

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

ANNIE SLOAN INTERIORS, LTD.,

Plaintiff;

v.

**JOLIE DESIGN & DECOR, INC.,
LISA RICKERT, AND JOLIE
HOME LLC**

Defendants.

CIVIL ACTION NO. 17-11767

JUDGE LEMMON

MAG. JUDGE VAN MEERVELD

SECTION S

ASI'S MOTION FOR CONTEMPT

Plaintiff, Annie Sloan Interiors, Ltd. ("ASI"), files this motion requesting that the Court hold Defendants, Jolie Home, LLC ("JHL") and Lisa Rickert, in civil contempt for violating the Preliminary Injunction Order (R. Doc. 214). Since JHL and Rickert publicly launched JHL's website and circulated the "Jolie Brand Announcement" on or around November 9, 2018, ASI uncovered clear and convincing evidence that JHL and Rickert are using ASI's marks, advertising with colorable imitations of ASI's trade dress, and engaging in reverse passing off. ASI requests that the Court enter contempt sanctions to coerce JHL and Rickert's compliance with the Preliminary Injunction Order and to compensate ASI for its damages, including its attorneys' fees and costs. To the extent that due process requires a hearing on this motion to determine the compensatory nature of the sanction, ASI respectfully requests that the Court set such a hearing as soon as possible.

Respectfully submitted,

/s/ Andrew R. Lee

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CERTIFICATE OF SERVICE

I hereby certify that on November 20, 2018, I electronically filed the foregoing with the Clerk of Court by using the CM/ECF system, which will send a notice of electronic filing to all counsel of record who have consented to email notification and electronic service.

/s/ Andrew R. Lee

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SECTION S

**ASI'S MEMORANDUM IN SUPPORT
OF MOTION FOR CONTEMPT**

The Court should hold Defendants, Jolie Design & Décor, Inc. (“JDD”), Jolie Home, LLC (“JHL”), and Lisa Rickert, in civil contempt for violating the Preliminary Injunction Order. The Court enjoined JHL and Rickert— and those in active participation with them—from using “ASI’s Trademarks including CHALK PAINT® in any font or format, Trade Dress, or any confusingly similar mark or colorable imitation thereof” and required them to cease “reverse passing off ASI Product as JHL’s products.” (the “Order,” R. Doc. 214 ¶ 1, 12.) ASI recently uncovered clear and convincing evidence that JHL, Rickert, and their retailers are using ASI’s marks and confusingly similar imitations of ASI’s trade dress, as well as engaging in reverse passing off. These same retailers were formerly “stockists” and had contracts with JDD, and JDD failed to execute the Order’s requirements. ASI requests that the Court enter contempt sanctions to coerce compliance and compensate ASI for its damages, including its attorneys’ fees and costs.

BACKGROUND

ASI successfully demonstrated that it was entitled to preliminary injunctive relief to, among other things, prevent trademark infringement, reverse passing off, false advertisements, and trade dress infringement. The Court issued a preliminary injunction order that required JHL, Rickert, and any other person acting in concert with them from continuing to engage in these activities. (R. Docs. 213, 214.) On October 25, 2018, the Court set a bond of \$100,000 as security for the preliminary injunction, (R. Doc. 246), and on November 2, 2018, the Court approved ASI's injunction bond, (R. Doc. 252). Shortly thereafter, on or about November 9, 2018, JHL publicly launched their new website, at which time ASI began to uncover evidence that JHL and Rickert were violating the Preliminary Injunction Order's express prohibitions. Counsel for ASI sent notice of potential contempt issues to JHL and Rickert's counsel that same day, but the contemptuous conduct continued and persists today.

ARGUMENT

I. Legal standard for civil contempt.

Federal courts possess the inherent authority to enforce their own injunctive orders through contempt orders. *See Wafenschmidt v. MacKay*, 763 F.2d 711, 716 (5th Cir. 1985) (affirming civil contempt award, which included attorney's fees, for violating the court's temporary restraining order); *see generally* 11A Wright, Miller, Kane & Marcus, Federal Practice and Procedure § 2960 (2010) ("A court's ability to punish contempt is thought to be an inherent and integral element of its power and has deep historical roots."). The Court can hold JHL in civil contempt based on clear and convincing evidence that: (1) a court order was in effect; (2) the order required certain conduct by JHL, Rickert, and its retailers; and (3) they failed to comply with the order. *See American Airlines, Inc. v. Allied Pilots Ass'n*, 228 F.3d 574, 581 (5th Cir. 2005) (citing *Martin v. Trinity Indus., Inc.*, 959 F.2d 45, 47 (5th Cir. 1992)).

II. JHL and Rickert are in contempt for violating the Preliminary Injunction Order.

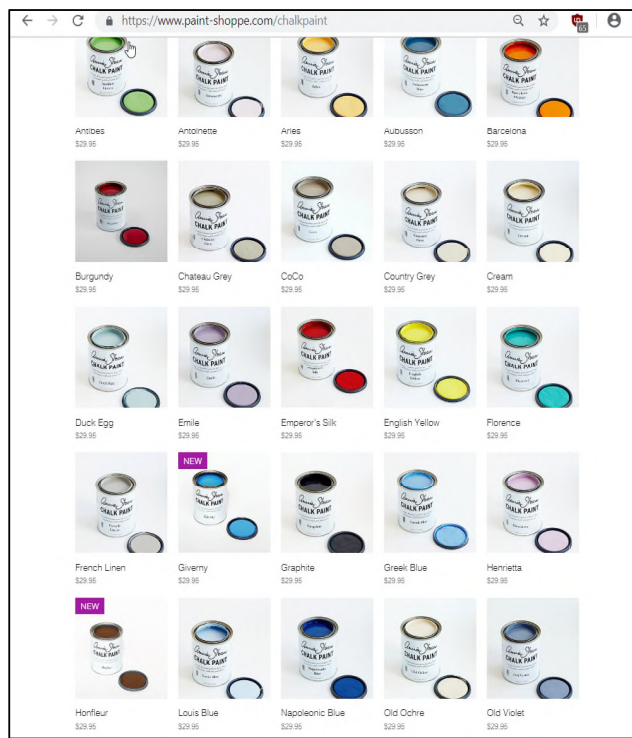
The evidence here clearly and convincingly establishes each required element for a civil contempt finding. The first two elements cannot be disputed. First, the Court issued a Preliminary Injunction Order on October 12, 2018, that was in effect by (at the latest) November 2, 2018, when the Court approved ASI's bond. Second, the Court ordered, among other things, that JHL and Rickert—as well as “any person in active concert or participation with” them—“shall not . . . [u]se ASI's Trademarks including CHALK PAINT® in any font or format, Trade Dress, or any confusingly similar mark or colorable imitation thereof” and shall “cease engaging in reverse passing off ASI Product as JHL's products, including creating or using advertising for JHL's products representing ASI Products as JHL's products.” (R. Doc. 214 ¶ 1, 12 (emphasis added).) The third element is likewise indisputable. JHL, Rickert, and their new retailers are violating the order when advertising “Jolie Paint” on their respective websites, and JHL and Rickert are continuing to engage in reverse passing off.

A. JHL, Rickert, and their retailers are using ASI's marks and colorable imitations of ASI's trade dress.

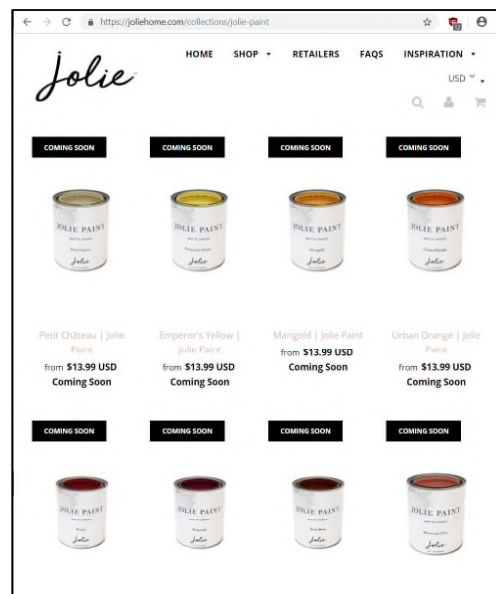
In its Order and Reasons, the Court explained that ASI's trade dress is “of minimalist style with black writing on a white background”; “has the words ANNIE SLOAN® appearing as a signature, with CHALK PAINT® in all capital letters underneath”; and “has a strong product association due to its . . . presence in internet advertising, social media and instructional videos.” (R. Doc. 213 at 20-21.) The Court further noted that “[t]here are thousands of possible designs, colors, and font sizes and styles that can be used on a paint can to describe what is inside.” (*Id.* at 21.)

JHL and Rickert, nevertheless, chose to use a “colorable imitation” of ASI's trade dress. They are continuing to use ASI's minimalist style—with the white background, black writing, and

script logo—and have gone a step further by staging their internet advertising in a way that is substantially similar to ASI's. Like the photographic staging of ASI's paint products, the "Jolie Paint" product is staged with the lids of the paint cans removed, creating a stark contrast between the vibrant colors inside and minimalist style of the logo. This contrast is an iconic feature of the ASI trade dress that JHL purposely mimicked on its website:



(ASI Products)

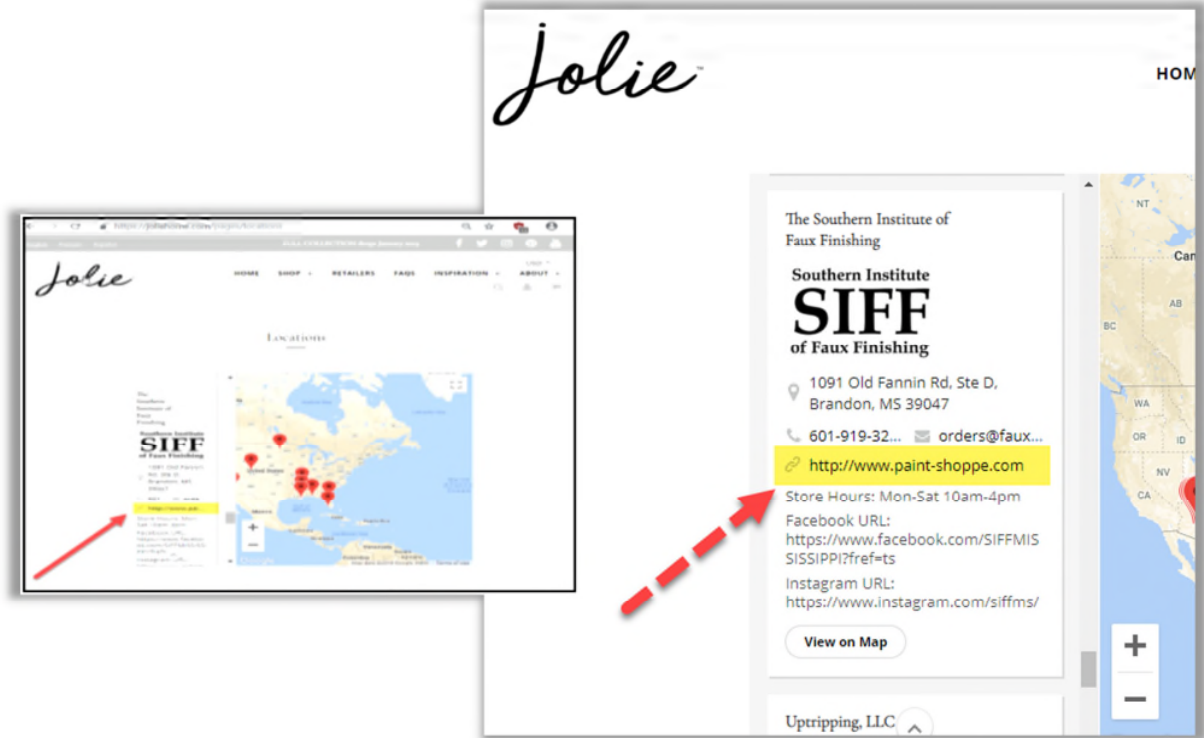


(Jolie Products)

JHL and Rickert made matters worse by providing these photographs to their retailers for further use in internet advertising and then posted hyperlinks on the JHL website to the retailers' websites. Many of JHL's retailers are themselves still broadly using ASI's product images, trademarks, and other intellectual property, which they have now integrated into their advertisements of JHL's products in patterns obviously intended to associate JHL's products with ASI's.

JHL's website, for instance, lists the "Southern Institute of Faux Finishing" as a JHL retailer and

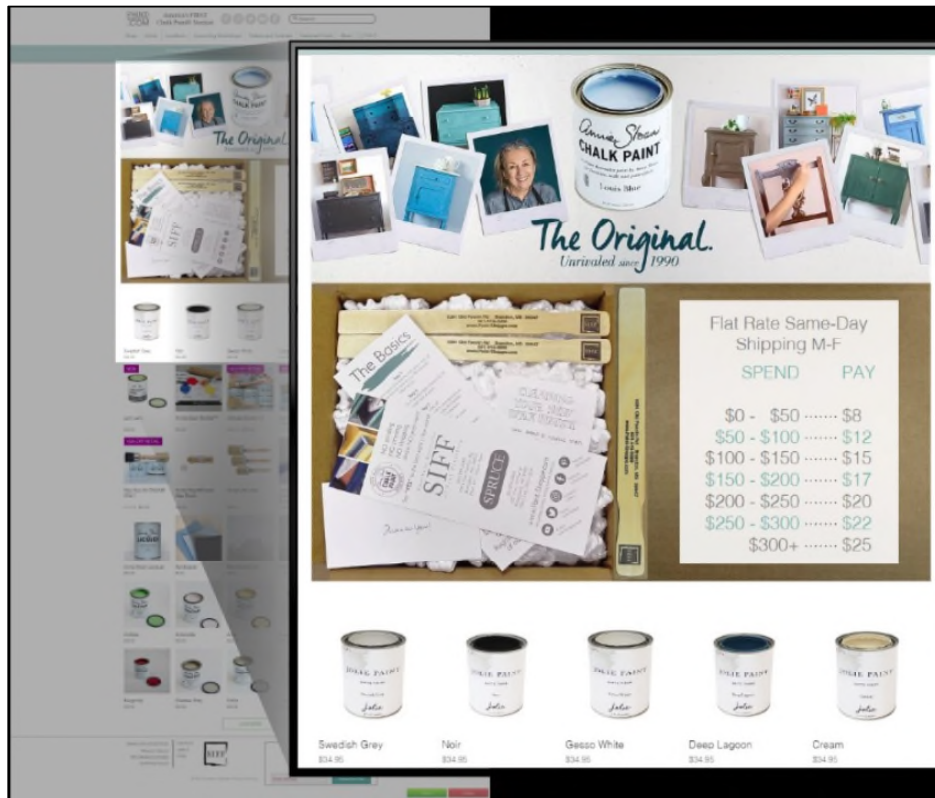
allows visitors to click on a hyperlink that will take them directly to the retailer's website:



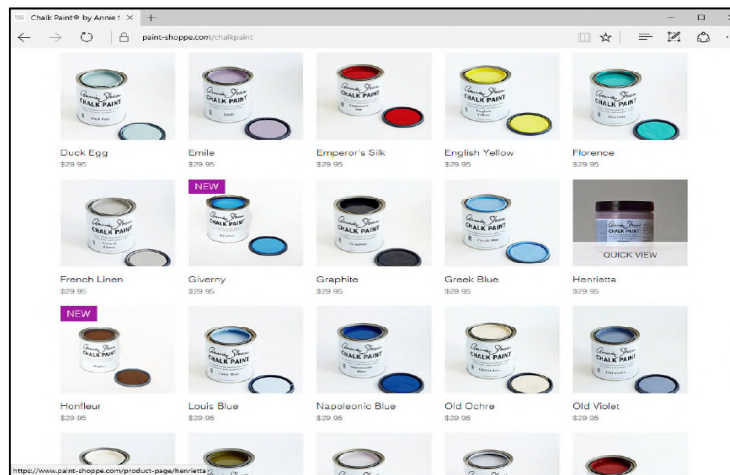
<https://joliehome.com/pages/locations>, visited 11/20/18.

Following the link directs the user to a website shrouded with the ANNIE SLOAN® and CHALK PAINT® marks.

In its home page banner, the Jolie retailer SIFF's website promotes itself as "America's FIRST Chalk Paint® Stockist." JHL's linking to a website that clearly affiliates itself with ASI and its marks would be a violation of the Preliminary Injunction Order by itself. But the JHL retailer website goes further. It includes an (unauthorized) image of Annie Sloan—with pictures of and links to ASI's products—but then slips in images of "Jolie Paint" directly above several pictures and links to ASI's Chalk Paint® products:



2 <https://www.paint-shoppe.com/chalkpaint>, visited 11/20/18 and available in static form at <http://bit.ly/drive-google-siff>.



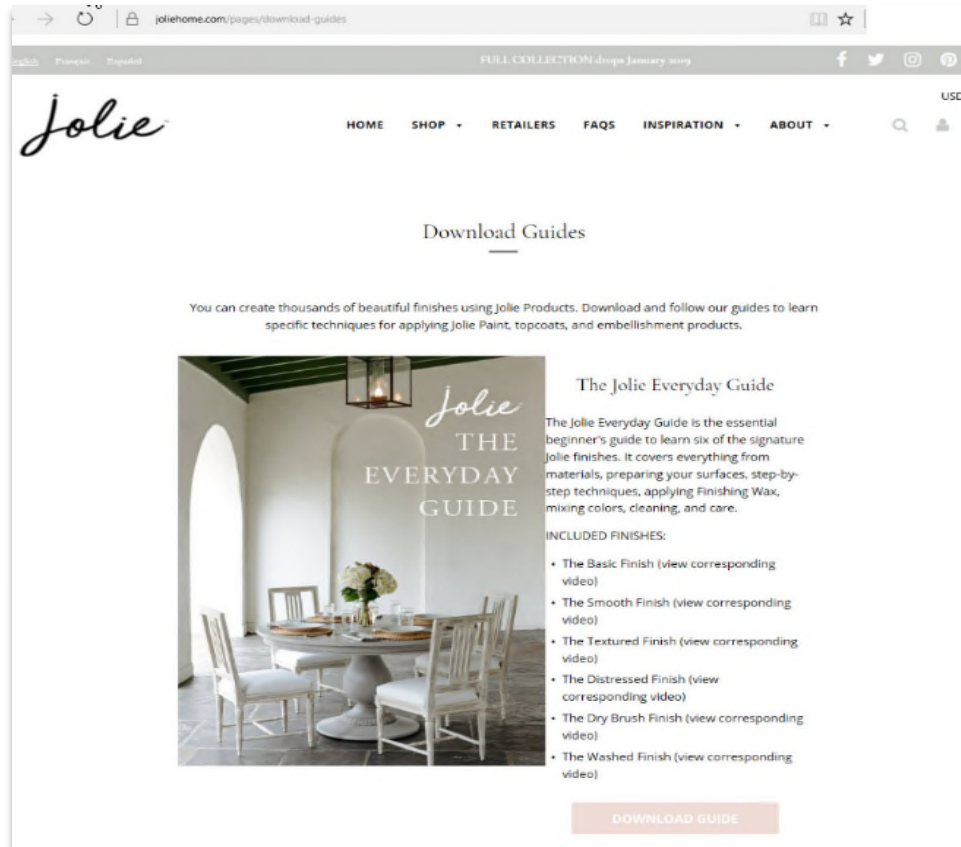
See <https://www.paint-shoppe.com/chalkpaint>, (last visited November 20, 2018).¹ This is clear and

¹ The webpage's URL itself has the phrase "chalk paint" in it. It is available to view at <http://bit.ly/drive-google-siff>.

convincing evidence that JHL, Rickert, and their retailers are violating the Preliminary Injunction Order by using both “ASI’s Trademarks including CHALK PAINT®” and a “colorable imitation” of ASI’s trade dress.

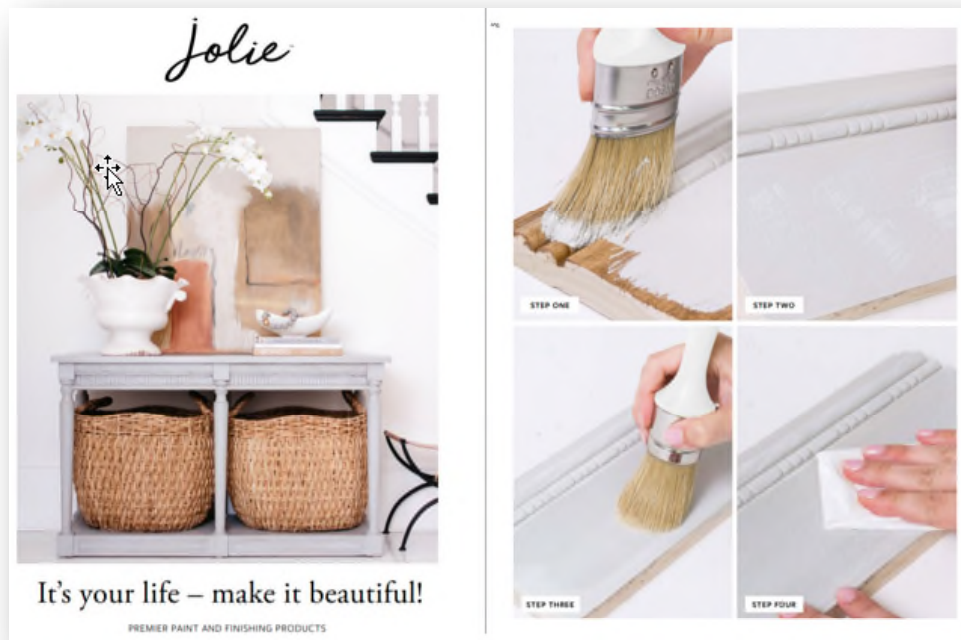
B. JHL and Rickert are continuing to engage in reverse passing off.

JHL and Rickert are also violating the Preliminary Injunction Order by making the enjoined “*Jolie: The Everyday Guide*” available for public download on its website. The Court will recognize the cover of this promotional product, as it played a central role during the preliminary injunction hearing:

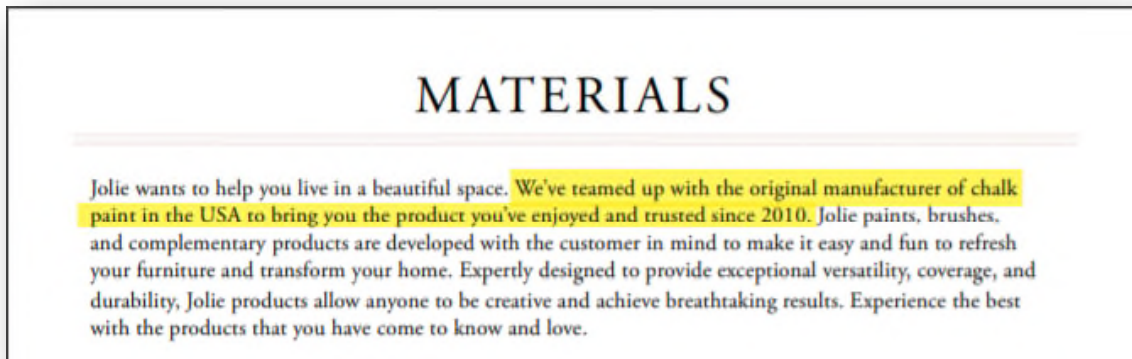


See <https://joliehome.com/pages/download-guides>, (last visited November 20, 2018 and saved in static form at <http://bit.ly/2QZWRzJ>). The JHL website includes a “Download Guide” button. Following that link leads the user to an online version of “*Jolie: The Everyday Guide*” that can be

printed or downloaded. See **Exhibit “1”** to this motion, downloaded from https://cdn.shopify.com/s/files/1/0057/7758/8268/files/Jolie_Everyday_Guide_digital_pages.pdf?1208480385298861513 (last visited November 20, 2018 and saved in static form at <http://bit.ly/google-drive-jolie-eg>). This promotional product is a 44-page document that includes even more images than the Court enjoined that purport to display JHL products as ASI products. For example:



(Ex. 1 at 2, 28.) It even includes the enjoined, infringing language about “the original manufacturer of chalk paint” that the Preliminary Injunction Order further prohibits:



(Ex. 1 at 6.) Far from *storing* these enjoined materials—as Lisa Rickert swore to be true in her “Thirty-Day Injunction Compliance Report,” (R. Doc. 258)—she and JHL are making the infringing material readily accessible to the public through their website.² This evidence further demonstrates that JHL and Rickert are clearly and convincingly violating the Preliminary Injunction Order.

III. The Court should issue coercive and compensatory sanctions.

Federal courts have “broad discretion in assessing sanction to protect the sanctity of its decrees and the legal process,” and the “proper aim of judicial sanctions for civil contempt is full remedial relief, that such sanctions should be adapted to the particular circumstances of each case, and that the only limitation upon the sanctions imposed is that they be remedial or coercive but not penal.” *Bd. Of Supervisors of La. State Univ. v. Smack Apparel Co.*, 574 F. Supp. 2d 601, 6 (E.D. La. 2008) (Lemmon, J.). A contempt order may be “employed for either or both of two purposes: to coerce the defendant into compliance with the court’s order, and to compensate the complainant for losses sustained.” *Am. Airlines, Inc. v. Allied Pilots Ass’n.*, 228 F.3d 574, 585 (5th Cir. 2000);

² In the 30-day report, Rickert swore (under penalty of perjury) that, as for the enjoined materials in electronic format, she and JHL “[e]lectronically stored and preserved files in segregated folders titled “OLD” or “STORE-DO NOT DESTROY,” in DROPBOX and Google Drive, including but not limited to: i. Photography; ii. Draft of labels and product packaging; iii. Drafts of brand and marketing Materials; iv. Video Scripts.” (R. Doc. 258 at 5 ¶ 11.)

Total Safety v. Rowland, No. 13-6109 (E.D. La. Oct. 29, 2014) (R. Doc. 321) (“The purposes of civil contempt are two-fold: to compensate the prevailing party for losses and damages caused by the other’s noncompliance and to coerce the derelict party into compliance with the original injunction.”). Based on the particular circumstances of this case and JHL, Rickert, and their retailers’ conduct, the Court should enter both coercive and compensatory relief in its order.

A. The Defendants have “skirted the line of permissible conduct.”

Even when not clearly violating the Preliminary Injunction Order, JHL and Rickert only slightly modified their behavior. As a result, they have “skirt[ed] the line of permissible conduct.” *See Smack Apparel Co.*, 574 F. Supp. 2d at 605 (“The court must give careful consideration to the possibility that a defendant found to have either infringed the plaintiff’s mark or unfairly competed with the plaintiff will modify his behavior ever so slightly and attempt to skirt the line of permissible conduct.”). A party, such as JHL, that has been found likely responsible for infringing the trademark of another should “thereafter be required to keep a safe distance away from the dividing line between violation of, and compliance with, the injunction.” *Id.* Moreover, the Court should require that JHL “keep a safe distance away from the margin line—even if that requirement involves a handicap as compared with those who have not disqualified themselves.” *Id.* (internal quotations omitted).

The Court, for instance, ordered the Defendants to provide a copy of the Preliminary Injunction Order to the Annie Sloan stockists—who were under contract to JDD. Rather than distribute the Order via email or mail, however, the Defendants provided a “dropbox” link to the order, giving no assurance that the stockists accessed or read it. In the cover email, moreover, Defendants did not provide the stockists with any instruction about what specific conduct this Court enjoined:

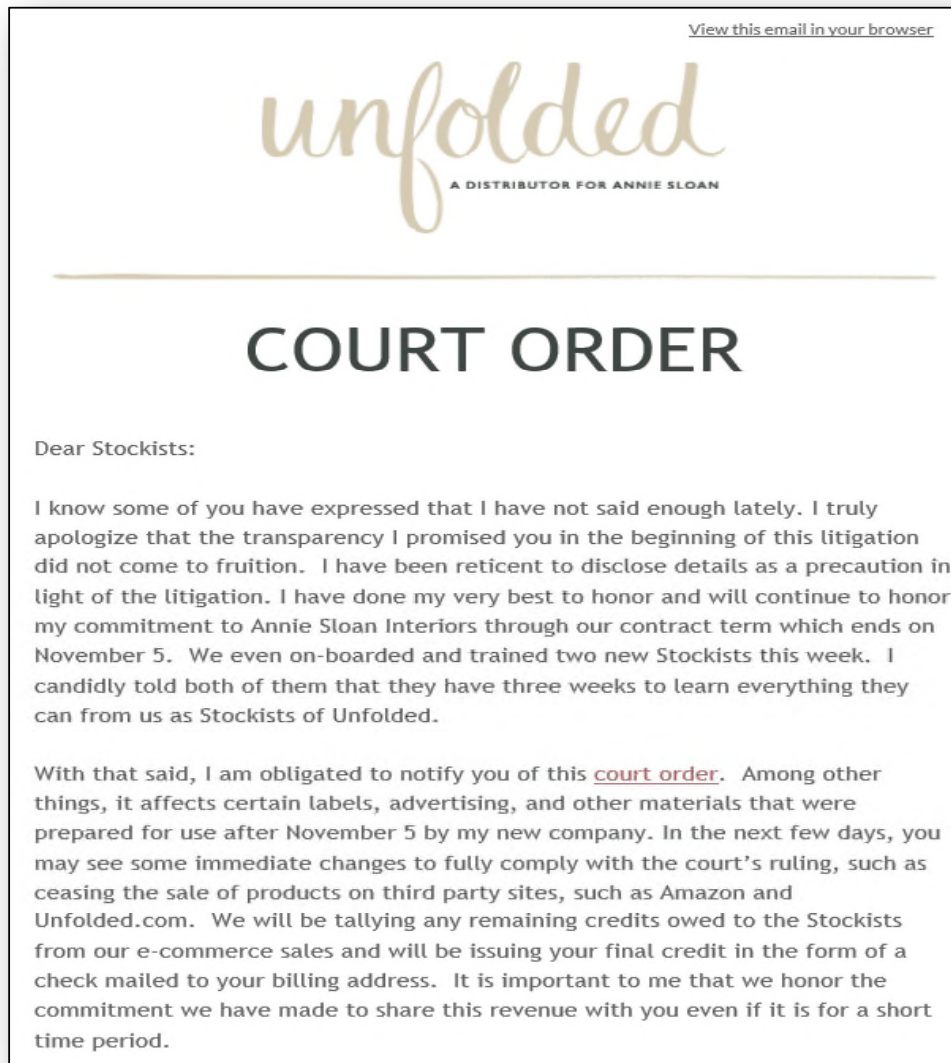


Exhibit “2” (available at <https://mailchi.mp/d44eb46174f7/court-order?e=7e1dd800ec>, last visited November 20, 2018).

JHL and Rickert also skirted the line of permissible conduct in their advertising, as they used photographs that are strikingly similar to ones that the Court specifically enjoined as improper reverse passing off:

<i>Enjoined Advertisement</i>	<i>Post-P.I. Advertisement</i>
 <p data-bbox="402 726 636 758">PIH Exh. P-205 p. 7</p>	 <p data-bbox="1003 726 1182 758">Exhibit "3", p. 4</p>
 <p data-bbox="394 1173 633 1205">PIH Exh. P-205 p. 12</p>	 <p data-bbox="946 1169 1247 1201">https://www.joliehome.com</p>
 <p data-bbox="410 1736 633 1768">PIH Exh. P-213 p. 2</p>	 <p data-bbox="881 1740 1315 1772">https://www.joliehome.com/pages/shop</p>

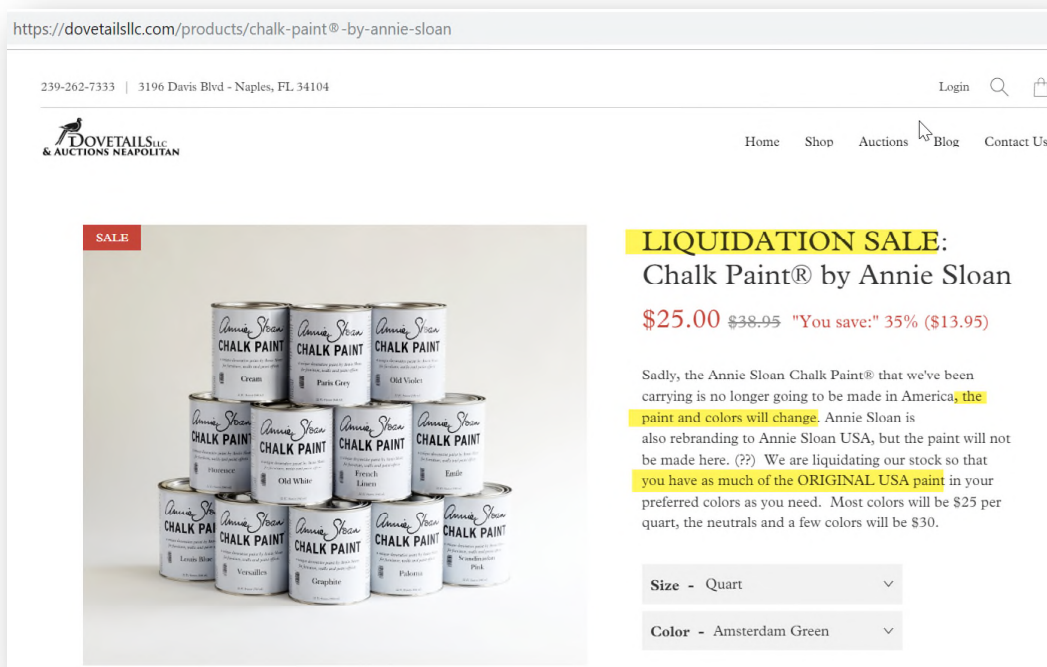
(The above, righthand-column, images from <https://www.joliehome.com> and <https://www.joliehome.com/pages/shop>, last visited November 20, 2018, are saved in static form at <http://bit.ly/contempt-folder>.) Rickert swore, under penalty of perjury, that these exact furniture pieces were repainted. (R. Doc. 258 at 2 ¶ 2(c)). Whether this statement is or isn't true, JHL and Rickert's decision to use such strikingly similar photography demonstrates an intent to "skirt the line of permissible conduct."

That same attitude is evident from JHL and Rickert's recent advertising on social media. The Court prohibited JHL and Rickert from implying in advertisements that JHL has been selling paint since 2010, but Rickert, alongside an image of two "Jolie Paint" cans, advertised on social media that for "10 years" (essentially since 2010) she "built" the "DIY furniture paint market"—an implicit (if not explicit) association to ASI products:



See https://www.instagram.com/p/Bp8khY9l_zp/ (last visited Nov. 20, 2018 and saved in static form at <http://bit.ly/2DRxHAR>).

The conduct of the JHL retailers is no different. One Jolie retailer is a company called “Shades of BLU.” JHL links its website to that retailer’s social media page, which contains a video explicitly promoting JHL products as the “same as Chalk Paint.” See <https://www.facebook.com/creativityforthesoulFL/videos/363881151042541/> (last visited Nov. 20, 2018 and saved in static form at <http://bit.ly/2OVO0gj>). ASI has also obtained evidence that this same Jolie retailer is further misleading the public by telling potential customers that “Annie Sloan decided to do away with her brand in the United States” and that the Jolie paint is the “same exact thing, except it’s a little better.” See video, *available for download at* <http://bit.ly/2OVgSFx>. Another “Jolie Retailer” JHL lists and links to on its website—Dove Tails, LLC—is carrying a similarly misleading advertisement suggesting that ASI’s Chalk Paint® will no longer be available and that ASI is changing the “ORIGINAL USA paint”



See <https://dovetailsllc.com/products/chalk-paint%C2%AE-by-annie-sloan> (last visited on

November 20, 2018 and saved in static form at <http://bit.ly/2qYwvIW>).

B. The Court should craft a stiff coercive sanction.

Without further Court relief, JHL, Rickert, and their retailers have shown they will not keep a safe distance from ASI's trademark and trade dress rights or from violating the Preliminary Injunction Order. They are intent on making the Preliminary Injunction Order as toothless as possible and depriving ASI of its protections. The Court should therefore issue a coercive order that specifically requires JHL, Rickert to do the following:

- JHL must immediately cease using its website, or any other means, to direct potential customers to the websites of JHL retailers that (i) advertise JHL products in conjunction with any ASI trademarks, including Annie Sloan® or Chalk Paint®, (ii) state or imply that the retailer is an ASI authorized stockist, or (iii) make claims on behalf of JHL and JHL products that JHL has been enjoined from making;
- JHL must cease using a label that has a minimalist style that employs black minimalist style with black writing on a white background, the product name in all capital letters underneath, and the brand name in script;
- JHL and Rickert must cease using photographs in its advertising that are designed to mimic photographs the Court has enjoined;
- JHL and Rickert must retrieve these photographs from their retailers, with signed acknowledgments that the retailers understand the photographs cannot be used;
- JHL and Rickert must obtain, and provide the Court and ASI with, signed acknowledgments from their retailers that they have received a copy of the Preliminary Injunction Order and understand that they cannot use ASI's marks to promote JHL products, or any misleading statements that imply affiliation with ASI, when advertising or promoting JHL products;
- JHL and Rickert must provide the Court and ASI with an audit or report demonstrating how many times "Jolie: The Everyday Guide" was accessed and/or downloaded from the JHL website;
- JHL and Rickert must provide the Court and ASI with proof that "Jolie: The Everyday Guide" has been permanently removed from the JHL website;
- JHL and Rickert must provide the Court and ASI with mirror copies of the folders, and their contents, stored in the electronic storage spaced

referenced in the “Thirty-Day Compliance Report”;

- JHL and Rickert must grant ASI periodic access to the electronic storage spaces referenced in the “Thirty-Day Compliance Report”; and
- JHL and Rickert must file into the record a bi-monthly compliance report that certifies their efforts to comply with the Preliminary Injunction Order and Contempt Order, which shall attach signed acknowledgements from any new JHL retailers.

C. The Court should also enter an order that compensates ASI for its damages associated with policing compliance.

The Court should also include a compensatory sanction in its contempt order. ASI spent valuable time and resources policing and attempting to enforce the Court’s order, and at a minimum, the Court should award ASI its attorneys’ fees and costs associated with these efforts. The Court should also disgorge any profits that JHL made from direct sales to consumers through its website or through its sales to the JHL retailers identified on its website. *See Smack Apparel Co.*, 574 F. Supp. 2d at 605-06 (disgorging profits stemming from contemptuous conduct). Such an award will compensate ASI for the damages associated with JHL’s contempt and, combined with the coercive sanctions requested above, “are necessary to enforce future compliance” with the Preliminary Injunction Order. *Id.*

CONCLUSION

The clear and convincing evidence demonstrates JHL and Rickert failed to comply with the Preliminary Injunction Order, and given JHL and Rickert’s conduct, the Court should enter stiff sanctions to ensure future compliance and to compensate ASI for the damages suffered from this contemptuous conduct. JHL, Rickert, and its retailers will only become more emboldened—causing ASI to expend more resources to police the order—if firm message is not sent through this ruling. If, moreover, an evidentiary hearing is required, ASI will be prepared to present its evidence to prove the contempt and appropriateness of the requested relief.

Respectfully submitted,

/s/ Andrew R. Lee

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