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

JOHN G. BRANCA, et al.,
Plaintiffs,

v.

HEAL THE WORLD FOUNDATION,
et al.,
Defendants.

HEAL THE WORLD FOUNDATION,
et al.,
Counter-claimants,

v.

JOHN G. BRANCA, et al.,
Counter-defendants.¹

Case No. CV 09-07084 DMG (PLAx)

**ORDER RE PLAINTIFFS' MOTION
FOR PRELIMINARY INJUNCTION**



¹ Counter-claimants currently have no operative counterclaim against Counter-defendants. *See* Order, filed April 5, 2010. [Doc. #60.]

1 This matter is before the Court on Plaintiffs' Motion for Preliminary Injunction, set
2 for hearing on April 23, 2010. For the reasons set forth below, the motion is GRANTED
3 in part and DENIED in part.

4 **I.**

5 **PROCEDURAL HISTORY**

6 On September 29, 2009, Plaintiffs John G. Branca, John McClain, and Triumph
7 International, Inc. filed a Complaint against Defendants Heal the World Foundation
8 ("HTWF"), United Fleet, and Doe defendants 1 through 10, for trademark infringement,
9 unfair competition, and related claims. On November 10, 2009, Defendants filed their
10 Answer, along with counterclaims for libel and trade libel. Plaintiffs filed a motion to
11 dismiss the counterclaims, which the Court granted on April 5, 2010.

12 Plaintiffs filed a Motion for Preliminary Injunction on February 18, 2010.
13 Defendants filed their Opposition on March 23, 2010. Plaintiffs filed their Reply on
14 March 29, 2010.

15 **II.**

16 **FACTUAL BACKGROUND**

17 Plaintiffs, who represent Michael Jackson's estate, are suing Defendants for
18 alleged infringement of trademarks and other intellectual property relating to Michael
19 Jackson. Prior to his death on June 25, 2009, Michael Jackson was one of the most
20 commercially successful entertainers of all time. (Langford Decl. ¶ 4.) In 1992, Michael
21 Jackson founded the Heal the World Foundation ("Jackson's HTWF"), which he named
22 after his eponymous hit song, to provide medicine to children and fight world hunger,
23 homelessness, child exploitation and abuse. (*Id.* ¶¶ 7, 9.) Jackson's HTWF is not
24 currently active. (*Id.* ¶ 11.)

25 Plaintiff Triumph registered the mark MICHAEL JACKSON in 1995 and has used
26 the mark continuously thereafter to promote Jackson and his work. (Boyajian Decl. ¶ 3,
27 Ex. B.) In addition, Triumph owns trademark applications for the standard character
28 marks MICHAEL JACKSON, KING OF POP, NEVERLAND RANCH, NEVERLAND

1 VALLEY RANCH, THRILLER 25 THE WORLD'S BIGGEST SELLING ALBUM OF
2 ALL TIME, as well as numerous trademark applications for the standard character mark
3 MJ, Michael Jackson's initials (collectively, "MJJ Trademarks"). (*Id.* ¶¶, 3-8, Exs. C-H.)
4 Triumph also owns trademark applications for the word mark MICHAEL JACKSON and
5 for the design of a signature. (*Id.* ¶ 3, Ex. C at 32-58.)

6 Jackson's HTWF registered the word mark HEAL THE WORLD, an associated
7 design of a child's hands holding a globe with a band-aid on it, and the typed drawing
8 HEAL THE WORLD. (*Id.* ¶ 2, Ex. A.) These trademark registrations were cancelled in
9 2001 and 2002 due to the success of the "Heal the World" song. (*Id.* ¶ 2.)

10 The MJJ Trademarks have developed substantial recognition among consumers
11 throughout the world for their connection with Plaintiffs, Michael Jackson's charitable
12 works, and Michael Jackson in general. (*Id.* ¶ 2.) The MJJ Trademarks have acquired a
13 valuable reputation and significant goodwill. (*Id.* ¶ 9.)

14 Beginning in 2001, Melissa Johnson, the president of Defendant HTWF, attempted
15 to contact Michael Jackson, both directly and through his representatives. In a July 2001
16 letter to Jackson's executive assistant, Evvy Tavasci, Johnson explained her motivations:

17 I would not be bothering Michael, nor did I, for Eight years because I
18 just couldn't fully believe it all myself. But I have seen, in a 1993 near
19 death-type experience, the future of many things and after eight years of
20 watching them come about, the exact things I was told would occur, I have
21 finally been convinced that these things will happen. That is why I am
22 trying to reach Michael, and Today, I have zero doubt. Somehow, someday,
23 Michael will find me, and we will go to work for the Children of our Father.

24 Michael will not go forward with Heal the World Foundation, without
25 me. When he begins to get stirred up in his heart about it, and want [sic] to
26 do things with it, he will be frustrated and confused. I hope you will
27 remember that there was this crazy lady out there who claimed she was to be
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1 his partner in this work and held with her the other half of the HTWF
2 equation.

3 Evvy, Heal the World Foundation is not a mere charity, it is a living
4 thing, and it is apart [sic] of me.

5 (Spiegel Decl., Ex. A at 1 (emphasis omitted).)

6 Johnson sent several letters to Tavasci and other individuals associated with
7 Michael Jackson in an attempt to contact Jackson. (*Id.*, Exs. A, B.) In addition, Johnson
8 attempted to send a letter directly to Jackson by addressing an envelope to him at his
9 Neverland Valley Ranch home with a return address for “Evvy Tavasei.” (*Id.* ¶ 3, Ex. A
10 at 9.) In January 2002, counsel for Michael Jackson and Evvy Tavasci wrote to Johnson,
11 warning her of her “pattern of harassing and threatening behavior toward Mr. Jackson
12 and Ms. Tavasci including, among other things, sending numerous pieces of
13 correspondence and other documents to Mr. Jackson’s production company, his residence
14 and various other organizations associated with Mr. Jackson.” (*Id.*, Ex. C at 15.) The
15 letter also described an incident where Johnson “appeared unannounced and uninvited at
16 Mr. Jackson’s residence at Neverland Valley Ranch where his security personnel refused
17 to accept a package [Johnson] sought to personally deliver to Mr. Jackson.” (*Id.*) It
18 cautioned Johnson that her “behavior and attempted communications with Mr. Jackson
19 are harassing, highly inappropriate and constitute a security risk to Mr. Jackson and his
20 employees.” (*Id.*)

21 In 2002 and 2003, Johnson became concerned that Jackson’s attorneys and
22 management were allowing his charity-related federal trademark registrations and other
23 intellectual property to expire. (Johnson Decl. ¶ 4.) She observed that Jackson’s
24 attorneys and management had failed to register critical Internet domain names related to
25 Jackson and his charity. (*Id.* ¶ 7.) In order to keep these domain names out of the hands
26 of third-party potential cybersquatters, Johnson at her own expense registered over 900
27 domain names related to Jackson and his charity. (*Id.* ¶ 8.) In May 2003, Johnson
28 entered into an agreement with Jackson and his company, MJJ Productions, to transfer

1 the domain names that she had registered. (*Id.* ¶ 9, Ex. C.) The agreement provided for a
2 payment to Johnson for recent registration and renewal payments associated with the
3 domain names. (*Id.*, Ex. C at 3.)

4 Defendant HTWF has registered six trademarks connected to Michael Jackson,
5 including the character marks HEAL THE WORLD FOUNDATION, HEAL THE
6 WORLD, HTWF, and MJ. (Boyajian Decl. ¶¶ 12, 14, Exs. J, L.) In addition, Defendant
7 HTWF has filed seven applications with the United States Patent and Trademark Office
8 (“USPTO”) for marks using the Jackson Foundation name, including HEAL THE
9 WORLD and MICHAEL JACKSON’S HEAL THE WORLD FOUNDATION. (*Id.* ¶
10 13, Ex. K.) Defendant HTWF has also filed 27 applications for marks that uniquely and
11 unmistakably point to Jackson and his persona, including MAKE THAT CHANGE,
12 KING OF POP, GONE TOO SOON, THRILLER, NEVERLAND, MICHAEL, MJ, and
13 MICHAEL JACKSON. (*Id.* ¶ 15, Ex. M.) Defendant HTWF registered and/or applied
14 for each of these marks without Plaintiffs’ or Jackson’s consent. (*Id.* ¶ 12.)

15 The USPTO refused registration of Defendant HTWF’s applications for the marks
16 MJ, KING OF POP, and MICHAEL JACKSON based on “False Connection.” (*Id.* ¶ 16,
17 Ex. N.) For example, in refusing registration of Defendant HTWF’s application for the
18 mark MJ, the USPTO reasoned that “[a]lthough Michael Jackson’s estate does not appear
19 to be connected with the goods and/or services provided by [Defendant HTWF] under the
20 applied-for mark, Michael Jackson was so famous that consumers would presume a
21 connection.” (*Id.*, Ex. N at 541.) The USPTO explained:

22 First, there is voluminous evidence . . . to support the fact that the
23 term “MJ” is very closely associated with the late entertainer Michael
24 Jackson and the public would readily make that connection given his
25 fame. . . . Indeed, “MJ” was the persona of Michael Jackson and was
26 uniquely and unmistakably associated with Michael Jackson as to constitute
27 his identity or name.

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1 Second, the term “MJ” would be recognized as pointing uniquely and
2 unmistakably to Michael Jackson. That is, the only consumer recognition of
3 the term “MJ” would be that it identifies the source of the goods/services as
4 Michael Jackson (or his estate).

5 Third, it appears that Michael Jackson was not connected with the
6 goods to be sold or services to be performed by [Defendant HTWF] under
7 this mark. . . .

8 Finally, the fame of the Michael Jackson persona is such that a
9 connection between Michael Jackson would be presumed when the applied
10 for mark is used on its goods or services. . . . Furthermore, it must be noted
11 that Michael Jackson was widely known to use his name or persona on a
12 vast array of merchandise and in connection with a variety of services
13 beyond music and entertainment. He was reportedly closely involved with
14 the development of the merchandise and the activities underlying the
15 services performed. . . . Since the evidence is clear that the paper goods and
16 printed matter [Defendant HTWF] intends to offer under the mark MJ are
17 like those Michael Jackson sold under his name or persona and he was
18 extremely famous, it may be inferred here that purchasers of such goods
19 and/or services would be misled into making a false connection of
20 sponsorship, approval, support of or the like with Michael Jackson.

21 The fact that purchasers would realize, at some point after purchase,
22 that no connection exists between the listed goods and/or services and the
23 person or institution falsely connected, is not relevant. The focus is on the
24 initial reaction or impact of the mark when viewed in conjunction with the
25 applicable goods or services.

26 (*Id.*, Ex. N at 542-43 (citations and internal quotation marks omitted).)

27 In addition, the USPTO rejected Defendant HTWF’s application for the word mark
28 MICHAEL JACKSON on the grounds that there was a likelihood of confusion between

1 Defendant's applied-for mark MICHAEL JACKSON and Plaintiff Triumph's registered
2 mark MICHAEL JACKSON. (*Id.* ¶ 16, Ex. O.)

3 Defendant HTWF sells merchandise bearing trademarks such as MJ, MICHAEL
4 JACKSON, MAKE THAT CHANGE, MICHAEL, HEAL THE WORLD, and the Heal
5 the World logo. (*Id.* ¶ 20, Ex. R.) Defendant HTWF sells this merchandise from its
6 websites, which include mjaid.com, mjquotes.com, healtheworld.us, and
7 healtheworldfoundation.net. (*Id.* ¶¶ 19-20, Exs. Q, R.) In addition, Defendant HTWF
8 sells merchandise bearing the trademarks HEAL THE WORLD, MJ, MICHAEL
9 JACKSON, MAKE THAT CHANGE, MICHAEL, and the Heal the World logo on its
10 website tgol.org. (*Id.* ¶¶ 21-22, Exs. S, T.)

11 Two days after Michael Jackson's death, Melissa Johnson posted the following
12 message on healtheworld.us:

13 It is unclear if the Jackson Family will want to continue his charity work and
14 his humanitarian legacy and in what manner.

15 The staff at HTWF only ask that the public be patient with us and
16 allow the family time to grieve as we wait for the direction they would have
17 us go.

18 HTWF belongs to God first and then to Mr. Jackson, as God's
19 instrument for miracles and good to the world and we must all be respectful
20 and wait for the family to come up for air, before and IF we can move
21 forward on Mr. Jackson's behalf.

22 (*Id.* Ex. V at 2131.)

23 On February 2, 2010, Johnson posted an "Official HTWF Announcement" on
24 healtheworld.us, stating that "We want our members and Michael Jackson fans to know
25 strait [sic] up, that they have been lied to by the Estate Attorneys and the reason is not for
26 the sake of 'protecting' HTWF or Michael's brands, as they claim, but for greed, for
27 power, and control." (*Id.*, Ex. W at 2138.) Johnson invited "HTWF members and
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1 Michael Jackson fans” to join “Michael’s Army” by donating money to help defend
2 against the instant lawsuit. (*Id.*, Ex. W at 2139-40.)

3 4 III.

5 **LEGAL STANDARD GOVERNING PRELIMINARY INJUNCTIONS**

6 Federal Rule of Civil Procedure 65 governs the issuance of preliminary
7 injunctions. The purpose of such injunctions is to preserve the rights and relative
8 positions of the parties, *i.e.*, the *status quo*, until a final judgment issues. *See U.S. Philips*
9 *Corp. v. KBC Bank N.V.*, 590 F.3d 1091, 1094 (9th Cir. 2010) (citing *Univ. of Tex. v.*
10 *Camensisch*, 451 U.S. 390, 395, 101 S.Ct. 1830, 68 L.Ed.2d 175 (1981)). In light of this
11 purpose and because the factual record under consideration at the preliminary injunction
12 stage may differ materially from the fully developed factual record, preliminary
13 injunctions frequently provide little guidance as to the appropriate disposition on the
14 merits. *See Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873,
15 876-77 (9th Cir. 2009); *see also Brown v. Chote*, 411 U.S. 452, 456, 93 S.Ct. 1732, 36
16 L.Ed.2d 420 (1973).

17 Plaintiffs seeking a preliminary injunction in a case involving the public interest
18 must show that (1) they are likely to succeed on the merits; (2) they are likely to suffer
19 irreparable harm in the absence of preliminary relief; (3) the balance of equities tips in
20 their favor; and (4) an injunction is in the public interest. *Dominguez v. Schwarzenegger*,
21 596 F.3d 1087, 1092 (9th Cir. 2010), *petition for cert. filed*, 78 USLW 3581 (Mar. 24,
22 2010); *see also Winter v. Natural Res. Def. Council, Inc.*, ___ U.S. ___, 129 S.Ct. 365, 374,
23 172 L.Ed.2d 249 (2008).

24 IV.

25 **DISCUSSION**

26 Plaintiffs seek a preliminary injunction “enjoining Defendants from any further use
27 of the MJJ Trademarks and exploitation of Mr. Jackson’s name, image, and likeness.”
28 (Mot. at 25.)

1 **A. Plaintiffs Have Demonstrated A Likelihood Of Success On The Merits**

2 **1. Trademark Infringement Under The Lanham Act**

3 In the first cause of action, Plaintiff Triumph claims trademark infringement by
4 Defendant United Fleet under the Lanham Act, 15 U.S.C. § 1114(1). (Compl. ¶¶ 46-51.)
5 To prove trademark infringement under the Lanham Act, a plaintiff must demonstrate
6 that it owns a valid mark, and thus a protectable interest, and it must show that the
7 defendant's use of the mark "is likely to cause confusion, or to cause mistake, or to
8 deceive." 15 U.S.C. § 1114(1); *see Lahoti v. VeriCheck, Inc.*, 586 F.3d 1190, 1197 (9th
9 Cir. 2009).

10 Plaintiff Triumph registered the mark MICHAEL JACKSON in 1995.
11 Registration constitutes *prima facie* evidence of the validity of a trademark. *Applied Info.*
12 *Scis. Corp. v. eBAY, Inc.*, 511 F.3d 966, 970 (9th Cir. 2007). Defendant United Fleet
13 does not contest either this evidence or the validity of Plaintiff Triumph's trademark
14 rights in the mark MICHAEL JACKSON. (*See* Opp'n at 13 ("Plaintiffs' only actual
15 trademark rights appear to be the term MICHAEL JACKSON in connection with sound
16 recordings."))

17 In evaluating whether a "likelihood of confusion" exists, courts employ the eight
18 *Sleekcraft*² factors: (1) strength of the mark; (2) proximity of the goods; (3) similarity of
19 the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of
20 goods and the degree of care likely to be exercised by the purchaser; (7) the defendant's
21 intent in selecting the mark; and (8) likelihood of expansion of the product lines. *See*
22 *One Industries, LLC v. Jim O'Neal Distrib., Inc.*, 578 F.3d 1154, 1162 (9th Cir. 2009),
23 *cert. denied*, 2010 WL 757711 (Mar. 8, 2010). In any *Sleekcraft* analysis, the Ninth
24 Circuit has recognized that (a) some factors are much more important than others and the
25 relative importance of a particular factor varies from case to case; (b) the inquiry may
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² *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979), abrogated in part on other grounds, *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

1 proceed in any order; (c) a court need not address every factor; and (d) other factors may
2 play an important role. *Id.* at 1162.

3 The Court finds that the *Sleekcraft* factors weigh heavily in Plaintiff Triumph's
4 favor. Defendant United Fleet sells a variety of items on the tgol.org website with the
5 identical MICHAEL JACKSON mark owned by Triumph. (*See* Compl., Ex. Y.) United
6 Fleet's use of this mark is clearly intended to confuse consumers into thinking United
7 Fleet's products have some connection to Michael Jackson. This intent is obvious both
8 from the products themselves, which have a design that would appeal to consumers
9 wishing to own authentic Michael Jackson merchandise, and from tgol.org and United
10 Fleet's intimate connection with Melissa Johnson, who has sought to extract money from
11 Michael Jackson fans on her healtheworld.us website.

12 Accordingly, the Court finds that Plaintiff Triumph is likely to succeed on the
13 merits of its trademark infringement claim against Defendant United Fleet.

14 **2. Unfair Competition And False Designation Of Origin Under The** 15 **Lanham Act**

16 In the second cause of action, Plaintiff Triumph claims Lanham Act violations by
17 Defendants United Fleet and HTWF based on alleged unfair competition and false
18 designation of origin. (Compl. ¶¶ 52-58.) The Lanham Act prohibits the use of any
19 "word, term, name, symbol, or device" which "is likely to cause confusion, or to cause
20 mistake, or to deceive as to the affiliation, connection, or association of such person with
21 another person, or as to the origin, sponsorship, or approval of his or her goods, services,
22 or commercial activities by another person." 15 U.S.C. § 1125(a)(1). Plaintiff Triumph
23 proceeds under a "false endorsement" theory. (*See* Mot. at 15-18.) "Under the law of
24 false endorsement, likelihood of customer confusion is the determinative issue." *Cairns*
25 *v. Franklin Mint Co.*, 292 F.3d 1139, 1149 (9th Cir. 2002).

26 In cases involving celebrity plaintiffs, courts modify the *Sleekcraft* factors whereby
27 "the term 'mark' applies to the celebrity's persona, the 'strength' of the mark refers to the
28 level of recognition that the celebrity has among the segment of the public to whom the

1 advertisement is directed, and the term ‘goods’ concerns the reasons for or source of the
2 celebrity’s fame.” *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1007 (9th Cir. 2001).
3 In such cases, the *Sleekcraft* factors can be restated as: (1) the level of recognition that
4 the plaintiff has among the segment of the society for whom the defendant’s product is
5 intended; (2) the relatedness of the fame or success of the plaintiff to the defendant’s
6 product; (3) the similarity of the likeness used by the defendant to the actual plaintiff; (4)
7 evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser
8 care; (7) the defendant’s intent on selecting the plaintiff; and (8) likelihood of expansion
9 of the product lines. *Id.* at 1007-08.

10 As with the trademark infringement claim, the *Sleekcraft* factors heavily favor
11 Plaintiff Triumph. The MJJ Trademarks are widely recognized throughout the world, as
12 recognized and documented by the USPTO. Defendants’ decision to use the MJJ
13 Trademarks on their websites and products is clearly related to Michael Jackson’s
14 commercial success. Defendants’ websites convey to consumers a false affiliation with
15 Michael Jackson and have, in fact, misled consumers into believing that Defendants are
16 associated with Michael Jackson or Jackson’s foundation.

17 For example, Plaintiff Triumph submits the declaration of Todd Mark Rubenstein.
18 Mr. Rubenstein, a lifelong fan of Michael Jackson, wrote and produced a song in tribute
19 to Jackson and wished to donate a portion of the proceeds to one of Jackson’s charities.
20 (Rubenstein Decl. ¶ 3.) When Rubenstein searched on the internet for charities relating
21 to Jackson, healtheworld.us and healtheworldfoundation.net appeared among the top
22 results. Based on the content of these sites, Rubenstein assumed that Defendant HTWF
23 was Michael Jackson’s organization. (*Id.* ¶ 4.) Rubenstein contacted Melissa Johnson,
24 and they subsequently entered into an agreement whereby Rubenstein would pay
25 Defendant HTWF a portion of the proceeds from his song and Defendant HTWF would
26 license Rubenstein to use the marks HEAL THE WORLD, HEAL THE WORLD
27 FOUNDATION, and the Heal the World logo. (*Id.* ¶¶ 5-9, Ex. B.) When Rubenstein
28 later confronted Johnson with facts that he discovered suggesting that Defendant HTWF

1 was not the same organization founded by Jackson and sponsored by his estate, Johnson
2 consistently responded that her foundation was the same as that founded by Jackson. (*Id.*
3 ¶ 11.) Johnson ultimately informed Rubenstein that she was terminating their agreement,
4 at which point Rubenstein had donated \$217.40 to Defendant HTWF. (*Id.* ¶¶ 12-13, Ex.
5 C.)

6 Because the evidence of customer confusion is palpable, Plaintiff Triumph is likely
7 to succeed on its unfair competition and false designation of origin claim.

8 **3. Right Of Publicity**

9 In the fourth cause of action, Plaintiffs Branca and McClain assert that all
10 Defendants violated the Jackson estate's common law and statutory right of publicity,
11 Cal. Civ. Code § 3344.1. (Compl. ¶¶ 70-77.) Section 3344.1 provides that "[a]ny person
12 who uses a deceased personality's name, voice, signature, photograph, or likeness, in any
13 manner, on or in products, merchandise, or goods, or for purposes of advertising or
14 selling, or soliciting purchases of, products, merchandise, goods, or services, without
15 prior consent . . . shall be liable for any damages sustained by the person or persons
16 injured as a result thereof."

17 Michael Jackson's estate has registered its ownership of Jackson's right of
18 publicity with the California Secretary of State, as required by section 3344.1(f).
19 (Boyajian Decl. ¶ 11, Ex. I.) As discussed *supra*, Plaintiffs Branca and McClain have
20 provided ample evidence that Defendants have used Michael Jackson's name for the
21 purpose of selling their products and soliciting funds. Moreover, Defendants do not
22 address this claim in their Opposition. Consequently, the Court finds that Plaintiffs
23 Branca and McClain are likely to succeed in their right of publicity claim.

24 **4. ACPA Claims**

25 In the seventh cause of action, Plaintiff Triumph asserts that Defendant HTWF
26 violated the Anti-cybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. §
27 1125(d). (Compl. ¶¶ 102-06.) As relevant here, the ACPA provides for a cause of action
28 by the owner of a mark against any person who, with a "bad faith intent to profit from

1 that mark,” registers, traffics in, or uses a domain name that “is identical or confusingly
2 similar to or dilutive of that mark.” 15 U.S.C. § 1125(d)(1)(A). The statute sets forth a
3 list of nine non-exclusive factors to consider when determining whether a person acted
4 with a bad faith intent. *See id.* § 1125(d)(1)(B)(i).³ In addition, the ACPA contains a
5 safe-harbor provision, which provides that bad faith “shall not be found in any case in
6 which the court determines that the person believed and had reasonable grounds to
7 believe that the use of the domain name was a fair use or otherwise lawful.” *Id.* §
8 1125(d)(1)(B)(ii); *see also Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936,
9 947 (9th Cir. 2002).

10 With respect to the mjaid.com and mjquotes.com domain names, the Court finds
11 that Plaintiff Triumph is likely to succeed on the merits. As the USPTO noted in
12 rejecting Defendant HTWF’s application to register the MJ mark, this term points
13 uniquely and unmistakably to Michael Jackson. The use of the initials “mj” in these two
14 domain names would likely confuse consumers into believing that these websites were

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17 ³ These factors include (i) the trademark or other intellectual property rights of the person, if any,
18 in the domain name; (ii) the extent to which the domain name consists of the legal name of the person or
19 a name that is otherwise commonly used to identify that person; (iii) the person’s prior use, if any, of the
20 domain name in connection with the *bona fide* offering of any goods or services; (iv) the person’s *bona*
21 *fide* noncommercial or fair use of the mark in a site accessible under the domain name; (v) the person’s
22 intent to divert consumers from the mark owner’s online location to a site accessible under the domain
23 name that could harm the goodwill represented by the mark, either for commercial gain or with the
24 intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source,
25 sponsorship, affiliation, or endorsement of the site; (vi) the person’s offer to transfer, sell, or otherwise
26 assign the domain name to the mark owner or any third party for financial gain without having used, or
27 having an intent to use, the domain name in the *bona fide* offering of any goods or services, or the
28 person’s prior conduct indicating a pattern of such conduct; (vii) the person’s provision of material and
misleading false contact information when applying for the registration of the domain name, the
person’s intentional failure to maintain accurate contact information, or the person’s prior conduct
indicating a pattern of such conduct; (viii) the person’s registration or acquisition of multiple domain
names which the person knows are identical or confusingly similar to marks of others that are distinctive
at the time of registration of such domain names, or dilutive of famous marks of others that are famous
at the time of registration of such domain names, without regard to the goods or services of the parties;
and (ix) the extent to which the mark incorporated in the person’s domain name registration is or is not
distinctive and famous.

1 associated with Michael Jackson in some way, which Defendant HTWF reasonably
2 should have realized and, in all probability, intended. Defendant HTWF could not
3 reasonably have believed that it had any trademark or other intellectual property rights in
4 these domain names. Thus, Plaintiff Triumph is likely to prove that Defendant HTWF
5 acted in bad faith in registering and using the domain names mjaid.com and
6 mjquotes.com.

7 With respect to healtheworld.us, and healtheworldfoundation.net, Plaintiff
8 Triumph is not likely to prove the bad faith element. As Plaintiff concedes, at the time
9 Defendant HTWF registered these sites, Plaintiff's registration in the "Heal the World"
10 marks had expired due to the popularity of the song. Thus, Defendant HTWF may
11 reasonably have believed that its use of the phrase was fair use. Moreover, Defendant
12 HTWF actually succeeded in registering this mark, which, as Plaintiff elsewhere argues,
13 establishes *prima facie* evidence of Defendant's intellectual property rights in that mark.
14 Plaintiff argues that "it is the nature of Defendants' use of the marks that is problematic,"
15 *i.e.*, "Defendants' operation of a business that exploits Plaintiffs' intellectual property."
16 (Reply at 12.) The bad faith analysis, however, must be conducted "without regard to the
17 goods or services of the parties." 15 U.S.C. § 1125(d)(1)(A); *see also Coca-Cola Co. v.*
18 *Purdy*, 382 F.3d 774, 783 (8th Cir. 2004) (explaining that the ACPA analysis considers
19 only the challenged domain name with the plaintiff's mark and not the content of the
20 defendant's website).

21 Therefore, the Court finds that Plaintiff Triumph is likely to succeed on its ACPA
22 claim involving the mjaid.com and mjquotes.com domain names but not the
23 healtheworld.us or healtheworldfoundation.org domains.

24 **5. Defendants' Are Not Likely To Establish Their Affirmative Defenses**

25 Defendants assert that Plaintiffs' claims are barred by laches and by their own
26 acquiescence in the infringement. (Opp'n at 15-16.) Once the moving party has carried
27 its burden of showing a likelihood of success on the merits, the burden shifts to the
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1 nonmoving party to show a likelihood that its affirmative defense will succeed. *Marlyn*
2 *Nutraceuticals*, 571 F.3d at 877 n.2. Defendants fail to meet their burden.

3 **a. Laches**

4 Defendants first argue that the doctrine of laches bars Plaintiffs' claims because
5 Plaintiffs, under prior management and representation, "encouraged and supported
6 Defendants" in using Plaintiffs' trademarks but "waited many years to bring causes of
7 action based on Defendants' alleged misuse of various trademarks and personality
8 rights." (Opp'n at 15.) Laches is an equitable defense to Lanham Act claims embodying
9 the principle that a plaintiff cannot sit on the knowledge that another company is using its
10 trademark and then later come forward to enforce its rights. *Internet Specialties West,*
11 *Inc. v. Milon-DiGiorgio Enters., Inc.*, 559 F.3d 985, 989-90 (9th Cir. 2009). In order to
12 demonstrate entitlement to a laches defense, a defendant must show both that the
13 plaintiff's delay in bringing suit was unreasonable and that the defendant was prejudiced
14 as a result. *Id.* at 990.

15 Defendants provide no evidence that Plaintiffs "encouraged and supported" their
16 activities or even that Plaintiffs were aware of their activities. Indeed, the domain
17 transfer agreement signed in May 2003 provided that "Johnson, upon her own initiative,
18 at her own time and expense, and without any direction from Jackson or MJJ, took it
19 upon herself to secure and protect the Domain Names from potential cybersquatters."
20 (Spiegel Decl., Ex. I at 87.) Furthermore, Defendant HTWF incorporated in March 2008
21 (Boyajian Decl. ¶ 18, Ex. P) and did not begin to register its "Heal the World" trademarks
22 until mid-2008 or later (*id.* ¶¶ 12-15). Plaintiffs commenced the instant lawsuit in
23 September 2009. This was not an unreasonable delay. *See Internet Specialties West*, 559
24 F.3d at 990 (applying California's four-year statute of limitations for trademark
25 infringement claims in evaluating reasonableness of delay for laches purposes).

26 **b. Acquiescence**

27 Defendants also argue that Plaintiffs' acquiescence in any trademark infringement
28 bars relief because "representatives of Plaintiffs authorized, acknowledged, and

1 encouraged Defendants and Ms. Johnson in their development of charitable initiatives
2 over a period of many years.” (Opp’n at 15-16.) The defense of acquiescence is
3 available in trademark infringement actions. *E. & J. Gallo Winery v. Gallo Cattle Co.*,
4 967 F.2d 1280, 1294 (9th Cir. 1992). Like laches, acquiescence requires a showing of
5 delay and prejudice, but, in addition, requires an active representation that the trademark
6 holder would not assert a right or claim. *ProFitness Physical Therapy Ctr. v. Pro-Fit*
7 *Orthopedic and Sports Physical Therapy, P.C.*, 314 F.3d 62, 67 (2d Cir. 2002).

8 Defendants fail to demonstrate delay for the reasons discussed, *supra*. In addition,
9 they fail to show an active representation by Plaintiffs that they would not assert a right
10 or claim. Therefore, Defendants are unlikely to maintain a viable acquiescence defense.

11 **B. Plaintiffs Are Likely To Suffer Irreparable Harm In The Absence Of**
12 **Preliminary Relief**

13 Where, as here, a court finds a likelihood of success on the merits of a trademark
14 infringement claim, it may reasonably presume irreparable harm. *Marlyn Nutraceuticals*,
15 571 F.3d at 877. Moreover, Plaintiffs have provided actual evidence of harm. First,
16 Plaintiffs have demonstrated that at least one member of the general public has paid
17 money to Defendants in the mistaken belief that they represented Michael Jackson’s
18 foundation. In addition, Plaintiffs have supplied evidence that Defendant HTWF is
19 undermining the goodwill of consumers towards Michael Jackson’s estate. Specifically,
20 Plaintiffs have shown that Defendant HTWF has posted statements on its website
21 suggesting that it is legitimately carrying out the work of Jackson’s foundation and that
22 Plaintiffs are improperly trying to thwart the foundation’s goals. Consequently, Plaintiffs
23 have demonstrated a likelihood of irreparable harm unless a preliminary injunction is
24 issued.

25 **C. The Balance Of Equities Tips In Plaintiffs’ Favor**

26 In assessing whether plaintiffs have met their burden of establishing that the
27 balance of equities tips in their favor, the district court has a duty to balance the interests
28 of all parties and weigh the damage to each. *Stormans, Inc. v. Selecky*, 586 F.3d 1109,

1 1138 (9th Cir. 2009). Based on the evidence submitted, Defendants' primary business
2 activities appear to infringe on Plaintiffs' intellectual property. In contrast, Plaintiffs
3 stand to lose a substantial stream of revenue and goodwill if an injunction is not granted.
4 Accordingly, the Court finds that the balance of equities tips strongly in favor of
5 Plaintiffs.

6 **D. An Injunction Is In The Public Interest**

7 When the reach of an injunction is narrow, limited only to the parties, and has no
8 impact on non-parties, the public interest will be at most a neutral factor in the analysis
9 rather than one that favors granting or denying the preliminary injunction. *Stormans*, 586
10 F.3d at 1138-39. If, however, the impact of an injunction reaches beyond the parties,
11 carrying with it a potential for public consequences, the public interest will be relevant to
12 whether the district court grants the preliminary injunction. *Id.* at 1139. To the extent
13 that an injunction would affect the public, for instance, by preventing consumers from
14 visiting Defendants' websites in order to purchase unauthorized Michael Jackson-related
15 merchandise, such a result is in the public interest. *See Brookfield Commc'ns, Inc. v. W.*
16 *Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999) (noting "the public interest in
17 protecting trademarks generally").

18 Plaintiffs have demonstrated that (1) there is a likelihood of success on the merits;
19 (2) there is a likelihood of irreparable harm in the absence of injunctive relief; (3) the
20 balance of equities tips in their favor; and (4) an injunction is in the public interest.
21 Consequently, the Court grants their Motion for Preliminary Injunction.

22 **E. No Bond Is Necessary**

23 Rule 65(c) permits a court to grant preliminary injunctive relief "only if the movant
24 gives security in an amount that the court considers proper to pay the costs and damages
25 sustained by any party found to have been wrongfully enjoined or restrained."
26 Notwithstanding the seemingly mandatory language, "Rule 65(c) invests the district court
27 with discretion as to the amount of security required, *if any.*" *Johnson v. Couturier*, 572
28 F.3d 1067, 1086 (9th Cir. 2009) (internal quotation marks omitted). A district court may

1 dispense with the filing of a bond if it concludes that there is no realistic likelihood of
2 harm to the defendant from the injunction. *Id.* The burden of establishing the amount of
3 bond necessary to secure against the wrongful issuance of an injunction rests with the
4 defendant. *Philips Elecs. N. Am. Corp. v. Hope*, 631 F. Supp. 2d 705, 724 n.14
5 (M.D.N.C. 2009) (citing *Doctor's Assocs., Inc. v. Stuart*, 85 F.3d 975, 985 (2d Cir. 1996).

6 Here, Defendants identify no costs or damages that they would sustain as a result
7 of an injunction. A district court need not order security with respect to potential
8 economic damages that are “speculative at best.” *Interlink Int’l Fin. Servs., Inc. v. Block*,
9 145 F. Supp. 2d 312, 315 (S.D.N.Y. 2001). Based on the record before it, the Court
10 declines to order a security bond in connection with the injunction.

11 V.

12 CONCLUSION

13 In light of the foregoing, Plaintiffs’ Motion for Preliminary Injunction is
14 GRANTED as follows:

- 15 1. Defendants and their officers, agents, servants, employees, attorneys,
16 confederates, and all persons acting for, with, by, through or under them (the
17 “Enjoined Parties”), are enjoined and restrained from:
- 18 a. using the MJJ Trademarks in connection with any goods or services,
19 or any container for goods, alone or in combination with any word or
20 words which so resemble the MJJ Trademarks as to be likely to cause
21 confusion, deception, or mistake on or in connection with the
22 advertising, offering for sale, or sale of any product not authorized by
23 Plaintiffs and using the MJJ Trademarks;
 - 24 b. passing off, inducing, or enabling others to sell or pass off any product
25 as a product sponsored by or affiliated with Plaintiffs by using the
26 MJJ Trademarks;


- c. committing any acts calculated to cause purchasers to believe that Defendants' products are those sold under the control and supervision of Plaintiffs, or sponsored, approved by, or connected with Plaintiffs;
- d. otherwise competing unfairly by using the MJJ Trademarks in any manner;
- e. shipping, delivering, distributing, returning or otherwise disposing of, in any manner, products or inventory bearing the MJJ Trademarks;
- f. using Jackson's name, image or likenesses without express written authorization from Plaintiffs in any manner, or on products, merchandise, or goods; and
- g. using and trafficking in the domain names mjaid.com and mjquotes.com;

2. Notwithstanding the foregoing, Defendants are not enjoined from using the mark HEAL THE WORLD; and

3. Defendants shall notify their officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through or under them of the Court's Order by providing them with a copy of the Order Re Preliminary Injunction issued concurrently herewith.

IT IS SO ORDERED.

DATED: April 23, 2010


DOLLY M. GEE
UNITED STATES DISTRICT JUDGE