers bearing GS Holistic's Stundenglass trademarks. The USPTO records reflected that the marks were valid, active, and assigned to GS Holistic. Stars Wireless failed to obtain counsel or participate in the litigation, while Alili filed only a blanket denial and later stated that he had been in Palestine caring for his chronically ill mother when the default was entered.

PROCEDURAL HISTORY

GS Holistic filed a trademark-infringement complaint on October 4, 2023. Alili was served personally and as the registered agent for Stars Wireless; he filed only a blanket personal answer, while Stars Wireless failed to obtain counsel or answer despite a court order. The Clerk entered default against both defendants on September 29, 2025. Before judgment was entered, Alili moved to set aside the entry of default under Rule 60(b); the court treated the motion as one under Rule 55(c) and as opposition to default judgment.

DISPOSITION

other

CASES CITED

- Rowland v. California Men's Colony, 506 U.S. 194, 202 (1993)
- Coach, Inc. v. Cellular Planet, No. 2:09-cv-241, 2010 WL 2572113, *2 (S.D. Ohio Jun. 22, 2010)
- Wildlife Exp. Corp. v. Carol Wright Sales, Inc., 18 F.3d 502, 511 (7th Cir. 1994)
- Lorillard Tobacco Co. v. Yazan's Serv. Plaza, Inc., No. 05-70804, 2007 WL 1834714, *4 (E.D. Mich. Jun. 25, 2007)
- Microsoft Corp. v. McGee, 490 F. Supp. 2d 874, 882 (S.D. Ohio June 22, 2010)
- JUUL Labs, Inc. v. FLI High, LLC, 2021 WL 3633512, *2 (N.D. Ohio Aug. 17, 2021)
- EVO Brands, LLC v. Al Khalifa Grp. LLC, 657 F. Supp. 3d 1312, 1321 (C.D. Cal. 2023)
- Antoine v. Atlas Turner, Inc., 66 F.3d 105, 110 (6th Cir. 1995)
- Stark Carpet Corp. v. Stark Carpet & Flooring Installation Corp., 954 F. Supp. 2d 145, 154 (E.D.N.Y. 2013)
- Spokeo, Inc. v. Robins, 578 U.S. 330 (2016)
- Burrell v. Henderson, 434 F.3d 826, 831 (6th Cir. 2006)
- Waifersong, Ltd. v. Classic Music Vending, 976 F.2d 290, 292 (6th Cir. 1992)
- Shepard Claims Serv., Inc. v. Wm. Darrah & Assocs., 796 F.2d 190, 194 (6th Cir. 1986)
- Hogan v. Cleveland Ave. Rest., Inc., No. 2:15-cv-2883, 2023 WL 2664417, *1 (S.D. Ohio Mar. 28, 2023)

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