

1 David H. Bernstein (State Bar No. 336551)
dhbernstein@debevoise.com
2 **DEBEVOISE & PLIMPTON LLP**
3 650 California Street
San Francisco, CA 94108
4 Telephone: (212) 909-6696 Fax: (212) 521-7696
5

6 Michael Schaper (admitted *pro hac vice*)
mschaper@debevoise.com
7 Jared I. Kagan (admitted *pro hac vice*)
jikagan@debevoise.com
8 Matthew J. Petrozziello (*pro hac vice* motion pending)
9 mjpetrozziello@debevoise.com
10 Marissa MacAneney (admitted *pro hac vice*)
mpmacaneney@debevoise.com

11 **DEBEVOISE & PLIMPTON LLP**
12 919 Third Avenue
New York, New York 10022
13 Telephone: (212) 909-6000 Fax: (212) 909-6836
14

15 Keith J. Wesley (State Bar No. 229276)
kwesley@egcfirm.com
16 Matthew L. Venezia (State Bar No. 313812)
mvenezia@egcfirm.com

17 **ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP**
18 2121 Avenue of the Stars, Suite 2800
Los Angeles, California 90067
19 Telephone: (310) 274-7100 Fax: (310) 275-5697
20

21 Patrick F. Philbin (admitted *pro hac vice*)
pphilbin@egcfirm.com
22 Kyle T. West (admitted *pro hac vice*)
kwest@egcfirm.com

23 **ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP**
24 1155 F Street, NW, Suite 750
Washington, DC 20004
25 Telephone: (202) 249-6900 Fax: (202) 249-6899
26

27 *Attorneys for Defendants The Spring League, LLC;*
USFL Enterprises, LLC; Fox Corporation; Fox Sports 1,
LLC; Fox Sports 2, LLC; Fox Sports Holdings, LLC;
Fox Sports Productions, LLC; Foxcorp Holdings, LLC;
28 *Fox Media LLC; and Fox Sports Interactive Media, LLC.*

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

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

THE REAL USFL, LLC, a New York
limited liability company,

Plaintiff,

vs.

FOX SPORTS, INC., a Delaware
corporation; THE SPRING LEAGUE,
LLC, a Delaware limited liability
company; USFL ENTERPRISES, LLC,
a limited liability company; FOX
CORPORATION, a Delaware
corporation; FOX SPORTS 1, LLC, a
Delaware Limited liability company;
FOX SPORTS 2, LLC, a Delaware
limited liability company; FOX SPORTS
PRODUCTIONS, LLC, a Delaware
limited liability company; FOXCORP
HOLDINGS, LLC, a Delaware limited
liability company; FOX MEDIA LLC, a
Delaware limited liability company; and
FOX SPORTS INTERACTIVE MEDIA,
LLC, a Delaware limited liability
company,

Defendants.

CASE NO. 22-cv-01350-JFW-MAR

**OPPOSITION TO MOTION FOR
PRELIMINARY INJUNCTION**

Date: April 18, 2022
Time: 1:30 p.m.
Crtrm: 7A

The Honorable John F. Walter

TABLE OF CONTENTS

	<u>Page</u>
1	
2	
3	TABLE OF AUTHORITIESii
4	STATEMENT OF FACTS 3
5	I. The Failed Old League of the 1980s Abandoned All Trademark Rights 3
6	II. Defendants Secure Trademark Rights and Form the New League..... 3
7	III. Plaintiff Attempts to Disrupt the New League at the Eleventh Hour 5
8	ARGUMENT..... 7
9	I. Plaintiff Is Unlikely to Succeed on Its Trademark Infringement Claims 8
10	A. TSL Owns Valid Trademark Rights 8
11	B. Plaintiff Owns No Trademark Rights 9
12	1. The Marks Owned by the Old League Were Abandoned 9
13	2. Plaintiff’s Purported “Uses” Did Not Create New Rights 11
14	(a) TSL’s Rights Are Senior to the American Classics License 12
15	(b) American Classics’ Ornamental Use Did Not Confer Rights in the Team Marks 13
16	(c) Ehrhart’s Naked Licenses Eviscerated Any Purported Trademark Rights 15
17	(d) The Purported Dunek, Argovitz, Ehrhart, and Reeth Uses Do Not Establish Trademark Rights 16
18	
19	
20	II. Plaintiff Is Unlikely to Succeed on Its Remaining Claims 17
21	III. Plaintiff Will Not Suffer Irreparable Harm Absent an Injunction 19
22	A. Plaintiff’s Delay Undermines Any Claim of Irreparable Injury. 19
23	B. Any Harm to Plaintiff Is Compensable with Money Damages. 21
24	IV. The Balance of Equities Favors Defendants 21
25	V. The Public Interest Weighs Against an Injunction 23
26	CONCLUSION 25
27	
28	

1 *Condit v. Star Editorial, Inc.*,
 2 259 F. Supp. 2d 1046 (E.D. Cal. 2003)18

3 *Cove USA LLC v. No Bad Days Enters., Inc.*,
 4 No. 20-cv-02314, 2022 WL 423399 (C.D. Cal. Jan. 5, 2022).....14

5 *Credit One Corp. v. Credit One Fin., Inc.*,
 6 661 F. Supp. 2d 1134 (C.D. Cal. 2009)8

7 *Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*,
 8 448 F.3d 1118 (9th Cir. 2006).....15

9 *Desert Prot. Council v. U.S.D.I.*,
 10 No. 12cv1281, 2012 WL 13175866 (S.D. Cal. Sept. 28, 2012)22

11 *Dreamer Enters., Inc. v. Hankook Trading, Inc.*,
 12 No. CV 14-4704, 2014 WL 12571418 (C.D. Cal. Aug. 20, 2014)21

13 *EcoDisc Tech. AG v. DVD Format/Logo Licensing Corp.*,
 14 711 F. Supp. 2d 1074 (C.D. Cal. 2010)9

15 *Edge Games, Inc. v. Elec. Arts, Inc.*,
 16 745 F. Supp. 2d 1101 (N.D. Cal. 2010)22

17 *Exxon Corp. v. Humble Exploration Co., Inc.*,
 18 695 F.2d 96 (5th Cir. 1093)17

19 *Fighters Inc., LLC v. Elec. Arts, Inc.*,
 20 No. CV 09-06389, 2009 WL 10699504 (C.D. Cal. Oct. 30, 2009)21

21 *First Interstate Bancorp v. Stenquist*,
 22 No. C-89-4106, 1990 WL 300321 (N.D. Cal. July 13, 1990)15

23 *Forcier v. Microsoft Corp.*,
 24 123 F. Supp. 2d 520 (N.D. Cal. 2000)19

25 *Fox Broad. Co., Inc. v. Dish Network, LLC*,
 26 905 F. Supp. 2d 1088 (C.D. Cal. 2012)21

27 *FreecycleSunnyvale v. Freecycle Network*,
 28 626 F.3d 509 (9th Cir. 2010)15

Garcia v. Google, Inc.,
 786 F.3d 733 (9th Cir. 2015)7

1 *H. Nation v. Pepe Jeans London,*
 2 No. CV 08-6533, 2008 WL 11338512 (C.D. Cal. Dec. 15, 2008) 19

3 *Halo Mgmt., LLC v. Interland, Inc.,*
 4 308 F. Supp. 2d 1019 (N.D. Cal. 2003)..... 23

5 *Hoffman-La Roche Inc. v. Promega Corp.,*
 6 No. C-93-1748, 1994 WL 761241 (N.D. Cal. June 13, 1994) 21

7 *HRP Creative Servs. Co., LLC v. FPI-MB Entm’t, LLC,*
 8 616 F. Supp. 2d 481 (D. Del. 2009) 25

9 *iFreedom Direct Corp. v. McCormick,*
 10 No. SACV 16-470, 2016 WL 9049647 (C.D. Cal. June 15, 2016) 20

11 *Jack Russell Terrier Network of N. Ca. v. Am. Kennel Club, Inc.,*
 12 407 F.3d 1027 (9th Cir. 2005)..... 18

13 *Kerr Corp. v. N. Am. Dental Wholesalers, Inc.,*
 14 No. SACV 11-0313, 2011 WL 2269991 (C.D. Cal. June 9, 2011) 20

15 *Lathigee v. Wynn Operator, LLC,*
 16 No. 2:11-CV-1243, 2011 WL 6182097 (D. Nev. Dec. 13, 2011) 12

17 *LTTB LLC v. Redbubble, Inc.,*
 18 840 F. App’x 148 (9th Cir. 2021)..... 13

19 *Macy’s Inc. v. Strategic Marks, LLC,*
 20 No. 11-CV-06198, 2016 WL 374147 (N.D. Cal. Feb. 1, 2016)..... 14

21 *Major League Baseball Props., Inc. v. Sed Non Olet Denarius Ltd.,*
 22 817 F. Supp. 1103 (S.D.N.Y. 1993) 16

23 *Marco Bicego S.P.A. v. Kantis,*
 24 No. No. 17-cv-00927, 2017 WL 2651985 (N.D. Cal. June 20, 2017)..... 17

25 *Martin v. Walt Disney Internet Grp.,*
 26 No. 09CV1601-MMA, 2010 WL 2634695 (S.D. Cal. June 30, 2010)..... 19

27 *Money Store v. Harriscorp Fin., Inc.,*
 28 689 F.2d 666 (7th Cir. 1982), *aff’d*, 885 F.2d 369 (7th. Cir. 1989)..... 10

New Kids on the Block v. News Am. Pub., Inc.,
 971 F.2d 302 (9th Cir. 1992)..... 16

1 *Peter Luger Inc. v. Silver Star Meats Inc.*,
 2 No. Civ.A.01-1557, 2002 WL 1870066 (W.D. Pa. May 17, 2002)..... 10, 11

3 *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*,
 4 55 F. Supp. 2d 1070 (C.D. Cal. 1999).....20

5 *Protect Our Cmty's Found. v. U.S.D.A.*,
 6 2011 WL 13356151 (S.D. Cal. Sept. 15, 2011).....25

7 *Regents of U.C.L.A. v. Am. Broad. Cos., Inc.*,
 8 747 F.2d 511 (9th Cir. 1984).....24

9 *Sensoria, LLC v. Kaweske*,
 10 20-cv-00942, 2021 WL 103020 (D. Colo. Jan. 21, 2021)..... 11

11 *Sierra Forest Legacy v. Sherman*,
 12 951 F. Supp. 2d 1100 (E.D. Cal. 2013)25

13 *Silverman v. CBS Inc.*,
 14 870 F.2d 40 (2d Cir. 1989).....17

15 *Soc. Techs. LLC v. Apple Inc.*,
 16 4 F.4th 811 (9th Cir. 2021).....16

17 *Southland Sod Farms v. Stover Seed Co.*,
 18 108 F.3d 1134 (9th Cir. 1997).....17

19 *Sparrow LLC v. Lora*,
 20 2014 WL 12573525 (C.D. Cal. Dec. 4, 2014).....19

21 *Stearns v. Select Comfort Retail Corp.*,
 22 763 F. Supp. 2d 1128 (N.D. Cal. 2010).....17

23 *Sterling M. Enters. v. Lee Sandwiches*,
 24 No. C 05-04477, 2006 WL 228946 (N.D. Cal. Jan. 30, 2006).....23

25 *W. Watersheds Project v. Salazar*,
 26 692 F.3d 921 (9th Cir. 2012).....25

27 *Warner v. Tinder Inc.*,
 28 105 F. Supp. 3d 1083 (C.D. Cal. 2015)17

Warren Pub. Co. v. Spurlock,
 645 F. Supp. 2d 402 (E.D. Pa. 2009).....16

1 *Willpat Prods., Inc. v. Sigma III Corp.*,
 2 227 F. Supp. 354 (S.D.N.Y. 1964).....17
 3 *Winter v. NRDC*,
 4 555 U.S. 7 (2008).....7
 5 *Zone Champ Ltd. v. BLK Int’l, Inc.*,
 6 No. CV 10-4375, 2010 WL 11552979 (C.D. Cal. Aug. 5, 2010).....7

7 **FEDERAL STATUTES**

8 15 U.S.C. § 1057(c)8, 12
 9 15 U.S.C. § 1115(b).....8
 10 15 U.S.C. § 1116(a)19
 11 15 U.S.C. § 1125(a)17
 12 15 U.S.C. § 1127.....9, 13, 16

13 **STATE STATUTES**

14 California’s False Advertising Law.....17
 15 California’s Unfair Competition Law.....17

16 **RULES**

17 Fed. R. Civ. P. 9(b)9

18 **OTHER AUTHORITIES**

19 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 18:19 (5th ed.)
 20
 21 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:4.....13
 22 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 16:17.....12
 23 Restatement (Third) of Unfair Competition § 30 cmt. a (1995).....11
 24
 25
 26
 27
 28

1 Plaintiff’s motion for a preliminary injunction is nothing but a meritless and
2 cynical effort to extract payments from USFL Enterprises and its parent company Fox
3 by holding hostage the launch of their new professional spring football league (the
4 “New League”). After a long, intense effort, and substantial investment from USFL
5 Enterprises, the New League has over 300 players on eight teams, all of whom are
6 currently in training camp; by the time this motion is heard on April 18, 2022, the
7 teams will already have played their first games.

8 USFL Enterprises acquired rights in the trademarks it is using for the New
9 League so it could deliver football to fans this spring. But, at the eleventh hour, some
10 owners and executives who were connected with the defunct “United States Football
11 League” of the 1980s (the “Old League”) formed a shell corporation—falsely calling
12 itself “The Real USFL, LLC”—to bring this lawsuit claiming trademark infringement.
13 There is nothing real about the so-called “Real USFL.” It was created solely to seek
14 an injunction against the New League and thereby extract payments from the New
15 League. All four factors this Court considers on a request for a preliminary injunction
16 overwhelmingly favor denying the injunction.

17 *First*, Plaintiff cannot show a likelihood of success on its claims for trademark
18 infringement. The Spring League (“TSL”) is the owner of two federal trademark
19 registrations for “USFL” (including one that that is “incontestable”), and it owns
20 numerous trademark applications for “United States Football League” and for the
21 team names and logos at issue, all of which TSL has licensed to USFL Enterprises for
22 its exclusive use. In contrast, all the Old League’s trademark rights were abandoned
23 decades ago, leaving no valid rights to be assigned to Plaintiff. None of the purported
24 activities of Plaintiff’s principals gave rise to new trademark rights since that
25 abandonment. Plaintiff’s remaining claims for false advertising and tortious
26 interference fail because there is no evidence that Defendants disseminated any false
27 or misleading information, or that Plaintiff had any valid contracts with which
28 Defendants could interfere.

1 **Second**, Plaintiff cannot show irreparable harm absent an injunction. Plaintiff
2 has identified only limited and easily quantifiable economic injury (*i.e.*, the purported
3 loss of modest licensing revenues) which, even if proven, is compensable by
4 damages. Plaintiff’s unreasonable delay in seeking relief further undermines its claim
5 of irreparable harm. Although Plaintiff’s principals knew about the New League’s
6 plans for **nine months**, they waited until the New League’s launch to seek an
7 injunction, in a transparent attempt to hold the New League hostage and extort a
8 payment from Defendants merely so Defendants could avoid the chaos and disruption
9 of defending this claim during the launch.

10 **Third**, the balance of equities weighs heavily against an injunction. Players for
11 the New League are now at training camp. By the time this motion is heard, the
12 season will be underway, with fans nationwide enjoying USFL football live or
13 through television broadcast. Enjoining the New League in the midst of its inaugural
14 season would cause irreparable damage to Defendants. By contrast, the only harm
15 Plaintiff alleges is the claimed loss of apparel revenue—revenue that has been only a
16 few thousand dollars a year (and that, in any event, was based on sales that violate
17 TSL’s registered USFL trademark).

18 **Fourth**, the public interest strongly disfavors injunctive relief. A mid-season
19 injunction against use of the team names and the USFL brand—a brand in which TSL
20 owns incontestable trademark rights dating back to 2011—would force cancellation
21 of much, if not all, of the season; it would be impossible for the New League to
22 develop and implement new names and acquire new equipment and uniforms with the
23 season already underway. That would cause harm to many members of the public
24 who are relying on the New League, including vendors, broadcasters, and millions of
25 fans nationwide. For example, the City of Birmingham, Alabama and its local
26 partners have invested considerable time and money in planning to host the New
27 League and would lose millions of dollars in expected revenue if the New League is
28 enjoined. It would be against the public interest to hobble an enterprise that will

1 benefit millions, especially given the weakness of Plaintiff’s claims and the utter lack
2 of irreparable harm.

3 **STATEMENT OF FACTS**

4 **I. The Failed Old League of the 1980s Abandoned All Trademark Rights**

5 From 1983-85, a professional football league branded under the name “United
6 States Football League” played three seasons, and then went defunct. This Old
7 League—which consisted of separately-owned teams (the “Old Teams”)—was
8 operated by a New York unincorporated association (the “Association”). After 1985,
9 the Old League and Old Teams never played another football game, and they ceased
10 all sales of league and team merchandise. *See* Declaration of Brian Woods (Mar. 28,
11 2022) (“Woods Decl.”) ¶ 6.

12 Prior to its demise, the Association owned more than 400 trademark
13 registrations for the names and logos of the Old League and Old Teams (together, the
14 “Association Marks”). All the Association Marks were subsequently cancelled and
15 declared “Dead” by the U.S. Patent and Trademark Office (“USPTO”). The
16 Association never assigned any of its trademark rights to the Old Teams, their owners,
17 or to anyone else, and neither the Association nor the Old Teams or owners applied
18 for any other registration in those marks. *See* Declaration of Keith Wesley (Mar. 28,
19 2022) (“Wesley Decl.”) ¶ 16.

20 **II. Defendants Secure Trademark Rights and Form the New League**

21 On June 3, 2021, Defendants USFL Enterprises and TSL announced the
22 creation of a new professional football league under the name “United States Football
23 League” that would kick off its inaugural season in Spring 2022. Declaration of James
24 Hale (Mar. 28, 2022) (“Hale Decl.”) ¶ 5. The New League has generated widespread
25 public excitement with continuous national and international media coverage over the
26 past nine months. *See* Woods Decl. ¶ 12. The New League’s eight teams are
27 scheduled to play ten regular season games through mid-June 2022, semifinal playoff
28 games on June 25, 2022, and the USFL Championship Game on July 3, 2022. Hale

1 Decl. ¶ 6.

2 Prior to announcing the New League, TSL acquired trademark registrations for
3 the trademark “USFL” (the “League Marks”) for use in connection with football
4 games and apparel. TSL’s registrations for the League Marks have priority dates of
5 March 2011, when the applications were filed by an entity unaffiliated with the Old
6 League. TSL also owns more than 100 trademark applications for the League Marks
7 and for team names and logos (the “Team Marks”). No one associated with the Old
8 League ever objected to or opposed any of these applications and registrations until
9 this lawsuit—not in 2011 when the League Mark for apparel was published for
10 opposition, not in 2012 when the League Mark for football entertainment was
11 published for opposition, and not in 2019 and 2021 when various of the Team Marks
12 were published for opposition. TSL has licensed the League and Team Marks to
13 USFL Enterprises for its exclusive use in running the New League. *See* Wesley Decl.
14 ¶¶ 7, 13; Woods Decl. ¶ 10.

15 Since June 2021, USFL Enterprises has invested tens of millions of dollars to
16 develop the New League under the League and Team Marks, including through
17 broadcasting, stadium, and apparel deals; conducting advertising campaigns on
18 television, the Internet, and social media; hiring high-profile executives and head
19 coaches; hiring hundreds of players, assistant coaches, trainers, equipment personnel,
20 and other staff; and entering into a variety of business partnerships and relationships
21 with advertisers and local vendors. *See* Hale Decl. ¶¶ 11-21.

22 USFL Enterprises sells USFL-branded league and team merchandise through
23 the New League’s official webstore, www.shopusfl.com. Among other partnerships,
24 the New League has entered into a high-profile, multi-year media deal with NBC to
25 broadcast USFL games (some games also will be broadcast on USFL Enterprises’
26 sister networks, FOX and FS1). Tens of millions of viewers are expected to watch the
27 games in 2022, including the inaugural game on April 16, which will be the first
28 sporting event scheduled to air on competing broadcast networks (FOX and NBC)

1 since Super Bowl I in 1967. *See id.* ¶¶ 14-15. The New League held its inaugural draft
2 on February 22-23, 2022, drafting 280 players to eight teams and offering them
3 contracts guaranteeing a salary, low-cost housing, and a tuition-free college program;
4 it held a supplemental draft, adding another 80 players, on March 10, 2022. Players
5 reported to training camp on March 22, 2022. *See id.* ¶¶ 19, 24.

6 In promoting the USFL brand, Defendants have never represented that the New
7 League is affiliated with the defunct Old League or its owners. New League
8 representatives have truthfully stated that they are “bring[ing] back the USFL” brand
9 and that the New League’s team names, jerseys, and helmets are likely to elicit
10 nostalgia among older football fans given the New League’s inspiration from the
11 long-abandoned names, jerseys, and helmets used by the defunct Old League and
12 Teams. Rather than suggesting an affiliation with the Old League, as Plaintiff claims,
13 Defendants have repeatedly stated that the New League is not affiliated with the Old
14 League or any of its owners, *see* Hale Decl. ¶ 10, and media reports about the New
15 League do not reflect confusion about the New League or its trademarks. *See*
16 Declaration of Christopher Lauzau (Mar. 28, 2022) ¶¶ 5-9. Defendants also have
17 consistently stated in press releases that “[t]he United States Football League (USFL)
18 is a new, independent football league . . . and it is not associated or affiliated with the
19 USFL of the 1980s or its owners.” *See* Hale Decl. ¶ 10. Plaintiff offers no survey
20 evidence supporting its claim that consumers confuse the New League as coming
21 from Plaintiff or the owners of the defunct Old League.

22 **III. Plaintiff Attempts to Disrupt the New League at the Eleventh Hour**

23 Plaintiff came into existence on February 22, 2022, six days prior to filing this
24 lawsuit. Wesley Decl. Ex. 17. Plaintiff’s principals—individuals who were affiliated
25 with the Old League in the 1980s—have known about the New League’s plans since
26 June 2021, yet they waited until after the New League’s launch to file this suit. *See*
27 Pl.’s Br. at 7; Woods Decl. ¶¶ 14-20.

28 On June 3, 2021—the very day that the New League was announced—Steven

1 Ehrhart, an executive of the Old League, publicly alleged that TSL’s trademark rights
2 “didn’t come from any legitimate source.” Woods Decl. ¶ 14. Thereafter, Ehrhart and
3 attorneys for some of the Old League’s owners claimed that the New League’s use of
4 the League and Team Marks violated their rights. Declaration of Steven Ehrhart (Mar.
5 17, 2022) (“Ehrhart Decl.”) ¶ 19; Declaration of Lynn Jordan (Mar. 27, 2022)
6 ¶¶ 6-10. TSL responded with surprise given that the Old League abandoned all its
7 trademark rights decades earlier and that TSL owned federal trademark registrations
8 for the League Marks. TSL requested proof of the alleged rights, but the attorneys
9 representing Plaintiff’s principals repeatedly declined to provide any proof. Woods
10 Decl. ¶¶ 16-19, Declaration of David H. Bernstein (Mar. 28, 2022) (“Bernstein
11 Decl.”) ¶¶ 5-11.

12 In the meantime, as Plaintiff’s principals knew, USFL Enterprises continued to
13 invest in football operations as it got closer to the draft in February 2022, training
14 camp in March 2022, and kickoff in April 2022.

15 On March 2, 2022, after the New League’s players were already drafted,
16 Plaintiff filed a motion for a preliminary injunction; on March 17, Plaintiff filed an
17 amended motion. (ECF Nos. 18, 71). Plaintiff’s purported rights hinge on a series of
18 February 2022 assignments from Plaintiff’s principals, who claim to have held rights
19 to the Association’s abandoned trademarks. *See* Pl.’s Declaration of Kirk Dillman
20 (Mar. 17, 2022) (“Dillman Decl.”) Exs. 16-25. In particular, Mr. Ehrhart purports to
21 have conducted business over the past thirty-five years as “United States Football
22 League”—notwithstanding that the Association was defunct—and purports to have
23 licensed trademark rights previously owned by the Association to various individuals.
24 Dillman Decl. Ex. 25.

25 Mr. Ehrhart asserts that the Old League’s owners “elected [him] to carry on the
26 USFL’s business,” including collection of the USFL’s \$3.76 damages award against
27 the NFL from its 1986 antitrust lawsuit. Ehrhart Decl. ¶ 5. There is no evidence,
28 though, that the Association assigned any of its trademark rights to Mr. Ehrhart, or to

1 harm if a preliminary injunction is not granted; (3) that the balance of equities tips in
2 the plaintiff's favor; and (4) that an injunction is in the public interest." *Id.* (citing
3 *Winter*, 555 U.S. at 20).

4 **I. Plaintiff Is Unlikely to Succeed on Its Trademark Infringement Claims**

5 Plaintiff cannot show "that it owns a valid mark, that the mark was used
6 without its consent, and that such unauthorized use is likely to cause confusion,
7 mistake, or deception," *Credit One Corp. v. Credit One Fin., Inc.*, 661 F. Supp. 2d
8 1134, 1137 (C.D. Cal. 2009), for at least three reasons.

9 **First**, it is TSL—*not* Plaintiff—that owns trademark registrations in the League
10 Marks and numerous trademark applications in the Team Marks, all of which it has
11 licensed to USFL Enterprises for its exclusive use. **Second**, the Association Marks in
12 which Plaintiff claims rights were abandoned decades ago. **Third**, following the
13 abandonment, Plaintiff's principals did not independently establish any valid
14 trademark rights and had no rights to assign to Plaintiff.

15 **A. TSL Owns Valid Trademark Rights**

16 TSL owns an incontestable federal trademark registration for USFL for apparel.
17 *See* Wesley Decl. ¶¶ 8, 11. An incontestable registration is "**conclusive** evidence of
18 the validity of the registered mark . . . , of the registrant's ownership of the mark, and
19 of the registrant's exclusive right to use the registered mark in commerce." 15 U.S.C.
20 § 1115(b) (emphasis added). That means that TSL—not Plaintiff—is the **conclusive**
21 owner of the USFL mark for apparel. TSL also owns a registration for USFL for use
22 in connection with football entertainment, which was applied for in March 2011.
23 Wesley Decl. ¶ 8. TSL's rights in the USFL League Marks therefore date back to
24 March 2011. 15 U.S.C. § 1057(c).

25 TSL also applied to register the Team Marks, and a number of those
26 applications already have been allowed by the USPTO. *See* Wesley Decl. ¶ 7. TSL's
27 registered trademarks and allowed applications all were published for opposition in
28 the *Office Gazette of the USPTO*. Neither Plaintiff nor any of the individuals who

1 purport to have assigned their rights to Plaintiff ever opposed those applications. *Id.*
2 ¶ 9.

3 Plaintiff baldly asserts that TSL’s “purported ‘USFL’ marks are unenforceable”
4 and its “registrations are subject to cancelation for fraud,” (Pl. Br. at 16), but Plaintiff
5 submits no supporting evidence. Instead, Plaintiff relies on unrelated criminal charges
6 against Jamie Cuadra, the CEO of TSL’s predecessor in interest, concerning his
7 actions as the CFO of a seafood company that had nothing to do with the trademark
8 applications. Plaintiff provides no evidence that Mr. Cuadra fraudulently held himself
9 out as the Old League to the USPTO, to investors, or to anyone else. Plaintiff cannot
10 succeed on this motion in overcoming the conclusive evidence of validity and
11 ownership that attaches to TSL’s incontestable trademark registration (for apparel)
12 and the presumption of validity that attaches to TSL’s second USFL registration (for
13 football entertainment), particularly given that it is Plaintiff’s burden to prove fraud
14 (and allege it with specificity pursuant to [FRCP 9\(b\)](#)). *EcoDisc Tech. AG v. DVD*
15 *Format/Logo Licensing Corp.*, 711 F. Supp. 2d 1074, 1085 (C.D. Cal. 2010).

16 **B. Plaintiff Owns No Trademark Rights**

17 *1. The Marks Owned by the Old League Were Abandoned*

18 Neither Plaintiff, its principals, nor the Old Teams with which Plaintiff’s
19 principals were associated, ever owned the trademark rights related to the Old League
20 or the Old Teams. As USPTO’s records reflect, those trademark registrations all were
21 owned by the Association. Wesley Decl. ¶ 16. Accordingly, the purported
22 assignments from Plaintiff’s principals to Plaintiff—in the days immediately before
23 Plaintiff filed the Complaint in this action—are facially invalid because they rest on
24 the demonstrably false statements that the Old Teams owned the Old League’s
25 trademark rights. *See* Dillman Decl. Exs.16-25.

26 When the Association ceased operations in 1986, the Old League stopped
27 playing games, stopped selling merchandise, and stopped using the Association
28 Marks. The hundreds of Association Marks were subsequently canceled for nonuse,

1 and the Association’s trademark rights were legally abandoned. Wesley Decl. ¶¶ 14,
2 16; Pl. Br. at 14 (“registration for the USFL marks made in the 1980s lapsed”); *see* 15
3 [U.S.C. § 1127](#) (trademark is abandoned when use has been discontinued with intent
4 not to resume such use; three consecutive years of nonuse is “prima facie evidence of
5 abandonment”). Accordingly, Mr. Ehrhart and the former owners of the Old Teams
6 had no rights they could assign to Plaintiff more than thirty-five years later. *See* 3
7 [MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION \(“MCCARTHY”\) § 18:19 \(5th](#)
8 [ed.\)](#) (“An abandoned trademark is not capable of assignment.”); *see also* [Money Store](#)
9 [v. Harriscorp Fin., Inc., 689 F.2d 666, 675 \(7th Cir. 1982\)](#) (same), *aff’d*, [885 F.2d 369](#)
10 [\(7th Cir. 1989\)](#). Plaintiff’s counsel conceded that no trademark rights were assigned
11 to Mr. Ehrhart, to the Old Teams, to the Old Team’s owners, or to anyone else before
12 the Old League and the Old Teams shut down and the Association Marks were
13 abandoned. Bernstein 7-3 Decl. ¶ 12 (ECF 56).

14 Once a trademark is abandoned—as the Association Marks were—it is free for
15 anyone to adopt, and the prior owner cannot exclude others from using the trademark.
16 [Cascade Fin. Corp. v. Issaquah Cmty. Bank, No. C07-1106Z, 2007 WL 2871981, at](#)
17 [*7 \(W.D. Wash. Sept. 27, 2007\)](#). Accordingly, Plaintiff is simply wrong that the
18 Association’s abandonment is “irrelevant.” Pl. Br. at 22.

19 Plaintiff cites [Peter Luger Inc. v. Silver Star Meats Inc., No. Civ.A.01-1557,](#)
20 [2002 WL 1870066, at *2 \(W.D. Pa. May 17, 2002\)](#), for the proposition that the
21 purportedly misleading use of an abandoned mark is actionable, Pl. Br. at 22-23, but
22 that case is inapposite. First, *Peter Luger* and its controversial concept of “residual
23 good will” is not good law in the Ninth Circuit; rather, the Ninth Circuit has
24 recognized that “[t]he first party to use an abandoned trademark in a commercially
25 meaningful way after its abandonment, is entitled to exclusive ownership and use of
26 that trademark.” [Cal. Cedar Prods. v. Pine Mountain Corp., 724 F.2d 827, 830 \(9th](#)
27 [Cir. 1984\)](#). Second, *Peter Luger* is distinguishable on the facts because the original
28 trademark owner in *Peter Luger* assigned the trademarks before going out of business.

1 The plaintiff in that case, which had purchased the marks before they were
2 abandoned, was transitioning its consumers to its new brand while seeking to retain
3 the old name’s goodwill. The court held that any “residual goodwill” purchased by
4 the plaintiff through the marks that were still in use could be carried through to the
5 new brand. *Peter Luger*, 2002 WL 1870066, at *2-4, *14-15. In contrast, the
6 Association never assigned its marks to Plaintiff’s principals, and the Old League
7 abandoned its marks by ceasing all use.

8 Plaintiff’s reliance (Pl. Br. at 12-13) on *AECOM Energy & Constr., Inc. v.*
9 *Ripley*, No. 217CV05398RSWLSS, 2017 WL 4326373, at *1, 4 (C.D. Cal. Sept. 28,
10 2017), *aff’d sub nom.*, 748 F. App’x 115 (9th Cir. 2018), also is misplaced. The
11 *AECOM* plaintiff did not abandon the mark and was still using it in promotional
12 materials when defendant also began using it. *Id.* at *4. Unlike as in *AECOM*, the Old
13 League abandoned and ceased using any trademark rights it once had decades ago. In
14 addition, unlike the *AECOM* defendant, the New League expressly disclaims any
15 affiliation with the owners of the Old League.

16 Plaintiff also relies on 578539 B.C., *Ltd. v. Kortz* for the proposition that an
17 adopter of an abandoned trademark must take steps to avoid confusion with a former
18 owner. Pl.’s Br. at 22-23 (citing NO. CV 14-04375, 2014 WL 12572679, at *9 (C.D.
19 Cal. Oct., 16, 2014)). But *Kortz* also is inapplicable; it emphasized that failure to take
20 such steps generally “subjects [the adopter] to liability to the former owner.” 2014
21 WL 12572679, at *9 (emphasis in original) (quoting *Restatement (Third) of Unfair*
22 *Competition* § 30 cmt. a (1995)). Because neither Plaintiff nor its principals ever
23 owned rights in the Association Marks, Plaintiff has no claim for purported confusion
24 with those marks. *See Sensoria, LLC v. Kaweske*, 20-cv-00942, 2021 WL 103020, at
25 14-15 (D. Colo. Jan. 21, 2021) (dismissing Lanham Act claims purportedly brought
26 on behalf of void corporation).

27 2. Plaintiff’s Purported “Uses” Did Not Create New Rights

28 In apparent recognition that the abandoned Association Marks cannot support

1 its claims, Plaintiff argues in the alternative that various “uses” by third parties, under
2 purported licenses from Mr. Ehrhart, established trademark rights that Mr. Ehrhart
3 assigned to Plaintiff. Pl. Br. at 3. But that argument ignores that Mr. Ehrhart owned
4 no trademark rights that he could license in the first place. Indeed, Mr. Ehrhart
5 “deleted” from the license with American Classics a representation that the alleged
6 licensor, the United States Football League, “is duly organized” and “is the owner of
7 the rights being granted to Licensee”; he also deleted a provision indemnifying
8 American Classics for any claims related to the trademarks allegedly granted under
9 the license. Ehrhart Decl., Ex. H. Because Mr. Ehrhart had no rights to license, the
10 purported licenses are invalid. *Lathigee v. Wynn Operator, LLC*, No. 2:11-CV-1243,
11 2011 WL 6182097, at *1 (D. Nev. Dec. 13, 2011) (“If [the party] had no rights to the
12 trademark, then no rights could have transferred from it to [the other party]”).

13 The purported licenses, and alleged uses under those licenses, fail to establish
14 trademark rights for additional, independent reasons, discussed below.

15 (a) **TSL’s Rights Are Senior to the American Classics**
16 **License**

17 TSL’s rights in the League Mark date to March 2011, when TSL’s predecessor
18 in interest—an entity unaffiliated with the Old League—filed an application to
19 register the mark. Wesley Decl. ¶¶ 7, 10. See 15 U.S.C. § 1057(c); see also *Brookfield*
20 *Commc’ns., Inc.*, 174 F.3d 1036, 1051 n. 13 (9th Cir. 1999); MCCARTHY § 16:17. Mr.
21 Ehrhart’s agreement with American Classics lists its effective date as July 1, 2011,
22 Ehrhart Decl., Ex. 8, and American Classics concedes that it did not begin selling
23 apparel until at least August 2011. Declaration of David Brown (Mar. 17, 2022) ¶ 3.
24 Plaintiff cannot rely on the agreement and sales to support its argument that “Mr.
25 Ehrhart had at least as much right as Defendants to take up the marks,” Pl. Br. at 22,
26 because, once the registration for the League Mark issued in June 2012, the League
27 Mark was deemed to be in constructive use by TSL’s predecessor prior to any sale by
28 American Classics of USFL shirts. That means that any sale by American Classics

1 violated the registered League Mark, which prevents Mr. Ehrhart from acquiring any
2 rights through American Classics’ infringing use. *See* 15 U.S.C. 1057(c) (application
3 to use mark constitutes “constructive use of the mark, conferring a right of priority”
4 over subsequent uses).

5 (b) **American Classics’ Ornamental Use Did Not Confer**
6 **Rights in the Team Marks**

7 Plaintiff relies on the American Classics license to claim common law
8 trademark rights in the names and logos of the Old Teams, Pl.’s Br. at 4, but that
9 argument also is unavailing. As the Ninth Circuit has recognized, use of a “primarily
10 aesthetic” design on t-shirts does not confer trademark rights in the design. *LTTB LLC*
11 *v. Redbubble, Inc.*, 840 F. App’x 148, 152 (9th Cir. 2021).

12 For an ornamental design to give rise to trademark rights, it must be “used . . .
13 to indicate the source of the goods.” 15 U.S.C. § 1127; MCCARTHY § 3:4 (“If
14 customers perceive a design solely and only as attractive ornamentation, then the
15 design is not a trademark.”). Plaintiff has provided no evidence that consumers
16 purchased the American Classics t-shirts because they thought Plaintiff (or its
17 principals) produced them or endorsed them, rather than because consumers liked the
18 design or wanted t-shirts bearing nostalgic, retro sports symbols. *See LTTB*, 840 F.
19 *App’x at 151* (affirming judgment for defendant where plaintiff “presented no
20 evidence that consumers buy the goods because the design associates the goods with
21 the [plaintiff] rather than because they want goods bearing” the design). Plaintiff has
22 produced no survey evidence showing that the logos of abandoned trademarks for
23 defunct sports teams had any source-identifying significance to consumers. *See*
24 *Amazing Spaces, Inc. v. Metro Mini Storage*, 608 F.3d 225, 249 (5th Cir. 2010) (“[I]n
25 a borderline case where it is not at all obvious that [a] designation has been used as a
26 mark, survey evidence may be necessary to prove trademark perception.”) (citation
27 omitted)); *Aerogroup Int’l, Inc. v. Marlboro Footworks, Ltd.*, 977 F. Supp. 264,
28 267-68 (S.D.N.Y. 1997) (cancelling trademark registration for “decorative and

1 ornamental” design for shoes in part because registrant “failed to supply adequately
2 persuasive evidence, such as consumer surveys, that consumers associate the [design]
3 with a single source”).

4 This failure of proof is unsurprising. When American Classics allegedly started
5 selling t-shirts bearing the retro names and logos of the Old League and Old Teams in
6 August 2011, the Old League and Old Teams had been defunct for a quarter of a
7 century. *See* Woods Decl. ¶ 6; Wesley Decl. ¶¶ 14–16. In the preceding 25 years,
8 neither Plaintiff nor Mr. Ehrhart had revived the Old League, nor had the teams
9 depicted on the American Classics shirts played a single football game. American
10 Classics’ use of the Association Marks could not have been source-identifying
11 because there simply was no existing source for the marks to identify. *See Cove USA*
12 *LLC v. No Bad Days Enters., Inc.*, No. 20-cv-02314, 2022 WL 423399, at *3 (C.D.
13 Cal. Jan. 5, 2022) (denying motion for preliminary injunction where there was no
14 evidence that consumers purchased shirts because they identify plaintiff as the source
15 rather than because they found phrase on the shirts aesthetically pleasing).

16 The cases Plaintiff cites are inapposite. Unlike the uses in *Macy’s* and *Bobosky*,
17 there is no evidence that American Classics used the “TM” or “®” symbols to identify
18 the Association as the source of its shirts. *See Macy’s Inc. v. Strategic Marks, LLC*,
19 No. 11-CV-06198, 2016 WL 374147, at *5 (N.D. Cal. Feb. 1, 2016); *Bobosky v.*
20 *Adidas AG*, 843 F. Supp. 2d 1134, 1146 (D. Or. 2011). *Macy’s* is particularly
21 irrelevant because, unlike in this case, “a claim of abandonment [wa]s not asserted”
22 there. *Macy’s*, 2016 WL 374147, at *5. And, in contrast to the posture of *Macy’s*,
23 Plaintiff is seeking to establish common law trademark rights through use, not to
24 enforce marks it registered or sought to register with the USPTO. *Id.* These cases do
25 not support Plaintiff’s broad assertion that large logos printed on t-shirts are “usually”
26 source-identifying. Pl. Br. at 15. *See Bobosky*, 843 F. Supp. at 1145 (“[T]he larger the
27 display relative to the size of the goods, the more likely it is that consumers will *not*
28 view the ornamental matter as a mark.”) (emphasis added; quotation omitted).

1 (c) **Ehrhart’s Naked Licenses Eviscerated Any Purported**
2 **Trademark Rights**

3 Even if Mr. Ehrhart owned rights that he could license (he did not), those rights
4 were abandoned because the purported licenses included no “quality control”
5 provisions governing use of the marks. One agreement, written on the letterhead of
6 Mr. Ehrhart’s company Sports Consultants, Inc. (which has no relationship to the
7 defunct Old League), purported to grant “the rights to use the USFL name, logo,
8 likeness, and game footage video for an upcoming documentary about the league.”
9 Ehrhart Decl., Ex. E. Another agreement purported to give Forgotten Stars
10 Productions a “license for the use of the Name, Symbol and Logo for the USFL
11 ‘Logo.’” Ehrhart Decl., Ex. G. Neither included quality control.

12 Agreements that lack any quality controls are “naked licenses,” constituting
13 abandonment of the claimed trademarks. See *FreecycleSunnyvale v. Freecycle*
14 *Network*, 626 F.3d 509, 516 (9th Cir. 2010) (“The absence of an agreement with
15 provisions restricting or monitoring the quality of goods or services produced under a
16 trademark supports a finding of naked licensing.”); *Barcamerica Int’l USA Tr. v.*
17 *Tyfield Imps., Inc.*, 289 F.3d 589, 596 (9th Cir. 2002) (winemaker engaged in naked
18 licensing where agreement lacked quality control provision); *First Interstate Bancorp*
19 *v. Stenquist*, No. C-89-4106, 1990 WL 300321, at *3 (N.D. Cal. July 13, 1990) (When
20 a trademark owner “engages in naked licensing, without any control over the quality
21 of goods produced by the licensee, such a practice is inherently deceptive and
22 constitutes abandonment of any rights to the trademark by the licensor.”). Mr.
23 Dunek’s occasional emails to Mr. Ehrhart, which provided updates on the unfinished
24 film projects, do not constitute the “ongoing monitoring” of the nature and quality of
25 Mr. Dunek’s goods that would be necessary to defeat a naked licensing challenge.
26 *Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1132 (9th
27 *Cir. 2006*); see Ehrhart Decl., Exs. D, F.

1 (d) **The Purported Dunek, Argovitz, Ehrhart, and Reeth**
2 **Uses Do Not Establish Trademark Rights**

3 The “uses” Dunek and Forgotten Stars Productions claim are not uses in
4 commerce that can give rise to common law trademark rights. “Use in commerce”
5 requires the “bona fide use of a mark in the ordinary course of trade.” 15 U.S.C.
6 § 1127. “A mark cannot serve a source-identifying function if the public has never
7 seen the mark and thus is not meritorious of trademark protection until it is used in
8 public in a manner that creates an association among consumers between the mark
9 and the mark’s owner.” *Soc. Techs. LLC v. Apple Inc.*, 4 F.4th 811, 817-18 (9th Cir.
10 2021) (quoting *Brookfield Commc’ns*, 174 F.3d at 1051) (internal quotation marks
11 omitted). As Plaintiff concedes, neither contemplated film has been publicly released.
12 Pl.’s. Br. at 5-6. The release of one film’s trailer, on which Plaintiff relies, is nothing
13 more than pre-release publicity insufficient to create trademark rights. *Willpat Prods.,*
14 *Inc. v. Sigma III Corp.*, 227 F. Supp. 354, 355-57 (S.D.N.Y. 1964) (pre-release
15 publicity insufficient to create trademark rights in movie title).

16 The alleged “reunions,” which are described as sporadic retrospective events
17 where former players and fans could celebrate the Old League and an Old Team, Pl.
18 Br. at 4-5, similarly are not “uses” of the relevant marks “in commerce.” *See Major*
19 *League Baseball Proprs., Inc. v. Sed Non Olet Denarius Ltd.*, 817 F. Supp. 1103, 1114,
20 1128-29 (S.D.N.Y. 1993) (use of team name to honor former players and hold annual
21 old timer’s games “do not constitute trademark uses”), *vacated by settlement*, 859 F.
22 Supp. 80, 80-81 (S.D.N.Y. 1994); *see also Warren Pub. Co. v. Spurlock*, 645 F. Supp.
23 2d 402, 435 (E.D. Pa. 2009) (sales of defunct magazine’s memorabilia at conventions
24 did not constitute use of trademark sufficient to “avoid abandonment of the mark”).

25 Lastly, Mr. Ehrhart’s purported license to Paul Reeths to “use the USFL league
26 and team logos” in a book, *see* Pl.’s Br. at 5, is not a trademark use, and similarly fails
27 to establish rights. *See generally New Kids on the Block v. News Am. Pub., Inc.*, 971
28 F.2d 302, 308 (9th Cir. 1992) (“nominative use of a mark . . . lies outside the

1 strictures of trademark law” because such use “does not implicate the source-
2 identification function that is the purpose of trademark”); *cf. Silverman v. CBS Inc.*,
3 870 F.2d 40, 47-48 (2d Cir. 1989) (sporadic licensing for documentary and
4 educational programs were “essentially non-commercial uses” that could not “rebut
5 abandonment”).

6 **II. Plaintiff Is Unlikely to Succeed on Its Remaining Claims**

7 Plaintiff is unlikely to succeed on its claims sounding in false advertising
8 (Claims 2-5). Where a primary claim for trademark infringement fails because of
9 abandonment, secondary claims that a defendant “engaged in false designation or
10 representation of origin” for those trademarks should meet the same fate. *Exxon Corp.*
11 *v. Humble Exploration Co., Inc.*, 695 F.2d 96, 103-04 (5th Cir. 1093).

12 Moreover, claims sounding in false advertising require statements that are false
13 or likely to mislead consumers. *See Southland Sod Farms v. Stover Seed Co.*, 108
14 F.3d 1134, 1139 (9th Cir. 1997) (false advertising under 15 U.S.C. § 1125(a)); *Marco*
15 *Bicego S.P.A. v. Kantis*, No. No. 17-cv-00927, 2017 WL 2651985, at *3 (N.D. Cal.
16 June 20, 2017) (false association under 15 U.S.C. § 1125(a)); *Stearns v. Select*
17 *Comfort Retail Corp.*, 763 F. Supp. 2d 1128, 1149 (N.D. Cal. 2010) (prohibited
18 advertising under California’s Unfair Competition Law); *Warner v. Tinder Inc.*, 105
19 F. Supp. 3d 1083, 1091 (C.D. Cal. 2015) (false advertising under California’s False
20 Advertising Law).¹

21 Plaintiff provides no evidence that Defendants disseminated any false or
22 misleading information. The many news articles and social media posts submitted by
23 Plaintiff do not contain *any* statement by Defendants that the New League is the same
24 as the Old League, or that it is associated with former owners of the Old Teams or
25 with Plaintiff. To the contrary, the articles Plaintiff cites prominently state that the
26

27 ¹ Plaintiff’s eighth and ninth claims, for trademark cancellation and declaratory
28 judgment, are requests for particular forms of relief rather than standalone claims on
which Plaintiff seeks an injunction.

1 New League “is *not* affiliated with previous ownership.” Dillman Decl. Ex. 12, p. 4)
2 (emphasis added). Plaintiff also cites truthful statements that the USFL brand—*not*
3 the Old League—would “return” and “relaunch” in 2022, and a truthful statement
4 from a New League executive that he was “passionate about . . . bring[ing] back the
5 USFL.” Pl. Br. at 8-9. Rather than implying any association between the New League
6 and the Old League or its owners, these statements accurately refer to the nostalgia
7 among older football fans for the names, jerseys, and helmets selected by the New
8 League, given their inspiration from the long-abandoned names, jerseys, and helmets
9 used by the defunct Old League in the 1980s. *See* Woods Decl. ¶ 13. In the words of a
10 New League executive, the family of USFL marks owned by the New League is a
11 “known brand.” *See* Pl. Br. at 11. To the extent Plaintiff relies on statements made by
12 third parties unrelated to Defendants (*see* Dillman Decl. Exs. 9, 10), those statements
13 are not actionable. *See, e.g., Anson v. Weinstein*, No. CV 17-8360, 2019 WL 6655260,
14 at *6 (C.D. Cal. Mar. 26, 2019) (dismissing false advertising claims based on
15 statements made by third parties).

16 Putting aside Plaintiff’s failure to satisfy the elements of its claims, Plaintiff
17 also lacks standing to bring false advertising and association claims. Plaintiff does not
18 offer any goods or services and does not compete with the New League, so it will not
19 suffer the type of “competitive injury” necessary to confer standing. *Jack Russell*
20 *Terrier Network of N. Ca. v. Am. Kennel Club, Inc.*, 407 F.3d 1027, 1037 (9th Cir.
21 2005) (dismissing false advertising claim for lack of standing because parties did not
22 compete); *accord Barrus v. Sylvania*, 55 F.3d 468, 469-70 (9th Cir. 1995). Plaintiff
23 does not have standing to bring a false association claim because it cannot show that
24 Defendants caused any “injury to commercial interests.” *See Condit v. Star Editorial,*
25 *Inc.*, 259 F. Supp. 2d 1046, 1050 (E.D. Cal. 2003).

26 Plaintiff’s claim for tortious interference with contract or business relations
27 (Claim 7) fares no better because Plaintiff cannot show the existence of valid
28 contracts. *Forcier v. Microsoft Corp.*, 123 F. Supp. 2d 520, 532 (N.D. Cal. 2000). As

1 discussed above, Mr. Ehrhart never owned trademark rights in the Association Marks
2 for the Old League or the Old Teams; indeed, he himself disclaimed ownership of the
3 marks in the very licensing agreement he signed. Any agreement purporting to license
4 such rights was facially invalid.

5 The tortious interference claim also fails because cease and desist letters do
6 constitute the “wrongful act” legally necessary to interfere with prospective business
7 relations. *Sparrow LLC v. Lora*, 2014 WL 12573525, at *4 (C.D. Cal. Dec. 4, 2014)
8 (cease and desist letters could not support tortious interference claim due to protected
9 speech status); *H. Nation v. Pepe Jeans London*, No. CV 08-6533, 2008 WL
10 11338512, at *1 (C.D. Cal. Dec. 15, 2008) (striking tortious interference claim
11 because “sending such letters is protected activity”). Moreover, Plaintiff does not
12 provide any evidence of, let alone allege, a single prospective opportunity it lost as a
13 result of any purported interference. Vague references to “arrangements with other
14 companies,” (Compl. at ¶ 115), are insufficient. See *Martin v. Walt Disney Internet*
15 *Grp.*, No. 09CV1601-MMA, 2010 WL 2634695, at *10 (S.D. Cal. June 30, 2010)
16 (dismissing interference claim because “Plaintiff does not identify a specific
17 economic opportunity or advantage that she lost”).

18 **III. Plaintiff Will Not Suffer Irreparable Harm Absent an Injunction**

19 Plaintiff’s motion should independently be denied because Plaintiff fails to
20 submit evidence of irreparable harm. Its conclusory assertion of irreparable harm is
21 wholly rebutted by: (i) Plaintiff’s delay in seeking injunctive relief, and (ii) the
22 adequacy of money damages.²

23 **A. Plaintiff’s Delay Undermines Any Claim of Irreparable Injury.**

24 Plaintiff’s delay of nine months in seeking injunctive relief “demonstrates the

25 _____
26 ² “Because Plaintiff fails to demonstrate a likelihood of success on the merits, the
27 rebuttable presumption of irreparable harm pursuant to 15 U.S.C. § 1116(a) does not
28 apply.” *Caryn Mandabach Prods. Ltd. v. Sadlers Brewhouse Ltd.*, CV 20-10220,
2021 WL 2497928, at *7 (C.D. Cal. May 19, 2021). But even if there were a
presumption, it is rebutted given the delay and adequacy of money damages.

1 lack of any irreparable harm.” *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 55
2 F. Supp. 2d 1070, 1090 (C.D. Cal. 1999) (five-month delay militated against
3 injunction). The New League announced its planned launch of the USFL brand in
4 June 2021. Pl. Br. at 7. Mr. Ehrhart publicly challenged the New League’s right to use
5 its marks that same day. Over the following months, TSL engaged with Mr. Ehrhart
6 and other individuals who purported to own trademark rights, and repeatedly
7 requested details regarding those purported rights given that the Association Marks all
8 were abandoned more than three decades earlier. Pl. Br. at 8-10. Mr. Ehrhart and his
9 partners never provided any substantiation for their bald assertion of rights. Woods
10 Decl. ¶¶ 16-19, Bernstein Decl. ¶¶ 5-11. That failure, and Plaintiff’s long delay in
11 bringing this motion, is inconsistent with Plaintiff’s sudden contention of irreparable
12 harm absent an injunction.

13 Indeed, despite advance knowledge of USFL Enterprise’s plan to launch the
14 New League, no one moved to enjoin use of the League Marks and the Team Marks
15 until the New League’s launch. Plaintiff’s principals waited nine months to form
16 Plaintiff, and did so only in the days immediately before commencing litigation, with
17 assignments that are facially invalid. This delay dispels any claim of irreparable harm.
18 *Kerr Corp. v. N. Am. Dental Wholesalers, Inc.*, No. SACV 11-0313, 2011 WL
19 2269991, at *3 (C.D. Cal. June 9, 2011) (denying injunctive relief where plaintiff
20 delayed eight months); *iFreedom Direct Corp. v. McCormick*, No. SACV 16-470,
21 2016 WL 9049647, at *4 (C.D. Cal. June 15, 2016) (approximately ten-month delay
22 contravened claim for irreparable harm).

23 Plaintiff’s principals’ episodic correspondence with Defendants provides no
24 excuse for Plaintiff’s delay. See *Kerr*, 2011 WL 2269991, at *3 (pre-suit discussions
25 with defendant did not mitigate delay in seeking injunction); *iFreedom*, 2016 WL
26 9049647, at *4 (cease and desist letter and party communications did not excuse
27 delay). That is especially true where, as here, TSL firmly and consistently asserted its
28 trademark rights. Pl. Br. at 8-10.

1 **B. Any Harm to Plaintiff Is Compensable with Money Damages.**

2 Far from being irreparable, any alleged harm to Plaintiff could be fully
3 remedied by money damages. *Batts v. Adams*, No. CV 10-8123, 2011 WL 13217923,
4 at *8 (C.D. Cal. Feb. 8, 2011) (“Irreparable injury does not exist where monetary
5 damages would provide an adequate remedy.”); *see also Fighters Inc., LLC v. Elec.*
6 *Arts, Inc.*, No. CV 09-06389, 2009 WL 10699504, at *10 (C.D. Cal. Oct. 30, 2009)
7 (no irreparable harm in trademark infringement action where money damages would
8 adequately compensate plaintiff). Plaintiff’s Amended Complaint repeatedly
9 describes what it purportedly stands to lose: “economic gain” (Compl. at ¶¶ 82, 89,
10 93, 97, 104, 110, 124). Such a loss is a compensable, not irreparable. *See Dreamer*
11 *Enters., Inc. v. Hankook Trading, Inc.*, No. CV 14-4704, 2014 WL 12571418, at *2
12 (C.D. Cal. Aug. 20, 2014) (denying injunction where plaintiff failed to show that
13 money damages would not compensate for lost sales).

14 Indeed, the only lost business opportunity Plaintiff claims is the loss of modest
15 American Classics royalties—harm that can easily be quantified based on the terms of
16 the license agreement and prior sales. *See Hoffman-La Roche Inc. v. Promega Corp.*,
17 No. C-93-1748, 1994 WL 761241, at *8 (N.D. Cal. June 13, 1994) (alleged
18 interference with licensing products was a “purely economic injur[y], easily
19 calculable and fully compensable through subsequent monetary damages”); *Fox*
20 *Broad. Co., Inc. v. Dish Network, LLC*, 905 F. Supp. 2d 1088, 1110 (C.D. Cal. 2012)
21 (licensing agreement values rendered harm “calculable in money damages”), *aff’d*,
22 747 F.3d 1060 (9th Cir. 2014).

23 **IV. The Balance of Equities Favors Defendants**

24 An injunction also should be denied because Plaintiff’s alleged harms are
25 immaterial compared to the draconian hardships an injunction would impose upon
26 Defendants. *See Cal. Cedar Prods.*, 724 F.2d at 831 (party’s “major investment” in
27 product “sharply” outweighed another party’s minimal sales activity).

28 On one side of the ledger, Plaintiff purports to enforce trademarks that it

1 allegedly acquired just last month, and that were never registered, not maintained, not
2 used in a manner that conferred trademark rights, and that no one even claimed to
3 own until USFL Enterprises and TSL announced the establishment of the New
4 League. Plaintiff is not engaged in a football league of any kind, and it asserts only
5 that it will lose licensing revenue absent an injunction. That is not a compelling case
6 for injunctive relief.

7 On the other side of the ledger, Defendants face severe, irreparable hardships.
8 USFL Enterprises is using an incontestable trademark for USFL and has pending
9 applications for the League Marks and Team Marks. On that basis, USFL Enterprises
10 has invested tens of millions of dollars and countless hours of employee time to
11 launch the New League under the USFL brand. That investment includes (i) acquiring
12 intellectual property rights from others who had rights in USFL assets; (ii) negotiating
13 television broadcast and stadium agreements; (iii) hiring coaches and players; (iv)
14 entering into agreements for ticketing and apparel sales; and (v) spending millions of
15 dollars on advertising. Hale Decl. ¶¶ 11-21. The culmination of that immense effort is
16 just days away. Hundreds of players already are in training camp; by the time this
17 motion is heard, *the first games will have already been played*. Because Plaintiff
18 strategically waited until the last possible minute to seek relief, an injunction now
19 would likely be a fatal blow to the entire season and would endanger the survival of
20 the New League. *See id.* ¶¶ 22-29; *Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp.
21 2d 1101, 1118 (N.D. Cal. 2010) (rejecting injunction as “plainly inequitable and
22 highly prejudicial” because plaintiff delayed seeking relief while defendant “invested
23 millions of dollars into building and promoting” franchise); *Desert Prot. Council v.*
24 *U.S.D.I.*, No. 12cv1281, 2012 WL 13175866, at *5 (S.D. Cal. Sept. 28, 2012)
25 (equities favored defendant where plaintiff waited to seek relief until project broke
26 ground and defendant invested millions of dollars).

27 This case is similar to *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d
28 1019, 1039 (N.D. Cal. 2003). In *Halo*, the plaintiff issued naked licenses without

1 formal quality control measures (similar to the licenses that Mr. Ehrhart purported to
2 grant in this case) and attempted to enforce trademark rights that “it ha[d] not
3 maintained consistently and that it ha[d] not developed attentively.” *Id.* The court held
4 that the plaintiff’s claimed loss of poorly-protected marks was heavily outweighed by
5 the prospective loss of defendant’s “substantial business expenditures” in using the
6 marks. *Id.* That reasoning applies with even greater force here given that Plaintiff
7 waited months to seek relief that will jeopardize the New League’s season and
8 Defendants’ substantial business expenditures. *See Sterling M. Enters. v. Lee*
9 *Sandwiches*, No. C 05-04477, 2006 WL 228946, at *5 (N.D. Cal. Jan. 30, 2006)
10 (denying injunction to stop restaurant opening because defendant would “lose
11 whatever cost it has incurred in planning . . . as well as any revenue attributable to
12 that restaurant”); *Cable Educ. Network, Inc. v. Paramount Pictures*, No. HM-90-992,
13 1990 WL 279510, at *2 (D. Md. Apr. 12, 1990) (equities favored defendant against
14 injunction days before television show launch due to “considerable” hardships an
15 injunction would cause).

16 **V. The Public Interest Weighs Against an Injunction**

17 The injunction also should be denied because it would harm the public interest
18 in numerous ways:

- 19 • If the 2022 USFL season is derailed, numerous businesses in the city of
20 Birmingham, Alabama (host to most of the scheduled games) will lose
21 significant revenue. Declaration of James A. Stephens (Mar. 25, 2022)
22 (“Stephens Decl.”) ¶¶ 8, 13; Declaration of James Thomas Waggoner Jr. (Mar.
23 25, 2022) (“Waggoner Decl.”) ¶¶ 15-16; Gene Marshall Hallman Jr. (Mar. 25,
24 2022) (“Hallman Decl.”) ¶ 6, 8, 9; Hale Decl. ¶¶ 31-32, 34, 36; Declaration of
25 Tad Snider (Mar. 25, 2022) (“Snider Decl.”) ¶¶ 7-13; Declaration of Lindsey
26 Noah McAdory (Mar. 28, 2022) (“McAdory Decl.”) ¶¶ 6-7.
- 27 • An injunction would jeopardize players’ pay, which depends on the players
28 being on active rosters, participating in training camp, and winning games. Hale

1 Decl. ¶ 33.

- 2 • If games are not played, more than 500 people would face uncertainty regarding
3 their employment, including players, stadium workers, team staff, and
4 employees of the League’s business partners. *Id.* ¶ 34; McAdory Decl. ¶ 7;
5 Hallman Decl. ¶ 8.
- 6 • An injunction would harm NBC, which has made a significant investment in
7 broadcasting rights for USFL games. Advertisers purchased time from NBC on
8 the assumption that the New League’s games would be broadcast under the
9 League Marks. NBC also would be forced to scramble to modify its prime-time
10 television schedules across its various networks, just weeks or even days before
11 the games are scheduled for broadcast. *Id.* ¶ 29; Declaration of Jon Miller (Mar.
12 26, 2022) ¶ 7-15.
- 13 • An injunction would similarly disrupt the advertisers on the FOX and FS1
14 networks and the FOX and FS1 television spring schedule. Hale Decl. ¶ 31.
- 15 • An injunction would harm millions of consumers who plan to watch USFL
16 football in person, on TV, and on the Internet. Hale Decl. ¶¶ 14, 35. It would
17 render tickets worthless and would leave the public with no USFL games to
18 watch. *See Regents of U.C.L.A. v. Am. Broad. Cos., Inc.*, 747 F.2d 511, 521 (9th
19 Cir. 1984) (recognizing public interest in nationwide broadcast of popular
20 football game).
- 21 • An injunction would harm the League’s business partners, including
22 Ticketmaster, concessions vendors, mascot vendors, and apparel distributors, all
23 of whom have invested time and money into the upcoming season, in addition to
24 other community stakeholders. Woods Decl. ¶ 19; Hale Decl. ¶¶ 31, 36;
25 Stephens Decl. ¶¶ 5, 9, 12-14; Waggoner Decl. ¶¶ 5-17; Hallman Decl. ¶ 5-9;
26 Snider Dec. ¶¶ 7-13; McAdory Decl. ¶¶ 6-11.

27 The court’s analysis of the public interest in *HRP Creative Servs. Co., LLC v.*
28 *FPI-MB Entm’t, LLC*, 616 F. Supp. 2d 481, 491 (D. Del. 2009), is instructive. In

1 *HRP*, the plaintiff had no imminent or concrete plans to use certain trademarks yet
2 opposed the defendant’s plan to open an amusement park using those marks. *Id.* The
3 court denied an injunction because it would frustrate the public interest (families
4 would be unable to visit the park as planned and employees’ jobs would be put at
5 risk). *Id.* Similar considerations here (*e.g.*, preventing the public from viewing or
6 attending games and placing extensive plans at risk) overwhelmingly disfavor an
7 injunction. See *W. Watersheds Project v. Salazar*, 692 F.3d 921, 923 (9th Cir. 2012)
8 (injunction denied on public interest considerations, including potential loss of jobs);
9 *Protect Our Cmty’s Found. v. U.S.D.A.*, 2011 WL 13356151, at *12 (S.D. Cal. Sept.
10 15, 2011) (denying injunction because “[m]aintaining jobs is in the public interest.”);
11 *Sierra Forest Legacy v. Sherman*, 951 F. Supp. 2d 1100, 1115 (E.D. Cal. 2013)
12 (“public interest in providing economic benefits to [industry] and communities” is
13 “compelling”).

14 **CONCLUSION**

15 For the foregoing reasons, Defendants respectfully request that the Court deny
16 Plaintiff’s motion for a preliminary injunction.

17 Dated: March 28, 2022

DEBEVOISE & PLIMPTON LLP

**ELLIS GEORGE CIPOLLONE
O’BRIEN ANNAGUEY LLP**

David H. Bernstein

By: */s/ David H. Bernstein*
David H. Bernstein

*Attorneys for Defendants
The Spring League, LLC; USFL Enterprises,
LLC; Fox Corporation; Fox Sports 1, LLC;
Fox Sports 2, LLC; Fox Sports Holdings,
LLC; Fox Sports Productions, LLC; Foxcorp
Holdings, LLC; Fox Media LLC; and Fox
Sports Interactive Media, LLC.*

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

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of March, 2022, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

SERVICE LIST

The Real USFL, LLC v. Fox Ports, Inc. et al.

Case No. 2:22-cv-01350-JFW-MAR

Kirk Dillman (State Bar No. 110486)

kdillman@mckoolsmithhennigan.com

M. Storm Byrd (State Bar No. 319387)

sbyrd@mckoolsmithhennigan.com

MCKOOL SMITH HENNIGAN,
P.C.

300 South Grand Avenue, Suite 2900

Los Angeles, California 90071

Telephone: (213) 694-1200

Facsimile: (213) 694-1234

Nicholas T. Matich (admitted pro hac vice)

nmatich@mckoolsmith.com

MCKOOL SMITH P.C.

1999 K Street, NW, Suite 600

Washington. DC 20006

Mark Lanier (admitted pro hac vice)

wml@lanierlawfirm.com

Alex J. Brown (admitted pro hac vice)

alex.brown@lanierlawfirm.com

Zeke DeRose III (admitted pro hac vice)

THE LANIER LAW FIRM

6810 FM 1960 West

Houston. TX 77069

Joseph O. Slovacek (admitted pro hac vice)

slovacek@hooverslovacek.com

HOOVER SLOVACEK LLP

Galleria Tower II

5051 Westheimer, Suite 1200

Houston, TX 77056

1 Eric B. Halper (admitted pro hac
vice)
2 ehalper@mckoolsmith.com
John C. Briody (admitted pro hac
3 vice)
jbriody@mckoolsmith.com
4 Radu A. Lelutiu (admitted pro hac
vice)
5 rlelutiu@mckoolsmith.com
Laura Baron (admitted pro hac vice)
6 lbaron@mckoolsmith.com
MCKOOL SMITH P.C.
7 395 Ninth Avenue
New York, NY 10001

8
9 Thomas J. Eisweirth (admitted pro
hac vice)
10 teisweirth@mckoolsmith.com
MCKOOL SMITH P.C.
11 600 Travis Street, Suite 7000
Houston, TX 77002

12
13 Attorneys for Plaintiff
The Real USFL LLC
14
15
16
17
18
19
20
21
22

23 */s/ David Bernstein*
24 David Bernstein