

THE INTELLECTUAL PROPERTY LAW SECTION OF THE STATE BAR OF
CALIFORNIA PRESENTS THE
32ND ANNUAL INTELLECTUAL PROPERTY LAW INSTITUTE

PIRACY: INJUNCTIVE RELIEF FROM THE TRENCHES
ANATOMY OF AN INFRINGEMENT ACTION
RICHARD J. IDELL

A. Introduction/Infringement Actions in Intellectual Property Infringement Matters

(1) Copyright

The Copyright Act expressly grants to the owner of the copyright the exclusive right to exploit in enumerated ways the copyrighted work to the public. 17 U.S.C. §106 (3). Any violation of these rights is an infringement of the copyright, 17 U.S.C. §501, even if the defendants have acted in good faith. *CBS Inc. v. Scorpio Music Distributors, Inc.*, 569 F. Supp. 47, 48 and n.5, 49 (E.D. Pa. 1983), aff'd, 738 F.2d 421 (3d Cir. 1984); *Shapiro, Bernstein & Co. v. B.L. Green Co.*, 316 F.2d 304, 307 (2d Cir. 1963).

A prima facie case of copyright infringement is established by (1) plaintiff's ownership of a valid copyright; and (2) copying by defendants or other unauthorized use of plaintiff's exclusive rights in the material covered by the copyright. *Sid & Marty Krofft Television Productions, Inc. v. Appalachian Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977); *Original Appalachian Artworks, Inc. v. The Toy Loft, Inc.*, 684 F.2d 821, 824 (11th Cir. 1982); 3 *Nimmer On Copyright* §13.01 (1985).

(2) Trademark or Trade Name Infringement

A prima facie case for trademark infringement is established by a showing that (1) the mark is owned by or associated with a particular plaintiff and (2) that the defendant's use of the mark is likely to cause confusion or mistake among the public. *See, Jockey Club, Inc. v. Jockey Club of Las Vegas*, 595 F.2d 1167 (9th Cir. 1979).

All that is required is "likelihood" of confusion, mistake or deception; it is not necessary to prove that any person actually has been mistaken, confused or deceived. *New West Corp. v. NYM Co. of California, Inc.*, 595 F.2d 1194, 1201-02 (9th Cir. 1979); *Bank of America Corp. v. Bamieh*, 188 U.S.P.Q. 380, 382 (N.D. Cal. 1975).

Among the factors which bear on the issue of likelihood of confusion are the relationship between the goods of the plaintiff and the defendant and the area of their concurrent sale, the extent to which the plaintiff's marks and the alleged infringing marks are similar, and the evidence of bad faith or intention on the part of defendants in selecting and using the infringing marks. *Chopra v. Kapur*, 185 U.S.P.Q. 195 (N. D. Cal. 1974); *also see, AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979); *In re E. I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).

(3) False Designation of Origin

(4) Joinder of Claims and Pre-emption

B. Choice of Venue Considerations

- (1) Federal Court Exclusive Jurisdiction
- (2) Choice of District and Single Judge Assignment System
- (3) Related Case Rules and Issues
- (4) Local Rules and Courtroom Rules: Know your Judge

C. Preliminary Investigation

- (1) Rule 11 Considerations
- (2) Practical Considerations
- (3) Chain of Evidence and Documenting Infringement
- (4) Evidence of Chain of Title to Copyright

The certificates of registration are prima facie evidence of the validity of the copyrights. 17 U.S.C. §410(c); *Apple Computer, Inc. v. Formula International, Inc.*, 725 F.2d 521 (9th Cir. 1984).

- (5) Evidence of Entitlement to Enforcement of Name or Mark

An incontestable registration under 15 U.S.C. §1115(b), is “conclusive evidence of the registrant’s exclusive right to the use of the registered mark in commerce.” Even unregistered marks may be protected and the subject of litigation to enforce superior rights. Superior use is proven by length of time in use and geographic region of use.

- (6) Necessity for Sealing/Secrecy Order

D. Planning of Case Schedule in Seizure Actions

- (1) Organization of Declarations and Pleadings
- (2) Lining up Broker to Issue Bond
- (3) Preparation of Pleadings re: Sealing Order
- (4) Review of Local Rules on Ex Parte Applications

E. Application for Ex Parte Sealing Order and Issuance of Ex Parte Temporary Restraining Order, Order to Show Cause re Preliminary Injunction and Seizure Order

- (1) Ex Parte Application for Sealing/Secrecy Order

- (2) Memorandum of Points and Authorities in Support of Ex Parte Application for Sealing/Secrecy Order
 - (3) Declaration in Support of Sealing/Secrecy Order
 - (4) Sealing/Secrecy Order
 - (5) Verified Complaint
 - (a) Demand for Jury Trial
 - (b) Considerations on Waiving Jury Trial
 - (6) Summons, Civil Cover Sheet, Other Initial Filing Requirements
 - (7) Memorandum of Points and Authorities
 - (8) Supporting Declarations
 - (9) Approaching the Court
 - (a) Local Rules Prohibiting Issuance of Ex Parte Applications and Good Cause for Issuance
 - (b) Letter Application
 - (c) Hearings on Ex Parte Applications
- F. Consideration of Temporary Restraining Order and Seizure Order
- (1) Preparedness for Court's Questions
 - (2) Trademark Actions--Notice to U.S. Attorney
 - (3) Form of Order
 - (4) Legal Basis for Issuance of Temporary Restraining Order

A temporary restraining order is appropriate in the case of unauthorized use of copyrighted material. *See, Walt Disney Productions v. Air Pirates*, 345 F. Supp. 108, 110 (N.D. Cal. 1972), *aff'd in part, rev'd in part*, 581 F.2d 751 (9th Cir. 1978), *cert. denied*, 439 U.S. 1132 (1979). The Copyright Act expressly provides the authority to grant temporary and final injunctions. 17 U.S.C. §502(a). Similar authority exists in trademark cases. 15 U.S.C. §1116.

Plaintiff is entitled to an order with respect to all of its copyrighted works even if the investigation only revealed infringement of a selection. *See, Encyclopedia Britannica*

Educational Corp. v. Crooks, 542 F. Supp. 1156, 1187-88, and n.23 (W.D.N.Y. 1982) (enjoining infringement of all of plaintiff's copyrighted works).

In *In re Vuitton et Fils S.A.*, 606 F.2d 1, 4 (2d Cir. 1979), the Court mandated the entry of an ex parte temporary restraining order, without notice, in a case involving counterfeit goods. The Court noted that:

...[the] likelihood of product confusion exists. The allegedly counterfeit Vuitton merchandise is virtually identical to the genuine items. Indeed, the very purpose of the individuals marketing the cheaper items is to confuse the public into believing that it is buying the true article.

Similarly, in *Vuitton et Fils S.A. v. Crown Handbags*, 492 F. Supp. 1071, 1076 (S.D.N.Y. 1979), aff'd, 622 F.2d 577 (2d Cir. 1980), the Court noted that:

[o]ffering for sale a combination of products and trademark which exactly mimics that of plaintiff [results] in the type of confusion and deception which the Lanham Act was designed to prevent.

See also *Playboy Enterprises, Inc. v. Baccarat Clothing Co., Inc.*, 692 F.2d 1272 (9th Cir. 1982); *Ross-Whitney Corp. v. Smith Kline and French Labs*, 207 F.2d 190, 194 (9th Cir. 1953) (holding injunction against infringement proper if there exists the possibility that the plaintiff may make out a case upon the merits).

(6) Legal Basis for Issuance of Seizure Order Ex Parte

Seizure is expressly authorized under both the Copyright Act, 17 U.S.C. §503, and the Lanham Act, as amended by the Trademark Counterfeiting Act of 1984, 15 U.S.C. §1116.

In *In re Vuitton et Fils S.A.*, 606 F.2d 1, 4 (2d Cir. 1979), the court upheld the propriety of dispensing with notice in actions involving counterfeiting. The court granted a mandamus petition to a trademark owner and ordered the District Court to consider the grant of a temporary restraining order without prior notice to the defendants.

Assuming that all of the other requirements of Rule 65 are met, the rule by its very terms allows for the issuance of an ex parte temporary restraining order when (1) the failure to issue it would result in 'immediate and irreparable injury, loss, or damage' and (2) the applicant sufficiently demonstrates the reason that notice 'should not be required.' In a trademark infringement case such as this, a substantial likelihood of confusion constitutes, in and of itself, irreparable injury sufficient to satisfy the requirement of Rule 65(b) (1). Here, we believe that such a likelihood of product confusion exists. The allegedly counterfeit Vuitton merchandise is virtually identical to the genuine items. Indeed, the very purpose of the individuals marketing the cheaper items is to confuse the buying public into believing it is buying the true article.

We also believe that Vuitton has demonstrated sufficiently why notice should not be required in a case such as this one. If notice is required, that notice all too often appears to serve only to render fruitless further prosecution of the action. This is precisely contrary to the normal and intended role of “notice,” and it is surely not what the authors of the rule either anticipated or intended.

Section 503(a) of the Copyright Act provides specific authority in copyright infringement actions for an order impounding the infringing “copies” in the possession of defendants:

At any time while an action under this title is pending, the court may order the impounding, on such terms as it may deem reasonable, of all copies of phonorecords claimed to have been made or used in violation of the copyright owner’s exclusive rights, and of all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be produced. 17 U.S.C. §503 (a).

Impounding of infringing goods secures the remedy provided for in 17 U.S.C. §503(b) of destruction of the goods at the termination of the action. *Matter of Vuitton et Fils*, *supra*, 606 F.2d at 4-5; *Jewelers’ Circular Publishing v. Keystone Publishing*, 274 F. 932 (S.D.N.U. 1921), *aff’d*, 281 F. 83 (2d Cir.) *cert. denied*, 259 U.S. 581 (1922). Impoundment procedures under the Copyright Act are constitutional under the first, fourth and fifth amendments. *Bally Midway Mdg. Co. v. Mazzilli*, Civ. 822490 (E.D.N.Y. 1982); *Dealer Advertising Development, Inc. v. Barbara Allan Financial Advertising, Inc.*, 197 U.S.P.Q. 611, 614 (W.D. Mich. 1977).

Congress enacted the Trademark Counterfeiting Act of 1984 (The “Counterfeiting Act”), which amended the Lanham Trademark Act (15 U.S.C. §1116(d)) specifically to authorize *ex parte* orders directing the seizure and impoundment of counterfeit merchandise and business records relating thereto.

The Counterfeiting Act imposes certain conditions upon the issuance of an *ex parte* seizure order, 15 U.S.C. §1116(d) (4) (B). The Court must find a comparative necessity for the issuance of an *ex parte* seizure order. The Court must determine whether equity favors the issuance of the *ex parte* seizure order. The Court must also give consideration to protecting defendants’ procedural rights.

- (7) Alternatives If Court Refuses To Issue Order Ex Parte
 - (a) Temporary Restraining Order With Order of Inspection and Photographing of Inventory
 - (b) Expedited Discovery, *i.e.* Request for Production and Inspection At The Time of Service
- (8) Bond

- (a) Must set a Bond
 - (b) Minimal Bond
 - (c) Declaration in Support of Bond Amount
- (9) Organizing the Seizure
- (a) USM-285 and Instructions
 - (b) Management of the Seizure, Overzealous Marshals or Litigants
 - (c) Relations with Defendants and Promotion of Settlement
 - (d) Business Records and Special Problems
 - (e) Inventory of Goods, Storage, Fees and proof to the Court
 - (f) Declarations of Service and Further Declarations in Support of Application for Preliminary Injunction

G. Preliminary Injunction

Issuance of a preliminary injunction against copyright and trademark infringement is proper. *Walt Disney Productions v. Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972), *aff'd in part, rev'd in part*, 581 F.2d 751 (9th Cir. 1978), *cert. denied*, 439 U.S. 1132 (1979); *Ross-Whitney Corp. v. Smith Kline & French Laboratories*, 207 F.2d 190 (9th Cir. 1953); *Dallas Cowboys Cheerleaders, Inc. v. Scoreboard Posters, Inc.*, 600 F.2d 1184, 1187 (5th Cir. 1979).

A plaintiff in a copyright or trademark infringement action is entitled to a preliminary injunction upon demonstrating either (1) a likelihood of success on the merits and the possibility of irreparable harm, or (2) the existence of serious questions going to the merits and the balance of hardships tipping in its favor. *Apple Computer, Inc. v. Formula International, Inc.*, 725 F.2d 521, 523 (9th Cir. 1984); *Inglis & Sons Baking Co. v. ITT Continental Baking Co.*, 526 F.2d 86 (9th Cir. 1975).

Once a copyright owner demonstrates a prima facie showing of infringement, a preliminary injunction should issue, even in the absence of further proof of irreparable injury. A showing of a reasonable likelihood of success on the merits of a copyright infringement claim raises a presumption of irreparable harm. *Apple Computer, Inc. v. Formula International, Inc.*, *supra*, 725 F.2d at 525; *See also, Rice v. American Program Bureau*, 446 F.2d 685, 588 (2d Cir. 1971); *Walt Disney Productions v. Air Pirates*, *supra*, 345 F. Supp. at 110. In a number of cases involving the enforcement of the Copyright Act, it has been held that upon the showing of a prima facie case of copyright infringement a copyright holder is entitled to a preliminary injunction without a detailed showing of irreparable harm. A copyright holder in the ordinary case may be presumed to suffer irreparable harm when his right to the exclusive use of the copyrighted material is invaded. *American Metropolitan Enterprises of New York v. Warner Bros. Records, Inc.*, 389 F.2d 903, 905 (2d Cir. 1968);

See also, Orange Micro, Inc. v. Pacific Blue Micro, 223 U.S.P.Q. 4, 5 (C.D. Cal. 1983); *Universal City Studios, Inc. v. Film Ventures International, Inc.*, 543 F. Supp. 1134, 1139 (C.D. Cal. 1982); *Thought Factory, Inc. v. Idea Factory, Inc.*, 203 U.S.P.Q. 331, 335 (C.D. Cal. 1978).

The copyright holder (plaintiff) may argue that continued infringement will confuse and mislead consumers as to the source of unauthorized goods and that such confusion necessarily will damage plaintiff and the goodwill of plaintiff in its trademarks and trade names. Additionally, they may argue that money damages for lost reputation are rarely adequate and exceedingly difficult to measure in trademark and copyright infringement actions. *Omega Importing Corp. v. Petri-Kline Camera Co.*, 451 F.2d 1190, 1195 (2d Cir. 1971); *McLeod v. Hosmer-Dorrance Co.*, 192 U.S.P.Q. 683, 686 (N.D. Cal. 1976) (granting preliminary injunction).

A trademark represents to the world the identity of the source of the goods that bear it. Reputation is directly linked to trademarks and trade names. Where a defendant uses the trademark of a plaintiff, customers will associate defendants' goods with plaintiff. When reputation is at stake, irreparable injury is almost presumed. *Hills Bros. Coffee, Inc. v. Hills Supermarkets, Inc.*, 428 F.2d 379 (2d Cir. 1970); *Consumer Union of U.S., Inc. v. Theodore Hamm Brewing Co.*, 314 F. Supp. 697, 700 (D. Conn. 1970); *Franklin Mint, Inc. v. Franklin Mint, Ltd.*, 331 F. Supp. 827, 830 (E.D. Pa. 1971); 2 Nims, *The Law of Unfair Competition and Trademarks*, §366 at 1142 (4th Ed. 1947).

- H. Entry of Preliminary Injunction
- I. Discovery
- J. Settlement and Entry of a Final Judgment and Consent Decree
- K. Damages
- L. Trial
- K. Judgment
- L. Post-Judgment Remedies
 - (a) Motions for New Trial
 - (b) Appeal

ADDITIONAL MATERIALS

Pleadings and Related Documents:

1. Rule 65 of the Federal Rules of Civil Procedure
2. Temporary Restraining Order and Seizure Order
3. USM Form 285 and Sample Form of Instructions



BIOGRAPHY – RICHARD J. IDELL

Richard Idell is a principal and founding member of Idell & Seitel LLP. Idell & Seitel LLP is a boutique San Francisco firm engaged in a litigation and transactional civil law practice with particular emphasis on legal issues concerning the intersection of the entertainment and technology industries.

Mr. Idell has both a trial and transactional practice and has handled a wide range of litigation matters in both State and Federal Court in the last 30 years, involving complex business disputes, complex investment banking transactions, including tax shelters, copyright, trademark, unfair competition, trade secret, Internet law (including Internet trademark and copyright issues, domain name disputes, search engine issues, key word and other advertising issues and related matters), real estate matters, construction disputes, professional negligence (including complex attorney-client fee disputes, attorney malpractice, accountancy malpractice, architectural malpractice and insurance broker negligence claims), insurance matters and tort claims.

Mr. Idell's entertainment litigation practice includes matters concerning licensing, copyright, trademark, trade dress, unfair competition, Internet issues and live entertainment performance issues including artist agreements, tour agreements, tour joint ventures, sponsorship contracts, publicity rights, domain name disputes, force majeure cancellations, venue liability for patron claims, insurance, indemnity, ADA compliance, venue construction, CEQA matters, land-use and easement issues, numerous insurance and real estate matters, including complex commercial lease disputes, purchase and sale disputes and tort law.

Mr. Idell has handled many litigation matters requiring pursuit of provisional relief, such as attachments, claim and delivery, temporary restraining orders and preliminary injunctions. He has handled dozens of copyright seizure cases utilizing the ex parte seizure remedies of Section 503 of the Copyright Act and comparable remedies under the Lanham Act. Mr. Idell's transactional practice primarily involves live entertainment issues, music, and film. He is advisor and counsel to numerous entertainment and technology endeavors and in particular to firms engaged in presentation of live entertainment performances, theatre, music, film, video production and audio-visual delivery.

Mr. Idell has served as an expert witness in a variety of litigation matters involving standard of care, copyright issues and reasonableness of attorney billings. He is

a frequent lecturer at local and national legal conferences. He is the Sponsorship Chair and on the Governing Committee of the [American Bar Association Forum on the Entertainment and Sports Industries](#). Mr. Idell is on the Advisory Board of the [Bill Graham Foundation](#). He is also Board President of the [California Film Institute](#), which, among other non-profit endeavors, presents the annual prestigious [Mill Valley Film Festival](#) and operates the [Christopher B. Smith Rafael Film Center](#) in San Rafael, California (a fully renovated art deco theatre). He is also on the Board of [Trips for Kids](#) of San Rafael.

Mr. Idell is a member of the [Bar Association of San Francisco](#) (Sports and Entertainment Section), the [State Bar of California](#) (Intellectual Property Section and Business Sections), the [International Association of Entertainment Lawyers](#), the [American Bar Association Forum on the Entertainment and Sports Industries](#) and the Bay Area Gastronomique Entertainment Lawyers Society ("BAGELS").

Mr. Idell obtained an A.B. University of California at Berkeley 1970 and his J.D. from Golden Gate University School of Law in 1975. He was admitted to the California Bar in 1976. He practiced law with the Honorable Judge Carlos Bea of the Ninth Circuit from 1977 to 1986, forming the predecessor to the current firm in that year.

ASSOCIATIONS:

American Bar Association Forum on the Entertainment and Sports Industries

Bay Area Gastronomique Entertainment Lawyers Society

International Associations of Entertainment Lawyers

Bar Association of San Francisco Sports and Entertainment Law Section

Bar Association of San Francisco Intellectual Property Section

California Lawyers for the Arts

SEMINARS:

Panelist, State Bar of California, Intellectual Property Law Section, 32nd Annual Intellectual Property Institute, "Piracy: Injunctive Relief from the Trenches", November 8-10, 2007, Monterey, California

Panelist, 30th Annual Mill Valley Film Festival, "The Future is Now: New Trends in The Specialty Film Market", October 6, 2007, Mill Valley, California

Panelist, Online Market World 2007, "Innovation and Liability: Managing Risks in the Web 2.0 Era", October 3-5, 2007, San Francisco, California

Panelist, South by Southwest Music Conference, CLE Panel on Entertainment Contract Issues, March 19, 2005, Austin, Texas

Panelist, Beverly Hills Bar Association, "Entertainment Law Year In Review & Update of The Law", January 19, 2005, Los Angeles California

Moderator, Bar Association of San Francisco, "2001 Annual Licensing Institute", September, 2001, San Francisco, California

Panelist, Practicing Law Institute, "Counseling Clients in the Entertainment Industries", April, 2001, Los Angeles, California

Panelist, Streaming Media Asia 2001, "Protecting Your Content Against Copyright Theft-- Digital Rights Management and Protection of Copyright", May 4, 2001, Hong Kong

Panelist, Bar Association of San Francisco, "Breaking into the Sports and Entertainment Industries", November, 2000, San Francisco, California

Moderator, ABA Forum on the Entertainment and Sports Law, "Live Entertainment Performance Issues", October, 2000, Orlando, Florida

Moderator, ABA Forum on the Entertainment and Sports Law, "The Impact of Consolidation in the Concert Industry", October 13, 2000, Orlando, Florida

Panelist, North by Northwest Music Conference (NXNW), "Sex and the Digital Millennium Copyright Act", September 21, 2000, Portland, Oregon

Panelist, Emerging Artists and Talent in Music Conference (Eat'M), "Artists and Managers", June 6, 2000, Las Vegas, Nevada

Panelist, Practicing Law Institute, "Counseling Clients in the Entertainment Industries", April 13, 2000, Los Angeles, California

Panelist, South by Southwest Music Conference 2000: Continuing Legal Education, "The Effect of Consolidation on the Concert Industry", March 17, 2000, Austin, Texas

Panelist, South by Southwest Music Conference 2000: Continuing Legal Education, "Streaming Media", March 14, 2000, Austin, Texas

Panelist, California Lawyers for the Arts, Music Business Seminar, "Working with Live Performance Presenters", September 25, 1999, Oakland, California

Panelist, Emerging Artists and Talent in Music Conference (Eat'M), "Live Performance Contracts", May 19, 1999, Las Vegas, Nevada

Panelist, Louisiana Music New Orleans Pride ("LNMOP"), "The End of the World as We Know It", April 25-29, 1999, New Orleans, Louisiana

Panelist, Louisiana Music New Orleans Pride ("LNMOP"), "RIAA v. Diamond Multimedia Systems", April 25-29, 1999, New Orleans, Louisiana

Lecturer, South by Southwest Music Conference: 1999: Continuing Legal Education, "Live Entertainment Performances-- Legal Issues", March 19, 1999, Austin, Texas

Panelist, Sports and Entertainment Section, San Francisco Bar Association, Entertainment Licensing Seminar, "Litigation of Licensing Rights", January, 1999, San Francisco, California

Panelist, California Lawyers for the Arts: "Overview of Music Management", October 27, 1998, Oakland, California

Moderator and Panelist, Sports and Entertainment Section, San Francisco Bar Association, Entertainment Licensing Seminar, "Enforcement and Litigation of Licensing Rights", January 23, 1998, San Francisco, California

Panelist, California Lawyers for the Arts, Riding the Shoulder: Cutting Edge Issues in Multi-Media, "Dealing With Lawyers", June 7, 1997, San Francisco, California

Lecturer, California Lawyers for the Arts, "Clearance Issues in Film Projects" 1997, Fort Mason, California

Panelist, National Business Institute, "The Law of the Internet", 1997, San Francisco, California

Panelist, California Lawyers for the Arts: Music Business Seminar, "From Demo Tapes to Recording Contracts", November 9, 1996, Oakland, California

Moderator and Program Coordinator, The Sports and Entertainment Section of the Bar Association of San Francisco, "Shopping" the Deal and Its Aftermath, January 17, 1996, San Francisco, California

Panelist, San Francisco Trial Lawyers Association, "Legal and Evidentiary Issues in a Professional Negligence Case", 1996, San Francisco, California

PUBLICATIONS:

Author, "Listen to What the Man Said: L'Anza and Section 602 of the Copyright Act, " Multimedia & Entertainment Law Online News, Vol. 402, 1998

Author, "Insurance and Indemnification Issues in Live Performance Agreements", Multimedia & Entertainment Law Online News, Vol. VI, Number 603, 2000

Quoted/Information Source, FOXNews.com, "As Cathy Seipp Lay Dying, Her Nemesis Took His Parting Shot on the Web," March 28, 2007

Quoted/Information Source, MetroActive.com, "Sex, Lies and Video Porn," May 30-June 5, 2007.

Quoted/Information Source, The Recorder, "It's All About Image," July 26, 2007.

Author, Website Magazine, "Online Marketing Campaigns and Legal Considerations," August 3, 2007.

ORIGINAL FILED

DEC 06 2006

W. WIEKING
U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

1 RICHARD J. IDELL, ESQ., #069033
2 ORY SANDEL, ESQ., #233204
3 IDELL & SEITEL LLP
4 The Merchants Exchange Building
5 465 California Street, Suite 300
6 San Francisco, CA 94104
7 Telephone: (415) 986-2400
8 Facsimile: (415) 392-9259

9 Attorneys for Plaintiff UNDER SEAL

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA

12 UNDER SEAL

13 Plaintiff,

14 v.

15 UNDER SEAL

16 Defendants.

Case No: *JW* C 06 - 7357

~~PROPOSED~~ TEMPORARY
RESTRAINING ORDER, SEIZURE ORDER
AND ORDER TO SHOW CAUSE RE:
PRELIMINARY INJUNCTION

DOCUMENT FILED UNDER SEAL

NOT TO APPEAR ON PUBLIC DOCKET

(PURSUANT TO SEALING ORDER DATED
11/29/06)

17 //
18 //
19 //
20 //
21 //
22 //
23 //
24 //
25 //
26 //
27 //
28 //

1 Plaintiff U2 HOME ENTERTAINMENT, INC., a California corporation, doing business as
 2 NEW IMAGE AUDIO & VIDEO, CENTURY HOME ENTERTAINMENT and TAI SENG
 3 ENTERTAINMENT (FORMERLY TAI SENG VIDEO MARKETING) (hereinafter collectively
 4 referred to as "Plaintiff"), has moved ex parte, without notice for a Temporary Restraining Order,
 5 Seizure Order, and Order To Show Cause Re: Preliminary Injunction under the Copyright Act (17
 6 U.S.C. §101 *et. seq.*) for the reasons that Defendants SUNLIGHT MUSIC (USA), a California
 7 corporation, KINMEI TRADING CO., a business entity form unknown, XIA ZHONG JIAN,
 8 individually and doing business as KINMEI TRADING CO., and DOES 1 to 200, are distributing
 9 and/or selling unauthorized "bootleg" or "pirated" versions of Plaintiff's copyrighted programs in the
 10 format of DVDs and the Court, having reviewed the Verified Complaint, pleadings and declarations
 11 submitted by Plaintiff, finds as follows:

12 (a) Plaintiff is likely to succeed in showing that Defendants have infringed
 13 Plaintiff's copyrights in connection with the sale, offering for sale and distribution to
 14 the public of pirated, "bootleg" and unauthorized DVDs of Plaintiff's copyrighted
 15 movies and multi-episodic television programs;

16 (b) The sale or distribution of such pirated and unauthorized DVDs will result in
 17 immediate and irreparable injury to Plaintiff if seizure of such merchandise and
 18 temporary injunctive relief is not ordered;

19 (c) Defendants, or other persons acting in concert with Defendants, may destroy,
 20 move, hide, or otherwise make said pirated and unauthorized DVDs inaccessible to the
 21 Court if Plaintiff was to proceed on notice to Defendants, thus frustrating the ultimate
 22 relief Plaintiff seeks in this action;

23 (d) The harm to Plaintiff resulting from denying the requested ex parte seizure order
 24 outweighs the harm, if any, to the legitimate interests of Defendants resulting from
 25 granting such an order;

26 (e) The DVDs to be seized appear to be in the possession or control of Defendants
 27 located the following locations ("Premises"):

- 28 ■ KINMEI TRADING CO., 1199 Stockton Street, Suite A3, San Francisco,

1 California, 94133;

2 ■ SUNLIGHT MUSIC (USA), 675 Jackson Street, San Francisco, California,
3 94133.

4 (f) Entry of an order other than an ex parte seizure order will not adequately achieve
5 the purposes of 17 U.S.C. § 503 to preserve to Plaintiff their remedies for copyright
6 infringement, including destruction of the infringing copies of Plaintiff's copyrighted
7 programs; and

8 (g) An ex parte seizure order is necessary and appropriate pursuant to 17 U.S.C. §
9 503 and this form of order by the Court is sufficient under the Copyright Act and
10 Court rules.

11 THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that SUNLIGHT
12 MUSIC (USA), a California corporation, KINMEI TRADING CO., a business entity form unknown,
13 XIA ZHONG JIAN, individually and doing business as KINMEI TRADING CO., and DOES 1 to 200,
14 and each of them, including any and all Defendant(s) served with this Order, who are offering for sale
15 or rental or selling or renting unauthorized copies of Plaintiff's copyrighted programs in DVD or other
16 format, shall show cause before the Honorable Judge Ware at the United States District Courthouse,
17 for the Northern District of California, San Jose Division, located at 280 South 1st Street
18 San Jose, CA 95113, Courtroom 8, 4th Floor, on December 18, 2006, at 9:00 a.m., or as soon
19 thereafter as counsel can be heard, which date is set for the hearing to show good cause why an order
20 should not be entered granting Plaintiff a preliminary injunction pursuant to Rule 65 of the Federal
21 Rules of Civil Procedure as follows:

22 (a) Enjoining and restraining SUNLIGHT MUSIC (USA), a California corporation,
23 KINMEI TRADING CO., a business entity form unknown, XIA ZHONG JIAN, individually and
24 doing business as KINMEI TRADING CO., and DOES 1 to 200, and each of their respective directors,
25 officers, agents, partners, members, servants, employees, confederates, representatives and attorneys,
26 and any and all other persons in active concert or participation with them, from:

27 (i) Directly or indirectly infringing the copyrights of Plaintiff in any manner, and from
28 causing, contributing to, or participating in the unauthorized importation, duplication,

DEC. 5. 2006 6:04PM IDELL & SEITEL LLP

NO 9729 P 7

1 manufacture, distribution or sale of Plaintiff's copyrighted programs, and from offering for rent
2 or sale, renting, selling, or otherwise distributing any unauthorized copies of Plaintiff's
3 copyrighted programs, including but not limited to the program titles listed on Exhibit "A" to
4 the Verified Complaint herein, which exhibits are hereby incorporated by reference;

5 (ii) Shipping, delivering, holding for sale, distributing, returning, transferring, or otherwise
6 moving or disposing of in any manner videotapes, VCDs, DVDs, laser discs, or other infringing
7 items containing Plaintiff's copyrighted programs, or any reproduction, counterfeit, copy, or
8 colorable imitation of the same;

9 (iii) Shipping, delivering, holding for sale, distributing, returning, transferring, or otherwise
10 moving or disposing of in any manner any and all boxes, labels, or other merchandise and
11 items, including, but not limited to, recording and duplicating equipment, used in the
12 manufacture and/or distribution of such infringing merchandise; and

13 (iv) Assisting, aiding, or abetting any other person or business entity in engaging in or
14 performing any of the activities referred to in subparagraphs (i) through (iii); and

15 (b) Requiring Defendants, and each of them, to deliver to Plaintiff forthwith any and all
16 such infringing merchandise in their possession, custody, or control for impoundment;

17 (c) Requiring Defendants, and each of them, to deliver to Plaintiff forthwith any and all
18 videotapes, VCDs, DVDs, boxes, labels, or other merchandise and items, including, but not limited to,
19 recording and duplicating equipment, used in the manufacture and/or distribution of such infringing
20 merchandise; and

21 (d) Confirming the seizure made pursuant to this Court's order and impounding during the
22 pendency of this action in the custody of Plaintiff, as substitute custodian, any videotapes, VCDs,
23 DVDs, laser discs, or other infringing articles, boxes, labels, and other infringing merchandise,
24 including, but not limited to, recording and duplicating equipment, used in the manufacture and/or
25 distribution of such infringing merchandise, seized pursuant to the provisions of this Order as
26 hereinafter set forth.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that effective on the date of
28 service of this Order, and pending the hearing of Plaintiff's application for a preliminary injunction,

1 Defendants SUNLIGHT MUSIC (USA), a California corporation, KINMEI TRADING CO., a
2 business entity form unknown, XIA ZHONG JIAN, individually and doing business as KINMEI
3 TRADING CO., and DOES 1 to 200, including any Defendant(s) served pursuant to this Order and
4 each of their respective directors, officers, agents, partners, members, servants, employees,
5 confederates, representatives, attorneys, and any and all other persons acting in concert or participation
6 with them, or having actual notice or knowledge of this order by personal service, or otherwise, be, and
7 they are, hereby temporarily restrained from:

8 (a) Committing any of the acts set forth in paragraphs (a) (i) through (iv) of the preceding
9 section; and

10 (b) Moving, destroying, or otherwise disposing of any (1) videotapes, VCDs, DVDs, laser
11 discs or other infringing articles embodying unauthorized versions of Plaintiff's copyrighted programs
12 and/or (2) tapes, boxes, labels, or other merchandise or items, including, but not limited to, recording
13 and duplicating equipment, copies or other equipment used in the manufacture and/or distribution
14 and/or sale of such infringing merchandise; and

15 (c) Removing, destroying, or otherwise disposing of any business or computer records or
16 documents relating in any way to the acquisition, importation, purchase, manufacture, creation,
17 packaging, distribution, renting, or sale of videotapes, VCDs, DVDs, laser discs or other articles or
18 goods embodying unauthorized versions of Plaintiff's copyrighted programs.

19 IT IS FURTHER ORDERED that the U.S. Marshals Office, their deputy or, if unavailable, any
20 other federal, state, or local law enforcement officer be and is hereby ordered and directed to seize and
21 impound from the Premises described herein forthwith:

22 (a) All videotapes, VCDs, DVDs, or laser discs, the boxes, packages, and labels or other
23 items, in Defendants' possession, custody, or control, embodying or containing Plaintiff's copyrighted
24 programs, including but not limited to those films and episodic television programs whose English
25 language titles are set forth on Exhibit "A" to the Verified Complaint, and any new, additional, and/or
26 subsequent copyrighted movies or programs that Plaintiff may acquire, release, and/or distribute during
27 the pendency of this action;

28 //

1 (b) All boxes, labels, or other merchandise and items, including, but not limited to,
2 recording and duplicating equipment, copies or other equipment used in the manufacture and/or
3 distribution of such infringing merchandise;

4 (b) All business records or documents, including all computer records, documenting or
5 relating in any way to, or believed to identify those involved in, the importation, purchase,
6 manufacture, creation, renting, sale, distribution or receipt of VCDs, DVDs, laser discs or videotapes
7 embodying unauthorized copies of Plaintiff's copyrighted movies. In the case of computer records,
8 Plaintiff is granted the right to inspect computer records and to establish the existence of pertinent
9 electronic files and to copy same.

10 The materials to be seized hereunder include, without limitation, all such VCDs, DVDs, laser
11 discs, videotapes and other merchandise, articles of infringement and all business records relating
12 thereto, in the possession of or under the control of Defendants, or which Defendants use in their
13 business operation to import, manufacture, rent or sell the infringing products, or are holding, in any
14 room, vehicle, desk, closet, cabinet, carton, package, vessel, or container, in which such articles,
15 materials, or merchandise are found at the business address of Defendants, as follows:

- 16 ▪ KINMEI TRADING CO., 1199 Stockton Street, Suite A3, San Francisco,
17 California, 94133;
- 18 ▪ SUNLIGHT MUSIC (USA), 675 Jackson Street, San Francisco, California,
19 94133;

20 The business premises of said Defendants, as set forth above, are collectively referred to as the
21 "Premises."

22 IT IS FURTHER ORDERED that Plaintiff may employ or utilize the services of the U.S.
23 Marshals Office or, in Plaintiff's discretion, any other law enforcement officer, including off-duty
24 police officers, in the execution of the seizure pursuant to this Order.

25 IT IS FURTHER ORDERED that the U.S. Marshals Office or any other law enforcement
26 officer accomplishing such seizure shall employ whatever reasonable force is necessary to enter onto
27 the Premises of Defendants, occupied or unoccupied, and to inspect the contents of any vehicle, desk,
28 closet, cabinet, carton, package, container, computer or document located on said Premises.

1 IT IS FURTHER ORDERED that Plaintiff's attorneys in this action, employees of California
2 licensed private investigators, and/or representatives or employees of Plaintiff, or other representatives
3 of Plaintiff or counsel, may accompany the U.S. Marshal, or other law enforcement officer, to aid in
4 the seizure and identification of the items to be seized at the Premises. Plaintiff shall indemnify,
5 defend, and hold harmless the U.S. Marshals Office from any claims or suits against the U.S. Marshals
6 Office arising out of the lawful execution of this order.

7 IT IS FURTHER ORDERED that all videotapes, VCDs, DVDs, laser discs, business or
8 computer records and things seized shall be packaged or tagged appropriately to permit identification,
9 that Defendants be given a receipt therefore, and such items, business or computer records, or things
10 shall be impounded in the custody or control of Plaintiff, as substitute custodian therefore, pending
11 further order of this Court. All such items shall be made available for inventory or inspection by any
12 party or its counsel during normal business hours upon request. Any such original business records
13 seized shall be copied and the originals returned to the Defendants within five (5) business days of the
14 seizure. Seizure, production, and copying of the said business records are subject to the protective
15 order of the Court that no such business records shall be published or disseminated to anyone not a
16 party to this litigation.

17 IT IS FURTHER ORDERED that Plaintiff's agents shall promptly inspect all items seized, and
18 if any items are found to be genuine products authorized by Plaintiff, such items are to be returned to
19 Defendants within ten (10) business days after the date this order is executed.

20 IT IS FURTHER ORDERED that the search, seizure, and sequestration ordered herein may be
21 photographed and/or videotaped for the purpose of authenticating and assisting in the obtaining of
22 evidence and to prevent any controversy regarding the activities and events occurring during said
23 research, seizure, and/or sequestration.

24 IT IS FURTHER ORDERED that Plaintiff shall post a cash or corporate surety bond in the
25 total amount of TWENTY-FIVE HUNDRED Dollars (\$ 2500⁰⁰) as security, which
26 is hereby determined adequate for the payment of such damages as any persons may be entitled to
27 recover as a result of a wrongful seizure, attempted seizure, or restraint hereunder. Plaintiff shall be
28 responsible for all charges of the U.S. Marshals Office, or other law enforcement officer, and shall

1 advance all funds requested by the U.S. Marshals Office, or other law enforcement officer, to execute
2 the above seizure order.

3 IT IS FURTHER ORDERED that service of this order, together with all pleadings filed by
4 Plaintiff, be made on Defendants personally, or by delivery to an adult of suitable age, at Defendants'
5 place of business or residence, or where Defendants are renting or holding for sale the items to be
6 seized, and that such service shall be deemed good and sufficient if made by December 12, 2006, or
7 such other time as may be extended by the Court [or] within ten (10) days of issuance of this Order.

8 IT IS FURTHER ORDERED that Defendants' answering papers, if any, shall be filed with the
9 United States District Court Clerk and served upon the attorneys for Plaintiff by delivering copies
10 thereof to IDELL & SEITEL LLP, 465 California Street, Suite 300, San Francisco, California, before

11 5:00p .m. on December 14, 2006.

12 Defendants are hereby given notice that failure to attend the hearing scheduled herein, unless
13 Defendants stipulate in writing with Plaintiff to a preliminary injunction, shall result in confirmation of
14 the seizure authorized herein, destruction or other disposition of the goods, if any, so seized, immediate
15 issuance of the prayed for preliminary injunction to take effect immediately upon expiration or
16 dissolution of the within temporary restraining order, and shall otherwise extend for the pendency of
17 this litigation relief upon the same terms and conditions as the order to show cause. Defendants are
18 hereby given further notice that they shall be deemed to have actual notice of the issuance and terms of
19 such preliminary injunction and that any act by them or any one of them in violation of any of the
20 terms thereof may be considered and prosecuted as contempt of this Court.

21 Date: December 6, 2006

James Ware
District Court Judge Ware

23 RESPECTFULLY SUBMITTED BY:

24 Dated: December 5, 2006

IDELL & SEITEL LLP

Richard J. Idell
Ory Sandel
Attorneys for Plaintiff