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

Proceeding	92059314
Party	Plaintiff Merit Healthcare International, Inc. dba Merit Pharmaceutical
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Signature	/Thomas J. Daly/
Date	02/26/2016
Attachments	92059314 Further Response.pdf(34572 bytes) 92059314 Notice of Appeal.pdf(712641 bytes)

TRADEMARK CANCELLATION
Docket No. M1132-110.2*1

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

In the matter of: Trademark Registration Nos. 1,526,710 and 4,413,590
Marks: MERIT and MERIT MEDICAL
Dates Registered: February 28, 1989 and October 8, 2013

MERIT HEALTHCARE INTERNATIONAL,
INC. dba MERIT PHARMACEUTICAL,

Petitioner,

v.

MERIT MEDICAL SYSTEMS, INC.,

Respondent.

Cancellation No. 92059314

**FURTHER RESPONSE TO STATUTS
UPDATE REGARDING DISMISSAL OF
RELATED CIVIL PROCEEDING
WITHOUT PREJUDICE**

Petitioner Merit Healthcare International, Inc. (“Merit Healthcare”) submits this correspondence in furtherance to the Response to Status Update Regarding Dismissal of Related Civil Proceeding Without Prejudice submitted February 8, 2016. Merit Healthcare has now timely filed a Notice of Appeal to the Ninth Circuit in the matter *Merit Healthcare International, Inc. v. Merit Medical Systems, Inc.*, Case No. 2:14-cv-04280-FMO-SH on February 26, 2016, filed as Document No. 128 in the aforementioned case. The appeal is docketed by the Ninth Circuit as *Merit Healthcare International, Inc. v. Merit Medical Systems, Inc.*, Case No. 16-55290. As such,

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing **FURTHER RESPONSE TO STATUTS UPDATE REGARDING DISMISSAL OF RELATED CIVIL PROCEEDING WITHOUT PREJUDICE** was served upon Respondent by emailing true copies thereof to its attorney of record at the address below, with confirmation copies via First Class mail, postage prepaid this 26th day of February, 2016, in an envelope addressed as follows:

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WORKMAN NYDEGGER
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/Richard Yo/

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7 Attorneys for Plaintiff,
 Merit Healthcare International, Inc., dba Merit Pharmaceutical
 8

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11
 12 MERIT HEALTHCARE
 INTERNATIONAL, INC., DBA
 13 MERIT PHARMACEUTICAL, a
 California corporation,

14 Plaintiff,

15 vs.

16 MERIT MEDICAL SYSTEMS, INC.,
 17 a Utah corporation,

18 Defendant.

Case No. 14-CV-4280 FMO(SHx)

**NOTICE OF APPEAL AND
 REPRESENTATION
 STATEMENT**

Hon. Fernando M. Olguin

19
 20 NOTICE IS HEREBY GIVEN that Plaintiff Merit Healthcare
 21 International, Inc., dba Merit Pharmaceutical hereby appeals to the United States
 22 Court of Appeals for the Ninth Circuit pursuant to 28 USC § § 1291 from the
 23 Order Re: Defendant’s Motion to Dismiss, which was entered in this action on
 24 January 28, 2016 (Docket No. 110) and attached hereto as Exhibit A. Plaintiff
 25 also appeals from the Judgment entered in this action on January 28, 2016
 26 (Docket No. 111) and attached hereto as Exhibit B.

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Plaintiffs' Representation Statement is attached to this Notice as required
by Ninth Circuit Rule 3-2(b).

DATED: February 26, 2016

Respectfully submitted,
LEWIS ROCA ROTHGERBER
CHRISTIE LLP

By /s/ Thomas J. Daly
Thomas J. Daly

Attorneys for Plaintiff,
Merit Healthcare International, Inc., dba
Merit Pharmaceutical

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REPRESENTATION STATEMENT

Plaintiff-Appellant submits this Representation Statement pursuant to Circuit Rule 3-2(b). The following list identifies all parties to the action, and it identifies their respective counsel by name, firm, address, telephone number, and e-mail.

PARTIES	COUNSEL OF RECORD
Plaintiff- Appellant Merit Healthcare International, Inc., dba Merit Pharmaceutical	Thomas J. Daly G. Warren Bleeker Katherine L. Quigley LEWIS ROCA ROTHGERBER CHRISTIE LLP 655 N. Central Avenue, Suite 2300 Glendale, California 91203-1445 Telephone: (626) 795-9900 Facsimile: (626) 577-8800 TDaly@lrrc.com WBleeker@lrrc.com KQuigley@lrrc.com
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CERTIFICATE OF SERVICE

I, the undersigned, am a citizen of the United States and am at least eighteen years of age. My business address is 655 N. Central Ave., Suite 2300, Glendale, California, 91203.

I certify that on February 26, 2016, pursuant to Federal Rules of Civil Procedure, a true and correct copy of the foregoing document described as **NOTICE OF APPEAL AND REPRESENTATION STATEMENT** was served on the parties in this action by the CM/ECF system, which sent notification of such filing to the following counsel of record:

Daniel M. Livingston
Scott O. Luskin
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Irvine, CA 92614

Brent P. Lorimer
David P. Johnson
Workman Nydegger
60 E. South Temple, Suite 1000
Salt Lake City, UT 84111

I declare that I am a member of the bar of this Court and that the foregoing is true and correct.

Executed on February 26, 2016 at Glendale, California.

/s/ Thomas J. Daly

Thomas J. Daly

PAS1406070.1-*-02/26/16

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EXHIBIT A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 14-4280 FMO (SHx)	Date	January 28, 2016
Title	Merit Healthcare International, Inc. d/b/a Merit Pharmaceutical v. Merit Medical Systems, Inc.		

Present: The Honorable	Fernando M. Olguin, United States District Judge		
Vanessa Figueroa	None	None	
Deputy Clerk	Court Reporter / Recorder	Tape No.	
Attorney Present for Plaintiff(s):	Attorney Present for Defendant(s):		
None Present	None Present		

Proceedings: (In Chambers) Order Re: Defendant’s Motion to Dismiss

Having reviewed and considered all the briefing filed with respect to Merit Medical Systems, Inc.’s (“defendant”) Motion to Dismiss the Third Amended Complaint for Lack of a Case or Controversy, (Dkt. 85, “Motion”), the court concludes that oral argument is not necessary to resolve it. See Fed. R. Civ. P. 78; Local Rule 7-15; Willis v. Pac. Mar. Ass’n, 244 F.3d 675, 684 n. 2 (9th Cir. 2001).

INTRODUCTION

Plaintiff Merit Healthcare International, Inc. (“plaintiff”) filed this action on June 3, 2014, seeking: (1) declaratory judgment for non-infringement of trademark; (2) cancellation for fraud; (3) cancellation for falsely suggesting a connection with plaintiff; and (4) cancellation for likelihood of confusion. (See Dkt. 1, Complaint (“Cmpl.”) at ¶¶ 33-57). A First Amended Complaint was filed on September 3, 2014, (see Dkt. 15, “FAC”), defendant moved to dismiss, and the court granted that motion, giving plaintiff leave to file an amended complaint. (See Dkt. 30, Court’s Order of Oct. 20, 2014, at 2). Plaintiff filed a Second Amended Complaint, (see Dkt. 34, “SAC”), and defendant filed motions to dismiss the SAC. (See Dkts. 35, 44 & 56). While those motions were pending, plaintiff sought leave to amend the SAC, which the court granted. (See Dkt. 83, Court’s Order of July 17, 2015).

On July 20, 2015, plaintiff filed the operative Third Amended Complaint, (Dkt. 84, “TAC”), seeking: (1) Declaratory Judgment, 28 U.S.C. § 2201; and (2) partial cancellation of trademark, 15 U.S.C. § 1119. (See id. at ¶¶ 42-58). Defendant seeks to dismiss both claims for lack of subject matter jurisdiction. (See Dkt. 85, Motion).

ALLEGATIONS IN THE THIRD AMENDED COMPLAINT

Plaintiff is the distributor and seller of various professional healthcare products, including pharmaceutical and related medical devices, such as syringes, intravenous administration devices, and various intravenous therapy items. (See Dkt. 84, TAC at ¶ 7). Plaintiff has, since 1977, sold

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Title	Merit Healthcare International, Inc. d/b/a Merit Pharmaceutical v. Merit Medical Systems, Inc.		

pharmaceutical and related medical devices and products under the “MERIT” mark. (See *id.* at ¶ 8). In addition to the MERIT mark, plaintiff has, since at least the early 1980s, used several related trademarks that incorporate the MERIT mark and a suffix, including Mericaine, Meritate, Merical 10%, Merivite Concentrate, Meritol-A, Meritrex, Merivit IM with Minerals, Meritinic/c and Merizinc. (See *id.* at ¶ 10).

Between April 22, 2013, and June 16, 2014, plaintiff filed trademark applications for additional marks that use the MERIT mark plus a suffix, including “Meritphlo,” “Meritape,” “Meritderm,” “Meritcath,” “Meritset,” and “Meritquets.” (See Dkt. 84, TAC at ¶¶ 13-19) (“plaintiff’s applications”). The United States Patent and Trademark Office (“USPTO”) denied each of plaintiff’s applications, (see *id.* at ¶¶ 30-36), citing defendant’s registered trademarks, which use the same convention of adding a suffix to defendant’s MERIT mark, including “Merit Medical,” “Merit Advance,” “Merit H2O,” “Merit Medical Endotek,” “Merit Laureate,” “Merit Maestro,” “Meritrans,” “Merit Sensor Systems & Design,” and “Merit Sensor Systems.” (See *id.* at ¶¶ 20-29). The TAC does not allege that defendant opposed any of plaintiff’s applications before the USPTO. (See, generally, *id.*).

Although plaintiff’s applications were denied, the TAC indicates that plaintiff has continued to use all of its MERIT marks, including those rejected by the USPTO. (See Dkt. 84, TAC at ¶ 40 (“[p]laintiff’s continued use . . . creates a cloud of controversy regarding this trademark infringement issue”); Dkt. 85, Motion at 10 (“It is likewise undisputed that from the date of the original complaint to the present date, [plaintiff] continues to use ‘MERITSET,’ ‘MERITCATH,’ ‘MERITPHLO,’ ‘MERITDERM,’ ‘MERITAPE,’ and ‘MERITQUETS’” marks)).

On May 7, 2014, plaintiff sent defendant a letter, which noted that the parties had limited communications in February 2014, and no further discussions since February 2014. (See Dkt. 84, TAC at ¶ 37 & Exhibit (“Exh.”) 18 (“May 7, 2014 letter”)). In that letter, plaintiff stated that it was the owner of the MERIT mark based on priority of use. (See Dkt. 84, TAC at Exh. 18). The letter enclosed catalogs from 1977 to 1986 as support for its priority of use claim. (See *id.*). The letter also inquired about defendant’s amenability to entering into a coexistence agreement, so that both parties could continue using their marks within certain parameters. (See *id.* at 3). Plaintiff concluded the letter by stating that it was “prepared to seek full, or at least partial, cancellation” of defendant’s marks, and “[i]n view of the urgency,” would initiate cancellation proceedings unless it heard back from defendant by May 21, 2014. (See *id.* at 3-4). The May 7, 2014 letter did not enclose a term sheet or draft co-existence agreement. (See, generally, *id.*).

On May 12, 2014, plaintiff spoke via telephone with defendant. (See Dkt. 84, TAC at ¶ 38). Plaintiff alleges that defendant “would not agree, and expressed doubt that” defendant would “consent to Plaintiff’s continued use of the MERIT mark in connection with professional healthcare products.” (*Id.*).

On May 14, 2014, defendant sent plaintiff an email regarding the May 7, 2014 letter and

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May 12, 2014 telephone call. (See Dkt. 85-2, Declaration of Brent P. Lorimer in Support of [Defendant's] Motion to Dismiss the Third Amended Complaint for a Lack of Case or Controversy ("Lorimer Decl."), Exh. F (Declaration of David Delos Larson in Support of [Defendant's] Motion to Dismiss the Second Amended Complaint for Lack of a Case or Controversy ("Larson Decl.)) at Exh. A ("May 14, 2014 email"). In that email, defendant stated that it understood that plaintiff's proposed coexistence agreement would not "identify[] different classes of goods that each of [the] companies would use the 'Merit' name for," but would rather entail an "agree[ment] that there is no likelihood of confusion between marks because [the parties] operate in different channels[.]" (May 14, 2014 email). As for plaintiff's claim of priority of use of the MERIT mark, defendant requested additional evidence of plaintiff's first use of the MERIT mark in interstate commerce, including specimens. (See *id.*). Defendant's email concluded, "[a]fter we receive your response, we will be in a better position to evaluate your client's assertions. Given your request that this matter be resolved quickly, please provide us the information discussed in this email within the next week." (See *id.*). There are no allegations or evidence as to whether plaintiff followed up on defendant's request for additional information or whether the parties continued negotiations regarding the coexistence agreement. (See, generally, Dkt. 84, TAC; Dkt. 85, Motion). Rather, plaintiff filed its Complaint about three weeks later, on June 3, 2014. (See Dkt. 1, Cmpl.).

LEGAL STANDARD

"Federal courts are courts of limited jurisdiction. They possess only that power authorized by Constitution and statute[.]" *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377, 114 S.Ct. 1673, 1675 (1994). The courts are presumed to lack jurisdiction unless the contrary appears affirmatively from the record. See *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3, 126 S.Ct. 1854, 1861 (2006). Federal courts have a duty to examine jurisdiction *sua sponte* before proceeding to the merits of a case, see *Ruhrgas AG v. Marathon Oil*, 526 U.S. 574, 583, 119 S.Ct. 1563, 1569 (1999), "even in the absence of a challenge from any party." *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514, 126 S.Ct. 1235, 1244 (2006). The party asserting jurisdiction has the burden of establishing subject matter jurisdiction. See *Kokkonen*, 511 U.S. at 377, 114 S.Ct. at 1675.

A defendant may seek to dismiss a complaint for lack of subject-matter jurisdiction under Rule¹ 12(b)(1) of the Federal Rules of Civil Procedure. "Rule 12(b)(1) jurisdictional attacks can be either facial or factual." *White v. Lee*, 227 F.3d 1214, 1242 (9th Cir. 2000). "In a facial attack, the challenger asserts that the allegations contained in a complaint are insufficient on their face to invoke federal jurisdiction." *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039 (9th Cir. 2004), *cert. denied*, 544 U.S. 1018 (2005). "By contrast, in a factual attack, the challenger disputes the truth of the allegations that, by themselves, would otherwise invoke federal jurisdiction." *Id.* "In resolving a factual attack on jurisdiction, the district court may review evidence beyond the complaint without converting the motion to dismiss into a motion for summary

¹ All further "Rule" references are to the Federal Rules of Civil Procedure.

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judgment.” Id. “[The court] also need not presume the truthfulness of the plaintiff[s] allegations.” White, 227 F.3d at 1242. “Once the moving party has converted the motion to dismiss into a factual motion by presenting affidavits or other evidence properly brought before the court, the party opposing the motion must furnish affidavits or other evidence necessary to satisfy its burden of establishing subject matter jurisdiction.” Savage v. Glendale Union High Sch., Dist. No. 205, Maricopa Cnty., 343 F.3d 1036, 1039 n. 2 (9th Cir. 2003), cert. denied, 541 U.S. 1009 (2004).

“[W]hile later events may not create jurisdiction where none existed at the time of filing, the proper focus in determining jurisdiction are the facts existing at the time the complaint under consideration was filed[,]” which in this case would be the TAC. Northstar Fin. Advisors Inc. v. Schwab Invs., 779 F.3d 1036, 1044 (9th Cir.), cert. denied, 2015 WL 4555146 (2015) (internal quotation marks and bracket omitted) (treating amended complaint under Rule 15(a) as a supplemental complaint under Rule 15(d), because dismissal for failure to file a supplemental complaint would have “elevate[d] form over substance”).

DISCUSSION

I. FIRST CAUSE OF ACTION FOR DECLARATORY JUDGMENT, 28 U.S.C. § 2201.

The Declaratory Judgment Act provides that “[i]n a case of actual controversy within its jurisdiction . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201. “The ‘actual controversy’ requirement of the Act is the same as the ‘case or controversy’ requirement of Article III of the United States Constitution.” Societe de Conditionnement en Aluminium v. Hunter Eng'g Co., 655 F.2d 938, 942 (9th Cir. 1981); see Ass'n for Molecular Pathology v. U.S. Patent & Trademark Office, 689 F.3d 1303, 1317-18 (Fed. Cir. 2012), aff'd in part, rev'd in part on other grounds sub nom., Ass'n for Molecular Pathology v. Myriad Genetics, Inc., 133 S.Ct. 2107 (2013) (“The phrase ‘a case of actual controversy’ in the Act refers to the types of ‘cases’ and ‘controversies’ that are justiciable under Article III of the U.S. Constitution.”). The case or controversy requirement under the Declaratory Judgment Act requires that plaintiff’s claim be “‘definite and concrete, touching the legal relations of parties having adverse legal interests’; and that it be ‘real and substantial’ and ‘admi[t] of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts.” MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118, 127, 127 S.Ct. 764, 771 (2007) (citing Aetna Life Ins. Co. of Hartford, Conn. v. Haworth, 300 U.S. 227, 240-41, 57 S.Ct. 461, 464 (1937)); West v. Sec’y of Dep’t of Transp., 206 F.3d 920, 924 (9th Cir. 2000).

Whether a declaratory judgment claim satisfies the case or controversy requirement is not a bright-line test. See MedImmune, 549 U.S. at 127, 127 S.Ct. at 771 (“Aetna and the cases following it do not draw the brightest of lines between those declaratory-judgment actions that satisfy the case-or-controversy requirement and those that do not.”); Maryland Cas. Co. v. Pac.

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Coal & Oil Co., 312 U.S. 270, 273, 61 S.Ct. 510, 512 (1941) (“The difference between an abstract question and a ‘controversy’ contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy.”). Rather, plaintiff must allege facts that “under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” MedImmune, 549 U.S. at 127, 127 S.Ct. at 771; Shell Gulf of Mexico Inc. v. Ctr. for Biological Diversity, Inc., 771 F.3d 632, 635 (9th Cir. 2014) (same); Prasco, LLC v. Medicis Pharm. Corp., 537 F.3d 1329, 1339 (Fed. Cir. 2008) (“[A] case or controversy must be based on a real and immediate injury or threat of future injury that is caused by the defendants – an objective standard that cannot be met by a purely subjective or speculative fear of future harm.”) (emphasis in original).

There are “multiple ways that a declaratory judgment plaintiff can satisfy the more general all-the-circumstances test to establish that an action presents a justiciable Article III controversy.” Prasco, LLC, 537 F.3d at 1336. Here, plaintiff appears to rely on the reasonable apprehension of suit test. (See Dkt. 88, [Plaintiff’s] Opposition to [Defendant’s] Motion to Dismiss the Third Amended Complaint for Lack of a Case or Controversy (“Opp.”) at 14, 16 & 19-20; see also E. & J. Gallo Winery v. Proximo Spirits, Inc., 583 F. App’x 632, 634 (9th Cir. 2014) (“An actual controversy exists if the declaratory action ‘plaintiff has a real and reasonable apprehension that he will be subject [to suit].’”).

Here, considering “all the circumstances,” MedImmune, 549 U.S. at 127, 127 S.Ct. at 771, plaintiff has not alleged a controversy of sufficient “immediacy and reality” to create a justiciable controversy. Plaintiff has not identified any affirmative act by defendant sufficient to cause plaintiff to have a real and reasonable apprehension that it will be subject to suit.² Quite the reverse, the facts suggest that plaintiff – not defendant – has been seeking to develop a basis to initiate suit

² The cases plaintiff cites to argue that there is a real and reasonable apprehension that it will be subject to suit (see Dkt. 88, Opp. at 18-20), are unpersuasive. In E. & J. Gallo Winery, the defendant sent a cease-and-desist letter claiming that plaintiff’s Camarena Tequila infringed plaintiff’s 1800 bottle and threatened pertinent legal action. See 583 F. App’x at 633. In contrast, defendant has never identified which of plaintiff’s MERIT marks infringe defendant’s marks. (See, generally, Dkt. 84, TAC; Dkt. 88, Opp.).

Similarly, in Rhoades v. Avon Products, Inc., 504 F.3d 1151, 1158 (9th Cir. 2007), “[n]ot only did Avon allegedly make three concrete threats of infringement litigation, but it did so on the heels of years of unsuccessful and tense settlement negotiations, and after Avon initiated seven actions in the TTAB.” Finally, in Hansen Beverage Co. v. Cytosport, Inc., 2009 WL 882414, *2 (C.D. Cal. 2009), defendant filed five contingent oppositions and four unqualified oppositions to plaintiff’s proposed marks before the Trademark Trial and Appeal Board (“TTAB”).

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against defendant. Plaintiff first contacted defendant in February 2014. (See May 7, 2014 letter) (referencing previous February 2014 discussions). In its May 7, 2014 letter, plaintiff threatened to cancel defendant's marks. (See *id.* at 3-4) (stating plaintiff was "prepared to seek full, or at least partial, cancellation" of defendant's marks, and "[i]n view of the urgency," would initiate cancellation proceedings unless it heard back from defendant by May 21, 2014).

In contrast, defendant did not threaten infringement in May 2014; rather, it sought additional information to continue negotiations regarding plaintiff's proposed coexistence agreement prior to plaintiff's filing suit on June 3, 2014. (See May 14, 2014 email; Dkt. 84, TAC at ¶¶ 37-40). Nor did defendant file an opposition to plaintiff's applications before the USPTO. (See, generally, Dkt. 84, TAC); cf. *Chesebrough-Pond's, Inc. v. Faberge, Inc.*, 666 F.2d 393, 396 (9th Cir.), cert. denied, 459 U.S. 967 (1982) (defendant's detailed opposition to plaintiff's marks before the USPTO constituted reasonable apprehension of suit).

Plaintiff references additional facts during the course of this litigation as evidence that it is in reasonable apprehension of suit. (See Dkt. 88, Opp. at 14-17). First, plaintiff claims that defendant's president testified that plaintiff's use of the MERIT mark "would create substantial [consumer] confusion." (See Dkt. 88, Opp. at 15-16). But that is not what defendant's president said. Rather, he testified that "[a]s the products are currently labeled with [plaintiff's] logo, the Merit Pharmaceutical, we don't generally see or compete with it." (Dkt. 88-1, Declaration of Katherine L. Quigley in Support of [Plaintiff's] Opposition to [Defendant's] Motion to Dismiss Third Amended Complaint for Lack of a Case or Controversy, Exh. 5 ("Lampropolous Dep.") at 123). In other words, defendant does not contend that plaintiff's current use of its marks, including plaintiff's use of the marks that the USPTO rejected, infringe defendant's marks. Rather, defendant's president hypothesized that "if [plaintiff] were to go away from that, then [he] believe[s] such use] would create confusion with our customers." (Lampropolous Dep. at 123). But for a case or controversy to exist, the matter must be "definite and concrete," not hypothetical, and the court cannot "advise what the law would be upon a hypothetical state of facts." *MedImmune*, 549 U.S. at 127, 127 S.Ct. at 771.

Second, plaintiff makes much of the fact that defendant, at the parties' Rule 26(f) conference, stated that it "will" assert counterclaims against plaintiff. (See Dkt. 88, Opp. at 14-15). But defendant has not asserted any claims, nor does the record indicate what claims it could assert against plaintiff. "[T]he lack of clearly delineated, adverse positions by the parties diminishes the 'definite[ness] and concrete[ness]' of any potential controversy and its fitness for current judicial resolution." *Prasco*, 537 F.3d at 1340 n. 8 (finding no case or controversy because the court "ha[d] no way of knowing which if any of [plaintiff's] declaratory relief claims] defendants could or might assert against [plaintiff]").

Finally, plaintiff claims that defendant could divest the court of jurisdiction by entering a covenant not to sue plaintiff. (See Dkt. 88, Opp. at 17). However, this argument presupposes that the court has subject-matter jurisdiction over the declaratory relief claim. "[T]hough a defendant's

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failure to sign a covenant not to sue is one circumstance to consider in evaluating the totality of the circumstances, it is not sufficient to create an actual controversy – some affirmative actions by the defendant will also generally be necessary.” Prasco, 537 F.3d at 1341 (“A patentee has no obligation to spend the time and money to test a competitors’ product nor to make a definitive determination, at the time and place of the competitors’ choosing, that it will never bring an infringement suit.”). Because plaintiff has not identified any affirmative act by defendant to demonstrate that a case or controversy exists, defendant’s failure to sign a covenant not to sue is insufficient to create an actual controversy under the circumstances of this case.

II. SECOND CAUSE OF ACTION FOR PARTIAL CANCELLATION OF DEFENDANT’S MARKS, 15 U.S.C. § 1119.

In addition to its claim for declaratory judgment, plaintiff seeks to cancel some of defendant’s marks pursuant to 15 U.S.C. § 1119. (See Dkt. 84, TAC at ¶¶ 46-58). Cancellation “may only be sought if there is already an ongoing action that involves a registered mark[.]” Airs Aromatics, LLC v. Opinion Victoria’s Secret Stores Brand Mgmt., Inc., 744 F.3d 595, 599 (9th Cir. 2014) (“cancellation is available in ‘any action involving a registered mark.’”) (citing 15 U.S.C. § 1119). This is because cancellation under 15 U.S.C. § 1119 “creates a remedy for trademark infringement rather than an independent basis for federal jurisdiction.” (Id.). Because plaintiff’s declaratory judgment cause of action fails, no ongoing action involving a registered mark remains, thus requiring dismissal of plaintiff’s cancellation claim.

CONCLUSION

This Order is not intended for publication. Nor is it intended to be included in or submitted to any online service such as Westlaw or Lexis.

Based on the foregoing, IT IS ORDERED THAT:

1. Defendant’s Motion to Dismiss the Third Amended Complaint for Lack of a Case or Controversy (**Document No. 85**) is **granted**. Plaintiff’s Third Amended Complaint is **dismissed without prejudice**. Plaintiff’s and defendant’s motion and cross-motion for summary judgment (**Document No. 89**) are **denied as moot**.

2. Judgment shall be entered accordingly.

Initials of Preparer vdr

EXHIBIT B

