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7 UNITED STATES DISTRICT COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
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10 IBRAHIM NASSER; SERIOUS
11 SCENTS,
12 Plaintiffs,

13 v.

14 JULIUS SAMMANN LTD. DBA
15 LITTLE TREE DBA CAR-
16 FRESHNER CORPORATION, et
17 al.,
18 Defendants.

Case No.: 17-cv-0863-BTM-MDD

**ORDER GRANTING MOTION TO
QUASH; GRANTING
DEFENDANTS' MOTIONS TO
DISMISS; DENYING PLAINTIFFS'
MOTION TO COMPEL; DENYING
PLAINTIFFS' MOTION TO OPEN
DISCOVERY AND SET A JURY
TRIAL; AND GRANTING
PLAINTIFFS' MOTIONS FOR
LEAVE TO AMEND**

**[ECF Nos. 58, 59, 60, 81, 83, 84,
87, 91, 95]**

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21 Pending before the Court are two Motions to Dismiss Plaintiffs Ibrahim
22 Nasser and Serious Scent's Third Amended Complaint ("TAC") as well as a Motion
23 to Quash the Summons and TAC for Improper Service. (ECF Nos. 58, 59, 60).
24 The Court also considers Plaintiffs' Motion for Leave to Amend, Supplemental
25 Pleading to Extinguish the Little Tree Trademark, Motion to Compel Meet and
26 Confer, Motion to Set Jury Trial, Motion to Open Discovery, and other
27 supplemental pleadings filed without leave of Court. (ECF Nos. 81, 83, 84, 87, 91,
28 95).

1 Defendant Julius Samann Ltd. (“JSL”), a Bermuda corporation, moves to
2 quash the summons for improper service pursuant to Federal Rule of Civil
3 Procedure 12(b)(5). (ECF No. 60). Defendant Car-Freshner Corporation (“Car-
4 Freshner”) moves to dismiss the TAC for failure to state a claim pursuant to Federal
5 Rule of Civil Procedure 12(b)(6). Defendant Energizer Brands II LLC (“Energizer”)
6 moves to dismiss the TAC for failure to state a claim under Rule 12(b)(6), for
7 inadequate pleading pursuant to Federal Rule of Civil Procedure 8(a), and for
8 violating the first-to-file rule. Both Car-Freshner and Energizer urge dismissal of
9 the TAC because Plaintiffs continue to flout Local Rules, specifically Local Rule of
10 Civil Procedure 15.1.

11 For the reasons discussed below, the Court grants the Motion to Quash (ECF
12 No. 60), grants Energizer’s Motion to Dismiss, and grants Car-Freshner’s Motion
13 to Dismiss. (ECF Nos. 58, 59). The Court also grants Plaintiffs’ Motions for Leave
14 to Amend. (ECF No. 83, 87).

15 **I. BACKGROUND**

16 This action arises from Defendants’ alleged trademark and copyright
17 infringement of Plaintiffs’ products: “Little Grenade,” a grenade-shaped air
18 freshener, and other automobile accessories bearing the “Serious Scents” label.
19 (TAC ¶ 1, 3). The parties have been litigating related trademark and copyright
20 claims in Missouri, Utah, and before the U.S. Patent & Trademark Office’s
21 (“USPTO”) Trademark Trial and Appeal Board (“TTAB”). (See ECF No. 6-3; ECF
22 No. 95 at 38; TAC Exh. 8).

23 Energizer filed suit against Plaintiffs in the Eastern District of Missouri on
24 March 10, 2017 “seeking declaratory relief relating to Plaintiffs’ allegations and also
25 asserting affirmative claims of trademark infringement and unfair competition
26 against Plaintiffs under both federal law and the law of the State of Missouri.” (ECF
27 No. 59-1 at 1; ECF No. 6, Exhs. 3, 4) (Missouri Complaint)). Plaintiffs filed the
28 original Complaint in this case forty-nine days after Energizer sued Plaintiff in

1 Missouri. (ECF No. 1). In April 2018, the Missouri case was transferred from the
2 Eastern District of Missouri to the Southern District of California, and assigned to
3 this Court as a related case. (ECF No. 77; Case No. 17-cv-876).

4 Plaintiff prevailed in 2016 TTAB proceedings initiated by named Defendant
5 Julius Samann Ltd. (JSL), who opposed Plaintiff's 2012 registration of a grenade
6 mark. (See TAC, Exh. 8 ("TTAB")). As JSL's exclusive licensee in the United
7 States, Car-Freshner's legal coordinator testified at the proceedings. (TTAB at 3).
8 TTAB concluded that Samann failed to prove by a preponderance of the evidence
9 that Nasser was not using the mark in commerce as of the filing date of Nasser's
10 application. (TTAB at 15).

11 As for the proceedings before this Court, this is Plaintiff's Third Amended
12 Complaint. (See ECF Nos. 1, 37, 40, 51, 52). The Court granted Defendants'
13 previous motions to dismiss Plaintiff's complaint for failure to state a claim with
14 leave to amend. (ECF Nos. 28, 40, 51).

15 **II. PLAINTIFFS HAVE NOT EFFECTED SERVICE ON NAMED DEFENDANT**
16 **JULIUS SAMANN LTD**

17 Defendant Julius Samann Ltd. (JSL), a Bermuda corporation, moves to
18 quash the summons for insufficient service of process pursuant to Federal Rule
19 of Civil Procedure 12(b)(5). (ECF No. 60). Plaintiff served the summons on JSL
20 by mailing the summons to Defendant Car-Freshner's counsel in Los Angeles.
21 (ECF No. 52-14). JSL asserts that Plaintiff's service of the summons on JSL was
22 defective because (1) Car-Freshner's counsel never agreed to accept service on
23 JSL's behalf; (2) Plaintiffs failed to allege they served JSL itself by any method;
24 and (3) service by mail is not authorized by Bermuda, JSL's place of
25 incorporation, and thus any putative mail service would not have been effective
26 under the Hague Convention. (ECF No. 60-1).

27 Plaintiffs argue JSL is "internationally gaming . . . our US Court System"
28 and evading service by claiming the status of a foreign entity. (ECF No. 93 at 11).

1 Plaintiffs assert it is “the ultimate in legal schizophrenia” for JSL to pursue a
2 TTAB action against Plaintiffs only to evade service as a Defendant. (Id.).
3 Plaintiffs request the Court “demand of the defendant supply the Plaintiff with and
4 agent for service of process in California and provide the court with proof Julius
5 Samann Ltd . . . has standing in this state and in this Federal Court.” (Id.; see
6 also ECF No. 85 at 9). Plaintiffs urge the Court to reject JSL’s “empty chair
7 defense,” characterizing it as a “Twaddle Dumb, Twaddle De defense it [w]as him
8 not me it must have been thee.” (ECF No. 85 at 6). Plaintiffs find it unjust that
9 JSL has “the right to sue while being exempt from suit because [JSL] can’t be
10 served.” (ECF No. 85 at 6).

11 A complaint may be dismissed for improper service. Fed. R. Civ. P.
12 12(b)(5). A summons must be directed to the defendant to be effective. Fed R.
13 Civ. P. 4(a)(1)(B). An individual in a foreign country may be served under any
14 “internationally agreed upon means of service that is reasonably calculated to
15 give notice, such as those authorized by the Hague Convention on the Service
16 Abroad of Judicial and Extrajudicial Documents.” Fed. R. Civ. P. (4)(f)(1).
17 Otherwise, the individual may be served by a method that “is reasonably
18 calculated to give notice . . . as prescribed by the foreign country’s law for
19 service.” *Id.* This includes “delivering a copy of the summons and of the
20 complaint to the individual personally . . . or using any form of mail that the clerk
21 addresses and sends to the individual and that requires a signed receipt,” so long
22 as such methods are not prohibited by the foreign country’s law. Fed. R. Civ. P.
23 4(f).

24 Here, Plaintiff mailed the complaint in an envelope addressed to “Julius
25 Samann” at Davis Wright Tremaine LLP’s Los Angeles office address. (See ECF
26 No. 60-2, Commerson Decl. ¶ 2, Exh. A). JSL submitted a declaration by Scott
27 R. Connerson, an attorney at Davis Wright Tremaine LLP in Los Angeles, stating
28 that the law firm received the complaint but no summons, and that neither

1 Connerson nor any other Davis Wright Tremaine attorney was authorized to
2 receive service on behalf of JSL. (See ECF No. 60-2, Commerson Decl. ¶ 4).

3 Plaintiffs have failed to properly serve JSL. Service was not directed at
4 JSL but at a law firm that was not authorized to receive process on JSL's behalf.
5 (Commerson Decl. ¶¶ 2, 4, Exh. A). The mailing included the complaint, but not
6 a summons. (Id.) A copy of the summons was neither delivered to JSL
7 personally nor sent to JSL by mail. (Id.) Plaintiffs have not attempted to serve
8 JSL in Bermuda, its place of incorporation. Plaintiff's method of service was
9 therefore not reasonably calculated to give notice under Federal Rule of Civil
10 Procedure 4, irrespective of whether Bermuda prohibits service by mail.

11 The Court accordingly grants the Motion to Quash the attempted service on
12 JSL.

13 **III. PLAINTIFFS' CONTINUED NONCOMPLIANCE WITH LOCAL RULES**

14 Plaintiffs filed the original Complaint on April 28, 2017. (ECF No. 1). On
15 August 15, 2017, the Court granted Defendants' Motion to Dismiss the
16 Complaint, and gave Plaintiffs leave to amend. (ECF No. 28). That same date,
17 Plaintiffs attempted to file several amended complaints that violated Local Rule of
18 Civil Procedure 15.1. (ECF Nos. 37, 39).

19 Plaintiffs attempted to file a First Amended Complaint ("FAC") on
20 September 7, 2017. On September 20, 2017, the Court issued an order striking
21 Plaintiffs' proposed FAC for failing to conform to Local Rule 15.1 but granted
22 Plaintiffs leave to amend. (ECF No. 40). On October 4, 2017, Plaintiffs
23 submitted a Second Amended Complaint ("SAC") that again failed to comply with
24 Local Rule 15.1. (ECF No. 42). In the Court's October 31, 2017 order striking
25 the SAC, the Court provided Plaintiffs with a roadmap for compliance and
26 stressed that "[f]ailure to file a complaint in compliance with the Local Civil Rules
27 will result in dismissal of this action." (ECF No. 51).

28 The TAC fares no better than its predecessors. (ECF No. 52). Local Rule

1 15.1(a) states that “[e]very pleading to which an amendment is permitted as a
2 matter of right or has been allowed by court order, must be complete in itself
3 without reference to the superseded pleading.” And Local Rule 15.1(c), which
4 governs amended pleadings filed after motions to dismiss or strike, provides:

5 Any amended pleading filed after the granting of a motion
6 to dismiss or motion to strike with leave to amend, must
7 be accompanied by a version of that pleading that shows
8 — through redlining, underlining, strikeouts, or other
9 similarly effective typographic methods — how that
10 pleading differs from the previously dismissed pleading.

11 Plaintiffs make no showing as to how the TAC differs from the previously
12 dismissed pleadings. The Court has given Plaintiffs every opportunity to comply
13 with the rules and warned Plaintiffs that dismissal is a consequence of
14 noncompliance. Plaintiffs’ pattern of noncompliance is grounds for dismissal of
15 this action. See *King v. Atiyeh*, 814 F.2d 565, 567 (9th Cir. 1987) (“Pro se
16 litigants must follow the same rules of procedure that govern other litigants.”).
17 Even if Plaintiffs had complied with the Local Rules, the TAC would not survive
18 the Motions to Dismiss for reasons set forth below.

18 **IV. THE TAC FAILS TO STATE A TRADEMARK CLAIM**

19 Both Car-Freshner and Energizer argue that the TAC fails to make a
20 cognizable trademark infringement claim and is subject to dismissal with
21 prejudice under Federal Rule of Civil Procedure 12(b)(6). (ECF Nos. 58-1, 59-1).
22 The Court agrees that Plaintiffs fail to state a claim. Dismissal will be with leave
23 to amend. See *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1051 (9th
24 Cir. 2003) (leave to amend “shall be freely given when justice so requires” and
25 granted “with extreme liberality”).

26 A motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) “tests
27 the legal sufficiency of a claim.” *Conservation Force v. Salazar*, 646 F.3d 1240,
28 1241-42 (9th Cir. 2011) (quoting *Navarro v. Block*, 250 F.3d 729, 732 (9th Cir.

1 2001)). “To survive a Rule 12(b)(6) motion to dismiss, ‘a plaintiff must allege
2 enough facts to state a claim to relief that is plausible on its face.’ ” *Turner v. City*
3 *and County of San Francisco*, 788 F.3d 1206, 1210 (9th Cir. 2015) (quoting *Lazy*
4 *Y Ranch Ltd. v. Behrens*, 546 F.3d 580, 588 (9th Cir. 2008)). A claim is plausible
5 on its face if it pleads “factual content that allows the court to draw the
6 reasonable inference that the defendant is liable for the misconduct alleged.”
7 *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v.*
8 *Twombly*, 550 U.S. 544, 570 (2007)).

9 Although the court “will assume the veracity of well-pleaded factual
10 allegations,” conclusory statements are not entitled to this assumption of truth.
11 *Kwan v. SanMedica Int’l*, 854 F.3d 1088, 1096 (9th Cir. 2017). “Legal
12 conclusions may provide a framework for a complaint but ‘they must be
13 supported by factual allegations.’ ” *Id.* (quoting *Iqbal*, 556 U.S. at 679). The
14 plausibility standard “demands more than an unadorned, the-defendant-
15 unlawfully-harmed me accusation,” and a “pleading that offers ‘labels and
16 conclusions’ or a ‘formulaic recitation of the elements of a cause of action will not
17 do.’ ” *Iqbal*, 556 U.S. at 678 (quoting *Twombly*, 550 U.S. at 555)).

18 **A. Trademark Infringement Under the Lanham Act**

19 Plaintiffs’ first cause of action asserts trademark infringement, unfair
20 competition, and trademark dilution against all Defendants under the Lanham
21 Act, 15 U.S.C. §§ 1114 & 1125. (Compl. ¶ 69). As an initial matter, the Court
22 notes that Plaintiffs allege that Plaintiffs prevailed on the merits of related
23 trademark claims in a TTAB proceeding and in a Utah case, attaching the
24 decisions to his pleadings. (See ECF No. 95 at 12-13). However, the Utah case
25 was decided on jurisdictional grounds. See *American Covers, Inc. v. Serious*
26 *Scents, Inc.*, No. 2:13-cv-1032, 2014 WL 4956353 (D. Utah Oct. 1, 2014)
27 (holding the court lacked personal jurisdiction because Serious Scents had
28 insufficient minimum contacts in Utah); ECF No. 95 at 38. As for the TTAB

1 proceeding, JSL opposed the registration of Plaintiffs' grenade mark in 2012
2 solely on the basis that the application was void because Plaintiffs were not using
3 the mark in interstate commerce at the time of filing. (See TAC Exh. 8 at 2 n.3).
4 The TTAB held that JSL failed to make a prima facie case of nonuse and thereby
5 shift the burden of proof to Plaintiffs, but the decision did not address likelihood of
6 confusion or other issues that went to the full merits of the trademark dispute.
7 (See *id.* at 2 n.3, 15). Thus, contrary to Plaintiffs' assertions, Plaintiffs have not
8 previously prevailed on the trademark infringement claims set forth in the TAC.

9 To prevail on a trademark infringement claim, a plaintiff must show: (1) that
10 it has a valid, protectable trademark, and (2) that defendant's use of the mark is
11 likely to cause confusion. *Kythera Biopharmaceuticals, Inc. v. Lithera, Inc.*, 998
12 F.Supp.2d 890 (C.D. Cal. 2014) (citing *Applied Info. Scis. Corp v. eBay, Inc.*, 511
13 F.3d 966, 969 (9th Cir. 2007); *Reno Air Racing Ass'n, Inc. v. McCord*, 452 F.3d
14 1126, 1134 (9th Cir. 2006)).

15 **1. Validity of the Mark**

16 "The threshold issue in any action for trademark infringement is whether
17 the words used by a manufacturer in connection with his product are entitled to
18 protection." *Applied Info. Scis. Corp.*, 511 F.3d at 969 (quoting *Transgo, Inc. v.*
19 *Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1014 (9th Cir. 1985)). A party
20 has a protectable interest upon showing: (1) it has a federally registered mark in
21 goods or services; (2) its mark is descriptive but has acquired a secondary
22 meaning in the market; or (3) it has a suggestive mark, which is inherently
23 distinctive and protectable. *Id.* Registration of a mark is prima facie evidence of
24 the registrant's ownership, but "a registered trademark holder's protectable
25 interest is limited to those goods or services described in the registration."
26 *Applied Info. Scis. Corp.*, 511 F.3d at 970 (citing 15 U.S.C. §§ 1057(b), 1115(a)).

27 Plaintiffs have pled ownership of the following Copyright and Trademark
28 registrations: a copyright registration for a grenade shaped car freshner featuring

1 the print “Serious Scents” titled “LITTLE GRENADE ‘SERIOUS SCENTS’” under
2 number VA 691-296 (registered 1995); trademark registrations for a “fanciful
3 drawing of a pinwheel followed by the words ‘serious scents’ with a fanciful
4 asymmetrical arch behind the words ‘serious scents’” under registration numbers
5 3,128,554 (registered 2006), 3,755,314 (registered 2010), and 4,789,267
6 (registered 2015); and trademark registrations for “the design of a grenade” used
7 for “air deodorizing preparations” under 3,508,401 (registered 2008) and
8 5,163,717 (registered 2017). (ECF No. 52-3). A cease-and-desist letter from
9 Plaintiffs to Car-Freshner states Plaintiffs own a LITTLE GRENADE® air-freshner
10 registration as of January 5, 2010 under registration number 3,733,162. (ECF
11 No. 52-10).

12 Plaintiffs thus meet this threshold criteria.

13 **2. Likelihood of Confusion**

14 “The core element of trademark infringement is the likelihood of confusion,
15 i.e., whether the similarity of the marks is likely to confuse customers about the
16 source of the products.” *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 902 (9th
17 Cir. 2007) (internal quotations omitted). In determining whether likelihood of
18 confusion exists, courts typically consider the following factors: (1) strength of the
19 mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual
20 confusion; (5) marketing channels used; (6) type of goods and the degree of care
21 likely to be exercised by the purchaser; (7) defendant’s intent in selecting the
22 mark; and (8) likelihood of expansion of the product lines. *AMF Inc. v. Sleekcraft*
23 *Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) *abrogated in part on other grounds*
24 *by Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792 (9th Cir. 2003).

25 Plaintiffs claim Car-Freshner is at fault for “copying the exact Header cards
26 and packaging and Exact Displays feel and looks for Plaintiff,” and provides
27 exhibits comparing the products. (Compl. at ¶ 49; Exh. 11). Plaintiffs allege that
28 Car-Freshner began calling its product “Little Tree” after Plaintiffs coined the term

1 “Little Grenade,” and also copied Plaintiffs’ “Made in the USA” icon on its
2 packaging. (Compl. at ¶ 49). Plaintiffs acknowledge that Car-Freshner owns
3 trademarks to its designs, but allege that Car-Freshner, with “purposeful intent
4 altered its original Registrations mark” to resemble Plaintiffs’ packaging “causing
5 confusion in the market place.” (Compl. at ¶ 51).

6 Plaintiffs add “Energizer Brands II LLC, have committed the same identical
7 copying and infringements causing confusion in the marketplace” and “[t]here is a
8 Likelihood of Confusion, which exists with respect to Defendants Energizer
9 Brands II LLC.” (Compl. at ¶ 18, 19). To show likelihood of confusion, Plaintiffs
10 include comparisons of Energizer’s products with Plaintiffs’, various petitions for
11 cancellation Plaintiffs filed against Energizer for its use of grenade marks and the
12 word “scents”, and a letter from Energizer’s attorneys negotiating with Plaintiffs.
13 (ECF No. 52-5, 52-6).

14 Plaintiffs do not address Car-Freshner’s likelihood of confusion arguments
15 in its opposition. In its allegations about Defendants’ intent in choosing the mark,
16 Plaintiffs ignore that Car-Freshner’s 1996 “Little Trees” registration pre-dates
17 Plaintiffs’ alleged 2010 registration of “Little Grenade,” (ECF No. 52-10) and the
18 Little Trees logo’s first use in commerce dates to 1957, well before 1993, the
19 year of Plaintiffs’ first use in commerce. (See ECF No. 52-10 at 15; ECF No. 52-
20 3 at 7, 10).

21 In Plaintiffs’ opposition to Energizer, Plaintiffs state that “[t]he court need
22 only look at the two air freshners side by side and the infringement is as plain as
23 the nose on one face.” (ECF No. 68 at 10-11). Plaintiffs assert “if it walks like a
24 duck, quacks like a duck it’s a duck. The same applies to the infringement of the
25 Hand Grenade Air Freshner and California Scents air fragrancing trademark.”
26 (ECF No. 68). But Plaintiffs are mistaken. A side-by-side comparison of the
27 marks, however similar the marks may be, does not by itself prove likelihood of
28 consumer confusion. *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174

1 F.3d 1036, 1055 (9th Cir. 1999) (“The similarity of marks alone, as we have
2 explained, does not necessarily lead to consumer confusion.”); *Levi Strauss &*
3 *Co. v. Blue Bell, Inc.*, 632 F.2d 817, 822 (9th Cir. 1980) (“It is axiomatic in
4 trademark law that “side-by-side” comparison is not the test.”); *Walt Disney*
5 *Prods. v. Air Pirates*, 581 F.2d 751, 759 (9th Cir. 1978) (“While a comparison of
6 the mark and the imitation is one such factor, that comparison should not be a
7 simple, visual, side-by-side comparison but rather the mark and the imitation
8 should be viewed in light of what occurs in the marketplace, . . . taking into
9 account the circumstances surrounding the purchase of the goods.”) (internal
10 citations and quotations omitted).

11 For Plaintiffs to state a plausible claim and survive a Motion to Dismiss,
12 Plaintiffs must allege additional *Sleekcraft* factors besides the similarity of the
13 marks and support those allegations with facts. *Id.* It is not enough to simply say
14 “the Exhibits [showing the marks side by side] previously submitted to the court .
15 . . . tell the entire story” and make conclusory, sweeping allegations with no
16 support. (ECF No. 68 at 12). Plaintiffs must plead **facts** concerning any number
17 of the following factors: (1) strength of the mark; (2) proximity of the goods; (3)
18 similarity of the marks; (4) evidence of actual confusion; (5) marketing channels
19 used; (6) type of goods and the degree of care likely to be exercised by the
20 purchaser; (7) defendant’s intent in selecting the mark; and (8) likelihood of
21 expansion of the product lines. *Sleekcraft Boats*, 599 F.2d at 348-49.

22 Likelihood of confusion is insufficiently pled.

23 **3. Dilution**

24 “Dilution refers to the ‘whittling away of the value of a trademark when it’s
25 used to identify different products.’ ” *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d
26 894, 903 (9th Cir. 2002). It “works its harm not by causing confusion in
27 consumers’ minds regarding the source of a good or service, but by creating an
28 association in consumers’ minds between a mark and a different good or

1 service.” *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 805 (9th Cir. 2002).
2 To prevail on a dilution claim, a plaintiff must show (1) its mark is famous; (2) that
3 defendant is making use of the mark in commerce; and (3) defendant’s use is
4 likely to cause dilution by blurring or by tarnishment of the famous mark. 15
5 U.S.C. § 1125(c)(1).

6 For dilution purposes, a mark is famous if it is “widely recognized by the
7 general consuming public.” 15 U.S.C. § 1125(c)(2)(A). For a mark to qualify as
8 famous, it must be “so well known as to attain the status of a household name”
9 nationwide. See 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair*
10 *Competition*, § 24:104 (5th ed); *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d
11 894, 911 (9th Cir. 2002). In determining whether a mark rises to the level of “a
12 household name,” courts may consider the following factors: (1) the duration,
13 extent, and geographic reach of advertising and publicity of the mark; (2) the
14 amount, volume, and geographic extent of sales of goods or services offered
15 under the mark; (3) the extent of actual recognition of the mark; and (4) whether
16 the mark was registered. 15 U.S.C. § 1125(c)(2)(A). Examples of famous marks
17 include Nike, Starbucks, and Hot Wheels. See *Aegis Software, Inc. v. 22nd Dist.*
18 *Agr. Ass’n.*, 255 F.Supp.3d 1005, 1009-10 (S.D. Cal. 2017) (listing cases).

19 Plaintiffs have failed to adequately plead fame. The TAC asserts Plaintiffs’
20 products enjoy “long and extensive sale[s] across the United States,” and “are
21 well known and well received.” (Compl. at ¶ 5). Plaintiffs plead that the
22 “Grenade Design Marks are famous,” “inherently distinctive,” and widely
23 recognized by the general consuming public.” (Compl. at ¶ 9). Plaintiffs also cite
24 “success and substantial sales with the Serious Scents Grenade and Little
25 Grenade air freshner products since 1993.” (Compl. at ¶ 59). Plaintiffs offer no
26 facts, only conclusions. The TAC merely recites the elements for a finding of
27 fame. Moreover, enjoying “success and substantial sales” does not make
28 Plaintiff’s products a “household name.” Because the TAC pleads no facts to

1 support a finding of fame, Plaintiff's dilution claim must be dismissed. The Court
2 need not reach the remainder of the dilution inquiry.

3 **4. Conclusion**

4 Court grants Car-Freshner's and Energizer's Motions to Dismiss the TAC
5 for failure to state a valid trademark claim under Rule 12(b)(6).

6 **V. THE TAC FAILS TO STATE A CLAIM FOR FALSE AND FRIVOLOUS** 7 **LITIGATION**

8 The Court must also address Car-Freshner's Motion to Dismiss the TAC for
9 failure to state a claim for damages resulting from false and frivolous lawsuits.
10 The TAC alleges that Car Freshner is "legally infamous for bringing false and
11 frivolous claims," and "uses frivolous lawsuit[s] and their cost as a tool for
12 restraint of trade." (TAC ¶¶ 15, 16). "The positive ruling in the favor of Mr.
13 Nasser by the Trademark Board serves as valid legal proof that the 4+ years of
14 costly litigation was in fact and truth frivolous in nature" (TAC ¶ 46). The TAC
15 seeks damages and costs as a result. Plaintiffs assert an alter ego theory of
16 liability, stating "Car Freshner Co. and Julius Samann Ltd. are just different
17 pockets in the same pair of pants." (ECF No. 93 at 5). Plaintiffs cite *Octane*
18 *Fitness LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545 (2014) as a dispositive
19 case that "essentially made it easier for courts to make the loser . . . pay for all
20 attorney costs if the lawsuit is regarded as frivolous." (ECF No. 93 at 5).

21 Defendant Car-Freshner argues that Plaintiffs' attempt to hold Car-
22 Freshner liable for "frivolous lawsuits" fails as a matter of law because (1) JSL,
23 not Car-Freshner, was a party to the TTAB proceeding and has not been
24 properly served; (2) petitioning activity to the TTAB is protected; and (3) the
25 TTAB proceeding was not such an "exceptional" case that it requires an award of
26 costs and damages. (ECF No.58-1 at 11-14).

27 Car-Freshner was not a party to the TTAB proceeding, though a legal
28 coordinator for Car-Freshner did testify on behalf of JSL. (See TAC, Exh. 8).

1 Regardless, Car-Freshner correctly argues that petitioning activity to the TTAB is
2 protected under the *Noerr-Pennington* doctrine. Under the *Noerr-Pennington*
3 doctrine, “defendants are immune from antitrust liability for engaging in conduct
4 (including litigation) aimed at influencing decisionmaking by the government.”
5 *Octane Fitness*, 572 U.S. at 556. But “sham litigation,” i.e., an “objectively
6 baseless lawsuit” that conceals “an attempt to interfere directly with the business
7 relationships of a competitor,” does not enjoy *Noerr-Pennington* immunity. *Id.* In
8 crafting the doctrine and carving out the narrow “sham litigation” exception, the
9 Supreme Court was motivated by a desire “to avoid chilling the exercise of the
10 First Amendment right to petition the government for the redress of grievances.”
11 *Id.*

12 Generally, sham litigation is “evidenced by repetitive lawsuits carrying the
13 hallmark of insubstantial claims,” or “private action that is not genuinely aimed at
14 procuring favorable government action as opposed to a valid effort to influence
15 government action.” *Professional Real Estate Investors, Inc. v. Columbia*
16 *Pictures, Indus., Inc.*, 508 U.S. 49, 58 (1993) (internal quotations and alterations
17 omitted). “[E]vidence of anticompetitive intent or purpose alone cannot
18 transform otherwise legitimate activity into a sham.” *Id.* at 59. An exceptional
19 case “is simply one that stands out from others with respect to the substantive
20 strength of a party’s litigating position (considering both the governing law and
21 the facts of the case) or the unreasonable manner in which the case was
22 litigated.” *Octane Fitness, LLC*, 572 U.S. at 554 (2014).

23 The TAC includes the TTAB ruling, which shows JSL lost because it failed
24 to meet preponderance of evidence burden; not because its opposition or
25 manner of filing the lawsuit was unreasonable. (See ECF No. 52-9). No facts in
26 the record or allegations in the TAC suggest that the litigation was so exceptional
27 as to merit an award of attorney’s costs and fees. JSL and Car-Freshner are
28 permitted to use litigation to influence government action in favor of their

1 business and trade. See *Professional Real Estate Investors, Inc.*, 508 U.S. at
2 59. Every petition in which the moving party loses cannot be deemed “sham”
3 litigation.” Plaintiffs have thus failed to state a claim for sham litigation. The
4 Court grants Car-Freshner’s Motion to Dismiss the allegation of false and
5 frivolous claims.

6 **VI. PLAINTIFFS’ SUPPLEMENTAL PLEADING TO “EXTINGUISH” THE**
7 **LITTLE TREE TRADEMARK**

8 Plaintiffs filed a supplemental pleading requesting the “extinguishment of the
9 Defendant Trademark Little Tree.” (ECF No. 87). The pleading reads like a new
10 Complaint, alleging that (1) Defendants have engaged in “bullying” litigation
11 around the Little Tree trademark and, (2) the Little Tree trademark is no longer
12 protected because it is in the public domain, rendering Defendants’ trademark
13 litigation frivolous. (ECF No. 87).

14 With respect to the first claim, the Court construes the pleading as a motion
15 for leave to amend the claims for false and frivolous litigation discussed above.
16 The supplemental pleading is deficient for the same reasons as the TAC: Plaintiffs
17 have failed to allege facts sufficient to state a claim for sham litigation. Again, a
18 claim for sham litigation requires Plaintiffs to show that the case is exceptional
19 “with respect to the substantive strength of a party’s litigation position (considering
20 both the governing law and the facts of the case) or the unreasonable manner in
21 which the case was litigated.” *Octane Fitness*, 572 U.S. at 554. Courts “may
22 determine whether a case is ‘exceptional’ in the case-by-case exercise of their
23 discretion, considering the totality of the circumstances.” *Id.* Although there is no
24 “precise rule or formula,” Courts consider evidence of “frivolousness, motivation,
25 objective unreasonableness (both in the factual and legal components of the case)
26 and the need in particular circumstances to advance considerations of
27 compensation and deterrence.” *Id.* at 554 n.6. The Court grants Plaintiffs leave
28 to amend the claim regarding false and frivolous litigation.

1 As for the second claim, which asserts that the Little Tree “design patent” is
2 in the “public domain” and therefore unprotected, Plaintiffs introduce this argument
3 in support of its “false and frivolous” litigation allegations for the first time.
4 Generally, a court will permit the addition of new claims or theories of liability if the
5 court previously granted leave to amend without limitation. *See Eminence Capital,*
6 *LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1053 (9th Cir. 2003) (holding district court
7 erred by denying leave to file fourth amended complaint where plaintiffs “had not
8 filed three substantially similar complaints” . . . “re-alleging the same theories in
9 an attempt to cure pre-existing deficiencies”); *Worldwide Travel, Inc. v.*
10 *Travelmate US, Inc.*, No. 14-CV-00155-BAS(DHB), 2016 WL 1241026, at *5 (S.D.
11 Cal. Mar. 30, 2016) (listing cases). But if leave to amend was given to cure
12 specific deficiencies, courts will dismiss or strike claims alleged for the first time in
13 the amended pleading. *See Worldwide Travel, Inc.*, 2016 WL 1241026, at *5.
14 Here, none of the Court’s previous orders specified which claims Plaintiffs were
15 to cure by amendment. (See ECF Nos. 28, 40, 51). Accordingly, the Court will
16 permit Plaintiffs to assert this new theory of liability in the Fourth Amended
17 Complaint.

18 **VII. ENERGIZER’S REQUEST TO STAY OR DISMISS THE CASE**
19 **PURSUANT TO FIRST-TO-FILE IS DENIED AS MOOT**

20 Energizer asks the Court to dismiss or stay the case because Energizer filed
21 a related case in Missouri more than seven weeks before Plaintiffs filed the
22 California action. (ECF No. 59 at 7). Because the Missouri Action has since been
23 transferred to this Court, the Court denies Energizer’s request as moot. See ECF
24 No. 77; *Energizer Brands II LLC v. Serious Scents, Inc. et al*, 18-cv-00656-BTM-
25 MDD.

26 **VIII. CONCLUSION AND ORDER**

27 For the reasons set forth above, the Court:

28 (1) GRANTS Car-Freshner’s Motion to Dismiss the TAC; (ECF No. 58)

- 1 (2) GRANTS Energizer’s Motion to Dismiss the TAC; (ECF No. 59)
2 (3) GRANTS JSL’s Motion to Quash; (ECF No. 60)
3 (4) ORDERS Plaintiffs to properly serve JSL within 30 days of this Order, or
4 JSL will be dismissed as a Defendant;
5 (5) DENIES as moot Plaintiffs’ Motion to Compel Meet and Confer, Motion
6 to Set Jury Trial, and Motion to Open Discovery; (ECF Nos. 81, 85)
7 (6) And GRANTS Plaintiffs’ Motions for Leave to Amend under conditions
8 set forth below. (ECF No. 83, 87).

9 Plaintiffs have **30 days** from the entry of this order to file the Fourth Amended
10 Complaint. The Court specifically directs Plaintiffs to amend the likelihood of
11 confusion and sham litigation allegations, and reminds Plaintiffs that in order to
12 state a viable claim, Plaintiffs must provide **facts** supporting the allegations, not
13 just conclusions. Clarity is paramount. **This is Plaintiffs’ final opportunity to**
14 **amend the pleadings as to all claims.**

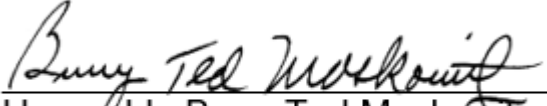
15 The Court further ORDERS Plaintiffs to submit a redline copy of the Fourth
16 Amended Complaint showing substitutions, deletions, and additions, *i.e.*, how the
17 Fourth Amended Complaint differs from the Third Amended Complaint. CivLR
18 15(c). The redline copy should be submitted with the Fourth Amended Complaint.
19 The Court reminds Plaintiffs that the amended complaint “must be complete in
20 itself without reference to the superceded pleading.” CivLR 15.1(a).

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1 The Court will *sua sponte* consider dismissal upon receiving Plaintiffs' Fourth
2 Amended Complaint. Defendants have **14 days** from the filing of the Fourth
3 Amended Complaint to submit any argument for dismissal. Plaintiffs have **14 days**
4 from that filing to respond. **Briefs must not exceed 10 pages.** Oversized briefs
5 will be rejected.

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7 IT IS SO ORDERED.

8 Dated: March 25, 2019

9 
10 Honorable Barry Ted Moskowitz
11 United States District Judge
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