

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

Appeal from the United States District Court for the
Middle District of Florida

(August 31, 2004)

No. 03-16515

D.C. Docket No. 99-01071-CV-0RL-22KRS

Before EDMONDSON, Chief Judge, BLACK and
BARKETT, Circuit Judges.

PER CURIAM:

Defendants-Appellants Paul Curcio and Autumn Management, Inc. ("AMI") (collectively "Curcio"), appeal the district court's order finding Appellants to be in willful civil contempt of a stipulated permanent injunction entered to protect registered trademark and other intellectual property rights held by Plaintiff-Appellee, Doobie Brothers Corporation ("DBC"), concerning the Doobie Brothers musical group. No reversible error has been shown; we affirm.

DBC initiated suit against Curcio (and others not party to this appeal) in August 1999. DBC contended that Curcio violated DBC's trademark rights by wrongly representing certain live musical performances and merchandise to be that of the Doobie Brothers musical group. The musical performers promoted by Curcio had performed with the Doobie Brdthers at various times in the past. Following a hearing, the court entered a preliminary injunction that enjoined Curcio from promoting these performers as Doobie Brothers or in any confusingly similar variation, although Curcio could refer to the fact that these people were former Doobie Brothers. In November 2000, the district court

concluded that Curcio violated the preliminary injunction by promoting concerts that called his group "The Doobie Brothers," "SMB/Doobie Brothers," "Doobie Brother-SMB" and "former Doobie Brothers" The court imposed no compensatory sanction for the violations; it warned, however, that future violations would not be taken lightly by the court.

In April 2001, DBC and Curcio settled their dispute; and the court entered a permanent injunction and order reflecting the settlement. The permanent injunction contained a finding that Curcio had "intentionally, willfully and maliciously" violated the preliminary injunction. The permanent injunction prohibited Curcio from using the words "Doobie Brothers" and other listed similar names in connection with any commercial enterprise, except that (under very precise conditions governing type size and placement) the words "formerly a member of the Doobie Brothers" and "hits of the Doobie Brothers" could be used. The permanent injunction required Curcio to take "any action reasonably necessary to prevent others from violating this Permanent Injunction," and required, further, that any booking contract provide in bold print notice, in the exact language set out in the permanent injunction, of prohibited and allowable usages of the words "Doobie Brothers."

The permanent injunction provided sanctions for its violation: DBC would be entitled to an immediate final judgment of \$1,000,000, plus attorney's fees, and such violation would be deemed a willful, intentional and malicious violation of the court's order. The court retained jurisdiction to impose additional sanctions. The permanent injunction also contained a notice and cure provision: DBC was required to give Curcio written notice of an asserted violation, and Curcio was to have five days from the date of notice to cure.

In September 2003, DBC moved for sanctions and enforcement of the permanent injunction, claiming that the permanent injunction was violated by (i) certain concerts Curcio scheduled that were billed using the words "Doobie Brothers" other than as allowed; and (ii) the sale and marketing of a musical CD using the words "Doobie Brothers" other than as allowed and using a

logo very similar to the trademarked logo of the Doobie Brothers. DBC gave Curcio the written notice of violation required under the permanent injunction; Curcio caused the concerts to be cancelled. DBC itself contacted the party to whom Curcio licensed the CD for sale; that party immediately pulled the CD from the marketplace.

The district court concluded that the concert promotion allegations would support the imposition of no sanctions because the violations, although clear and convincing, were timely cured. The district court concluded, by clear and convincing evidence, that Curcio violated the permanent injunction by failing to take action reasonably necessary to prevent his licensee from violating the injunction in the packaging and marketing of the CD. The court rejected Curcio's argument that the timely cessation of marketing and distribution of the offending CD cured the violation. Curcio's chief argument in this appeal is that the district court's failure to conclude that the cure provision precluded imposition of sanctions constitutes clear error.

The district court, in rejecting Curcio's protestations of a cure, concluded that "once a CD is placed in the stream of commerce, as was done here, meaningful cure can be achieved only by retrieving all the CDs sold" simply to cease the offending marketing and sales activity was ineffective to cure the breach. Because Curcio could not or did not remedy the breach completely -- not all CDs that had wrongfully been placed in the stream of commerce had been retrieved -- Curcio was unentitled to avail himself of the cure protection. The district court stated,

Curcio and AMI must have realized that any improper use of that name would be impossible to cure once CDs were sold to consumers. Curcio and AMI have thus placed themselves in a situation where they cannot remedy their violation of the Permanent Injunction. However, this is not the sort of blameless inability to comply that should preclude a finding of civil contempt... Since they have frustrated their ability to cure by their own wrongful conduct, they cannot be heard to complain that their inability to cure precludes

holding them liable for violating the Permanent Injunction

We review the district court's interpretation of the permanent injunction de novo. See *Abbott Labs. v. Unlimited Beverages, Inc.*, 218 F.3d 1238, 1240 (11th Cir. 2000). A district court's findings of fact are reviewed for clear error. See *Doe v. Bush*, 261 F.3d 1037, 1047 (11th Cir. 2001) (clearly erroneous standard of review applies to findings of fact arising out of contempt proceedings). We review a district court's finding of contempt and imposition of sanctions for abuse of discretion. *Id.* at 1240. See also, *Riccard v. Prudential Ins. Co.*, 307 F.3d 1277, 1296 (11th Cir. 2002) (determination of civil contempt reviewed for abuse of discretion).

Curcio argues that the cessation of all attempts to distribute, sell or market the offending CD within the cure period should have ended the district court's inquiry. To the extent that Curcio is arguing that the district court misinterpreted the terms of the permanent injunction, we disagree. The permanent injunction requires notice of an asserted violation; that notice requirement applies whether or not the violation is subject to cure. If the violation is cured, no sanctions may be imposed. But if (as was found by the district court) meaningful cure was not (or could not) be achieved, sanctions may be imposed. 1 Curcio seeks to equate the cessation of activities in breach of the permanent injunction with a cure irrespective of whether the breach caused damage that could not be undone by stopping the offending activity. As DBS notes in its brief, to accept Curcio's interpretation of the cure provision would mean that Curcio could repeatedly violate the permanent injunction with impunity, as long as particular violations are stopped once DBC learned of them and sent notice to Curcio. The proscriptions of the permanent injunction have more substance than Curcio's interpretation allows.

Curcio also argues that the district court erred when it imposed a sanction of \$1,000,000 damage award plus attorney's fees in these proceedings. According to Curcio, the district court misused civil contempt proceedings to impose punishment when it should

instead coerce compliance. And Curcio complains that the district court harbored disdain for Curcio as evidenced by the court's finding that Curcio and AMI were "serial infringers."

The characterization of Curcio and AMI by the district court as "serial infringers" follows the chronicling of a series of intentional, willful and malicious infringements committed by Curcio and AMI; the designation was not unjustified. The sanction imposed was the agreed upon remedy stated in the permanent injunction. No abuse of discretion has been shown.

AFFIRMED.

FOOTNOTES:

1. Curcio argues for the first time on appeal that no evidence exists in the record that even a single copy of the CD was sold to the public. Materials appended to an affidavit submitted by DBC's counsel show the CD's listing on Amazon.com, its sales rank, and the availability of new and used copies for sale. In the district court, Curcio took no issue with DBC's sales claim and the district court found that Curcio had introduced the CDs into the stream of commerce. Even if this issue was preserved, no clear error has been shown.