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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

T-C FORUM AT CARLSBAD, LLC,  
a Delaware limited liability company,

Plaintiff,

v.

THOMAS ENTERPRISES, INC., a  
Georgia corporation; and DOES 1-10,  
inclusive,

Defendants.

Case No. 16-cv-2119 DMS (BGS)

**ORDER GRANTING MOTION  
FOR DEFAULT JUDGMENT**

Pending before the Court is Plaintiff T-C Forum at Carlsbad, LLC's motion for default judgment. Defendant Thomas Enterprises, Inc. did not file an opposition to the motion. For the following reasons, the Court grants the motion.

**I.**

**BACKGROUND**

Plaintiff owns a shopping center known as "Forum at Carlsbad," "Forum Carlsbad," and "The Forum – Carlsbad." Plaintiff discovered Defendant using the "Hillside Forum" designation to identify a planned shopping center located across the street from Plaintiff's shopping center. On June 22, 2016, Plaintiff sent a cease and desist letter to Defendant. (Compl. ¶ 21, Ex. A.) The letter advised Defendant

1 that it must cease using the “Hillside Forum” designation on its shopping center and  
2 related business services because it was confusingly similar to Plaintiff’s “Forum at  
3 Carlsbad” mark, and any continued use of such designation would give rise to  
4 several causes of action against Defendant. (*Id.*) On July 27, 2016, Defendant  
5 responded, disagreeing with Plaintiff. (Compl. ¶ 23, Ex. B.)

6       Thereafter, on August 23, 2016, Plaintiff filed a Complaint against Defendant,  
7 alleging eleven causes of action: (1) service mark infringement of unregistered  
8 service mark, in violation of 15 U.S.C. § 1125(a), (2) false designation of origin/false  
9 advertising, in violation of 15 U.S.C. § 1125(a), (3) false endorsement, in violation  
10 of 15 U.S.C. § 1125(a), (4) trade name infringement, in violation of 15 U.S.C. §  
11 1125(a), (5) unfair competition, in violation of 15 U.S.C. § 1125(a), (6) state  
12 statutory trade name infringement, in violation of Cal. Bus. & Prof. Code §§ 14400  
13 & 14411, (7) common law unfair competition, (8) common law trade name  
14 infringement, (9) common law misappropriation, (10) violation of Cal. Bus. & Prof.  
15 Code § 17500, and (11) statutory unfair competition, in violation of Cal. Bus. &  
16 Prof. Code § 17200. (Comp. ¶¶ 29–106.) On October 25, 2016, Plaintiff filed a  
17 proof of service, showing that it properly served Defendant’s registered agent by  
18 substituted service. When Defendant failed to respond to the Complaint, Plaintiff  
19 filed a request for entry of default, which the Clerk of Court granted on November  
20 29, 2016. Subsequently, on December 28, 2016, Plaintiff filed a motion for default  
21 judgment.

22       On January 20, 2017, Defendant filed a motion to set aside the entry of default.  
23 The Court granted Defendant’s motion and ordered Defendant to respond to the  
24 Complaint by April 25, 2017. Moreover, the Court conditioned the setting aside of  
25 the default by requiring Defendant to reimburse Plaintiff for costs it had incurred as  
26 a result of Defendant’s conduct. Defendant, however, has not responded to the  
27 Complaint nor did it pay Plaintiff attorneys’ fees and costs as ordered by the Court.

28       On April 27, 2017, Plaintiff filed a second request for entry of default, which

1 was granted on the same day. Subsequently on May 26, 2017, Plaintiff filed the  
2 present motion.

## 3 II.

### 4 DISCUSSION

#### 5 A. Default Judgment

6 A court may grant a default judgment upon application of a party. Fed. R.  
7 Civ. P. 55(b)(2). Granting or denying a default judgment under Rule 55(b) is within  
8 the court's discretion. *Eitel v. McCool*, 782 F.2d 1470, 1471 (9th Cir. 1986). In  
9 making this determination, a court considers the following factors, commonly  
10 referred to as the *Eitel* factors: "(1) the possibility of prejudice to the plaintiff, (2)  
11 the merits of plaintiff's substantive claim, (3) the sufficiency of the complaint, (4)  
12 the sum of money at stake in the action, (5) the possibility of a dispute concerning  
13 material facts, (6) whether the default was due to excusable neglect, and (7) the  
14 strong policy underlying the Federal Rules of Civil Procedure favoring decisions on  
15 the merits." *Id.* at 1471–72. When weighing these factors, the well-pleaded factual  
16 allegations of the complaint are taken as true, except for those allegations relating to  
17 damages. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917–18 (9th Cir. 1987);  
18 *see also* Fed. R. Civ. P. 8(b)(6).

19 Based on the factors announced in *Eitel*, the Court concludes that default  
20 judgment is appropriate. First, one of the factors is whether the default was due to  
21 excusable neglect. It is highly unlikely that Defendant's default is due to excusable  
22 neglect as this is its second default. When Defendant moved to vacate the first entry  
23 of default, the Court granted its request and ordered it to respond to the Complaint  
24 by April 25, 2017. Moreover, the Court conditioned the setting aside of the default  
25 by requiring the Defendant to pay Plaintiff reasonable attorneys' fees and costs it  
26 had incurred because of Defendant's conduct. Nevertheless, Defendant has failed to  
27 comply with the Court's orders. To date, Defendant has not responded to the  
28 Complaint nor has it paid Plaintiff reasonable attorneys' fees and costs as ordered

1 by the Court. Therefore, this factor weighs in favor of granting default judgment.

2 Next, because Defendant has refused to participate in this lawsuit, no  
3 possibility of dispute concerning material facts has been presented. In any event,  
4 the Court takes all factual allegations in the Complaint as true in light of the entry of  
5 default. *See Fair Hous. of Marin v. Combs*, 285 F.3d 899, 906 (9th Cir. 2002). Upon  
6 review of the Complaint, the Court finds that Plaintiff has adequately stated claims  
7 under the Lanham Act and related state law and common law claims. Therefore,  
8 these factors also weigh in favor of granting default judgment.

9 Finally, while “public policy favoring disposition of cases on their merits  
10 weighs against default judgment, that single factor is not enough to preclude it.” *Rio*  
11 *Props., Inc. v. Rio Int’l Interlink*, 284 F.3d 1007, 1022 (9th Cir. 2002). Proceeding  
12 with the instant litigation would be futile given Defendant’s failure to participate in  
13 this action. Moreover, the denial of this motion would likely result in prejudice to  
14 Plaintiff because it would be left without resources in the matter. These factors favor  
15 default judgment for Plaintiff.

16 After weighing the *Eitel* factors, the Court finds that default judgment is  
17 appropriate.<sup>1</sup> Accordingly, Plaintiff’s motion for default judgment is granted.

18 **B. Permanent Injunction**

19 Under the Lanham Act, “the district court [has] the ‘power to grant injunctions  
20 according to principles of equity and upon such terms as the court may deem  
21 reasonable, to prevent the violation of any right’ of the trademark owner.” *Reno Air*  
22 *Racing Ass’n v. McCord*, 452 F.3d 1126, 1137 (9th Cir. 2006) (citing 15 U.S.C. §  
23 1116(a)). In order for the Court to grant a permanent injunction, Plaintiff must  
24 demonstrate the following: “(1) that it has suffered an irreparable injury; (2) that  
25 remedies available at law, such as monetary damages, are inadequate to compensate  
26

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27 <sup>1</sup> The fourth factor, the sum of money at stake in the action, is inapplicable to  
28 the present case because Plaintiff does not request monetary damages as it only seeks  
a permanent injunction and sanctions.

1 for that injury; (3) that, considering the balance of hardships between the plaintiff  
2 and defendant, a remedy in equity is warranted; and (4) that the public interest would  
3 not be disserved by a permanent injunction.” *eBay Inc. v. MercExchange, L.L.C.*,  
4 547 U.S. 388, 391 (2006).

5 Here, Plaintiff requests a permanent injunction against Defendant as follows:

6 1. That Defendant, its officers, directors, principals, owners, agents,  
7 servants, employees, representatives, affiliates, associates, partially or wholly-  
8 owned subsidiaries, assignees, successor entities or individuals, and all persons  
9 and/or entities in concert or participation with Defendant, directly or indirectly, be  
10 preliminarily and permanently enjoined and restrained perpetually from:

11 A. infringing the “Forum at Carlsbad,” “Forum Carlsbad,” and “The  
12 Forum – Carlsbad” unregistered Service Marks (hereinafter “Plaintiff’s  
13 Service Marks”) which have become distinctive in the public’s mind  
14 and caused the public to associate Plaintiff’s Property located at 1923  
15 Calle Barcelona, Carlsbad, California 92009 (hereinafter “Plaintiff’s  
16 Property”) with Plaintiff’s Service Marks;

17 B. infringing the “Forum at Carlsbad,” “Forum Carlsbad,” and “The  
18 Forum – Carlsbad” Trade Names (hereinafter “Plaintiff’s Trade  
19 Names”) which have become distinctive in the public’s mind and  
20 caused the public to associate Plaintiff’s Property with Plaintiff’s Trade  
21 Names;

22 C. using the term “Hillside Forum,” any phonetic equivalent or  
23 abbreviation therefor, or any mark using the designation “Forum” alone  
24 or in combination with any other word or design in its business affairs,  
25 including but not limited to as a trademark or trade name, or any other  
26 designation confusingly similar to Plaintiff’s Service Marks and/or  
27 Plaintiff’s Trade Names, in connection with Defendant’s services,  
28 including the sale, offering for sale, leasing, offering to lease

1 commercial or retail real estate, and/or to identify a shopping center and  
2 services related thereto;

3 D. promoting or marketing services in any way that tends to deceive,  
4 mislead, or confuse the public into believing that Defendant's services  
5 and/or shopping center is in any way sanctioned by Plaintiff or affiliated  
6 with Plaintiff's Property or Plaintiff's "Forum at Carlsbad," "Forum  
7 Carlsbad," and "The Forum – Carlsbad" shopping center;

8 E. otherwise competing unfairly with Plaintiff in any manner;

9 F. passing off, inducing, or enabling others to sell or pass off any sale,  
10 offering for sale, leasing, offering to lease commercial or retail real  
11 estate, and/or to identify a shopping center or any other properties under  
12 or in connection with the term "Forum", or any designation confusingly  
13 similar thereto; and

14 G. committing any acts calculated to cause purchasers to believe any  
15 goods or services provided by Defendant are sponsored by, approved  
16 by, connected with, guaranteed by or offered, sold, or leased by  
17 Plaintiff, or under the control or supervision of Plaintiff.

18 After reviewing the record, the Court concludes a permanent injunction is  
19 appropriate in this case. Plaintiff has made a sufficient showing that it will suffer  
20 irreparable harm absent an injunction and that monetary damages are inadequate to  
21 compensate for that harm. Plaintiff alleges "[it] will suffer great and irreparable  
22 injuries, for which damages would not afford adequate relief, in that said damages  
23 would not adequately compensate for injury to Plaintiff's service marks and trade  
24 names, business reputation, goodwill, and customer base, and Defendant's conduct,  
25 if allowed to continue, would inevitably result in damage to Plaintiff's retail real  
26 estate holdings." (Compl. ¶ 35.) As to the balance of hardships, Plaintiff's interest  
27 in maintaining the integrity of its service and trade marks and protecting its goodwill  
28 outweighs any interest that Defendant may have in continued infringement. Finally,

1 the public interest in maintaining vigorous protection for intellectual property rights  
2 also favors an injunction. These factors weigh in favor of granting Plaintiff’s request  
3 for a permanent injunction.

4 Generally, “an injunction must be narrowly tailored ... to remedy only the  
5 specific harms shown by [a plaintiff], rather than ‘to enjoin all possible breaches of  
6 the law.’” *Price v. City of Stockton*, 390 F.3d 1105, 1117 (9th Cir. 2004) (quoting  
7 *Zepeda v. INS*, 753 F.2d 719, 727 (9th Cir. 1983)). After reviewing Plaintiff’s  
8 proposed language for the permanent injunction, the Court finds that the language  
9 in paragraphs D, E, and G is vague as it is not directed specifically at Defendant’s  
10 infringing conduct, but rather, it is a general proscription against Defendant  
11 engaging in any conduct that negatively affects Plaintiff’s business. Accordingly,  
12 Plaintiff is entitled to a permanent injunction against Defendant as requested, with  
13 the exception of paragraphs D, E, and G.

#### 14 **C. Attorneys’ Fees**

15 Plaintiff seeks imposition of sanctions in the form of attorneys’ fees pursuant  
16 to the Court’s inherent powers and Civil Local Rule 83.1. Specifically, Plaintiff  
17 requests attorneys’ fees in the amount of \$31,453.46, consisting of \$18,453.46  
18 awarded pursuant to the Court’s order issued on April 11, 2017, and \$13,435.72  
19 incurred in connection with preparing supplemental briefs regarding attorneys’ fees  
20 and costs, second request for entry of default, and the instant motion.

21 “All federal courts are vested with inherent powers enabling them to manage  
22 their cases and courtrooms effectively and to ensure obedience to their orders.... As  
23 a function of this power, courts can dismiss cases in their entirety, bar witnesses,  
24 award attorney’s fees and assess fines.” *F.J. Hanshaw Enters., Inc. v. Emerald River*  
25 *Dev., Inc.*, 244 F.3d 1128, 1136 (9th Cir. 2001) (citations omitted). Sanctions are an  
26 appropriate response to “willful disobedience of a court order ... or when the losing  
27 party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.” *Fink*  
28 *v. Gomez*, 239 F.3d 989, 991 (9th Cir. 2001) (internal quotation marks and citations

1 omitted). Further, Rule 83.1(a) permits the Court to order sanctions for “[f]ailure of  
2 counsel or of any party to comply with these rules, with the Federal Rules of Civil  
3 or Criminal Procedure, or with any order of the court[.]” Civ. L. R. 83.1(a).

4 As explained above, this is Defendant’s second default. When the Defendant  
5 moved to vacate the first entry of default, the Court granted its request and ordered  
6 it to respond to the Complaint by April 25, 2017. Moreover, the Court has ordered  
7 Defendant to reimburse Plaintiff reasonable attorneys’ fees and costs it had incurred  
8 due to Defendant’s conduct. Nevertheless, Defendant has failed to comply with the  
9 Court’s orders. To date, Defendant has not responded to the Complaint nor has it  
10 paid Plaintiff attorneys’ fees and costs. Defendant’s refusals to participate in this  
11 lawsuit and to comply with the Court’s orders have resulted in substantial delay in  
12 this case and forced Plaintiff to file a second entry of default and motion for default  
13 judgment, thereby incurring additional attorneys’ fees and costs. Accordingly,  
14 pursuant to the Court’s inherent power to administer justice and Rule 83.1, a sanction  
15 against Defendant in the form of attorneys’ fees is clearly warranted.

16 The amount of fees awarded is a matter within the trial court’s discretion.  
17 *Jankey v. Poop Deck*, 537 F.3d 1122, 1132 (9th Cir. 2008). “The most useful starting  
18 point for determining the amount of a reasonable fee is the number of hours  
19 reasonably expended on the litigation multiplied by a reasonable hourly rate.”  
20 *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983).

21 Plaintiff seeks fees based on an hourly rate of \$430 for Partner Matthew A.  
22 Newboles and \$325 for Of Counsel Stephen Z. Vegh. For the reasons explained in  
23 the April 11, 2017 order, the Court finds the hourly rates reasonable.

24 Next, Plaintiff seeks to recover fees for 19.2 hours of work performed in  
25 connection with preparing supplemental briefs regarding attorneys’ fees and costs.  
26 It is notable the billing entries from March 2 and 3, 2017 are not related to work on  
27 the supplemental briefs. Therefore, a deduction of 0.5 hours is warranted. Next,  
28 Plaintiff requests fees for 12.3 hours for preparing a second request for entry of



1 default. The hours billed on April 11, 2017 through April 21, 2017, and April 26  
2 and 27, 2017 appear unreasonable because the billing entries pertain to unrelated  
3 activities. Therefore, the Court deducts 5.3 hours. Lastly, Plaintiff seeks to recover  
4 fees for 8.5 hours expended in connection with the second motion for default  
5 judgment. The requested number of hours appears to be reasonable. Accordingly,  
6 the Court allows recovery of 34.2 hours.

### 7 III.

### 8 CONCLUSION

9 For these reasons, Plaintiff's motion for default judgment is granted. A  
10 permanent injunction is entered in favor of Plaintiff as follows:

11 1. That Defendant, its officers, directors, principals, owners, agents, servants,  
12 employees, representatives, affiliates, associates, partially or wholly-owned  
13 subsidiaries, assignees, successor entities or individuals, and all persons  
14 and/or entities in concert or participation with Defendant, directly or  
15 indirectly, be preliminarily and permanently enjoined and restrained  
16 perpetually from:

17 A. infringing the "Forum at Carlsbad," "Forum Carlsbad," and "The  
18 Forum – Carlsbad" unregistered Service Marks (hereinafter "Plaintiff's  
19 Service Marks") which have become distinctive in the public's mind  
20 and caused the public to associate Plaintiff's Property located at 1923  
21 Calle Barcelona, Carlsbad, California 92009 (hereinafter "Plaintiff's  
22 Property") with Plaintiff's Service Marks;

23 B. infringing the "Forum at Carlsbad," "Forum Carlsbad," and "The  
24 Forum – Carlsbad" Trade Names (hereinafter "Plaintiff's Trade  
25 Names") which have become distinctive in the public's mind and  
26 caused the public to associate Plaintiff's Property with Plaintiff's Trade  
27 Names;

28 C. using the term "Hillside Forum," any phonetic equivalent or

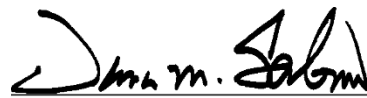
1 abbreviation therefor, or any mark using the designation “Forum” alone  
2 or in combination with any other word or design in its business affairs,  
3 including but not limited to as a trademark or trade name, or any other  
4 designation confusingly similar to Plaintiff’s Service Marks and/or  
5 Plaintiff’s Trade Names, in connection with Defendant’s services,  
6 including the sale, offering for sale, leasing, offering to lease  
7 commercial or retail real estate, and/or to identify a shopping center and  
8 services related thereto; and

9 D. passing off, inducing, or enabling others to sell or pass off any sale,  
10 offering for sale, leasing, offering to lease commercial or retail real  
11 estate, and/or to identify a shopping center or any other properties under  
12 or in connection with the term “Forum”, or any designation confusingly  
13 similar thereto.

14 Moreover, Defendant shall make payment to Plaintiff in the amount of  
15 **\$29,967.46** within thirty (30) days of this Order for reasonable attorneys’ fees,  
16 consisting of \$18,453.46 awarded under the Court’s April 11, 2017 Order, and  
17 \$11,514 for fees related to preparing supplemental briefs regarding attorneys’ fees  
18 and costs, second request for entry of default, and the instant motion. The Clerk of  
19 Court is instructed to enter judgment in favor of Plaintiff and close the case.

20 **IT IS SO ORDERED.**

21 Dated: August 14, 2017

22   
23 Hon. Dana M. Sabraw  
24 United States District Judge  
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