

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

CARYN MANDABACH
PRODUCTIONS LIMITED,

Plaintiff,

v.

SADLERS BREWHOUSE LIMITED
et al.,

Defendants.

Case No.: CV 20-10220-CBM-(JEMx)

**ORDER RE: PLAINTIFF’S
MOTION FOR PRELIMINARY
INJUNCTION AGAINST
DEFENDANTS [24]**

The matter before the Court is Plaintiff’s Motion for Preliminary Injunction Against Defendants. (Dkt. No. 24.) The matter is fully briefed.

I. BACKGROUND

Plaintiff Caryn Mandabach Productions Limited (“Plaintiff”) is a television producer of the television series *Peaky Blinders*, and alleges it owns the rights to trademarks and other intellectual property to the Peaky Blinders television show and certain quotations/sayings/phrases from the show. This action arises from Defendants Sadlers Brewhouse Limited, Halewood Wines & Spirits, Inc. and The Winebow Group, LLC’s (collectively, “Defendants”) alleged marketing, advertising, and sale of three liquors under the name “Peaky Blinder” and use of quotations/sayings/phrases from the show which Plaintiff contends infringes its

1 trademarks and other intellectual property rights. The Complaint asserts the
2 following causes of action: (1) Federal Unfair Competition, Passing Off, False
3 Advertising and False Designation of Origin, 15 U.S.C. § 1125(a); (2) Unfair
4 Competition, Cal. Bus. & Prof. Code § 17200; (3) False Advertising Under Cal.
5 Bus. & Prof. Code § 17500; and (4) Cancellation of U.S. Trademark Registration
6 No. 5,573,011, 15 U.S.C. §§ 1052(a) and 1119.

7 II. STATEMENT OF THE LAW

8 A party seeking a preliminary injunction must demonstrate (1) it is likely to
9 succeed on the merits, (2) it is likely to suffer irreparable harm in the absence of
10 injunctive relief, (3) the balance of equities is in its favor, and (4) injunctive relief
11 is in the public interest. *Winter v. Nat. Res. Def. Council*, 555 U.S. 7, 20 (2008).

12 III. DISCUSSION

13 A. Likelihood of Success on the Merits

14 (1) Unfair Competition and False Designation of Origin

15 Plaintiff contends it is likely to succeed on its claims for Unfair
16 Competition and False Designation of Origin under the Lanham Act, and Unfair
17 Competition under Cal. Bus. & Prof. Code § 17200 (first and second causes of
18 action). Ordinarily, to prevail on a claim under 15 U.S.C. § 1125(a) for unfair
19 competition and false designation of origin, a plaintiff must demonstrate 1) it
20 owns a valid, protectible mark, and 2) the defendant's use of the mark is likely to
21 cause consumer confusion. *See Grocery Outlet Inc. v. Albertson's Inc.*, 497 F.3d
22 949, 951 (9th Cir. 2007).¹ Plaintiff must prove the same elements for its
23 California Unfair Competition claim. *See Mintz*, 716 F. App'x at 622.

24 a. *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989)

25 Defendants argue their use of the mark communicates messages and ideas
26

27 ¹ *See also Slep-Tone Ent. Corp. v. Wired for Sound Karaoke & DJ Servs., LLC*,
28 845 F.3d 1246, 1249 (9th Cir. 2017); *Mintz v. Subaru of Am., Inc.*, 716 F. App'x
618, 622 (9th Cir. 2017).

1 to consumers such as Defendant Sadler’s historical connection to the real Peaky
2 Blinders gang,² and therefore the appropriate method for evaluating a likelihood of
3 success of Plaintiff’s Lanham Act claims is the test set forth in *Rogers v.*
4 *Grimaldi*, 875 F.2d 994 (2d Cir. 1989). Under the *Rogers* test, “[a]n artistic
5 work’s use of a trademark that otherwise would violate the Lanham Act is not
6 actionable unless the [use of the mark] has no artistic relevance to the underlying
7 work whatsoever, or, if it has some artistic relevance, unless [it] explicitly
8 misleads as to the source or the content of the work.” *E.S.S. Entm’t 2000, Inc. v.*
9 *Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008). The *Rogers* test
10 applies where “artistic expression is at issue.” *VIP Prod. LLC v. Jack Daniel’s*
11 *Properties, Inc.*, 953 F.3d 1170, 1174 (9th Cir. 2020), *cert. denied*, 141 S. Ct.
12 1054, 208 L. Ed. 2d 522 (2021). “In determining whether a work is expressive,
13 [the court] analyze[s] whether the work is communicating ideas or expressing
14 points of view.” *Id.*

15 Here, Defendant Sadler’s managing director declares she “felt that Peaky
16 Blinder was an appropriate name” for Sadler’s new dark beer because the Peaky
17 Blinder gang’s “well-known dark history” “connected” with the dark beer and she
18 was interested in naming the beer after the Peaky Blinder gang in light of her
19 family and Sadler’s history with the gang. (Sadler Dec. ¶¶ 4-20.) Such evidence
20 does not demonstrate Defendants’ use of the mark conveys an idea or point of
21 view, and therefore the *Rogers* test does not apply.³ Accordingly, Plaintiff must

22 _____
23 ² Plaintiff’s Commercial Director declares the *Peaky Blinders* television show is
24 loosely based on a “historical gang in Birmingham, UK that was in operation from
about the 1890s to before World War I and was known as ‘the Peaky Blinders.’”
(Waddell Decl. ¶ 8.)

25 ³ *Cf. VIP Prod. LLC*, 953 F.3d at 1175 (finding “Bad Spaniels dog toy, although
26 surely not the equivalent of the *Mona Lisa*, is an expressive work” because “[t]he
27 toy communicates a humorous message using word play to alter the serious phrase
28 that appears on a Jack Daniel’s bottle—“Old No. 7 Brand”—with a silly
message—“The Old No. 2.””); *id.* (“[w]e recently had ‘little difficulty’ concluding
that greeting cards, which combined the trademarked phrases “Honey Badger
Don’t Care” and “Honey Badger Don’t Give a S - - -” alongside announcements
of events such as Halloween and a birthday, were ‘expressive works’”).

1 demonstrate the traditional elements for its Lanham Act and unfair competition
2 claims regarding ownership of a valid and protectible mark and a likelihood of
3 confusion, which are discussed *infra* at Section III.A(1)b-c.

4 **b. Valid and Protectible Marks**

5 Because Plaintiff's marks are unregistered, Plaintiff must therefore
6 demonstrate its marks are distinctive (not generic) or have acquired secondary
7 meaning to show the marks are valid and protectable. *OTR Wheel Eng'g, Inc. v.*
8 *W. Worldwide Servs., Inc.*, 897 F.3d 1008, 1022 (9th Cir. 2018); *Filipino Yellow*
9 *Pages, Inc. v. Asian J. Publ'n., Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999). Generic
10 marks are afforded no protection; descriptive or suggestive marks are given
11 moderate protection; and arbitrary or fanciful marks receive maximum protection.
12 *Nutri/Sys., Inc. v. Con-Stan Indus., Inc.*, 809 F.2d 601, 605 (9th Cir. 1987).

13 Plaintiff argues its marks are "either arbitrary, or suggestive, and thus
14 inherently distinctive" because they do not communicate anything about its *Peaky*
15 *Blinders* show, relying on the dictionary definitions of the words "Peaky" and
16 "Blinders." However, where a disputed mark is comprised of more than one
17 word, "the validity of the trademark is to be determined by viewing the trademark
18 as a whole" and analyzing whether "those parts, taken together, merely describe
19 the goods or services offered." *California Cooler, Inc. v. Loretto Winer, Ltd.*, 774
20 F.2d 1451, 1455 (9th Cir. 1985); *Lahoti v. VeriCheck, Inc.*, 586 F.3d 1190, 1201
21 (9th Cir. 2009). Moreover, "[w]hether a mark is suggestive or descriptive can be
22 determined only by reference to the goods or services that it identifies," and thus
23 "the mark must be examined in the industry context rather than in the abstract."
24 *Lahoti*, 586 F.3d at 1198, 1201 (internal citation and quotations omitted).

25 Here, Plaintiff's use of the mark "Peaky Blinders," when applied to its
26 television program, is likely descriptive or suggestive of a television show
27 regarding a group of persons named the Peaky Blinders. *See Zobmondo Ent., LLC*
28

1 *v. Falls Media, LLC*, 602 F.3d 1108, 1116 (9th Cir. 2010).⁴ It is not arbitrary
2 because it is related to the good Plaintiff provides—i.e., a television program
3 about a group called the Peaky Blinders.

4 Plaintiff argues to the extent the Court finds the marks are descriptive or
5 suggestive, the Court should find Plaintiff’s unregistered marks are valid and
6 protectible because they have acquired secondary meaning. “In determining
7 whether a mark has obtained secondary meaning, courts consider: 1) whether
8 actual purchasers of the product bearing the mark associate the mark with the
9 producer; (2) the degree and manner of advertising under the mark; (3) the length
10 and manner of use of the mark; and (4) whether use of the mark has been
11 exclusive.” *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 991 (9th Cir. 2006).
12 “To show secondary meaning, a plaintiff must demonstrate a mental recognition in
13 buyers’ and potential buyers’ minds that products connected with the [mark] are
14 associated with the same source.” *Art Attacks Ink, LLC v. MGA Ent. Inc.*, 581
15 F.3d 1138, 1145 (9th Cir. 2009) (internal quotations omitted).

16 As to the first factor regarding actual purchasers’ association of the mark
17 with the producer, Plaintiff fails to offer evidence demonstrating the public
18 associates the Peaky Blinders title of the television show with a particular source.
19 *See Maljack Prods. v. Goodtimes Home Video Corp.*, 81 F.3d 881, 887 (9th Cir.
20 1996) (affirming the district court’s grant of summary judgment in favor of the
21 defendant on the plaintiff’s trademark claim because the plaintiff “failed to
22 produce any evidence that the public associates the ‘McLintock’ title with a
23 particular source”). Plaintiff submits screenshots of 14 social media posts which it
24 contends shows consumers and retailers attributed a particular source to
25 Defendants’ liquor and Plaintiff’s television show. However, there is no evidence
26

27 ⁴ *See also Masters Software, Inc. v. Discovery Commc’ns, Inc.*, 725 F. Supp. 2d
28 1294, 1300 (W.D. Wash. 2010); *Toughlove America, LLC v. MTV Networks Co.*,
2009 WL 10669245, at *9 (C.D. Cal. Apr. 21, 2009).

1 any of these persons who posted on social media are actual purchasers of
2 Defendants' products. *See Miller*, 454 F.3d at 991. Retailers of Defendants'
3 liquor are not members of the consuming public. Moreover, only one of the social
4 media posts submitted by Plaintiff references a statement that Defendants' liquor
5 is produced by the television show (*see* Dkt. No. 24-6 at p.4 of 15 ("I'm a
6 MASSIVE fan of the Peaky Blinders TV series so I had to try their Irish Whiskey
7 and give it a review.")).⁵ Such evidence is insufficient to establish secondary
8 meaning.

9 As to the second factor, "[e]vidence of sales, advertising and promotional
10 activities may be relevant in determining whether a [trademark] has acquired a
11 secondary meaning," but "[t]he test of secondary meaning is the effectiveness of
12 the effort to create it." *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378,
13 1383 (9th Cir. 1987). Plaintiff submits evidence demonstrating the show ranks as
14 a top-5 Netflix original drama upon the release of each new season, a "teaser"
15 trailer for the fifth season of the show has been viewed 2,522,800 times, and the
16 show has 4 million followers on in its Instagram account, 2.6 million followers on
17 Facebook, and 686,00 followers on Twitter. (Waddell Decl. ¶¶ 14, 16, 18-23.)
18 Plaintiff also offers evidence of press coverage regarding the show during the past
19 8 years in the United States, such as coverage by The New York Times, The Wall
20 Street Journal, LA Times, Rolling Stone, Variety, Vox, and Mashable. (Drangel
21 Decl. ¶ 11.) However, because Plaintiff offers no evidence regarding how
22 consumers perceive the marks, Plaintiff's evidence regarding the show's ranking
23 on Netflix, the times the trailer for the fifth season has been viewed, the show's
24 social media following, and press coverage does not demonstrate Plaintiff's marks

25 _____
26 ⁵ Another social media post submitted by Plaintiff asks, "Are you a Peaky
27 Blinders fan? Check out this awarding [sic] winning gin and whiskey from
28 @sadlersbrewco!" (Dkt. No. 24-6 at p.12 of 15.) Contrary to Plaintiff's
contention, this social media post does not associate Plaintiff as the producer of
the liquor or indicate that the purchased the liquor and attributes the liquor and
television show to a single source.

1 have attained secondary meaning. *See Clamp Mfg. Co. v. Enco Mfg. Co.*, 870
2 F.2d 512, 517 (9th Cir. 1989) (noting “secondary meaning not established where
3 advertising was extensive but evidence as a whole did not show consumer
4 association”).⁶

5 With respect to the third factor regarding the length and manner of the use
6 of the mark, Plaintiff submits evidence that the *Peaky Blinders* show has been
7 available for viewing to Netflix’s subscribers in the U.S. from September 2014
8 through 2019. (Waddell Decl. ¶¶ 11-14.) However, extensive use alone is
9 insufficient to establish secondary meaning. *See Art Attacks*, 581 F.3d at 1146
10 (“[A] reasonable jury could not have found secondary meaning based solely on
11 five years of use.”).

12 As to the fourth factor regarding exclusive use, Plaintiff does not meet its
13 burden of submitting evidence demonstrating its use was exclusive.⁷

14 Therefore, Plaintiff fails to demonstrate a likelihood of success in showing
15 its marks attained secondary meaning at this stage.

16 c. Likelihood of Confusion

17 Even assuming Plaintiff’s marks are distinct and/or have attained secondary
18 meaning, Plaintiff must also demonstrate a likelihood of confusion to show a
19 likelihood of success on the merits on its false designation and unfair competition
20 claims. *Grocery Outlet Inc.*, 497 F.3d at 951; *Slep-Tone Ent. Corp.*, 845 F.3d at
21 1249. To determining whether there is a likelihood of confusion, the Court

22
23 ⁶ *See also Orgain, Inc. v. N. Innovations Holding Corp.*, 2021 WL 1321653, at
24 *11 (C.D. Cal. Mar. 22, 2021) (where, as here, a trademark plaintiff has proffered
no evidence of how consumers perceive the mark, evidence of advertising efforts
will not preclude summary judgment as to secondary meaning”).

25 ⁷ Plaintiff argues the purported use of the “Peaky Blinders” mark by third parties
26 identified by Defendant is not trademark use, and is insufficient to show Plaintiff’s
27 use was not substantially exclusive because the third parties did not compete with
Plaintiff and did not predate Plaintiff’s use of the mark. However, Plaintiff has the
28 burden to demonstrate its unregistered marks attained secondary meaning, not
Defendants. *OTR Wheel Eng’g, Inc.*, 897 F.3d at 1022; *Filipino Yellow Pages,
Inc.*, 198 F.3d at 1147.

1 applies the following factors set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d
2 341, 350 (9th Cir. 1979), *abrogated on other grounds by Mattel, Inc. v. Walking*
3 *Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003): (1) strength of the mark; (2)
4 proximity of the goods; (3) similarity of the marks; (4) evidence of actual
5 confusion; (5) marketing channels used; (6) type of goods and the degree of care
6 likely to be exercised by the purchaser; (7) defendant’s intent in selecting the
7 mark; and (8) likelihood of expansion of the product lines. Each *Sleekcraft* factor
8 must be considered based on the “totality of facts in a given case,” and no factor is
9 dispositive on the issue of likelihood of confusion. *Entrepreneur Media, Inc. v.*
10 *Smith*, 279 F.3d 1135, 1141 (9th Cir. 2002).

11 Strength of the Mark

12 As discussed above, Plaintiff’s marks are likely descriptive or suggestive
13 and therefore weak, which does not weigh in favor of finding a likelihood of
14 confusion. *Id.* (noting “a strong mark is ‘inherently distinctive,’ and therefore it is
15 more likely that consumers will be confused by another’s use of the same or
16 similar mark,” but concluding that “EMI’s mark is weak” and therefore the
17 strength of the mark *Sleekcraft* factor “does not weigh in favor of a likelihood of
18 consumer confusion”) (citing *Sleekcraft*, 599 F.2d at 349).⁸

19 Proximity of the Goods

20 “Related goods are generally more likely than unrelated goods to confuse
21 the public as to the producers of the goods.” *Network Automation, Inc. v.*
22 *Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1150 (9th Cir. 2011). Here,
23 Plaintiff’s good is a television show whereas Defendants’ goods are whiskey.
24 Therefore, the proximity of the goods factor does not favor finding a likelihood of
25

26 ⁸ See also *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*,
27 618 F.3d 1025, 1033 (9th Cir. 2010) (descriptive and suggestive marks are “in the
28 middle” range of weak to strong marks); *M2 Software, Inc. v. Madacy Ent.* 421
F.3d 1073, 1081 (9th Cir. 2005) (noting suggestive or descriptive marks are
“conceptually weak”).

1 confusion.

2 Similarity of the Marks

3 The parties' marks both contain the term "Peaker Blinder." Therefore, the
4 similarity of the marks factor would favor a finding of a likelihood of confusion.

5 Evidence of Actual Confusion

6 As discussed above, of the screenshots of 14 social media posts submitted
7 by Plaintiff, only one of the social media posts references a statement that
8 Defendants' liquor is made by the television show (*see* Dkt. No. 24-6 at p.4 of 15
9 ("I'm a MASSIVE fan of the Peaky Blinders TV series so I had to try their Irish
10 Whiskey and give it a review.")), one other post references the television show but
11 does not associate Plaintiff or a single source as the producer of the liquor and
12 television show.⁹ Such sparse evidence is insufficient to support a likelihood of
13 confusion. *See Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1393 (9th Cir.
14 1993) (the district court properly determined "de minimis evidence of actual
15 confusion" was not "persuasive evidence of actual confusion").¹⁰

16 Marketing Channels Used

17 "Convergent marketing channels increase the likelihood of confusion."
18 *Network Automation*, 638 F.3d at 1151. Here, the evidence demonstrates the
19 parties both use the internet and social media for marketing. However, "given the
20 broad use of the Internet today," "it would be the rare commercial retailer that did
21 not advertise online, and the shared use of a ubiquitous marketing channel [such as
22 the internet] does not shed much light on the likelihood of consumer confusion."
23

24 ⁹ Plaintiff also submits evidence of two media outlets purportedly confused about
25 Defendants' mark. However, the relevant standard is confusion by consumers in
26 the United States. *See Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354
F.3d 1020, 1026 (9th Cir. 2004) (noting fourth *Sleekcraft* factor examines "actual
confusion among significant numbers of *consumers*") (emphasis added).

27 ¹⁰ *See also Glow Indus., Inc. v. Lopez*, 252 F. Supp. 2d 962, 999 (C.D. Cal. 2002);
28 *Globefill Inc. v. Elements Spirits, Inc.*, 2016 WL 8944644, at *5 (C.D. Cal. Sept.
20, 2016); *DeCosta v. Columbia Broad. Sys., Inc.*, 520 F.2d 499, 514 (1st Cir.
1975).

1 *Id.* (finding “the district court’s determination that because both parties advertise
2 on the Internet this [*Sleekcraft*] factor weighed in favor of Systems was
3 incorrect”). Accordingly, the marketing channels factor does not favor a finding
4 of a likelihood of confusion.

5 Type of Goods and Degree of Care Likely To Be Exercised By Purchasers

6 “[W]hen the goods are expensive, the buyer can be expected to exercise
7 greater care in his purchases; again, though, confusion may still be likely.”
8 *Sleekcraft*, 599 F.2d at 353; *see also Moroccan Oil, Inc. v. Moroccan Gold, LLC*,
9 590 F. Supp. 2d 1271, 1280 (C.D. Cal. 2008). Here, Plaintiff offers evidence
10 Defendants’ allegedly infringing products are sold for less than \$25.00, and some
11 retailers offer discounts on that price. (Drangel Decl. ¶¶ 19-20.)

12 Defendants argue the price of its products “does not alone imply that
13 consumers will not exercise care” and contend “the popularity of whiskey has
14 grown dramatically over the last several years, and consumers have become
15 increasingly more discerning when purchasing whiskey products.”¹¹ Defendants
16 cite to *Star Indus., Inc. v. Bacardi & Co.*, wherein the Second Circuit noted
17 “[u]nhurried consumers in the relaxed environment of the liquor store, making
18 decisions about \$12 to \$24 purchases, may be expected to exhibit sufficient
19 sophistication to distinguish between . . . products.” 412 F.3d 373, 390 (2d Cir.
20 2005). However, the Ninth Circuit has noted “consumers tend to exercise less
21 care when purchasing lower cost items like wine.” *E. & J. Gallo Winery v. Gallo*
22 *Cattle Co.*, 967 F.2d 1280, 1293 (9th Cir. 1992); *see also JL Beverage Co., LLC v.*
23 *Jim Beam Brands Co.*, 828 F.3d 1098, 1112 (9th Cir. 2016) (“consumers
24 purchasing the vodka products are not likely to exercise a high degree of care”).
25 Therefore, the type of goods and degree of care likely to be exercised by the
26

27 ¹¹ Defendants submit copies of published articles regarding the growing popularity
28 of whiskey and how customers of whiskey products are becoming more discerning
and selective about their purchasing decisions. (Lamb Decl. ¶¶ 16, Ex. 10.)

1 purchaser weigh in favor of finding a likelihood of confusion.

2 Defendant’s Intent in Selecting the Mark

3 Plaintiff submits evidence of a comment in an article from Defendant
4 Sadlers’ sales director Mr. King in 2014, who stated with respect to Defendants’
5 Peaky Blinder Beer: “*It’s been selling like mad and done exceptionally well; (2)*
6 *The idea came from our managing director Chris Sadler, who is also head*
7 *brewer. To be honest, the idea was inspired. And with a second series of Peaky*
8 *Blinders set to hit the screen in September, its popularity is only likely to increase;*
9 *and (3) we are confident it will be a success because of the popularity of the*
10 *television programme.”* However, Mr. King’s comment is not evidence of
11 Defendant’s intent in initially selecting the mark. Sadler’s managing director
12 declares “[a]t the time that I chose the name Peaky Blinder, I had never heard of
13 [Plaintiff’s] Peaky Blinders television program . . . and no one at Sadler’s was
14 familiar with the program as far as I was aware,” and further declares she “felt that
15 Peaky Blinder was an appropriate name” for Sadler’s new dark beer because the
16 Peaky Blinder gang’s “well-known dark history” “connected” with the dark beer
17 and she was interested in naming the beer after the Peaky Blinder gang in light of
18 her family and Sadler’s history with the gang. (Sadler Decl. ¶¶ 4-21.) Therefore,
19 the factor regarding Defendant’s intent does not weigh in favor of a likelihood of
20 confusion.

21 Likelihood of Expansion of the Product Lines

22 “[A] ‘strong possibility’ that either party may expand his business to
23 compete with the other will weigh in favor of finding that the present use is
24 infringing.” *Sleekcraft*, 599 F.2d at 354. There is no evidence Defendants plan to
25 expand their products to television shows. On the other hand, Plaintiff’s
26 Commercial Director Susa Waddell declares “there has been great interest from
27 third parties for licenses for wines and spirits,” in May 2020 Plaintiff executed a
28 license agreement with a third party for red wine featuring the Peaky Blinders

1 mark, and Plaintiff “has been unable to complete a deal” with potential third-party
2 licensees “for other types of alcohol and spirits . . . as a result of the dispute with
3 Defendants and their continued unauthorized use of the Peaky Blinders” marks.
4 (Waddell Decl. ¶¶ 30-32.) Therefore, the likelihood of expansion of product lines
5 factor weighs in favor of a finding of a likelihood of confusion.

6 * * *

7 Here, the strength of the mark, proximity of the goods, evidence of actual
8 confusion, marketing channels used, and Defendants’ intent in selecting the mark
9 factors do not support a finding of a likelihood of confusion, whereas the
10 similarity of the marks, types of goods and degree of care of consumers,
11 likelihood of expansion of product lines weigh in favor of finding a likelihood of
12 confusion. Although three factors favor a finding of a likelihood of confusion,
13 Plaintiff fails to make a “clear showing” of a likelihood of confusion at this stage.
14 *See Winter*, 555 U.S. at 22 (A district court should enter a preliminary injunction
15 only “upon a clear showing that the plaintiff is entitled to such relief.”).

16 Accordingly, because Plaintiff does not demonstrate it has an ownership
17 interest in a valid and protectible mark nor demonstrate a likelihood of confusion,
18 Plaintiff fails to show a likelihood of success on the merits as to its false
19 designation and unfair competition claims.

20 **(2) False Advertising and Passing Off**

21 Plaintiff argues in a footnote that its common law and California false
22 advertising claims are “substantially congruent” to a claim for false designation of
23 origin or trademark infringement under the Lanham Act. The cases cited by
24 Plaintiff pertain to § 17200 claims and Lanham Act claims. *See Academy of*
25 *Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d
26 1446, 1457 (9th Cir. 1991) (noting § 17200 unfair competition and Lanham Act
27 infringement claims are “substantially congruent”); *Denbicare U.S.A., Inc. v. Toys*
28 *“R” Us, Inc.*, 84 F.3d 1143, 1152-53 (9th Cir. 1996) (“[S]tate common law claims

1 of unfair competition and actions pursuant to California Business and Professions
2 Code § 17200 are ‘substantially congruent’ to claims made under the Lanham
3 Act.”), *abrogated on other grounds by Kirtsaeng v. John Wiley & Sons, Inc.*, 568
4 U.S. 519 (2013).

5 However, to prove a *prima facie* case for false advertising under § 1125(a),
6 a plaintiff must show “that the statement was literally false, either on its face or by
7 necessary implication, or that the statement was literally true but likely to mislead
8 or confuse customers.” *Caltex Plastics, Inc. v. Elkay Plastics Co., Inc.*, 671 F.
9 App’x 538, 539 (9th Cir. 2016); *see also ThermoLife Int’l, LLC v. Gaspari*
10 *Nutrition Inc.*, 648 F. App’x 609, 616 (9th Cir. 2016) (“The elements of a Lanham
11 Act § 43(a) false advertising claim are: ... the plaintiff has been or is likely to be
12 injured as a result of the false statement...” (quoting *Southland Sod Farms v.*
13 *Stover Seed Co.*, 108 F.3d 1134, 1139 (9th Cir. 1997)). To prevail on a “passing
14 off” claim under the Lanham Act, the Plaintiff must prove: (1) a false statement
15 of fact by the defendant in a commercial advertisement about its own or another’s
16 product; (2) the statement actually deceived or has the tendency to deceive a
17 substantial segment of its audience; (3) the deception is material, in that it is likely
18 to influence the purchasing decision; (4) the defendant caused its false statement
19 to enter interstate commerce; and (5) the plaintiff has been or is likely to be
20 injured as a result of the false statement, either by direct diversion of sales from
21 itself to defendant or by a lessening of the goodwill associated with its product.
22 *Wonderland Bakery Inc. v. Wonderland Custom Cakes, LLC*, 2013 WL 12123693,
23 at *4 (C.D. Cal. May 6, 2013) (citing *Southland Sod Farms v. Stover Seed Co.*,
24 108 F.3d 1134, 1139 (9th Cir. 1997)). Plaintiff does not prove these elements of
25 its false advertising and passing off claims, and therefore fails to demonstrate a
26 likelihood of success on these claims.

27 **B. Irreparable Harm**

28 Plaintiff contends it is entitled to a presumption of irreparable harm based

1 on amendments to the Lanham Act in 2020. 15 U.S.C. § 1116(a), as amended,
2 provides:

3 The several courts vested with jurisdiction of civil actions arising
4 under this chapter shall have power to grant injunctions, according to
5 the principles of equity and upon such terms as the court may deem
6 reasonable, to prevent the violation of any right of the registrant of a
7 mark registered in the Patent and Trademark Office or to prevent a
8 violation under subsection (a), (c), or (d) of section 1125 of this title.
A plaintiff seeking any such injunction shall be entitled to a
rebuttable presumption of irreparable harm upon a finding of a
violation identified in this subsection in the case of a motion for a
permanent injunction or upon a finding of likelihood of success on
the merits for a violation identified in this subsection in the case of a
motion for a preliminary injunction or temporary restraining order.

9 Because Plaintiff fails to demonstrate a likelihood of success on the merits, the
10 rebuttable presumption of irreparable harm pursuant to 15 U.S.C. § 1116(a) does
11 not apply.

12 Defendants argue even if the rebuttable presumption in Section 1116(a)
13 applies, it is rebutted by Plaintiff's delay in seeking injunctive relief. Defendants
14 contend Plaintiff had constructive knowledge of Defendants' intent to use the
15 Peaky Blinder mark on beer and liquor products in the U.S. as of May 9, 2017,
16 when Sadler filed a trademark application for use of the mark in the U.S. for beer
17 and spirits (Sadler Decl. ¶ 44); and Plaintiff had actual knowledge at least as early
18 as April 9, 2018, when Plaintiff's licensee sent a warning letter to Sadler regarding
19 its purported infringement of Plaintiff's mark (Lamb Decl. ¶ 20; Waddell Decl. ¶
20 20). Defendants argue that despite Plaintiff's knowledge regarding Defendants'
21 use, Plaintiff waited until November 6, 2020 to file this action and did not file the
22 instant Motion for Preliminary Injunction until March 1, 2021.

23 Plaintiff had actual knowledge of Defendants' use of the mark as of April 4,
24 2018, but waited over two years to file this action and nearly three years to file the
25 instant Motion for Preliminary Injunction, which demonstrates Plaintiff would not
26 be irreparably harmed absent an injunction.¹² *See Oakland Trib., Inc. v. Chron.*

27 _____
28 ¹² Courts have analyzed delay based on when the plaintiff was aware or should
have been aware of the infringement. *See, e.g., Cutting Edge Sols., LLC*, 2014
WL 5361548, at *5 (analyzing delay for purposes of determining whether there

1 *Pub. Co.*, 762 F.2d 1374, 1377 (9th Cir. 1985) (“Plaintiff’s long delay before
2 seeking a preliminary injunction implies a lack of urgency and irreparable
3 harm.”).¹³ Such delay rebuts any presumption of irreparable harm. *See*
4 *Imagenetix, Inc. v. GNC Holdings, Inc.*, 2013 WL 12100701, at *3 (S.D. Cal. Mar.
5 29, 2013) (finding plaintiff’s delay of over one year after filing complaint to seek
6 a preliminary injunction rebutted any presumption of irreparable harm);
7 *eAcceleration Corp. v. Trend Micro, Inc.*, 408 F. Supp. 2d 1110, 1122 (W.D.
8 Wash. 2006) (finding plaintiff’s delay of over one year in bringing a motion for a
9 preliminary injunction “reverses any presumption” of irreparable harm).
10 Therefore, Plaintiff fails to demonstrate it will suffer irreparable harm absent a
11 preliminary injunction.

12 **C. Balance of Equities**

13 Plaintiff argues the balance of equities tips in its favor because the only
14 hardship Defendants will likely suffer is lost profits from its infringing activity.
15 “Where the only hardship that the defendant[s] will suffer is lost profits from an
16 activity which has been shown likely to be infringing,” no equitable considerations
17 support defendants. *CytoSport, Inc. v. Vital Pharm., Inc.*, 617 F. Supp. 2d 1051,
18 1081 (E.D. Cal. 2009), *aff’d*, 348 F. App’x 288 (9th Cir. 2009); *Windsurfing Int’l*
19 *v. AMF*, 782 F.2d 995, 1003 n.12 (Fed. Cir. 1986). However, Plaintiff fails to
20 show a likelihood of success on its claims and therefore Plaintiff does not

21 _____
22 was irreparable harm from when the plaintiff should have discovered defendant’s
23 infringement); *R. Josephs Licensing, Inc.*, 2010 WL 11595789, at *2 (analyzing
24 delay for purposes of determining irreparable harm based on when the plaintiff
25 first learned of defendant’s infringement).

26 ¹³ *See also Cutting Edge Sols., LLC v. Sustainable Low Maint. Grass, LLC*, 2014
27 WL 5361548, at *5 (N.D. Cal. Oct. 20, 2014) (16-month delay between when
28 plaintiff should have discovered defendant’s use of the mark and the filing of a
motion for preliminary injunction demonstrated lack of irreparable harm); *R.*
Josephs Licensing, Inc. v. J.L.J., Inc., 2010 WL 11595789, at *2 (C.D. Cal. Aug.
5, 2010) (plaintiff’s delay of over two years from when it first learned of
defendant’s use of the mark and when plaintiff filed a motion for a preliminary
injunction demonstrated plaintiff would not suffer irreparable harm absent an
injunction).

1 demonstrate the balance of equities favors an injunction. *See also Cutting Edge*
2 *Sols.*, 2014 WL 5361548, at *14 (finding “in the absence of any evidence of actual
3 confusion—or diminished sales or tarnishment of CES’s products due to the
4 ongoing sales of the grass seed—there is little support for CES’s claims of harm”
5 but defendant “would suffer significant injury if it was enjoined from its current
6 marketing and sales of its only profitable product”).

7 **D. Public Interest**

8 “The public has an interest in avoiding confusion between two companies’
9 products.” *Internet Specialties W., Inc. v. Milon-DiGiorgio Enters., Inc.*, 559 F.3d
10 985, 993 n. 5 (9th Cir. 2009). Moreover, “[t]rademarks protect the public from
11 confusion by accurately indicating the source of a product.” *State of Idaho Potato*
12 *Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 715 (9th Cir. 2005);
13 *see also Active Sports Lifestyle USA, LLC v. Old Navy, LLC*, 2014 WL 1246497,
14 at *4 (C.D. Cal. Mar. 21, 2014) (“The public interest . . . favors granting an
15 injunction to avoid continuing violation of the Lanham Act.”). However, here
16 Plaintiff does not demonstrate it has an ownership interest in a valid and
17 protectible mark nor demonstrate a likelihood of confusion. Accordingly, Plaintiff
18 fails to demonstrate public interest favors a preliminary injunction.

19 **IV. CONCLUSION**

20 Because Plaintiff fails to demonstrate a likelihood of success on the merits,
21 irreparable harm, and that the balance of equities and public interest favor an
22 injunction, the Court **DENIES** Plaintiff’s Motion for Preliminary Injunction.

23
24 **IT IS SO ORDERED.**

25
26 DATED: May 19, 2021.

27 
28 **CONSUELO B. MARSHALL**
UNITED STATES DISTRICT JUDGE