

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

CASE NO. 24-cv-24766-WILLIAMS/GOODMAN

OMEGA SA,

Plaintiff,

v.

THE INDIVIDUALS, PARTNERSHIPS
AND UNINCORPORATED
ASSOCIATIONS IDENTIFIED ON
SCHEDULE "A",

Defendants.

**SEALED REPORT AND RECOMMENDATIONS RE PLAINTIFF'S
EX PARTE APPLICATION FOR INJUNCTIVE RELIEF**

Omega SA, ("Plaintiff" or "Omega") filed an *Ex Parte* Motion for Entry of a Temporary Restraining Order, Preliminary Injunction, and Order Restraining Transfer of Assets against the Individuals, Business Entities, and Unincorporated Associations identified on Schedule "A" (collectively "Defendants"). [ECF No. 8 ("Motion")].¹ United States District Judge Kathleen M. Williams referred this Motion to me, "[p]ursuant to 28

¹ There are 64 Defendants total. Plaintiff attached its Schedule "A" list to its Motion. [ECF No. 8, pp. 22–31]. The list includes each Defendant's name or e-commerce store name, email addresses related to each Defendant's financial account, and means of contact (*i.e.*, phone numbers and type of contact platform, such as WhatsApp).

U.S.C. § 636, and the Magistrate Rules of the Local Rules for the Southern District of Florida[.]" [ECF No. 6].

For the reasons set forth below, the Undersigned **respectfully recommends** that the Court **grant** this Motion **in part**.

I. FACTUAL BACKGROUND

This is a trademark infringement case in which Plaintiff alleges that Defendants, through their individual online-based seller stores, are advertising, promoting, offering for sale, or selling goods using or bearing what Plaintiff has determined to be infringements of its registered trademarks (“Omega Trademarks”). Plaintiff’s Complaint includes four counts: (1) Trademark Counterfeiting and Infringement Pursuant to § 32 of the Lanham Act (15 U.S.C. § 1114); (2) False Designation of Origin Pursuant to § 43(a) of the Lanham Act (15 U.S.C. § 1125(a)); (3) Common Law Unfair Competition; and (4) Common Law Trademark Infringement. [ECF No. 1].

Plaintiff is a corporation engaged in the business of manufacturing and distributing its luxury goods around the world. [ECF No. 1, ¶ 4].

Plaintiff registered various trademarks to protect its brand. *Id.* at ¶ 15.² The Omega Trademarks “are used in connection with the manufacture and distribution of high-quality goods[.]” *Id.* Plaintiff discovered that Defendants “directly engage in unfair competition with Omega by advertising, offering for sale, and selling goods each using counterfeits and

² A copy of Plaintiff’s Certificates of Registration for the Omega Trademarks is attached to Plaintiff’s Complaint. [ECF No. 1-2].

infringements of one or more of Omega’s trademarks to consumers within the United States and this [D]istrict through e-commerce stores[.]” *Id.* at ¶ 11.

As part of its investigation into Defendants, Plaintiff retained a licensed private investigative firm to investigate the suspected sales of counterfeit Omega products by Defendants and to document the available payment account data related to the sale of those counterfeit goods. [ECF No. 8-1, ¶ 15]. The investigative firm accessed all of Defendants’ e-commerce stores and placed an order for the purchase of a product violating Omega’s trademarks. *Id.* at ¶ 16. The firm documented its investigation and provided its findings to Plaintiff. *Id.* Plaintiff inspected those findings³ and concluded that Defendants were selling products that violate the Omega trademarks. *Id.* at ¶ 17.

According to Plaintiff, Defendants’ actions have irreparably damaged its goodwill and reputation. *Id.* at ¶ 13. Consequently, Plaintiff brought this action against Defendants [ECF No. 1] and thereafter filed this Motion. Plaintiff also filed declarations in support of its Motion from: (1) its Anti-Counterfeiting Officer, Antoine Haller; (2) its legal counsel, Virgilio Gigante; and (3) Kathleen Burns, the President of the investigative firm hired. [ECF Nos. 8-1–8-3].

II. LEGAL STANDARD AND ANALYSIS

To obtain a temporary restraining order, a party must demonstrate: “(1) a substantial likelihood of success on the merits; (2) that irreparable injury will be suffered if the relief is

³ Plaintiff included these documented findings in its exhibits to this Motion. [ECF Nos. 8-4–8-9].

not granted; (3) that the threatened injury outweighs the harm the relief would inflict on the nonmovant; and (4) that the entry of the relief would serve the public interest.” *Schiavo ex. Rel Schindler v. Schiavo*, 403 F.3d 1223, 1225–26 (11th Cir. 2005); *see also Levi Strauss & Co. v. Sunrise Int’l. Trading Inc.*, 51 F.3d 982, 985 (11th Cir. 1995). Additionally, a court may only issue a temporary restraining order without notice to the adverse party or its attorney if:

(A) specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and

(B) the movant’s attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.

Fed. R. Civ. P. 65(b)(1).

Ex parte temporary restraining orders and injunctions “should be restricted to serving their underlying purpose of preserving the status quo and preventing irreparable harm just so long as is necessary to hold a hearing, and no longer.” *Granny Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers Local No. 70 of Alameda Cty.*, 415 U.S. 423, 439 (1974).

The Lanham Act authorizes the Court to issue an injunction “according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office[.]” 15 U.S.C. § 1116(a). Generally, “[i]njunctive relief is the remedy of choice for trademark and unfair competition cases, since there is no adequate remedy at law for the injury caused by a defendant’s continuing infringement.” *Burger King Corp. v. Agad*, 911 F.

Supp. 1499, 1509–10 (S.D. Fla. 1995) (citation omitted).

Whether Plaintiff Met Federal Rule of Civil Procedure 65(b)(1)

Rule 65(b) of the Federal Rules of Civil Procedure provides, in part, that a temporary restraining order may be granted without written or oral notice to the opposing party or that party's counsel where it clearly appears from the specific facts shown by affidavit or verified complaint "that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition." Fed. R. Civ. P. 65(b).

As discussed in more detail below, absent a temporary restraining order without notice, Defendants "will continue to cause" Plaintiff "irreparable harm." [ECF No. 8, p. 4]. These Defendants reap the benefit of their unauthorized practice in the form of revenue and other profits from the sale of goods using the Omega Trademarks. The Court finds that Plaintiff has met the necessary Fed. R. Civ. P. 65(b) requirements for purposes related to **only** the temporary restraining order.

"While a temporary restraining order may be issued without notice to the adverse party, a preliminary injunction is issued **after** the adverse party has received notice of the requested relief." *Doc Dev., LLC v. Ewc Franchise Grp., Inc.*, No. 18-21092-CIV, 2018 WL 2007045, at *1 (S.D. Fla. Mar. 23, 2018) (emphasis added). *See* Fed. R. Civ. P. 65(b)(1) ("The court may issue a temporary restraining order without written or oral notice to the adverse party[.]" (alteration added)); *id.* 65(a)(1) ("The court may issue a preliminary injunction only on notice to the adverse party."). The U.S. Supreme Court has stated that the notice required under Rule 65(a) "implies a hearing in which the defendant is given a fair opportunity to

oppose the application and to prepare for such opposition.” *Granny Goose Foods*, 415 U.S. at 448 n.6.

But the District Court should **not** enter a preliminary injunction against Defendants until Plaintiff provides them with the required notice, including the opportunity to respond and be heard. *See Mental Health Network, Inc. v. Marsteller*, No. 22-10003-CIV, 2022 WL 19330944, at *1 (S.D. Fla. Feb. 4, 2022).

Elements for a Temporary Restraining Order

As noted above, Plaintiff’s request must meet four elements: “(1) a substantial likelihood of success on the merits; (2) that irreparable injury will be suffered if the relief is not granted; (3) that the threatened injury outweighs the harm the relief would inflict on the nonmovant; and (4) that the entry of the relief would serve the public interest.” *Schiavo ex. Rel Schindler*, 403 F.3d at 1225–26. Based on Plaintiff’s Motion, its Complaint, and the declarations submitted with the attached exhibits, Plaintiff has a strong probability of proving at trial that Defendants continuously infringed Plaintiff’s intellectual property, and, that if equitable relief is not granted, then the continued infringement of those works will likely cause Plaintiff to suffer an immediate and irreparable injury.

The first element Plaintiff must demonstrate is whether it will have “a substantial likelihood of success on the merits.” *Id.* at 1225. “[T]he elements of a claim for trademark infringement occur[] when a person ‘use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark’ which ‘is likely to cause confusion, or to cause mistake, or to deceive.’” *Chanel, Inc. v. Reznik*, No. 07-60493-CIV, 2007 WL 9710719, at

*2 (S.D. Fla. Nov. 21, 2007) (quoting *Frehling Enters. v. Int'l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1999)). Thus, to prevail on Count I, Plaintiff must show “(1) that its mark has priority and (2) that [] [D]efendants’ mark is likely to cause consumer confusion.” *Id.*

Plaintiff has sufficiently alleged and established each of these elements: (1) Plaintiff’s licensed exclusive rights to the Omega Trademarks preceded Defendants’ infringement; (2) Defendants are selling, offering for sale, and marketing products with the Omega Trademarks without Plaintiff’s consent or authorization; and (3) the marks used on the products Defendants are selling, offering for sale, and marketing are so similar to the Omega Trademarks that they are likely to cause consumer confusion. [ECF Nos. 1, ¶¶ 15–43; 8-1 – 8-9]. Based on its Motion, attached declarations, exhibits, and the Complaint, the Undersigned finds that Plaintiff has established a *prima facie* case of trademark infringement⁴ and consequently demonstrated a high likelihood of success on the merits.

“Defendants do not have, nor have they ever had, the right or authority to use the Omega [Trademarks] for any purpose.” [ECF No. 8, p. 3]. The screenshot attachments to

⁴ “A movant need only demonstrate a substantial likelihood of success on one of its claims to obtain a preliminary injunction.” *White Cap, L.P. v. Heyden Enters., LLC*, No. 23-14248-CIV, 2024 WL 3738925, at *3 (S.D. Fla. July 19, 2024), *report and recommendation adopted*, No. 23-14248-CIV, 2024 WL 3861528 (S.D. Fla. Aug. 19, 2024) (*citing Sapphire Consulting Servs. LLC v. Anderson*, 2021 WL 1053276, at *3 (M.D. Fla. Feb. 12, 2021) (“When a plaintiff asserts multiple claims as a basis for a preliminary injunction, the plaintiff ‘need only establish a substantial likelihood of success on one claim.’” (citation omitted)); *Schiavo ex rel. Schindler v. Schiavo*, 357 F. Supp. 2d 1378, 1384 (M.D. Fla. 2005) (“To obtain temporary injunctive relief, [a party] must show a substantial likelihood of success on at least one claim.”), *aff’d*, 403 F.3d 1223 (11th Cir. 2005)).

Plaintiff's Motion, together with the declarations, show Defendants selling products (either through their e-commerce stores or direct messaging) that look **identical** to the Omega Trademarks. [ECF Nos. 8-1–8-9].

The next element Plaintiff must demonstrate is that if its requested relief is not granted, then it will suffer irreparable injury. *Schiavo ex. Rel Schindler*, 403 F.3d at 1225–26. “In order for an injury to be irreparable, it cannot be undone through monetary remedies.” *VAS Aero Servs., LLC v. Arroyo*, 860 F. Supp. 2d 1349, 1362 (S.D. Fla. 2012). Plaintiff has met this burden.

Plaintiff argues that Defendants actions damage its reputation and divert customers because of Defendants' control over online markets, lower prices, and inferior product quality. [ECF Nos. 8, pp. 5–6; 8-1, ¶¶ 26–27]. “Each individual counterfeiter's actions, alone, cause Omega irreparable harm. However, the sheer number of counterfeit e-commerce store operators act as a force multiplier of those individual harms and create a massive single reputation harm to Omega.” [ECF No. 8-1, ¶ 22]. “As a result of the availability of the non-genuine branded goods being offered for sale by Defendants, Omega is highly likely to experience irreparable damage to its reputation among consumers absent the entry of an appropriate injunction.” *Id.* at ¶ 29. The Undersigned agrees.

The third element requires that the movant prove that “the threatened injury outweighs the harm the preliminary injunction would cause the other litigant.” *Head Kandy, LLC v. McNeill*, No. 23-CV-60345, 2023 WL 6309985, at *16 (S.D. Fla. Sept. 12, 2023), *report and recommendation adopted*, No. 23-CV-60345-RAR, 2023 WL 7318907 (S.D. Fla. Nov. 7, 2023)

(quoting *Chavez v. Fla. SP Warden*, 742 F.3d 1267, 1271 (11th Cir. 2014)). Thus, the Court “must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief.” *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008).

Based on Plaintiff’s likelihood of success on its trademark infringement claim, the balance of harms weighs in favor of granting Plaintiff a temporary restraining order. Unless Defendants are enjoined and restrained, Plaintiff is likely to suffer further injuries that cannot be fully compensated or measured in money. The costs and hardship related to protecting Plaintiff’s trademarks outweighs any potential damage to Defendants. A temporary restraining order would prevent Defendants from publicly using Plaintiff’s trademarks without permission. **That is not a harm.** But, even if it were, this purported “harm” would not outweigh the justification behind issuing this temporary restraining order.

The final element is whether “the entry of relief would serve the public interest.” *Schiavo ex. Rel Schindler*, 403 F.3d at 1226. Here, the imposition of a temporary restraining order would not disserve the public interest because “[t]he public interest **favours** issuance of the temporary restraining order to protect Plaintiff’s trademark interests and protect the public from being defrauded by the palming off of counterfeit goods as plaintiff’s genuine goods.” *Betty’s Best, Inc. v. Individuals, P’ships & Unincorporated Associations Identified on Schedule ‘A’*, No. 1:23-CV-22322-KMW, 2023 WL 6171566, at *3 (S.D. Fla. Sept. 21, 2023) (emphasis added).

There is good cause to believe that without the entry of the requested injunctive-type relief provided by a temporary restraining order, Defendants could: (1) continue to benefit from their illegal activities; (2) redirect consumer traffic to other seller identification names; (3) transfer assets and ownership of their store names; and (4) continue their negative impact on Plaintiff's reputation and sales. [ECF Nos. 8, pp. 10–16; 8-1, ¶¶ 19–29; 8-2, ¶ 4].

The Undersigned finds that Plaintiff has successfully met each of the necessary elements for a temporary restraining order. However, because Defendants have not received notice under Fed. R. Civ. P. 65(c), Plaintiff has not met all of the necessary elements for a preliminary injunction.

Request to Enjoin Transfer of Assets

Plaintiff's Complaint describes Defendants as:

8. [I]ndividuals, business entities of unknown makeup, or unincorporated associations each of whom, upon information and belief, either reside and/or operate in foreign jurisdictions, redistribute products from the same or similar sources in those locations, and/or ship their goods from the same or similar sources in those locations to consumers as well as shipping and fulfillment centers within the United States. Defendants have the capacity to be sued pursuant to Federal Rule of Civil Procedure 17(b). Defendants target their business activities toward consumers throughout the United States, including within this [D]istrict, through the simultaneous operation of commercial Internet based e-commerce stores under the Ecommerce Store Names.

9. Defendants use aliases in conjunction with the operation of their businesses, including but not limited to those identified by Defendant Number on Schedule "A."

[ECF No. 1, ¶¶ 8–9].

Requesting equitable relief “invokes the district court’s inherent equitable powers to order preliminary relief, including an asset freeze, in order to assure the availability of permanent relief.” *Levi Strauss & Co.*, 51 F.3d at 987 (citing *Fed. Trade Comm’n v. U.S. Oil & Gas Corp.*, 748 F.2d 1431, 1433–34 (11th Cir. 1984)).

Under 15 U.S.C. § 1117(a), Plaintiff “may be entitled to recover, as an equitable remedy, the illegal profits gained through defendants’ distribution and sales of goods bearing counterfeits and infringements of plaintiff’s trademarks.” *Max’is Creations, Inc. v. Individuals, P’ships , & Unincorporated Associations Identified on Schedule “A,”* No. 21-CV-22920, 2021 WL 4307189, at *2 (S.D. Fla. Sept. 22, 2021); *Reebok Int’l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992) (“An accounting of profits under § 1117(a) is not synonymous with an award of monetary damages: ‘[a]n accounting for profits . . . is an equitable remedy subject to the principles of equity.’” (alteration and omission in original) (quoting *Fuller Brush Prods. Co. v. Fuller Brush Co.*, 299 F.2d 772, 777 (7th Cir. 1962))). “In light of the inherently deceptive nature of the counterfeiting business, and the likelihood that Defendants have violated federal trademark laws, Plaintiff[] has good reason to believe Defendants will hide or transfer their ill-gotten assets beyond the jurisdiction of this Court unless those assets are restrained.” *Burberry Ltd. v. Individuals Identified on Schedule “A,”* No. 22-60687-CIV, 2022 WL 2805159, at *4 (S.D. Fla. May 19, 2022).

Plaintiff’s Motion states that:

Defendants’ blatant violations of federal trademark laws warrant an *ex parte* order restraining the transfer of their ill-gotten assets. Moreover, as Defendants’ businesses are conducted anonymously over the Internet, Omega

has additional cause for *ex parte* relief, as Defendants may easily secret or transfer their assets without the Court's or Omega's knowledge.

[ECF No. 8, p. 20].

Therefore, the Undersigned **respectfully recommends** that the Court **grant** Plaintiff's request for an Order identifying Defendants' payment accounts and restraining the transfer of assets. This relief should be included in a temporary restraining order (and then in a preliminary injunction, once notice is provided and a hearing is held).

Bond Amount Under Federal Rule of Civil Procedure 65(c)

In its Motion, Plaintiff requests that the "Court require it to post a bond of no more than ten thousand dollars (\$10,000.00)." *Id.* Federal Rule of Civil Procedure 65(c) states that "the court may issue a preliminary injunction or a temporary restraining order **only if** the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained." Even though bonds are normally required, "it is well-established that the amount of security required by [Rule 65(c)] is a matter within the discretion of the trial court, and the court may elect to require no security at all." *TracFone Wireless, Inc. v. Wash.*, 978 F. Supp. 2d 1225, 1235 (M.D. Fla. 2013) (quoting *BellSouth Telecomms., Inc. v. MCI Metro Access Transmission Servs., LLC*, 425 F.3d 964, 971 (11th Cir. 2005)).

Plaintiff has a high probability of succeeding on the merits of its trademark infringement claim, and because Defendants have no legitimate interest in the continued use of the Omega Trademarks, other courts have found that the Court does not *need* to

require Plaintiff to post a bond. *See Harris v. Hous. Auth. of City of Daytona Beach*, No. 6:01-cv-254, 2001 WL 36404273, at *5 (M.D. Fla. Apr. 25, 2001) (not requiring a bond where the preliminary injunction would result in minimal potential harm to the defendant); *Univ. Books & Videos, Inc. v. Metro. Dade Cnty.*, 33 F. Supp. 2d 1364, 1374 (S.D. Fla. 1999) (not requiring a bond where the movant had a high probability of succeeding on the merits of its claim); *TracFone Wireless, Inc.*, 978 F. Supp. 2d at 1235 (same).

However, in an abundance of caution, the Undersigned **respectfully recommends** that the Court **grant** Plaintiff's request to post a bond in the amount of \$10,000.00, an amount this Court has previously found to be reasonable. *See Chanel, Inc. v. bdlady.com*, No. 20-60568-CIV, 2020 WL 3266567, at *5 (S.D. Fla. Mar. 17, 2020) (requiring the plaintiff to post a \$10,000.00 bond based on the plaintiff's evidence of trademark infringement).

III. CONCLUSION

For the reasons listed above, the Undersigned **respectfully recommends** that the Court **grant in part** Plaintiff's *ex parte* request for injunctive relief [ECF No. 8] against Defendants using the language provided in the proposed Order [ECF No. 8-10] (as it sees fit).

At bottom, the District Court should (1) **grant** Plaintiff's request for a temporary restraining order and include an incorporated order restraining transfer of Defendants' assets and e-commerce stores; (2) **set** a Zoom hearing date related to the preliminary injunction request; (3) **mandate** that Plaintiff serve a copy of that Order, this Report and Recommendations, its Motion [ECF No. 8], and the Complaint [ECF No. 1] at least five (5)

days before the preliminary injunction hearing date to Defendants; (4) **require** Plaintiff to file Certificates of Service on CM/ECF once complete; and (5) **require** Plaintiff to file on CM/ECF a proposed order adopting this Report and Recommendations and issuing a temporary restraining order with terms consistent with the instant Recommendations.

[NOTE: Pursuant to Fed. R. Civ. P. 65(b)(2), this to-be-issued order granting the temporary restraining order “must state the date and hour it was issued; describe the injury and state why it is irreparable; state why the order was issued without notice; and be promptly filed in the clerk's office and entered in the record.” However, the order “expires at the time after entry--not to exceed 14 days--that the court sets, unless before that time the court, for good cause, extends it for a like period or the adverse party consents to a longer extension. The reasons for an extension must be entered in the record.” *Id.*

Therefore, the preliminary injunction hearing date must be set within that timeframe in order to comply with Rule 65(b). Additionally, because Plaintiff's request for a preliminary injunction is *ex parte*, this hearing “must be set at the earliest possible time, taking precedence over all other matters except hearings on older matters of the same character. At the hearing, the party who obtained the order must proceed with the motion; if the party does not, the court must dissolve the order.” *Id.* at 65(b)(3)].

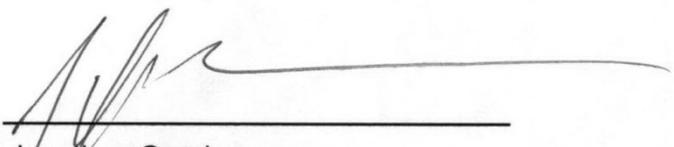
IV. OBJECTIONS

The parties will have three (3)⁵ days from the date of being served with a copy of this

⁵ The Undersigned is shortening the deadline because Defendants have not been served yet and it seems unlikely that Plaintiff will object to the included recommendations.

Report and Recommendations within which to file written objections, if any, with the District Judge. Each party may file a response to the other party's objection within three (3) days of the objection. Failure to file objections timely shall bar the parties from a *de novo* determination by the District Judge of an issue covered in the Report and shall bar the parties from attacking on appeal unobjected-to factual and legal conclusions contained in this Report except upon grounds of plain error if necessary in the interest of justice. *See* 28 U.S.C. § 636(b)(1); *Thomas v. Arn*, 474 U.S. 140, 149 (1985); *Henley v. Johnson*, 885 F.2d 790, 794 (11th Cir. 1989); 11th Cir. R. 3-1 (2016).

RESPECTFULLY RECOMMENDED in Chambers, in Miami, Florida, on December 16, 2024.



Jonathan Goodman
UNITED STATES MAGISTRATE JUDGE

Copies Furnished to:

The Honorable Kathleen M. Williams
All Counsel of Record