

United States District Court
Northern District of California

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

BECTON, DICKINSON AND
COMPANY,

Plaintiff,

v.

CYTEK BIOSCIENCES INC., et al.,

Defendants.

Case No. [18-cv-00933-MMC](#)

**ORDER GRANTING MOTION TO
DISMISS; AFFORDING LEAVE TO
AMEND**

Before the Court is defendant/counterclaimant Cytex Biosciences Inc.’s (“Cytex”) motion, filed January 9, 2020, to dismiss the Fifth and Eighth Claims for Relief asserted against it in plaintiff/counterdefendant Becton, Dickinson and Company’s (“BD”) Second Amended Complaint. BD has filed opposition, to which Cytex has replied.

Having read and considered the papers filed in support of and in opposition to the motion, the Court rules as follows.¹

BACKGROUND

BD is a “medical technology company” that “manufactures and sells a broad range of medical supplies, devices, laboratory equipment, and diagnostic products,” including flow cytometers.² (See SAC ¶ 2.) Cytex is a company that “service[s] and customize[s] BD flow cytometers” and “began selling its own flow cytometer products” in

¹ By order filed February 18, 2020, the Court took the motion under submission.

² “A flow cytometer suspends cells with fluorescent labels (‘dyes’) in a stream of fluid and passes them individually past one or more lasers and optical detection circuitry[;] [t]he resulting fluorescence is detected and measured to determine various properties of the cells, which can in turn provide critical information about human diseases and health.” (See *id.* ¶ 38.)

1 March 2017. (See id. ¶ 4.)

2 On February 13, 2018, BD filed its initial complaint in the instant action, alleging
3 “Cytek used BD’s confidential, proprietary, and trade secret information as part of its
4 effort to develop and market flow cytometry systems.” (See Compl. ¶ 141.) After the
5 Court ruled on motions to dismiss, the action proceeded under BD’s claims as alleged in
6 the First Amended Complaint (“FAC”), specifically, trade secret misappropriation, aiding
7 and abetting trade secret misappropriation, and breach of contract. Thereafter, pursuant
8 to stipulation of the parties, BD filed its Second Amended Complaint (“SAC”).

9 In the SAC, BD alleges Cytek entered into license agreements for software BD
10 authored “[i]n connection with its flow cytometer products,” namely, FACStation Version
11 6.0.4 and FACSDiva Version 6.1.3, Version 7.0, and Version 8.0 (hereinafter, collectively,
12 “software works”) (see SAC ¶ 168, 184), and attaches, as an “example,” the license
13 agreement for one of the software works, FACSDiva Version 8.0. That attached
14 agreement, which BD quotes, provides, inter alia, that FACSDiva Version 8.0 users (i)
15 “shall use only (1) one copy of the Software on (1) one computer and . . . may make (1)
16 one copy for back-up purposes”; (ii) may not “copy, modify, duplicate, translate,
17 disassemble, or decompile the Software without BD’s prior written consent”; (iii) may not
18 “reverse engineer the Software”; and (iv) may not “otherwise use the Software except as
19 expressly allowed” in the agreement. (See SAC ¶ 182.)³ BD alleges Cytek breached the
20 license agreements for the software works by “making unauthorized copies of those
21 works and/or using those works beyond the scope of their respective software license
22 agreements in connection with developing and promoting Cytek’s own products” (see
23 SAC ¶ 184), and that, as a result, it “suffered harm” (see SAC ¶¶ 184, 248).

24 In addition, BD alleges it owns all “copyright rights” in the above-referenced
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26 ³ BD also attaches to the SAC the “Software Reference Manual for BD FACSDiva
27 8.0” and quotes passages therefrom. (See id. Ex. 7; id. ¶ 183.) BD does not allege this
28 document constitutes a contract or that Cytek has breached its terms, nor has it otherwise
explained its relevance.

1 software works and six “manuals” authored “in connection with its flow cytometer
2 products” (hereinafter, collectively, “copyrighted works”). (See id. ¶¶ 168, 171.)⁴ These
3 copyrighted works were, according to certificates of registration attached to the SAC,
4 published between 2003 and 2014 and registered with the United States Copyright Office
5 on or after July 26, 2019. (See id. Exs. 2-4.) “Upon information and belief,” BD alleges
6 “Cytek’s product development and commercialization efforts for its flow cytometer
7 products involved the unauthorized copying, reproduction, and distribution of, and the
8 unauthorized preparation of derivative works based on [the copyrighted works].” (See id.
9 ¶ 167.) BD further alleges, again “upon information and belief,” that Cytek “is continuing
10 to make and distribute unauthorized copies of and derivative works based on [the
11 copyrighted works], including copies altered to remove BD logos and product names and
12 replace them with Cytek or Cytoville⁵ names and artwork.” (See id. ¶ 178.)

13 Based on the above, BD asserts a new Fifth Claim for Relief, “Breach of Contract,”
14 and a new Eighth Claim for Relief, “Copyright Infringement.”

15 LEGAL STANDARD

16 Dismissal under Rule 12(b)(6) of the Federal Rules of Civil Procedure “can be
17 based on the lack of a cognizable legal theory or the absence of sufficient facts alleged
18 under a cognizable legal theory.” See Balistreri v. Pacifica Police Dep’t, 901 F.2d 696,
19 699 (9th Cir. 1990). Rule 8(a)(2), however, “requires only ‘a short and plain statement of
20 the claim showing that the pleader is entitled to relief.’” See Bell Atlantic Corp. v.
21 Twombly, 550 U.S. 544, 555 (2007) (quoting Fed. R. Civ. P. 8(a)(2)). Consequently, “a
22 complaint attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual
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24 ⁴ The six manuals are the (1) “BD FACSVerse System User’s Guide,” (2) “BD
25 FACScan System Instructional Module,” (3) “2004 BD FACSCanto II Instructions for
26 Use,” (4) “2005 BD FACSCanto II Instructions for Use,” (5) “2006 BD FACSCanto II
27 Instructions for Use,” and (6) “technical specifications for BD’s LSRFortessa X-20 Cell
28 Analyzer.” (See id. ¶ 175.)

⁵ BD alleges Cytek “is the outcome of a merger between Cytek Development Inc.,
and Cytoville Inc.” (See id. ¶ 145.)

1 allegations.” See id. Nonetheless, “a plaintiff’s obligation to provide the grounds of his
2 entitlement to relief requires more than labels and conclusions, and a formulaic recitation
3 of the elements of a cause of action will not do.” See id. (internal quotation, citation, and
4 alteration omitted).

5 In analyzing a motion to dismiss, a district court must accept as true all material
6 allegations in the complaint, and construe them in the light most favorable to the
7 nonmoving party. See NL Indus., Inc. v. Kaplan, 792 F.2d 896, 898 (9th Cir. 1986). “To
8 survive a motion to dismiss, a complaint must contain sufficient factual material, accepted
9 as true, to ‘state a claim to relief that is plausible on its face.’” Ashcroft v. Iqbal, 556 U.S.
10 662, 678 (2009) (quoting Twombly, 550 U.S. at 570). “Factual allegations must be
11 enough to raise a right to relief above the speculative level[.]” Twombly, 550 U.S. at 555.
12 Courts “are not bound to accept as true a legal conclusion couched as a factual
13 allegation.” See Iqbal, 556 U.S. at 678 (internal quotation and citation omitted).

14 **DISCUSSION**

15 As noted, Cytek, by the instant motion, seeks an order dismissing BD’s Fifth and
16 Eighth Claims for Relief.⁶ The Court addresses each such claim in turn.

17 **A. Fifth Claim for Relief (Breach of Contract)**

18 Under California law, “[a] cause of action for breach of contract requires pleading
19 of a contract, plaintiff’s performance or excuse for failure to perform, defendant’s breach
20 and damage to plaintiff resulting therefrom.” McKell v. Washington Mut., Inc., 142 Cal.
21 App. 4th 1457, 1489 (2006). Cytek argues BD has failed to adequately plead: (1) the
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23 ⁶ Cytek does not challenge BD’s first four Claims for Relief. BD’s Sixth Claim for
24 Relief, whereby BD realleges, without alteration, its previously asserted claim for
25 “Inducing Breach of Contract,” has been dismissed as preempted. (See Order, filed
26 August 16, 2018, at 11:18.) BD’s Seventh Claim for Relief, “Violation of California Unfair
27 Competition Law,” which claim BD likewise realleges without alteration, has been
28 dismissed as preempted to the extent based on the allegation Cytek induced individual
defendants to breach their contracts with BD (see id. at 11:21-22), and is proceeding to
the extent based on the allegation that one of those defendants improperly filed a patent
application in his own name while working at BD and spoke with potential investors about
it. (See id. at 11:23 – 12:1.)

1 terms of the contracts Cytek allegedly breached; (2) how Cytek breached those
2 contracts; and (3) the damages resulting from any such breach. As set forth below, the
3 Court agrees.

4 **1. Failure to Plead Terms**

5 To plead a contract, a plaintiff must either allege its terms, as “set out verbatim in
6 the complaint” or in “a copy of the contract attached to the complaint,” or allege its “legal
7 effect.” Id. “In order to plead a contract by its legal effect, plaintiff must allege the
8 substance of its relevant terms.” Id. (internal quotation and citation omitted).

9 In the SAC, as noted above, BD alleges Cytek breached the license agreements
10 for four software works. BD, however, only alleges the terms of the license agreement
11 for the FACSDiva Version 8.0 software. (See SAC Ex. 6 (copy of FACSDiva 8.0
12 agreement); id. ¶ 182 (quoting terms of FACSDiva 8.0 agreement).)⁷

13 With regard to the other three agreements, although BD admits it has neither
14 alleged their terms nor attached copies thereof to the SAC, it argues it has adequately
15 alleged their legal effect by “citing to the FACSDiva 8.0 license as an exemplar.” (See
16 Opp’n at 5:23.) The other three agreements, however, are either for different software,
17 i.e., FACStation, or for versions of the FACSDiva software released one to three years
18 before FACSDiva 8.0, and BD does not allege the terms of those agreements are
19 identical to those quoted from the FACSDiva 8.0 agreement. Consequently, the Court
20 cannot reasonably infer, from the terms of the FACSDiva 8.0 agreement, the “substance
21 of [the] relevant terms” of those other agreements. See McKell, 142 Cal. App. 4th at
22 1489; Langan v. United Servs. Auto. Ass’n, 69 F. Supp. 3d 965, 979-80 (N.D. Cal. 2014)
23 (dismissing breach of contract claim where Court could not “discern at least what material
24 obligation of the contract the defendant allegedly breached”).⁸

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26 ⁷ Although, as Cytek argues, BD does not explicitly allege Cytek executed the
27 FACSDiva 8.0 agreement in the form attached to the SAC, the Court, reading the SAC in the
light most favorable to BD, finds BD’s allegations in that regard are sufficient.

28 ⁸ The authorities on which BD relies, namely, Grouse River Outfitters Ltd v.
NetSuite, Inc., No. 16-CV-2954-LB, 2016 WL 5930273 (N.D. Cal. Oct. 12, 2016) and

1 Accordingly, the Court finds BD has failed to sufficiently plead the terms or legal
2 effect of the software license agreements for the FACStation Version 6.0.4, FACSDiva
3 Version 6.1.3, and FACSDiva Version 7.0 software works.

4 **2. Failure to Plead Breach**

5 Even if BD had adequately alleged the terms of all four software license
6 agreements are identical, it has failed to sufficiently plead how Cytek breached any of
7 those terms.

8 To plead breach of contract, “[t]he complaint must identify the specific provision of
9 the contract allegedly breached by the defendant.” Donohue v. Apple, Inc., 871
10 F.Supp.2d 913, 930 (N.D.Cal.2012) (citing Progressive West Ins. Co. v. Super. Ct., 135
11 Cal. App.4th 263, 281 (2005)). Where a complaint fails to identify “the facts and
12 circumstances surrounding the alleged breach, . . . it fails to give fair notice to defendants
13 of the actions of which they are accused, in direct contravention of Rule 8.” See Calip v.
14 Tanigawa, No. 15-CV-02111-MMC, 2017 WL 512780, at *4 (N.D. Cal. Feb. 8, 2017)
15 (internal alteration and citation omitted).

16 Here, BD alleges Cytek breached the license agreements for the software works
17 “by, at a minimum, making unauthorized copies of those works and/or using those works
18 beyond the scope of their respective software license agreements in connection with
19 developing and promoting Cytek’s own products.” (See SAC ¶ 184.) For the following
20 reasons, this allegation is insufficient to plead breach.

21 First, BD’s use of “and/or” renders its allegation impermissibly vague. Where a
22 claim rests on an “and/or” pleading, both allegations connected by “and/or” must
23 independently suffice to state a claim. See Dioptics Med. Prod., Inc. v. IdeaVillage Prod.
24 Corp., No. 08-CV-3538-PVT, 2010 WL 4393876, at *4 (N.D. Cal. Oct. 29, 2010). Here,

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26 James River Ins. Co. v. DCMI, Inc., No. 11-CV-6345 WHA, 2012 WL 2873763 (N.D. Cal.
27 July 12, 2012), are distinguishable. Neither involves an attempt to plead the legal effect of
28 one contract by alleging, as an exemplar, the terms of a different contract. Rather, the
claimant alleged the material obligations of the single contract at issue therein.

1 as set forth below, neither allegation connected by “and/or” sufficiently pleads breach of
2 BD’s software license agreements.⁹

3 As to the first “and/or” allegation, BD fails to allege any facts in support of its
4 conclusory assertion that Cytek breached the license agreements by “making
5 unauthorized copies” of the software works. (See SAC ¶ 184.) Without any allegations
6 describing the conduct constituting the “unauthorized” copying, such allegation fails, and
7 particularly where, as here, copying is allowed, but with a variety of limitations placed
8 thereon. (See id. ¶ 182 (alleging FACSDiva Version 8.0 users may make “one copy” but
9 only “for back-up purposes” and, assumedly as to other copies, may not do so “without
10 BD’s prior written consent”)); see also Twombly, 550 U.S. at 555 (holding “a plaintiff’s
11 obligation to provide the grounds of his entitlement to relief requires more than labels and
12 conclusions”) (internal quotation, citation, and alteration omitted)

13 BD’s second “and/or” allegation, that Cytek breached the agreement by “using [the
14 software works] beyond the scope of their respective software license agreements in
15 connection with developing and promoting Cytek’s own products,” likewise is conclusory
16 and lacks factual allegations identifying the particular challenged use or contractual
17 provision prohibiting such use. (See SAC ¶ 182.) Although BD argues the license
18 agreements prohibit Cytek from using the software works “in its research and
19 development for a competing product” (see Opp’n at 8:4-5), BD has not identified in the
20 SAC the particular contractual provision on which it relies for its assertion that such use is
21 prohibited. See Donohue, 871 F.Supp.2d at 930 (holding “[t]he complaint must identify

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23 ⁹ Neither Schreiber Distributing Co. v. Serv-Well Furniture Co., 806 F.2d 1393 (9th
24 Cir 1986) nor Cree, Inc. v. Tarr, Inc., No. 17-CV-506-GPC, 2017 WL 3219974 (S.D. Cal.
25 July 28, 2017), the cases on which BD relies, addresses whether the use of “and/or”
26 rendered the allegations therein impermissible. Furthermore, in each case, the
27 allegations connected by “and/or” independently sufficed to state a claim. See Schreiber
28 Distributing Co., 806 F.2d at (holding allegation of “use of the United States mail and/or
use of interstate telephone calls for the purpose of executing or attempting to execute . . .
fraudulent scheme” sufficient to plead racketeering activities); Cree, 2017 WL 3219974 at
*4 (holding allegation defendants “have built, maintain, and/or utilize numerous websites”
satisfied “use” element of Lanham Act claims).

1 the specific provision of the contract allegedly breached by the defendant”).
 2 Lastly, BD has failed to adequately plead the time at which Cytek breached the
 3 software license agreements. BD argues it has sufficiently identified the timeframe by
 4 alleging Cytek’s breach occurred “in connection with developing and promoting Cytek’s
 5 own products.” (See id.) Cytek’s product development and promotion, however, began
 6 in 2014 and is ongoing. (See id. ¶ 4.) This years-long timeframe, coupled with BD’s
 7 failure to identify any specific act(s) constituting any alleged breach, fails to “give [Cytek]
 8 fair notice of what the . . . claim is and the grounds upon which it rests.” See Twombly,
 9 550 U.S. at 555; Calip, 2017 WL 512780, at *4 (holding plaintiff must plead “the facts and
 10 circumstances surrounding the alleged breach”).¹⁰

11 Accordingly, the Court finds BD has failed to adequately plead Cytek’s breach of
 12 BD’s software license agreements.

13 **3. Failure to Plead Damages**

14 Next, BD has failed to adequately plead damages resulting from Cytek’s alleged
 15 breach. Under California law, a plaintiff must show “appreciable and actual damage” to
 16 assert a breach of contract claim. See Aguilera v. Pirelli Armstrong Tire Corp., 223 F.3d
 17 1010, 1015 (9th Cir.2000); see also Cal. Civ. Code § 3301 (“No damages can be
 18 recovered for breach of contract which are not clearly ascertainable in both their nature
 19 and origin.”).

20 In the SAC, as noted above, BD alleges that, as a result of Cytek’s breach, it
 21 “suffered harm” and is “entitled to compensatory damages.” (See SAC ¶ 184, 248, 249.)
 22 These conclusory allegations are insufficient to plead damages arising from breach of
 23 contract. See, e.g., In re Facebook Privacy Litig., 791 F. Supp. 2d 705, 717 (N.D. Cal.

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 25 ¹⁰ BD argues its allegations, made on information and belief, are nonetheless
 26 sufficient, as more specific information regarding when Cytek breached the software
 27 license agreements is exclusively within Cytek’s control. Although the Court, in
 28 evaluating allegations made on information and belief, may consider whether “facts are
 peculiarly within the possession and control of the defendant,” such latitude “does not
 mean that conclusory allegations are permitted.” See Menzel v. Scholastic, Inc., No. 17-
 CV-5499-EMC, 2018 WL 1400386, *2 (N.D. Cal. March 19, 2018).

1 2011) (holding allegation plaintiffs “suffered injury” insufficient to plead “actual damages”;
2 dismissing breach of contract claim); Adobe Sys. Inc. v. A & S Elecs. Inc., 153 F. Supp.
3 3d 1136, 1146 (N.D. Cal. 2015) (dismissing breach of contract claim where plaintiff
4 alleged breach “ha[d] damaged Plaintiff entitling it to damages and reasonable fees and
5 costs”).¹¹ In its opposition, BD states it is seeking damages based on a theory of lost
6 sales. No such allegation, however, appears in the SAC, either alone or accompanied by
7 facts alleged in support thereof.

8 Accordingly, the Court finds BD has failed to adequately plead the element of
9 damages.

10 **B. Eighth Claim for Relief (Copyright Infringement)**

11 To state a claim for copyright infringement, a plaintiff must allege “(1) ownership of
12 a valid copyright and (2) violation by the alleged infringer of at least one of the exclusive
13 rights granted to copyright owners by the Copyright Act.” See UMG Recordings, Inc. v.
14 Augusto, 628 F.3d 1175, 1178 (9th Cir. 2011). The Copyright Act grants copyright
15 owners the exclusive rights, among others, to copy, prepare derivative works based on,
16 and distribute copyrighted works. See 17 U.S.C. § 106(1)-(3). Although “[a] copyright
17 owner who grants a nonexclusive, limited license ordinarily waives the right to sue
18 licensees for copyright infringement, . . . if the licensee acts outside the scope of the
19 license, the licensor may sue for copyright infringement.” See MDY Indus., LLC v.
20 Blizzard Entm’t, Inc., 629 F.3d 928, 939 (9th Cir. 2010) (citation omitted).

21 Here, there is no dispute that BD owns valid copyrights for the alleged copyrighted
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23 ¹¹ The authorities on which BD relies, namely, Sierra View Local Health Care Dist.
24 V. Influence Health, Inc., No. 15-CV-689-DAD, 2016 WL 2346799 (E.D. Cal. May 4,
25 2016) and James River Ins. Co., 2012 WL 2873763, are distinguishable on their facts, as,
26 unlike here, the nature of the loss is alleged in each case. See Sierra View, 2016 WL
27 2346799 at *5 (holding damages allegation by counterclaimant sufficient where
28 counterdefendant allegedly “failed to pay a \$130,000 license fee, as well as a \$3,125
monthly software maintenance fee[]”; James River, 2012 WL 2873763 at *4 (holding
damages allegation sufficient where insured cross-complained against broker for losses
insured would prove it incurred in defending underlying third-party lawsuit, “to the extent
that [the insurer] rescinds its policies”).

1 works. Rather, Cytek argues BD’s copyright claim should be dismissed because BD has
2 failed to plausibly allege infringement of its copyrights, and, even if BD had done so, it
3 has failed to allege entitlement to various forms of relief. As set forth below, the Court
4 agrees.

5 **1. Failure to Allege Violation of Scope of Software License Agreements**

6 A copyright owner who has granted a license to use a copyrighted work may only
7 recover for copyright infringement “where the licensee’s action (1) exceeds the license’s
8 scope (2) in a manner that implicates one of the licensor’s exclusive statutory rights. See
9 MDY Indus., LLC, 629 F.3d at 940.

10 Here, as noted, BD alleges Cytek entered into license agreements for BD’s four
11 software works, and, consequently, to pursue a claim for infringement of its copyrights in
12 those works, it must allege Cytek exceeded the scope of those licenses. As set forth
13 above, however, BD has failed to adequately allege the terms or legal effect of three of
14 said licenses, namely, the licenses for FACStation Version 6.0.4, FACSDiva Version
15 6.1.3, and FACSDiva Version 7.0, and, as to the fourth, the license for FACSDiva Version
16 8.0, has failed to plausibly allege breach thereof.

17 Accordingly, the Court finds BD has failed to adequately allege Cytek exceeded
18 the scope of the license agreements for the software works and thus fails to show its
19 copyrights in those works were infringed.

20 **2. Failure to Allege Infringement**

21 A copyright plaintiff “must plead some non-speculative facts about what [the
22 defendant] infringed and how.” See Synopsys, Inc. v. ATopTech, Inc., No. 13-CV-02965-
23 SC, 2013 WL 5770542, at *4 (N.D. Cal. Oct. 24, 2013); see also Arma v. Buyseasons,
24 Inc., 591 F. Supp. 2d 637 (S.D.N.Y. 2008) (holding plaintiff must allege “by what acts
25 during what time the defendant infringed the copyright”).

26 Regarding infringement, BD alleges, “[u]pon information and belief,” that “Cytek’s
27 product development and commercialization efforts for its flow cytometer products
28 involved the unauthorized copying, reproduction, and distribution of, and the

1 unauthorized preparation of derivative works based on [the copyrighted works].” (See
 2 SAC ¶ 167.) BD further alleges, again “upon information and belief,” that Cytek “is
 3 continuing to make and distribute unauthorized copies of and derivative works based on
 4 [the copyrighted works], including copies altered to remove BD logos and product names
 5 and replace them with Cytek or Cytoville names and artwork.” (See id. ¶ 178.)

6 The above-quoted allegations are, essentially, a “formulaic recitation of the
 7 elements of a [copyright] cause of action,” see Twombly, 550 U.S. at 555; see also 17
 8 U.S.C. § 106 (setting forth exclusive rights to copy, prepare derivative works based on,
 9 and distribute copies of copyrighted works), and, as such, are insufficient to plausibly
 10 state a claim for relief, see, e.g., Richtek Technology Corp. v. UPI Semiconductor Corp.,
 11 No. 09-CV-5659-WHA, 2011 WL 166198, at *3 (N.D. Cal. Jan. 18, 2011) (holding
 12 allegation that defendants “have made unauthorized copies, prepared derivative works,
 13 and distributed copies of [plaintiff’s] copyright works” insufficient to state claim).

14 Although BD points to its additional allegation that Cytek made “copies altered to
 15 remove BD logos and product names and replace them with Cytek or Cytoville names
 16 and artwork” (see SAC ¶ 178), such language likewise is conclusory in nature. BD need
 17 not “specify each and every instance of infringement at the pleadings stage,” but it must
 18 submit at least a “representative sampling of infringed content,” see Blizzard Entm’t, Inc.
 19 v. Lilith Games (Shanghai) Co. Ltd., 149 F. Supp. 3d 1167, 1173 (N.D. Cal. 2016),
 20 namely, what parts of any BD manual(s) were copied, what portions of BD’s software,
 21 assuming Cytek exceed the scope of its license(s), were copied, and in what Cytek
 22 document or software such copying is manifest. See, e.g., MultiCraft Imports, Inc. v.
 23 Mariposa USA, Inc., No. 16-CV-03975-DMG, 2017 WL 5664996, at *3 (C.D. Cal. Sept.
 24 14, 2017) (holding that “[a]bsent any allegations of even representative infringements, the
 25 FAC fails to provide notice as a matter of law”). To the extent BD cites to documents
 26 attached as exhibits to its opposition, BD’s reliance thereon is unavailing. See Schneider
 27 v. California Dep’t of Corr., 151 F.3d 1194, 1197 n.1 (9th Cir. 1998) (holding courts “*may*
 28 *not* look beyond the complaint to . . . a memorandum in opposition to a defendant’s

1 motion to dismiss” (emphasis in original)); see also In re Turbodyne Technologies, Inc.
2 Sec. Litig., No. 99–CV-00697-MMM, 2000 WL 33961193, *10 (C.D. Cal. Mar. 15, 2000)
3 (declining to take judicial notice of exhibit attached to memorandum opposing motion to
4 dismiss).¹²

5 Accordingly, the Court finds BD has failed to adequately allege infringement of its
6 copyrights.

7 **3. Relief under Copyright Act**

8 “[A]ny demand for relief must be supported by facts showing at least potential
9 entitlement to that form of relief.” See Bird v. First Alert, Inc., No. 14-CV-3585-PJH, 2014
10 WL 7248734, at *4 (N.D. Cal. Dec. 19, 2014). By its copyright infringement claim, BD
11 seeks “injunctive relief, its actual damages and Cytek’s profits, or . . . to the extent
12 appropriate, statutory damages, as well as its costs and reasonable attorney fees.” (See
13 SAC ¶ 275). Cytek argues that, even if BD had adequately alleged its copyright claim, it
14 fails to plead sufficient facts to support its request for (1) statutory damages and
15 attorney’s fees, (2) profits, and (3) injunctive relief. The Court addresses each form of
16 relief in turn.

17 **a. Statutory Damages and Attorney’s Fees**

18 Under the Copyright Act, statutory damages and attorney’s fees are unavailable if
19 “(1) any infringement of copyright in an unpublished work commenced before the
20 effective date of its registration; or (2) any infringement of copyright commenced after first
21

22 ¹² The cases on which BD relies are distinguishable on their facts. See Star
23 Fabrics, Inc. v. Dillard’s, Inc., No. 10-CV-5201-GAF, 2011 WL 13217121 (C.D. Cal. July
24 11, 2011) (finding complaint sufficient where plaintiff attached to its complaint images of
25 copyrighted design and allegedly infringing garments containing said design); Arma v.
26 Buyseasons, Inc., 591 F. Supp. 2d 637, 644 (S.D.N.Y. 2008) (finding complaint sufficient
27 where “26 images registered in Plaintiff’s name” were “displayed on [defendants’]
28 website); Clifton v. Houghton Mifflin Harcourt Publishing Co., 152 F. Supp. 3d 1221, 1222
(N.D. Cal. 2015) (finding plaintiff’s allegation, that defendant “exceeded the limitations in
licenses for photographs by, for example, . . . distribut[ing] the publication outside of the
authorized distribution area,” sufficient “in the book publishing context”); see also, e.g.,
Menzel, 2018 WL 1400386 at *2,*4 (declining to follow Clifton in case against book
publisher; dismissing copyright claim where plaintiff “has not pointed to one concrete
example of infringement”).

1 publication of the work and before the effective date of its registration, unless such
2 registration is made within three months after the first publication of the work.” 17 U.S.C.
3 § 412 (1)-(2). Consequently, to state a claim for statutory damages and attorney’s fees, a
4 plaintiff must allege “the date infringement commenced, the date of registration, and the
5 date of first publication.” See Lickerish, Inc. v. Alpha Media Grp., No. 13-CV-377-DMG,
6 2014 WL 12589641, at *5 (C.D. Cal. Jan. 2, 2014).

7 Here, as noted above, the certificates of registration attached to the SAC show
8 BD’s copyrighted works were published between 2003 and 2014 and were registered on
9 or after July 26, 2019. (See SAC Exs. 2-4.) BD fails, however, to allege the date
10 Cytek’s alleged infringement commenced.

11 BD argues it “does identify the timeframe of at least some of Cytek’s infringement:
12 during the course of Cytek’s research and development.” (See Opp’n at 15:11-12.)
13 Cytek’s research and development, however, commenced no later than June 2017, the
14 month BD alleges Cytek began selling its flow cytometers, and thus at least two years
15 before the registration of BD’s copyrighted works. Under such circumstances, statutory
16 damages and attorney’s fees are only available if BD had registered its copyrighted
17 works within three months of their publication, and, as set forth above, BD did not
18 effectuate registration until at least five years after publication.

19 Although BD argues only Cytek knows the “full extent” of its infringement, and that,
20 to the extent Cytek may have engaged in other infringements, BD does not necessarily
21 know whether those acts “commenced after BD’s registration of the works at issue” (see
22 Opp’n at 15:13-17), such possibility does not suffice to “raise a right to relief above the
23 speculative level.” See Twombly, 550 U.S. at 555.

24 Accordingly, the Court finds BD has failed to adequately plead entitlement to
25 statutory damages or attorney’s fees under the Copyright Act.

26 **b. Cytek’s Profits**

27 The Copyright Act permits recovery of “any profits of the infringer that are
28 attributable to the infringement.” See 17 U.S.C. § 504(b).

1 Cytek, citing Mackie v. Rieser, 296 F.3d 909 (9th Cir. 2002), argues a plaintiff
 2 seeking profits must present “sufficient non-speculative evidence to support a causal
 3 relationship’ between the infringement and the profits generated therefrom” (see Mot. at
 4 17:9-10 (quoting Mackie, 296 F.3d at 915-16)), and, as Cytek points out, the SAC
 5 contains no allegations as to Cytek’s profits, let alone facts sufficient to support a finding
 6 of a causal relationship between any of Cytek’s profits and its alleged infringement. BD,
 7 in response, contends Mackie, a case addressing summary judgment, is inapplicable at
 8 the present stage of the proceedings. A “causal relationship” between infringement and
 9 profits is, however, an element of a claim for profits under § 504(b). See Mackie, 296
 10 F.3d at 916; see also 17 U.S.C. § 504(b) (limiting recovery of profits to those “attributable
 11 to the infringement”). Consequently, as with any element of a claim, BD must allege facts
 12 in support thereof. See Twombly, 550 U.S. at 562 (noting “a complaint ... must contain
 13 either direct or inferential allegations respecting all the material elements necessary to
 14 sustain recovery” (quoting Car Carriers, Inc. v. Ford Motor Co., 745 F.2d 1101, 1106 (7th
 15 Cir. 1989))); see also Hunter v. Tarantino, No. CV10-CV-3387-SJO, 2010 WL 11579019,
 16 at *11 (C.D. Cal. July 15, 2010) (granting motion to dismiss where plaintiff failed to allege
 17 causal relationship between alleged infringement and defendant’s profits).¹³

18 BD further argues that, even if it is required to plead a causal relationship between
 19 Cytek’s infringement and its profits, it has adequately done so by alleging Cytek’s
 20 infringement occurred “in order to facilitate its own ‘product development and
 21 commercialization efforts.” (See Opp’n 16:3-4 (quoting SAC ¶ 167).) An allegation that
 22 Cytek’s infringement was motivated by a quest for profits, however, does not, standing
 23 alone, give rise to a plausible inference that any profits realized by Cytek are “attributable
 24 to the infringement.” See 17 U.S.C. § 504(b); Mackie, 296 F.3d at 914 (holding district
 25

26 ¹³ To the extent Dickert v. N. Coast Family Health, Inc., No. 14-CV-315-JL, 2015 WL
 27 3988676 (D.N.H. June 10, 2015), an out-of-circuit district court opinion on which BD primarily
 28 relies, holds to the contrary, the Court declines to follow it; in Shade v. Gorman, No. 08-CV-
 3471-SI, 2009 WL 196400 (N.D. Cal. Jan. 28, 2009), the other case on which BD relies, no
 claim for profits was asserted.

1 court can “preclude recovery of a defendant’s profits if they are only remotely or
2 speculatively attributable to the infringement”).

3 Accordingly, the Court finds BD has failed to adequately plead entitlement to
4 Cytek’s profits under the Copyright Act.

5 **c. Injunctive Relief**

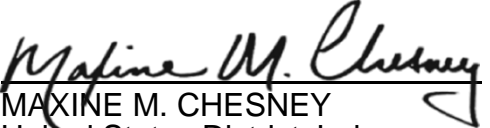
6 To obtain injunctive relief, a plaintiff must show it is “realistically threatened by a
7 repetition of the violation.” See Gest v. Bradbury, 443 F.3d 1177, 1181 (9th Cir. 2006)
8 (internal quotation and citation omitted). Cytek argues BD’s allegation of “continuing”
9 infringement (see SAC ¶ 178) is insufficient to support such a finding. In light of the
10 Court’s finding that BD has failed to adequately allege a claim for copyright infringement,
11 however, the Court cannot meaningfully address at this time what language may suffice
12 to plead a threat of repeated violation.

13 **CONCLUSION**

14 For the reasons set forth above, Cytek’s motion is hereby GRANTED and BD’s
15 Fifth and Eighth Claims for Relief are hereby DISMISSED with leave to amend to cure
16 the deficiencies noted. BD’s Third Amended Complaint, if any, shall be filed no later than
17 May 6, 2020.

18 **IT IS SO ORDERED.**

19
20 Dated: April 15, 2020


MAXINE M. CHESNEY
United States District Judge