

1 SPONGEBOB SQUAREPANTS. (Id. ¶ 6.) Defendant John Hornby Skewes &
2 Co. Ltd. ("JHS") is a United Kingdom corporation that promotes and
3 sells various products using the SPONGEBOB trademarks. (Id. ¶ 7.)
4 Gibson alleges that Defendants "are or have been advertising and
5 selling" products using the Flying V trademark. (Id. ¶ 24.) In
6 particular, Gibson is concerned with the SpongeBob SquarePants
7 Flying V Ukulele (the "Ukulele"). (Id. ¶ 22, Exh. D.)

8 Gibson asserts claims for trademark infringement,
9 counterfeiting, false designation of origin, false descriptions of
10 fact and representations and false advertising, trademark dilution,
11 trade dress infringement, and contributory infringement under
12 federal law, analogous state law claims, and accounting.

13 **II. LEGAL STANDARD AND DISCUSSION**

14 **A. Subject Matter Jurisdiction**

15 Viacom moves to dismiss the Complaint for lack of subject
16 matter jurisdiction under Rule 12(b)(1). "Unless the
17 jurisdictional issue is inextricable from the merits of a case, the
18 court may determine jurisdiction on a motion to dismiss for lack of
19 jurisdiction under Rule 12(b)(1)." Robinson v. U.S., 586 F.3d 683,
20 685 (9th Cir. 2009). A party may raise a jurisdictional challenge
21 under 12(b)(1) either on the face of the pleadings or with
22 reference to extrinsic evidence. Warren v. Fox Family Worldwide,
23 Inc., 38 F.3d 1136, 1139 (9th Cir. 2003). Where subject matter
24 jurisdiction is challenged, the party asserting jurisdiction bears
25 the burden of proving its existence. Robinson, 586 F.3d at 685.

26 Viacom makes a factual challenge to subject matter
27 jurisdiction and argues that it has presented evidence of a lack of
28 jurisdiction that Gibson has failed to rebut. Viacom presents the

1 license agreement between itself and JHS indicating that it
2 licensed SPONGEBOB to JHS for character-identified musical items
3 for use in certain countries but not in the United States. (Decl.
4 Ashley Holman, Exh. A.)

5 A Rule 12(b)(1) dismissal is not appropriate when "the
6 jurisdictional issue and substantive issues are so intertwined that
7 the question of jurisdiction is dependent on the resolution of
8 factual issues going to the merits." Safe Air for Everyone v.
9 Meyer, 373 F.3d 1035, 1039-40 (9th Cir. 2004)(internal citation and
10 quotation marks omitted). "The question of jurisdiction and the
11 merits of an action are intertwined where a statute provides the
12 basis for both the subject matter jurisdiction of the federal court
13 and the plaintiff's substantive claim for relief." Id. (internal
14 citation and quotation marks omitted). Here, Viacom asserts that
15 the court lacks subject matter jurisdiction because there has been
16 no use of the mark in commerce. This jurisdictional requirement is
17 found in the Lanham Act, in the same provision that provides
18 Gibson's cause of action. 15 U.S.C. § 1114 ("Any person who shall,
19 without the consent of the registrant . . . use in commerce any
20 reproduction, counterfeit, copy, etc. of a registered mark . . .
21 shall be liable in a civil action . . .").

22 The court therefore finds that the question of jurisdiction
23 and merits are intertwined and that it is not appropriate to
24 dismiss the case for lack of subject matter jurisdiction.

25 **B. Failure to State a Claim**

26 Viacom also argues under Rule 12(b)(6) that Gibson failed to
27 state a claim for use of the mark in U.S. commerce or for
28 infringing activity by Viacom. A complaint will survive a motion

1 to dismiss under Rule 12(b)(6) when it contains "sufficient factual
2 matter, accepted as true, to state a claim to relief that is
3 plausible on its face." Ashcroft v. Iqbal, 556 U.S. 662, 663 (2009)
4 (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)).
5 When considering a Rule 12(b)(6) motion, a court must "accept as
6 true all allegations of material fact and must construe those facts
7 in the light most favorable to the plaintiff." Resnick v. Hayes,
8 213 F.3d 443, 447 (9th Cir. 2000). Although a complaint need not
9 include "detailed factual allegations," it must offer "more than an
10 unadorned, the-defendant-unlawfully-harmed-me accusation." Iqbal,
11 556 U.S. at 678. Conclusory allegations or allegations that are no
12 more than a statement of a legal conclusion "are not entitled to
13 the assumption of truth." Id. at 679. In other words, a pleading
14 that merely offers "labels and conclusions," a "formulaic
15 recitation of the elements," or "naked assertions" will not be
16 sufficient to state a claim upon which relief can be granted. Id.
17 at 678 (citations and internal quotation marks omitted).

18 "When there are well-pleaded factual allegations, a court
19 should assume their veracity and then determine whether they
20 plausibly give rise to an entitlement of relief." Id. at 664.
21 Plaintiffs must allege "plausible grounds to infer" that their
22 claims rise "above the speculative level." Twombly, 550 U.S. at
23 555-56. "Determining whether a complaint states a plausible claim
24 for relief" is a "context-specific" task, "requiring the reviewing
25 court to draw on its judicial experience and common sense." Iqbal,
26 556 U.S. at 663-64.

27 The complaint makes the following allegations:
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1 7. Upon information and belief, Defendant JHS is
2 engaged in the promotion and sale of various products
3 containing the above listed Viacom trademarks in the
4 U.S., including in this District, through their business,
5 catalogs, distributors and website at www.jhs.co.uk.

6 11. This action arises out of wrongful acts
7 including: advertising, offering for sale, selling and
8 distributing products by Defendants within this judicial
9 district.

10 21. Upon information and belief, Defendants offer
11 for sale and sell products using the Flying V Body Shape
12 Design® Trademark, Flying V Peg-Head Design® Trademark
13 and the word mark FLYING V® ("Defendants' Unauthorized
14 Products.").

15 22. Upon information and belief, notwithstanding the
16 lack of authorization from Gibson and the fact that said
17 Defendants' Unauthorized Products otherwise are not
18 authorized to be sold utilizing the Gibson Trademarks,
19 Defendants have made repeated unauthorized use of the
20 Trademark in connection with said products, as described
21 below, with the intent to mislead and confuse consumers
22 into believing that said Defendants' Unauthorized
23 Products are made directly by Gibson pursuant to Gibson's
24 strict quality control standards or that said Defendants'
25 Unauthorized Products are otherwise authorized or
26 licensed by Gibson and with the intent of
27 misappropriating, for their own benefits, the tremendous
28 goodwill built up by Gibson in the Gibson Trademarks.

1 23. In particular, Defendants have improperly used
2 the Gibson Trademarks in their advertising and
3 promotional materials for said Defendants' Unauthorized
4 Products as well as on their Internet website at
5 www.jhs.co.uk, and otherwise have falsely stated or
6 implied that said Defendants' Unauthorized Products are
7 made directly by Gibson pursuant to Gibson's strict
8 quality controls standards or that their use of the
9 Gibson Trademarks is authorized or licensed by Gibson.

10 24. Plaintiff is informed and believes, and thereon
11 alleges that Defendants are or have been advertising and
12 selling the Defendants' Unauthorized Products bearing the
13 Flying V Body Shape Design® Trademark and the FLYING V®
14 Trademark on the www.jhs.co.uk website and its product
15 pages at www.amazon.com.

16 25. Upon information and belief, the aforementioned
17 misuse of the Gibson Trademarks by Defendants was done
18 with the intent of deceiving or misleading consumers . .
19 . and otherwise attracting and misdirecting consumers
20 looking for genuine or authorized Gibson goods to
21 Defendants' websites.

22 Viacom asserts that Gibson has not pled that Viacom designed,
23 manufactured, or sold the Ukulele. Gibson alleges that
24 "Defendants" did so, which Viacom claims is a "conclusory lumping
25 together" that is insufficient to meet the pleading standard under
26 Twombly and Iqbal. Viacom also argues that Gibson has failed to
27 allege facts supporting a finding of contributory infringement.
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1 The court agrees with Viacom that it is difficult to discern
2 what actions Gibson is alleging were performed by Viacom in
3 particular. No advertising and promotional materials attributable
4 to Viacom have been specified, and the only website mentioned are
5 www.jhs.co.uk, belonging to Viacom's co-defendant, and
6 www.amazon.com, also apparently associated with JHS products.
7 Compl. ¶¶ 23-24.

8 Given the nature of the Defendants, Viacom being the trademark
9 owner and JHS being a product seller and promoter, the Complaint
10 should specify the different roles of each Defendant in order to
11 state a claim against each. So far as the court understands the
12 Complaint, the only specific allegation against Viacom is that it
13 licensed SpongeBob to JHS for certain products. All other
14 allegations appear to be joint allegations against Viacom and JHS.
15 However, it does not appear plausible to the court that the role of
16 each Defendant in the allegations would be identical. Even without
17 considering the roles as described in the licensing agreement (the
18 authenticity of which Gibson does not dispute for the purposes of
19 this motion), it does not appear plausible that the Defendants'
20 acts were entirely unitary. To state a claim for relief, Gibson
21 must articulate which acts were performed by which Defendant.

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IV. CONCLUSION

The court finds that the Complaint in its current form fails to state a claim for relief. The motion to dismiss under Rule 12(b)(6) is GRANTED with leave to amend. Any amendment must be made within ten days of the date of this order.
IT IS SO ORDERED.

Dated: March 8, 2013


DEAN D. PREGERSON
United States District Judge