

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

E-FILED 10/10/08

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

CAPCOM CO., LTD, et al.,

NO. C 08-0904 RS

Plaintiffs/Third-Party Defendants,

**ORDER GRANTING MOTION
TO DISMISS COUNTERCLAIMS**

v.

THE MKR GROUP, INC.,

Defendant/Third-Party Plaintiff.

_____ /

I. INTRODUCTION

This intellectual property rights dispute, plucked from the world of marauding zombies, pits the owners of the rights to a well known film against the makers of a popular video game. Specifically, the video game maker, plaintiffs/third party defendants Capcom Co., Ltd., et al. (collectively, "Capcom"), moves to dismiss the amended counterclaims and third party complaint ("the counterclaims") brought by the film owner defendant/third party plaintiff, The MKR Group, Inc. ("MKR"), pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure. Those counterclaims aver copyright and trademark infringement, as well as state and common law violations. MKR opposes the motion. Because the copyrighted and allegedly infringing works are not substantially similar under the applicable extrinsic test, the motion to dismiss the copyright counterclaim will be granted. MKR's trademark infringement counterclaim is also subject to

1 dismissal because the three source identifying elements fail to rise to the level of a violation of the
2 Lanham Act. Finally, the remaining state and common law counterclaims must be dismissed as they
3 are preempted by federal copyright and trademark law. In light of the nature and grounds for these
4 dismissals, leave to amend would be futile and the counterclaims are therefore dismissed with
5 prejudice.

6 II. BACKGROUND

7 A. MKR and Capcom

8 As alleged in the counterclaims, MKR owns the copyrights and trademarks to the 1979
9 motion picture "George A. Romero's Dawn of the Dead" (hereinafter "Dawn of the Dead"), and its
10 primary business is to monetize the value of that asset. MKR's president and principal shareholder,
11 Richard P. Rubinstein, produced the film, and the renowned "horror" film director, George A.
12 Romero, directed it. Dawn of the Dead and the 2004 remake, not owned by MKR, are successful
13 movies well known to the public. The original movie has sold over one million DVDs, has earned
14 over \$7,000,000 in its first two years of release, and has received praise from film critics. The
15 movie's success has spawned an extensive merchandise licensing program covering such items as
16 action figures, t-shirts, Halloween costumes, masks, and postcards.

17 Capcom is a developer and distributor of video games for use on game consoles such as the
18 Microsoft Xbox 360. Capcom's video games have sold millions of units within the United States
19 and overseas. On August 8, 2006, Capcom released in North America a single player horror video
20 game called "Dead Rising" for use on the Xbox 360.¹ In 2004, Capcom contacted MKR to enquire
21 about the availability of a license to use elements from Dawn of the Dead in a video game. Capcom,
22 however, did not pursue the matter further. Instead, it placed on the front of the box containing the
23 Dead Rising game a disclaimer reading: "THIS GAME WAS NOT DEVELOPED, APPROVED OR
24 LICENSED BY THE OWNERS OR CREATORS OF GEORGE A. ROMERO'S DAWN OF THE
25 DEAD™[.]" Later in 2006, MKR discovered that Capcom applied to register "Dead Rising" as a

26
27 ¹ According to Capcom, the survival horror genre of video games, akin to horror
28 motion pictures, are typically dark, violent, and supernatural. The player's goal is to "survive" long
enough to escape from an isolated location overrun with monsters such as zombies. There is often a
"safe haven" where the characters can rest, eat, regain strength, and remain safe from attack.

1 trademark with the United States Patent and Trademark Office. MKR filed a notice of opposition
2 against that application on January 29, 2007, which remains pending.

3 B. The Works at Issue

4 In Dawn of the Dead, a plague reanimates the dead into flesh eating zombies and threatens to
5 destroy the United States. After escaping from Philadelphia via helicopter, a television traffic
6 helicopter pilot, Stephen, his pregnant girlfriend, Francine, and Philadelphia SWAT team members,
7 Roger and Peter, land on a helipad on the top of a small town's shopping mall. Once in the mall, the
8 four main characters barricade the complex, kill those zombies already inside, and then attempt to
9 keep out others. Throughout the many months they are in the mall, the four main characters
10 frequently visit its numerous abandoned shops in search of clothes, food, and weapons. Eventually,
11 a motorcycle gang invades the mall, thereby opening the premises to a new zombie invasion. After
12 the four main characters battle the intruders, Stephen and Roger fall victim to zombie bites and die
13 agonizing deaths while Peter and Francine run to the mall's roof and escape in their helicopter.

14 In Dead Rising, the video game player controls the main character, Frank West, a freelance
15 photojournalist intent on photographing why the United States National Guard quarantined the
16 fictional town of Willamette, Colorado. Frank discovers that the town is overrun with zombies. He
17 takes pictures of the town from a helicopter and is then dropped off onto the rooftop of the town's
18 shopping mall, which has a helipad. At this point, the player must battle nonstop against zombies
19 and other characters to search for the truth behind the town's zombie infestation. The mall's stores
20 provide Frank with the resources he needs to survive such as weapons and supplies. Throughout the
21 game, the player must use Frank's camera to take pictures — more points are awarded for graphic
22 photos. Depending in part upon critical choices made by the player, numerous characters of various
23 kinds come and go as the game progresses. The ultimate goal is to survive for three days and return
24 to the helicopter, having deciphered the cause of the zombie outbreak.

25 C. Procedural History

26 Capcom filed a complaint for declaratory relief on February 12, 2008, seeking a declaration
27 that its video game does not infringe any copyright, trademark, or other intellectual property rights
28 belonging to MKR. On May 12, 2008, MKR filed its third party complaint along with four

1 counterclaims against Capcom claiming: (1) copyright infringement; (2) violations of the Lanham
 2 Act; (3) violation of Cal. Bus. & Prof. Code §§ 17200 and 14330;² and (4) violation of common law
 3 trademark infringement, unfair competition, misappropriation, and dilution.

4 On June 11, 2008, Capcom filed the instant motion, contending that: (1) MKR fails to state a
 5 claim for copyright infringement in its first counterclaim because MKR's alleged copyrighted work
 6 and Capcom's allegedly infringing work are not substantially similar as a matter of law; (2) MKR
 7 fails to state a claim for violation of the Lanham Act in its second counterclaim because it represents
 8 nothing more than the copyright claim improperly labeled as a separate trademark action; and (3)
 9 MKR's claim for relief under Cal. Bus. & Prof. Code § 17200 in its third counterclaim as well as its
 10 claim for common law trademark infringement, unfair competition, misappropriation, and dilution in
 11 its fourth counterclaim fail as a matter of law because they are preempted pursuant to § 301 of the
 12 Copyright Act.

13 III. LEGAL STANDARD

14 A complaint may be dismissed as a matter of law pursuant to Rule 12(b)(6) for one of two
 15 reasons: (1) lack of a cognizable legal theory or (2) insufficient facts under a cognizable legal
 16 theory. *SmileCare Dental Group v. Delta Dental Plan of Cal., Inc.*, 88 F.3d 780, 783 (9th Cir.
 17 1996). For purposes of a motion to dismiss, all allegations of material fact in the complaint are
 18 taken as true and construed in the light most favorable to the non-moving party. *Parks Sch. of Bus.,*
 19 *Inc. v. Symington*, 51 F.3d 1480, 1484 (9th Cir. 1995).

20 "A complaint should not be dismissed unless it appears beyond doubt the plaintiff can prove
 21 no set of facts in support of his claim that would entitle him to relief." *Clegg v. Cult Awareness*
 22 *Network*, 18 F.3d 752, 754 (9th Cir. 1994). The court, however, "is not required to accept legal
 23 conclusions cast in the form of factual allegations if those conclusions cannot reasonably be drawn
 24 from the facts alleged." *Id.* at 754-55. A court does "not require heightened fact pleading of
 25 specifics, but only enough facts to state a claim to relief that is plausible on its face." *Twombly*, 127

26
 27 ² In 2007, the California legislature repealed Cal. Bus. & Prof. Code § 14330. Stats.
 28 2007, c. 711 (A.B. 1484), § 1. That portion of the counterclaim, therefore, is dismissed with
 prejudice.

1 S. Ct. at 1974. A court's review is limited to the face of the complaint, documents the complaint
2 references, and matters about which the court may take judicial notice. *Anderson v. Clow (In re Stac*
3 *Elecs. Sec. Litig.)*, 89 F.3d 1399, 1405 n.4 (9th Cir. 1996).

4 Motions to dismiss generally are viewed with disfavor and are to be granted rarely. *See*
5 *Gilligan v. Jamco Dev. Corp.*, 108 F.3d 246, 249 (9th Cir. 1997). Leave to amend must be granted
6 unless it is clear that amendments cannot cure the complaint's deficiencies. *Lucas v. Dep't of Corr.*,
7 66 F.3d 245, 248 (9th Cir. 1995). Nevertheless, when amendment would be futile, dismissal may be
8 ordered with prejudice. *Dumas v. Kipp*, 90 F.3d 386, 393 (9th Cir. 1996).

9 IV. DISCUSSION

10 A. Judicial Notice

11 At the outset, pursuant to Rule 201 of the Federal Rules of Evidence, Capcom requests that
12 the Court take judicial notice of: (1) the 1979 Dawn of the Dead movie and the Dead Rising video
13 game; (2) numerous other zombie movies and video games; and (3) certain ideas and elements
14 common and prevalent in such movies and games. While generally a court cannot consider material
15 outside of the complaint when deciding a motion to dismiss under Rule 12(b)(6), a court may
16 consider exhibits submitted with the complaint and those "documents whose contents are alleged in
17 a complaint and whose authenticity no party questions, but which are not physically attached to the
18 pleading" *Branch v. Tunnell*, 14 F.3d 449, 453-54 (9th Cir. 1994) (overruled on other grounds).
19 Thus, the contents of Dawn of the Dead and Dead Rising may be considered for purposes of this
20 motion to dismiss. Exhibits one through four, which represent the works themselves and the
21 corresponding script to the film, will also be considered as MKR does not question their
22 authenticity.

23 Capcom's remaining requests for judicial notice, however, must be denied. Rule 201 allows
24 a court to invoke judicial notice for, "two kinds of facts: (1) those that are generally known within
25 the court's territorial jurisdiction; and (2) those that are capable of accurate and ready determination
26 by resort to sources whose accuracy cannot reasonably be questioned, for example, almanac,
27 dictionary, calendar or similar sources." *Walker v. Woodford*, 454 F. Supp. 2d 1007, 1022 (S.D. Cal.
28 2006). In other words, "the fact must be one that only an unreasonable person would insist on

1 disputing." *Id.* (quoting *United States v. Jones*, 29 F.3d 1549, 1553 (11th Cir. 1994)).

2 As MKR asserts, it can hardly be said that the zombie movies and video games presented in
3 exhibits six through forty-four are "generally known," especially in light of the fact that many of
4 these movies were made long ago, indeed in some instances as far back as 1932. These exhibits,
5 therefore, do not qualify for judicial notice. See *Zella v. E.W. Scripps Co.*, 529 F. Supp. 2d 1124,
6 1129 (C.D. Cal. 2007) (declining to take judicial notice of various specific shows not commonly
7 known). The Wikipedia articles Capcom submits as a synopsis of these movies and video games are
8 similarly inappropriate for judicial notice. See *Nordwall v. Sec'y of Health & Human Servs.*, No. 05-
9 123V, 2008 WL 857661, at *7 n.6 (Fed. Cl. Feb. 19, 2008) ("Wikipedia may not be a reliable source
10 of information."). Finally, while exhibit five, the script to *Dead Rising*, relates to the content of the
11 video game in question, its authenticity cannot be determined by resort to irrefutable sources
12 because it does not reflect who wrote it, nor when and for what purpose it was written, it was not
13 filed with Capcom's pending copyright for *Dead Rising*, and by its nature it may not track exactly
14 how the game itself appears to the player.

15 B. Copyright Counterclaim

16 To bring a copyright infringement counterclaim, MKR must assert ownership of a valid
17 copyright, and the copying of constituent elements of the work that are original to it.³ *Feist Publ'ns,*
18 *Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 361 (1991). Capcom does not contest MKR's valid
19 copyright to *Dawn of the Dead*. At issue here, therefore, is whether *Dawn of the Dead* and *Dead*
20 *Rising* "are substantially similar in their protected elements." *Cavalier v. Random House, Inc.*, 297

22 ³ That latter concept requires proof that Capcom had "access" to *Dawn of the Dead*,
23 and that the allegedly infringing work, *Dead Rising*, is "substantially similar." *Idema v.*
24 *Dreamworks, Inc.*, 162 F. Supp. 2d 1129, 1175 (C.D. Cal. 2001). Access to a copyrighted work is
25 defined as having "an opportunity to view or to copy [a] plaintiff's work." *Sid and Marty Krofft*
26 *Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1172 (9th Cir. 1977) (superseded on
27 other ground by 17 U.S.C. § 504(b)). The level of access must be a "reasonable" amount, which
28 means it is "more than a bare possibility." *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 482
(9th Cir. 2000). Access can be proven by circumstantial evidence if the work has been widely
disseminated. *Id.* Strong evidence of access can lead a court to invoke the inverse ratio rule, which
permits the application of a lower standard of proof for substantial similarity. *Idema*, 162 F. Supp.
2d at 1175-76. In the instant case, access will be presumed because *Dawn of the Dead* is widely
disseminated, and the analysis will be limited to substantial similarity. Even applying the inverse
ratio rule, however, the two works are not substantially similar as explained below.

1 F.3d 815, 822 (9th Cir. 2002).

2 1. Substantial Similarity on a Motion to Dismiss

3 MKR argues that the question of substantial similarity may not properly be resolved on a
4 motion to dismiss under FRCP 12(b)(6). In support of that contention, MKR understandably
5 invokes case precedent that calls into question the propriety of resolving the issue even on summary
6 judgment let alone on an initial pleading motion. *See Frybarger v. Int'l Bus. Machs. Corp.*, 812 F.2d
7 525, 528 (9th Cir. 1987) (stating that summary judgment is not highly favored on the issue of
8 substantial similarity). Nevertheless, courts have determined substantial similarity as a matter of law
9 in the appropriate case where the evidence demonstrates that no reasonable jury could find
10 substantial similarity. *Funky Films, Inc. v. Time Warner Entm't. Co., L.P.*, 462 F.3d 1072, 1076-77
11 (9th Cir. 2006). When both the copyrighted work and the allegedly infringing work are before the
12 Court and capable of examination and comparison, a motion to dismiss may be the vehicle for
13 resolving the dispute. *See Christianson v. West Pub. Co.*, 149 F.2d 202, 203 (9th Cir. 1945) ("There
14 is ample authority for holding that when the copyrighted work and the alleged infringement are both
15 before the court, capable of examination and comparison, non-infringement can be determined on a
16 motion to dismiss.").

17 While the Ninth Circuit since *Christianson* does not appear to have addressed whether the
18 issue of substantial similarity is susceptible to determination at the motion to dismiss stage, at least
19 one other circuit has held that such inquiry is proper, and district courts have increasingly found the
20 issue of substantial similarity subject to adjudication on a motion to dismiss in the appropriate case.
21 *See Nelson v. PRN Prods., Inc.*, 873 F.2d 1141, 1143-44 (8th Cir. 1989) (determining that a district
22 court could properly decide substantial similarity as a matter of law on a motion to dismiss); *Zella*,
23 529 F. Supp. 2d at 1130-31 (citing *Christianson*, and determining that substantial similarity may be
24 decided on a motion to dismiss); *Cory Van Rijn, Inc. v. Cal. Raisin Advisory Bd.*, 697 F. Supp. 1136,
25 1137, 1145 (E.D. Cal. 1987) (granting motion to dismiss based on lack of substantial similarity);
26 *Rosenfeld v. Twentieth Century Fox Film*, No. CV 07-7040 AHM, 2008 WL 4381575, at *6 (C.D.
27 Cal. Sept. 25, 2008) (citing *Christianson* for the proposition that substantial similarity may be
28 considered on a motion to dismiss); *Thomas v. Walt Disney Co.*, No. C-07-4392 CW, 2008 WL

1 425647, at *2 (N.D. Cal. Feb. 18, 2008) (deciding substantial similarity on a motion to dismiss);
2 *Identity Arts v. Best Buy Ent. Servs. Inc.*, Nos. C 05-4656 PJH, C 06-1631 PJH, 2007 WL 1149155,
3 at *5 (N.D. Cal. April 18, 2007) (finding no obstacle to addressing substantial similarity on a motion
4 to dismiss under Rule 12(c)); *Gal v. Viacom Int'l, Inc.*, 403 F. Supp. 2d 294, 305 (S.D.N.Y. 2005)
5 ("[T]here is ample authority for the proposition that a district court may make that determination [of
6 substantial similarity] on a motion to dismiss for failure to state a claim under Rule 12(b)(6).").

7 2. The Extrinsic Test

8 The substantial similarity inquiry is comprised of an objective "extrinsic test" and a
9 subjective "intrinsic test" both of which the copyright holder must ultimately establish. *Funky*
10 *Films*, 462 F.3d at 1077. Only in the event that the claim fails when analyzed under the objective
11 "extrinsic" prong is it subject to dismissal, for the intrinsic test, which "examines an ordinary
12 person's subjective impressions of the similarities between two works," is exclusively within the
13 province of the jury. *Id.*; *Zella*, 529 F. Supp. 2d at 1133 n.8.

14 Under the extrinsic test, a court "focuses on 'articulable similarities between the plot, themes,
15 dialogue, mood, setting, pace, characters, and sequence of events' in the two works." *Funky Films*,
16 462 F.3d at 1077 (quoting *Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042, 1045 (9th Cir.
17 1994)). In applying the test, the "court 'compares, not the basic plot ideas for stories, but the actual
18 concrete elements that make up the total sequence of events and the relationships between the major
19 characters.'" *Id.* (quoting *Berkic v. Crichton*, 761 F.2d 1289, 1293 (9th Cir. 1985)). A court must
20 take care to inquire only whether the protectable elements are substantially similar standing alone.
21 *Id.* In doing so, the court will filter out and disregard the unprotectable elements in making its
22 substantial similarity determination. *Id.*; *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435,
23 1443 (9th Cir. 1994); see *Thomas*, 2008 WL 425647, at *2 ("Under the extrinsic test, the Court
24 defines the scope of copyright protection by 'analytically dissecting' the alleged similarities between
25 the works and separating protected elements of expression from unprotected ideas.").

26 3. Application of the Extrinsic Test

27 Under this framework, Capcom argues that Dawn of the Dead and Dead Rising are not
28 substantially similar. That is, MKR's copyright counterclaim fails the extrinsic test because once

1 unprotectable elements are filtered out, the two works share at most superficial similarities in plot,
2 sequence of events, setting, theme, dialogue, mood, pace, characters, or dialogue. MKR counters
3 that the two works contain so many similarities that the extrinsic test is easily satisfied.⁴

4 MKR presumably has highlighted those aspects of the video game it believes most
5 substantially resemble its movie. *Zella*, 528 F. Supp. 2d at 1132; see *Bethea*, 2005 WL 1720631, at
6 *10 (stating that it is plaintiff's burden to identify the sources of alleged similarity between the
7 works). The principal similarities between Dawn of the Dead and Dead Rising identified by MKR
8 are that: (1) both works are set in a bi-level shopping mall; (2) the mall has a gun shop, in which
9 action takes place; (3) the mall is located in a rural area with the National Guard patrolling its
10 environs; (4) both works are set in motion by a helicopter that takes the lead characters to a mall
11 besieged by zombies; (5) many of the zombies wear plaid shirts; (6) both works feature a subtext
12 critique of sensationalistic journalism through their use of tough, cynical journalists, with short
13 brown hair and leather jackets, as a lead male character; (7) both works feature the creative use of
14 items such as propane tanks, chainsaws, and vehicles to kill zombies; (8) both works are a parody of
15 rampant consumerism; (9) both works use music in the mall for comedic effect; and (10) Dead
16 Rising's use of the word "hell" references the tagline for Dawn of the Dead's release ("When there's
17 no more room in hell, the dead will walk the earth."). In short, MKR concludes that the two works
18 share so many similarities that the critical divide between unprotectable ideas and the protectable
19 expression of ideas has been bridged. See *Feist*, 499 U.S. at 344-45 (copyright law provides no
20 protection for ideas, but only the expression of ideas).

21 "Scenes a faire," where events flow naturally from generic plot-lines or sequences of events
22 necessarily resulting from the choice of a setting or situation constitute one type of unprotectable
23 idea. *Metcalf v. Bochco*, 294 F.3d 1069, 1074 (9th Cir. 2002). The boundary between idea and
24 expression is an elusive one, with protection that covers the 'pattern' of the work, the sequence of
25

26 ⁴ At the summary judgment stage, expert testimony might be admissible *if necessary*.
27 *Bethea v. Burnett*, No. CV04-7690 JFW, 2005 WL 1720631, at *10 (C.D. Cal. June 28, 2005)
28 (quoting *Apple Computer*, 35 F.3d at 1443). While that may suggest the need to defer determination
until summary judgment, here MKR has not indicated a need for expert testimony in aid of analysis
nor does the Court see how such testimony would be either necessary or useful.

1 events, and the development of the interplay of characters. *Williams v. Crichton*, 84 F.3d 581, 587-
2 88 (2d Cir. 1996).

3 Among the elements which the Court must filter out as unprotectable are: (1) "ideas" as
4 opposed to the "expression" of those ideas; (2) facts, historical events, or other information over
5 which no party is entitled to claim a monopoly; (3) elements borrowed from another creator or from
6 the "public domain"; (4) instances in which a particular "expression" at issue "merges" with the
7 "idea" being expressed; and (5) a similar instance in which the form of the "expression" is so
8 standard" in the treatment of a given "idea" that it constitutes scenes a faire. *Bethea*, 2005 WL
9 1720631, at *10 (quoting *Idema*, 162 F. Supp. 2d at 1176-77).

10 Examples aid in applying this abstract principle. In *Mattel, Inc. v. Azrak-Hamway Int'l, Inc.*,
11 724 F.2d 357, 360 (2d Cir. 1983), the Second Circuit found that a small warlord action figure did not
12 infringe upon another small action figure. Even though the action figures looked similar, the
13 similarities were attributable to the unprotectable idea of a super muscleman positioned in a
14 traditional fighting pose. *Id.* The court found that protectable expression might only arise from the
15 way the two action figures emphasized the idea, such as by accentuating certain muscle groups
16 instead of others. *Id.* Another example of unprotectable scenes a faire arises from stories of police
17 work in the Bronx found in *Walker v. Time Life Films*, 784 F.2d 44, 50 (2d Cir. 1986). There, the
18 court held that because elements such as derelict cars, drunks, prostitutes, vermin, morale problems
19 of police officers, and the familiar figure of an Irish cop would appear in any realistic work about
20 police officers in the Bronx, those elements represented unprotectable scenes a faire. *Id.* In short,
21 the use of such common stock characters or occurrences demonstrate that "in the life of men
22 generally, there is only rarely anything new under the sun." *Berkic*, 761 F.2d at 1294. If the
23 similarities between the elements of MKR's work, and Capcom's allegedly infringing video game are
24 of "small import quantitatively or qualitatively" then Capcom will be found innocent of
25 infringement. *Williams*, 84 F.3d at 588.

26 A comparison of the movie and the video game reveals profound differences. MKR has not
27 identified any similarity between *Dead Rising* and any *protected* element of *Dawn of the Dead*.
28 Rather, the few similarities MKR has alleged are driven by the wholly *unprotectable* concept of

1 humans battling zombies in a mall during a zombie outbreak. Each one of MKR's claimed
2 similarities, as analyzed below, ultimately must be "filtered" out as unprotectable. *See Idema*, 162 F.
3 Supp. 2d at 1177 ("This 'filtration' process is accomplished under the first part of the two-part
4 analysis established by the Ninth Circuit to determine or assess 'substantial similarity' of an allegedly
5 infringing work: the 'extrinsic,' or 'objective' test."). Nearly all the similarities between the two
6 works identified by MKR, upon close scrutiny, constitute nothing more than a collection of
7 unprotectable elements thereby failing the extrinsic test and sending the copyright claim to its doom.

8
9 a. Plot and Sequence of Events

10 The plot underlying each of the two works are not substantially similar. "Plot" consists of
11 the sequence of events by which the author expresses his theme or idea in sufficiently concrete terms
12 to warrant a finding of substantial similarity where it is common in both works. *Zella*, 529 F. Supp.
13 2d at 1135. Both Dawn of the Dead and Dead Rising contain a scene where the main characters
14 arrive at a shopping mall by way of a helicopter. But even that similarity dissolves upon close
15 inspection. In Dead Rising the central character, Frank, makes the helicopter journey from the
16 infected town to the shopping mall roof and upon arrival at the helipad enters the "safe haven" part
17 of the game where he is protected from attack. He then enters the mall and begins his quest to
18 uncover the reason behind the zombie infestation.

19 By contrast, Dawn of the Dead does not immediately start at the mall. Instead, the four main
20 characters escape from zombies in Philadelphia via helicopter. After flying for some time they come
21 to a small zombie-infested town where they spot a mall. They decide to land on the helipad on top
22 of the mall and enter the safe portions of the interior. The characters then begin to rid the mall of all
23 zombies. From this point onwards the plot and sequence of events in each work move in widely
24 divergent directions. *See Williams*, 84 F.3d at 590 (any similarities in the plot and sequence of
25 events represented nothing more than random similarities scattered throughout the works).

26 b. Characters

27 An analysis of the characters in both works also reveal a lack of substantial similarity. MKR
28 insists that Stephen, one of four main characters in Dawn of the Dead, and Frank, the main character

1 in Dead Rising, are substantially similar. MKR is correct that both characters are male with short
2 brown hair, wear leather jackets, and undertake activities connected to journalism. These
3 similarities, however, do not suggest infringement, but rather elements of a stock character expected
4 to be present in any number of stories. Other elements of both characters moreover reflect
5 significant dissimilarity. For instance, Dead Rising completely revolves around Frank, a fairly
6 cynical and athletic young freelance photographer who wants to report what is going on in the small
7 town while Stephen is portrayed as a timid non-athletic middle aged television news helicopter pilot
8 of equal prominence with the other three characters. Beyond some superficial, generic physical
9 similarities of gender, hair color and wardrobe, therefore, nothing links one to the other.

10 Other characters of note, Brad in Dead Rising and Peter in Dawn of the Dead, are both tall
11 athletic African-Americans who know how to handle weapons. Both exude confidence and have a
12 cool head when surrounded by the imminent zombie danger. As with Stephen and Frank, however,
13 those similarities do not develop from the stock to the distinctive. Peter is a SWAT member who is
14 not developed beyond his expertise with weapons and sardonic demeanor while Brad is not
15 developed beyond his part as a member of the Department of Homeland Security determined to
16 rescue another particular character and depart the mall safely. *Nichols v. Universal Pictures Corp.*,
17 45 F.2d 119, 121 (2d Cir. 1930) ("[T]he less developed the characters, the less they can be
18 copyrighted; that is the penalty an author must bear for marking them too indistinctly.").

19 Another group of characters present in each work are the zombies themselves. Dawn of the
20 Dead has a number of distinctive zombies ranging from a Hare Krishna, an extremely overweight
21 character, and a girl with a distinctive yellow and green striped shirt. Others are dressed in plaid
22 shirts or are covered with gore and blood. By contrast, Dead Rising lacks any similar distinctive
23 zombie characters. All appear to be stock elements with largely generic attire. While Dead Rising
24 does sport some zombies in plaid and covered in blood, those attributes are too hazy to amount to
25 substantial similarity.

26 Finally, there are dozens of other characters in Dead Rising that have no counterpart in Dawn
27 of the Dead (Carlito, Isabela, Dr. Barnaby, the janitor, the psychopaths, and the other fifty survivors
28 found in the mall). *See Identity Arts*, 2007 WL 1149155, at *15 ("[P]laintiff cannot merely sweep

1 aside the presence of so many other varied characters who appear in the differing spots, and whose
2 attributes and demeanor bear no similarity with respect to one another.").

3 c. Theme

4 Any similarity in the theme of the movie and the video game relates to the unprotectable idea
5 of zombies in a mall. Once viewed beyond the presence of this general idea, any similarity in
6 themes evaporates. Dawn of the Dead, according to MKR, involves a satirical social commentary
7 on the excesses of consumerism, where zombies seek to enter the mall in a desperate search for the
8 consumer goods that drove them while alive. Ironically, as the movie suggests, the survivors in turn
9 are trapped in the mall with all the consumer goods they could ever want, but can only enjoy them in
10 the restricted world of the shopping mall itself. Whatever a critic may opine as to Dawn of the
11 Dead's success in communicating such an anti-consumerism message, what is clear from a review of
12 Dead Rising, contrary to MKR's interpretation, is that it does not begin to try to duplicate such a
13 message. To the extent that Dead Rising may be deemed to possess a theme, it is confined to the
14 killing of zombies in the process of attempting to unlock the cause of the zombie infestation. The
15 social commentary MKR draws from Dawn of the Dead, in other words, appears totally absent from
16 the combat focus found in Dead Rising.

17 d. Dialogue

18 As to dialogue, MKR identifies only one instance of similarity in both works: the reference
19 to "hell." In the movie, in response to the zombie invasion Peter quietly states what comes to
20 operate as the film's tagline, "this, my friend, is hell." In Dead Rising, Carlito, a character with no
21 counterpart in Dawn of the Dead, ominously intones, "when there is no more room in hell, the dead
22 will walk the earth." One allegedly similar line from a movie and a video game is insufficient to
23 support a claim of infringement. *See Narell v. Freeman*, 872 F.2d 907, 911 (9th Cir. 1989)
24 ("Ordinary phrases are not entitled to copyright protection."); *Benjamin v. Walt Disney Co.*, No. CV
25 05-2280 GPS, 2007 WL 1655783, at *5 (C.D. Cal. June 5, 2007) (insufficient dialogue for
26 substantial similarity in the phrase "I have a plane to catch" uttered by the protagonist in each work
27 to force the signing of divorce papers); *Identity Arts*, 2007 WL 1149155, at *12, 13 (finding the
28 statement "it's coming from the audience" in allegedly infringing movie trailers insufficient to

1 support a finding of substantial similarity).

2 e. Mood

3 The mood of Dawn of the Dead and Dead Rising is difficult to compare owing to the
4 different media each occupies (a movie and an interactive video game).⁵ See *Idema*, 162 F. Supp. 2d
5 at 1185 (noting the difficulty in comparing the written word versus a movie). To the extent they can
6 be compared, they are not substantially similar. The mood of Dawn of the Dead is dark, horrific, but
7 somewhat comedic in featuring the main characters struggling to survive for months in the mall.
8 The mood of Dead Rising, on the other hand, is one of adventure and mystery as Frank tries to
9 uncover the secret behind the zombie infestation of the town. In short, Dawn of the Dead endeavors
10 to create an atmosphere of suspense and anxiety while the video game focuses on action and
11 competition.⁶

12 f. Setting

13 The setting of the movie and the video game likewise does not give rise to a finding of
14 substantial similarity. While both works are set in a rural two-story mall with a helipad on top and a
15 gun shop and music playing inside, these locales represent scenes a faire that flow from the
16 unprotectable idea of zombies in a mall. At the same time, each mall is distinct from the other in
17 that the one in Dawn of the Dead is relatively small with a major department store and an ice rink,
18 while the other in Dead Rising is a modern mega-mall without a major department store or ice rink,
19 but with separate theme-based sections including a roller coaster, theater, outdoor park, supermarket,
20 and underground tunnel system. Indeed, both malls contain escalators and a fountain, but these are
21 features found in most malls, and cannot support a finding of substantial similarity.

22 g. Pace

23 _____
24 ⁵ While it is difficult to analyze two different works contained in different media, it is
equally difficult to decide how this difference helps one party over another.

25 ⁶ That is not to say that Dead Rising is devoid of comedic elements. As in Dawn of the
26 Dead, the relentless zombies are confronted with various comedic weapons including various food
27 products such as pies. The use of such devices, however, does not rise to the level of substantial
28 similarity. See *Olson v. Nat'l Broad. Co.*, 855 F.2d 1446, 1451 (9th Cir. 1988) (finding that the
comic mood is common to the genre of action-adventure television series and movies and therefore
did not demonstrate substantial similarity).

1 An examination of the pace of Dawn of the Dead and Dead Rising reveals no substantial
2 similarity. Dawn of the Dead takes place over many months as evidenced by the evolution of the
3 character Francine, not visibly pregnant at the outset but close to giving birth by the end of the
4 events in the mall. Dead Rising, by contrast, takes places entirely over a three day period. The pace
5 of the works is similar in some respects, but overall is substantially not so. The beginning of Dawn
6 of the Dead quickly moves from Philadelphia to the helicopter landing at the mall. Once in the mall,
7 the pace varies from slow to fast depending on whether the main characters are resting peacefully in
8 their walled-off security room or are roaming out into the mall battling zombies. The pace in Dead
9 Rising is one of constant, fast-paced action depending on the player's preference. If the player
10 follows the game storyline cues, a fast pace ensues to facilitate completion of the game with the
11 rescue of all survivors within the three day window. By the same token, if the player chooses not to
12 follow the storyline cues, then the pace slackens and the player wanders the mall and confronts
13 zombies. Even if this is viewed as presenting some superficial similarity, "pace, without more, does
14 not create an issue of overall substantial similarity between the works." *Williams*, 84 F.3d at 590.

15 h. Total Concept and Feel

16 The final factor, the total concept and feel, differs to a large extent between the movie and
17 the video game. Dawn of the Dead is a dark comedy about survivors of a global zombie infestation
18 desperately trying to survive for months in a rural mall by clearing it of all zombies to create a safe
19 environment in which to live in peace while the zombie hoards encompass the world outside. In
20 contrast, Dead Rising is an adventure/mystery story where the main character attempts to enter a
21 quarantined area to uncover in three days why a small town is infested with insects that turn the dead
22 into zombies. The total concept and feel of Dawn of the Dead is of a world under seige, while Dead
23 Rising presents an environment to be conquered.

24 i. Metcalf Analysis

25 Finally, MKR argues that under *Metcalf* even if each factor viewed individually fails to
26 demonstrate substantial similarity, the motion to dismiss must be denied because, taken as a whole,
27 such a showing has been demonstrated. In *Metcalf*, plaintiff submitted his idea and script for a
28 movie to defendants who rejected the project, but subsequently produced a television series dealing

1 with similar issues. 294 F.3d at 1071-72. Both works involved overburdened county hospitals in
2 the inner city of Los Angeles comprised mostly of African-American staff members. *Id.* at 1073.
3 Both dealt with poverty and urban blight, and featured similar characters and plot developments. *Id.*
4 The court found that the common elements and the totality of similarities raised a triable factual
5 question of substantial similarity, even if those similarities, when considered individually, were
6 unprotectable. *Id.* at 1074. That is, the cumulative weight of the similarities allowed plaintiffs to
7 survive summary judgment. *Id.* Courts since *Metcalf*, however, have been reluctant to expand its
8 concepts beyond the specific facts of that case. *Zella*, 529 F. Supp. 2d at 1138. Even were *Metcalf*
9 to be applied here, the totality of the separate comparative factors do not amount to a finding of
10 substantial similarity between the works at issue. MKR's alleged similarities constitute nothing
11 more than a string of disconnected facts and generic ideas which are not protected under copyright
12 law. *See id.* at 1139 (finding that plaintiffs could not merely cobble together generic elements of the
13 works to make a *Metcalf* argument).

14 j. MKR's Intrinsic Argument

15 MKR makes much of the argument that those involved in the game industry perceive *Dead*
16 *Rising* to be an obvious "rip-off" of *Dawn of the Dead*. While such anecdotal evidence may well be
17 accurate, even to accept it at face value would be to beg the question. The ultimate issue on this
18 motion is whether or not the allegedly infringing work implicates protectable elements under
19 copyright law, regardless of whether or not it is, in fact, a "rip-off." Moreover, to the extent that the
20 argument eventually would become relevant, it would arise only in the application of the "intrinsic"
21 test, the second prong of the copyright analysis. As MKR must first successfully pass through the
22 extrinsic test, which as set forth above it does not accomplish, the perception in the marketplace that
23 a work has been lifted, accurate or otherwise, simply does not come into play.

24 k. No Substantial Similarity as a Matter of Law

25 MKR's proffered similarities upon inspection do not support a finding of substantial
26 similarity. *See Litchfield v. Spielberg*, 736 F.2d 1352, 1356 (9th Cir. 1984) (determining that
27 "random similarities scattered throughout the works" do not support a finding of substantial
28 similarity). Works more comparable than *Dawn of the Dead* and *Dead Rising* have been found

1 lacking substantial similarity as a matter of law. *See, e.g., Williams*, 84 F.3d at 583-87 (comparing
 2 children's book about visit to a dinosaur zoo to the movie Jurassic Park); *Walker*, 784 F.2d at 46
 3 (comparing the book "Fort Apache" and the film "Fort Apache: The Bronx"). Because leave to
 4 amend would be futile as the findings are based on the works themselves rather than on MKR's
 5 pleadings, the infringement claim must therefore be dismissed with prejudice. *Thomas*, 2008 WL
 6 425647, at *6.

7 C. Lanham Act Counterclaim

8 MKR's second counterclaim avers a violation of the Lanham Act.⁷ Copyright and trademark
 9 law target two different legal concepts. Copyrights protect "the artist's right in an abstract design or
 10 other creative work." *RDF Media Ltd. v. Fox Broad. Co.*, 372 F. Supp. 2d 556, 563 (C.D. Cal.
 11 2005). On the other hand, "[t]rademark law is concerned with the protection of symbols, elements
 12 or devices used to identify a product in the marketplace and to prevent confusion as to its source."
 13 *Id.* Copyrights, therefore, protect the work as a whole, while trademarks protect the distinctive
 14 source-distinguishing mark. *Whitehead v. CBS/Viacom, Inc.*, 315 F. Supp. 2d 1, 13 (D.D.C. 2004).

15 The Supreme Court has "been 'careful to caution against misuse or over-extension' of
 16 trademark and related protections into areas traditionally occupied by patent or copyright." *Dastar*
 17 *v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003) (quoting *TrafFix Devices, Inc. v. Mktg.*
 18 *Displays, Inc.*, 532 U.S. 23, 29 (2001)). Under Lanham Act § 43(a), a person who makes a
 19 misrepresentation which is likely to cause confusion as to the origin of his or her goods is liable in a
 20 civil action. *Id.* at 30 n.4 (quoting 15 U.S.C. § 1125(a)(1)). "Origin of goods" "refers to the
 21 producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or
 22 communication embodied in those goods." *Id.* at 37.

23 Reflecting the two different theories, numerous courts have analyzed the same set of facts
 24 under both copyright and trademark law without concluding that the trademark claims
 25 "piggybacked" on the copyright claims. *See, e.g., Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d

26
 27 ⁷ As with copyright, a district court may resolve a trademark claim on a motion to
 28 dismiss. *See Murray v. Cable Nat'l Broad. Co.*, 86 F.3d 858, 860-61 (9th Cir. 1996) (affirming Rule
 12(b)(6) dismissal because there was no likelihood of confusion possible, taking the allegations of
 the complaint as true).

1 792, 806, 812 (9th Cir. 2003) (concluding that artist's photographs which depicted Barbie in
2 different poses did not violate Mattel's copyright or trademark rights in the Barbie doll); *Nintendo of*
3 *Am., Inc. v. Dragon Pac. Int'l*, 40 F.3d 1007, 1010 (9th Cir. 1994) (upholding trial court's damages
4 award where defendant copied Nintendo games (copyright infringement) and then sold the games as
5 a package, but advertised that they were Nintendo products (trademark violation)).

6 Here, Capcom maintains that MKR's Lanham Act counterclaim fails because it is nothing but
7 a repackaged copyright claim masquerading as a Lanham Act trademark claim. MKR counters that
8 the core of its Lanham Act counterclaim is Capcom's wholesale exploitation of MKR's Dawn of the
9 Dead trademarks and other identifying elements from the film. That is, MKR's Lanham Act
10 counterclaim is explicitly grounded in Capcom's exploitation of those components of the film which
11 are source identifying; MKR is not trying, it contends, to protect ideas or other creative content. In
12 support of its counterclaim, MKR pleads that Capcom seeks to capitalize on: (1) Romero's name on
13 a disclaimer; (2) the term "dead" in its title; (3) the zombie head design trademark on Dead Rising's
14 packaging; and (4) the "plaid boy" costume consisting of a blood stained, plaid shirt, and a zombie
15 mask.⁸ MKR sufficiently has pled source identifying elements, rather than the ideas and creative
16 content that *Dastar* prohibits. These source identifying elements are what the Lanham Act is
17 intended to protect despite Capcom's arguments to the contrary.⁹

18 While MKR has sufficiently pled source identifying elements, the three contested elements
19 fail to rise to the level of a violation of the Lanham Act as a matter of law. First, the use of Romero's
20 name on the disclaimer is a nominative fair use. The front lower left corner of the box for Dead
21

22 ⁸ This proposed source identifying element is not pled in MKR's counterclaim, but is
23 instead raised for the first time in its opposition. Even if this character were pled in MKR's
24 counterclaim, such use of a character within a visual work falls within the realm of copyright law,
25 not trademark. *See Comedy III Prods., Inc. v. New Line Cinema*, 200 F.3d 593, 596 (9th Cir. 2000)
26 (holding that use of character images not a trademark violation, but rather an issue under the
27 dominion of copyright law). As discussed above, the use of zombies with plaid shirts in Dead
28 Rising is not substantially similar to the plaid shirt zombies in Dawn of the Dead. The trademark
claim based on the use of this character, therefore, is dismissed.

⁹ As MKR states in its opposition, it does not allege "reverse passing off." Reverse
passing off is defined as "removing or obliterating the original trademark without authorization
before reselling goods produced by someone else." *Shaw v. Lindheim*, 919 F.2d 1353, 1364 (9th
Cir. 1990).

1 Rising contains the following disclaimer: "THIS GAME WAS NOT DEVELOPED, APPROVED
2 OR LICENSED BY THE OWNERS OR CREATORS OF GEORGE A. ROMERO'S DAWN OF
3 THE DEAD™[.]" MKR argues that the use of this disclaimer itself dilutes its trademark and may
4 cause consumer confusion. In support of that proposition, MKR relies upon *E. & J. Gallo Winery v.*
5 *Gallo Cattle Co.*, No. CV-F-86-183 REC, 1989 WL 159628, at *30 (E.D. Cal. June 19, 1989), which
6 reasoned that the use of a disclaimer to resolve litigation may not be an appropriate *remedy* for an
7 injunction where it is likely that the disclaimer itself might cause consumer confusion and where
8 defendants have not shown that a disclaimer would be effective in preventing consumer confusion as
9 to the source of a product.

10 MKR, however, refers to no authority where a pre-litigation disclaimer disavowing any
11 connection between the works, like the disclaimer Capcom uses here, gives rise to a trademark
12 claim. Instead, it appears the analysis of this issue falls under the Ninth Circuit's nominative fair use
13 test. Nominative fair use of MKR's trademark is permitted if Capcom can prove that: (1) the product
14 in question is not readily identifiable without use of the trademark; (2) only so much of the mark is
15 used as is reasonably necessary to identify the product; and (3) the user do nothing which would, in
16 conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *Abdul-*
17 *Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 412 (9th Cir. 1996). First, the prominent use of the mark
18 "George A. Romero's Dawn of the Dead" is necessary because there is no other way to refer to the
19 movie than by its title. Second, the use of the full title is necessary to identify properly the movie
20 and is important in differentiating between myriad other different movie titles. Third, nothing about
21 using a mark in a disclaimer denying affiliation gives rise to confusion. MKR's claim premised on
22 the disclaimer, therefore, must be dismissed.

23 MKR next maintains that the titles, Dawn of the Dead and Dead Rising, are confusingly
24 similar because both share the term "dead" and connote the same meaning of zombies awakening.
25 Dead Rising could only interfere with MKR's rights, however, if "the title has no artistic relevance to
26 the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly
27 misleads as to the source or content of the work." *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894,
28 902 (9th Cir. 2002) (quoting *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)). Under the first

1 part of *Mattel*, MKR acknowledges that *Dead Rising* refers to zombies contained within the game.
2 Opposition at 17. Under the second part, *Dead Rising* as a title must explicitly mislead as to the
3 source of the work, which it simply does not do. Moreover, the shared use of one word and the idea
4 of zombies awakening is not enough to sustain a charge of infringement because when a defendant
5 uses less than the whole of a plaintiff's mark, it must appear that the part taken identifies the owner's
6 product without the rest. *Caron Corp. v. Ollendorff*, 160 F.2d 444, 445 (2d Cir. 1947) (quoting
7 *Parfumerie Roger & Gallet v. M.C.M. Co., Inc.*, 24 F.2d 698, 699 (2d Cir. 1928)). MKR cannot
8 demonstrate that "dead," standing alone, identifies either the movie or the video game as a whole.
9 Indeed, that common word is contained in countless movies and game products.

10 Finally, MKR maintains that the zombie head design trademark on *Dead Rising*'s packaging
11 reflects Capcom's intent to traffic on the fame of *Dawn of the Dead*. Comparing the packaging of
12 *Dawn of the Dead* with *Dead Rising*, however, reveals no use of the zombie head design. The cover
13 of *Dawn of the Dead* contains half a zombie head looking over a horizon. The half of the head that
14 appears is white colored, cartoonish, bald, with a portion of the face covered in blood. By contrast,
15 the front and back of the *Dead Rising* box contains a picture of the character Frank attacking
16 numerous zombies. Of the many zombies displayed, there is one bald zombie on the bottom left
17 corner of the front cover, but the full head and torso of the zombie is portrayed without any blood,
18 and most of the head is shadowed. The zombie presented also appears to be much more lifelike than
19 the half of the zombie head on the cover of *Dawn of the Dead*. This comparison, therefore, reveals
20 that there simply is no basis for claiming that the zombie head design itself appears anywhere on the
21 packaging of *Dead Rising*. Accordingly, MKR's Lanham Act counterclaim must be dismissed with
22 prejudice.

23 D. State and Common Law Counterclaims

24 MKR's third and fourth counterclaims are for violation of Cal. Bus & Prof. Code § 17200
25 and for California common law trademark infringement, unfair competition, misappropriation, and
26 dilution respectively. Capcom contends that the Copyright Act and the Lanham Act preempt each of
27 MKR's state law counterclaims.

28 1. Preemption Under the Copyright Act

1 There is no dispute that all state law claims for relief falling within the scope of the federal
2 Copyright Act are subject to preemption. *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1137 (9th
3 Cir. 2006). A state law claim is preempted by the federal Copyright Act if: (1) the work involved
4 falls within the "subject matter" of the Copyright Act; and (2) the rights that a plaintiff asserts under
5 state law are "rights that are equivalent" to those protected by the Copyright Act. *Kodadek v. MTV*
6 *Networks, Inc.*, 152 F.3d 1209, 1212 (9th Cir. 1998) (citing 17 U.S.C. §§ 102, 103, 301(a)).

7 a. Copyrightable Subject Matter

8 The first issue to be determined is whether the subject matter of MKR's Section 17200 state
9 law counterclaim is within the subject matter of the Copyright Act. MKR does not allege a single
10 new fact in support of its counterclaim but instead merely incorporates by reference the same
11 conduct alleged in support of its two federal law counterclaims.

12 b. Equivalent Rights

13 MKR alleges that Capcom's activities constitute deceptive acts or practices in the conduct of
14 business, trade, or commerce. Like its copyright infringement counterclaim, the only allegation that
15 might give rise to a violation is that Capcom made a video game so similar to MKR's movie that its
16 actions constitutes copyright infringement. MKR's complaint appears to allege that, because of such
17 infringement, Capcom's reproduction of a similar work amounts to deceptive business practices. In
18 essence, MKR's allegations seek to remedy supposed violations of rights protected by the Copyright
19 Act. Thus, MKR's counterclaims are based on the same rights as those protected by the federal
20 copyright laws, and there is no element which changes the nature of the action such that it is
21 qualitatively different from a copyright infringement claim. *Summit Mach. Tool Mfg. Corp. v.*
22 *Victor CNC Sys., Inc.*, 7 F.3d 1434, 1439-40 (9th Cir. 1993). Because both prongs of the preemption
23 analysis are met, MKR's Section 17200 state law counterclaim is preempted. 17 U.S.C. § 301(a).

24 2. Preemption Under the Lanham Act

25 MKR's allegations of California common law trademark infringement and dilution are
26 similarly subject to preemption. The Congressional design behind the Lanham Act is to allow the
27 public to buy with confidence, and to prevent the trademark holder from being the victim of piracy.
28 *Golden Door, Inc. v. Odisho*, 646 F.2d 347, 352 (9th Cir. 1980). "If state law would permit

1 confusing or deceptive trademarks to operate, infringing on the guarantee of exclusive use to federal
2 trademark holders, then the state law would, under the Supremacy Clause, be invalid" *Id.*
3 (quoting *Mariniello v. Shell Oil Co.*, 511 F.2d 853, 858 (3d Cir. 1975)). It appears that the
4 trademark infringement and dilution counterclaims that MKR raises under California common law
5 are exactly the types of claims that federal trademark law is designed to preempt especially where,
6 as here, the rights holder does not allege a single new fact or element in support of those
7 counterclaims.¹⁰

8 V. CONCLUSION

9 Accordingly, Capcom's motion to dismiss is granted. MKR's counterclaims for copyright
10 infringement and trademark infringement, violation of Cal. Bus. & Prof. Code § 17200, and
11 violation of California common law trademark infringement, unfair competition, misappropriation,
12 and dilution are dismissed with prejudice.

13 IT IS SO ORDERED.

14
15 Dated: October 10, 2008

16 
17 RICHARD SEEBORG
18 United States Magistrate Judge

19
20
21
22 ¹⁰ MKR's remaining state law counterclaims for unfair competition and
23 misappropriation also must be dismissed. While MKR does not differentiate under what legal
24 theory it is pursuing the two remaining counterclaims (under copyright or trademark law), what is
25 clear is that there are no new facts pled under either legal theory as MKR merely incorporates all
26 previous facts. The end result, therefore, remains the same. Both state law counterclaims are
27 preempted by the Copyright Act for falling within its subject matter and for failing to include any
28 new elements not already subsumed under the federal copyright counterclaim. Similarly, the two
remaining counterclaims allege no new facts that are not already covered by MKR's federal
trademark counterclaim. *See Summit*, 7 F.3d at 1439, 1441 (stating that federal patent law limits the
states' ability to regulate unfair competition, and holding that California misappropriation claim was
preempted by federal law).

1 **THIS IS TO CERTIFY THAT NOTICE OF THIS ORDER HAS BEEN GIVEN TO:**

2 Jennifer Lloyd Kelly jkelly@fenwick.com, ecf@fenwick.com, gdunlap@fenwick.com

3 Jonathan David Reichman jreichman@kenyon.com

4 Mark Delun Yuan myuan@kenyon.com, ascott@kenyon.com, cwagner@kenyon.com

5 Mary Elizabeth Milionis MMilionis@Fenwick.com, dgarrett@fenwick.com

6 Mimi K Rupp mrupp@kenyon.com

7 Philip Joseph McCabe pmccabe@kenyon.com, ascott@kenyon.com, cwagner@kenyon.com

8 Rodger R. Cole rcole@fenwick.com, vpieretti@fenwick.com

9

10 Counsel are responsible for distributing copies of this document to co-counsel who have not
11 registered for e-filing under the Court's CM/ECF program.

12 **Dated: 10/10/08**

Richard W. Wieking, Clerk

13

By: _____ Chambers _____

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28