

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

E CLAMPUS VITUS,	)	
	)	2:12-cv-01381-GEB-GGH
Plaintiff,	)	
	)	
v.	)	<u>ORDER DENYING DEFENDANTS'</u>
	)	<u>ANTI-SLAPP MOTION AND</u>
DAVID L. STEINER, THOMAS PEAK,	)	<u>GRANTING DEFENDANTS' MOTION</u>
JOHN MOORE, KARL DODGE, JOSEPH	)	<u>TO DISMISS</u>
ZUMWALT CHAPTER 169 E CLAMPUS	)	
VITUS, and DOES 1 through 50,	)	
	)	
Defendants.	)	
_____	)	

Defendants "move to dismiss and strike the Complaint," which is comprised of federal trademark infringement and unfair competition claims and California unfair business practices and false advertising claims. Defendants move to strike the Complaint under California Civil Code section 425.16, which prohibits strategic lawsuits against public participation ("SLAPP"); Defendants seek dismissal of the Complaint under Federal Rule of Civil Procedure ("Rule") 12(b)(6). Plaintiff did not oppose the motion.

For the reasons stated below, Defendants' motion to strike will be denied, and Defendants' dismissal motion will be granted.

**I. FACTUAL ALLEGATIONS**

This action concerns Plaintiff's allegations that Defendant Joseph Zumwalt Chapter 169 E Clampus Vitus, and individual Defendants who are agents/employees thereof, used certain of Plaintiff's registered

1 trademarks "for commercial purposes" in violation of the Lanham Act and  
2 California law. Plaintiff alleges in relevant part as follows:

3           1. Plaintiff E Clampus Vitus, Inc.  
4           ("Plaintiff"), is a corporation organized and  
5           existing under the law of the State of California.

6           . . . . .

7           15. Plaintiff brings this lawsuit to protect  
8           the substantial good will that it has developed in  
9           its distinctive E Clampus Vitus, ECV, and Clampers  
10          trademarks and logos. Plaintiff's federally-  
11          registered trademarks are U.S. Trademarks  
12          Registration No.'s 3226844, 3210518, 3148302,  
13          3148312, 3237275, 3183357 which were registered  
14          between September 26, 2006 through May 1, 2007 on  
15          the principal register of the United States Patent  
16          and Trademark Office. . . .

17          16. Plaintiff uses the names and marks E  
18          Clampus Vitus, ECV, and Clampers among other names  
19          and marks to indicate membership in its' [sic]  
20          fraternal historical organization, to indicate  
21          Plaintiff's participation in services they provide  
22          and receive, to notify members and non-members of  
23          Clampers events, to inform the public of ECV  
24          causes, gatherings, to send out informational  
25          letters concerning Plaintiff's fraternal historical  
26          organization and newsletters in the field of  
27          fraternal historical organizations. Further,  
28          Plaintiff has used and continues to use the E  
Clampus Vitus, ECV, and Clampers marks, to offer  
goods such as: Jewelry pins for use on hats; Lapel  
pins; Ornamental lapel pins; Ornamental pins; Tie  
pins; Golf shirts; headgear, namely hats, baseball  
caps, caps, visors; Knit shirts; Polo shirts;  
Hooded Sweat Shirts; Short-sleeved shirts; and T-  
shirts.

17. Defendants have engaged in a pattern of  
infringing activity where the trademarks of  
Plaintiff were used. . . .

18. Plaintiff is informed and believes and on  
that basis alleges that in December 2010,  
Defendants participated in the City of Woodland  
Christmas parade as a member of the Joseph Zumwalt  
Chapter. Defendants used the registered trademarks  
of Plaintiff for commercial purposes and caused  
confusion by using and alleging that they had the  
right to use the trademark rights of Plaintiff to  
the names ECV, E Clampus Vitus and Clampers.

1           19. On or about March 2011, Defendants  
2 jointly conducted an event called the 4-SKIN DOINS,  
3 in which the trademarks of Plaintiff were used for  
4 commercial purposes.

5           20. On or about September 11, 2011,  
6 Defendants Moore, Dodge and Peak participated in  
7 the annual Georgetown Founders Day Celebration, on  
8 September 18, 2011. At this event, the Defendants  
9 used the registered trademarks of Plaintiff for  
10 commercial purposes, causing public confusion, and  
11 alleging that they had the right to use E Clampus  
12 Vitus, ECV, and Clampers; all Plaintiff's  
13 trademarks.

14           21. Plaintiff[ is] informed, believe[s] and  
15 on that basis allege[s] that on or about June 30,  
16 2012 the Defendant Steiner and the Joseph Zumwalt  
17 Chapter will be auctioning off a motorcycle under  
18 the name Joseph Zumwalt ECV 169 . . . .

19           22. Plaintiff[ is] informed, believe[s] and  
20 on that basis allege[s] that Defendants have been  
21 using Plaintiff's trademarks, to misrepresent  
22 themselves as the Plaintiff[], while collecting  
23 monies and initiating new members, without the  
24 consent of the Plaintiff[] in an amount to be  
25 proven at trial.

26 . . . .

27           26. As its first ground for relief, Plaintiff  
28 alleges federal trademark infringement under  
Section 32(1) of the Lanham Act, 15 U.S.C. §  
1114(1)(a).

          27. Plaintiff provides a service and sells:  
Jewelry pins for use on hats; Lapel pins;  
Ornamental lapel pins; Ornamental pins; Tie pins;  
Golf shirts; headgear . . . ; [ and shirts] in  
United States commerce under the ECV mark since  
September through December 2006. It has used the E  
Clampus Vitus mark continuously in United States  
commerce since that time. . . .

          28. Defendants use of "ECV" "E Clampus Vitus"  
and "Clamper" in the Woodland Christmas Parade as  
Joseph Zumwalt ECV 169, and the sale of hot dogs at  
the Georgetown Founders Day Event . . . in the name  
of ECV Georgetown . . . represent an infringement  
according to 15 USC [§] 1114(1)(a).

          . . . .

1           32. As its second ground for relief,  
2 Plaintiff alleges federal unfair competition under  
3 15 U.S.C. § 1125(a) . . . .

4           33. Defendants' unauthorized marketing and  
5 sale of services and goods using the E Clampus  
6 Vitus, ECV, and Clampers marks is likely to cause  
7 confusion, and deceive the public as to Defendants'  
8 affiliation.

9           34. Defendants participation in the Woodland  
10 Christmas Parade using ECV, E Clampus Vitus and  
11 Clampers, constitutes Federal Unfair Competition  
12 under the statute, violating 15 U.S.C. §  
13 1125(a) (1) (A) - (B) .

14 . . . .

15           38. As its third ground for relief, Plaintiff  
16 alleges violation of California's Business and  
17 Professions Code § 17200 Unfair Competition.

18 . . . .

19           40. Plaintiff is informed and believes and  
20 based upon that information and belief alleges that  
21 [Defendants] have by continuing to use the  
22 trademarked names owned by Plaintiff in their  
23 commercial endeavors, violated California's  
24 Business and Professions Code § 17200 Unfair  
25 Competition . . . .

26           41. Specifically, Defendants['] sales of hot  
27 dogs at the Georgetown Founders Day Event . . . ,  
28 Defendants['] participation in the Woodland  
Christmas Parade using ECV, E Clampus Vitus and  
Clampers, and displaying signs and banners  
identifying itself as Joseph Zumwalt Chapter 169 E  
Clampus Vitus, constitute an "unlawful" business  
act or practice, is an unfair business act, is  
fraudulent, unfair and deceitful. . . . Defendants  
have further violated California Business and  
Professions Code § 17500, committing false  
advertising, by selling goods and services,  
misrepresenting their identity, and signing up new  
"members," who think they are joining E Clampus  
Vitus, but in actuality, are not.

(Compl. ¶¶ 1, 15-22, 26-28, 32-34, 38, 40-41.)

## II. DISCUSSION

### A. Motion to Strike

Defendants move to strike the Complaint under California Code of Civil Procedure section 425.16, arguing:

The gravamen of this Complaint is that defendants marched together in a parade as Clampers, engaged in various charitable works together as Clampers, and held themselves out publicly to be Clampers . . . . This is unequivocally protected speech the whole purpose of which is to raise public awareness and financial assistance for community and social issues and needs.

(Defs.' Mot. 12:6-9, 12:15-21.)

"[California Code of Civil Procedure s]ection 425.16, known as the anti-SLAPP statute, permits a court to dismiss certain types of nonmeritorious [state law] claims early in the litigation." Chavez v. Mendoza, 94 Cal. App. 4th 1083, 1087 (2001); see Hilton v. Hallmark Cards, 599 F.3d 894, 901 (9th Cir. 2010) ("[T]he anti-SLAPP statute does not apply to federal law causes of action").

In bringing a section 425.16 motion to strike, [Defendants] ha[ve] the initial burden to make a prima facie showing that the plaintiff's [state law] claims are subject to section 425.16. If [Defendants] make[] that showing, the burden shifts to the plaintiff to establish a probability [it] will prevail on the claim[s] at trial, i.e., to proffer a prima facie showing of facts supporting a judgment in the plaintiff's favor.

Chavez, 94 Cal. App. 4th at 1087 (citations omitted).

"Section 425.16, subdivision (b)(1) defines the types of claims that are subject to the anti-SLAPP procedures." Id. That subdivision provides:

A cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike,

1 unless the court determines that the plaintiff has  
2 established that there is a probability that the  
plaintiff will prevail on the claim.

3 Cal. Code Civ. Proc. § 425.16(b)(1). The phrase "act . . . in  
4 furtherance of the person's right of . . . free speech" is defined in  
5 the statute as:

6 (1) any written or oral statement or writing made  
7 before a legislative, executive, or judicial  
8 proceeding, or any other official proceeding  
9 authorized by law, (2) any written or oral  
10 statement or writing made in connection with an  
11 issue under consideration or review by a  
12 legislative, executive, or judicial body, or any  
13 other official proceeding authorized by law, (3)  
any written or oral statement or writing made in a  
place open to the public or a public forum in  
connection with an issue of public interest, or (4)  
any other conduct in furtherance of the exercise of  
the constitutional right of petition or the  
constitutional right of free speech in connection  
with a public issue or an issue of public interest.

14 Cal. Code Civ. Proc. § 425.16(e). "Although subsection (e) uses the word  
15 'includes,' its four categories exhaust the meaning of an act in  
16 furtherance of free speech or petitioning rights." Hilton, 599 F.3d at  
17 903 n.5. "The only way [Defendants] can [satisfy their] threshold  
18 showing is to demonstrate that the conduct by which [Plaintiff] claims  
19 to have been injured falls within one of those four categories."  
20 Weinberg v. Feisel, 110 Cal. App. 4th 1122, 1130 (2003).

21 Since Plaintiff's state law claims do not involve allegations  
22 of statements made "in, or in connection with an issue under  
23 consideration in, an official proceeding," the only relevant categories  
24 of protected activity in this case are the third and fourth categories.  
25 Id. Both of these categories require that the alleged statements and/or  
26 conduct at issue concern a "public issue" or "issue of public interest."  
27 Cal. Code Civ. Proc. § 425.16(e)(3)-(4); see also Weinberg, 110 Cal.  
28 App. 4th at 1132 ("[T]he third and fourth categories of conduct . . .

1 are subject to the limitation that the conduct must be made in  
2 connection with an issue of public interest.").

3 "Section 425.16 does not define 'public interest' or 'public  
4 issue.' Those terms are inherently amorphous and thus do not lend  
5 themselves to a precise, all-encompassing definition." Cross v. Cooper,  
6 197 Cal. App. 4th 357, 371 (2011). However, a number of "guiding  
7 principles" have been "derived from decisional authorities." Weinberg,  
8 110 Cal. App. 4th at 1132. For example, "a matter of public interest  
9 should be something of concern to a substantial number of people. Thus,  
10 a matter of concern to the speaker and a relatively small, specific  
11 audience is not a matter of public interest." Id. (citation omitted).  
12 Further,

13 [i]n order to satisfy the public issue/issue of  
14 public interest requirement of section 425.16,  
15 subdivision (e)(3) and (4) . . . , in cases where  
16 the issue is not of interest to the public at  
17 large, but rather to a limited, but definable  
18 portion of the public (a private group,  
19 organization, or community), the constitutionally  
protected activity must, at a minimum, occur in the  
context of an ongoing controversy, dispute or  
discussion, such that it warrants protection by a  
statute that embodies the public policy of  
encouraging participation in matters of public  
significance.

20 Du Charme v. Int'l Bhd. of Elec. Workers, Local 45, 110 Cal. App. 4th  
21 107, 119 (2003); see also Kurwa v. Harrington, Foxx, Dubrow & Canter,  
22 146 Cal. App. 4th 841, 847-49 (2007) (applying Du Charme in denying anti-  
23 SLAPP motion).

24 This action concerns the alleged use of Plaintiff's registered  
25 trademarks, "E Clampus Vitus, ECV, and Clampers" which indicate  
26 membership in Plaintiff's fraternal historical organization. (Compl.  
27 ¶16.) Defendants have not shown that their alleged wrongful conduct  
28 concerns "the public at large," rather than a "definable portion of the

1 public," i.e., members and/or supporters of Plaintiff's fraternal  
2 organization. Further, Plaintiff does not allege that Defendants'  
3 alleged wrongful conduct was made in the context of an ongoing  
4 controversy, dispute, or discussion among the group allegedly affected  
5 by their conduct. Since Defendants have not satisfied their threshold  
6 burden of showing Plaintiff's state law claims arise out of protected  
7 activity, Defendants' anti-SLAPP motion to strike is denied.

#### 8 **B. Motion to Dismiss**

9 Decision on Defendants' Rule 12(b)(6) dismissal motion  
10 requires determination of "whether the [C]omplaint's factual  
11 allegations, together with all reasonable inferences, state a plausible  
12 claim for relief." Cafasso, United States ex rel. v. Gen. Dynamics C4  
13 Sys., Inc., 637 F.3d 1047, 1054 (9th Cir. 2011) (citing Ashcroft v.  
14 Iqbal, 556 U.S. 662, 678-79 (2009)). "A claim has facial plausibility  
15 when the plaintiff pleads factual content that allows the court to draw  
16 the reasonable inference that the defendant is liable for the misconduct  
17 alleged." Iqbal, 556 U.S. at 678 (citing Bell Atl. Corp. v. Twombly, 550  
18 U.S. 544, 556 (2007)).

19 When determining the sufficiency of a claim, "[w]e accept  
20 factual allegations in the complaint as true and construe the pleadings  
21 in the light most favorable to the non-moving party[; however, this  
22 tenet does not apply to] . . . legal conclusions . . . cast in the form  
23 of factual allegations." Fayer v. Vaughn, 649 F.3d 1061, 1064 (9th Cir.  
24 2011) (citation and internal quotation marks omitted). "Therefore,  
25 conclusory allegations of law and unwarranted inferences are  
26 insufficient to defeat a motion to dismiss." Id. (citation and internal  
27 quotation marks omitted); see also Iqbal, 556 U.S. at 678 ("A pleading  
28 that offers 'labels and conclusions' or 'a formulaic recitation of the



elements of a cause of action will not do.'" (quoting Twombly, 550 U.S. at 555)).

**1) Federal Trademark Infringement, Federal Unfair Competition and California Unlawful Business Practices Claims**

Defendants seek dismissal of the Complaint, arguing, *inter alia*, that the Complaint

does not plead any facts on which the Court could conclude that there is a likelihood of confusion between [D]efendants' alleged use of identical trademarks in connection with their activities and [P]laintiff's alleged use of its registered trademarks in connection with apparel and jewelry[;] . . . [i]nstead, the Complaint simply asserts that confusion is likely . . . .

(Defs.' Mot. 2:19-22.) Defendants further argue:

[the Complaint] does not plead which marks [D]efendants allegedly used, how they were allegedly used, and what universe of consumers is allegedly likely to be confused. It does not plead that the services/goods are related, which it cannot do because marching in a parade, conducting an unspecified "event," selling hot dogs at a fundraiser and auctioning a motorcycle as a fundraiser have nothing whatsoever to do with [P]laintiff's alleged use of its marks for apparel and jewelry. . . .

At bottom, the Complaint is premised on the assumption that the use of a designation as a trade or service mark that is identical to a registered trademark constitutes trademark infringement irrespective of the goods or services involved. Sleekcraft and its progeny hold otherwise, and the failure even to mention the Sleekcraft factors dooms the Complaint. It is defective because it asserts a wildly implausible theory (that [D]efendants' activities are related to apparel and jewelry) with conclusory assertions. It should be dismissed.

Id. at 7:16-8:2 (citations omitted).

1           “To plead a prima facie case of trademark infringement, the  
2 plaintiff must allege that a mark is confusingly similar to a valid and  
3 protectable mark of the plaintiff.” Herb Reed Enters., Inc. v. Bennett,  
4 No. 2:10-CV-1981 JCM (RJJ), 2011 WL 2607079, at \*2 (D. Nev. June 30,  
5 2011) (citing Brookfield Commc’ns Inc. v. W. Coast Entm’t Corp., 174  
6 F.3d 1036, 1046 (9th Cir. 1999)). “The ‘ultimate test’ . . . [is]  
7 whether the public is likely to be deceived or confused by the  
8 similarity of the marks.” Century 21 Real Estate Corp. v. Sandlin, 846  
9 F.2d 1175, 1178 (9th Cir. 1988). The same test applies to Plaintiff’s  
10 unfair competition claims under both federal and California law. Century  
11 21 Real Estate LLC v. All Prof’l Realty, Inc., No. CIV 2:10-2751, 2011  
12 WL 221651, \*10 (E.D. Cal. Jan. 24, 2011); see also Murray v. Cable Nat’l  
13 Broad. Co., 86 F.3d 858, 860 (9th Cir. 1996) (“To maintain an action for  
14 trademark infringement under 15 U.S.C. § 1114, false designation of  
15 origin under 15 U.S.C. § 1125(a) and unfair competition under California  
16 law, a plaintiff must prove the defendant’s use of the same or similar  
17 mark would create a likelihood of consumer confusion.”).

18           “The ‘likelihood of confusion’ inquiry generally considers  
19 whether a reasonably prudent consumer in the marketplace is likely to be  
20 confused as to the origin or source of the goods or services bearing one  
21 of the marks or names at issue in the case.” Rearden LLC v. Rearden  
22 Commerce, Inc., 683 F.3d 1190, 1209 (9th Cir. 2012). “The confusion must  
23 be probable, not simply a possibility. If goods or services are totally  
24 unrelated, there is no infringement because confusion is unlikely.”  
25 Murray, 86 F.3d at 861 (citation and internal quotation marks omitted).

26           Eight factors, sometimes referred to as the  
27 Sleekcraft factors, guide the inquiry into whether  
28 a defendant’s use of a mark is likely to confuse  
consumers: (1) the similarity of the marks; (2) the  
strength of the plaintiff’s mark; (3) the proximity  
or relatedness of the goods or services; (4) the

1 defendant's intent in selecting the mark; (5)  
2 evidence of actual confusion; (6) the marketing  
3 channels used; (7) the likelihood of expansion into  
4 other markets; and (8) the degree of care likely to  
be exercised by purchasers of the defendant's  
product.

5 Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., 618 F.3d  
6 1025, 1030 (9th Cir. 2010) (citing AMF Inc. v. Sleekcraft Boats, 599  
7 F.2d 341, 348-49 (9th Cir. 1979)). "This eight-factor analysis is  
8 pliant, illustrative rather than exhaustive, and best understood as  
9 simply providing helpful guideposts." Id. (internal quotation marks  
10 omitted).

11 Plaintiff does not allege facts from which a reasonable  
12 inference can be drawn that consumer confusion is likely to result from  
13 Defendants' alleged use of Plaintiff's E Clampus Vitus, ECV, and  
14 Clampers trademarks. Concerning Defendants' alleged use of Plaintiff's  
15 trademarks at the Christmas parade, the 4-SKIN DOINS event, and the  
16 Georgetown Founders Day Celebration, Plaintiff alleges only that  
17 Defendants used the "trademarks of Plaintiff" for "commercial purposes."  
18 (Compl. ¶¶ 18-20.) These conclusory allegations do not indicate which of  
19 its trademarks Defendants used or the manner in which Defendants used  
20 them. Further, regarding Defendants' alleged sale of hot dogs and  
21 auction of a motorcycle, Plaintiff does not allege sufficient facts from  
22 which a reasonable inference can be drawn that these items are "related"  
23 to the pins, shirts, and headgear that Plaintiff allegedly sells. See  
24 Levi Strauss & Co. v. Blue Bell, Inc., 778 F.2d 1352, 1363 (9th Cir.  
25 1985) ("Related goods are those goods which, though not identical, are  
26 related in the minds of consumers.").

27 For the stated reasons, Plaintiff's federal trademark  
28 infringement claim alleged under 15 U.S.C. § 1114, federal unfair

1 competition claim alleged under 15 U.S.C. § 1125(a), and California  
2 unfair competition claim alleged under California Business & Professions  
3 Code section 17200 are dismissed.

4 **2) California False Advertising Claim**

5 Defendants seek dismissal of Plaintiff's California Business  
6 & Professions Code section 17500 false advertising claim, arguing *inter*  
7 *alia*, "Plaintiff has failed to state a claim under California law or  
8 with the specificity required by Twombly." (Defs.' Mot. 10:12-13.)  
9 Defendant contends: "[section 17500] requires a public statement or a  
10 publication that is false or misleading[, and] . . . Plaintiff does not  
11 plead any specific advertisement or statement that was false." Id. at  
12 10:7-8.

13 "California's False Advertising Law makes it unlawful for any  
14 person to 'induce the public to enter into any obligation' based on a  
15 statement that is 'untrue or misleading, and which is known, or which by  
16 the exercise of reasonable care should be known, to be untrue or  
17 misleading.'" Davis v. HSBC Bank Nev., N.A., 691 F.3d 1152, 1161 (9th  
18 Cir. 2012) (quoting Cal. Bus. & Prof. Code § 17500). "False advertising  
19 under section 17500 . . . is a claim sounding in fraud." Sensible Foods,  
20 LLC v. World Gourmet, Inc., No. 11-2819 SC, 2011 WL 5244716, at \*7 (N.D.  
21 Cal. Nov. 3, 2011) (citing In re Tobacco II Cases, 46 Cal. 4th 298, 312  
22 n.8 (2009)). "Accordingly, it is subject to the heightened pleading  
23 requirements for fraud claims under [Rule] 9(b). In order to state a  
24 [false advertising] claim, Plaintiff must allege facts identifying  
25 specific allegedly false statements, including facts showing how the  
26 statements were misleading." Id.

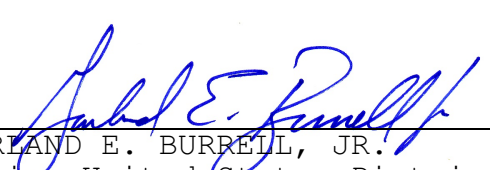
1 Plaintiff alleges as follows in support of its section 17500  
2 false advertising claim: "Defendants have further violated [section  
3 17500], committing false advertising, by selling goods and services,  
4 misrepresenting their identity, and signing up new 'members', who think  
5 they are joining E Clampus Vitus, but in actuality, are not." (Compl. ¶  
6 41.) These conclusory allegations do not provide the specificity  
7 required by Rule 9(b) since they do not identify any allegedly false  
8 statements or state how any such statement was misleading. Therefore,  
9 Plaintiff's section 17500 false advertising claim is dismissed.

#### 10 IV. CONCLUSION

11 For the stated reasons, Defendants' anti-SLAPP motion to  
12 strike is DENIED and Defendants' dismissal motion is GRANTED. Plaintiff  
13 is granted fourteen (14) days from the date on which this order is filed  
14 to file an amended complaint addressing the deficiencies raised in  
15 Defendants' motion. This action may be dismissed with prejudice under  
16 Federal Rule of Civil Procedure 41(b) if Plaintiff fails to file an  
17 amended complaint within the prescribed time period.

18 Further, Defendants' request for attorneys' fees under Rule 11  
19 is DENIED, since it was inappropriately raised for the first time in  
20 their reply brief.

21 Dated: December 18, 2012

22  
23   
24 GARLAND E. BURRELL, JR.  
25 Senior United States District Judge  
26  
27  
28