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

9 AMIGA, INC., a Delaware corporation,

10 Plaintiff,

11 and

12 HYPERION VOF, a Belgium corporation,

13 Defendant.

CAUSE NO. CV07-0631RSM

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

Note on Motion Calendar: February 22, 2008

14
15 **MEMORANDUM OF LAW**

16 Pursuant to Rule 12(c) of the Federal Rules of Civil Procedure, plaintiff Amiga, Inc., a
17 Delaware corporation ("Amiga Delaware"), seeks dismissal of two of the Amended
18 Counterclaims asserted by defendant Hyperion VOF ("Hyperion"): Cause No. 6, which alleges
19 trademark infringement in violation of 15 U.S.C. § 1114(1) and dilution in violation of 15 U.S.C.
20 § 1125(c), and Cause No. 7, which purports to allege false designation of origin in violation of
21 15 U.S.C. § 1125(a). These Amended Counterclaims should be dismissed for failure to state a
22 claim upon which relief can be granted.
23
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 amended counterclaim for trademark infringement under 15 U.S.C. § 1114(1), as asserted in Hyperion’s Cause No. 6. Hyperion has similarly failed to allege that it is the “owner” of a “famous mark” being diluted by Amiga Delaware – a requisite element of Hyperion’s amended counterclaim for dilution under 15 U.S.C. § 1125(a), also asserted in Hyperion’s Cause No. 6. 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 lacks standing to bring these claims and its pleading of Cause No. 6, the amended counterclaim for infringement and dilution, 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 its contention that *Hyperion* is named as a licensee. To the extent that § 2.07 of the November 3, 2001 (OEM) License and Software Development Agreement (the “Agreement”)¹ grants purported trademark rights claimed in Hyperion’s Amended 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 (Amended Counterclaims ¶ 40(a)). Accordingly, both Cause No. 6 (for infringement and dilution) and Cause No. 7 (for false designation of origin) 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

HYPERION’S CAUSE NO. 6 FAILS TO STATE A CLAIM FOR TRADEMARK INFRINGEMENT UNDER 15 U.S.C. § 1114(1)

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 Amended 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.

Hyperion’s pleading is defective because nowhere does it identify any “registered mark” that is registered in Hyperion’s name. This failure – this inability – is unsurprising because, as a matter of public record, *Amiga Delaware is the registrant* of all relevant federally registered Amiga formative and related marks. (This was demonstrated as a matter of public record in connection with Amiga Delaware’s previous Rule 12(c) motion for dismissal of Cause No. 6 and Cause No. 7 of Hyperion’s original Answer and Counterclaims. *See* Dkt # 61, Patterson *Registration Decl.* ¶¶ 4-5, Ex. A).²

The infringement claim fails on its face.

² Amiga Delaware’s previous Rule 12(c) motion against Hyperion’s original Counterclaims was deferred by the Court in its Order granting Hyperion’s motion to join Itec LLC (“Itec”) as a counterclaim defendant and providing for Amiga Delaware to re-note the motion after Itec answered the Amended Counterclaims. Amiga Delaware has now re-noted the motion, this time directed against the Amended Counterclaims, because Itec has been dismissed from the action and will not be filing an Answer.

1 **B. As A Matter Of Law, Hyperion Is Neither “Successor” Nor “Assign” With**
2 **Respect To Any Registered AMIGA Trademark, By Virtue Of Any Limited**
3 **License Purportedly Granted Under The Agreement Or Otherwise**

4 Although the term “registrant” refers to the owner of the federal registration but also
5 embraces “the legal representatives, predecessors, successors and assigns” of the registrant, 15
6 U.S.C. § 1127, as a matter of law, Hyperion is neither a successor nor an assign of Amiga
7 Delaware, the current registrant, or any past registrant of any Amiga formative or related
8 trademarks. Hyperion’s only allegation remotely resembling an assertion of “registrant” status is
9 its plea that, “Amiga Delaware’s past and present use of the Amiga trademarks violates
10 Hyperion’s explicit contractual rights under the Agreement” (Amended Counterclaims, ¶ 69) – a
11 reference to paragraph 9 of the Amended Counterclaims, which asserts that “[u]pon Amiga
12 Washington’s insolvency, the self-executing provision in § 2.07 of the Agreement transferred to
13 Hyperion and Eyetech ‘an exclusive, perpetual, world-wide and royalty free right and license to
14 develop (at their sole expense), use, modify and market the Software and OS 4 under the
15 “Amiga OS” trademark.’” (Amended Counterclaims, ¶ 9)

16 However, this allegation – that Hyperion and Eyetech are mere licensees with respect to
17 certain uses of “Amiga OS” as a mark – is insufficient for Hyperion to maintain a claim for
18 trademark infringement under § 1114(1), since a mere licensee is not a “registrant” – or the
19 successor or assign of a registrant – within the meaning of the statute. *See Nat’l Licensing Ass’n,*
20 *LLC v. Inland Joseph Fruit Co.*, 361 F. Supp. 2d 1244, 1254 (E.D. Wa. 2004) (finding that the
21 plaintiff had no standing to bring a § 1114(1) claim because it was a licensee with no property
22 interest in the mark or ownership rights in the registration).

23 Any such limited grant of rights under § 2.07 of the Agreement – to “market the Software
24 and OS 4 under the ‘Amiga OS’ trademark” (*i.e.*, to sell a new version of an old operating
 system under the “Amiga OS” brand) – is a far cry from an assignment transferring all rights in

1 an unspecified AMIGA trademark registration, necessarily covering a wide range and variety of
2 goods extending well beyond just a new version of an old operating system. The same holds for
3 any limited grant of rights under § 2.08 of the Agreement (which is not even mentioned or
4 referenced in the Amended Counterclaims) – also to “market the Software and OS 4 under the
5 ‘Amiga OS’ trademark” – which also does not constitute an assignment transferring all rights in
6 any federal registration of any AMIGA trademark. Indeed, an assignment of a registration would
7 necessarily require far greater specificity – if only to identify what registration was being
8 assigned.

9 Simply put, whatever trademark license may or may not have been granted was *not* an
10 assignment to Hyperion of any trademark registration, and Hyperion is *not* the “registrant” of
11 any federally “registered mark.” Accordingly, this Court should dismiss Hyperion’s sixth
12 counterclaim on the pleadings.

13 **C. The License Alleged By Hyperion Would Run Only To The “Amiga One
14 Partners,” Not To Hyperion Or Eyetech Individually, Pursuant To The
15 Express Terms Of The Agreement**

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

1 (Emphasis added).³ Notably, Article I of the Agreement states that “‘*Amiga One Partners*’
 2 means Eyetech and Hyperion collectively” (emphasis added), and the second “WHEREAS”
 3 clause in the “RECITALS” section of the Agreement states: “WHEREAS Hyperion has
 4 *partnered* with Eyetech Ltd. in the Amiga One project . . .” (emphasis added).

5 Hyperion, itself, admits in paragraph 40(a) of its Amended Counterclaims that, to the
 6 extent the Agreement grants any purported trademark rights, those rights are granted *solely to the*
 7 “*Amiga One Partners.*” Thus, Hyperion necessarily concedes that it lacks standing individually
 8 to bring any claim at all against Amiga Delaware based on the alleged licensee pursuant to § 2.07
 9 of the Agreement. *See Seltzer v. Chadwick*, 26 Wash. 2d 297, 301, 173 P.2d 991 (1946) (“In
 10 order to maintain an action upon a partnership asset, the partners must be joined as parties to the
 11 action”); *see also Cheesman v. Sathre*, 45 Wash. 2d 193, 203, 273 P.2d 500 (1954). This
 12 requirement was based upon the rule that a “partnership cannot sue or be sued apart from its
 13 members.” *Seltzer*, 26 Wash. 2d at 301 (quoting *Yarbrough v. Pugh*, 63 Wash. 140, 145, 114 P.
 14 918 (1911)).

15 **D. Hyperion’s Trademark Infringement Counterclaim Should Be Dismissed**
 16 **Pursuant To Rules 17(a) And 19 Because Hyperion Is Not The Real Party**
 17 **In Interest And Has Failed To Join A Necessary Party**

18 Hyperion’s Amended Counterclaim for trademark infringement also should be dismissed
 19 because Hyperion is not the real party in interest under Rule 17(a) of the Federal Rules of Civil
 20 Procedure and because Hyperion has failed to join a necessary party to this litigation pursuant to
 21 Rule 19. Both rules must be satisfied before Hyperion can proceed with its Amended
 22 Counterclaim for trademark infringement against Amiga Delaware. *See U-Haul Int’l, Inc. v.*
 23 *Jartran, Inc.*, 793 F.2d 1034, 1038 (9th Cir. 1986). Here, since Hyperion acknowledges that the

24 ³ The same is true for § 2.08 of the Agreement, which provides in pertinent part: “In the event Amiga decides to halt development of the Classic Amiga OS for the Target Hardware, the Amiga One Partners are granted an exclusive, perpetual, worldwide right and license to develop, use, modify and market the Software and OS 4 under the ‘Amiga OS’ trademark and at their sole expense.”

1 Amiga One Partners, and not Hyperion, individually, is the real party in interest, and since
2 Hyperion has failed to join a necessary party to this action – Eyetech – Hyperion lacks standing
3 to sue in this matter as a matter of law. Although Hyperion characterizes § 2.07 of the
4 Agreement as granting a license to “Hyperion and Eyetech” (*see* Amended Counterclaim ¶ 9),
5 this Court should disregard averments in the Amended Counterclaims that contravene and are
6 contradicted by the language of the Agreement upon which Hyperion relies. *See Steckman v.*
7 *Hart Brewing, Inc.*, 143 F.3d 1293, 1295-96 (9th Cir. 1998). However, even if Hyperion’s
8 mischaracterization were correct, Eyetech still would be a necessary party under Rule 19, since,
9 among other things, a judgment rendered in Eyetech's absence might be prejudicial to Eyetech or
10 to those already parties to Hyperion’s Cause No. 6. *See* Fed. R. Civ. P. 19(a).

11 Accordingly, the Amended Counterclaim for trademark infringement in Hyperion’s
12 Cause No. 6 should be dismissed with prejudice.

13 POINT II

14 **CAUSE NO. 6 OF HYPERION’S AMENDED COUNTERCLAIMS** 15 **FAILS TO STATE A CLAIM FOR TRADEMARK DILUTION**

16 To the extent that Cause No. 6 of Hyperion’s Amended Counterclaims purports to state a
17 claim for trademark dilution under 15 U.S.C. § 1125(c), it should also be dismissed on the
18 pleading. Under § 1125(c), only “*the owner of a famous mark . . .* shall be entitled to an
19 injunction against another person who, at any time after the owner’s mark has become famous,
20 commences use of a mark or trade name in commerce that is likely to cause dilution by blurring
21 or dilution by tarnishment of the famous mark” 15 U.S.C. §1125(c). Based on the plain
22 language of the statute, the trademark owner is the exclusive party given the right to bring a
23 trademark dilution claim. *See Thane Int’l v. Trek Bicycle Corp.*, 305 F.3d 894, 907 (9th Cir.
24 2002) (stating that trademark dilution under § 1125(c) “limits protection to the owners ‘of a
famous mark’”) (citing 15 U.S.C. §1125(c)(1)); *see also Nissan Motor Co. v. Nissan Computer*

1 Corp., 378 F.3d 1002, 1012 (9th Cir. 2004) (stating the “point of dilution law is to protect the
2 owner’s investment in the mark”).

3 **A. Hyperion’s Pleading Fails To Allege That Hyperion Is The “Owner”**
4 **Of A Famous Mark” Being Diluted By Amiga Delaware – Requisite**
5 **Elements Under 15 U.S.C. § 1125(c)**

6 Hyperion’s Amended Counterclaim for trademark dilution under Cause No. 6 should be
7 dismissed because it fails to allege that Hyperion is the “owner” of a “famous mark” being
8 diluted by Amiga Delaware -- much as Hyperion’s Amended Counterclaim for trademark
9 infringement fails to allege that Hyperion is a “registrant” of a “registered mark.” To the extent
10 that Hyperion is claiming rights under a purported *license* pursuant to § 2.07 (or § 2.08) of the
11 Agreement, Hyperion necessarily admits that it is *not the owner* of the allegedly licensed mark.
(See Amended Counterclaims ¶¶ 9, 69)

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

19 **B. Hyperion’s Trademark Dilution Counterclaim Should Be Dismissed**
20 **Pursuant To Rules 17(a) And 19 Because Hyperion Is Not The Real**
21 **Party In Interest And Has Failed To Join A Necessary Party**

22 As described in Point I regarding the trademark infringement portion of Cause No. 6,
23 Hyperion’s Amended Counterclaim for trademark dilution should also be dismissed because
24 Hyperion is not the real party in interest under Rule 17(a) of the Federal Rules of Civil Procedure
and because Hyperion has failed to join a necessary party to this litigation pursuant to Rule 19.

1 As described above, § 2.07 of the Agreement, on its face, actually refutes Hyperion's allegation
2 that Hyperion and Eyeteck are licensees for certain use of the "Amiga OS" trademark, and
3 Hyperion itself has acknowledged that the Amiga One Partners, and not Hyperion, individually,
4 is the real party in interest. (Counterclaims ¶ 40(a)) Furthermore, even if Hyperion's
5 mischaracterization of § 2.07 of the Agreement as granting a license to Hyperion and Eyeteck
6 were correct, Eyeteck still would be a necessary party under Rule 19. (See Point I.D, above)

7 Accordingly, the Counterclaim for trademark dilution should be dismissed with
8 prejudice.

9 POINT III

10 HYPERION'S CAUSE NO. 7 FAILS TO STATE A 11 CLAIM FOR FALSE DESIGNATION OF ORIGIN

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

15 Again Hyperion bases its claim of trademark rights on the purported license allegedly
16 granted under § 2.07 of the Agreement. Again, Hyperion's assertion of rights is refuted by the
17 very section of the Agreement upon which it bases its claim. As discussed in Point I above,
18 Hyperion is not named as trademark licensee under the provision of the Agreement upon which
19 it relies. To the extent that any rights have allegedly been granted pursuant to § 2.07 (or § 2.08)
20 of the Agreement, the Agreement expressly provides that any such rights are granted *solely to*
21 *the "Amiga One Partners,"* and not to Hyperion, individually. Thus, Hyperion lacks standing to
22 bring a claim for false designation of origin against Amiga Delaware. See Fed.R.Civ.P. 17(a)
23 and 19. As discussed above, even if Hyperion's allegation in paragraph 9 of the Amended
24 Counterclaims were correct that § 2.07 of the Agreement granted a license to "Hyperion and
Eyeteck" and not to the Amiga One Partners, as asserted in paragraph 40(a) of the Amended

1 Counterclaims and as set forth in the Agreement itself, Eyetech still would be a necessary party
2 under Rule 19. (*See* Point I.D, above)

3 Accordingly, the Amended Counterclaim for false designation of origin (Cause No. 7)
4 should be dismissed with prejudice.

5 DATED this the 31st day of January, 2008.

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CERTIFICATE OF SERVICE

1
2
3 I hereby certify that on January 31, 2008, I electronically filed the foregoing with the
4 Clerk of the Court using the CM/ECF system which will send notification of such filing to the
5 following:

6
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8 Law Offices of William A. Kinsel, PLLC
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12 A copy was also served by hand delivery on January 31, 2008.

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