

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

WHEEL PROS, LLC,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 3:14-cv-4230-M
	§	
WHEELS OUTLET, INC., ABDUL	§	
NAIM, and DOES 1-25,	§	
	§	
Defendants.	§	

JUDGMENT

Before the Court is the Motion for Default Judgment [Dkt. No. 12]. For the reasons provided below, the Motion is **GRANTED**.

On December 1, 2014, Plaintiff Wheel Pros, LLC (“Wheel Pros”) filed its Complaint in this Court against Defendants Wheels Outlet, Inc., Abdul Naim, and Does 1–25 (“Defendants”), alleging the following seven claims for relief: federal trademark infringement and counterfeiting under 15 U.S.C. § 1114(a); federal trademark dilution pursuant to 15 U.S.C. § 1125(c); federal unfair competition and false representation under 15 U.S.C. § 1125(a); patent infringement under 35 U.S.C. §§ 271, 289; trademark infringement and dilution under Tex. Bus. & Comm. Code §§ 16.102–16.104; and a common law claim for unfair competition by misappropriation.¹

On December 2, 2014, the Court granted Plaintiff’s Application for a Temporary Restraining Order.² On December 6, 2014, Defendants were personally served with the summons, Complaint, and Application for a Temporary Restraining Order.³ On December 16, 2014, the

¹ Dkt. No. 1.

² Dkt. No. 6.

³ Dkt. No. 7; Dkt. No. 8.

Court held a hearing on Plaintiff's Motion for a Preliminary Injunction.⁴ Defendants did not make an appearance at the hearing.⁵ On December 22, 2014, the Court granted Plaintiff's Motion for a Preliminary Injunction.⁶ Defendants have failed to answer or otherwise respond to Plaintiff's Complaint. On January 14, 2015, the Clerk issued an entry of default as to Defendants Wheels Outlet, Inc. and Abdul Naim.⁷

Where, as here, a default has been entered pursuant to Federal Rule of Civil Procedure 55(b)(2), the factual allegations of the complaint are taken as true.⁸ Wheel Pros is a worldwide distributor of wheels and tires. Two of its significant designs are the Rockstar XD775 and Rockstar II XD811 wheels ("Rockstar Wheels"). Wheel Pros has design patents for the Rockstar Wheels, including the '783 Patent and the '018 Patent ("XD Patents").⁹ The '783 Patent was issued September 20, 2005, and the '018 Patent was issued July 15, 2014.

Wheel Pros also owns federal trademark registrations for the XD Series Star design mark, Reg. No. 4,513,500, and the KMC design mark, Reg. No. 3,027,059, both for "automotive vehicle wheels and components thereof" in Class 12 ("XD Mark" and "KMC Mark").¹⁰

On July 7, 2014, Wheel Pros "trap purchased" a wheel from Defendants that appears to be a nearly exact replica of the Rockstar Wheels.¹¹ Wheel Pros attached to its Complaint the receipt from the purchase and photographs of the wheel that was trap purchased.¹² On July 8, 2014, Wheel Pros sent Defendant Abdul Naim a cease-and-desist letter by registered mail, return receipt

⁴ Dkt. No. 9.

⁵ *Id.*

⁶ Dkt. No. 10.

⁷ Dkt. No. 13.

⁸ *Nishimatsu Constr., Ltd. v. Houston Nat'l Bank*, 515 F.2d 1200, 1206 (5th Cir. 1975) ("A default judgment is unassailable on the merits but only so far as it is supported by well-pleaded allegations, assumed to be true.").

⁹ Dkt. No. 1-1; Dkt. No. 1-2.

¹⁰ Dkt. No. 1-3; Dkt. No. 1-4.

¹¹ Dkt. No. 1-6; Pl.'s Ex. 1 (Aff. of Tom Spangler).

¹² Dkt. No. 1-5; Dkt. No. 1-6.

requested.¹³ Wheel Pros never received a response to the letter, even though it was accepted and signed for.¹⁴ On November 20, 2014, a customer informed Wheel Pros that Defendants were selling additional wheels in the style of Wheel Pros' Rockstar XD811 (collectively, the "Infringing Wheels").¹⁵

According to Wheel Pros, Defendants are offering for sale, selling, distributing, promoting, and advertising, in interstate commerce, the Infringing Wheels. Wheel Pros offers photographs as evidence to show that the Infringing Wheels have a nearly identical design and marks as the Rockstar Wheels.¹⁶

Wheel Pros has never been affiliated with Defendants, nor has Wheel Pros authorized Defendants to sell or use the XD Patents, XD Mark, or KMC Mark. Wheel Pros alleges that Defendants use of the Infringing Wheels will cause confusion and irreparable harm to Wheel Pros, and weaken the distinctive quality of the XD Patents, XD Mark, and KMC Mark. According to Wheel Pros, Defendants are using the goodwill and reputation of Wheel Pros to create a false impression that the Infringing Wheels are legitimate products.

Moreover, the Infringing Wheels may be dangerous to the public because their mounting pad is painted, and the paint might form clumps and create an irregular, raised surface on the mounting pad. Wheel Pros claims no reputable manufacturer would paint the mounting pad because a painted pad might lead to a false torque reading at wheel installation, and as the clumps break up during regular use, a wheel with a painted pad might loosen and cause harm to the occupants of a vehicle. Wheel Pros expresses concern that consumers might mistakenly attribute such harm to Wheel Pros.

¹³ Dkt. No. 1-7.

¹⁴ Dkt. No. 5-1 ¶ 12 (Aff. of Randy White); Dkt. No. 1-7.

¹⁵ Dkt. No. 5-1 ¶ 11.

¹⁶ See Dkt. No. 1-6.

After carefully reviewing the allegations, evidence, and relevant authority, it is **ORDERED, ADJUDGED, and DECREED** that Plaintiff is entitled to the following relief:

PERMANENT INJUNCTIVE RELIEF

For the reasons stated in the Court's December 22, 2014 Order granting preliminary injunctive relief, the Court is satisfied Plaintiff has also made the requisite showing for permanent injunctive relief. *See eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006). Defendants and each of their partners, officers, directors, associates, agents, servants, and employees, and all others acting or attempting to act in concert with Defendants, are hereby prohibited from directly or indirectly:

- (1) infringing Wheel Pros' patents and trademarks, specifically, the '783 and '018 Patents, the XD Mark, and the KMC Mark, and from continuing to sell, market, offer, dispose of, license, transfer, display, advertise, reproduce, develop, or manufacture any services, events, products, or goods using Wheel Pros' trademarks or trade dress or any confusingly similar version of such trademarks or trade dress, or to assist or participate in any such activity; or
- (2) taking any action which may confuse Wheel Pros' customers or the public about the sponsorship or source of Defendants' goods, or about Wheel Pros being the source or sponsor of goods that are not licensed or authorized by Wheel Pros.

DESTRUCTION OF INFRINGING ARTICLES

Pursuant to 15 U.S.C. § 1118, Defendants Wheels Outlet, Inc. and Abdul Naim shall deliver up all products, labels, signs, prints, packages, wrappers, receptacles, and advertisements in their possession bearing the XD Mark and KMC Mark, and any reproduction, counterfeit,

copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same so that such items can be destroyed.

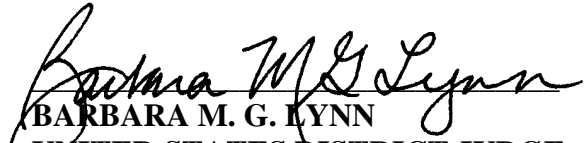
DAMAGES

Having determined that Plaintiff's damages are not for a sum certain, pursuant to Federal Rule of Civil Procedure 55(b)(2)(B), the Court finds that an evidentiary hearing is appropriate, and hereby **REFERS** this matter to Magistrate Judge Toliver for hearing and determination of the monetary damages owed by Defendants Wheels Outlet, Inc. and Abdul Naim.

All future filings regarding the referred motion should be addressed to the United States Magistrate Judge, not to the District Judge, and should be accompanied by a transmittal letter addressed to the Magistrate Judge, so that filings will reach her without delay.

SO ORDERED

January 28, 2015.


BARBARA M. G. LYNN
UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF TEXAS