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**BARRY DILLER, Plaintiff, v. BARRY DRILLER, INC.; BARRY DRILLER
CONTENT SYSTEMS, PLC; AEROKILLER, LLC; FILMON.COM, INC.;
ALKIVIADES DAVID, A/K/A ALKI DAVID, Defendants.**

CASE NO.: CV 12-7200 ABC (Ex)

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

2012 U.S. Dist. LEXIS 133515

**September 10, 2012, Decided
September 10, 2012, Filed**

COUNSEL: [*1] For Barry Diller, an individual, Plaintiff: Mark Steven Lee, Robert H Platt, Seth Reagan, Manatt Phelps and Phillips LLP, Los Angeles, CA.

For Alkiviades David, an individual, also known as Alki David, Defendant: Ryan G Baker, LEAD ATTORNEY, Christian Anstett, Baker Marquart LLP, Los Angeles, CA.

JUDGES: AUDREY B. COLLINS, UNITED STATES DISTRICT JUDGE.

OPINION BY: AUDREY B. COLLINS

OPINION

**ORDER RE: PLAINTIFF'S APPLICATION FOR A
PRELIMINARY INJUNCTION**

On August 24, 2012, the Court issued a Temporary Restraining Order and an Order to Show Cause ("OSC") why a preliminary injunction should not issue to enjoin Defendants Barry Driller, Inc., Barry Driller Content Systems, PLC, Aerokiller, LLC, Filmon.com, Inc., and Alkiviades David ("Defendants") from using the terms "Barry Diller," "Barry Driller," "Barrydriller.com,"

"Barry Driller, Inc.," "BarryDriller Content Systems PLC," and any similar variant that is confusingly similar to the name and likeness of Plaintiff Barry Diller. (Docket No. 11.) Defendants responded to the OSC on August 29, 2012 and Plaintiff replied to Defendants' response on September 4, 2012. The Court heard argument on September 10, 2012. For the reasons below, the Court GRANTS Plaintiff's request [*2] for a preliminary injunction.

BACKGROUND

This lawsuit arises from Defendants' use of the name "Barry Driller" -- a play on Plaintiff's name Barry Diller, with the addition of an "r" -- for a domain name, website, and service using technology to enable customers to view over-the-air broadcast television on internet-connected devices. Plaintiff Barry Diller is a famous businessman and entrepreneur¹ who was once the Chairman and CEO of Paramount Pictures Corp. and Chairman and CEO of Fox, Inc., and is now the Chairman and Senior Executive of IAC/InterActiveCorp. ("IAC"), Expedia, Inc., and TripAdvisor, Inc. (Diller Decl. ¶ 1.) At Plaintiff's direction, IAC backed an internet-based broadcast television technology platform offered by a company called Aereo, Inc. ("Aereo"), which offers its service in the New York metropolitan area and may expand into

Los Angeles.

1 A Google search for "Barry Diller" results in more than 500,000 hits. (Platt Decl. ¶ 2, Ex. 2.)

Defendant Alki David founded a company called FilmOn.com, Inc., which also sought to provide customers with a similar internet-based broadcast television service. Major broadcasting companies sued FilmOn in New York in 2010 for copyright [*3] infringement, and FilmOn lost -- the broadcasters obtained a temporary restraining order against David and FilmOn to prevent customers from using the service. However, those broadcasting companies were not as successful when they sued Aereo for copyright infringement in 2012; the court in that case denied a preliminary injunction, which permitted Aereo to continue offering its service. See *ABC, Inc. v. Aereo, Inc.*, F. Supp. 2d , , 2012 U.S. Dist. LEXIS 96309, 2012 WL 2848158 (S.D.N.Y. July 11, 2012).

Perhaps emboldened by Aereo's litigation success, Defendant David created a new website at the domain barrydriller.com to offer a new streaming service under the name "Barry Driller." This service was a direct competitor of Aereo and offered its service in four metropolitan areas, including New York and Los Angeles. On the website, Defendants used the graphic of a fit, shirtless man holding a drill in one hand. Plaintiff believes the name "Barry Driller" was chosen because of Plaintiff's involvement with Aereo's internet broadcasting service; Defendant David even noted in a news article that he chose the name as a "homage to a great guy" -- i.e., Plaintiff Barry Diller. (Platt Decl. ¶ 7, Ex. 7.) Defendants [*4] claim that they selected "Barry Driller" and the graphic of the man as a parody of Plaintiff and sought to distance themselves from Plaintiff and Aereo's service.

On August 21, Plaintiff filed this lawsuit to stop Defendants' use of "Barry Driller," on the grounds that the use violated the Lanham Act, 15 U.S.C. § 1125(a) and (d), and Plaintiff's California common law and statutory rights of publicity, Cal. Civil Code § 3344. Plaintiff also sought a temporary restraining order and preliminary injunction to prevent Defendants' use of "Barry Driller." The Court granted the restraining order pending a hearing on the preliminary injunction request. (Docket No. 11.)

Since the filing of the lawsuit and request for a temporary restraining order, Defendants' activities have

been moving targets. At first, Defendants' service was offered at the domain name barrydriller.com, which contained a website that called the internet broadcasting service "Barry Driller" and contained a copyright notice that the site was owned by "BarryDriller Content Systems, PLC" and "Barry Driller, Inc." (TRO Platt Decl. ¶ 9, Ex. 8.) Upon notice of the lawsuit and requested temporary restraining order, Defendants eliminated [*5] most references to "Barry Driller" from the website and renamed the domain name "filmonx.com" and the service "FilmOnX." (Platt Reply Decl. ¶ 2, Ex. 1.) However, Defendants did not cease using the domain name "barrydriller.com" altogether: when "barrydriller.com" was entered into an internet search engine like Google.com, the first result to appear was Defendants' barrydriller.com domain name; and when that link was clicked, filmonx.com would appear, which was Defendants' service. That has since been changed again: at the time of the hearing on this request, the barrydriller.com domain name automatically redirects visitors to "cbsyousuck.com," which contains criticism of CBS and Viacom. However, entering "barrydriller" into a search engine yields "www.filmonx.com" as a search result, and Defendants still refer to "Barry Driller" on their website on the login/registration page. (Platt Reply Decl. ¶ 13; Lee Supp. Decl. ¶¶ 2-4, Exs. 20-22.)² Defendants oppose Plaintiff's request for a preliminary injunction, indicating that they will await the outcome of this proceeding to determine whether to continue using the phrase "Barry Driller." (Response to OSC at 14 n.3.)

2 Defendants' objections [*6] to Lee's declaration are **OVERRULED**. Defendants also submitted an eleventh-hour declaration attempting to refute Lee's search results for "barrydriller" on Google.com. While true that Defendants' first search result was not the filmonx.com website, the seventh result was entitled "FilmOn - Register Now to stream like HDTV - BarryDriller.com." This webpage is linked to the website www.filmonx.com/user/registration, which is Defendants' filmonx.com login/registration page that still contains "Barry Driller" references. (Anstett Decl., Ex. E.)

The Court is also dismayed at Defendants' counsel's claim that he "has no personal knowledge as to the relationship between FilmOnX Inc. and any defendant in this case." (Docket No. 20 at 2.) There is obviously some

relationship -- Defendant Alki David founded FilmOn.com Inc. and admitted to founding barrydriller.com, and when Plaintiff sought the TRO, the barrydriller.com domain name began pointing to the filmonx.com website. The only rational inference is that Defendants are very much involved with FilmOnX Inc.

DISCUSSION

"A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer [*7] irreparable harm in the absence of preliminary relief, that the balance of hardships tips in his favor, and that an injunction is in the public interest." *Winter v. Natural Res. Defense Council, Inc.*, 555 U.S. 7, 20, 129 S. Ct. 365, 172 L. Ed. 2d 249 (2008); *Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873, 877 (9th Cir. 2009). Plaintiff has moved for an injunction based on his false endorsement claim under the Lanham Act and state-law right of publicity claims, and the Court addresses each of those claims below.

A. Likelihood of Success on the Merits

1. Lanham Act

The Lanham Act proscribes activities that are likely to cause confusion, mistake, or deception as to the association, sponsorship, or approval of goods or services by another. 15 U.S.C. § 1125(a). That includes "false endorsement," which involves the "unauthorized use of a celebrity's identity" that is "likely to confuse customers as to the plaintiff's sponsorship or approval of the product." *Wendt v. Host Int'l, Inc.*, 125 F.3d 806, 812 (9th Cir. 1997); see also *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1110 (9th Cir. 1992); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399-1400 (9th Cir. 1992).

Like other claims under the Lanham Act, [*8] likelihood of consumer confusion in this circumstance is determined by evaluating the familiar factors outlined in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979): (1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *White*, 971 F.2d at 1400; see also *Wendt*, 125 F.3d at 812. "[T]his eight-factor test for likelihood of confusion is pliant," so the "relative

importance of each individual factor will be case-specific" and even a "subset of the factors" could demonstrate likely confusion. *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999).

Before the Court evaluates the Sleekcraft factors, however, it must address several preliminary matters raised by Defendants, such as the scope of the mark at issue and Defendants' claims that they have engaged in protected nominative fair use and parody.

a. Scope of the Mark

Before turning to the Sleekcraft factors, the Court must clarify what mark is actually [*9] at issue. Defendants have doggedly focused on the graphic of a young, fit, shirtless man holding a drill to argue that there is no similarity between that image and Plaintiff Barry Diller's appearance, which is indisputably true. (*Anstett Decl., Exs. A, B.*) However, Plaintiff's claim is not based on Defendants' use of his appearance; it is based on Defendants' use of a slight variation of his name in Defendants' domain name and on Defendants' website as the name for their service. Thus, the issue is whether the use of the term "Barry Driller" would likely cause consumer confusion with Plaintiff's name, apart from Defendants' use of any graphic on the website. Cf. *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 941 (9th Cir. 2002) (explaining that "initial interest" confusion in domain names is actionable as trademark infringement); *Brookfield*, 174 F.3d at 1057-58 (finding that likelihood of confusion can arise from use of a confusing domain name, even if the confusion is eliminated upon viewing the website found there).

b. Nominative Fair Use

Before turning to the Sleekcraft factors, the Court must consider Defendants' contention that their use of "Barry Driller" is permissible [*10] "nominative fair use" that defeats Plaintiff's Lanham Act claim. A defendant does not commit trademark infringement by engaging in "nominative fair use," that is, when "a defendant uses the mark to refer to the trademarked good itself." *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010). When nominative fair use is raised, the Sleekcraft factors for confusion do not apply; instead, the Court applies a three-part test, asking whether "(1) the product was 'readily identifiable' without use of the mark; (2) defendant used more of the mark

than necessary; or (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder." *Id.* at 1175-76.³

3 Although raised by Defendants, nominative fair use is not a defense, but an adapted application of the likelihood of confusion test. *Tabari*, 610 F.3d at 1182. The burden therefore rests with the plaintiff to demonstrate that there has not been nominative fair use and that confusion is likely. *Id.*

The Court will not apply the three-part test in place of the *Sleekcraft* factors because this is not a "nominative" use case. Defendants have not used Plaintiff's real name to refer to him directly -- they have [*11] used an alteration with an additional "r" in his last name to refer to their own internet broadcasting service. See *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1098-99 (9th Cir. 2008) (finding no nominative fair use because the defendant's mark was not "identical" to the plaintiff's mark and the defendant was not using it to "comment on" the plaintiff's mark). Thus, the Court will apply the traditional *Sleekcraft* factors to assess Plaintiff's Lanham Act claim.

c. Parody

Defendants also claim that this case involves a parody of Plaintiff, which dispels any possibility of confusion. Generally, a defendant may use a plaintiff's mark as a parody when the defendant preserves a "clear distinction . . . between the source of the target and the source of the parody," such that no likelihood of confusion exists. See *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997). But even if the defendant's use of a mark could plausibly be considered a parody, when the use is purely commercial, that use may still fall within the Lanham Act. See *White*, 971 F.2d at 1401 (rejecting parody defense in commercial advertising because, even if the advertising [*12] was a "spoof" of the plaintiff, it was primarily directed at selling a product: "The difference between a 'parody' and a 'knock-off' is the difference between fun and profit.>").

A claimed parody appearing in a domain name can defeat the likelihood of confusion only when the domain name itself "convey[s] two simultaneous -- and contradictory -- messages: that it is the original, but also that it is not the original and is instead a parody." *People*

for the Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 366 (4th Cir. 2001). In *Doughney*, for example, the domain name "peta.org" was not a parody that defeated the likelihood of confusion with the plaintiff's mark "PETA" because it simply referred to the plaintiff's mark and did not "convey the second, contradictory message needed to establish a parody -- a message that the domain name is not related to PETA, but that it is a parody of PETA." *Id.* That was true even though a visitor to the *peta.org* website would know from its content that it was not related to the plaintiff. *Id.* at 366-67.

In this case, Defendants have not successfully parodied Plaintiff and they cannot defeat likelihood of confusion on that basis. First, nothing on Defendants' [*13] website itself sets up the "clear distinction" required by *Dr. Seuss* between Plaintiff on the one hand and "Barry Driller" on the other to convey to the reasonable viewer that the use of "Barry Driller" is a parody of Plaintiff. Second, even if a parody of Plaintiff, Defendants are using "Barry Driller" purely commercially as a source identifier to sell their internet-streaming television service, and their use therefore falls within the Lanham Act, as in *White*. Finally, as in *Doughney*, when a visitor initially sees the "barrydriller.com" domain name, he or she does not see any other information to suggest that the website might be a parody of Plaintiff. Therefore, the Court must evaluate the traditional likelihood of confusion factors to determine whether Plaintiff will likely prevail on his Lanham Act claim.

d. Likelihood of Confusion Factors

1. Strength of the Mark

In a celebrity endorsement case, the strength of the celebrity's persona is judged by the "level of recognition the celebrity enjoys among members of society." *White*, 971 F.2d at 1400. This factor demonstrates likely confusion only if the celebrity is well-known among the defendant's "target customers." *Wendt*, 125 F.3d at 812.

Defendants [*14] concede that Plaintiff is a "well known figure in certain circles, notably the business and entertainment fields." (OSC Response at 9.) Indeed, Plaintiff's name has appeared in thousands of newspaper articles, magazines, television programs, and books, and he appears in over half a million hits upon searching the internet through a search engine like *Google.com*. At one time he was the Chairman and CEO of *Paramount*

Pictures Corp. and Chairman and CEO of Fox, Inc., two huge entertainment companies, and he is now the Chairman and Senior Executive of IAC, Expedia, Inc., and TripAdvisor, Inc., which offer services over the internet.

Despite Plaintiff's public prominence, Defendants argue that Plaintiff is not well-known among visitors to *barrydriller.com* and users of Defendants' internet broadcast service, so his name recognition among Defendants' "target customers" is weak. The Court disagrees. Plaintiff was a prominent figure at huge entertainment companies and is now involved with IAC, a leading internet company, which backs the Aereo service that competes with Defendants. Given that the services offered by Aereo and Defendants arise at the intersection of the entertainment and technology [*15] industries, and this new technology will probably attract early adopters who may very well be more entertainment-savvy and tech-savvy than the average consumer, the users of Defendants' service are likely familiar with Plaintiff and his background. At this stage, neither party has offered evidence of customers' actual perception of the Plaintiff's name, but the Court is satisfied that Plaintiff's prominence in both the entertainment and tech worlds supports a finding that, like the celebrities in *Wendt, Waits, and White*, Plaintiff's name is strong in the minds of Defendants' target customers.⁴

4 In the context of a successful parody, a strong mark actually weighs against finding a likelihood of confusion because consumers would readily understand that the famous mark is the target of the parody. See *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261 (4th Cir. 2007). Because Defendants' parody of Plaintiff was unsuccessful, the strength of Plaintiff's name recognition weighs in favor of finding a likelihood of confusion here.

2. Relatedness of the Goods

For this factor, the "goods" at issue "concern the reasons for or source of the plaintiff's fame." *White*, 971 F.2d at 1400. [*16] Here, Plaintiff's fame comes from his long business career in both the entertainment and tech industries. Defendants' service springs from the intersection of those two fields -- a tech start-up offering broadcast television over the internet. Given the recent publicity surrounding Plaintiff's entry into internet-based

broadcast television through Defendants' competitor Aereo, the "goods" in this case are closely related.

3. Similarity of the Marks

Similarity of marks is determined by evaluating their "appearance, sound, and meaning" and the more similar the marks are in those areas, "the greater the likelihood of confusion." *Brookfield*, 174 F.3d at 1054. The marks at issue here -- Plaintiff's name Barry Diller and "Barry Driller" -- are almost identical sounding and appearing, with the exception of the additional "r" in Defendants' iteration, which has very little visual or auditory impact.⁵ They technically mean different things to the parties -- one is Plaintiff's name and the other is the name of Defendants' internet broadcasting service -- but a consumer encountering them may believe that Defendants' mark is simply a variant of Plaintiff's name. See *id.* at 1055. This suggests that consumer [*17] confusion is likely.

5 Defendants sometimes also use "BarryDriller" (no space), but that variation likewise has little impact on the similarity with Plaintiff's name in the context of Defendants' use.

4. Actual Confusion

At this early stage, Plaintiff has no evidence of actual confusion. But the lack of proof of actual confusion is not relevant here, when Defendants' use of the mark has been short-lived. See *Brookfield*, 174 F.3d at 1060 ("Actual confusion is not relevant because [plaintiff] filed suit before [defendant] began actively using the . . . mark and thus never had the opportunity to collect information on actual confusion."); see also *Dr. Seuss*, 109 F.3d at 1405 (finding the lack of actual confusion neutral because the infringing product "has been enjoined from distribution" and "there has been no opportunity to prove confusion in the marketplace.").

5. Marketing Channels

Plaintiff's company IAC financially backs Defendants' competitor Aereo, and there is probably overlap between Aereo's and Defendants' marketing channels, especially because both services are web-based. See *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1207 (9th Cir. 2000) (finding that overlapping use of the [*18] web as a marketing channel enhances risk of confusion). Because they are competitors, Defendants'

service also likely targets customers who might use Aereo's service backed by Plaintiff. See *Wendt*, 125 F.3d at 813 (finding this factor weighed in favor of likely confusion because the defendant was targeting customers who were fans of the plaintiffs' television show). Moreover, Defendants and Aereo operate side-by-side in at least one city -- New York -- indicating potential overlap between Plaintiff's activities promoting Aereo and Defendants' activities promoting their competing service, suggesting consumer confusion is likely.

6. Degree of Purchaser Care

Plaintiff has offered no evidence to indicate what level of care customers might exercise in selecting an internet-streaming broadcast television service like those offered by Aereo or Defendants. Plaintiff incorrectly suggests that customer care is always low in celebrity endorsement cases like *Wendt* and *White*, but those cases merely looked to the specific good being offered to determine the level of consumer care. See, e.g., *Wendt*, 125 F.3d at 813 (finding customers would not exercise much care in patronizing an airport bar and would [*19] exercise even less care in determining the source of animatronic figures not for sale); *White*, 971 F.2d at 1400 (finding customers would not exercise much care in purchasing a VCR). Without more, this factor weighs against finding a likelihood of confusion.

7. Intent in Selecting the Mark

There is evidence to suggest that Defendants "intended to exploit [Plaintiff's] celebrity by confusion as to the similarity between" Defendants' service and Plaintiff. *Wendt*, 125 F.3d at 813. As Defendant Alki David admitted in a press interview, Defendants intentionally selected "Barry Driller" to evoke Plaintiff's identity, and the timing of Defendants' use suggests that they wanted to capitalize on Aereo's (and by extension, Plaintiff's) recent success in litigation in New York. Defendants argue that they chose "Barry Driller" to distance their product from Plaintiff, but there are innumerable possible marks Defendants could have used that would have risked no reference to Plaintiff whatsoever, including the brand name Defendants are currently using. See *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) ("Given the unlimited number of possible names and symbols that [*20] could serve as a trademark, it is understandable that a court generally presumes one who chooses a mark similar to an existing mark intends to confuse the

public.").

While true that Defendants may have also selected "Barry Driller" to parody Plaintiff, which might suggest a lack of intent to confuse consumers, see *id.* ("An intent to parody is not an intent to confuse the public."), the evidence also strongly suggests that Defendants intended to capitalize on Plaintiff's name and involvement with Defendants' competitor Aereo. Therefore, the intent factor weighs in favor of finding likely confusion here.

8. Product Line Expansion

"Inasmuch as a trademark owner is afforded greater protection against competing goods, a strong possibility that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing." *Wendt*, 125 F.3d at 814 (internal quotation marks omitted). Here, Aereo and Defendants already offer their competing services in New York, and Plaintiff suggests that Aereo could expand to compete with Defendants in the Los Angeles market. And the Court can readily assume that if television viewers adopt the parties' concept [*21] for watching broadcast television, the parties will expand their services to compete in many of the same television markets all over the country. That strongly suggests that a likelihood of confusion exists here.

Of the eight *Sleekcraft* factors, seven weigh in favor of finding a likelihood of confusion. That is sufficient to demonstrate that Plaintiff will likely prevail on the merits of his Lanham Act claim.

2. State-law Publicity Claims

California law protects individuals from the unauthorized commercial exploitation of their identities. Under California Civil Code section 3344, "[a]ny person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof." Cal. Civ. Code § 3344(a). Somewhat broader, the common law right of publicity is violated when the defendant (1) uses the plaintiff's identity (2) to the defendant's commercial or other advantage (3) without consent [*22] (4) causing injury to the plaintiff. *White*, 971 F.2d at 1397.

In this case, Defendants have likely violated both Plaintiff's statutory and common law rights of publicity by using "Barry Driller" as their domain name and as the name of their internet-streaming broadcast television service. The evidence demonstrates that Defendants purposefully adopted "Barry Driller" to use Plaintiff's name to advertise and sell their competitive broadcast television service, without Plaintiff's consent, which has created a significant risk of injury to Plaintiff's goodwill and reputation. That Defendants added an "r" to Plaintiff's last name is of no moment -- as the Court has already concluded, there is a high risk that consumers will believe that Defendants' service was sponsored by Plaintiff, and celebrities may be protected from the use of minor variations of their names by individuals seeking to capitalize on their fame. See *In re Weingand* (Weingand v. Lorre), 231 Cal. App. 2d 289, 293-94, 41 Cal. Rptr. 778 (1964) (rejecting petitioner's request for name change to "Peter Lorre" because of likely public confusion and intent to capitalize on actor Peter Lorre's fame).

Defendants do not seriously dispute Plaintiff's showing [*23] of liability on these claims, but instead argue that they have engaged in "transformative use" of Plaintiff's identity, so they cannot be held liable for any violation. "Transformative use" is an affirmative defense to a right of publicity claim when the infringing work "contains significant transformative elements" such that the "value of the work does not derive primarily from the celebrity's fame." *Hilton v. Hallmark Cards*, 599 F.3d 894, 909 (9th Cir. 2009) (internal quotation marks omitted). In assessing whether a use is "transformative" and therefore protected, the Court looks to "whether a product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness." *Id.* (internal quotation marks omitted).

Here, Defendants argue that the graphic of the young, fit, shirtless man holding a drill sufficiently transformed Plaintiff's appearance to constitute a protected "transformative use" of Plaintiff's identity. Again, however, Defendants have misapprehended Plaintiff's claim, which is based upon Defendants' use of the phrase "Barry Driller" as a confusingly similar variant of Plaintiff's name, not [*24] Defendants' graphic as compared to Plaintiff's appearance. Viewed properly, Defendants' inclusion of an "r" in Plaintiff's last name comes nowhere close to transforming Plaintiff's name into Defendants' "own expression rather than [Plaintiff's]

likeness." Compare *Comedy III Prods., Inc. v. Saderup*, 25 Cal. 4th 387, 409, 106 Cal. Rptr. 2d 126, 21 P.3d 797 (2001) (skillful but literal, conventional drawings of The Three Stooges not protected as transformative) with *Winter v. DC Comics*, 30 Cal. 4th 881, 890, 134 Cal. Rptr. 2d 634, 69 P.3d 473 (2003) (fictionalized portrayals of plaintiffs as half-worm, half-man cartoon characters in a larger story transformative). The "transformative use" defense does not apply in this case.⁶

6 Because the transformative use defense does not apply, the Court need not decide whether it would ever apply in a case involving purely commercial speech.

B. Likelihood of Irreparable Harm

The parties dispute whether irreparable harm may still be presumed from trademark infringement under the Lanham Act following the Supreme Court's decision in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 126 S. Ct. 1837, 164 L. Ed. 2d 641 (2006), which eliminated the presumption that a permanent injunction should issue once infringement of a patent has been found. Based on *eBay*, the [*25] Ninth Circuit recently eliminated the presumption of irreparable harm in copyright infringement cases at the preliminary injunction stage, see *Perfect 10, Inc. v. Google, Inc.*, 653 F.3d 976, 980-81 (9th Cir. 2011), but appears to have retained (without citing *eBay*) the same presumption of irreparable harm in trademark infringement cases, see *Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873, 877 (9th Cir. 2009). The Court need not decide whether a presumption of irreparable harm still exists in trademark cases because actual irreparable harm exists here.

In this case, Defendants have taken from Plaintiff his ability to control the value of his name by associating it with a service offered by Defendants that directly competes with Aereo, a service Plaintiff's company IAC supports financially. As the Court has found, consumers will likely confuse Defendants' service with Plaintiff's sponsorship and may therefore utilize Defendants' service over Aereo, believing it is a service supported by Plaintiff. That creates a significant risk of irreparable harm to Plaintiff's reputation and goodwill if a customer becomes dissatisfied with Defendants' service, but aims that dissatisfaction [*26] toward Plaintiff instead of Defendants. Even though there is no proof of actual diverted customers at this stage, the Court may reasonably infer this kind of injury in order to justify a

preliminary injunction, where, as here, Defendants have not totally ceased their infringing conduct. See *Seed Servs., Inc. v. Winsor Grain, Inc.*, F. Supp. 2d , , 2012 U.S. Dist. LEXIS 51779, 2012 WL 1232320, at *4 (E.D. Cal. Apr. 12, 2012) (finding irreparable harm from the "loss of control of a business[] reputation, a loss of trade and loss of goodwill").⁷

⁷ Although Defendants suggest that the extensive news coverage of this lawsuit may prevent actual diversion of customers, that contention is at best speculative, and cannot overcome the high risk of harm to Plaintiff's goodwill and reputation from Defendants' use of a confusingly similar mark.

C. Balance of Hardships

The balance of hardships here tips sharply in Plaintiff's favor -- Defendants are intentionally capitalizing on Plaintiff's name to divert customers from the Aereo service Plaintiff's company supports to Defendants' service, all at the expense of Plaintiff's goodwill and reputation. Any inconvenience to Defendants will be purely economic and almost certainly [*27] minimal because Defendants only recently began using the "Barry Driller" mark and have not incurred any obvious detriment to their business by deleting most (but not all) of the references to "Barry Driller" on the filmonx.com website. It is no hardship to cease intentionally infringing someone else's trademark rights. *Id.* at *5.

D. Public Interest

An injunction to prevent intentional trademark infringement not only protects the plaintiff, but protects the public from trademark confusion. See *Internet Specialties W., Inc. v. Milon-DiGiorgio Enters., Inc.*, 559 F.3d 985, 993 (9th Cir. 2009); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002). Defendants argue that their First Amendment interests in this case outweigh any public interest served by the injunction, but they are mistaken. In a trademark infringement case, First Amendment interests are usually

not implicated because infringement is based on the use of a trademark as a source identifier, not as a communicative message. See *Mattel*, 296 F.3d at 900. If the work containing the mark is artistic, however, the use of the mark is not actionable unless the use "has [*28] no artistic relevance to the underlying work whatsoever," or, "if it has some artistic relevance, unless [the use] explicitly misleads as to the source or the content of the work." *E.S.S. Entm't*, 547 F.3d at 1099 (internal quotation marks omitted).

The public interest here cuts against Defendants because the Court has already rejected Defendants' parody, nominative fair use, and transformative use arguments and Defendants do not claim that their use is otherwise protected as "artistic." Even if it were artistic, Defendants have not demonstrated how using "Barry Driller" has any "artistic relevance . . . whatsoever" to their internet-streaming broadcast television service. Finally, the Court has found that Defendants are using the "Barry Driller" mark as a source identifier for their service, so Defendants' use "explicitly misleads as to the source or content" of Defendants' service. This case therefore falls outside the realm of First Amendment protection, and the public interest is served by issuing an injunction.

CONCLUSION

Plaintiff has demonstrated that he is entitled to a preliminary injunction, so his application is GRANTED. Plaintiff is ORDERED to lodge a proposed preliminary injunction [*29] order consistent with the terms of the current temporary restraining order **within 10 days of the date of this Order**. Plaintiff has already posted a bond, so no further bond is necessary. (Docket No. 15.)

DATED: September 10, 2012

/s/ Audrey B. Collins

AUDREY B. COLLINS

UNITED STATES DISTRICT JUDGE