

Rolls-Royce Motors Limited, et al. v. Custom Cloud Motors, Inc., et al.
190 U.S.P.Q. 80 (S.D.N.Y. 1976)

Cowan, Liebowitz & Latman, P.C., Arthur J. Greenbaum, Weiss Dawid Fross & Lehrman, Ronald J. Lehrman, and Busby Rivkin Sherman Levy & Rehm, all of New York, N.Y., for plaintiffs.

LaPorte & Meyers, Harvey J. Kaufman, both of New York, N.Y., and Burns, Doane, Swecker & Mathis, Robert S. Swecker, and Donald B. Tobin, all of Washington, D.C., for defendants.

Griesa, District Judge.

Plaintiff Rolls-Royce Motors Limited is a British corporation and manufactures Rolls-Royce automobiles. Plaintiff Rolls-Royce Motors, Inc. is a Delaware corporation and is the exclusive United States distributor for Rolls-Royce automobiles.

Defendant Custom Cloud Motors, Inc. is a Florida corporation, which distributes a kit, part of which contains a virtually exact replica of the Rolls-Royce hood. This kit is used in "customizing" Chevrolet Monte Carlo cars into what are called "Custom Cloud" automobiles. Advisors and Associates, Inc., also a Florida corporation, is an advertising agency which does the advertising for these conversion kits. Key Chevrolet, Inc., a New York corporation, is a Chevrolet dealer in Westchester County, New York. Key has sold Chevrolet Monte Carlo automobiles incorporating the kit features.

Plaintiffs move for preliminary injunction prohibiting defendants from copying or otherwise utilizing the design of the Rolls-Royce grill or any components thereof. They also seek to enjoin the use of the name "Custom Cloud," as an infringement upon Rolls-Royce's trademark name "Silver Cloud."

I.

For many years, despite various changes in body designs, Rolls-Royce has used basically the same distinctive grill. It has become a universally recognized symbol of the quality of the Rolls-Royce automobiles. Its design and components are so well known as to need little description. Aside from the grill itself, there is the ornament known as the "flying lady." Also, at the top of the grill there is an emblem bearing the legend "Rolls-RR-Royce." The "flying lady" hood ornament is the subject of United States Trademark Registration No. 850,902. The "Rolls-RR-Royce" legend is the subject of United States Trademark Registration No. 197,089.

A famous Rolls-Royce model name of the late 1950's and the early 1960's is "Silver Cloud." This name is the subject of United States Trademark Registration No. 832,105.

The "Custom Cloud" conversion kit, which sells for about \$3,000, includes, among other things, a grill which is so close in design to the Rolls-Royce grill that it is unquestionably intended to be a copy. The grill itself has the same basic shape. The ornament on top of the Custom Cloud grill

is a small statute almost identical to the "flying lady." The insignia on the grill has the same shape and styling as that bearing the "Rolls-RR-Royce", although it has different wording - "Custom-CC-Cloud."

II.

Although various theories are relied upon by plaintiffs, I am granting plaintiffs' motion for preliminary injunction under Section 43(a) of the Lanham Act, 15 U.S.C., Section 1125(a). This statute provides in pertinent part:

"(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce shall be liable to a civil action by any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

I find without hesitation that the design of the Custom Cloud grill, including the statuette and the insignia, is such as to falsely represent that its origin is Rolls-Royce. The appearance of the grill itself makes this conclusion inescapable. Moreover, there is evidence of a survey of 100 persons, who were stopped at random in midtown New York City and were shown a picture of the "Custom Cloud" automobile. Sixty-five of these 100 persons identified the "Custom Cloud" as a Rolls-Royce. Four persons identified the car as an imitation Rolls-Royce. Eight persons said it was a Rolls-Royce or another car or a mixture. Twenty-three persons identified the car as something other than a Rolls-Royce.

Aside from the use of the grill, the designation "Custom Cloud" also has an obvious connection with Rolls-Royce. It appears that, with respect to the Rolls-Royce name "Silver Cloud" the word "Cloud" is the distinguishing and more important word. Persons familiar with Rolls-Royce and other expensive automobiles often refer to the Silver Cloud simply as the "Cloud." Thus the emphasis placed by the Custom Cloud promoters upon the word "Cloud" in their materials is an obvious attempt to trade upon the Rolls-Royce mark.

This is an obvious case where the promoters of a new product are attempting to deceptively capitalize upon the well-established reputation of another party, built up over long years of dealings with the public, and based upon a large expenditure of money and effort both in the production of the product and in advertising. The violation of Section 43(a) of the Lanham Act is clear and should be enjoined. See *Sutton Cosmetics (P.R.) v. Lander Co.*, 455 F.2d 285, 288, 172 USPQ 449, 451 (2d Cir. 1972); *Apollo Distributing Co. v. Apollo Imports, Inc.*, 341 F.Supp. 455, 458, 173 USPQ 570, 572-573, (S.D.N.Y. 1972); *Geisel v. Poynter Prod. Inc.*, 283 F.Supp. 261, 158 USPQ 450 (S.D.N.Y. 1968). I find that the equities favor plaintiffs and it is quite probable that plaintiffs will succeed on the merits after trial. There is sufficient basis for a preliminary injunction. *P. Daussa Corp. v. Sutton Cosmetics (P.R.) Inc.*, 462 F.2d 134, 175 USPQ 193 (2d Cir. 1972).

Conclusion

Plaintiffs' motion for preliminary injunction is granted. Settle order on one day's notice.

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