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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

ILLUSIONIST DISTRIBUTION, LLC,

Plaintiff,

v.

SONY PICTURES CLASSICS, INC.,
et al.,

Defendants.

Case No. CV 10-08062 DMG (MANx)

**ORDER RE PLAINTIFF'S *EX PARTE*
APPLICATION FOR TEMPORARY
RESTRAINING ORDER AND ORDER
TO SHOW CAUSE WHY
PRELIMINARY INJUNCTION
SHOULD NOT FOLLOW**

This matter is before the Court on Plaintiff's *Ex Parte* Application for Temporary Restraining Order ("TRO") and Order to Show Cause Why Preliminary Injunction Should Not Follow ("*Ex Parte* Application"). The Court deems this matter suitable for decision without oral argument. Fed. R. Civ. P. 78(b); C.D. Cal. L.R. 7-15. For the reasons set forth below, the *Ex Parte* Application is DENIED.

I.

FACTUAL AND PROCEDURAL BACKGROUND

Plaintiff Illusionist Distribution, LLC is the exclusive owner of the worldwide copyrights and unregistered trademarks to the 2006 motion picture "The Illusionist." (Brown Decl. ¶ 1.) Defendant Sony Pictures Classics, Inc. ("SPC"), pursuant to an

1 agreement with Defendant Pathé Distribution S.A.S. (“Pathé”),¹ is the distributor in the
2 United States and Canada for an animated motion picture entitled “The Illusionist,”
3 which is scheduled for release on December 25, 2010. (Barker Decl. ¶ 2.)

4 In a September 9, 2010 letter, Plaintiff advised Defendants of Plaintiff’s ownership
5 rights to “The Illusionist” and demanded that Defendants immediately cease and desist
6 from further promoting their film under the title of “The Illusionist.” (Brown Decl. ¶ 9,
7 Ex. B.) On September 21, 2010, SPC informed Plaintiff that it would not comply with
8 Plaintiff’s demands. (*Id.* ¶ 10, Ex. C.) On September 29, 2010, Pathé responded and
9 advised Plaintiff that it also would refuse to comply with Plaintiff’s demands. (*Id.* ¶ 11.)

10 On October 19, 2010, Plaintiff filed a complaint in Los Angeles County Superior
11 Court against SPC, Pathé, and Does 1 through 25. Plaintiff asserts causes of action for
12 trademark infringement under the Lanham Act, 15 U.S.C. § 1125(a), and unfair business
13 practices under California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et*
14 *seq.* SPC removed the action to this Court on October 26, 2010 on the basis of federal
15 question jurisdiction. Plaintiff filed the *Ex Parte* Application on November 2, 2010. On
16 November 3, 2010, SPC filed its Opposition.

17 **II.**

18 **LEGAL STANDARD**

19 Federal Rule of Civil Procedure 65 governs the issuance of TROs and preliminary
20 injunctions, and courts apply the same standard to both. *See Credit Bureau Connection,*
21 *Inc. v. Pardini*, __ F. Supp. 2d __, 2010 WL 2737128, at *5 (E.D. Cal. July 12, 2010)
22 (citing *Ne. Ohio Coal. for the Homeless & Serv. Employees Int’l Union, Local 1199 v.*
23 *Blackwell*, 467 F.3d 999, 1009 (6th Cir. 2006)). The purpose of such injunctive relief is
24 to preserve the rights and relative positions of the parties, *i.e.*, the *status quo*, until a final
25 judgment issues. *See U.S. Philips Corp. v. KBC Bank N.V.*, 590 F.3d 1091, 1094 (9th
26 Cir. 2010) (citing *Univ. of Tex. v. Camenisch*, 451 U.S. 390, 395, 101 S.Ct. 1830, 68

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¹ Pathé is erroneously sued as “Pathe Pictures.” (*See* Notice of Removal ¶ 2.)

1 L.Ed.2d 175 (1981)). An injunction is an exercise of a court’s equitable authority, which
 2 should not be invoked as a matter of course, and “only after taking into account all of the
 3 circumstances that bear on the need for prospective relief.” *Salazar v. Buono*, __ U.S. __,
 4 130 S.Ct. 1803, 1816, 176 L.Ed.2d 634 (2010).

5 A plaintiff seeking injunctive relief must show that (1) it is likely to succeed on the
 6 merits; (2) it is likely to suffer irreparable harm in the absence of preliminary relief; (3)
 7 the balance of equities tips in its favor; and (4) that an injunction is in the public interest.
 8 *Toyo Tire Holdings Of Ams. Inc. v. Cont’l Tire N. Am., Inc.*, 609 F.3d 975, 982 (9th Cir.
 9 2010) (citing *Winter v. Natural Res. Def. Council, Inc.*, __ U.S. __, 129 S.Ct. 365, 374,
 10 172 L.Ed.2d 249 (2008)). An injunction may be appropriate when a plaintiff raises
 11 “serious questions going to the merits” and demonstrates that “the balance of hardships
 12 tips sharply in the plaintiff’s favor.” *Alliance For Wild Rockies v. Cottrell*, __ F.3d __,
 13 2010 WL 3665149, at *8 (9th Cir. Sept. 22, 2010) (quoting *The Lands Council v.*
 14 *McNair*, 537 F.3d 981, 987 (9th Cir. 2008)).

15 III.

16 DISCUSSION

17 A. Plaintiff Fails To Demonstrate A Likelihood Of Success On The Merits

18 1. Trademark Infringement

19 Plaintiff asserts that its film “The Illusionist” has acquired a secondary and
 20 distinctive meaning among the public, which has come to identify the title with the
 21 Academy Award-nominated motion picture released in 2006 and starring Ed Norton,
 22 Jessica Biel, and Paul Giamatti. (Compl. ¶¶ 15, 23.) Plaintiff contends that Defendants’
 23 promotion, marketing, distribution, and release of their picture entitled “The Illusionist”
 24 will constitute false designation of origin, false designation of affiliation, and false or
 25 misleading representation of fact in violation of the Lanham Act. (*Id.* ¶¶ 16, 24.)

26 To prevail on a trademark infringement claim, a plaintiff must show that (1) it has
 27 a valid, protectable trademark; and (2) the defendant’s use of the mark is likely to cause
 28

1 confusion. *Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d 966, 969 (9th Cir. 2007).
2 Here, Plaintiff is unlikely to succeed in demonstrating either prong.

3 A plaintiff can establish that it owns a protectable interest in one of three ways: (1)
4 registering its mark with the United States Patent and Trademark Office; (2) showing that
5 it has a descriptive mark that has acquired a secondary meaning in the market; or (3)
6 showing that it has a suggestive mark, which is inherently distinctive and protectable. *Id.*
7 at 969-70. Because Plaintiff has not registered “The Illusionist” (*see* Compl. ¶ 8),
8 Plaintiff has a valid, protectable trademark only if its mark is sufficiently distinctive or
9 has acquired a secondary meaning in the market.

10 In characterizing a mark’s distinctiveness, the Ninth Circuit utilizes a taxonomy
11 devised by Judge Friendly in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d
12 4, 9 (2d Cir. 1976):

13 [M]arks are placed in one of five categories, ranging from weakest to
14 strongest: generic, descriptive, suggestive, arbitrary, and fanciful. At one
15 end of the spectrum, generic marks refer to the genus of which the particular
16 product is a species, such as “bread” or “door,” and are not registerable as
17 trademarks. At the other end of the spectrum are arbitrary marks—actual
18 words with no connection to the product—such as Apple computers and
19 Camel cigarettes, and fanciful marks—made-up words with no discernable
20 meaning—such as Kodak film and Sony electronics that are inherently
21 distinctive and therefore receive maximum trademark protection. In the
22 middle are descriptive marks, which describe the qualities or characteristics
23 of a good or service and only receive protection if they acquire secondary
24 meaning, and suggestive marks, which require a consumer to use
25 imagination or any type of multistage reasoning to understand the mark’s
26 significance and automatically receive protection.

27 *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025,
28 1033 (9th Cir. 2010) (internal citations, quotation marks, and brackets omitted).

1 Assuming, as Plaintiff argues, that “The Illusionist” is descriptive, Plaintiff must
2 show that the mark has acquired a secondary meaning. Plaintiff maintains that its film’s
3 “box office success” and “well-known reputation” are “directly attributable to the
4 substantial marketing campaign undertaken by Plaintiff and its agents and affiliates.” (*Ex*
5 *Parte Appl.* at 11.) Plaintiff spent more than \$18 million to market and advertise “The
6 Illusionist” for its theatrical release in the United States and undertook a marketing
7 campaign costing \$11 million to market DVD sales of “The Illusionist” in the United
8 States. (Brown Decl. ¶¶ 5-6.) The film generated more than \$88 million in gross receipts
9 worldwide. (*Id.* ¶ 5.) A “large expenditure of money,” however, “does not in itself
10 create legally protectable rights.” *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d
11 1171, 1180 (9th Cir. 2010) (quoting *Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th
12 Cir.1968)) (quotation marks omitted). Plaintiff provides no other evidence that “The
13 Illusionist” has acquired secondary meaning.

14 In any event, Plaintiff also fails to demonstrate a likelihood of consumer confusion.
15 To evaluate whether the use of a mark is likely to confuse consumers, courts consider
16 eight non-exhaustive factors (the “*Sleekcraft* factors”) whose relative importance will
17 vary from case to case: “(1) the similarity of the marks; (2) the strength of the plaintiff’s
18 mark; (3) the proximity or relatedness of the goods or services; (4) the defendant’s intent
19 in selecting the mark; (5) evidence of actual confusion; (6) the marketing channels used;
20 (7) the likelihood of expansion into other markets; and (8) the degree of care likely to be
21 exercised by purchasers of the defendant’s product.” *Fortune Dynamic*, 618 F.3d at 1030
22 (citing *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)). The inquiry
23 may proceed in any order and a court need not address every factor. *One Indus., LLC v.*
24 *Jim O’Neal Distrib., Inc.*, 578 F.3d 1154, 1162 (9th Cir. 2009), *cert. denied*, 130 S.Ct.
25 1739, 176 L.Ed.2d 213 (2010).

26 Notwithstanding that the marks at issue are identical, there is little likelihood of
27 consumer confusion. Plaintiff’s mark is weak. It generically describes a movie about an
28 illusionist rather than Plaintiff’s product in particular. As SPC points out, there are works

1 galore with that title, including a film released in 1983, as well as at least 14 books
2 published since 1952, 12 of which are still in print. (Kramer Decl., Ex. 1 at 1, 5-17.) In
3 addition, a wide variety of consumer products employ the term “illusionist” in some
4 variation in their registered trademark. (*Id.* at 19-25.) More still, thousands of magicians
5 perform under the description “illusionist.” (*See id.* at 72-74, 89, 97-209.)

6 Although both products are movies about illusionists, they are so different that
7 there is little chance that consumer confusion will ensue. Plaintiff’s motion picture is
8 based on the 1989 short story “Eisenheim the Illusionist,” written by Pulitzer prize-
9 winning novelist Steven Millhauser. It is set in Vienna at the turn of the twentieth
10 century. Its plot centers on a stage magician named Eisenheim (played by Ed Norton)
11 who seemingly possesses extraordinary powers and falls in love with a duchess named
12 Sophie (played by Jessica Biel). After years of travel, Eisenheim returns to Vienna as a
13 master illusionist and learns that Sophie is set to be married against her wishes to the
14 crown prince, who is planning a coup to overthrow his aged father, the emperor. A
15 detective (played by Paul Giamatti) is on the illusionist’s trail. The movie culminates in a
16 twist, involving an apparent murder, in which Eisenheim uses his superior skills as an
17 illusionist to escape with Sophie to start a new life. (Brown Decl. ¶ 4; Barker Decl. ¶ 5.)

18 Defendants’ motion picture is an animated art film based on a screenplay written in
19 the 1950s by famed French mime, actor, and film director Jacques Tati. It is set in
20 Scotland in the 1950s or 1960s. The film contains virtually no dialogue or voiceovers.
21 The main character, an animated version of Jacques Tati, is a struggling illusionist who is
22 becoming older and weaker in the face of a new era of Rock-n-Roll and other modern
23 forms of entertainment. The only “gig” that the illusionist can obtain is at a small pub on
24 the Scottish shore. There, he meets a teenage girl who has never been out of the village,
25 and who believes the illusionist’s tricks to be real. The girl follows the illusionist to
26 Edinburgh, where the two develop a caring, quasi-father-daughter relationship.
27 (Carcassone Decl. ¶ 5; Barker Decl. ¶¶ 2-4.)

28

1 Defendants' film has always been called "The Illusionist" (or, in the original
2 French, "L'illusionniste") and their choice of title has nothing to do with Plaintiff's film.
3 (Carcassone Decl. ¶¶ 2, 8.) There is no indication that Defendants intend to market their
4 film to the same audience as Plaintiff's. Defendants' movie is geared toward animation
5 aficionados and fans of independent art films. Plaintiff's movie has been advertised as a
6 mainstream, live-action "period piece" of interest to the general public. (*Id.* ¶ 7; Barker
7 Decl. ¶ 5.) Plaintiff presents no evidence of actual consumer confusion.

8 In sum, the *Sleekcraft* factors weigh against a finding of likely consumer confusion
9 between the two films. Plaintiff is thus unlikely to meet either of the prongs to establish
10 trademark infringement.

11 Plaintiff's trademark infringement claim is unlikely to succeed for an additional
12 reason: Defendants have a strong First Amendment defense. The Ninth Circuit has
13 adopted the Second Circuit's approach in *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir.
14 1989), to test whether the First Amendment limits application of the Lanham Act. Under
15 the Second Circuit's approach, courts construe the Lanham Act to apply to artistic
16 works—particularly an artistic work's title—"only where the public interest in avoiding
17 consumer confusion *outweighs* the public interest in free expression." *E.S.S. Entm't*
18 *2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008) (quoting *Mattel,*
19 *Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003)) (quotation marks
20 omitted). "An artistic work's use of a trademark that otherwise would violate the
21 Lanham Act is not actionable unless the use of the mark has no artistic relevance to the
22 underlying work whatsoever, or, if it has some artistic relevance, unless it explicitly
23 misleads as to the source or the content of the work." *Id.* (quoting *Mattel, Inc. v. MCA*
24 *Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002)).

25 Here, Defendants' use of "The Illusionist" clearly has artistic relevance to their
26 film—it describes the main character. Moving to the second prong of the *Rogers* test,
27 Defendants' title does not explicitly mislead as to the source of the work. *See MCA*
28 *Records*, 296 F.3d at 902 ("The only indication that [the plaintiff] might be associated

1 with the [defendant's work] is the use of [the plaintiff's trademark] in the title; if this
2 were enough to satisfy this prong of the *Rogers* test, it would render *Rogers* a nullity.”).
3 Accordingly, Plaintiff's claim will likely fail on First Amendment grounds as well.

4 **2. Unfair Competition Law**

5 The UCL prohibits “unfair competition,” which it defines to include “any
6 unlawful, unfair, or fraudulent business act or practice.” Cal. Bus. & Prof. Code § 17200.
7 It covers “anything that can properly be called a business practice and that at the same
8 time is forbidden by law,” and “governs anti-competitive business practices as well as
9 injuries to consumers.” *Cel-Tech Commc'ns, Inc. v. Los Angeles Cellular Tel. Co.*, 20
10 Cal. 4th 163, 180, 83 Cal. Rptr. 2d 548 (1999). Section 17200 borrows violations of
11 other laws and treats them as unlawful practices that the unfair competition law makes
12 independently actionable. *Id.*

13 Plaintiff's only basis for a UCL claim is Defendants' alleged trademark
14 infringement. Because Plaintiff's trademark causes of action are unlikely to succeed on
15 the merits, Plaintiff's UCL claim is also likely to fail.

16 **B. Plaintiff Fails To Demonstrate A Likelihood Of Irreparable Harm**

17 Plaintiff, having been unable to show a trademark violation, is unlikely to be
18 harmed if the Court allows Defendants to market and distribute their film. Plaintiff
19 asserts that irreparable harm will result if Defendants' film proves to be unpopular with
20 the American public because consumers' negative attitude would permanently impact
21 their perception of Plaintiff's film. As discussed *supra*, however, it is unlikely that
22 consumers would confuse the two films such that negative sentiments about one would
23 affect public opinion about the other.

24 **C. The Balance Of Hardships Favors Defendants**

25 The balance of equities tips sharply in favor of Defendants. Plaintiff is attempting
26 to protect the remaining revenue streams on a nearly five-year-old film from the unlikely
27 confusion that might be caused by a similarly titled but otherwise unrelated movie. In
28 contrast, an injunction would cause immediate and irreparable damage to Defendants and

1 their film's prospects. Art films require a cost-effective way of developing an awareness
2 and profile of the film, which entails many screenings (both press and film festivals) over
3 the course of a long period prior to the film's release. (Barker Decl. ¶ 6.) Thus,
4 Defendants cannot simply release their film under a different name. The December 25,
5 2010 release date was specifically chosen in order to make Defendants' picture eligible
6 for year-end award consideration, including consideration for Academy Awards. (*Id.* ¶
7 9.) Any delay would jeopardize the film's chances for an award, putting the film's
8 revenues further at risk, as an Academy Award nomination can increase a film's domestic
9 receipts by as much as double. (*Id.*) Therefore, the speculative harm to Plaintiff from
10 allowing the distribution of Defendant's picture is far outweighed by the concrete and
11 immediate harm to Defendants from an injunction.

12 **D. An Injunction Is Not In The Public Interest**

13 Finally, the Court must consider the public interest. While the public has an
14 interest in trademark enforcement, it has no interest in seeing the enforcement of
15 unprotectable marks. The public has a substantial interest in preventing artistic
16 expression from becoming stifled by overzealous intellectual property protection.

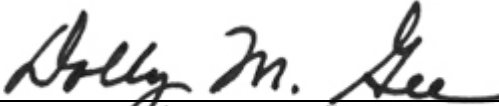
17 V.

18 **CONCLUSION**

19 In light of the foregoing, Plaintiff's *Ex Parte* Application is DENIED.

20
21 **IT IS SO ORDERED.**

22
23 DATED: November 4, 2010

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25 _____
26 DOLLY M. GEE
27 UNITED STATES DISTRICT JUDGE
28