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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 AMIGA, INC., a Delaware corporation,

11 Plaintiff,

12 and

13 HYPERION VOF, a Belgium corporation,

14 Defendant.

CAUSE NO. CV07-0631RSM

**AMIGA, INC.'S MOTION FOR
JUDGMENT ON THE PLEADINGS**

Note on Motion Calendar: July 27, 2007

15
16 **MEMORANDUM OF LAW**

17 Pursuant to Rule 12(c) of the Federal Rules of Civil Procedure, plaintiff Amiga, Inc., a
18 Delaware corporation ("Amiga Delaware"), seeks dismissal of two counterclaims asserted by
19 defendant Hyperion VOF ("Hyperion"): Cause No. 6, which alleges trademark infringement in
20 violation of 15 U.S.C. § 1114(1) and dilution in violation of 15 U.S.C. § 1125(c), and Cause
21 No. 7, which purports to allege false designation of origin in violation of 15 U.S.C. § 1125(a).
22 These Counterclaims should be dismissed for failure to state a claim upon which relief can be
23 granted.
24

PRELIMINARY STATEMENT

Hyperion has failed to plead – and indeed cannot plead – that it is the “registrant” of a “registered mark” being infringed by Amiga Delaware. These are requisite elements of Hyperion’s infringement Counterclaim. Similarly, Hyperion has failed to allege that it is the “owner” of a “famous mark” being diluted by Amiga Delaware – a requisite element of Hyperion’s dilution Counterclaim. Instead, Hyperion alleges that, along with Eyetech Group Ltd. (“Eyetech”), an English corporation, Hyperion is a mere licensee with respect to certain use of “Amiga OS” as a mark. Since a licensee is neither a “registrant” nor an “owner” within the meaning of §§ 1114(1) and 1125(a), respectively, Hyperion’s pleading of Cause No. 6, the infringement and dilution Counterclaim, is defective as a matter of law.

Furthermore, the very provision of the agreement under which Hyperion purports to derive its alleged trademark rights refutes Hyperion’s contention that it is named as a licensee. To the extent that section 2.07 of the November 3, 2001 (OEM) License and Software Development Agreement (the “Agreement”)¹ grants purported trademark rights claimed in Hyperion’s Counterclaims, any such rights are granted to the “Amiga One Partners” -- a juridical entity separate from Hyperion, comprising Hyperion and Eyetech – a fact Hyperion concedes (Counterclaims ¶ 37(a)). Accordingly, the infringement, dilution and false designation of origin Counterclaims should be dismissed pursuant to Rules 17 and 19 of the Federal Rules of Civil Procedure, because Hyperion is not the real party in interest and/or Hyperion has failed to join Eyetech, a necessary party.

¹ The Agreement is Exhibit A to the Complaint and is referenced throughout the Counterclaims.

ARGUMENT

POINT 1

**CAUSE NO. 6 OF HYPERION'S COUNTERCLAIMS
FAILS TO STATE A CLAIM FOR TRADEMARK INFRINGEMENT**

A. Hyperion's Pleading Fails to Allege that Hyperion is the "Registrant" of a Federally "Registered Mark" Being Infringed by Amiga Delaware – Requisite Elements under 15 U.S.C. § 1114(1)

Cause No. 6 of Hyperion's Counterclaims, which alleges trademark infringement under 15 U.S.C. § 1114(1), should be dismissed for failure to allege requisite elements of a claim upon which relief can be granted – specifically that Hyperion is the "registrant" of a federally "registered mark" being infringed by Amiga Delaware.

The Lanham Act permits civil actions for trademark infringement to be brought only by the "registrant" of a federally "registered mark." 15 U.S.C. § 1114(1). The terms "registrant" and "registered mark" are defined in 15 U.S.C. § 1127. "The term 'registered mark' means a mark registered in the United States Patent and Trademark Office" 15 U.S.C. § 1127. The term "registrant" refers to the owner of the federal registration but also embraces "the legal representatives, predecessors, successors and assigns" of the registrant. *Id.*

Hyperion's pleading is defective because nowhere does it identify any "registered mark" that is registered in Hyperion's name, nor does it allege that Hyperion is the legal representative, predecessor, successor or assign of the owner of any such federally "registered mark." Instead, the pleading merely alleges that, "Amiga Delaware's past and present use of the Amiga trademarks violates Hyperion's explicit contractual rights under the Agreement" (Counterclaims, ¶ 64) – a reference to paragraph 8 of the Counterclaims, which asserts that "[u]pon Amiga Washington's insolvency, the self-executing provision in § 2.07 of the Agreement transferred to Hyperion and Eyetech 'an exclusive, perpetual, world-wide and royalty free right and license to

1 develop (at their sole expense), use, modify and market the Software and OS 4 under the “Amiga
2 OS” trademark.” (Counterclaims, ¶ 8) The infringement claim fails its face.

3 **B. As an Alleged Licensee, Hyperion Would Lack the Status of “Registrant”**

4 To the extent that Hyperion has alleged in paragraph 8 of its Counterclaims that Hyperion
5 and Eyeteck are licensees with respect to certain use of “Amiga OS” as a mark, such allegations
6 are insufficient for Hyperion to maintain a claim for trademark infringement under § 1114(1),
7 since a mere licensee is not a “registrant” within the meaning of the statute. *See Nat’l Licensing*
8 *Ass’n, LLC v. Inland Joseph Fruit Co.*, 361 F. Supp. 2d 1244, 1254 (E.D. Wa. 2004) (finding that
9 plaintiff has no standing to bring Section 1114(1) claim because it is a licensee with no property
10 interest in the mark or ownership rights in the registration). Accordingly, the court should
11 dismiss Hyperion’s sixth counterclaim on the pleadings.

12 **C. The License Alleged by Hyperion Would Run Only to the “Amiga One
13 Partners,” Not to Hyperion or Eyeteck, Individually, Pursuant to Express
14 Terms of the Agreement**

15 Even if a mere licensee were entitled to maintain an infringement action under 15, U.S.C.
16 § 1114(1) – which a mere licensee cannot – the very provision of the Agreement upon which
17 Hyperion purports to rely, section 2.07, actually refutes Hyperion’s allegation that “Hyperion
18 and Eyeteck” are licensees with respect to certain use of “Amiga OS” as a mark. Contrary to
19 Hyperion’s allegations, neither Hyperion, nor Eyeteck, is named as a trademark licensee under
20 that provision. Rather, section 2.07 of the Agreement, entitled “Bankruptcy,” states in its
21 entirety:

22 In the event Amiga files for bankruptcy or becomes insolvent, the *Amiga*
23 *One Partners* are granted an exclusive, perpetual, world-wide and royalty
24 free right and license to develop (at their sole expense), use, modify and
market the Software and OS 4 under the “Amiga OS” trademark.

(Emphasis added). Notably, Article I of the Agreement states that “‘*Amiga One Partners*’
means Eyeteck and Hyperion collectively” (emphasis added), and the second “WHEREAS”

1 clause in the “RECITALS” section of the Agreement states: “WHEREAS Hyperion has
2 *partnered* with Eyetech Ltd. in the Amiga One project . . .” (emphasis added).

3 Hyperion, itself, admits in paragraph 37(a) of its Counterclaims that, to the extent the
4 Agreement grants any purported trademark rights, those rights are granted *solely to the “Amiga*
5 *One Partners.”* Thus, Hyperion necessarily concedes that it lacks standing to bring any claim at
6 all against Amiga Delaware based on the alleged licensee pursuant to section 2.07 of the
7 Agreement. *See Seltzer v. Chadwick*, 26 Wash. 2d 297, 301, 173 P.2d 991 (1946) (“In order to
8 maintain an action upon a partnership asset, the partners must be joined as parties to the action”);
9 *see also Cheesman v. Sathre*, 45 Wash. 2d 193, 203, 273 P.2d 500 (1954). This requirement was
10 based upon the rule that a “partnership cannot sue or be sued apart from its members.” *Seltzer*,
11 26 Wash. 2d at 301 (quoting *Yarbrough v. Pugh*, 63 Wash. 140, 145, 114 P. 918 (1911)).

12 **D. Hyperion’s Trademark Infringement Counterclaim Should be Dismissed**
13 **Pursuant to Rules 17(a) and 19 Because Hyperion is Not the Real Party in**
14 **Interest and Has Failed to Join a Necessary Party**

15 Hyperion’s Counterclaim for trademark infringement also should be dismissed because
16 Hyperion is not the real party in interest under Rule 17(a) of the Federal Rule of Civil Procedure
17 and because Hyperion has failed to join a necessary party to this litigation pursuant to Rule 19.
18 Both rules must be satisfied before Hyperion can proceed with its Counterclaim for trademark
19 infringement against Amiga Delaware. *See U-Haul Int’l, Inc. v. Jartran, Inc.*, 793 F.2d 1034,
20 1038 (9th Cir. 1986). Here, since Hyperion acknowledges that the Amiga One Partners, and not
21 Hyperion, individually, is the real party in interest, and since Hyperion has failed to join a
22 necessary party to this action – Eyetech – Hyperion lacks standing to sue in this matter as a
23 matter of law. Although Hyperion characterizes section 2.07 of the Agreement as granting a
24 license to “Hyperion and Eyetech” (*see* Counterclaim ¶ 8), this Court should disregard averments
in the Counterclaims that contravene and are contradicted by the language of the Agreement

1 upon which Hyperion relies. *See Steckman v. Hart Brewing, Inc.*, 143 F.3d 1293, 1295-96 (9th
2 Cir. 1998). However, even if Hyperion's mischaracterization were correct, Eyetechnic still would
3 be a necessary party under Rule 19, since, among other things, a judgment rendered in Eyetechnic's
4 absence might be prejudicial to Eyetechnic or to those already parties to Hyperion's Cause No. 6.
5 *See* Fed. R. Civ. P. 19(a).

6 Accordingly, the Counterclaim for trademark infringement in Hyperion's Cause No. 6
7 should be dismissed with prejudice.

8 POINT II

9 CAUSE NO. 6 OF HYPERION'S COUNTERCLAIMS 10 FAILS TO STATE A CLAIM FOR TRADEMARK DILUTION

11 To the extent that Cause No. 6 of Hyperion's Counterclaims purports to state a claim for
12 trademark dilution under 15 U.S.C. § 1125(c), it should also be dismissed on the pleading.
13 Under Section 1125(c), only "*the owner of a famous mark* . . . shall be entitled to an injunction
14 against another person who, at any time after the owner's mark has become famous, commences
15 use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution
16 by tarnishment of the famous mark" 15 U.S.C. §1125(c). Based on the plain language of
17 the statute, the trademark owner is the exclusive party given the right to bring a trademark
18 dilution claim. *See Thane Int'l v. Trek Bicycle Corp.*, 305 F.3d 894, 907 (9th Cir. 2002) (stating
19 that trademark dilution under Section 1125(c) "limits protection to the owners 'of a famous
20 mark'" (citing 15 U.S.C. §1125(c)(1)); *see also Nissan Motor Co. v. Nissan Computer Corp.*,
21 378 F.3d 1002, 1012 (9th Cir. 2004) (stating the "point of dilution law is to protect the owner's
22 investment in the mark").
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1 **A. Hyperion’s Pleading Fails to Allege that Hyperion is the “Owner” of a**
 2 **Famous Mark” Being Diluted by Amiga Delaware – Requisite Elements**
 3 **under 15 U.S.C. § 1125(c)**

4 Hyperion’s Counterclaim for trademark dilution under Cause No. 6 should be dismissed
 5 because it fails to allege that Hyperion is the “owner” of a “famous mark,” being diluted by
 6 Amiga Delaware -- much as Hyperion’s Counterclaim for trademark infringement fails to allege
 7 that Hyperion is a “registrant” of a “registered mark.” To the extent that Hyperion is claiming
 8 rights under a purported license pursuant to section 2.07 of the Agreement, Hyperion necessarily
 9 admits that it is not the owner of the allegedly licensed mark. (See Counterclaims ¶¶ 8, 64)

10 When, as here, a party fails to allege that it is the owner of a famous mark, such as when
 11 a party alleges that it is a mere licensee of the mark at issue, courts have held that the party lacks
 12 standing to bring a dilution claim. See *Love v. The Mail on Sunday*, No. CV057798ABCPJWX,
 13 2006 WL 4046180, at *14 (C.D. Cal. Aug. 15, 2006) (granting defendants’ 12(b)(6) motion to
 14 dismiss plaintiff’s federal dilution claim for lack of standing because the plaintiff was only an
 15 exclusive licensee of the mark and the “statute grants standing to sue only to the ‘owner of the
 16 famous mark’”).

17 **B. Hyperion’s Trademark Dilution Counterclaim Should be Dismissed**
 18 **Pursuant to Rules 17(a) and 19 Because Hyperion is Not the Real Party in**
 19 **Interest and Has Failed to Join a Necessary Party**

20 As described in Point I regarding the trademark infringement portion of Cause No. 6,
 21 Hyperion’s Counterclaim for trademark dilution should also be dismissed because Hyperion is
 22 not the real party in interest under Rule 17(a) of the Federal Rule of Civil Procedure and because
 23 Hyperion has failed to join a necessary party to this litigation pursuant to Rule 19. As described
 24 above, section 2.07 of the Agreement, on its face, actually refutes Hyperion’s allegation that
 Hyperion and Eyetech are licensees for certain use of the “Amiga OS” trademark, and Hyperion
 itself has acknowledged that the Amiga One Partners, and not Hyperion, individually, is the real

1 party in interest. (Counterclaims ¶ 37(a)) Furthermore, even if Hyperion's mischaracterization
2 of section 2.07 of the Agreement as granting a license to Hyperion and Eyeteck were correct,
3 Eyeteck still would be a necessary party under Rule 19. (See Point I.D, above)

4 Accordingly, the Counterclaim for trademark dilution should be dismissed with
5 prejudice.

6 POINT III

7 **HYPERION HAS FAILED TO STATE A** 8 **CLAIM FOR FALSE DESIGNATION OF ORIGIN**

9 Hyperion's Counterclaim for false designation of origin in Cause No. 7 should be
10 dismissed because it suffers from many of the same or similar pleading deficiencies as its
11 Counterclaim for trademark infringement and dilution in Cause No. 6.

12 Again Hyperion bases its claim of trademark rights on the purported license allegedly
13 granted under section 2.07 of the Agreement. Again, Hyperion's assertion of rights is refuted by
14 the very section of the Agreement upon which it basis its claim. As discussed in Point I above,
15 Hyperion is not named as trademark licensee under the provision of the Agreement upon which
16 relies. To the extent that any rights have allegedly been granted pursuant to Section 2.01 of the
17 Agreement, the Agreement expressly provides that any such rights are granted *solely to the*
18 *"Amiga One Partners,"* and not to Hyperion, individually. Thus, Hyperion lacks standing to
19 bring a claim for false designation of origin against Amiga Delaware. See Fed.R.Civ.P. 17(a)
20 and 19. As discussed above, even if Hyperion's allegation in paragraph 8 of the Counterclaims
21 were correct that section 2.07 of the Agreement granted a license to "Hyperion and Eyeteck" and
22 not to the Amiga One Partners, as asserted in paragraph 37(a) of the Counterclaims and as set
23 forth in the Agreement itself, Eyeteck still would be a necessary party under Rule 19. (See Point
24 I.D, above)

1 Accordingly, the Counterclaim for false designation of origin should be dismissed with
2 prejudice.

3 DATED this the 5th day of July, 2007.

4 CABLE, LANGENBACH, KINERK & BAUER, LLP

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6 By: /s/
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7 Attorneys for Plaintiff Amiga, Inc.
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CERTIFICATE OF SERVICE

I hereby certify that on July 5, 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

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