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Document 1

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RECEIPT NUMBER 503182

IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

EIGHT MILE STYLE, LLC, and MARTIN AFFILIATED, LLC.

Plaintiffs,

JUDGE : Taylor, Anna Diggs

DECK : S. Division Civil Deck FILE DATE : 02/20/2004 @ 16:05:19

CASE NO : 2:04CV70651

VS.

APPLE COMPUTER, INC., TBWA/CHIAT/DAY, MTV NETWORKS, INC., and VIACOM INTERNATIONAL, INC.,

Defendants.

Hertz, Schram & Saretsky, P.C. Howard Hertz (P26653) Bγ: Eric A. Michaels (P57114) Attorneys for Plaintiff Eight Mile Style 1760 S. Telegraph Rd., Ste. 300 Bloomfield Hills, MI 48302-0183 (248) 335-5000

Jaffe, Raitt, Heuer & Weiss, P.C. By: Jeffrey G. Heuer (P14925) Lawrence R. Jordan (P27169) Joseph H. Heckendorn (P66623) Attorneys for Plaintiff Martin Affiliated 201 S. Main St., Suite 300 Ann Arbor, Michigan 48104 (734) 222-4776

COMPLAINT AND DEMAND FOR TRIAL BY JURY

Now come the plaintiffs, Eight Mile Style, LLC ("Eight Mile Style") and Martin Affiliated, LLC ("Martin"), (collectively "Plaintiffs"), by and through their attorneys, Hertz, Schram & Saretsky, P.C., and Jaffe, Raitt, Heuer & Weiss, P.C., respectively, and for their causes of action against the above-named defendants, state as follows:

INTRODUCTION

This case involves the blatant and unauthorized use by the above-named 1.

Defendants of a popular musical composition in Apple Computer, Inc.'s commercial advertisements for iTunes.

JURISDICTION AND VENUE

- 2. This is an action for copyright infringement arising under the Copyright Act of 1976, 17 U.S.C. §§101, et seq. (the "Copyright Act"), False Endorsement under the Lanham Act, 15 U.S.C. §§1051 et seq. (the "Lanham Act") and other related causes of action.
- 3. This court has exclusive jurisdiction over this action pursuant to 28 U.S.C. §1338(a) (copyright) and original jurisdiction under 28 U.S.C. §1331 (federal question). This court also has jurisdiction pursuant to 28 U.S.C. §1332 (diversity), 28 U.S.C. §1338(b) (unfair competition), and under its supplemental jurisdiction over pendent claims.
 - Venue is proper pursuant to 28 U.S.C. §1391(a) and §1400.

PARTIES

- 5. Plaintiff Eight Mile Style is a Michigan limited liability company with its principal place of business in the State of Michigan.
- 6. Plaintiff Martin is a Michigan limited liability company with its principal place of business in the State of Michigan.
- 7. Defendant, Apple Computer, Inc. ("Apple") is one of the largest computer companies in the world, and was at all pertinent times, a California corporation with its principal place of business in the State of California.
- 8. Defendant, MTV Networks, Inc., ("MTV") is, and was at all pertinent times, a Delaware corporation with its principal place of business in the State of New York.

- 9. Defendant, Viacom International, Inc., ("Viacom") is, and was at all pertinent times, a Delaware corporation with its principal place of business in the State of New York, and is, and was at all pertinent times, the owner of MTV Networks.
- 10. Defendant, TBWA/Chiat/Day ("Chiat/Day") is a California advertising agency, and was at all pertinent times, a Delaware corporation with its principal place of business in the State of New York.
- 11. Eight Mile Style and Martin are collectively referred to herein as "Plaintiffs."
- 12. Apple, Viacom, MTV and Chiat/Day are collectively referred to herein as "Defendants".

BACKGROUND AND FACTS

- 13. Plaintiffs are engaged in the business of creating, composing, producing, distributing, publishing and marketing music.
- 14. Plaintiffs are the copyright proprietors of a musical composition titled "Lose Yourself" written by Marshall Mathers III ("Mathers" or "Eminem"), Jeffrey Bass ("Bass") and Louis Resto ("Resto") (the "Composition") and an application on FORM PA has been filed with and was registered by the United States Copyright Office as PA#1-152-688. A copy of the registration certificate is attached as Exhibit "1". The Composition is extremely well known and is performed by Marshall Mathers III, professionally known as "Eminem", one of the most popular recording artists in the world today.
- 15. As part of an exclusive recording agreement, Plaintiff Eight Mile Style has the exclusive right throughout the world to use and publish and permit others to use and publish the professional name EMINEM with respect to Eminem's compositions.

- 16. Upon information and belief, in early 2003 Apple and Chiat/Day, either directly or through third parties, approached Eminem regarding his endorsement of Apple and/or iTunes.
- 17. Eminem has never nationally endorsed any commercial products and therefore he indicated, through his manager, that even if he were interested in endorsing a product any endorsement deal would require a significant amount of money, possibly in excess of \$10 Million.
- 18. Simultaneously, upon present information and belief, Apple hired Chiat/Day to produce a national advertising campaign for iTunes, an on-line music resource store offering downloadable music to the public.
- 19. Chiat/Day's proposed campaign for iTunes was intended to consist of approximately five (5) broadcast spots, featuring popular songs from nationally known artists such as Pink, Michael Jackson and The Who being sung a capella by "everyday" people while listening to headphones. Exhibit "2".
- 20. Apple and Chiat/Day approached Plaintiffs for authorization to use "Lose Yourself" as the prominent spot in their commercial campaign, thereby impliedly having Eminem endorse the iPod and iTunes products of Apple. "Lose Yourself" is one of the most popular musical compositions in contemporary music and Eminem and "Lose Yourself" have both achieved iconic stature among the very consumers Apple/Chiat/Day is targeting in its iTunes marketing campaign.
- 21. Unbeknownst to Plaintiffs, Chiat/Day prepared the commercial (the "Commercial") and posted it on Apple's website without Plaintiffs' approval.
 - 22. Plaintiffs discovered the Commercial on Apple's website. It was shown to

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Eminem who disapproved of the use of the Composition in that manner. Plaintiffs then immediately notified the appropriate parties to have the posting ceased and indicated that they would not permit the Composition to be used in the Commercial.

- 23. In fact, in an e-mail dated May 7, 2003, Andrew Schafer (an employee of Chiat/Day) acknowledged to Joel Martin his understanding that Plaintiffs had refused to license the Composition when he stated "[s]o to confirm, you guys are a definite 'no' for the campaign as it is (The young boy rapping "Lose Yourself")." Exhibit "3".
- 24. After learning that Eminem would not allow use of "Lose Yourself" in the commercial, Chiat/Day raised the possibility of using another Eminem song, "The Real Slim Shady," as a substitute for the Composition in an advertisement. Plaintiffs' representatives agreed to review the newly-proposed commercial and, if the commercial was ultimately approved, Plaintiffs would consider permitting the use of "The Real Slim Shady" for the price of \$300,000.
- 25. Chiat/Day then prepared a second commercial using the song "The Real Slim Shady" instead of the Composition.
- 26. Before Plaintiffs were given the opportunity to review the second commercial, Steven Jobs ("Jobs"), Apple's CEO, called Joel Martin, a representative of Plaintiffs, and said, in essence, that Apple was too far into its original campaign to make any changes Jobs requested Martin and Eminem "rethink" their position and permit Apple to use "Lose Yourself" in the television commercials or Apple would "scrap" the entire ad campaign.
- 27. After Plaintiffs relayed Jobs' position to Eminem, Eminem instructed Plaintiffs to end all discussions regarding the use of any of his compositions in Apple's

ad campaigns, Plaintiffs decided against granting permission to use either the Composition "Lose Yourself" or "The Real Slim Shady".

- 28. Recently, despite having no permission to proceed, it has come to the attention of Plaintiffs that, in addition to other copyright violations, a commercial for iTunes containing a performance of the Composition "Lose Yourself" was publicly performed on MTV Networks, and perhaps other broadcast and/or cable cast outlets.
- 29. As early as July, 2003, and as late as October 2003, the Commercial containing "Lose Yourself" appeared numerous times on MTV and possibly other stations or networks. In addition, the Commercial containing "Lose Yourself" also appeared on Apple's internet website for months.
- 30. At no time did Apple, Chiat/Day or MTV receive authorization or permission to record, reproduce, perform, transmit, copy, use or otherwise exploit the Composition for any purpose.
- 31. Each of the unauthorized broadcasts and actions is an act of copyright infringement, in violation of the Copyright Act, as amended, including but not limited to, 17 U.S.C. §106, and therefore is unlawful.
- 32. Moreover, each such unauthorized broadcast and action was committed willfully.
- 33. These actions have served to usurp Plaintiffs' exclusive right to determine whether, when, and under what terms the Composition would be used for commercial endorsements and advertising.
- 34. In addition, the unlawful actions have materially diminished the future value of the Composition should Plaintiffs wish to make it available for future

commercial advertising opportunities.

COUNT I - FEDERAL COPYRIGHT INFRINGEMENT (17 U.S.C. §§101 et. seq.)

- 35. Plaintiffs incorporate by reference paragraphs 1 through 34 of this complaint as if fully realleged and restated herein.
- 36. Plaintiffs are the lawful and sole proprietors of the copyright to the Composition, pursuant to agreements with Eminem.
- 37. Defendants have not been granted a license to reproduce, distribute, publicly perform or in any way use, compile or exploit the Composition by Plaintiffs.
- 38. As alleged above, Defendants have had access to, and have illegally copied substantial portions of the Composition; moreover, Defendants have distributed, publicly performed, made available, and placed into the stream of commerce commercials which contain said illegal copies of the Composition.
- 39. Plaintiffs are entitled to an injunction restraining Defendants, their agents and employees, and all persons acting in concert with them, from engaging in any further acts in violation of the copyright laws and infringements of Plaintiffs' rights thereunder.
- 40. Defendants' direct and willful acts of infringement have and will cause irreparable harm to Plaintiffs unless such conduct is preliminarily and permanently enjoined, since the reproduction and distribution of a previously unlicensed musical Composition has a special and unique value in the music industry.
- 41. Plaintiffs are further entitled to recover from Defendants, the damages, including attorneys' fees, sustained and which will be sustained, and any gains, profits

and advantages obtained by Defendants as a result of Defendants' acts of infringement alleged above. At present, the amount of such damages, gains, profits and advantages cannot be fully ascertained by Plaintiffs, but are reasonably believed to exceed \$75,000.

42. Plaintiffs have no adequate remedy at law for Defendants' wrongful conduct in that (i) Plaintiffs' copyrights are unique and valuable property which have no readily determinable market value; (ii) the infringement by Defendants constitutes an interference with Plaintiffs' good will and contractual relationships; and (iii) Defendants' wrongful conduct, and the damages resulting to Plaintiffs therefrom, is continuing. Defendants' acts of copyright infringement have caused Plaintiffs irreparable injury and Defendants have the ability to continue to commit these acts. Accordingly, Plaintiffs are entitled to damages as well as to injunctive relief pursuant to 17 U.S.C. §502, and to an order under 17 U.S.C. §503 that the infringing products be impounded.

COUNT II - FALSE ENDORSEMENT (15 U.S.C. § 1125(a) (Section 43(a) of the Lanham Act)

- 43. Plaintiffs repeat and reallege all allegations in Paragraphs 1-42 as though fully set forth herein.
- 44. At all times pertinent hereto, Plaintiff Eight Mile Style has had the right throughout the world to use and publish and permit others to publish the professional name EMINEM.
- 45. At all times pertinent hereto, Plaintiff Eight Mile Style's rights have included the right to control the publication of Eminem's compositions, and the use of the name and image of EMINEM relative to publication.

- 46. Defendants have not been granted a license to reproduce, distribute, publicly perform or in any way use, compile or exploit the Composition by Plaintiff Eight Mile Style.
- 47. Neither Plaintiff Eight Mile Style nor Eminem have agreed to be affiliated with or endorse the goods or services of the Defendants.
- 48. Defendants, by including portions of the Composition, which is uniquely identified with the author, in their advertisements, have created the false impression that Eminem, and Plaintiff Eight Mile Style, have endorsed Defendant Apple's iTunes product.
- 49. Defendants' conduct, as aforesaid, is willful, deliberate, fraudulent, and intentional, and was made with the knowledge that such violation would damage Plaintiff Eight Mile Style.
- 50. As a direct result of Defendants' violations, as aforesaid, Plaintiff Eight Mile Style has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from further use because the Defendants have taken from Plaintiff Eight Mile Style the right to determine whether, to whom, and under what terms, such endorsement will be given.

COUNT III - UNFAIR COMPETITION

- 51. The Plaintiffs incorporate by reference paragraphs 1 through 50 of this complaint as if fully realleged and restated herein.
- 52. Defendants' wrongful acts of unfair competition consist of utilizing the Composition for the specific purpose of creating the false impression that Eminem, and

Plaintiff Eight Mile Style, have endorsed Defendant Apple's iTunes product.

- 53. Defendants, by imitation or unfair device, have induced the general public to believe that they had the right to distribute and use the Composition in commercials and that Plaintiff Eight Mile Style and Eminem commercially endorse their products.
- 54. Defendants have received and obtained substantial gains, profits, advantages and benefits which Plaintiff Eight Mile Style rightfully deserve, by reason of their wrongful acts of unfair competition.
- 55. Defendants, by way of the wrongful acts of unfair competition, have appropriated to themselves the value of the reputation which the Plaintiff Eight Mile Style has acquired by way of its creation, production and publication of the Composition.
- 56. A natural, probable and foreseeable consequence of the Defendants' wrongful acts of unfair competition resulted in substantial deception to the general public.
- 57. The Defendants' wrongful acts constitute unfair competition under the laws of the State of Michigan.
- 58. Plaintiff Eight Mile Style is entitled to recover from the Defendants the monetary damages suffered by them as a result of Defendants' wrongful acts of unfair competition.
- 59. Plaintiff Eight Mile Style is further entitled to recover from the Defendants the gains, profits, advantages and benefits Defendants have received and obtained as a result of the unfair acts of unfair competition.
- 60. Defendants have acted intentionally, recklessly, willfully and in bad faith, and Plaintiff Eight Mile Style is therefore entitled to exemplary damages by reason of

the Defendants' wrongful acts of unfair competition.

COUNT III - UNJUST ENRICHMENT/QUANTUM MERIUT

- 61. Plaintiffs incorporate by reference paragraphs 1 through 60 of this complaint as if fully realleged and restated herein.
- 62. Defendants have received and obtained substantial gains, advantages and benefits by creating the false impression that Eminem, and Plaintiff Eight Mile Style, have endorsed Defendant Apple's iTunes product.
- 63. It is inequitable and unjust for the Defendants to retain those gains, advantages and benefits.
- 64. Defendants have enriched themselves at the expense and to the detriment of the Plaintiff Eight Mile Style.
- 65. To the extent Defendants inferred a false endorsement of their goods and services by Eminem, Plaintiff Eight Mile Style has conferred a benefit upon Defendants.
- 66. To the extent Defendants exploit the Commercial as noted above, Defendants have retained such benefit without adequately compensating Plaintiff Eight Mile Style therefor.
- 67. Defendants should not in equity and good conscience be permitted to retain the benefit bestowed upon them by Plaintiff Eight Mile Style.
- 68. As a result of the retention of such benefit, Defendants have been unjustly enriched and are jointly and severally liable to Plaintiff Eight Mile Style.
- 69. As a result of the unjust enrichment of Defendants, Plaintiff Eight Mile Style has incurred damages in an amount to be determined at trial, plus applicable

interest, attorneys fees and costs.

70. Plaintiff Eight Mile Style is entitled to receive and obtain from the Defendants the reasonable value of an endorsement by Plaintiff Eight Mile Style and Eminem.

PRAYER FOR RELIEF

Wherefore, the Plaintiffs Eight Mile Style, LLC, and Martin Affiliated, LLC, respectfully pray that this Court enter a final judgment in their favor and against the Defendants, jointly and severally, as follows:

- A. That the Court find that Defendants have infringed on Plaintiffs' copyright in the Composition.
- B. That Defendants, their agents, employees, and all other persons in active concert or privity or in participation with them, be enjoined from directly or indirectly infringing Plaintiffs' copyright in the Composition or from continuing to market, offer, sell, dispose of, license, lease, transfer, display, advertise, reproduce, develop or manufacture any works derived, copied and/or sampled from the Composition, in whatever medium, or to participate or assist in any such activity.
- C. That this Court order Defendants, and all their representatives, agents, servants, employees, officers, directors, partners, attorneys, subsidiaries, and all persons under their control or acting in active concert or participation with them to immediately post a notice on their web site stating that the prior use of the Composition was unauthorized and illegal.
 - D. That this Court order that Defendants, their affiliates and licensees

immediately cease and desist from any further recording, reproduction, distribution, transmission or other use of the Composition.

- E. That Defendants be enjoined and ordered to deliver upon oath, to be impounded during the pendency of this action and destroyed pursuant to judgment herein, all originals, copies or duplicates of any work shown by the evidence to infringe any copyright in the Composition, including any and all copies of the commercials.
- F. That judgment be entered for Plaintiffs and against Defendants for Plaintiffs' actual damages and for any profits attributable to infringements of Plaintiffs' copyright in the Composition, pursuant to the Copyright Act of 1976, 17 U.S.C. §§ 101, et seq.
- G. That judgment be entered for Plaintiffs and against Defendants for statutory damages based upon Defendants' acts of infringement, pursuant to the Copyright Act of 1976, 17 U.S.C. §§ 101 et seq., including 17 U.S.C. § 504(C)(1) and (2).
- H. That judgment be entered for Plaintiff Eight Mile Style and against Defendants for Plaintiff's actual damages and for any profits attributable to infringements of Plaintiff's rights, pursuant to the Lanham Act, 15 U.S.C. §§ 1111, et seq., including attorneys fees.
- I. That all gains, profits and advantages derived by Defendants from their acts of infringement and other violations of law be deemed to be held in constructive trust for the benefit of Plaintiffs.
- J. That Defendants be ordered to furnish to Plaintiffs a complete and accurate accounting of all profits earned in connection with their use of the Composition.

- K. That Plaintiffs have judgment against Defendants for Plaintiffs' costs, disbursements and attorneys' fees pursuant to the Copyright Act of 1976, 17 U.S.C. §§101 et seq.
- L. That the Court grant such other, further and different relief as the Court deems just, proper and equitable under the circumstances.

Respectfully submitted,

HERTZ, SCHRAM & SARETSKY, P.C.

By: Howard Heal's lay

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Dated: February 20, 2004

DEMAND FOR TRIAL BY JURY

Now come the plaintiffs, Eight Mile Style, LLC, and Martin Affiliated, LLC, by and through their attorneys, Hertz, Schram & Saretsky, P.C., and Jaffe, Raitt, Heuer & Weiss, P.C., and hereby demand a trial by jury in the above entitled action.

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Dated: February 20, 2004

SIGNATURE OF ATTORNEY OF RECORD oeseph. Hechendern

DOCKET NUMBER

JUDGE

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PURSUANT TO LOCAL RULE 83.11

1.	Is this a case that has been pr	eviously dismissed?	☐ Yes ≦ No
If yes, give the following information:			
Court:			
Judge:			
2.	Other than stated above, are there any pending or previously discontinued or dismissed companion cases in this or any other court, including state court? (Companion cases are matters in which it appears substantially similar evidence will be offered or the same or related parties are present and the cases arise out of the same transaction or occurrence.)		
	ve the following information:		
Court: _			
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Judge! _			-
Notes:			