

# EXHIBIT C

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 10-828 DOC (RNBx)

Date: March 4, 2011

Title: SALT OPTICS, INC. v. JAND, INC. et. al.

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PRESENT:

THE HONORABLE DAVID O. CARTER, JUDGE

Nancy Boehme  
Courtroom Clerk

Not Present  
Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFFS: ATTORNEYS PRESENT FOR DEFENDANTS:

NONE PRESENT

NONE PRESENT

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PROCEEDING (IN CHAMBERS):

GRANTING IN PART AND DENYING IN PART  
DEFENDANTS' MOTION TO DISMISS

Before the Court is a Motion to Dismiss filed by Defendants Jand, Inc., d/b/a Warby Parker ("Jand") and The Bear Cave Design, Inc. ("TBC") (collectively, "Defendants") in the above-captioned case ("Motion to Dismiss") (Docket 38). The court finds this matter appropriate for decision without oral argument. Fed.R.Civ. P. 78; Local Rule 7-15. After considering the moving, opposing and replying papers thereon, and for the reasons stated below, the Court hereby GRANTS in part and DENIES in part the Motion to Dismiss.

**I. BACKGROUND**

Plaintiff and Defendant Jand each operate websites aimed at selling eyewear. Defendant TBC allegedly designed Jand's website. Plaintiff avers that Defendants's website features an overall "look and feel" that is confusingly similar to Plaintiff's website and that Defendants willfully copied elements of Plaintiff's website that are protected by copyright.

As a result of these alleged facts, Plaintiff filed suit in this Court on June 10, 2010, asserting claims for (1) trade dress infringement, (2) copyright infringement, (3) vicarious copyright infringement, (4) contributory copyright infringement, (5) unfair competition in violation of federal law (6) unfair competition in violation of California law, and (7) misappropriation in violation of California law (Docket 1). Plaintiff filed a First Amended Complaint ("FAC") on September 3, 2010 that asserted

the same causes of action (Docket 20). Defendants filed a motion to dismiss the FAC on October 11, 2010 (Docket 29), which the Court granted on November 19, 2010, while allowing Plaintiff leave to amend its claims. Order Granting Motion to Dismiss, Nov. 19, 2010 (“First Dismissal Order”) (Docket 35). Plaintiff filed its Second Amended Complaint (“SAC”) on December 13, 2010, which re-alleged every cause of action asserted in the FAC other than the claim for unfair competition in violation of federal law. Defendants now move to dismiss the SAC.

## II. LEGAL STANDARD

Under Federal Rule of Civil Procedure 12(b)(6), a complaint must be dismissed when a plaintiff’s allegations fail to state a claim upon which relief can be granted. Dismissal for failure to state a claim does not require the appearance, beyond a doubt, that the plaintiff can prove “no set of facts” in support of its claim that would entitle it to relief. *Bell Atl. Corp. v. Twombly*, 127 S. Ct. 1955, 1968 (2007) (abrogating *Conley v. Gibson*, 355 U.S. 41, 45-46, 78 S. Ct. 99 (1957)). In order for a complaint to survive a 12(b)(6) motion, it must state a claim for relief that is plausible on its face. *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1950 (2009). A claim for relief is facially plausible when the plaintiff pleads enough facts, taken as true, to allow a court to draw a reasonable inference that the defendant is liable for the alleged conduct. *Id.* at 1949. If the facts only allow a court to draw a reasonable inference that the defendant is possibly liable, then the complaint must be dismissed. *Id.* Mere legal conclusions are not to be accepted as true and do not establish a plausible claim for relief. *Id.* at 1950. Determining whether a complaint states a plausible claim for relief will be a context-specific task requiring the court to draw on its judicial experience and common sense. *Id.*

Dismissal without leave to amend is appropriate only when the Court is satisfied that the deficiencies in the complaint could not possibly be cured by amendment. *Jackson v. Carey*, 353 F.3d 750, 758 (9th Cir. 2003) (citing *Chang v. Chen*, 80 F.3d 1293, 1296 (9th Cir. 1996)); *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000).

## III. DISCUSSION

### a. Trade Dress Claim

#### 1. Sufficiency of the Allegations

With its first cause of action, Plaintiff asserts a claim for trade dress infringement in violation of 15 U.S.C. § 1125 (“Lanham Act”). Trade dress refers to the “manner in which the goods or services are presented to prospective purchasers ...” to indicate the creator of the dress. Restatement (Third) of Unfair Competition § 16 cmt. a (1995). Trade dress claims involve “the total image of a product and may include features such as size, shape, color or color combination, texture, graphics, or even particular sales techniques.” *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 808 n. 13 (9th Cir. 2003) (internal citations and quotations omitted). A claim for trade dress infringement

requires a showing that the plaintiff's trade dress is protected – i.e. that it identifies the product source either by being inherently distinctive or having secondary meaning – that it is not functional, and that the defendant's trade dress is confusingly similar to the plaintiff's from the prospective of consumers. *See* 15 U.S.C. § 1125; *see also* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769-70, 112 S. Ct. 2753 (1992); *Clicks Billiard's Inc. v. Sixshooters Inc.*, 251 F.3d 1252 (9th Cir. 2001).

In this case, Plaintiff does not claim a trade dress in any one particular element of its website. Rather, Plaintiff seeks protection for the composite effect of several of the website's allegedly distinctive design elements and features. In other words, Plaintiff asserts a trade dress in the overall "look and feel" of its website.

The viability of this type of claim is subject to some debate. *See* Fred H. Perkins, Alvin C. Lin, *What's Old Is New In Web Site Protection*, 7 No. 3 Internet L. & Strategy 3 (March 2009). The Ninth Circuit has yet to issue an opinion on this matter. Precedent from around the country, however, indicates that a website's total "look and feel" can constitute a protectable trade dress. *See Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240 (W.D. Wash. 2007); *Sleep Science Partners v. Lieberman*, 2010 WL 1881770 (N.D. Cal. 2010); *Conference Archives v. Sound Images, Inc.*, 2010 WL 1626072 (W.D. Pa. 2010). *See also* Xuan-Thao N. Nguyen, *Should It Be a Free For All? The Challenge of Extending Trade Dress Protection to the Look and Feel of the Web Sites in the Evolving Internet*, 49 Am. U. L. Rev. 1233, 1276-77 (2000) ("The purpose of Section 43(a) of the Lanham Act is to protect consumers from being deceived as to the source of a product or service. To fulfill that purpose, it is logical to extend trade dress protection to the overall look and feel of web sites that are inherently distinctive or have acquired secondary meaning and are non-functional."). The instant Court agrees with the logic of these authorities.

The Court, however, has examined Plaintiff's trade dress allegations with an exacting eye. As the court in *Conference Archives* explains, "[h]istorically, trade dresses were easy to describe as items were static and unchanging. Such concepts as a brown wrapper, or a purple pill, are easily reducible to descriptive terms." *Conference Archives*, 2010 WL 1626072 at \*9. By contrast, the elements comprising a website's overall "look and feel" can be more difficult to pin down. *Id.* In light of this, the Court held in its First Dismissal Order that a mere cataloguing of a website's features provides inadequate notice of a plaintiff's claimed "look and feel" trade dress. First Dismissal Order at 7 (citing *See Sleep Science*, 2010 WL 1881770 at \* 3). The Court further chided Plaintiff for employing a "by way of illustration, not limitation" disclaimer in its listing of the website's allegedly protectable features. *Id.* (citing *See Sleep Science*, 2010 WL 1881770 at \* 5).

The Court spoke and Plaintiff listened. The "by way of illustration, not limitation" disclaimer appears nowhere in the SAC. Instead, Plaintiff has provided a fixed list of the elements alleged to comprise the website's overall "look and feel." *See* Pl.'s Opp. at 4 ("Having removed this language, the trade dress allegations in the SAC are now finite and fixed."). Plaintiff synthesizes these elements through a combination of written explanation and graphic images that spans five pages. SAC,

¶ 23. Of particular use, the SAC contains juxtaposed images of Plaintiff's website and Defendant's website. Unlike the FAC, which failed to give Defendants sufficient notice of the trade dress allegations they were meant to meet and defend, the SAC properly asserts a claim for trade dress infringement. The Court declines to dismiss Plaintiff's trade dress claim on the basis of inadequate pleadings.

## 2. Copyright Preemption

Nor does the Court find that Plaintiff's trade dress claim is preempted by the Copyright Act. The Copyright Act does not explicitly preempt claims under trademark law. Courts nevertheless limit application of the Lanham Act in areas traditionally occupied by copyright or where the copyright laws "provide[] an adequate remedy." *Shaw v. Lindheim*, 919 F.2d 1353, 1364-65 (9th Cir. 1990) ("We decline to expand the scope of the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy."). There can be no "adequate remedy," however, if a work cannot be copyrighted. *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240, 1246 (W.D. Wash. 2007). Although the Ninth Circuit has yet to rule on this issue, existing precedent and common sense indicates that, absent special circumstances, a website's overall "look and feel" is not entitled to protection under the Copyright Act. See *Darden v. Peters*, 402 F. Supp. 2d 638, 644 (E.D.N.C. 2005) (granting the Copyright Office's motion for summary judgment and quoting the examiner's determination that "protection for the overall format of a web page is inconsistent with copyrightability."), *aff'd*, 488 F.3d 277, 288 (4th Cir. 2007) ("In rejecting Darden's claim, the Copyright Office noted that a website may well contain copyrightable elements, but its formatting and layout is not registrable."); *Conference Archives*, 2010 WL 1626072 at \*12-13 (collecting authorities finding that a website's overall "look and feel" is not copyrightable and finding that "the 'look and feel' of Plaintiff's web site should not receive protection under the Copyright Act."). A Lanham Act claim is thus permissible.<sup>1</sup> *Conference*

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<sup>1</sup> As will be explained in more detail below, the "determination of whether the Lanham Act is limited by copyright is a narrower inquiry than the . . . test for preemption of state law claims under § 301 of the Copyright Act." *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240, 1246 (W.D. Wash. 2007). The fact that the Copyright Act fails to afford protection to a given work does not mean that state law claims seeking to enforce intellectual property rights in that work may not be deemed preempted. Rather, most circuits to address the issue have held that the "scope of the Copyright Act's subject matter is broader than the scope of the Act's protections." *Id.* (citing *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446,455 (6th Cir. 2001)). By contrast, Lanham Act claims are not deemed preempted unless the Copyright Act provides an "adequate remedy" for violation of the same right – and there can be no "adequate remedy" if the work cannot be copyrighted. There are several reasons for the different preemption analyses. First, whereas § 301 of the Copyright Act expressly commands preemption of state-law claims based on "equivalent right[s]," 17 U.S.C. § 301, the Copyright Act does not explicitly address the Lanham Act. Moreover, concerns for national supremacy justify the need to

*Archives*, 2010 WL 1626072 at \*13 (“And because the ‘look and feel’ of the web site does not receive protection under the Copyright Act, the Copyright Act does not preempt the Lanham Act claim. Thus, a violation of the Lanham Act is possible.”).

Defendants’ Motion to Dismiss Plaintiff’s trade dress claim is DENIED.<sup>2</sup>

**b. Copyright Claim**

**1. Direct Infringement**

Plaintiff’s copyright claim, on the other hand, does not survive Defendants’ 12(b)(6) challenge. In its First Dismissal Order, the Court instructed Plaintiffs, in any amended complaint, to identify the constituent elements of its website that are original and allegedly copied, First Dismissal Order at 7 (citing *Funky Films, Inc. v. Time Warner Entm’t Co.*, 462 F.3d 1072, 1076 (9th Cir. 2006)), as well as the specific images/content that Defendants are alleged to have infringed. *Id.* at 8.

Plaintiff did not heed the Court’s warning. The majority of the SAC’s copyright allegations are averred in general terms. Plaintiff pleads copyright protection in its website’s “text, photographs, selection, arrangement and compilation,” SAC, ¶ 19, but offers no examples of specific texts or photographs that Defendants allegedly infringe. This kind of imprecision is unacceptable, especially in light of the Court’s previous instructions.

The only specific allegation averred in support of Plaintiff’s copyright claim asserts infringement of the:

display of the named glasses on one side of the collection web page, juxtaposed with a photograph of the glasses being worn by a model on the other at Level One, together with the Level Two web page, bearing a close-up photograph of the glasses featured at a distinct angle above multiple smaller images of the eyewear displaying color choices along with

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ensure that states do not forbid actions that Congress, in passing the Copyright Act, meant to allow. The Lanham Act, by contrast, was also passed by Congress. A narrower preemption analysis thus makes sense.

<sup>2</sup> Defendant further argues that Plaintiff’s claimed trade dress is functional on its face and that the “look and feel” of Plaintiff’s website has not acquired secondary meaning. The Court finds that Plaintiff has adequately plead the elements of non-functionality and secondary meaning. A more exacting factual analysis of these elements is reserved for a later stage of the case.

two distinct views of the glasses being worn by a model.

SAC, ¶¶ 44, 47. Although sufficiently specific, this allegation still fails to state a plausible claim under the Copyright Act.

The alleged “display” described in paragraph 44 of the SAC can be broken down into the following constituent parts: (1) eyeglasses bearing names (2) smaller images of products displayed on one side of a web page, (3) an image of a model wearing the product on the other side of the web page, (4) a close-up photograph of the product shown at a distinct angle (5) multiple smaller images of the product displaying color choices, and (6) two different views of a model wearing the product. Each of these elements, considered alone, are, on their face, commonplace expressions naturally associated with the idea of selling a fashion accessory over the internet. “Expressions that are standard, stock, or common to a particular subject matter or medium are not protectable under copyright law.” *Satava v. Lowry*, 323 F.3d 805, 810 (9th Cir. 2003); *see also Apple Computer Corp. v. Microsoft Corp.*, 35 F.3d 1435, 1444 (9th Cir.1994) (“When similar features of a work are “as a practical matter indispensable, or at least standard, in the treatment of a given idea, they are treated like ideas and are therefore not protected by copyright.”). Considered under this metric, none of the constituent parts of Plaintiff’s alleged “display” merit copyright protection.

Nor does it matter that these elements allegedly are presented in conjunction with one another. Although certain combinations of unprotectable elements may qualify for copyright protection (e.g. music notes combined together to form a composition), “commonplace” or “typical” combinations do not. *Satava*, 323 F.3d at 811-12. Plaintiff’s alleged website display is one such “commonplace” combination of elements. Plaintiff has asserted no allegations tending to show that Plaintiff organized these typical elements of website sales in any sort of unique, creative way. Rather, Plaintiff’s organization, as alleged, strikes the court as “standard, stock [and] common,” *id.* at 810, and thus unworthy of copyright protection.<sup>3</sup>

Defendants’ Motion to Dismiss Plaintiff’s claim for copyright infringement is GRANTED. This claim is DISMISSED WITH PREJUDICE.<sup>4</sup>

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<sup>3</sup>The Court does not suggest that website displays comprised of a combination of unprotectable elements may never be subject to copyright protection. Indeed, courts within the Ninth Circuit have found such displays protectable in appropriate instances. *See Allen v. Ghoulish Gallery*, 2007 WL 4207923 at \*4 (S.D. Cal. 2007); *Kantemirov v. Goldine*, 2005 WL 1593533 at \*4 (N.D. Cal. 2005). The Court’s analysis is confined to the specific display alleged by Plaintiff in the SAC.

<sup>4</sup>Dismissal without leave to amend is appropriate only when the Court is satisfied that the deficiencies in the complaint could not possibly be cured by amendment. *Jackson v. Carey*, 353 F.3d 750, 758 (9th Cir. 2003) (citing *Chang v. Chen*, 80 F.3d 1293, 1296

### 3. Vicarious and Contributory Infringement

As Plaintiff has failed to state a claim for copyright infringement, Plaintiff's claims for vicarious copyright infringement and contributory copyright infringement similarly fail. Defendants' Motion to Dismiss these claims is GRANTED. These claims are DISMISSED WITH PREJUDICE.<sup>5</sup>

#### c. State Law Claims

In addition to its Lanham Act and Copyright Act causes of action, Plaintiff asserts claims under California law for (1) unfair competition and (2) misappropriation. Both claims are preempted by the Copyright Act. Unlike Lanham Act claims, state law claims may be deemed preempted even if they protect rights for which the Copyright Act does not provide an adequate remedy. The Copyright Act preempts state law claims whenever (1) the work at issue comes within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103, and (2) the rights granted under the state law are equivalent to the rights contained in 17 U.S.C. § 106. *See Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1137-38 (9th Cir. 2006). A work may be unprotected under the Copyright Act and still fall within the "subject matter" of copyright for preemption purposes. *Blue Nile*, 478 F. Supp. 2d at 1246 n.7. For, "the scope of the Copyright Act's subject matter is broader than the scope of the Act's protections." *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 455 (6th Cir. 2001); *see also Nat'l Basketball Ass'n v. Motorola Inc.*, 105 F.3d 841, 849-50 (2d Cir. 1997) (holding that subject matter of copyright under § 301 includes "uncopyrightable" as well as "copyrightable" elements); *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1453 (7th Cir. 1996) (finding that uncopyrightable data underlying a copyrightable computer program are within the subject matter of copyright); *Doody v. Penguin Group USA, Inc.*, 673 F. Supp. 2d 1144, 1165 (D. Hawai'i 2009) (stating that although "the Ninth Circuit has not directly addressed this issue, the court agrees with the number of other circuits that have [determined that] the 'scope of the Copyright Act's subject matter is broader than the scope of the Act's protections.'" (quoting *Wrench LLC*, 256 F.3d at 455).

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(9th Cir. 1996)); *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000). In this case, Plaintiff, who is represented by counsel, has been specifically warned of the deficiencies in its copyright allegations and has been provided with a previous opportunity to amend. Further attempts at amendment would prove futile and would serve only to waste time.

<sup>5</sup>Dismissal without leave to amend is appropriate only when the Court is satisfied that the deficiencies in the complaint could not possibly be cured by amendment. *Jackson v. Carey*, 353 F.3d 750, 758 (9th Cir. 2003) (citing *Chang v. Chen*, 80 F.3d 1293, 1296 (9th Cir. 1996)); *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000). In this case, Plaintiff, who is represented by counsel, has been specifically warned of the deficiencies in its copyright allegations and has been provided with a previous opportunity to amend. Further attempts at amendment would prove futile and would serve only to waste time.



Here, the “subject matter” of Plaintiff’s state law claims fall within the purview of the Copyright Act and seek to enforce rights equivalent to those contained in 17 U.S.C. § 106. Plaintiff begins its unfair competition and misappropriation causes of action by incorporating by reference the allegations contained in the rest of the complaint. Plaintiff then adds, under its unfair competition cause of action, that “[Plaintiff] did not authorize or consent to have its property appropriated [sic] and used by Defendants,” SAC, ¶ 67, and that “[u]nless enjoined, Defendants will continue to deceive consumers and compete unfairly.” SAC, ¶ 68. Under the misappropriation heading, Plaintiff incorporates these new allegations as well and adds that “Defendants have wrongfully appropriated and . . . have made false and misleading representations of fact” on their website. SAC, ¶ 71. The inclusion of these bare, conclusory claims that make vague reference to elements of unfair competition and misappropriation law do not qualitatively distinguish Plaintiff’s state law claims from Plaintiff’s copyright claims. The gravamen of the action here is Plaintiff’s claim that Defendants copied portions of Plaintiff’s website. The Copyright Act thus limits the available causes of action. *See Summit v. Mach Tool Mfg. Corp. v. Victor CNC Systems, Inc.*, 7 F.3d 1434, 1439 (9th Cir. 1993) (“A plaintiff’s state law claim must be qualitatively different from a copyright or patent infringement claim or else it is preempted.”) (internal citations and quotations omitted); *Blue Nile*, 478 F. Supp. 2d at 1250 (holding a state law claim preempted where “the gravamen of the action [was] plaintiff’s claim that defendants copied portions of plaintiff’s website.”). Plaintiff’s state law claims must be dismissed.

Accordingly, Defendants’ Motion to Dismiss Plaintiff’s claims for unfair competition and misappropriation under California law is GRANTED. These claims are DISMISSED WITH PREJUDICE.<sup>6</sup>

#### IV. DISPOSITION

In light of the above, Defendants’ Motion to Dismiss is DENIED with respect to Plaintiff’s claim for trade dress infringement.

Defendants’ Motion to Dismiss is GRANTED with respect to Plaintiff’s claims for copyright infringement, vicarious copyright infringement, contributory copyright infringement, unfair competition and misappropriation. These claims are DISMISSED WITH PREJUDICE.

The Clerk shall serve this minute order on all parties to the action.

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<sup>6</sup>Dismissal without leave to amend is appropriate only when the Court is satisfied that the deficiencies in the complaint could not possibly be cured by amendment. *Jackson v. Carey*, 353 F.3d 750, 758 (9th Cir. 2003) (citing *Chang v. Chen*, 80 F.3d 1293, 1296 (9th Cir. 1996)); *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000). No amount of refinement in Plaintiff’s pleadings will change the fact that the gravamen of Plaintiff’s state law claims fall under the purview of the Copyright Act.