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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION**

16 E! ENTERTAINMENT TELEVISION,
INC., a Delaware corporation,

17 Plaintiff,

18 v.

19 ENTERTAINMENT ONE GP
20 LIMITED d/b/a E1
ENTERTAINMENT, a Canada
21 corporation; E1 TELEVISION
PRODUCTIONS LTD. d/b/a E1
22 TELEVISION and E1 TELEVISION
INTERNATIONAL, a Canada
23 corporation; E1 FILMS CANADA INC.
d/b/a E1 FILMS, a Canada corporation;
24 E1 ENTERTAINMENT GP LLC, a
Delaware limited liability company; and
25 E1 ENTERTAINMENT U.S. LP, a
Delaware limited partnership,

26 Defendants.
27

Case No. CV09-01778 R (RCx)

**ORDER DENYING PLAINTIFF'S
MOTION FOR PRELIMINARY
INJUNCTION; FINDINGS OF
FACT AND CONCLUSIONS OF
LAW**

[FRCP 52(a)(2); Local Rule 52-2]

Date: May 4, 2009
Time: 10:00 a.m.
Place: Courtroom 8
Judge: Hon. Manuel L. Real

1 The Motion for Preliminary Injunction (the “Motion”) of Plaintiff E!
2 Entertainment Television, Inc. came on for hearing on May 4, 2009 at 10:00 a.m.
3 before the Honorable Manuel L. Real, United States District Judge. Floyd A.
4 Mandell, Steve Cochran and Kristin L. Holland of Katten Muchin Rosenman LLP
5 appeared for Plaintiff. Neil M. Soltman and Steven E. Rich of Mayer Brown LLP
6 appeared for Defendants E1 Entertainment GP LLC and E1 Entertainment U.S.
7 LP, and appeared specially for Defendants Entertainment One GP Limited, E1
8 Television Productions Ltd., and E1 Films Canada Inc. The Court, having
9 reviewed the Motion and all related pleadings, papers and evidence, having heard
10 the oral arguments of counsel, and good cause appearing, hereby denies the Motion
11 and makes the following Findings of Fact and Conclusions of Law, which
12 constitute the Court’s findings of fact and conclusions of law under F.R.Civ.P.
13 52(a)(2):

14 **FINDINGS OF FACT**

- 15 1. Plaintiff E! Entertainment Television, Inc. (“Plaintiff”) is a Delaware
16 corporation with its principal place of business in Los Angeles, California.
- 17 2. Defendant E1 Entertainment GP LLC is a Delaware limited liability
18 company with its principal place of business in Port Washington, New York.
- 19 3. Defendant E1 Entertainment U.S. LP is a Delaware limited
20 partnership with its principal place of business in Port Washington, New York.
- 21 4. Defendant Entertainment One GP Limited is a Canadian corporation
22 with its principal place of business in Toronto, Ontario, Canada.
- 23 5. Defendant E1 Television Productions Ltd. is a Canadian corporation
24 with its principal place of business in Toronto, Ontario, Canada.
- 25 6. Defendant E1 Films Canada Inc. is a Canadian corporation with its
26 principal place of business in Toronto, Ontario, Canada.

1 7. Since 1990, Plaintiff principally has been in the business of operating
2 a 24-hour television network with programming dedicated to the world of
3 entertainment. Kolb Decl., ¶ 3. Plaintiff also operates a production company,
4 manages a traditional and new media content distribution business, and markets
5 and sells certain merchandise. Kolb Decl., ¶ 4.

6 8. Plaintiff's network programming primarily consists of celebrity gossip
7 shows, such as "The Soup" and "Daily 10," and celebrity-oriented reality shows,
8 such as "Keeping Up With The Kardashians" and "Candy Girls." See
9 <http://www.eonline.com/on/index.jsp>.

10 9. The programming on Plaintiff's network is marketed directly to its
11 end users, ultimate consumers who receive its cable, satellite and Internet Protocol
12 (IPTV) signals and view its programs. Kolb Decl., ¶¶ 3-4.

13 10. Plaintiff's marks include E! Entertainment, eentertainment.com,
14 E! Entertainment Television, and E!, and Plaintiff's logos include the three
15 depicted (in color) below. Plaintiff's marks and logos collectively are referred to
16 as "Plaintiff's E! Marks." Kolb Decl., ¶ 2.



24 11. Since its founding in 1973, the parent company of Defendants (then
25 known as Records on Wheels ("ROW")) has mainly been in the business of
26 distributing home entertainment products manufactured by third parties, such as
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1 record albums, tapes, CDs and DVDs, to retailers in Canada. Rapkowski Decl.,
2 ¶ 3.

3 12. By 2003, ROW was the largest business-to-business distributor of
4 home entertainment products in Canada. Rapkowski Decl., ¶ 3.

5 13. In 2005, ROW changed its name to Entertainment One Income Fund.
6 Rapkowski Decl., ¶ 4.

7 14. In March 2007, Entertainment One Income Fund was acquired by
8 Entertainment One Ltd. (“Entertainment One”). In January 2009, Entertainment
9 One was re-branded as E1 Entertainment and adopted the new logo depicted (in
10 color) below (the “E1 Mark”). Rapkowski Decl., ¶ 5.



18 15. Defendants E1 Entertainment GP LLC and E1 Entertainment US LP
19 (i) sell physical media, like DVDs and music CDs, to large-scale retailers and
20 wholesalers throughout the United States, such as Best Buy and Wal-Mart, and
21 almost never to end consumers, (ii) operate a record label in North America; and
22 (iii) operate as content owners and distributors of primarily niche and direct-to-
23 video motion pictures. In all such instances, the use of the E1 Mark is highly
24 circumscribed. On the DVDs distributed in the U.S., for example, the E1 Mark
25 appears only on the spine and on the back of the packaging (both measuring
26 approximately ¼ inch by ¼ inch); on screen it appears momentarily during the
27 opening credits. Rapkowski Decl., ¶ 7; Exh. 1. The words “E1 Entertainment”
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1 also appear on the back of the packaging in tiny font as part of the required
2 copyright notice line. Rapkowski Decl., ¶ 7.

3 16. Defendant E1 Television Productions Ltd. is a Canadian independent
4 producer of television series, mini-series and television movies, renowned for its
5 dramatic productions. Rapkowski Decl., ¶ 8.

6 17. Although the programming produced by E1 Television Productions
7 Ltd. in Canada has on occasion aired in the United States on Comedy Central,
8 HBO, FX, Hallmark Channel and Lifetime, Rapkowski Decl., ¶¶ 8, 9, the E1 Mark
9 itself has never appeared on that programming in the United States. Rapkowski
10 Decl., ¶ 8.

11 18. Defendants E1 Entertainment GP LLC and E1 Entertainment US LP
12 are the only two of the five Defendants who ever have used the E1 Mark in the
13 United States. Rapkowski Decl., ¶ 7.

14 19. With limited exceptions not pertinent here, Defendant Entertainment
15 One GP Limited does not use the E1 Mark in U.S. commerce. Rapkowski Decl.,
16 ¶ 10.

17 20. Upon an examination of Defendants' use of the E1 Mark in U.S.
18 commerce, the Court finds that the parties do not compete with respect to the same
19 goods or services. Instead, they compete in entirely different business segments of
20 the entertainment industry. Plaintiff's customers primarily are casual television
21 viewers (Kolb Decl., ¶ 4), whereas Defendants' customers primarily are national
22 retailers and wholesalers, such as Best Buy and Wal-Mart, using sophisticated
23 purchasing agents to buy Defendants' products. Rapkowski Decl., ¶¶ 7 & 9.

24 21. Plaintiff has presented no evidence showing that its customers,
25 primarily casual television viewers, exercise a low degree of care. Defendants, on
26 the other hand, have demonstrated that their customers—national retailers and
27 wholesalers acting through professional buyers—exercise a high degree care.
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1 Rapkowski Decl., ¶ 7. Such professional buyers are less likely to be confused than
2 the ordinary consumer and they do not make haphazard or confused purchase
3 decisions. Rapkowski Decl., ¶ 7.

4 22. There is widespread third-party use of “E” marks in the entertainment
5 field similar to Plaintiff’s. Rich Decl., ¶¶ 2-22; Exhs. 1-26. This third-party use
6 establishes a crowded field of “E” marks used with services commercially
7 indistinguishable from Plaintiff’s. Only a few examples include:

8 (a) “ET” (an abbreviation for “Entertainment Tonight”), which has
9 been used in connection with a widely broadcast and popular entertainment-news
10 television program since 1982, eight years before Plaintiff’s first use (Rich Decl.
11 ¶ 3; Exh. 2). ET’s services are essentially identical to those provided by Plaintiff
12 under Plaintiff’s E! Marks, and the parties’ websites are identical but for a single
13 letter (www.etonline.com (Entertainment Tonight’s) and www.eonline.com
14 (Plaintiff’s)). Plaintiff modeled itself after “ET”; Plaintiff’s president admitted that
15 he wanted to start a television channel “[l]ike a 24-hour ‘Entertainment Tonight,’”
16 Rich Decl., ¶ 5; Exh. 5, which illustrates that Plaintiff has known for two decades
17 that multiple “E” marks can coexist in the entertainment business without
18 confusion;

19 (b) “EW” (an abbreviation for “Entertainment Weekly”), which
20 currently is used in connection with entertainment related services, including a
21 popular entertainment magazine and a website (www.ew.com) featuring celebrity
22 news, video content and reviews. Rich Decl., ¶ 7; Exh. 7;

23 (c) “EI” (an abbreviation for “Entertainment Insiders”), which is
24 used with a website located at www.einsiders.com and provides movie reviews and
25 other entertainment-related information. Rich Decl., ¶ 8; Exh. 8;

26 (d) “ETV”: a statewide television network in South Carolina
27 operating 11 television stations, eight radio stations and a closed-circuit
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1 educational telecommunications system broadcast in more than 2000 schools,
2 colleges, businesses and government agencies. Rich Decl., ¶ 9; Exh. 9;

3 (e) “ETV”: a Connecticut-based public access television station.
4 Rich Decl., ¶ 10; Exh. 10;

5 (f) “ETC”: an entertainment channel in the Philippines broadcast
6 via satellite, cable and the internet. Plaintiff formally licensed E! programming to
7 the “ETC” channel, demonstrating its ability to co-exist with other “E” marks.
8 Rich Decl., ¶¶ 13-14; Exhs. 13-14; and

9 (g) “ei”: a designation that must be prominently displayed on
10 television screens during “educational/informative” programs pursuant to 47
11 C.F.R. 73.671(c)). “ei” is similar to Plaintiff’s E! mark with the exclamation point
12 inverted.

13 23. There are dozens of federal trademark registrations in the
14 entertainment field for various word and design marks that use “E” as a dominant
15 portion of the mark. Only a few examples include:

16 (a) E & Design (Reg. No. 2,566,990) for “television and radio
17 broadcasting services.” Rich Decl. ¶ 15; Exh. 15;

18 (b) E & Design (Reg. No. 2,445,630) for “television, cable
19 television, and satellite television broadcast services.” Rich Decl. ¶ 16; Exh. 16;

20 (c) E & Design (Reg. No. 3,516,611) for “transmission of sound,
21 picture and data signals, namely, transmission of radio programs, data, and
22 television programs via satellite.” Rich Decl. ¶ 17; Exh. 17;

23 (d) E & Design (Reg. No. 1,283,697) for “production and
24 distribution of motion picture and television films.” Rich Decl. ¶ 18; Exh. 18;

25 (e) E & Design (Reg. No. 2,641,054) for “digital multimedia
26 production services and television broadcast consulting services.” Rich Decl. ¶ 19;
27 Exh. 19;

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1 (f) E & Design (Reg. No. 2,932,719) for “entertainment in the
2 nature of on going audiovisual programs.” Rich Decl. ¶ 20; Exh. 20; and

3 (g) E & Design (Reg. No. 3,432,925) for “motion picture
4 production services.” Rich Decl. ¶ 21; Exh. 21.

5 24. Consumers and/or purchasers in the marketplace are not likely to be
6 confused as to the origin of the goods or services bearing the E1 Mark.

7 25. Consumers and/or purchasers in the marketplace are not likely to
8 believe that Plaintiff is the origin of any goods or services bearing the E1 Mark.

9 26. Consumers and/or purchasers in the marketplace are not likely to
10 believe that any goods or services bearing the E1 Mark are sold in association with,
11 or under license from, or with the sponsorship of, Plaintiff.

12 27. Plaintiff presented no evidence that there has been or could be any
13 confusion between Defendants’ E1 Mark and any of Plaintiff’s E! Marks.

14 28. Plaintiff presented no evidence that there has been or could be any
15 confusion between any of the parties’ web addresses—eentertainment.com and
16 eonline.com used by Plaintiff, and e!entertainment.com, used by Defendants.

17 29. A common means of demonstrating likely confusion is by a survey,
18 but Plaintiff has not offered one.

19 30. Plaintiff has presented no evidence showing that Defendants adopted
20 their mark in an intentional attempt to infringe or to deceive consumers.
21 Defendants have produced evidence demonstrating that their mark simply is a
22 natural variation of their prior mark, Entertainment One, and, thus, consistent with
23 good faith. Rapkowski Decl., ¶ 11.

24 31. Defendants have proffered evidence that they have no intent to expand
25 into Plaintiff’s primary business—operating a 24-hour cable television network.
26 Rapkowski Decl., ¶ 12.

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1 4. To obtain a preliminary injunction, Plaintiff must prove either (a) the
2 “traditional” criteria: (1) a strong likelihood of success on the merits, (2) the
3 possibility of irreparable injury to plaintiff if preliminary relief is not granted, (3) a
4 balance of hardships favoring the plaintiff, *and* (4) advancement of the public
5 interest (in certain cases), or (b) the so-called “alternative” criteria: (1) a
6 combination of probable success on the merits and the possibility of irreparable
7 injury; or (2) that serious questions are raised and the balance of hardships tips
8 sharply in the plaintiff’s favor. *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 902
9 (9th Cir. 2007).

10 5. To succeed on its trademark infringement and unfair competition
11 claims, Plaintiff must establish that Defendants are using a mark confusingly
12 similar to a valid, protectible trademark of Plaintiff’s. *Brookfield Comm., Inc. v.*
13 *West Coast Entm’t Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999). When determining
14 if a mark is confusingly similar, the test is not whether a viewer finds the two
15 marks to be generally similar, but only “whether a ‘reasonably prudent consumer’
16 in the marketplace is likely to be confused as to the origin of the good or service
17 bearing one of the marks.” *Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142
18 F.3d 1127, 1129 (9th Cir. 1998).

19 6. In determining whether a likelihood of confusion exists, courts in the
20 Ninth Circuit consider the “*Sleekcraft*” factors: (1) the strength of plaintiff’s
21 marks, (2) the proximity of the goods, (3) the marketing channels used, (4) the
22 similarity of the marks, (5) evidence of actual confusion, (6) degree of care,
23 (7) defendant’s intent, and (8) likelihood of expansion. *AMF, Inc. v. Sleekcraft*
24 *Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

25 7. The *Sleekcraft* factors play an important role in the analysis of
26 whether a likelihood of confusion exists, but it is the totality of facts in a given
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1 case that is dispositive. *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140
2 (9th Cir. 2002).

3 8. An examination of the *Sleekcraft* factors raises serious doubts as to
4 the probability of Plaintiff's success on the merits of its trademark and unfair
5 competition claims.

6 9. The strength of a mark is determined by its placement on a continuum
7 of marks, including, in descending order of strength, "fanciful," "arbitrary,"
8 "suggestive," "descriptive" and "generic" marks. *E. & J. Gallo Winery v. Gallo*
9 *Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992).

10 a. Plaintiff's E! Marks are descriptive and, therefore, weak. *See*
11 *Entrepreneur Media*, 279 F.3d at 1144; *Accuride Int'l, Inc. v.*
12 *Accuride Corp.*, 871 F.2d 1531, 1536 (9th Cir. 1989). *Accord,*
13 *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1040
14 (2d Cir. 1992); *G. Heileman Brewing Co. v. Anheuser-Busch, Inc.*,
15 873 F.2d 985, 993 (7th Cir. 1989).

16 b. Plaintiff's E! Marks exist in a crowded field (*see* Findings of Fact,
17 ¶¶ 22-23) where "each member of the crowd is relatively weak in its
18 ability to prevent use by others in the crowd." *Miss World (UK) Ltd.*
19 *v. Mrs. Am. Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988).

20 Because Plaintiff's E! Marks reside in a crowded field, they are weak
21 as a matter of law. *See Instant Media, Inc. v. Microsoft Corp.*, 2007
22 WL 2318948, at *12 (N.D. Cal. Aug. 13, 2007); *Matrix Motor Co.,*
23 *Inc. v. Toyota Jidosha Kabushiki Kaisha*, 290 F. Supp. 2d 1083, 1091
24 (C.D. Cal. 2003).

25 10. "Related goods are those products which would be reasonably thought
26 by the buying public to come from the same source if sold under the same mark."
27 *Sleekcraft*, 599 F.2d at 348 n.10. Plaintiff has not shown that Defendants' goods
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1 and services are related to or used proximately to the goods and marketing
2 channels of Plaintiff. *See Moose Creek, Inc. v. Abercrombie & Fitch Co.*, 331
3 F. Supp. 2d 1214, 1226 (C.D. Cal. 2004); *M2 Software, Inc. v. M2 Comms., L.L.C.*,
4 281 F. Supp. 2d 1166, 1171 (C.D. Cal. 2003).

5 11. Plaintiff also has not shown that the parties' marks are similar.
6 "Similarity of the marks is tested on three levels: [1] sight, [2] sound, and
7 [3] meaning." *Glow Indus., Inc. v. Lopez*, 252 F. Supp. 2d 962, 994 (C.D. Cal.
8 2002) (citation omitted). In assessing similarity, trademarks are evaluated as they
9 are encountered in the marketplace, taking into account the normal circumstances
10 surrounding purchase of the type of goods they represent." *Id.*; *see also Sleekcraft*,
11 599 F.2d at 351; *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th
12 Cir. 1984).

- 13 a. After comparing the parties' respective marks, taking into account
14 how they are encountered in the marketplace, the Court determines
15 that Plaintiff's and Defendants' marks are not visually sufficiently
16 similar to one another.
- 17 b. After comparing the parties' respective marks, taking into account
18 how they are encountered in the marketplace, the Court determines
19 that Plaintiff's and Defendants' marks do not sound sufficiently
20 similar to one another.
- 21 c. After comparing the parties' respective marks, taking into account
22 how they are encountered in the marketplace, the Court determines
23 that Plaintiff's and Defendants' marks both signify "entertainment."
24 "Entertainment" is highly descriptive in connection with
25 entertainment-related services and therefore weak. Where a mark is
26 deemed weak (like here), the Court gives the differences between two
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1 marks (in sight and sound) greater weight when determining the
2 likelihood of confusion. *Entrepreneur*, 279 F.3d at 1145 n.9.

3 12. Plaintiff has not shown a likelihood of confusion, by proffering a
4 survey or otherwise. The “failure to conduct a consumer survey [before seeking
5 injunctive relief appropriately leads] . . . to an inference that the results of such a
6 survey would be unfavorable” and “undermine[s] [a plaintiff’s] position that [the
7 marks at issue] are likely to confuse consumers.” *Cairns v. Franklin Mint Co.*, 24
8 F. Supp. 2d 1013, 1041-1042 (C.D. Cal. 1998); see *Asics Corp. v. Skechers U.S.A.*,
9 2007 WL 142670, at *6 (C.D. Cal. Apr. 26, 2007).

10 13. Because Defendants have demonstrated that their customers exercise
11 a high degree care, there is a small likelihood of confusion. See *Moose Creek*, 331
12 F. Supp. 2d at 1231; *Narwood Prods., Inc. v. Lexington Broad. Servs. Co.*, 541
13 F. Supp. 1243, 1251 (S.D.N.Y. 1982); *E. & J. Gallo Winery*, 967 F.2d at 1293.

14 14. Defendants have demonstrated that the evolution and adaptation of
15 their mark is consistent with good faith. *Welch Allyn, Inc. v. Tyco Int’l Servs. AG*,
16 200 F. Supp. 2d 130, 144 (N.D.N.Y. 2002).

17 15. Plaintiff will suffer no irreparable harm in the absence of a
18 preliminary injunction.

19 16. The balance of hardships weighs in favor of Defendants.

20 17. The public interest would not be served by the issuance of the
21 preliminary injunction.

22 18. There are serious questions about Plaintiff’s probability of success on
23 its federal trademark dilution claim. The E1 Mark is not nearly identical to any of
24 Plaintiff’s E! Marks and, therefore, does not pose a likelihood of dilution of
25 Plaintiff’s marks or confusion.

26 19. Plaintiff has failed to satisfy either the “traditional” criteria or the
27 “alternative” criteria for the issuance of a preliminary injunction.

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20. Any Conclusion of Law to the extent that it is a Finding of Fact shall be deemed to be a Finding of Fact.

NOW, therefore, in view of the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that the Motion is DENIED.

DATED: May 19, 2009 _____



Hon. Manuel L. Real
UNITED STATES DISTRICT COURT JUDGE