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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 NATURAL THOUGHTS, INC.,
12 Plaintiff,
13 v.
14 PERFORMANCE TOUCH, LLC, et al.,
15 Defendants.

Case No.: 3:17-cv-02148-BEN-JMA
**ORDER DENYING MOTION TO
DISMISS**

16
17 Before the Court is the motion to dismiss Plaintiff’s Complaint filed by Defendants
18 Performance Touch, LLC (“Performance Touch”) and The Hygenic Corporation
19 (“Hygenic,” together “Defendants”).¹ (Docket No. 11.) The motion is fully briefed.² For
20 the following reasons, Defendants’ motion is **DENIED**.
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23 ¹ On January 10, 2018, the parties filed a joint motion to extend time for
24 Defendants to respond to Plaintiff’s Complaint. (Docket No. 10.) However, Defendants
25 filed their response before the Court issued an order. In the interests of justice and
judicial economy, the joint motion is **GRANTED**. Fed. R. Civ. P. 1.

26 ² In conjunction with their motion to dismiss, Defendants filed a Request for
27 Judicial Notice (“RJN”), which Plaintiff opposed. (Docket Nos. 11-3, 14.) On the same
28 day Defendants’ motion to dismiss and RJN reply briefs were due, Defendants filed an
unopposed ex parte motion for leave to consolidate the briefs, and attached the
consolidated brief. (Docket No. 15.) In the interests of justice and judicial economy, the

1 **BACKGROUND³**

2 Plaintiff Natural Thoughts, Inc. manufactures professional massage products, and
3 produces and sells a full line of natural massage oils, cremes, lotions and gels, as well as
4 body, face, and foot treatment products. Plaintiff’s products use the trademarks
5 “BIOTONE” (the “BIOTONE Marks”) and “DUAL-PURPOSE” (the “DUAL-
6 PURPOSE Mark”), but only the BIOTONE Marks are federally registered. Plaintiff has
7 used these marks for over thirty years.

8 Since 1986, Plaintiff has used both the BIOTONE Marks and the DUAL-
9 PURPOSE Mark continuously, prominently, and exclusively to denote the source of its
10 massage creme. Plaintiff has committed significant amounts of time, effort, and money
11 to developing a widely respected reputation in the professional massage products
12 industry. As a result, Plaintiff alleges the DUAL-PURPOSE Mark “has acquired
13 secondary meaning indicating Plaintiff as the source of its high-quality goods.” (Compl.
14 ¶ 16.)

15 In October 2013, Performance Touch and/or Hygenic approached Plaintiff about
16 purchasing Plaintiff and its BIOTONE brand. Plaintiff rejected Defendants’ offer.
17 Subsequently, in January 2014, Performance Touch acquired the Bon Vital brand, under
18 which Defendants currently advertise, produce, and sell competing professional massage
19 products. Hygenic operates www.bonvital.com/, which markets and sells Defendants’
20 professional massage and spa products to consumers and businesses on the Internet.

21 When a computer user uses Defendants’ website’s search bar, a dropdown list of
22 potentially responsive search terms appears simultaneously as the user types in letters.
23 For example, when a user types in the letter “B” followed by “I,” a dropdown list of
24 _____

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26 Court **GRANTS** Defendants’ unopposed ex parte motion to consolidate the reply
27 briefing. Fed. R. Civ. P. 1. However, the parties are reminded to comply with the Civil
28 Local Rules of this District in all future filings.

³ The following overview of the facts are drawn from the allegations of Plaintiff’s
Complaint (Docket No. 1, “Compl.”). The Court is not making findings of fact.

1 terms appears, including “Biotone Creme,” “Biotone dual purpose,” “Bitone [sic] dual
2 purpose massage creme,” “bitone [sic] dual purpose massage creme,” and “biotone dual
3 purpose.” (*Id.* ¶ 26.) Similarly, when a user types in the letter “D” followed by “U,”
4 several terms appear, including “DUAL PURPOSE MASSAGE CREME,” “dual
5 purpose,” “dual purpose massage creme,” “dual creme,” “dual purpose creme,” and “duel
6 [sic] purpose creme.” (*Id.*) Plaintiff alleges Defendants directly or indirectly set up this
7 auto-populated search function to mislead consumers about either: 1) the origin of the
8 products they sell, or 2) whether Plaintiff and Defendants are affiliated.

9 On September 17, 2017, Defendants launched their “Complete” line of products,
10 which allegedly matches or is proportional to Plaintiff’s products in terms of size and
11 price, and uses Plaintiff’s DUAL-PURPOSE Mark to trade off Plaintiff’s goodwill.

12 On October 18, 2017, Plaintiff initiated this action against Defendants alleging
13 trademark infringement, unfair competition, and false designation of origin under 15
14 U.S.C. §§ 1114 and 1125, and under California law. Defendants move for dismissal of
15 all Plaintiff’s claims pursuant to Federal Rule of Procedure 12(b)(6).

16 LEGAL STANDARD

17 Under Federal Rule of Civil Procedure 12(b)(6), a court may dismiss a complaint if
18 the complaint fails to state a plausible claim for relief on its face. *Ashcroft v. Iqbal*, 556
19 U.S. 662, 678 (2009); *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556-57 (2007).

20 Dismissal is appropriate if the complaint fails to state enough facts to raise a reasonable
21 expectation that discovery will reveal evidence of the matter complained of, or if the
22 complaint lacks a cognizable legal theory under which relief may be granted. *Twombly*,
23 550 U.S. at 556.

24 “A claim is facially plausible ‘when the plaintiff pleads factual content that allows
25 the court to draw the reasonable inference that the defendant is liable for the misconduct
26 alleged.’” *Zixiang Li v. Kerry*, 710 F.3d 995, 999 (9th Cir. 2013) (quoting *Iqbal*, 556
27 U.S. at 678). All factual allegations are accepted as true and “courts must consider the
28 complaint in its entirety, as well as other sources courts ordinarily examine when ruling

1 on Rule 12(b)(6) motions to dismiss, in particular, documents incorporated into the
2 complaint by reference, and matters of which a court may take judicial notice.” *Tellabs,*
3 *Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 322 (2007).⁴

4 While the Court must draw all reasonable inferences in the non-movant’s favor, it
5 need not “necessarily assume the truth of legal conclusions merely because they are cast
6 in the form of factual allegations.” *Warren v. Fox Family Worldwide, Inc.*, 328 F.3d
7 1136, 1139 (9th Cir. 2003) (internal quotations omitted). “Threadbare recitals of the
8 elements of a cause of action, supported by mere conclusory statements, do not suffice.”
9 *Iqbal*, 556 U.S. at 678.

10 DISCUSSION

11 Plaintiff’s Complaint asserts claims for: (1) unfair competition and false
12 designation of origin and (2) trademark infringement under the Lanham Act, 15 U.S.C.
13 §§ 1114 and 1125, and California law. Because the parties’ briefings for the instant
14 motion to dismiss address Plaintiff’s claims collectively rather than individually, the
15 Court similarly analyzes the claims together in determining Defendants’ motion. *See*
16 *Cleary v. News Corp.*, 30 F.3d 1255, 1262-63 (9th Cir. 1994) (“This Circuit has
17 consistently held that state common law claims of unfair competition and actions
18 pursuant to California Business and Professions Code § 17200 are ‘substantially
19 congruent’ to claims made under the Lanham Act.”) (internal citations omitted); *Hokto*
20 *Kinoko Co. v. Concord Farms, Inc.*, 810 F. Supp. 2d 1013, 1031 (C.D. Cal. 2011) (“[T]he
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23 ⁴ Defendants request the Court take judicial notice of several documents, including
24 documents from the United States Patent and Trademark Office, as well as information
25 publicly available on various websites and declarations from their counsel. (Docket Nos.
26 11-3, 15-2.) Although judicial notice of facts in connection with a motion to dismiss is
27 appropriate in certain instances, the Court concludes judicial notice of the requested
28 documents is not presently warranted. Specifically, Defendants seek to use these
documents to disprove Plaintiff’s factual allegations, which the Court is required to
assume true at the motion to dismiss stage. Therefore, Defendants’ requests for judicial
notice are **DENIED**.

1 courts have uniformly held that common law and statutory trademark infringement are
2 merely specific aspects of unfair competition.”) (citing *New West Corp. v. NYM Co. of*
3 *Cal., Inc.*, 595 F.2d 1194, 1201 (9th Cir. 1979)).⁵

4 “To state a claim for infringement of a registered trademark under 15 U.S.C.
5 § 1114, a plaintiff must plausibly allege that (1) plaintiff owns a registered trademark; (2)
6 plaintiff’s use of that mark began before the defendant’s use; (3) the defendant’s use is
7 without the plaintiff’s consent; and (4) the defendant’s use is likely to cause confusion, or
8 to cause mistake, or to deceive.” *Gorski v. The Gymboree Corp.*, No. 14-CV-01314-
9 LHK, 2014 WL 3533324, at *5 (N.D. Cal. July 16, 2014) (citing 15 U.S.C. § 1114(a);
10 *Century 21 Real Estate v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir. 1998)). The elements
11 for a false designation of origin claim under 15 U.S.C. § 1125(a) “are identical to the
12 above four elements of registered trademark infringement under 15 U.S.C. § 1114, except
13 that the plaintiff’s trademark need not be registered.” *Id.* (citing 15 U.S.C. § 1125(a)).

14 **A. The BIOTONE Marks**

15 Defendants challenge whether the Complaint adequately alleges that Defendants
16 commercially use the BIOTONE Marks or that a likelihood of confusion exists. The
17 Court finds both sufficiently pleaded.

18 1) Commercial use

19 Relying on *Hamzik v. Zale Corp./Delaware*, No. 306-CV-1300, 2007 WL 1174863
20 (N.D.N.Y. Apr. 19, 2007) and *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, Defendants
21 contend they do not infringe Plaintiff’s BIOTONE Marks as a matter of law because “it is
22 the [Defendants’] website visitors, *not Defendants*, who are using Plaintiff’s trademarks
23 in commerce.” (Mot. at p. 4) (emphasis in original.)

24 “Infringement claims are subject to a commercial use requirement.” *Bosley Med.*
25 *Inst., Inc. v. Kremer*, 403 F.3d 672, 676 (9th Cir. 2005) (quoting “use in commerce”
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28 ⁵ For the sake of brevity, the Court refers to Plaintiff’s claims collectively as
“trademark infringement” claims throughout the remainder of this Order.

1 language in 15 U.S.C. § 1114). The Ninth Circuit has interpreted the commercial use
2 requirement as “use in connection with the sale of goods.” *Id.* at 676-77 (“The Supreme
3 Court has made it clear that trademark infringement law prevents only unauthorized uses
4 of a trademark in connection with a commercial transaction in which the trademark is
5 being used to confuse potential consumers.”) (citing *Prestonettes, Inc. v. Coty*, 264 U.S.
6 359, 368 (1924)).

7 Here, Plaintiff’s Complaint alleges Defendants use their website “to market and
8 sell their professional massage and spa products online to consumers and businesses.”
9 (Compl. ¶ 26.) As detailed in the factual background above, Plaintiff further alleges that,
10 prior to a computer user’s complete entry of certain words/terms in Defendants’ website’s
11 search bar, Defendants cause the BIOTONE Marks to appear in an auto-populated
12 dropdown list for the user to select and search on Defendants’ website. When a user
13 selects one of the auto-populated BIOTONE Marks options, such as “biotone dual
14 purpose,” “the link instead directs the user to a page listing Bon Vital products” and
15 displaying the statement “SEARCH RESULTS FOR BIOTONE DUAL PURPOSE.”
16 (Compl. ¶ 27.) The Court finds these allegations sufficient to plead commercial use.

17 Defendants’ reliance on *Hamzik* and *1-800 Contacts* is misplaced. First, neither
18 case is binding on this Court. Second, both cases are distinguishable from the instant
19 action. In *Hamzik*, the plaintiff’s theory of infringement was based on a computer user
20 completely typing the plaintiff’s trademark (“dating rings”) into the search function of the
21 defendant’s website, after which the website displayed: “you typed: dating rings” and
22 then displayed hundreds of rings with varying descriptions. *Hamzik*, 2007 WL 1174863,
23 at *2. The district court dismissed the plaintiff’s trademark infringement claims based on
24 these allegations after concluding that “[t]he fact that the website exhibited (displayed
25 back) the search phrase *entered by the computer user* does not transform Defendant’s
26 actions into a ‘use’ within the Lanham Act.” *Id.* (emphasis added).

27 The facts in *1-800 Contacts* are even more distinguishable than *Hamzik*. In that
28 case, the defendant was an internet marketing company that used a proprietary software

1 to monitor a computer user's internet activity in order to provide the computer user with
2 relevant advertising in the form of "pop-up ads." *I-800 Contacts*, 414 F.3d at 402. The
3 plaintiff alleged the defendant infringed its trademark when it caused a competitor's ads
4 to appear in separate pop-up windows when a computer user, *who had downloaded the*
5 *software*, intentionally accessed the plaintiff's website. *Id.* at 405. In short, *I-800*
6 *Contacts* is inapposite to the Court's analysis.

7 Here, Plaintiff's claim is based Defendants' use of its BIOTONE Marks as a
8 suggested search term that appears *prior to* a computer user's independent entry of that
9 complete term as a search. The distinction is slight but important. Unlike in *Hamzik*, a
10 reasonable inference may be drawn that the auto-populated search terms using Plaintiff's
11 BIOTONE Marks on Defendants' website could mislead a consumer as to whether
12 Plaintiff's products could be purchased on Defendants' website or whether Plaintiff and
13 Defendants are affiliated. Therefore, Plaintiff has stated a plausible claim for trademark
14 infringement of its BIOTONE Marks, and Defendants' motion on this ground is
15 **DENIED.**

16 2) Likelihood of Confusion.

17 Defendants alternatively contend dismissal is appropriate because Plaintiff has not
18 plausibly alleged that consumers are likely to be confused by Defendants' use of
19 Plaintiff's BIOTONE Marks because "when a search is performed utilizing Plaintiff's
20 trademarks, all results displayed . . . are clearly identified as products sourced from
21 Defendants." (Mot. at p. 13.)

22 The likelihood of confusion element is generally a question of fact that is not
23 appropriate for determination on a motion to dismiss. *See Clicks Billiards, Inc. v.*
24 *Sixshooters, Inc.*, 251 F.3d 1252, 1264-65 (9th Cir. 2001) ("trial courts disfavor deciding
25 trademark cases in summary judgments because the ultimate issue is so inherently factual
26 Additionally, the question of likelihood of confusion is routinely submitted for jury
27 determination as a question of fact.") (quoting *Levi Strauss & Co. v. Blue Bell Inc.*, 778
28 F.2d 1352, 1355 n.5) (citations omitted in original; internal quotation marks omitted).

1 Defendants urge the Court to apply the Ninth Circuit’s reasoning in *Multi Time*
2 *Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930 (9th Cir. 2015) and find Plaintiff cannot
3 state a claim for trademark infringement. In *Multi Time Mach.*, Amazon was accused of
4 trademark infringement for displaying search results using the plaintiff’s trademark
5 (“MTM Special Ops”) following a consumer’s search for the trademarked terms on
6 Amazon’s website. *Id.* at 933-34. The trial court granted Amazon’s motion for summary
7 judgment, specifically finding no likelihood of confusion. *Id.* at 935. On appeal, the
8 Ninth Circuit affirmed the trial court’s determination that no likelihood of confusion
9 existed, explaining:

10 Because Amazon clearly labels each of the products for sale by
11 brand name and model number accompanied by a photograph
12 of the item, it is unreasonable to suppose that the reasonably
13 prudent consumer accustomed to shopping online would be
confused about the source of the goods.

14 *Id.* at 938.

15 Defendants’ argument is inappropriate at this time because it relies entirely on
16 extrinsic evidence, which the Court may not consider in deciding a Rule 12(b)(6) motion
17 to dismiss. Plaintiff’s Complaint alleges Defendants’ use of Plaintiff’s BIOTONE Marks
18 in the search function of its website misleads consumers as to whether Plaintiff’s
19 products may be purchased on Defendants’ website or whether Plaintiff and Defendants
20 are affiliated with one another. The Complaint further alleges Defendants set up their
21 website to cause this confusion. On a complete factual record a trier of fact may
22 ultimately conclude there is no likelihood of confusion, or perhaps such a determination
23 could be made based on undisputed facts at the summary judgment stage. But at present,
24 the Complaint pleads facts sufficient to make out a plausible claim of a likelihood of
25 confusion. As a result, the motion to dismiss is **DENIED** on this ground.

26 **B. The DUAL-PURPOSE Mark**

27 Defendants next argue that dismissal is warranted as to the DUAL-PURPOSE
28 Mark infringement claims because Plaintiff has not plausibly alleged the mark has

1 attained secondary meaning. Alternatively, Defendants argue that even if Plaintiff has
2 sufficiently alleged secondary meaning, they are nevertheless entitled to raise the classic
3 fair use defense as a matter of law. The Court finds both arguments premature.

4 1) Secondary Meaning

5 “[O]n a motion to dismiss, a plaintiff does not have to specifically allege its
6 common law trademark has attained secondary meaning, because it can be inferred from
7 evidence relating to proof of intentional copying or public exposure achieved by the
8 designation.” *BottleHood, Inc. v. Bottle Mill*, No. 11-CV-2910-MMA-MDD, 2012 WL
9 1416272, at *5 (S.D. Cal. Apr. 23, 2012) (citations omitted).

10 Like their arguments for dismissal of the BIOTONE Marks, Defendants’
11 improperly attempt to prove with extrinsic evidence that Plaintiff cannot demonstrate the
12 DUAL-PURPOSE Mark has attained secondary meaning. But the standard for a motion
13 to dismiss is not whether Plaintiff can ultimately prove the DUAL-PURPOSE Mark has
14 attained secondary meaning, but rather whether the factual allegations of its pleading
15 plausibly allege secondary meaning. *See BottleHood, Inc.*, 2012 WL 1416272, at *5
16 (“Although these allegations provide the Court with minimal detail regarding secondary
17 meaning, Plaintiff does not have to plead secondary meaning to survive a motion to
18 dismiss. . . . Therefore, the Court will not consider whether Plaintiff can ultimately prove
19 secondary meaning at this time.”) (citation omitted).

20 Plaintiff’s Complaint specifically alleges that “since at least as early as 1986” it has
21 “continuously, prominently and exclusively used both the BIOTONE Marks and the
22 DUAL-PURPOSE Mark to denote the source of its massage creme.” (Compl. ¶ 16.)
23 Plaintiff further alleges that it has “committed significant amounts of time, effort and
24 money to developing a widely respected reputation in the professional massage products
25 industry through which the DUAL-PURPOSE Mark has acquired secondary meaning
26 indicating Plaintiff as the source.” (*Id.*) The Court finds these allegations sufficient to
27 withstand Defendants’ motion to dismiss. Accordingly, Defendants’ motion on this
28 ground is **DENIED**.

1 2) Classic Fair Use Defense

2 Finally, Defendants assert they are entitled to raise the classic fair use defense
3 against Plaintiff’s claims of trademark infringement of the DUAL-PURPOSE MARK.
4 Plaintiff’s opposition does not directly address Defendants’ argument as it argues against
5 the Court’s application of the nominative fair use defense. (Opp’n at p. 21.)

6 The Ninth Circuit “distinguish[es] two types of fair use: ‘classic fair use,’ in which
7 ‘the defendant has used the plaintiff’s mark to describe the defendant’s *own* product,’ and
8 ‘nominative fair use,’ in which the defendant has used the plaintiff’s mark ‘to describe
9 the *plaintiff’s* product[.]’” *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150-51 (9th Cir.
10 2002) (emphasis added in original) (citing *New Kids on the Block v. News Am. Publ’g,*
11 *Inc.*, 971 F.2d 302, 308 (9th Cir. 1992)).

12 Here, Defendants contend they are entitled to raise the fair use defense because
13 they merely use the words “dual purpose” to accurately describe their own products.
14 Thus, Defendants raise a classic fair use defense. Under the common law classic fair use
15 defense, “[a] junior user is always entitled to use a descriptive term *in good faith* in its
16 primary, descriptive sense other than as a trademark.” *Id.* at 1150-51 (quoting 2
17 *McCarthy on Trademark and Unfair Competition* § 11:45 (4th ed. 2001) (internal
18 quotation marks omitted; emphasis added). “To establish a classic fair use defense, a
19 defendant must prove the following three elements: ‘1. Defendant’s use of the term is not
20 as a trademark or service mark; 2. Defendant uses the term ‘fairly and in good faith’; and
21 3. [Defendant uses the term] ‘[o]nly to describe’ its goods or services.’” *Id.* at 1151
22 (citing 2 *McCarthy on Trademark and Unfair Competition* § 11:49).

23 “The Ninth Circuit has held that fair use ‘may be considered on a motion to
24 dismiss, which requires the court to consider all allegations to be true, in a manner
25 substantially similar to consideration of the same issue on a motion for summary
26 judgment, when no material facts are in dispute.’” *Pinpoint Publ’ns, LLC v. Susco*
27 *Media, Inc.*, No. 15-CV-301-AJB-NLS, 2015 WL 12670509, at *5 (S.D. Cal. May 29,
28 2015) (quoting *Leadsinger, Inc. v. BMG Music Pub.*, 512 F.3d 522, 530 (9th Cir. 2008)).

1 The Court finds Defendants have not established the classic fair use defense
2 applies as a matter of law. Even assuming Defendants do not use Plaintiff's DUAL-
3 PURPOSE Mark as a trademark and only uses the mark to describe its own goods,
4 Plaintiff alleges Defendants' use was in bad faith. Specifically, the Complaint alleges
5 that in October 2013, Defendants approached Plaintiff about purchasing Plaintiff and its
6 BIOTONE brand, in part because of the goodwill and reputation associated with the
7 BIOTONE Marks and the DUAL-PURPOSE Mark. After Plaintiff rejected Defendants'
8 offer, Performance Touch acquired the Bon Vital brand, under which Defendants
9 currently advertise, produce, and sell competing professional massage products. On
10 September 17, 2017, Defendants launched their "Complete" line of products, which
11 allegedly matches or is proportional to Plaintiff's products in terms of size and price, and
12 uses Plaintiff's DUAL-PURPOSE Mark to trade off Plaintiff's goodwill.

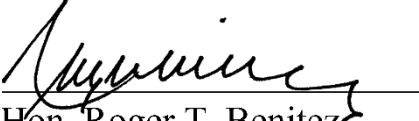
13 The Court finds these allegations plausible and, if proven true, would preclude
14 Defendants' ability to raise the classic fair use defense. As previously discussed, after
15 discovery Defendants may be able to demonstrate that they are entitled to raise the classic
16 fair use defense, but the Court cannot decide this factual determination at this stage.
17 Therefore, Defendants' motion to dismiss on this ground is also **DENIED**.

18 CONCLUSION

19 For all of the foregoing reasons, Defendants' motion to dismiss Plaintiff's
20 Complaint is **DENIED**.

21 **IT IS SO ORDERED.**

22
23 Dated: July 27, 2018

24 
25 Hon. Roger T. Benitez
26 United States District Judge
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