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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

GIBSON BRANDS, INC., a)	Case No. CV 14-00609 DDP (SS)
Delaware Corporation,)	
)	ORDER DENYING MOTION FOR LEAVE TO
Plaintiff,)	MODIFY SCHEDULING ORDER TO FILE
)	FIRST AMENDED COMPLAINT
v.)	
)	[Dkt. No. 78]
JOHN HORNBY SKEWES & CO.,)	
LTD., a United Kingdom)	
corporation and DOES 1)	
through 10)	
Defendants.)	

Presently before the Court is a motion by Plaintiff Gibson Brands ("Gibson") to amend the scheduling order and for leave to file a First Amended Complaint. (Dkt. No. 78.)¹ Having considered the parties' submissions, the Court adopts the following order.

I. BACKGROUND

In its Complaint, filed January 27, 2014, Gibson alleges that it is the sole owner and designer of the six design trademarks at

¹One day after filing its motion, Plaintiff filed an "amended" motion. (Dkt. No. 80.) As there is no procedural mechanism for amending motions, and as allowing moving parties an unfettered right to change their motions after they are filed would tend to cause confusion, the Court does not recognize the "amended" motion and rules on the motion as initially filed.

1 issue: (1) SG Body Shape Design; (2) Explorer Body Shape Design;
2 (3) ES Body Shape Design; (4) Flying V Body Shape Design; (5)
3 Flying V Peghead Design; and (6) Kramer Peghead Design. Gibson
4 alleges that its trademarks are famous both in the U.S. and
5 elsewhere, and that Gibson is the exclusive user of its trademarks.
6 (Compl. generally.)

7 Gibson alleges that John Hornby Skewes & Co. ("JHS") has
8 repeatedly used Gibson's trademarks in connection with such
9 products without authorization by Gibson. (Id.) Specifically,
10 Gibson alleges that JHS intended to mislead consumers into
11 believing that JHS' products are made by Gibson, or that JHS'
12 products are authorized or licensed by Gibson, so that JHS would
13 benefit from Gibson's valuable reputation. (Id.)

14 At some unspecified time, Gibson alleges, JHS posted copies of
15 third-party reviews of its allegedly infringing products on its
16 website. (Pl.'s Mot. Amend, Ex. B, ¶ 7 & Ex. 2.) The reviews
17 refer to "Gibson-styled" guitars; state that JHS's products
18 "maintain[] the Gibson vibe"; describe pickups (electronic
19 components) that "are based very closely on the design of the
20 original vintage Gibson PAF" and "what looks like three of Gibson's
21 antique single-coils," as well as "neck profiles that are based
22 loosely on the neck from Trev's treasured and much-missed early 60s
23 Gibson SG standard"; and describe JHS products as "closely based on
24 . . . [the] 60s Gibson SG Special," "inspired by the neck pattern
25 of a genuine early 60s Gibson," "more or less identical to the
26 original Gibson guitars that inspired them," "convey[ing] the
27 slimmer feel generally associated with Gibson guitars dating from
28 around 1960 onwards with the added stability of a more modern

1 instrument," "evocative of Gibson's finest period ES-335s," and
2 "look[ing] old Gibson." (Id.) One review also states that a
3 "slight cutaway on the bass-side of the guitar" is "part of an
4 agreement that JHS has with Gibson, we understand." (Id.) The
5 original Complaint does not make any reference to these reviews.
6 Gibson alleges that these reviews, as used on JHS's website,
7 infringe five Gibson word marks. (Pl.'s Mot. Amend at 4.)

8 In May 2015, Gibson took the deposition of Mr. Dennis Drumm, a
9 JHS corporate representative. (Id. at 4.) During the deposition,
10 Mr. Drumm allegedly revealed that JHS controls the content on its
11 website, including the posting of third-party reviews. (Pl's Mot.
12 Amend, Ex. B, Ex. 3 at 68-69.) On June 11, 2015, Gibson received
13 the deposition transcript, and filed a motion to modify the
14 pretrial Scheduling Order to permit the filing of its Amended
15 Complaint. (Id. at 11.)

16 JHS opposes Gibson's motion to modify the Scheduling Order for
17 three reasons: (1) Gibson did not satisfy the meet and confer rule
18 as required under Local Rule 7-3; (2) Gibson has not shown that it
19 has a good cause for amending the scheduling order because Gibson
20 was not diligent in filing its motion; (3) allowing leave for amend
21 would cause undue delay in the trial proceedings, would prejudice
22 JHS, and would be futile. (Opp'n. to Pl's Mot.)

23 **II. LEGAL STANDARD**

24 **A. Rule 16**

25 A party can modify a pretrial scheduling order if the party
26 cannot reasonably meet the dates on the order, notwithstanding the
27 moving party's diligence. Johnson v. Mammoth Recreations, Inc.,
28 975 F.2d 604, 609 (9th Cir. 1992). Schedules may be modified only

1 for good cause and with the judge's consent. Fed. R. Civ. P.
2 16(b)(4). When a party moves to modify the scheduling order to
3 amend a pleading, the court determines good cause by focusing on
4 the diligence of the moving party. Id.

5 **B. Rule 15**

6 "Only after the moving party has demonstrated diligence under
7 Rule 16 does the court apply the standard under Rule 15 to
8 determine whether the amendment was proper." Hood, 567 F.Supp.2d
9 1221 at 1224 (citing Mammoth Recreations, 975 F.2d at 608). Leave
10 to amend should be freely given when justice requires, so long as
11 there is no undue delay in the litigation and prejudice to the
12 nonmoving party. See Foman v. Davis, 371 U.S. 178, 182 (1962). When
13 deciding the propriety of a motion for leave to amend the court
14 will consider factors such as undue delay, prejudice to the
15 opposing party, and futility of the amendment. See Allen v. City of
16 Beverly Hills, 911 F.3d 367, 373 (9th Cir. 1990).

17 **III. DISCUSSION**

18 **A. Local Rule 7-3**

19 As an initial matter, JHS contends that Gibson failed to abide
20 by Local Rule 7-3, because Gibson's counsel only emailed JHS's
21 counsel rather than conferring in real time. JHS cites to Caldera
22 v. J.M. Smucker Co. for the proposition that 7-3 conferences should
23 "take place via a communication method that, at a minimum, allows
24 all parties to be in realtime communication (letters and email, for
25 example, do not constitute a proper 7-3 conference)." No. CV
26 12-4936-GHK VBKX, 2013 WL 6987905, at *1 (C.D. Cal. June 3, 2013).
27 But in Caldera Judge King was referring to a specific case
28 management order requiring realtime conferences. While such a

1 requirement is a sensible means of facilitating the goals of LR 7-
2 3, it is not the only means of doing so. The rule itself requires
3 only that, at least seven days prior to filing a motion, "counsel
4 contemplating the filing of any motion shall first contact opposing
5 counsel to discuss thoroughly, preferably in person, the substance
6 of the contemplated motion and any potential resolution." A
7 substantial email exchange could meet these requirements.

8 In this case, however, Gibson's counsel did not meet the
9 rule's requirements, both because the emails here do not constitute
10 a "thorough" discussion of the issues and because counsel waited
11 until the day before he filed the motion to email opposing counsel.
12 (Opp'n, Ex. A.)

13 In the interest of avoiding unnecessary delay, and because JHS
14 does not appear to have been prejudiced by Gibson's failure to
15 satisfy the rule,² the Court declines to vacate the motion on this
16 ground. But the Court hereby orders the parties to comply with the
17 Local Rules in all future filings; failure to do so may result in
18 sanctions, including denial of the improperly filed motion.

19 **B. Good Cause Requirement under Rule 16**

20 JHS contends that Gibson cannot show good cause for modifying
21 the Scheduling Order, and therefore, Gibson's motion should not be
22 granted.

23 In examining diligence, the court may consider, among other
24 things, (1) whether the party was diligent in assisting the court
25 in creating a workable Rule 16 order; (2) whether the party's

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27 ²See Brodie v. Bd. of Trustees of California State Univ., No.
28 CV 12-07690 DDP AGRX, 2013 WL 4536242, at *1 (C.D. Cal. Aug. 27,
2013) (court considered the motion on the merits where opposing
party was not prejudiced by failure to follow rule 7-3).

1 failure to meet the Rule 16 order occurred notwithstanding the
2 party's diligent efforts to comply, due to the development of
3 matters that were not reasonably foreseeable at the time of the
4 Rule 16 scheduling conference; and (3) whether the moving party was
5 diligent in seeking amendment of the Rule 16 order, once it became
6 apparent that the party would not be able to comply with the order.
7 Hood v. Hartford Life and Acc. Ins. Co., 567 F.Supp.2d 1221, 1224
8 (E.D. Cal. 2008). The parties agree that Gibson was diligent under
9 the first factor. (Opp'n. at 5.) However, JHS contends that Gibson
10 was not diligent under the other two factors identified in Hood,
11 because such material existed on JHS' website well before Gibson
12 filed its complaint, and so it was reasonably foreseeable that this
13 material would support Gibson's new claims. (Id.)

14 The Court cannot discern from the moving papers exactly when
15 Gibson discovered the allegedly infringing reviews, nor what steps,
16 if any, Gibson took to uncover possible word mark infringement in
17 association with the alleged design mark infringement.³ In its
18 reply, Gibson states that it "recently" found the reviews. (Reply
19 at 5.) Ric Olsen, Gibson's "Manager of Brand Protection," states
20 in his declaration that Gibson was not aware of the reviews until
21 *after* the deposition of JHS' corporate representative, Dennis
22 Drumm. (Decl. Ric Olsen, ¶ 10.) But this assertion makes little
23 sense in light of the deposition transcript showing that the
24 reviews were discussed during the deposition, and that Gibson's

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27 ³Gibson alleges that it sought "documents that referred to
28 Gibson, ES, SG, FLYING V, or EXPLORER" in discovery but cites only
to a request for production of documents filed by JHS. (Reply at 5
(citing Pl.'s Mot. Amend, Ex B, Ex. 2 (Defendant's RFP)).)

1 counsel had at least some of the reviews at hand to discuss with
2 Mr. Drumm. (Pl's Mot. Amend, Ex. B, Ex. 3 at 78-81.)

3 Gibson nonetheless argues that before it could file a motion
4 to amend its complaint, it had to take Mr. Drumm's deposition in
5 order to confirm that JHS was in control of the marketing materials
6 and reviews displayed on its website. (Pl's Mot. Amend at 9.)
7 Gibson argues that it is not uncommon for a company to work with
8 third-parties to develop a company's website. (Reply at 6.) In
9 order to determine whether JHS was in control of the marketing
10 materials on its website, Gibson sought to schedule depositions for
11 five months. (Pl's Mot. Amend at 8; Schuettinger Decl. at ¶ 3.)
12 Once the depositions were taken, Gibson filed its motion to modify
13 the Scheduling Order within one week. (Pl's Memo in Supp. Mot. at
14 9; Schuettinger Decl. at ¶ 4.) Thus, Gibson suggests, it could not
15 have sought amendment of the scheduling order any sooner.

16 But this argument makes little sense. Of course a company
17 may "outsource" development of a website, (Reply at 6), but it is
18 still responsible for the content of the site and, at a minimum,
19 may be held vicariously liable for the developer's actions.
20 R.F.M.A.S., Inc. v. Mimi So, 619 F. Supp. 2d 39, 71 (S.D.N.Y.
21 2009) ("Even when the indirect infringer has no knowledge of the
22 direct infringement, it can still be held liable for vicarious
23 infringement if it has the right and ability to supervise the
24 infringing activity and also has a direct financial interest in
25 such activities.") (internal quotation marks and brackets
26 omitted). Gibson provides no authority to the contrary, and no
27 reason to think it was not reasonably foreseeable that JHS would
28 be liable for alleged infringement on its own website.

1 The Court finds that Gibson has not shown good cause under
2 Rule 16 to modify the scheduling order.

3 **B. Prejudice and Futility Under Rule 15**

4 Even if Plaintiff had shown good cause to amend the
5 scheduling order, the motion would still have to be denied under
6 Rule 15.

7 First, JHS argues that amendment would be futile. The test
8 for futility is the same as the test for dismissal under Rule
9 12(b)(6) - i.e., whether, taking a plaintiff's facts as true, the
10 allegations state a plausible claim for relief.⁴ On the proposed
11 allegations, it is far from clear that Plaintiff can state a
12 plausible claim for word mark infringement.

13 The elements of trademark infringement are a valid,
14 protectable trademark and a defendant's use of the mark in a way
15 that is likely to cause consumer confusion. Applied Info.
16 Sciences Corp. v. eBay, Inc., 511 F.3d 966, 969 (9th Cir. 2007).
17 Where the trademark is used to name the plaintiff's product itself
18 - rather than being used by the defendant to identify its own
19 products - the typical likelihood-of-confusion analysis is
20 replaced with a "nominative fair use" analysis, which requires
21

22 ⁴Plaintiff urges the Court to use the futility standard
23 announced in Miller v. Rykoff-Sexton, Inc.: "A proposed amendment
24 is futile only if no set of facts can be proved under the amendment
25 to the pleadings that would constitute a valid and sufficient claim
26 or defense." 845 F.2d 209, 214 (9th Cir.1988). But that "no set
27 of facts" standard was taken from the pleading standard courts had
28 borrowed from dicta in Conley v. Gibson, 355 U.S. 41, 45-46 (1957);
as the Miller court noted, the test for futility is the same as the
test applied on a Rule 12(b)(6) motion. 845 F.2d at 214. After
Ashcroft v. Iqbal, that pleading standard is no longer viable. 556
U.S. 662, 678 (2009). Thus, the proper standard is Iqbal's
plausibility standard. Fulton v. Advantage Sales & Mktg., LLC, No.
3:11-CV-01050-MO, 2012 WL 5182805, at *2 (D. Or. Oct. 18, 2012).

1 that (1) the plaintiff's product not be readily identifiable
2 without use of the trademark, (2) the defendant only use so much
3 of the mark as reasonably necessary to identify plaintiff's
4 product, and (3) the defendant not suggest that the plaintiff
5 sponsors or endorses the defendant's product or service. Cairns
6 v. Franklin Mint Co., 292 F.3d 1139, 1151 (9th Cir. 2002).

7 The archetypal case of nominative fair use is one in which a
8 publication uses the trademarked name of a product or organization
9 in order to discuss its merits. New Kids on the Block v. News Am.
10 Pub., Inc., 971 F.2d 302, 308 (9th Cir. 1992) (newspaper could not
11 be expected to refer to the band New Kids on the Block as an
12 entity "without using the trademark," and the same logic applied
13 to "the Chicago Bulls, Volkswagens or the Boston Marathon").
14 Notably, the nominative fair use doctrine applies "even if the
15 defendant's ultimate goal is to describe his own product."
16 Cairns, 292 F.3d at 1151.

17 Some courts have declined to dismiss a trademark claim based
18 on the nominative fair use doctrine; however, Plaintiff points to
19 no case holding that a trademark infringement claim can never be
20 resolved on a motion to dismiss.⁵ Indeed, a number of courts have

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22 ⁵See, e.g., Autodesk, Inc. v. Dassault Systemes SolidWorks
23 Corp., No. C08-04397 WHA, 2008 WL 6742224, at *5 (N.D. Cal. Dec.
24 18, 2008) ("[A]nalysis of nominative fair use is premature on a
25 motion to dismiss, particularly given the factual nature of the
26 inquiry in this case.") (emphasis added); Yeager v. Cingular
27 Wireless LLC, 627 F. Supp. 2d 1170, 1178 (E.D. Cal. 2008) (court
28 could not find third element of nominative fair use test satisfied
as a matter of law, and therefore could not dismiss); Designer
Skin, LLC v. S&L Vitamins, Inc., No. CV 05-3699 PHXJAT, 2007 WL
841471, at *2 (D. Ariz. Mar. 19, 2007) (denying motion to dismiss
because "after identifying the three prongs of nominative fair use,
Defendants fail to apply them to this case"); Films of Distinction,
Inc. v. Allegro Film Prods., Inc., 12 F. Supp. 2d 1068, 1077 (C.D.

(continued...)

1 held that an argument of nominative fair use can support a motion
2 to dismiss, if "the pleadings fail to allege a mark use beyond
3 nominative fair use." Stevo Design, Inc. v. SBR Mktg. Ltd., 919 F.
4 Supp. 2d 1112, 1124 (D. Nev. 2013). See also Architectural
5 Mailboxes, LLC v. Epoch Design, LLC, No. 10CV974 DMS CAB, 2011 WL
6 1630809, at *3 (S.D. Cal. Apr. 28, 2011) (dismissing claim where
7 the allegedly infringing use of plaintiff's trademarked name
8 "clearly identify Plaintiff as the manufacturer" of competing
9 goods); Elec. Arts, Inc. v. Textron Inc., No. C 12-00118 WHA, 2012
10 WL 3042668, at *5 (N.D. Cal. July 25, 2012) (dismissal appropriate
11 where "simply looking at the work itself, and the context in which
12 it appears, demonstrates how implausible it is that a viewer will
13 be confused into believing that the plaintiff endorsed the
14 defendant's work").

15 It is clear that Gibson's claim would fail as a matter of law
16 if brought against the original reviewers or the publications that
17 ran their reviews; that is simply New Kids redux. But then it
18 seems odd to say that by re-publishing the very same content, JHS
19 somehow becomes liable for trademark infringement, unless its
20 website either misleadingly edits the reviews (not at issue here,
21 as the articles appear to be reprinted in full) or explicitly
22 cites to them as support for a claim of endorsement.

23 Gibson argues that because the reviews refer to JHS as a
24 "copycat" and its products as "inspired by," "copies" or "knock-

26 ⁵(...continued)
27 Cal. 1998) ("[T]he applicability of the nominative fair use
28 exception cannot be determined on a motion to dismiss absent
allegations establishing that the product or service is readily
identifiable without use of the trademark.").

1 offs" of, or "more or less identical to" certain Gibson guitars,
2 consumers will assume an endorsement. (Reply at 12-13. The
3 problem is that when taken in context, the references to Gibson
4 actually reinforce the idea that Gibson does *not* endorse the JHS
5 guitars. To start with, the plain meaning of the words "copycat"
6 and "knock-off" incorporates a sense that the copying is not
7 authorized. But more to the point, the reviews frequently assert
8 that the specific products being reviewed are the *opposite* of a
9 copy:

10 [W]ith the launch of the Advance series, copy cloning is put
11 on the back burner in favour of some more original designs -
12 namely, the four examples on test here.

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14 [T]he shape, because it apes Gibson and can't copy it, looks
15 rather ungainly

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17 JHS's MD Dennis Drumm and Trev Wilkinson unveiled the
18 fledgling Vintage Advance series: inspired by the classics,
19 but certainly not copies. 'What we're trying to do is say
20 we're not a copy company any more,' explained Trev Wilkinson.
21 'We have the wherewithal to innovate.'"

22
23 (Pl.'s Mot. Amend, Ex. B, Ex. 2.) The reviews also emphasize the
24 JHS products' original components, noting that the JHS guitars
25 "feature various specs put together by Trev" and "use custom
26 designed Wilkinson humbucking pickups." (Id.) The only statement
27 in the reviews that even suggests an endorsement is the aside that
28 a design feature is used as "part of an agreement that JHS has

1 with Gibson, we understand." (Id.) But a single such statement,
2 qualified as it is and buried in pages and pages of third party
3 reviews, cannot support a conclusion that consumers would be
4 confused into thinking that Gibson endorses JHS's product line as
5 a whole.

6 More generally, it cannot be the case that a manufacturer may
7 not make marketing use of third-party reviews of its products if
8 the reviews make comparisons to other brands. Such reviews are
9 one of the most important indicators of quality that a
10 manufacturer has with which to distinguish its products. And
11 where a product is either an explicit copy of, or "inspired by,"
12 another firm's work, it is natural for the reviewer to compare the
13 copy to the original. This kind of review-by-genealogy is so
14 common that no reasonable consumer is confused by it into thinking
15 that the creator of the original work must be endorsing the new
16 work. When the *Village Voice* notes that Quentin Tarantino's
17 *Django Unchained* is a "direct homage" to the spaghetti westerns of
18 Sergio Leone, who in turn got his start lifting a story from Akira
19 Kurosawa, who in turn took his plot from Dashiell Hammett, no one
20 thinks that Hammett, Kurosawa, and Leone have endorsed on
21 Tarantino's film.⁶ Reprinting of reviews that mention Gibson's
22 products, alone, cannot be enough to trigger a word mark
23 infringement claim; there must be some additional allegation
24 showing that JHS used the reviews in a way that was misleading.
25 Such an allegation is lacking here.

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27 ⁶Vern, "How to Defend Quentin Tarantino," Village Voice (Jan.
28 2, 2013),
<http://www.villagevoice.com/film/how-to-defend-quentin-tarantino-6437096>.

1 Because Gibson's proposed amendments do not suffice to state
2 a claim against JHS, JHS has a strong argument that amendment
3 would be futile.

4 But even if the word mark claims were not so implausible as
5 to be subject to dismissal, the proposed amendments would still
6 result in substantial prejudice to JHS. Undue prejudice exists
7 when new claims in an amended complaint significantly alter the
8 nature of the litigation and require defendants to undertake an
9 entirely new course of defense. Moronogo Band of Mission Indians
10 v. Rose, 893 F.2d 1074, 1079 (9th Cir. 1990). The nominative fair
11 use issue discussed above would presumably require a revamping of
12 Defendant's litigation strategy, including additional discovery
13 (especially regarding consumer beliefs about endorsement as to
14 third-party reviews). JHS also raises serious questions as to
15 whether the reviews were used "in commerce" in the United States,⁷
16 and this, too, would require a new course of defense and perhaps
17 additional discovery. Thus, Gibson's proposed amendments, coming
18 this late in the process, would unduly prejudice JHS's defense.

19 **IV. CONCLUSION**

20 For all the above reasons, the Court DENIES Gibson's motion.
21 Additionally, although Gibson has suggested that if its motion
22 were denied it would be forced to file a separate complaint
23 alleging its word mark claims, that possibility is foreclosed by
24 this order. "Plaintiffs generally have no right to maintain two
25 separate actions involving the same subject matter at the same
26

27 ⁷See Opp'n at 14-17 (arguing that the use of the reviews did
28 not result in an effect of commerce, or cognizable injury, within
the United States).

1 time in the same court and against the same defendant." Adams v.
2 California Dep't of Health Servs., 487 F.3d 684, 688 (9th Cir.
3 2007). A plaintiff may not "attempt[] to avoid an unfavorable
4 prior ruling in one case by filing essentially the same claims in
5 a new case." Stearns v. Ticketmaster Corp., 655 F.3d 1013, 1025
6 (9th Cir. 2011).

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8 IT IS SO ORDERED.

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11 Dated: August 4, 2015

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DEAN D. PREGERSON
United States District Judge