JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SPEARMINT RHINO COMPANIES WORLDWIDE, INC., a Nevada Corporation, Plaintiff, v. CHIAPPA FIREARMS, LTD., an Ohio limited liability company, and CHIAPPA HOLDINGS, LLC, an Ohio limited liability company, Defendants.	Case No.: CV 11-05682-R-MAN Hon. Judge Manuel L. Real **ORDER GRANTING DEFENDANTS' MOTION TO DISMISS** Date Complaint Filed: 7/11/11

This matter came on for hearing on the motion filed by Defendants Chiappa Firearms, Ltd. and Chiappa Holdings, LLC to dismiss the first amended complaint of the Plaintiff, Spearmint Rhino Companies Worldwide, Inc., pursuant to F.R.C.P. 12(b)(6). Due notice having been given, the matter having been fully briefed, counsel for all parties being present, and the Court being fully advised the parties have no additional information for the Court to consider, and that the matter is accordingly ready for disposition. The Court therefore finds and orders as follows:

To survive a motion to dismiss, a complaint must contain sufficient factual matter to state a claim for relief that is plausible on its face. *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009). A complaint must state a claim that is plausible on its face, and a

complaint which alleges only labels and conclusions or a formulaic recitation of elements of the cause of action will not survive dismissal. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007).

In order to prevail on a claim of trademark infringement, a plaintiff must show both a protected interest that defendants' usages are likely to cause consumer confusion. *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985). Confusion is likely when a "reasonably prudent consumer," is likely to be confused as to the origin of a good or service. *DreamWerks Production Group, Inc. v. SKG Studio*, 142 F.3d 1127 (9th Cir. 1992).

In evaluating likelihood of confusion, courts analyze eight factors including: (1) strength of the mark; (2) relatedness to the goods; (3) similarity of sight, sound, and meaning; (4) evidence of actual confusion; (5) marketing channels; (6) type of goods and purchaser care; (7) intent; and (8) likelihood of expansion. *AMF, Inc. v. Sleekcraft Boats*, 559 F.2d 341 (9th Cir. 1979). These factors are neither exhaustive nor inclusive but act to guide the Court's analysis. *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280 (1992). Courts may determine that likelihood of confusion does not exist as a matter of law when no facts are alleged which permit a conclusion that consumers are likely to be confused as to source of sponsorship. *Toho Co. v. Sears, Roebuck & Co.*, 645 F.2d 788 (9th Cir. 1981). Likelihood of confusion must "be probable, not simply a possibility." *Murray v. Cable NBC*, 82 F.3d 861 (9th Cir. 1996).

Here, an analysis of factors from *AMF* show that there is no likelihood of confusion as a matter of law. Plaintiff and Defendants are engaged in greatly different fields, adult entertainment and the manufacture of firearms, which are in no way related. Plaintiff has not been able to demonstrate a single instance of actual consumer confusion, and indeed cannot show that any reasonable consumer is likely to be confused as to the relationship between these two companies. Plaintiff mainly provides services in the form of adult entertainment, while Defendants mainly provide

goods in the form of handguns. It is highly unlikely that a consumer would accidentally purchase one when he intended to purchase the other. Therefore, because there is no likelihood of confusion as a matter of law, Plaintiff's claim for trademark infringement is dismissed.

A party is liable for false designation of origin under the *Lanham Act* if they use a false or misleading representation of fact which is likely to cause confusion as to the origin, sponsorship, or approval of goods and services. 14 U.S.C. § 1125(a). In order to determine whether confusion is likely, Courts use the same analysis as for trademark infringement. *Walter v. Mattel, Inc.*, 210 F.3d 1108 (9th Cir. 2000). As stated above, there is no likelihood of confusion here as a matter of law. Therefore, Plaintiff's claim for false designation is also dismissed.

In order to succeed on the claim of trademark dilution, a plaintiff must show that the mark is "famous." 15 U.S.C. § 1125(c)(1). In evaluating trademark dilution, famous is a legal term of art which defines a mark as widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. 15 U.S.C. § 1125(c)(2)(A).

In finding whether a mark is "famous," Courts consider several relevant factors including: (1) duration, extent, and geographic reach of advertising and publicity; (2) amount, volume, and geographic reach of goods and services; and (3) actual recognition of the mark. Courts have construed the concept of famous in the dilution context very narrowly, limited only to marks that have achieved fame among the general consuming public, as opposed to a more particularized segment. *Thane International v. Trek Bicycle Corp.*, 305 F. 3d 894 (9th Cir. 2002). Dilution is a cause of action restricted to marks that are truly prominent and renowned. *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998). Dilution is a cause of action reserved for a special class of marks, those marks with such powerful consumer association that even non-competing uses can impinge on their value. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999).

Here, while Plaintiff has articulated several factors indicating that its mark is at least somewhat well known, it fails to assert sufficient facts to support a finding that the Rhino mark is famous under the Trademark Dilution Revision Act of 2006. Courts have consistently held that only the most truly prominent brands, such as Kodak, Coca Cola, Budweiser, or Barbie count as famous under the statute. Trademark dilution, due to the strict protection it applies, is only applicable in the narrowest of cases. Plaintiff has failed to demonstrate this is one of those cases. Therefore, Plaintiff's claim for trademark dilution is dismissed.

In California, claims for false advertising and unfair competition are governed by California Business and Professions Code 17200. In interpreting these claims in the context of infringement of trademarks, Courts used the same factors as in *Lanham Act* cases. *Cleary v. News Corp.*, 30 F.3d 1255 (9th Cir. 1994). Therefore, on the above analysis, Plaintiff state law claims are also dismissed.

Accordingly, it is hereby ordered, adjudged, and decreed that Defendants' motion to dismiss is granted in its entirety, and Plaintiff's first amended complaint is dismissed with prejudice.

IT IS SO ORDERED.

Dated: _January 20, 2012_

The Honorable Manuel L. Real
U.S. District Court Judge