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| 12       |   | DISTRICT COURT   |
| 13       | CENTRAL DISTRIC   | CT OF CALIFORNIA   |
| 14       | PASADENA TOURNAMENT OF  | Case No.: 2:21-cy-01051  |
| 15       | ROSES ASSOCIATION,  |  |
| 16       | Plaintiff,  | PLAINTIFF PASADENA<br>TOURNAMENT OF ROSES<br>ASSOCIATION'S RESPONSE IN |
| 17<br>18 | v.  | OPPOSITION TO DEFENDANT'S<br>MOTION TO DISMISS                         |
| 19       | CITY OF PASADENA,   | Hon. André Birotte, Jr.  |
| 20       | Defendant.  | Date: May 14, 2021<br>Time: 10:00 am                                   |
| 21       |   | Courtroom: 7B  |
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**INTRODUCTION** 

Plaintiff Pasadena Tournament of Roses Association (Tournament) hoped it
never would need to bring this (or any) lawsuit against Defendant City of Pasadena
(City). The Tournament and the City have worked together over many years, as
the Tournament produces the annual Rose Bowl Game, one of the most storied
traditions in all of athletics. Regrettably, however, the City left the Tournament no
choice, as its conduct not only encroaches on the Tournament's intellectual
property but also interferes with the Tournament's business operations.

As the First Amended Complaint (FAC) alleges, in recent months the City
has engaged in both publicly disseminating false information and privately strongarming the Tournament, all to further the City's naked power grab to exert control
over the Tournament's rights in the Rose Bowl Game. The FAC takes aim at two
prongs of the City's wrongful interference with the Tournament's rights.

First, the Tournament seeks a declaration that the City is powerless to stop 14 the Tournament from hosting the Rose Bowl Game elsewhere in the event of a 15 16 qualifying force majeure event under the parties' Master License Agreement (MLA). In December 2020, near the height of the COVID-19 pandemic in the Los 17 Angeles region, the City repeatedly insisted that under the MLA it could veto any 18 19 plans to relocate the Rose Bowl Game due to extraordinary health concerns. And while the parties ultimately executed an amendment to the MLA to resolve that 2021 particular dispute, mere days later the City threatened the Tournament with legal 22 action for breach of contract. Despite the Tournament's efforts to come to an outof-court understanding that the MLA provides the City no such rights, the City cut 23 off that dialogue. 24

Second, the FAC calls the City to account for its unauthorized and infringing
uses of the Tournament's intellectual property, in breach of the MLA. While the
City's motion resorts to hand-waving away its misconduct, this Court should not
follow along. The Tournament owns the marks at issue and nothing in the MLA

PASADENA TOURNAMENT OF ROSES ASSOCIATION'S OPPOSITION TO MOTION TO DISMISS, CASE NO. 2:21-CV-01051 gives the City permission to use the marks as alleged in the FAC. As explained
 below, the FAC highlights only examples of the City's conduct, which is but a
 piece of its public campaign to sow confusion as to the Tournament's sole
 ownership of the Rose Bowl Game and related intellectual property.

The FAC contains sufficient factual allegations supporting all of its claims, 5 and the motion to dismiss does not meaningfully disagree. Instead, the City hopes 6 the Court will punt on resolving a clearly defined controversy-one that has 7 8 percolated for months if not years between the parties. As the City has claimed the 9 Tournament breached the MLA and explicitly has contemplated legal action, the City's misguided interpretation of the MLA hangs over the Tournament as an 10 11 unresolvable threat and impairment of the Tournament's business dealings. And the City's assertion of highly fact-specific defenses, such as expressive and 12 nominative fair use, ignore the well-established pleading standards. 13 The FAC's factual allegations, accepted as true, detail the City's infringing conduct in 14 sufficient manner so as to preclude dismissal on the pleadings. 15

While this lawsuit was never the Tournament's desire, it is clear such action
is necessary to put a stop to the City's campaign of wrongfully claiming and
representing and using the Tournament's property as its own. The motion to
dismiss should be denied in its entirety.

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#### **BACKGROUND**

As a motion to dismiss merely tests the sufficiency of the pleading—and all the factual allegations of the FAC must be accepted as true—the Tournament forgoes a lengthy recitation of the facts here, but incorporates by reference those factual allegations and exhibits into this opposition.

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#### ARGUMENT

#### I. <u>This Court Has Subject Matter Jurisdiction Over This Active and</u> <u>Concrete Controversy.</u>

To begin with, this Court has subject matter over this entire litigation. The FAC's Counts 3 through 6 state claims under the Lanham Act sufficient to confer federal question jurisdiction under 28 U.S.C. § 1331. The remainder of the claims all arise under the Declaratory Judgment Act (28 U.S.C. § 2201) and California law, and all are so related to the federal claims as to "form part of the same case or controversy." 28 U.S.C. § 1367(a). Thus, the Court has supplemental jurisdiction over all remaining claims.

11 The City takes particular exception to Counts 1 and 2, which seek 12 declarations confirming that the City lacks control over the Tournament's use of its 13 intellectual property and that the Tournament has complete authority to relocate the 14 Rose Bowl Game outside of the Rose Bowl Stadium in the event of a force 15 The City would have this Court to believe that no "substantial majeure. 16 controversy" exists because the City no longer "dispute[s] Plaintiff's ownership of 17 its marks" and there is no present assertion of a force majeure event. Mot. at 20. 18 But the City ignores both the alleged facts and governing law.

As alleged in the FAC, the City has publicly and privately taken the position that it has the right to restrain the Tournament from using the ROSE BOWL GAME and ROSE BOWL marks in hosting the Rose Bowl Game outside of Pasadena's Rose Bowl Stadium in the event of a force majeure. *See* FAC ¶¶ 7–10, 74–83, 92–98. In connection with the January 1, 2021 Rose Bowl Game, the parties were able to resolve the dispute by executing an amendment to the MLA. *See* FAC ¶ 51. But only a week later, the City's counsel sent the Tournament a letter falsely contending that the Tournament breached the MLA in connection with the very same conduct. While the City is sorely mistaken—particularly given

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1 the executed amendment—the Tournament sought to confer with the City about the City's erroneous reading of the MLA to ensure that in the future the parties 2 understood their respective rights and obligations. Resolution of this dispute is 3 essential now for multiple reasons: The COVID-19 pandemic remains ongoing 4 and, apart from the pandemic, force majeure events are almost by definition 5 sudden, unpredictable, and extreme. In light of the City's threats that the 6 Tournament breached and would continue to breach the MLA based on the 7 Tournament's handling of the most recent game, it is imperative for the 8 9 Tournament to obtain certain clarity over its rights. The City has persisted in a course of conduct—including threatened legal action—that not only misreads the 10 11 MLA but amounts to an announced and planned "invasion of [the Tournament's] rights." Amaral v. Wachovia Mortg. Corp., 692 F. Supp. 2d 1226, 1235 (E.D. Cal. 12 2010) (internal quotation marks omitted). 13

Resolution of this active and ongoing controversy should not be delayed. 14 The Declaratory Judgment Act is meant to "bring[] to the present a litigable 15 16 controversy, which otherwise might only be tried in the future." Societe de Conditionnement en Aluminium v. Hunter Eng'g Co., 655 F.2d 938, 943 (9th Cir. 17 1981). It is precisely out of concern for the potential "Damoclean threat of 18 19 impending litigation" that federal courts enter declaratory judgments "once the adverse positions have crystallized and the conflict of interests is real and 2021 immediate." Id. (quoting Japan Gas Lighter Assoc. v. Ronson Corp., 257 F. Supp. 22 219, 237 (D.N.J. 1966)). The Tournament needs and has properly invoked this 23 Court's intervention to "liquidate doubts with respect to uncertainties or controversies" concerning the Tournament's rights to exploit its intellectual 24 property free from the City's interference, so as to avoid "subsequent litigation." 25 26 *Amaral*, 692 F. Supp. 2d at 1235 (internal quotation marks omitted).

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To be clear, the Tournament seeks declaratory relief not simply to resolve past disputes (such as those concerning the January 1, 2021 college football 28

semifinal game) but to provide "a guide for [the Tournament's] future conduct in
 order to preserve [its] legal rights." *Amaral*, 692 F. Supp. 2d at 1235 (internal
 quotation marks omitted).

The City contends that this Court lacks jurisdiction because there is no 4 present force majeure event. (Mot. 20.). But that distorts the very purpose of 5 declaratory judgment to resolve clear disputes that might (or might not) arise in 6 future litigation. See Societe de Conditionnement en Aluminium, 655 F.2d at 943. 7 8 The City's own pre-suit correspondence undermines its contention that there is no 9 active and real controversy. After the parties executed an amendment to the MLA to resolve the parties' disagreements concerning the most recent game, the City's 10 11 counsel sent the Tournament a 12-page letter contending not only that no force majeure event took place with respect to that game, but also that the Tournament 12 breached the MLA regardless. FAC, Exhibit 9, at 9 ("By moving the Rose Bowl 13 Game to another stadium, therefore, [the Tournament] breached the MLA."); id. at 14 12 (threatening to sue for breach "[i]f the parties continue to disagree" on "the 15 16 meaning of the language in the MLA."). That is to say, that *after* the parties executed the amendment resolving the issues for the January 2021 Rose Bowl 17 Game, the City, through litigation counsel, threatened to sue the Tournament for 18 19 breach of contract as a result of the very same actions which were resolved in that amendment. The Tournament's attempts to meet and discuss the disagreement fell 2021 on deaf ears. FAC ¶ 95. In the last pre-filing correspondence, the City decided to 22 cut off further discussion and advised that it would be "considering next steps" *i.e.*, contemplating litigation for breach of contract as threatened in the prior letter. 23 FAC ¶¶ 96–97 & Exhibit 11. 24

The City unsuccessfully attempts to deflect the Court's attention from this ongoing dispute that will affect the Tournament's legal rights into the future. It is irrelevant that no specific *force majeure* event is presently asserted. The Tournament is not asking this Court to gaze into a crystal ball and determine if any

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particular incident triggers the MLA's provisions. Rather, Counts 1 & 2 seek 1 clarity as to the legal ramifications—the Tournament's rights and obligations—in 2 the face of a *force majeure* event under the MLA. That uncertainty is both 3 concrete and ready for adjudication; all the facts are readily available and 4 knowable for this Court to provide "an immediate and definitive determination of 5 the legal rights of the parties." Medtronic, Inc. v. Mirowski Family Ventures, 6 LLC, 571 U.S. 191, 200 (2014) (quoting Aetna Life Ins. v. Haworth, 300 U.S. 227, 7 8 241 (1937).

9 Instead, the City misreads the "immediacy" requirement for declaratory relief. As the Supreme Court explained in *MedImmune*, Inc. v. Genentech, Inc., 10 11 549 U.S. 118, 127 & n.7 (2007), the immediacy component drives at ensuring that the parties' controversy has crystallized in a way so that the court's declaration 12 could "finally and conclusively resolve" the dispute. By granting the Tournament 13 the relief it seeks—confirming that under the MLA the Tournament has the right to 14 host its Rose Bowl Game anywhere in the event of a qualifying force majeure— 15 16 this Court can put to rest the ongoing controversy and stave off future litigation.

#### 17 II. The Tournament's Trademark, False Advertising, and Contract Claims Are Sufficiently Pleaded. 18

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The Tournament Sufficiently Pleads Claims for Trademark A. Infringement, Unfair Competition, False Association, False Endorsement, and False Designation of Origin in Counts 3-5, 7, and 8 of the FAC.

22 In Counts 3 through 5 of the FAC, the Tournament asserts claims for 23 trademark infringement, unfair competition, false association, false endorsement, 24 and false designation of origin, respectively, under Sections 32 and 43(a)(1)(A) of the Lanham Act. See generally FAC at ¶¶ 109–141. In Count 7, the Tournament 25 26 asserts a claim for unfair competition under Cal. Bus. & Prof. Code § 17200. See 27 *id*. at ¶ 154-8. In Count 8, the Tournament asserts a claim for trademark 28 infringement under California common law. See id. at ¶¶ 159-163.

1 The same standard governs all of these claims, namely: (1) plaintiff's ownership of a valid mark; (2) "the defendant used the mark in commerce [;] and 2 (3) the defendant's use of the mark is likely to cause confusion." Tiermy v. 3 Moschino S.p.A., 15-cv-05900, 2016 WL 4942033, at \*5 (C.D. Cal. Jan. 13, 2016) 4 (denying motion to dismiss trademark infringement and unfair competition claims 5 under federal and California law based on, inter alia, defendant's assertion of 6 nominative fair use, and artistic relevance under Rodgers v. Grimaldi, 875 F.2d 7 994 (2d Cir. 1989)). 8

9 The City does not challenge the sufficiency of the Tournament's allegations in the FAC with respect to the first and second elements. See generally Motion. 10 11 Nor could the City credibly do so. The Tournament alleged ownership of numerous federal trademark registrations for its family of ROSE-formative 12 marks-including "ROSE BOWL" for use in connection with hosting the 13 Tournament's Rose Bowl Game—expressly incorporated those registrations by 14 reference in, and attached them as Exhibits to, the FAC, and showed an example of 15 16 the City's use of the Tournament's ROSE BOWL mark in commerce (*i.e.*, the City's January 14, 2021, Instagram post (the "Post")) and in statements to the 17 media asserting ownership interests in the Rose Bowl Game. See FAC at ¶ 67-73, 18 19 84; see also id. at Exs. 1-8; Spy Optic, Inc. v. Alibaba.com, Inc., 163 F. Supp. 3d 755, 765 (C.D. Cal. 2015) ("Here, Plaintiff attaches as Exhibits to the FAC 2021 multiple federally registered trademarks in SPY, SPYOPTIC, and the cross logo. 22 Defendant does not contest the validity of the trademarks. Plaintiff therefore sufficiently alleges that it owns valid trademarks") (internal citations omitted). 23

The third element—likelihood of confusion—is the "central inquiry of the trademark infringement claim" and assesses "whether [Defendant's] use of [Plaintiff's valid trademarks] creates a likelihood that the consuming public will be confused as to who makes what product." *Spy Optic, Inc.*, 163 F. Supp. 3d at 765 (citation omitted). 1 To assess likelihood of confusion, courts in this Circuit "typically apply the eight factors set out in AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 2 1979)." Kythera Biopharmaceuticals, Inc. v. Lithera, Inc., 998 F. Supp. 2d 890, 3 901 (C.D. Cal. 2014) (denying motion to dismiss). The eight *Sleekcraft* "factors 4 are: (1) the strength of the mark; (2) the proximity of the goods; (3) the similarity 5 of the marks; (4) evidence of actual confusion; (5) marketing channels used; 6 (6) type of goods and degree of care likely to be exercised by the purchaser; 7 8 (7) defendant's intent in selecting its mark; and (8) likelihood of expansion into 9 other markets." Id.

Here, the Tournament alleges in the FAC that, based on its longstanding, 10 11 continuous use of its ROSE BOWL mark in connection with hosting, advertising, and promoting its world-famous Rose Bowl Game, consumers associate the ROSE 12 BOWL mark uniquely with the Tournament when used in connection with the 13 Tournament's Rose Bowl Game. See FAC at ¶ 61-73. The Tournament also 14 alleges—and shows—in the FAC an example of the City's infringing conduct, 15 16 namely: in the Post, the City reproduced the entirety of the Tournament's ROSE BOWL mark on the Rose Bowl Stadium's official Instagram account, together 17 with an image of the official program from the 1956 iteration of the Tournament's 18 19 Rose Bowl Game, which also prominently features the Tournament's ROSE BOWL mark. See id. at ¶ 84. The City (in the Post) also: (i) reproduced the 2021 entirety of the Tournament's ROSE BOWL mark in the same channel of trade— 22 social media—that consumers are accustomed to encountering the Tournament's use of the Tournament's ROSE BOWL mark, and (ii) directed its use of the 23 24 Tournament's ROSE BOWL mark in the Post to fans of the Tournament's Rose Bowl Game. 25

Taken together, the Tournament's factual allegations, and image, in the FAC are more than sufficient to render it plausible that, based on the overall context of the Post, consumers are likely to be misled about, *inter alia*, whether the City is the

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source or sponsor of the Tournament's Rose Bowl Game. See, e.g., Kythera
 Biopharmaceuticals, Inc., 998 F. Supp. 2d at 901 (denying motion to dismiss as
 Plaintiff plausibly alleged likelihood of confusion based on, *inter alia*, similarity of
 marks, same channels of trade, and same customers); *but see Jackson v. Netflix*,
 Inc., No. 20-CV-06354, 2020 WL 8028615, at \*4 (C.D. Cal. Dec. 9, 2020) (a case
 on which the City relies; the plaintiff's allegations of confusion rested merely "on
 unsupported legal conclusions").

8 Nonetheless, the City takes issue with the Tournament alleging only one 9 example of the City's infringing conduct in the FAC. Leaving aside, for the moment, that one instance of infringement is sufficient to establish liability under 10 11 the Lanham Act, the City conveniently ignores that Federal Rule of Civil Procedure 8's notice-pleading standard does not require the Tournament to allege 12 the entire universe of the City's infringing conduct or otherwise "prove the 13 likelihood of confusion at the pleading stage." Solofill, LLC, v. Rivera, No. CV 14 17-02956, 2017 WL 5953105, at \*2 (C.D. Cal. Oct. 16, 2017). Rather, at the 15 16 pleadings stage, Rule 8 requires only that the Tournament provide the City with "a short and plain statement showing that the pleader is entitled to relief." Fed. R. 17 Civ. P. 8(a)(2). And, as discussed, *supra*, the Tournament does just that in the 18 19 FAC.

Based on the foregoing, this Court should deny the City's Motion to Dismiss
Counts 3–5, 7, and 8, of the FAC.

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#### 1. The City's Arguments About Trademark Nominative Fair Use are Premature and Ignore The City's Use of the Tournament's ROSE BOWL Mark to Create Consumer Confusion.

The City argues that this Court should evaluate whether its conduct creates a
likelihood of confusion based on the three-factor, doctrine of trademark nominative
fair use, not the *Sleekcraft* factors. No, this Court should not.

1 "The nominative fair use defense is applicable 'where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate 2 the cachet of one product for a different one." Yeager v. Cingular Wireless LLC, 3 627 F. Supp. 2d 1170, 1178 (E.D. Cal. 2008) (quoting New Kids on the Block v. 4 News America Pub., Inc., 971 F.2d 302, 307 (9th Cir. 1992) (denying motion to 5 dismiss). For "example, a car repair shop can advertise that it fixes Volkswagen 6 cars, even though 'Volkswagen' is a registered trademark." *powerlineman.com*, 7 8 LLC v. Kackson, No. CIV. S-07-879, 2007 WL 3479562, at \*4 (E.D. Cal. Nov. 15, 9 2007) (denying motion to dismiss). As this example illustrates, a trademark is used in a nominative sense when it is used "to refer to a particular product for purposes 10 11 of comparison, criticism, point of reference or any other such purpose." New Kids on the Block, 971 F.2d at 306 (a case on which the City relies; the Court evaluated 12 nominative fair use at the summary-judgment stage). 13

- When evaluating trademark nominative fair use, courts in this Circuit 14 consider three factors-all of which "must be met for the defense to apply." 15 Yeager, 627 F. Supp. 2d at 1178, n. 9. "First, the product or service in question 16 must be one not readily identifiable without use of the trademark; second, only so 17 much of the mark or marks may be used as is reasonably necessary to identify the 18 19 product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." New 2021 *Kids on the Block*, 971 F.2d at 308.
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Here, the City's reliance on nominative fair use is misplaced.

As a preliminary matter, the City raises nominative fair use prematurely. To be sure, this case is at the motion-to-dismiss stage. "[A]t the motion to dismiss stage, the Court is not tasked with determining the viability of Defendant's legal defenses. Rather, the Court must determine whether Plaintiff's allegations, taken as true, sufficiently state a claim for Plaintiff's various causes of action." *Spy Optic, Inc.*, 163 F. Supp. 3d at 765 (denying motion to dismiss); *see also Tiermy*,

2016 WL 4942033 at \*5 (denying motion to dismiss; "Although Defendants raise 1 ... nominative fair use, the Court finds that a determination of th[is] fact-intensive 2 inquir[y] would be better suited in a motion for summary judgment"); accord 3 Rolex Watch U.S.A., Inc. v. Agarwal, No. 12-06400, 2012 WL 12886444, at \*6 4 (C.D. Cal. Dec. 17, 2012), and powerlineman.com, 2007 WL 3479562 at \*4 5 (denying motion to dismiss; holding that "analysis of [trademark nominative fair 6 use] is premature on a motion to dismiss, particularly given [its] factual nature"). 7 8 As discussed, *supra*, the Tournament's claims in the FAC are plausible.

Moreover, even if it was appropriate to consider the City's arguments about
nominative fair use at the motion-to-dismiss stage, the FAC shows that the City did
not use the Tournament's ROSE BOWL mark in a nominative sense. Instead, the
City used the entirety of the Tournament's ROSE BOWL mark to create confusion
about the source and sponsorship of the City's Post, and the Tournament's Rose
Bowl Game. *See discussion infra*.

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#### The City Refers to the Tournament's Rose Bowl Game Without Using the Tournament's ROSE BOWL Mark.

The City claims in *ipse dixit* fashion that it cannot "readily identify the Rose Bowl Game or its Stadium without using the term 'Rose Bowl.'" Motion at 23. The City is hoisted by its own petard. As shown in the FAC, the City can—and does—reference the Tournament's Rose Bowl Game on social media without using the Tournament's ROSE BOWL mark. For example, in two posts on The Rose Bowl Stadium's official Instagram account made shortly before the Post, the City referred to the Tournament's Rose Bowl Game as: (i) "arguably one of the best college football games in history," and (ii) "game." *See* FAC at ¶¶ 87-90.

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Rose Bowl Game without using the Tournament's ROSE BOWL mark is in stark contrast to the cases on which the City relies. *See Playboy Enterprises, Inc. v.* 

The City's established ability to refer to, and describe, the Tournament's

Welles, 279 F.3d 796, 802 (9th Cir. 2002) (there must be "no descriptive substitute 1 for the trademark" and holding that, unlike this case, the defendant could "only 2 identify herself clearly by using [Playboy Enterprises, Inc.'s] trademarked title"); 3 Clark v. America Online Inc., No. CV-98-5650, 2000 WL 33535712, at \*5 (C.D. 4 Cal. Nov. 30, 2000) (it would be difficult for the defendant to refer to Dick Clark 5 without using Dick Clark's name); Basil v. New Razor & Tie Enters., LLC, No. 6 17-8728, 2018 WL 3869480, at \*4 (C.D. Cal. Feb. 14, 2018) (the plaintiff's name 7 8 and song title were the only ways for the defendant "to describe her and the song"); 9 Capcom Co., Ltd. v. MKR Grp., Inc., No. 08-0904, 2008 WL 4661479, at \*13 (N.D. Cal. Oct. 20, 2008) ("[T]here is no other way to refer to the movie than by 10 11 its title"); and 1800 Get Thin, LLC v. Hiltzik, No. CV11-00505, 2011 WL 3206486, at \*3 (C.D. Cal. July 25, 2011) ("Defendants could not have referred to Plaintiff's 12 marketing service without invoking the '1800 GET THIN' trademark, as Plaintiff's 13 marketing service is not readily identifiable without reference to the trademark"). 14

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#### b. It Was Not Necessary for the City to Use the Tournament's ROSE BOWL Mark at All in the Post—Let Alone Twice.

17 Not only did the City use the entirety of the Tournament's ROSE BOWL 18 mark in the text of the Post, but also the City reproduced—as the centerpiece of its 19 Post-the ROSE-BOWL-mark adorned Official Program from the 1956 iteration 20 of the Tournament's Rose Bowl Game. See FAC at ¶ 84. The City offers no 21 explanation for why it allegedly needed to reproduce the entirety of the 22 Tournament's ROSE BOWL mark—twice—in the Post. This is not surprising. 23 Indeed, as shown in the FAC, the City refers to prior iterations of the 24 Tournament's Rose Bowl Game without using the Tournament's ROSE BOWL 25 mark at all, let alone twice. *See* FAC at ¶¶ 87-90.

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#### c. Based on the Overall Context of the City's Post, Consumers Could Mistakenly Believe that the Tournament Sponsors or Approves of the Post.

The City's Post is not a case "where simply looking at the work itself, and the context in which it appears, demonstrates how implausible it is that a viewer will be confused into believing that the plaintiff endorsed the defendant's work." *Rolex Watch U.S.A. Inc.*, 2012 WL 12886444, at \*7 (denying motion to dismiss).

7 On the contrary, the ROSE-BOWL-mark adorned Official Program from the 8 1956 iteration of the Tournament's Rose Bowl Game is the centerpiece of the 9 City's Post. See FAC at ¶ 84. And, as discussed passim, the City reproduced the 10 entirety of the Tournament's ROSE BOWL mark in the text of the Post. These 11 facts render it plausible that consumers could mistakenly believe that the City is 12 the source or sponsor of the Tournament's Rose Bowl Game, and that the 13 Tournament sponsored or approved the City's Post. These facts also render 14 inapposite the City's case law, which, unlike this case, involved scenarios where 15 the defendants used the plaintiff's trademarks for purposes of criticism and/or used 16 disclaimers that ameliorated any potential confusion about sponsorship or 17 approval. See Stevo Design, Inc. v. SBR Marketing Ltd., 968 F. Supp. 2d 1082, 18 1089 (D. Nev. 2013) (criticism, and "when a website includes comments critical of 19 the mark owner, confusion as to the mark owner's authorization or sponsorship is 20 'incredible'''); Applied Underwriters, Inc. v. Lichtenegger, 913 F.3d 884, 897 (9th 21 Cir. 2019) (defendant was criticizing the plaintiff's service, used a disclaimer, and 22 used the defendant's own trademark to advertise the defendant's seminar at issue); 23 Architectural Mailboxes, LLC v. Epoch Design, LLC, No. 10-974, 2011 WL 24 1630809, at \*3-4 (S.D. Cal. April 28, 2011) (defendant was "drawing a clear 25 distinction between its products and those of Plaintiff" by identifying the plaintiff 26 as the source of plaintiff's products on a website that featured criticism of the 27 plaintiff's product); and Adaptive Mktg. LLC v. Girard Gibbs LLP, No. 09-04739, 28

2009 WL 8464168, at \*3 (C.D. Cal. Oct. 9, 2009) (defendant used the plaintiffs' 1 mark in a banner advertisement "intended to attract putative complainants who 2 have received unauthorized credit card charges from Plaintiffs"). 3

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Based on the foregoing, this Court should deny the City's Motion to Dismiss Counts 3-5, 7, and 8 of the FAC, respectively, based on the doctrine of trademark 5 nominative fair use. See Yeager, 627 F. Supp. 2d at 1178 (plaintiff alleged 6 plausible allegations of confusion; "defendant's assertion that the nominative fair 7 8 use defense applies is premature," and denied the defendant's motion to dismiss), 9 and Rearden LLC v. Walt Disney Co., 293 F. Supp. 3d 963, 976-9 (N.D. Cal. 2018) (denying motion to dismiss on grounds of nominative fair use where plaintiff's 10 11 allegations of confusion were not implausible).

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2. The City's Arguments About the Artistic-Relevance Doctrine are Premature, Ignore that the City's Post Is Not an "Expressive Work," and Ignore that the City's Post Was **Explicitly Misleading as to Source.** 

15 The City argues the Court should assess the Tournament's allegations of 16 confusion under the artistic-relevance doctrine's heightened pleading standard, 17 namely: "explicitly misleading" (as opposed to likelihood of confusion under the 18 Sleekcraft factors). No, this Court should not.

19 The artistic-relevance doctrine (originally set forth by the Second Circuit in 20 Rogers v. Grimaldi) seeks to "strike an appropriate balance between First 21 Amendment interests in protecting artistic expression and the Lanham Act's 22 purposes to secure trademark rights." Gordon v. Drape Creative, Inc., 909 F.3d 23 257, 264 (9th Cir. 2018). Under the artistic-relevance doctrine, the Lanham Act 24 applies "to an expressive work only if the defendant's use of the mark (1) is not 25 artistically relevant to the work or (2) explicitly misleads consumers as to the 26 source or the content of the work." Id.

27 The City's reliance on the artistic-relevance doctrine—like the doctrine of 28 trademark nominative fair use—is misplaced.

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1 As a threshold matter, the City raises the artistic-relevance doctrine prematurely. See Tiermy, 2016 WL 4942033 at \*5 (denying motion to dismiss; 2 3 "Although Defendants raise affirmative defenses under *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), ... the Court finds that a determination of th[is] fact-4 intensive inquir[y] would be better suited in a motion for summary judgment"), but 5 see Gordon, 909 F.3d at 271 (a case on which the City relies; the Ninth Circuit 6 holding that resolution of the artist-relevance doctrine was impractical even at 7 8 summary judgment)

Moreover, even if it was appropriate to consider the City's arguments about
the artistic-relevance doctrine at the motion-to-dismiss stage, the FAC shows that
the City's Post was not an expressive work and, even if it was, it was explicitly
misleading as to whether the Tournament sponsored or approved it.

The City must "make a threshold legal showing that its allegedly infringing
use is part of an expressive work protected by the First Amendment." *Gordon*, 909
F.3d at 264. This, the City cannot do. "In determining whether a work is
expressive, we analyze whether the work is communicating ideas or expressing
points of view." *VIP Prods. LLC v. Jack Daniel's Properties, Inc.*, 953 F.3d 1170,
1174-75 (9th Cir. 2020). This is a high hurdle to clear.

19 As the City's case law confirms, the Ninth Circuit has found only that titles of movies, television shows, and musical recordings, as well as video games, and a 2021 greeting card, and a dog toy, are expressive works. See Gordon, 909 F.3d at 265 22 (discussing Ninth Circuit's prior extension of *Rogers v. Grimaldi* to titles of 23 movies, television shows, and musical recordings; extending it to a greeting card); VIP Prods. LLC v. Jack Daniel's Props., Inc., 953 F.3d 1170, 1175 (9th Cir. 2020) 24 (dog toy); Brown v. Electronic Arts, Inc., 724 F.3d 1235, 1241 (9th Cir. 2013) 25 26(video game); VIRAG, S.R.L. v. Sony Comput. Ent. Am. LLC, 699 Fed. App'x. 667, 668 (9th Cir. 2017) (video game); Caiz v. Roberts, 382 F. Supp. 3d 942, 949 (C.D. 27 Cal. 2019) (musical recording in light of E.S.S. Ent. 2000, Inc. v. Rock Star Videos, 28

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Inc., 547 F.3d 1095, 1100 (9th Cir. 2008)); Dr. Seuss Enterprises, L.P. v. 1 ComicMix LLC, No. 16-CV-2779-JLS, 2018 WL 2306733, at \*4 (S.D. Cal. May 2 21, 2018) (book); Pomegranate Commc'ns, Inc. v. Sourcebooks, Inc., No. 19-cv-3 00119, 2019 WL 7476688, at \*4 (D. Ore. Dec. 16, 2019) (book); Reflex Media, 4 Inc. v. Pilgrim Studios, Inc., No. 18-2260, 2018 WL 6566561, at \*6 (C.D. Cal. 5 Aug. 27, 2018) (television series); and *Dickinson v. Ryan Seacrest Enterprises*, 6 Inc., No. 18-2260, 2018 WL 6112628, at \*5 (C.D. Cal. Oct. 1, 2018) (television 7 episode). 8

9 A common theme permeates the types of expressive works adopted by the Ninth Circuit, namely: "the work is communicating ideas or expressing points of 10 11 view." VIP Prods. LLC, 953 F.3d at 1174-75 (dog-chew toys were expressive works because they "communicate[] a 'humorous message,' using word play to 12 alter the serious phrase that appears on a Jack Daniel's bottle—'Old No. 7 Brand— 13 with a silly message—'The Old No. 2.' The effect is a simple message conveyed 14 by juxtaposing the irreverent representation of the trademark with the idealized 15 16 image created by the mark's owner") (internal quotation marks omitted); Gordon, 909 F.3d at 268-69 (greeting cards were expressive works because they "rel[y] on 17 graphics and text to convey a humorous message through the juxtaposition of an 18 19 event of some significance—a birthday, Halloween, an election—with the honey badger's aggressive assertion of apathy") (internal quotation marks and citation 20omitted). 21

Here, there is nothing expressive about the City's Post. Indeed, the City's Post is nothing more than a copy-and-paste-job of *the Tournament's* Official Program, together with a recitation of historical facts, namely, the teams that played in the 1956 iteration of the Tournament's Rose Bowl Game—all to create the mistaken impression that the City is the source or sponsor of the Tournament's Rose Bowl Game and/or that the Tournament sponsored or approved of the City's Post. The City tellingly does not cite a scintilla of authority to support the

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1 proposition that any court has extended—or will extend—*Rogers v. Grimaldi* to a garden-variety social-media post, like the City's Post. In fact, the City's case law 2 confirms that its Post is not an expressive work. See Chaquico v. Freiberg, No. 3 17-cv-02423, 2017 WL 4805578, at \*7 (N.D. Cal. Oct. 24, 2017) (defendant used 4 the plaintiff's IP (trademark-protected likeness) in "a purely commercial context. 5 Defendants have not, at this early stage, offered any arguments that suggest the 6 advertisements in question appeared in an expressive work. The *Rogers* test is 7 8 reserved for expressive works. Based on the current record, the Court finds the 9 SAC alleges Defendants' advertisements are not expressive, and that the *Rogers* test does not apply"). 10

11 Nonetheless, even if the City's Post was an expressive work, the
12 Tournament's allegations in the FAC are more than sufficient to satisfy *Rogers*'
13 second prong for at least two reasons.

First, the City used the Tournament's ROSE BOWL mark in the same 14 manner that the Tournament uses it on Instagram, namely: recounting historical 15 16 aspects of the Tournament's Rose Bowl Game. This is fatal to the City's ability to invoke Rogers. Indeed, when the junior user (*i.e.*, the City) uses the mark in the 17 same manner that the trademark owner/senior user (*i.e.*, the Tournament) uses it, 18 19 "the potential for explicitly misleading usage is especially strong," and puts the senior user, like the Tournament, "at a significant disadvantage in warding off 2021 infringement by [the junior user], merely because the product being created by the 22 [junior user] is also 'art.' That would turn trademark law on its head." Gordon, 909 F.3d at 270. 23

Second, as shown in the FAC, the Tournament's ROSE BOWL mark is the centerpiece of the City's Post—and the lack of any accompanying artistic expression evinces the City's intent to create confusion about the source and/or sponsorship of the Tournament's Rose Bowl Game, and the City's Post. *See Gordon*, 909 F.3d at 271 ("[U]sing a mark as the centerpiece of an [allegedly]

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expressive work itself, unadorned with any artistic contribution by the junior user,
 may reflect nothing more than an effort to induce the sale of goods or services by
 confusion or less the distinctiveness and thus the commercial value of a
 competitor's mark") (internal quotation marks and citation omitted).

- Based on the foregoing, this Court should deny the City's Motion to Dismiss
  Counts 3-5, 7, and 8 of the FAC, respectively, based on the artistic-relevance
  doctrine.
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## **B.** The Tournament Sufficiently Pleads a Claim for False Advertising in Count 6 of the FAC.

10In Count 6 of the FAC, the Tournament asserts a claim for false advertising11under 15 U.S.C. § 1125(a)(1)(B). See FAC at ¶¶ 142-153.

Under the Lanham Act, to prevail on its false advertising claim, a plaintiff 12 must sufficiently allege five elements: (1) defendant's conduct or statements 13 constitute commercial speech; (2) the statement contains misrepresentations; 14 (3) defendant is in commercial competition with plaintiff; (4) the statement was 15 made for the purpose of influencing consumers to buy defendant's goods or 16 services, and (5) the statement is sufficiently disseminated to the relevant 17 purchasing public. See Ariix, LLC v. NutriSearch Corp., 985 F.3d 1107, 1114-1115 18 (9th Cir. 2021). 19

At the pleading stage, the Tournament is not required to prove all elements of a false advertising claim sufficient to emerge victorious on the merits of its claims. The Tournament's only requirement to overcome a 12(b)(6) motion is to allege facts sufficient to "plausibly suggest" false advertising by the City. *See Name.Space, Inc. v. Internet Corp. for Assigned Names and Numbers*, 795 F.3d 1124, 1129 (9th Cir. 2015) (citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 557 (2007)). The Tournament has satisfied this requirement.

The FAC plausibly alleges that the City's statements on January 1, 2021 constitute commercial advertising. The Tournament plainly makes this allegation, stating "Defendant's January 1 Statements constitute commercial advertising
and/or commercial promotion." FAC at ¶ 144. Commercial speech is "usually
defined as speech that does no more than propose a commercial transaction." *United States v. United Foods, Inc.*, 533 U.S. 405, 409, 121 S.Ct. 2334, 150
L.Ed.2d 438 (2001). However, courts view this definition as just a starting point,
and will apply common sense to decipher between commercial speech and other
types of speech. *See Ariix*, 985 F.3d at 1115.

Because there is often difficulty in drawing clear lines between commercial 8 9 and non-commercial speech, the Supreme Court has outlined three factors to consider. "Where the facts present a close question, 'strong support' that the 10 11 speech should be characterized as commercial speech is found where, the speech is an advertisement, the speech refers to a particular product, and the speaker has an 12 economic motivation." Hunt v. City of L.A., 638 F.3d 703, 715 (9th Cir. 2011) 13 (citing Bolger v. Youngs Drug Prods. Corp., 463 U.S. 60, 66–67 (1983)). While 14 these factors are important, the Supreme Court also stated in *Bolger* that they are 15 16 not dispositive. The Supreme Court has also cited decisions designating 17 commercial speech as speech proposing a commercial transaction, which occurs in an area traditionally subject to government regulation. Cent. Hudson Gas & Elec. 18 19 *Corp. v. Pub.c Serv. Comm'n of N.Y.*, 447 U.S. 557, 562 (1980).

Here, it is more than plausible for the Tournament to assert that the City's 20 21 January 1 Statements are commercial speech under *Bolger* and *Hunt*. Government 22 officials regularly make statements regarding proposed commercial transactions. 23 Recent examples include the many statements made by various state governors and city mayors in the bid for Amazon's HQ2 and statements related to the recently-24 announced relocation of Major League Baseball's 2021 All-Star Game away from 25 26Georgia in light of new voter suppression legislation. See Sara Salinas & Paayal Zaveri, "Here are reactions from all 20 mayors of Amazon's favored HQ2 cities --27 Detroit's sad **CNBC** 19. 2018 9:35 28 plus statement." (Jan. AM). 19

1 https://www.cnbc.com/2018/01/18/heres-how-cities-are-reacting-to-being-finalistsfor-amazon-hq2.html; Mae Anderson, "Georgia governor vows a fight after MLB 2 yanks All-Star Game," AP (Apr. 3, 2021), https://apnews.com/article/joe-biden-3 mlb-baseball-georgia-atlanta-braves-faa074fb2add294d2568045dc9faac8a. The 4 Rose Bowl Game, and the festivities surrounding it, constitute a commercial 5 transaction for the parties. As stated in the FAC, the Tournament raised over 6 \$270,000 to construct the Rose Bowl Stadium. See FAC at ¶ 28. Given the 7 8 substantial financial windfall the Rose Bowl Game provides for the City, it is 9 reasonable to believe that the City's January 1 Statement was primarily made out of economic motivation. Keeping the Rose Bowl Game in Pasadena's Rose Bowl 10 11 Stadium is vital to the City due to the immense positive commercial impact the Game brings to the City and its businesses—not just through the license and fees 12 under the MLA, but also through the revenues generated by thousands of fans 13 converging on the City around the New Year holiday. Further, the City's January 1 14 Statement refers to a particular product: The Rose Bowl Game. The City's January 15 16 1 Statements constitute commercial speech.

17 The Tournament has also sufficiently pled the second element of false advertising claim. Plaintiff's claims must reasonably allege that the City's January 18 19 1 Statements include false or misleading representations of fact. Ariix, LLC, 985 F.3d at 1121. "[A] false advertising claim may be based on implied statements" as 2021 long as those statements are specific and deceptive. *Prager Univ. v. Google LLC*, 22 951 F.3d 991, 1000 (9th Cir. 2020). Statements of opinion and puffery, however, 23 are not actionable. The City's January 1 Statements were provided by an elected government official, directly to *The New York Times*. See FAC at ¶ 75-78. That 24 alone is sufficient to plausibly identify these statements as fact, not opinion or 25 26puffery. The January 1 Statements were also plainly false; the Tournament exclusively owns all trademarks and goodwill associated with the Rose Bowl 27 Game and the event is affiliated and associated with the Tournament by 28

consumers. See FAC at ¶ 61-73. Yet, the January 1 Statements assert that the City 1 owns the Rose Bowl Game and its affiliated trademarks, despite the fact that the 2 City functions as merely the geographic location and owner of the venue for the 3 Tournament's Rose Bowl Game. These statements were not what might amount to 4 puffery or opinion, such as the quality or prestige of the Tournament's Rose Bowl 5 Game. The January 1 Statements were statements of fact intended to mislead the 6 public to believe that the Tournament was acting unlawfully by attempting to hold 7 8 the game in a location other than in the city of Pasadena in 2021. It is reasonable to 9 believe that the City's statement was made for the purpose of influencing consumers – in this case, to attempt to keep the Tournament's Rose Bowl Game in 10 11 the city of Pasadena.

As stated previously, the January 1 Statements were disseminated to the public via *The New York Times*, a national (and internationally available) and reputable news source. *See* FAC at  $\P$  6; 75; 145. The Tournament has sufficiently alleged that the City's statement was sufficiently disseminated to the relevant purchasing public.

17 The City and the Tournament can also plausibly be considered to be in 18 competition with one another. While the parties cooperate annually to plan and 19 stage the Rose Bowl Game, they have differing and sometimes adverse interests 20 under the underlying commercial agreements concerning staging and hosting the 21 Rose Bowl Game, from use and maintenance of physical facilities, to financial 22 commitments and outlays, the revenues generated, assumption of risk, and so on.

Based on the foregoing, the Tournament's allegations in the FAC are
sufficient to state a plausible false advertising claim under 15 U.S.C. §
1125(a)(1)(B). Accordingly, this Court should deny the City's Motion to Dismiss
Count 6 of the FAC.

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#### C. The Tournament Sufficiently Pleads a Claim for Breach of Contract Under California Law in Count 9 of the FAC.

In Count 9 of the FAC, the Tournament asserts a claim for breach of contract under California law. *See* FAC at ¶¶ 164-172.

Under California law, "[a] cause of action for breach of contract requires proof of the following elements: (1) existence of the contract; (2) plaintiff's performance or excuse for nonperformance; (3) defendant's breach; and (4) damages to plaintiff as a result of the breach." *ProMex v. LLC Hernandez*, 781 F. Supp. 2d 1013, 1017 (C.D. Cal. 2011) (awarding trademark owner nominal damages on breach-of-contract claim).

Plaintiff's breach-of-contract claim rests on the City's material breaches of 11 the MLA, including, for example, by: the Instagram Post (which breaches the 12 City's obligation under the MLA not to use the Tournament's ROSE BOWL 13 GAME without Tournament approval), and disseminating false, misleading, and 14 deceptive statements about the City's alleged ownership of the Tournament's 15 family of ROSE-formative marks (which breaches the City's obligation under the 16 MLA not to interfere with the Tournament's exclusive ownership, and right to use, 17 the Tournament's marks). See FAC at ¶¶ 168, 169. 18

The City does not dispute the sufficiency of the Tournament's allegations in 19 the FAC concerning the first or second elements. See generally Motion. Instead, in 20a classic cart-before-the-horse argument, the City claims that it did not breach the 21 MLA because its breaches "were constitutionally protected activities." Id. at 33. 22 However, as the City must concede, there has been no such finding. What is more, 23 as discussed, passim, the Tournament's allegations in the FAC are sufficient to 24 render it plausible—plausibility being the relevant inquiry on the City's Motion to 25 Dismiss the FAC-that the City's breaches are not constitutionally protected 26activities; rather, they are cognizable acts of infringement, unfair competition, false 27

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association, false endorsement, false designation of origin, and false advertising,
 for which the City must answer.

- The City, in a last-ditch effort, argues that the Tournament also fails to state a plausible breach-of-contract claim under California law because at this time, the Tournament alleges only nominal damages, and reserves its right to seek actual damages. *See* Motion at 34; *see also* FAC at ¶ 172. The City's argument fails for at least three reasons.
- 8 *First*, the City's material breaches of the MLA inflict reputational harm to 9 the Tournament and the goodwill associated with its family of ROSE-formative 10 marks, which is difficult (if not impossible) to quantify in the form of actual 11 damages.
- Second, the City's argument is premature insofar as it seeks to preclude the
  Tournament from taking discovery on, and seeking to establish, actual damages.
  The Tournament should have the right to take discovery on actual damages in light
  of its express reservation in the FAC of its right to seek such damages.
- *Third*, the City's argument ignores well-settled California law, which holds
  that, even if "no actual damages can be established, a plaintiff who has established
  that a contract was breached is entitled to an award of nominal damages as the
  breach itself is a 'legal wrong that is fully distinct from the actual damages."
- ProMex, LLC, 781 F. Supp. 2d at 1019 ("Hence, the Court awards Plaintiffs 2021 nominal damages in the amount of \$1.00") (quoting Sweet v. Johnson, 169 Cal. 22 App. 2d 630, 632 (Ct. App. 1959) ("The maxim that the law will not be concerned with trifles does not, ordinarily, apply to violation of a contract right. Accordingly, 23 24 nominal damages, which are presumed as a matter of law to stem merely from the 25 breach of a contract, may properly be awarded for the violation of such a right") *Id.* 26 at 633 (internal citations omitted) (citing Cal. Civ. Code § 3360) ("When a breach of duty has caused no appreciable detriment to the party affected, he may yet 27 recover nominal damages")); see also In re Facebook Priv. Litig., 192 F. Supp. 3d 28

1053, 1061-62 (N.D. Cal. 2016) ("The court concludes that *Aguilera* and *Ruiz* [...]
 do not defeat a plaintiff's ability to recover nominal damages for breach of contract
 even in the absence of actual damages. Plaintiffs, therefore, have alleged a legal
 wrong that is fully distinct from the actual damages") (referencing *Aguilera v*.
 *Pirelli Armstrong Tire Corp.*, 223 F.3d 1010 (9th Cir. 2000) (a case on which the
 City relies)).

7 Based on the foregoing, the Tournament's allegations in the FAC are
8 sufficient to state a plausible breach-of-contract claim under California law.
9 Accordingly, this Court should deny the City's Motion to Dismiss Count 9 of the
10 FAC.

# 11III.To the Extent the Court Grants the Motion, the Tournament Requests12Leave to Amend.

As explained in the preceding sections, the City's arguments—that this Court is without jurisdiction and that certain claims are inadequately pleaded—are meritless. To the extent the Court disagrees, however, the Tournament request leave to file a Second Amended Complaint addressing any perceived deficiencies.

#### CONCLUSION

18 For these reasons, the Tournament requests that the Court deny the City's19 motion to dismiss.

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|    | PASADENA TOURNAMENT OF ROSES ASSOCIATION'S OPPOSITION TO MOTION TO DISMISS,<br>CASE NO. 2:21-CV-01051   |