

1 Michael I. Santucci (Florida Bar No. 105260)  
Admitted *Pro Hac Vice*  
2 [mis@500law.com](mailto:mis@500law.com)  
SANTUCCI PRIORE, P.L.  
3 200 South Andrews Avenue, Suite 100  
Fort Lauderdale, Florida 33301  
4 Telephone 954-351-7474  
Facsimile: 954-351-7475

5 James Leonard Brown, Esq. - SBN 40702  
6 [jamesbrownlaw@yahoo.com](mailto:jamesbrownlaw@yahoo.com)  
LAW OFFICE OF JAMES LEONARD BROWN, APC  
7 5900 Wilshire Boulevard, Suite 2645  
Los Angeles, CA 90036-5028  
8 Telephone: 213-251-2332  
9 Facsimile: 213-607-1456

10 Attorneys for Plaintiffs, ERNEST EVANS,  
THE LAST TWIST, INC., and THE ERNEST  
11 EVANS CORPORATION

12 **IN THE UNITED STATES DISTRICT COURT**  
13 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
14 **SAN FRANCISCO DIVISION**

15 ERNEST EVANS, an individual, THE LAST  
16 TWIST INC., a Pennsylvania for Profit  
Company, and THE ERNEST EVANS  
CORPORATION, a Pennsylvania for Profit  
17 Company,

18 Plaintiffs,

19 v.

20 HEWLETT-PACKARD COMPANY, a  
21 Delaware for Profit Company and PALM, INC.,  
a Delaware for Profit Company,

22 Defendants.

Case No. 3:13-CV-02477-WHA

**JOINT CASE MANAGEMENT STATEMENT**

Date: August 15, 2013  
Time: 8:00 a.m.  
Ctrm: 8 - 19th Floor  
Judge: Honorable William H. Alsup

23  
24 **JOINT CASE MANAGEMENT STATEMENT**  
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Pursuant to Rule 26(b) of the Federal Rules of Civil Procedure, Rule 16-9 of the Local rules of the United States District Court for the Northern District of California, and the Court's Order Requiring Parties to Meet and File Joint Case Management Statements, Plaintiffs, ERNEST EVANS, THE LAST TWIST, INC., and THE ERNEST EVANS CORPORATION (hereinafter, collectively, referred to as "Plaintiffs") and Defendants HEWLETT-PACKARD COMPANY and PALM, INC. (hereinafter, collectively, referred to as "Defendants") (Plaintiff and Defendants collectively referred to as the "Parties"), by and through their respective undersigned attorneys, hereby submit the following Joint Case Management Statement.

**I. JURISDICTION and SERVICE**

**a. Subject Matter Jurisdiction.** This Court has jurisdiction over this action under 15 U.S.C. § 1121 and 28 U.S.C. § 1338 (a), because this case arises under the Trademark Act of 1946, as amended, 15 U.S.C. §§ 1051 et seq. Plaintiffs contend that this Court also has jurisdiction over this action under 28 U.S.C. §1332, as there is diversity of citizenship between Plaintiffs and Defendants. In addition, the amount in controversy, exclusive of interest and costs, exceeds the sum of seventy five thousand dollars (\$75,000.00). Defendants dispute that the amount in controversy exceeds \$75,000. This Court has jurisdiction over the common law claims herein under 28 U.S.C. §1338(b), because those claims are joined with a substantial and related claim under the Trademark Act of 1946, as amended, 15 U.S.C. §§1051 et seq.

**b. Personal Jurisdiction and Venue.** This Court has jurisdiction over the Defendants in this action by consent, and because each Defendant is either domiciled or maintains its principal place of business in this judicial district, and because the Defendants regularly engage in business in this judicial district and throughout the entire United States. Venue is proper in this district pursuant to 28 U.S.C. §1391(a), by consent, because Defendants are domiciled or their principal place of business is in this judicial district, and because the Defendants regularly engage in business in this judicial district and throughout the entire United States.

**II. FACTS**

**Plaintiffs' Statement**

Plaintiff, ERNEST EVANS is a famous entertainer who is professionally known as "Chubby Checker." Plaintiffs THE LAST TWIST, INC. and THE ERNEST EVANS CORPORATION are business

1 entities owned by Plaintiff ERNEST EVANS and who either own or license various famous trademarks and  
2 service marks which consist of or incorporate the stage name CHUBBY CHECKER.

3 Defendant, PALM, INC., is a wholly-owned subsidiary of Defendant HEWLETT-PACKARD  
4 COMPANY. Defendants make, sell and license computer software, smart phones and other devices  
5 worldwide. Defendants have knowingly invaded upon Plaintiff ERNEST EVANS's publicity rights, and  
6 have knowingly diluted, infringed, disparaged and tarnished the famous trademarks and service marks of the  
7 Plaintiffs by approving, accepting, uploading, downloading, hosting, advertising, selling, offering for sale,  
8 supporting and maintaining a software application, commonly known as an "app" for its smart phone device  
9 called "The Chubby Checker" which is advertised as an app which enables the user to measure the size of a  
10 man's penis.

11 Plaintiffs' name, marks and brand have been diluted, tarnished, disparaged and otherwise damaged as  
12 a result of the Defendants' activities described above. Defendants have received revenues in connection with  
13 the subject app, and the advertisement of the app is believed to have directly enhanced sales of other products  
14 and services of the Defendants. Although the Defendants claim to have stopped selling the app, Plaintiffs  
15 remain unsatisfied and Defendants continued to make reference to the app after the date the claim sales  
16 ceased.

### 17 **Defendants' Statement**

18 The "App" in question, the "Chubby Checker," was created and named by a third party developer.  
19 Defendants had no involvement in creating or naming the App. The App was made available by that third  
20 party for download from PALM, INC.'s App Catalog. Until receiving a "cease and desist" letter from  
21 Plaintiffs' counsel, Defendants had no knowledge of Plaintiffs' claimed trademarks, or that the App's  
22 developers were not licensed to use those marks. Upon receiving the cease and desist letter, Defendant  
23 PALM, INC. immediately removed the App from the Catalog, and Defendants have had no further  
24 involvement with the App, its sale to the public, or the developer. In the period of time the App was available  
25 for download from the Palm App Catalog, 88 copies were downloaded, at a retail price of \$0.99 per copy.  
26 Defendants' total gross income from downloads of the App was \$16.58.

1 **III. Legal Issues**  
 2 **Plaintiffs' Statement**

3 Plaintiffs have alleged both direct and contributory liability for trademark infringement, dilution  
 4 and use of ERNEST EVANS name and publicity rights. Therefore, the first primary point of law in  
 5 dispute is whether Defendants can be held directly liable for their acts given their hands-on policy  
 6 and procedure of approving each and every software app created for Defendants own smart phones,  
 7 which they sell on their websites and given the other direct, affirmative acts alleged. To whatever  
 8 extent they are not, the remaining issues will be whether Defendants activities rise to the level of  
 9 actionable contributory infringement<sup>1</sup> and whether they are passive enough to entitle Defendants to a  
 10 safe harbor under § 230 of the Communications Decency Act. *See Fraley v. Facebook*, 830 F. Supp.  
 11 2d 785 (N.D. Cal. 2011).

12  
 13 The parties are in disagreement as to whether the innocent publisher defense will create a  
 14 sanctuary for the Defendants. *See L'anza Research Int'l, Inc., v. Quality King Distribs., Inc.*, 98 F. 3d  
 15 1109, 1112 (9<sup>th</sup> Cir. 1996), *rev'd on other grounds sub nom Quality King Distribs., Inc. v. L'anza*  
 16 *Research Int'l, Inc.*, 523 U.S. 135 (1998).

17  
 18 The parties also do not agree as to whether Plaintiffs will be entitled to the relief requested for the  
 19 dilution, infringement and unauthorized uses despite the relatively minimal sales Defendants have  
 20 represented to date. *See* 15 U.S.C. § 1125(c); *Moseley v. Victoria Secret Catalogue, Inc.*, 537 U.S. 418,  
 21 433-434, 123 S.Ct. 1115 (2003); *Baugh v. CBS, Inc.*, 828 F. Supp. 745, 753 (N.D. Cal. 1993) [other  
 22 citations omitted for brevity].

23  
 24 Finally, the parties are in disagreement as to whether Plaintiffs can afford themselves of the  
 25 protections of California law given that the majority of the complained of conduct occurred in California,  
 26 despite the fact that they are Pennsylvania residents. *Arno v. Club Med. Inc.*, 22 F. 3d 1464, 1467 (9<sup>th</sup> Cir.

27  
 28 <sup>1</sup> *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930 (2005); *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264-65 (9<sup>th</sup> Cir. 1996).

1 1994); *Insurance Co. of N. Am. v. Federal Express Corp.*, 189 F.3d 914, 920 (9<sup>th</sup> Cir. 1999).

2 **Defendants' Statement.**

3  
4 Plaintiffs' trademark claims are claims of contributory infringement, based on sales of a product  
5 created and branded by a third party. Plaintiffs' trademark claims are claims of contributory  
6 infringement, based on sales of a product created and branded by a third party. Under controlling law,  
7 such claims require knowing assistance or contribution. *Perfect 10, Inc. v. Visa Int'l Serv. Ass'n*, 494  
8 F.3d 788, 807 (9th Cir. 2007) (citing *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 102 S. Ct.  
9 2182, 72 L.Ed.2d 606 (1982)); *Mini Maid Services Co. v. Maid Brigade Systems, Inc.*, 967 F.2d 1516,  
10 1522 (11th Cir.1992) (any liability for contributory infringement will necessarily depend upon  
11 whether or not the contributing party intended to participate in the infringement or actually knew  
12 about the infringing activities.)

13 Defendants had no knowledge of Plaintiffs' claimed trademarks until Plaintiffs sent a cease and  
14 desist letter on September 6, 2012. Defendants removed the accused product from their App store  
15 within days of receiving that letter. Thus no trademark claim lies.

16 Plaintiffs' Pennsylvania Right of Publicity claim is expressly barred by its own immunity  
17 provision, 42 Pa. Cons. Stat. §8316(d). Plaintiffs' state law claims are also barred by  
18 Communications Decency Act §230; see *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1118 (9th  
19 Cir. 2007)

20 Plaintiffs' California right of publicity claims are similarly barred by Section 230. In addition,  
21 they are barred because each Plaintiff is a Pennsylvania domiciliary. California choice of law rules  
22 apply the right of publicity laws of the plaintiff's home state. *Cairns v. Franklin Mint Co.*, 292 F.3d  
23 1139, 1145 n.3 (9th Cir. 2002) (right of publicity suits in California are governed by the law of the  
24 plaintiff's domicile, not California law: right of publicity is property and is deemed to follow the  
25 person of its owner, and is governed by the law of his domicile.); see also *Hebrew Univ. of*  
26 *Jerusalem v. Gen. Motors LLC*, 878 F. Supp. 2d 1021, 1027 (C.D. Cal. 2012) (same).

27 **IV. Motions**

28 **a. Pending Motions.** Defendants' Motion to Dismiss First Amended Complaint, calendared for August 15,  
2013 [DE-50]. The Motion is fully briefed.

1 **b. Anticipated Motions.**

2 **Plaintiffs' Statement.** Plaintiffs anticipate the possibility of filing a motion for partial summary  
3 judgment on one or more of Defendants' affirmative defenses which Defendants indicated they will assert.

4 **Defendants' Statement.** In the event this case proceeds beyond the pleadings stage, Defendants  
5 anticipate moving for summary judgment when appropriate.

6 **V. Amendment of Pleadings**

7 Plaintiffs anticipate possible amendments to the pleadings if one or more of Plaintiffs' claims are  
8 dismissed without prejudice and after initial discovery which might reveal the need for additional parties.  
9 Defendants have not yet answered the Complaint.

10 **VI. Evidence Preservation**

11 Counsel have informed the Parties of their obligation to preserve all relevant evidence, including  
12 electronic evidence, in connection with this case.

13 **VII. Disclosures**

14 Counsel for the Parties conducted an initial Rule 26(f) conference in person on April 2, 2013 and again by  
15 telephone on August 6, 2013 and August 8, 2013. Counsel plan to confer, in person, again on August 15,  
16 2013. The Parties will make their initial disclosures pursuant to Rule 26(f) on August 12, 2013.

17 **VIII. Discovery**

18 Discovery has not yet commenced. The Parties anticipate depositions, interrogatories, document requests,  
19 requests for admissions and other discovery. The Parties do not expect the need for any modifications to  
20 the applicable federal or local rules, other than Plaintiffs possibly seeking expansion of the number of  
21 depositions. Defendants do not believe an expansion of the number of depositions is appropriate. This  
22 will be determined once the Parties engage in initial discovery and determine the number of potential  
23 witnesses. The Parties shall attempt to agree to a stipulated e-discovery order and a proposed discovery  
24 plan. At this time, there are no pending discovery disputes, as discovery has not begun, nor are any  
25 anticipated.

26 **IX. Class Action**

27 This is not a class action.  
28

1 **X. Related Cases**

2 The Parties are not aware of any related cases or proceedings.

3 **XI. Relief**

4 **Plaintiffs' Statement.** Plaintiffs are seeking injunctive relief to enjoin and restrain the complained of  
5 conduct and affirmative relief to require Defendants take certain actions to remedy their unauthorized use  
6 of Plaintiffs' name, likeness and/or trademarks. Plaintiffs are seeking an award of damages equal to the  
7 diminished value of the Plaintiffs' name, marks, brand and businesses. A valuation of Plaintiffs' actual  
8 damages is expected to require expert analysis and testimony and is expected to be calculated based on  
9 one of the three (3) recognized business valuation theories. Plaintiffs lost profits calculations will require  
10 discovery from the Defendants and possibly expert testimony and therefore have not yet been determined.  
11 Plaintiffs expect to apply a projected growth rate to their losses to the actual damages and to Defendants'  
12 profits proved at trial, reduced to present value through a date near or identical to the date of trial.  
13 Plaintiffs also seek exemplary damages pursuant to their various state law claims. Discovery is required to  
14 quantify such claims.

15 Plaintiffs seek the following relief in their amended complaint:

- 16
- 17 1. An order preliminarily enjoining during the pendency of this action, and thereafter permanently  
18 enjoining and restraining Defendants from using the name CHUBBY CHECKER or any name, term or  
19 mark similar thereto.
  - 20 2. An order requiring Defendants to deliver and destroy all devices, computer hardware and software,  
21 files, menus, hard drives, servers, diskettes and backups, literature, advertisements, packages, labels,  
22 signs, prints, wrappers, receptacles, and all other materials and products in the possession of Defendants  
23 bearing the name and/or mark CHUBBY CHECKER.
  - 24 3. An order requiring Defendants to notify in writing and direct to their internet service provider(s),  
25 web host(s) and all publishers of directories or lists, including Internet search engines, in which the  
26 Defendants' use of the names and marks employing CHUBBY CHECKER appear, to delete all references  
27 to said names and marks from their public databases, search engine directories, directory assistance and  
28 from all future directories in which said names and marks are to appear, and to delete all forwarding or  
"cache memory."

1 4. An order requiring Defendants to file with the Court and serve upon Plaintiffs' counsel within thirty  
2 (30) days after entry of judgment a report in writing and under oath setting forth in detail the manner and  
3 form in which Defendants have complied with the requirements of the injunction and order.

4 5. An order requiring Defendants to account for and pay over to Plaintiffs all damages sustained by  
5 Plaintiffs by reason of Defendants' unlawful acts alleged herein, plus interest thereon, and that such  
6 damages be trebled, as provided by law.

7 6. An order requiring Defendants to account for any pay over to Plaintiffs all profits realized directly  
8 or indirectly by Defendants directly or indirectly related to the subject app and to other products and  
9 services, the sales of which have been enhanced directly or indirectly from the subject app or otherwise  
10 by reason of Defendants' unlawful acts alleged herein, and that such amounts be trebled pursuant to 15  
11 U.S.C. § 1117(a)(3) or as otherwise provided by law.

12 7. An enhancement of any monetary award based on profits which this Court, in its discretion, finds  
13 just pursuant to 15 U.S.C. § 1117(a)(3) or as otherwise provided by law.

14 8. Defendants be required to pay Plaintiffs punitive damages pursuant to CA CIVIL § 3344 or as may  
15 be otherwise permitted by law or in the discretion of this Court.

16 9. Plaintiffs have and recover their reasonable attorney's fees incurred in this litigation pursuant to 15  
17 U.S.C. § 1117(a)(3), CA CIVIL § 3344 or other applicable law.

18 10. Plaintiffs have and recover their taxable costs and other costs, expenses and disbursements  
19 incurred herein.

20 11. Plaintiffs have such other and further relief as the Court may deem just and appropriate.

21 **Defendants' Statement**

22 Plaintiffs are not entitled to any relief. Defendants reserve the right to seek attorney's fees under the  
23 Lanham Act's "exceptional case" provisions.

24 **XII. Settlement and ADR**

25 On various dates since this action was initiated, counsel for the Parties conferred regarding the prospects  
26 for compromise or settlement of claims and defenses. The Parties have discussed settlement in good faith  
27 and will continue such efforts periodically throughout the course of action. The Parties believe that this  
28 case will be best postured for more formal mediation after resolution of the pending Motion to Dismiss



1 First Amended Complaint [DE-50] and after the Parties conduct discovery and exchange reports of their  
2 damages experts.

3 **XIII. Consent to Magistrate Judge For All Purposes**

4 The Parties have not agreed to proceed before a magistrate judge for all purposes.

5 **XIV. Other References**

6 The Parties do not believe that this case is suitable for reference to binding arbitration, a special  
7 master, or the Judicial Panel on Multidistrict Litigation.

8 **XV. Narrowing of Issues**

9 The Parties believe that summaries of financial records can be created and relied upon at trial in lieu  
10 of presentation of actual financial records in an effort to expedite trial. The Parties also believe that  
11 some facts may be stipulated to at trial.

12 **XVI. Expedited Trial Procedure**

13 The Parties do not believe that this case should be handled on an expedited basis.

14 **XVII. Scheduling**

15 The Parties propose the following schedule:

- 16 (a) The Initial Case Management Conference ó August 15, 2013  
17 (b) Expert reports on matters for which each party bears the burden ó March 14, 2014  
18 (c) Rebuttal expert reportsô April 4, 2014  
19 (d) The deadline to complete all discovery ó May 5, 2014  
20 (e) Request a pretrial conference and trial date on or after ó August 4, 2014

21 **XVIII. Trial**

22 Plaintiffs have demanded a jury trial. At this time, the Parties anticipate that the trial can be completed  
23 within five (5) court days.

24 **XIX. Disclosure of Non-party Interested Entities or Persons**

25 The Parties filed corporate disclosure statements prior to transfer to this District. Dkt. Nos. 7, 8, 19.  
26 Plaintiffs have identified the following persons, firms, partnerships, corporations (including parent  
27 corporations) or other entities known to have either: (i) a financial interest in the subject matter in controversy  
28 or in a party to the proceeding; or (ii) any other kind of interest that could be substantially affected by the

1 outcome of the proceedings:

2 Ernest Evans

3 The Last Twist, Inc.

4 The Ernest Evans Corporation

5 Santucci Priore, P.L.

6 Michael I. Santucci, P.A.

7 Michael I. Santucci

8 Joseph V. Priore, P.A.

9 Joseph V. Priore

10 Gary, Williams, Parenti, Watson & Gary, P.L.

11 Willie E. Gary

12 Other than the named Defendants, no other persons or entities related to the Defendants have (i) a financial  
13 interest in the subject matter in controversy or in a party to the proceeding; or (ii) any other kind of interest  
14 that could be substantially affected by the outcome of the proceedings.

15 **XX. Other Matters to Facilitate the Just, Speedy and Inexpensive Disposition of This Matter.**

16 To facilitate the just and inexpensive disposition of this matter, Plaintiffs propose that counsel for  
17 Plaintiffs be granted permission to appear at some hearings telephonically since Plaintiffs and their  
18 primary counsel are located on the east coast.

1 Dated: August 8, 2013

Respectfully submitted,

2 **SANTUCCI PRIORE, P.L.**

3 *Attorneys for Plaintiffs*

4 200 South Andrews Avenue, Suite 100

Fort Lauderdale, FL 33301

5 Telephone: 954-351-7474

6 Facsimile: 954-351-7475

7 By:           /s/ Michael I. Santucci          

8 Michael I. Santucci (Florida Bar No. 105260)

[mis@500law.com](mailto:mis@500law.com)

(Admitted *Pro Hac Vice*)

9  
10 James Leonard Brown, Esq. - SBN 40702

[jamesbrownlaw@yahoo.com](mailto:jamesbrownlaw@yahoo.com)

11 LAW OFFICE OF JAMES LEONARD BROWN,

12 APC

5900 Wilshire Boulevard, Suite 2645

13 Los Angeles, CA 90036-5028

14 Telephone: 213-251-2332

Facsimile: 213-607-1456

15  
16 Willie E. Gary (Florida Bar No. 187843)

Attorney for Plaintiffs (admitted *pro hac vice*)

17 E-mail: [weg@williegary.com](mailto:weg@williegary.com)

GARY, WILLIAMS, PARENTI, WATSON &

18 GARY, P.L.

221 E. Osceola Street

19 Stuart, FL 34994

20 Telephone: 772-283-8260

Facsimile: 772-220-3343

21 **DURIE TANGRI LLP**

22 Michael H. Page (SBN 154913)

[mpage@durietangri.com](mailto:mpage@durietangri.com)

23 Joseph C. Gratz (SBN 240676)

[jgratz@durietangri.com](mailto:jgratz@durietangri.com)

24 217 Leidesdorff Street

San Francisco, CA 94111

25 Telephone: 415-362-6666

26 Facsimile: 415-236-6300

27 By:           /s/ Michael H. Page          

Michael H. Page (SBN 154913)

[mpage@durietangri.com](mailto:mpage@durietangri.com)

28 Dated: August 8, 2013

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**CERTIFICATE OF SERVICE**

I certify that all counsel of record is being served on August 9, 2013 with a copy of this document via the Court's CM/ECF system.

*/s/ Michael I. Santucci*  
\_\_\_\_\_  
Michael I. Santucci