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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

MERCADO LATINO, INC. dba)	Case No. CV 13-01027 DDP (RNBx)
CONTINENTAL CANDLE COMPANY,)	
)	
Plaintiff,)	ORDER GRANTING DEFENDANT'S MOTION
)	FOR SUMMARY JUDGMENT
v.)	
)	
INDIO PRODUCTS, INC., a)	[Dkt. No.128]
California corporation,)	
)	
Defendants.)	
)	
)	
)	

Presently before the court is Defendant Indio Products, Inc. ("Indio")'s Motion for Summary Judgment. Having considered the submissions of the parties and heard oral argument, the court grants the motion and adopts the following Order.

I. Background

A. Factual History

Plaintiff Mercado Latino, Inc. ("Mercado") began manufacturing candles in 1991. Mercado is headquartered in Southern California, which is its largest market, but also sells products nationwide. Mercado sells three tiers of prayer candles. Sales of Mercado's highest-priced "Sanctuary Series" candles run in the millions

1 annually, as they have since the launch of the product in 1991.
2 Mercado also sells the "Carisma" line of candles, its lower-tier
3 candles that are sold at dollar-type stores (e.g. 99 Cents Only).
4 Customers for Mercado's Sanctuary Series candles include Target,
5 Walmart, and other big chains, as well as independent markets and
6 boutiques.

7 Defendant Indio Products, Inc. ("Indio") also manufactures and
8 sells multiple lines of prayer candles, including the allegedly
9 infringing Templar line and the non-accused, higher-end Eternalux
10 line, which is sold at a higher price point than the Templar line.
11 Indio began selling the Templar line of candles in 2012. Indio has
12 not sold the Eternalux and Templar candles to the same stores
13 because the two lines serve different prayer candle sub-markets.
14 Templar candles are generally sold to dollar-type stores, with 99
15 Cents Only stores accounting for 80% of all Templar candle sales.

16 Some of Mercado's Sanctuary Series candles bear the Asserted
17 Sanctuary Series Trade Dress ("ATD"), which is comprised of "a
18 clear cylindrical container that is approximately 2.25 x 2.25 x 8.0
19 inches in length, width and height, filled with a solid, single
20 color wax, the clear cylindrical container has an opaque die-cut
21 label with two opposite sides - a 'front' and 'back'. The front
22 side of the die-cut label has a silhouette outlined by a black
23 border with a top portion that tapers together and forms a pointed
24 tip that resembles a 'bullet' shape, with segments of shapes in
25 varying and alternating sizes and colors, similar to a stained
26 glass window. Placed over that label is a depiction of a saint or
27 other religious icon. Directly beneath the depiction of the saint
28 or religious icon, (sic) is a separate segment on the label that

1 resembles a scroll with the name of the saint or religious icon.”
2 (SAC at ¶12.) Some Sanctuary series candles, however, do not bear
3 the Asserted Trade Dress. Indeed, some Sanctuary Series candles
4 bear no label at all.¹ Indio’s Templar candles have the same
5 dimensions as Sanctuary Series candles, and are also in a clear
6 cylindrical glass jar with an opaque label bearing an image of a
7 religious figure and religious décor and prayers.

8 B. Procedural History

9 Mercado’s initial Complaint alleged causes of action for
10 copyright infringement, trade dress infringement, and other claims,
11 as did Mercado’s First Amended Complaint (“FAC”). The FAC alleged
12 trade dress featuring “the unique combination of the following
13 design elements: a depiction of a saint or religious icon, with a
14 border that appears to be a ‘bullet’ shape in the style of a
15 stained glass window and the name of the saint or the religious
16 icon underneath the depiction.” (FAC ¶ 21.) The SAC’s allegations
17 regarding trade dress are more extensive, as set forth above.

18 Indio moved for judgment on the pleadings. (Dkt. 79.) This
19 Court denied the motion, concluding that (1) Mercado’s SAC alleged
20 the ATD with sufficient specificity, (2) although the SAC asserts a
21 product design claim rather than a packaging claim, a question of
22 fact remained regarding whether the ATD had acquired secondary
23 meaning, (3) factual questions remained with respect to
24 functionality, and (4) questions of fact remained regarding

27 ¹ Other candles, such as the “Lucky Lottery” candle, are not
28 part of the Sanctuary Series “line,” and do not bear the ATD, but
were included in a Sanctuary Series catalog.

1 Mercado's adequately-pleaded likelihood of confusion allegations.
2 (Dkt. 95.) Indio now moves for summary judgment on all claims.

3 **II. Legal Standard**

4 Summary judgment is appropriate where the pleadings,
5 depositions, answers to interrogatories, and admissions on file,
6 together with the affidavits, if any, show "that there is no
7 genuine dispute as to any material fact and the movant is entitled
8 to judgment as a matter of law." Fed. R. Civ. P. 56(a). A party
9 seeking summary judgment bears the initial burden of informing the
10 court of the basis for its motion and of identifying those portions
11 of the pleadings and discovery responses that demonstrate the
12 absence of a genuine issue of material fact. See Celotex Corp. v.
13 Catrett, 477 U.S. 317, 323 (1986). All reasonable inferences from
14 the evidence must be drawn in favor of the nonmoving party. See
15 Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 242 (1986). If the
16 moving party does not bear the burden of proof at trial, it is
17 entitled to summary judgment if it can demonstrate that "there is
18 an absence of evidence to support the nonmoving party's case."
19 Celotex, 477 U.S. at 323.

20 Once the moving party meets its burden, the burden shifts to
21 the nonmoving party opposing the motion, who must "set forth
22 specific facts showing that there is a genuine issue for trial."
23 Anderson, 477 U.S. at 256. Summary judgment is warranted if a
24 party "fails to make a showing sufficient to establish the
25 existence of an element essential to that party's case, and on
26 which that party will bear the burden of proof at trial." Celotex,
27 477 U.S. at 322. A genuine issue exists if "the evidence is such
28 that a reasonable jury could return a verdict for the nonmoving

1 party," and material facts are those "that might affect the outcome
2 of the suit under the governing law." Anderson, 477 U.S. at 248.
3 There is no genuine issue of fact "[w]here the record taken as a
4 whole could not lead a rational trier of fact to find for the
5 nonmoving party." Matsushita Elec. Indus. Co. v. Zenith Radio
6 Corp., 475 U.S. 574, 587 (1986).

7 It is not the court's task "to scour the record in search of a
8 genuine issue of triable fact." Keenan v. Allan, 91 F.3d 1275,
9 1278 (9th Cir. 1996). Counsel have an obligation to lay out their
10 support clearly. Carmen v. San Francisco Sch. Dist., 237 F.3d
11 1026, 1031 (9th Cir.2001). The court "need not examine the entire
12 file for evidence establishing a genuine issue of fact, where the
13 evidence is not set forth in the opposition papers with adequate
14 references so that it could conveniently be found." Id.

15 **III. Discussion**

16 A. The Product Design "Issue"

17 As an initial matter, Plaintiff argues that this Court's prior
18 conclusion regarding Plaintiff's product design claim, as opposed
19 to a packaging claim, was merely "passing dicta" and a "passing
20 comment." (Opposition at 4:1, 5.) Plaintiff further asserts that,
21 notwithstanding any "inelegancies" in its pleadings, it "has always
22 preserved that it viewed and intended to assert its Trade Dress as
23 a product packaging claim, [and] clarifies that it does not intend
24 to 'expand' its present claim of trade dress 'to the candle
25 itself,' but rather, only the enveloping label or packaging."
26 (Opp. at 4:12-15; 6:25.) This claim is untenable.²

27 ² The court also notes that Plaintiff's Opposition violates
28 (continued...)

1 First, this Court's discussion of the product design issue was
2 hardly a "passing comment." As stated in the court's Order Denying
3 Defendant's Motion for Judgment on the pleadings, "The distinction
4 [between product design and product packaging] is important because
5 product design trade dress can never be inherently distinctive, and
6 therefore always requires a showing of secondary meaning to support
7 a claim of infringement." (Dkt. 95 at 6.) This Court further
8 explained that Plaintiff's ATD could not possibly be considered a
9 packaging claim, given that the ATD includes essential physical
10 aspects such as a cylindrical container and solid, single-colored
11 wax. (Dkt. 95 at 7.)

12 Second, Plaintiff's characterization of its product design
13 allegations as mere "inelegancies" of a pleading intended to assert
14 a packaging claim strains belief. Plaintiff's decision to expand
15 its claimed trade dress to include product design features appears
16 to have been the product of a deliberate decision, as evinced by
17 the differences between the Second Amended Complaint's
18 comprehensive description of the ATD and the First Amended
19 Complaint's comparatively limited trade dress allegations. Indeed,
20 the SAC, unlike the FAC, specifically highlights "clear 2.25x2.25.8
21 cylindrical container" and "filled with solid color wax" as
22 infringing elements of Indio's trade dress. (SAC ¶ 23.) Third,
23 and furthermore, Plaintiff never sought reconsideration of this
24 Court's product design determination, nor sought leave to amend the
25 SAC's trade dress allegations. Plaintiff's belated "request" for
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27 ²(...continued)
28 several of the local rules of this district. See C.D. Cal. L.R. 7-
9, 11-3.1.1, 11-3.6.

1 leave to amend, such as it is, made in passing within Plaintiff's
2 opposition to the instant motion, is denied. (Opp. at 7:3-5.)

3 B. Secondary Meaning

4 Trade dress is the "total image of a product, including
5 features such as size, shape, color, texture, and graphics[.]"
6 Millennium Labs., Inc. v. Ameritox, Ltd., 817 F.3d 1123, 1126 (9th
7 Cir. 2016) (internal quotation and citations omitted). A plaintiff
8 bringing a trade dress claim must prove "(1) that its claimed dress
9 is nonfunctional; (2) that its claimed dress serves a
10 source-identifying role[,], either because it is inherently
11 distinctive or has acquired secondary meaning; and (3) that the
12 defendant's product . . . creates a likelihood of consumer
13 confusion." Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d
14 1252, 1258 (9th Cir. 2001). As discussed above, because this is a
15 product design case, Plaintiff must prove that the ATD has acquired
16 secondary meaning. See Wal-Mart Stores, Inc. v. Samara Bros., Inc.,
17 529 U.S. 205, 216 (2000).

18 "A product's trade dress acquires secondary meaning when the
19 purchasing public associates the dress with a single producer or
20 source rather than just the product itself." First Brands Corp. v.
21 Fred Meyer, Inc., 809 F.2d 1378, 1383 (9th Cir. 1987). "Secondary
22 meaning can be established in many ways, including (but not limited
23 to) direct consumer testimony; survey evidence; exclusivity,
24 manner, and length of use of a mark; amount and manner of
25 advertising; amount of sales and number of customers; established
26 place in the market; and proof of intentional copying by the
27 defendant." Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns,
28 Inc., 198 F.3d 1143, 1151 (9th Cir.1999).

1 Indio argues that Plaintiff cannot point to sufficient
2 evidence to create a triable issue regarding secondary meaning.
3 The most persuasive evidence of secondary meaning is an expert
4 survey of purchasers. Vision Sports, Inc. v. Melville Corp., 888
5 F.2d 609, 615 (9th Cir. 1989). Plaintiff asserts, without any
6 citation to the record, that it conducted a "consumer survey, which
7 provides compelling evidence" of secondary meaning. (Opp. at
8 11:17-18.) As Plaintiff acknowledged at argument, however, the
9 report to which Plaintiff refers did not attempt to gauge whether
10 consumers associate the trade dress with a single source. Rather,
11 the survey was designed "to test whether the appearance of the
12 Indio Templar candles creates a likelihood of confusion to the
13 Sanctuary Series trade dress." (Declaration of Hal Poret in
14 support of Opposition, Ex. A at 4.) Although some evidence, such
15 as evidence of actual confusion, might bear on both likelihood of
16 confusion and secondary meaning, Plaintiff has cited no authority
17 for the proposition that a survey geared toward consumer confusion
18 can be used to demonstrate secondary meaning. See Transgo, Inc. v.
19 Ajac Transmission Parts Corp., 768 F.2d 1001, 1015 (9th Cir. 1985).

20 Plaintiff also claims that it has other direct evidence of
21 secondary meaning, pointing to the declaration of Kirk Zehnder,
22 Plaintiff's Vice President of Business Development. Zehnder
23 conclusorily asserts that "consumers have come to associate our . .
24 . trade dress with us as a uniform source" (Zehnder Decl.
25 ¶ 26.) Although Zehnder also states that "dozens if not hundreds"
26 of consumers contact Plaintiff every year to ask for Sanctuary
27 Series products, that fact is insufficient to create a triable
28 issue regarding secondary meaning, as not all Sanctuary Series

1 products bear the Asserted Trade Dress. Furthermore, none of the
2 consumer inquiries attached to Zehnder's declaration, even those
3 asking for Sanctuary Series candles by name, identify the ATD.
4 (Declaration of Janice Marinelli, Ex. A1 at 50:17-51:1, 91:9-19;
5 Ex. A2 at 40-41; 72; Zehnder Decl., Ex. 14.) Indeed, some of the
6 consumer inquiries cited by Zehnder explicitly ask for candles that
7 do not bear the trade dress.³ (See, e.g., Zehnder Decl., Ex. 14 at
8 79 ("I am looking for the White candles you make[.] Just the plain
9 glass.") There is, therefore, no direct evidence that the ATD has
10 acquired secondary meaning.

11 Indirect evidence, such as evidence of sales, advertising, and
12 exclusivity of use, may also be used to prove secondary meaning.
13 Filipino Yellow Pages, 198 F.3d at 1151. The focus, however, must
14 be on the effectiveness of the plaintiff's efforts. First Brands
15 Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1383 (9th Cir. 1987).
16 Plaintiff first argues that it has been using the ATD exclusively
17 since 1991. (Opp. at 12:8-11.) The evidence Plaintiff cites,
18 however, does not support that assertion. The portion of the
19 declaration of Mercado Vice President Richard Rodriguez to which
20 Plaintiff cites makes no reference to length of use or exclusivity.
21 (Declaration of Richard Rodriguez in opposition to motion, ¶ 10.)
22 Although Rodriguez does elsewhere state that Mercado began selling
23 Sanctuary Series products in 1991 and has done so continuously
24 since then, there is no indication of when Sanctuary Series
25 products began featuring the ATD, what proportion of the Sanctuary
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27 ³ Furthermore, Zehnder testified that the white Sanctuary
28 Series, with no label, is Mercado's top selling candle. (Marinelli
Decl., Ex. 2 at 73.)

1 Series products bore the ATD, or whether any use of the ATD was
2 exclusive. (See Rodriguez Decl., ¶ 64.) The only other evidence
3 cited by Plaintiff is a portion of the Zehnder declaration, which
4 says no different, and indeed refers back to the Rodriguez
5 declaration. (Zehnder Decl. ¶ 25.) No reasonable trier of fact
6 could rely on this evidence to find either length or exclusivity of
7 use of the Asserted Trade Dress.

8 Mercado next argues, again largely without citation to the
9 record, that it has produced evidence of marketing and promotional
10 efforts sufficient to create a triable issue as to secondary
11 meaning. (Opp. at 12.) Evidence of advertising activities can
12 indeed be relevant, provided that the advertising features the
13 trade dress itself and is extensive enough to effectively create an
14 association with the advertiser's product. See Art Attacks Ink,
15 LLC v. MGA Entm't Inc., 581 F.3d 1138, 1146 (9th Cir. 2009); First
16 Brands, 809 F.2d at 1383; see also Int'l Jensen, Inc. v. Metrosound
17 U.S.A., Inc., 4 F.3d 819, 824 (9th Cir. 1993) ("While evidence of a
18 manufacturer's sales, advertising and promotional activities may be
19 relevant in determining secondary meaning, the true test of
20 secondary meaning is the effectiveness of this effort to create
21 it."). Here, however Plaintiff's own evidence establishes that
22 Plaintiff never itself undertook any advertising efforts. Instead,
23 Plaintiff used "advertising allocation," or an allowance to
24 retailers who would themselves promote and advertise the "Sanctuary
25 Series line."⁴ (Rodriguez Decl., ¶ 26). Although Plaintiff's

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27 ⁴ As discussed above, the declarations do not specify whether
28 the Sanctuary Series products advertised by retailers actually
displayed the ATD. For this same reason, evidence regarding

(continued...)

1 declarants state that retailers promoted Sanctuary Series candles
2 for at least twenty years, the record includes only three examples
3 of such advertisements.⁵ These consist of two supermarket
4 circulars and one black-and-white coupon, all three of which do
5 appear to display the Asserted Trade Dress. (Rodriguez Decl., Ex.
6 7.) There is, however, no indication of where or how many copies
7 of these advertisements were distributed, or for how long. See
8 Cont'l Lab. Prod., Inc. v. Medax Int'l, Inc., 114 F. Supp. 2d 992,
9 1001 (S.D. Cal. 2000). Furthermore, although these advertisements
10 do bear images of the trade dress, they can hardly be said to
11 "feature" the ATD. All three examples display Sanctuary Series
12 candles alongside between one and a dozen food products. The
13 advertisements all identify the product only as "Religious Candles"
14 or "Candle(s)," and none makes any mention of the "Sanctuary
15 Series" product line.⁶ These examples, even coupled with
16 Rodriguez's testimony that mass retailers did some kind of
17 advertising of Sanctuary Series products, are insufficient to
18 establish that Mercado's (or its retail customers') advertising
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23 ⁴ (...continued)
24 Sanctuary Cities sales, with no distinction between products
25 bearing the Asserted Trade Dress and other products, is of no
26 moment. See Rodriguez Decl., Ex. 8.

27 ⁵ Plaintiff's Opposition does not cite to the portions of the
28 record that include these three examples.

⁶ The black-and-white coupon, which offers a free "Candle" (in
Spanish) with purchase of a food product, does identify the candle
as a "Continental Candle" product. Mercado acquired Continental
Candle in 1991. (Rodriguez Decl., ¶ 4.)

1 efforts effectively linked the Asserted Trade Dress with a single
2 source.⁷

3 Lastly, Plaintiff argues that evidence that Defendant copied
4 the Asserted Trade Dress creates a triable issue of fact regarding
5 secondary meaning. The Ninth Circuit has stated that “proof of
6 copying strongly supports an inference of secondary meaning.”
7 Vision Sports, 888 F.2d at 615. The cases upon which Vision Sports
8 relied, however, specified that “[p]roof of exact copying, without
9 any opposing proof, can be sufficient to establish a secondary
10 meaning.” Transgo, 768 F.3d at 1016 (emphasis added). As the
11 Transgo court explained, under such circumstances, there would be
12 no reason to copy other than to capitalize upon pre-existing
13 secondary meaning. Id. Subsequently, however, the Ninth Circuit
14 recognized that a party might copy trade dress for other reasons,
15 particularly where trade dress includes functional features. See
16 Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837, 844
17 (9th Cir. 1987). For that reason, evidence of even deliberate
18 copying does not create a presumption of secondary meaning. Id.

19 Here, Plaintiff does not assert that there is any evidence of
20 exact copying. Rather, Plaintiff points, without any citation to
21 the record, to the “striking similarity” of the two trade dresses
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25 ⁷ For this same reason, Rodriguez’s testimony that “just
26 because Mercado doesn’t currently have copies of . . .
27 advertising[] doesn’t mean the advertising didn’t occur” is of no
28 moment. Even assuming that some kind of advertising did occur,
Rodriguez’s declaration is insufficient to establish that such
advertising even bore the Asserted Trade Dress, let alone featured
it or effectively created an association in consumers’ minds with
Plaintiff.

1 as evidence of deliberate copying.⁸ (Opp. at 13.) Even assuming
2 such evidence exists, it is not sufficient to demonstrate secondary
3 meaning. The Vision Sports line of cases does not address trade
4 dress claims based upon product design. As the Continental
5 Laboratory Products court explained, the rather circular logic that
6 copying is evidence of secondary meaning because a copier wouldn't
7 copy unless a trade dress had already acquired secondary meaning is
8 less persuasive in the product design context. Cont'l Lab. Prod.,
9 114 F. Supp. 2d at 1009-10. Indeed, notwithstanding Vision Sports,
10 the Ninth Circuit has recognized that an alleged infringer might
11 copy a trade dress for functional reasons, wholly apart from any
12 desire to deceive consumers as to the origin of a product.
13 Fuddruckers, 826 F.2d at 844; Cont'l Lab. Prod. 114 F. Supp. 2d at
14 1010. Thus, as the Continental Laboratory Products court stated,
15 "intentional copying supports a finding of secondary meaning only
16 where the defendant intended to confuse consumers and pass off its
17 product as the plaintiff's." Cont'l. Lab. Prod., 114 F.Supp. 2d at
18 1010. There is no evidence of such intent here.⁹

19 None of the evidence cited by Plaintiff is sufficient to
20 establish, either directly or indirectly, that consumers associated
21 the Asserted Trade Dress with a single source. In the absence of
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24 ⁸ Although Plaintiff's Opposition does, in one instance, cite
25 to "Exhibit A," there are several such exhibits in the record. It
is unclear which of these Plaintiff intends to reference. (Opp. at
13:27).

26 ⁹ Although Mercado does allege a trademark infringement claim
27 related to Indio's sale of repackaged Mercado candles, that claim
28 does not involve, nor is there evidence of, any attempts by Indio
to pass off its own candles as Mercado candles by adopting similar
trade dress.

1 evidence of secondary meaning, Plaintiff's trade dress infringement
2 claim must fail.

3 C. Functionality

4 Trade dress is presumed to be functional. 15 U.S.C. §
5 1125(a)(3); TraFFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S.
6 23, 30 (2001). A plaintiff alleging trade dress infringement must,
7 therefore, prove that its claimed dress is non-functional. Clicks
8 Billiards, 251 F.3d at 1258. "[O]rnamental, incidental, or
9 arbitrary" trade dress is not functional. Id. A product feature
10 is functional, however, "if it is essential to the use or purpose
11 of the article or if it affects the cost or quality of the article,
12 that is, if exclusive use of the feature would put competitors at a
13 significant non-reputation-related disadvantage." Disc Golf Ass'n,
14 Inc. v. Champion Discs, Inc., 158 F.3d 1002, 1006 (9th Cir. 1998).
15 A plaintiff's burden to show non-functionality is, therefore,
16 heavier in the product design context. Red Star Traders, LLC v.
17 Abbyson Living Corp., No. CV 16-02781 AB (KSX), 2016 WL 9108405, at
18 *4 (C.D. Cal. June 22, 2016) (citing Samara Bros., 529 U.S. at
19 212).

20 Plaintiff correctly observes that, as with other elements of a
21 trade dress claim, the functionality analysis looks to the overall
22 combination of trade dress elements rather than to individual
23 elements. See Clicks Billiards, 251 F.3d at 1259. Functionality
24 is a question of "(1) whether the design yields a utilitarian
25 advantage, (2) whether alternative designs are available, (3)
26 whether advertising touts the utilitarian advantages of the design,
27 and (4) whether the particular design results from a comparatively
28 simple or inexpensive method of manufacture. Disc Golf Ass'n, 158

1 F.3d at 1006. Plaintiff's entire functionality argument makes only
2 a single (and general) citation to evidence of the existence of
3 other prayer candles that do not bear the Asserted Trade Dress.
4 (Marinelli Decl., Ex. A-7.) The existence of such candles does,
5 indeed, support the contention that alternative designs are
6 available.

7 Plaintiff totally ignores, however, evidence pertinent to
8 other factors. Defendant points to evidence, submitted by
9 Plaintiff, that one purpose of devotional candles is to "indulge"
10 the religious figure depicted, and that because candles are "part
11 of the church," they "must have images that are respected" so as to
12 function as "a little altar in the house." (Zehnder Decl., Ex. 1
13 at 23-24.) Although Plaintiff now attempts to dismiss the idea
14 that devotional candles are used to pray to the depicted religious
15 figure as merely an "amusing assertion," other evidence in the
16 record indicates that Plaintiff not only shared that view, but
17 promoted its products as particularly well-suited to that purpose.
18 (Opp. at 17:25.) Plaintiff's interrogatory responses stated that
19 the Asserted Trade Dress was intended to simulate "light shining
20 through stained glass windows in cathedrals," and Plaintiff's own
21 product information sheets explained, "When burned, Sanctuary
22 Series simulate the effect of light shining through a stained glass
23 window." (Marinelli Decl., Ex. 5 at 100; Ex. 12 at 38.) This
24 evidence directly contradicts Plaintiff's unsupported assertion
25 that the Asserted Trade Dress is merely suggestive, evocative, or
26 fanciful. (Opp. at 17:27.)

27 Trade dress "need only have some utilitarian advantage to be
28 considered functional." Disc Golf Ass'n, 158 F.3d at 1007.

1 Regardless whether other candle designs might also serve to invoke
2 or honor a particular figure or function as an altar or other
3 approximation of a church inside a home, the undisputed evidence
4 shows that the Asserted Trade Dress is particularly well-suited to
5 that purpose, and that Plaintiff promoted that utilitarian
6 advantage. Accordingly, Plaintiff cannot meet its burden to
7 demonstrate that its Asserted Trade Dress is non-functional.¹⁰

8 D. Trademark Infringement

9 Plaintiff's SAC also alleges a cause of action for trademark
10 infringement under the Lanham Act, 25 U.S.C. § 1114. Plaintiff
11 alleges that Defendant passed its candles off as Mercado candles by
12 selling Mercado candles in Indio boxes. (SAC ¶ 35.) In 2012,
13 Vallarta supermarkets began to sell Indio's Eternalux candles.
14 (Declaration of Pooya Bahktiari ¶ 55.) Because Vallarta only
15 wanted to sell one line of prayer candles, Indio agreed to "buy
16 back" all of Vallarta's remaining stock of Mercado Candles. (Id.)
17 Indio removed loose candles from Vallarta shelves and placed them
18 in shipping boxes. (Id. ¶ 57.) Indio then sold those boxes to
19 closeout vender Vernon Sales. (Id.)

20 Indio argues that Mercado's trademark rights in the candles at
21 issue were extinguished as soon as Mercado sold the candles to
22 Vallarta. (Mot. at 21-22.) Under the first sale doctrine, "the
23 right of a producer to control distribution of its trademarked
24 product does not extend beyond the first sale of the product."
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27 ¹⁰ Having determined that Plaintiff cannot succeed on two of
28 the essential elements of its trade dress claim, the court need not
address Defendant's remaining arguments.

1 Sebastian Int'l, Inc. v. Longs Drug Stores Corp., 53 F.3d 1073,
2 1074 (9th Cir. 1995). Although Mercado asserts that triable issues
3 of fact remain regarding its trademark claim, Mercado cites to no
4 law or facts to support that assertion or its suggestion that some
5 exception to the first sale doctrine applies. It is true that in
6 some cases, where there is a likelihood of downstream confusion,
7 the first sale doctrine may not apply. See Au-Tomotive Gold Inc.
8 v. Volkswagen of Am., Inc., 603 F.3d 1133, 1136-38 (9th Cir. 2010).
9 Here, however, there is no evidence that Vernon Sales, or anyone
10 else, was confused about the nature or origin of the bought-back
11 candles, or that any other potential exception to the first sale
12 doctrine would apply. Accordingly, Defendant is entitled to
13 summary judgment on the trademark infringement claim.

14 **IV. Conclusion**

15 For the reasons stated above, Defendant's Motion for Summary
16 Judgment is GRANTED.¹¹

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18 IT IS SO ORDERED.

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20 Dated: July 17, 2018



21 DEAN D. PREGERSON
22 United States District Judge
23
24

25 ¹¹ Summary judgment is also granted on Plaintiff's claims for
26 unfair competition and intentional interference with prospective
27 economic advantage. Plaintiff appears to concede that its unfair
28 competition claim is predicated upon its trade dress claim (Opp.
at 24:23-25.) Although Plaintiff asserts that its intentional
interference claim is viable independent of the other claims,
Plaintiff does not articulate how that is the case or identify any
independent wrongful acts.