

1 Deborah Bailey-Wells (114630, deborah.bailey-wells@klgates.com)  
 2 Kevin C. Trock (161787, kevin.trock@klgates.com)  
 3 Harold H. Davis, Jr. (235552, harold.davis@klgates.com)  
 4 KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP  
 5 55 Second St., Suite 1700  
 6 San Francisco, CA 94105  
 7 Telephone (415) 882-8200  
 8 Fax: (415) 882-8220

Attorneys for Plaintiff HELIO LLC

8 UNITED STATES DISTRICT COURT FOR THE  
 9 NORTHERN DISTRICT OF CALIFORNIA  
 10 OAKLAND DIVISION

12 HELIO, LLC,

14 Plaintiff,

15 vs.

17 PALM INC.

18 Defendant.

Case No. C 06-7754 SBA

**PLAINTIFF HELIO, LLC'S MOTION TO DISMISS ACTION WITHOUT PREJUDICE AND MEMORANDUM IN SUPPORT OF MOTION**

**Date Filed: December 19, 2006**

1 **TO ALL PARTIES AND THEIR COUNSEL OF RECORD:**

2 **PLEASE TAKE NOTICE** that on May 1, 2007 at 1:00 PM or as soon thereafter as  
3 counsel may be heard, in the United State District Court for the Northern District of  
4 California, 1301 Clay Street, Oakland, CA 94612, Plaintiff Helio LLC ("Helio") will move to  
5 dismiss this action without prejudice.

6 Helio's motion is based on the grounds that (1) Defendant Palm Inc. ("Palm") is  
7 winding down its advertising campaign using the slogan "Not Just a Cell Phone"; and (2)  
8 Palm will not be prejudiced as a result of the dismissal.

9 This Motion is based on this Notice of Motion and Motion, the attached memorandum  
10 of points and authorities, the Proposed Order, and all pleadings, records and files in this  
11 action, and upon all other matters that may be presented at the hearing on this Application.

12  
13 Dated: March 21, 2007

KIRKPATRICK & LOCKHART  
PRESTON GATES ELLIS LLP

14  
15  
16 By: 

Deborah Bailey-Wells  
Kevin C. Trock  
Harold H. Davis, Jr.

17  
18  
19 ATTORNEYS FOR PLAINTIFF  
HELIO LLC

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 This is a trademark dispute in which Plaintiff Helio LLC ("Helio") alleges that  
4 Defendant Palm, Inc. ("Palm") infringes on Helio's DON'T CALL IT A PHONE trademark by  
5 using the confusingly similar slogan "Not Just a Cell Phone" in its current advertising  
6 campaign. Palm made representations to the Court at the December 21, 2006 hearing on  
7 Helio's motion for a temporary restraining order that Palm's outdoor advertising would cease  
8 on December 31, 2006 and that Palm's other advertising would terminate during the first few  
9 months of 2007. Based upon Helio's verification of this in the marketplace, Helio now  
10 moves to dismiss this action without prejudice in its entirety.

11 **II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE**

12 Palm began using the slogan "Not Just a Cell Phone" in its advertising campaign in  
13 December 2006. Shortly after discovering this use, Helio sought a temporary restraining  
14 order to prohibit Palm's use of the offending slogan in Palm's advertising campaign.  
15 Although this Court believed that the issue was "very close", it ultimately denied Helio's  
16 request for a TRO. The Court based its decision, in part, on Palm's representation that  
17 Palm's outdoor advertising would stop on December 31, 2006 and that Palm would soon  
18 discontinue its advertising campaign during the first few months of 2007.

19 Helio has now verified that Palm is indeed winding down its advertising campaign  
20 using the infringing slogan "Not Just a Cell Phone." Accordingly, Helio now seeks to dismiss  
21 this action, the primary basis of which was to enjoin Palm's use of the infringing slogan.

22 **III. ARGUMENT**

23 After an answer has been filed, an "action shall not be dismissed at the plaintiff's  
24 instance save upon order of the court and upon such terms and conditions as the court  
25 deems proper." Fed. R. Civ. P. Rule 41(a)(2). In ruling on whether to dismiss, the Court  
26 determines: (1) whether to allow dismissal at all; (2) whether the dismissal should be with or  
27

1 without prejudice; and (3) what terms and conditions, if any, should be imposed. See  
2 *Spencer v. Moore Business Forms, Inc.*, 87 F.R.D 118, 119 (N.D. Cal. 1980).

3 **A. Dismissal Should Be Allowed Since Palm Will Not Suffer Legal Harm.**

4 Whether to allow dismissal rests in the Court's sound discretion. *Hamilton v.*  
5 *Firestone Tire & Rubber Co.*, 679 F.2d 143, 145 (9<sup>th</sup> Cir. 1982). The general rule is that "in  
6 most cases, dismissal should be granted unless the defendant will suffer some legal harm  
7 ... other than the mere prospect of a second lawsuit." *Spencer*, 87 F.R.D. at 119.

8 Palm will not suffer any legal harm as a result of Helio's dismissal. No counter-claims  
9 have been filed by Palm and Palm will not lose any substantive legal rights as a result of a  
10 dismissal without prejudice. Fed. R. Civ. P Rule 41(a)(2). As such, dismissal is appropriate.

11 **B. The Dismissal Should Be Without Prejudice To Helio's Right to Re-File**  
12 **This Suit if Palm Reinstutes Its Infringing Campaign.**

13 In deciding whether to allow dismissal without prejudice, the following factors are  
14 generally considered: (i) defendant's efforts and expenses incurred in preparation for trial;  
15 (ii) plaintiff's diligence in prosecuting the action; (iii) plaintiff's explanation of the need to  
16 dismiss; and (iv) the status of the litigation.

17 This case was filed only three months ago and a trial date has not been set. What  
18 little testimonial and document discovery that has been taken has focused on Helio's motion  
19 for preliminary injunction, the purpose of which is now obviated by this Motion. Helio has  
20 diligently pursued this matter since its inception and has not attempted to prolong this  
21 dispute unnecessarily. Helio's purpose in filing this action was to stop Palm from using the  
22 infringing slogan "Not Just a Cell Phone" in its advertising campaign. Palm has previously  
23 represented to the Court and Helio has now verified that Palm is indeed winding down its  
24 advertising campaign. As a result there is no substantive reason to continue this litigation.  
25 Helio has achieved its litigation objectives and no longer wishes to burden the resources of  
26 this Court or the parties with this action.


1 Helio requests a dismissal without prejudice in the event that Palm seeks to resurrect  
2 its advertising campaign or begin using the infringing slogan again.

3 **IV. CONCLUSION**

4 For the foregoing reasons, Helio respectfully requests this Court dismiss this entire  
5 matter without prejudice.

6  
7 Dated: March 21, 2007

KIRKPATRICK & LOCKHART  
PRESTON GATES ELLIS LLP

8  
9  
10 By:   
11 Deborah Bailey-Wells  
12 Kevin C. Trock  
13 Harold H. Davis, Jr.

14 ATTORNEYS FOR PLAINTIFF  
15 HELIO LLC  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28