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7 **United States District Court**
8 **Central District of California**
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10 INTERNATIONAL AERO

11 PRODUCTS, LLC,

12 Plaintiff,

13 v.

14 AERO ADVANCED PAINT

15 TECHNOLOGY, INC.,

16 Defendants.

Case No 2:18-cv-03047-ODW (SKx)

**ORDER GRANTING, IN PART,
DENYING, IN PART, PLAINTIFF'S
MOTION TO DISMISS FOR LACK
OF SUBJECT MATTER
JURISDICTION AND FAILURE TO
STATE A CLAIM WITH LEAVE TO
AMEND [32]**

17 **I. INTRODUCTION**

18 Plaintiff International Aero Products, LLC (“Plaintiff” or “IAP”) filed a
19 Complaint for (1) infringement of a federally registered trademark under 15 U.S.C.
20 § 1114 and (2) infringement of trademark under 15 U.S.C. § 1125(a) against
21 Defendant Aero Advanced Paint Technology, Inc. (“Defendant” or “AAPT”).
22 Defendant now moves to dismiss Plaintiff’s claims for lack of subject matter
23 jurisdiction, and further moves to dismiss Plaintiff’s claims for failure to state a claim
24 upon which relief can be granted. For the reasons discussed below, the Court
25 **GRANTS, IN PART, AND DENIES, IN PART,** Plaintiff’s Motion to Dismiss for
26 Lack of Subject Matter Jurisdiction and Failure to State a Claim.¹ (ECF No. 32.)

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28 ¹ After carefully considering the papers filed in support of and in opposition to the Motion, the Court deemed the matter appropriate for decision without oral argument. Fed. R. Civ. P. 78; C.D. Cal. L.R. 7-15.

1 On May 3, 2018, before Defendant answered and within ninety (90) days after
2 filing the Complaint, Plaintiff filed a First Amended Complaint. (*See generally* FAC.)
3 There was only one difference in the FAC: Plaintiff IAP was identified as a Delaware
4 limited liability company with its principal place of business in California; not a
5 California limited liability company. (FAC ¶ 1.)

6 On June 28, 2018, Defendant filed a Motion to Dismiss or Transfer for Lack of
7 Personal Jurisdiction in this action. (ECF No. 16.) This Court denied that motion.
8 (Order Denying Mot. to Dismiss and Transfer, ECF No. 26.)

9 On September 11, 2018, Defendant filed a Motion to Dismiss for (1) Lack of
10 Subject Matter Jurisdiction and (2) Failure to State a Claim Upon Which Relief Can
11 be Granted in this action. (Mot. to Dismiss Under Fed. R. Civ. P. 12(b)(1)
12 and/or 12(b)(6) (“Mot.”), ECF No. 32.) That Motion is now before the Court for
13 consideration.

14 III. LEGAL STANDARD

15 A. RULE 12(b)(1)

16 Pursuant to Federal Rule of Civil Procedure 12(b)(1), a party may move to
17 dismiss a case for lack of subject matter jurisdiction. Fed. R. Civ. P. 12(b)(1).
18 Article III, Section 2, of the United States Constitution restricts the federal “judicial
19 Power” to the resolution of “Cases” and “Controversies,” and this case-or-controversy
20 requirement is met where the plaintiff has standing to bring his or her suit. *Lujan v.*
21 *Defenders of Wildlife*, 504 U.S. 555, 559–60 (1992); *see also Cetacean Cmty. v. Bush*,
22 386 F.3d 1169, 1174 (9th Cir. 2004). To satisfy Article III standing, a plaintiff must
23 show that (1) he has suffered an “injury in fact” that is concrete and particularized and
24 actual or imminent; (2) the injury is fairly traceable to the challenged actions of the
25 defendant; and (3) it is likely, as opposed to merely speculative, that the injury will be
26 redressed by a favorable decision. *Bernhardt v. Cty of Los Angeles*, 279 F.3d 862,
27 868–69 (9th Cir. 2002) (citing *Friends of the Earth, Inc. v. Laidlaw Env'tl. Servs. Inc.*,
28 528 U.S. 167, 180–81 (2000)). Once a defendant moves to dismiss for lack of subject

1 matter jurisdiction, the plaintiff bears the burden of establishing the court’s subject
2 matter jurisdiction. See *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 377
3 (1994); *Chandler v. State Farm Mut. Auto. Ins. Co.*, 598 F.3d 1115, 1122 (9th Cir.
4 2010).

5 There are two types of motions to dismiss for lack of subject matter jurisdiction:
6 a facial attack and a factual attack. *Thornhill Publ’g Co. v. Gen. Tel. & Elec. Corp.*,
7 594 F.2d 730, 733 (9th Cir. 1979). As such, a party may challenge either the
8 allegations of jurisdiction contained in the nonmoving party’s complaint or the
9 existence of subject matter jurisdiction despite the formal sufficiency of the pleading.
10 *Id.*

11 **B. RULE 12(b)(6)**

12 A court may dismiss a complaint under Rule 12(b)(6) for lack of a cognizable
13 legal theory or insufficient facts pleaded to support an otherwise cognizable legal
14 theory. *Balistreri v. Pacifica Police Dep’t*, 901 F.2d 696, 699 (9th Cir. 1990). To
15 survive a dismissal motion, a complaint need only satisfy the minimal notice pleading
16 requirements of Rule 8(a)(2)—a short and plain statement of the claim. *Porter v.*
17 *Jones*, 319 F.3d 483, 494 (9th Cir. 2003). The factual “allegations must be enough to
18 raise a right to relief above the speculative level.” *Bell Atl. Corp. v. Twombly*, 550
19 U.S. 544, 555 (2007). That is, the complaint must “contain sufficient factual matter,
20 accepted as true, to state a claim to relief that is plausible on its face.” *Ashcroft v.*
21 *Iqbal*, 556 U.S. 662, 678 (2009).

22 The determination of whether a complaint satisfies the plausibility standard is a
23 “context-specific task that requires the reviewing court to draw on its judicial
24 experience and common sense.” *Id.* at 679. A court is generally limited to the
25 pleadings and must construe all “factual allegations set forth in the complaint . . . as
26 true and . . . in the light most favorable” to the plaintiff. *Lee v. City of Los Angeles*,
27 250 F.3d 668, 679 (9th Cir. 2001). But a court need not blindly accept conclusory
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1 allegations, unwarranted deductions of fact, and unreasonable inferences. *Sprewell v.*
2 *Golden State Warriors*, 266 F.3d 979, 988 (9th Cir. 2001).

3 As a general rule, a court should freely give leave to amend a complaint that has
4 been dismissed. Fed. R. Civ. P. 15(a). But a court may deny leave to amend when
5 “the court determines that the allegation of other facts consistent with the challenged
6 pleading could not possibly cure the deficiency.” *Schreiber Distrib. Co. v. Serv-Well*
7 *Furniture Co.*, 806 F.2d 1393, 1401 (9th Cir. 1986); *see Lopez v. Smith*, 203 F.3d
8 1122, 1127 (9th Cir. 2000).

9 IV. DISCUSSION

10 The Court first addresses Defendant’s Motion to Dismiss pursuant to Rule
11 12(b)(1) because “[f]ederal courts must determine they have jurisdiction before
12 proceeding to the merits.” *Lance v. Coffman*, 549 U.S. 437, 439 (2007) (citations
13 omitted).

14 A. PLAINTIFF’S STANDING

15 Defendant challenges the existence of subject matter jurisdiction based on the
16 sufficiency of the pleadings. (Mot. 11.) Defendant argues that Plaintiff does not have
17 standing to bring claims because (1) Plaintiff does not possess ownership rights of the
18 ‘779 Trademark and (2) Plaintiff has not established a concrete and particularized
19 injury-in-fact with a causal connection to Defendant’s actions. (Mot. 12–13.)

20 1. Ownership Rights of ‘779 Trademark

21 The ‘779 Trademark was originally registered to IAP, a California LLC, rather
22 than Plaintiff IAP, a Delaware LLC. (FAC Ex. 13.) Consequently, Defendant claims
23 that because Plaintiff does not own the trademark, it does not have standing to enforce
24 the ‘779 Trademark. (Mot. 11–13.) In response, Plaintiff asserts that the inaccuracy
25 of the ‘779 Trademark registration was a mere typographical error, and this
26 inadvertent error has been corrected by the USPTO as of September 2018. (Opp’n 2.)

27 Applicants who misidentify themselves in trademarks may correct their
28 information. *See* TMEP § 1201.02(c) (“If the party applying to register the mark is, in

1 fact, the owner of the mark, but there is a mistake in the manner in which the name of
2 the applicant is set out in the application, the mistake may be corrected by
3 amendment.”).

4 Further, courts have refused to dismiss claims solely on the basis of
5 typographical errors. *See Rivers v. Skate Warehouse, LLC*, No. CV-12-09946-MMM-
6 (CWx), 2013 WL 12128800, at *8 (C.D. Cal Apr. 15, 2013) (refusing to dismiss a
7 trademark infringement case on the basis of a typographic error). Courts have also
8 concluded that such typographical errors would not have any impact on the claims at
9 issue in cases such as the one presently before the Court. *See Binder v. Disability*
10 *Grp., Inc.*, 772 F. Supp. 2d 1172, 1176 (C.D. Cal. 2011).

11 Here, the USPTO has accepted Plaintiff’s request for a correction and amended
12 the ‘779 Trademark to reflect Plaintiff’s accurate place of incorporation, Delaware.
13 (*See Opp’n Ex. 3*). It has also left the original registration date of the ‘779 Trademark
14 intact.³ *Id.* Accordingly, Plaintiff is the rightful owner of the ‘779 Trademark such
15 that it has standing to enforce the mark.

16 However, because Defendant’s Motion challenges the sufficiency of the
17 pleadings, Defendant is technically correct that Exhibit 13 to the FAC establishes that
18 Plaintiff, a Delaware corporation, is not the actual owner of the mark. Accordingly,
19 the Court grants Defendant’s motion to dismiss with leave to amend. Specifically,
20 Plaintiff may amend its complaint to include the revised trademark registration.

21 2. *Concrete and Particularized Injury-in-Fact*

22 The “injury-in-fact” prong of Article III standing requires that the plaintiff
23 suffered “an invasion of a legally protected interest which is (a) concrete and
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25 ³ Defendant argues that Plaintiff’s counsel’s declaration and exhibits should be stricken because it
26 was an untimely filing. Although the Court is cognizant and strict about deadlines, the declaration
27 and exhibits were filed only four minutes after the filing deadline. (*See ECF No. 36*.) The Court
28 fails to find that a four-minute delay prejudiced Defendant, nor has Defendant argued that the delay
caused it any prejudice. *See Zosma Ventures, Inc. v. Nazari*, CV 12-1404-RSWL (FFMx), 2013 WL
12129380, at *3 (C.D. Cal. Sept. 23, 2013).

1 particularized, and (b) actual or imminent, not conjectural or hypothetical.” *Lujan*,
2 504 U.S. at 560 (internal citations and quotation marks omitted).

3 Here, Defendant argues that Plaintiff has not alleged an invasion of a legally
4 protected interest which is concrete and particularized. (Mot. 13.) As explained
5 previously, Plaintiff does have a legally protected interest in the ‘779 Trademark.
6 Moreover, Plaintiff’s FAC alleged that it suffered an injury-in-fact as a result of
7 Defendant’s use of its mark. Specifically, Plaintiff alleged that “[Defendant’s] use,
8 according to its own statements, is likely to cause confusion, mistake, or deception
9 among the public as to whether [Defendant’s] products are associated with, approved
10 of, or sponsored by the same source as [Plaintiff’s] AERO branded automotive
11 detailing products.” (FAC ¶ 27.) Additionally, Plaintiff alleged that it “has no control
12 over the composition or quality of the goods sold under” Defendant’s mark and that
13 Plaintiff “is being harmed by [Defendant’s] unauthorized use of the confusingly
14 similar mark.” (FAC ¶ 32.) Plaintiff further alleged harm to goodwill and reputation
15 of its company as a result of Defendant’s actions. (FAC ¶ 33.)

16 Further, Defendant’s cease and desist letter explicitly agrees with Plaintiff’s
17 concerns regarding the potential for confusion between the two marks, stating that a
18 tradeshow “attendee familiar with [Defendant] was confused into thinking that
19 [Defendant] would again be exhibiting products displaying its AERO-based marks.”
20 (FAC Ex. 6, at 1.) Defendant recognized that “it is understandable how one might be
21 confused” and that “[Defendant] is very concerned about the likelihood of confusion
22 arising based on [Plaintiff’s]” use of the mark. (*Id.* at 1, 2.) Finally, Defendant wrote
23 that it is necessary that Plaintiff cease and desist using the mark “[t]o protect the
24 goodwill associated with its AERO-based marks and avoid a likelihood of confusion.”
25 (*Id.*)

26 These allegations, taken as true and construed in the light most favorable to
27 Plaintiff, are sufficient to establish that Plaintiff has Article III standing. *See Leite v.*
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1 *Crane Co.*, 749 F.3d 1117, 1121 (9th Cir. 2014) (holding that “the plaintiff’s factual
2 allegations will ordinarily be accepted as true”).

3 **B. FAILURE TO STATE A CLAIM**

4 Defendant also moves to dismiss the case on the basis that Plaintiff has not pled
5 facts sufficient to establish a likelihood of confusion to maintain a trademark
6 infringement claim. (Mot. 15.)

7 To prevail on a claim of trademark infringement, a party “must prove (1) that it
8 has a protectible ownership interest in the mark; and (2) that the defendant’s use of the
9 mark is likely to cause consumer confusion.” *Network Automation, Inc. v. Advanced*
10 *Sys. Concepts, Inc.*, 638 F.3d 1137, 1144 (9th Cir. 2011). As discussed above,
11 Plaintiff has established a protectible ownership interest in the ‘779 Trademark, but is
12 granted leave to amend to include the revised trademark registration as it does not
13 appear on the face of the complaint.

14 There are eight relevant factors to determine whether consumers would likely
15 be confused by related goods: “[1] strength of the mark; [2] proximity of the goods;
16 [3] similarity of the marks; [4] evidence of actual confusion; [5] marketing channels
17 used; [6] type of goods and the degree of care likely to be exercised by the purchaser;
18 [7] defendant's intent in selecting the mark; and [8] likelihood of expansion of the
19 product lines.” *AMF v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979),
20 *abrogated on other grounds by Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d
21 792, 810 n.19 (9th Cir. 2003). A court does not need to address all eight factors as “it
22 is often possible to reach a conclusion with respect to likelihood of confusion after
23 considering only a subset of the factors.” *Brookfield Commc’ns, Inc. v. West Coast*
24 *Entm’t Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999).

25 Here, the Court does not address all the factors, but only the relevant ones
26 necessary to determine the likelihood of confusion. Plaintiff has pled sufficient facts
27 to establish a likelihood of confusion. Specifically, Plaintiff alleged that its mark is
28 “strong within the marketplace due to [Plaintiff’s] substantial and continuous

1 marketing and promotion of the AERO and Design automotive detailing line, as well
2 as the substantial sales volume, critical acclaim, and widespread public recognition . . .
3 for nearly eight years.” (FAC ¶ 26.) Further, Plaintiff alleged that Defendant used the
4 term AERO and Design as trademark in connection with automobiles, and
5 Defendant’s “use, according to its own statements, is likely to cause confusion.”
6 (FAC ¶ 27, Ex. 6.) Defendant, in its letter to Plaintiff, wrote that Plaintiff’s “mark has
7 confusingly been affixed to vehicles, including a vehicle on display at the 2016 SEMA
8 show” and that “it is understandable how one might be confused” between the two
9 companies. (FAC Ex. 6, at 1.) Further examples of how both marks are similar
10 include how both marks simply use the term “AERO.”



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19 The first “AERO” is the ‘779 Trademark purportedly belonging to Plaintiff, and the
20 second “AERO” is one of Defendant’s trademark registration. As Defendant freely
21 admits in its letter, “[Defendant] is very concerned about the likelihood of confusion
22 arising based on [Plaintiff’s] use of the AAERO [sic] mark . . . where the dominant
23 feature of the mark is the word AERO . . . [and] it is in the best interests of both
24 [Defendant] and [Plaintiff] to avoid confusion as is already occurring in the
25 marketplace.” (FAC Ex. 6, at 2.) Accordingly, Plaintiff has pled sufficient facts to
26 establish a likelihood of confusion.

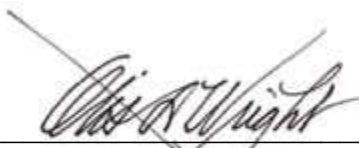
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V. CONCLUSION

For the reasons discussed above, the Court **GRANTS, IN PART, AND DENIES, IN PART, Plaintiff's Motion** and grants Plaintiff leave to amend. Plaintiff may amend its First Amended Complaint within seven (7) days of this Order.

IT IS SO ORDERED.

January 8, 2019



OTIS D. WRIGHT, II
UNITED STATES DISTRICT JUDGE