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5 6	Attorney for Defendants, DOLLAR EMPIRE, LLC; ESTELLA; MICHAEL WU a/k/a WEI KAI WU		
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8	UNITED STATES	DISTRICT COURT	
9 10	CENTRAL DISTRICT OF CALIFORNIA		
11	DISNEY ENTERPRISES, INC.,	Case No.: CV 07-1391 VBF (PLAx)	
12	Plaintiff,	ANSWER	
13	VS.	THING WELL	
14 15	DOLLAR EMPIRE, LLC; ESTELLA; MICHAEL WU a/k/a WEI KAI WU; and DOES 1–10, inclusive,		
16			
17	Defendants.		
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Defendants DOLLAR EMPIRE, LLC; ESTELLA; and MICHAEL WU a/k/a WEI KAI WU (collectively, "Defendants") hereby answer the Complaint against them as follows:

Allegations Common to All Claims for Relief

A. Jurisdiction and Venue

- Paragraph 1 states a legal conclusion to which no response is 1. required. To the extent a response is required, Defendants admit that this Court has subject matter jurisdiction over this matter based on the allegations in the Complaint pertaining to matters arising under 15 U.S.C. § 1051, et seq. and 17 U.S.C. § 101, et seq. and that supplemental jurisdiction for matters arising under the laws of the State of California is appropriate to the extent the allegations thereunder pertain to the same case or controversy. Except for those matters specifically admitted, Defendants deny the remaining factual allegations in paragraph 1.
- 2. Paragraph 2 states a legal conclusion to which no response is required. To the extent a response is required, Defendants admit the allegations of paragraph 2.

B. Introduction

3. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 3 regarding intellectual properties alleged to be owned by DISNEY ENTERPRISES, INC. ("Disney") and on that basis deny said allegations. Except for those matters specifically admitted, Defendants deny the remaining factual allegations in paragraph 3.

C. **Plaintiff, Disney**

Defendants are without sufficient knowledge or information to form a 4. belief as to the truth of the allegations contained in paragraph 4, and on that basis deny each and every allegation contained therein.

- 5. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 5, and on that basis deny each and every allegation contained therein.
- 6. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 6, and on that basis deny each and every allegation contained therein.
- 7. Paragraph 7 states a legal conclusion to which no response is required. To the extent a response is required, Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 7, and on that basis deny each and every allegation contained therein.
- 8. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 8, and on that basis deny each and every allegation contained therein.
- 9. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 9, and on that basis deny each and every allegation contained therein.
- 10. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 10, and on that basis deny each and every allegation contained therein.
- 11. Paragraph 11 states a legal conclusion to which no response is required. To the extent a response is required, Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 11, and on that basis deny each and every allegation contained therein.
- 12. Paragraph 12 states a legal conclusion to which no response is required. To the extent a response is required, Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations

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contained in paragraph 12, and on that basis deny each and every allegation contained therein.

13. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 13, and on that basis deny each and every allegation contained therein.

D. <u>Defendants</u>

- 14. Defendants admit that Dollar Empire, LLC has a principal place of business in Vernon, California and is subject to the jurisdiction of this Court. Except for those matters specifically admitted, Defendants deny the remaining factual allegations contained in paragraph 14.
- 15. Defendants deny each and every allegation contained in paragraph 15.
- 16. Defendants admit that MICHAEL WU a/k/a WEI KAI WU is subject to the jurisdiction of this Court and that Mr. Wu occupies a leadership position with DOLLAR EMPIRE, LLC. Except for those matters specifically admitted, Defendants deny the remaining factual allegations contained in paragraph 16.
- 17. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 17, and on that basis deny each and every allegation contained therein.

E. Defendants' Infringing Activities

- 18. Defendants admit that they are not directly licensed by Disney for any purpose. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations concerning Disney's use and registration of its alleged properties, and on that basis deny said allegations. Except for those matters specifically admitted, Defendants deny the remaining factual allegations contained in paragraph 18.
 - 19. Defendants deny each and every allegation contained in paragraph

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FIRST CLAIM FOR RELIEF

(For Trademark Infringment)

- 20. Defendants refer to and incorporate their answers to paragraphs 1–19 as though set forth in their entirety herein.
- 21. Paragraph 21 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained therein.
- 22. Defendants deny each and every allegation contained in paragraph 22.
- 23. Defendants deny each and every allegation contained in paragraph 23.
- 24. Paragraph 24 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 24.
- 25. Paragraph 25 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 25.
- 26. Paragraph 26 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 26.

SECOND CLAIM FOR RELIEF

(For Contributory Trademark Infringement)

- 27. Defendants refer to and incorporate their answers to paragraphs 1–26 as though set forth in their entirety herein.
- 28. Paragraph 28 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 28.
 - 29. Defendants deny each and every allegation contained in paragraph

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- 30. Paragraph 30 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 30.
- 31. Defendants deny each and every allegation contained in paragraph 31.
- 32. Paragraph 32 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 32.
- Paragraph 33 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 33.
- 34. Paragraph 34 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 34.
- 35. Paragraph 35 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 35.

THIRD CLAIM FOR RELIEF

(For Copyright Infringement)

- 36. Defendants refer to and incorporate their answers to paragraphs 1–35 as though set forth in their entirety herein.
- Defendants deny each and every allegation contained in paragraph 37. 37.
- 38. Paragraph 38 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 38.
 - Paragraph 39 states a legal conclusion to which no response is 39.

required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 39.

40. Paragraph 40 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 40.

FOURTH CLAIM FOR RELIEF

(For Contributory Copyright Infringement)

- 41. Defendants refer to and incorporate their answers to paragraphs 1–40 as though set forth in their entirety herein.
- 42. Paragraph 42 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 42.
- 43. Paragraph 43 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 43.
- 44. Paragraph 44 states a legal conclusion to which no response is required. To the extent a response is required, Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations regarding Disney's use or registration of its alleged properties, and on that basis deny said allegations. Except for those matters specifically admitted, Defendants the remaining factual allegations contained in paragraph 44.
- 45. Paragraph 45 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 45.
- 46. Paragraph 46 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 46.
 - 47. Paragraph 47 states a legal conclusion to which no response is

allegation contained in paragraph 47.

FIFTH CLAIM FOR RELIEF

required. To the extent a response is required, Defendants deny each and every

(For Unfair Competition)

48. Defendants refer to and incorporate their answers to paragraphs 1–47 as though set forth in their entirety herein.

 49. Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 49, and on that basis deny each and every allegation contained therein.

50. Paragraph 50 states a legal conclusion to which no response is required. To the extent a response is required, Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 50, and on that basis deny each and every allegation contained therein.

51. Defendants deny each and every allegation contained in paragraph 51.

52. Defendants deny each and every allegation contained in paragraph 52.

53. Paragraph 53 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 53.

54. Paragraph 54 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 54.

55. Paragraph 55 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 55.

56. Paragraph 56 states a legal conclusion to which no response is

required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 56.

- 57. Paragraph 57 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 57.
- 58. Paragraph 58 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 58.

SIXTH CLAIM FOR RELIEF

(For State Law Unfair Competition)

- 59. Defendants refer to and incorporate their answers to paragraphs 1–58 as though set forth in their entirety herein.
- 60. Paragraph 60 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 60.
- 61. Paragraph 61 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 61.
- 62. Paragraph 62 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 62.
- 63. Defendants deny each and every allegation contained in paragraph 63.
- 64. Defendants deny each and every allegation contained in paragraph 64.
- 65. Paragraph 65 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 65.

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- 66. Paragraph 66 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 66.
- Paragraph 67 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 67.

SEVENTH CLAIM FOR RELIEF

(Constructive Trust – Cal. Civ. Code § 2224)

- Defendants refer to and incorporate their answers to paragraphs 1–67 68. as though set forth in their entirety herein.
- 69. Paragraph 69 states a legal conclusion to which no response is required. To the extent a response is required, Defendants admit that supplemental jurisdiction by this Court for matters arising under the laws of the State of California is appropriate to the extent the allegations thereunder pertain to the same case or controversy. Except for those matters specifically admitted, Defendants deny the remaining factual allegations in paragraph 69.
- 70. Defendants deny each and every allegation contained in paragraph 70.
- Paragraph 71 states a legal conclusion to which no response is 71. required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 71.
- 72. Paragraph 72 states a legal conclusion to which no response is required. To the extent a response is required, Defendants deny each and every allegation contained in paragraph 72.

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AFFIRMATIVE DEFENSES

Defendants assert the following affirmative defenses to the Complaint:

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

1. The Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(Estoppel)

2. The purported claims for relief in the Complaint are barred by the equitable doctrine of estoppel.

THIRD AFFIRMATIVE DEFENSE

(Waiver)

3. The purported claims for relief in the Complaint are barred by the equitable doctrine of waiver.

FOURTH AFFIRMATIVE DEFENSE

(Laches)

4. The purported claims for relief in the Complaint are barred by the equitable doctrine of laches.

<u>FIFTH AFFIRMATIVE DEFENSE</u>

(Unclean Hands)

5. The purported claims for relief in the Complaint are barred by the equitable doctrine of unclean hands.

SIXTH AFFIRMATIVE DEFENSE

(Excuse)

6. The Complaint fails, in whole or in part, because Defendants' duties and performance, if any, were excused by Plaintiff.

SEVENTH AFFIRMATIVE DEFENSE

(Lack of Proximate Cause)

7. The Complaint fails, in whole or in part, because any and all damages

1	alleged by Plaintiff were proximately caused by the supervening or intervening		
2	acts or omissions of Plaintiff or persons or entities other than Defendants.		
3	EIGHTH AFFIRMATIVE DEFENSE		
4	(Setoff)		
5	8. The Complaint fails, in whole or in part, because any and all damages		
6	alleged by Plaintiff are setoff by amounts due and owing from Plaintiff to		
7	Defendants.		
8	NINTH AFFIRMATIVE DEFENSE		
9	(Failure to Mitigate)		
10	9. The Complaint fails, in whole or in part, due to Plaintiff's failure to		
11	mitigate damages.		
12	TENTH AFFIRMATIVE DEFENSE		
13	(Consent)		
14	10. The Complaint fails, in whole or in part, because Plaintiff consented		
15	to Defendants' acts and conduct.		
16	ELEVENTH AFFIRMATIVE DEFENSE		
17	(Privilege, Good Faith, Justifiable Conduct, and Excuse)		
18	11. Defendants were privileged to engage in good faith, justifiable		
19	conduct under the circumstances surrounding the allegations in the Complaint, if		
20	any, and are therefore excused from any liability alleged by Plaintiff therein.		
21	TWELFTH AFFIRMATIVE DEFENSE		
22	(Acquiescence)		
23	12. Notwithstanding and without waiver of the denials contained herein,		
24	Plaintiff acquiesced in each and every alleged act and/or omission of Defendants		
25	as set forth in the Complaint.		
26	THIRTEENTH AFFIRMATIVE DEFENSE		
27	(Injunctive Relief Not Available)		
28	13. The Complaint fails to demonstrate any entitlement to the remedy of		

	http://www.jdsupra.com/post/documentViewer.aspx?fid=3e691650-c3a5-4bc8-8/66-c298	
1	injunctive relief because it fails to state facts sufficient to show continuing acts,	
2	the threat of irreparable harm or a reasonable likelihood of repetition of the	
3	alleged conduct if it were in fact established to be wrongful.	
4	FOURTEENTH AFFIRMATIVE DEFENSE	
5	(Justification and Privilege)	
6	14. Plaintiff is barred from recovering on the allegations of the	
7	Complaint, in whole or in part, because Defendants' conduct was justified or	
8	privileged.	
9	FIFTEENTH AFFIRMATIVE DEFENSE	
10	(Adequate Remedy at Law)	
11	15. Plaintiff is barred from recovering for declaratory and injunctive	
12	relief, even if requested, on the allegations contained in the Complaint because	
13	Plaintiff has an adequate remedy at law.	
14	SIXTEENTH AFFIRMATIVE DEFENSE	
15	(Speculative Damages)	
16	16. Plaintiff is not entitled to recover the alleged damages, if any or at all,	
17	because they are uncertain, contingent, and/or speculative.	
18	SEVENTEENTH AFFIRMATIVE DEFENSE	
19	(Fair Use)	
20	17. The Complaint fails, in whole or in part, because the alleged	
21	infringing acts therein, if proven, constitute fair use.	
22	EIGHTEENTH AFFIRMATIVE DEFENSE	
23	(Abandonment)	
24	18. The Complaint fails, in whole or in part, because Plaintiff has	
25	abandoned the intellectual properties which it alleges were infringed by	
26	Defendants.	
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NINETEENTH AFFIRMATIVE DEFENSE

(Invalidity)

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The Complaint fails, in whole or in part, because the various 19. intellectual property registrations, and each of them, which Plaintiff claims were infringed by Defendants are invalid.

WHEREFORE, Defendants demand judgment against Plaintiff as follows:

- 1. That the Complaint be dismissed with prejudice; and
- Such other and further relief as this Court deems just and proper, 2. including awarding Defendants the costs, interest, and attorneys' fees incurred in defense of this action.

Dated: April 24, 2007

Joshua R. Furman Attorney for Defendants, DOLLAR EMPIRE, LLC ESTELLA: MICHAEL WU a/k/a