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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 BOBBLEHEADS.COM, LLC, a Georgia
12 limited liability company,
13 Plaintiff,

14 v.

15 WRIGHT BROTHERS, INC., a
16 California corporation; COREY
17 WRIGHT, an individual; and CASEY
18 WRIGHT, an individual,
19 Defendants.

Case No.: 16-CV-2790 JLS (AGS)

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANTS'
MOTION TO DISMISS**

(ECF No. 28)

20 Presently before the Court is Defendants Wright Brothers, Inc.'s, Corey Wright's,
21 and Casey Wright's Motion to Dismiss First Amended Complaint, ("MTD," ECF No. 28).
22 Also before the Court are Plaintiff Bobbleheads.com, LLC's Response in Opposition to,
23 ("Opp'n," ECF No. 34), and Defendants' Reply in Support of, ("Reply," ECF No. 36),
24 Defendants' MTD. The Court vacated the hearing on the motion and took the matter under
25 submission pursuant to Civil Local Rule 7.1(d)(1). (ECF No. 37.) After considering the
26 parties' arguments and the law, the Court **GRANTS IN PART** and **DENIES IN PART**
27 Defendants' MTD.

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1 **BACKGROUND**

2 Plaintiff Bobbleheads.com designs, markets, distributes, and sells bobbleheads.
3 (FAC ¶ 14, ECF No. 18.) One such bobblehead is known as the Hillary Clinton Striped
4 Prison Pantsuit Bobblehead (the “Bobbleheads.com Work”), which Plaintiff published on
5 August 13, 2015. (*Id.* ¶ 15.) Plaintiff filed an application for the registration of the complete
6 Bobbleheads.com Work (the “Full Clinton” registration) on September 2, 2016 with the
7 United States Copyright Office. (*Id.*; *see also id.* Exs. 1, 2.) Additionally, Plaintiff filed an
8 application covering just the head of the Bobbleheads.com Work (the “Clinton Head”
9 registration) on or about May 13, 2016. (*Id.*; *see also id.* Ex. 3.) The following is a
10 photocopied image of the complete Bobbleheads.com Work:



23 (*Id.*)

24 Plaintiff argues that Defendants have reproduced, prepared derivative works, and
25 distribute or have distributed unauthorized copies of the Bobbleheads.com Work to the
26 public by selling two of their own bobbleheads (“Defendant Work 1” and “Defendant Work
27 2”). (*Id.* ¶ 16.) A side-by-side comparison of the Bobbleheads.com Work and Defendant
28 Work 1 and Defendant Work 2 is reproduced below:

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(*Id.*)

On September 7, 2016, Plaintiff notified Defendants of the alleged infringement and asked Defendants to cease and desist from manufacturing Defendant Work 1. (*Id.* ¶ 17.) Plaintiff sent a follow-up letter on September 21, 2016, and, after some communication between the parties, Defendants took steps to make it appear that they had temporarily discontinued the sale of Defendant Work 1. (*Id.* ¶ 18.) During the parties’ communications,

1 Plaintiff sent notices to numerous online service providers, indicating that Defendants’
2 infringing work was being advertised and sold on the service providers’ respective sites
3 and demanding that these advertisements be taken down pursuant to the Digital Millennium
4 Copyright Act (“DMCA”). (*Id.* ¶ 19.) Plaintiff alleges that Defendants shifted their
5 advertising and sales to other platforms and outlets to avoid the impact of these DMCA
6 notices. (*Id.*)

7 In addition to copyright infringement, Plaintiff alleges that Defendants have engaged
8 in false advertising. (*Id.* ¶ 20.) Specifically, Plaintiff alleges that Defendants falsely
9 advertised in various media that their products were sponsored or otherwise affiliated with
10 the Trump/Pence Presidential campaign (using the Trump/Pence campaign logo on
11 websites and other advertisements; indicating that a copyright for their website was owned
12 by or affiliated with Trump; and stating in their advertisements that Defendants’
13 bobbleheads were “The official bobble head doll of the 2016 Donald Trump Presidential
14 campaign”). (*Id.*) Plaintiff alleges that neither Trump nor the Trump/Pence campaign
15 authorized the sale of or had any association with Defendants’ works. (*Id.*)

16 Furthermore, Plaintiff alleges that Defendants falsely advertised the sale of
17 Defendant Work 2 but, when consumers actually ordered Defendant Work 2, Defendants
18 actually shipped Defendant Work 1. (*Id.* ¶ 22.) Plaintiff alleges this based on its own order
19 of Defendant Work 2, where it instead received Defendant Work 1. (*Id.* ¶ 22; *see also id.*
20 Ex. 4 (Order Form), Ex. 5 (product received).) In addition to false advertising, Plaintiff
21 alleges that the practice of advertising Defendant Work 2 instead of Defendant Work 1, but
22 still sending Defendant Work 1, was an attempt to avoid further infringement of the
23 Bobbleheads.com Work, since Defendant Work 1 looks more similar to the
24 Bobbleheads.com Work.¹ (*Id.* ¶ 21.)

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28 ¹ That said, Plaintiff also alleges that Defendant Work 2 infringes its copyright in the Bobbleheads.com Work. (FAC ¶ 21, ECF No. 18.)

1 Plaintiff brings three claims against Defendants based on these allegations: (1)
2 copyright infringement against Defendant Wright Brothers, Inc.; (2) copyright
3 infringement against Defendant Casey Wright and Defendant Corey Wright; and (3) false
4 advertising against all Defendants. (*See generally id.*) Plaintiff seeks injunctive relief,
5 impoundment of all counterfeit and infringing copies of the Bobbleheads.com Work, and
6 general, special, actual, and statutory damages. (*Id.*)

7 LEGAL STANDARD

8 Federal Rule of Civil Procedure 12(b)(6) permits a party to raise by motion the
9 defense that the complaint “fail[s] to state a claim upon which relief can be granted,”
10 generally referred to as a motion to dismiss. The Court evaluates whether a complaint states
11 a cognizable legal theory and sufficient facts in light of Federal Rule of Civil Procedure
12 8(a), which requires a “short and plain statement of the claim showing that the pleader is
13 entitled to relief.” Although Rule 8 “does not require ‘detailed factual allegations,’ . . . it
14 [does] demand more than an unadorned, the-defendant-unlawfully-harmed-me
15 accusation.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v.*
16 *Twombly*, 550 U.S. 544, 555 (2007)). In other words, “a plaintiff’s obligation to provide
17 the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and
18 a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S.
19 at 555 (citing *Papasan v. Allain*, 478 U.S. 265, 286 (1986)). A complaint will not suffice
20 “if it tenders ‘naked assertion[s]’ devoid of ‘further factual enhancement.’” *Iqbal*, 556 U.S.
21 at 677 (citing *Twombly*, 550 U.S. at 557).

22 In order to survive a motion to dismiss, “a complaint must contain sufficient factual
23 matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Id.* (quoting
24 *Twombly*, 550 U.S. at 570); *see also* Fed. R. Civ. P. 12(b)(6). A claim is facially plausible
25 when the facts pled “allow the court to draw the reasonable inference that the defendant is
26 liable for the misconduct alleged.” *Iqbal*, 556 U.S. at 677 (citing *Twombly*, 550 U.S. at
27 556). That is not to say that the claim must be probable, but there must be “more than a
28 sheer possibility that a defendant has acted unlawfully.” *Id.* Facts “‘merely consistent with’

1 a defendant’s liability” fall short of a plausible entitlement to relief. *Id.* (quoting *Twombly*,
2 550 U.S. at 557). Further, the Court need not accept as true “legal conclusions” contained
3 in the complaint. *Id.* This review requires context-specific analysis involving the Court’s
4 “judicial experience and common sense.” *Id.* at 678 (citation omitted). “[W]here the well-
5 pleaded facts do not permit the court to infer more than the mere possibility of misconduct,
6 the complaint has alleged—but it has not ‘show[n]’—‘that the pleader is entitled to relief.’”
7 *Id.*

8 Where a complaint does not survive 12(b)(6) analysis, the Court will grant leave to
9 amend unless it determines that no modified contention “consistent with the challenged
10 pleading . . . [will] cure the deficiency.” *DeSoto v. Yellow Freight Sys., Inc.*, 957 F.2d 655,
11 658 (9th Cir. 1992) (quoting *Schriber Distrib. Co. v. Serv-Well Furniture Co.*, 806 F.2d
12 1393, 1401 (9th Cir. 1986)).

13 ANALYSIS

14 Defendants move to dismiss Plaintiff’s FAC on two principal grounds with several
15 sub-arguments in each: (I) Plaintiff’s Lanham Act claim fails; and (II) Plaintiff has no basis
16 to seek fees or statutory damages under the Copyright Act. (*See generally* MTD, ECF No.
17 28-1.) The Court addresses each argument in turn.

18 **I. Plaintiff’s Lanham Act Claim**

19 Defendants move to dismiss Plaintiff’s Lanham Act claim on various grounds: (A)
20 Plaintiff’s allegations supporting its false advertising claim under the Lanham Act must
21 meet Rule 9(b)’s heightened pleading standard; (B) Plaintiff fails to allege false advertising
22 under Rule 9(b); and (C) even if Plaintiff’s allegations survive Rule 9(b), its Lanham Act
23 claim still fails for other reasons. (*See id.* at 12–23.²) The Court considers each argument
24 in turn.

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28 ² Pin citations to docketed material refer to the CM/ECF numbers electronically stamped at the top of each page.

1 ***A. Whether Rule 9(b) Applies to Plaintiff’s Lanham Act Claim***

2 Defendants argue that while the Ninth Circuit has yet to decide whether Rule 9(b)
3 applies to Lanham Act claims, several district courts in the Ninth Circuit have applied Rule
4 9(b) to false advertising claims brought under the Lanham Act because such claims are
5 grounded in fraud. (MTD 11–13, ECF No. 28-1.) Plaintiff responds that other courts
6 regularly apply Rule 8 to Lanham Act cases. (Opp’n 23, ECF No. 34.)

7 As to this threshold matter, the Court agrees with the weight of authority that Rule
8 9(b) applies to Lanham Act claims that are grounded in fraud. Courts apply a heightened
9 pleading standard to actions that sound in fraud pursuant to Rule 9(b). *See* Fed. R. Civ. P.
10 9(b) (“In alleging fraud . . . a party must state with particularity the circumstances
11 constituting fraud or mistake.”); *see also Vess v. Ciba-Geigy Corp., USA*, 317 F.3d 1097,
12 1106 (9th Cir. 2003) (“Averments of fraud must be accompanied by ‘the who, what, when,
13 where, and how’ of the misconduct charged.”). Rule 9(b) is not limited to claims for fraud
14 itself; rather, it applies if a claim is “grounded in” or “sounds in” fraud. *See, e.g., Vess*, 317
15 F.3d at 1103–04 (“In cases where fraud is not a necessary element of a claim, a plaintiff
16 may choose nonetheless to allege in the complaint that the defendant has engaged in
17 fraudulent conduct and rely entirely on that course of conduct as the basis of a claim. In
18 that event, the claim is said to be ‘grounded in fraud’ or to ‘sound in fraud,’ and the pleading
19 of that claim as a whole must satisfy the particularity requirement of Rule 9(b).”). It thus
20 follows that a false advertising claim under the Lanham Act that is “grounded in” or
21 “sounds in” fraud must meet the heightened pleading standards of Rule 9(b). *See, e.g.,*
22 *Seoul Laser Dieboard Sys. Co., Ltd. v. Serviform, S.r.l.*, 957 F. Supp. 2d 1189, 1200 (S.D.
23 Cal. 2013) (“District courts in the Ninth Circuit have held that the heightened pleading
24 standard of Federal Rule of [Civil] Procedure 9(b) applies to false advertising claims and
25 requires the plaintiff to plead the ‘time, place, and specific content of the false
26 representations,’ the identities of the parties to the misrepresentation, and what about the
27 statement is claimed to be misleading.”).

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1 Plaintiff's allegations in support of its Lanham Act claim are grounded in fraud.
2 Specifically, Plaintiff alleges that (1) Defendants changed their advertising to display a
3 picture of a product "modified to make it appear like a less blatant copy," (FAC ¶ 45, ECF
4 No. 18); (2) advertised and sold bobbleheads "under false pretenses," (*id.* ¶ 46); (3)
5 "committed false advertising and used false descriptions," (*id.* ¶ 47); and (4) advertised "a
6 product which the Defendants did not own, and were not authorized to sell," (*id.* ¶ 48).
7 Accordingly, the Court concludes that Rule 9(b) applies to Plaintiff's Lanham Act claim.

8 ***B. Whether Plaintiff's Lanham Act Allegations Satisfy Rule 9(b)***

9 Defendants argue that Plaintiff's allegations fail to satisfy Rule 9(b). (MTD 15–18,
10 ECF No. 28-1.) Plaintiff responds that its allegations survive under Rule 9(b). (Opp'n 24–
11 28, ECF No. 34.)

12 The Court partially agrees with Plaintiff. Allegations of fraud must be "specific
13 enough to give defendants notice of the particular misconduct which is alleged to constitute
14 the fraud charged so that they can defend against the charge and not just deny that they
15 have done anything wrong." *Semegen v. Weidner*, 780 F.2d 727, 731 (9th Cir. 1985); *see*
16 *also Cooper v. Pickett*, 137 F.3d 616, 627 (9th Cir. 1997) (noting that particularity requires
17 plaintiff to allege the "who, what, when, where, and how" of the alleged fraudulent
18 conduct). Most of Plaintiff's allegations have done just that.

19 Plaintiff alleges that Defendants collectively made false statements. (FAC ¶¶ 1, 10,
20 11, 41, 43, 50, 51, ECF No. 18.) The false statements were (1) that Defendants advertised
21 Defendant Work 2 in response to the takedown notices, but actually shipped Defendant
22 Work 1 to customers, (*id.* ¶¶ 2, 22, Exs. 4, 5); and (2) Defendants' unauthorized use of the
23 Trump/Pence Presidential Campaign, copyright notice of "© Donald J. Trump," and claims
24 that their bobblehead is the "official bobblehead doll of the 2016 Donald Trump
25 Presidential campaign," (*id.* ¶¶ 4, 5, 6, 47). Plaintiff put Defendants on notice of these
26 allegedly fraudulent advertising practices no later than September 7, 2016, when it sent its
27 first cease and desist letter, (*id.* ¶¶ 17, 18), and when it sent DMCA takedown notices to
28 various internet service providers, (*id.* ¶ 19). In addition, the purchase invoice identifies

1 the specific time and date of the purchase (October 20, 2016 at 5:21 p.m.) and also provides
2 an invoice number. (*Id.* Ex. 5); *see also Cooper*, 137 F.3d at 627 (noting, in the Rule 9(b)
3 context, that courts “do not require a specific number [of shipments] or a precise time
4 frame”). Finally, Plaintiff alleges that the false advertisements occurred through various
5 internet service providers, (*id.* ¶¶ 19, 20, 45, 47), and on Defendants’ websites, (*id.* ¶¶ 4, 5,
6 47). This is enough to give Defendants fair notice of the alleged fraudulent conduct so that
7 they can adequately defend against the charge.

8 But this conclusion does not apply to Plaintiff’s allegations that Defendants used
9 Plaintiff’s pictures of its own bobblehead to sell Defendants’ bobbleheads. (*See, e.g., id.*
10 ¶ 48). Plaintiff simply alleges that “at times, Defendants have advertised their bobble head
11 products using actual pictures of the Bobblehead Work.” (*Id.*) This bare allegation is
12 wholly insufficient under Rule 9(b). Accordingly, the Court **GRANTS IN PART** and
13 **DENIES IN PART** this portion of Defendants’ MTD.

14 *C. Whether Plaintiff’s Lanham Act Claim Fails for Other Reasons*

15 Defendants argue that even if Plaintiff’s allegations survive analysis under Rule 9(b),
16 Plaintiff’s Lanham Act claim fails for five additional reasons: (1) Plaintiff fails to allege
17 standing to pursue a Lanham Act claim under *Lexmark International, Inc. v. Static*
18 *Components, Inc.*, 134 S. Ct. 1377 (2014); (2) the Supreme Court’s decision in *Dastar*
19 *Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), bars Plaintiff’s copyright-
20 masked-as-Lanham-Act claim; (3) the Copyright Act does not provide a private right of
21 action for false copyright notice; (4) Plaintiff fails to allege or explain why any of the things
22 it claims are deceptive are “material” under the Lanham Act; and (5) the representations of
23 association between Defendants and the Trump organization are opinion, not actionable
24 facts. (*See* MTD 18–23, ECF No. 28-1.) The Court considers each argument in turn.

25 *1. Standing under Lexmark*

26 Defendants argue that Plaintiff has not adequately alleged proximate causation and
27 thus fails to establish that it has standing to pursue a Lanham Act claim. (*Id.* at 19.) Plaintiff
28 disagrees. (Opp’n 16–19, ECF No. 34.)

1 The Lanham Act “authorizes suit by ‘any person who believes that he or she is likely
2 to be damaged’ by a defendant’s false advertising.” *Lexmark*, 134 S. Ct. at 1388 (quoting
3 15 U.S.C. § 1125(a)(1)). “Under the Lanham Act, a prima facie case requires a showing
4 that (1) the defendant made a false statement either about the plaintiff’s or its own product;
5 (2) the statement was made in commercial advertisement or promotion; (3) the statement
6 actually deceived or had the tendency to deceive a substantial segment of its audience; (4)
7 the deception is material; (5) the defendant caused its false statement to enter interstate
8 commerce; and (6) the plaintiff has been or is likely to be injured as a result of the false
9 statement, either by direct diversion of sales from itself to the defendant, or by a lessening
10 of goodwill associated with the plaintiff’s product.” *Newcal Indus., Inc. v. Ikon Office Sol.*,
11 513 F.3d 1038, 1052 (9th Cir. 2008) (internal quotation marks omitted).

12 Additionally, the *Lexmark* Court determined that a plaintiff seeking to pursue a
13 Lanham Act claim must demonstrate standing beyond the typical Article III requirements.
14 *Lexmark*, 134 S. Ct. at 1388–89. First, a plaintiff must demonstrate that it falls within the
15 “zone of interests” protected by the Lanham Act. *Id.* “[T]o come within the zone of interests
16 in a suit for false advertising under § 1125(a), a plaintiff must allege an injury to a
17 commercial interest in reputation or sales.” *Id.* at 1390. Second, a plaintiff must
18 demonstrate that its injuries are proximately caused by violation of the Lanham Act. *Id.* at
19 1390–91. Specifically, “a plaintiff suing under § 1125(a) ordinarily must show economic
20 or reputational injury flowing directly from the deception wrought by the defendant’s
21 advertising; and that that occurs when deception of consumers causes them to withhold
22 trade from the plaintiff.” *Id.* at 1391.

23 Defendants do not argue that Plaintiff fails to fall within the zone of interests
24 protected by the Lanham Act. Rather, Defendants argue that Plaintiff fails to allege
25 proximate causation because there is no allegation that it suffered any kind of reputational
26 or economic injury as a result of the conduct alleged. (MTD 20, ECF No. 28-1.)

27 The Court agrees with Defendants. Plaintiff responds that Defendants’ false
28 advertising has caused it to suffer damages and that it is entitled to recover Defendants’

1 profits from sales stemming from their wrongful conduct. (Opp’n 18, ECF No. 34 (citing
2 FAC ¶¶ 37, 52, ECF No. 18).) But the allegations in Plaintiff’s FAC merely state that
3 Defendants have, for instance, engaged in false advertising by falsely claiming to be
4 associated with the Trump organization, (FAC ¶ 47, ECF No. 18), and this has somehow
5 caused Plaintiff to suffer damages, (*id.* ¶ 52). There are no more specific allegations of, at
6 the very least, lost sales or damage to its reputation. This is insufficient to plead proximate
7 causation to support a Lanham Act claim. *See, e.g., Luxul Tech. Inc. v. Nectarlux, LLC*, 78
8 F. Supp. 3d 1156, 1170 (N.D. Cal. 2015) (“At the pleading stage, a plaintiff must allege
9 ‘an injury to a commercial interest in sales or business reputation proximately caused by
10 the defendant’s misrepresentations.’” (emphasis added) (quoting *Lexmark*, 134 S. Ct. at
11 1395)).

12 To be sure, Plaintiff argues that “if one product is the ‘official’ product, every other
13 product is unofficial and therefore inferior. Consumers in the market are likely to choose
14 the official product over the unofficial one and thus Defendants, through their false
15 advertising campaign have diverted sales from the Plaintiff” (Opp’n 18, ECF No. 34.)
16 The Court finds that such allegations might be sufficient to bridge the gap between
17 Defendants’ alleged false advertising and Plaintiff’s alleged damages, thus plausibly
18 alleging proximate cause at the pleading stage. The problem, of course, is that these
19 allegations do not appear in the FAC, and thus are beyond the scope of the Court’s review.
20 *See Schneider v. Cal. Dep’t of Corr.*, 151 F.3d 1194, 1197 n.1 (9th Cir. 1998) (“In
21 determining the propriety of a Rule 12(b)(6) dismissal, a court *may not* look beyond the
22 complaint to a plaintiff’s moving papers, such as a memorandum in opposition to a
23 defendant’s motion to dismiss.”) (emphasis in original)). Accordingly, the Court **GRANTS**
24 this portion of Defendants’ MTD.

25 2. *Whether Dastar bars relief*

26 Second, Defendant argues that “to the extent the Lanham Act claim is predicated
27 upon the notion that Defendants failed to provide proper attribution for the design or
28 creation of what is clearly a communicative good (*i.e.*, a claim for reverse passing off),

1 *Dastar* controls and the claim is barred.” (MTD 21, ECF No. 28-1.) Plaintiff argues that
2 Defendants’ reliance on *Dastar* is misplaced because *Dastar* only prohibits claims brought
3 under the Lanham Act where there is a misrepresentation of the authorship of the goods at
4 issue, which thus does not preclude Plaintiff’s claim based on false endorsement. (Opp’n
5 19–20, ECF No. 34.)

6 The Court agrees with Plaintiff. In *Dastar*, the Supreme Court considered “whether
7 § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), prevents the unaccredited copying of a
8 work.” *Dastar*, 539 U.S. at 25. The case concerned a company, petitioner Dastar, which
9 purchased copies of a television series in the public domain, copied them, edited the series,
10 and then sold the edited series as its own product without reference to the original series.
11 *Id.* at 26–27. Respondents Fox, SFM, and New Line argued that Dastar’s sales of its edited
12 video set “without proper credit” to the original television series constituted “reverse
13 passing off” (i.e., a producer misrepresenting someone else’s goods as his own) in violation
14 of § 43(a) of the Lanham Act. *Id.* at 27. The gravamen of the claim, under the Lanham Act,
15 was that Dastar made a “false designation of origin, false or misleading description of fact,
16 or false or misleading representation of fact, which . . . is likely to cause confusion . . . as
17 to the origin . . . of his or her goods.” *Id.* at 31 (quoting 15 U.S.C. § 43(a)). The Court
18 rejected respondents’ claim under the Lanham Act, concluding that the phrase “origin of
19 goods” refers to “the producer of the tangible goods that are offered for sale, and not to the
20 author of any idea, concept, or communication embodied in those goods.” *Id.* The Court
21 noted that “[t]o hold otherwise would be akin to finding that § 43(a) created a species of
22 perpetual patent and copyright, which Congress may not do.” *Id.* The Court thus concluded
23 that Dastar was the “origin” of the products it sold as its own, and thus respondents’
24 Lanham Act claim failed. *Id.* at 38.

25 Here, Plaintiff’s claim for false advertising does not include any allegation of
26 reverse passing off (i.e., that Defendants are not the manufacturers of the goods they offer
27 on their website). Nor does Plaintiff’s false advertising claim have anything to do with the
28 manufacturer of Defendants’ goods. (Opp’n 20, ECF No. 34.) Rather, among other things,

1 Plaintiff alleges that Defendants misrepresented that their goods were somehow endorsed
2 by the Trump organization as an “official” product of the campaign. The Court agrees with
3 Plaintiff that this claim of false endorsement is unrelated to the authorship or origin of
4 Defendants’ bobbleheads, and thus *Dastar* does not bar Plaintiff’s Lanham Act claim. (*Id.*
5 at 20–21.) And Defendants do not contest Plaintiff’s arguments in their Reply. (*See*
6 *generally* Reply, ECF No. 36.) Accordingly, the Court **DENIES** this portion of
7 Defendants’ MTD.

8 *3. Plaintiff’s reliance on an allegedly false copyright notice*

9 Third, Defendants argue that “to the extent Plaintiff complains of Defendants using
10 an alleged false copyright notice, such a claim must fail because the Copyright Act covers
11 that kind of activity, but does not allow for a private right of action.” (MTD 22, ECF No.
12 28-1 (citing 17 U.S.C. § 506(c) (criminalizing fraudulent use of copyright notice), *Donald*
13 *Frederick Evans v. Continental Homes, Inc.*, 785 F.2d 897, 912–13 (11th Cir. 1986)
14 (holding that there is no private right of action under 17 U.S.C. § 506(c), which was
15 intended to be only a criminal statute).)

16 The Court agrees with Defendants on the law, but Defendants’ argument misses the
17 mark. Plaintiff is not asserting a claim for alleged misuse of a copyright notice. (Opp’n 21,
18 ECF No. 34.) Rather, Plaintiff’s *false advertising* claim is partially premised on
19 “Defendants’ false use [of] a copyright notice as part and parcel of [their] overall false
20 advertising message—e.g.[,] our product is the ‘official’ product of the Donald Trump
21 campaign.” (*Id.*) So cabined, neither Section 506(c) nor *Donald Frederick Evans* bar
22 Plaintiff’s reliance on the misleading copyright notice as part of Defendants’ overall false
23 advertising scheme. *Cf. TrafficSchool.com, Inc. v. Edriver Inc.*, 653 F.3d 820, 827–29 (9th
24 Cir. 2011) (affirming district court holding that falsely suggesting an affiliation with the
25 California DMV was misleading to consumers under the Lanham Act). Accordingly, the
26 Court **DENIES** this portion of Defendants’ MTD.

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1 4. *Whether the “materiality” of the alleged misrepresentations are plausible*

2 Fourth, Defendants argue that “Plaintiff fails to allege or explain why any of the
3 things that it claims are supposedly deceptive are ‘material.’” (MTD 22–23, ECF No. 28-
4 1.) For instance, Defendants argue “so what” if some customers who thought they were
5 ordering Defendant Work 2 (where Clinton has both of her hands in front of her in
6 handcuffs) instead actually received Defendant Work 1 (where Clinton has one hand in
7 front of her and the other hand resting on her side)—the joke of the bobblehead is the same
8 regardless of the subtle variation in her hand position. (*Id.*) But the Court agrees with
9 Plaintiff that this argument skirts the allegation that literally false statements (and images)
10 were used to market Defendants’ bobbleheads, and thus these allegations are presumed to
11 have deceived consumers. (Opp’n 14, ECF No. 34 (citing, e.g., *Avid Identification Sys.,*
12 *Inc. v. Schering-Plough Corp.*, 33 F. App’x 854, 856 (9th Cir. 2002) (“Because these
13 representations were literally false, the statements carry with them the presumption that
14 consumers relied on and were deceived by them.”).) Defendants will have an opportunity
15 to attack the materiality of these statements at a later phase of the case—but not now.
16 Accordingly, the Court **DENIES** this portion of Defendants’ MTD.

17 5. *Whether the represented associations with the Trump organization are*
18 *opinions or actionable facts*

19 Finally, Defendants argue that “to the extent the Lanham claim is predicated upon
20 the supposedly false association between the Defendants and the Trump organization, or
21 upon attributing copyright ownership to ‘Donald J. Trump,’ those statements are opinions,
22 not actionable facts.” (MTD 23, ECF No. 28-1 (citing, e.g., *Coastal Abstract Serv., Inc. v.*
23 *First Am. Title Ins. Co.*, 173 F.3d 725, 731–32 (9th Cir. 1999); *S. Snow Mfg. Co. v. Snow*
24 *Wizard Holdings, Inc.*, 829 F. Supp. 2d 437, 452 (E.D. La. 2011)).)

25 In the present case, “[l]iability under the relevant provision of the Lanham Act
26 requires, among other things, a ‘false or misleading *representation of fact.*’” *Coastal*, 173
27 F.3d at 730 (emphasis in original) (quoting 15 U.S.C. § 1125(a)(1)). Statements that
28 amount merely to “puffery” do not qualify as statements of fact capable of being proven

1 false. *Id.* at 731 (concluding that the statement that Coastal was “too small” to handle
2 business was puffery). An actionable fact is one that is “capable of being proved false or
3 of being reasonably interpreted as a statement of objective fact.” *Id.* at 731; *see also*
4 *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1145 (9th Cir. 1997) (“A specific
5 and measurable advertisement claim of product superiority based on product testing is not
6 puffery.”). Courts may determine as a matter of law whether certain statements are
7 statements of fact, actionable under the Lanham Act, or mere puffery, and may do so at the
8 motion to dismiss stage. *Cook, Perkiss & Liehe, Inc. v. N. Cal. Collection Serv. Inc.*, 911
9 F.2d 242, 245 (9th Cir. 1990).

10 None of Defendants’ cited cases support their argument. In *Coastal*, the Ninth
11 Circuit considered whether First American’s statement that Coastal did not have an escrow
12 license was actionable under the Lanham Act, since California Financial Code § 17200
13 makes it unlawful to engage in business as an escrow agent without an appropriate license.
14 173 F.3d at 731. First American’s statement thus clearly implied that § 17200 required
15 Coastal to have a license for its activities. *Id.* The court noted that “statements by
16 laypersons that purport to interpret the meaning of a statute or regulation are opinion
17 statements, and not statements of fact,” *id.*, and that “the correct application of § 17200
18 was not knowable to the parties at the time that First American made the licensure
19 statement.” *Id.* at 732. Thus, the Court concluded that “the licensure statement as a matter
20 of law could not give rise to a Lanham Act claim.” *Id.*

21 There is no statute to interpret in assessing the claimed association with the Trump
22 organization. Rather, Plaintiff alleges that Defendants claimed that they were the official
23 bobblehead of the Trump campaign and that Trump copyrighted their website. Whether or
24 not the Trump organization did, in fact, sponsor Defendants’ bobbleheads or claim

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1 copyright in the website are “knowable” facts, not opinions. Accordingly, *Coastal* is
2 inapplicable.³

3 Nor does Defendants’ reliance on *Southern Snow* fare any better. In *Southern Snow*,
4 the court considered whether the use of a “TM” symbol next to the term “Vanilla” was an
5 opinion or fact for purposes of a the Lanham Act claim. 829 F. Supp. 2d at 452. The Court
6 considered the issue at length, concluding that

7
8 Vanilla™ does not make a statement that admits of being
9 adjudged true or false in a way that “admits of empirical
10 verification.” Vanilla™ makes the statement that the party is
11 claiming rights to the flavor name as a trademark, as
12 preposterous as that assertion might be. But the TM symbol does
13 not mean that the party has trademark rights in the name or can
14 ensure that the mark is capable of serving as a trademark or that
15 the party could meet its burden of proof as to secondary meaning
if a court were so indulgent so as to allow a party to try. Vanilla™
might be described as an oxymoron but it is not a literally false
statement.

16 *Id.* at 453–54. The Court also contrasted the use of a generic “TM” symbol with the ®
17 symbol, which connotes federal registration. As the Court explained:

18 In order to determine if “Vanilla™” is actionable as a literally
19 false statement, it is necessary to ascertain exactly what
20 information or statement can fairly be attributed to placing a ®
21 or TM next to any product name. With respect to the ® symbol
22 the answer is clear. The owner of a trademark registered in the
23 USPTO may give notice that his mark is registered by displaying
24 “the letter R enclosed within a circle, thus ®.” 15 U.S.C.A. §
25 1111 (West 2009). Improper use of a registration notice in
26 connection with an unregistered mark may be grounds for
denying the registration of an otherwise registerable mark.
Copelands’ Enters., Inc. v. CNV, Inc., 945 F.2d 1563, 1566 (Fed.

27 ³ True, there is a statute governing copyrights and their registrations, *see* 17 U.S.C. § 101, *et seq.*, but, as
28 discussed below, a claim of copyright can be verified and thus is arguably a statement of fact actionable
under the Lanham Act.

1 Cir. 1991) (*citing Fed. Foods, Inc. v. Fort Howard Paper Co.*,
2 544 F.2d 1098, 1101 (C.C.P.A. 1976)). Thus, use of the ®
3 symbol conveys to the customer and to other competitors that the
4 trademark is in fact registered with the USPTO.

5 ...

6 Given that use of the ® symbol makes an affirmative statement
7 that the USPTO has registered the symbol, it is plausible that a
8 literally false statement is being made when a party appends the
9 ® symbol to a mark that is *not* federally registered. Appending
10 the ® statement to a mark makes a statement that admits of being
11 adjudged true or false in a way that “admits of empirical
12 verification.” *Pizza Hut*, 227 F.3d at 496. So unauthorized use of
13 the ® could perhaps form the basis for making a literally false
14 statement.

15 *Id.* at 452–53.

16 Though unclear, Defendants presumably rely on *Southern Snow* to argue that their
17 use of a copyright symbol in connection with the Trump organization’s copyright of their
18 website is opinion, not actionable fact. To be sure, copyright protection exists without
19 federal registration, so long as it is an original work of authorship fixed in a tangible
20 medium of expression. 17 U.S.C. § 102(a). In that sense, saying that something is
21 copyrighted is arguably akin to using the generic “TM” symbol to express an opinion of
22 ownership of rights. And unlike the ® symbol, affixing the symbol © is permissive and
23 does not require federal registration.⁴ *See* 17 U.S.C. § 401(a) (“Whenever a work protected
24 under this title is published in the United States or elsewhere by authority of the copyright
25 owner, a notice of copyright as provided by this section may be placed on publicly
26 distributed copies from which the work can be visually perceived, either directly or with

27 ⁴ However, fixation of copyright notice also provides certain federal benefits, *see, e.g.*, 17 U.S.C. § 401(d)
28 (providing that proper copyright notice negates a defense of innocent infringement), and thus it shares
similarities with federal trademark registration.

1 the aid of a machine or device.” (emphasis added)); *id.* § 401(b)(1) (“If a notice appears on
2 the copies, it shall consist of . . . the symbol © (the letter C in a circle), or the word
3 ‘Copyright’, or the abbreviation ‘Copr.’; and . . .”).

4 But there is a conceptual difference between this case and a case like *Southern Snow*.
5 In *Southern Snow*, the plaintiff’s use of the TM symbol in Vanilla™ demonstrated its belief
6 in *its own* alleged rights in the term. Here, in contrast, Defendants claim that *someone else*
7 (the Trump organization) claims some right (a copyright) in, among other things,
8 Defendants’ website. Whether or not the Trump organization does, in fact, *claim* to have
9 such copyrights is an ascertainable fact and thus is actionable under the Lanham Act.
10 Indeed, the Copyright Act expressly provides criminal penalties for a false claim of
11 copyright protection, and such claims can be verified.⁵ *See* 17 U.S.C. § 506 (“Any person
12 who, with fraudulent intent, places on any article a notice of copyright or words of the same
13 purport that such person knows to be false, or who, with fraudulent intent, publicly
14 distributes or imports for public distribution any article bearing such notice or words that
15 such person knows to be false, shall be fined not more than \$2,500.”); *see also S. Snow*,
16 829 F. Supp. 2d at 453 n.14 (“Of course, a false claim that a work is copyrighted or
17 patented, like a false claim that a mark is federally registered, is a statement that admits of
18 empirical verification.”). Accordingly, the Court **DENIES** this portion of Defendants’
19 MTD.

20 **II. Statutory Fees and Damages Under the Copyright Act**

21 Defendants also argue that Plaintiff is not entitled to statutory fees and damages
22 under the Copyright Act. First, Defendants argue that Plaintiff cannot seek statutory
23 damages and attorney’s fees for infringement of the Bobbleheads.com Work—that is, the
24 full Clinton bobblehead—because the FAC alleges that Plaintiff applied to register the full
25 doll on September 2, 2016 and sent a cease and desist letter to Defendants a mere five days
26

27 ⁵ It bears repeating that Plaintiff is not asserting a claim for fraudulent copyright notice. Rather, Plaintiff
28 asserts that Defendants’ false use of a copyright notice is “part and parcel of [their] overall false
advertising message.” (Opp’n 21, ECF No. 34.)

1 later on September 7, 2015. (MTD 23–24, ECF No. 28-1.) In other words, this timeline
2 “makes it obvious that Plaintiff learned of the alleged infringement before it applied for the
3 ‘Full Clinton Doll’ registration.” (Reply 8, ECF No. 36.)

4 Defendants are right that the Copyright Act bars an award of statutory damages or
5 of attorney’s fees based on, for example, “any infringement of copyright commenced after
6 first publication of the work and before the effective date of its registration, unless such
7 registration is made within three months after the first publication of the work.” 17 U.S.C.
8 § 412(2). But there is nothing “obvious” about the timeline barring Plaintiff’s claim for
9 statutory damages or attorney’s fees. Indeed, accepting Plaintiff’s allegations as true—as
10 the Court must at this stage—Plaintiff simply alleges that it (1) applied for copyright
11 protection for the Bobbleheads.com Work on September 2, 2016, (FAC ¶ 15, ECF No. 18),
12 and (2) sent a cease a desist letter to Defendants on September 7, 2016, (*id.* ¶ 17). Nothing
13 more. The Court agrees with Plaintiff that at this juncture the date on which Defendants
14 began—and continued—their infringement is unknown. (Opp’n 29–30, ECF No. 34.) Thus
15 it would be inappropriate to legally bar Plaintiff’s claim for attorney’s fees and statutory
16 damages at the pleading stage. Accordingly, the Court **DENIES** this portion of Defendants’
17 MTD.⁶

18 Second, Defendants argue that the FAC is ambiguous as to whether Plaintiff is
19 asserting infringement of two copyrighted works or only one. Specifically, while the FAC
20 alleges that Plaintiff “filed an application covering the head of the Bobbleheads.com Work
21

22
23 ⁶ Defendants further argue that this “same issue is discussed more fully in the accompanying motion to
24 dismiss in the related Trump Case, where the same plaintiff’s counsel similarly refused to remove their
25 prayer for attorneys’ fees and statutory damages under the Copyright Act from an amended pleading. The
26 legal argument and authorities in that motion about why it is not plausible to simply assume that the
27 infringement began during the brief window of time between registration and cease and desist letters being
28 sent is incorporated here by reference.” (MTD 24, ECF No. 17.) But this case is not consolidated with the
related case. Nor have Defendants sought leave of the Court to exceed the briefing page limits under the
local rules to incorporate by reference any arguments or authorities appearing in their other motion in the
related case. If those arguments and authorities were critical to Defendants’ present motion, they should
have appeared in their opening memorandum in *this* case. Accordingly, the Court will consider the
arguments presented in the *related* motion to dismiss when assessing that motion to dismiss, but not here.

1 on or about May 13, 2016,” (FAC ¶ 15, ECF No. 18 (the Clinton Head registration)), the
2 FAC does not actually alleged that the Clinton Head registration has been infringed by
3 Defendants. (MTD 25, ECF No. 28-1.)

4 The Court agrees. While Plaintiff alleges that Defendants have infringed “the
5 Bobbleheads.com Work [based on] the corresponding copyright applications,” (FAC ¶ 28,
6 ECF No. 18), the allegations forming the basis of Plaintiff’s copyright infringement claim
7 do not mention any similarity between the bobbleheads. Rather, Plaintiff’s allegations
8 focus on everything *but* the head:

9
10 The Bobbleheads.com Work and Defendant Work 1 both have:
11 (i) a black and white striped prison suit, with the lines oriented
12 in the same manner and the same design, (ii) a tag next to the
13 lapel with the term “HC2016”, (iii) an orange under shirt, (iv) a
14 white pearl necklace, (v) a right arm that runs along the side of
15 the body and a left arm that bends across the mid-section of the
16 body, with the hands and fingers on each arm placed in the same
17 or similar positions, (vi) black shoes, (vii) feet in a similar
18 position, (viii) a straight left leg and a bent right leg, and (ix) a
19 black ball and chain connected to the right ankle. Defendant
20 Work 1 is a copy of the Bobbleheads.com Work. Alternatively,
21 Defendant Work 1 is a derivative work of the Bobbleheads.com
22 Work.

23 (*Id.* ¶ 31; *see also id.* ¶ 32 (describing similarity between the Bobbleheads.com Work and
24 Defendant Work 2).) These allegations are sufficient to state a claim for copyright
25 infringement as to the Full Clinton registration, but they are insufficient to state a claim for
26 copyright infringement as to the Clinton Head registration, and thus the Court **GRANTS**
27 Defendants’ MTD on this issue.

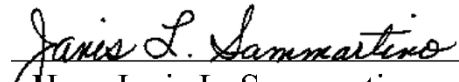
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1 **CONCLUSION**

2 For the reasons stated above, the Court **GRANTS IN PART** and **DENIES IN**
3 **PART** Defendants' MTD (ECF No. 28). Accordingly, the Court **DISMISSES**
4 **WITHOUT PREJUDICE** Plaintiff's FAC. Consistent with this Opinion, Plaintiff
5 **SHALL FILE** an amended complaint, if any, on or before fourteen (14) days of the date
6 on which this Order is electronically docketed.

7 **IT IS SO ORDERED.**

8 Dated: May 8, 2017

9 
10 Hon. Janis L. Sammartino
11 United States District Judge
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