Case 2:10-cv-08884-RGK -RZ Document 5 Filed 11/19/10 Page 24 of 44 Page ID #:29 Winter v. Natural Res. Def. Council, Inc. Yash Raj Films (USA), Inc. v. Sidhu 2010 U.S. Dist. LEXIS 25988, \*17-18, 2010 WL 1032792, \*7 (E.D. Cal. 2010)......10 -xxiv-EX PARTE APPLICATION OF PLAINTIFF GIBSON GUITAR CORP. FOR A TEMPORARY RESTRAINING ORDER AND AN ORDER TO SHOW CAUSE RE: PRELIMINARY INJUNCTION; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

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### I. <u>INTRODUCTION</u>

Plaintiff Gibson Guitar Corp. (hereinafter "Gibson") is engaged in the business of developing, manufacturing and selling musical instruments, including guitars, basses and mandolins under the famous Gibson® trademark for over a century. Gibson guitars are sold worldwide. Gibson's instruments have gained worldwide recognition and reputation, winning awards for their design (Declaration of Henry Juszkiewicz at ¶'s 18, 19, 20, and 21).

Gibson is the sole and exclusive owner of the following registered United States trademarks: (1) The Les Paul Body Shape Design®, U.S. Trademark Reg. No. 1782606 (hereinafter "Les Paul Body Shape Design® Trademark") (See Declaration of Henry Juszkiewicz at ¶ 5; Declaration of Bruce Mitchell at ¶ 5(a), and accompanying exhibit "A"); (2) The Les Paul Peg-Head Design®, U.S. Trademark Reg. No. 1020485 (hereinafter "Les Paul Peg-Head® Trademark") (See Declaration of Henry Juszkiewicz at ¶ 65; Declaration of Bruce Mitchell at ¶ 5(b), and accompanying exhibit "B"); The Bell Shaped Truss Rod Cover Design®, U.S. Trademark Reg. No. 1022637 (hereinafter "the Bell Cover Design® Trademark") (See Declaration of Henry Juszkiewicz at ¶ 5; Declaration of Bruce Mitchell at ¶ 5(c), and accompanying exhibit "C"); The Flying V Body Shape Design Body Shape Design®, U.S. Trademark Reg. No. 2051790 (hereinafter "Flying V Body Shape Design® Trademark" (See Declaration of Henry Juszkiewicz at ¶8; Declaration of Bruce Mitchell at ¶5(d), and accompanying exhibit "D"); The Explorer Body Shape Design®, U.S. Trademark Reg. No. 2053805 (hereinafter "Explorer Design® Trademark") (See Declaration of Henry Juszkiewicz at ¶ 5; Declaration of Bruce Mitchell at ¶ 5€, and accompanying exhibit "E"); (6) The Kramer Peg-Head Design®, U.S. Trademark Reg. No. 1567052 (hereinafter "Kramer Peg-Head® Trademark") (See Declaration of Henry Juszkiewicz at ¶10; Declaration of Bruce Mitchell at ¶ 5(f), and accompanying

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CO. INC. (hereinafter "BEST BUY"), TOYWIZ, INC. (hereinafter "TOYWIZ") and HSN, INC. (hereinafter "HSN") (collectively "Defendants") are selling musical play instruments worldwide, 2 including the United States, that infringe upon the Gibson Trademarks ("Unauthorized Products"). 3 Defendant WowWee is the manufacturer and distributor of the play instruments and the remaining 4 defendants (the "Retail Defendants") offer those items for sale either online, in physical locations, or 5 both. The Unauthorized Products are being advertised by WowWee on its websites 6 7 (www.paperjamz.com, www.paperjamzstore.com, www.wow-wee-paper-jamz-guitar.com, 8 www.wowwee.com, among others) as either Guitar Style 1/Country 1 (attached as Exhibit "M" to the 9 Declaration of Bruce Mitchell), Guitar Style 4/Rock 4 (attached as Exhibit "N" to the Declaration of 10 Bruce Mitchell), Guitar Style 5/Rock 5 (attached as Exhibit "O" to the Declaration of Bruce 11 Mitchell), and Guitar Style 6/Rock 6 (attached as Exhibit "P" to the Declaration of Bruce Mitchell). 12 These Unauthorized Products are identical to the Gibson Trademarks and clearly infringe on the 13 Gibson Trademarks (See Exhibits "Q," "R," "S," and "T" to the Declaration of Bruce Mitchell). 14 15 On the www.paperjamz.com website, WowWee indicates that Defendants AMAZON, BEST 16 BUY, BIG LOTS, BROOKSTONE, KMART, TARGET, TOYS "R" US, WALGREENS AND 17 WAL-MART has locations where the public can purchase the Unauthorized Products (See Exhibit 18 "U" to the Declaration of Bruce Mitchell. Indeed, a review of the Defendants websites indicates that 19 the Unauthorized Products are widely available on-line (See Exhibits "V", "W", "X", "Y", "Z", 20 "AA", "BB", and "CC" to the Declaration of Bruce Mitchell). Each of those entities conducts 21 22 business within this district. 23 24 25 26 -3-

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A review of the websites of the remaining defendants, EBAY, TOYWIZ and HSN, indicates that the Unauthorized Products are available on-line to the public within this district, as well (See Exhibits "DD", "EE", and "FF" to the Declaration of Bruce Mitchell).

Thus, Plaintiff Gibson is seeking emergency relief via this application for a temporary restraining order and request for preliminary injunction to stop the infringing activities as soon as possible.

Personal jurisdiction over each of these Defendants is proper because among other things they have sold and distributed the Unauthorized Products in the Central District of California both in their physical locations as well as through their websites (See Brunner v. Bawcom, U.S. Dist. LEXIS 96341, 2010 WL 3724436, \*4 (D.Mont., Sept. 15, 2010) (holding that the defendant's single sale of goods to the plaintiff in the forum satisfied the "purposeful availment" requirement for personal jurisdiction, insofar as the defendant had "purposefully availed himself of the privilege of conducting business [in the forum]") (citing McGee v. International Life Ins. Co., 355 U.S. 220, 223, 78 S.Ct. 199, 2 L.Ed.2d 223 (1957)). Finally, each of the Defendants operate an online retail business from a highly-interactive website (See Tech Heads, Inc. v. Desktop Service Center, Inc., 105 F.Supp.2d 1142, 1150-51 (D.Or. 2000) (personal jurisdiction was proper when defendant's website had interactive features and one sale to an Oregon resident was made via the website); see also Park Inns International v. Pacific Plaza Hotels, Inc., 5 F.Supp.2d 762, 764 (D.Ariz. 1998) (personal jurisdiction proper Arizona residents and travel agents used defendant's website to make on-line hotel 22 23 reservations).

Although Gibson sent cease and desist letters to the Defendants, none of the Defendants have ceased selling the Unauthorized Products. Based on the foregoing, Plaintiff will suffer irreparable

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harm if the Defendants are not immediately enjoined from manufacturing, marketing or selling the Unauthorized Products.

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#### STATEMENT OF FACTS Π.

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### Plaintiff Exclusively Owns the Gibson Trademarks A.

Plaintiff owns uncontestable US trademark registrations for the Gibson Trademarks and has used the Gibson Trademarks in connection musical instruments for over 50 years and in the case of the GIBSON® Trademark it was first used in commerce in the late 1800s (See Exhibit L to Bruce

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#### Mitchell). The Gibson Trademarks Enjoy Worldwide Fame B.

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Gibson's instrucments and, in turn, Gibson Trademarks have achieved a high level of fame both domestically and abroad. Several of the most well-known national and international musicians

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use Gibson's products which utilize the Gibson's Trademarks, including but not limited to: Keith

14 15 Richards of the Rolling Stones; Elvis Presley; Jan Akkerman; Billy Joe Armstrong of GreenDay;

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Martin Barre of Jethro Tull; Jeff Beck of the Yardbirds; Dave Davies of the Kinks; Buck Dharma of

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the Blue Oyster Cult; The Edge of U2; Ace Frehley of Kiss; Steve Howe of Yes and Asia; Mick

18 19 Jones of Foreigner; Lenny Kravitz; Bob Marley; Ted Nugent; Joe Perry of Aerosmith; Duane Allman

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of the Allman Brother Band; John Lennon of the Beatles; Angus Young of AC/DC; James Hetfield of

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Metallica; Jimmy Page of Led Zeppelin; Eddie Van Halen; Johnny Winter; Neil Young; Slash; and

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Eric Clapton. (Declaration of Henry Juszkiewicz at ¶ 19).

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Pictures of Gibson products in famous musical performances date back well over 50 years (Id. at ¶19). Many of those musicians have been elected to the Rock and Roll Hall of Fame, of which

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Gibson is a proud sponsor (Id.). Additionally, Gibson has been covered in the press, both in the

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United States and elsewhere, demonstrating as a testament to the fame and good will associated with all the Gibson Trademarks. (Declaration of Henry Juszkiewicz at ¶ 20).

As a result of the high quality of the Gibson's instruments and the extensive sales, licensing and marketing, advertising and promotion of these instruments—under the Gibson Trademarks, the Gibson Trademarks have become famous trademarks that are widely and favorably known by consumers in the United States and elsewhere as designating high quality and dependable products originating exclusively from Gibson and its related companies (Declaration of Henry Juszkiewicz at ¶ 21).

### C. Defendant's Illegal Activities

Defendant WowWee has improperly commenced the business of manufacturing, selling and marketing various Unauthorized Products that utilize the famous marks of Gibson, specifically the Gibson Trademarks. The remaining Defendants represent retailers who sell the Unauthorized Products that display the Gibson Trademarks to the unassuming public.

Further, defendant WowWee has gone so far as to market its Unauthorized Products utilizing the protected word marks of Gibson, namely, "GIBSON®," "LES PAUL®," "FLYING V®," "EXPLORER®," and "S-G®" (Declaration of Bruce Mitchell at ¶ 14). Gibson is the exclusive owner of each of these respective trademarks, and it has not granted permission for any of the Defendants to utilize these marks in conjunction with their Unauthorized Products (Declaration of Henry Juszkiewicz at ¶ 24).

WowWee has, itself, indicated that the Unauthorized Product which is identical to the registered Gibson designs are "styled after the famous Gibson Les Paul" (Declaration of Bruce Mitchell at ¶ 15, and attached Exhibit GG); or the "famous Gibson Explorer" (Declaration of Bruce

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Mitchell at ¶ 15, and attached Exhibit HH ); or the "famous Gibson SG" (Declaration of Bruce Mitchell at ¶ 15, and attached Exhibit II); or the "famous Gibson Flying V Guitar" (Declaration of Bruce Mitchell at  $\P$  15, and attached Exhibit JJ). Indeed, WowWee goes as far as to say the following on its website, "The designs of each Paper Jamz guitar are similar to a classic that is highly sought after. For example, the Rock Style 6 guitar in Series 1 of Paper Jamz is made to resemble a Gibson SG while the Rock Style 1 is made to look like the famous Gibson Les Paul. You can choose from your favorite styles of guitar, with the styles ranging from the classic Fender Stratocaster the "Gibson Flying V Design" (emphasis added) (Declaration of Bruce Mitchell at ¶ 15, and attached Exhibit NN).

Defendant WowWee has even made the following bold statement in their advertising "WowWee Paper Jamz Guitar is molded just like the genuine matter, allowing you to play on a Gibson Flying V or a Fender Strat without experiencing to dispense hundreds of dollars" (emphasis added) (Declaration of Bruce Mitchell at  $\P$  16, and attached Exhibit KK). The ad goes on to state that three of its musical play instruments, Rock 4, 5, and 6, are in the "Flying V style," "the Explorer Style," and "the SG style." (Declaration of Bruce Mitchell at ¶ 17, and attached Exhibit KK ). This egregious and blatant use of the Gibson Trademarks, without the consent or license from Gibson is unconscionable.

In Gibson's experience, once irreparable damage to a trademark has been caused, it is nearly impossible for the company to recover its goodwill (Declaration of Henry Juszkiewicz at  $\P$  28).

In the fall, Gibson contacted WowWee about its infringing activities (Declaration of Bruce Mitchell at ¶ 8). However, despite communications between the parties and the demands by Gibson that WowWee cease and desist its infringing activities and the manufacture and sale of counterfeit

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parts, WowWee continued to do so. As a result, Gibson sent cease and desist letters to the remaining Defendants on November 15 and 16, 2010. To date, only five of the Defendants have contacted Gibson. One, Macys.com, Inc., appears to not be participating in the infringing activities, and thus has not been named a party to this action. The remaining four, WAL-MART, TOYWIZ, TARGET and Boscov (not a party to this action) indicated that they would look into the matter, but they have failed to cease and desist their infringing activities and they along with the other retail defendants continue to mislead the public in their offerings of counterfeit goods.

## D. Defendant EBay's Contributory Infringement of the Gibson Trademarks

EBay supports on its site numerous examples of the infringement of the Gibson Trademarks (Declaration of Bruce Mitchell at ¶ 13(i)). Accordingly, counsel for Gibson also sent EBay a cease and desist letter, but to date there has been no response.

The standard for analyzing contributory liability claims was set forth by the Supreme Court in the case of <u>Inwood Laboratories Inc. v. Ives Laboratories, Inc.</u> (456 U.S. 844, 853-854 (1982)). In <u>Inwood Laboratories</u>, the Supreme Court re-affirmed the basic principle that "liability for trademark infringement can extend beyond those who actually mislabel goods with the mark of another" (*Id.* at 853). Thus, "[e]ven if a manufacturer does not directly control others in the chain of distribution, it can be held responsible for their infringing activities under certain circumstances" (*Id.* at 853-854).

Furthermore, the Court established a two-part test for evaluating contributory liability claims. Specifically, if a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorially responsible for any harm done as a result of the deceit (*Id.* at 854). This two-part test articulated by the Supreme Court in

Inwood, has been consistently followed and expounded upon by subsequent courts (*See*, e.g. Perfect 10, Inc. v. Visa Int'l Service Ass'n, 494 F.3d 788, 807 (9th Cir. 2007); Lockheed Martin Corp. v. Network Solutions, Inc. 194 F.3d 980, 983 (9th Cir. 1999)).

A party cannot be willfully blind to claims of trademark infringement. Defendant EBay has been notified of the claims of infringement, but to date it has done nothing to attempt to resolve the situation, not even so much as a phone call to counsel for Gibson to determine the extent of the problem. As can be seen from Exhibit DD to the Declaration of Bruce Mitchell, there are significant offerings of counterfeit goods bearing the Gibson Trademarks being trafficked on defendant EBay's site, yet it turns a blind eye. Given that it appears the defendant EBay claims to have a robust take down procedure for allegedly counterfeit goods (*See generally* Tiffany v. eBay (2010) 600 F.3d 93), it appears that instead of exercising that policy, it instead chooses to act willfully blind to the blatantly obvious trademark infringement being conducted within its operations as it relates to the Gibson Trademarks which are being infringed by the offending products.

As such, EBay should also been included within the TRO and preliminary injunction.

## III. A TEMPORARY RESTRAINING ORDER IS NECESSARY TO PREVENT TRADEMARK INFRINGEMENT

# A. GIBSON Has Satisfied The Standards For Granting A Temporary Restraining Order And A Preliminary Injunction

The standards in the Ninth Circuit for obtaining a temporary restraining order are identical to those for obtaining a preliminary injunction (State of Alaska v. Native Village of Venetie, 856 F.2d 1384, 1389 (9th Cir. 1988). Gibson is entitled to preliminary injunctive relief where it shows: (1) a likelihood of success on the merits; (2) a likelihood of irreparable harm absent a preliminary

injunction; (3) that the balance of equities tips in favor of issuing an injunction; and (4) that an injunction is in the public interest (Winter v. Natural Res. Def. Council, Inc., 129 S. Ct. 365, 374 (2008); See also Stormans, Inc. v. Selecky, Nos. 07-36039, 07-36040, 2009 WL 194550, at 13 (9<sup>th</sup> Cir., July 8, 2009). A preliminary injunction is a way to preserve the status quo and prevent irreparable loss of rights before judgment (See, e.g., Textile Unlimited, Inc. v. A. BMH & Co., 240 F. 3d 781, 786 (9th Cir. 2001); Sierra On-Line, Inc. v. Phoenix Software, Inc., 739 F. 2d 1415, 1422 (9th Cir. 1984). Indeed, "public policy favors injunctive relief to remedy the infringement of intellectual property rights." (Yash Raj Films (USA), Inc. v. Sidhu, 2010 U.S. Dist. LEXIS 25988, \*17-18, 2010 WL 1032792, \*7 (E.D. Cal. 2010). Courts may also consider whether the granting of a preliminary injunction favors the public interest (Sun Microsystems, Inc. v. Microsoft Corp., 21 F. Supp. 2d 1109, 1118 (N.D. Cal 1998). Both a temporary restraining order and preliminary injunction are clearly proper here.

# B. GIBSON has Demonstrated An Indisputable Likelihood of Success On the Merits Of Its Federal Trademark Infringement Claims

To be liable for trademark infringement, someone must "(1) use in commerce (2) any word, false designation of origin, false or misleading description, or representation of fact, which (3) is likely to cause confusion or misrepresents the characteristics of his or another person's goods or services" (Freecycle Network, Inc. v. Oey, 505 F.3d 898, 901 (9th Cir. 2007).

To prove trademark infringement, Gibson must satisfy two basic elements: (1) a valid protectable mark; and (2) a likelihood of confusion, mistake, or deception in Defendants' use of the trademark (15 U.S.C. §1114). GIBSON has done so. It is the owner of the uncontestable United States trademark registrations for the Gibson Trademarks. Certificates of registration for these marks

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are prima facia evidence of their validity and GIBSON's exclusive rights to use such marks (15 U.S.C. § 1057 (b)). (Exhibits A-L to the Declaration of Bruce Mitchell)

The Ninth Circuit does not apply any particular "test" for likelihood of consumer confusion, but has identified a number of factors pertinent to "whether the public is likely to be deceived or confused by the similarity of the marks as to source, relationship or sponsorship."

The 8-prong Sleekcraft test is a pliant one in which some factors are more important than others (Goto.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1205 (9th Cir. 2000)). In the current scenario, however, many of the 8 factors support Plaintiff's request for injunctive relief. Furthermore, The Ninth Circuit has adopted these identical eight factors to test whether there is a likelihood of confusion for the common-law and federal unfair competition claims (Walter v. Mattel, Inc., 210 F.3d 1108, 1111 (9th Cir. 2000)).

### i. Strength of the Marks

The strength of a trademark is evaluated in terms of its conceptual strength and commercial strength (Goto.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1207 (9th Cir. 2000)).

The Gibson Trademarks represent the strongest category of trademarks in that they bear no logical relationship to the underlying product (i.e., arbitrary marks) and are deemed uncontestable due to the duration of the registrations.

<sup>&</sup>lt;sup>1</sup> Eclipse Associates Ltd. v. Data General Corp., 894 F. 2d 1114, 1118 (9th Cir. 1990). These factors include (1) strength or weakness of the plaintiff's trademark; (2) the degree of similarity between defendant's design and the plaintiff's trademark; (3) whether the trademarks are used on similar or related goods; (4) the similarities between the marketing channels used by the plaintiff and the defendant; (5) any evidence of actual confusion; (6) the intent of the defendant; (7) the type of goods and the degree to care likely to be exercised by the purchaser; and (8) the likelihood of expansion of product lines. AMF, Inc. v. Sleekcraft Boats, 599 F. 2d 341, 348-49 (9th Cir. 1979). Each of these factors is not necessarily relevant to every case, thus the list functions as a guide. Metro Pub., Ltd. v. San Jose Mercury News, 987 F. 2d 637, 640 (9th Cir. 1993).

The strength of Gibson Trademarks is further bolstered by the fact that Gibson is one of the foremost and most well-known providers of guitars, electric guitars, and electric basses in the world, and has been using the GIBSON® Trademark for well over 100 years, more than 50 for the other Gibson Trademarks. The Gibson Trademarks have been used in musical performances by numerous famous musicians, many who are members of the Rock and Roll Hall of fame. (Declaration of Henry Juszkiewicz at ¶ 19). The instruments used with the Gibson Trademarks, represent the pinnacle of stringed musical instruments.

Unlike Gibson, WowWee appears to have only recently incorporated, specifically in 2007. Accordingly this new business, rather than building its own goodwill is attempting to build its company from the hard earned goodwill of Gibson and the Gibson Trademarks..

### ii. Similarity of the Marks

Similarity of the marks is considered a critical question in the likelihood-of-confusion analysis (Goto.com, Inc., 202 F.3d at 1205-1206). The Ninth Circuit in Goto.com has announced a standard that (1) the marks must be considered in their entirety and as they appear in the marketplace; (2) similarity is adjudged in terms of appearance, sound, and meaning; and (3) similarities are weighed more heavily than differences (*Id.* at 1206).

Here, there can be no question that the shape trademarks held by Gibson, the Les Paul Body Shape Design ® Trademark, the Les Paul Peg-Head® Trademark, the Bell Cover Design® Trademark, the Flying V Body Shape Design® Trademark, the Explorer Body Shape Design® Trademark, the Kramer Peg-Head® Trademark, and the SG Body Design® Trademark are quite unique. In fact, WowWee has taken note of the goodwill and notoriety of the famous and unique

Gibson instruments, thereby creating cheaply made replicas of the Gibson Trademarks and is selling them to the public.

Additionally, because the defendant WowWee boldly uses of the *exact* Gibson owned word marks LES PAUL®, FLYING V®, EXPLORER®, and S-G® to promote their counterfeit items which exhibit the famous Les Paul Body Shape Design® Trademark, the Les Paul Peg-Head® Trademark, the Bell Cover Design® Trademark, the Flying V Body Shape Design® Trademark, the Explorer Body Shape Design® Trademark, the Kramer Peg-Head® Trademark, and the SG Body Design® Trademark, this is even more evidence that there is a similarity in the marks that leads to consumer confusion.

Most importantly, on defendant WowWee's own website it includes a video of a consumer who confused regarding the Paper Jamz counterfeit Flying V and the Gibson Flying V Body Shape Design® Trademark. (See Declaration of Bruce Mitchell at ¶17 and Exhibit LL). This is clear evidence of consumer confusion. AMF, Inc. v. Sleekcraft Boats, (599 F.2d 341 (9th Cir. 1979)).

## iii. The Alleged Infringer's Intent In Selecting The Mark

It is clear that WowWee intended to use the extensive fame and goodwill of the Gibson Trademarks when it designed, named and marketed the infringing products (they admit this fact on their website). It is clear at, but a glance, that the Rock 1 version of the Paper Jamz product is a knock-off of the Les Paul Body Shape Design® Trademark (See Exhibits A, M, and Q to Declaration of Bruce Mitchell). As is the similar case between the knock-off versions of Rock 4, 5, and 6 of the Paper Jamz products when compared to Gibson's Flying V Body Shape Design® Trademark, the Explorer Body Shape Design® Trademark, and the SG Body Design® Trademark (See Exhibits D,E, G, R, S, & T to Declaration of Bruce Mitchell).

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In addition, the Unauthorized Products not only infringe upon the distinctive trademark shapes of Gibson, but due to the fact that these knock off designs also utilize the Gibson word marks, such acts can only be seen as intentionally deceptive. WowWee uses the Flying V Body Design ® Trademark with the FLYING V Trademark, e.g., the Paper Jamz FLYING V (Dec of Bruce Mitchell, Exhibit R). It is clear that Defendants' advertising is attempting to build upon the goodwill and fame of the Gibson Trademarks, all to the detriment of Gibson. Of note, is that the advertisements are not 6 comparing their products, but rather using the Gibson Trademarks as bait on a lure to catch the 7 general public unawares, and secure increased revenue on the behalf of the Defendants, while at the 8 same time damaging the image of true Gibson products. If Gibson cannot police its trademarks, and 9 10 ensure that they are used either by Gibson, itself or under license, the marks would be copied industry 11 wide and render the Gibson marks worthless (Declaration of Henry Juszkiewicz at  $\P$  28). That is not 12 the purpose of the Lanham Trademark Act, but rather it is to protect the holders of registered 13 trademarks from infringement and to protect the public at large from confusion in the marketplace 14 15 due to the existence of counterfeit goods bearing federally registered trademarks. 16 17 18 19 20 21

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## iv. Likelihood of Expansion of the Product Lines

The holder of a registered trademark is presumed to have the ability to expand its product lines within the realm of its trademark, unless the trademark registration. Thus Gibson can in fact utilize the Gibson Trademarks in connection with musical play instruments. In fact, Gibson has already done so, marketing an electric guitar to kids between the ages of 10 to 15 years of age, that was sold within the same channels of trade that is being utilized by the Defendants (Declaration of Bruce Mitchell at ¶ 18, and the associated Exhibit MM). Gibson has also licensed its patented

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technology which enables the Rock Band® series to utilize a Fender Stratocaster® within the game (Id. at ¶ 17#).

A trademark owner is entitled to protection against the registration of a similar mark on products that might reasonably be expected to be produced by him in the normal expansion of his business. The test is whether purchasers would believe the product or service is within the registrant's logical zone of expansion (In re 1st USA Realty Professionals, Inc., 84 USPQ2d 1581 (TTAB 2007); CPG Products Corp. v. Perceptual Play, Inc., 221 USPQ 88 (TTAB 1983); TMEP §1207.01(a)(v)). Here, Gibson has already expanded its product lines to areas that encompass what the Defendants are peddling to the general public. The result is confusion on the part of the consuming public, as to who these products are affiliated with, confusion exacerbated by the manner and means in which the goods have been manufactured (e.g., the shapes) and the way in which they have been promoted ("styled like a famous Gibson," "made to resemble a Gibson SG while the Rock Style 1 is made to look like the famous Gibson Les Paul. You can choose from your favorite styles of guitar, with the styles ranging from the classic Fender Stratocaster the "Gibson Flying V Design" "is molded just like the genuine matter, allowing you to play on a Gibson Flying V . . . ") (Declaration of Bruce Mitchell at ¶ 15, and 16, and attached Exhibit NN). The Defendants' own words speak for themselves. This is pure trademark infringement, an attempt to hijack the fame and goodwill associated with the prestigious Gibson Trademarks.

C. Plaintiff Will Suffer Irreparable Harm In The Absence of Preliminary Injunctive Relief

The second of the four criteria for injunctive relief as set forth in <u>Winter</u> is that the plaintiff establish that it is likely to suffer irreparable harm in the absence of preliminary

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relief. Winter, 129 S.Ct. 365, 375-376.

In trademark cases, once the registrant establishes a likelihood of confusion between the registrant's mark and the challenger's mark, it is ordinarily presumed the registrant will suffer irreparable harm if injunctive relief is not granted (Vision Sports, Inc. v. Mellvile Corp., 888 F.2d 609, 612 n.3 (9th Cir. 1989) See also Marlyn Nutraceuticals, Inc. v. Murcos Pharma GmbH & Co., 571 F. 3d 873, 877 (9th Cir. 2009) (in trademark cases, irreparable injury is presumed based on a likelihood of success on the merits); and TMX Funding, Inc. v. Impero Technologies, Inc., 2010 U.S. Dist. LEXIS 68843, \*19-20, 2010 WL 2745484, \*7 (N.D. Cal.2010) (noting that post-Winter, "the Ninth Circuit has reaffirmed the ability of a district court to presume harm upon a showing of the likelihood of success on the merits of a trademark infringement claim."). "In trademark cases, irreparable harm is typically found in a plaintiff's loss of control over their business reputation, loss of trade and loss of goodwill" (Maxim Integrated Products, Inc. v. Quintana, 654 F. Supp. 2d 1024, 1035 (N.D. Cal. 2009) The cases hold that "[i]ntangible injuries such as damage to... goodwill qualify as irreparable harm" (Rent-A-Center, Inc. v. Canyon Television & Appliance Rental, Inc., 944 F. 2d 597, 603 (9<sup>th</sup> Cir. 2001).

This is the reason that there is a presumption of irreparable harm when there has been trademark infringement, such as is the case here.

### D. The Balance of Equities Tips In Favor of Plaintiff

A court balancing the equities will look to the possible harm that could befall the various parties (Cytosport, Inc. v. Vital Pharm., Inc., 617 F.Supp.2d 1051, 1081-1082 (E.D.Cal.2009)). In this case, plaintiff Gibson is likely to suffer irreparable harm to its business and the goodwill it has built in the Gibson Trademarks over fifty years, particularly in the United States.

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