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11 UNITED STATES DISTRICT COURT  
 12 SOUTHERN DISTRICT OF CALIFORNIA

13 UNITED BRANDS COMPANY, INC.,  
 14  
 Plaintiff,  
 15  
 v.  
 16 ANHEUSER-BUSCH, INC.,  
 17  
 Defendant.

CASE NO. 10-cv-2281 BEN WMc  
**PLAINTIFF UNITED BRANDS COMPANY,  
 INC.'S OPPOSITION TO DEFENDANT  
 ANHEUSER-BUSCH, INC'S MOTION TO  
 DISMISS**

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1 **I. INTRODUCTION**

2 United Brands filed its Complaint in this action on November 4, 2010, alleging trade dress  
3 infringement, trademark infringement, copyright infringement, and related claims against  
4 Anheuser-Busch, Inc. (“A-B”) arising from its use of product packaging deceptively similar to  
5 United Brands’ leading flavored malt beverage DRAGON JOOSE. In response, A-B filed a Rule  
6 12(b)(6) motion to dismiss that Complaint on December 10, 2010. As was its right, United  
7 Brands in turn filed its First Amended Complaint (“FAC”), in which it omitted one claim and  
8 augmented others with additional factual detail.

9 Now, in its present motion to dismiss, A-B argues that United Brands had “clear notice”  
10 of the purported “flaws” in its original Complaint and, having not corrected those “defects,” its  
11 FAC should be dismissed with prejudice. In filing its FAC, United Brands was not required to  
12 give credence to the meritless arguments asserted by A-B. A-B now reasserts those arguments in  
13 its present Rule 12(b)(6) motion to dismiss. Generally, A-B’s arguments suffer from one of two  
14 fatal defects.

15 First, many of A-B’s arguments go to the merits of United Brands’ claims, raising factual  
16 issues not resolvable on a Rule 12(b)(6) motion to dismiss. For example, A-B argues that United  
17 Brands’ trade dress infringement claim fails, as a matter of law, because “the word marks JOOSE  
18 and TILT . . . are the principal commercial identities that the public would rely on in identifying  
19 the source of the products at issue.” But whether consumers are or are not confused about the  
20 origin of the similarly packaged new TILT can because they identified TILT with A-B raises an  
21 issue of fact that cannot be determined on the present motion.

22 Next, many of A-B’s arguments either misapply existing case law or take positions  
23 unsupported by statute or judicial precedent. For example, A-B argues that United Brands is  
24 required to allege that consumers recognize its DRAGON JOOSE trade dress separate and apart  
25 from its JOOSE name mark. But the Supreme Court decision purportedly supporting that  
26 position, *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000) does not address  
27 that issue. Nor can the dicta cited from that case be extended to support such a proposition.

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1 In the face of these and similar arguments, United Brands was not required to amend its  
2 Complaint to cure the “deficiencies” complained of in A-B’s original motion to dismiss and  
3 reasserted here, despite A-B’s arguments to the contrary. Because A-B’s arguments regarding  
4 dismissal are spurious, United Brands respectfully requests that the Court deny them. Should the  
5 Court find some deficiency in United Brands’ FAC, however, it respectfully requests that the  
6 Court grant leave to amend to cure such deficiency.

7 **II. FACTUAL BACKGROUND**

8 In its FAC, United Brands asserts claims against A-B for trade dress infringement,  
9 trademark infringement, copyright infringement, unfair competition, and related claims. United  
10 Brands makes JOOSE, a flavored malt beverage which it has sold since 2006. (FAC ¶ 1.) Its  
11 most popular version of JOOSE is its DRAGON JOOSE (pictured below). United Brands is a  
12 leader in the business of designing, producing and selling flavored malt beverages. (FAC ¶ 9.)



22 United Brands’ DRAGON JOOSE can employs a number of elements in its design to  
23 make it inherently distinctive, including its distinct color scheme, stylized, archaic-style font, and  
24 dragon motif (“DRAGON JOOSE Trade Dress”). (FAC ¶ 12.) United Brands’ federally  
25 registered trademarks for the mark JOOSE and the mark JOOSE and Design (collectively,  
26 “JOOSE Marks”) also appear on its DRAGON JOOSE can. (FAC ¶ 16.) And United Brands  
27 owns a number of California state trademark registrations for marks also appearing on its  
28 DRAGON JOOSE can: (1) JOOSE; (2) JOOSE and Design; (3) DRAGON JOOSE; and (4)



1 Dragon Design (“State DRAGON JOOSE Marks”). (FAC ¶ 17.) Together, the DRAGON  
2 JOOSE Trade Dress, the Dragon Design mark, the State DRAGON JOOSE Marks, and the  
3 JOOSE Marks comprise the DRAGON JOOSE Marks. (FAC ¶ 18.)

4 United Brands has spent substantial dollars in promoting its JOOSE flavored malt  
5 beverages, including the DRAGON JOOSE Marks, both in California and nationwide. JOOSE  
6 sales have been tremendously successful, with sales of flavored malt beverages totaling over  
7 \$160,000,000. (FAC ¶ 20.)

8 A-B makes a competing flavored malt beverage called TILT. For years, A-B sold TILT in  
9 silver cans that did not resemble United Brands’ JOOSE or DRAGON JOOSE cans. (FAC ¶ 2.)  
10 Recently, however, A-B completely changed the design of its TILT cans and began selling TILT  
11 in cans featuring a dragon design that closely resembles the design of DRAGON JOOSE (see  
12 below). (FAC ¶ 3.)



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22 The new TILT can featured a radically different look and design as compared to the  
23 original can. (FAC ¶ 27.) A-B began selling TILT in the new can and, for the first time, in a 24-  
24 ounce size can (similar to United Brands) in or about July 2010. (FAC ¶ 28.) Having failed to  
25 gain market penetration with TILT packaged in its old can, A-B has now willfully and  
26 intentionally infringed United Brands DRAGON JOOSE Marks by directly copying elements of  
27 the DRAGON JOOSE Marks and cans, in order to cause confusion among distributors, retailers

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1 and consumers and trade upon the goodwill created by United Brands in its DRAGON JOOSE  
2 Marks and products. (FAC ¶ 30.)

### 3 **III. ARGUMENT**

#### 4 **A. Legal Standard for Rule 12(b)(6) Motion to Dismiss**

5 Motions to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) are disfavored  
6 and rarely granted. *Gilligan v. Jamco Dev.*, 108 F.3d 246, 249 (9th Cir. 1997). The Federal  
7 Rules impose only a minimal notice pleading burden upon plaintiffs at this preliminary stage of  
8 the litigation. *Porter v. Jones*, 319 F.3d 483, 494 (9th Cir. 2003). The Federal Rules require only  
9 “a short and plain statement of the claim showing that the pleader is entitled to relief.” Fed. R.  
10 Civ. P. 8(a)(2). “Ordinary pleading rules are not meant to impose a great burden upon a  
11 plaintiff.” *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 347 (2005). “Specific facts are not  
12 necessary; the statement need only ‘give the defendant fair notice of what the . . . claim is and the  
13 grounds upon which it rests.’” *Erickson v. Pardus*, 551 U.S. 89, 93 (2007) (quoting *Bell Atl.*  
14 *Corp. v. Twombly*, 550 U.S. 544, 555 (2007)).

15 For these reasons, the question before the Court is not whether the plaintiff will ultimately  
16 prevail on its claims, but whether United Brands’ complaint lacks “a cognizable legal theory” or  
17 it is absent of “sufficient facts alleged under a cognizable legal theory.” *Solid Host, NL v.*  
18 *Namecheap, Inc.*, 652 F. Supp. 2d 1092, 1099 (C.D. Cal. 2009).

19 In assessing these questions, the Court should accept as true all the facts alleged in the  
20 plaintiff’s complaint and draw all reasonable inferences in the plaintiff’s favor. *Newcal Indus.,*  
21 *Inc. v. Ikon Office Solution*, 513 F.3d 1038, 1043 n.2 (9th Cir. 2008). Therefore, a defendant  
22 cannot prevail on a 12(b)(6) motion to dismiss unless it proves that the plaintiff is not entitled to  
23 relief. *Odom v. Microsoft Corp.*, 486 F.3d 541, 545 (9th Cir. 2007).

#### 24 **B. A-B’s Attack on United Brand’s Trade Dress Infringement Claim Fails** 25 **Because It Raises Factual Issues Not Resolvable on a Motion to Dismiss**

26 To state a claim for trade dress infringement under § 43(a) of the Lanham Act, United  
27 Brands must merely allege that its trade dress (1) is non-functional, (2) is either inherently  
28 distinctive or has acquired secondary meaning, and (3) is likely to be confused with the design of

1 A-B's TILT can be used by members of the consuming public. *Disc Golf Ass'n, Inc. v. Champion Discs,*  
2 *Inc.*, 158 F.3d 1002, 1005 (9th Cir. 1998); *see also One Indus., LLC v. Jim O'Neal Distrib., Inc.*,  
3 578 F.3d 1154, 1166 (9th Cir. 2009).

4 A-B argues that United Brands' trade dress infringement claim fails to state a claim  
5 because "[1] the elements comprising [United Brands'] alleged trade dress are common features  
6 of similar product packaging and [2] do not counter the fundamental dissimilarity between the  
7 word marks JOOSE and TILT which are the principal commercial identities that the public would  
8 rely on in identifying the source of the products in issue." (Dkt. No. 21-1 at 8-9.) A-B's  
9 argument has no merit because it asserts facts not before the Court on a motion to dismiss.

10 **1. Whether the Elements of the DRAGON JOOSE Trade Dress Are Common**  
11 **Raises Fact Issues Not Appropriate on a Motion to Dismiss**

12 First, whether the elements comprising United Brands' alleged trade dress are "common  
13 features of similar product packaging" necessarily inquires into facts not contained in United  
14 Brands' FAC. United Brands agrees with A-B that these elements are common with A-B's TILT  
15 can. It is that commonality of design that gave rise to the instant claim for trade dress  
16 infringement. But whether those elements, or some portion of them, are also included in other  
17 competitors' flavored malt beverage cans remains a question of fact and is not resolvable on a  
18 motion to dismiss.

19 Moreover, even if some of these elements were shared in common with other flavor malt  
20 beverage makers, that would not necessarily mean that United Brands' Dragon JOOSE trade  
21 dress is not "inherently distinctive" under Section 43(a) of the Lanham Act. An analysis of  
22 "inherent distinctiveness" examines the totality of the trade dress. Even common elements  
23 arranged uniquely would be entitled to protection under the Lanham Act. Trade dress is  
24 "inherently distinctive" if it is: "(i) unusual and memorable; (ii) conceptually separable from the  
25 product; and (iii) likely to serve primarily as a designator of origin of the product." *Duraco*  
26 *Prod., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431, 1434 (3d Cir. 1994).

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1           **2. Whether Consumers Would Associate the TILT Word Mark in the New**  
2           **TILT Design with A-B as the Source of Origin Is a Fact Issue Not Resolvable on a Motion**  
3           **to Dismiss and Contrary to the Well-Pleaded Allegations of the FAC**

4           Next, A-B asserts that the word marks JOOSE and TILT “are the principal commercial  
5 identities that the public would rely on in identifying the source of the products in issue.” This,  
6 too, is a fact-based inquiry and not resolvable on a Rule 12(b)(6) motion to dismiss. In arguing  
7 that the brand name TILT would serve as the “source identification” for A-B’s product and thus  
8 preclude consumer confusion, A-B relies upon *Hansen Beverage Co. v. National Beverage Corp.*,  
9 493 F.3d 1074 (9th Cir. 2007), *Trovan Ltd. v. Pfizer, Inc.*, 107 Fed. Appx. 788, 790 (9th Cir.  
10 2004) (unpublished), and *Aurora World, Inc. v. TY Inc.*, 2009 U.S. Dist. LEXIS 129128 (C.D.  
11 Cal. Dec. 15, 2009). None of these cases can be relied upon here.

12           The *Hansen Beverage* opinion was later vacated by the Ninth Circuit in *Hansen Beverage*  
13 *Co. v. National Beverage Corp.*, 499 F.3d 923 (9th Cir. 2007). Even if not vacated, the decision  
14 would be inapposite here, because the Ninth Circuit’s decision was based upon a factual record  
15 developed for purposes of preliminary injunction. *Trovan* was not published by the Ninth Circuit  
16 and, under Ninth Circuit Rules, may not be cited as precedent to courts in this circuit. (Ninth Cir.  
17 Rule 36-3(c).) The *Aurora World* case is both inapposite—because it involved a motion for  
18 preliminary injunction and not a motion to dismiss—and factually distinguishable, because there  
19 the defendant included a prominent tag bearing its company logo, which the Court found would  
20 negate a claim of confusion. The New TILT Design here does not include any similar prominent  
21 A-B logo.

22           Regardless, A-B’s argument assumes that consumers would necessarily identify the word  
23 mark TILT in the New TILT Design with A-B. Whether they actually do or not is, again, a fact  
24 issue not resolvable on a motion to dismiss. Moreover, United Brands’ FAC alleges just the  
25 opposite. The gist of United Brands’ FAC is that A-B has so changed its TILT packaging from  
26 its former design to make it look like United Brands’ Dragon JOOSE, that it “has confused and is  
27 likely to continue to cause confusion or to cause mistake, or to deceive the consuming public into  
28 believing that Defendant’s goods are authorized, sponsored, affiliated with or approved by United  
Brands.” (FAC, ¶ 57.) That is, even if a consumer might have previously associated A-B’s old

1 TILT design with A-B, it's new design was such a radical departure from that design, and so  
2 similar to United Brands' DRAGON JOOSE Trade Dress, that it was likely to confuse  
3 consumers. As A-B acknowledges, "the Court must accept all well-plead[ed] factual allegations  
4 of the FAC as true and construe them in favor of the non-moving party." (Dkt. No. 21-1 at 7.)  
5 For all of these reasons, A-B's argument for dismissal fails.

6 **3. A-B Misapplies Supreme Court Precedent in Characterizing United Brands'**  
7 **Claim as One Involving "Product Design"**

8 A-B also argues that United Brands' trade dress infringement claim must fail because  
9 (1) the DRAGON JOOSE Trade Dress cannot, as a matter of law, be "inherently distinctive" and  
10 (2) United Brands purportedly fails to allege that its DRAGON JOOSE Trade Dress has acquired  
11 "secondary meaning." But A-B misapplies Supreme Court precedent in arguing the former and  
12 simply ignores the well-pleaded allegations of United Brands' FAC in arguing the latter.

13 Noting the Supreme Court's distinction between "product design" and "product  
14 packaging" trade dress in *Wal-Mart Stores*, 529 U.S. at 205, A-B argues that United Brands'  
15 trade dress claim must be one of "product design" because "the **product design's** visual  
16 elements are an integral part of, and are physically 'inseparable' from the product design (i.e.,  
17 the 24 oz. can)." (Dkt. No. 21-1 at 10 (emphasis in original).) As a purported "product design"  
18 case, A-B asserts that United Brands' trade dress can never be inherently distinctive under  
19 *Wal-Mart*.

20 If this were a product design case, then A-B would be correct. But A-B's argument  
21 fundamentally misstates the product that United Brands makes and sells. As alleged in the FAC,  
22 United Brands makes JOOSE—including DRAGON JOOSE—which is a flavored malt beverage.  
23 (FAC, ¶ 1.) United Brands sells this product in, among other things, a 24-ounce can, but the can  
24 (and its visual elements) are not the product itself. The can is part of the packaging. Put simply,  
25 this is not a product design trade dress case. As such, United Brands may ultimately prove its  
26 claim of trade dress infringement either by demonstrating that its trade dress is "inherently  
27 distinctive" or that it has acquired "secondary meaning."

28 ////

1 Even if this were a “product design” case, however, United Brands has alleged that its  
2 trade dress has acquired secondary meaning:

3 [B]ecause of United Brands’ exclusive and extensive use of the  
4 DRAGON JOOSE Marks [including the DRAGON JOOSE Trade  
5 Dress], they have acquired considerable value and have become  
6 well known to the consuming public as identifying United Brands  
7 exclusively, and uniquely, as the source of products to which the  
8 DRAGON JOOSE Marks are applied. In this way, the DRAGON  
9 JOOSE Marks have acquired secondary meaning and  
10 distinctiveness.

11 (FAC, ¶ 19; *see also* FAC, ¶¶ 10-18.) A-B may contend that United Brands cannot prove  
12 secondary meaning, which United Brands disputes, but matters of proof should not be considered  
13 on a motion to dismiss, which merely tests the legal sufficiency of the pleadings.

14 **4. United Brands Is Not Required to Allege That Consumers Recognize the  
15 DRAGON JOOSE Trade Dress Separate and Apart from the JOOSE Trademark, Nor  
16 Would Such a Requirement Be Consistent with Trademark Law**

17 Finally, A-B argues that even if United Brands’ trade dress infringement claim involves  
18 product packaging and not product design, the FAC purportedly fails to state a claim “because the  
19 FAC does not allege facts showing that consumers recognize the ‘Dragon Joose’ packaging –  
20 separate and apart from the trademark JOOSE – as an indication of source.” (Dkt. No. 21-1 at  
21 11.) But nothing requires that United Brands plead or prove that consumers recognize its  
22 DRAGON JOOSE Trade Dress apart from its word mark.

23 A-B cites *Wal-Mart Stores* as its only authority for this proposition, but does not explain  
24 how that case supports its position. Rather, A-B simply quotes certain dicta from that decision  
25 out of context and without explaining its significance: ““where it is not reasonable to assume  
26 consumer predisposition to take . . . packaging as indication of source . . . inherent distinctiveness  
27 will not be found””. (Dkt. No. 21-1 at 11.) A-B’s careful editing implies that, in certain  
28 situations, the Supreme Court believes it would not be reasonable to assume consumer  
predisposition to take any product packaging—including the DRAGON JOOSE Trade Dress—as  
an indication of source. Implicitly, A-B argues that one such situation would be where the trade  
dress also contains plaintiff’s word mark, but when read in full and in context, the Supreme  
Court’s dicta suggests something far more limited than what A-B’s selected editing implies.

1 The Court’s dicta appears soon after discussing a prior decision in which it held that color  
2 could be protected as a trademark only upon a showing of secondary meaning. Reasoning by  
3 analogy, the Court noted that a product’s color is unlike a “fanciful,” “arbitrary,” or “suggestive”  
4 mark, the classic test for inherently distinctive marks. Since, unlike such marks, color does not  
5 “almost automatically tell a customer that [it] refer[s] to a brand,” and does not “immediately . . .  
6 signal a brand or a product ‘source,’” the Court held that color could never be “inherently  
7 distinctive.” *Wal-Mart Stores*, 529 U.S. at 212 (citing *Qualitex Co. v. Jacobson Prod. Co.*, 514  
8 U.S. 159, 162-63 (1995)).

9 The Court then states, in full: “And where it is not reasonable to assume consumer  
10 predisposition to take an affixed word or packaging as indication of source—where, for example,  
11 the affixed word is descriptive of the product (‘Tasty’ bread) or of a geographic origin (‘Georgia’  
12 peaches)—inherent distinctiveness will not be found.” *Id.* at 213. So, where the Court refers to  
13 packaging that should not be automatically assumed to be inherently distinctive, it is reasonable  
14 to infer that the Court means simple, one-color packaging or other packaging lacking any  
15 “arbitrary”, “fanciful”, or “suggestive” design.

16 Thus, the stray language cited by A-B should not be taken to support the proposition for  
17 which it is cited—that trademark law requires a plaintiff to plead and prove that consumers  
18 recognize its trade dress separate and apart from its name mark. Moreover, A-B offers no  
19 discussion or analysis of why, here, it would be unreasonable to take the DRAGON JOOSE  
20 packaging as an indication of source.

21 **C. A-B’s Attack on United Brands’ Federal Trademark Infringement (Claim II)**  
22 **and Common Law Trademark Infringement (Claim VIII) Fails Because**  
23 **Trademark Law Does Not Require Consumers to Recognize a Plaintiff’s**  
**Design Mark Separate and Apart from Its Name Mark**

24 A-B provides little explanation of its arguments for dismissing either United Brands’  
25 claims for trademark infringement under 15 U.S.C. § 1125(a) (Claim II) or common law  
26 trademark infringement (Claim VIII). With respect to the federal trademark infringement claim,  
27 A-B simply asserts that it is “redundant” of United Brands’ false designation of origin claim  
28 (Claim I) and common law trademark infringement claims (Claim VIII). A-B declines to repeat

1 those arguments with respect to the specific allegations made supporting United Brands’  
2 trademark infringement claim.

3 With respect to United Brands’ common law trademark infringement claim, A-B simply  
4 asserts that its “viability . . . is determined by the same analysis applicable to its federal trade  
5 dress infringement and false designation of origin claims under § 43(a) [Claim I – Federal Trade  
6 Dress Infringement].” (Dkt. No. 21-1 at 24.)

7 Thus, with respect to United Brands’ claims for federal trademark infringement and  
8 common law trademark infringement, A-B appears to rest upon its argument that United Brands  
9 does not “allege facts establishing that consumers recognize the ‘Dragon Joose’ packaging as a  
10 separate indication of origin apart from the JOOSE brand name . . .” (Dkt. No. 21 at 1 (Notice of  
11 Motion).) Of course, Claims II and VIII do not involve the DRAGON JOOSE Trade Dress, but  
12 rather pertain to DRAGON JOOSE mark. Even so, as shown in Section III.B.4 above, A-B has  
13 failed to establish that trademark law requires a plaintiff to plead or prove that consumers  
14 recognize its trade dress separate and apart from its name mark. It has similarly failed to cite any  
15 authority for the proposition that a plaintiff need plead and prove that consumers recognize its  
16 design mark separate and apart from its name mark.

17 **D. United Brands Has Alleged Sufficient Facts to Support Its Claim for Federal**  
18 **Dilution of Its Trade Dress**

19 In its Third Claim for Relief for federal dilution under 15 U.S.C. § 1125(c), United Brands  
20 alleges, among other things, that A-B has diluted its DRAGON JOOSE Marks through A-B’s  
21 unauthorized commercial use. In A-B’s briefing, it expresses confusion over whether United  
22 Brands’ claim for dilution under Section 43(c) of the Lanham Act relates to its DRAGON JOOSE  
23 packaging or more narrowly to its federal registrations for JOOSE and JOOSE and Design alone.  
24 When fairly read, however, it should be reasonably clear that United Brands bases its dilution  
25 claim on its DRAGON JOOSE packaging, and not its registered marks. As defined in Paragraph  
26 18 of the FAC, the DRAGON JOOSE Marks are comprised of the DRAGON JOOSE Trade  
27 Dress, the Dragon Design mark, the State DRAGON JOOSE Marks, and the JOOSE Marks. In  
28 other words, it fairly comprises the entire packaging of the DRAGON JOOSE product.



1 Notwithstanding its professed confusion, A-B asserts two arguments for dismissal of  
2 United Brands' federal dilution claim. First, it asserts that United Brands' JOOSE and JOOSE  
3 and Design marks are so fundamentally different from A-B's TILT & Design mark that there  
4 cannot be any likelihood of dilution. Second, it asserts that United Brands has failed to state  
5 sufficient facts to establish that its trade dress packaging is "famous." Neither argument has merit.

6 **1. United Brands' Federal Dilution Claim Is Based Upon Its DRAGON JOOSE**  
7 **Trade Dress Packaging, and Not Simply Its JOOSE and JOOSE and Design Marks**

8 The standard for dilution under the Trademark Dilution Revision Act is whether a junior  
9 mark is likely to impair the distinctiveness of the famous mark: "the plain language of 15 U.S.C.  
10 § 1125(c) does not require that a plaintiff establish that the junior mark is identical, nearly  
11 identical or substantially similar to the senior mark in order to obtain injunctive relief." *Levi*  
12 *Strauss & Co. v. Abercrombie & Fitch Trading Co.*, --- F.3d ----, 2011 WL 383972, at \*12 (9th  
13 Cir. Feb. 8, 2011). "Rather, a plaintiff must show, based on the factors set forth in  
14 § 1125(c)(2)(B), including the degree of similarity, that a junior mark is likely to impair the  
15 distinctiveness of the famous mark. *Id.*

16 Here, however, by arguing that United Brands' federal dilution claim must fail because of  
17 the "fundamental" dissimilarities between the JOOSE and JOOSE and Design marks and A-B's  
18 TILT and Design mark, A-B constructs a straw man argument. Contrary to A-B's assertion  
19 otherwise, United Brands' Section 43(c) dilution claim is not based upon its federal registrations  
20 of the trademarks JOOSE and JOOSE and Design. Rather, as explained above, United Brands'  
21 claim is based upon A-B's dilution of the DRAGON JOOSE Trade Dress packaging.

22 **2. United Brands Has Alleged Facts Sufficient to Show That Its DRAGON**  
23 **JOOSE Marks Are Famous**

24 Next, A-B argues that United Brands has not alleged sufficient facts to establish that its  
25 DRAGON JOOSE Marks are "famous" under Section 43(c). Notably, A-B does not contend that  
26 United Brands has insufficiently alleged any other element of its federal dilution claim.

27 In determining whether a mark is "famous," the Federal Anti-Dilution Act, 15 U.S.C.  
28 § 1125, lists four nonexclusive factors a court may consider in determining whether a mark is

1 distinctive and famous. The statutory factors are: (1) “[t]he duration, extent, and geographic  
2 reach of advertising and publicity of the mark, whether advertised or publicized by the owner or  
3 third parties;” (2) “[t]he amount, volume, and geographic extent of sales of goods or services  
4 offered under the mark;” (3) “[t]he extent of actual recognition of the mark;” and (4) whether the  
5 mark was registered. In addition to these, the statute provides that a court may consider “all  
6 relevant factors.”

7 Here, United Brands has alleged that it has sold and advertised products bearing the  
8 DRAGON JOOSE Marks in 47 states. (FAC ¶ 47.) It has sold product bearing the DRAGON  
9 JOOSE Marks continuously since 2008.<sup>1</sup> (FAC ¶ 15.) Since 2008, United Brands has  
10 continuously used the DRAGON JOOSE Marks in interstate commerce in connection with its  
11 marketing, distribution and sales of flavored malt beverage products. (FAC ¶ 15.) It has spent  
12 substantial dollars in promoting its JOOSE flavored malt beverages, including those bearing the  
13 DRAGON JOOSE Marks, nationwide. (FAC ¶ 20.) United Brands’ promotional efforts include,  
14 as examples, sales promotions, print media, on-line articles, internet advertising, point-of-sale  
15 materials, contests, specialty items, and attendance at trade shows. Among those, the DRAGON  
16 JOOSE Marks are prominently featured in advertisements and promotions for the DRAGON  
17 JOOSE flavored malt beverages and are prominently displayed on United Brands’ specialty  
18 items. (FAC ¶ 20.) United Brands’ line of JOOSE flavored malt beverages has been  
19 tremendously successful, with sales of flavored malt beverages totaling over \$160,000,000.  
20 (FAC. ¶ 20.) And flavored malt beverage products bearing the DRAGON JOOSE Marks  
21 comprise a significant percentage of those sales. (FAC ¶ 70.) As a result of United Brands’  
22 substantial use and promotion of the flavored malt beverages bearing the DRAGON JOOSE  
23 Marks, consumers recognize United Brands’ JOOSE Marks, including its DRAGON JOOSE  
24 Marks, as distinctive designations of the origin of United Brands’ products. (FAC ¶ 23.)

25 Applying the standard governing motions to dismiss and taking all of these facts  
26 together—rather than dissecting them one-by-one as A-B does in its brief—United Brands has

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27  
28 <sup>1</sup> Although the FAC states that use of the DRAGON JOOSE Marks began in 2007, use actually began, and has been  
continuous, since 2008.

1 pled sufficient facts to state a claim for trademark dilution that is “facially plausible.” *Ashcroft v.*  
2 *Iqbal*, --- U.S. ----, 129 S.Ct. 1937, 1949 (2009).

3 Nor do any of the authorities cited by A-B require a different result. Of the four decisions  
4 relied upon by A-B, three were decisions on summary judgment and so would be inapplicable  
5 here. In the fourth decision, *Planet Coffee Roasters, Inc. v. Dam*, 2009 WL 2486457 (C.D. Cal.  
6 Aug. 12, 2009), plaintiff alleged **no** facts supporting its allegation that its mark was famous.  
7 Thus, the court found that its trademark dilution claim was not “facially plausible” under *Iqbal*.  
8 *Id.* at \*3. Here, unlike in *Planet Coffee Roasters*, United Brands has alleged facts supporting its  
9 allegation that its DRAGON JOOSE Marks are famous.

10 United Brands’ factual allegations are more similar to those challenged in *Deep Water*  
11 *Bail Bonds v. Bavouset*, 2007 WL 4916961 (C.D. Cal. Sept. 24, 2007). In that case, plaintiff used  
12 the service mark “Don’t Go to Bed With a Price on Your Head” in advertising its bail bonds  
13 services. It brought a claim for dilution under 15 U.S.C. § 1125(c) against defendant’s use of the  
14 service mark “Don’t Go to Bed with Bars Over Your Head.” *Id.* at \*2. In challenging plaintiff’s  
15 dilution claim on a Rule 12(b)(6) motion, defendant contended that the complaint failed to plead  
16 that plaintiff’s mark was “famous” as required by the statute. Plaintiff, on the other hand, argued  
17 that it was not required to explicitly state that its mark is famous to state a claim, and that it had  
18 pled enough facts in its complaint to infer that the mark is famous. *Id.*

19 The court agreed with plaintiff and found that the complaint had alleged sufficient facts to  
20 state a claim for relief for trademark dilution. In doing so, the court relied upon the following  
21 allegations:

22 Plaintiff alleges that it has used the service mark “Don’t Go to Bed  
23 with a Price on Your Head” continuously since 1976. (Complaint  
24 ¶ 13.) Further, Plaintiff contends that their mark distinguishes them  
25 from other bail bond’s companies that offer the same services.  
(Complaint ¶ 16.) Plaintiff also alleges that it has been conducting  
its business nationwide since 1976 and has advertised in the yellow  
pages of Orange and Los Angeles County. (Complaint ¶¶ 14, 17.)

26 *Id.* In comparison to these minimal facts, United Brands has amply stated sufficient facts in  
27 support of its claim for trademark dilution.

28 ////

1 Other authority suggests that trial courts should refrain from attempts to determine as a  
2 matter of law whether a mark is famous. In *Films of Distinction, Inc. v. Allegro Film Prods., Inc.*,  
3 12 F. Supp. 2d 1068 (C.D. Cal. 1998), plaintiff owning a television network using the trademark  
4 “The Crime Channel” brought a lawsuit against the producers and distributors of a film in which  
5 a boy watches the “Crime Channel” and then commits several murders. *Id.* at 1072-73. Among  
6 other causes of action, plaintiff asserted claims for federal and state dilution. *Id.* at 1078.  
7 Defendant moved to dismiss those actions for failure to state claims, contending that plaintiff’s  
8 mark was not famous. The court denied the motion, holding that “[i]t should go without saying  
9 that where plaintiff has alleged that its mark is ‘inherently distinctive’ and ‘has become known to  
10 the consuming public as identifying and distinguishing [p]laintiff exclusively and uniquely as the  
11 source of the services to which the Mark applies,’ . . . [then] distinctiveness and famousness  
12 cannot be determined as a matter of law.” *Id.* at 1079.

13 **E. United Brands’ Dragon Design Copyrights Are Entitled to “Broad”**  
14 **Protection and A-B Fails to Demonstrate That the Two Designs at Issue Are**  
15 **Not Substantially Similar as a Matter of Law**

16 To state a claim for copyright infringement under the Copyright Act, United Brands must  
17 simply allege (1) ownership of a valid copyright in the allegedly infringing material and (2)  
18 copying of protected expression by A-B. *See* 17 U.S.C. § 501(b); *Triad Sys. Corp. v.*  
19 *Southeastern Express Co.*, 64 F.3d 1330, 1335 (9th Cir. 1995). Here, A-B asks this Court to find,  
20 as a matter of law, that A-B’s TILT can is not “substantially similar” to the Dragon Design  
21 Copyrights.<sup>2</sup> But that, as explained in more detail below, is not even the correct analysis under  
22 copyright law.

23 As an initial matter, A-B first argues that United Brands’ Dragon Design Copyrights are  
24 entitled to only “thin” protection because, it contends, depictions of dragons are susceptible to  
25 only a “narrow range of expression.” A-B’s argument suffers a number of flaws. First, whether  
26 the idea of a dragon can be given expression in only a narrow range is a question of fact. For that  
27 reason, A-B’s argument raises factual issues not susceptible to resolution on a motion to dismiss.

28 <sup>2</sup> Copyright Registrations for Dragon Design (VA 1-737-466) and Dragon Design with logo (VA 1-736-747) which were attached as Exhibits A and B to the First Amended Complaint, are attached hereto as Exhibits A and B with complete drawings.

1           Second, the authority cited for A-B’s argument is inapposite and unavailing here. A-B  
2 relies on *Satava v. Lowry*, 323 F.3d 805 (9th Cir. 2003), to argue that depictions of dragons are  
3 entitled to only “thin” copyright protection, but *Satava* did not involve the kinds of artistic,  
4 idealized renderings of mythological creatures at issue here. Rather, at issue before the Ninth  
5 Circuit were certain realistic sculptures of lifelike jellyfish. Recognizing that lifelike jellyfish  
6 could only be sculpted in relatively few ways, the Ninth Circuit held that “realistic depictions of  
7 live animals” were entitled to only narrow or “thin” copyright protection. *Id.* at 812 (emphasis  
8 added).

9           Here, the dragon designs at issue are neither realistic, nor are they expressions of live—or  
10 even real—animals. Dragons themselves are quintessentially fanciful creatures and the Dragon  
11 Design Copyrights at issue here are idealized, “artistic” renderings of a dragon. *See Mattel, Inc.*  
12 *v. MGA Entm’t, Inc.*, 616 F.3d 904, 913-14 (9th Cir. 2010) (where “there’s a wide range of  
13 expression . . . then copyright protection is ‘broad’ and a work will infringe if it’s ‘substantially  
14 similar’ to the copyrighted work”). For that reason, United Brands’ Dragon Design Copyrights  
15 would be entitled to broad copyright protection here.

16           To determine whether works are substantially similar, the Ninth Circuit uses both an  
17 extrinsic and an intrinsic test. *See Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1442  
18 (9th Cir. 1994). The extrinsic test objectively considers whether there is substantial similarity in  
19 both ideas and expression, while the intrinsic test measures expression subjectively from the  
20 standpoint of the ordinary reasonable observer. *Id.* The analytic dissection of a work and expert  
21 testimony can be useful in conducting the extrinsic test. *Swirsky v. Carey*, 376 F.3d 841 (9th Cir.  
22 2004) (“The extrinsic test requires ‘analytical dissection of a work and expert testimony,’”  
23 quoting *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 485 (9th Cir. 2000). This is because  
24 “[e]xtrinsic analysis is objective in nature. ‘[I]t depends not on the responses of the trier of fact,  
25 but on specific criteria which can be listed and analyzed.’” *Funky Films, Inc. v. Time Warner*  
26 *Entmt. Co.*, 462 F.3d 1072, 1077 (9th Cir. 2006). “‘Analytical dissection’ requires breaking the  
27 works ‘down into their constituent elements, and comparing those elements for proof of copying  
28 as measured by substantial similarity.’” *Swirsky*, 376 F.3d at 845 (citations omitted).

1 The “intrinsic test” is a subjective comparison that focuses on whether the ordinary,  
2 reasonable audience would find the works substantially similar in the total concept and feel of the  
3 works. *Cavalier v. Random House, Inc.*, 297 F.3d 815, 822 (9th Cir. 2002). The court, however,  
4 may only apply the extrinsic test; the intrinsic test is exclusively the province of the jury. *Funky*  
5 *Films*, 462 F.3d at 1077.

6 A-B oddly argues that the “proper comparison here is not [United Brands’] **written**  
7 description of the alleged similarities . . . but a comparison of [United Brands] two copyrights . . .  
8 against the entirety of A-B’s TILT can. (Dkt. No. 21-1 at 19 (emphasis in original).) A-B cites  
9 no authority for its argument that United Brands’ Dragon Design Copyrights should be compared  
10 to the entirety of the TILT can. Rather, case law makes clear that the proper analysis involves  
11 “examin[ing] the *similarities* between the copyrighted and challenged works and then determine  
12 whether the *similar* elements are protectable or unprotectable.” *Mattel*, 616 F.3d at 913 (9th Cir.  
13 2010) (emphasis added). Even casual observation shows that the only element on the TILT can  
14 that is similar to United Brands’ dragon design is the TILT can’s own dragon design. Thus, the  
15 proper comparison is between the two dragon designs and not between the Dragon Design  
16 Copyrights and the entirety of A-B’s TILT can.

17 A-B’s argument, however, underscores a fundamental failure in its analysis of the two  
18 designs. In its brief, A-B takes pains to analytically dissect the dissimilarities between the two  
19 dragon designs: “Beyond the dissimilarity to the limited material covered by [United Brands’]  
20 copyright registrations, other extrinsic material on A-B’s TILT can further underscores the  
21 dissimilarity between A-B’s TILT product and UBC’s copyrighted material.” (Dkt. No. 21-1 at  
22 20-21.) But such analytical dissection of dissimilarities—rather than the dissection of  
23 similarities—is inappropriate under Ninth Circuit case law: “Dissection of dissimilarities is  
24 inappropriate because it distracts a reasonable observer from a comparison of the total concept  
25 and feel of the works.” *Aliotti v. R. Dakin & Co.*, 831 F.2d 898, 901 (9th Cir. 1987); *see also*  
26 *Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.*, 562 F.2d 1157, 1164 (9th Cir.  
27 1977) (observing that analytic dissection is not appropriate under the intrinsic test). As indicated  
28 above, the proper analysis involves the similarities between the works, not their dissimilarities.

1 Here, there are a number of similarities between the two designs that warrant finding that  
2 United Brands has sufficiently pled a claim for copyright infringement. Both dragon designs  
3 involve fanciful, “artistic” depictions of dragons. They are idealized representations, rather than  
4 “realistic” ones. Both works depict dragons “rampant,” rearing up with only one foot on the  
5 ground. Further, they depict dragons rearing up and surrounding a central shield-like figure.  
6 That the dragons depicted in both designs *surround* a shield-like figure is itself a clever—and  
7 original—play on the traditional heraldic custom of dragons *adorning* a shield. Moreover, both  
8 designs involve a kind of medieval, ancient dragon. Both dragon designs depict the dragons  
9 breathing fire. Finally, they employ the same type of color scheme—each uses one principle  
10 color for the majority of the dragon’s shape and uses the background color to supply further detail  
11 and dimensionality to their respective designs.

12 All of these elements are deserving of copyright protection, particularly when taken as a  
13 whole. *See Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348-51 (1991) (original  
14 selection and arrangement of otherwise uncopyrightable components may be protectable). For  
15 example, while A-B may argue that a “fire-breathing” dragon is a stock or common element in  
16 the expression of dragons, that is not the case in heraldic depictions of dragons rampant, which  
17 typically do not depict dragons—even “rampant” dragons appearing ready to strike—as breathing  
18 fire.

19 **F. United Brands’ Claim for California Statutory Dilution (Claim V) States**  
20 **Facts Sufficient to Show That Its DRAGON JOOSE Marks Are Famous**  
21 **Under California**

22 A-B seeks dismissal of United Brands’ claim for California Statutory Dilution under  
23 Business & Professions Code § 14247 on the same basis as it challenges United Brands’ federal  
24 trademark dilution claim. That is, A-B contends that the FAC’s allegations “are insufficient to  
25 plead the fame requirement under § 14247.” (Dkt. No. 21-1 at 22.) Notably, A-B does not  
26 contend that United Brands has insufficiently alleged any other element of its California Statutory  
27 Dilution claim.

28 Regardless, A-B’s argument with respect to the California dilution action fails for the  
same reason as its challenge to United Brands’ federal dilution action. Simply, as *Planet Coffee*

1 *Roasters, Deep Water Bail Bonds, and Films of Distinction*, demonstrate above, United Brands  
2 has alleged sufficient facts showing the fame of its DRAGON JOOSE Marks in California. (*See*  
3 FAC ¶¶ 20, 21, 36, 94-97, 99.)

4 **G. United Brands Has Stated a Claim for California Statutory Trademark**  
5 **Infringement (Claim VI) Because It Owns California State Trademark**  
6 **Registrations for its State DRAGON JOOSE Marks**

7 A-B asks this Court to dismiss United Brands’ Sixth Claim for Relief for California  
8 statutory trademark infringement under Business and Professions Code § 14245. (Dkt. No. 21-1  
9 at 22.) A-B asserts that United Brands may not maintain its California trademark infringement  
10 claim because it does not own any registered trademark. When United Brands filed its FAC, and  
11 as alleged therein, however, it was the owner of then pending California state trademark  
12 registrations for its State DRAGON JOOSE Marks. (FAC ¶ 108.) Those registrations have since  
13 issued. (*See* Exh. C.)

14 If the Court finds a defect in pleading warranting dismissal merely because United Brands  
15 pled that it owned pending registrations rather than existing registrations, as A-B contends, then  
16 United Brands respectfully requests that it be allowed the opportunity to amend its complaint to  
17 delete the word “pending” from those allegations.

18 **H. United Brands Has Sufficiently Pled Its Claims for California Statutory**  
19 **Unfair Competition (Claim VII), Common Law Trademark Infringement**  
20 **(Claim VIII), and Common Law Unfair Competition (Claim IX)**

21 With respect to United Brands’ claims for California statutory unfair competition under  
22 Business and Professions Code § 17200 (Claim VII), common law trademark infringement  
23 (Claim VIII), and common law unfair competition (Claim IX), A-B seeks dismissal of those  
24 claims on the same grounds as its request to dismiss United Brands’ claim for federal trade dress  
25 infringement and false designation of origin (Claim I). (Dkt. No. 21-1 at 24.) That is, A-B  
26 contends that, for each of these state law claims, United Brands must “allege facts establishing  
27 that consumers recognize the ‘Dragon Joose’ packaging as a separate indication of origin apart  
28 from the JOOSE brand name and/or that the elements comprising the respective trade dress of the  
parties are confusingly similar.” (Dkt. No. 21 at 1-2 [Notice of Motion].)

//////



1 As demonstrated in Section III.B.4 above, however, federal trademark law does not  
2 require that a plaintiff pursuing a trade dress infringement claim also plead and prove that  
3 consumers recognize its packaging as a separate and distinct indication of origin apart from any  
4 trade mark name included in the trade dress. Nor has A-B cited any similar requirement in the  
5 specific context of either California statutory unfair competition, common law trademark  
6 infringement, or common law unfair competition claims. For all these reasons, its motion to  
7 dismiss as to these claims should be denied.

8 Further, only part of United Brands' § 17200 claim is based upon A-B's wrongful  
9 adoption of product packaging that resembles and infringes United Brands' trade dress. As an  
10 independent basis for liability under § 17200, United Brands has also alleged that A-B has  
11 engaged in a systematic effort of moving and removing JOOSE products where they are set for  
12 display and sale in various retail establishments located in California. (FAC ¶ 36.) A-B's  
13 conduct thus violates the California Alcoholic Beverage Control Act, Federal Alcohol  
14 Administration Act, and related state and federal regulations. (FAC ¶ 38.) As such, A-B's  
15 conduct would also constitute unfair competition under, at least, § 17200's "unlawful" prong.  
16 Even though A-B requests that the Court dismiss United Brands' § 17200 claim in its entirety, it  
17 fails to address this independently pled basis for liability under that statute. For that additional  
18 reason, its motion to dismiss United Brands' California statutory unfair competition claim must  
19 fail.

20 **I. The Copyright Act Does Not Preempt United Brands' Claims for Statutory**  
21 **Unfair Competition (Claim VII) or Common Law Unfair Competition**  
22 **(Claim IX)**

23 As a separate basis for "partial dismissal"<sup>3</sup> of United Brands' statutory unfair competition  
24 claim (Claim VII) and dismissal of its common law unfair competition claim (Claim IX), A-B  
25 contends that those claims would be preempted by the Copyright Act. A-B contends that United  
26 Brands asserts rights under those claims "that are equivalent" to those protected by the Copyright  
27 Act and "the work" falls within the subject matter of the Copyright Act. (Dkt. No. 21-1 at 24.)

28 <sup>3</sup> Although left unstated, presumably A-B does not contend that the Copyright Act would preempt United Brands' § 17200 claim based upon A-B's unlawful moving and removing of JOOSE products at retail stores.

1 As support for this argument, A-B relies upon *Kodadek v. MTV Networks*, 152 F.3d 1209, 1212  
2 (9th Cir. 1998) and simply notes that United Brands’ unfair competition claims both  
3 “incorporate[] by reference paragraphs from the copyright infringement claim.” A-B’s  
4 preemption argument fails for a number of reasons.

5 First, the Copyright Act’s preemptive ambit does not extend to state law claims that  
6 include an “extra element” that makes the right asserted qualitatively different from those  
7 protected under the Copyright Act. *Mattel, Inc. v. MGA Entm’t, Inc.*, --- F. Supp. 2d ---, 2010  
8 WL 5422504, at \*46 (C.D. Cal. Dec. 27, 2010); *see also Kodadek*, 152 F.3d at 1213 (citing 1  
9 Nimmer, § 1.01[B][1][e] at 1-24, n.110 (stating that if B is selling B's products and representing  
10 to the public that they are B's products, a claim by A that B's products replicate A's is a disguised  
11 copyright infringement claim and is preempted)).

12 In *Kodadek*, plaintiff alleged that defendants "have been publishing and placing on the  
13 market for sale products bearing the images subject to the copyright ownership of the plaintiff and  
14 has thereby been engaging in unfair trade practices and unfair competition against plaintiffs [sic]  
15 and to plaintiffs' [sic] irreparable damage." *Id.* at 1212 (emphasis added). Clearly, plaintiff’s  
16 § 17200 claim in *Kodadek* was based on "rights that are equivalent" to those protected by the  
17 Copyright Act—he asserted his copyrights as part of (or the entirety of) his § 17200 claim.

18 In contrast, United Brands’ unfair competition claims here assert that “by adopting  
19 product packaging that resembles and infringes the DRAGON JOOSE Marks, Defendant’s  
20 unlawful conduct has deceived or is likely to deceive purchasers into believing that Defendant’s  
21 TILT product and United Brands’ JOOSE product are related, and/or that Defendant’s TILT  
22 product is affiliated with, associated with, and/or sold by United Brands.” (FAC ¶ 118; *see also*  
23 ¶ 130.) Thus, United Brands asserts its exclusive right to use its product packaging as an  
24 indicator of the source of origin for its products. It further alleges that A-B infringes that right by  
25 causing consumer confusion in the packaging of its competing product. As such, United Brands’  
26 unfair competition claims contain an “extra element” that makes the right that it asserts  
27 “qualitatively different” from those protected under the Copyright Act, and so would not be  
28 preempted. *See Aagard v. Palomar Builders, Inc.*, 344 F. Supp. 2d 1211, 1217 (E.D. Cal. 2004)

1 (where defendant “palmed off” building plans as though they originated from plaintiff, unfair  
2 competition claim held not preempted by Copyright Act); *see also Butler v. Target Corp.*, 323  
3 F. Supp. 2d 1052 (C.D. Cal. 2004) (plaintiff’s unfair competition claim that defendant  
4 misappropriated song for advertising campaign held not preempted by Copyright Act to the extent  
5 that defendant’s advertising confused customers into believing plaintiffs endorsed its stores).

6 **IV. CONCLUSION**

7 For all of the above-stated reasons, United Brands respectfully requests that the Court  
8 deny A-B’s Rule 12(b)(6) motion to dismiss. Should the Court find that one or more claims have  
9 not been sufficiently pled, United Brands respectfully requests leave of court to amend its claims  
10 to cure any deficiency.

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