

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF CALIFORNIA

3 RESIDENTIAL ENERGY SERVICES  
4 NETWORK, INC.,

5 Plaintiff,

6 v.

7 BUILDING SCIENCE INSTITUTE,  
8 LTD. CO., et al.,

9 Defendants.

Case No.: 3:22-cv-1641-AGS-MSB

**ORDER DENYING:**

- (1) **DEFENDANTS’ DISMISSAL MOTION (ECF 42);**  
(2) **DEFENDANTS’ MOTION TO STRIKE (ECF 42); AND**  
(3) **JUDICIAL-NOTICE REQUESTS (ECF 42-4 & 47-2)**

10  
11 In this trademark-infringement case, defendants move to dismiss the second  
12 amended complaint or, in the alternative, to strike portions of it.

13 **BACKGROUND**<sup>1</sup>

14 Since 2007, plaintiff Residential Energy Services Network (RESNET) has owned a  
15 trademark for the acronym “HERS.” (*Id.* at 4–5; *see* ECF 40-7, at 2–3.) According to  
16 RESNET, its “Home Energy Rating System (‘HERS®’) Index is the industry standard by  
17 which a home’s energy efficiency is measured.” (ECF 40, at 3.)

18 In 2022, defendant Building Science Institute, Ltd. Co. (BSI)—a newly formed  
19 competitor and self-described “alternative to RESNET”—sent a mass-solicitation email  
20 touting the advantages of its “home energy rating system (H.E.R.S.) Quality Management  
21 System.” (*Id.* at 7–8; *see* ECF 40-10, at 2.) BSI’s website repeated that language, referring  
22 to “the BSI home energy rating system (H.E.R.S.)” as well as BSI’s objective to “bring  
23 professional quality management standards to the home energy rating system (H.E.R.S.)  
24 industry.” (ECF 40, at 7.)

25  
26  
27 <sup>1</sup> At this early stage, the Court accepts “the factual allegations in the complaint as  
28 true” and construes them “in the light most favorable to the plaintiff.” *GP Vincent II v. Estate of Beard*, 68 F.4th 508, 514 (9th Cir. 2023).

1 RESNET promptly sued, alleging that BSI’s use of “H.E.R.S.” infringed its  
2 trademark rights. And this Court preliminarily enjoined defendants’ use of “HERS.” (*See*  
3 ECF 28.) RESNET later filed a second amended complaint, which defendants now seek to  
4 dismiss or to strike.

## 5 DISCUSSION

### 6 MOTION TO DISMISS

7 Defendants move to dismiss all RESNET’s causes of action: Lanham Act claims of  
8 trademark infringement, false advertising, false designation of origin, and unfair  
9 competition, as well as a violation of California’s Unfair Competition Law. To survive  
10 such a motion, a complaint must contain enough facts to “state a claim to relief that is  
11 plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). All allegations in the  
12 complaint are taken as true, save allegations that are “sufficiently fantastic to defy reality  
13 as we know it.” *Id.* at 696.

#### 14 **A. Trademark-Infringement Claim**

15 For RESNET to state a claim of trademark infringement under the Lanham Act, it  
16 must plausibly allege: (1) “a valid, protectable trademark,” (2) which it “owns . . . as a  
17 trademark,” and (3) that “defendant used” a “mark similar to” it “in interstate commerce”  
18 (4) “without the consent of the plaintiff in a manner that is likely to cause confusion among  
19 ordinary consumers as to the source, sponsorship, affiliation, or approval of the goods.”  
20 Ninth Circuit Model Jury Instructions § 15.6 (2017 ed., last updated June 2024).

##### 21 **1. Ownership**

22 “Registration of a mark is prima facie evidence of . . . the registrant’s ownership of  
23 the mark.” *Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1124 (9th Cir. 2014). The  
24 complaint alleges that on “January 3, 2007, RESNET filed for a trademark on ‘HERS,’”  
25 and on “September 16, 2017, RESNET received its renewal for the ‘HERS’ trademark.”  
26 (ECF 40, at 4–5.) These facts alone sufficiently allege ownership.

27 Defendants nonetheless assail the ownership allegations based on a key attachment  
28 to the complaint: the mark’s registration. That document reflects the registrant as an

1 Arkansas entity (ECF 40-4, at 2), which defendants reckon excludes the California-based  
2 plaintiff from ownership. (See ECF 42, at 13.) While a court may treat an attachment as  
3 part of the complaint itself “and thus may assume that its contents are true for purposes of  
4 a motion to dismiss,” *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003), it “must  
5 resolve any ambiguities in the considered documents in the plaintiff’s favor,” *Hearn v. R.J.*  
6 *Reynolds Tobacco Co.*, 279 F. Supp. 2d 1096, 1102 (D. Ariz. 2003). Thus, this Court  
7 cannot take such a cramped view of the registration. In the light most favorable to plaintiff,  
8 in fact, it supports RESNET’s ownership claim. First, the name of the mark’s registrant—  
9 “Residential Energy Services, Inc.”—is strikingly similar to plaintiff’s, whatever its state  
10 of incorporation. (See ECF 40-4, at 2.) Second, the address for that “Arkansas” registrant  
11 is in Oceanside, California. (*Id.*) Finally, RESNET also attached the trademark’s  
12 2017 renewal, which identifies the mark’s registered owner as “Residential Energy  
13 Services Network, In[c.]”—plaintiff’s precise name. (See ECF 40-7, at 2.) Resolving all  
14 ambiguities in plaintiff’s favor, RESNET has plausibly pleaded that it owned the “HERS”  
15 mark during the relevant 2022 events.

## 16 **2. Other Arguments**

17 Defendants otherwise maintain that their references to “HERS” were descriptive fair  
18 use and that, in any event, “HERS” is an unprotectable “generic” term. (See ECF 42,  
19 at 13–23.) And they gesture towards unprotected goods and services allegedly outside the  
20 scope of RESNET’s trademark.

21 “A claim may only be dismissed for failure to allege a likelihood of confusion if the  
22 court determines as a matter of law from the pleadings that the goods are unrelated and  
23 confusion is unlikely.” *Mosaic Brands, Inc. v. Ridge Wallet LLC*, No. 2:20-cv-04556-AB  
24 (JCx), 2021 WL 922074, at \*5 (C.D. Cal. Jan. 7, 2021) (quotation marks omitted). Due to  
25 this high standard, and “because of its fact intensive nature, the fair use analysis is not  
26 generally resolvable at the pleading stage.” *Vampire Fam. Brands, LLC v. MPL Brands,*  
27 *Inc.*, No. CV 20-9482-DMG (ASX), 2021 WL 4134841, at \*5 (C.D. Cal. Aug. 6, 2021).  
28 Similarly, courts are “normally preclude[d] from determining at the pleading stage whether

1 a mark is generic.” *Pinterest Inc. v. Pintrips Inc.*, 15 F. Supp. 3d 992, 998 (N.D. Cal. 2014).  
2 This case illustrates why. Whether BSI’s use of “HERS” was merely “descriptive” and  
3 “fair” may turn on whether it is too generic to be trademarked in the first place. (*See* ECF 42,  
4 at 20 (claiming that government agencies “utilized the acronym HERS” generically as early  
5 as 1981).) And RESNET will surely argue that BSI used “H.E.R.S.” as a mark, not merely  
6 “to describe [its] goods and services.” *See* 15 U.S.C. § 1115(b)(4). Yet such factual  
7 disputes “have no bearing on the legal sufficiency of the allegations under Rule 12(b)(6).”  
8 *Lee v. City of Los Angeles*, 250 F.3d 668, 688 (9th Cir. 2001).

9 At any rate, the Court cannot resolve these questions now as a matter of law, without  
10 further factual development. *See Pinterest Inc.*, 15 F. Supp. 3d at 998–99 (restricting  
11 dismissal motions on these issues to cases in which “the complaint suffers from a *complete*  
12 failure to state a plausible basis for trademark protection” (emphasis added)).

13 Separately, defendants argue that RESNET “wants this Court to increase the scope  
14 of protection for goods and services to include additional goods and services not expressly  
15 covered in [RESNET’s] trademark registration.” (ECF 42, at 16.) But under the Lanham  
16 Act “a trademark owner may seek redress if another’s use of the mark on *different* goods  
17 or services is likely to cause confusion with the owner’s use of the mark in connection with  
18 its registered good.” *Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d 966, 971 (9th Cir.  
19 2007) (emphasis added).

20 In sum, the motion to dismiss RESNET’s trademark-infringement claim fails.

## 21 **B. False-Advertising Claim**

22 Defendants seek to dismiss the second amended complaint “in its entirety,” which  
23 would include RESNET’s false-advertising cause of action. (ECF 42, at 10.) Such a claim  
24 comprises five unique elements, *see Wells Fargo & Co. v. ABD Ins. & Fin. Servs.*, 758 F.3d  
25 1069, 1071–72 (9th Cir. 2014), but defendants fail to address even one. “It is not the district  
26 court’s task ‘to scour the record’ for support to the parties’ arguments.” *IP Glob. Invs. Am.,*  
27 *Inc. v. Body Glove IP Holdings, LP*, No. 2:17-cv-06189-ODW (AGR), 2018 WL 5983550,  
28

1 at \*2 (C.D. Cal. Nov. 14, 2018) (quoting *Keenan v. Allan*, 91 F.3d 1275, 1278 (9th Cir.  
2 1996)). So, the request to dismiss RESNET’s false-advertising claim is denied.

3 **C. Other Claims**

4 RESNET’s three remaining claims rise or fall with its trademark-infringement claim,  
5 and thus pass muster for present purposes. A claim for false designation of origin is “subject  
6 to the same standard” as trademark infringement, “except a claim for false designation of  
7 origin does not require that the mark be registered.” *Celebrity Chefs Tour, LLC v. Macy’s*  
8 *Inc.*, 16 F. Supp. 3d 1123, 1136 (S.D. Cal. 2014) (cleaned up) (citing *Brookfield*  
9 *Commc’ns, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1046 n.6 (9th Cir. 1999)).  
10 Similarly, “the elements needed to establish federal unfair competition under 15 U.S.C.  
11 § 1125(a) are identical to the elements needed to establish trademark infringement under  
12 15 U.S.C. § 1114.” *Mintz v. Subaru of Am., Inc.*, 716 F. App’x 618, 622 (9th Cir. 2017).  
13 Finally, a claim under California’s Unfair Competition Law “is substantially congruent to  
14 a trademark infringement claim under the Lanham Act. Under both, the ultimate test is  
15 whether the public is likely to be deceived or confused by the similarity of the marks.”  
16 *Academy of Motion Picture Arts & Scis. v. Creative House Promotions, Inc.*, 944 F.2d 1446,  
17 1457 (9th Cir. 1991) (cleaned up).

18 Accordingly, defendants’ motion to dismiss is denied.

19 **MOTION TO STRIKE**

20 In the alternative, defendants move to strike certain paragraphs and exhibits. (*See*  
21 *ECF 42*, at 23–26.) A court “may strike from a pleading an insufficient defense or any  
22 redundant, immaterial, impertinent, or scandalous matter.” Fed. R. Civ. P. 12(f).  
23 “[M]otions to strike should not be granted unless it is clear that the matter to be stricken  
24 could have no possible bearing on the subject matter of the litigation.” *Colaprico v. Sun*  
25 *Microsystems, Inc.*, 758 F. Supp. 1335, 1339 (N.D. Cal. 1991). Such motions are generally  
26 disfavored “because of the limited importance of pleadings in federal practice.” *Cortina v.*  
27 *Goya Foods, Inc.*, 94 F. Supp. 3d 1174, 1182 (S.D. Cal. 2015).

1 **A. Dropped Claims and Irrelevant History**

2 Defendants move to strike portions of the second amended complaint on the grounds  
3 that they relate to dropped claims or simply “recite the procedural history of this case.”  
4 (See ECF 42, at 24.) For instance, RESNET describes its past contracts with defendants  
5 that allowed them limited use of its trademarks (see ECF 40, at 5–6), yet brings no breach-  
6 of-contract claim. But the proper inquiry is whether the portions sought to be stricken have  
7 any “possible bearing on” the litigation as a whole—the “subject matter” of which is  
8 infringement of the “HERS” trademark. See *Colaprico*, 758 F. Supp. at 1339. The  
9 complaint’s mention of past, rescinded contracts underscores the assertion that defendants  
10 have no right to use RESNET’s intellectual property today. It also may inform whether any  
11 such violation of RESNET’s rights was willful. Defendants have not shown how these  
12 segments fail to have any “possible relationship to the controversy.” See *Cortina*,  
13 94 F. Supp. 3d at 1182.

14 **B. Paragraph 30, Third Example**

15 In addition, defendants urge that “the third example of alleged infringement” in  
16 paragraph 30 of the current complaint (see ECF 40, at 7) be stricken, because it was  
17 “previously deemed not an infringement by the Court” at the preliminary-injunction  
18 hearing. (ECF 42, at 24.) Not so. At that hearing, the Court discussed that example only in  
19 the context of nominative fair use of the “RESNET” mark, not the “HERS” mark. (See  
20 ECF 29, at 15–16, 18–19.) Nowhere did it find that the defense’s use of “HERS” in those  
21 examples was an instance of nominative fair use, let alone “not an infringement.”

22 **C. Paragraph 108: UCL Restitution**

23 Defendants also quarrel with RESNET’s request for restitution of defendants’ profits  
24 under California’s Unfair Competition Law in paragraph 108 of the operative complaint.  
25 (ECF 42, at 25 (citing ECF 40, at 17).) And they have a point. The UCL does not authorize  
26 “restitution” in the form of disgorgement of profits obtained from third parties. See *Korea*  
27 *Supply Co. v. Lockheed Martin Corp.*, 63 P.3d 937, 944–47 (Cal. 2003). It is instead limited  
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1 to replacing “money or property that defendants took directly from plaintiff.” *Korea*  
2 *Supply*, 63 P.3d at 947. RESNET alleges no such direct taking.

3 While the Court agrees with defendants’ understanding of restitution under the UCL,  
4 “Rule 12(f) does not authorize district courts to strike claims for damages on the ground  
5 that such claims are precluded as a matter of law.” *Whittlestone, Inc. v. Handi-Craft Co.*,  
6 618 F.3d 970, 974–75 (9th Cir. 2010). Such relief may be “better suited for a Rule 12(b)(6)  
7 motion” to dismiss, *id.* at 974, but that motion is not before the Court. Regardless,  
8 RESNET’s demand for an award of defendants’ profits is potentially available under the  
9 Lanham Act, so the request for those profits in RESNET’s omnibus “prayer for relief”  
10 would survive at all events. *See* 15 U.S.C. § 1117(a); (ECF 40, at 20).

#### 11 **D. Duplicative Claim**

12 Lastly, defendants argue that dismissing the improper UCL restitution request has  
13 downstream effects. Specifically, the only possible remaining UCL relief is the same  
14 injunction available under the trademark-infringement claim, rendering the UCL claim  
15 “duplicative” and subject to “being stricken.” (ECF 42, at 28.) Setting aside  
16 that “Rule 12(f) is neither an authorized nor a proper way to procure the dismissal of all or  
17 a part of a complaint,” *Yamamoto v. Omiya*, 564 F.2d 1319, 1327 (9th Cir. 1977), a party  
18 may “state as many separate claims . . . as it has, regardless of consistency,” Fed. R. Civ.  
19 P. 8(d)(3). “Unless a claim is insufficiently pled, it is premature at the pleadings stage to  
20 dismiss a claim simply because it appears duplicative.” *Precht v. Kia Motors Am., Inc.*, No.  
21 SA CV 14-1148-DOC (MANX), 2014 WL 10988343, at \*12 (C.D. Cal. Dec. 29, 2014).  
22 Claims that seem redundant in a case’s early stages “may turn out to be the only viable  
23 claims for trial.” *Id.* The request to strike for improper duplication is denied.

#### 24 **MOTIONS FOR JUDICIAL NOTICE**

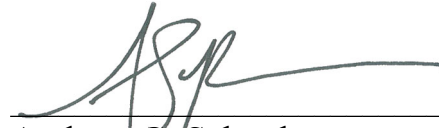
25 As a final housekeeping matter, each side requests judicial notice of various  
26 documents. (*See* ECF 42-4; ECF 47-2.) “But the Court need not take notice of documents  
27 that do not provide any additional relevant information, even if they would otherwise be  
28 the proper subject of judicial notice.” *Bryan v. City of Carlsbad*, 297 F. Supp. 3d 1107,

1 1115 (S.D. Cal. 2018) (citing *Adriana Int'l Corp. v. Thoeren*, 913 F.2d 1406, 1410 n.2  
2 (9th Cir. 1990)); *see also* *Quezambra v. United Domestic Workers of Am. AFSCME Loc.*  
3 *3930*, 445 F. Supp. 3d 695, 701 n.8 (C.D. Cal. 2020) (denying judicial notice after finding  
4 no “documents referenced in the RJN necessary to resolve” the motion), *aff'd*,  
5 No. 20-55643, 2023 WL 4398498 (9th Cir. July 7, 2023). Because the Court can resolve  
6 the foregoing motions without recourse to any of these extrinsic documents, the judicial-  
7 notice requests are denied without prejudice.

8 **CONCLUSION**

9 Defendants’ motions to dismiss and to strike portions of the second amended  
10 complaint are **DENIED**. The parties’ judicial-notice motions are **DENIED**.

11 Dated: August 30, 2024

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14 Andrew G. Schopler  
15 United States District Judge  
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