

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

GS Holistic, LLC v. Shaibi Abdulqawi, individually and d/b/a J’s
Smoke Shop

GS Holistic, LLC v. Abdulqawi, No. 1:23-cv-00286-KJM-CSK (E.D. Cal. July 21, 2025) · No. 1:23-cv-00286-KJM-CSK · Decided July 22, 2025

SUMMARY

The document contains findings and recommendations recommending denial of GS Holistic, LLC’s second motion for default judgment against Shaibi Abdulqawi, individually and doing business as J’s Smoke Shop. The court concluded that the Second Amended Complaint did not adequately plead trademark infringement, counterfeiting, or false designation of origin under the Lanham Act, including insufficient facts concerning trademark use, counterfeiting, and likelihood of confusion.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Chi Soo Kim
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	July 22, 2025
DOCKET	1:23-cv-00286-KJM-CSK
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff moved for default judgment after the Clerk entered default against Defendant. The magistrate judge issued findings and recommendations recommending denial of default judgment, dismissal of the Second Amended Complaint without leave to amend, and closure of the action.
STANDARD OF REVIEW	Default judgment is discretionary. The court accepts well-pleaded factual allegations concerning liability as true, but does not deem legal conclusions, insufficiently pleaded claims, or damages allegations admitted. The court evaluates default judgment under the seven Eitel factors and independently examines subject-matter and personal jurisdiction.
PRECEDENTIAL VALUE	unpublished and nonprecedential findings and recommendations

TOPICS

default judgment trademark infringement trademark law civil procedure commercial litigation

PRACTICE AREAS

civil procedure trademark law trademark infringement commercial litigation remedies

QUESTIONS PRESENTED

1. Whether Plaintiff's Second Amended Complaint adequately pleaded trademark infringement and counterfeiting under 15 U.S.C. § 1114 for purposes of default judgment.
2. Whether Plaintiff adequately pleaded false designation of origin and unfair competition under 15 U.S.C. § 1125(a).
3. Whether the well-pleaded allegations were sufficient to satisfy the merits and pleading-sufficiency Eitel factors.
4. Whether default judgment could be entered despite the complaint's conclusory allegations and failure to establish the elements of the claims.
5. Whether the Second Amended Complaint should be dismissed without leave to amend because further amendment would be futile.

HOLDINGS

1. Entry of default does not automatically entitle a plaintiff to default judgment. A court must determine whether the complaint's well-pleaded factual allegations establish a legally sufficient claim, and legally insufficient claims and legal conclusions are not admitted through default.
2. Plaintiff did not adequately plead trademark infringement or counterfeiting because the Second Amended Complaint lacked sufficient factual allegations showing how Defendant used Plaintiff's marks in an infringing manner, whether the product was counterfeit rather than genuine, and how the alleged use satisfied the applicable infringement or counterfeiting elements.
3. Plaintiff failed to plead sufficient facts establishing a likelihood of consumer confusion for its infringement claim.
4. Plaintiff failed to adequately plead false designation of origin and unfair competition under 15 U.S.C. § 1125(a) because those claims relied on the same insufficient likelihood-of-confusion allegations as the infringement claim.
5. Dismissal without leave to amend was appropriate because Plaintiff had previously been informed of the pleading deficiencies, had received opportunities to amend, and still failed to add the required factual particularity.

KEY QUOTATIONS

"However, this default does not automatically entitle the plaintiff to a judgment." (7)

“Necessary facts not contained in the pleadings and claims which are legally insufficient are not established by default.” (8)

“Where a complaint fails to state a claim, default judgment may not be entered.” (15)

FACTUAL BACKGROUND

GS Holistic alleged that it owned three federally registered Stündenglass trademarks used on glass infusers and related products. It alleged that an investigator purchased a glass infuser from Defendant’s smoke shop bearing Stündenglass marks and that Defendant sold counterfeit products. The court found the allegations insufficient because they did not adequately identify which marks were used, explain how one product could implicate goods in two different international classes, establish that the product was counterfeit rather than genuine merchandise, provide details about Defendant’s alleged use, or support a factually grounded likelihood-of-confusion showing.

PROCEDURAL HISTORY

Plaintiff filed the action in February 2023 asserting federal trademark infringement, counterfeiting, false designation of origin, and unfair competition claims. After amendments, defaults, and an earlier denial without prejudice of a default-judgment motion for pleading deficiencies, Plaintiff filed a Second Amended Complaint and renewed its motion for default judgment. The magistrate judge concluded that the Second Amended Complaint still failed to plead legally sufficient infringement, counterfeiting, and false-designation claims and recommended dismissal without leave to amend. The findings and recommendations were subject to objections under 28 U.S.C. § 636(b)(1).

DISPOSITION

dismissed

CASES CITED

- PepsiCo, Inc. v. Cal. Sec. Cans, 238 F. Supp. 2d 1172, 1174-75 (C.D. Cal. 2002)
- NewGen, LLC v. Safe Cig, LLC, 840 F.3d 606, 616 (9th Cir. 2016)
- Eitel v. McCool, 782 F.2d 1470, 1471-72 (9th Cir. 1986)
- Fair Hous. of Marin v. Combs, 285 F.3d 899, 906 (9th Cir. 2002)
- United States v. Cathcart, 2010 WL 1048829, at *4 (N.D. Cal. Feb. 12, 2010)
- Danning v. Lavine, 572 F.2d 1386, 1388 (9th Cir. 1978)
- DIRECTV, Inc. v. Hoa Huynh, 503 F.3d 847, 854-56 (9th Cir. 2007)
- Geddes v. United Fin. Grp., 559 F.2d 557, 560 (9th Cir. 1977)
- In re Tuli, 172 F.3d 707, 712 (9th Cir. 1999)
- Grocery Outlet Inc. v. Albertson’s Inc., 497 F.3d 949, 951 (9th Cir. 2007)
- Lodestar Anstalt v. Bacardi & Co. Ltd., 31 F.4th 1228, 1252 (9th Cir. 2022)
- AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-54 (9th Cir. 1979)

- *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003)
- *Louis Vuitton Malletier, S.A. v. Akanoc Sols., Inc.*, 658 F.3d 936, 946 (9th Cir. 2011)
- *Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d 966, 970 (9th Cir. 2007)
- *GS Holistic, LLC v. Pudasaini*, 2024 WL 710890, at *4 (N.D. Cal. Feb. 21, 2024)
- *GS Holistic, LLC v. Bubbles Smoke Shop*, 2023 WL 6787773, at *3-5 (C.D. Cal. Sept. 5, 2023)
- *GS Holistic, LLC v. Ravens Smoke Shop, Inc.*, 2023 WL 5504964, at *4-5 (C.D. Cal. July 10, 2023)
- *Paulsen v. CNF Inc.*, 559 F.3d 1061, 1071 (9th Cir. 2009)
- *GS Holistic, LLC v. Cigarette Outlet Smoke Shop*, 2024 WL 519783, at *2 (E.D. Cal. Feb. 9, 2024)
- *GS Holistic, LLC v. Puff+ LLC*, 2024 WL 659362, at *3 (E.D. Cal. Feb. 16, 2024)
- *GS Holistic, LLC v. Ashes Plus Nine*, 2023 WL 5993055, at *4-5 (N.D. Cal. Aug. 25, 2023)
- *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 902 (9th Cir. 2007)
- *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 632 (9th Cir. 2008)
- *Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999)
- *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1122-23 (6th Cir. 1996)
- *McCoy v. Mitsuboshi Cutlery, Inc.*, 67 F.3d 917, 923 (Fed. Cir. 1995)
- *GS Holistic, LLC v. Puff N Go Gift Shop LLC*, 2023 WL 4146232, at *5 (N.D. Cal. June 22, 2023)
- *GS Holistic, LLC v. Mr Vape Smoke Shop*, 2024 WL 4545885, at *3 (E.D. Cal. Oct. 22, 2024)
- *GS Holistic, LLC v. Kings Smokeshop*, 2024 WL 150217, at *2 (E.D. Cal. Jan. 12, 2024)
- *GS Holistic, LLC v. Alien Smoke Shop*, 2023 WL 3402589, at *1 (C.D. Cal. Mar. 17, 2023)
- *GS Holistic, LLC v. AA 110*, 2024 WL 2848455, at *7 (E.D. Cal. June 5, 2024), report and recommendation adopted, 2024 WL 3396380 (E.D. Cal. July 12, 2024)
- *GS Holistic, LLC v. Nasher*, 2024 WL 1994702, at *1 (E.D. Cal. May 6, 2024)
- *GS Holistic, LLC v. Habib's Disc.*, 2023 WL 8644103, at *7 (E.D. Cal. Dec. 14, 2023), report and recommendation adopted, 2024 WL 495139 (E.D. Cal. Feb. 8, 2024)
- *Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980)
- *Zucco Partners, LLC v. Digimarc Corp.*, 552 F.3d 981, 1007 (9th Cir. 2009)
- *Turner v. Duncan*, 158 F.3d 449, 455 (9th Cir. 1998)
- *Martinez v. Yist*, 951 F.2d 1153, 1156-57 (9th Cir. 1991)