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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PICTURES WORDS, INC.,
Plaintiff,
v.
CM SERVICES SALES AND
MARKETING GROUP, INC.,
Defendant.

Case No. [18-cv-02234-JCS](#)

**ORDER DENYING MOTION TO
DISMISS**

Re: Dkt. No. 8

I. INTRODUCTION

Plaintiff Pictures Words, Inc., doing business as NewMe Fitness (“NewMe”), brings this action under the Copyright Act and the Digital Millennium Copyright Act against Defendant CM Services Sales and Marketing Group, Inc. (“CM”). CM moves to dismiss for improper venue and failure to state a claim. The Court held a hearing on June 29, 2018, at which CM conceded that venue is proper under 28 U.S.C. § 1400(a)—the applicable venue statute, not cited by either party’s briefs—and that CM now has sufficient clarity as to the scope of NewMe’s claims to adjust its business practices and engage in settlement discussions. The motion to dismiss is DENIED with respect to venue, and DENIED WITHOUT PREJUDICE with respect to the sufficiency of NewMe’s factual allegations. CM may file an answer or a renewed motion to dismiss under Rule 12(b)(6) no later than July 30, 2018. Alternatively, NewMe may file an amended complaint more specifically describing the scope of its claims by the same date.¹

II. BACKGROUND

A. Allegations of the Complaint

NewMe, which is based in Oakland, California, is the “leading seller of fitness posters on

¹ The parties have consented to the jurisdiction of the undersigned magistrate judge for all purposes pursuant to 28 U.S.C. § 636(c).

1 Amazon.com” (“Amazon”), producing posters that demonstrate how to perform different
2 exercises. Compl. (dkt. 1) ¶¶ 1, 4, 9. CM, which is based in Florida, began selling a competing
3 line of “Quick Fit” posters in 2016 or 2017 that NewMe alleges infringe its copyrights. *Id.* ¶¶ 5,
4 10, 13. NewMe notified CM of the alleged infringement, but CM continued to sell its posters until
5 NewMe submitted a takedown request under the DMCA to Amazon and Amazon provisionally
6 removed its listings for CM’s posters. *Id.* ¶¶ 2, 11. CM submitted a counternotice to Amazon
7 under the DMCA asserting that the removal was a “mistake,” and as of the filing of NewMe’s
8 complaint, NewMe anticipated that Amazon would restore CM’s product listings on April 14,
9 2018, ten days after the date of the counternotice. *Id.* ¶ 2.² NewMe brings a claim for
10 infringement under the Copyright Act, *id.* ¶¶ 6, 12–16, and a claim under the DMCA based on
11 alleged misrepresentations in CM’s counternotice. *Id.* ¶¶ 17–20.

12 The portion of NewMe’s complaint addressing jurisdiction and venue reads as follows:

13 6. NewMe brings this action under federal copyright law, 17 U.S.C.
14 § 101 *et seq.*, which this Court has jurisdiction over pursuant to 28
U.S.C. §§ 1331 and 1338.

15 7. This Court has personal jurisdiction over CM because, based on
16 information and belief, CM has transacted business in California,
17 committed infringing acts and caused injury to NewMe in California,
18 and expected (or should have expected) its acts to have such
consequences in California. Venue therefore lies in the United States
District Court for the Northern District of California pursuant to 28
U.S.C. § 1391(b).

19 8. A substantial part of the events giving rise to the claims alleged in
20 this Complaint occurred in Oakland, California. For purposes of
21 intradistrict assignment under Civil Local Rules 3-2(c) and 3-5(b),
this intellectual property action will be assigned on a district-wide
basis.

22 *Id.* ¶¶ 6–8.

23 **B. CM’s Motion**

24 CM moves to dismiss this action for improper venue under Rule 12(b)(3) of the Federal
25 Rules of Civil Procedure, and to dismiss NewMe’s infringement claim under Rule 12(b)(6) of the

26 _____
27 ² Later in its complaint, NewMe alleges that Amazon’s internal policy calls for restoring
28 challenged listings after ten days unless “copyright owners . . . submit proof that they have filed a
lawsuit in order to keep contend down following a counternotice.” *Id.* ¶ 20. It is not clear from
the current record whether Amazon has restored CM’s listings.

1 Federal Rules of Civil Procedure. *See generally* Mot. (dkt. 8).

2 Noting that NewMe asserted venue under 28 U.S.C. § 1391(b), CM contends that
3 § 1391(b)(1) does not apply because CM is a resident of Florida, not this district, and § 1391(b)(3)
4 does not apply because an alternative venue is available in Florida under § 1391(b)(1). Mot. at 4.
5 Turning to § 1391(b)(2), which allows for venue where “a substantial part of the events or
6 omissions giving rise to the claim occurred,” CM asserts that its indirect sales via Amazon to
7 California do not satisfy that statute. *Id.* at 4–5. The portion of CM’s motion addressing venue
8 cites no case law. *See id.*

9 CM submits a declaration by its president and CEO Chris Blackerby, stating that CM only
10 sells the posters at issue through Amazon, that it ships the posters to Amazon warehouses in
11 Florida, Texas, and North Carolina, that CM has not sold or shipped products directly to
12 California, and that products sold via Amazon to customers in California accounted for 14.7% of
13 CM’s total sales during the period at issue. *See generally* Blackerby Decl. (dkt. 8-1).

14 With respect to Rule 12(b)(6), CM argues that NewMe’s allegations of copyright
15 infringement are not sufficiently specific to satisfy the pleading standard of *Ashcroft v. Iqbal*, 556
16 U.S. 662 (2009), and similar cases, that the poses depicted in the parties’ fitness posters are not
17 themselves subject to copyright, and that the posters are not sufficiently similar in their
18 arrangements of those poses to support a claim for infringement of a compilation. *Id.* at 6–8. The
19 portion of CM’s motion addressing Rule 12(b)(6) does not address NewMe’s claim under the
20 DMCA. *See id.*

21 **C. NewMe’s Opposition**

22 NewMe argues in its opposition brief that this Court is a proper venue for the action under
23 § 1391(b)(2) because the 14.7% of CM’s sales shipped to California constitute a substantial part of
24 the activity at issue, and that the Court can exercise specific personal jurisdiction over CM—an
25 issue not raised in CM’s motion—based on conduct expressly aimed at the forum. Opp’n (dkt.
26 12) at 2–4. NewMe relies primary on Judge Westmore’s decision in *Mysfyt, Inc. v. Lum*, No. 16-
27 cv-03813-KAW, 2016 WL 6962954 (N.D. Cal. Nov. 29, 2016), which NewMe characterizes as
28 holding that venue was proper pursuant to § 1391(b)(2) under similar circumstances. Opp’n at 3–

1 4. NewMe also argues that it has plausibly alleged infringement of copyrightable material, and
2 notes that CM’s motion does not address NewMe’s DMCA claim. *Id.* at 4–8.

3 **D. CM’s Reply**

4 CM again argues in its reply that venue is not proper in this district under § 1391(b)(2)
5 because, in its view, a substantial part of the events at issue did not occur here, contending that
6 *Mysfyt* is distinguishable because twenty percent of the defendants sales in that case went to
7 California customers, as opposed to less than fifteen percent of CM’s sales here. *See Reply* (dkt.
8 13) at 2–3.

9 CM also argues that NewMe has failed to state a claim because it has not sufficiently
10 alleged similarity between the parties’ respective posters, noting that NewMe’s opposition brief
11 contains more detail than its complaint. *Id.* at 3–4. In support of its contention that the drawings
12 are generic and any similarity between the drawings necessarily results from depicting the same
13 common exercises, CM presents diagrams of two of its drawings overlaid on photographs of a
14 model performing the exercises, asserting without evidentiary foundation that they depict “the
15 sequence of creation off [sic] Defendant’s side plank exercise.” *Id.* 4. CM concludes by asserting,
16 without analysis or citation to authority, that “Plaintiff’s second cause of action for Material
17 Misrepresentation in DMCA Counternotice is moot if Plaintiff’s cause of action for copyright
18 infringement is not plead [sic] properly,” and that “[i]f sufficient facts for copyright infringement
19 are not plead [sic] with enough specificity or properly than the issue of DMCA takedown is not
20 relevant.” *Id.* at 4–5.

21 **III. ANALYSIS**

22 **A. Legal Standard for Rule 12(b)(3)**

23 A party may bring a motion to dismiss an action for improper venue pursuant to Rule
24 12(b)(3) of the Federal Rules of Civil Procedure. When venue is improper, the court “shall
25 dismiss, or if it be in the interest of justice, transfer such a case to any district or division in which
26 it could have been brought.” 28 U.S.C. § 1406(a). The plaintiff bears the burden of showing that
27 venue is proper. *See Piedmont Label Co. v. Sun Garden Packing Co.*, 598 F.2d 491, 496 (9th Cir.
28 1979). Generally, a plaintiff asserting multiple claims must establish that venue is proper as to

1 each claim. *Adobe Sys., Inc. v. Childers*, No. 5:10-cv-03571-JF/HRL, 2011 WL 566812, at *7
 2 (N.D. Cal. Feb. 14, 2011) (citation omitted). “Once a court has determined that venue is proper as
 3 to one claim,” however, “it may exercise pendent venue to adjudicate closely related claims.”
 4 *United Tactical Sys. LLC v. Real Action Paintball, Inc.*, 108 F. Supp. 3d 733, 753 (N.D. Cal.
 5 2015); *see also Flamingo Indus. (USA) Ltd. v. U.S. Postal Serv.*, 302 F.3d 985, 997–98 (9th Cir.
 6 2002), *rev’d on other grounds*, 540 U.S. 736 (2004). On a motion to dismiss under Rule 12(b)(3),
 7 “the pleadings need not be accepted as true, and the court may consider facts outside of the
 8 pleadings.” *Murphy v. Schneider Nat’l, Inc.*, 362 F.3d 1133, 1137 (9th Cir. 2004) (citations
 9 omitted).

10 **B. Venue is Proper Under 28 U.S.C. § 1400(a)**

11 Both parties’ briefing of the issue of venue is grossly inadequate. CM cites no case law
 12 whatsoever in support of its arguments that indirect sales cannot establish proper venue and that
 13 approximately fifteen percent of allegedly infringing sales occurring in the forum state does not
 14 constitute a substantial part of the events giving rise to a copyright claim. *See* Mot. 4–5. NewMe
 15 relies primarily on a single case, *Mysfyt, Inc. v. Lum*, which NewMe characterizes as follows:

16 Indeed, in another Northern District case before Magistrate Judge
 17 Kadis A. Westmore, the court dismissed the exact type of venue
 18 argument that CM makes here. In *Mysfyt, Inc. v. Lum*, a prominent
 19 Amazon seller filed a lawsuit against a competitor that had copied its
 20 product. . . . There, the defendant also moved to dismiss an
 21 infringement claim filed against it based on improper venue. That
 22 defendant claimed that “only” 888 of the 4,301 allegedly infringing
 23 units sold through Amazon.com were shipped to California residents.
 24 . . . Judge Westmore dismissed the defendant’s argument that those
 25 shipments to California residents were insignificant and held that
 26 those shipments were more than enough to establish proper venue
 27 under 28 U.S.C. § 1391(b)(2).

28 Opp’n at 3 (citing *Mysfyt, Inc. v. Lum*, No. 16-cv-03813-KAW, 2016 WL 6962954, at *1, 3 (N.D.
 Cal. Nov. 29, 2016)) (emphasis added). The underlined portions of the passage above are false.
 As NewMe’s counsel Mark Punzalan conceded at the hearing, the *Mysfyt* case involved a motion
 to dismiss for lack of personal jurisdiction, not improper venue, and Judge Westmore’s decision
 includes neither the word “venue” nor any reference to § 1391. *See generally Mysfyt*, 2016 WL
 6962954; *see also* Mot. to Dismiss, *Mysfyt v. Lum*, No. 16-cv-03813-KAW, ECF Doc. No. 17

1 (N.D. Cal. Oct. 27, 2016) (moving to dismiss only for lack of personal jurisdiction, with no
2 reference to Rule 12(b)(3) or § 1391). In its reply, CM attempts to distinguish *Mysfyt* on the basis
3 that twenty percent of the sales in that case were directed to California, as opposed to only around
4 fifteen percent of CM’s sales here, but fails to mention that *Mysfyt* did not address the issue of
5 venue. *See* Reply at 3. It is not clear whether counsel for either party actually read that decision.

6 Both parties’ arguments regarding venue generally pertain to NewMe’s copyright
7 infringement claim and address § 1391, which is also the venue statute cited in NewMe’s
8 complaint. That statute has no bearing on NewMe’s infringement claim. “Section 1391 governs
9 ‘venue generally,’ that is, in cases where a more specific venue provision does not apply.” *Atl.*
10 *Marine Constr. Co. v. U.S. Dist. Court*, 571 U.S. 49, 56 n.2 (2013). Venue for copyright claims is
11 governed by 28 U.S.C. § 1400(a), which provides that “[c]ivil actions, suits, or proceedings
12 arising under any Act of Congress relating to copyrights or exclusive rights in mask works or
13 designs may be instituted in the district in which the defendant or his agent resides or may be
14 found.” 28 U.S.C. § 1400(a); *see also Atl. Marine Constr.*, 571 U.S. at 56 n.2 (identifying § 1400
15 as an example of a more specific statute that supersedes § 1391 where applicable); *Nu Image, Inc.*
16 *v. Does 1–23*, 322, 799 F. Supp. 2d 34, 37, 43 (D.D.C. 2011) (“[W]hen copyright infringement is
17 the sole claim being alleged, it is misleading, and arguably disingenuous, to assert that venue may
18 be proper under section 1391(b), the general venue statute, when section 1400(a) is the exclusive
19 venue statute for copyright infringement actions.”). “The Ninth Circuit interprets this statutory
20 provision to allow venue in any judicial district in which the defendant would be amenable to
21 personal jurisdiction if the district were a separate state.” *Brayton Purcell LLP v. Recordon &*
22 *Recordon*, 606 F.3d 1124, 1128 (9th Cir. 2010).³

23 Stuart West, counsel for CM, acknowledged at the hearing that § 1400(a) applies and
24 conceded that venue is proper under § 1400(a). CM’s motion to dismiss for improper venue is
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26 ³ Having not addressed § 1400(a) in any way, the parties also have not addressed whether that
27 statute applies to claims under the DMCA. Given the DMCA’s purpose of regulating copyrights
28 in the digital realm, the Court holds for the purpose of this order that the DMCA falls within the
scope of § 1400(a) as an “Act of Congress relating to copyrights,” and that NewMe’s claim under
the DMCA is subject to the same venue analysis as its claim under the Copyright Act.

1 therefore frivolous, and is DENIED.

2 **C. Motion to Dismiss for Failure to State a Claim**

3 At the hearing, West also acknowledged that CM now has a sufficient understanding of the
4 scope of NewMe’s claims to modify its posters and engage in settlement discussions. Under these
5 circumstances, it is not clear that there is any need to litigate the sufficiency of NewMe’s
6 allegations, and CM’s motion to dismiss for failure to state a claim is DENIED without prejudice
7 to refiling.

8 **IV. CONCLUSION**

9 The motion to dismiss is DENIED for the reasons discussed above. No later than July 30,
10 2018, CM may file an answer or a renewed motion to dismiss for failure to state a claim, or
11 NewMe may file an amended complaint more specifically describing the scope of its claims. Both
12 parties are admonished that any further briefing that may be necessary in this case must, for each
13 issue in dispute, either cite applicable case law or include a statement of the party’s belief that the
14 issue is one of first impression.

15 **IT IS SO ORDERED.**

16 Dated: June 29, 2018

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19 JOSEPH C. SPERO
20 Chief Magistrate Judge
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