

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

LORILLARD TOBACCO COMPANY, :
 :
 Plaintiff, :
 :
V. :
 :
OMAR, LLC, JIHAD ALWANI and :
MOUNZER ZEINDDIN, d/b/a :
OMAR'S DELI, :
 :
 Defendants. :

CASE NO. 3:03CV1502(RNC)

TEMPORARY RESTRAINING ORDER, ORDER TO SHOW CAUSE
AND ORDER GRANTING EXPEDITED DISCOVERY

Plaintiff, a cigarette manufacturer, brings this action under the Lanham Act, 15 U.S.C. § 1114, claiming that defendants are selling cigarettes bearing counterfeit designations of its registered trademark, Newport. Proceeding ex parte, plaintiff seeks a seizure order pursuant to 15 U.S.C. § 1116(d), a temporary restraining order, an order to show cause why a preliminary injunction should not be issued, and an order permitting expedited discovery. In trademark infringement cases, an ex parte seizure order should not be issued if adequate protection can be achieved by a less intrusive form of no-notice relief in the form of a temporary restraining order. Cf. Fed. R. Civ. P. 65, Advisory Committee Notes, 2001 Amendments. After careful consideration of plaintiff's evidence (and lack of evidence), I conclude that this is such a case. Accordingly, plaintiff's requests for an ex parte temporary restraining order, order to show

cause and expedited discovery are granted but its request for an ex parte seizure order is denied.

Facts

Plaintiff has obtained federal trademark registrations for a number of brands, including Newport, which is the leading brand of menthol cigarettes sold in the United States and the second leading brand overall. Defendant Omar, L.L.C., conducts business as a retail store under the name of Omar's Deli, L.L.C., at 589 Valley Street in New Haven. Defendants Jihad Alwani and Mounzer Zeineddin are members of the limited liability company.

During a visit to Omar's Deli on August 12, 2003, one of plaintiff's sales representatives bought a carton of Newport cigarettes that proved to be counterfeit. During a second visit last week, he bought a pack of suspected counterfeit Newports bearing an out of date product code that has appeared on other counterfeit Newports, including the carton purchased at Omar's Deli in August.

Discussion

To obtain a temporary restraining order, plaintiff must demonstrate that the order is necessary to prevent irreparable harm. In addition, it must show either a likelihood of success on the merits of the case or sufficiently serious questions going to the merits and a balance of hardships tipping decidedly in its favor. See Phillip v. Fairfield Univ., 118 F.3d 131, 133 (2d Cir. 1997).

In a trademark infringement case, a showing of confusion as to the source of a product ordinarily establishes a risk of irreparable harm to the reputation of the trademark. General Motors Corp. v. Gibson Chemical & Oil Corp., 786 F.2d 105, 109 (1986); In re Vuitton et Fils, S.A., 606 F.2d 1, 4 (2d Cir. 1979).¹ Plaintiff's affidavits demonstrate that confusion as to product source will occur unless a temporary restraining order is issued. The packaging of the counterfeit cigarettes sold at defendants' store is strikingly similar to that of the Newport brand, just as it is intended to be, and an ordinary consumer would not know that the cigarettes are counterfeit.² Accordingly, plaintiff has satisfied the requirement of showing that extraordinary relief is necessary to prevent irreparable harm.

¹ Whether there is a likelihood of confusion as to a product's source depends on an analysis of eight factors, no one of which is dispositive. Nabisco, Inc. v. Warner-Lambert Co., 220 F.3d 43, 46 (2d Cir. 2000) (citing Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 2000)). Those factors are: (1) the strength of plaintiff's mark; (2) the similarity of the parties' marks; (3) the proximity of the parties' products in the marketplace; (4) the likelihood that plaintiff will bridge the gap between the products; (5) actual confusion; (6) defendant's intent in adopting its mark; (7) the quality of defendant's product; and (8) the sophistication of the relevant consumer group. Nabisco, Inc., 220 F.3d at 46.

² Specialized knowledge is required to distinguish a counterfeit pack of Newports from one that is genuine. The only difference in the packaging is the length of the tab for the tear tape on the cellophane wrapping: the tab on counterfeit packs is 2/16 of an inch shorter than the tab on genuine packs.

Plaintiff has also shown that it is likely to prevail on the merits of its Lanham Act claim. The Act imposes strict liability on anyone who, without the consent of the registrant, uses any counterfeit or colorable imitation of a registered mark in connection with the sale of any goods. 15 U.S.C. § 1114(1)(a). Crediting plaintiff's affidavits, defendants have sold counterfeit Newports on two days several weeks apart. Nothing further is required to establish a violation of the statute.

In light of the foregoing, plaintiff is entitled to a temporary restraining order. However, it is not entitled to a seizure order.

Under 15 U.S.C. § 1116(D)(4), an ex parte order providing for seizure of counterfeit goods may be granted only if it clearly appears from specific facts that, if notice were given, the defendant would destroy, move, or hide the goods, notwithstanding the court's issuance of a temporary restraining order prohibiting him from doing so. See Vuitton v. White, 945 F.2d at 575 (discussing legislative history of bills amending Lanham Act to authorize ex parte seizure orders). Plaintiff has not made this showing.

Plaintiff offers no evidence concerning these defendants or their activities other than the information set forth above concerning the two sales of counterfeit Newports. Though sufficient to justify an ex parte order preserving the status quo, that information is insufficient to support more intrusive no-notice

relief. Plaintiff alleges generally that counterfeiters commonly destroy evidence and that the defendants would have a motive to do so in light of possible criminal penalties. These general allegations, which could be made in any case involving counterfeit goods, are necessarily insufficient to satisfy the statute's demand for a clear showing, based on specific facts, that these defendants, after receiving notice of the court's issuance of a temporary restraining order, would destroy counterfeit Newports in their possession at the risk of being held in criminal contempt. Cf. American Can Co. v. Mansukhani, 742 F.2d 314, 322-23 (7th Cir. 1984) (unsupported allegation that defendants would destroy evidence in trade secrets case insufficient to show need for proceeding ex parte).

Accordingly, it is hereby ordered:

1. Plaintiff's motion for a temporary restraining order is granted.

2. Defendants and their agents, servants, and employees are temporarily enjoined from:

(a) using any reproduction, counterfeit, copy or colorable imitation of the Lorillard Marks (including hereafter LORILLARD®, NEWPORT®, NEWPORT® (stylized), Spinnaker Design®, and NEWPORT and Design®) in connection with the importation, sale, offering for sale, or distribution of cigarettes in the United States;

(b) using the Lorillard Marks or any reproduction, counterfeit,

copy or colorable imitation of the same in any manner likely to cause others to believe that defendants' products are connected with Lorillard or are genuine Lorillard products if they are not;

(c) passing-off as genuine Lorillard merchandise, and inducing or enabling others to pass-off as genuine Lorillard merchandise, any merchandise that is not in fact genuine Lorrillard merchandise;

(d) committing any other acts calculated to cause purchasers to falsely believe that products sold by the defendants are Lorillard products;

(e) selling, holding for sale, returning, moving, hiding, destroying, or in any manner disposing of, any cigarettes falsely bearing one or more of the Lorillard marks or any reproduction, counterfeit, copy or colorable imitation of the same; and

(f) assisting any person or business entity in engaging in or performing any of the activities referred to in the above paragraphs (a) through (e).

3. Plaintiff's request for expedited discovery is granted.

4. Defendants are ordered to show cause (unless they waive the right to do so) before this Court, located at 450 Main Street, Hartford, Connecticut, on September 16, 2003 at 9:30 a.m., or as soon thereafter as counsel can be heard, why an order should not be entered granting Lorillard a preliminary injunction that would continue to enjoin and restrain them in the manner set

forth above until further order of the Court.

6. Plaintiff will post a bond or other security in the amount of \$1,0000.

It is so ordered at Hartford, Connecticut this 12th day of September 2003.

Robert N. Chatigny
United States District Judge