JUDGE FORREST

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

12 CIV 8083

GERALD CELENTE and THE SOCIO-ECONOMIC RESEARCH INSTITUTE OF AMERICA INC. d/b/a THE TRENDS RESEARCH INSTITUTE,

Plaintiffs,

- against -

GOOGLE INC., DAVID CHEKROUN, and JOHN DOES 1 through 10,

Defendants.

Index No.: 12 CV

PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF A TEMPORARY RESTRAINING ORDER AND PRELMINARY INJUNCTION

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TREATISE

Plaintiff Gerald Celente ("Mr. Celente") and The Socio-Economic Research Institute of America Inc. d/b/a The Trends Research Institute ("Plaintiffs") respectfully submit this Memorandum of Law in Support of their Motion for Preliminary Injunction, pursuant to Federal Rule of Civil Procedure 65, to prevent and restrain Defendant David Chekroun and John Does 1 through 10 (collectively "Blog Defendants") from using Mr. Celente's image and/or the GERALD CELENTE trademark as a domain name, on a website or in any other way that is likely to cause confusion with Plaintiffs or their distinctive trademark GERALD CELENTE.

PRELIMINARY STATEMENT

Mr. Celente is known throughout the world for the predictions he makes about the global financial markets and other events of historical importance. Mr. Celente makes dozens of appearances on television and radio shows each month, and his opinion is frequently sought by major national periodicals. Through significant media attention and publicity, and due to Mr. Celente's reliability and accuracy in his trends forecasts, Mr. Celente has become one of the most recognized (if not the most recognized) and well-respected trends forecaster in the United States and around the world. In a blatant attempt to trade on Mr. Celente's well-known name, reputation and goodwill, Blog Defendants have, without authorization, used the GERALD CELENTE trademark as a domain name for blogs on which they post inflammatory content about geopolitical issues and forecasts. These blogs give readers the false and misleading impression that the opinions expressed (many of which are offensive) are those of Mr. Celente. The likelihood of confusion is further exacerbated by the use of images and videos of Mr. Celente as well as the prominent use of the GERALD CELENTE mark on the homepages. The Blog Defendants misappropriate the GERALD CELENTE mark and his image in order to lure consumers to their blogs and generate substantial revenues from the multiple "click thru

advertisements" displayed. These blogs are causing irreparable damage to Mr. Celente's goodwill and reputation – the very foundation of his. Plaintiffs brings this action, seeking preliminary and permanent injunctive relief, as well as damages, to prevent the immediate and irreparable harm to Plaintiffs resulting from the Blog Defendants' infringing activities.

STATEMENT OF FACTS[1]

A. Plaintiffs Enjoy Considerable Goodwill and Recognition in the GERALD CELENTE Mark

For the last thirty years, Mr. Celente has been America's preeminent trend forecaster and publisher, business consultant and author who is known for his predictions about the global financial markets and other events of historical importance. Celente Dec. at ¶ 1. In particular, among many others, Mr. Celente accurately forecasted and named the current "Great Recession," forecasted the 1987 stock market crash, the dot-com bust and the real-estate bubble burst. *Id.*

Since 1981, Mr. Celente has used his name GERALD CELENTE as a source identifier of his services, namely, providing consumers with socio-economic information in the field of geopolitical trends. *Id.* ¶ 2. Mr. Celente has built his reputation through the expression of his opinions, forecasts and analysis under the GERALD CELENTE trademark. Mr. Celente provides his services to consumers through various channels of trade including television and radio, printed publications and on the Internet. *Id.* ¶ 3. Indeed, Mr. Celente is the author of three well-received books Trends 2000 (Warner Books, 1997), Trend Tracking (1991), and What Zizi Gave Honeyboy (William Morrow, 2002), the publisher of THE TRENDS JOURNAL® and the founder and the founding director of Plaintiff The Trends Research Institute® all of which rely on the GERALD CELENTE mark as a source identifier. *Id.*

Mr. Celente is a media favorite who has appeared on national and international television

programs such as *Good Morning America, Fox News, Fox & Friends, CBS This Morning, 48 Hours, The Oprah Winfrey Show*, cable and radio news including *CNN, CBS, ABC, NBC, PBS, BBC, MSNBC, CNBC, National Public Radio, Russia Today, France 24, ABC Australia,* and *Canadian Radio Systems,* and has been interviewed in newspapers and magazines such as *The New York Times, Los Angeles Times, Chicago Tribune, Washington Post, USA Today, The Independent, The Wall Street Journal, Entrepreneur, Time, Business Week, Financial Times, Newsweek, Time, U.S. News and World Report, Investors Business Daily. Id.* ¶ 4. Mr. Celente has also appeared in national and international documentaries and films including: *Money; The Collapse; Behold A Pale Horse, America's Last Chance; American Empire*; *Owned & Operated*; *Heal Your Self*; *2012: Time for Change; Overdose – The Next Financial Crisis;* <inflation.us/videos>. In fact, *Russia Today* posted an interview with Mr. Celente on their site that received nearly 1 million views. *Id.*

Plaintiff The Trends Research Institute analyzes trends to assist companies in detecting opportunities and providing solutions to problems before they happen. *Id.* ¶ 5. The Trends Research Institute also help clients make confident, informed decisions about expansion, diversification, product development, repositioning and downsizing as well as trend-directed marketing, advertising and promotion plans based on trends analyses. *Id.* Clients engage The Trends Research Institute because of Mr. Celente's reputation. *Id.*

Further, Mr. Celente maintains several Internet websites, including <geraldcelente.com>, on which he posts media appearances, forecasts and trend analysis and other socio-economic information. In the last thirty days alone, Mr. Celente's website has received nearly 69,000 visits by Internet users. Likewise, Mr. Celente has over 33,000 Twitter® followers and a regularly

[1] The facts underlying this motion, summarized here, are set forth in full in the Complaint and in the Declaration of Gerald Celente, dated October 29, 2012, filed concurrently herewith ("Celente Dec.").

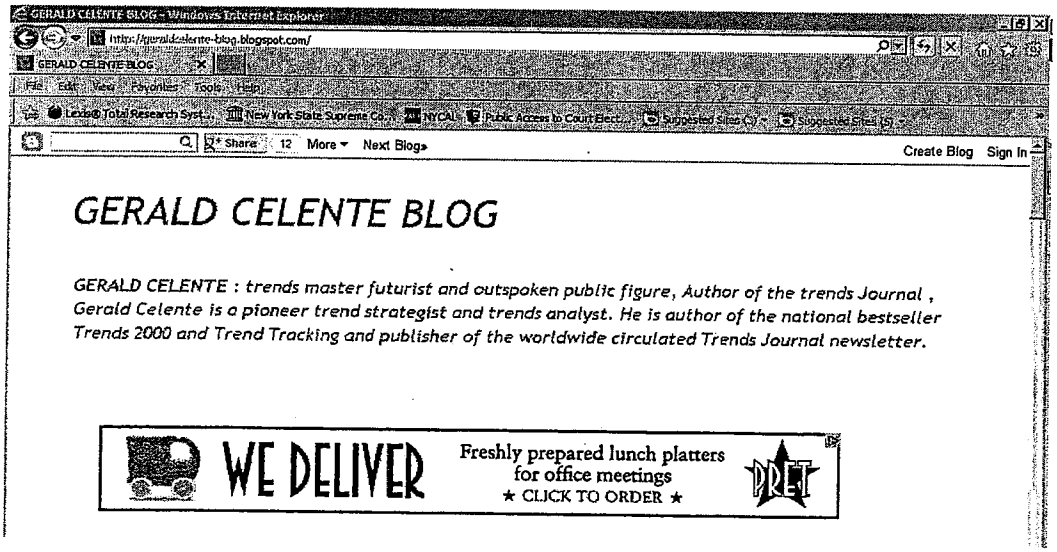
updated Wikipedia® page dedicated to him. Mr. Celente's fans frequently send him emails and posts comments on his website praising his work. *See id.* ¶ 7; Ex. A.

B. The Unauthorized Use of the GERALD CELENTE Mark and Likeness

Defendant David Chekroun operates a blog at <geraldcelentechannel.blogspot.com> and Defendants John Does 1-10 operate Internet blogs at <geraldcelente-blog.blogspot.com>, <geraldcelente-blog.blogspot.ca> and <geraldcelente-blog.blogspot.co.uk> (collectively the "Infringing Blogs"). *Id.* ¶ 9. The Blog Defendants use the GERALD CELENTE mark to solicit advertisers, advertising sales, and readers to visit the Infringing Blogs and to falsely imply that Mr. Celente is affiliated with, associated with or has endorsed the Infringing Blogs. *Id.*

i. Infringing Blogs: <geraldcelente-blog.blogspot.com>, <geraldcelente-blog.blogspot.ca> and <geraldcelente-blog.blogspot.co.uk>

The Blog Defendants who operate <geraldcelente-blog.blogspot.com>, <geraldcelente-blog.blogspot.com> and <geraldcelente-blog.bogspot.co.uk> infringe the GERALD CELENTE mark in several ways. First, the GERALD CELENTE mark is wholly encompassed in the domain names. *See id* ¶ 10, Ex. B. Second, the GERALD CELENTE mark is prominently displayed on each homepage of the three blogs. *Id.* A screenshot representative of these blogs appears as follows:



Id. at Ex. B. As shown above, the Blog Defendants who operate these three blogs also display a photograph of Mr. Celente in the navigation bar, tabs and in numerous video clips of Mr. Celente contained in the content of the blogs from Mr. Celente's recent media appearances. *Id.* ¶ 10, Ex. B. These three blogs also post content that gives consumers the false impression that the opinions expressed are those of Mr. Celente. *Id.* For example:

It appears that Mr. Celente made the statement "WAKE THE F*CK UP!!". Without doubt, the use of vulgarities that appear attributed to Mr. Celente cause harm to his professional reputation. This screenshot is an obvious attempt to impersonate Mr. Celente and to capitalize on the

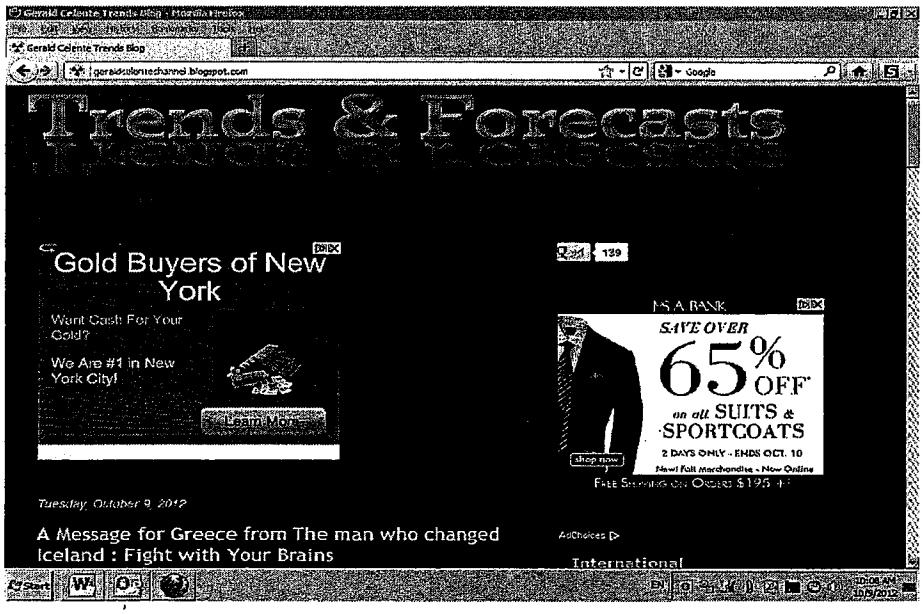
goodwill associated with the GERALD CELENTE mark. This intent is further apparent from the prominent statement on the homepage of the three blogs:

> GERALD CELENTE: trends master futurist and outspoken public figure, Author of the trends [sic] Journal, Gerald Celente is a pioneer trend strategist and trends analyst. He is author of the national bestseller Trends 2000 and Trend Tracking and publisher of the worldwide circulated Trends Journal newsletter.

Id.

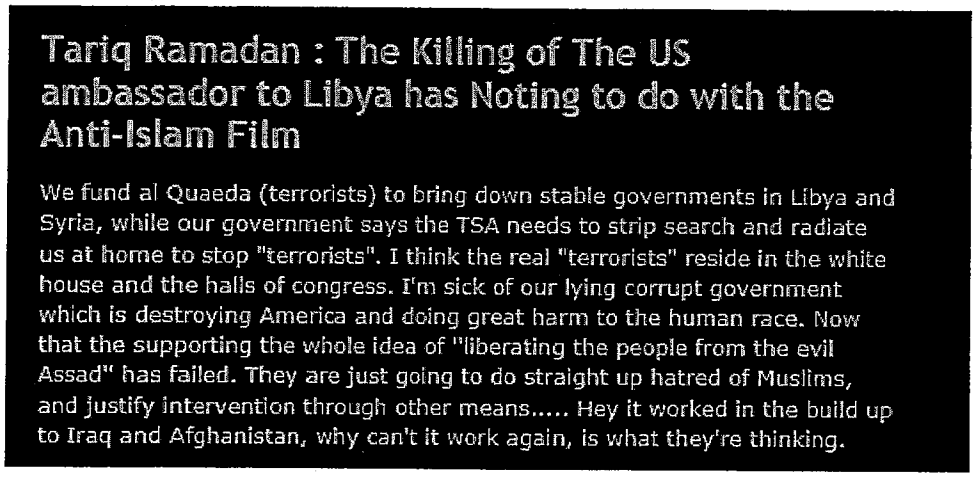
ii. Infringing Blog: <geraldcelentechannel.blogspot.com>

Defendant David Chekroun ("Chekroun") operates the <geraldcelentechannel.blogspot.com> and infringes Mr. Celente's trademark by using GERALD CELENTE as part of the domain name. *Id.* ¶ 11. The homepage of the <geraldcelentechannel.blogspot.com> also displays a banner "Trends & Forecasts" which is an obvious attempt to trade upon the services that Plaintiffs provide. *See id.* at Ex. C. A screenshot of the blog appears as follows:



The content of this infringing blog appears, *inter alia*, calculated to harm Mr. Celente by suggesting that Mr. Celente is the source of certain offensive political and social content, including anti-Islamic and anti-Semitic statements. *See id.* ¶ 11, Ex. C. Most recently, the

Infringing Blog has gone as far as making statements about the Vatican being terrorists creating war, Islamic extremism and the recent Libyan assassinations, leaving Mr. Celente fearing for his safety given the current political climate. *See id.* at Ex. D. A screenshot of a recent post on the Infringing Blog appears as follows:



As a result of Chekroun's infringing use of the GERALD CELENTE mark, Internet consumers are not only given the false impression that Mr. Celente is affiliated with the Infringing Blog but is also the source of offensive political statements including but not limited to "we fund al Quaeda (terrorists) to bring down stable governments in Libya and Syria." *Id.* ¶ 12, Ex. C. As reflected in this example, the use of the pronoun "I" without the identity of the blogger gives the reader the false impression that the blog is written by Mr. Celente. *Id.*

Indeed, the content of all of the Infringing Blogs appears to be the opinions of Mr. Celente. *Id.* ¶ 13. For example, <geraldcelentechannel.blogspot.com> recently posted about the "The Great Euro Crash." *See id.* at Ex. E.

This is precisely the type of geopolitical event that Mr. Celente is sought to opine upon. *Id.*

iii. Blog Defendants Generate Substantial Revenues From the Misappropriation

"Pay per click" advertising is an Internet advertising model used to direct traffic to websites, where advertisers pay the publisher (typically the website owner) when the advertisement is clicked. *Id.* ¶ 14. The Infringing Blogs each contain multiple pay per click banner advertisements on their sites which change as the user selects different posts on the Infringing Blogs. *Id.* As a result, Doe Defendants generate substantial revenue and profit from this pay per click advertising, all at the cost of Mr. Celente's reputation and goodwill and irreparable harm to the GERALD CELENTE mark and Plaintiffs' business. *Id.*

iv. Plaintiffs Are Suffering Irreparable Harm

Blog Defendant actions give consumers the false and misleading impression that these blogs are genuine and authentic. *Id.* ¶ 15. Even an experienced Internet consumer could be fooled into thinking that the Infringing Blogs and the posting contained therein are sponsored and/or written by Mr. Celente. *Id.* Therefore, at a minimum, such use of the GERALD

CELENTE trademark as part of the domain name and in connection with the content posted on these blogs is likely to cause confusion, mistake and deception of consumers as to sponsorship or approval by Mr. Celente of these blogs. *Id.* The likelihood of confusion is further heightened by the use of Mr. Celente's image and video clips of him.

Plaintiffs' business model depends upon Mr. Celente's ability to maintain a well-respected and strong reputation in the marketplace. With each passing day, Mr. Celente's reputation is damaged by the Infringing Blogs. Mr. Celente has received numerous inquiries regarding the posts on these Infringing Blogs mistakenly attributing the sentiments expressed as those of Mr. Celente. The media and Mr. Celente's followers have made inquiries as well. *Id.* ¶ 16. The Infringing Blogs also contain numerous posts from readers attributing the posts to Mr. Celente. *Id.* ¶ 17.

As a direct result of the unauthorized use of the GERALD CELENTE mark, Mr. Celente has reported the relevant infringing activity and the wrongful impersonations to Defendant Google Inc. ("Google") on numerous occasions. Despite Google's policy against impersonation, Google has refused to deactivate the Infringing Blogs or to otherwise take any action. *Id.* ¶ 19.

ARGUMENT

Plaintiffs seek a preliminary injunction to stop Blog Defendants from maintaining blogs that impersonate Mr. Celente and using the GERALD CELENTE trademark without authorization. To obtain a preliminary injunction, Plaintiffs must show "(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief." *Christian Louboutin S.A. v. Yves Saint Laurent America Holding Inc.*, No. 11-3303-cv, 2012 U.S. App. LEXIS 18663, at *4 (2d Cir.

Sept. 5, 2012) (quoting *UBS Fin. Servs. Inc. v. W. Va. Univ. Hosps., Inc.*, 660 F.3d 643, 648 (2d Cir. 2011). Plaintiffs satisfy this test. Accordingly, the Court should enjoin Blog Defendants immediately so as to prevent further damage to Mr. Celente's mark, his goodwill and reputation. *See N.Y.C. Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305 (S.D.N.Y. 2010).

I. PLAINTIFFS ARE LIKELY TO SUCCEED ON THE MERITS

A. Mr. Celente Will Likely Prevail on His Right to Publicity Claim

New York Civil Rights Law § 51 authorizes a civil action for injunctive relief and damages in favor of "[a]ny person whose name, portrait, picture or voice is used within this state for advertising purposes or for the purposes of trade without . . .written consent . . ." *See* N.Y. Civ. Rights Law § 51 (McKinney 2009); *Oliveira v. Frito-Lay, Inc.*, 251 F.3d 56, 63 (2d. Cir. 2011). To succeed on a claim under this statute, a plaintiff must demonstrate "(1) use of plaintiff's name, portrait, picture or voice (2) for advertising purposes or for the purposes of trade (3) without consent and (4) within the state of New York." *Hoepker v. Kruger*, 200 F. Supp. 2d 340, 348 (S.D.N.Y. 2002) (quotations omitted) (quoting *Titan Sports, Inc. v. Comics World Corp.*, 870 F.2d 85, 87 (2d Cir. 1989)); *see also Marshall v. Marshall*, No. 08 CV 1420 (LB), 2012 U.S. Dist. LEXIS 45700, at *72 (E.D.N.Y. Mar. 30, 2012).

Blog Defendants use Mr. Celente's name, portrait, picture and voice without his authorization within the content of each of the Infringing Blogs. *See* Celente Dec. at ¶ 9-11; Ex. B. First, Blog Defendants use Mr. Celente's name in the domain name and in the homepage content of each of the Infringing Blogs. *Id.* Second, Blog Defendants use Mr. Celente's portrait and picture without his consent in the navigation bar of the Infringing Blogs as well as in numerous video and audio clips that are posted on the blogs, which are from previously recorded media and radio appearances made by Mr. Celente. *Id.* These video and audio clips contain Mr.

Celente's voice and as with Mr. Celente's name, portrait and image, his voice was obtained by Blog Defendants without his authorization. *Id.* These Infringing Blogs and the contents therein are available and frequently accessed by Internet consumers within the State of New York. *Id.* ¶ 18.

Blog Defendants' unauthorized use of Mr. Celente's name, portrait, picture and voice is for advertising and trade purposes, namely to attract Internet traffic to their Infringing Blogs from Internet consumers who are led to believe that the blogs are sponsored or written by Mr. Celente and to generate substantial revenue and profit from the "pay per click" advertising on the Infringing Blogs. *Id.* ¶ 14. Based on these facts, it is likely that Mr. Celente will succeed on his New York Civil Rights Law § 51 claim. Accordingly, the Court should enjoin Blog Defendants. *See Marshall v. Marshall*, 2012 U.S. Dist. LEXIS 45700, at *71-72 (granting plaintiff injunctive relief for violation of New York Civil Rights Law § 51).

B. Mr. Celente Will Likely Prevail on His Unfair Competition Claim

Section 43(a) of the Lanham Act expressly prohibits the use in commerce of any word, term, name, symbol or device (or false designation of origin) that is:

> likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

15 U.S.C. § 1125(a)(1)(A).[2] To state a claim under Section 43(a), a plaintiff must show that it has a valid trademark entitled to protection and that the defendant's mark is likely to cause confusion in the marketplace. *Virgin Enters. v. Nawab*, 335 F.3d 141, 146 (2d Cir.2003); *N.Y.C. Triathlon, LLC*, 704 F. Supp. 2d at 314; *Heisman Trophy Trust v. Smack Apparel Co.*, 595 F. Supp. 2d 320, 325 (S.D.N.Y. 2009).

"Likelihood of confusion" in an unfair competition case includes "confusion of any kind, including confusion as to source, sponsorship, affiliation, connection, or identification." *N.Y.C. Triathlon*, 704 F. Supp. 2d at 329 (citations and quotations omitted). Moreover, "[t]he public's belief that the mark's owner sponsored or otherwise approved the use of the trademark satisfies the confusion requirement." *Id.* The Second Circuit has articulated eight factors to assess the likelihood of confusion:

> (1) the strength of the mark; (2) the degree of similarity between the marks at issue; (3) the competitive proximity of the products; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion; (6) the defendant's bad faith in adopting its mark; (7) the quality of the defendant's products; and (8) the sophistication of the purchasers.

See Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). In weighing these factors, the Circuit has counseled that "[n]o single *Polaroid* factor is determinative." *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1004 (2d Cir. 1983).

Because the analysis used to determine the first prong of a claim under Section 43(a) – whether a trademark is valid and entitled to protection – overlaps with the analysis generally used to assess the first *Polaroid* factor – i.e., strength of the mark – the strength and protectability of the GERALD CELENTE trademark are discussed together below.

1. The GERALD CELENTE Mark is Strong, Having Acquired Secondary Meaning

The name of a person is protected as a service mark if it is used in a manner that would be perceived by purchasers as identifying the services in addition to the person. 2 J. Thomas McCarthy, McCarthy's on Trademarks & Unfair Competition § 13:2 (4th ed. 2012). In New York, a trademark consisting of a person's name is protected and enforced if it has achieved

[2] Section 43(a) protects both registered and unregistered marks. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

"secondary meaning" – i.e. consumers "recognize the personal name as a symbol that identifies and distinguishes the goods or services of only one seller." *Id.; Yarmuth-Dion, Inc. v. D'ion Furs, Inc.*, 835 F.2d 990, 993 (2d Cir. 1987). The focus of secondary meaning is the relevant consuming public. *Centaur Commc'ns, Ltd. v. A/S/M Commc's, Inc.*, 830 F.2d 1217, 1222 (2d Cir. 1987) ("[I]t is only necessary to show that a substantial segment of the relevant group of consumers made the requisite association between the product and the producer.") (citations omitted); *Playboy Enters. v. Chuckleberry Publ'g,* 687 F.2d 563, 567 (2d Cir. 1982) (reviewing the consumers of the parties' goods); *Inc. Publ'g Corp. v. Manhattan Magazine, Inc.*, 616 F. Supp. 370, 386 (S.D.N.Y. 1985), *aff'd mem.*, 788 F.2d 3 (2d Cir. 1986) (relevant consumer group in trademark case involving magazine titles comprised of advertisers, subscribers, and newsstand purchasers). There is no question that the GERALD CELENTE mark, through three decades of exclusive and continuous use, has attained this level of consumer recognition and serves as a strong signifier of Mr. Celente's trends forecasting services.

In determining whether a mark has secondary meaning, the Second Circuit considers: (1) the senior user's advertising expenditures; (2) consumer studies linking the name to the source; (3) sales success; (4) unsolicited media attention; (5) attempts to plagiarize the mark; and (6) length and exclusivity of the mark's use. *Thomson Med. Co. v. Pfizer, Inc.*, 753 F.2d 208, 212-13 (2d Cir. 1985). "[N]o single factor among the six is determinative, and every element need not be proved." *Simon & Schuster v. Dove Audio,* 970 F. Supp. 279, 295 (S.D.N.Y. 1997).

The length and exclusivity of Plaintiffs' use of the GERALD CELENTE mark compels a finding of secondary meaning and a determination that the mark is strong. Mr. Celente has exclusively used the GERALD CELENTE mark in connection with his services since 1981, and has used the mark on his website since 1995. Celente Dec. at ¶ 2. For the last thirty years, Mr.

Celente has been America's preeminent trend forecaster and publisher, business consultant and author who is known for the predictions he makes about the global financial markets and other events of historical importance. *Id.* ¶ 1. To further protect his exclusive rights to his mark, Mr. Celente has filed trademark applications for GERALD CELENTE and GERALD CELENTE'S TREND ALERT with the U.S. Patent and Trademark Office. *Id.* ¶ 2. Those applications are pending.

Plaintiffs spend approximately $150,000 each year marketing and promoting their services under the GERALD CELENTE mark. *Id.* ¶ 6. Plaintiffs' quarterly publication, THE TRENDS JOURNAL®, was launched in 1991 and has over 12,000 subscribers. *Id.* Plaintiffs send emails several times each month to over 45,000 individuals, institutions and other entities that reflect Mr. Celente's opinions and commentary. *Id.* Plaintiffs also maintain several Internet websites including at <geraldcelente.com> on which Mr. Celente posts videos of his media appearances, his forecasts and trend analysis and other socio-economic information. *Id.* ¶ 4. Mr. Celente is immensely popular with the general public – in the last thirty days alone, Mr. Celente's website has received nearly 69,000 visits by Internet users. *Id.* ¶ 7. Likewise, Mr. Celente has over 33,000 Twitter® followers and a regularly updated Wikipedia® page dedicated to him. *Id.* ¶ 7. Fans frequently send Mr. Celente emails and posts comments on Plaintiffs' website praising Mr. Celente's work. *Id.* Thus, these activities support the conclusion that Mr. Celente's efforts are effective in causing the relevant group of consumers to associate GERALD CELENTE with his services.

Mr. Celente has built his reputation through the expression of his opinions, forecasts and analysis under the GERALD CELENTE mark. *Id.* ¶ 3. Through The Trends Research Institute, Mr. Celente has advised governments and clients around the world to develop action-based

strategies in anticipation of what may happen and how to prepare for the unexpected. *Id.* ¶ 5. Plaintiffs generate approximately $1.5 million in revenues per year for the services provided based upon the reputation and goodwill generated from the GERALD CELENTE brand name. *Id.*

The strength of the GERALD CELENTE mark is further evidenced by the extensive media coverage Mr. Celente receives. Mr. Celente regularly appears on national and international television programs and is often interviewed in world renowned newspapers and magazines. *Id.* ¶ 4. Indeed, Mr. Celente has made approximately 1,000 television and radio appearances since 2010. *Id.* Mr. Celente has also appeared in several films and documentaries. *Id.* By virtue of this extensive unsolicited media attention, advertising and promotion, the GERALD CELENTE mark has become well-known by the general public and in the relevant industries, is recognized and relied upon as identifying Mr. Celente's services and as distinguishing them from the services of others, and has come to represent and symbolize extremely valuable goodwill belonging exclusively to Mr. Celente.

Moreover, Blog Defendants' impersonation of Mr. Celente constitutes prima facie proof that the name "Gerald Celente" has attained secondary meaning. *Centaur Commc'ns, Ltd.*, 830 F.2d at 1224; *see also Tri-Star Pictures, Inc. v. Unger*, 14 F. Supp. 2d 339, 351 (S.D.N.Y. 1998) ("[A]ttempts to plagiarize [the] mark is the most persuasive, if not conclusive, factor in favor of finding secondary meaning.") (citations omitted). Blog Defendants have intentionally misappropriated Mr. Celente's trademark, used photographs of him and posted video clips of his interviews in the hopes to mislead consumers that the blogs are authentic and to profit from the sale of advertisements. That conduct alone demonstrates that the public recognizes GERALD CELENTE as a source identifier. *Centaur Commc'ns, Ltd.*, 830 F.2d at 1224.

As demonstrated above, the GERALD CELENTE mark has attained secondary meaning and therefore satisfies the first element of a claim under Section 43(a) of the Lanham Act (i.e. it is a valid trademark). Based on the same evidence, the Court should determine that the GERALD CELENTE is strong and provides persuasive support for a finding of likelihood of confusion under the first *Polaroid* factor. *N.Y.C. Triathlon, LLC*, 704 F. Supp. at 315-16 (granting preliminary injunction finding an unregistered mark protectable and strong based on the same evidence).

2. The Blog Defendants Use Identical Marks

When assessing the similarity of the marks, courts "analyze the mark's overall impression on a consumer, considering the context in which the marks are displayed and 'the totality of factors that could cause confusion among prospective purchasers.'" *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 (2d Cir. 2005). Here, Blog Defendants have misappropriated the GERALD CELENTE mark wholesale in their domain names, as banners and tabs and throughout the Infringing Blogs. Thus, this factor clearly favors Plaintiffs.

3. The Parties' Services Are Identical and Mr. Celente Has Already Bridged the Gap

Where the services are closely related, the likelihood of confusion is increased. *Virgin Enters.*, 335 F.3d at 150. "The closer the secondary user's [services] are to those the consumer has seen marketed under the prior user's brand, the more likely that the consumer will mistakenly assume a common source." *Id.* (citations omitted) Here, the services are identical and Mr. Celente has already bridged the gap. Blog Defendants are pretending to be Mr. Celente. They are offering the same services – opinions about current events, trends and forecasts under the false pretense that they are Mr. Celente's views. Blog Defendants post video clips of Mr.

Celente himself in furtherance of the guise. Without doubt, these two factors strongly favor a finding of likely confusion.

4. Evidence of Actual Confusion

Evidence of actual confusion furthers a finding of likelihood of confusion. *See Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987) (quoting *World Carpets, Inc. v. Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971) ("While … it is not necessary to show actual confusion …[t]here can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion.")); *see also Streetwise Maps v. VanDam, Inc.*, 159 F.3d 739, 745 (2d Cir. 1998) ("[E]vidence of *actual* consumer confusion is particularly relevant to a trademark infringement action.") (citation omitted) (emphasis in original). Here, consumers mistakenly believe that the Infringing Blogs are authorized by, affiliated with or sponsored by Mr. Celente. Celente Dec. at ¶ 16. For example, Mr. Celente has received the following emails from consumers:

- "THIS IS JUST PLAIN NONSENSE, MORE CREDIBLE STUFF PLEASE."
- "enjoyed http://geraldcelentechannel.blogspot.ca/ until found out it is a minefield of tracking cookies and other questionable crap."
- This is just an opinion regarding GeraldCelenteChannel.blogspot.com -- whoever types/transcribes the notes preceding/following the videos needs to learn to spell and/or proofread. The unnecessary errors make the site appear .. well, less than intelligent. It is otherwise a valuable source of information and does not deserve the clerical embarrassment.
- I think u posted the wrong video …did u mean this ? http://www.youtube.com/watch?v=BGEw6SwiECI&feature=BFa&list=UUBArpxDbUy1h1ot3RAjVcHQ

See Celente Dec. at Ex. F. These emails illustrate that Internet consumers are clearly confused about the source and sponsorship of the Infringing Blogs.

Likewise, there are scores of posts on the Infringing Blogs which indicate that readers mistakenly believe that the blogs are authored by Mr. Celente:

- **rediron1 August 26, 2012 4:32 PM** "Gerald, Brother you are right on This USA isn't a Country it's a Corporation 1871 41st Congress Google it"

- **Mike S August 27, 2012 8:33 PM** "Another great show Gerald. When people are unhappy enough they will flock to people who can help them understand what's really going on, and what to do about it, people like you."

- **Ron, June 30, 2012 8:45 PM** "I LOVE YA GERALD, but you are WAY OFF BASE!!! I DON'T FOLLOW thes so-called leaders, never have! Oh, and the First American Revolution started in Phlidalphia,sorry."

- **Anonymous, July 1, 2012 10:55 AM** "Mr.C is correctomundo! Peaceful NonCompliance...Do not buy, do not comply, do not fly...We MUST all work together for the good of our children, our grandkids..ourselves...The U.S. must return to Liberty..and in Switzerland ..the people go out into the streets and vote...for all legislation for their county...and they all have weapons to guard against tyranny and abuse against them. We allow law enforcement and the courts to abuse us through legal fiction...all fraud..Mr. C. is right."

- **Anonymous, July 2, 2012 9:47 AM** "G.C. is right, there is no reason to vote for either political party when their both funded by the same wealthy Plutocrats. The Supreme Court has cancelled our voting power by approving Citizens United and Corporate Personhood, this in not the first time in our history over the past 130 years that this argument has been dragged out by the Capitalists. The only way to make this clear is for no real persons to vote, maybe the predetermined results that are presented on November 7th will then wake the sleeping sheep up to the reality of their Plutocracy masquerading as a Democracy or a Republic."

- **Anonymous, June 19, 2012 3:14 PM** "keep your finger's crossed Mr Celente!"

- **Anonymous, May 1, 2012 4:55 AM** "Celente for Presidente..... Why can't we have guys like this running the show???"

- **Steve From Long Island, March 27, 2012 10:01 PM** "You and Alex missed a major point in the slime Corzine Jp Morgan back and forth: Jp Morgan wanted MF Global to sign the letter JP Morgan drafted saying that the money wasn't coming from customer accounts. MF Global never signed the letter but JP Morgan took the money anyway. So they were so concerned about the customer accounts but grabbed the cash and kept it anyway. Now that's proof of two criminal enterprises and no one has been charged in JP Morgan either!"

- **Anonymous, March 28, 2012 9:27 PM** "Gerald has flipped his lid a bit here in my opinion. He should reflect a bit on some of his rhetoric -- especially the bit about Auschwitz."

See Celente Dec. at Ex. G. These are just a few examples of readers who are under the mistaken belief that they are commenting on Mr. Celente's actual posts on a blog that originates from, is sponsored by or is otherwise affiliated with him. This factor, therefore, strongly demonstrates that consumer confusion is likely.

5. Blog Defendants Intended to Capitalize On Plaintiffs' Goodwill and Reputation

This factor considers whether the defendant was operating in good faith when selecting its name or mark and intended to capitalize on Plaintiffs' goodwill and reputation. *Paddington Corp. v. Attiki Importers & Distribs., Inc.*, 996 F.2d 577, 587 (2d Cir. 1993); *Mobil Oil Corp.*, 818 F.2d at 258-59; *Artisan Mfg. Corp. v. All Granite & Marble Corp.*, 559 F. Supp. 2d 442, 452 (S.D.N.Y. 2008). Intentional copying may raise a presumption of consumer confusion. *Paddington Corp.*, 996 F.2d at 586 ("Where a second-comer acts in bad faith and intentionally copies a trademark or trade dress, a presumption arises that the copier has succeeded in causing confusion."); *see also Warner Bros., Inc. v. Am. Broad. Cos.*, 720 F.2d 231, 246-47 (2d Cir. 1983); *Charles of the Ritz Grp., Ltd. v. Quality King Distribs. Inc.*, 832 F.2d 1317, 1322 (2d Cir. 1987) (noting that intentional copying "bolsters a finding of consumer confusion").

Blog Defendants' bad faith is apparent here. Blog Defendants are using the GERALD CELENTE mark in the domain name, on banners and throughout the website. Further evidence of the Defendant's bad faith is use of his image and actual videos of Mr. Celente providing his opinions and forecasts. Consumers read the Infringing Blogs because of their interest in Mr. Celente's opinions – Blog Defendants have capitalized on this reputation and consequently have generated revenues from the sale of click-thru advertising on the Infringing Blogs. The clear

inference from Blog Defendants' actions is that they sought to profit from their ability to attract and confuse consumers. *Kraft Gen. Foods v. Allied Old English,* 831 F. Supp. 123, 132 (S.D.N.Y. 1993) ("When a company appropriates an identical mark that is well known and has acquired a secondary meaning, an inference can be drawn that the company intends to capitalize on the goodwill and reputation of the mark ...."); *Stern's Miracle-Gro Prods., Inc. v. Shark Prods, Inc.*, 823 F. Supp. 1077, 1087 (S.D.N.Y. 1993) (same).

6. Blog Defendants Offer Low Quality Services

This factor examines "whether the senior user's reputation could be jeopardized by virtue of the fact that the junior user's product is of inferior quality." *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 523 (S.D.N.Y. 2009) (citation omitted). Courts assess the harm that confusion can cause the plaintiff's mark and reputation than whether there is a likelihood of confusion. *Virgin Enters.*, 335 F.3d at 152. Here, the Infringing Blogs are causing irreparable harm to Plaintiffs' reputation.

Plaintiffs' business depends upon Mr. Celente's strong and well-respected reputation. Celente Dec. ¶ 20. With each day that passes, Mr. Celente's reputation is irreparably harmed by the content posted on the Infringing Blogs which consumers mistakenly believe is emanating from Mr. Celente because of the use of the GERALD CELENTE trademark in the domain name, the use of the GERALD CELENTE trademark in the content of the blogs, the use of a photograph of the Mr. Celente which appears in the navigation bar of at least three of the Infringing Blogs and the video clips. The views expressed on the Infringing Blogs are of an inferior quality because they are not Mr. Celente's views, and many of them are inflammatory and vulgar. *Id.* ¶ 20, Ex. D. Any association with these Infringing Blogs jeopardizes Mr. Celente's highly regarded and longstanding reputation.

7. Consumers Are Not Particularly Sophisticated

If the marks are identical (like here) confusion is likely even if the consumers are sophisticated. *Morningside Grp., Ltd. v. Morningside Capital Grp. L.L.C.*, 182 F.3d 133, 143 (2d Cir. 1999) (noting that buyer sophistication "cannot be relied on to prevent confusion" if goods and marks are extremely similar) (citation omitted). Likewise, courts hold that confusion is especially likely for "unsophisticated buyers." *N.Y.C. Triathlon, LLC*, 704 F. Supp. at 341.

Here, the parties market their services to the general consuming public without regard to consumer sophistication. As demonstrated by the comments reflected on the Infringing Blogs, the readers are a mixture of sophistication. *See* Celente Dec. at Ex. G. But here, even sophisticated consumers are likely to be confused because Blog Defendants use the GERALD CELENTE trademark on blogs that purport to offer the same services and that use actual video clips of Mr. Celente. Thus, this factor also favors Mr. Celente.

For these reasons, all of the *Polaroid* factors weigh in favor of a finding of confusion. Thus, Mr. Celente is likely to succeed on the merits of his claim under Section 43(a) of the Lanham Act.

C. Mr. Celente Is Likely to Succeed on His ACPA Claim

The Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d) prohibits the registration of distinctive trademarks as domain names with the bad faith intent to profit from the goodwill associated with the trademarks. *See Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 495 (2d Cir. 2000). To successfully assert an ACPA claim, a plaintiff must demonstrate that: (1) its marks were distinctive at the time the domain name was registered; (2) the infringing domain names complained of are identical to or confusingly similar to plaintiff's mark; and (3) that the defendant has a bad faith intent to profit from that mark. *See*

15 U.S.C. § 1125(d)(1); *Sporty's Farm L.L.C.*, 202 F.3d at 497-99; *see also BroadBridge Media, L.L.C. v. Hypercd.com*, 106 F. Supp. 2d 505, 510 (S.D.N.Y. 2000) (granting preliminary injunction).

As discussed above, the GERALD CELENTE mark has been in use since 1981 and was distinctive when the Blog Defendants started the blogs around 2009/2010, and Blog Defendants' domains incorporate Mr. Celente's trademark wholesale. With respect to bad faith intent to profit, the ACPA sets forth nine factors for consideration. The following relevant factors are met here:[3]

1. Blog Defendants have no rights in the domain names;
2. The domain names do not consist of the legal name of anyone other than Mr. Celente;
3. Blog Defendants have not made a bona fide offering of any service under the mark;
4. Blog Defendants are not making a noncommercial or fair use of the mark on the Infringing Blogs; and
5. Blog Defendants have intended to divert consumers from Mr. Celente's genuine website for commercial gain by creating a likelihood of confusion.

Accordingly, Plaintiffs have demonstrated a likely success on the merits of the ACPA claim.

II. PLAINTIFF WILL BE IRREPARABLY HARMED UNLESS BLOG DEFENDANTS ARE ENJOINED TO REMOVE ALL INFRINGING BLOGS

Irreparable harm sufficient to warrant a preliminary injunction exists when a trademark owner demonstrates that he has lost control over the reputation and goodwill of his mark. *Power*

[3] Factor 7 provides the person's provision of material and misleading false contact information when applying for the registration of the domain name. *See* 15 U.S.C. § 1125(d)(1). Google does not make public the true identities of the bloggers. Mr. Celente is seeking expedited discovery to ascertain the contact information the Blog Defendants provided to Google. At that time, Mr. Celente also expects to ascertain whether these bloggers have also registered other blogs that impersonate others (factor 8).

Test Petroleum Distributors, Inc. v. Calcu Gas, Inc., 754 F.2d 91, 95 (2d Cir. 1985); *United States Polo Ass'n v. PRL USA Holdings, Inc.*, 800 F. Supp. 2d 515, 540-41 (S.D.N.Y. 2011).

Here, the overwhelming evidence shows that Mr. Celente has lost control over his reputation and the goodwill associated with his mark. Mr. Celente has received numerous complaints protesting the views espoused on the Infringing Blogs, and comments on the Infringing Blogs indicate that consumers mistakenly believe that Mr. Celente is the true author of the blog posts. Celente Dec. at ¶ 16-17; Exs. F and G. Further, Mr. Celente is unable to control or remove the content posted on the Infringing Blogs. As such, Mr. Celente finds himself in the unenviable position of being forced to witness his goodwill and reputation, that which he has worked so hard to achieve, harmed and damaged on a daily basis with no remedy other than litigation.[4] Mr. Celente's ability to identify and control his mark is diminished with each passing day that the Infringing Blogs remain active. In light of the foregoing, the harm to Plaintiffs is immediate, continuing, and irreparable – the Blog Defendants must be enjoined by this Court.

III. PLAINTIFFS DO NOT POSSESS ADEQUATE REMEDIES AT LAW

Plaintiffs have inadequate remedies at law to compensate for the injuries they continue to suffer. It is well-settled law that monetary damages are inadequate to compensate for injury to one's reputation and goodwill because such damages are not easily calculable. *United States Polo Ass'n.*, 800 F. Supp. 2d at 541 ("Because the losses of reputation and goodwill … are not precisely quantifiable, remedies at law cannot adequately compensate Plaintiff for its injuries"). Here, the ongoing and continuous damage to Mr. Celente's goodwill and reputation is substantial and impossible to quantify. A preliminary injunction should therefore issue.

[4] Google has repeatedly refused to deactivate the blogs it hosts through Blogger despite its user policy against impersonation. Celente Dec. ¶ 19, Ex. H.

IV. THE BALANCE OF HARDSHIPS AND EQUITIES FAVORS PLAINTIFFS

The balance of hardships and equities weighs entirely in favor of Plaintiffs because Blog Defendants have engaged in persistent and substantial unlawful and inequitable conduct while Mr. Celente has committed no wrongs. Blog Defendants impersonate Mr. Celente and trade off his renown so as to achieve monetary gains while simultaneously damaging the goodwill and reputation Mr. Celente has worked so hard to achieve. If left unremedied, the immediate and irreparable harm to Plaintiffs resulting from Blog Defendants' unlawful acts would far exceed any theoretical harm to them from an improvidently granted injunction. Plaintiffs lost goodwill and the control of their reputation when Blog Defendants began impersonating Mr. Celente on the Infringing Blogs, and Plaintiffs will continue to suffer this loss until Blog Defendants' acts are enjoined. Further, the only "hardship" Blog Defendants will suffer is changing the name of the blogs. They are not prevented from operating geopolitical on which they can express their opinions on trends and forecasts. To be clear, Plaintiffs are not asking that the Court prohibit Blog Defendants from operating blogs. Rather, Plaintiffs simply ask that Blog Defendants not use the GERALD CELENTE mark as part of the domain and on the blogs and to not use Mr. Celente's photograph in the navigation pane. Under these circumstances, a preliminary injunction is appropriate. *See N.Y.C. Triathlon, LLC*, 704 F. Supp. 2d at 344 (issuing injunction only precluding defendants from "operating a training club using the name that infringes" plaintiff's marks, they could still manage a training club); *Stern's Miracle-Gro Prods., Inc.*, 823 F. Supp. at 1094-95 (same).

V. AN INJUNCTION IS CONSISTENT WITH THE PUBLIC INTEREST

It is well-settled that the public has a strong interest in not being deceived or confused. *Gayle Martz, Inc. v. Sherpa Pet Group, LLC*, 651 F. Supp. 2d 72, 85 (S.D.N.Y. 2009). Here, Mr. Celente has demonstrated that consumers are likely to be confused and have in fact been

confused by Blog Defendants' use of his name and mark on the Infringing Blogs. If Blog Defendants are not enjoined, consumers will continue to mistakenly believe that the Infringing Blogs reflect Mr. Celente and his views. Allowing Blog Defendants to continue this course of action would not serve the public interest; rather, the public interest will be served best by enjoining Blog Defendants.

CONCLUSION

For the reasons stated above, Plaintiffs respectfully request that the Court preliminarily enjoin the Blog Defendants further to the Proposed Order submitted currently herewith.

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Respectfully submitted,

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