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Cohen Pontani Lieberman & Pavane LLP Successfully Defends Client Against a Request for a Temporary Restraining Order

(NEW YORK, NY) – Cohen Pontani Lieberman & Pavane LLP (CPLP), a preeminent specialist in intellectual property law, has successfully defended its client and its client's customer against a request for a temporary restraining order concerning a product configuration.

CPLP client Home Essentials & Beyond, Inc., a New York corporation, and its customer, Kirkland's, Inc., a Tennessee corporation, were successful in their defense against The Pomeroy Collection, Ltd. Pomeroy had sought a temporary restraining order in the U.S. District Court for the Central District of California seeking to restrain Home Essentials & Beyond and Kirkland from selling a particular candle display under the theory that the candle display was proprietary to plaintiff as a "trade dress". In his Order dated June 13, 2008, Judge Andrew J. Guilford agreed with CPLP, and held that Pomeroy had failed to establish trade dress rights in the candle display.

"The Court's decision in our client's favor" says CPLP Managing Partner Martin Pavane, "was the result of carefully demonstrating that Pomeroy's case did not meet the 'traditional' criteria including: 1) a strong likelihood of success on the merits; 2) the possibility of irreparable injury to the plaintiff if preliminary relief was not granted; 3) a balance of hardships favoring the plaintiff; and 4) advancement of the public interest."

Assisting Mr. Pavane in this case were Edward Weisz, Partner, and Atul Singh, an Associate of the firm.

Cohen Pontani Lieberman & Pavane LLP is an intellectual property firm serving a worldwide roster of companies from a diverse range of industries including avionics, pharmaceuticals, electronics, heavy machinery, biotechnology and telecommunications.

CPLP is unique in its focus on intellectual property litigation that infuses every aspect of its IP work in prosecution of patents, trademarks, and copyrights; in drafting opinions and licenses; and in due diligence and transaction work. It is CPLP's philosophy that no legal activity is so routine that it does not have the potential to become the weak link in IP protection, resulting in legal exposure or porous rights. Hence, the firm views all IP matters as potential litigations to be won or avoided and is positioned to provide world-class litigation services, as well as other highly skilled IP services to achieve wraparound IP protection at the highest level.

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

THE POMEROY COLLECTION,)	CASE NO. SACV 08-0635 AG
LTD., a Texas limited liability)	
company,)	
)	
Plaintiff,)	ORDER DENYING TEMPORARY
)	RESTRAINING ORDER AND
)	GRANTING AN ORDER TO SHOW
)	CAUSE
)	
v.)	
)	
KIRKLAND’S, INC., a Tennessee)	
corporation; HOME ESSENTIALS &)	
BEYOND, INC., a New York)	
corporation, and DOES 1 through 10,)	
inclusive,)	
Defendants.)	
)	
)	
_____)	

Before the Court is the Ex Parte Application of Plaintiff The Pomeroy Collection, Ltd. (“Plaintiff”) for a Temporary Restraining Order, Order to Show Cause Re Preliminary Injunction (“Application”). Plaintiff seeks to restrain and enjoin Defendants Kirkland’s, Inc., and Home Essentials & Beyond, Inc. (“Defendants”) from manufacturing, advertising, promoting, or selling any product that copies or duplicates one of Plaintiff’s designs for a set of decorative candles. After considering the moving, opposing, and reply papers, the Court DENIES the Temporary Restraining Order and GRANTS the Order to Show Cause.

BACKGROUND

Plaintiff is a company that designs, markets, sells, and distributes

decorative accessories for the home. (Paul Pomeroy Declaration ¶ 2.) Since 1994, Plaintiff has been marketing a line of candle lamps under the name San Miguel Candle Lamps. (*Id.* at ¶¶ 6-7.) In 2006, Plaintiff created the Batik design for the San Miguel Candle Lamps (*Id.* at ¶ 10.) The design involves three clear glass hurricane pillar candle holders, three ivory pillar candles, polished multicolored river stones, and a mirrored wood tray with a black finish. (*Id.*; Anderson Declaration, Exhibit E.) The design is sold as a unit in one box, with pictures on the outside showing the three candles arranged on a bed of stones in the glass holders, which sit in a row on the mirrored base. (Paul Pomeroy Declaration ¶ 10, Anderson Declaration, Exhibit E.)

On April 12, 2008, when a representative of Plaintiff was in a Kirkland's Home store, Plaintiff learned that Defendant Kirkland's, Inc., was selling a decorative candle set that was almost identical to Plaintiff's Batik design. (Paul Pomeroy Declaration ¶¶ 13-14.) Specifically, Defendant's Harmony Candle Holder is a set of three clear glass hurricane pillar candle holders, three ivory pillar candles, polished multicolored river stones, and a mirrored wood tray with a black finish. (Paul Pomeroy Declaration ¶ 14; Anderson Declaration, Exhibit E.) Defendant's Harmony Candle Holder is also sold as a unit in one box, with pictures on the outside showing the arranged candles. (Paul Pomeroy Declaration ¶ 14; Anderson Declaration, Exhibit E.) On April 14, 2008, Plaintiff learned that the Harmony Candle Holder is manufactured by Defendant Home Essentials & Beyond. (Paul Pomeroy Declaration ¶ 15.) On May 29, 2008, Plaintiff learned that Defendants were also manufacturing and selling another almost identical set of candles under the design name Terra. (Calderon Declaration ¶¶ 2-4; Paul Pomeroy Declaration ¶ 18.) That set of candles is identical to the Harmony Candle Holder, but is sold in a different box. (Calderon Declaration ¶ 3; Paul Pomeroy Declaration ¶¶ 19-20, Exhibits B & C.)

According to Plaintiff, Plaintiff "attempted to reach a business solution to this issue." (Mac Shaw Declaration ¶¶ 2-4.) When it became clear that no

business solution could be reached, Plaintiff filed this lawsuit. Plaintiff's Complaint alleges: (1) Federal Unfair Competition/Trade Dress Infringement; (2) Federal Unfair Competition/False Designation of Origin and False Description of Goods; (3) State Unfair Competition/Trade Dress; and (4) State Unfair Competition/Palming Off or Passing Off. Plaintiff seeks a Temporary Restraining Order restraining both Defendants "from manufacturing, advertising, promoting or selling the Harmony Candle Holder, the Terra, or any other product that copies or duplicates Pomeroy's Batik design San Miguel Candle Lamps." (Application 1:10-12.)

LEGAL STANDARD

To obtain a temporary restraining order, plaintiffs must demonstrate a probability of succeeding on the merits of their case. The Ninth Circuit has described two sets of criteria for preliminary injunctive relief. Under the "traditional" criteria, a plaintiff must show (1) a strong likelihood of success on the merits, (2) the possibility of irreparable injury to plaintiff if preliminary relief is not granted, (3) a balance of hardships favoring the plaintiff, and (4) advancement of the public interest. *Save Our Sonoran, Inc. v. Flowers*, 408 F.3d 1113, 1120 (9th Cir. 2005); Fed. R. Civ. P. § 65(a).

Alternatively, a court may grant preliminary injunctive relief if a plaintiff "demonstrates either a combination of probable success on the merits and the possibility of irreparable injury or that serious questions are raised and the balance of hardships tips sharply in his favor." *Johnson v. Cal. State Bd. of Accountancy*, 72 F.3d 1427, 1430 (9th Cir. 1995). "These are not separate tests, but outer reaches of a single continuum." *Dollar Rent A Car*, 774 F.2d at 1374-75 (quoting *Benda v. Grand Lodge of the Int'l Ass'n of Machinists & Aerospace Workers*, 584 F.2d 308, 315 (9th Cir. 1978) (internal quotation marks omitted)). However, in any situation, the court must find that there is at least a fair chance of success on the merits, *see Johnson v. California*

State Bd. of Accountancy, 72 F.3d 1427, 1430 (9th Cir. 1995), and that there is some threat of an immediate irreparable injury. *See Big Country Foods, Inc. v. Board of Ed. Of the Anchorage Sch. Dist.*, 868 F.2d 1085, 1088 (9th Cir. 1989).

ANALYSIS

1.1 Balance of Hardships

Regardless of Plaintiff's showing of a likelihood of success on the merits, Plaintiff must show, at a minimum, a threat of immediate irreparable injury. Plaintiff has failed to make that showing.

Plaintiff alleges that it will suffer severe harm if a temporary restraining order does not issue. Plaintiff alleges that Defendants' sales of the Harmony Candle Holder and the Terra at low prices are "harming Pomeroy's sales and resulting in a flood of these infringing products on the market, damaging Pomeroy's reputation." (Application 12:25-27.) Plaintiff also argues that Plaintiff's customers may ask Plaintiff to compensate them so that they can sell the Batik design at a competitive price and may discontinue their orders of the Batik design. (Application 12:26-13:3.)

Three of Plaintiff's claims of injury are purely financial. The potential lost sales, lost orders, and requests for compensation are all monetary damages. "Mere financial injury, however, will not constitute irreparable harm if adequate compensatory relief will be available in the course of litigation." *Goldie's Bookstore, Inc. v. Superior Court of State of Cal.*, 739 F.2d 466, 471 (9th Cir. 1984) (citing *Sampson v. Murray*, 415 U.S. 61, 90 (1974)). And, if Plaintiff's claims have merit, adequate compensatory relief *will* be available at the end of this litigation. Accordingly, the Court will not consider Plaintiff's claims of potential financial loss in its consideration of whether Plaintiff has shown a risk of irreparable harm.

The Court then turns to Plaintiff's claim that its reputation will be damaged if a temporary restraining order does not issue. Plaintiff does not support this claim

in any way. Plaintiff does not allege that the Harmony Candle Holder or the Terra is of a lower quality than the Batik design, such that any confusion about their source will damage Plaintiff's reputation. Indeed, Plaintiff makes great effort to show that the products are identical. The Court cannot see how more of this candle design on the market will damage Plaintiff's reputation. Accordingly, Plaintiff has failed to show a possibility of irreparable harm.

1.2 Likelihood of Success on the Merits

Although Plaintiff's failure to show a possibility of irreparable harm alone warrants denial of Plaintiff's Application, the Court now turns to the merits of Plaintiff's claim. Plaintiff's claim has two parts. First, Plaintiff objects to the fact that Defendants are selling a product identical to Plaintiff's product. Second, Plaintiff objects to the similar packaging of Defendants' product. Plaintiff seems to mix these two objections together, addressing its infringement arguments to the product or to the packaging, as best suits Plaintiff's arguments. This is improper. Accordingly, the Court will address Plaintiff's arguments in turn.

Also, because Plaintiff bases its claim of likelihood of success on its claim of federal trademark infringement, the Court will evaluate the likelihood of success of Plaintiff's federal trademark infringement claim.

1.2.1 Identical Product

Plaintiff first alleges that Defendants are selling a product that is identical to Plaintiff's product. In other words, Plaintiff is arguing that it has a protectable right in the design of its product.

Copying someone else's product design is not wrong in and of itself. *See Compro v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 238 (1964) (holding that an unpatented lighting fixture was "in the public domain and can be copied in every detail by whoever pleases.") What is wrong, of course, is the act of "passing off" one's goods as those of another. *Bank of the West v.*

Superior Court, 2 Cal. 4th 1254, 1263 (1992); 15 U.S.C. § 1125(a)(1)(A).

According to these principles, the design of a product can constitute protectable trade dress when the design itself operates to identify the design's source to the public. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 209 (2000).

To sustain a claim for trade dress infringement, a plaintiff must prove: (1) that its claimed dress is nonfunctional; (2) that its claimed dress serves a source-identifying role either because it is inherently distinctive or has acquired secondary meaning; and (3) that the defendant's product or service creates a likelihood of consumer confusion. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1257 (9th Cir. 2001).

Turning to the second prong, product design cannot be inherently distinctive. *Wal-Mart*, 529 U.S. 209 (2000). Accordingly, to succeed on a trade dress infringement claim for a product design, a plaintiff must demonstrate that the product design has acquired secondary meaning. This occurs when, "in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself." *Id.* at 211 (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851, n.11 (1982)).

Plaintiff has not made a showing that the primary significance to the public of its three white candles with pebbles on a mirrored wood platter is to identify Plaintiff, and not merely to be an attractive decorative candle set. The showing that Plaintiff *has* made, that Plaintiff spent 5% of its net sales on product development, advertising and marketing its products, does not indicate the extent to which Plaintiff advertised its Batik design nor the extent to which the public associates the design with Plaintiff.

For these reasons, Plaintiff has not shown a likelihood of success on the merits of its claim that Defendants' product design infringes Plaintiff's trade dress.

1.2.2 Similar Packaging

Plaintiff next alleges that Defendants infringed its trade dress by wrapping their

candle

sets in packaging very similar to that used by Plaintiff. Again, to sustain its claim for trade dress infringement, Plaintiff must prove: (1) that its claimed dress is nonfunctional; (2) that its claimed dress serves a source-identifying role either because it is inherently distinctive or has acquired secondary meaning; and (3) that the defendant's product or service creates a likelihood of consumer confusion. *Clicks Billiards, Inc.*, 251 F.3d at 1257. This time, Plaintiff's claim will likely fail on the first prong.

Plaintiff complains that Defendants' packaging is similar to Plaintiff's in that "it consists of a unique photo box package which demonstrates the three candles, lit, surrounded by stones in the glass holders, which are set in a row on the mirrored base." (Application 10:9-10.) But this trade dress appears to the Court to be strictly functional. Looking at the pictures of the packaging submitted by Plaintiff, the Court notes that the boxes of Plaintiff's and Defendants' products are the same size and that both display pictures of the product, properly arranged. But both these aspects of the packaging are functional. The boxes are the same size because they carry products of the same size. They have pictures of the product on them because a shopper would want to know what product is inside the box.

The Court notes that all the nonfunctional aspects of the packaging differ significantly between Plaintiff and Defendants. For instance, Plaintiff's package features a full size photograph of the candles along the length of the box and a horizontal San Miguel logo in black and yellow in the upper left corner. (Anderson Declaration, Exhibit D.) Defendant's Harmony Candle Holder features a much smaller photograph of the candles in the lower right corner of the box, a camel background, and "Kirkland's Home," in white, running vertically down the left edge of the box. (*Id.*) Defendant's Terra features an almost full-size photograph of the candles with a white border and the word "Terra" running vertically up the right edge of the box. (Paul Pomeroy Declaration, Exhibit B.)

For these reasons, Plaintiff has not shown a likelihood of success on the merits of its claim that Defendants' packaging infringes Plaintiff's trade dress.

1.3 Conclusion

Plaintiff's have not made the required showing for the issuance of a temporary restraining order.

DISPOSITION

Plaintiff's Application for a Temporary Restraining Order is DENIED. The Application is GRANTED as to its request for an Order to Show Cause.

IT IS SO ORDERED.

DATED: June 13, 2008

A handwritten signature in black ink, appearing to read "Candace J. Sulmasy". The signature is written in a cursive, flowing style.

United States District Judge