

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SILVERTOP ASSOCIATES, INC.
d/b/a RASTA IMPOSTA,

1:17-cv-7919 (NLH/KMW)

Plaintiff,

OPINION

v.

KANGAROO MANUFACTURING, INC.,

Defendant.

APPEARANCES :

ERIC ROBERT CLENDENING
ALEXIS KATHRYN ARENA
FLASTER/GREENBERG PC
1810 CHAPEL AVENUE WEST
CHERRY HILL, NJ 08002
On behalf of Plaintiff

BRUCE ALLEN SCHOENBERG
DAVID ALAN SCHRADER
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SUITE 3900
NEW YORK, NY 10018
On behalf of Defendant

HILLMAN, District Judge

This matter concerns Defendant Kangaroo Manufacturing, Inc. ("Kangaroo")'s alleged copyright infringement of a banana costume made and copyrighted by Plaintiff Silvertop Associates, Inc., doing business as Rasta Imposta ("Rasta Imposta"). Before

the Court is Rasta Imposta's Motion for Preliminary Injunction and Kangaroo's Cross-Motion to Dismiss. For the reasons that follow, the Court will grant Rasta Imposta's Motion for Preliminary Injunction, grant Kangaroo's Cross-Motion to Dismiss as to Count III of the Complaint, and deny Kangaroo's Cross-Motion to Dismiss as to Count I and Count II of the Complaint. The Court will require a \$100,000 bond be posted by Rasta Imposta to maintain the preliminary injunction.

I.

The Court takes the following facts from Robert Berman's Declaration in support of Rasta Imposta's Motion for Preliminary Injunction and from his testimony at a hearing before the Court. Berman is the Chief Executive Officer of Rasta Imposta, a business that designs, manufactures, and sells costumes for adults and children. Among these costumes, Rasta Imposta began to offer a banana design on March 9, 2011 ("the Banana Costume"). While Rasta Imposta has licensed the Banana Costume to third parties, Kangaroo does not have a license for the Banana Costume. On March 23, 2010, Rasta Imposta filed a copyright application to register the Banana Costume. Copyright Registration No. VA 1-707-439 was issued by the United States Copyright Office on March 26, 2010 for the Banana Costume.

In 2012, Rasta Imposta entered into a business relationship with Yagoozon, Inc. ("Yagoozon"), founded by Justin Ligeri.

This relationship was formed for Yagoozon to sell Rasta Imposta's Banana Costume. Over the course of the business relationship, Ligeri was informed of Rasta Imposta's copyright registration for the Banana Costume, and Yagoozon purchased thousands of them from Rasta Imposta. The business relationship eventually ended. Ligeri is also the founder of Kangaroo. Around September 25, 2017, Berman discovered Kangaroo was selling a costume that resembled the Banana Costume at issue in this case.

Rasta Imposta filed its Complaint with the Court on October 5, 2017, bringing claims for copyright infringement (Count I), trade dress infringement (Count II), and unfair competition (Count III). On October 19, 2017, the parties entered into a Stipulation of Standstill Period whereby, in anticipation of "discuss[ing] an amicable resolution to this matter prior to December 1, 2017," the parties agreed that Kangaroo would "cease manufacturing, ordering, offering for sale, advertising, marketing, promoting, selling and distributing Plaintiff's Banana Design (and any substantially similar Banana costume) until December 1, 2017." It further stipulated that "if this case is not settled or otherwise resolved prior to December 1, 2017, Plaintiff will file its application for a preliminary injunction on or about December 1, 2017."

Settlement discussions were not successful and on December

1, 2017, Rasta Imposta filed a Motion for Preliminary Injunction. Kangaroo responded with a December 21, 2017 Cross-Motion to Dismiss. This Court held a hearing on the pending motions on January 26, 2018, which was continued on February 13, 2018. Rasta Imposta presented the testimony of Berman, who was cross-examined by Kangaroo, and who testified consistently with his declaration. The parties submitted supplemental briefing following the hearing, which was complete as of March 8, 2018.

II.

This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1338(a). In Kangaroo's Cross-Motion to Dismiss, Kangaroo argues it is not subject to personal jurisdiction in New Jersey. This issue was addressed at the hearing before the Court and in the supplemental briefing. In its March 2, 2018 letter brief, Kangaroo "decided to withdraw its jurisdictional objection" and "to consent to personal jurisdiction in this proceeding." Accordingly, the Court has personal jurisdiction, by consent, over Kangaroo. See Azubuko v. E. Bank, 160 F. App'x 143, 146 (3d Cir. 2005) ("[P]ersonal jurisdiction may be conferred by consent of the parties" (quoting Zelson v. Thomforde, 412 F.2d 56, 59 (3d Cir. 1969))).

III.

The Court turns to the merits of Rasta Imposta's Motion for Preliminary Injunction. "A district court must consider four

elements in determining whether to grant a preliminary injunction: (1) reasonable probability of success on the merits; (2) irreparable injury to the moving party; (3) harm to the nonmoving party; and (4) the public interest." Goodwin v. Castille, 465 F. App'x 157, 160 (3d Cir. 2012) (citing Iles v. de Jongh, 638 F.3d 169, 172 (3d Cir. 2011)).

However, before turning to these elements, the Court must determine whether or not Rasta Imposta is requesting a mandatory injunction. Kangaroo argues Rasta Imposta is seeking "a mandatory injunction seeking the ultimate relief requested should it win the case," which Kangaroo argues would require the Court to apply a heightened burden on Rasta Imposta. Rasta Imposta, however, argues Kangaroo "mistakenly alleged" that it is seeking a mandatory injunction and maintains that it "is only seeking a preliminary injunction at this stage."

The Court finds that the question of whether Rasta Imposta is asking for a mandatory injunction or not depends not on the wording of the motion and the moving papers, but on the substance of the relief being requested. Accordingly, the language Rasta Imposta chose in framing its request does not resolve this issue.

"An injunction is mandatory if the injunction will either (1) 'alter the status quo by commanding some positive act' or (2) provide the moving party with 'substantially all the relief

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