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13
14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**
16

17 CHROMA MAKEUP STUDIO LLC,
18 Plaintiff,
19 v.
20 BOLDFACE GROUP, INC. and
21 BOLDFACE LICENSING +
BRANDING,
22 Defendants.
23

CASE NO. CV12-09893 ABC-(PJWx)
**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
CHROMA'S MOTION FOR
PRELIMINARY INJUNCTION**

Trial Date: None Set
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TABLE OF CONTENTS

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

	<u>Page</u>
INTRODUCTION.....	1
FACTS	1
ARGUMENT	5
I. Chroma’s Claims and Applicable Law.....	6
II. Chroma Is Likely to Prevail on the Merits.	8
A. The CHROMA Marks Are Inherently Distinctive.....	8
1. The CHROMA Marks Are Conceptually Strong.....	8
2. The CHROMA Marks Have Acquired Commercial Strength.	10
3. The KHROMA Marks Have Great Commercial Strength.....	10
B. The Goods Are Closely Related.....	12
C. The Marks Are Similar.....	12
D. Customers and Potential Customers Are Being Confused.....	16
E. Chroma’s Plans for Expansion Have Been Derailed.	17
III. Chroma Is Being Irreparably Harmed.	17
A. Irreparable Harm Is Presumed.....	17
B. Chroma Has Demonstrated Irreparable Harm.....	18
IV. The Balance of Hardships and the Public Interest Favor Chroma.	19
CONCLUSION	20

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

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944 F.2d 1446 (9th Cir. 1991)6

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237 F.3d 198 (3d Cir. 2000)..... 10

AMF Inc. v. Sleekcraft Boats,
599 F.2d 341 (9th Cir. 1979) 7, 13

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480 U.S. 531 (1987)..... 19

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174 F.3d 1036 (9th Cir. 1999) 6, 17

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125 F. 3d 824 (9th Cir. 1997) 19

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846 F.2d 1175 (9th Cir. 1988) 15

Christian Stark v. Diageo Chateau & Estate Wines Co.,
2012 U.S. Dist. LEXIS 157794 (N.D. Cal. 2012) 13

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281 F.3d..... 11

Conversive, Inc. v. Conversagent, Inc.,
433 F. Supp. 2d 1079 (C.D. Cal. 2006) 16

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218 USPQ 582 (C.D. Cal. 1982)..... 14

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142 F.3d 1127 (9th Cir. 1988) 7, 15, 19

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 421 F.3d 1073 (9th Cir. 2005) 12

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 609 F.3d 975 (9th Cir. 2010)5

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INTRODUCTION

Plaintiff Chroma Makeup Studio LLC (“Chroma”) is entitled to a preliminary injunction to stop Boldface from infringing Chroma’s trademarks CHROMA, CHROMA COLOUR, CHROMA MAKEUP STUDIO, and CHROMA MAKEUP STUDIO & C Design (hereinafter the “CHROMA Marks”) by using the marks KHROMA, KHROMA BEAUTY, and KHROMA BEAUTY KOURTNEY KIM KHLOÉ & Design (hereinafter the “KHROMA Marks”). Chroma is likely to succeed on the merits and will be irreparably harmed without an injunction. Chroma has sold cosmetics under the CHROMA Marks for twelve years. Defendants’ recent launch of a mass-marketed cosmetics line under the confusingly similar KHROMA Marks is creating actual consumer confusion. To prevent Chroma from suffering further irreparable harm, Chroma respectfully requests an injunction.

FACTS

Chroma is a California limited liability company located at 9605 South Santa Monica Boulevard in Beverly Hills, one block from Rodeo Drive and within the “Golden Triangle,” the most exclusive shopping district in Los Angeles. (Declaration of Michael Rey III, ¶4 (hereinafter, “Rey Dec.”); Declaration of Lisa Casino ¶4 (hereinafter, “Cas. Dec.”).) Chroma has continuously used the CHROMA Marks –



1 with beauty services, cosmetics, and beauty products for the past twelve years. (Rey
2 Dec., ¶4.) Chroma sells cosmetics from its permanent location, from the Chroma
3 Makeup Studio at Butterfly Loft, in Encino, California, and online through its
4 website at www.ChromaMakeupStudio.com. (*Id.*)

5 Esteemed by celebrated Hollywood actors, Beverly Hills executives, and
6 entertainment professionals, Chroma has achieved a prominent place in the beauty
7 industry, especially in Los Angeles. (Rey Dec., ¶7; Cas. Dec., ¶¶6-7.) Among its
8 prominent clientele, Chroma lists Paula Abdul, Kelly Clarkson, Rebecca Gayheart,
9 Mary Kate Olsen, Ashley Olsen, Perrey Reeves, Britney Spears, Rachel Weisz, and
10 several others Chroma cannot disclose due to confidentiality agreements. (Rey
11 Dec., ¶9; Cas. Dec., ¶2.) Chroma is regularly featured in publications like *Los*
12 *Angeles Confidential*, *Beverly Hill*, and *Moxley Head to Toe Guide to Beauty*
13 *Services in Los Angeles*. (Rey Dec., ¶10 and Ex. 1 thereto.) In 2011, visitors to the
14 “L.A. Hotlist!” website ranked Chroma #1 in the beauty supply category. (*Id.*)
15 Chroma’s reputation for excellence has brought national attention in fashion
16 magazines such as *Vogue*, *Elle*, *Self*, *Genlux*, and *Lucky*. (Rey Dec., ¶ 11; Cas. Dec.,
17 ¶¶7-8 and Ex. 1 thereto.) Although Chroma’s business is concentrated in Los
18 Angeles, Chroma’s clientele extends throughout the United States and overseas.
19 (Cas. Dec., ¶9) Chroma has clients in 42 states and in several foreign countries.
20 (*Id.*)

21 Earlier this year, Defendants Boldface Group, Inc. and Boldface Licensing +
22 Branding (collectively “Boldface”) issued a press release indicating that
23 “KHROMA BEAUTY BY KOURTNEY, KIM AND KHLOÉ KARDASHIAN”
24 would be launched in December of 2012 at Ulta stores and that “a comprehensive
25 launch” will occur in January and February of 2013. (Declaration of Amy
26 Sobiesczyk, ¶10 and Ex. 4 thereto (hereinafter, “Sob. Dec.”).) The press release
27 emphasizes that the “true star quality” of Kourtney, Kim, and Khloé Kardashian
28

1 lends an “immediate brand recognition factor” to KHROMA, and it gives it “an
2 advantage over most launching brands.” (*Id.*)

3 The Kardashians are prominent television personalities who star in the E!
4 Entertainment Television series *Keeping Up with the Kardashians*. (*Id.*, ¶3-9 and
5 Ex. 1-3 thereto.) The popular series has completed seven seasons, regularly draws
6 more than three million viewers, and, consequently, the Kardashians have become
7 household names. (*See id.*) On August 26, 2012, Boldface and the Kardashians
8 introduced the KHROMA cosmetics line on an episode of *Keeping Up with the*
9 *Kardashians*. (*Id.*, ¶15.) Boldface also drew considerable media attention to the
10 impending product launch. (*Id.*, ¶ 12-16. and Exs. 5 and 6 thereto.)

11 On approximately November 8, 2012, Boldface shipped KHROMA products

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to approximately 4,500 retail stores throughout the United States, including the Ulta
and Sears chains. (*Id.*, ¶17-19 and Exs. 7-9 thereto.) The products also became
available on Amazon.com. (*Id.* ¶23 and Ex. 12 thereto.)

Since the launch and increasingly in the last three weeks, Chroma has
experienced many instances of actual consumer confusion. (Rey Dec., ¶¶12-13 and
Ex. 1 thereto; Cas. Dec., ¶11; Declaration of Cameron Cohen, ¶4 (hereinafter “Cohn
Dec.”).) Notable examples include the following. Two consumers confused about
the source of goods contacted Chroma via telephone to inquire whether Chroma

1 carries KHROMA faux eyelashes. (Rey Dec., ¶13 and Ex. 1 thereto, Nos. 51 and
2 52; Declaration of Jennifer Galperson, ¶¶2, 4 (hereinafter “Gal. Dec.”).) Another
3 customer posted a message on Chroma’s Facebook page in which she said she saw
4 the KHROMA brand on *Keeping Up with the Kardashians* and thought it indicated
5 an affiliation between Chroma and the Kardashians: “I saw the episode where they
6 were talking about their makeup line and I thought “Wow, Lisa is in business with
7 them”?” (*Id.*, No.17.)

8 Several Chroma customers have expressed concerns about mistaken
9 perceptions among persons unfamiliar with Chroma. (Rey Dec., ¶14; Cas. Dec. ¶12;
10 Cohen Dec., ¶3.) One customer said she was worried about “someone thinking
11 she’s wearing the Kardashians’ line, not Chroma, when she shares what makeup
12 she’s wearing,” and that this would put her in a position to have to “defend her
13 choice for fear of association.” (Rey Dec., ¶13 and Ex. 1 thereto, No. 29; Cas. Dec.,
14 ¶12.) And, many current and potential customers have expressed the opinion that
15 the KHROMA brand will create public confusion with the long-standing CHROMA
16 brand, including Dita Soedarjo, who is a friend of the Kardashians. (Rey Dec., ¶14.)
17 On October 18, 2012, Soedarjo told Michael Rey that she had shown some Chroma
18 products to Kim Kardashian, and asked “Why would you name your line after a
19 makeup studio with a makeup line that I go to in Beverly Hills?” Kardashian’s
20 response was “We liked the name, and if it becomes a problem, someone else will
21 have to deal with it.” (Rey Dec., ¶13 and Ex. 1 thereto, No.5.)

22 Chroma has also experienced a loss of business expansion opportunities since
23 Boldface’s announcement of the KHROMA launch. (Rey Dec., ¶¶16-17; Cas. Dec.
24 ¶13; Cohen Dec., ¶3.) This has taken immediate form in loss of referral business.
25 (Cas. Dec., ¶13 and Ex. 2 thereto.) A prominent branding consultant in the beauty
26 industry told Chroma in a letter dated November 27, 2012 that her firm would not
27 make holiday referrals because of the KHROMA launch:

28 It is usually this time of year that we write to our private clients in the

1 States and also here in London to remind them, or introduce them, to
2 Chroma for their holiday shopping needs. . . . I'm really very sorry to
3 tell you that we won't be doing that this year. I'm afraid there is so
4 much controversy concerning the other Khroma line of makeup that the
5 Kardashians are promoting, that we can't risk the confusion. As you
6 well know, our clients are very discreet, very fussy, and would never
7 want to be associated with anything like the Kardashian image -- even
8 through a misunderstanding.

9 (Id.)

10 In addition, brand development and licensing opportunities have stalled. (Rey
11 Dec., ¶¶16-17; Cas. Dec., ¶¶14-15.) Chroma's branding and public relations firm
12 advised Chroma that its brand expansion activities have been effectively
13 extinguished unless Chroma can resolve this situation with Boldface in a manner
14 that will allow Chroma both to expand and also to provide reassurance to potential
15 licensees and retail partners that KHROMA will not completely overtake the market
16 for products branded with the CHROMA Marks. (Declaration of Joni Rae, ¶¶7-8
17 (hereinafter "Rae Dec.").)

18 In an effort to prevent further confusion, Chroma posted a letter on its website
19 explaining that it is not associated with the Kardashians. (Rey Dec., 18.) Chroma
20 also sent a letter to Boldface demanding that Boldface either change the KHROMA
21 brand or contact Chroma to discuss other options. (Id., 19 and Ex. 3 thereto.)
22 Boldface's response was unsatisfactory, leading to this motion. (Id.)

23 ARGUMENT

24 To be entitled to injunctive relief, Chroma must establish: (1) that it is likely
25 to succeed on the merits, (2) that it is likely to suffer irreparable harm in the absence
26 of preliminary relief, (3) that the balance of the equities tips in its favor, and (4) that
27 the injunction is in the public interest. *Toyo Tire Holdings of Ams. Inc. v. Cont'l
28 Tire N. Am., Inc.*, 609 F.3d 975, 982 (9th Cir. 2010) (citing *Winter v. Natural Res.
Def. Council, Inc.*, 129 S.Ct. 365, 374 (2008)).

1 Because Chroma meets all four factors, the Court should enjoin Boldface.

2 **I. Chroma's Claims and Applicable Law.**

3 Chroma brings two claims against Boldface: trademark infringement under
4 the Lanham Act, 15 U.S.C. § 1125, and unfair competition under the California
5 Business & Professions Code § 17200, *et seq.* The same analysis applies to both
6 claims. *Academy of Motion Picture Arts & Sciences v. Creative House Promotions*,
7 944 F.2d 1446, 1457 (9th Cir. 1991). To succeed, Chroma must show, first, that it
8 owns a valid mark, and, second, that the KHROMA Marks create a likelihood of
9 confusion. *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 632 (9th Cir. 2008).

10 Chroma meets the valid mark ownership element. As demonstrated in
11 Chroma's argument in section II.A. below, the CHROMA Marks are inherently
12 distinctive as arbitrary or suggestive marks. Plus, the CHROMA Marks have
13 acquired distinctiveness through twelve years of continuous use in commerce.

14 Federal registration is not a prerequisite for trademark ownership: "It is not
15 registration, but only actual use of a designation as a mark that creates rights and
16 priority over others." *McCarthy on Trademarks and Unfair Competition*, §16:1.
17 Federal registration is also not a prerequisite for federal protection and enforcement
18 under the Lanham Act. *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150
19 F.3d 1042, 1047 n.7 (9th Cir. 1998).¹ Because "it is axiomatic in trademark law that
20 the standard test of ownership is priority of use," Chroma, as the senior user, has the
21 right to enjoin Boldface from using a confusingly similar mark in the same market
22 and within Chroma's natural zone of expansion. *Brookfield Comms., Inc. v. West*
23

24 _____
25 ¹ Common law trademark rights have been recognized under California law for over
26 a century. *Derringer v. Plate*, 29 Cal. 292, 293 (1865) ("The principle is well
27 settled that a manufacturer may by priority of appropriation of names, letters, marks,
or symbols, acquire a property therein as a trade mark.").

1 *Coast Entm't Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999).

2 To determine whether Chroma fulfills the likelihood of confusion element,
3 the Court may consider eight factors (the “*Sleekcraft*” factors): (1) strength of the
4 mark; (2) 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 mark;
7 and (8) likelihood of expansion of the product lines. *Rearden LLC v. Rearden*
8 *Commerce, Inc.*, 683 F.3d 1190, 1209 (9th Cir. 2012) (citing *AMF Inc. v. Sleekcraft*
9 *Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

10 This is a case of reverse confusion. Reverse confusion occurs when a large
11 market participant begins using a mark confusingly similar to a mark already in use
12 by a small market participant, and purchasers are likely to mistakenly believe that
13 the senior user’s products are somehow affiliated with the junior user because “the
14 junior user saturates the market with a similar trademark and overwhelms the senior
15 user.” *JL Bev. Co., LLC v. Beam, Inc.*, 2012 U.S. Dist. LEXIS 137076 at *12 (D.
16 Nev. Sept. 25, 2012); *Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127,
17 1130 (9th Cir. 1988); *Masters Software, Inc. v. Discovery Comms., Inc.*, 725 F.
18 Supp. 2d 1294, 1299 (W.D. Wa. 2010). Claims for reverse confusion “protect the
19 small senior user from losing control over its identity in the ‘rising tide of publicity
20 associated with the junior mark.’” *Walter v. Mattel, Inc.*, 210 F.3d 1108, 1110 (9th
21 Cir. 2000).

22 In reverse confusion cases, the first three *Sleekcraft* factors are especially
23 pertinent. *Glow Indus. v. Lopez*, 252 F.Supp.2d 962, 986 (C.D. Cal. 2002). Chroma
24 addresses these as well as additional salient factors that support a preliminary
25 injunction.

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1 **II. Chroma Is Likely to Prevail on the Merits.**

2 A. The CHROMA Marks Are Inherently Distinctive.

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4 In reverse confusion circumstances, courts “evaluate the conceptual strength
5 of the senior user’s mark and compare it to the commercial strength of the junior
6 user’s mark.” *JL Bev. Co., LLC v. Beam, Inc.*, 2012 U.S. Dist. LEXIS 137076 at *
7 13 (D. Nev. Sept. 25, 2012); *Glow Indus.*, 252 F. Supp. at 987. The conceptual
8 strength of a trademark is measured on a weak-to-strong categorical spectrum which
9 moves from “generic” terms, which cannot function as marks, to “descriptive”
10 terms, which can function as marks if they acquire secondary meaning and
11 distinctiveness through use, to three categories of inherently distinctive:
12 “suggestive” marks, which require imagination to link the mark with the goods;
13 “arbitrary” marks, known words which bear an arbitrary connection to the goods;
14 and “fanciful” marks, coined terms having no meaning in a known language. *Japan*
15 *Telecom, Inc. v. Japan Telecom Am. Inc.*, 287 F.3d 866, 872 (9th Cir. 2002);
16 *Rearden*, 683 F.3d at 1211.

17 1. The CHROMA Marks Are Conceptually Strong.

18 “CHROMA,” the dominant term in the CHROMA Marks,² is inherently
19 distinctive because it is either arbitrary or suggestive. The term “chroma” is the
20 Latin form of the Classical Greek χρώμα, meaning “color.” In English, “chroma”
21 refers to the purity of color saturation, but is not widely known in the United States
22 and is listed in *Webster’s* as having chiefly British usage. *Webster’s New Collegiate*
23 *Dictionary*, 2d ed., Simon & Schuster, 1984, 253. “Chroma” more commonly
24 functions as a Classical Greek root for English words coined in the 19th century,

25
26 ² Chroma acknowledges that “Makeup Studio” in the CHROMA MAKEUP
27 STUDIO mark may be merely descriptive of Chroma’s makeup services.

1 like “chromatic,” and “chromatology.” *Compact Edition of the Oxford English*
2 *Dictionary*, Oxford University Press, 1971, I:409. Consequently, “chroma” by itself
3 is not in wide use as a generic term in the United States.

4 Nor is CHROMA descriptive when used as a mark. As a Classical Greek
5 term, CHROMA is not subject to the doctrine of foreign equivalents, which
6 “requires that foreign words first be translated into English and then tested for
7 descriptiveness or genericness.” *Ugg Holdings, Inc. v. Severn*, 2005 U.S. Dist.
8 LEXIS 45783 *18 (C.D. Cal. 2005) (citing *Enrique Bernat F., S.A. v. Guadalajara,*
9 *Inc.*, 210 F.3d 439, 443 (5th Cir. 2000)). CHROMA is exempt from this analysis
10 because the doctrine applies only to living languages and rests on the following
11 assumption: “[T]here are (or someday will be) customers in the United States who
12 speak that foreign language” and so “[n]o merchant may obtain the exclusive right
13 over a trademark designation if that exclusivity would prevent competitors from
14 designating a product as what is in the foreign language their customers know best.”
15 *Id.*, quoting *Otokoyama Co. Ltd. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 271
16 (2d Cir. 1999), and citing *Enrique Bernat*, 210 F.3d at 443; *see also McCarthy on*
17 *Trademarks and Unfair Competition*, § 11:34 (4th ed. 2002) (“foreign words from
18 dead languages such as Classical Greek . . . might be so unfamiliar . . . that they
19 should not be translated”).

20 The CHROMA marks are either arbitrary or suggestive. Because the
21 CHROMA Marks are inherently distinctive, the conceptual strength of the
22 CHROMA Marks weighs in favor of a finding of a likelihood of confusion: “we
23 believe that, just as in direct confusion cases, a strong mark should weigh in favor of
24 a senior user” because “those courts that have clearly distinguished conceptual from
25 commercial strength in the reverse confusion context have weighed a conceptually
26 strong mark in the senior user’s favor, in the same manner as they would in direct
27 confusion cases.” *Glow Indus.*, 252 F.Supp.2d at 987, quoting *A&H Sportswear,*

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1 *Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 231 (3d Cir. 2000).

2 2. The CHROMA Marks Have Acquired Commercial Strength.

3 Placing the CHROMA Marks on the spectrum of distinctiveness is only the
4 first step in the strength inquiry: "The second step is to determine the strength of the
5 mark in the marketplace" which is "its degree of recognition in the minds of the
6 relevant customer class." *Glow Indus.*, 252 F.Supp.2d at 987, quoting *Miss World*
7 *(UK) Ltd. v. Mrs. America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988).

8 Aside from its website, Chroma does not advertise in media. Instead, Chroma
9 relies on word-of-mouth advertising. (Rey Dec., ¶8; Rae Dec., ¶3; Cohn Dec. ¶3.)
10 This method has worked, and Chroma has a high degree of recognition among
11 beauty product and services consumers in Los Angeles. Customers have submitted
12 enthusiastic reviews to Yelp.com and have given Chroma's employees high ratings
13 for their expertise. (Rey Dec., ¶10 and Ex 1 thereto.)

14 In its twelve years of operations, Chroma has generated more than \$5.6
15 million dollars in income from sales of products and services. (Cas. Dec., ¶9.)
16 Chroma's services output steadily increased during its first eight years and has
17 remained strong during the last four. (*Id.*) Chroma's out-of-state sales increased in
18 the last four years, which testifies to the growing commercial strength of the
19 CHROMA brand. (*Id.*) In the last two years alone, Chroma has shipped products to
20 forty-two of the United States. (*Id.*) Simply put, the CHROMA Marks have
21 commercial strength in the United States, and the heart of that strength lies in
22 California.

23 3. The KHROMA Marks Have Great Commercial Strength.

24
25 In reverse confusion circumstances, a court should analyze "(1) the
26 commercial strength of the junior user as compared to the senior user, and (2) any
27 advertising or marketing campaign by the junior user that has resulted in a saturation
28 of the public awareness of the junior user's mark." *Glow Indus.*, 252 F.Supp.2d at

1 988. In short, “a court should evaluate the strength of the junior user’s mark so as
2 to gauge its ability to overpower the senior user’s mark.” *Id.*, quoting *McCarthy on*
3 *Trademarks and Unfair Competition*, § 23:10.

4 Boldface’s has widely promoted the KHROMA line. In addition to the pre-
5 launch publicity that KHROMA received on *Keeping Up with the Kardashians*, a
6 program that reaches more than three million viewers per week, Boldface’s publicity
7 has included coverage on major news programming such as CNBC, and in key
8 beauty publications such as *InStyle Magazine* and *WWD*. (Sob. Dec., ¶14 and Ex. 6
9 thereto.) Plus, all three of the Kardashians have promoted the KHROMA brand on
10 their individual websites. (*Id.*, ¶12.) Powered by the fame and resources of the
11 Kardashians, Boldface’s initial KHROMA launch in November went to 4,500 Sears
12 and Ulta stores nationwide, to the websites for those stores, and to Amazon.com.
13 (*Id.*, ¶¶17-19 and Ex. 7-9 thereto.)

14 This publicity evidences a commercial strength far beyond that possessed by
15 Chroma. The disparate abilities of Chroma and Boldface to attract public attention
16 shows clearly on their Facebook pages. Chroma’s page, though up for several years,
17 has, to date, prompted less than 250 consumer “likes” and less than 40 comments.
18 (*Id.*, ¶13 and Ex. 5 thereto.) The KHROMA page, though up for only a month, has
19 prompted more than 52,000 consumer “likes” nearly 6,000 comments. (*Id.*) After
20 mere weeks of sales, it is clear that Boldface’s KHROMA line is attracting
21 considerable consumer attention.

22 The market saturation by the KHROMA brand even in its first weeks of sales
23 creates reverse confusion. Based on the disparity of commercial strength between
24 Chroma and Boldface due to Boldface’s ability to capitalize on its connection with
25 the Kardashians, the court can find that Boldface’s product line is likely to
26 overwhelm Chroma in the market. *Glow Indus.*, 252 F.Supp.2d at 990, and see
27 *Cohn v. Petsmart*, 281 F.3d at 841 (“Petsmart’s extensive advertising gives it the
28

1 ability to overwhelm any public recognition and goodwill that Cohn has developed
2 in the mark.”); *see also* Cohn Dec., ¶2; Gal. Dec., ¶3.) Further, because, unlike the
3 plaintiff’s conceptually weak GLOW mark in the *Glow Industries* case, the
4 CHROMA Marks are conceptually strong and also have commercial strength, this
5 *Sleekcraft* factor favors a finding of a likelihood of confusion.

6 B. The Goods Are Closely Related.

7 The goods identified by the CHROMA Marks and the KHROMA Marks are
8 closely related. Related goods are those “which would be reasonably thought by the
9 buying public to come from the same source if sold under the same mark.” *Rearden*
10 *LLC*, 683 F.3d at 1212-13. Goods are related if they are “similar in use and
11 function.” *M2 Software, Inc. v. Madacy Entertainment*, 421 F.3d 1073, 1082 (9th
12 Cir. 2005).

13 In the instant case, both parties sell cosmetics. They are direct competitors,
14 especially in California. Some of the goods, such as mascara, lip sets, and eye
15 shadow, are identical. (Sob. Dec., ¶ 26.) Although the products sell at slightly
16 different price points, *id.*, the price points are not so widely different that that the
17 products are non-competitive. *Glow Indus.*, 252 F. Supp. 2d at 992 (“The products
18 are also sold at comparable prices, and are thus accessible to comparable groups of
19 consumers.”) Cosmetics selling at different price points are commonly sold in the
20 same national retail chains, and the same customer may buy some high end
21 cosmetics and some lower end cosmetics. (Cas. Dec., ¶6; Sob. Dec., ¶19. and Ex. 9
22 thereto) In addition, purchasers are accustomed to seeing high end brands and
23 lower-cost brands offered by the same company. (Rae Dec., ¶6.)

24 This *Sleekcraft* factor supports a finding of a likelihood of confusion.

25 C. The Marks Are Similar.

26 When comparing marks for the purpose of determining likelihood of
27

1 confusion, the proper test is not whether consumers would be confused in a side-by-
2 side comparison of the products, but whether confusion is likely when a consumer,
3 familiar with the one party's mark, is presented with the other party's goods alone.
4 *Christian Stark v. Diageo Chateau & Estate Wines Co.*, 2012 U.S. Dist. LEXIS
5 157794 *26-7 (N.D. Cal. 2012). The Ninth Circuit has developed "certain detailed
6 axioms to guide this comparison" of marks for similarity: (i) the marks must be
7 considered in their entirety and as they appear in the marketplace; (ii) the marks
8 should be analyzed by their sound, sight, and meaning; and (iii) similarities are
9 weighed more heavily than differences. *Id.*, at *23, citing *GoTo.com, Inc. v. Walt*
10 *Disney Co.*, 202 F.3d 1199, 1206 (9th Cir. 2000).

11 On the basis of meaning, CHROMA and KHROMA both come from the
12 Classical Greek χρώμα, meaning "color," despite the altered spelling in Boldface's
13 mark. Therefore, their meanings as trademarks are identical.

14 The pronunciation of CHROMA and KHROMA is also identical. Sound is
15 especially important in this case because Chroma grows its business by word-of-
16 mouth. *AMF*, 599 F.2d at 351 (recognizing that "sound is important because
17 reputation is often conveyed word-of-mouth").³ In addition, customers refer to the
18 products by the dominant terms "CHROMA" and "KHROMA" when discussing or
19 requesting the products. Because marks are considered as they appear in the
20 marketplace and the products are called CHROMA and KHROMA in the
21 marketplace, the court's inquiry should focus on these dominant terms. *E. & J.*
22 *Gallo Winery v. Gallo*, 967 F.2d 1280, 1292 (9th Cir. 1992) (that the public uses the
23 dominant term GALLO to refer to the defendant's products "supports the conclusion
24 that the marks are similar"). This assertion is further supported by Boldface's own

25 _____
26 ³ Confusion will occur when a purchaser of either parties' product is asked "What
27 kind of lipstick are you wearing?" The answer could refer to either brand.

1 practice: Boldface representatives have repeatedly referred to its mark merely as
2 “KHROMA” in recorded public appearances in television media. (Sob. Dec., ¶¶21-
3 25 and Exs. 10-13 thereto.) *Rearden LLC*, 683 F.3d at 1212 (noting that defendant
4 referred to itself as “Rearden,” not “Rearden Commerce” in evaluating the similarity
5 of the marks).

6 The marks are also similar in sight. Aside from the terms CHROMA and
7 KHROMA, none of the word elements in the marks is inherently distinctive. The
8 term MAKEUP STUDIO in the CHROMA Marks is descriptive of Chroma’s
9 services. The term BEAUTY in the KHROMA Marks is not only descriptive of
10 Boldface’s cosmetics, but is also a generic term referring to the entire beauty
11 industry. The name components of the KHROMA Marks, KOURTNEY, KIM, and
12 KHLOÉ, are descriptive: “Under the traditional rule, personal names are regarded as
13 in the same category as descriptive terms . . . [and] they can be protected as
14 trademarks only upon proof that, through usage, they have acquired distinctiveness.”
15 *McCarthy on Trademarks and Unfair Competition*, § 13:2; *Creager v. Russ Togs,*
16 *Inc.*, 218 USPQ 582, 585 (C.D. Cal. 1982) (Plaintiff required to prove that first
17 name Victoria had acquired secondary meaning as trademark but no secondary
18 meaning found.)⁴ The name component of the KHROMA Marks has been in use for
19 only a few weeks, an insufficient period of time to acquire distinctiveness. This
20 leaves the dominant elements, CHROMA and KHROMA.

21 _____
22 ⁴ Boldface may argue that the use of the KOURTNEY, KIM, and KHLOÉ names
23 with the KHROMA Marks will alleviate any confusion. Although a house mark
24 often lessens the risk of confusion in a forward confusion case, the use of a house
25 mark increases the likelihood of confusion in a reverse confusion case. *See Glow*
26 *Indus.* 252 F. Supp. 2d at 995 (“Given the reverse confusion context, however, the
27 court cannot conclude in the absence of survey or other evidence of consumer
28 reaction to the products . . . that the addition of the “J.Lo” housemark mitigates the
likelihood of consumer confusion.”)

1 “In most composite marks, some part of the mark is ‘dominant’ in its total
2 impact upon the ordinary buyer, over and above the ‘peripheral’ elements of the
3 mark.” *McCarthy on Trademarks and Unfair Competition*, § 23:44. When
4 analyzing the similarity of the marks, the dominant term may be given more weight.
5 *See S3 Inc. v. Cirrus Logic, Inc.*, 1995 U.S. Dist. LEXIS 34716 at *5 (9th Cir. Nov.
6 27, 1995) (unreported); *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175,
7 1179 (9th Cir. 1988) (likelihood of confusion existed where the “identical dominant
8 term” CENTURY was the “lead word in each entity’s name”).

9 The dominant elements CHROMA and KHROMA are similar in sight
10 because they differ by only one letter. A difference of one letter does not
11 sufficiently distinguish CHROMA and KHROMA: “To the eye, the words are
12 similar.” *AMF*, 599 F.2d at 351. In other words, CHROMA and KHROMA are
13 more similar to sight than they are different, and, in the Ninth Circuit’s similarity
14 analysis, more weight is given to similarities than to differences. *GoTo.com*, 202
15 F.3d at 1206. Even the one letter difference creates confusion because the
16 Kardashians have a history of spelling “C” words with a “K” in their brands.⁵ *See*
17 *Dreamwerks*, 142 F.3d at 1131 (purchasers might “shrug off the [spelling]
18 difference as an intentional modification identifying an ancillary division of the
19 same company”).

20 For these reasons, the court can find that the KHROMA Marks are
21 confusingly similar to the CHROMA Marks on the basis of sight: “If the
22 ‘dominant’ portion of both marks is the same, then confusion may be likely,
23 notwithstanding peripheral differences.” *McCarthy on Trademarks and Unfair*
24 *Competition*, § 23:44.

25 _____
26 ⁵ E.g., “KARDASHIAN KHAOS,” “KARDASHIAN KURVE,” and
27 “KARDASHIAN KOLLECTION.” (Sob. Dec., ¶21.)

1 This and the other two *Sleekcraft* factors most pertinent in reverse confusion
2 circumstances favor a finding of a likelihood of confusion. *Glow Indus.*, 252 F.
3 Supp. 2d at 986. The existence of actual confusion and the impairment of Chroma’s
4 expansion plans provide additional and immediate support in favor of an injunction.

5 D. Customers and Potential Customers Are Being Confused.

6 Evidence of actual confusion is compelling proof of the fact of likelihood of
7 confusion: “Evidence of actual confusion constitutes persuasive proof that future
8 confusion is likely.” *Conversive, Inc. v. Conversagent, Inc.*, 433 F. Supp. 2d 1079,
9 1092 (C.D. Cal. 2006), citing *Thane Intern Inc. v. Trek Bicycle Corp.*, 305 F.3d 894,
10 902 (9th Cir. 2002).

11 Likelihood of confusion embraces a range of uncertain states of mind that
12 could be categorized as confusion, mistake, or deception, and is not limited to point-
13 of-purchase confusion by actual customers. *Icon Enters. Int’l v. Am. Prods. Co.*,
14 2004 U.S. Dist. LEXIS 31080 *49 (C.D. Cal. 2004) (“The likelihood of confusion
15 inquiry is not limited to actual or potential purchasers, but also includes others
16 whose confusion threatens the trademark owner’s commercial interest in the
17 mark.”); *Rearden*, 683 F.3d at 1215 (permissible to gauge whether “nonpurchasing
18 members of the public” were confused); *McCarthy on Trademarks*, § 23:5.

19 More than fifty instances of confusion have been logged by Chroma. The
20 confusion has taken at least four forms: {1} at least nine consumers have been
21 confused in regard to the source of goods: (Rey Dec., ¶13 and Ex. 1 thereto, Nos.
22 23, 34, 35, 42, 48, 51, 52, 54, 57); {2} at least three consumers have mistakenly
23 believed that an affiliation exists between Chroma and the Kardashians (*Id.*, Nos. 8,
24 17, 55); {3} at least sixteen current customers expressed concern about the
25 perceptions of non-purchasers who may be confused into believing that the
26 customers are wearing KHROMA rather than CHROMA (*Id.*, Nos. 3, 11, 18, 19,
27 20, 24, 27, 29, 30, 32, 40, 43, 45, 46, 47, 55); and {4} at least twenty-nine customers
28

1 and potential customers have expressed their uncertainty by stating that the
2 circumstances are confusing (*Id.*). Chroma’s actual confusion evidence not only
3 indicates that future confusion is likely, but also supports the granting of a
4 preliminary injunction in the immediate circumstances at hand.

5 E. Chroma’s Plans for Expansion Have Been Derailed.

6 Since its founding, Chroma has developed the CHROMA brand in accordance
7 with an expansion strategy that has as its goal the licensing of CHROMA products
8 in upscale retail store chains that can distribute Chroma’s products nationwide.
9 Chroma’s brand consultant, Joni Rae, an expert in beauty marketing, believes that
10 the appearance of the KHROMA brand has effectively extinguished Chroma’s long-
11 range expansion plans. (Rey Dec., ¶16; Cas. Dec., ¶9; Rae Dec., ¶4.) Further, in the
12 short term, Chroma is losing referral business: two London-based marketing experts
13 have declined to endorse Chroma during the instant holiday season due to fear of
14 confusion with the KHROMA brand. (Cas. Dec., ¶13 and Ex. 3 thereto; Rae Dec.,
15 ¶¶5-9.) In light of these facts, this *Sleekcraft* factor favors a finding of a likelihood
16 of confusion.

17 **III. Chroma Is Being Irreparably Harmed.**

18 A. Irreparable Harm Is Presumed.

19 When a likelihood of confusion is shown, irreparable harm is presumed.
20 *Brookfield Comms.*, 174 F.3d at 1047. The presumption exists because a negative
21 reaction to the defendant’s product will “undoubtedly cause irreparable harm to the
22 public image” of the senior mark holder. *Interplay Entertainment Corp. v. Topware*
23 *Interactive, Inc.*, 751 F. Supp. 2d 1132, 1138 (C.D. Cal. 2010) (presuming
24 irreparable harm and enjoining product release); *Masters Software*, 725 F. Supp. 2d
25 at 1307 (“The harm arising from reverse confusion is not likely to be tangible; it is
26 instead the senior user’s loss of ‘the value of [its] trademark, its product identity,
27

1 corporate identity, control over its goodwill and reputation, and ability to move into
2 new markets.”)

3 B. Chroma Has Demonstrated Irreparable Harm.

4 Even absent the presumption of irreparable harm, Chroma has shown that it is
5 being irreparably harmed. The potential loss of good will and the loss of the ability
6 to control one’s reputation are recognized forms of irreparable harm. *Stuhlberg*
7 *Intern. Sales Co., Inc. v. John D. Brush and Co., Inc.*, 240 F.3d 832, 841 (9th Cir.
8 2001).

9 The long shadow cast by the KHROMA brand eliminates Chroma’s ability to
10 control its image and the future of the CHROMA brand. Purchasers and potential
11 purchasers perceive a relationship between the products. Because the KHROMA
12 brand is well-publicized and backed by the celebrity of the Kardashians, the brand is
13 overwhelming Chroma and good will it has spent twelve years amassing. Chroma
14 was exploring a national launch and can no longer do so. Long-standing customers
15 are less-enthused about the brand now that people perceive it as related to the
16 Kardashian sisters’ mass-marketed, less-expensive products. People who come
17 across Chroma in the future will understandably, but erroneously, believe that
18 Chroma is either affiliated with the KHROMA brand, or is infringing the KHROMA
19 Marks. In short, Chroma has lost control over its image and is losing the good will
20 its owners have worked for twelve years to build.

21 The future of the Chroma brand is in the hands of this Court. If Boldface
22 continues to sell cosmetics under the KHROMA Marks, Chroma will have no
23 control over its image and will lose good will. The only way to prevent the
24 KHROMA Marks from overwhelming Chroma and its lesser-known brand is to
25 enjoin the use of the KHROMA Marks and require Boldface to select a mark that is
26 not confusingly similar to an existing cosmetics line. Unless and until Boldface is
27 required to change the name of the KHROMA brand, Chroma will be irreparably
28

1 and permanently damaged.

2 **IV. The Balance of Hardships and the Public Interest Favor Chroma.**

3 This court must balance the parties “competing claims of injury and must
4 consider the effect on each party of the granting or withholding of the requested
5 relief.” *Winter*, 129 S. Ct. at 376 (quoting *Amoco Prod. Co. v. Village of Gambell*,
6 480 U.S. 531 (1987)). In the context of this analysis, the court is to discount any
7 economic harm an infringing defendant may experience as self-inflicted. *Cadence*
8 *Design Sys., Inc. v. Avant! Corp.*, 125 F. 3d 824, 829 (9th Cir. 1997) (a defendant
9 that chose an infringing mark “cannot complain of the harm that will befall it when
10 properly forced to desist from its infringing activities”).

11 The balance of harms favors Chroma. Chroma has spent more than a decade
12 cultivating an image of quality and exclusivity. Boldface is a recent market entrant
13 that either knew or should have known of the CHROMA Marks before it entered the
14 marketplace. Boldface nevertheless selected a trademark that is nearly identical to
15 the prestigious CHROMA brand. Boldface’s conduct should not be rewarded.
16 Boldface should not be allowed to crush Chroma simply because it is being carried
17 in a marketing juggernaut fueled by the Kardashians. *Dreamwerks*, 142 F.3d at
18 1132 (reversing summary judgment for DreamWorks in favor of lesser-known
19 Dreamwerks, and noting that the dispute would not have happened if “DreamWorks
20 been more careful”).

21 The public interest also favors an immediate injunction. One of the purposes
22 of trademark law is to protect the consuming public from being misled. *Seed Serv.,*
23 *Inc. v. Winsor Grain, Inc.*, 2012 U.S. Dist. LEXIS 51779, at *16 (E.D. Cal. 2012).
24 Presently, purchasers and potential purchasers of the parties’ cosmetics are being
25 confused and are mistakenly perceiving a relationship between the parties. A
26 preliminary injunction will end the confusion and protect the public.

1 CONCLUSION

2 For the foregoing reasons, Chroma respectfully requests that the Court grant
3 its application for a preliminary injunction and enjoin Boldface from using the
4 KHROMA Marks with cosmetics.

5
6 Dated: November 4, 2012

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11
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