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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

11	DC COMICS,	)	Case No. CV 15-07980 DDP (JPRx)
12	Plaintiff,	)	<b>ORDER DENYING MOTION TO DISMISS</b>
13	v.	)	[Dkt. No. 25]
14	MAD ENGINE, INC.,	)	
15	Defendant.	)	

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Presently before the Court is Defendant Mad Engine's Motion to Dismiss. (Dkt. No. 25.) After considering the parties' submissions and hearing oral argument, the Court adopts the following Order.

**I. BACKGROUND**

Plaintiff DC Comics is a publisher of comic books and owner of related intellectual property. (Compl. ¶¶ 1, 9.) In this case, Plaintiff is asserting its trademark rights in its Superman character – specifically, the iconic shield design that Superman wears on his chest. (Id. ¶ 10-14.) As provided by Plaintiff's complaint, "one well-known iteration of the design" is:



As the complaint provides, "[o]ne of the indicia most strongly associated with Superman is the red and yellow five-sided shield that appears on Superman's chest." (Id. ¶ 10.) Plaintiff has registered a trademark in this shield design for adults' and children's clothing, including t-shirts. (Id. Ex. 1 (U.S. Trademark No. 1,184,881).) Plaintiff has also licensed this mark on t-shirts, with the complaint providing examples:



As shown above, some of the licensed products are more humorous and some are more traditional. Plaintiff alleges that it "has achieved great commercial success with the goods and services offered under the Shield Mark." (Id. ¶ 16.)

Defendant Mad Engine is a clothing wholesaler. (Id. ¶ 20.) Defendant sold a shirt that allegedly violated Plaintiff's Superman shield trademark. (Id. ¶ 2, 21-23.) The shirt at issue has a five-sided shield design on the chest with the text "DAD" inside:



1 According to Plaintiff, "DC Comic's Shield Design consists of  
2 a bordered five-sided shield in red and yellow, with the text  
3 inside the shield sized and positioned according to the proportions  
4 and shape of the shield" and Defendant's t-shirt "incorporates each  
5 of these elements." (Id. ¶ 24.) Plaintiff alleges that it sent  
6 Defendant a cease and desist letter on June 1, 2015, but Defendant  
7 failed to respond until June 19, 2015, because Defendant wanted the  
8 shirt to sell during the Father's Day sales period. (Id. ¶ 28.)  
9 Defendant refused to cease sales, even after a second cease and  
10 desist letter. (Id. ¶ 29.)

11 Thus, Plaintiff has filed the current lawsuit, alleging  
12 federal trademark infringement and counterfeiting under 15 U.S.C. §  
13 1114, unfair competition and false designation of origin under 15  
14 U.S.C. § 1125, trademark dilution under 15 U.S.C. § 1125, and state  
15 law unfair competition under California Business and Professions  
16 Code section 17200 et seq. (See Compl.) Defendant has filed a  
17 Motion to Dismiss, arguing that its t-shirt is a parody of  
18 Plaintiff's mark so the shirt does not infringe or dilute  
19 Plaintiff's mark. (See Def. Mot. Dismiss, Dkt. No. 25.)

## 20 **II. LEGAL STANDARD**

21 A 12(b)(6) motion to dismiss requires a court to determine the  
22 sufficiency of the plaintiff's complaint and whether it contains a  
23 "short and plain statement of the claim showing that the pleader is  
24 entitled to relief." Fed. R. Civ. P. 8(a)(2). Under Rule  
25 12(b)(6), a court must (1) construe the complaint in the light most  
26 favorable to the plaintiff, and (2) accept all well-pleaded factual  
27 allegations as true, as well as all reasonable inferences to be  
28 drawn from them. See Sprewell v. Golden State Warriors, 266 F.3d

1 979, 988 (9th Cir. 2001), amended on denial of reh'g, 275 F.3d 1187  
2 (9th Cir. 2001); Pareto v. F.D.I.C., 139 F.3d 696, 699 (9th Cir.  
3 1998).

4 In order to survive a 12(b)(6) motion to dismiss, the  
5 complaint must "contain sufficient factual matter, accepted as  
6 true, to 'state a claim to relief that is plausible on its face.'" Ashcroft v. Iqbal, 556 U.S. 662, 663 (2009) (quoting Bell Atl.  
7 Corp. v. Twombly, 550 U.S. 544, 570 (2007)). However,  
8 "[t]hreadbare recitals of the elements of a cause of action,  
9 supported by mere conclusory statements, do not suffice." Id. at  
10 678. Dismissal is proper if the complaint "lacks a cognizable  
11 legal theory or sufficient facts to support a cognizable legal  
12 theory." Mendiondo v. Centinela Hosp. Med. Ctr., 521 F.3d 1097,  
13 1104 (9th Cir. 2008); see also Twombly, 550 U.S. at 561-63  
14 (dismissal for failure to state a claim does not require the  
15 appearance, beyond a doubt, that the plaintiff can prove "no set of  
16 facts" in support of its claim that would entitle it to relief).

17 A complaint does not suffice "if it tenders 'naked  
18 assertion[s]' devoid of 'further factual enhancement.'" Iqbal, 556  
19 U.S. at 678 (quoting Twombly, 550 U.S. at 556). "A claim has  
20 facial plausibility when the plaintiff pleads factual content that  
21 allows the court to draw the reasonable inference that the  
22 defendant is liable for the misconduct alleged." Id. The Court  
23 need not accept as true "legal conclusions merely because they are  
24 cast in the form of factual allegations." Warren v. Fox Family  
25 Worldwide, Inc., 328 F.3d 1136, 1139 (9th Cir. 2003).

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1 **III. DISCUSSION**

2 Defendant argues that its "DAD" shield image on a Father's Day  
3 novelty t-shirt is a parody of Plaintiff's Superman shield and  
4 therefore not likely to confuse consumers as to the source or  
5 affiliation of its product. (See Mot. Dismiss at 6-9.) Defendant  
6 also claims that this lack of consumer confusion is true under a  
7 full Sleekcraft analysis. (Id. at 10-18.) Defendant further  
8 argues that there is no trademark dilution here because the two  
9 shields are dissimilar and because parodies do not dilute as a  
10 matter of law. (Id. at 19-22.) Lastly, Defendant claims that the  
11 state law unfair competition claim should be dismissed for the same  
12 reasons that support dismissing the trademark claims. (Id. at 22-  
13 23.)

14 In response, Plaintiff argues first that Defendant has failed  
15 to treat its motion to dismiss as a true motion to dismiss because  
16 Defendant has introduced new facts not alleged in the complaint and  
17 fails to accept the well-pled facts in the complaint as true.  
18 (Opp'n at 4-7.) Plaintiff claims that its complaint adequately  
19 alleges facts that, taken as true, support all of its claims. (Id.  
20 at 7-21.) For the argument regarding likelihood of confusion,  
21 Plaintiff argues that Defendant's motion relies on facts and  
22 allegations from outside the complaint, which should not be  
23 considered on a motion to dismiss, and that the facts in the  
24 complaint satisfy a Sleekcraft factor analysis. (Id. at 7-8; n9-  
25 15.) Further, Plaintiff argues that Defendant's use of its mark is  
26 not a parody at all for purposes of likelihood of confusion and  
27 dilution. (Id. at 16-21.)

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1           **A.     Parody**

2           Defendant's arguments in its motion rely heavily on its claim  
3 that its shield is a parody of Plaintiff's Superman mark. (See  
4 Mot. Dismiss at 6-9.) Defendant states:

5           Mad Engine's DAD Image is an obvious parody of Superman and  
6 his Shield, commenting on the real-world futility and even  
7 pretentiousness of Superman and his Shield. Whereas  
8 Superman proudly bears the Shield on his chest as he flies  
9 around saving people in a fantasy world, "DAD" lacks any  
10 superpowers, but is a real-world hero to his kids.  
11 Superman wears a cape and uses superhuman strength to stop  
trains and catch airplanes, while your real-world DAD wears  
a t-shirt and sometimes helps do the dishes. This comment  
by Mad Engine and its DAD Image on the undue self-  
importance of Superman and his fictionalized superhero  
powers does achieve the effect of ridicule, though only  
through a simple turn of phrase.

12 (Id. at 6.)

13           The Ninth Circuit has examined how parodies affect trademark  
14 infringement claims by explaining that such an argument is a part  
15 of the usual consumer confusion analysis, and that the underlying  
16 question is whether there is such consumer confusion:

17           In a traditional trademark infringement suit founded on the  
18 likelihood of confusion rationale, the claim of parody is  
19 not really a separate "defense" as such, but merely a way  
20 of phrasing the traditional response that customers are not  
21 likely to be confused as to the source, sponsorship or  
22 approval. "Some parodies will constitute an infringement,  
23 some will not. But the cry of 'parody!' does not magically  
fend off otherwise legitimate claims of trademark  
infringement or dilution. There are confusing parodies and  
non-confusing parodies. All they have in common is an  
attempt at humor through the use of someone else's  
trademark. A non-infringing parody is merely amusing, not  
confusing."

24 Dr. Suess Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394,  
25 1405 (9th Cir. 1997) (internal citations omitted).

26           A parody pokes fun at the senior mark, like "Chewy Vuiton" dog  
27 toys parodying Louis Vuitton's luxury mark, or "Lardashe" jeans  
28 parodying Jordache jeans. See Louis Vuitton Malletier S.A. v.

1 Haute Diggity Dog, LLC, 507 F.3d 252 (4th Cir. 2007); Jordache  
2 Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir. 1987).  
3 By contrast, a motorcycle repair shop that was not licensed by  
4 Harley Davidson but which used a logo substantially similar to  
5 Harley Davidson's mark was found to not be a parody because it made  
6 "no comment on Harley's mark; it simply use[d] it somewhat  
7 humorously to promote [its] own product and services, which is not  
8 a permitted trademark parody use." Harley Davidson, Inc. v.  
9 Grottanelli, 164 F.3d 806, 813 (2d Cir. 1999).

10 Here, Defendant claims that putting "DAD" into a superhero  
11 shield is making fun of Superman by pointing out Superman's "undue  
12 self-importance." (Mot. Dismiss at 6.) However, it is unclear  
13 from the briefing and the complaint if there is a true parody here,  
14 like in the Louis Vuitton and Jordache cases, or if there is  
15 instead a somewhat humorous use that confuses consumers as to the  
16 source of the product, as in Harley Davidson.

17 Defendant argued in its brief and at oral argument that in  
18 Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788 (9th Cir. 1981), the  
19 Ninth Circuit found on a motion to dismiss that a "humorous  
20 caricature" of a famous mark was not confusing to consumers as a  
21 matter of law. The plaintiff in that case owned the name  
22 "Godzilla" and the related character, "a fictitious, gigantic,  
23 green, lizard-like monster." Id. at 789. The plaintiff also used  
24 the slogan "King of the Monsters" in relation to its mark. Id.  
25 The name and likeness was licensed on merchandise such as comic  
26 books, coloring books, toys, games, TV shows, and movies. Id. at  
27 789-90. By contrast, the defendant sold "garbage bags in boxes  
28 which designate[d] the bags as a Sears product, but which also

1 display[ed] the word 'Bagzilla,' depict[ed] a 'comic, helpful,  
2 personified reptilian creature,' and carr[ied] the legend  
3 'Monstrously Strong Bags.'" Id. at 790.

4 The Ninth Circuit held that the marks at issue in the case  
5 were unrelated as a matter of law after applying the Sleekcraft  
6 factors. Id. The court found that the marketing channels were  
7 different, as well as the actual goods at issue:

8 Sears sells garbage bags. Toho produces or sponsors only  
9 literary works and toys. Sears uses "BAGZILLA" instead of  
10 "GODZILLA" and puts the Sears name prominently on the  
package. The representation of the creature is a humorous  
caricature rather than an exact copy.

11 Id. Lastly, the court found that Sears did not intend to confuse  
12 consumers and instead intended "only to make a pun." Id. at 791.  
13 Thus, after a consideration of all the factors, the court held that  
14 there was no evidence that consumers would be "confused as to  
15 source or sponsorship of the garbage bags." Id.

16 Unlike in Toho, the alleged infringing product here does not  
17 contain a prominent indication that the shirt comes from the  
18 defendant rather than the plaintiff. That is, in Toho, Sears had  
19 its name and mark prominently displayed on the garbage bags. Here,  
20 by contrast, Mad Engine does not have a prominent indication that  
21 the t-shirt is from it and not from the creator and licensor of  
22 Superman. Further, the shields here are the same except for the  
23 text reading "DAD" and "S," which conjures up "Superdad" and  
24 "Superman" respectively. This is unlike Toho, where there were  
25 different creatures on the box and in the film, although the name  
26 of "Bagzilla" did conjure up the trademarked "Godzilla."

27 Perhaps most importantly, the plaintiff and defendant had  
28 different products and marketing channels in Toho. There, the



1 plaintiff did not license or produce garbage bags, or use any of  
2 the same marketing to promote their products. Here, Plaintiff has  
3 made many different iterations of licensed Superman t-shirts,  
4 including one that makes the same inference that Defendant's shirt  
5 makes: Superdad. The marketing channels and goods are therefore  
6 not unrelated as a matter of law. Thus, the holding in Toho does  
7 not change the Court's holding here.

8 Defendant also argues that this Court has previously held that  
9 a complaint did not state a claim for trademark infringement at the  
10 motion to dismiss stage, citing Burnett v. Twentieth Century Fox  
11 Film Corp., 491 F. Supp. 2d 962 (C.D. Cal. 2007). However, the  
12 facts of Burnett are dissimilar to the facts of this case. Burnett  
13 involved the animated TV show, "Family Guy," making a parody of  
14 Carol Burnett's "Charwoman" character. Id. at 966. As the  
15 decision states, "Family Guy routinely puts cartoon versions of  
16 celebrities in awkward, ridiculous, and absurd situations in order  
17 to lampoon and parody those public figures and to poke fun at  
18 society's general fascination with celebrity and pop culture." Id.  
19 at 966-67. This Court held that due to the expressive nature of  
20 the allegedly infringing TV show and based on the "distasteful and  
21 bizarre, even outrageous and offensive" way the clip lampooned the  
22 Charwoman character, no reasonable consumer would be confused or  
23 think anything of the clip other than that Carol Burnett was the  
24 subject of a Family Guy parody. See id. at 973.

25 The situation in Burnett was quite different than the case  
26 here. Here, the allegedly infringing t-shirt makes the same joke  
27 as a shirt licensed by Plaintiff: both shirts refer to "Superdad"  
28 through the use of the Superman shield or something like it. There

1 is no lampooning of Superman by making a play on "Superman" with  
2 "Superdad." Defendant's shirt is saying something like, "My dad is  
3 like Superman – he's Superdad." Thus, as in Harley Davidson,  
4 Defendant's shirt is more like a humorous use to promote the t-  
5 shirt's sales rather than a parody of Superman.

6 **B. Sleekcraft Factors Analysis**

7 Defendant argues that the shield design on its t-shirt is  
8 substantially different from Plaintiff's trademark, and that the  
9 other Sleekcraft factors support the claim that consumers would not  
10 be confused as to the origin of the products. (Mot. Dismiss at 10-  
11 18.) Defendant states that the "S" in Plaintiff's mark is the  
12 dominant feature of the mark, and Defendant's mark uses "DAD" with  
13 no "S," so the dominant parts of the mark are dissimilar. (Id. at  
14 13.)

15 In AMF Inc. v. Sleekcraft Boats, the Ninth Circuit provided  
16 eight nonexclusive factors for a court to use in determining  
17 whether consumer confusion is likely. 599 F.2d 341, 348-49 (9th  
18 Cir. 1979). These factors are: (1) the strength of the plaintiff's  
19 mark; (2) the proximity or relatedness of the goods; (3) the  
20 similarity of the marks; (4) evidence of actual confusion; (5)  
21 marketing channels used; (6) the type of goods and likely degree of  
22 purchaser care; (7) defendant's intent in selecting the mark; (8)  
23 likelihood of expansion of the product lines. Id.

24 The similarity of the marks is arguably the most important of  
25 these factors because "[w]here the two marks are entirely  
26 dissimilar, there is no likelihood of confusion." See Brookfield  
27 Commc'ns, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1054 (9th  
28 Cir. 1999). Of course, similarity – even "precise identity" – does

not equate with consumer confusion, which is the ultimate test, but similarity combined with the other factors is a good indicia of such confusion. Id.; Sleekcraft, 599 F.2d at 351.

#### 1. Similarity of the Marks

Here, the complaint alleges that there is substantial similarity between the two marks and that this similarity leads to consumer confusion. (See Compl. ¶¶ 23-27, 32, 37-39.) The complaint's allegations and a visual inspection of the two marks demonstrates the similarities, which are sufficient to allow Plaintiff's complaint to survive a motion to dismiss:



Both shields are five-sided shapes, bordered in red, with red lettering inside on a yellow background, and with the lettering designed to fit in the shape. A consumer, as Plaintiff alleges, could easily think that the same company that makes or licenses shirts with the symbol on the right made or licensed the shirt with the symbol on the left. Even without the red, yellow, and blue colors – Plaintiff's registered trademark is black and white, as shown below – the two marks have similar five-sided shapes and text that fits the shape, as well as a border and similar font for the text in the shape:



1 Therefore, the Court holds that Plaintiff has properly alleged  
2 consumer confusion based on the similarity of the two shields so as  
3 to survive a motion to dismiss. The Court will examine the other  
4 Sleekcraft factors below as they also support the denial of  
5 Defendant's motion.

6 **2. Strength of Plaintiff's Mark**

7 It is undisputed that Plaintiff's mark is very strong. (Mot.  
8 Dismiss at 14-15; Opp'n at 9-10.)

9 **3. Proximity of the Goods**

10 While defendant claims that Plaintiff's complaint fails to  
11 plead any facts regarding the proximity of the goods, Plaintiff  
12 responds that the goods are "identical" and thus there is a high  
13 degree of consumer confusion as to this factor. (Mot. Dismiss at  
14 15; Opp'n at 10-11.)

15 **4. Evidence of Actual Confusion**

16 Both parties acknowledge that there is no evidence of actual  
17 consumer confusion. (Mot. Dismiss at 15; Opp'n at 9 n.5.)  
18 However, as Plaintiff points out, such evidence is likely to come  
19 during discovery and not at this early stage, but the complaint did  
20 plead consumer confusion. (Opp'n at 9 n.5.)

21 **5. Marketing Channels Used**

22 The parties do not contest for the purposes of this motion  
23 that they use the same marketing channels. (Mot. Dismiss at 15;  
24 Opp'n at 14.)

25 **6. Type of Goods and Likely Degree of Consumer Care**

26 The type of goods here are t-shirts, and both parties produce  
27 t-shirts with shield designs in the center. Plaintiff does not  
28 offer argument as to the likely degree of consumer care in making

1 this kind of purchase, and there are no facts pled in the complaint  
2 regarding this factor. Plaintiff explains that the necessary  
3 evidence, such as the price of Defendant's shirt, would come during  
4 discovery. (Opp'n at 9 n.5.) Defendant claims that Plaintiff's  
5 failure to plead facts regarding the likely degree of care means  
6 this factor is neutral in this case. (Mot. Dismiss at 15-16.)

#### 7 **7. Defendant's Intent**

8 Plaintiff argues that the complaint "alleges that Defendant's  
9 conduct was willful and done with the intent to trade off the fame  
10 of Plaintiff's iconic Superman character and Shield Mark and to  
11 falsely convey to consumers that the infringing t-shirt was a  
12 licensed DC Comics product. (Opp'n at 14 (citing Compl. ¶¶ 23,  
13 26.)) Defendant argues that its intent is, as argued above, to  
14 make a parody of Superman. (Mot. Dismiss at 16.) Further,  
15 Defendant argues that its use of the shield is "ornamental" and not  
16 a trademark use. (Id.)

#### 17 **8. Likelihood of Expansion of Products**

18 The parties do not contest this factor, as they both offer the  
19 same product. (Mot. Dismiss at 18; Opp'n at 9 n.5.)

#### 20 **9. Balance of Factors**

21 The balance of these factors weighs in favor of Plaintiff at  
22 the motion to dismiss stage because all the well-pled facts in the  
23 complaint must be taken as true and Plaintiff has alleged  
24 sufficient facts to support consumer confusion under a Sleekcraft  
25 factor analysis. The two shields are substantially similar and are  
26 on the same kind of product, a t-shirt, and use the same marketing  
27 channels. As pled, consumers are likely to be confused and believe  
28 that Defendant's "DAD" shirt was a licensed, humorous take by DC

1 Comics on its own mark. Therefore, the Sleekcraft factors do not  
2 weigh in favor of dismissing the complaint at this stage.

3 **C. Dilution and Unfair Competition**


4 Because the Court finds the marks are substantially similar  
5 and the parody argument insufficient at this stage of the case, the  
6 Court also finds that the complaint has properly alleged both its  
7 dilution and unfair competition causes of action based on the same  
8 underlying facts.

9 **IV. CONCLUSION**

10 For the reasons stated above, Defendant Mad Engine's Motion to  
11 Dismiss is DENIED.

12  
13 IT IS SO ORDERED.

14  
15  
16 Dated: December 15, 2015

  
HON. DEAN D. PREGERSON  
United States District Judge