

ESTTA Tracking number: **ESTTA695838**

Filing date: **09/14/2015**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91200832
Party	Defendant Honda Giken Kogyo Kabushiki Kaisha (Honda Motor Co., Ltd.)
Correspondence Address	SARAH R FRAZIER WILMER CUTLER PICKERING HALE AND DORR LLP 60 STATE ST BOSTON, MA 02109 UNITED STATES michael.bevilacqua@wilmerhale.com, john.regan@wilmerhale.com, shira.hoffman@wilmerhale.com, sarah.frazier@wilmerhale.com, si- lena.paik@wilmerhale.com,
Submission	Defendant's Notice of Reliance
Filer's Name	Silena Paik
Filer's e-mail	silena.paik@wilmerhale.com
Signature	/s/ Silena Paik
Date	09/14/2015
Attachments	part 1 NOR 8 Public.pdf(3739645 bytes) part 2 NOR 8 Public.pdf(4587765 bytes) part 3 NOR 8 Public.pdf(1191729 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE
TRADEMARK TRIAL AND APPEAL BOARD

BRIGGS & STRATTON CORPORATION and KOHLER CO.,)	
)	
Opposers,)	Opposition No. 91200832 (parent)
)	
v.)	Opposition No. 91200146
)	
HONDA GIKEN KOGYO KABUSHIKI KAISHA,)	Application Serial No. 78924545
)	
Applicant.)	
)	
)	

APPLICANT’S EIGHTH NOTICE OF RELIANCE

Pursuant to 37 C.F.R. § 2.122(e), Applicant Honda Giken Kogyo Kabushiki Kaisha (“Honda”) submits, and gives notice of its reliance on, the attached official records:

Description	Pages to be Read	Applicant Trial Exhibit No.
Permanent Injunction Order, <i>Powertrain, Inc., et al., v. American Honda Motor, Co., Inc.</i> , 1:03-cv-00688-MPM (N.D. Miss. Oct. 23, 2007)	<u>Permanent Injunction</u> : 1-4 <u>Exhibit A</u> : 1-5, 8, 9, 24-26, 32, 35-39, 44, 53-54 <u>Exhibit B</u> : 1-5, 8-9, 24-25, 31-32, 38-40, 46-48, 54-55	J
Jury Verdict, <i>Powertrain, Inc., et al., v. American Honda Motor, Co., Inc.</i> , 1:03-cv-00688-MPM (N.D. Miss. Aug. 13, 2007)	1-2	K
Jury Instructions, <i>Powertrain, Inc., et al., v. American Honda Motor, Co., Inc.</i> , 1:03-cv-00688-MPM (N.D. Miss. Aug. 21, 2007)	4-5	L
Summary Judgment Order, <i>American Honda Motor Co., Inc. v. The Pep Boys, et al.</i> , 2:05-cv-08879-WDK-VBK (C.D. Cal. Nov. 13, 2007)	1-24	M

In *Powertrain, Inc., et al., v. American Honda Motor, Co., Inc.*, 1:03-cv-00688-MPM (N.D. Miss. 2007), a jury found that Honda had established secondary meaning and non-functionality of the three-dimensional appearance of the Honda GX engines, which included the front view that is the subject of the applied-for mark. Based on this verdict, the court issued a judgment holding that Honda's three-dimensional GX engine trade dress was protectable, and the court permanently enjoined the plaintiffs from using, designing, manufacturing, selling, offering for sale, or importing engines that infringed this trade dress.

In *American Honda Motor Co., Inc. v. The Pep Boys, et al.*, 2:05-cv-08879-WDK-VBK (C.D. Cal. November 13, 2007), the court denied summary judgment that the three-dimensional Honda GX engine trade dress lacked secondary meaning and was functional because Honda provided strong evidence that elements of the design “appear[ed] to have been selected on the whim of the designer” and used advertising that “[did] not tout any utilitarian advantages of the GX engine design.” *See id.* at 8-10.

Honda submits that the above-identified exhibits, and copies of the same submitted herewith, are official records of the U.S. District Courts for the Northern District of Mississippi and the Central District of California. These records are publicly available at <https://ecf.msnd.uscourts.gov/> and <https://ecf.cacd.uscourts.gov/>. Honda further submits that the exhibits attached to this Notice of Reliance are relevant to the non-functionality and secondary meaning of the applied-for mark in this proceeding. Honda therefore intends to rely upon and make of record the attached exhibits.

Respectfully submitted,

Dated: September 14, 2015

/s/ Silena Paik

John Regan
Vinita Ferrera
Silena Paik
Sarah Frazier
Shira Hoffman
Wilmer Cutler Pickering Hale
and Dorr LLP
Boston, MA 02109
(617) 536-6000

Attorneys for Honda Giken Kogyo
Kabushiki Kaisha

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Eighth Notice of Reliance was served by FedEx this 14th day of September, 2015 upon:

Kenneth Nowakowski
Melinda Giftos
Whyte Hirschboeck Dudek S.C.
555 E. Wells Street, Suite 1900
Milwaukee, Wisconsin 53202

And

Robert N. Phillips
Seth B. Herring
Reed Smith LLP
101 Second Street
Suite 1800
San Francisco, California 94105

/s/ Silena Paik
Silena Paik

Applicant Exhibit J

The Court further finds that there are certain parties against whom a default judgment has been entered, namely China National Electronics Import and Export Zhejiang Company, Shaoxing Tongyong Engine Mading Company, Inc., Xing Yue Group, and Zhejiang Ever Fine Electric Appliance Group, Ltd., as set forth in this Court's order of July 12, 2007 [1069]. Based on their default, and further based on the findings of the jury,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants PowerTrain, Inc., Wood Sales Co., Inc., Tool Mart, Inc. Best Machinery and Electrical Co., Inc., Joyce Ma, China National Electronics Import and Export Zhejiang Company, Shaoxing Tongyong Engine Mading Company, Inc., Xing Yue Group, and Zhejiang Ever Fine Electric Appliance Group, Ltd., and their respective officers, directors, employees, agents, attorneys, and all persons acting for or on behalf of them, whether acting individually or in concert (collectively "Defendants") are hereby permanently enjoined from:

1. Using, designing, manufacturing, selling, offering for sale, or importing the engines, or any product incorporating such engines, as shown on the photographs attached as Exhibit A sheets 1-47 and 50-56, which utilize the fuel tank design, muffler design, valve cover design, fan cover design, cooling fins' design, air cleaner cover design, raised circle on air cleaner cover, wing nut on air cleaner cover, carburetor cover, plastic ribs on carburetor cover, bolt location on carburetor cover, oil fill cap style and color, fuel tank mounts, oil alert system, and/or engine base ribbing design of the trade dress of the Honda

GX series engines, including the overall appearance of Honda's GX series engines, as shown on the photographs attached as Exhibit B, or any such item or component substantially or confusingly similar thereto, including but not limited to all 4 to 13 HP PowerTrain engines (or products incorporating such engines) as in existence on the day on which judgment was entered in this case (August 27, 2007) ["Infringing Items"]; and

2. Without limiting the foregoing, using, manufacturing, selling, offering for sale, or importing any Infringing Items in the form in which such Infringing Items existed on or before August 27, 2007; and

3. Defendants shall file a report, within 30 days of the date of this Permanent Injunction, describing all its steps taken to ensure compliance with the provisions of paragraphs 1 and 2 above; and

4. This Court retains authority, under 15 U.S.C. § 1118, to ensure compliance with this order, and to grant any further and appropriate relief, including, but not limited to consideration of whether any alternative engine designs to be presented by PowerTrain or any other Defendant are permissible under the Order and Judgment dated August 27, 2007, as may be required on this record; and

5. The parties have agreed that any appeal times or deadlines that might otherwise apply to this Order are tolled, pending the trial of the damages portion of this matter. The parties further agree not to appeal this permanent injunction until after the trial of the damages portion of this matter.

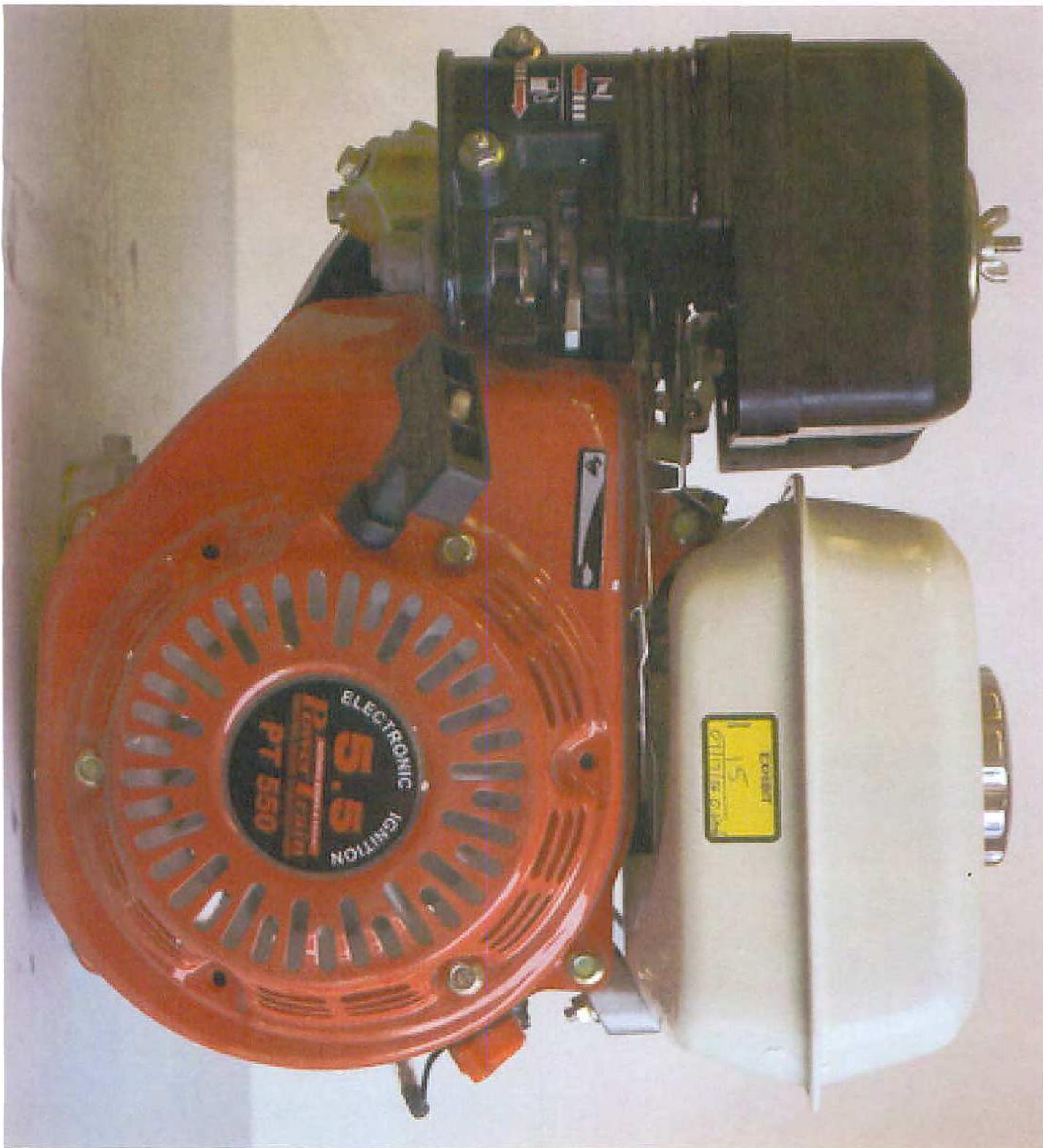
ORDERED AND ADJUDGED this 23rd day of October, 2007.

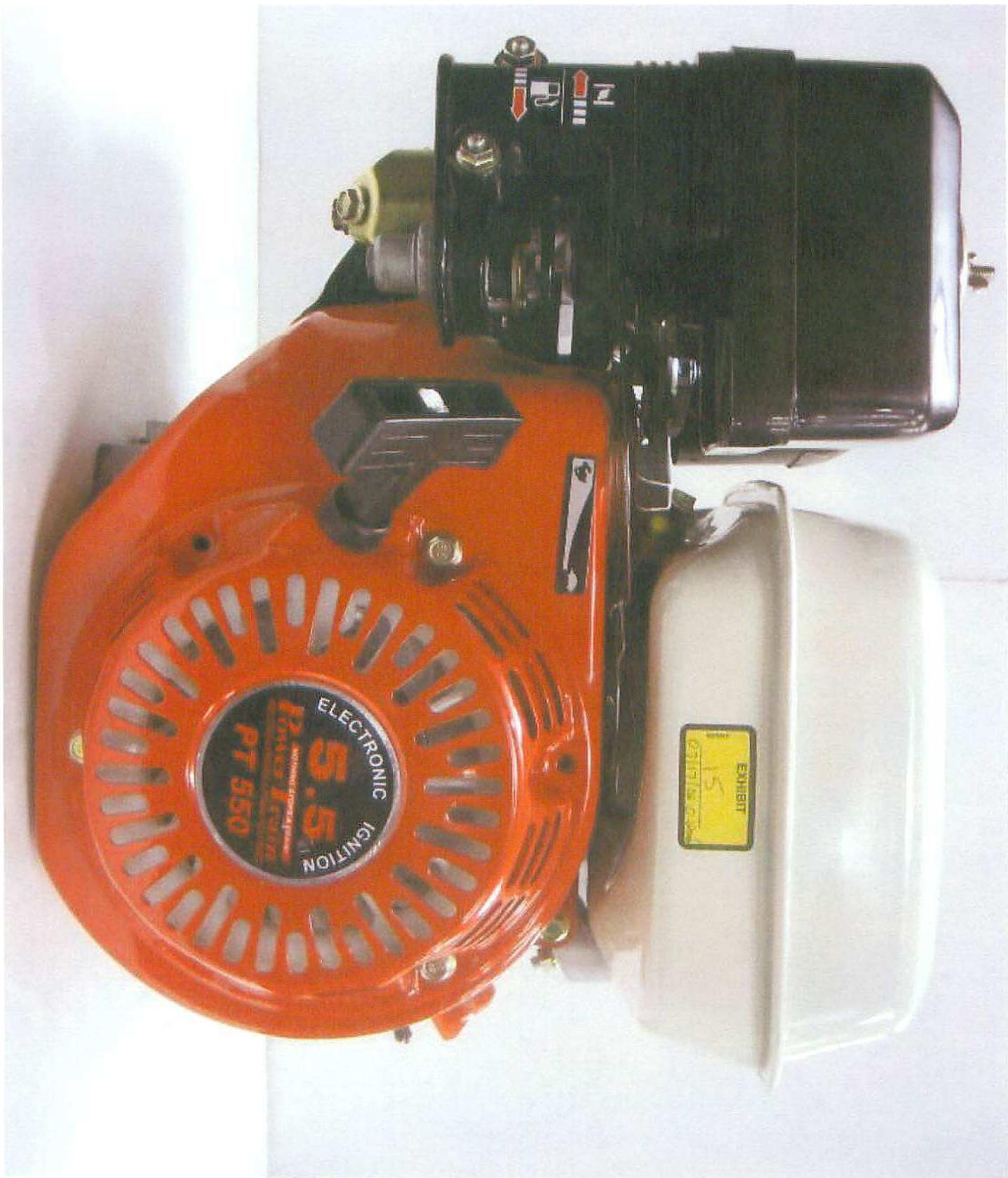
/s/ Michael P. Mills
CHIEF JUDGE
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF
MISSISSIPPI

Powertrain, Inc., et al v. American Honda
Motor Co., Inc., et al
United States District Court
Northern District of Mississippi
Eastern Division
Civil Action No. 1:03CV668MD

Exhibit "A" to Preliminary Injunction

Red PowerTrain PT 550

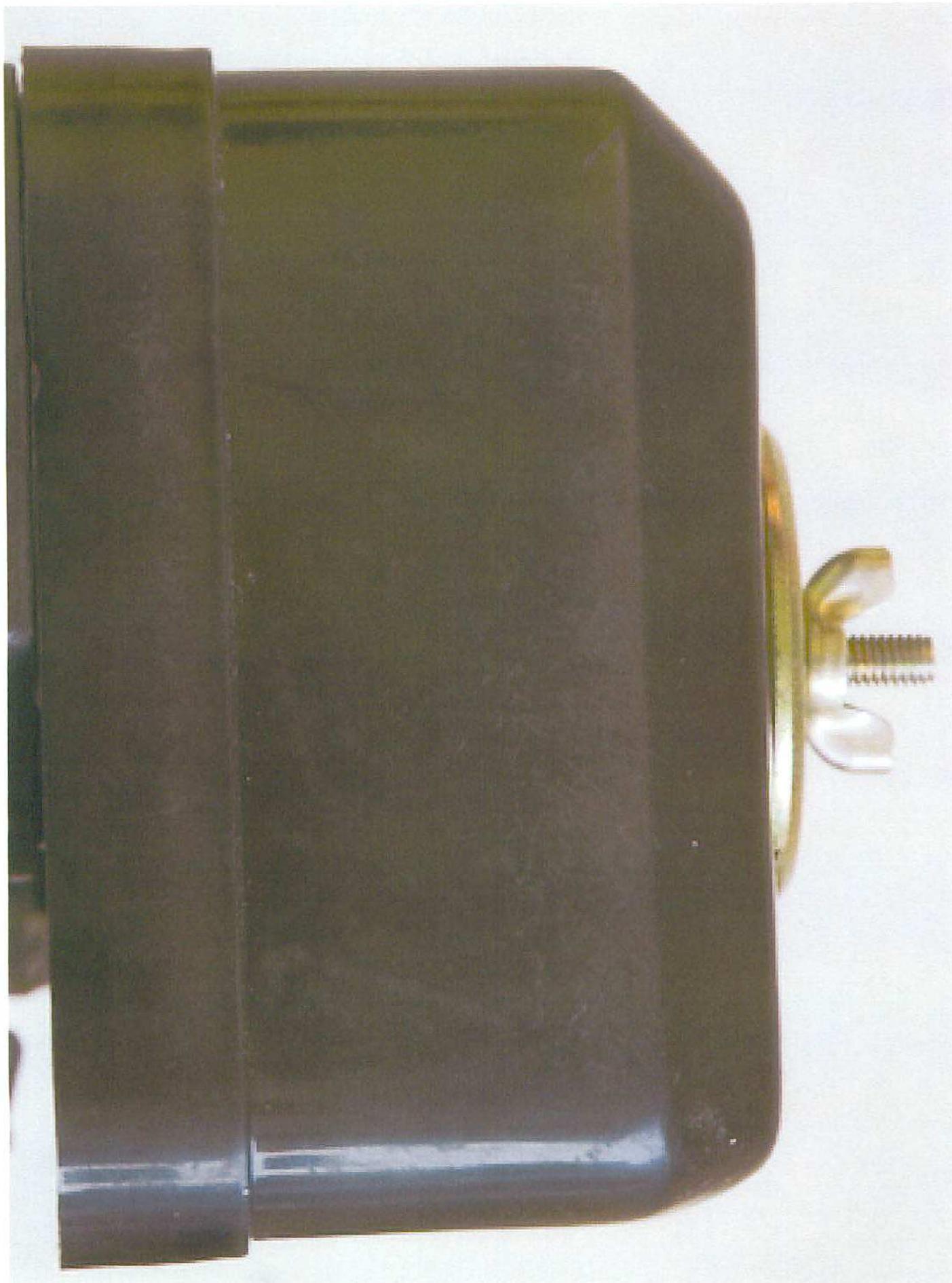


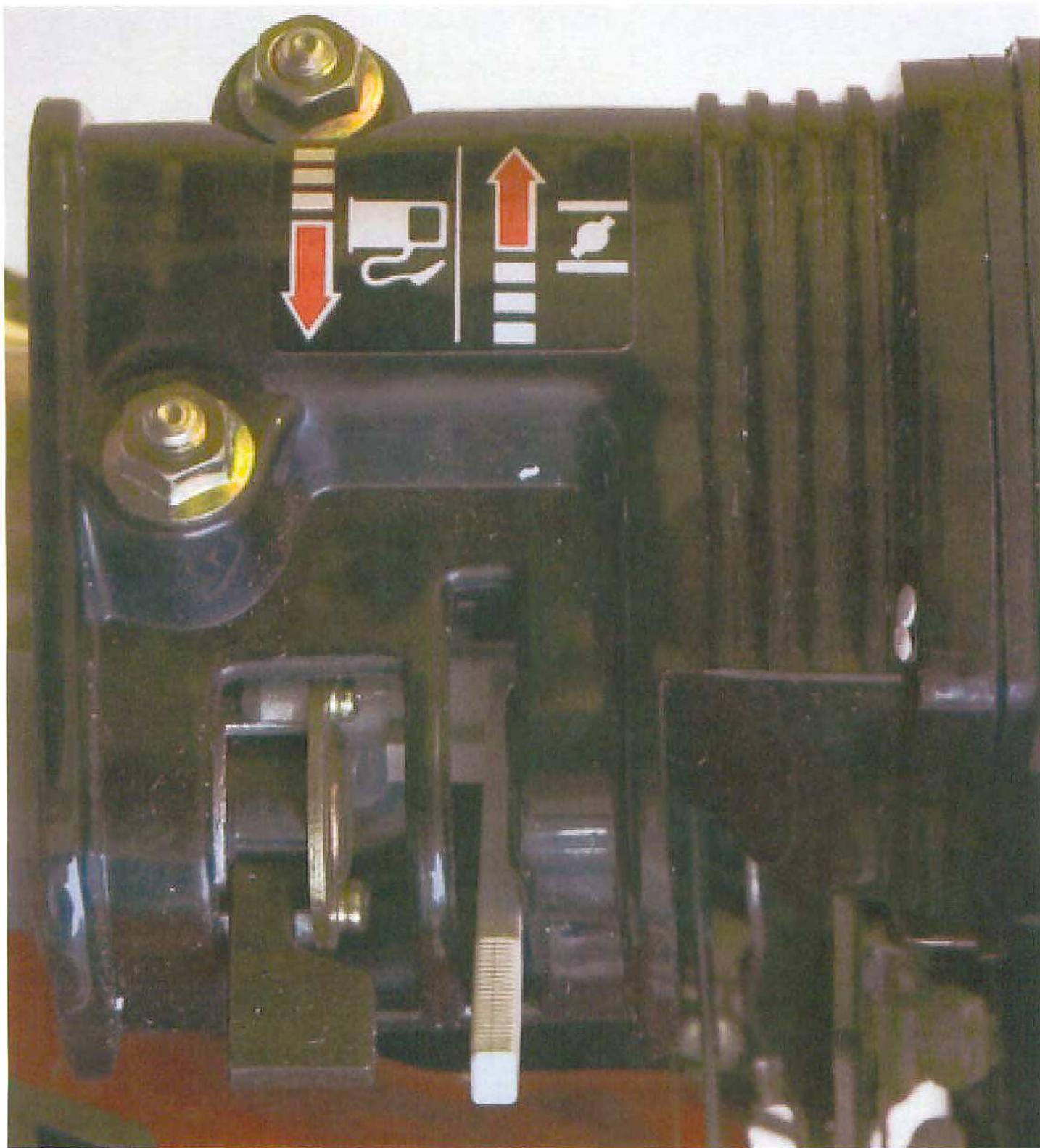




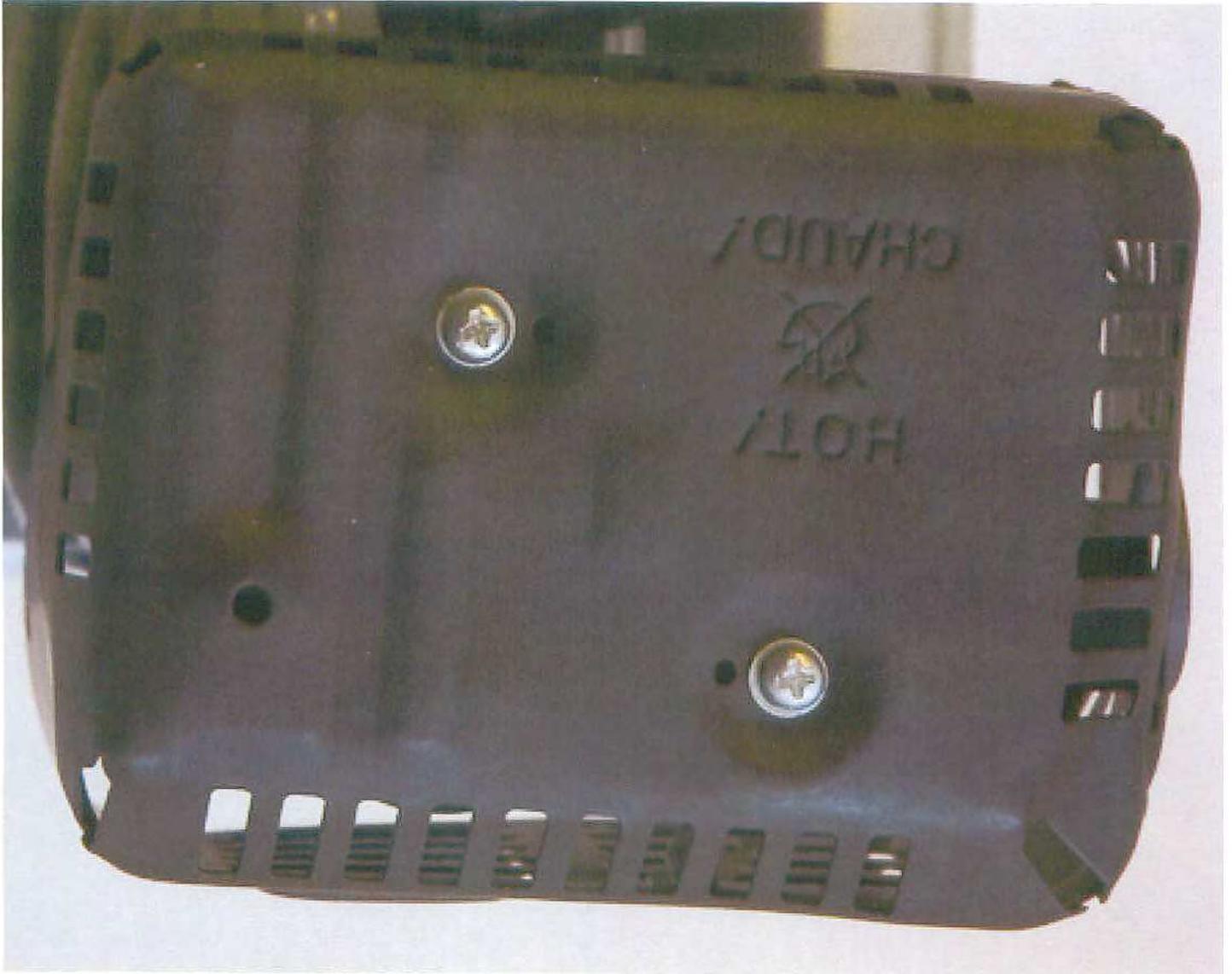


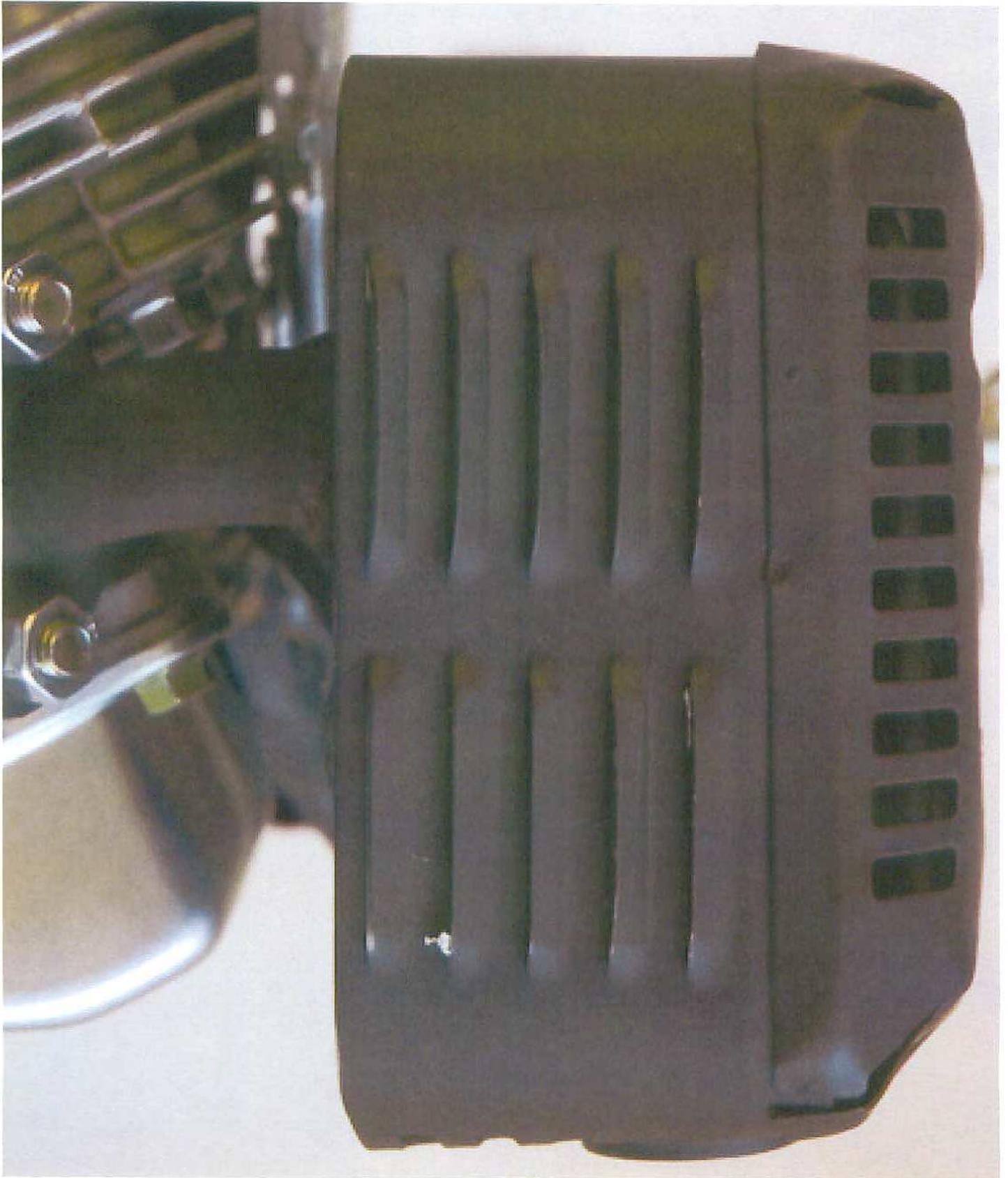




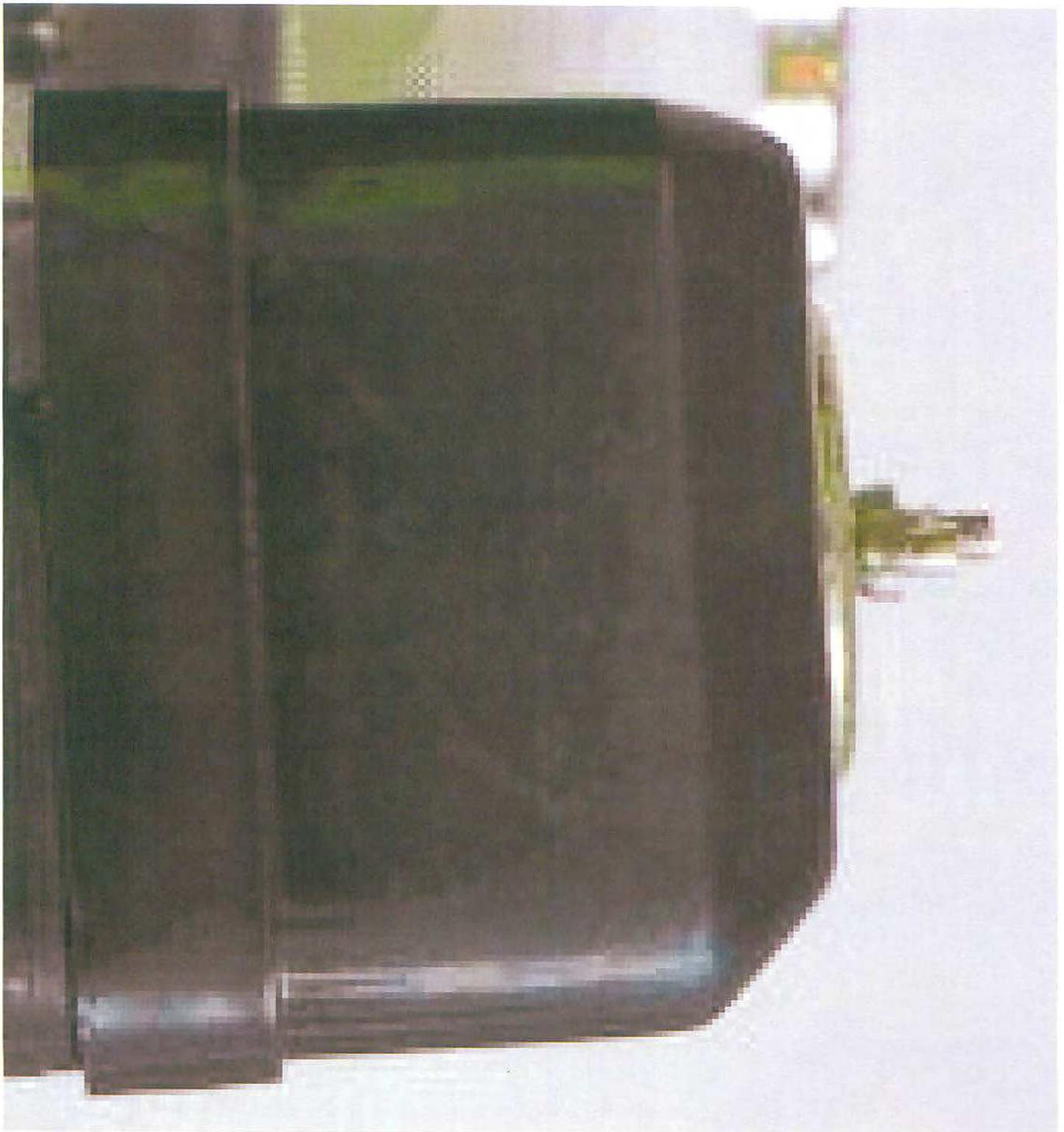


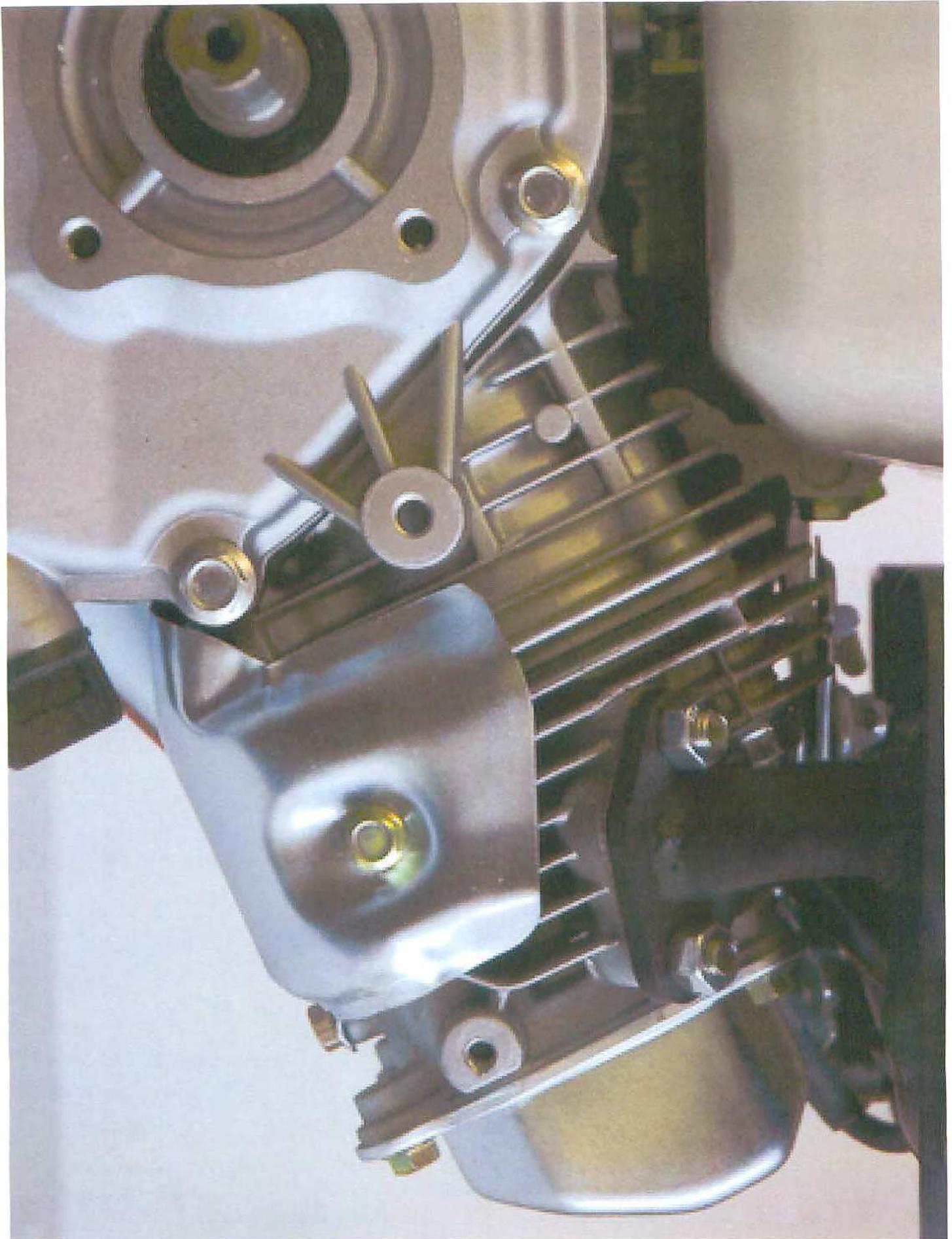


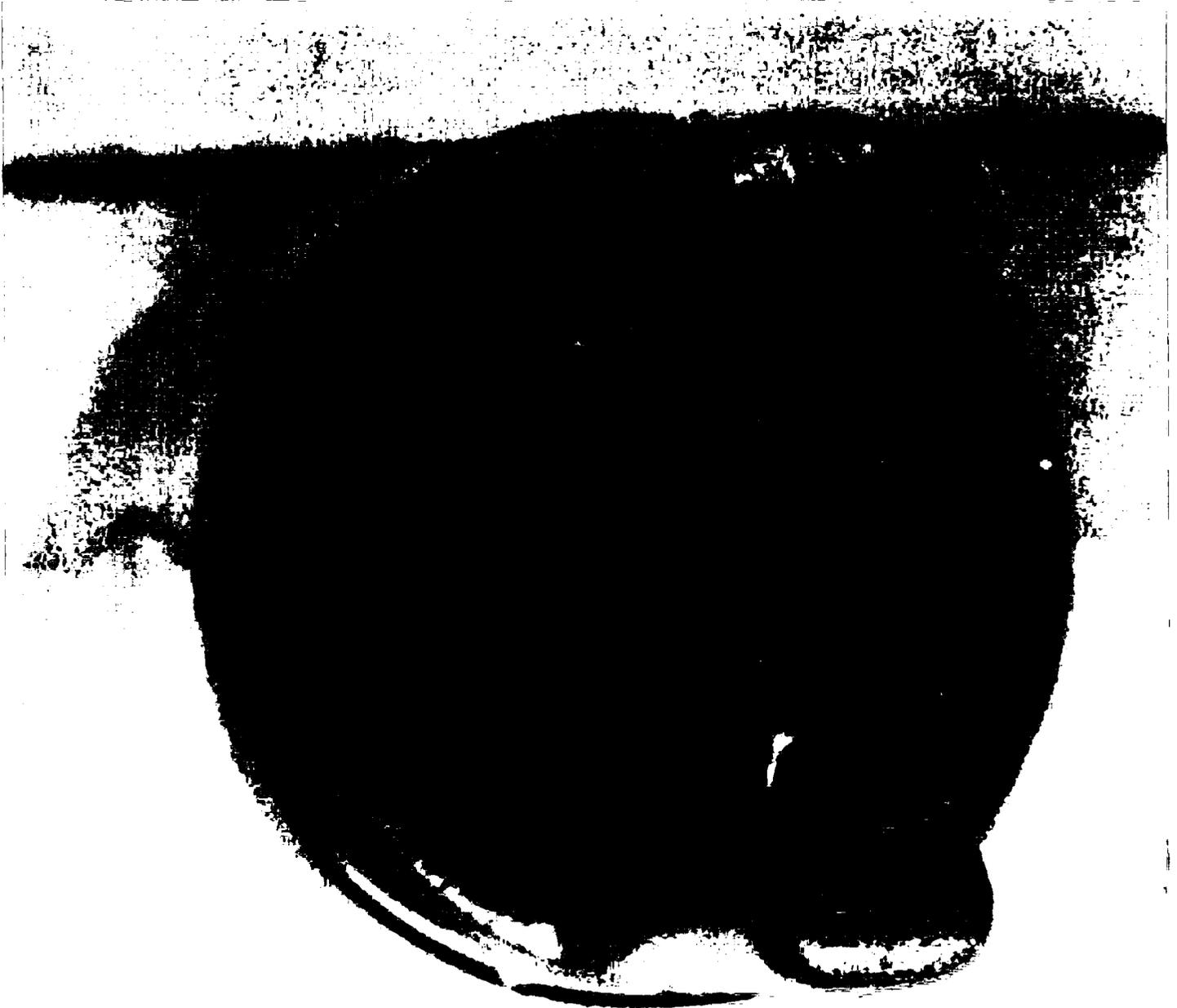








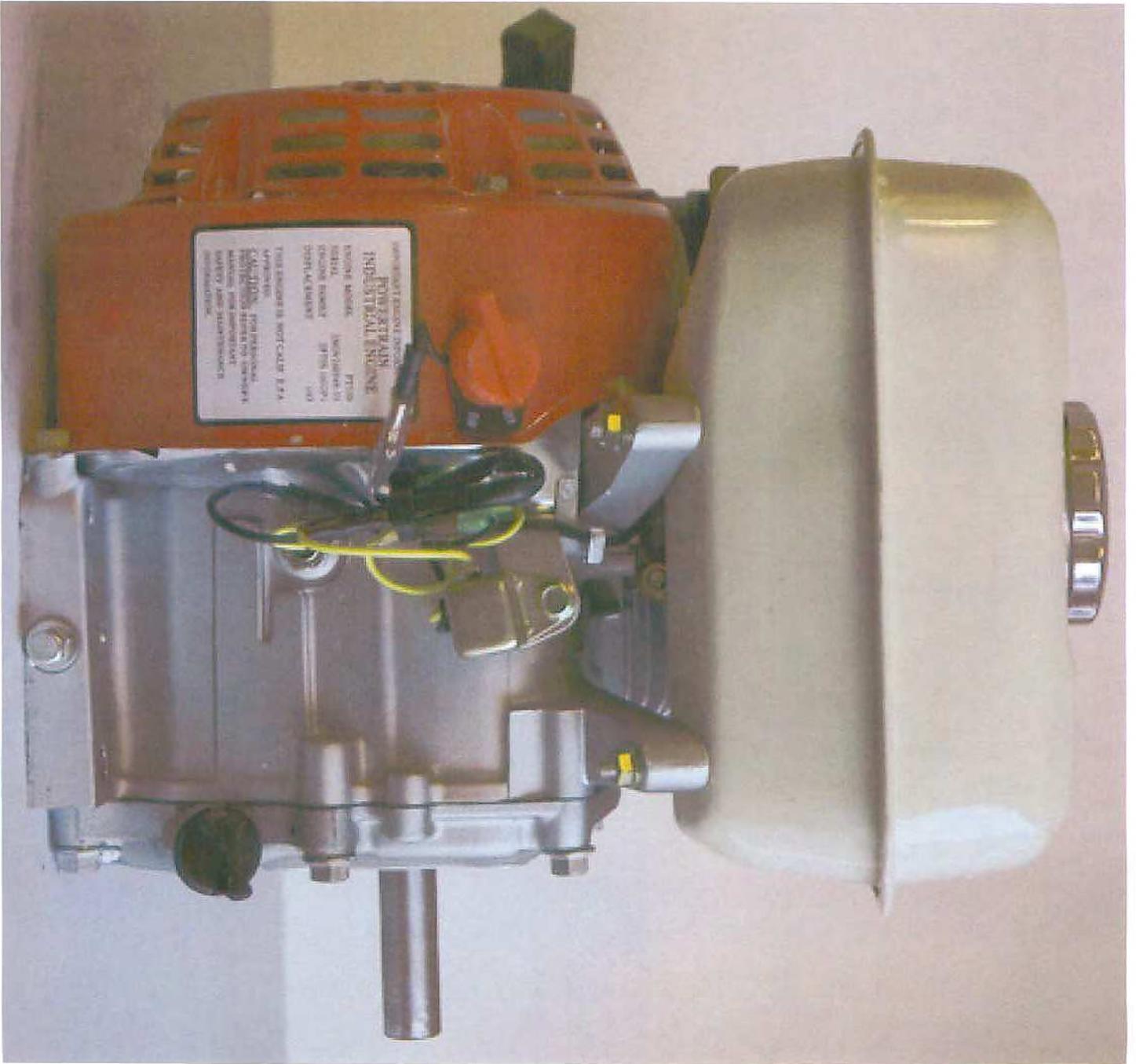


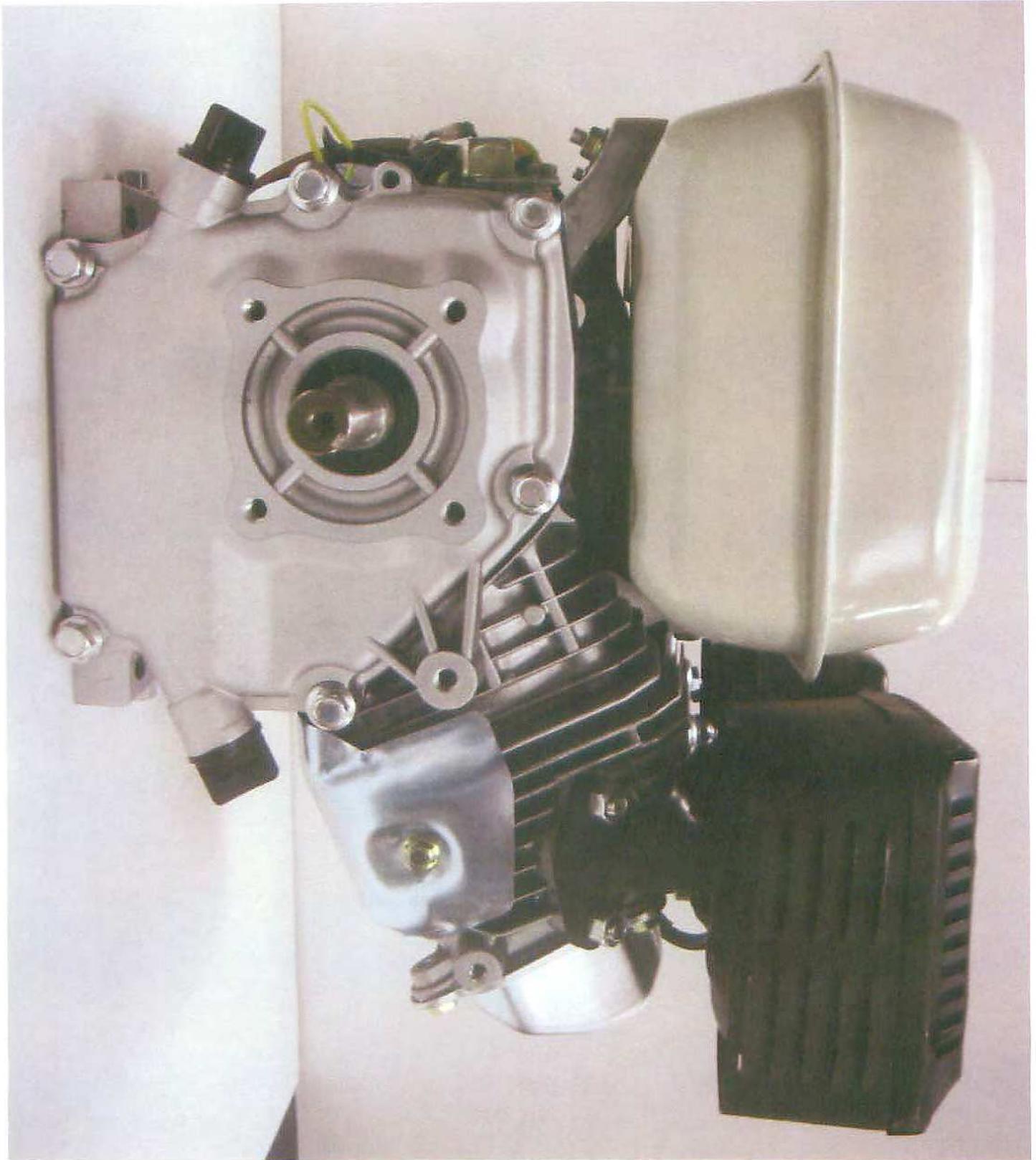




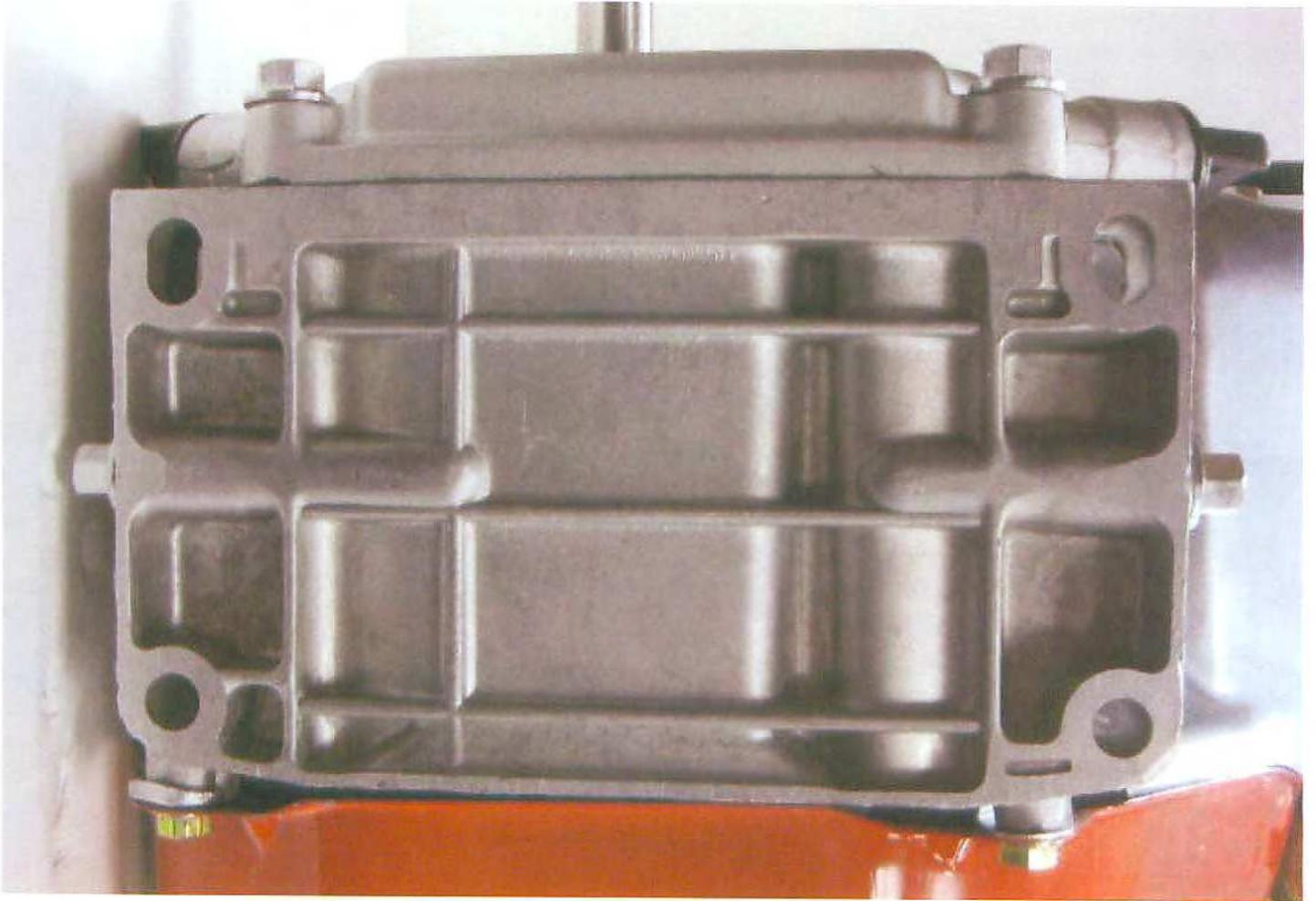


POULSEN INDUSTRIAL ENGINE
INDUSTRIAL ENGINE
MODEL: 1000
SERIAL: 1000
TYPE: 2-Stroke
POWER: 1.5 HP
VOLTAGE: 12V
CURRENT: 1.5A
OPERATING TEMPERATURE: 100°C
MAXIMUM RPM: 3000
WEIGHT: 1.5 kg
DIMENSIONS: 100 x 100 x 100 mm
MADE IN USA









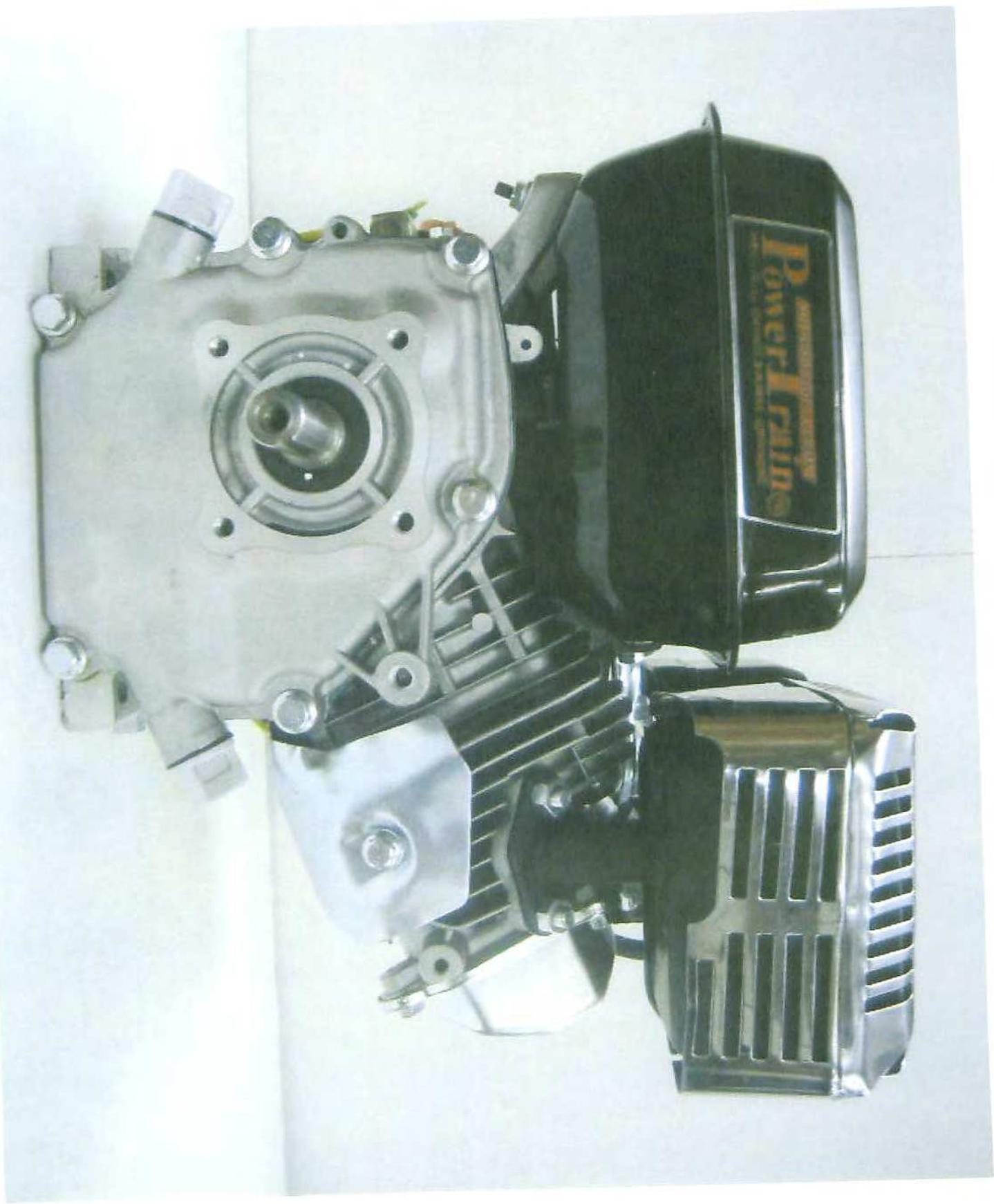


PowerTrain Yellow and Black (Round)











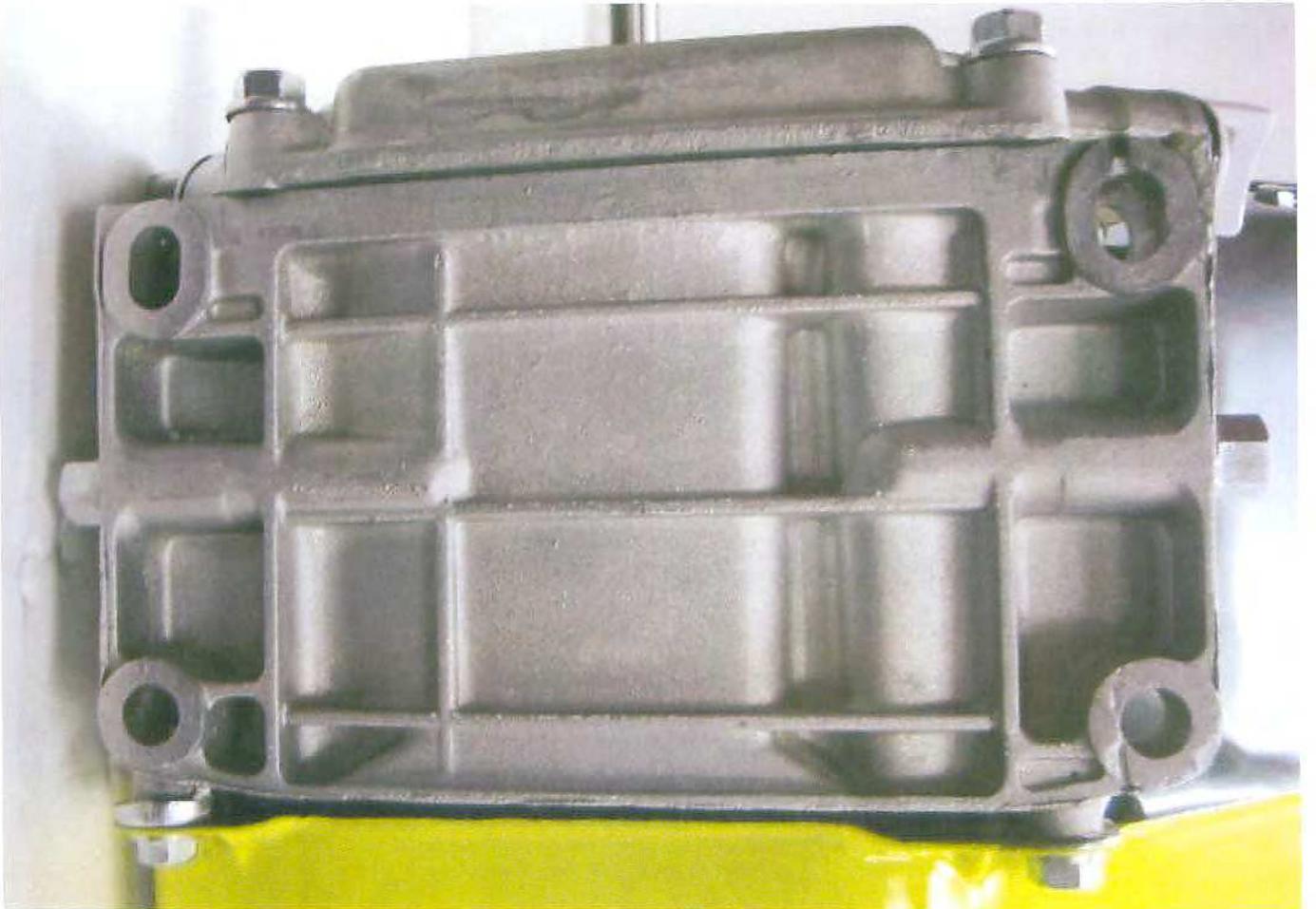
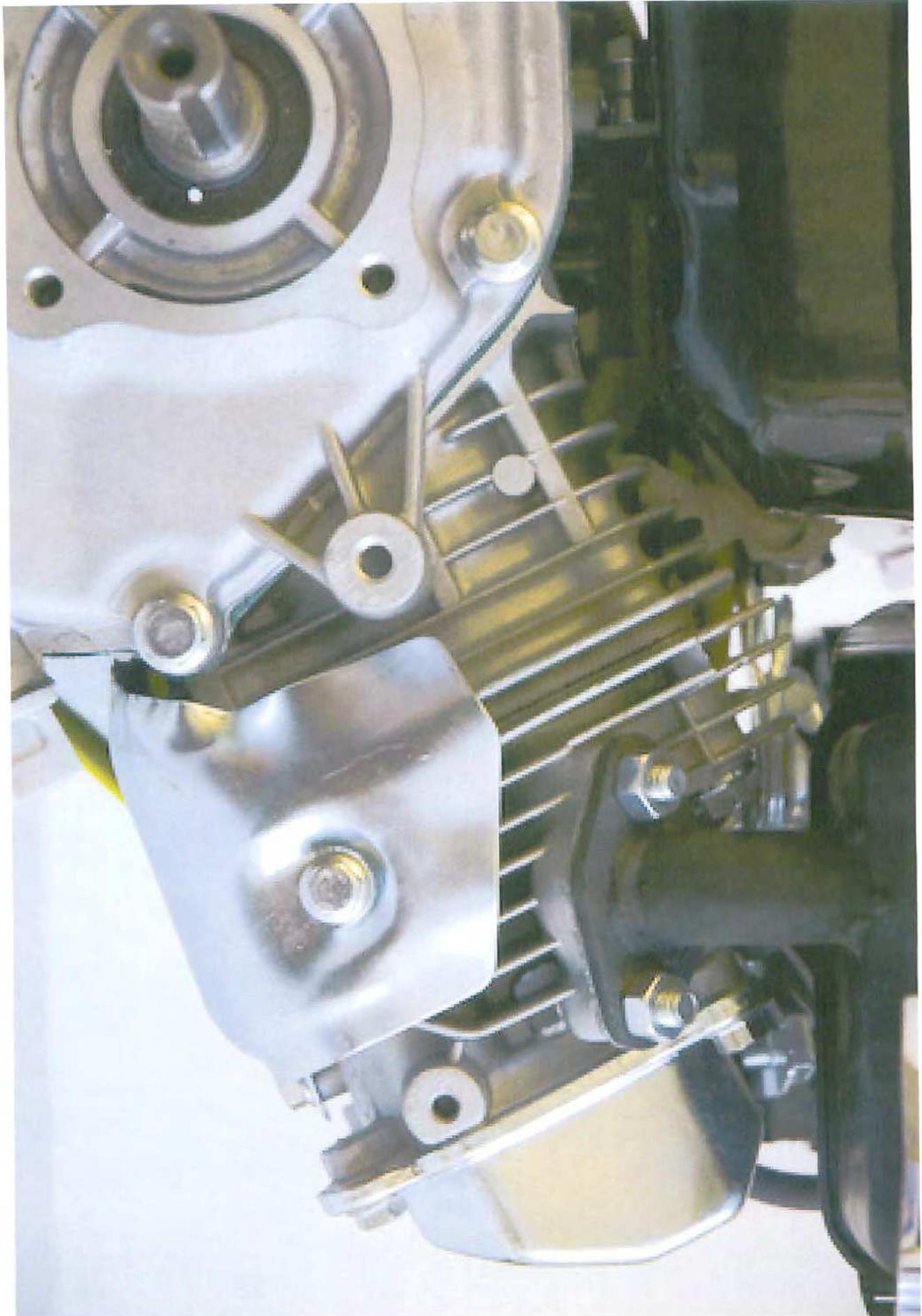






EXHIBIT
07/17/06
L



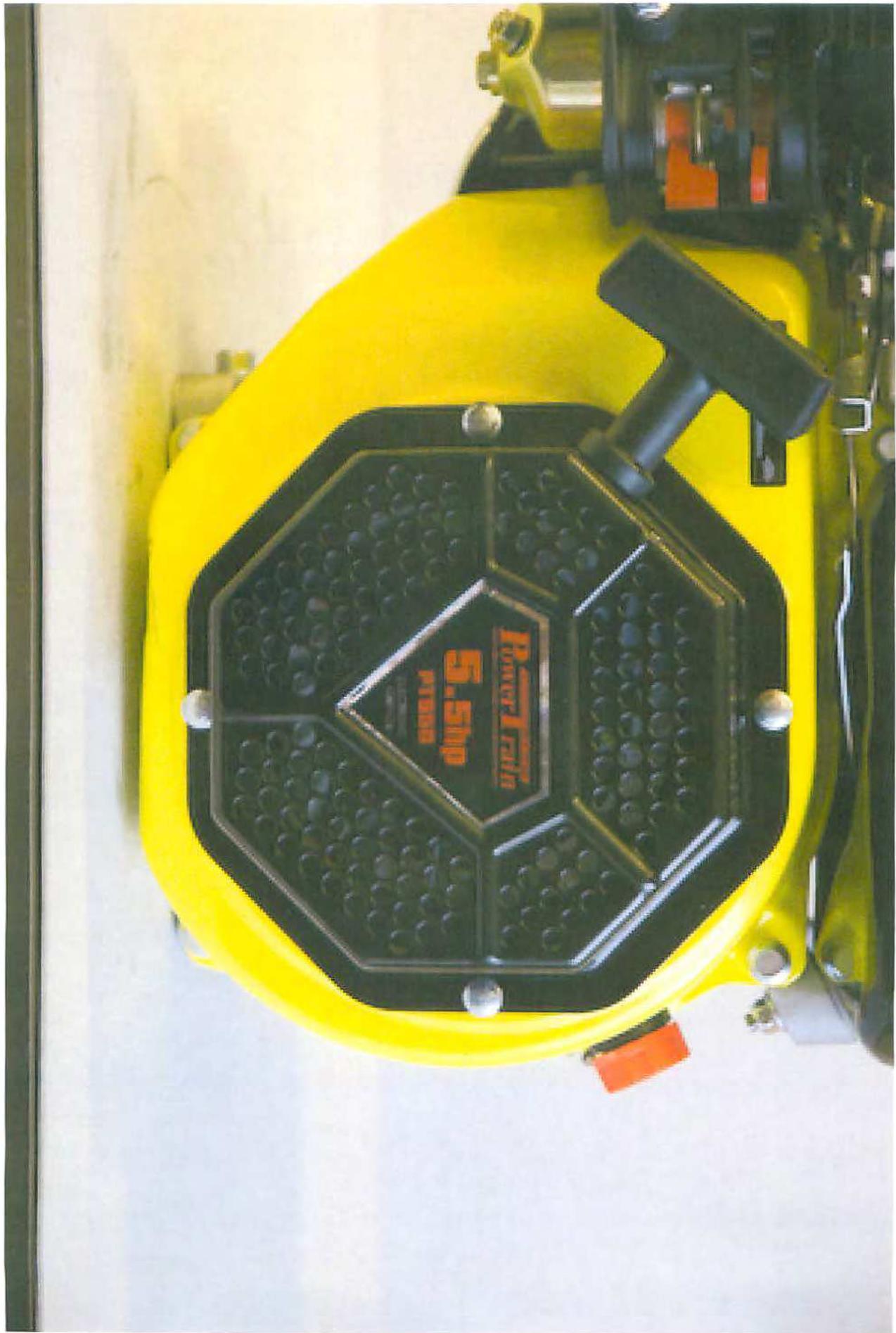


PowerTrain Yellow and Black (Octagonal)

carburetor cover style 1

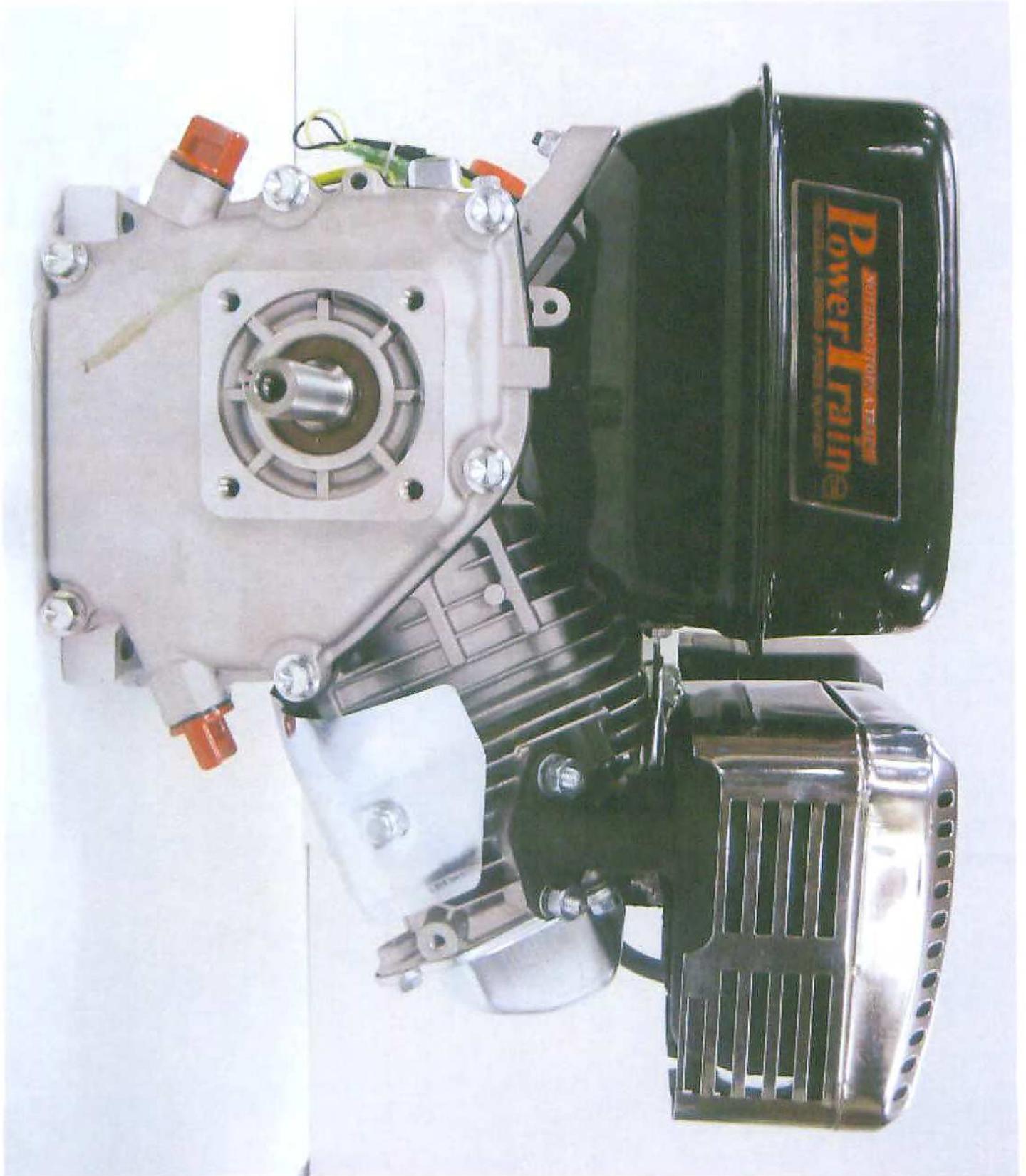






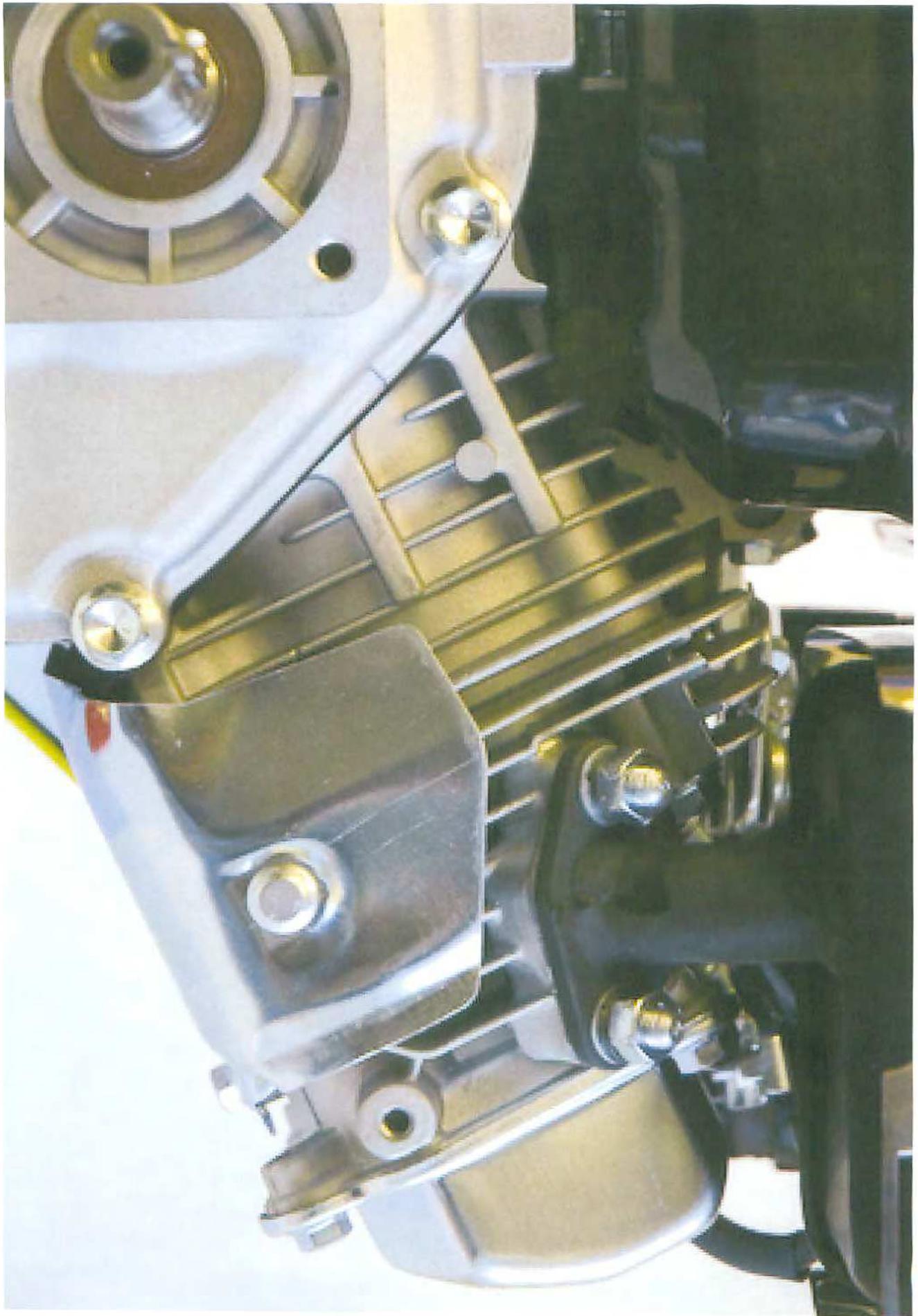








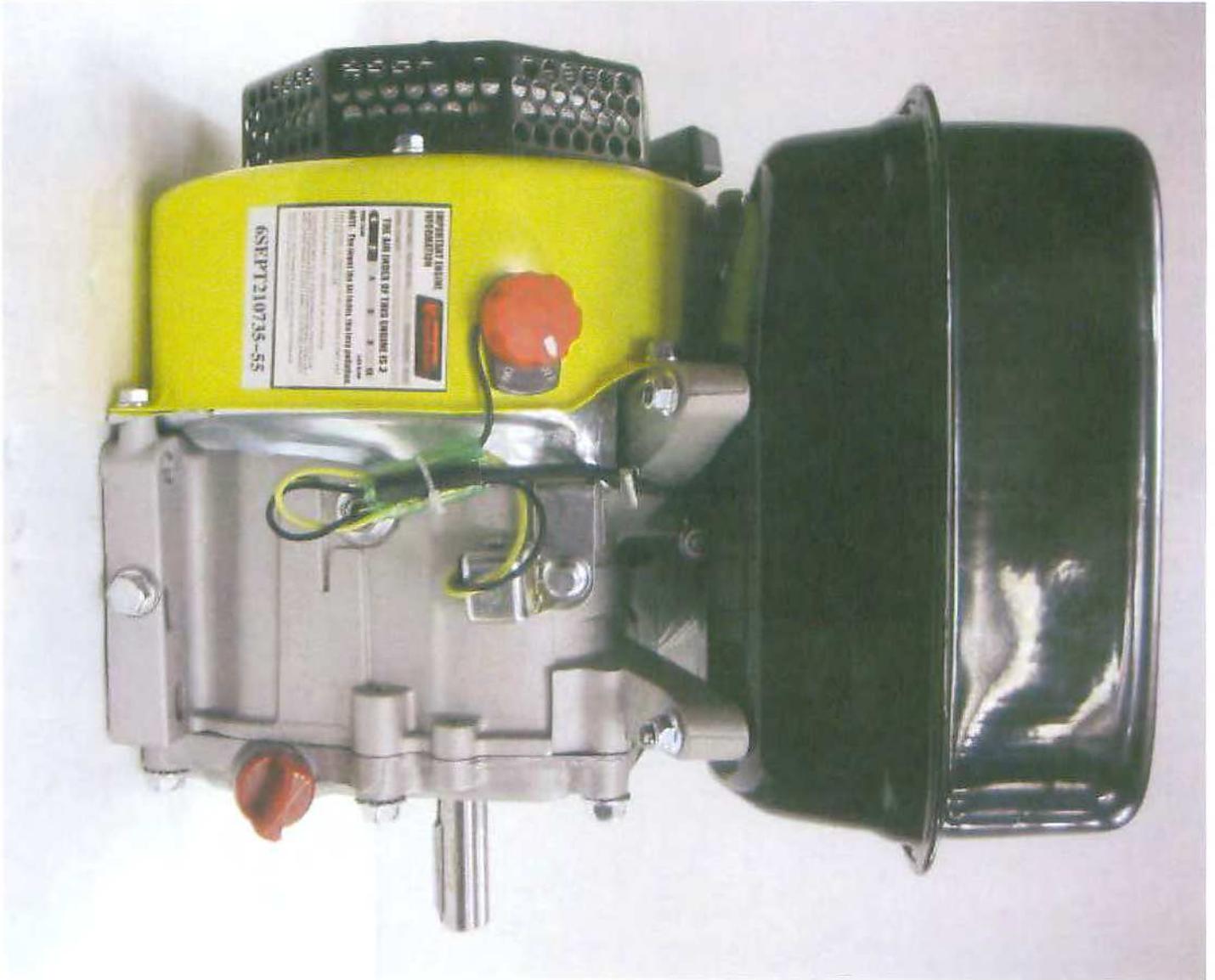




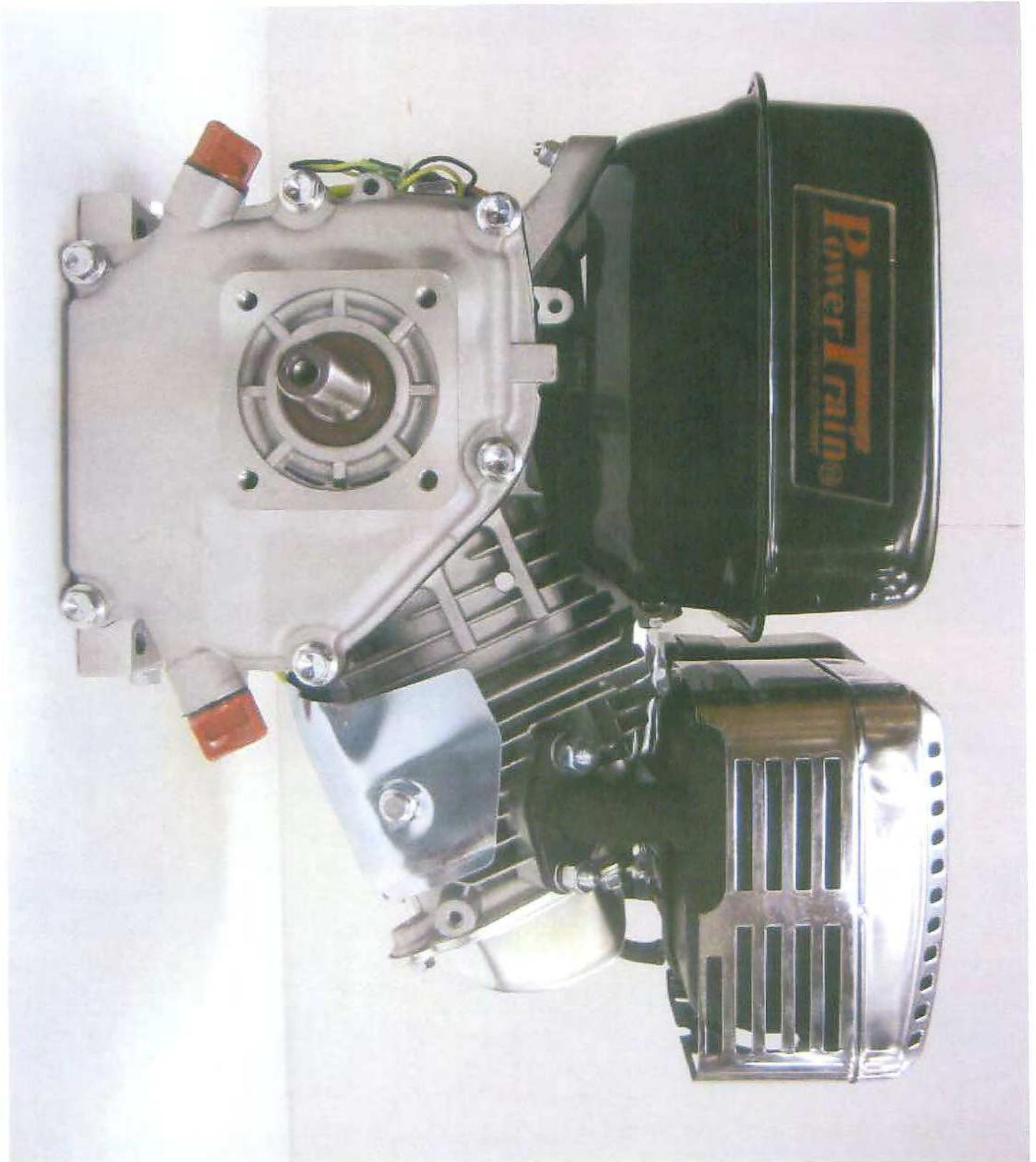


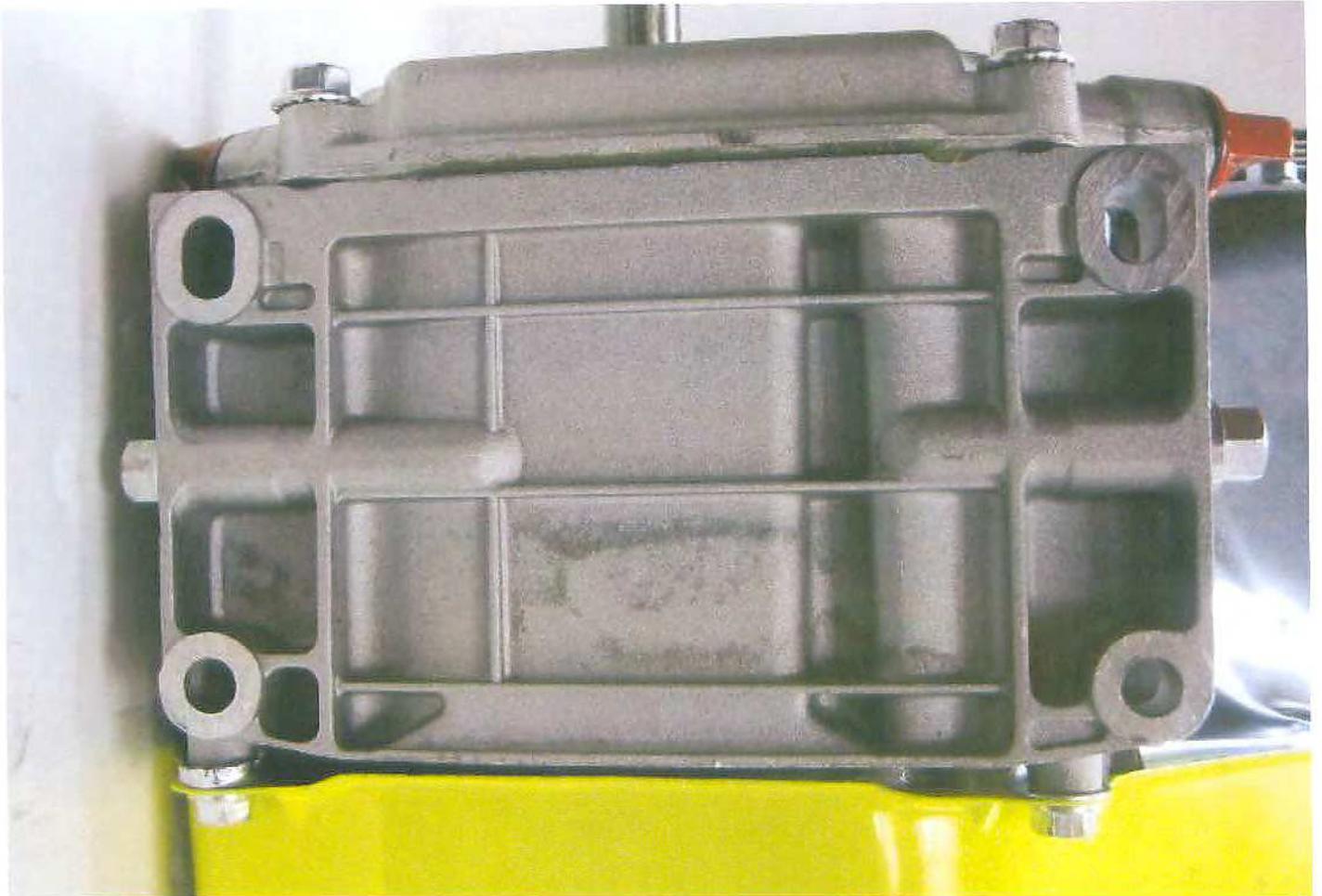
PowerTrain Yellow and Black (Octagonal)

carburetor cover style 2



IMPORTANT SAFETY INFORMATION
OPERATION
THE MAX LENGTH OF THE CORDING IS 2
10 FT. The power for the light and the generator
is provided by the generator. The generator is
not to be used for any other purpose.
65EPT210735-55



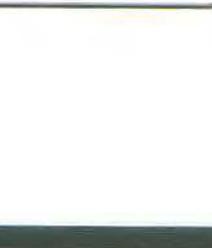




Tool Mart web site

POWERTRAIN
INDUSTRIAL ENGINES & POWER EQUIPMENT

ENGINES

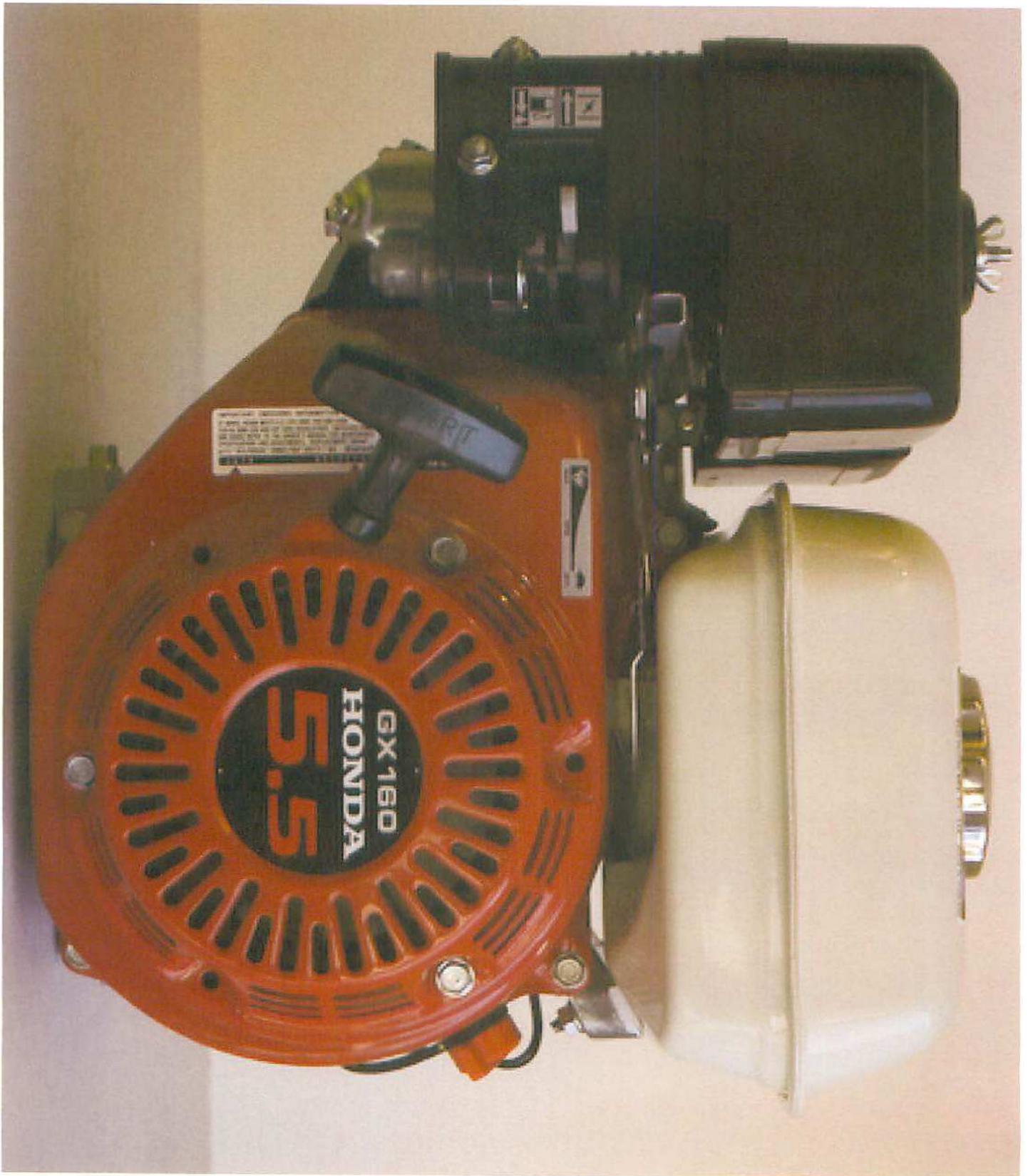
 4.0 HP	 5.5 HP	 6.5 HP ELECTRIC START
 9.0 HP	 9.0 HP ELECTRIC START	 13 HP
 13 HP ELECTRIC START	 13 HP	

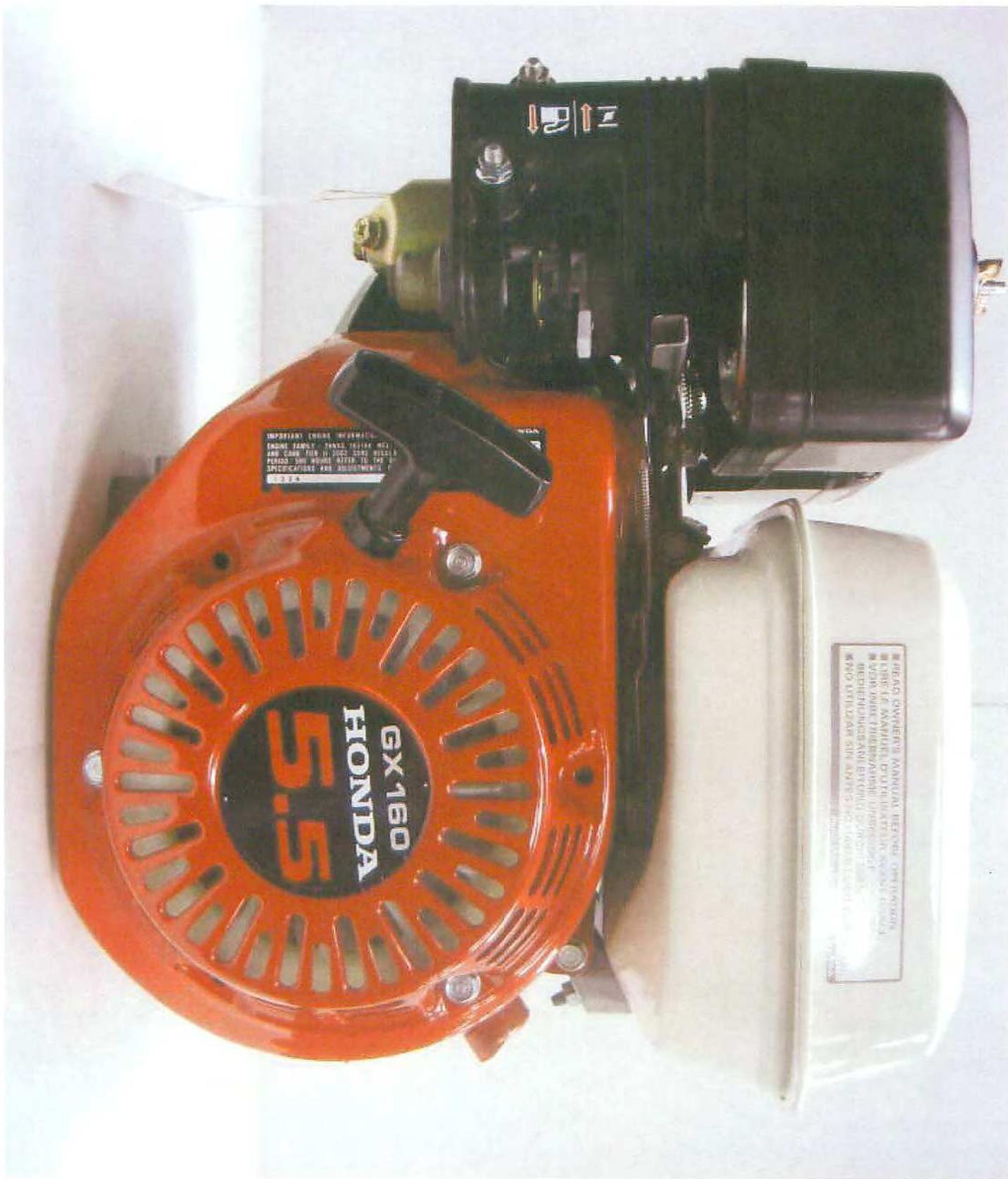
Toolmart, Inc. 134 Second St. Golden, MS 38847 1-800-869-3395 FAX - 662-454-3113

Powertrain, Inc., et al v. American Honda
Motor Co., Inc., et al
United States District Court
Northern District of Mississippi
Eastern Division
Civil Action No. 1:03CV668MD

Exhibit “B” to Preliminary Injunction

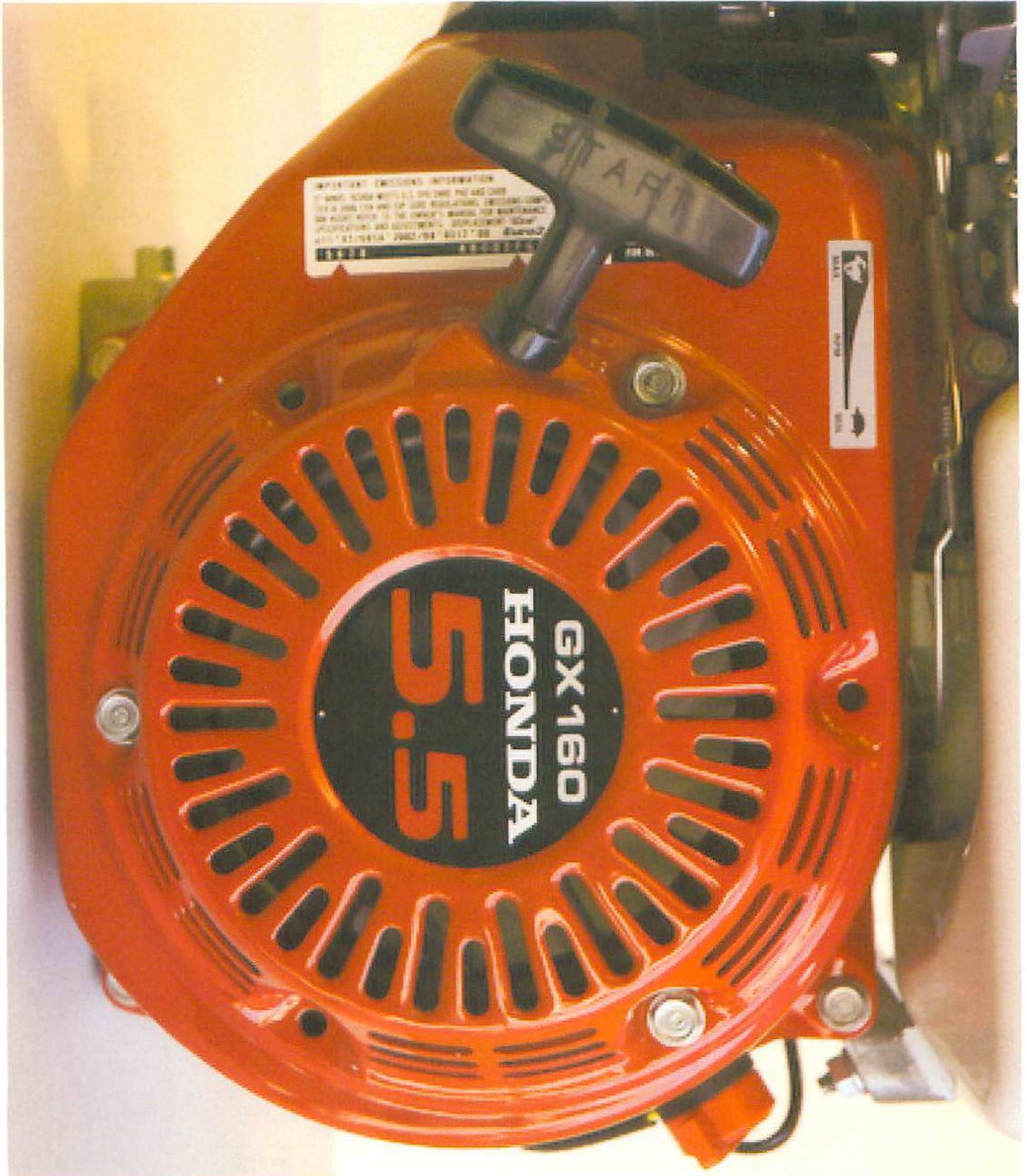
Honda GX160
Red and White





IMPORTANT ENGINE INFORMATION:
ENGINE TANK IS PRESSURIZED. DO NOT
FILL WITH FUEL WHILE ENGINE IS RUNNING.
FUEL SHOULD BE ADJUSTED TO THE
SPECIFICATIONS AND ADJUSTMENTS.

PERIKSA KEAMANAN MANAJEMEN KESELAMATAN
SEBELUM MENYALAKAN. BACA PETUNJUK AWAL SECARA HATI-HATI.
SEBELUM MENYALAKAN, PERIKSA KEAMANAN KESELAMATAN
KESELAMATAN DAN KESELAMATAN KESELAMATAN
MELAKUKAKAN SEMUA KEAMANAN DAN KESELAMATAN KESELAMATAN







WARNING

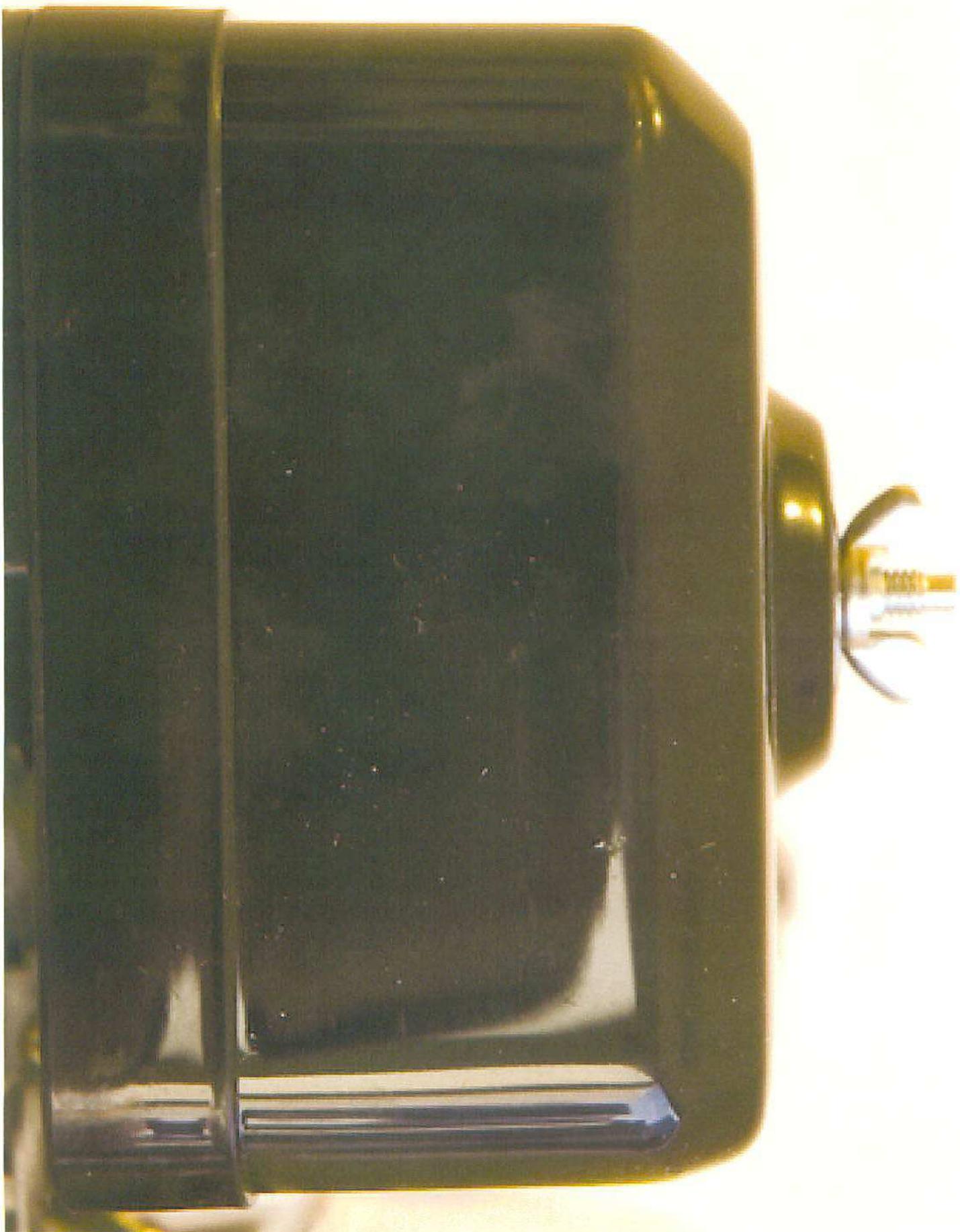
Gasoline is highly flammable and explosive.
Turn engine off and let cool before refueling.

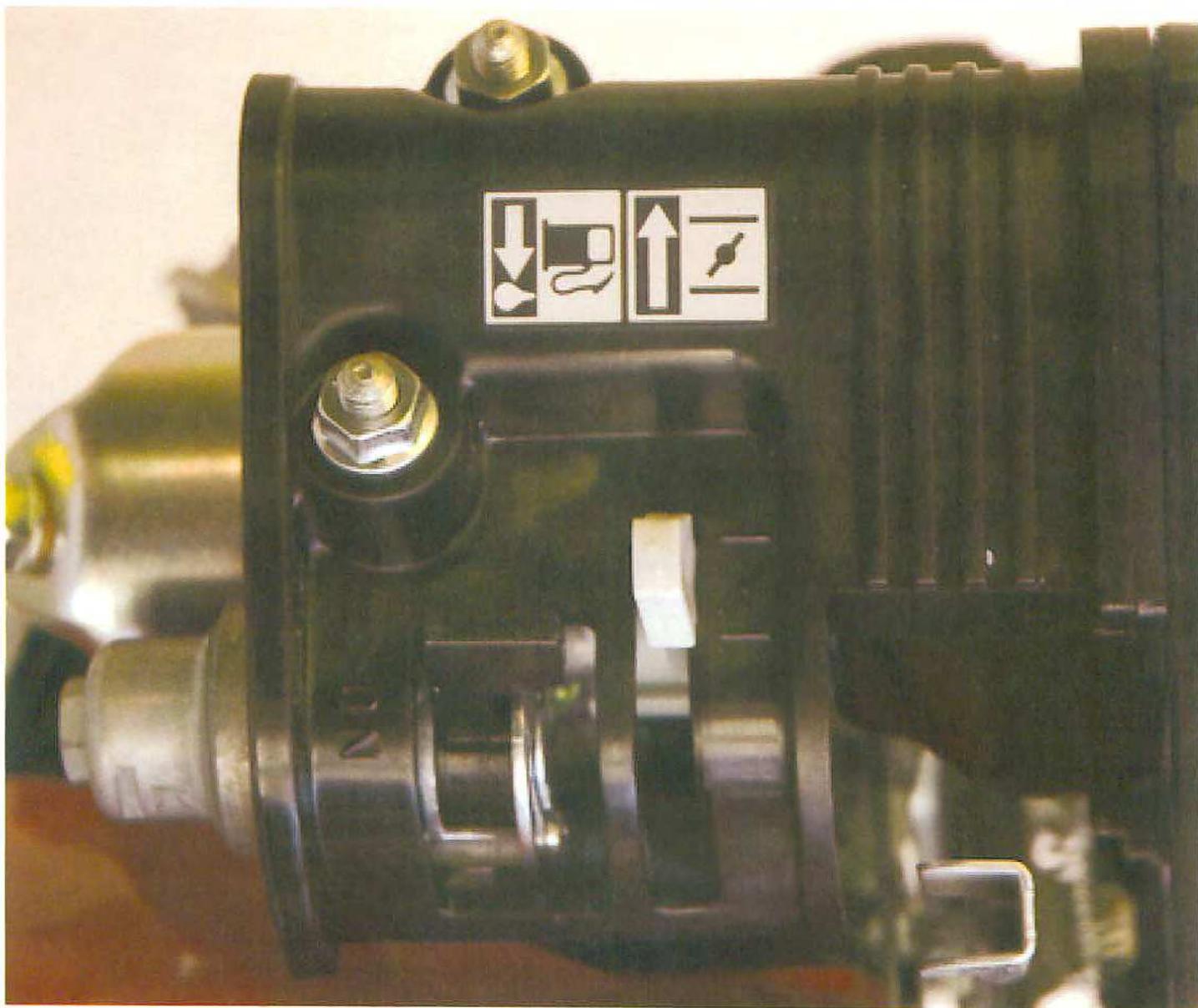
The engine emits toxic carbon monoxide.
Do not run in an enclosed area.

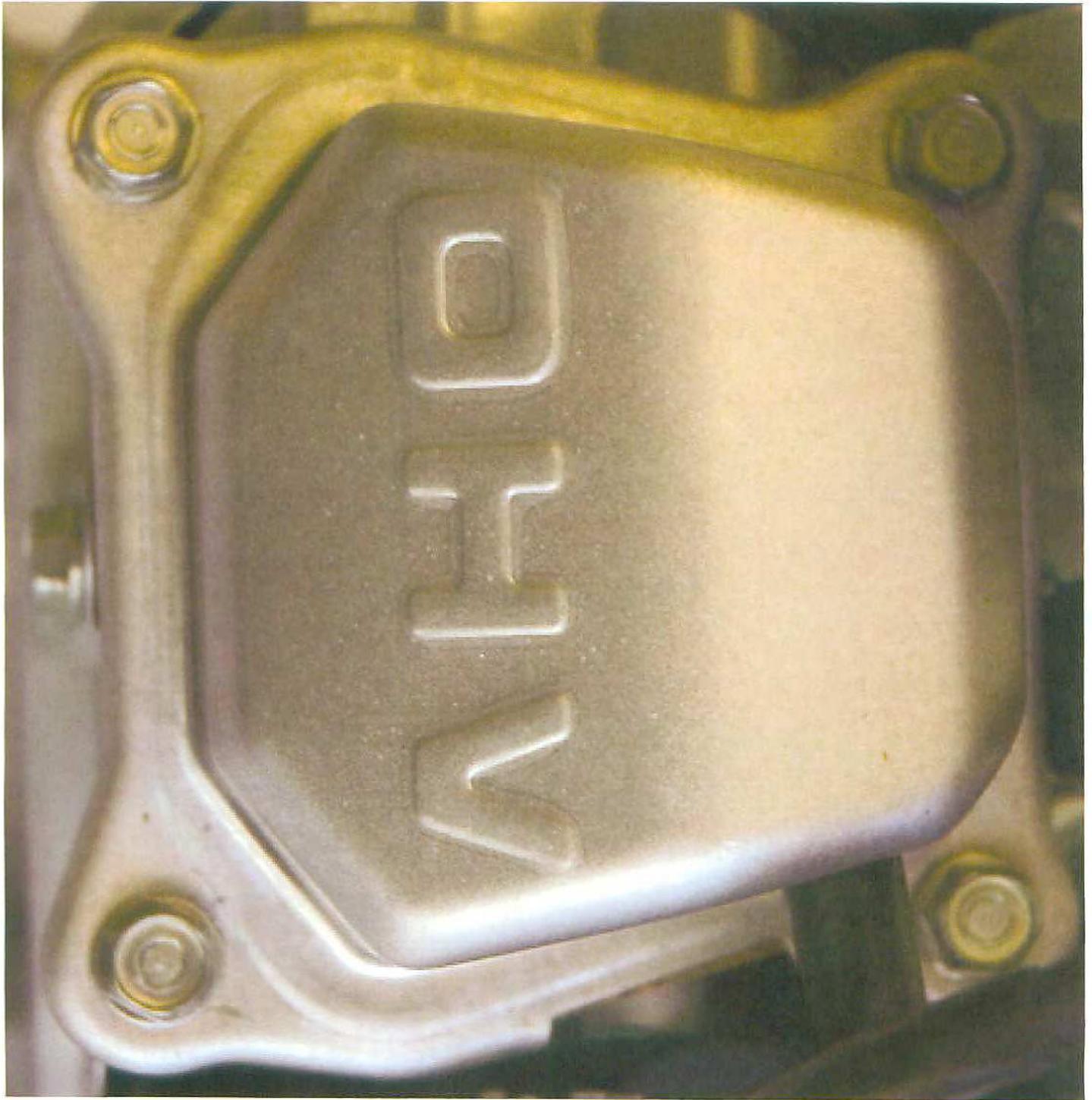
Read Owner's Manual before operation.

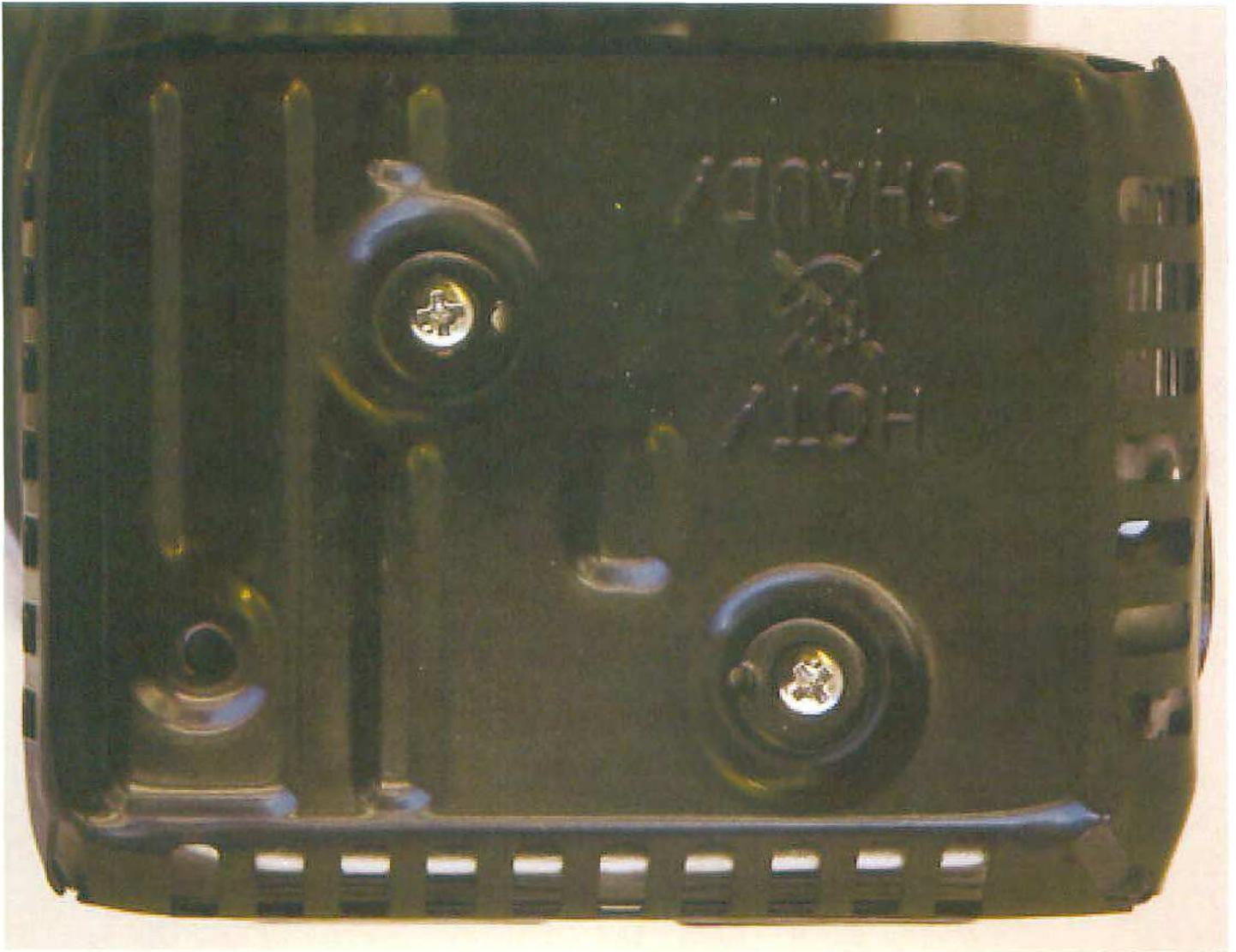


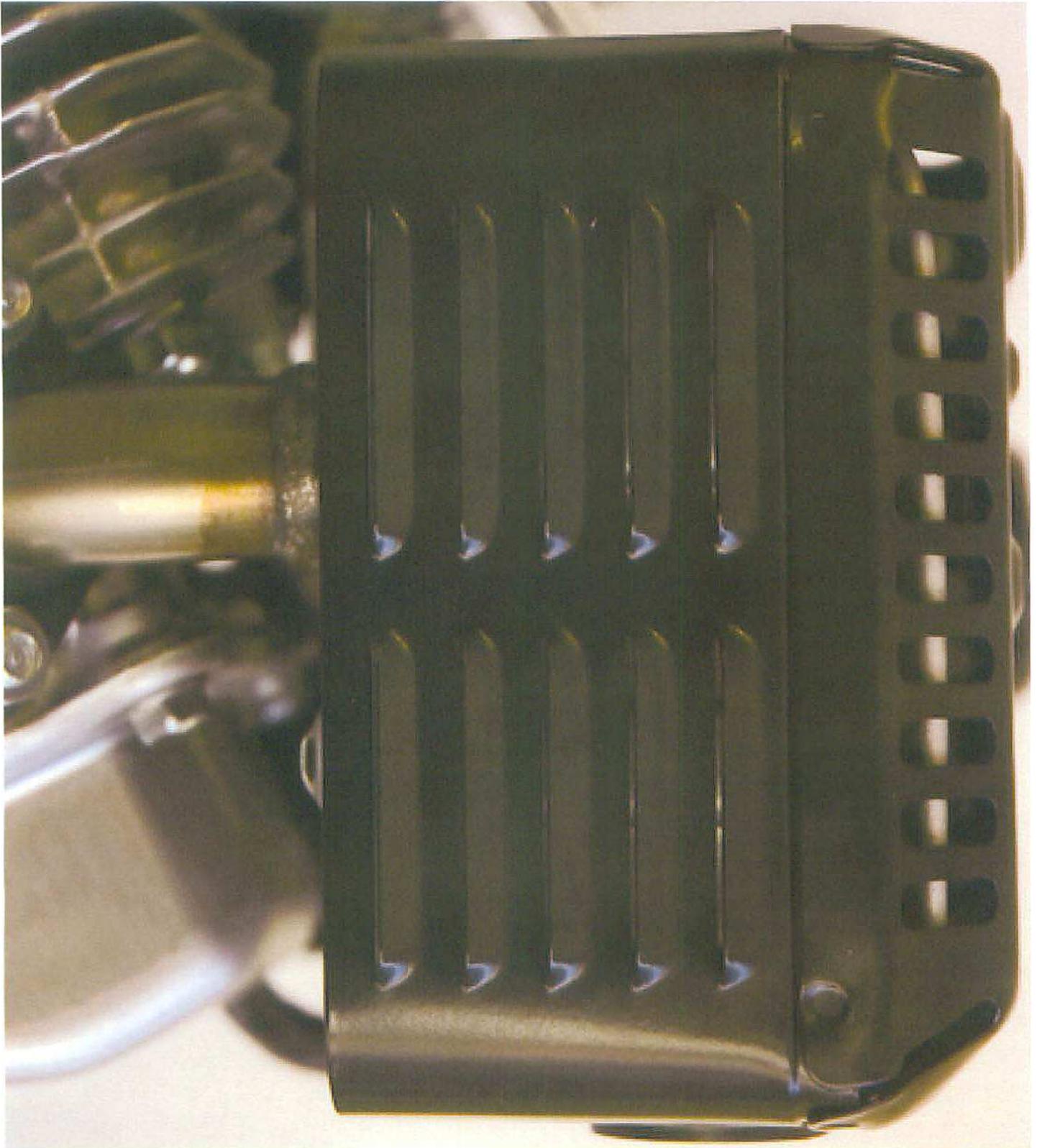
Thai Honda Mfg. Co., Ltd. MADE IN THAILAND



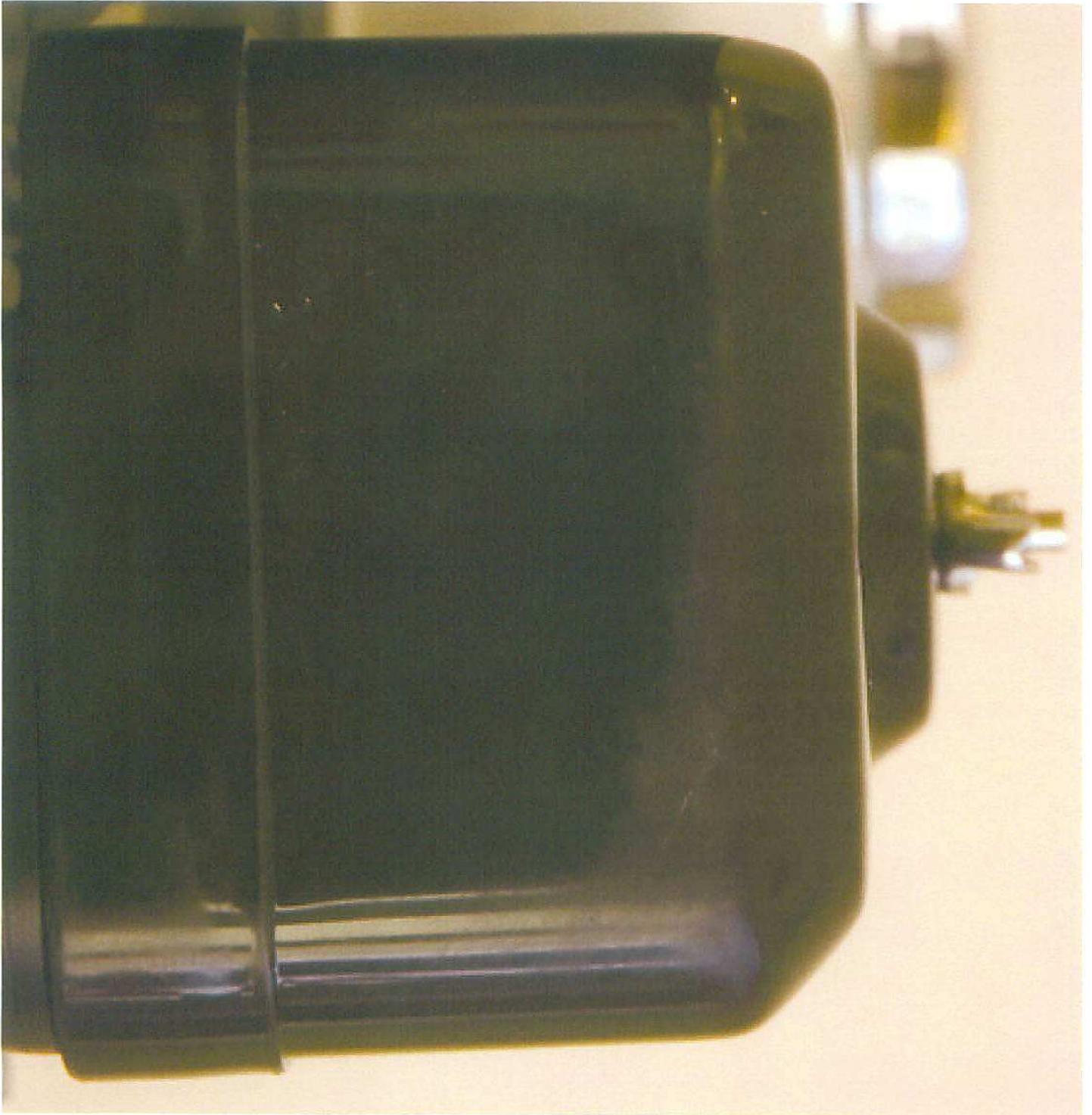


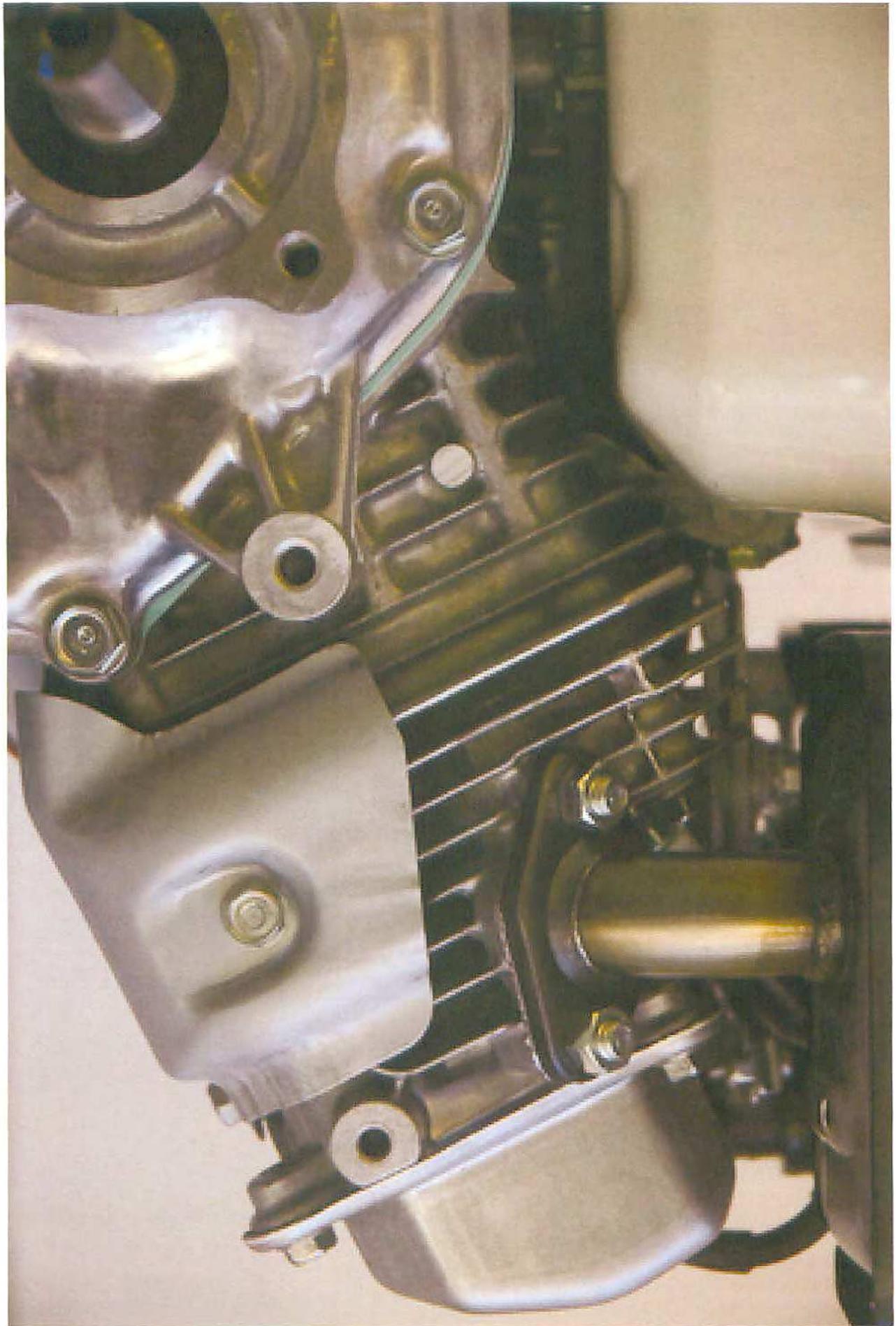


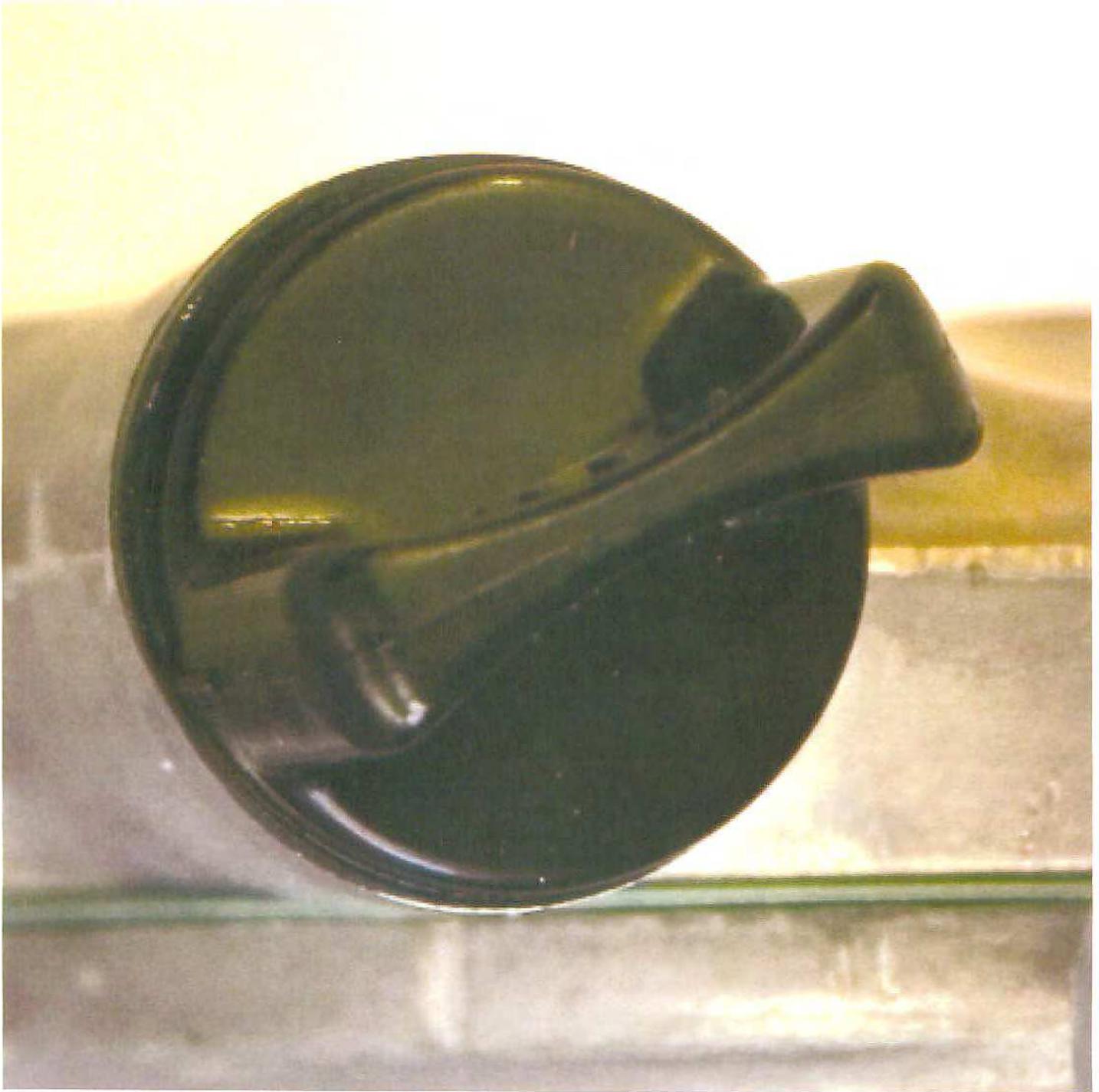




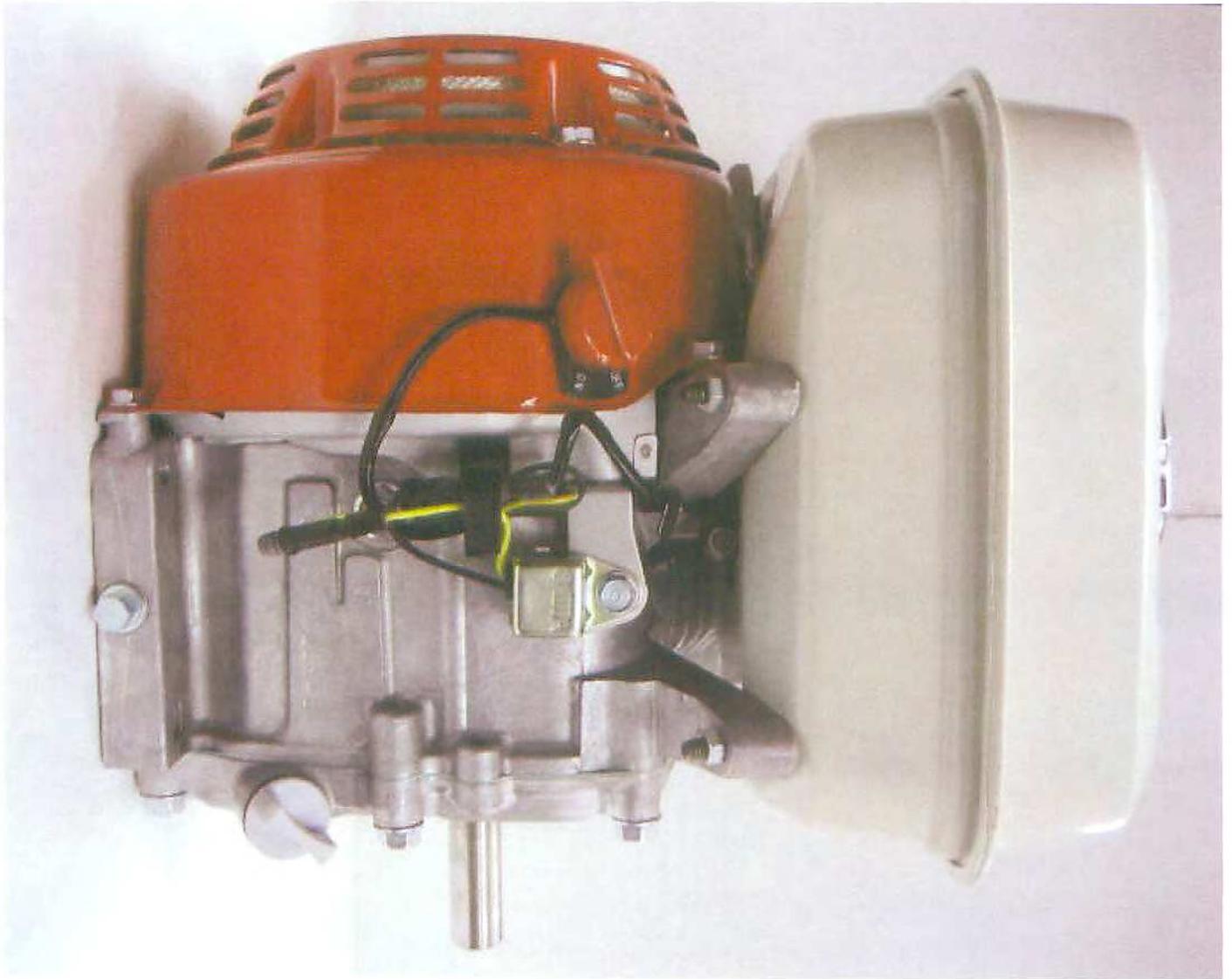


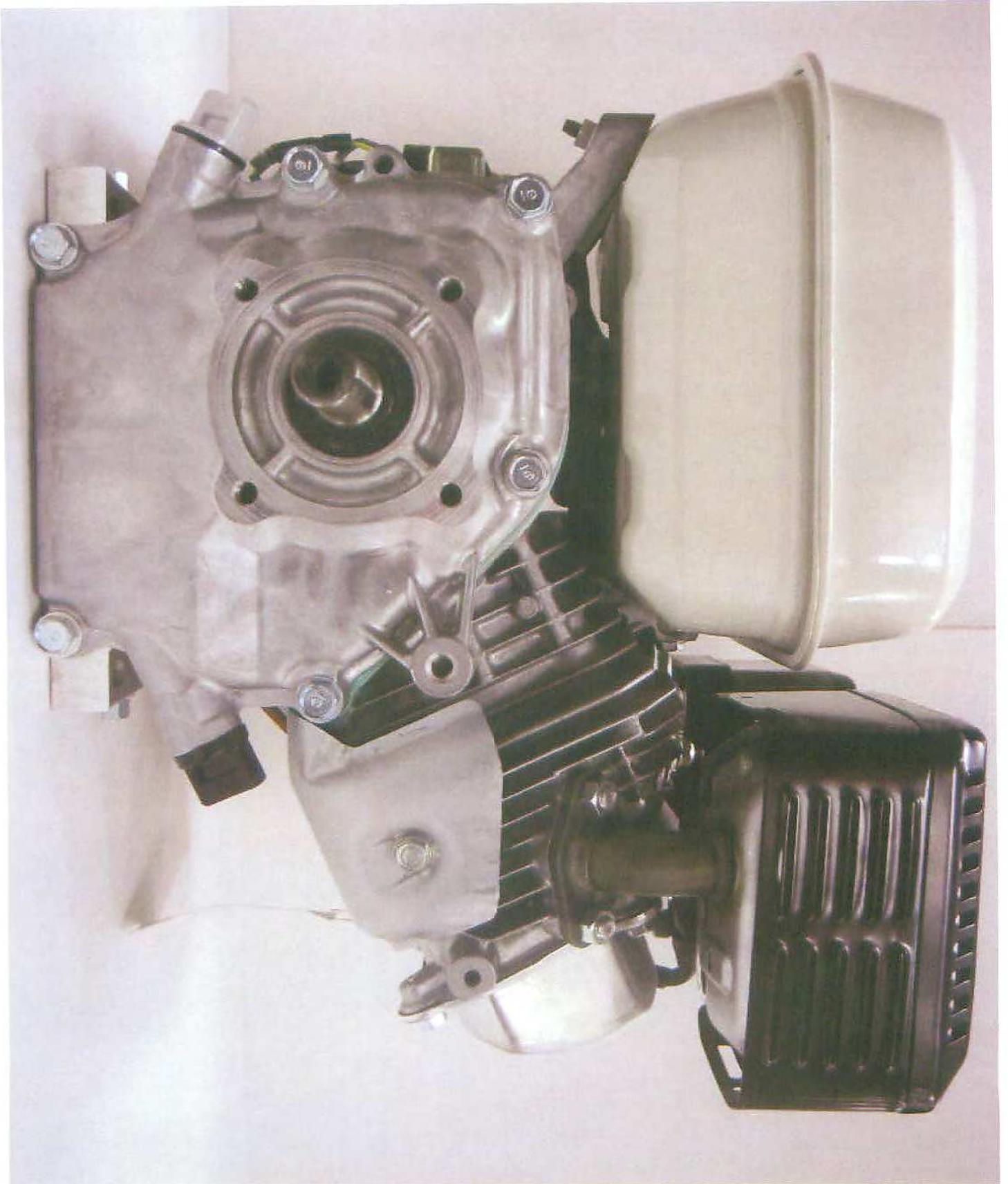


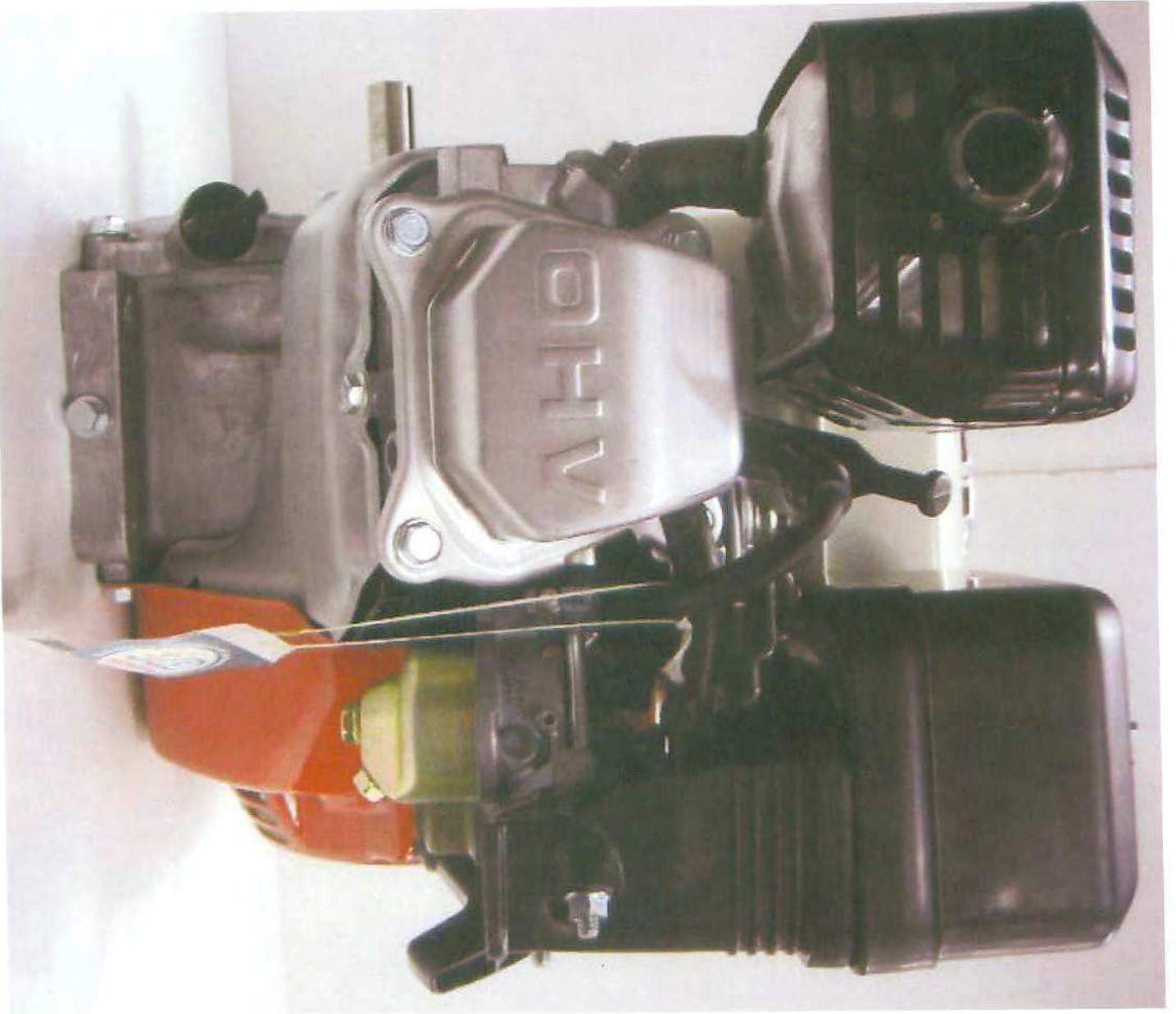




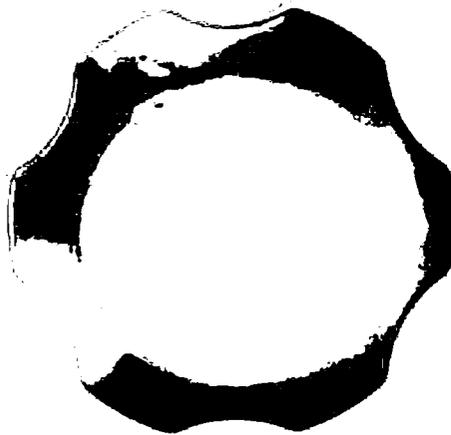
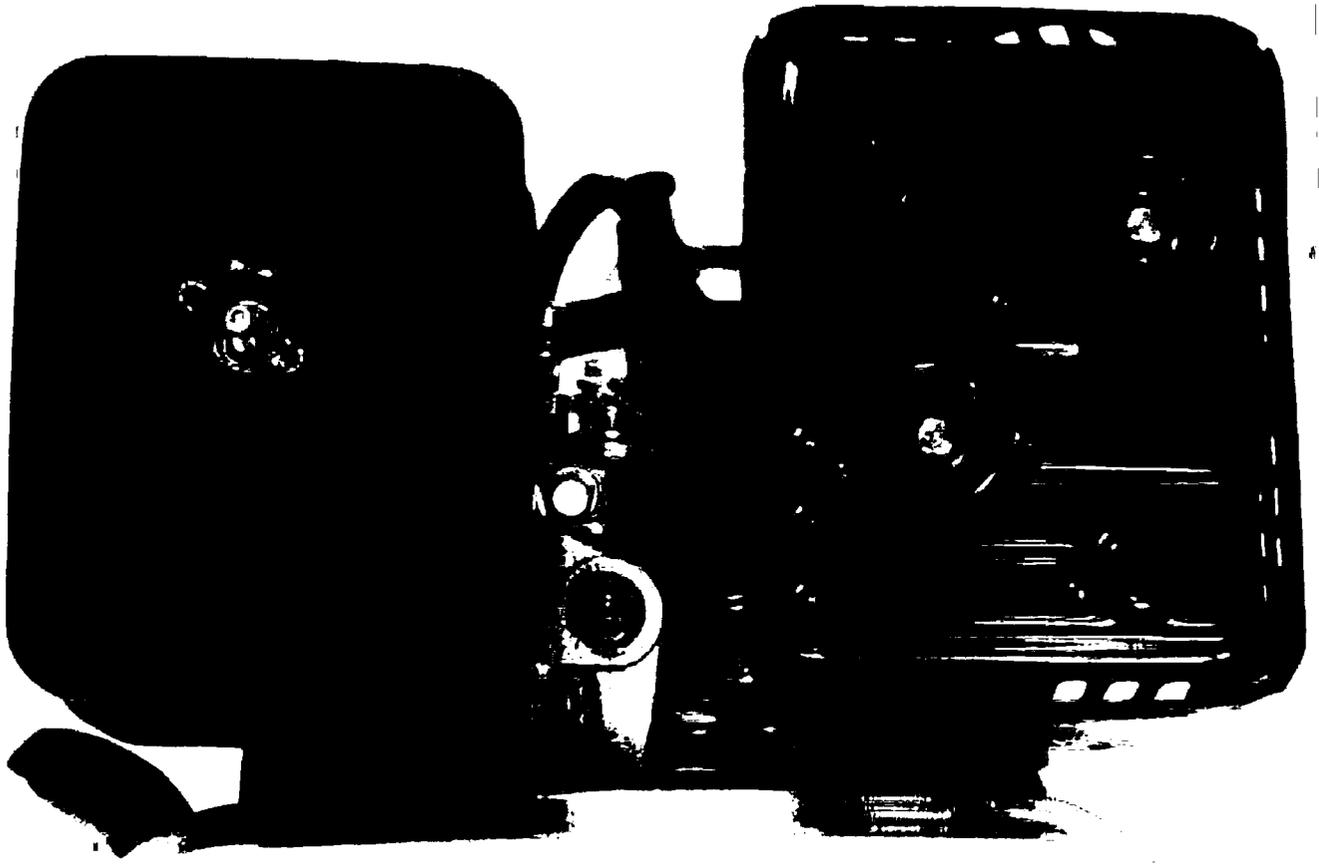






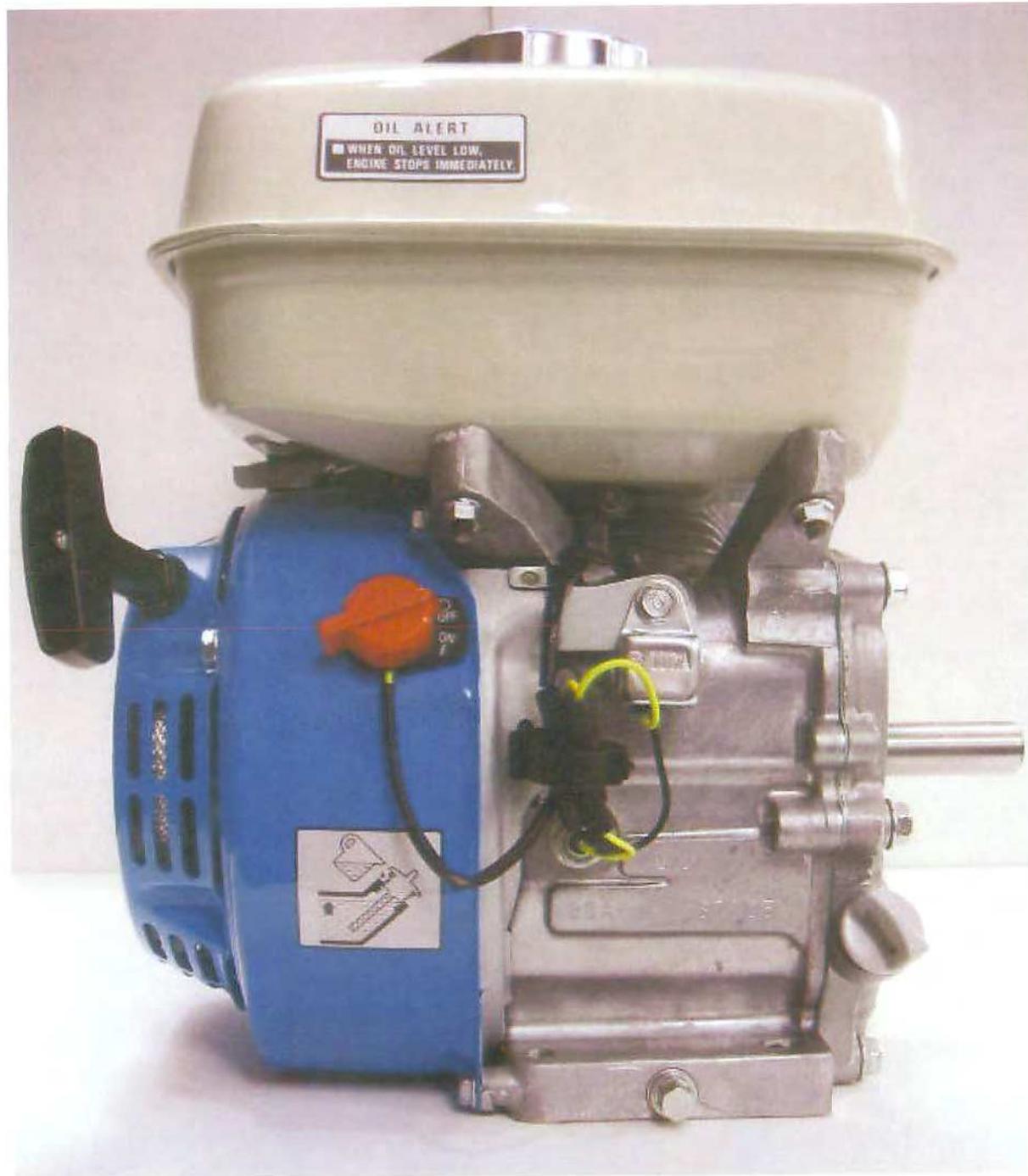






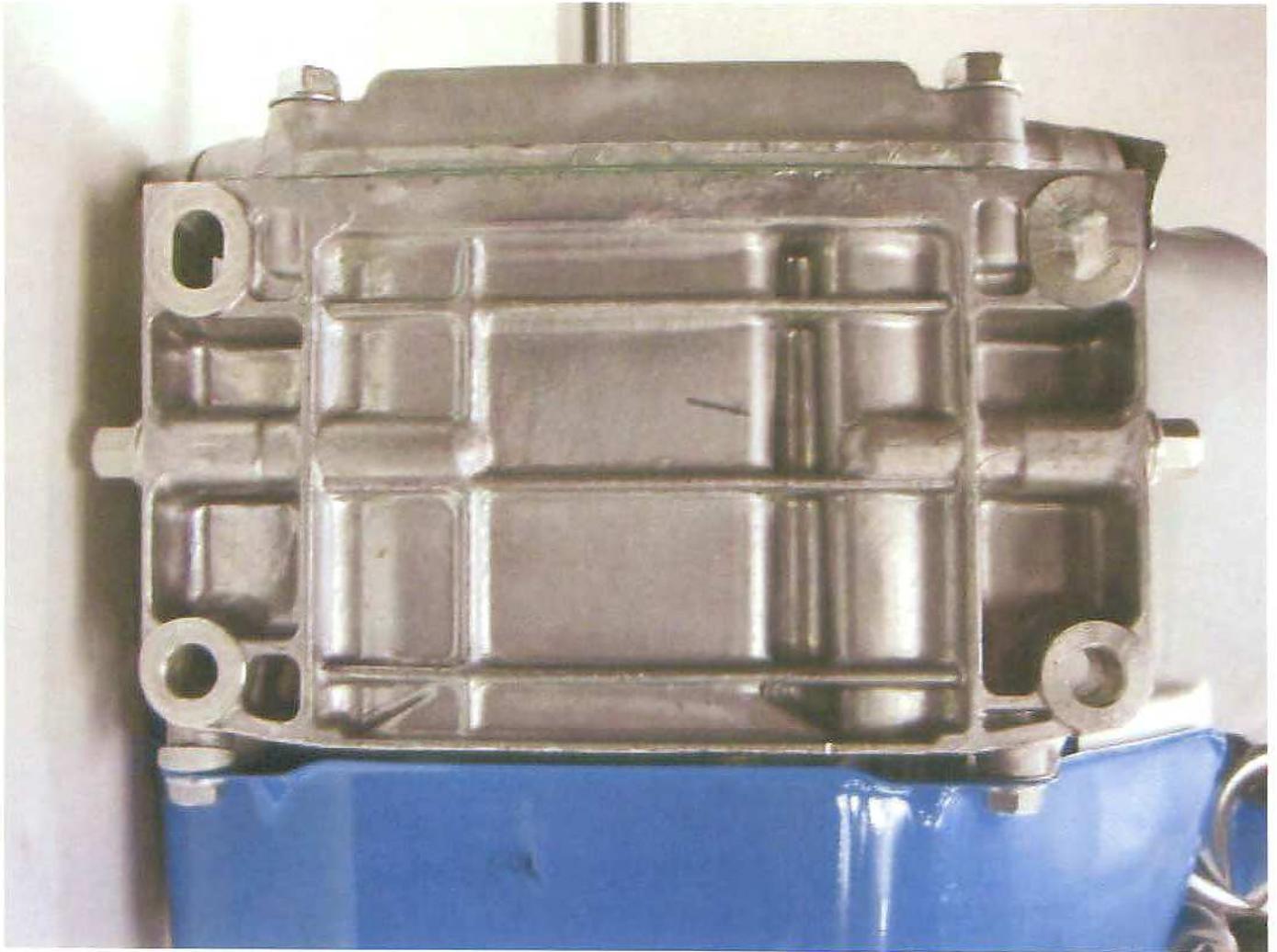
Honda Blue

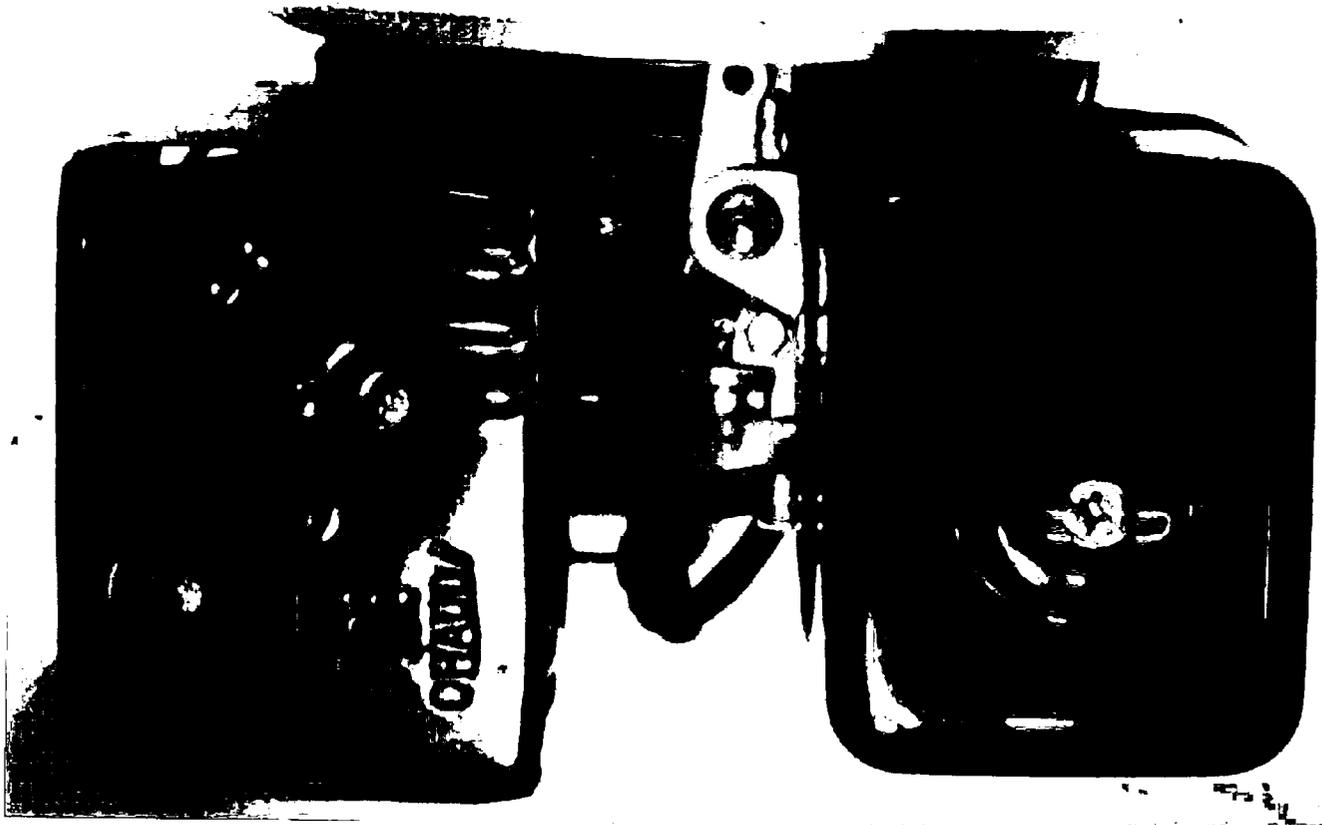






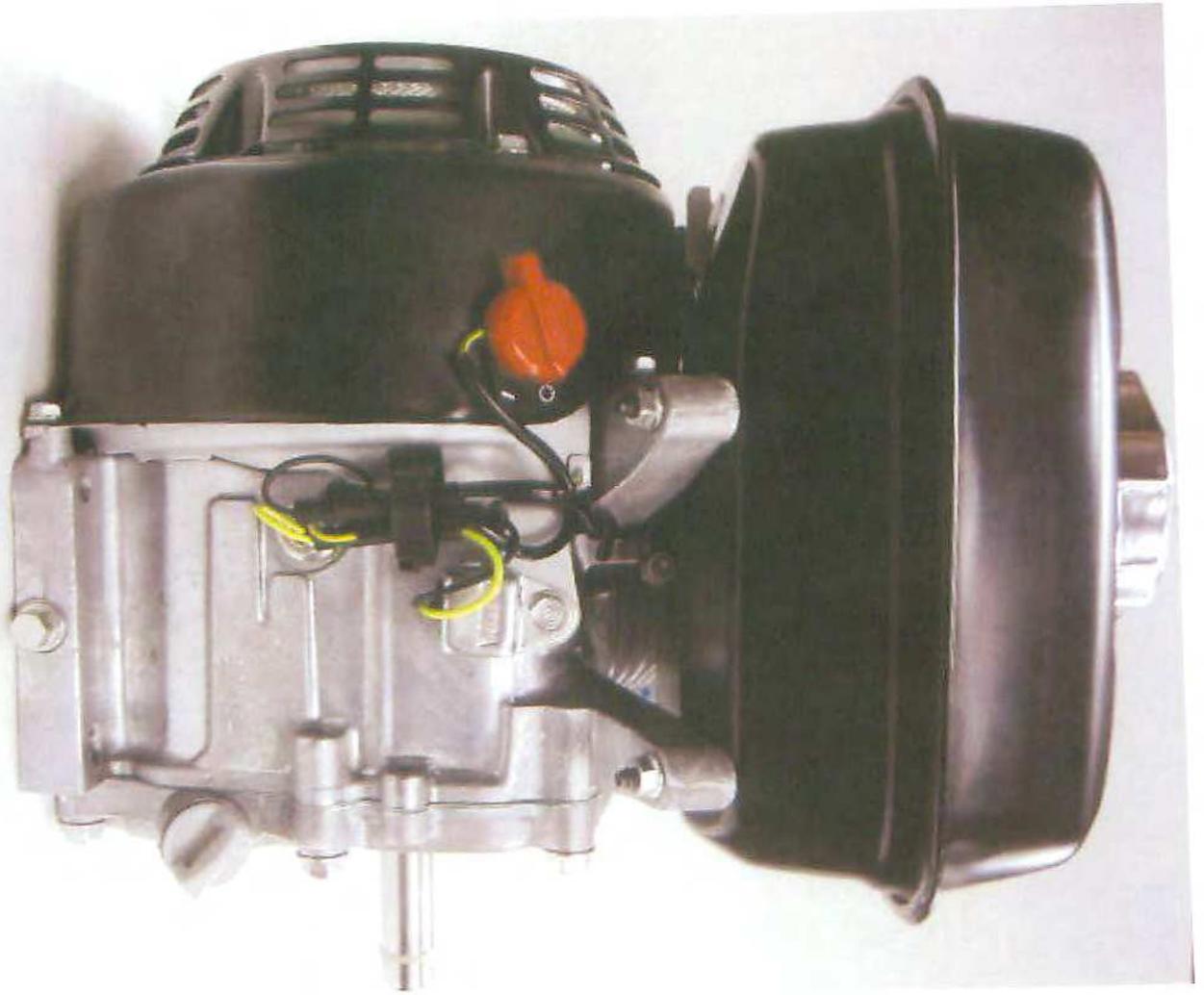


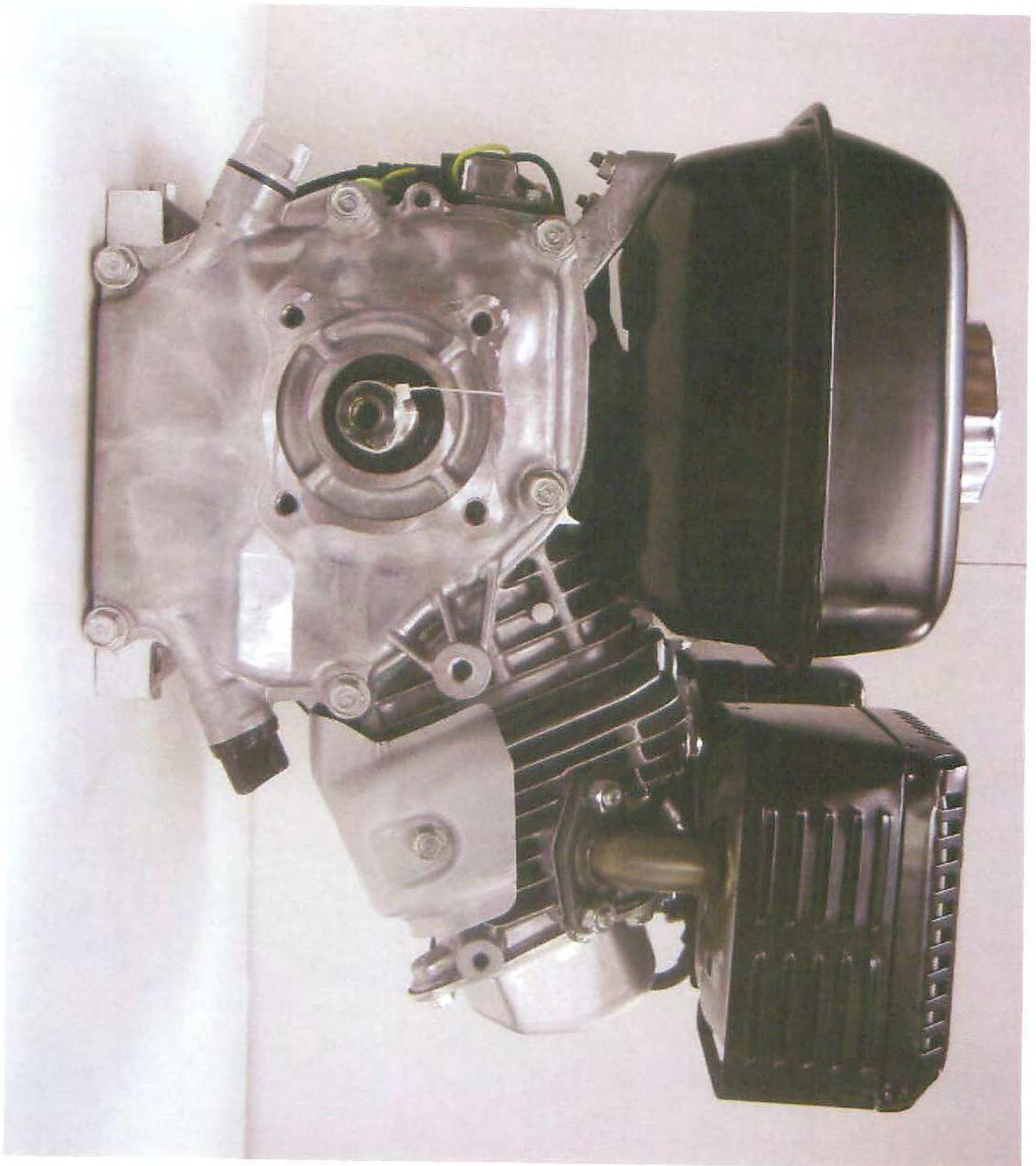


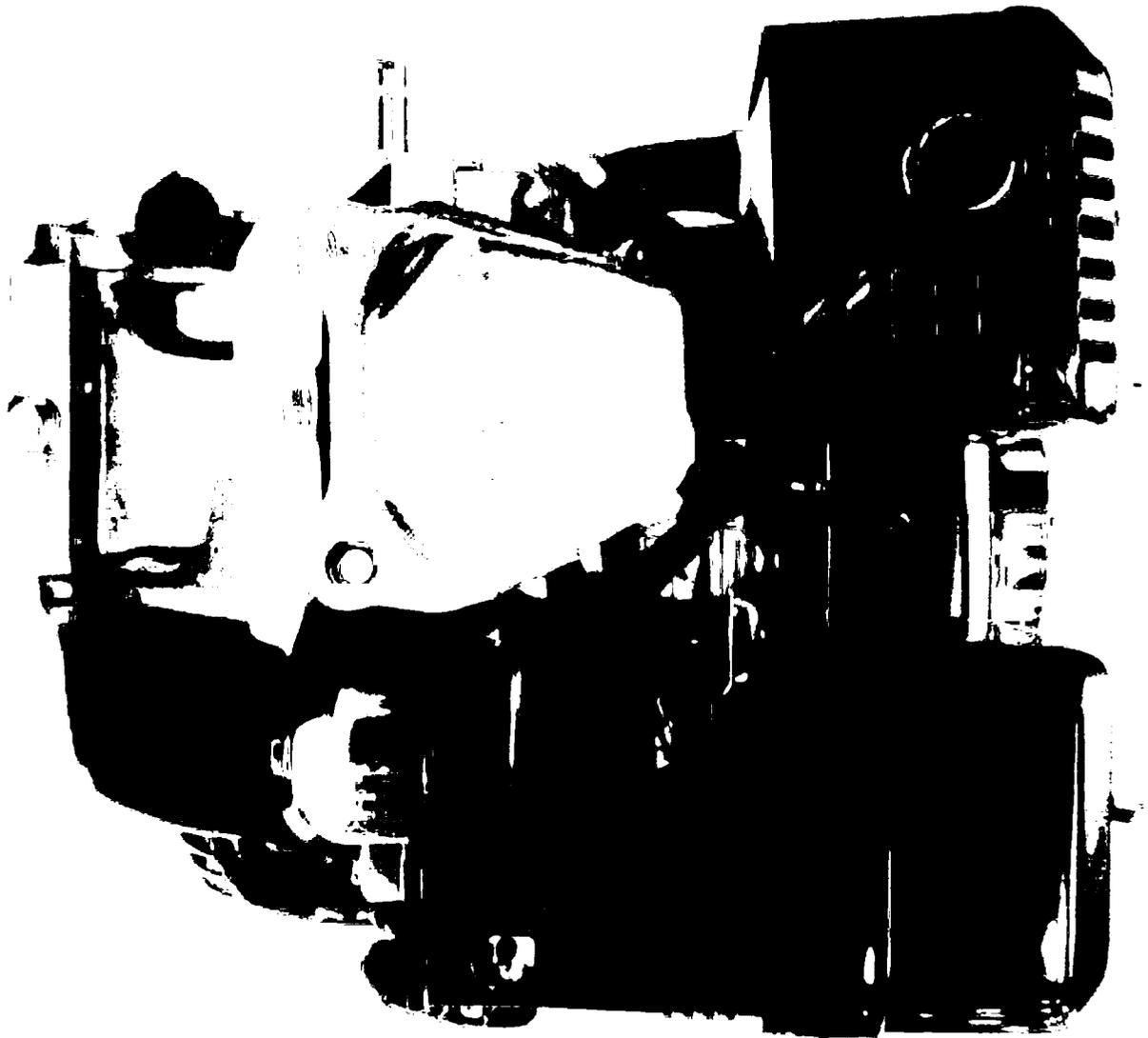


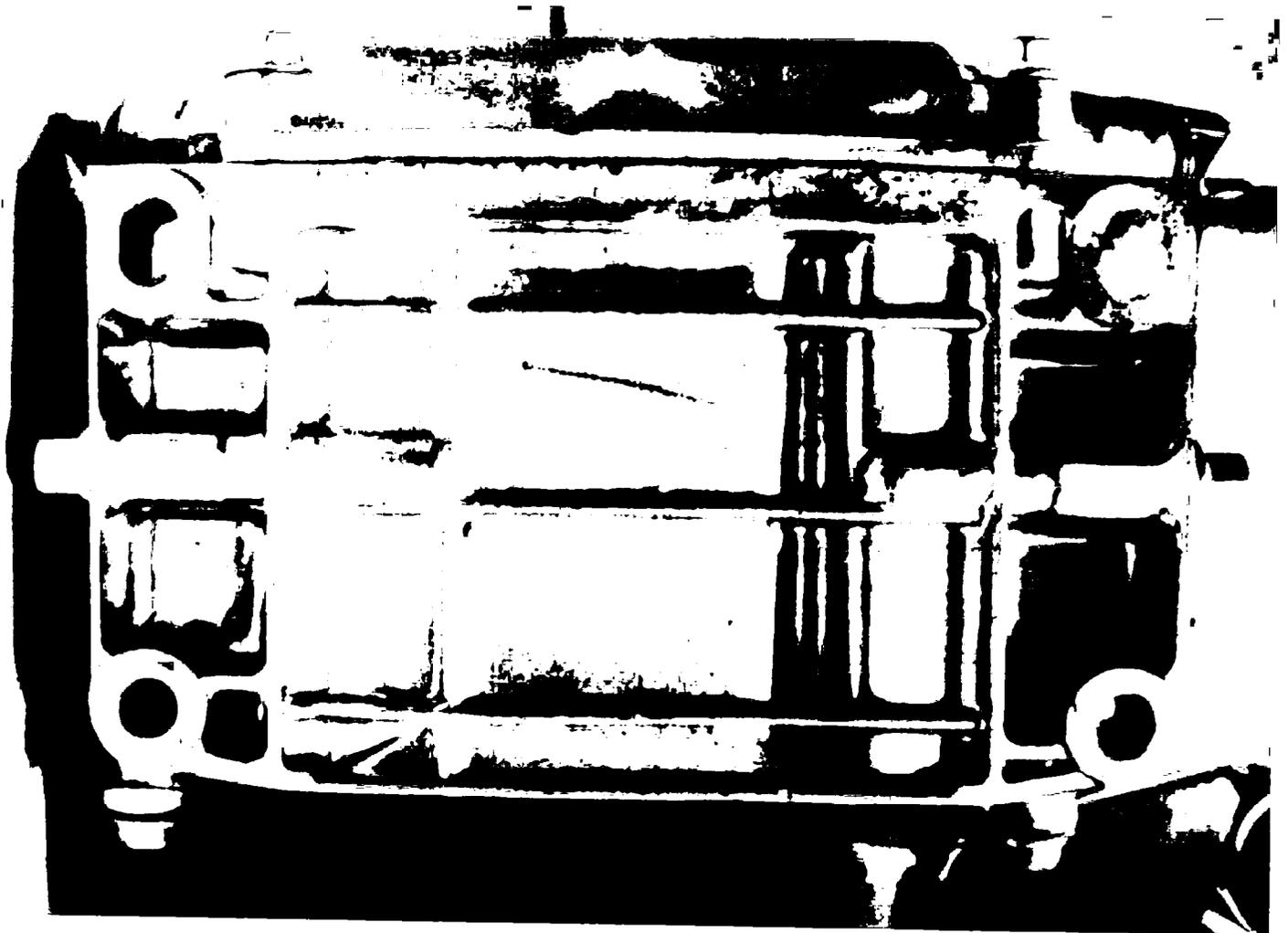
Honda Black GX160 (5.5)

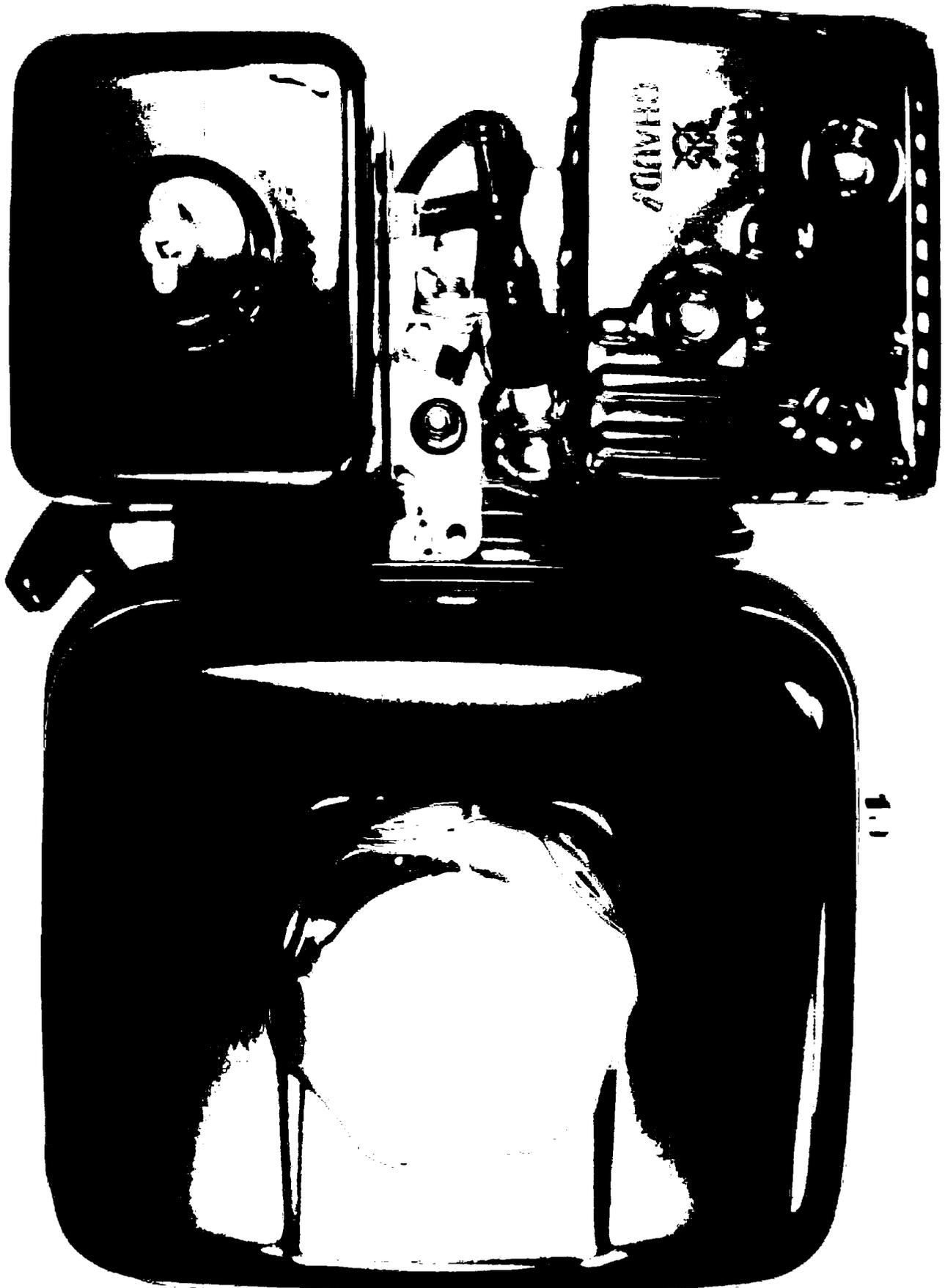






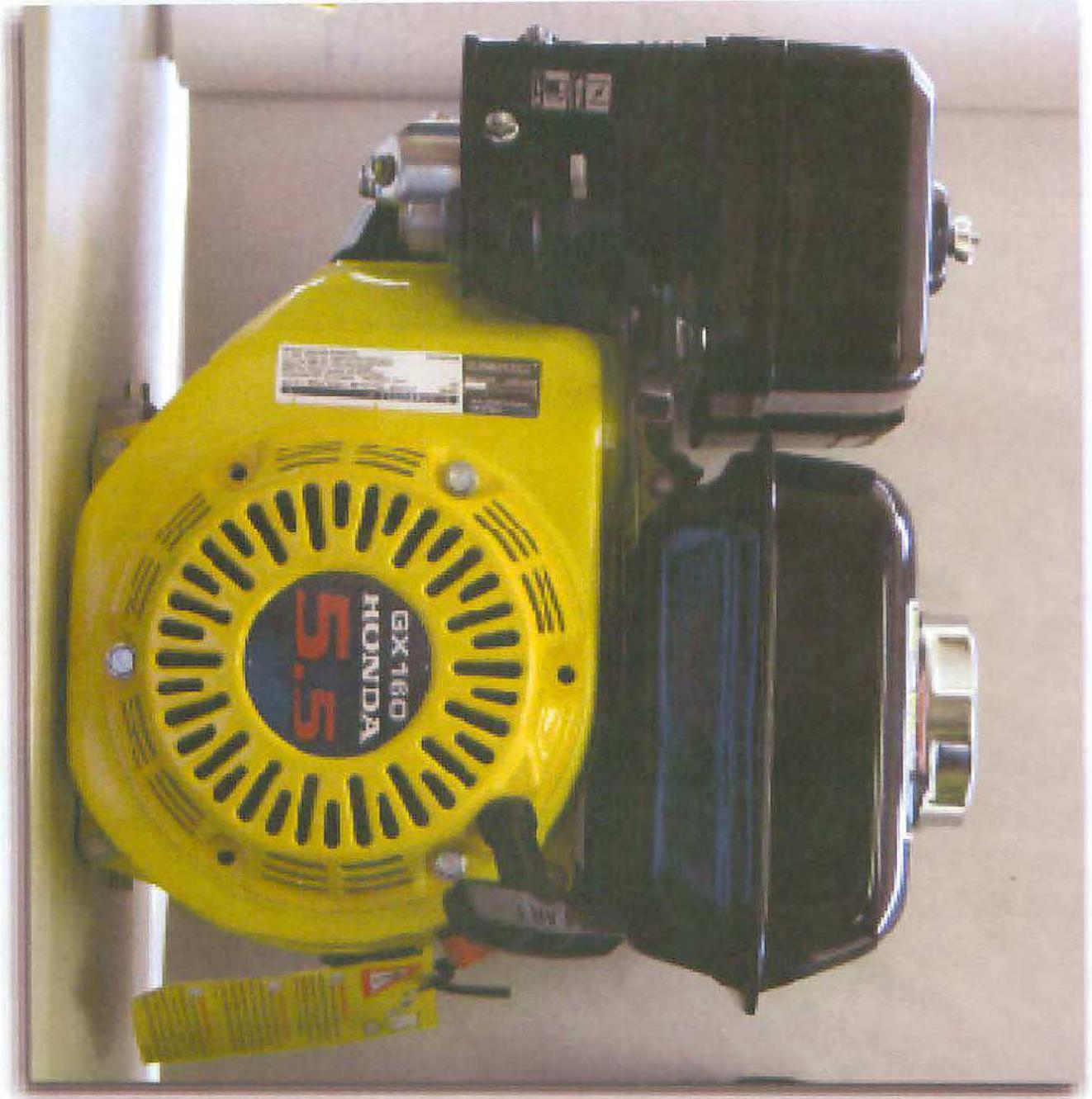


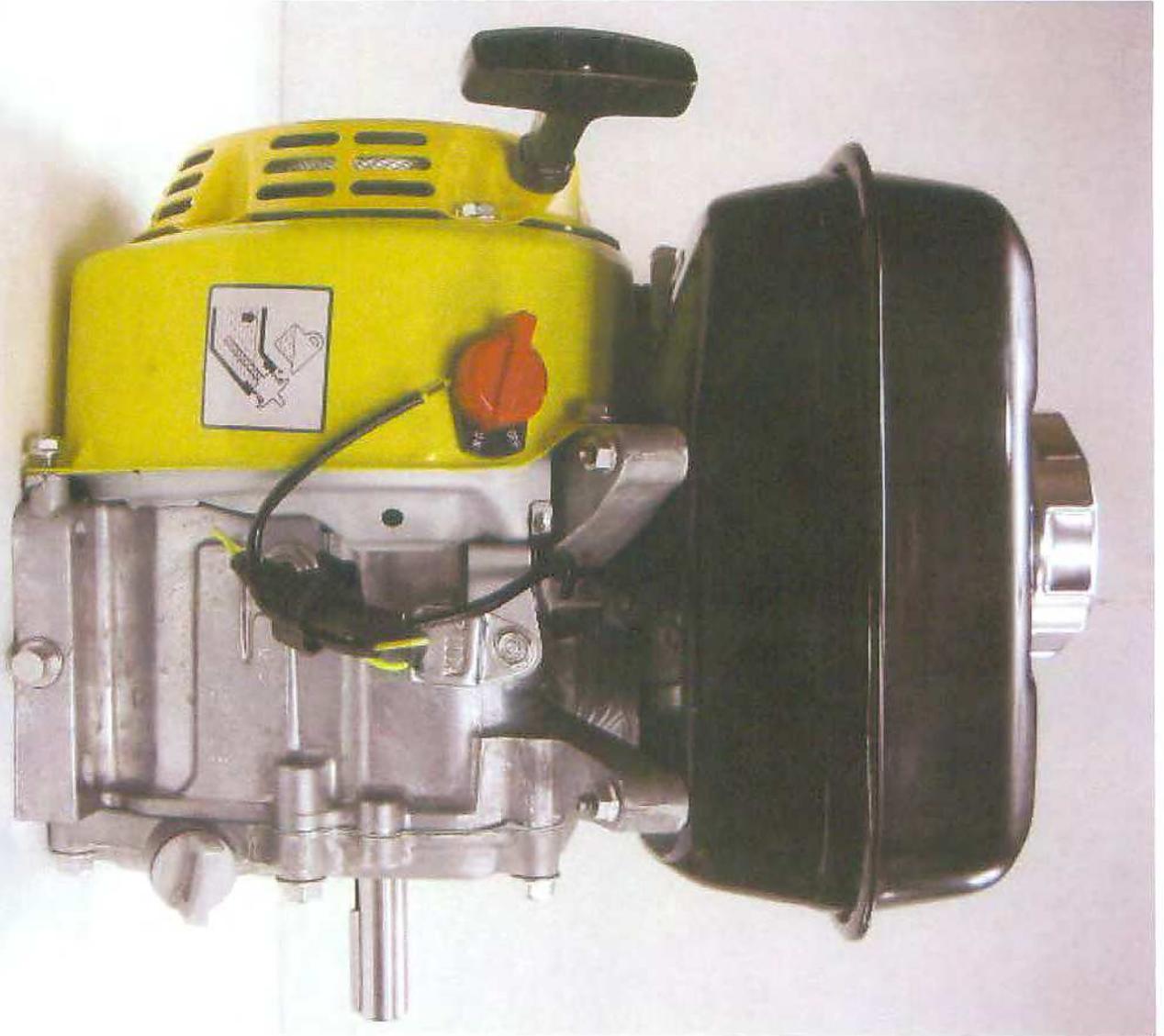




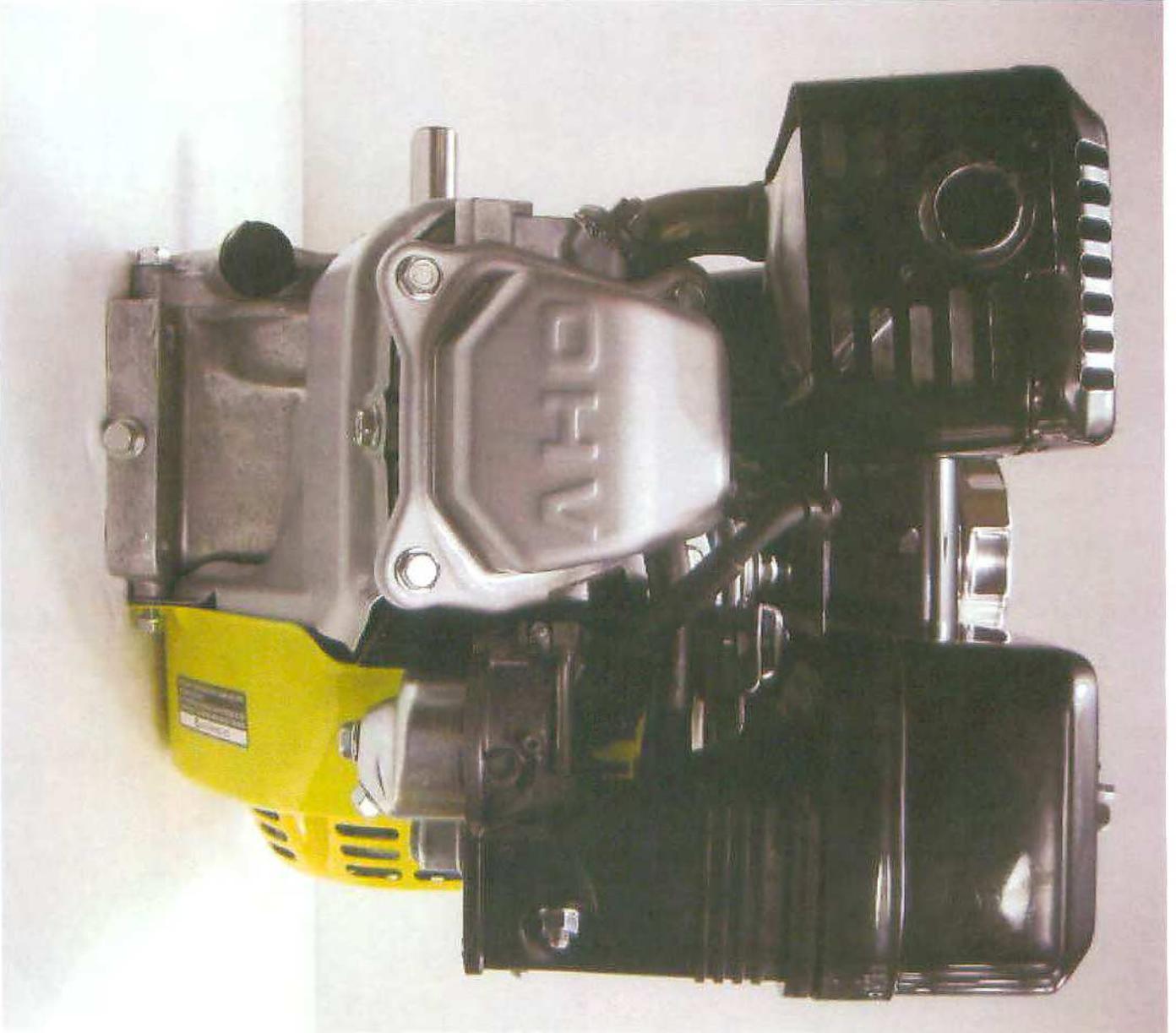
11

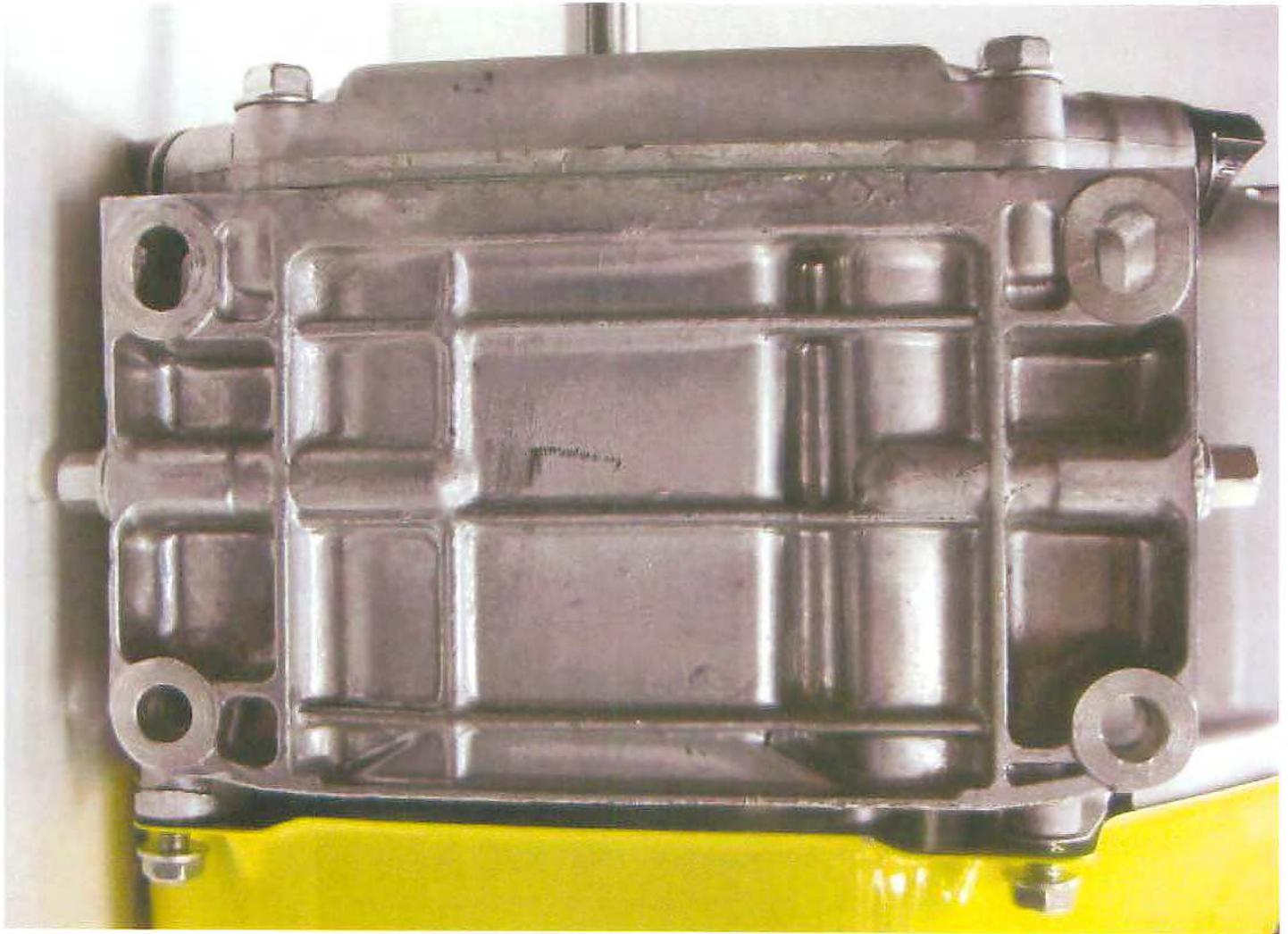
Honda Yellow and Black GX160







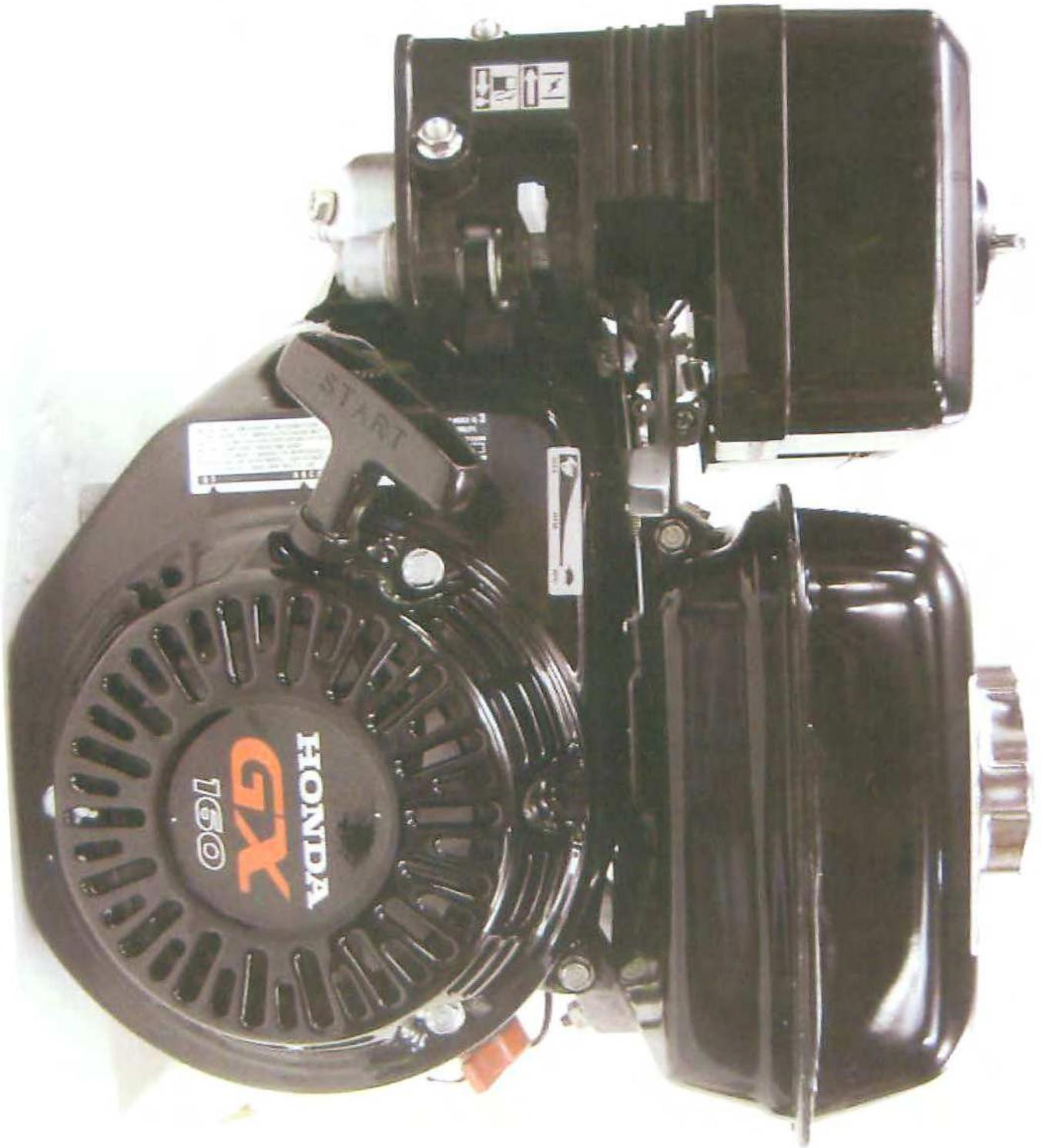


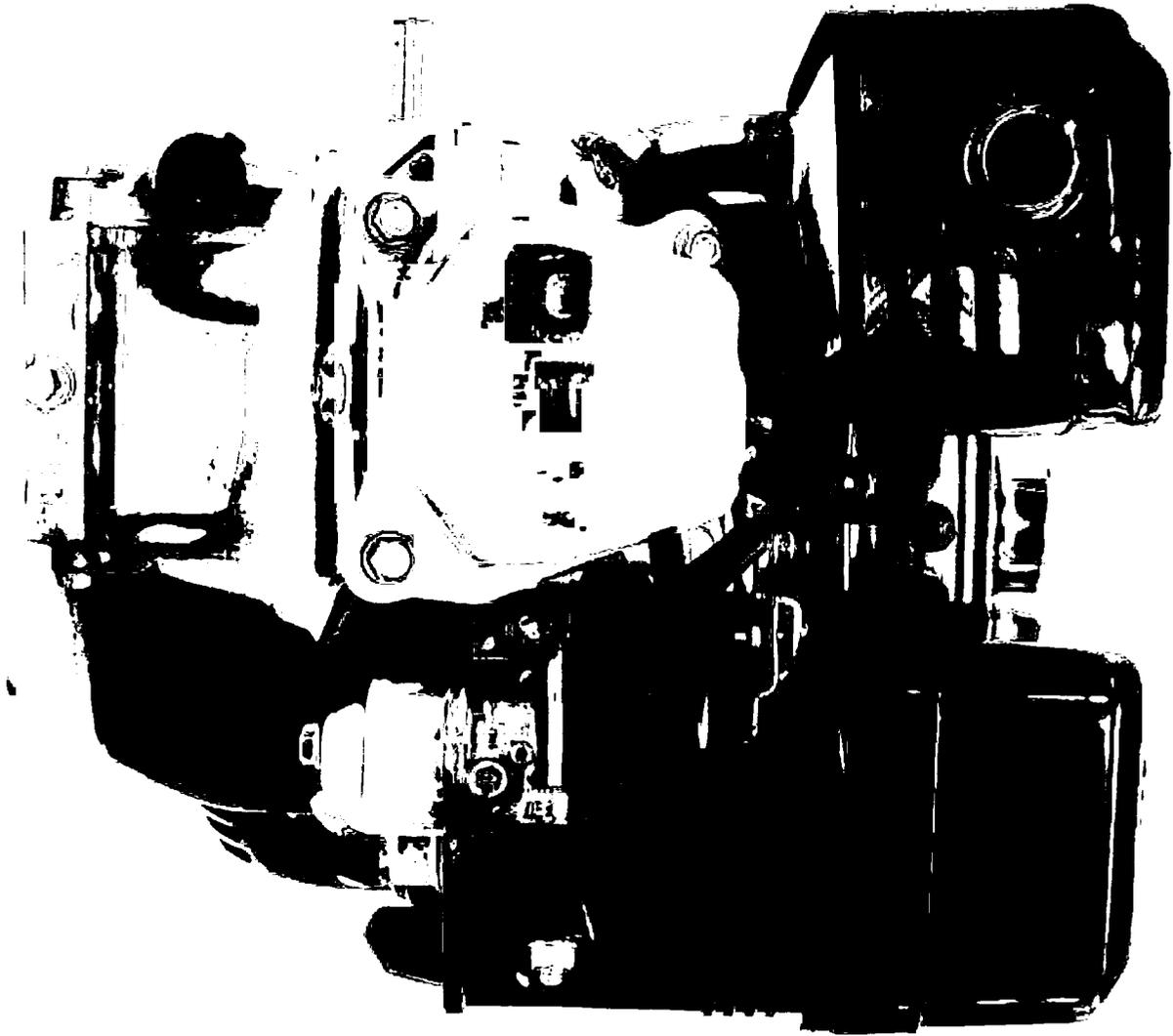


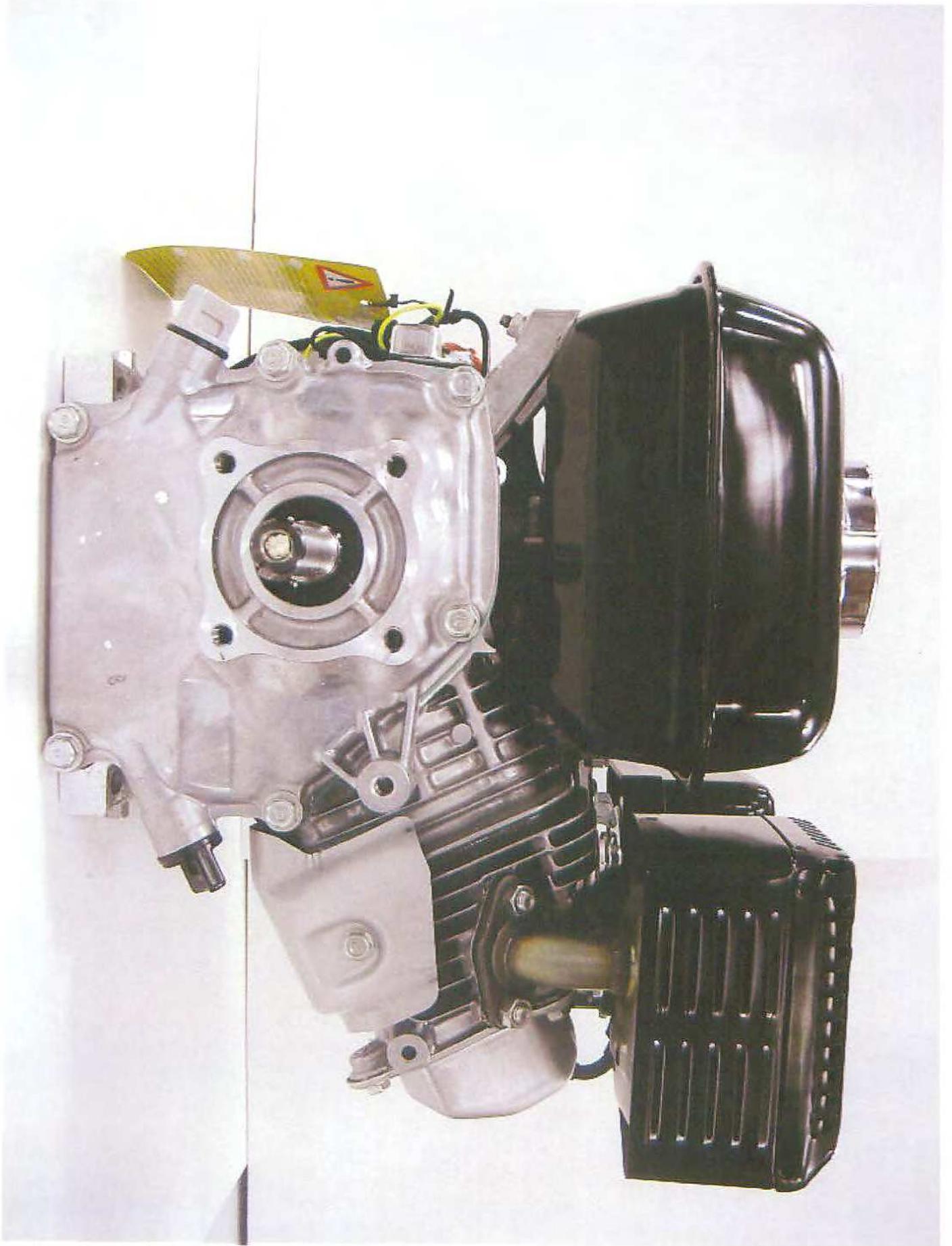


Honda Shiny Black GX160

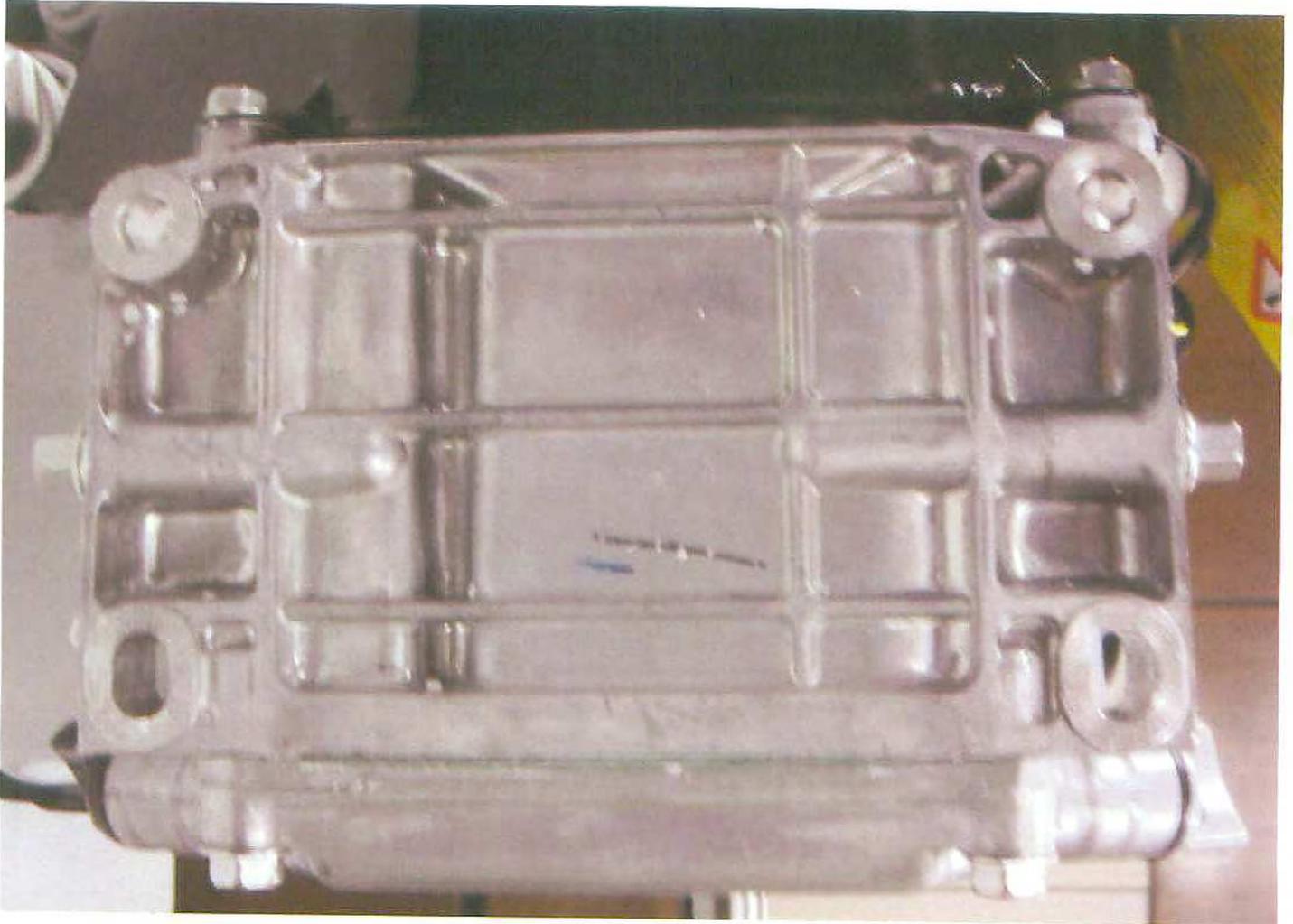






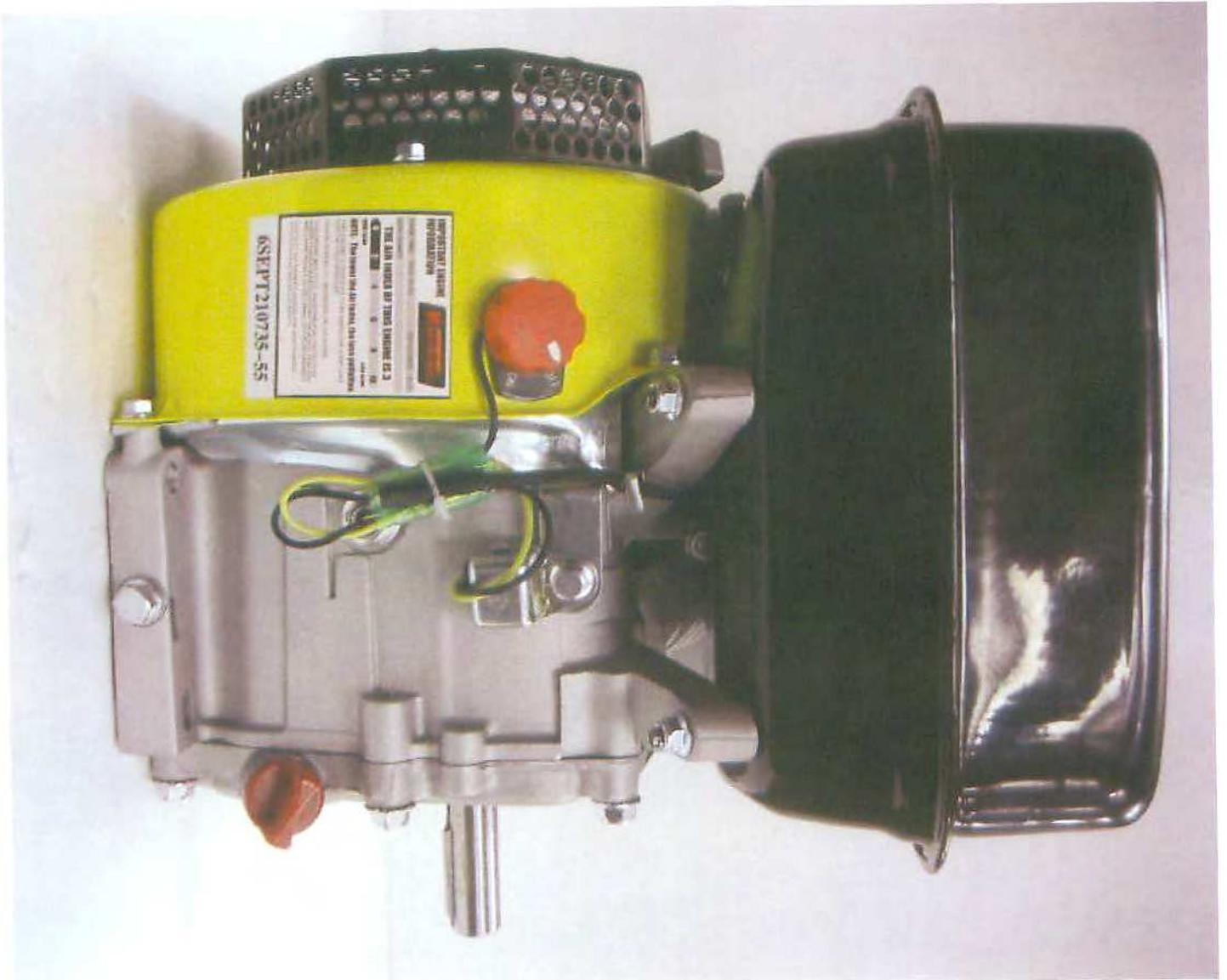


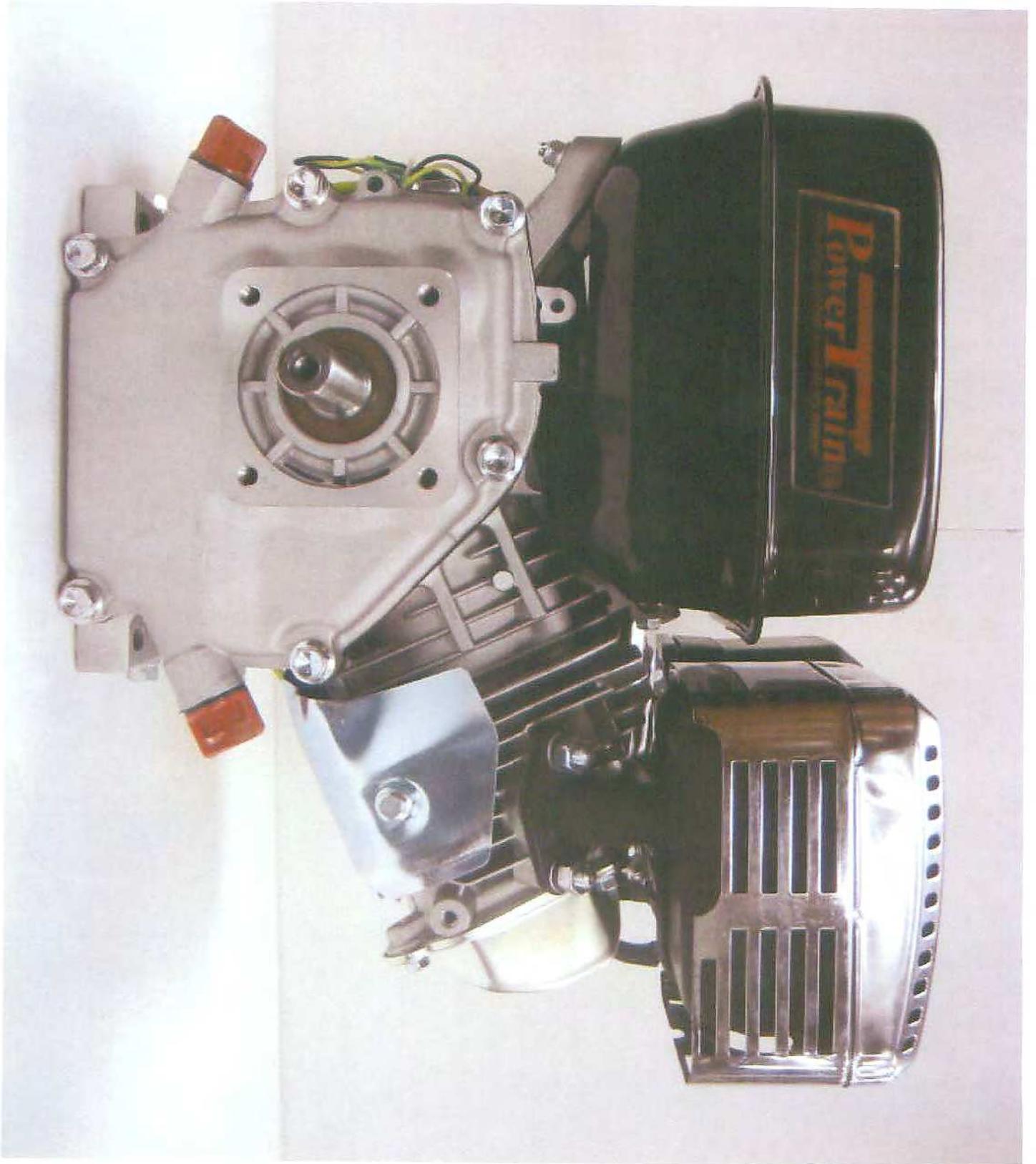


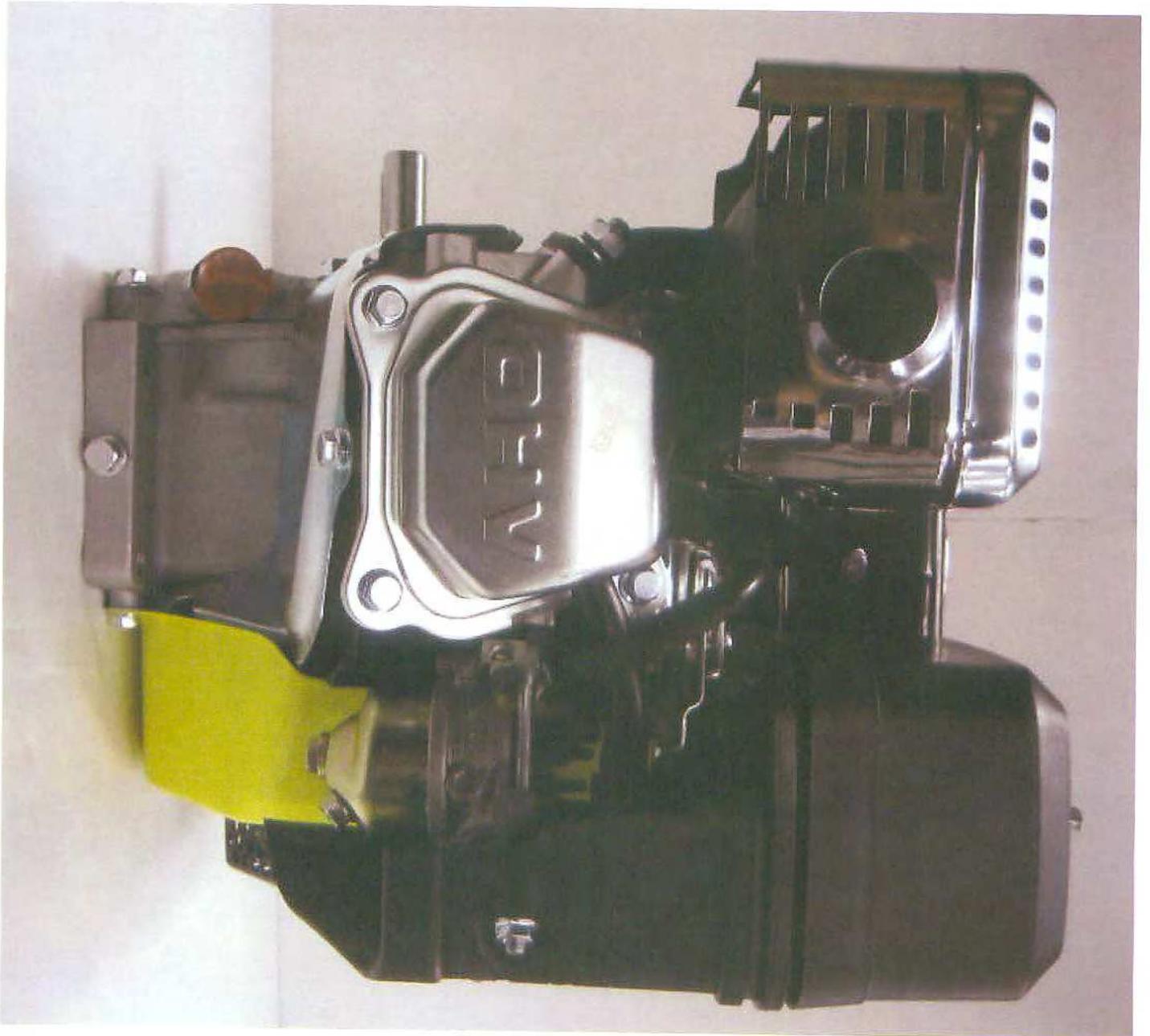


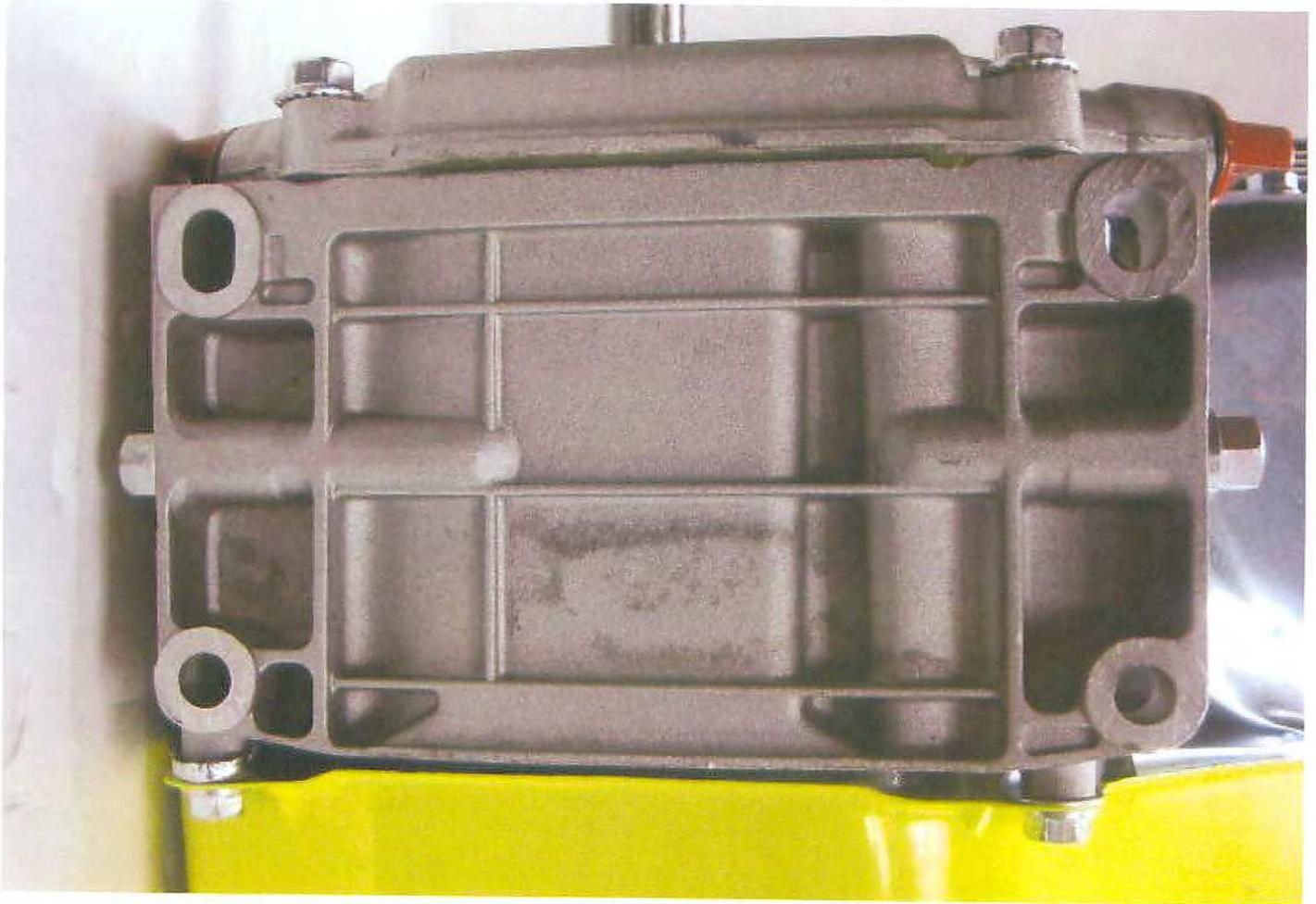
carburetor cover style 2

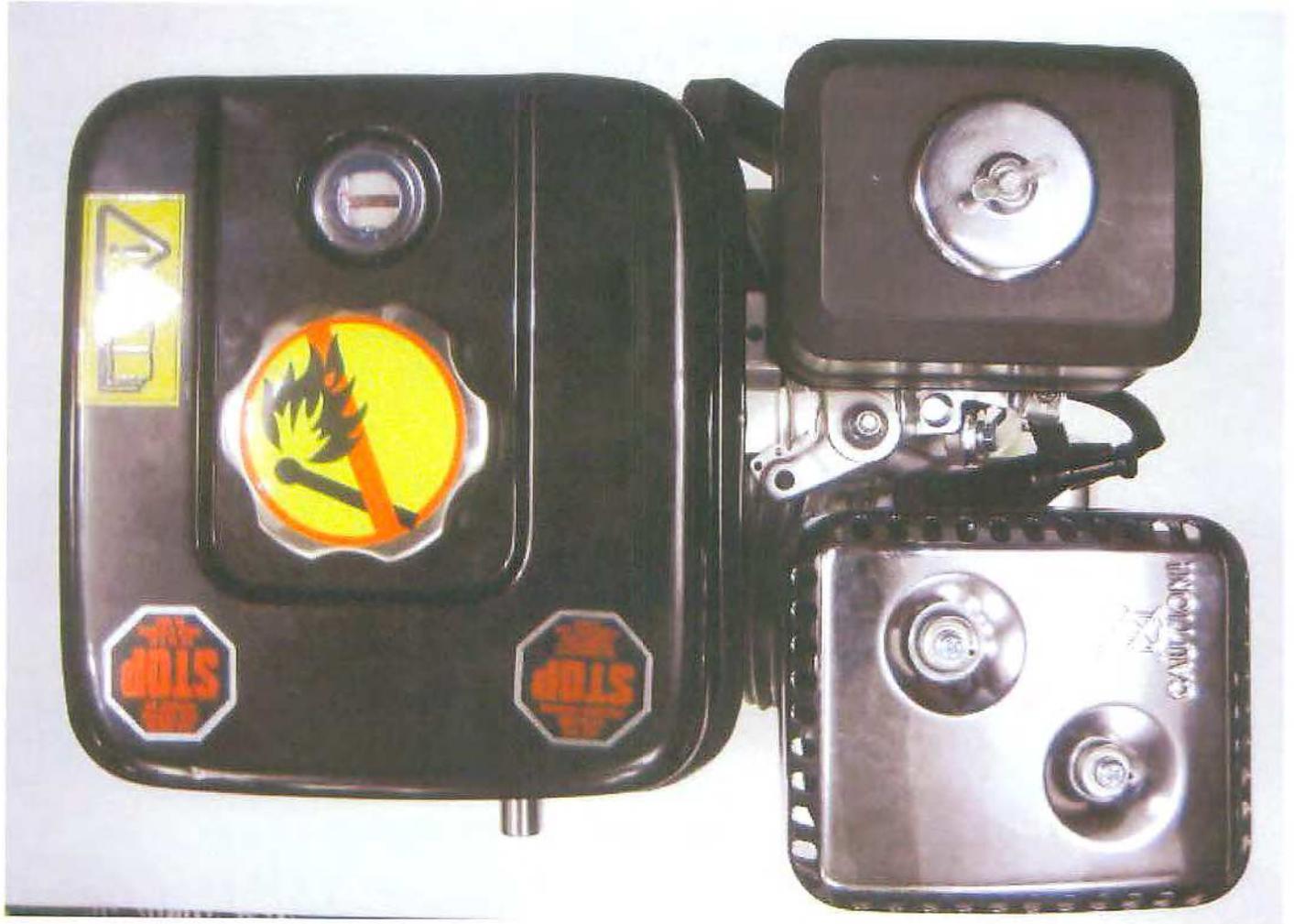












Applicant Exhibit K

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
EASTERN DIVISION**

**POWERTRAIN INC., a Mississippi
Corporation; TOOL MART INC., a Mississippi
Corporation; WOOD SALES COMPANY, INC.,
a Mississippi Corporation**

PLAINTIFFS

V.

CASE NO: 1:03CV668

**AMERICAN HONDA MOTOR CO., INC.,
a California Corporation**

DEFENDANT

**AMERICAN HONDA MOTOR CO., INC.,
a California Corporation**

COUNTERCLAIMANT

V.

**POWERTRAIN INC., a Mississippi
Corporation; TOOL MART INC., a Mississippi
Corporation; WOOD SALES COMPANY, INC.,
a Mississippi Corporation; BEST MACHINERY
AND ELECTRICAL, INC.; JOYCE MA, Individually;
PUMA CORPORATION or PUMA INDUSTRIES, INC.;
CHINA NATIONAL ELECTRONICS IMPORT AND
EXPORT ZHEJIANG COMPANY; TONG YONG
ENGINE MADING COMPANY, INC., or SHAOXING
TONGYONG ENGINE MADING COMPANY, INC. (d/b/a
TEBCO); XING YUE GROUP; and ZHEJIANG EVER FINE
ELECTRIC APPLIANCE GROUP, LTD**

COUNTERDEFENDANTS

VERDICT FORM

Do you find that the trade dress of Honda's GX series engines is protectable as defined in

Instruction No. 3?

YES NO

If you answered "no" to the previous question, do not continue. If you answered "yes" to the previous question, please answer the following questions.

Do you find that Powertrain infringed on the trade dress of Honda's GX series engines as defined in Instruction No. 3?

YES NO

Do you find that Joyce Ma infringed on the trade dress of Honda's GX series engines as defined in Instruction No. 3?

YES NO

Do you find that Joyce Ma infringed on the trade dress of Honda's GX series engines as defined in Instruction No. 5?

YES NO

Do you find that Best Machinery infringed on the trade dress of Honda's GX series engines as defined in Instruction No. 3?

YES NO

Do you find that Best Machinery infringed on the trade dress of Honda's GX series engines as defined in Instruction No. 5?

YES NO

This the 13 day of August, 2007.



JURY FOREPERSON

Applicant Exhibit L

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
DIVISION

PLAINTIFFS

V.

NO.

DEFENDANTS

COURT'S INSTRUCTIONS TO THE JURY

Members of the Jury:

Now that you have heard all of the evidence and the argument of counsel, it becomes my duty to give you the instructions of the court concerning the law applicable to this case.

It is your duty as jurors to follow the law as I shall state it to you, and to apply that law to the facts as you find them from the evidence in the case. You are not to single out one instruction alone as stating the law, but must consider the instructions as a whole. Neither are you to be concerned with the wisdom of any rule of law stated by me.

Regardless of any opinion you may have as to what the law is or ought to be, it would be a violation of your sworn duty to base a verdict upon any view of the law other than that given in the instructions of the court, just as it would also be a violation of your sworn duty, as judges of the facts, to base a verdict upon anything other than the evidence in the case.

In deciding the facts of this case you must not be swayed by bias or prejudice or favor as to any party. Our system of law does not permit jurors to be governed by prejudice or sympathy or public opinion. Both the parties and the public expect that you will carefully and impartially consider all of the evidence in the case, follow the law as stated by the court, and reach a just verdict regardless of the consequences.

This case should be considered and decided by you as an action between persons of equal standing in the community, and holding the same or similar stations in life. The law is no respecter of persons, and all persons stand equal before the law and are to be dealt with as equals in a court of justice. [A defendant such as _____ is entitled to the same fair and unprejudiced treatment as an individual would be under like circumstances, and you should decide this case with the same impartiality which you would use in deciding a case between individuals.]

As stated earlier, it is your duty to determine the facts, and in so doing you must consider only the evidence I have admitted in the case. The term "evidence" includes the sworn testimony of the witnesses and the exhibits admitted in the record.

Remember that any statements, objections or arguments made by the lawyers are not evidence in the case. The function of the lawyers is to point out those things that are most significant or most helpful to their side of the case, and in so doing, to call your attention to certain facts or inferences that might otherwise escape your notice. In the final analysis, however, it is your own recollection and interpretation of the evidence that controls in the case. What the lawyers say is not binding upon you.

So, while you should consider only the evidence in the case, you are permitted to draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience. In other words, you may make deductions and reach conclusions which reason and common sense lead you to draw from the facts which have been established by the testimony and evidence in the case.

There are two kinds of evidence: direct and circumstantial. Direct evidence is direct proof of a fact, such as testimony of an eyewitness. Circumstantial evidence is evidence that tends to prove or disprove the existence or nonexistence of certain other facts. The law makes no distinction between direct and circumstantial evidence, but simply requires that you find the facts from a preponderance of the evidence. You may consider both kinds of evidence.

Now, I have said that you must consider all of the evidence. This does not mean, however, that you must accept all of the evidence as true or accurate.

You are the sole judges of the credibility or "believability" of each witness and the

weight to be given to his or her testimony. In weighing the testimony of a witness you should consider his relationship to the plaintiff or to the defendant; his interest, if any, in the outcome of the case; his manner of testifying; his opportunity to observe or acquire knowledge concerning the facts about which he testified; the witnesses candor, fairness and intelligence; and the extent to which the witness has been supported or contradicted by other credible evidence. You may, in short, accept or reject the testimony of any witness in whole or in part.

Also, the weight of the evidence is not necessarily determined by the number of witnesses testifying as to the existence or nonexistence of any fact. You may find that the testimony of a smaller number of witnesses as to any fact is more credible than the testimony of a larger number of witnesses to the contrary.

A witness may be discredited or "impeached" by contradictory evidence, by a showing that he testified falsely concerning a material matter, or by evidence that at some other time the witness has said or done something, or has failed to say or do something, which is inconsistent with the witnesses' present testimony.

If you believe that any witness has been so impeached, then it is your exclusive province to give the testimony of that witness such credibility or weight, if any, as you may think it deserves.

The burden is on the Plaintiff in a civil action such as this to prove every essential element of his claim by a "preponderance of the evidence." A preponderance of the

evidence means such evidence as, when considered and compared with that opposed to it, has more convincing force and produces in your minds a belief that what is sought to be proved is more likely true than not true. In other words, to establish a claim by a "preponderance of the evidence" merely means to prove that the claim is more likely so than not so.

In determining whether any fact in issue has been proved by a preponderance of the evidence, the jury may consider the testimony of all the witnesses, regardless of who may have called them, and all the exhibits received in evidence, regardless of who may have produced them. If the proof should fail to establish any essential element of Plaintiff's claim by a preponderance of the evidence, the jury should find for the Defendant as to that claim.

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI
EASTERN DIVISION**

**POWERTRAIN INC., a Mississippi
Corporation; TOOL MART INC., a Mississippi
Corporation; WOOD SALES COMPANY, INC.,
a Mississippi Corporation**

PLAINTIFFS

V.

CASE NO: 1:03CV668

**AMERICAN HONDA MOTOR CO., INC.,
a California Corporation**

DEFENDANT

**AMERICAN HONDA MOTOR CO., INC.,
a California Corporation**

COUNTERCLAIMANT

V.

**POWERTRAIN INC., a Mississippi
Corporation; TOOL MART INC., a Mississippi
Corporation; WOOD SALES COMPANY, INC.,
a Mississippi Corporation; BEST MACHINERY
AND ELECTRICAL, INC.; JOYCE MA, Individually;
PUMA CORPORATION or PUMA INDUSTRIES, INC.;
CHINA NATIONAL ELECTRONICS IMPORT AND
EXPORT ZHEJIANG COMPANY; TONG YONG
ENGINE MADING COMPANY, INC., or SHAOXING
TONGYONG ENGINE MADING COMPANY, INC. (d/b/a
TEBCO); XING YUE GROUP; and ZHEJIANG EVER FINE
ELECTRIC APPLIANCE GROUP, LTD**

COUNTERDEFENDANTS

JURY INSTRUCTION NO. 1

In this case, PowerTrain, Inc., Tool Mart, Inc., and Wood Sales Company, Inc. filed suit against American Honda Motor Co., Inc.— which I will refer to as “Honda”— under Mississippi

and federal law for unfair competition and international interference in contractual relations, among other claims.

Honda filed counterclaims against PowerTrain, Tool Mart, Wood Sales, Best Machinery and Electrical, Inc., and Joyce Ma, alleging that these companies and Ms. Ma have infringed its right to sell a product with a particular appearance. This is known as “trade dress,” and it is a form of trademark law. For ease of reference, I will refer to the group of companies and against which Honda has asserted claims as “Powertrain.” I will refer to Best Machinery and Joyce Ma separately.

The only issues you will decide at this time involve Honda’s claim that PowerTrain, Best Machinery and Electrical, Inc., and Joyce Ma infringed upon Honda’s trade dress rights. Honda claims that its trade dress consists of the overall appearance of certain small, gasoline-powered engines it manufactures, known as the “GX” line of engines. In particular, Honda alleges that PowerTrain has infringed Honda’s rights under federal and Mississippi law by selling engines with an appearance of the Honda GX engines. With respect to Honda’s claim that PowerTrain infringed its trade dress rights under federal law, Honda has the burden to establish by a preponderance of the evidence:

(1) that the overall design of the Honda GX Engines qualifies for trade dress protection;

and,

(2) that PowerTrain’s use of the trade dress ^{in commerce} creates a likelihood of confusion.

JURY INSTRUCTION NO. 2

“Trade dress” refers to the total image of a product, including features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques. Trade dress is the nonfunctional physical detail and design of a product or its packaging, identifying the product's source and distinguishing it from the products of others. Trade dress may include color schemes, textures, sizes, designs, shapes, and placements of words, graphics, and decorations on a product or its packaging.

Trade dress is nonfunctional if, taken as a whole, the collection of trade dress elements is not essential to the product's function or use, even though certain elements of the trade dress may be functional. Honda has the burden of proof, by a preponderance of the evidence, to prove that it has a defined trade dress.

Trade dress protection must exist with the understanding that in many instances there is no prohibition against the lawful copying of goods and products. However, copying is not lawful when it infringes on the trade dress of another.

JURY INSTRUCTION NO. 3

In order to make a claim of trade dress infringement, there must first be a determination that Honda's trade dress for the GX series engines qualifies for protection, which encompasses the distinctiveness, secondary meaning, and functionality of the product. Trade dress must be distinctive or have acquired distinctiveness through secondary meaning and must not be functional in order to qualify for protection. Once a product or part qualifies for protection, trade dress infringement only occurs if there is a likelihood of confusion.

Trade dress is distinctive and capable of being protected if it either (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning. Secondary meaning connotes that a product is so well recognized that the consuming public identifies the trade dress with a particular source. Factors to consider when determining whether the GX series trade dress has a secondary meaning include the length and manner of the use of the trade dress, volume of sales of engines with the GX series design, the amount and manner of advertising, the nature of use of the trade dress of the GX series engines in newspaper and magazines, consumer-survey evidence regarding the trade dress, direct consumer testimony, and the defendant's intent in copying the trade dress.

The collection of elements of a product taken together must be nonfunctional. A product's trade dress that is subject to trade dress protection can be comprised of functional parts so long as their assimilation creates a nonfunctional product. Under the traditional definition of functionality, a product feature is functional if it is essential to the use or purpose of the article, or if it affects the cost or quality of the article. If the product feature is the reason the device works, the feature is functional under the traditional test and renders the availability of alternative

designs irrelevant unless you find that the features are arbitrary or ornamental. There is also a competitive necessity test regarding functionality, which should only be considered when a product feature is not functional under the traditional definition of functionality. A product feature can be found functional under the competitive necessity test if the exclusive use of that feature would put competitors at a significant non-reputation related advantage. However, if there is no competitive need for a product feature to be designed in a certain manner, the product feature is not functional.

Likelihood of confusion occurs when there is confusion as to the source, affiliation, or sponsorship of products due to their similar trade dress. Factors to consider in making this determination include the similarity of the products, the identity of retail outlets and purchasers, the identity of advertising media, the strength of the trade dress, the intent of the alleged infringer, the similarity of design, and actual confusion. Actual confusion can occur before during or after the initial purchase of the product, and can be demonstrated directly through testimony of witnesses or circumstantially through valid consumer surveys. It is often helpful to consider the cost of the product, as confusion is more likely to occur with inexpensive or impulse items.

JURY INSTRUCTION NO. 4

A prior patent has relevance in deciding a trade dress claim. A utility patent is evidence that the features claimed in it are functional. You must determine whether the alleged trade dress features are actually claimed in the patent. If trade dress protection is sought for those features, the evidence of functionality based on the previous patent adds great weight to the presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. Where an expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device.

A expired design patent is rebuttable presumptive evidence of nonfunctionality since design patents are granted only for nonfunctional designs. After fourteen years, a design patent expires.

JURY INSTRUCTION NO. 5

A party can be liable for contributory trade dress infringement if that person or entity intentionally induces another to infringe a trade dress, or if that person or entity continues to supply its product to one it knows or has reason to know is engaging in trade dress infringement.

Contributory trade dress infringement cannot occur without direct trade dress infringement. In order to prevail on its claim for contributory infringement, Honda must first prove by a preponderance of the evidence that its trade dress has been infringed. Honda may establish contributory infringement by proving that Best Machinery and Joyce Ma sold or supplied engines to Powertrain, that Powertrain's use of the engines infringed on Honda's trade dress, and that Best Machinery and Joyce Ma knew or should have known that the engines infringed on Honda's trade dress.

Your verdict must represent the considered judgment of each juror. In order to return a verdict, it is necessary that each juror agree thereto. In other words, your verdict must be unanimous.

It is your duty as jurors to consult with one another and to deliberate with a view to reaching a verdict if you can do so without violence to individual judgment. Each of you must decide the case for yourself, but only after an impartial consideration of all the evidence in the case with your fellow jurors. In the course of your deliberations, do not hesitate to re-examine your own views, and change your opinion, if convinced it is erroneous. But do not surrender your honest conviction as to the weight or effect of the evidence, solely because of the opinion of your fellow jurors, or for the mere purpose of returning a verdict.

Remember at all times you are not partisans. You are judges--judges of the facts in this case. Your sole interest is to seek the truth from the evidence in the case.

Upon retiring to the jury room, you should first select one of your number to act as your foreman or forewoman who will preside over your deliberations and will be your spokesperson here in court. A form of verdict has been prepared for your convenience.

[Explain verdict]

You will take the verdict form to the jury room and when you have reached a unanimous agreement as to your verdict, you will have your foreman fill it in, date, and sign it, and then return to the courtroom.

If, during your deliberations, you should desire to communicate with the Court, please reduce your message or question to writing signed by the foreperson, and pass the note to the marshal who will bring it to my attention. I will then respond as promptly as possible, either in writing or by having you returned to the courtroom so that I can address you orally. I caution you, however, with regard to any message or question you might send, that you should never state or specify your numerical division at the time.

Applicant Exhibit M

1 Pursuant to Federal Rule of Civil Procedure 78 and Local Rule 7-15, the Court found this
 2 matter suitable for disposition without oral argument and vacated the hearing set for
 3 October 29, 2007. Having thoroughly considered the arguments made by the parties, the Court
 4 GRANTS IN PART and DENIES IN PART Defendants' respective motions for summary judgment,
 5 and GRANTS Plaintiff's motions for summary judgment and partial summary judgment.

6 I. BACKGROUND

7 American Honda is a wholly owned subsidiary of Honda Motor Co. ("Honda") and the
 8 exclusive licensee of Honda's intellectual property in the United States (Second Am. Compl.
 9 ("SAC") ¶ 8.) Honda manufactures small gasoline-powered engines known as GX engines, as well
 10 as power generators incorporating GX engines. (SAC ¶ 2.) American Honda markets and sells
 11 these products in the United States. (SAC ¶ 8.) According to American Honda, GX engines and
 12 GX engine generators have a "unique and distinctive overall look" – the GX engine trade dress
 13 and the GX engine generator trade dress, respectively – "which consumers immediately recognize
 14 and associate with authentic, high quality Honda products."¹ (SAC ¶ 3.) The GX engine trade
 15 dress and GX engine generator trade dress are described as being "characterized by numerous
 16 non-functional design elements" (SAC ¶ 3.) Specifically, American Honda lists ten such
 17 elements applicable to both the GX engine trade dress and the GX engine generator trade dress,²

18
 19 ¹ American Honda specifically identifies the following GX engine model numbers: GX120,
 20 GX160, GX200, GX240, GX270, GX340, and GX390. (SAC ¶ 2.) However, there are other models
 21 within the GX engine family, including: GXH50, GX100, GXV50, GXV160, GXV340, and GXV390.
 22 (Conner Decl. Supp. American Honda ("AH") Mots. Ex. 1.) These latter engines are notably
 23 different in appearance from the former GX engines, which are referenced in text and image
 24 throughout the pleadings and filings relating to the present motions for summary judgment.
 25 Because of this obvious discrepancy in appearance, and because American Honda never explicitly
 26 mentions these latter model numbers in the context of its trade dress claims, the Court defines the
 27 GX engine family, for purposes of this lawsuit, to include only those models specifically mentioned
 28 in the Second Amended Complaint. The GX engine generator family is similarly limited for
 purposes of this lawsuit to only those generators incorporating the GX engines mentioned in the
 Second Amended Complaint.

² These elements are: (1) the valve cover shape and design; (2) the fan cover shape,
 including a unique combination of angular and rounded edges and the shape of the air guide
 portion of the fan cover; (3) the fuel tank size and shape; (4) the engine oil fill cap color; (5) the
 muffler heat shield design; (6) the oil alert system placement; (7) the location, shape, and design

1 as well as four additional such elements uniquely applicable to the GX engine trade dress³ and
 2 two additional such elements uniquely applicable to the GX engine generator trade dress.⁴ (SAC
 3 ¶¶ 24-25.) American Honda claims that the GX engine trade dress and the GX engine generator
 4 trade dress are protectable trade dress. (SAC ¶ 3.)

5 Jiangdong and Lifan manufacture small gasoline-powered engines ("Jiangdong engines"
 6 and "Lifan engines," respectively) and generators incorporating these engines ("Jiangdong
 7 generators" and "Lifan generators," respectively) that are similar in appearance to American
 8 Honda's GX engines and GX engine generators.⁵ (SAC ¶ 4.) Jiangdong and Lifan market and sell
 9 these products in the United States. (SAC ¶¶ 9-15.) Homier is a United States retailer of
 10 Jiangdong engines and generators. (Compl. ¶ 4.)⁶ Pep Boys is a United States retailer of
 11 Jiangdong and Lifan engines and generators. (SAC ¶ 17.) Great Lakes sells Lifan engines and

12
 13 _____
 14 of the oil fill cap and drain cap; (8) the number, location, and size of the air cooling fins; (9) the
 15 trapezoidal shape and size of the base pad; and (10) the relative position and orientation of each
 16 of the major engine components. (SAC ¶¶ 24-25.)

17 ³ These elements are: (1) the air cleaner housing, including the wing-nut design; (2) the
 18 carburetor cover, including the shape, plastic ribs, label placement, control placement, bolt
 19 locations, and bolt orientation; and (3) the combined and complimentary shape of the fuel tank,
 20 air cleaner housing, and muffler heat shield, each with a unique beveled edge angled to the
 21 outside of the engine and straight edge facing inward; and (4) the design and orientation of the
 22 fuel tank mount. (SAC ¶ 24.)

23 ⁴ These elements are: (1) the air cleaner housing; and (2) the shape, design, and
 24 orientation of the unattached fuel tank mount. (SAC ¶ 25.)

25 ⁵ The Court recognizes that the named Jiangdong Defendants dispute that they
 26 manufacture engines and generators. (Jiangdong Opp'n 1.) They claim that the manufacturer is
 27 the Jiangdong Gasoline Engine Manufacturing Company, not a party to the lawsuit. (Jiangdong
 28 Opp'n 8.) Other than conclusory deposition statements (Whitehart Decl. Ex. L, at 40:7-16;
 Whitehart Decl. Ex. M, at 390:19-22), little evidence is offered to support this position. The same
 can be said as to American Honda's position that the named Jiangdong Defendants do in fact
 manufacture engines and generators. In sum, the record is unclear on this issue. However, the
 motions now before the Court do not depend on resolution of this dispute as American Honda has
 not moved for summary judgment on its claims. The issue will be addressed at a later time.

⁶ The Complaint cited is the Complaint filed in the separate, now consolidated case
American Honda Motor Co. v. Homier Distributing Co., Case No. CV 06-0961.

1 generators in the United States under the WEN brand name, including through retailers such as
2 Pep Boys. (SAC ¶ 16.)

3 Perceiving a threat to its asserted trade dress rights, American Honda brought suit against
4 Jiangdong, Lifan, Homier, Pep Boys, and Great Lakes, alleging (1) federal unfair competition
5 (trade dress infringement) under 15 U.S.C. § 1125(a); (2) federal unfair competition (trade dress
6 dilution) under 15 U.S.C. § 1125(c); (3) common law unfair competition under California law; (4)
7 unfair business practices pursuant to California Business and Professions Code section 17200;
8 and (5) injury to business reputation and dilution under California Business and Professions Code
9 section 14330.⁷ (See *generally* SAC.) American Honda claims that Defendants are deliberately
10 attempting to capitalize on American Honda's GX engine trade dress and GX engine generator
11 trade dress by selling "knock-off" engines and generators. (SAC ¶¶ 4-6.)

12 Concurrent with the institution of suit, American Honda sent a Bulletin to all U.S. Honda
13 Power Equipment Dealers entitled "Imitation Honda Generators and Engines." (Strauss Decl. Ex.
14 4.) The Bulletin states that Jiangdong and Lifan are selling engines and generators copying
15 American Honda's trade dress and that "[s]uch conduct violates federal and state trademark and
16 unfair competition laws." (Strauss Decl. Ex. 4.) On the basis of this Bulletin, Jiangdong and Lifan
17 assert counterclaims on numerous federal and state tort grounds.⁸

18
19 ⁷ On December 21, 2005, American Honda filed a Complaint against Pep Boys; Jiangsu
20 Jiangdong Group Co., Ltd.; American JD Group Co., Ltd.; Chongqing Lifan Industry (Group) Co.,
21 Ltd.; American Lifan Industry, Inc.; and Wen Products, Inc. After discovering that Wen Products,
22 Inc. is merely a trade name for Great Lakes, Tool Manufacturing, Inc., a First Amended Complaint
23 was filed on January 11, 2006, naming Great Lakes as a defendant. A Second Amended
24 Complaint was filed on June 29, 2006, adding Chongqing Lifan General Gasoline Engines Co.,
25 Ltd. and Chongqing Lifan Industry (Group) Import & Export Co., Ltd. as defendants, and
26 identifying Chongqing Lifan Industry Group Co., Ltd. by its new corporate name, Lifan Industry
27 (Group) Co., Ltd. In a separate action, commenced February 16, 2006, American Honda brought
28 suit against Homier, alleging the same five counts as alleged in the Second Amended Complaint.
By this Court's Order of August 31, 2006, the two cases were consolidated.

⁸ Jiangdong counterclaims on four counts: (1) defamation under Georgia and California
law; (2) federal unfair competition; (3) tortious interference with prospective business opportunities
and advantage under Georgia and California law; and (4) unfair business practices under
California Business and Professions Code section 17200. (See *generally* Jiangdong Answer and
Countercl. to SAC.) Each of the Lifan defendants counterclaimed separately. However, all Lifan

1 American Honda moves for summary judgment on Jiangdong's counterclaims and partial
 2 summary judgment on Lifan's counterclaims,⁹ on the ground that the Bulletin is privileged as a
 3 litigation-related communication. Jiangdong and Homier move for summary judgment on American
 4 Honda's claims on the grounds that American Honda's trade dress is functional, American Honda
 5 has no standing to pursue its trademark dilution claim, and American Honda's state claims fail
 6 because its federal claims fail. Lifan moves for summary judgment on American Honda's claims
 7 on the grounds that American Honda's trade dress has not acquired secondary meaning, there
 8 is no likelihood of confusion between American Honda's trade dress and Lifan's trade dress, and
 9 American Honda has failed to show actual dilution. Jiangdong and Homier adopt the arguments
 10 made in Lifan's motion (Jiangdong and Homier ("J&H") Mot. 20), and Lifan adopts the arguments
 11 made in Jiangdong and Homier's motion (Lifan Mot. 2-3).

12 II. DISCUSSION

13 Summary judgment is appropriate if no genuine issue of material fact exists and the moving
 14 party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477
 15 U.S. 317, 322-23 (1986). An issue is "genuine" if the evidence is such that a reasonable jury could
 16 return a verdict for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248
 17 (1986). An issue is "material" if its resolution could affect the outcome of the action. *Id.*

18 The moving party bears the initial burden of informing the court of the basis for the motion
 19 and identifying portions of the pleadings, depositions, answers to interrogatories, admissions, or
 20 affidavits that demonstrate the absence of a triable issue of material fact. *Celotex*, 477 U.S. at 323.

21
 22
 23 defendants counterclaim on the same fourteen counts, with the exception of one Lifan defendant,
 24 who omits two such counts. The fourteen counts are: (1) federal unfair competition and false
 25 representation; (2) misuse of trade dress; (3) misrepresentation; (4) tortious interference with
 26 contractual relations; (5) declaratory relief; (6) unfair competition under California law; (7) unfair
 27 competition under Connecticut law; (8) unfair competition under Florida law; (9) common law unfair
 28 competition under California, Texas, Georgia, and Connecticut law; (10) defamation under Georgia
 law; (11) defamation under Texas law; (12) defamation under Florida law; (13) defamation under
 Connecticut law; and (14) common law defamation and libel. (See *generally* American Lifan
 Industry, Inc. Answer and Countercl. to SAC.)

⁹ American Honda does not move for summary judgment on Lifan's fifth count.

1 If the moving party meets its initial burden, the burden shifts to the non-moving party to designate
2 specific and supported material facts showing a genuine issue for trial. *Id.* at 322. In determining
3 whether a genuine issue of material fact exists, the court views the evidence and draws inferences
4 in the light most favorable to the non-moving party. *Anderson*, 477 U.S. at 255.

5 A. American Honda's Federal Trade Dress Infringement Claim

6 Trade dress refers generally to the overall image, design, and appearance of a product.
7 *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765 n.1 (1992). To recover for infringement
8 of trade dress, a plaintiff must demonstrate that its trade dress is (1) non-functional; (2) serves a
9 source-identifying role because it is inherently distinctive or has acquired secondary meaning; and
10 (3) a likelihood of confusion exists. *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1002, 1005
11 (9th Cir. 1998). With respect to the second element, if the trade dress claim involves the product's
12 design rather than its packaging, as is the case in the present action, then the party asserting
13 trade dress rights must establish that the trade dress has acquired secondary meaning. *Wal-Mart*
14 *Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 215 (2000).

15 1. A Genuine Issue of Material Fact Exists Regarding Functionality.

16 "In a civil action for trade dress infringement . . . the [party] who asserts trade dress
17 protection has the burden of proving that the matter sought to be protected is not functional." 15
18 U.S.C. § 1125(3). Where a party claims that the overall appearance of a product is protectable as
19 trade dress, the entire product design therefore must be nonfunctional. *Leatherman Tool Group,*
20 *Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009,1012 (9th Cir. 1999).

21 Product design is functional if it is "essential to the use or purpose of the [product] or if it
22 affects the cost or quality of the [product], that is, if exclusive use of the [design] would put
23 competitors at a significant non-reputation-related disadvantage." *Qualitex Co. v. Jacobson Prods.*
24 *Co.*, 514 U.S. 159, 165 (1995). In determining whether a product design is or is not functional,
25 courts must be mindful of the important distinction between "de facto" and "de jure" functionality:

26 In essence, de facto functional means that the design of a product has a function,
27 i.e., a bottle of any design holds fluid. De jure functionality, on the other hand,
28 means that the product is in its particular shape *because it works better in this*

1 *shape* Before an overall product configuration can be recognized as a
2 trademark, the entire design must be arbitrary or non de jure functional.

3 *Leatherman*, 199 F.3d at 1012 (quoting *Textron, Inc. v. U.S. Int'l Trade Comm'n*, 753 F.2d 1019,
4 1025 (Fed. Cir. 1985)). Additional factors relevant to the functionality analysis include: whether
5 there exists an expired utility patent disclosing the utilitarian advantages of the design; whether
6 alternative designs are available showing that the plaintiff's choices were arbitrary or aesthetic;
7 whether the advertising touts the utilitarian advantages of the design; and whether the particular
8 design results from a comparatively simple or inexpensive method of manufacture. *Clamp Mfg.*
9 *Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516 (9th Cir. 1989).

10 Product design must be examined "as a whole, not by its individual constituent parts."
11 *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1259 (9th Cir. 2001). The fact that
12 individual design elements may be functional does not necessarily mean that the overall design
13 is functional. *Id.* However, where the whole is "nothing other than the assemblage of functional
14 parts . . . it is semantic trickery to say that there is still some sort of separate 'overall appearance'
15 which is non-functional." *Leatherman*, 199 F.3d at 1013. Accordingly, the Ninth Circuit has held
16 that, in a product configuration trade dress case, "there must be some aspect to the configuration
17 which is nonfunctional." *Id.* at 1013 n.6.

18 Jiangdong and Homier argue that all of the allegedly nonfunctional design elements of the
19 GX engine trade dress and the GX engine generator trade dress are functional, and that American
20 Honda's trade dress claims therefore fail as a matter of law. American Honda counters that each
21 and every design element is, as claimed, nonfunctional. Functionality is a question of fact. *Clicks*
22 *Billiards*, 251 F.3d at 1258. To avoid summary judgment, American Honda need only make "some
23 showing of nonfunctional features" of its trade dress, thereby creating a genuine issue of material
24 fact as to the functionality of its trade dress as a whole. *Interactive Network, Inc. v. NTN*
25 *Commc'ns, Inc.*, 875 F. Supp. 1398, 1406 (N.D. Cal. 1995). The Court finds that American Honda
26 has made such a showing.

27 Contrary to Jiangdong and Homier's contentions, American Honda has introduced evidence
28 to support its position that the design elements that comprise its trade dress are arbitrary and yield

1 no utilitarian advantage.¹⁰ Jiangdong and Homier are correct that many of these elements serve
2 a function; however, this observation is limited to the de facto function of these elements.¹¹
3 Motohiro Fujita, an engineer involved in the design of the GX engine, testified at his deposition that
4 the engine's design elements were selected by a styling design team solely for their ornamental
5 characteristics, not for any performance-enhancing or cost-reducing purposes (Strauss Decl. Ex.
6 8; Hannan Decl. Ex. 5), a point reinforced by the expert reports of engineers Kevin L. Hoag and
7 James T. Mieritz (Hoag Decl. Ex. 2 ¶ 15; Mieritz Decl. Ex. 2 ¶ 61). Photographs of the various
8 design elements confirm this assessment. For instance, the hexagonal valve cover design (AH
9 Opp'n to J&H 5), the angular and rounded shape of the fan cover (AH Opp'n to J&H 5-6), the
10 beveling and lack of beveling on the edges of the air cleaner housing (AH Opp'n to J&H 6), the
11 ribbing of the carburetor cover¹² (AH Opp'n to J&H 8), the style of the slots and louvers on the
12 muffler heat shield (AH Opp'n to J&H 9-10), and the number, width, and spacing of the air cooling
13 fins (AH Opp'n to J&H 13), among other design elements, all "appear to have been selected on
14 the whim of the designer." *Global Manufacture Group, LLC v. Gadget Universe.Com*, 417 F. Supp.
15 2d 1161, 1169 (S.D. Cal. 2006). The fact that competitor engines exhibit alternative designs, and
16 do not seem to be disadvantaged thereby, further supports this conclusion. (See generally Hoag
17 Decl. Ex. 2 (comparing various engines); Mieritz Decl. Ex. 2 (same).)

18
19 ¹⁰ Unless otherwise noted, these elements are shared by both the GX engine trade dress
20 and the GX engine generator trade dress.

21 ¹¹ For instance, the valve cover serves the de facto function of "provid[ing] a seal keeping
22 oil in and dirt out of the rocker lever and valve spring region of the engine" (Hoag Decl. Ex. 2 ¶ 32),
23 the fan cover serves the de facto function of "encas[ing] the spinning flywheel and fan blades for
24 safety" (Hoag Decl. Ex. 2 ¶ 45), and the air cleaner housing serves the de facto function of
25 "protecting the engine from ingesting dirt particles into the cylinder" (Hoag Decl. Ex. 2 ¶ 63).
26 Indeed, all of the design elements identified by American Honda serve one or more de facto
27 functions. (See generally Hoag Decl. Ex. 2.) The question, however, is not whether these engine
28 components serve a function, but whether they *work better* as a result of their particular designs.
See *Vuitton Et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 774 (9th Cir. 1981) ("[De jure]
[f]unctional features of a product are features which constitute the actual benefit that the consumer
wishes to purchase, as distinguished from an assurance that a particular entity made, sponsored,
or endorsed a product.").

¹² This element is only present in the GX engine trade dress.

1 American Honda's position is also strengthened because its advertising does not tout any
2 utilitarian advantages of the GX engine design or the GX engine generator design.¹³ (Conner Decl.
3 Supp. AH Mots. Ex. 2 (showing examples of advertisements).) Rather, the advertisements focus
4 on "the engineering advantages" of the engines and generators, such as fuel efficiency, quiet
5 operation, power capability, and emission compliance. *Global Manufacture Group*, 417 F. Supp.
6 2d at 1169 ("Plaintiff's argument [in favor of nonfunctionality] is also supported because its
7 advertisements do not tout the function of the design, but rather focus on the engineering
8 advantages of the scooter.").

9 Additionally, there is a presumption that the GX engine trade dress is nonfunctional
10 because American Honda previously held a design patent for the external appearance of the
11 engine (see Strauss Decl. Ex. 9.) and "a design patent . . . presumptively indicates that the design
12 at issue is not de jure functional," *Topps Co. v. Gerrit J. Verburg Co.*, 41 U.S.P.Q.2d 1412, 1420
13 (S.D.N.Y. 1996). American Honda's design patent claimed "[t]he ornamental design for an internal
14 combustion engine" and it depicted many of the same design elements now being asserted by
15 American Honda as comprising the GX engine trade dress, and consequently, the GX engine
16 generator trade dress. (Strauss Decl. Ex. 9.)

17 Jiangdong and Homier point instead to the existence of a utility patent previously held by
18 American Honda for the GX engine as support for their position that the engine design is
19 functional. (See Hannan Decl. Ex. 6.) Specifically, they argue that claims 1 and 2 of the utility
20 patent require a finding of functionality as to three of the design elements identified by American
21 Honda as being nonfunctional.¹⁴ While "a utility patent is strong evidence that the features therein

22
23 ¹³ For instance, the advertisements do not state that GX engines perform better because
24 of the angular and rounded shape of the engine fan cover.

25 ¹⁴ Claim 1 of the patent claimed "a fuel tank disposed over [a] crank case [and] a main air
26 cleaner and a muffler disposed . . . laterally of [the] fuel tank in parallel relation to each other."
27 (Hannan Decl. Ex. 6.) Claim 2 of the patent claimed "[a] general-purpose internal combustion
28 engine according to claim 1, wherein each of said fuel tank, said muffler, and said main air cleaner
is substantially rectangularly shaped as viewed in plan." (Hannan Decl. Ex. 6.) According to
Jiangdong and Homier, these claims require a finding of functionality as to the following design
elements: (1) the shape of the air cleaner housing; (2) the shape and size of the fuel tank; and (3)

1 claimed are functional," *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 23 (2001), it
2 appears that the "features therein claimed" are not entirely congruent with the three respective
3 design features American Honda claims are nonfunctional. According to American Honda, within
4 the general parameters of the patent's claims, there is significant room for the making of arbitrary
5 stylistic choices, and it is the specific design flourishes that have resulted from these choices that
6 are nonfunctional. (AH Opp'n to J&H 14.) This position is supported by evidence of competitor
7 engines that visually fall within the same general parameters of these claims, yet are stylistically
8 distinct from the design of the GX engine.¹⁵ Nevertheless, even were the Court to find these three
9 features functional, American Honda, as noted above, has already made a sufficient showing of
10 nonfunctionality as to a number of other design elements not covered by the utility patent.

11 Because a genuine issue of material fact exists as to the functionality of the GX engine
12 trade dress and the GX engine generator trade dress, summary judgment on this element is
13 DENIED.

14 2. A Genuine Issue of Material Fact Exists Regarding Secondary Meaning of
15 the GX Engine Trade Dress, But Not the GX Engine Generator Trade Dress.

16 "A product's trade dress attains secondary meaning when the purchasing public associates
17 the dress with a single producer or source rather than just the product itself." *First Brands Corp.*
18 *v. Fred Meyer, Inc.*, 809 F.2d 1378, 1383 (9th Cir. 1987). Secondary meaning is a question of fact.
19 *Japan Telecom, Inc. v. Japan Telecom Am. Inc.*, 287 F.3d 866, 873 (9th Cir. 2002). In determining
20 secondary meaning, courts will inquire into whether actual purchasers associate the dress with
21 the source, and will also evaluate the degree and manner of advertising by the party seeking
22 protection. *Clamp Mfg.*, 870 F.2d at 517.

23 _____
24 the position and orientation of the major engine components.

25 ¹⁵ For instance, with respect to claim 1, photographs of the top of a GX engine, a
26 Jiangdong engine, a Kawasaki engine, and a Tecumseh engine demonstrate that all engines fall
27 within the general parameters of the claim, yet the Kawasaki and Tecumseh engines are
28 stylistically distinct from the GX engine, whereas the Jiangdong engine is substantially similar in
Mot. Summ. J. on Jiangdong's Countercls. ¶¶ 46-49.)

1 Lifan first contends that American Honda has failed to introduce any evidence supporting
2 its claim that the GX engine generator trade dress has acquired secondary meaning. The Court
3 agrees. American Honda offers evidence of an empirical survey on the issue of secondary
4 meaning, but the survey only focuses on the GX engine trade dress, not the GX engine generator
5 trade dress. American Honda explains this shortcoming as follows: "Lifan notes that the Gelb
6 survey focuses on Honda's engines, and not specifically on generators. But an engine is a critically
7 important component of a generator, and recognition of that component is thus relevant with
8 respect to both engines *and* generators that include engines." (AH Opp'n to Lifan 8.) This
9 explanation is not persuasive. American Honda does not claim trade dress protection in the GX
10 engine component of GX engine generators, but rather, in the appearance of GX engine
11 generators *as a whole*. (AH Opp'n to Lifan 7.)

12 At best, the survey would only support a finding of secondary meaning as to the GX engine
13 component of GX engine generators; however, the Court finds that there is insufficient evidence
14 to reach even this limited conclusion. As American Honda notes, "[t]he entire point of a secondary
15 meaning survey is to determine whether, when faced with a product *as it appears in the*
16 *marketplace*, survey respondents recognize the source of that product." (AH Opp'n to Lifan 6.)
17 While GX engines and GX engines incorporated into generators share a number of common
18 design elements, the engines, *as they appear in the marketplace*, are visually distinguishable in
19 terms of their overall configuration and appearance. (*Compare* Gelb Decl. Ex. 1, at 12, *with* SUF
20 Supp. AH Mot. on Lifan's Countercls. ¶¶ 119-20.) American Honda notes as much. (SAC ¶¶ 24-25
21 (describing the similarities *and* differences between the GX engine trade dress and GX engine
22 generator trade dress).) Accordingly, a finding of secondary meaning as to GX engines does not
23 establish that GX engines incorporated into generators have attained secondary meaning.

24 In sum, American Honda's secondary meaning survey fails to show that, "in the minds of
25 the public," the GX engine generator as a whole or the GX engine component of the generator
26 "identif[ies] the source of the product rather than the product itself." *Inwood Labs., Inc. v. Ives*
27 *Labs.*, 456 U.S. 844, 851 (1982).

28

1 American Honda makes the additional argument that its "promotion of its generators is
2 alone sufficient to demonstrate secondary meaning for the generators, and to preclude summary
3 judgment." (AH Opp'n to Lifan 8.) This argument is also unpersuasive. For advertising to be
4 relevant in determining whether trade dress has acquired secondary meaning, the advertising
5 "must involve 'image advertising,' that is, the ads must feature in some way the trade dress itself."
6 *First Brands Corp.*, 809 F.2d at 1383. American Honda describes the appearance of the GX
7 engine as being the most "critically important component" of the GX engine generator trade dress.
8 However, in advertisements touting GX engine generators, the GX engine component is hardly
9 visible. (Conner Decl. Supp. AH Mots. Ex. 2.) As to those portions of the engine that are visible,
10 the ornamental design elements that American Honda claims serve to identify the source of the
11 product are not visible at all because the image is so small. Lastly, those features of the generator
12 that are visible are features that have never been mentioned by American Honda as being relevant
13 to the overall generator trade dress. These advertisements are therefore insufficient to
14 demonstrate secondary meaning as to either the GX engine generator trade dress as a whole, or
15 the GX engine component of the generator.

16 As to the GX engine trade dress, American Honda fares much better regarding its argument
17 in favor of secondary meaning. Unlike the GX engine generator advertisements, the GX engine
18 advertisements prominently feature the GX engine trade dress. (Conner Decl. Supp. AH Mots.
19 Exs. 1-2.) Where a product's trade dress is "prominently featured," the Ninth Circuit has held that
20 "[e]vidence of use and advertising over a substantial period of time is enough to establish
21 secondary meaning." *Clamp Mfg.*, 870 F.2d at 517. The Ninth Circuit has found that the
22 expenditure of three million dollars constitutes "fairly extensive evidence of advertising" and that
23 nine years of use of a particular trade dress constitutes "a fairly long time." *Cal. Scents v. Surco*
24 *Prods., Inc.*, 28 F. App'x 659, 662-63 (9th Cir. 2002). American Honda has been selling GX
25 engines in the United States since 1983, over twenty years. (Conner Decl. Supp. AH Mots. ¶ 2.)
26 In addition, American Honda has expended more than thirty million dollars on such advertising.
27 (Conner Decl. Supp. AH Mots. ¶ 3.) The evidence is sufficient to create a triable issue of fact
28 regarding secondary meaning.

1 This conclusion is further buttressed by the secondary meaning survey, alluded to above.
2 The survey found that 78% of the relevant customer population identifies the GX engine with
3 American Honda. (Strauss Decl. Ex. 6, at 54.) "Generally, figures over 50% are regarded as
4 *clearly sufficient*." 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §
5 32:190 (4th ed. 2007).

6 Lifan attacks the survey on two grounds, both unavailing. First, Lifan argues that the survey
7 failed to subtract for the reported 51% control. (Lifan Mot. 6.) However, as American Honda notes,
8 the control in this instance failed to detect any potential survey "noise," and so it was not
9 subtracted. (AH Opp'n to Lifan 5.) Lifan does not contest this argument in its Reply. Second, Lifan
10 argues that the survey failed to filter out the non-trade dress elements of the engine design. (Lifan
11 Mot. 7.) For instance, the survey showed respondents a color photograph of the engine that
12 included the recoil starter. According to Lifan, American Honda does not claim color or the recoil
13 starter as part of its trade dress. (Lifan Mot. 7.) Lifan is mistaken. American Honda claims trade
14 dress rights in the GX engine *as a whole*, not in any particular design element of the engine. It is
15 of no import that American Honda does not identify color and the recoil starter as nonfunctional
16 design elements of its trade dress, because the Ninth Circuit has made clear that trade dress can
17 include both functional and nonfunctional elements. *Clicks Billiards*, 251 F.3d at 1259
18 ("[F]unctional elements that are separately unprotectable can be protected together as part of a
19 trade dress.") (quotation omitted).

20 Because a genuine issue of material fact exists as to the secondary meaning of the GX
21 engine trade dress, but not as to the secondary meaning of the GX engine generator trade dress,
22 summary judgment on this element is GRANTED IN PART and DENIED IN PART.

23 3. A Genuine Issue of Material Fact Exists Regarding Likelihood of Confusion.

24 A likelihood of confusion exists "when consumers are likely to assume that a product or
25 service is associated with a source other than its actual source because of similarities between
26 the two sources' [trade dresses] or marketing techniques." *Nutri/System, Inc. v. Con-Stain Indus.,*
27 *Inc.*, 809 F.2d 601, 604 (9th Cir.1987). Eight factors are considered as part of the consumer
28 confusion inquiry: (1) the strength of the plaintiff's mark; (2) the relatedness or proximity of the

1 goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels
2 used by each party; (6) the type of goods and the degree of care likely to be exercised by the
3 purchaser; (7) the defendant's intent in selecting the mark; and (8) the likelihood of expansion of
4 the product lines. *First Brands*, 809 F.2d at 1384. "These elements are not applied mechanically;
5 courts may examine some or all of the factors, depending on their relevance and importance."
6 *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1076 (9th Cir. 2006). Because
7 likelihood of confusion is a fact-intensive inquiry, it is generally not amenable to resolution on
8 summary judgment. *Id.* at 1075. The instant case is no exception.¹⁶

9 With respect to the first and second factors, the evidence favors American Honda. The fact
10 that American Honda has been selling GX engines in the United States for over twenty years, with
11 few changes to the engine design, and has expended significant sums advertising these engines,
12 suggests a strong trade dress. (See Conner Decl. Supp. AH Mot. ¶¶ 2-3.) In addition, the
13 products at issue are clearly related, as both are compact internal combustion engines.

14 With respect to the third factor, there is substantial similarity between the GX engine trade
15 dress and Lifan's engine trade dress, as demonstrated by the many photographs showing their
16 nearly identical appearance. (See generally SUF Supp. AH Mot. on Lifan's Countercls.) Lifan does
17 not dispute the similarity of trade dress; rather, Lifan argues that there is no likelihood of confusion
18 because Lifan prominently displays on its engines the "LIFAN" trademark, or the trademark of its
19 customers, such as the "WEN" trademark. (Wang Decl. ¶ 3.) While use of a trademark may
20 prevent confusion even where product configurations are visually similar, see *Global Manufacture*
21 *Group*, 417 F. Supp. 2d at 1174, the Court finds that reasonable jurors could conclude that a
22 likelihood of confusion exists despite Lifan's use of its trademark.

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24
25 ¹⁶ In their Motion, Jiangdong and Homier state that they adopt the arguments made by
26 Lifan in its Motion. While adoption of Lifan's secondary meaning argument, for instance, poses no
27 analytical problems because the inquiry focuses solely on the distinctiveness of American Honda's
28 trade dress, adoption of Lifan's likelihood of confusion argument is problematic because the
inquiry focuses on the similarity between two parties' respective trade dresses. As Jiangdong and
Homier have presented no evidence of their own trade dress to support summary judgment on the
issue of likelihood of confusion, the Court only considers the argument with respect to Lifan.

1 "A copier must not only attempt to avoid likelihood of confusion; it must succeed in doing
2 so. Thus when there is a source-indicating label, the label must be effective to make consumer
3 confusion unlikely, in light of all the circumstances." *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988
4 F.2d 1117, 1133 (Fed. Cir. 1993). The Ninth Circuit has stated that the "test for likelihood of
5 confusion embraces confusion between the goods or sponsorship of the allegedly infringing
6 goods." *Fuddrucker, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 845 (9th Cir. 1987) (emphasis
7 added). Where consumers wrongly believe that a product "is associated with the source of a
8 different product," likelihood of confusion exists. *Id.*

9 American Honda has presented evidence suggesting that customers may be confused into
10 believing that American Honda and Lifan are affiliated. For instance, a survey of engine
11 purchasers found that, of 141 test group respondents shown the Lifan engine, with the "WEN"
12 trademark visible, 21.7% "mistakenly believe that Honda makes or puts out the Lifan engine or
13 that the company that makes the Lifan engine is connected to, authorized by, or affiliated with
14 Honda." (Mantis Decl. Ex. 2, at 19-20.)¹⁷ Such evidence suggests that summary judgment on the
15 issue of likelihood of confusion is not proper in this case. See *Cairns v. Franklin Mint Co.*, 24 F.
16 Supp. 2d 1013, 1041 (C.D. Cal. 1998) ("Survey evidence is not required to establish likelihood of
17 confusion, but it is often the most persuasive evidence.").

18 The remaining factors do not compel a contrary conclusion. As to the fourth factor,
19 American Honda has produced some evidence of actual confusion in the form of two customer
20 statements that the similarity of Lifan and GX engines is the result of a contractual or other

21
22 _____
23 ¹⁷ Lifan does not dispute that this percentage figure is within the range that courts have
24 found probative of confusion. Instead, Lifan attempts to discredit this survey by arguing, as it did
25 with the secondary meaning survey, for the exclusion of any survey response citing a design
26 element that American Honda does not claim as nonfunctional. (Lifan Mot. 16.) This argument has
27 no merit; as noted above, functional elements may be part of a product's overall trade dress.
28 Furthermore, Lifan argues for the exclusion of any survey response citing only individual design
elements American Honda claims are nonfunctional. (Lifan Mot. 17.) According to Lifan, only
survey responses that cite the trade dress as a whole should be considered. Lifan is unable to
muster any authority for this illogical proposition. While trade dress is to be analyzed as a whole,
it is perfectly reasonable for respondents to cite similar parts that comprise a similar whole.

1 business relationship between the parties.¹⁸ As to the fifth factor, although no evidence is adduced
2 one way or the other, it would appear that the marketing channels used by American Honda and
3 Lifan converge due to the similarity of their products. The sixth factor is the factor that seems to
4 weigh most heavily in Lifan's favor. Because the parties' products are expensive,¹⁹ purchasers are
5 presumed to be more sophisticated, and thus take more care in their purchasing decisions. See
6 *Computer Access Tech. Corp. v. Catalyst Enters., Inc.*, No. C-00-4852, 2001 WL 34118030, at
7 *8 (N.D. Cal. June 13, 2001). However, the survey mentioned above targeted precisely these
8 types of purchasers, and concluded that a notable percentage indicated confusion. The seventh
9 factor favors American Honda, as the photographs of the parties' respective engines suggest an
10 intent on Lifan's part to copy the GX engine trade dress. "In the Ninth Circuit, a defendant's
11 knowing adoption of a mark similar to the plaintiff's raises a presumption of confusion." *Sega*
12 *Enters. Ltd. v. MAPHIA*, 948 F. Supp. 923, 937 (N.D. Cal. 1996). No evidence is introduced
13 regarding the eighth factor.

14 For the above reasons, the Court concludes that a genuine issue of material fact exists
15 regarding likelihood of confusion. Summary judgment on this element is therefore DENIED.

16 B. American Honda's State Trade Dress Infringement Claims

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19 ¹⁸ On an Internet forum dedicated to small engines, one customer said: "[T]he Chinese
20 generator that I am considering buying from (Lifan) is licensed by Honda to produce the GX200
21 engine." (Strauss Decl. Ex. 13, at 251.) Also, a press release from a Lifan customer and engine
22 dealer said: "all of the Lifan engine parts are interchangeable with its Japanese cousin, Honda."
23 (Strauss Decl. Ex. 14, at 258.) It is not fatal that American Honda has only identified two instances
24 of actual confusion because "actual confusion is hard to prove; difficulties in gathering evidence
25 of actual confusion make its absence generally unnoteworthy." *Brookfield Commc'ns Inc. v. W.*
26 *Coast Entm't Corp.*, 174 F.3d 1036, 1050 (9th Cir.1999). Also, it bears mentioning, that the above
27 statements do not constitute hearsay. See *Blair Foods, Inc. v. Ranchers Cotton Oil*, 610 F.2d 665,
28 667 (9th Cir. 1980) (stating that hearsay evidence may not be considered on summary judgment).
While Lifan does not raise an evidentiary objection to this evidence, Jiangdong does with respect
to similar evidence presented in support of American Honda's summary judgment motion. This
evidence is not being offered for the truth of the matter asserted - i.e., that Lifan and American
Honda actually have a contractual relationship. Rather, it is being offered to show what the
customers mistakenly believed to be true.

¹⁹ The retail price of Lifan's engines exceeds \$200, and the retail price of American
Honda's GX engines exceeds \$500. (Wang Decl. ¶ 10; Yuan Decl. ¶ 12.)

1 Jiangdong and Homier argue that American Honda's state trade dress infringement claims
2 fail to the extent that American Honda's federal claim fails. *Acad. of Motion Picture Arts & Scis.*
3 *v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1457 (9th Cir. 1991) (stating that an action
4 for unfair competition under California law is "substantially congruent to a trademark infringement
5 claim under the Lanham Act") (quotation omitted)). Because the Court has found that a genuine
6 issue of material fact exists regarding American Honda's trade dress infringement claim under
7 federal law, American Honda may also assert this claim under state law. However, consistent with
8 the Court's finding that the GX engine generator trade dress has not acquired secondary meaning,
9 American Honda may only pursue its state law claims with regard to the GX engine trade dress.

10 Summary judgment on American Honda's state trade dress infringement claims is therefore
11 GRANTED as to the GX engine generator trade dress, and DENIED as to the GX engine trade
12 dress.

13 C. American Honda's Federal Trade Dress Dilution Claim

14 American Honda's trade dress dilution claim is challenged on two separate grounds.
15 Jiangdong and Homier argue that the claim should be dismissed because American Honda lacks
16 standing to assert the claim. Lifan argues that the claim should be dismissed because American
17 Honda is required to present evidence of actual dilution, and American Honda has failed to do so.

18 1. American Honda Lacks Standing.

19 Different standing requirements apply under 15 U.S.C. § 1125(a), which creates a cause
20 of action for trade dress infringement, and 15 U.S.C. § 1125(c), which creates a cause of action
21 for trade dress dilution. The former confers standing on "any person who believes that he or she
22 is or is likely to be damaged" by the infringing act. The latter confers standing on the "owner" of
23 the trade dress in question. Jiangdong and Homier argue that American Honda lacks standing to
24 bring its trade dress dilution claim because, as an exclusive licensee of Honda's intellectual
25 property rights, it is not the owner of the GX engine trade dress.

26 In *STX, Inc. v. Bauer USA, Inc.*, No. C 96-1140, 1997 WL 337578, at *4 (N.D. Cal. June 5,
27 1997), the court was faced with the following question of first impression: "whether an exclusive
28 licensee, rather than an 'owner,' would have standing to pursue a claim under 15 U.S.C. §

1 1125(c)(1)." The court reasoned that if Congress had wanted to give non-owners the right to bring
2 trade dress dilution claims under § 1125(c), it would have said so. *Id.* Accordingly, the court held
3 that "plaintiff, as the exclusive licensee but not the owner of the marks at issue in this case, lacks
4 standing to pursue a claim under 15 U.S.C. § 1125(c)." *Id.*; see also *Love v. Mail on Sunday*, No.
5 CV 05-7798, 2006 WL 4046180, at *14 (C.D. Cal. Aug. 15, 2006) ("Plaintiff lacks standing to bring
6 a claim for trademark dilution because he is only an exclusive licensee of the mark, and not the
7 owner of the mark.").

8 American Honda argues that the holding in *STX* was dependent on a fact-specific review
9 of the licensing agreement in question. In *STX*, the licensing agreement provided that the licensor
10 retained the right to determine whether to take any action against infringement of its marks. *STX*,
11 1997 WL 337578, at *3. Accordingly, American Honda argues that, where an exclusive licensee's
12 ability to enforce the mark is not restricted by the licensor, the licensee should be deemed to have
13 an interest akin to an ownership interest, thereby conferring standing under § 1125(c). (AH Opp'n
14 to J&H 19.) There is some support for this position in the case law of other circuits. In *World*
15 *Championship Wrestling v. Titan Sports, Inc.*, 46 F. Supp. 2d 118, 122 (D. Conn. 1999), the court
16 held that the holding in *STX* "was based on a fact-specific review of the licensing agreement," and
17 that if a plaintiff "can show that its licensing agreement . . . provides greater ownership rights in
18 their marks than the one at issue in *STX*, plaintiff may have standing to assert [its] claim."
19 Similarly, in *Bliss Clearing Niagra, Inc. v. Midwest Brake Bond Co.*, 339 F. Supp. 2d 944, 960
20 (W.D. Mich. 2004), the court held that "a licensee will have standing where the agreement
21 transfers to the licensee all of the licensor's rights in the use of the trademark, or where the
22 agreement grants the licensee exclusive use of the mark without restricting the licensee's ability
23 to enforce the mark." (citations omitted).

24 Assuming, without deciding, that the holding in *STX* requires a fact-specific review of the
25 licensing agreement in question, the Court finds that the licensing agreement between American
26 Honda and Honda *does* restrict American Honda's ability to enforce Honda's trademark rights,
27 thereby defeating standing. Under the agreement, American Honda has "the right, *subject to the*
28 *prior approval of* [Honda], to institute and maintain any legal action in any court in the United

1 States or the individual States thereof to prevent infringement of any Licensed Trademark or unfair
2 competition arising out of any improper use of same and to obtain damages on account of such
3 infringement or unfair competition." (Conner Decl. Supp. AH Opp'ns ¶ 4 (emphasis added).) This
4 provision is akin to the provision of the licensing agreement in *STX* that preserved in the owner
5 the right to determine whether to take action against infringement of its marks. Furthermore, it
6 should be noted that American Honda's licensing agreement restricts its use of Honda's marks to
7 within the United States, a factor that the *Bliss* court held weighs against a finding of standing. 339
8 F. Supp. 2d at 959-61 (finding standing where the licensing agreement gave plaintiff exclusive
9 right to use the mark "throughout the world" because there was no geographical restriction on the
10 licensee's use of the mark). For the above reasons, American Honda does not have standing to
11 bring its federal trade dress dilution claim. Summary judgment on this issue is GRANTED.

12 Because American Honda does not have standing, the Court need not address Lifan's
13 argument that American Honda has failed to show evidence of actual dilution.

14 D. American Honda's State Trade Dress Dilution Claims

15 The same two arguments are made regarding American Honda's state trade dress dilution
16 claims, namely that American Honda lacks standing, and that American Honda is required to prove
17 actual dilution and has failed to do so.

18 1. American Honda Has Standing.

19 Unlike 15 U.S.C. § 1125(c), California's anti-dilution statute contains no language restricting
20 standing to the "owner" of a mark. See Cal. Bus. & Prof. Code § 14330. The lone case cited by
21 Jiangdong and Homier does not support a contrary finding. In *Panavision Int'l, L.P. v. Toeppen*,
22 141 F.3d 1316, 1324 (9th Cir. 1998), the Ninth Circuit held that a California state law dilution claim
23 "is subject to the same analysis" as a federal dilution claim. That holding, however, was limited to
24 the substantive requirements of a dilution claim, not the standing requirements. Under the terms
25 of California's anti-dilution statute, standing in this case is proper. Common law standing
26 requirements also do not require proof of ownership. *Angelucci v. Century Supper Club*, 158 P.3d
27 718, 726-27 (Cal. 2007) ("In general terms, in order to have standing, the plaintiff must be able
28

1 to allege injury – that is, some 'invasion of the plaintiff's legally protected interests.')" (citation
2 omitted).

3 2. California Law Requires a Finding of Likelihood of Dilution.

4 Lifan argues that, under California law, American Honda is required to demonstrate actual
5 dilution. Lifan is incorrect. The language of the California statute is clear that "likelihood of . . .
6 dilution" is the standard. Cal. Bus. & Prof. Code § 14330. Lifan incorrectly cites *Jada Toys, Inc.*
7 *v. Mattel, Inc.*, 496 F.3d 974 (9th Cir. 2007), in support of its position. (Lifan Mot. 19.) *Jada Toys*
8 confirms that the correct standard under California law is likelihood of dilution. *Id.* at 982 n.6. In
9 its Reply, Lifan does not dispute that the likelihood of dilution standard is the correct standard.
10 Furthermore, in neither its Motion nor its Reply does Lifan argue that American Honda is unable
11 to meet this standard. Accordingly summary judgment on American Honda's state law claims for
12 trade dress dilution is DENIED.²⁰

13 E. Jiangdong and Lifan's Federal Counterclaims

14 1. American Honda Timely Raised the *Noerr-Pennington* Defense.

15 American Honda invokes the *Noerr-Pennington* doctrine, discussed below, as a defense
16 to Jiangdong and Lifan's counterclaims. Jiangdong and Lifan argue that American Honda failed
17 to plead *Noerr-Pennington* immunity as an affirmative defense and thus waived it. They are
18 mistaken. American Honda specifically asserts the following affirmative defense: "American
19 Honda's rights in the trade dress of its GX series engines, generators and products incorporating
20 GX series engines are protected by trademark law and *may be asserted by American Honda*
21 *judicially and otherwise.*" (See, e.g., AH Answer to Countercl. of Lifan Industry (Group) Co., Ltd.
22 ¶ 210 (emphasis added).) As defined in the following subsection, the *Noerr-Pennington* defense
23 is clearly contemplated by this language, thereby noticing Jiangdong and Lifan of American
24 Honda's intent to rely on the defense.

25
26 ²⁰ For the first time, in its Reply, Lifan argues that American Honda "cannot make the
27 required showing that its trade dress is famous to the general public." (Lifan Reply 4.) This
28 argument is not timely, and is therefore waived. *Bazuaye v. INS*, 79 F.3d 118, 120 (9th Cir. 1996)
("Issues raised for the first time in the reply brief are waived.").

1 Even were the Court to find that American Honda failed to "plead [its] affirmative defense
2 with enough specificity or factual particularity to give [Defendants] 'fair notice,'" *Smith v. Wal-Mart*
3 *Stores*, No. C 06-2069, 2006 WL 2711468, at *8 (N.D. Cal. Sept. 20, 2006), the defense is not
4 waived because neither Jiangdong nor Lifan have made any showing that they would suffer
5 prejudice. *See Ledo Fin. Corp. v. Summers*, 122 F.3d 825, 827 (9th Cir. 1997) ("[A]bsent prejudice
6 to the plaintiff an affirmative defense may be plead for the first time in a motion for summary
7 judgment.").

8 2. The *Noerr Pennington* Doctrine Covers American Honda's Bulletin.

9 Under the *Noerr-Pennington* doctrine, those who petition the courts for redress are
10 generally immune from liability for their petitioning conduct. *See Sosa v. DIRECTV, Inc.*, 437 F.3d
11 923, 929 (9th Cir. 2006). The doctrine encompasses "not only petitions sent directly to the court
12 in the course of litigation, but also 'conduct incidental to the prosecution of the suit,'" including
13 "communications between private parties." *Id.* at 934-35. Jiangdong and Lifan argue that the
14 Bulletin American Honda transmitted to all U.S. Honda power equipment dealers following the
15 commencement of suit does not fall within the ambit of the doctrine.²¹ This is incorrect.

16 *Noerr-Pennington* has been held to apply to a wide range of litigation-related
17 communications and enforcement efforts, including communications to customers of the parties.
18 *See, e.g., Sosa*, 437 F.3d at 925-26, 938 (extending immunity to sender of over 100,000 demand
19 letters threatening legal action); *Coastal Sales Mktg., Inc. v. Hunt*, 694 F.2d 1358, 1367-69 (5th
20 Cir. 1983) (extending immunity to press releases, publications of warning notices in newspapers,
21 and communications with potential customers); *Matsushita Elecs. Corp. v. Loral Corp.*, 974 F.
22 Supp. 345, 359 (S.D.N.Y. 1997) (extending immunity to infringement warning letters sent to
23 defendants' customers); *Aircapital Cablevision, Inc. v. Starlink Commc'ns Group*, 634 F. Supp.
24 316, 325-26 (D. Kan. 1986) (extending immunity to press releases publicizing the lawsuit and

25
26 ²¹ Lifan also argues that a single cease-and-desist letter sent by American Honda to one
27 of Lifan's customers – the Water Cannon letter – does not come under the *Noerr-Pennington*
28 doctrine. (Lifan Opp'n 3.) Because the analysis applicable to the Bulletin is substantially the same
in the case of the individual letter, the Court does not analyze the letter independently. To the
extent that the Bulletin is immunized, the letter is as well.

1 threatening further action). Furthermore, courts have applied the doctrine even when recipients
2 of such communications are potentially innocent, *Sosa*, 437 F.3d at 927, and even when the
3 communications contain allegedly "false and misleading statements about [a party's] claims."
4 *Avery Dennison Corp. v. Acco Brands, Inc.*, No. CV 99-1877, 2000 WL 986995, at *6, *23 (C.D.
5 Cal. Feb. 22, 2000). The American Honda Bulletin falls squarely within this well-settled precedent.

6 First, the Bulletin was transmitted in furtherance of the instant litigation, even though it was
7 not sent to a party to the lawsuit. The Bulletin states that a number of manufacturers "are copying
8 the distinctive trade dress of HONDA engines and generators," and that American Honda, in
9 response, has "initiated legal action against two of the biggest manufacturers of such knock-off
10 engines and generators, Lifan and Jiangdong, as well as a variety of their outlets" (Strauss
11 Decl. Ex. 4, at 18.) Additionally, the Bulletin specifically requests the assistance of the recipient
12 equipment dealers by asking them to gather and send to American Honda relevant information
13 about infringing engines and generators mistakenly brought in for Honda warranty service.
14 (Strauss Decl. Ex. 4, at 19-20.)

15 Second, the Bulletin served as an enforcement communication in its own right, despite the
16 fact that many of the recipients may be innocent and that American Honda's position may later be
17 discredited at trial. As the Bulletin states:

18 Please also be advised that, if American Honda becomes aware that you are
19 offering for sale or selling such products, we will have no choice but to refer the
20 matter to our outside legal counsel for appropriate follow up. While we have no
21 desire to engage our dealers in expensive and time-consuming legal action, the
22 seriousness of this matter does require our utmost vigilance.

23 (Strauss Decl. Ex. 4, at 19.) This language is akin to the language of a typical cease-and-desist
24 letter, which, as the above cited cases make clear, qualifies for *Noerr-Pennington* protection.

25 Jiangdong and Lifan have not cited any authority that would compel a contrary conclusion.
26 Subject to the "sham" litigation exception discussed below, the *Noerr-Pennington* doctrine is
27 applicable to the Bulletin sent by American Honda.

28 3. American Honda's Suit Does Not Fall Within the Sham Litigation Exception.

1 There is one key exception to the *Noerr-Pennington* doctrine – the so-called "sham
2 litigation" exception. See *Profl Real Estate Investors, Inc. v. Columbia Pictures Indus., Inc.*, 508
3 U.S. 49, 62 (1993). Where a lawsuit is "objectively baseless in the sense that no reasonable
4 litigant could realistically expect success on the merits," then the court may inquire into litigant's
5 subjective motivation to determine "whether the baseless lawsuit conceals 'an attempt to interfere
6 *directly*' with the business relationships of a competitor" *Id.* at 60-61 (citation omitted).

7 Jiangdong and Lifan argue that American Honda's lawsuit is objectively baseless. Because
8 the Court has ruled that genuine issues of material fact exist regarding American Honda's trade
9 dress infringement and trade dress dilution claims, American Honda has "some chance of
10 winning." *Id.* at 65;²² cf. *White v. Lee*, 227 F.3d 1214, 1232 (9th Cir. 2000) ("A winning lawsuit is
11 by definition a reasonable effort at petitioning for redress and therefore not a sham."). The sham
12 litigation exception therefore does not apply.

13 Summary judgment is GRANTED in favor of American Honda as to Jiangdong and Lifan's
14 federal counterclaims.

15 F. Jiangdong and Lifan's State Counterclaims

16 1. *Noerr-Pennington* Applies to Jiangdong and Lifan's State Law Tort Claims.

17 American Honda seeks extension of the *Noerr-Pennington* doctrine to the various state law
18 tort claims asserted by Jiangdong and Lifan. The Court finds that such extension is warranted.

19 "While the *Noerr-Pennington* doctrine originally arose in the antitrust context, it is based on
20 and implements the First Amendment right to petition and therefore . . . applies equally in all
21 contexts." *White*, 227 F.3d at 1231; see also *Sosa*, 437 F.3d at 931 ("[W]e conclude that the
22 *Noerr-Pennington* doctrine stands for a generic rule of statutory construction, applicable to any
23 statutory interpretation that could implicate the rights protected by the Petition Clause.") As the
24

25 ²² Even if the Court had ruled against American Honda on summary judgment, the Court
26 would still conclude that the lawsuit is not "objectively baseless" as there is no evidence to suggest
27 that American Honda brought the case other than as a good faith effort to enforce what it believes
28 to be its legally protectable trade dress rights. See *White v. Lee*, 227 F.3d 1214, 1232 (9th Cir.
2000) ("The fact that a litigant loses his case does not show that his lawsuit was objectively
baseless for purposes of *Noerr-Pennington* immunity.").

1 Ninth Circuit noted in *Sosa*, "[o]ther circuits have similarly used *Noerr-Pennington* principles to
2 guide their interpretation of statutes, . . . as well as their application of common law doctrines." 437
3 F.3d at 932 n.6. See, e.g., *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 208 F.3d 885,
4 889 (10th Cir. 2000) ("[W]e do not question the application of the right to petition outside of
5 antitrust . . ."); *We, Inc. v. City of Philadelphia*, 174 F.3d 322, 326-27 (3d Cir.1999) ("This court,
6 along with other courts, has by analogy extended the *Noerr-Pennington* doctrine to offer protection
7 to citizens' petitioning activities in contexts outside the antitrust area . . ."); *Video Int'l Prod., Inc.*
8 *v. Warner-Amex Cable Commc'ns, Inc.*, 858 F.2d 1075, 1084 (5th Cir. 1988) ("There is simply no
9 reason that a common-law tort doctrine can any more permissibly abridge or chill the constitutional
10 right of petition than can a statutory claim such as antitrust.").

11 Based on the above precedent, and the record of the case now at bar, the Court sees "no
12 persuasive reason why [Jiangdong and Lifan's] state tort claims, based on the same petitioning
13 activity as [their] federal claims, would not be barred by the *Noerr-Pennington* doctrine." *Cheminor*
14 *Drugs, Ltd. v. Ethyl Corp.*, 168 F.3d 119, 128 (3d Cir.1999). Accordingly, American Honda's
15 motions for summary judgment as to Jiangdong and Lifan's state law tort claims are GRANTED.

16 III. RULING

17 For the foregoing reasons, the Court concludes: Defendants' respective motions for
18 summary judgment on American Honda's federal and state trade dress infringement claims are
19 GRANTED as to the GX engine generator trade dress and DENIED as to the GX engine trade
20 dress; Defendants' respective motions for summary judgment on American Honda's federal and
21 state trade dress dilution claims are GRANTED as to American Honda's federal claim and
22 DENIED as to American Honda's state claims; and American Honda's motions for summary
23 judgment and partial summary judgment are GRANTED in their entirety.

24 IT IS SO ORDERED.

25 November 13, 2007

27 /S/

28 S. JAMES OTERO
UNITED STATES DISTRICT JUDGE