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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

LARIN CORPORATION,
Plaintiff,
vs.
ALLTRADE, INC., a California
Corporation; ALLTRADE, TOOLS,
LLC, a California limited liability
company; ANDRE LIVIAN, an
individual,
Defendants.

CASE NO. EDCV 06-01394 ODW (OPx)

**ORDER DENYING PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT, OR IN THE
ALTERNATIVE, FOR SUMMARY
ADJUDICATION OF ISSUES [417],
AND DENYING DEFENDANTS'
MOTION TO DISMISS, OR IN THE
ALTERNATIVE FOR SUMMARY
JUDGMENT [416]; GRANTING [453]**

I. INTRODUCTION

Pending before the Court are the parties' two concurrently filed Motions: Plaintiff's Motion for Summary Judgment, or in the Alternative, for Summary Adjudication of Issues, (Dkt. # 417), and Defendants' Motion to Dismiss Pursuant to Federal Rule of Civil Procedure 41, or in the alternative for Summary Judgment. (Dkt. # 416.) The parties timely filed their respective oppositions and replies to the instant Motions. After careful consideration of the briefing and evidence submitted, the Court deems the matter appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78;

1 L.R. 7-15. For the following reasons, the Court **DENIES** both Plaintiff's and
2 Defendants' Motions.

4 **II. PROCEDURAL HISTORY**

5 Plaintiff, Larin Corporation ("Plaintiff"), initiated this unfair competition action
6 against Defendants AllTrade, Inc., AllTrade Tools, LLC, and Andre Livian (collectively,
7 "Defendants") on December 15, 2006. (Dkt. # 1.) Because the procedural history of the
8 case is extensive, the Court will only recount those events which are relevant to the
9 instant Motions. On March 19, 2008, the Court denied Defendant AllTrade, Tools,
10 LLC's Motion for Summary Judgment. (Dkt. # 212.) However, on Defendants' Motion
11 for Reconsideration, the Court granted Defendants' Motion for Summary Judgment as
12 to the claim of trade dress infringement, finding that Plaintiff was judicially estopped
13 from pursuing this theory. (Dkt. # 325.) Specifically, the Court found that "Plaintiff's
14 conduct during the course of discovery was a bad faith attempt to mislead Defendants as
15 to the theory of liability it was being called upon to defend." (Dkt. # 325 at 3.) Because
16 Plaintiff abandoned its other theory of false advertising and consequently was left with
17 no remaining claims, the Court entered judgment in favor of Defendants on April 21,
18 2008. (Dkt. # 341.) On April 25, 2008, the Court denied Plaintiff's Ex Parte Motion for
19 Reconsideration. (Dkt. # 345.) Plaintiff timely appealed to the Ninth Circuit on May 7,
20 2008. (Dkt. # 354.)

21 On March 1, 2010, the Ninth Circuit reversed the grant of summary judgment in
22 favor of Defendants. (Dkt. # 402.) While the Ninth Circuit did not "opine as to whether
23 the [Court] correctly concluded that Larin's attorney attempted to mislead Alltrade's
24 counsel during discovery" and found that the Court's "frustration with said counsel's lack
25 of clarity [was] certainly understandable[,]" it stated that, assuming there "is error to be
26 remedied here, judicial estoppel is the wrong tool for the job." (*Id.* at 4.) Thus, the case
27 was remanded as to the issue of trade dress infringement. (*Id.* at 6.)

28 Defendants now move to dismiss Plaintiff's case in its entirety based on Federal
Rule of Civil Procedure 41(b), which they assert is the right tool to remedy Plaintiff's

1 discovery abuses. The Court will address this argument, along with the substantive
2 arguments regarding the parties' respective Motions for Summary Judgment below.

3 4 **III. FACTS**

5 The Court has had the occasion to recount the factual background of this case in
6 its previous Orders. Because the undisputed background facts essentially have not
7 changed, the Court will only briefly relate the pertinent facts for context.

8 In 2001 and 2002, Plaintiff began to manufacture and sell a product identified as
9 the Larin Pneumatic Garage Seat (the "Larin stool"). (Plaintiff's Statement of
10 Uncontroverted Facts ("PUF"), 10.) The Larin stool was sold in individual boxes
11 measuring 22" x 22" x 24" (the "Larin box"). (PUF, 17.) The Larin box has a blueish
12 grey background, which fades from dark to light. (PUF, 17-18.) Additionally, the box
13 includes four color photographs depicted on the top and two sides of the box. (PUF, 20.)
14 The photographs depict the Larin stool used by: (1) "A man sitting on a Larin stool
15 repairing a motorcycle;" (2) "Two men sitting on Larin stools engaged in automobile
16 repair;" (3) "A man sitting on a Larin stool in front of an automobile located on a home
17 garage driveway engaged in automobile repair;" and (4) "Two (2) women sitting on Larin
18 stools in a social club setting."¹ (PUF, 20.)

19 Plaintiff contends that in 2006 Defendants purchased the Larin stool and box and
20 infringed Plaintiff's trade dress by copying the inherently distinctive elements of the
21 Larin box, as described above. (Pl.'s Mot. at 3.) Defendants' box (the "AllTrade box")
22 is 21 1/2" x 21 1/2" x 14". (PUF, 47.) First, as to the background, Plaintiff contends that
23 the AllTrade box has a "similar, if not identical blueish grey color" background and
24 contains "the identical subject matter of the (4) photographs as on the Larin box." (PUF,
25 48.) Defendants dispute this assertion, contending that the AllTrade box has a
26 background created from a modified photograph of an asphalt surface and four

27
28 ¹ Plaintiff lodged with the Court one Larin box and one AllTrade box. (Dkt. # 445.) Upon
review of this evidence, the Court notes that the last photograph on the Larin box to which Plaintiff
refers also contains one man and one woman standing behind a bar.

1 application shots that are not identical to Plaintiff’s. (Defendants’ Genuine Issues of
2 Material Fact in Opposition to Plaintiff’s Motion for Summary Judgment (Dkt. # 428-2)
3 (“DGIMF”), 48.) Second, as to the photographs, Plaintiff states that the AllTrade box,
4 similarly to the Larin box, “includes two (2) sides with four (4) color photographs, and
5 one side with two (2) similar color photographs which depict: (1) A man engaged in
6 ‘repair’ of a motorcycle; (2) A man in the front of an automobile on a garage driveway
7 repairing the front of an automobile; (3) A man in what appears to be the driveway
8 engaged in a repair of an automobile; and (4) ‘Two (2) women in what appears to be a
9 social club setting.’”² (PUF, 49.) In the last photograph of the women, there are five
10 stools depicted, two of which Plaintiff claims are actually the Larin stool. (PUF, 50, 56.)
11 Defendants claim, on the other hand, that the stools depicted in the photographs are
12 actually AllTrade stools. (DGIMF, 49.)

13 14 **III. LEGAL STANDARD**

15 Summary judgment is appropriate when the evidence, viewed in the light most
16 favorable to the nonmoving party, shows that there is no genuine issue as to any material
17 fact, and that the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P.
18 56(c). Evidence the court may consider includes the pleadings, discovery and disclosure
19 materials, and any affidavits on file. Fed. R. Civ. P. 56(c)(2).

20 The moving party bears the initial burden of establishing the absence of a genuine
21 issue of material fact. *Celotex Corp v. Catrett*, 477 U.S. 317, 323-24 (1986). That
22 burden may be met by “‘showing’ – that is, pointing out to the district court – that there
23 is an absence of evidence to support the nonmoving party’s case.” *Id.* at 325. Once the
24 moving party has met this burden, the nonmoving party must go beyond the pleadings
25 and identify specific facts that show a genuine issue for trial. *Id.* at 323-34; *Anderson v.*
26 *Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1968). Summary judgment is appropriate if a
27 party, after adequate time for discovery, “fails to make a showing sufficient to establish
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² The Court notes that the last picture to which Plaintiff refers actually contains one woman sitting on a stool, one man directly behind that woman, and one woman behind a bar.

1 the existence of an element essential to that party’s case, and on which that party will bear
2 the burden of proof at trial.” *Celotex Corp v. Catrett*, 477 U.S. at 322.

3 Only genuine disputes over facts that might affect the outcome of the suit will
4 properly preclude the entry of summary judgment. *Anderson*, 477 U.S. at 248; *see also*
5 *Aprin v. Santa Clara Valley Transp. Agency*, 261 F.3d 912, 919 (9th Cir. 2001) (the
6 nonmoving party must present specific evidence from which a reasonable jury could
7 return a verdict in its favor). “A scintilla of evidence or evidence that is merely colorable
8 or not significantly probative does not present a genuine issue of material fact.” *Addisu*
9 *v. Fred Meyer*, 198 F.3d 1130, 1134 (9th Cir. 2000).

10 It is not the task of the district court “to scour the record in search of a genuine
11 issue of triable fact. [Courts] rely on the nonmoving party to identify with reasonable
12 particularity the evidence that precludes summary judgment.” *Keenan v. Allan*, 91 F.3d
13 1275, 1279 (9th Cir. 1996); *see also Carmen v. S.F. Unified Sch. Dist.*, 237 F.3d 1026,
14 1031 (9th Cir. 2001) (“The district court need not examine the entire file for evidence
15 establishing a genuine issue of fact, where the evidence is not set forth in the opposing
16 papers with adequate references so that it could conveniently be found.”).

17 The evidence presented by the parties must be admissible. Fed. R. Civ. P. 56(e).
18 Conclusory, speculative testimony in affidavits and moving papers is insufficient to raise
19 genuine issues of fact and defeat summary judgment. *Thornhill Publ’g Co., Inc. v. GTE*
20 *Corp.*, 594 F. 2d 730, 738 (9th Cir. 1979). Conversely, a genuine dispute over a material
21 fact exists if there is sufficient evidence supporting the claimed factual dispute, requiring
22 a judge or jury to resolve the differing versions of the truth. *Anderson*, 477 U.S. at 253.

23 24 **IV. DISCUSSION**

25 Defendants’ move the Court to dismiss Plaintiff’s action in its entirety pursuant to
26 Federal Rule of Civil Procedure 41(b), or in the alternative pursuant to Federal Rule of
27 Civil Procedure, Rule 37(b)(2)(A). (*See generally* Def.’s Mot.) In the alternative,
28 Defendants seek summary judgment on the grounds of equitable estoppel. (*See id.*)
Conversely, Plaintiff seeks summary judgment, or in the alternative summary

1 adjudication of issues. (*See generally* Pl.’s Mot.) The Court will address each parties
2 contentions in turn.

3
4 **A. Defendants’ Motion to Dismiss Pursuant to FRCP 41(b)³**

5 Dismissal under Rule 41(b) may be warranted when a party “fails to comply with
6 the [Federal Rules].” In determining whether a dismissal under Rule 41(b) is appropriate,
7 the Ninth Circuit requires the district court to consider the following factors: “(1) the
8 public’s interest in expeditious resolution of litigation; (2) the court’s need to manage its
9 docket; (3) the risk of prejudice to [the party seeking sanctions]; (4) the public policy
10 favoring disposition of cases on their merits; and (5) the availability of less drastic
11 sanctions.” *In re Phenylpropanolamine (PPA) Products Liability Litigation*, 460 F.3d
12 1217, 1226 (9th Cir. 2006) (quoting *Malone v. U.S. Postal Serv.*, 833 F.2d 128, 130 (9th
13 Cir. 1987)); *Yourish v. Cal. Amplifier*, 191 F.3d 983, 990 (9th Cir. 1999) (quoting
14 *Hernandez v. City of El Monte*, 138 F.3d 393, 399 (9th Cir. 1998)). Dismissal is
15 appropriate if “at least four factors support dismissal . . . or where at least three factors
16 ‘strongly’ support dismissal.” *Yourish*, 191 F.3d at 990. However, “[t]hese factors are
17 not a series of conditions precedent before the judge can do anything, but a way for a
18 district judge to think about what to do.” *In re Phenylpropanolamine*, 460 F.3d at 1226
19 (quoting *Valley Eng’rs, Inc. v. Elec. Eng’g Co.*, 158 F.3d 1051, 1057 (9th Cir. 1998)).
20 Indeed, dismissal “must be available to the district court in appropriate cases, not merely
21 to penalize those whose conduct may be deemed to warrant such a sanction, but to deter
22 those who might be tempted to such conduct in the absence of such a deterrent.” *Nat’l*
23 *Hockey League v. Metro. Hockey Club, Inc.*, 427 U.S. 639, 643 (1976).

24 Defendants allege that Plaintiff “deliberately engaged in systematic violations
25 of the Federal Rules that permeated the entire case.” (Def’s Mot. at 1.) Specifically,
26 Plaintiff’s abuses consist of: (1) not responding in a timely fashion to discovery

27 _____
28 ³ Defendants also move for dismissal under Rule 37(b)(2)(A), which requires an examination
of the same five factors under Rule 41(b). Because the Court denies Defendants’ Motion under Rule
41(b), it follows that the Motion is also denied under Rule 37(b)(2)(A).

1 requests in violation of Rule 34; (2) certifying false responses to interrogatories for
2 improper purposes in violation of Rule 26(g); (3) failing to produce documents in
3 violations of Rules 34 and 37, for which Plaintiff has been sanctioned twice, to the
4 tune of \$2,925.00 and \$3,900.00; (4) failing to supplement discovery responses in
5 violation of Rule 37(c); (5) improperly interfering with a deposition in violation of
6 Rule 30(c), for which Plaintiff was sanctioned \$1,000.00; and (6) being substantially
7 unprepared for the pretrial conferences in violation of Rule 16. (Def.'s Mot. at 1-2,
8 8.) Indeed, the Court warned the parties on April 7, 2008 that failure to properly file
9 all required pretrial documents would result in dismissal. (Dkt. # 289.)

10 The first factor regarding the public's interest in expeditious resolution of
11 litigation weighs in favor of dismissal as this case has been pending for over four
12 years. The second factor regarding the Court's ability to manage its docket also
13 weighs in favor of dismissal. There are now over 450 docket entries. Upon reviewing
14 these entries, one can only conclude that the parties have engaged in extensive and
15 unwarranted motion practice. Further, the Court has held numerous hearings and has
16 continued several of those hearings because of counsel's lack of preparation.

17 The third factor regarding the risk of prejudice to Defendants may be satisfied if
18 "the plaintiff's actions impair the defendant's ability to go to trial or threaten to
19 interfere with the rightful decision of the case." *In re Phenylpropanolamine*, 460 F.3d
20 at 1227 (quoting *Adriana Int'l Corp. v. Thoeren*, 913 F.2d 1406, 1412 (9th Cir. 1990);
21 *Malone*, 833 F.2d at 131). In this regard, "[f]ailing to produce documents as ordered
22 is considered sufficient prejudice." *Id.* While "[prejudice normally consists of loss of
23 evidence and memory, . . . [it] may also consist of costs or burdens of litigation,
24 although it may not consist of the mere pendency of the lawsuit itself." In that regard,
25 the Court finds that Defendants have been prejudiced by Plaintiff's overall conduct in
26 this case, notwithstanding the Ninth Circuit's findings. Indeed, in the context of
27 judicial estoppel, the Ninth Circuit found "insufficient evidence to support the claim
28 that [Defendants] were prejudiced by [Plaintiff's] behavior." (Dkt. # 402 at 5.) In
doing so, the Ninth Circuit essentially concluded that Defendants had not been

1 prejudiced by Plaintiff's actions in bringing the trade dress infringement claim
2 because Defendants were simultaneously "able to obtain evidence relevant to both
3 false advertising and trade dress infringement." (*Id.*) The Ninth Circuit, however, did
4 not consider the prejudice Defendants may have suffered in the broader context of
5 Rule 41(b), which is not limited to the single issue of discovery on trade dress
6 infringement, but rather encompasses the time, expense, and effort expended in
7 fighting Plaintiff's surreptitious actions throughout this entire case. Thus, the Ninth
8 Circuit's comments do not preclude a finding of prejudice to Defendants in the
9 context of the entire litigation.

10 The fourth factor regarding the public's interest in disposition of cases on the
11 merits weighs in favor of allowing Plaintiff's case to continue. Finally, the fifth factor
12 regarding the availability of less drastic sanctions also weighs in favor of Plaintiff.

13 While the Court finds that the first three factors strongly support dismissal, the
14 Court also values disposition of cases on the merits and considers dismissal a drastic
15 sanction. After serious consideration, the Court finds disposition of this case on the
16 merits so valuable that it **DENIES** Defendants Motion to Dismiss under Federal Rule
17 of Civil Procedure 41(b). The Court is mindful, however, that Plaintiff has received
18 lesser sanctions in the past and understands that deterrence is one of the principal
19 purposes of Rule 41(b). Accordingly, in permitting this case to go forward, the Court
20 wishes to make clear that it does not in any way condone the previous actions of
21 Plaintiff's counsel and hereby issues a final warning. Any further violation of the
22 Federal Rules or any further attempt to assert a theory which has not already been
23 presented will most likely result in dismissal of this entire action with prejudice. This
24 case will be limited to trade dress infringement **ONLY** and evidence presented must
25 be relevant to the three elements to establish this cause of action as set forth below.
26 Plaintiff will not be permitted to present any other theories of unfair competition
27 pursuant to the Lanham Act.

1 **B. Defendants’ Motion for Summary Judgment Based on Equitable**
2 **Estoppel**

3 Defendants argue that Plaintiff should be equitably estopped from pursuing a
4 trade dress claim because Defendants were prejudiced by Plaintiff’s repeated bad faith
5 representations that it was not pursuing a trade dress claim.” (Def.’s Mot. at 2.) To
6 establish equitable estoppel, Defendants must show that: (1) Plaintiff knew the facts;
7 (2) Plaintiff intended that its conduct be acted upon or acted so that Defendants have a
8 right to believe Plaintiff so intended; (3) Defendants were ignorant of the true facts;
9 and (4) Defendants relied on Plaintiff’s conduct to their injury. *See Operating*
10 *Engineers’ Pension Trust Fund v. Clark’s Welding & Machine*, 688 F. Supp. 2d 902,
11 914 (N.D. Cal. 2010) (citing *Greany v. W. Farm Bureau Life Ins. Co.*, 973 F.2d 812,
12 821 (9th Cir. 1992)).

13 Because the Ninth Circuit found insufficient evidence of prejudice to
14 Defendants in the context of their preparation of the trade dress infringement defense,
15 Defendants cannot establish the fourth element. Therefore, the Court **DENIES**
16 Defendants’ Motion for Summary Judgment on the ground of equitable estoppel. The
17 Court will now turn its attention to the merits of Plaintiff’s Motion for Summary
18 Judgment, or in the alternative for Summary Adjudication of Issues.

19
20 **C. Plaintiff’s Motion for Summary Judgment Based on Trade Dress**
21 **Infringement**

22 Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides “two bases of
23 liability: (1) false representations concerning the origin, association, or endorsement
24 of goods or services through the wrongful use of another’s distinctive mark, name,
25 trade dress, or other device (‘false association’), and (2) false representations in
26 advertising concerning the qualities of goods or services (‘false advertising’).” *Waits*
27 *v. Frito-Lay, Inc.*, 978 F.2d 1093, 1108 (9th Cir. 1992). Here, Plaintiff abandoned any
28 claim of false advertising and is left only with a claim of trade dress infringement.
(*See* Dkt. # 212 at 5, # 325 at 3, # 402 at 8.)

1 “Trade dress involves the total image of a product and may include features
2 such as size, shape, color or color combination, texture, graphics, or even particular
3 sales technique.” *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095,
4 1098 n.1 (9th Cir. 2008) (quoting *Mattel, Inc. v. Walking Mountain Productions*, 353
5 F.3d 792, 808 n.13 (9th Cir. 2003)). To establish a claim for trade dress infringement,
6 Plaintiff must prove that: (1) its trade dress is non-functional; (2) its trade dress is
7 either inherently distinctive or has acquired secondary meaning; and (3) there is a
8 likelihood of confusion between its trade dress and Defendants’ box. *See Two Pesos,*
9 *Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992); *Clicks Billiards, Inc. v.*
10 *Sixshooters, Inc.*, 251 F.3d 1252, 1258 (9th Cir. 2001).

11 Plaintiff claims that its trade dress is “the overall color of the box, the shading
12 of the box, the texture of the shading, and the composition of the four Larin
13 photographs and the fact that there are only four photographs, and how the four
14 photographs are used and displayed.” (Pl.’s Mot. at 6-7, 15.) In essence, Plaintiff
15 “defines its trade dress as the colors and content of the photographs on its box.” (Mot.
16 at 12.)

17 First, as to the functionality of Plaintiff’s trade dress, Plaintiff has already
18 conceded that the box itself is functional with respect to the shape. (Dkt. #212 at 9.)
19 However, the Court previously found that “there is no dispute that the design and
20 photographs on the boxes are nonfunctional.” (*Id.* at 9.) The parties assertions do not
21 change this finding.

22 Second, “[a] likelihood of confusion exists when consumers ‘are likely to
23 assume that a product or service is associated with a source other than its actual source
24 because of similarities between the two sources’ marks or marketing techniques.’”
25 *Int’l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 825 (9th Cir. 1993) (quoting
26 *Metro Publ’g, Ltd. v. San Jose Mercury News*, 987 F.2d 637, 640 (9th Cir. 1993)).
27 When products are related, but not in direct competition, courts usually apply an
28

1 eight-factor test to evaluate likelihood of confusion.⁴ *AMF, Inc. v. Sleekcraft Boats*,
2 599 F.2d 341, 348 (9th Cir. 1979); *Vision Sports, Inc. V. Melville Corp.*, 888 F.2d
3 609, 616 (9th Cir. 1989); *see also Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385,
4 1391 (9th Cir. 1993) (“The eight factor test applies when the products are related but
5 not in direct competition.”). On the other hand, when the allegedly infringing product
6 competes directly with the trademark owner’s product, the likelihood of confusion is
7 found more readily, and generally depends upon whether the products’ marks are
8 confusingly similar, without consideration of all the factors. *Lindy Pen Co., Inc. v.*
9 *Bic Pen Corp.*, 796 F.2d 254, 255 (9th Cir. 1986). In its previous Order, the Court
10 described Plaintiff’s evidence of actual confusion and stated that summary judgment
11 was improper with respect to this requirement. (*See* Dkt. #212 at 8.) That conclusion
12 stands.

13 Third, Plaintiff must establish that its trade dress is inherently distinctive or has
14 secondary meaning. Plaintiff contends that if Defendants intentionally copied
15 Plaintiff’s trade dress, there is a presumption of secondary meaning. (Pl’s Mot. at 8.)
16 Alternatively, Plaintiff asserts that because its trade dress is inherently distinctive, it
17 need not establish secondary meaning. (Pl.’s Mot. at 7.)

18 As to Plaintiff’s intentional copying argument, it is true that “proof of
19 intentional copying supports an inference of secondary meaning.” *Vision Sports*, 888
20 F.2d at 615; *Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d 837, 844 (9th Cir.
21 1987); *Transgo, Inc. v. AJAC Transmission Parts Corp.*, 768 F.2d 1001, 1016 (9th
22 Cir. 1985) (“Proof of exact copying, *without any opposing proof*, can be sufficient to

23 ⁴ These factors are: “(1) the strength of the mark; (2) proximity or relatedness of the goods; (3)
24 the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels used; (6) the
25 degree of care customers are likely to exercise in purchasing the goods; (7) the defendant’s intent in
26 selecting the mark; and (8) the likelihood of expansion into other markets.” *KP Permanent Make-Up,*
27 *Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 608 (9th Cir. 2005) (citing *Sleekcraft*, 599 F.2d at
28 348-49).

1 establish secondary meaning.” (emphasis added)). In its previous Order, the Court
2 found that Plaintiff had “not made a definite showing of intentional copying,” (Dkt. #
3 212 at 7), and thus it was not entitled to summary judgment on this issue. Conversely,
4 the Court previously found that Plaintiff provided enough evidence to survive
5 summary judgment on this issue. (*See id.*) These conclusions have not changed.

6 Moving to Plaintiff’s assertion that its tress dress is inherently distinctive, for
7 Plaintiff to establish inherent distinctiveness, it must show that “[its] intrinsic nature
8 serves to identify a particular source.” *WalMart Stores, Inc. v. Samara Bros., Inc.*,
9 529 U.S. 205, 210 (2000); *Fiji Water Co. v. Fiji Mineral Water USA, LLC*, No.
10 SACV09-1148, 2010 WL 3835673, at *5 (C.D. Cal. Sept. 30, 2010). In other words,
11 Plaintiff must show that its trade dress is so “unique, unusual, or unexpected in this
12 market that one can assume without proof that it will automatically be perceived by
13 consumers as an indicator of origin.” *Fiji Water Co.*, 2010 WL 3835673, at *5
14 (quoting *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342 (C.C.P.A.
15 1977)). In determining whether Plaintiff has satisfied this requirement, the Court may
16 look to:

- 17 (1) whether the design is a common, basic shape or design, (2) whether
18 it was unique or unusual in a particular field, (3) whether it was a mere
19 refinement of a commonly-adopted and well-known form of
20 ornamentation for a particular class of goods viewed by the public as a
21 dress or ornamentation for the goods, or (4) whether it was capable of
22 creating a commercial impression distinct from the accompanying
23 words.

24 *Id.* at *5.

25 Plaintiff claims that its trade dress is distinctive “overall, in its use of colors and
26 photographs.” (*Id.* at 16.) Specifically, Plaintiff alleges that the Larin box “was
27 colored a blueing grey that faded from light to dark . . . [and] displayed four (4)
28 pictures,” including a man sitting on the stool working on a motorcycle in a room, a

1 man working on his car in the driveway in front of his garage, and a social bar scene
2 where women are sitting on stools in front of a bar. (*Id.*) Defendants counter that
3 Plaintiff's box is not "so unique, unusual, or unexpected in the market that one can
4 assume without proof that it will automatically be perceived by consumers as an
5 indicator of origin." Rather, Defendants contend that Plaintiff's box is "a standard
6 size, with a standard color, with standard application shots arranged in a standard
7 fashion." (Def's Opp'n at 12.) The Court has considered these arguments and the
8 factors set forth above and finds that whether Plaintiff's trade dress is inherently
9 distinctive is a disputed issue of material fact. Thus, summary judgment on this
10 requirement is improper.

11 In sum, while Plaintiff has established the non-functional nature of its trade
12 dress, there are disputed issues of material fact as to both likelihood of confusion and
13 inherent distinctiveness. Thus, Plaintiff's Motion for Summary Judgment is
14 **DENIED.**

15 16 **D. Plaintiff's "Implied Palming Off" Theory**

17 The Court will now address Plaintiff's theory of "implied palming off," which
18 was first presented in the instant Motion for Summary Judgment. (Pl.'s Mot. at
19 13-14.) In doing so, the Court **GRANTS** Defendants' Ex Parte Application to file a
20 Sur-Reply and considers arguments set forth in Defendants' Sur-Reply (Dkt. # 453-3)
21 and Plaintiff's Response to Defendants' Sur-Reply (Dkt. # 456). To the extent that
22 Plaintiff asserts a new claim for "palming off," it is estopped from doing so because
23 the "palming off" claim was not included in the April 11, 2008 pretrial conference
24 order, which is sufficient to exclude it. F.R.C.P. 16(e); *see also Pierce County Hotel*
25 *Employees & Restaurant Employees Health Trust v. Elks Lodge, B.P.O.E. No. 1450,*
26 *827 F.2d 1324, 1329 (9th Cir. 1987)* ("Issues not preserved in the pretrial order are
27 eliminated from the action."). Further, this new claim would require a detailed
28 examination of the Larin and AllTrade stools themselves. Because Plaintiff's counsel

1 has already represented to Defendants and to the Court that this case will focus on the
2 boxes (*see* Dkt. # 453-4 ¶ 3), not the individual stools, allowing a new claim to go
3 forward at this stage of the litigation is not appropriate.

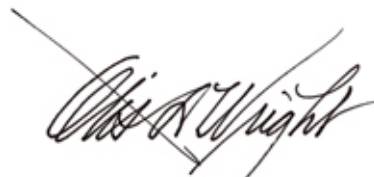
4 If, however, Plaintiff wishes to use evidence of “palming off” to support the
5 likelihood of confusion element of its trade dress infringement claim, it will be
6 permitted to do so. *See* MCCARTHY ON TRADEMARKS § 8:19 (“if defendant admits
7 that he used plaintiff’s package as a model to copy from in designing his own
8 package, this does not always mean that defendant intentionally was passing off his
9 product as plaintiff’s. Such an admission is merely evidence relevant to the ultimate
10 test of likelihood of confusion.”). If Plaintiff chooses to offer such evidence, it is
11 instructed to be mindful of the evidence’s limited purpose.

12 13 V. CONCLUSION

14 For the foregoing reasons, Defendants’ Motion to Dismiss Pursuant to Federal Rule
15 of Civil Procedure 41, or in the alternative for Summary Judgment, is **DENIED**.
16 Likewise, Plaintiff’s Motion for Summary Judgment, or in the Alternative, for Summary
17 Adjudication of Issues, is **DENIED**.

18
19 IT IS SO ORDERED.

20
21 January 5, 2011



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24 HON. OTIS D. WRIGHT, II
UNITED STATES DISTRICT JUDGE