

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
TEXAS, DALLAS DIVISION

GS Holistic LLC v. Greenville TX LLC d/b/a Smoke Center and
Ibrahim Chapra

GS Holistic · No. 3:23-CV-1506-S (BK) · Decided December 22, 2025

SUMMARY

This report and recommendation addresses GS Holistic LLC’s motion for default judgment against Greenville TX LLC d/b/a Smoke Center and Ibrahim Chapra in a Lanham Act trademark counterfeiting, infringement, and unfair competition action. The magistrate judge recommends denying the motion because Plaintiff failed to establish that Chapra was not an infant or incompetent person and because the complaint did not sufficiently plead the likelihood-of-confusion elements supporting the asserted claims. The recommendation further proposes that Plaintiff amend and serve its complaint.

CASE DETAILS

COURT	United States District Court for the Northern District of Texas, Dallas Division
WRITING FOR THE COURT	E. Harris Toliver, United States Magistrate Judge
JURISDICTION	United States District Court for the Northern District of Texas, Dallas Division
DECIDED	December 22, 2025
DOCKET	3:23-CV-1506-S (BK)
DISPOSITION	other
PROCEDURAL POSTURE	Report and recommendation on Plaintiff's motion for default judgment in a federal trademark and unfair-competition action. The magistrate judge recommended denying the motion without prejudice and requiring Plaintiff to file and serve an amended complaint.
STANDARD OF REVIEW	A default judgment requires a prior entry of default and is discretionary. The court applies a three-step analysis: whether default judgment is procedurally warranted, whether the pleadings establish a sufficient substantive basis for liability under Rule 8, and what relief, if any, is appropriate. Well-pleaded factual allegations concerning

liability are accepted as true, but legal conclusions and damages are not admitted and must be established.

PRECEDENTIAL VALUE

nonprecedential

TOPICS

default judgment

trademark infringement

trademark law

civil procedure

servicemembers civil relief act

PRACTICE AREAS

civil procedure

intellectual property

trademark law

commercial litigation

military law

QUESTIONS PRESENTED

1. Whether Plaintiff satisfied the procedural prerequisites for entry of default judgment against Defendant Ibrahim Chapra, including the requirements of Federal Rule of Civil Procedure 55(b)(2) and the Servicemembers Civil Relief Act.
2. Whether Plaintiff's complaint pleaded a sufficient basis for default judgment on its Lanham Act trademark infringement, counterfeiting, false-designation, and unfair-competition claims.
3. Whether Plaintiff was entitled to the requested statutory damages, costs, injunctive relief, and destruction of allegedly infringing materials.

HOLDINGS

1. Plaintiff did not satisfy all procedural prerequisites for default judgment because its evidence did not sufficiently establish that Chapra was not an infant or incompetent person, even though the affidavit adequately addressed his military status through a database search.
2. The complaint did not establish a sufficient basis for default judgment because its allegations concerning likelihood of confusion and counterfeiting were conclusory and did not provide enough factual information to evaluate the relevant trademark factors.
3. Plaintiff was not entitled to default judgment or the requested damages, costs, injunction, and destruction remedy on the present pleadings and evidentiary showing.

KEY QUOTATIONS

“Default judgments are a drastic remedy, not favored by the Federal Rules and resorted to by courts only in extreme situations.” (§ II)

“Because Plaintiff's Complaint does not meet even the minimum pleading standard required to obtain a default judgment, Plaintiff's Motion for Default Judgment, Doc. 22, should be DENIED.” (§ III.B)

FACTUAL BACKGROUND

GS Holistic LLC alleged that Greenville TX LLC d/b/a Smoke Center and Ibrahim Chapra sold products bearing counterfeit or infringing versions of Plaintiff's Stündenglass trademarks. Both Defendants were served but failed

to answer or otherwise appear, and the clerk entered default. Plaintiff sought \$150,000 in statutory damages, \$402 in costs, a permanent injunction, and destruction of infringing materials. The supporting affidavit stated, on information and belief, that Chapra was not an infant, incompetent person, or servicemember, but did not clearly identify the factual basis for the first two assertions.

PROCEDURAL HISTORY

Plaintiff filed claims for trademark counterfeiting and infringement, false designation of origin, and unfair competition under the Lanham Act. Summonses were issued and returned executed for both Defendants, but neither Defendant answered or appeared; the clerk entered default on May 23, 2024. Plaintiff then moved for default judgment seeking statutory damages, costs, a permanent injunction, and destruction of infringing materials. The motion was referred to the magistrate judge under 28 U.S.C. § 636(b), who recommended denial because Plaintiff failed to establish that Defendant Ibrahim Chapra was not an infant or incompetent person and because the complaint did not adequately plead viable Lanham Act claims.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. The magistrate judge recommended that the district judge deny the motion for default judgment and order Plaintiff to file an amended complaint by a date set by the district judge, correct the procedural and substantive deficiencies identified in the recommendation, and serve both Defendants with the amended complaint.

CASES CITED

- New York Life Ins. Co. v. Brown, 84 F.3d 137, 141 (5th Cir. 1996)
- Sun Bank of Ocala v. Pelican Homestead & Sav. Ass’n, 874 F.2d 274, 276 (5th Cir. 1989)
- Ganther v. Ingle, 75 F.3d 207, 212 (5th Cir. 1996)
- Lindsey v. Prive Corp., 161 F.3d 886, 893 (5th Cir. 1998)
- Frame v. S-H, Inc., 967 F.2d 194, 205 (5th Cir. 1992)
- Leedo Cabinetry v. James Sales & Distrib., 157 F.3d 410, 414 (5th Cir. 1998)
- Nishimatsu Constr. Co. v. Houston Nat’l Bank, 515 F.2d 1200, 1206 (5th Cir. 1975)
- Wooten v. McDonald Transit Assocs., Inc., 788 F.3d 490, 496-498 (5th Cir. 2015)
- J & J Sports Prods., Inc. v. Morelia Mex. Rest., Inc., 126 F. Supp. 3d 809, 813 (N.D. Tex. 2015)
- United States v. Holland, No. 3:17-CV-0938-B, 2018 WL 354542, at *2 (N.D. Tex. Jan. 10, 2018)
- Barrett v. Tri-Coast Pharmacy, Inc., 518 F. Supp. 3d 810, 822 (D.N.J. 2021)
- Sec. & Exch. Comm’n v. Baker, No. 3:22-CV-1415-S-BH, 2023 WL 7390881, at *2 (N.D. Tex. Oct. 5, 2023)
- GS Holistic, LLC v. Smoke Lemmon, LLC, No. 3:23-CV-01752-L, 2025 WL 1211271, at *2-4 (N.D. Tex. Apr. 24, 2025)
- Lewis, 236 F.3d at 767

- Streamline Prod. Sys., Inc. v. Streamline Mfg., Inc., 851 F.3d 440, 450 (5th Cir. 2017)
- National Bus. Forms & Printing, Inc. v. Ford Motor Co., 671 F.3d 526, 532 (5th Cir. 2012)
- Scott Fetzer Co. v. House of Vacuums Inc., 381 F.3d 477, 483, 485, 532 (5th Cir. 2004)
- Paulsson Geophysical Servs. v. Sigmar, 529 F.3d 303, 310-311 (5th Cir. 2008)
- Springboards to Educ., Inc. v. Kipp Found., 325 F. Supp. 3d 704, 713 (N.D. Tex. 2018)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- GS Holistic v. Muni Inv. Inc., No. 3:23-CV-1174-L, 2025 WL 2218309, at *2 (N.D. Tex. Aug. 5, 2025)
- GS Holistics v. Nay Smart Invs., Inc., No. 3:23-CV-00805-L, 2024 WL 947458, at *3-4 (N.D. Tex. Mar. 5, 2024)
- GS Holistics v. OMS Inv., LLC, No. 3:23-CV-01024-L, 2024 WL 3092445, at *5 (N.D. Tex. June 21, 2024)
- GS Holistics v. OMS Inv., LLC, 2025 WL 835457 (N.D. Tex. Mar. 17, 2025)
- GS Holistic, LLC v. Haz Invs., LLC, Civil Action No. 4:23-CV-00414-O (N.D. Tex.)
- Douglass v. United Servs. Auto. Ass'n, 79 F.3d 1415, 1417 (5th Cir. 1996)