1 2	DAVIS WRIGHT TREMAINE LLP 865 S. FIGUEROA ST. SUITE 2400 LOS ANGELES, CALIFORNIA 90017-2566	
3 4	TELEPHONE (213) 633-6800 FAX (213) 633-6899	
5	KELLI L. SAGER (State Bar No. 12016 kellisager@dwt.com	51)
6	ANDREW J. THOMAS (State Bar No.	159533)
7	ajthomas@dwt.com JEFF GLASSER (State Bar No. 252596))
8 9	jeffglasser@dwt.com LISA KOHN (State Bar No. 260236) lisakohn@dwt.com	
10	Attorneys for Defendant	
11	NBC UNIVERSAL, INC.	
12		
13		S DISTRICT COURT
14	CENTRAL DISTR	ICT OF CALIFORNIA
15		
16	GREG D. CROWDER, an individual; TONY FREITAS, an individual,	 Case No. CV 09-6681 ODW (AGRx) Assigned to the Hon. Otis D. Wright II
17	Plaintiffs,) OPPOSITION TO PLAINTIFFS'
18	VS.) <u>EX PARTE</u> APPLICATION FOR) TEMPORARY RESTRAINING
19) ORDER AND ORDER TO SHOW
20	NBC UNIVERSAL, INC., a Delaware corporation; SCOTT STUBER	 CAUSE RE PRELIMINARY INJUNCTION; REQUEST FOR
21	PRODUCTIONS, INC., a California corporation; BRANDON CAMP, an) MONETARY SANCTIONS) AGAINST PLAINTIFFS AND THEIR
22	individual; MIKE THOMPSON, an individual; and DOES 1 through 20,) COUNSEL
23	Defendants.	 [Declarations Of Brandon Camp, Mike Thompson, Scott Bernstein, Scott Stuber,
24	Derendants.) Eddie Egan, Kelli L. Sager and Andrew
25 26		 J. Thomas With Exhibits A-F; Objections to Plaintiffs' Evidence; And Proposed Order Filed Concurrently 1
27) Order Filed Concurrently.]
28) Action Filed: September 15, 2009

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SUMMARY OF ARGUMENT

1.

In this action, plaintiffs seek to enjoin the nationwide release of a major 3 motion picture based entirely on a claim of copyright infringement that is so lacking 4 in support as to be sanctionable. The only thing that plaintiffs' script "Truth" even 5 arguably has in common with Universal's feature film Love Happens is that both 6 works include a character who has authored a book that can loosely be described as 7 being in the "self-help" genre (although even these basic characters are otherwise 8 dissimilar), and both ultimately reveal information about themselves that their 9 readers did not know. The stories otherwise are vastly different: Love Happens is a 10 classic romantic comedy/drama that centers around a love story between the quirky, 11 vulnerable Jennifer Aniston character and the quirky, sensitive Aaron Eckhart 12 character, whose "secret" is that he is a grief counselor who still grieves for his 13 deceased wife; plaintiffs' story is a dark, tension-filled psychodrama with no love 14 story, featuring a sinister, manipulative male lead, with a story line that involves 15 child kidnapping, heroin addiction, gratuitous sex, and the murder of three people. 16

At its core, this lawsuit is a classic example of an idea submission/implied 17 contract suit – a claim so common in the entertainment industry that one California 18 court described such lawsuits as evidencing "that obsessive conviction, so frequent 19 among authors and composers, that all similarities between their works and any 20others which appear later must inevitably be ascribed to plagiarism." <u>Klekas v.</u> 21 EMI Films, Inc., 150 Cal. App. 3d 1102, 1114 (1984). But because claims for 22 purported "theft" of ideas do not provide any basis for a threatened injunction (nor 23 any basis for federal jurisdiction), plaintiffs have concocted a baseless copyright 24 claim, to give them the leverage of seeking an eleventh-hour emergency injunction 25 on the eve of the nationwide release of Universal's feature film. 26

In what can only be described as classic sandbagging, plaintiffs
opportunistically waited until the very last moment – the day that Love Happens

had its premiere, and only three days before its scheduled release in some 1,900
theaters – to ambush Universal with a massive set of moving papers, replete with
expert declarations and hundreds of pages of exhibits. The gamesmanship evident
in this TRO Application – filed months after defendant NBC Universal, Inc.
("Universal") first began advertising the film (see Egan Decl. ¶ 16), and more than
six weeks after plaintiffs admit they became aware of facts they cite as the basis for
their claim – is reason enough for its denial.

As demonstrated below, plaintiffs' Application also should be denied because 8 plaintiffs have failed to show a likelihood of success on their copyright 9 infringement claim¹ and have failed to establish any concrete injury – let alone 10 irreparable harm - that they will suffer if a TRO is denied, and because the balance 11 of hardships weighs overwhelmingly in favor of Universal. The last-minute TRO 12 that plaintiffs seek would have catastrophic consequences for the defendants – 13 costing Universal tens of millions of dollars, leaving hundreds of theaters dark, 14 putting Universal in legal jeopardy with theater operators across the country, and in 15 all likelihood preventing Love Happens from being released theatrically at all in 16 2009, if ever. See Egan Decl. ¶¶ 21-26. 17

For all these reasons, this Court should deny plaintiffs' <u>ex parte</u> TRO
Application and should impose sanctions against plaintiffs and their counsel of
record for their blatant abuse of the <u>ex parte</u> process.²

- ¹ Plaintiffs' other claims also are meritless, but because those claims are not offered as grounds for a TRO, they are addressed only briefly below.
- ² This Court's standing order states: "Sanctions may be imposed for misuse of <u>ex parte</u> applications. <u>Mission Power Engineering Co. v. Continental Casualty</u> <u>Co.</u>, 883 F. Supp. 488 (C.D. Cal. 1995)."

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PLAINTIFFS FAIL TO JUSTIFY THE NEED FOR <u>EX PARTE</u> RELIEF BECAUSE ANY "EMERGENCY" WAS CAUSED BY THEIR OWN DECISION TO DELAY SEEKING INJUNCTIVE RELIEF

2.

Plaintiffs admit in their TRO Application that they had reason to know of the 5 purported basis for their claims at least by August 2, 2009.³ Yet plaintiffs waited 6 more than six weeks – until just three days before the nationwide theatrical release 7 of Love Happens – to file this action and seek injunctive relief. On August 20, 8 2009, plaintiffs registered their script for copyright protection -a prerequisite to 9 filing suit – so they surely had determined by August 20 that they were pursuing 10 claims against Universal. Yet they still failed to provide any notice to Universal of 11 their claims – let alone of their intent to seek an injunction – until September 14. 12

In a telephone conversation with Universal's counsel on September 14,
plaintiffs' counsel admitted that the reasons for this delay were entirely tactical –
plaintiffs did not want Universal to preemptively seek declaratory relief on their
copyright claim (which could have resulted in that claim being addressed in an
orderly manner with adequate time for briefing by <u>both</u> sides, not just plaintiffs),
and they wanted sufficient time to complete the preparation of their own expert
witness declarations. <u>See</u> Sager Decl. at ¶¶ 3-4.

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²² ³ They almost certainly knew about <u>Love Happens</u> even earlier, as it was advertised extensively in the Los Angeles area and the rest of the country beginning 23 in June 2009. <u>See</u> Egan Decl. ¶¶ 10, 14-20. The movie trailers first appeared on Yahoo.com on June 17 and also in the "Access Hollywood" television show, and 24 they then appeared at the beginning of numerous popular movies and on numerous other websites. See Egan Decl. ¶ 15. The film project also was described in 25 numerous articles in the press beginning in 2007, including articles that described the protagonist, his secret, and the basic plot. See, e.g., Thomas Decl. Exs. D-F. The main trailer begins with a shot of the "A-Okay" motivational book written by 26Eckhart's grief counselor character and a scene in which Eckhart is leading a large 27 meeting in Seattle. See Egan Decl. Ex. B. Anyone seeing the trailers would learn 28 that the movie's story included a motivational speaker who was hiding a secret. Id.

In other words, plaintiffs waited until the last minute to seek emergency relief
to try to gain an unfair advantage by forcing Universal to respond within 24 hours
to a TRO Application supported by hundreds of pages of declarations and exhibits.
There is no legitimate reason why plaintiffs could not have filed suit and sought
relief in time for a preliminary injunction motion to have been heard on regular
notice.⁴ The last-minute "emergency" caused by the September 18 release date for
the motion picture thus is a situation entirely of plaintiffs' own making.

That fact alone is reason enough for this Court to deny plaintiffs' ex parte 8 application for a TRO. In the Central District of California, it is well established 9 that, to justify ex parte relief, plaintiffs must make two specific showings: first, that 10 their "cause will be irreparably prejudiced if the underlying motion is heard 11 according to regular noticed motion procedures"; and second, that plaintiffs are 12 "without fault in creating the crisis that requires ex parte relief, or that the crisis 13 occurred because of excusable neglect." <u>See Mission Power</u>, 883 F. Supp. at 492. 14 Plaintiffs cannot satisfy this test. Indeed, their ex parte application highlights the 15 abuse that Judge Edwards denounced in Mission Power: 16

[E]x parte motions are inherently unfair, and they pose a threat to the administration of justice. They debilitate the adversary system. Though the adversary does have a chance to be heard, the parties' opportunities to prepare are grossly unbalanced. <u>Often, the</u> <u>moving party's papers reflect days, even weeks, of investigation</u> <u>and preparation; the opposing party has perhaps a day or two. This</u> <u>is due primarily to gamesmanship</u>. The opposing party is usually told by telephone when the moving party has completed all preparation of the papers and has a messenger on the way to court with them. <u>The goal often appears to be to surprise opposing</u>

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⁴ When Universal's counsel asked plaintiffs' counsel to agree to a reasonable briefing schedule, he responded that "if the movie wasn't coming out for a couple of weeks," he would do so, but because the movie is scheduled for national release on Friday, and his clients' "goal" is to stop its release, he would not agree to any delay. See Sager Decl. ¶ 3-4. Of course, plaintiffs did have "a couple of weeks" – and more – to schedule briefing on this matter, but chose instead to lie in wait until a few days before the film's scheduled release.

counsel or at least to force him or her to drop all other work to respond on short notice.

883 F. Supp. at 490 (emphasis added). That is precisely what plaintiffs have done here. This type of gamesmanship "detracts from the fundamental purpose of the adversary system, namely, to give the court the best possible presentation of the merits and demerits of the case on each side." Id. at 491. As Judge Edwards noted, the FRCP and this Court's Local Rules "contemplate that regular noticed motions" are most likely to produce a just result ... because they give the adversary an opportunity to prepare a thorough opposition (and, if needed, an opportunity for oral argument) according to a predesigned, consistent timetable." Id.

Importantly, these procedures only can be bypassed in extremely rare circumstances. To make clear exactly how rare it is for a court to bypass the regular noticed motion procedures, Judge Edwards provided two examples of when it is appropriate to provide a party with ex parte relief. The first example concerns those 14 cases when "notice to the adversary might nullify the ability to ever achieve the end sought" – where, for instance, the non-moving party might move a yacht to another jurisdiction if it is alerted to the moving party's attempts to seize it. See id. at 490. The second example is where there is a "temporal urgency such that immediate and 18 irreparable harm will occur if there is any delay in obtaining relief." Id. This latter example concerns those cases where, as Judge Edwards aptly put it, "[t]he tomatoes will spoil if we don't move them immediately." Id.

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These examples drive home a simple point: <u>ex parte</u> relief is only appropriate in a situation that can fairly be characterized as a "crisis." Here, the only "crisis" is the fact that Universal's motion picture Love Happens is set for nationwide release in two days – on Friday, September 18 - a "crisis" that plaintiffs could have avoided completely by filing suit and seeking relief weeks ago, when - by their own admission – they became aware of the purported basis for their claims. Judge Edwards noted in Mission Power that "filing an ex parte motion ... is the forensic

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equivalent of standing in a crowded theater and shouting, 'Fire!' There had better be a fire." 883 F. Supp. at 492. Here, there is no fire. Only smoke.

3.

PLAINTIFFS INCORRECTLY STATE THE STANDARD FOR ISSUANCE OF A TEMPORARY RESTRAINING ORDER

The Ninth Circuit recognizes that "an injunction is a 'harsh and drastic' 6 discretionary remedy, never an absolute right." Abend v. MCA, Inc., 863 F.2d 7 1465, 1479 (9th Cir. 1988) (citation omitted). A preliminary injunction may issue 8 only upon a showing that: (1) the moving party will suffer irreparable injury if 9 injunctive relief is not granted, (2) the moving party probably will prevail on the 10 merits, (3) the moving party will be helped more than the non-moving party will be 11 harmed by the injunction, and (4) granting the preliminary injunction is in the 12 public interest. Stanley v. University of S. Cal., 13 F.3d 1313, 1319 (9th Cir. 1994). 13 The party seeking the injunction carries a heavy burden of making a "<u>clear</u> 14 showing" that the injunction should be granted. Id. at 1320 (emphasis added). 15

Plaintiffs rely heavily on older cases in asserting that plaintiffs in copyright 16 infringement actions are entitled to a presumption of irreparable harm upon 17 showing a likelihood of success on the merits. Recent decisions by the United 18 States Supreme Court and by this District, however, cast serious doubt on whether 19 this presumption exists, even assuming a plaintiff can establish a likelihood of 20 success on their copyright infringement claim (which plaintiffs here cannot do). In 21 eBay, Inc. v. MercExchange, LLC, 547 U.S. 388, 391, 126 S. Ct. 1837 (2006), the 22 Supreme Court held that, "[a]ccording to well-established principles of equity," a 23 plaintiff "must demonstrate" that the traditional four factors weigh in favor of 24 permanent injunctive relief.⁵ Following <u>eBay</u>, the Supreme Court recently rejected 25

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⁵ In <u>eBay</u>, the Supreme Court noted that it has "consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed." <u>Id.</u> at 392-93. In a detailed analysis of <u>eBay</u>'s application to copyright

as "too lenient" the Ninth Circuit's preliminary injunction standard, which allowed 1 for the issuance of injunctive relief on a showing of a mere "possibility" of 2 irreparable harm in circumstances where the plaintiff demonstrated a strong 3 likelihood of prevailing on the merits. Winter v. Natural Resources Defense 4 Council, Inc., U.S. , 129 S. Ct. 365, 375-376 (2008). The Supreme Court 5 emphasized that "[i]ssuing a preliminary injunction based only on a possibility of 6 irreparable harm is inconsistent with our characterization of injunctive relief as an 7 extraordinary remedy that may only be awarded upon a clear showing that the 8 plaintiff is entitled to such relief." Id. at 375-76. Instead, the Court said that the 9 moving party must satisfy the traditional four-factor equitable test, and must 10 demonstrate "that irreparable injury is <u>likely</u> in the absence of an injunction." <u>Id.</u> at 11 375 (original emphasis); see also Johnson v. Couturier, 572 F.3d 1067, 1081 (9th 12 Cir. 2009) (noting that the Supreme Court "recently clarified" that preliminary 13 injunctive relief requires a showing of likelihood of irreparable harm). 14

In view of the unsettled state of the law in this area, this Court should not
take the extraordinary, draconian step of enjoining the nationwide release of a
motion picture based merely on the purported presumption of harm to plaintiffs.

injunctions, Judge Stephen Wilson in <u>Metro-Goldwyn-Mayer Studios, Inc. v.</u>
<u>Grokster, Ltd</u>, 518 F. Supp. 2d 1197 (C.D. Cal. 2007), found that "the presumption of irreparable harm no longer inures to the benefit of plaintiffs." <u>Id.</u> at 1211; <u>see</u>
<u>also Torspo Hockey Int'l, Inc. v. Kor Hockey Ltd.</u>, 491 F. Supp. 2d 871, 881 (D.
Minn. 2007) ("<u>eBay</u>'s logic forbids courts to categorically presume irreparable harm in the preliminary-injunction context"). Judge Wilson relied on the Supreme Court's statement in <u>eBay</u> that plaintiffs "must demonstrate" that the traditional factors favor an injunction, which he interpreted to mean that the plaintiff has the burden of proof on the question of irreparable harm and that even a rebuttable presumption is no longer permitted. <u>Grokster</u>, 518 F. Supp. 2d at 1211.

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PLAINTIFFS HAVE NOT MET THEIR BURDEN OF SHOWING A LIKELIHOOD OF SUCCESS ON THE MERITS

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A. Plaintiffs Cannot Establish A Likelihood Of Success On Their Claim for Copyright Infringement.

To establish copyright infringement, a plaintiff must prove "(1) ownership of 6 a valid copyright and (2) copying by the defendant of protectable elements of the 7 work." CDN Inc. v. Kapes, 197 F.3d 1256, 1258 (9th Cir. 1999); accord Three 8 Boys Music Corp. v. Bolton, 212 F.3d 477, 481 (9th Cir. 2000). Where, as here, 9 there is no direct evidence of copying, the second element requires plaintiffs to 10 prove both that the defendants had "access" to the plaintiffs' copyrighted work and 11 that there is "substantial similarity" of protected expression between the 12 copyrighted work and defendants' work. Three Boys Music Corp., 212 F.3d at 481; 13 see also Chase-Riboud v. Dreamworks, Inc., 987 F. Supp. 1222, 1225 (C.D. Cal. 14 1997). Plaintiff cannot meet these requirements. 15

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<u>Love Happens</u> Was Independently Created By Writers And Producers Who Never Heard Of Plaintiffs Or Had Access To Plaintiffs' Screenplay.

To prevail, plaintiffs must show that the creators of Love Happens had
"access" to the plaintiffs' screenplay.⁶ Although plaintiffs present evidence that
they submitted their screenplay to a Universal creative executive, Scott Bernstein,
"Universal" is not a monolith. Plaintiffs have not presented and cannot present any

⁶ Proof of access "requires 'an opportunity to view or to copy plaintiff's work." <u>Three Boys Music</u>, 212 F.3d at 482 (quoting <u>Sid & Marty Krofft</u> <u>Television Prod., Inc. v. McDonald's Corp.</u>, 562 F.2d 1157, 1172 (9th Cir. 1977)).
"Opportunity" has been defined as a "reasonable opportunity or reasonable possibility of viewing the plaintiff's work," which is more than a "bare possibility." <u>Id.</u> (citing 4 Nimmer, <u>Nimmer on Copyright</u>, § 13.02[A], at 13-19 (1999); <u>Jason v.</u> <u>Fonda</u>, 526 F. Supp. 774, 775 (C.D. Cal. 1981)). Access "may not be inferred through mere speculation or conjecture." <u>Id.</u> (quoting <u>Nimmer</u>).

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evidence that the writers and producers who actually created the film Love Happens 1 ever had access to plaintiffs' work, had any contact with plaintiffs, or collaborated in any way on Love Happens with Mr. Bernstein or anyone else who knew anything about plaintiffs' screenplay.

To the contrary, Universal's incontrovertible evidence establishes that the 5 script for Love Happens was written by Brandon Camp and Mike Thompson "on 6 spec"' in 2006 and submitted to Scott Stuber Productions, Inc. that same year. See 7 Camp Decl. ¶ 4; Thompson Decl. ¶ 4; Stuber Decl. ¶¶ 3-4. Mr. Camp and Mr. 8 Thompson did not have any contact with plaintiffs and never saw plaintiffs' script. 9 See Camp Decl. ¶ 7; Thompson Decl. ¶ 7. They also did not have any contact with 10 Scott Bernstein, and had never heard of plaintiffs or their script until this lawsuit 11 was filed. See id. Mr. Stuber likewise never had any contact with plaintiffs and 12 never saw plaintiffs' script. See Stuber Decl. ¶¶ 6-8. Mr. Bernstein did not give 13 plaintiffs' screenplay to – or ever discuss it with – anyone involved in the 14 development of Love Happens, including Mr. Stuber, Mr. Camp or Mr. Thompson. 15 See Bernstein Decl. ¶ 2; Stuber Decl. ¶ 7; Camp Decl. ¶ 7; Thompson Decl. ¶ 7. 16

Proof of independent creation defeats a claim of copyright infringement. 17 Three Boys Music, 212 F.3d at 486; Granite Music Corp. v. United Artists Corp., 18 532 F.2d 718, 720 (9th Cir. 1976); <u>Rice v. Fox Broadcasting Co.</u>, 148 F. Supp. 2d 19 1029, 1061 (C.D. Cal. 2001), aff'd in part, 330 F.3d 1170 (9th Cir. 2003). 20 Accordingly, even assuming, for sake of argument, that plaintiffs could show both 21 access and substantial similarity – which they cannot – any inference of copying is 22 defeated by proof that Love Happens was independently created, and not copied 23 from plaintiffs' copyrighted work. <u>Three Boys Music</u>, 212 F.3d at 486. 24

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- 26 7 A "spec script" is one written with the speculation that it will be sold; one that the Variety entertainment industry's language dictionary defines as being 27 "shopped or sold on the open market, as opposed to one commissioned by a studio or a production company." <u>See</u> Thomas Decl. Ex. C. 28

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Plaintiffs Also Have Failed To Make Out A Prima Facie Case Of Infringement Based On Substantial Similarity.

Plaintiffs base their entire similarity argument on a comparison between their 3 script "Truth" and an early draft – dated October 3, 2007 – of the screenplay for 4 Love Hurts. (TRO App. at 17-21, Plaintiffs' Exs. C, H.) This comparison is 5 irrelevant for purposes of an analysis of substantial similarity under the Ninth 6 Circuit law. Courts in this Circuit consistently have held that only the final version 7 of a work, as presented to the public, should be considered when deciding copyright 8 infringement claims. <u>See Chase-Riboud</u>, 987 F. Supp. at 1227 (citation omitted) 9 (refusing to consider allegedly infringing scenes that were removed from the final 10 film as basis for claim of substantial similarity). As one court in this District has 11 noted, "reliance on earlier scripts for a showing of actionable infringement in the 12 final screenplay is without solid foundation in law ..." Idema v. Dreamworks, Inc., 13 162 F. Supp. 2d 1129, 1185 n.67 (C.D. Cal. 2001). Relying on Ninth Circuit 14 precedent, another district court likewise refused to consider earlier script drafts on 15 the ground that "[c]onsideration of earlier versions of [a] screenplay is too 16 unreliable in determining substantial similarity." Walker v. Time Life Films, Inc., 17 615 F. Supp. 430, 435 (S.D.N.Y. 1985) (citing Litchfield v. Spielberg, 736 F.2d 18 1352, 1356 (9th Cir. 1984), aff'd, 784 F.2d 44 (2d Cir. 1986). Plaintiffs' failure to 19 compare the final version of the Love Happens screenplay (or the motion picture 20being released on Friday) with their script is thus fatal to their copyright 21 infringement argument. 22

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3. Any Purported Similarities Between Plaintiffs' Script And Love Happens Are Unprotectable Ideas Or Scenes À Faire.

To determine whether there is substantial similarity, the Ninth Circuit uses an
"extrinsic/objective" test to compare the works. <u>Apple Computer, Inc. v. Microsoft</u>
<u>Corp.</u>, 35 F.3d 1435, 1442 (9th Cir. 1994); <u>Kouf v. Walt Disney Pictures &</u>
<u>Television</u>, 16 F.3d 1042, 1045 (9th Cir. 1994); <u>Three Boys Music</u>, 212 F.3d at 485.

The "extrinsic" component tests for similarity of ideas and expression is based on objective external criteria, whereas the "intrinsic" component tests for 2 "similarity of expression from the standpoint of the ordinary reasonable observer" – 3 a subjective test. <u>Apple Computer</u>, 35 F.3d at 1442. The extrinsic test usually 4 requires "analytical dissection." Three Boys Music, 212 F.3d at 485; Dr. Seuss 5 Enterprises, L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1398 n.3 (9th Cir. 6 1997). For fictional works, the extrinsic test focuses on articulable similarities 7 between the plot, themes, dialogue, mood, setting, pace, characters, and sequence of 8 events in the two works. <u>Kouf</u>, 16 F.3d at 1045. In comparing the works, the court 9 must filter out any parts of the copyrighted work that are not protected; only 10 "protected expression" is relevant to assess "substantial similarity." See Shaw v. 11 Lindheim, 919 F.2d 1353 (9th Cir. 1990) (party claiming infringement "may place 12 no reliance upon any similarity in expression resulting from unprotectable 13 elements"); Cavalier v. Random House, Inc., 297 F.3d 815, 822 (9th Cir. 2002). 14

In filtering out unprotectable material, "it is an axiom of copyright law that 15 the protection granted to a copyrighted work extends only to the particular 16 expression of the idea and never to the idea itself." Sid & Marty Krofft, 562 F.2d at 17 1163; Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985) 18 ("no author may copyright facts or ideas"); 17 U.S.C. § 102. Under the "merger 19 doctrine," where an idea is capable of being expressed in limited ways, the 20expression "merges" with the idea and is not subject to copyright protection. Ets-21 Hokin v. Skyy Spirits, Inc., 225 F.3d 1068, 1082 (9th Cir. 2000). 22

Similarly, the <u>scenes à faire</u> doctrine holds that forms of expression that are
"standard, stock, or common to a particular subject matter or medium are not
protectable under copyright law." <u>Satava v. Lowry</u>, 323 F.3d 805, 809 (9th Cir.
2003); <u>accord Apple Computer</u>, 35 F.3d at 1443 ("similarities derived from the use
of common ideas cannot be protected; otherwise, the first to come up with an idea
will corner the market"). Thus, "[f]amiliar stock scenes and themes that are staples

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of literature" – the ideas or scenes that flow naturally from other ideas or basic plot premises or scenes – are not protected by copyright. <u>Cavalier</u>, 297 F.3d at 823

As the Ninth Circuit explained, "courts will not protect a copyrighted work 3 from infringement if the expression embodied in the work <u>necessarily flows from a</u> 4 commonplace idea; like merger, the rationale is that there should be no monopoly 5 on the underlying unprotectable idea." Ets-Hokin, 225 F.3d at 1082 (emphasis 6 added); see also Berkic v. Crichton, 761 F.2d 1289, 1293 (9th Cir. 1985) (no 7 protection for idea of "criminal organizations that murder healthy young people, 8 then remove and sell their vital organs to wealthy people in need of organ 9 transplants" and a young professional who investigates and exposes the criminals); 10 <u>Olson v. NBC</u>, 855 F.2d 1446, 1450 (9th Cir. 1988) (common ideas, such as a 11 "group action-adventure series designed to show Vietnam veterans in a positive 12 light," are unprotectable); Rice, 148 F. Supp. 2d at 1055 (finding no substantial 13 similarity between two television shows on magic tricks because there are "only so 14 many ways to make a show about revealing the secrets of known magic tricks"). 15

Because of the importance of analytic dissection in separating out
unprotectable elements from any comparison of the works at issue, courts have
condemned lists of purported similarities frequently proffered by copyright
plaintiffs and their hired experts as being "inherently subjective and unreliable."
Litchfield v. Spielberg, 736 F.2d at 1356.

Here, many of the supposed similarities highlighted by plaintiffs relate to
generic attributes that would be common to the movie industry's portrayal of any
successful author and speaker – being well-dressed and articulate, scenes showing
the celebrity speaking to large audiences, and using a common mantra or catchphrase.⁸ See TRO App. at 17. Likewise, the presence of a manager or mentor

⁸ Plaintiffs' "Own It" phrase (which is not in Universal's film) is not subject to copyright protection any more than Paris Hilton's "That's Hot," Donald Trump's "You're Fired" or many other catch phrases that people say as part of every day life.

character is a stock device in nearly any work about a successful entertainer, and the
presence of a supporting "buddy" or "sidekick" character is common to many works
of literature and film. See id. at 18; see also Nichols v. Universal Pictures Corp., 45
F.2d 119, 122 (2d Cir. 1930) (use of "stock figures" and "common characters" in an
expressive work – in that classic case, dueling plays depicting warring Irish and
Jewish families exacerbated by the marriage of their children – "is no more
susceptible of copyright than the outline of Romeo and Juliet").

Indeed, the premise of a charismatic motivational speaker who is less than 8 honest has been the subject of numerous prior works, including the Tom Cruise 9 motivational speaker in Magnolia, the self-help counselor played by Terrence 10 Stamp in the Jim Carrey comedy Yes Man, the fake faith healer played by Steve 11 Martin in Leap of Faith, and the ethically challenged preacher in Upton Sinclair's 12 best-selling novel Elmer Gantry. The concept of a purported hero with a past that is 13 not known also is an idea often depicted in the movies, as exemplified by Clint 14 Eastwood's "Preacher" in Pale Rider and the Lawrence Olivier character in the 15 Alfred Hitchcock movie Rebecca, who is hiding a secret and feeling guilty over the 16 mysterious circumstances of his first wife's death, among many others. 17

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4. Plaintiffs' Script and <u>Love Happens</u> Are Not Substantially Similar In Characters, Sequence Of Events, Plot, Dialogue, Mood Or Themes.

Plaintiffs' discussion of the purported "substantial similarity" between their
screenplay and Universal's feature film⁹ illustrates the fallacy of relying on "lists"
of purported similarities – most of which are contrived, at best, and wholly
concocted, at worst. Plaintiffs rely heavily on the fact that both works contain a
lead character who is an author of a self-help book of some kind – but there the
similarity ends.

 ⁹ <u>Compare</u> Plaintiffs' Exs. C (their screenplay) and H (Oct. 3, 2007 draft of Universal screenplay). <u>See also</u> Universal Ex. A (spec script).

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Universal's film is a classic romantic comedy/drama, in which the storyline follows the relationship between the quirky, vulnerable female lead played by Jennifer Aniston, and the sensitive, vulnerable male lead played by Aaron Eckhart. The film follows their "meet-cute" moment (where Eckhart's character literally runs into Aniston's character at a hotel, and she pretends to be deaf to escape the encounter) through the development of their relationship as they experience their first date, get to know each other, fall in love, break up, and ultimately get reunited. Throughout the film, the Eckhart character is portrayed as a genuinely caring, compassionate man who is trying to help other people deal with grief, while struggling with his own loss of his wife in a tragic car accident. (Plaintiffs' Ex. H.)

In contrast, plaintiffs' screenplay is a dark, tension-filled psycho-drama, 11 featuring a creepy, sinister male lead who uses his charisma and psychological tools 12 to manipulate people for his own purposes, in a storyline that ultimately involves 13 the murder of three people. There is gratuitous sex - the lead character describes 14 himself at one point as a "sex addict" and uses his manipulative powers to set up 15 sexual liaisons among other minor characters as well as for himself – but no 16 character that could even remotely be described as a "romantic" female lead. Nor 17 can this story remotely be described as a romantic comedy. The mood, description 18 of events, and ultimate "message" (if there is one) can only be described as somber 19 and dark. The lead character is portrayed as largely self-absorbed, with a thinly 20 veiled contempt for most of the other people in the film, and his mantra is designed 21 to inspire people to get what they want for themselves, not to help others. 22 (Plaintiffs' Ex. C.) Given this over-arching difference on the intrinsic level – where 23 the overall expression could hardly be more different - it is plain that the average 24 viewer would not remotely view these two screenplays as similar, let alone 25 "substantially" similar. 26

Moreover, given the vast differences between the two works, it is not

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surprising that plaintiffs and their experts attempt to rely on lists of so-called "similarities" from the most inane and even inaccurate description of events, while ignoring the basic plot, themes, mood, setting, sequence of events, dialogue, and characters that make up the extrinsic test for similarity in this Circuit. For example:

<u>Plot</u>: Universal's film is a classic boy-meets-girl, boy-loses-girl, boy-getsgirl romantic comedy/drama, which follows the relationship between the two leads as it evolves. On the other hand, plaintiffs' screenplay is a film noir drama, where the lead character is portrayed as manipulating other minor characters through sexual dalliances, bribery, and three murders.

Mood: Plaintiffs' screenplay is grim, dark, and gritty. The "emotion"
 projected to the audience is tension, fear, and discomfort. The ending is non committal, ambiguous. Universal's film is light, quirky, and romantic. The
 "emotion" projected to the audience alternatives between cheerfulness and good
 humor to empathetic sadness, with a happy and satisfying ending.

Dialogue: Plaintiffs do not even attempt to claim any similarity between the
light-hearted and often imaginative dialogue in Universal's film, and the heavyhanded, somber dialogue in their own screenplay. There is <u>nothing</u> that is the same
or even similar in the dialogue evidenced in these two screenplays. (Compare
Plaintiffs' Ex. C, H.)

Characters: As described above, the lead male characters share only a 20generic professional connection as authors in a loosely-described self-help field, but 21 even in that broad genre, the two male leads do not share any characteristics, 22 personality traits, or background. The second primary character in the Universal 23 film – the romantic female lead - is nonexistent in plaintiffs' screenplay. The 24 "manager" figures (a generic character that is common to almost all stories 25 involving a 'celebrity' character) are not at all similar – plaintiffs' is a father figure 26 (who appears until the very end of the script to be the actual father of plaintiffs' lead 27 character, until it is revealed that he kidnapped the male lead when the latter was a 28

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child, and who is depicted by the end of the script as a murderer and religious sect fanatic); Universal's supporting male lead is a friend of the author – identified as being roughly the same age (contrary to plaintiffs' false description) – who looks out for the author and helps him get back together with the Aniston character at the end. None of the other minor characters are similar (a heroin addict mother in the plaintiffs' screenplay; compared to an even quirkier female buddy/employee for the Aniston character (who performs slam poetry), and Aniston's ex-boyfriend musician who winds up befriending her new beau).

Setting: Although plaintiffs make much of the fact that both author-9 characters appear at public events, that also is a common element for a "celebrity" 10 character. The events are very different in their portrayal, however, from the 11 televangelistic preaching style of the plaintiffs' character, and his superficial 12 interactions with his "fans," compared to the intimate group-therapy feel of the 13 Eckhart character's interactions with individuals attending his sessions, the flash-14 backs to his wife (no flash-backs exist in plaintiffs' script), and the flower shop and 15 gardens where the Aniston character spends time with Eckhart and others. 16

Even the <u>sequence of events</u> is dissimilar. Although plaintiffs falsely claim 17 that both scripts "begin" with a tour where the male leads are speaking before a 18 large audience, that is not the case. Universal's film does begin with Eckhart's 19 character arriving in Seattle for an event, and his early meeting of Aniston's 20character occurs immediately after this introductory session. Plaintiffs' screenplay 21 runs for 30 pages (roughly one-third of its total length) portraying its male lead 22 interacting with a variety of characters in a manipulative way, before he takes the 23 stage to give his controlled speech to a cheering audience. (Plaintiffs' Ex. C.)¹⁰ 24

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Plaintiffs and their "experts" also purport to describe other "similarities" in the two works that are either overblown or do not exist as the Application describes them, including the way plaintiffs portray the characters revealing themselves.

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Because there is no protectable expression that is similar between the Universal film and the plaintiffs' screenplay – let alone "substantial" similarity of protectable expression – plaintiffs cannot demonstrate likelihood of success on the merits of their copyright claim.

B. Plaintiffs Cannot Base A TRO On Their Meritless Lanham Act Claim.

Plaintiffs ' Second Claim for Relief under the federal Lanham Act alleges that the defendants have falsely "induc[ed] the impression" among the public that defendants, and not plaintiffs, are the authors of <u>Love Happens</u>. <u>See</u> Complaint at ¶ 35. This claim, however, squarely is foreclosed by the U.S. Supreme Court's 2003 decision in <u>Dastar Corp. v. Twentieth Century Fox Film Corp.</u>, 539 U.S. 23, 123 S. Ct. 2041 (2003), which held that such claims of false attribution of literary works are not cognizable under the Lanham Act.

In <u>Dastar</u>, the Supreme Court held that an alleged false representation about 13 the authorship of an expressive work - in that case, a failure to attribute authorship 14 to the alleged original creator – cannot give rise to any claim for "false designation 15 of origin" under Section 43(a) of the Lanham Act. Id., 539 U.S. at 31-37. The case 16 involved a video producer's editing and repackaging of a documentary television 17 series about World War II. The producer of the original series (Fox) brought claims 18 under the Lanham Act based on a theory of "reverse passing off" -i.e., on an 19 alleged misrepresentation by the defendant of "someone else's goods or services as 20 his own." Id. at 27-28 & n.1. Specifically, Fox alleged that Dastar's conduct 21 amounted to a "false designation of origin" or false or misleading statement of fact "as to the origin of [the] goods" under Section 43(a). Id. at 31.

The Supreme Court rejected Fox's contention that the term "origin of the goods" under Section 43(a) could refer to the creator of the underlying expressive content that Dastar copied. Instead, the Court held that "origin of the goods" in this context denotes <u>only</u> the manufacturer or producer of "physical goods" sold in the marketplace – in that case, the videotapes themselves – and not the person or entity

"that originated the ideas or communications that [the] 'goods' embody or contain." 1 Id. at 32. To hold otherwise, the Supreme Court concluded, would bring the 2 Lanham Act into conflict with the Copyright Act, which governs the use of creative 3 works and the scope of author's rights. Id. at 34-35. Here, because plaintiffs' 4 Lanham Act claim is based on an alleged false attribution of authorship of a literary 5 work, namely the film Love Happens, the claim is foreclosed under Dastar.¹¹ 6 5. 7 THE BALANCE OF HARDSHIPS WEIGHS OVERWHELMINGLY 8 **IN FAVOR OF UNIVERSAL** 9 Plaintiffs' assertion (TRO App. at 22) that this Court does not need to 10 conduct a "balancing of hardships" analysis is overstated, at best. Just last year, the 11 United States Supreme Court emphasized that 12 13 [a] preliminary injunction is an extraordinary remedy never awarded as of right. In each case, courts must balance the 14 competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief. In 15 exercising their sound discretion, courts of equity should pay 16 17 ¹¹ Plaintiffs do not even attempt to base their request for a TRO on the merits 18 of their Third Claim for Relief, for breach of implied contract, nor could they; 19 breach of contract claims are classic examples of the types of claims for which damages are an adequate remedy. See Flynt Distributing Co. v. Harvey, 734 F.2d 201389, 1396 (9th Cir. 1984) (holding that district court erred in granting injunction where money damages provided an adequate remedy for breach of contract); 21 Stanley v. Univ. of S. California, 13 F.3d at 1320 (no irreparable harm where money damages for breach of contract provided an adequate remedy). 22 In any event, independent creation is a complete defense to a breach of 23 implied contract claim. See Hollywood Screentest of America, Inc. v. NBC Universal, Inc., 151 Cal. App. 4th 631, 646-49 (2007); Mann v. Columbia Pictures, 24 128 Cal. App. 3d 628, 648-50 (1982); Teich v. General Mills, 170 Cal. App. 2d 791, 794, 803-05 (1959); see, supra, Section 4(A)(1). Additionally, because this is 25 essentially a case based on the alleged use of material from a copyrighted work, with no allegations that specific contract terms were discussed, the state law implied 26 contract claim is preempted. See, e.g., Worth v. Universal Pictures, 5 F. Supp. 2d 816, 821-822 (C.D. Cal. 1997) (because "[m]ovie screenplays, the subject matter at 27 issue, are encompassed within federal copyright law," the plaintiffs' claims for 28breach of implied contract were preempted).

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particular regard for the public consequences in employing the extraordinary remedy of injunction.

<u>Winter</u>, 129 S. Ct. at 375-76 (internal citations and quotation marks omitted; emphasis added). In the context of motion pictures, courts have refused to enjoin the release of a film where the balance of hardships weighed in the defendant's favor. For example, in <u>Chase-Riboud</u>, 987 F. Supp. at 1233, the Central District of California refused to enjoin the theatrical release of the movie <u>Amistad</u> because the balance of hardships tipped in defendant's favor. The plaintiff's claim that she would suffer irreparable injury from losing a market for film rights to her novel did not outweigh the hardship to defendant studios, which had invested \$70 million to \$75 million and were on the verge of releasing the movie. <u>Id.</u>¹²

Here, plaintiffs have not submitted any evidence to show that they face the risk of severe, irreparable hardship. By contrast, the hardship Universal would suffer from entry of a TRO would be catastrophic, and it severely outweighs any hardship that plaintiffs would suffer from the denial of this Application.

A. Any Theoretical Harm To Plaintiffs From Not Obtaining A Restraining Order Is Compensable.

As shown above, plaintiffs should not be given any presumption of irreparable harm. Section 3, <u>infra</u>. This is particularly true where, as here, plaintiffs

²⁰ ¹² See also Monster Communications, Inc. v. Turner Broadcasting Sys., Inc., 21 935 F. Supp. 490, 493-497 (S.D.N.Y. 1996) (declining to enjoin television broadcast of documentary because balance of equities favored defendant); Tsiolis v. 22 Interscope Records, Inc., 946 F. Supp. 1344, 1357 (N.D. Ill. 1996) ("the harm to the defendants in delaying the sale of the Album until after trial far outweighs the 23 potential harm to Tsiolis ..."); John Lemmon Films, Inc. v. Atlantic Releasing Corp., 617 F. Supp. 992, 996-97 (W.D.N.C. 1985) (where defendant already had 24 spent \$470,000 on its "Starchaser" promotional campaign, court refused request for injunctive relief); <u>U.S. Shoe Corp. v. Brown Group, Inc.</u>, 740 F. Supp. 196, 200-01 (S.D.N.Y. 1990) (balance of hardships favored not forcing defendant to incur the 25 expense of developing substantial new advertising after spending more than 26 \$200,000 to develop and place ads, some of which had been printed and distributed); Belushi v. Woodward, 598 F. Supp. 36, 37 (D.D.C. 1984) (refusing to 27 issue injunction that would disrupt "the coordination of advertising, serialization, 28 author appearances, and reviews and the release to the public of the book").

have a low likelihood of succeeding on the merits of their claims.¹³ Because there 1 is no presumption of irreparable harm, plaintiffs must "demonstrate immediate threatened injury." Caribbean Marine Servs. Co. v. Baldridge, 844 F.2d 668, 674 (9th Cir. 1988) (emphasis in original).¹⁴

Here, plaintiffs have failed to show any injury that could justify the 5 extraordinary relief of a TRO. Without citing any supporting legal authorities – 6 because there are none – plaintiffs allege that deprivation of writer's credits in Love 7 Happens (which Universal's evidence shows that plaintiffs did not write) will cause 8 them "extreme harm" and "certain harm to their careers" justifying injunctive relief. 9 See TRO App. at 22, 23. These speculative claims are made without legal or 10 factual justification; as the Supreme Court held last year, claims like these that – at 11 most – recite the mere "possibility" of harm do not justify injunctive relief. See 12 Winter, 129 S. Ct. at 375-76; Goldie's Bookstore, Inc. v. Superior Court, 739 F.2d 13 466, 472 (9th Cir. 1984) (overturning district court finding that plaintiff would lose 14 "untold customers" and profits as speculative); Big Country Foods, Inc. v. Board of 15 Education, 868 F.2d 1085 (9th Cir. 1989) (loss of contract not sufficient injury 16 where no evidence presented that contract would have been profitable). 17

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¹⁹ ¹³ Even if there were a presumption of irreparable injury, a very questionable proposition under these circumstances, such a presumption is rebutted if the parties 20are not competitors. LucasArts Enter. v. Humongous Enter., 815 F. Supp. 332, 337 (N.D. Cal. 1993) (rejecting presumption of irreparable harm because the parties 21 were not in competition), cited by Cadence Design Sys., Inc. v. Avant! Corp., 125 F.3d 824, 830 (9th Cir. 1997). Here, there is no evidence that plaintiffs are 22 producers or distributors of motion pictures and, thus, plaintiffs have made no showing that they and Universal are competitors. 23

¹⁴ It is well established that a party seeking interim injunctive relief must 24 show a greater likelihood of harm as the probability of their success on the merits decreases. MAI Sys. Corp. v. Peak Computer, Inc., 991 F.2d 511, 516 (9th Cir. 25 1993); see also Cadence Design Sys., Inc. v. Avant! Corp., 125 F.3d at 830 ("[t]he balance of hardships factor may assume significance in cases where the plaintiff has 26 not established a strong likelihood of success on the merits"). Given the 27 unlikelihood that plaintiffs will be able to make out any claim for copyright infringement, a preliminary injunction would be warranted only if plaintiffs could 28 show that the absence of such an order would cause them extreme hardship.

Furthermore, mere economic losses, which are compensable by a damage award, also do not constitute irreparable harm. Sampson v. Murray, 415 U.S. 61, 2 90 (1974); Los Angeles Mem. Coliseum Comm'n v. NFL, 634 F.2d 1197, 1202 (9th 3 Cir. 1980). Plaintiffs do not explain why monetary damages would not adequately 4 compensate them in the extremely unlikely event that they ultimately prevail on 5 their claims.¹⁵ Finally, plaintiffs assert that release of the movie will render their 6 script unmarketable. See TRO App. at 22. The plaintiff made the same argument 7 to no avail in Chase-Riboud, where the plaintiff had a much stronger claim than 8 plaintiffs here because she had written a well-known novel¹⁶ based on the 9 "Amistad" historical events, Echo of Lions, that she had submitted to the studio 10 prior to the making of the film Amistad. See Chase-Riboud, 987 F. Supp. at 1224, 11 1233. Because plaintiffs have not shown¹⁷ that they will suffer any concrete harm, 12 let alone irreparable harm, without a TRO, their Application should be denied. 13

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Plaintiffs' Delay In Seeking Relief Confirms That Any Theoretical Harms They Face Are Not Irreparable.

Plaintiffs' claims about irreparable harm causing hardship also are
undermined by plaintiffs' delay in filing suit or seeking injunctive relief. As the
court stated in <u>Oakland Tribune, Inc. v. Chronicle Publishing Co.</u>, 762 F.2d 1374
(9th Cir. 1985), "[p]laintiff's long delay before seeking a preliminary injunction
implies a lack of urgency and irreparable harm." <u>Id.</u> at 1377; <u>see also Metromedia</u>
<u>Broadcasting Corp. v. MGM/UA Entertainment Co.</u>, 611 F. Supp. 415, 427 (C.D.

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- ¹⁵ Indeed, plaintiffs make clear in their Complaint that compensatory
 ¹⁵ Indeed, plaintiffs make clear in their Complaint that compensatory
 ²⁴ damages would suffice, by including detailed requests for monetary compensation.
 <u>See</u> Complaint at pp. 12-13 (seeking actual damages in excess of \$2 million).
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¹⁶ The novel had sold more than 500,000 copies. See id.

 ¹⁷ The lack of substantial similarity between plaintiffs' script and <u>Love</u>
 <u>Happens</u> also tips the balance of hardships in Universal's favor. <u>See</u> Section
 4(A)(4), <u>supra</u>. Because the two works do not have the same feel and do not target the same audiences (<u>i.e.</u>, one's dark, the other's a romantic drama), it is not as if there could not be two movies emanating from these two very different ideas.

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Cal. 1985) (four-month delay in filing suit after plaintiff was aware of claim 1 supported denial of injunction motion). Here, plaintiffs admit that they knew about 2 Love Happens at the least by August 2, 2009 (see Complaint ¶ 26), yet plaintiffs 3 waited some six weeks – until just three days before the nationwide release of the 4 film – to file an application for a TRO. Moreover, Love Happens was being 5 discussed in print, online and broadcast media well before August 2 (see Thomas 6 Decl. Exs. D-F), and billboards advertising the movie were featured prominently 7 around the Los Angeles area, where plaintiffs reside. Under these circumstances, 8 plaintiffs cannot establish an injury that justifies the extraordinary relief of a TRO. 9

C. The Hardship To Universal From The Issuance Of A TRO Vastly Outweighs Any Hardship To Plaintiffs.

On the other side of the balance, the magnitude of the harm to Universal that 12 would result from the issuance of the requested injunction also mandates its denial. 13 Plaintiffs are requesting that the Court indefinitely delay the film's release, even 14 though Universal already has spent more than \$12 million marketing the film and 15 will have spent more than \$20 million on marketing by the day the film opens on 16 September 18, 2009. See Egan Decl. ¶ 15. Universal has a full First Amendment 17 right to exhibit its films (see Joseph Burstyn, Inc. v. Wilson, 343 U.S. 495 (1952)), 18 and it certainly would <u>not</u> be in the public interest if the millions of people who 19 have seen the film's advertising and are planning to go to the movies to watch Love 20Happens cannot do so because of this lawsuit. See Winter, 129 S. Ct. at 375-76. 21

As set forth in the Egan Declaration, Universal would suffer severe economic harm if the release of <u>Love Happens</u> were delayed. <u>See</u> Egan Decl. at ¶¶ 21-26. An injunction would upset Universal's release schedule, which would jeopardize any possible commercial success. <u>Id.</u> at ¶ 11-13, 23-24. If the motion picture had to be rescheduled at a later date, Universal not only would lose the tens of millions of dollars that it already has put into the marketing, but it would have to incur these

expenses again, and would do so with considerably worse prospects for success since the movie would be considered "old" and "troubled." <u>See id.</u> at ¶ 23-24.

Furthermore, entry of a TRO would prevent Universal from fulfilling its 3 contractual obligations with motion picture exhibitors across the country, who have 4 the right to display Love Happens, and undoubtedly would result in theaters sitting 5 dark with no films to show at all, since it is now too late for theater operators to 6 book new films for this weekend and next week. See Egan Decl. at ¶ 25. As Mr. 7 Egan explains, motion picture release dates are set months in advance, and theaters 8 are now booked through the remainder of the fall and the holiday season. Thus, 9 even a temporary injunction against the release of Love Happens would mean that 10 film could not open in theaters for many months, and might well mean that the film 11 could never have a theatrical release. See Egan Decl. at ¶¶ 23-24.¹⁸ For these 12 additional reasons, plaintiffs' request for an eleventh-hour TRO must fail. 13

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If The Court Is Inclined To Issue A TRO, Plaintiffs Should Be Required To Post A Bond In The Amount Of At Least 40 Million Dollars.

No TRO or preliminary injunction may be issued without requiring the party
seeking the injunction to first post security "in such sum as the court deems proper,
for the payment of such costs and damages as may be incurred or suffered by any
party who is found to have been wrongfully enjoined or restrained." Fed. R. Civ. P.

²¹ ¹⁸ Causing such harm to Universal also would be particularly unjust in light of the fact that plaintiffs did not file suit until just three days before the scheduled 22 release of Love Happens. Under the doctrine of laches, plaintiffs are barred from obtaining their sought equitable relief because of their dilatory conduct. See 23 generally Abbott Labs. v. Gardiner, 387 U.S. 136, 155, 87 S. Ct. 1507, 18 L. Ed. 2d 681 (1967) (laches provides defense to injunction request because it is an equitable 24 remedy), abrogated on other grounds in Califano v. Sanders, 430 U.S. 99 (1977); 25 see also Trust Co. Bank v. Putnam Pub. Group, Inc., 5 U.S.P.Q.2d 1874 (C.D. Cal. Jan. 6, 1988). As set forth above, Universal will have expended more than \$20 million in 26 marketing costs for Love Happens by the date of its September 18, 2009 release. See Egan Decl. at \P 15. Substantial efforts have been made to set up promotional 27 tours, purchase advertising space and broadcast time, and schedule theaters. Id. at 16-19. Plaintiffs' unjustified conduct in waiting to seek any kind of relief until 28 the eve of the movie's release irreparably and inevitably harms Universal.

65(c); see also Nintendo of America, Inc. v. Lewis Galoob Toys, Inc., 16 F.3d 1032, 1 1036-1037 (9th Cir. 1994) (presumption that wrongfully enjoined party "is entitled to have the bond executed and recover provable damages up to the amount of the bond"). A court's failure to require such a bond is reversible error. See Hoechst Diafoil Co. v. Nan Ya Plastics Corp., 174 F.3d 411, 421 (4th Cir. 1999).

Plaintiffs' attempt to avoid a bond is premised entirely on the supposition that 6 Universal has infringed plaintiffs' copyright in their script (see TRO App. at 23-25), 7 but the whole point of the bond requirement is that the plaintiff must post security 8 to protect the defendant in the event that the Court ultimately determines that there 9 was no infringement and that the injunction or restraint was wrongly entered. See, 10 e.g., 4 Nimmer on Copyright § 14.06[A][6][C] (the court's "task at hand is not to 11 facilitate plaintiff in avoiding the evil of defendant's wrongdoing, but instead to 12 fairly evaluate that the injunction 'may be mistaken' at the end of the day, and so to 13 avoid the evil that defendant may be deprived of its due by court order. An 14 appropriate bond renders defendant whole for any harm it may have suffered").¹⁹ 15

Universal unquestionably will suffer significant and immediate monetary 16 harm if the injunction is issued. The studio has committed to spend more than \$20 17 million in marketing expenses by the film's opening date of September 18, 18 including more than \$12 million already spent on marketing. See Egan Decl. ¶ 15. 19 Moreover, the film cost more than \$20 million to make. Id. at \P 4. If the release of 20Love Happens were enjoined, Universal faces the prospect of losing its entire 21 investment in this movie, since it may not be commercially viable to release it 22

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¹⁹ Exceptions to the bond requirement are "so rare that the requirement is 24 almost mandatory." Frank's GMC Truck Center, Inc. v. General Motors Corp., 847 F.2d 100, 103 (3d Cir. 1988); see also Continuum Co. v. Incepts, Inc., 873 F.2d 25 801, 803 (5th Cir. 1989). These exceptions include cases where: (1) there is no likelihood of harm to the party opposing the injunction; (2) the overwhelming 26 balance of hardships weighs in favor of the injunction; or (3) there is a strong likelihood of success on the merits. Jorgensen v. Cassiday, 320 F.3d 906, 919 (9th 27 Cir. 2003); Elliott v. Kiesewetter, 98 F.3d 47, 60 (3d Cir. 1996); Scherr v. Volpe, 466 F.2d 1027, 1035 (7th Cir. 1972). None of those circumstances exists here. 28

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theatrically at a later date. See id. at ¶¶ 21-26. Because Universal indisputably
would suffer concrete monetary damages the moment a TRO was granted, plaintiffs
must be made to post a bond to secure the reimbursement to Universal of its hard
costs and damages if any injunction is ultimately found to be wrongfully imposed.²⁰
Under such a scenario, Universal would suffer damages of the \$20 million in
marketing costs and more than \$20 million in production costs. Id. at ¶¶ 4, 15. The
bond should be for \$40 million.

6. CONCLUSION

Plaintiffs' filing of an application for a temporary restraining order three days 9 before the release of Love Happens in theaters nationwide is untimely, unwarranted 10 and contrary to this Court's rules and the leading case law. See, e.g., Mission 11 Power, 883 F. Supp. at 490. Plaintiffs have failed to show any likelihood of success 12 on their copyright infringement claim, and have failed to establish any concrete 13 injury – let alone irreparable harm – that they will suffer if the TRO application is 14 denied. In contrast, the undue hardships that Universal would suffer if the film's 15 release were enjoined – millions and millions of dollars in losses – easily outweighs 16 any claimed injury by plaintiffs. For all these foregoing reasons, Universal 17 respectfully requests that this Court deny plaintiffs' TRO application and grant 18 sanctions against plaintiffs for their blatant misuse of the ex parte process. 19

²⁰ DATED: September 16, 2009

DAVIS WRIGHT TREMAINE LLP

By: <u>/s/ Kelli L. Sager</u> Kelli L. Sager

Attorneys for Defendant NBC UNIVERSAL, INC.

²⁰ The amount of the bond should cover <u>all</u> potential damages that may be incurred by Universal as a result of the preliminary injunction. Fed. R. Civ. P.
²⁷ 65(c). <u>Hoechst Diafoil Co.</u>, 174 F.3d at 421. In addition, "when setting the amount of security, district courts should err on the high side" <u>Mead Johnson & Co. v.</u>
²⁸ Abbott Lab., 201 F.3d 883, 888 (7th Cir. 2000).