

1 Nick Heimlich (SBN 233232)
Law Offices of Nicholas D. Heimlich
2 900 Lafayette Street, Suite 509
Santa Clara, CA 95050
3 Tel: (408) 457-9364
Fax: (408) 257-9904
4 Eml: nick@nickheimlichlaw.com

5 Attorneys for Plaintiff
NO SLIPPY HAIR CLIPPY, INC.

6 UNITED STATES DISTRICT COURT

7 EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

8
9 NO SLIPPY HAIR CLIPPY, INC.,

10 Plaintiff,

11 vs.

12 ALMAR SALES CO., INC.,

13 AND DOES 1-100, INCLUSIVE;

14 Defendants.

Case No. 2:10-CV-01478-JAM-JFM
Judge: John A. Mendez

**PLAINTIFF'S OPPOSITION TO
DEFENDANT'S MOTION TO DISMISS
OR TRANSFER VENUE**

DATE: November 17, 2010

Time: 9:30 a.m.

Courtroom: Courtroom 6, 14th Floor

Judge: The Hon. John A. Mendez

15 **PLAINTIFF'S OPPOSITION TO DEFENDANT'S MOTION TO DISMISS OR**
16 **TRANSFER VENUE**

17 **SUMMARY:**

18 Plaintiff has properly pled that venue is based upon 28 U.S.C. 1391(b) and (c). First
19 Amended Complaint ¶ 12. First, Defendant does not contest that venue is proper under 28
20 U.S.C. 1391(c), so Defendant's motion based on improper venue should be denied. Second, as
21 to 28 U.S.C. 1391(b) venue is proper in the Eastern District because Defendant's passing off
22 (sales to customers) occurred here in the Eastern District of California as shown by Plaintiff
23 seeing the product 3 months before the suit and purchasing the product down the street from
24 Plaintiff. Ramey Salyer Decl. ¶ 3- 5, Ex. A, B, Nick Heimlich Declaration ¶ 5, Ex. H. All the

1 key events to this suit occurred within 30 miles of this Courthouse. Id. Plaintiff is located within
2 30 miles. Defendant's product was sold within 30 miles of this courthouse and within 1 mile
3 from Plaintiff. Everything happened in this forum and the case should stay here. Defendant
4 cites the wrong standard for venue in trademark cases, as the proper venue is where the passing
5 off occurred (sales to consumers), not where the shipments originated. Allstar Marketing Group
6 v. Your Store Online, LLC, 666 F.Supp.2d 1109, 1128 (C.D. Cal., 2009). Third, as to a transfer
7 based on convenience, Plaintiff's choice of forum is entitled to substantial deference because
8 Plaintiff is located in the forum and the passing off (sales of infringing product) occurred here.
9 Piper Aircraft Company v. Reyno Hartzell Propeller, Inc v. Reyno, 454 U.S. 235, 255 (1981).
10 Defendant cannot demonstrate that the factors clearly favor a transfer because the factors are
11 neutral or in favor of keeping the lawsuit in the Eastern District of California because Plaintiff is
12 located here and key non-party witnesses regarding sales of Defendant's infringing product are
13 located at BigLots! and Food Fair in Vacaville, California in the District.
14 Ramey Salyer Decl. ¶ 3- 5, Ex. A, B, Nick Heimlich Declaration ¶ 5, Ex. H. Venue is proper in
15 the Eastern District based on the passing off occurring here, Plaintiff's location and Defendant's
16 purposeful availment of California's customers and Defendant's motion should be denied.

17 **I. Factual Background**

18 Plaintiff owns U.S. Trademark Reg. No. 3,218,564, issued March 13, 2007 on the
19 Principal Register, for "Princess Bow" for hair accessories, namely Barrettes, Class 26.
20 (First Amended Complaint "FAC" ¶ 15, Ex. C, Ramey Salyer "Salyer" Decl. ¶ 16).
21 Plaintiff has used its mark since December 10, 2003. FAC ¶ 16, Salyer Decl. ¶ 16.
22 Defendant sells products under confusingly similar names, namely, "Princess" and
23 "Princess Expressions" "Princess Academy". FAC ¶ 18. Defendant does not show that
24

1 Defendant sold even a single clip under the “Princess Bow” mark. Further, Defendant’s
2 allegations that Plaintiff didn’t use its Princess Bow mark until 2004 or that it abandoned the
3 mark are totally without merit. Plaintiff shows use of the mark with invoices for each and every
4 year from 2003 through 2010. Salyer Decl. ¶ 16, Ex. D.

5
6 Plaintiff has alleged venue under 28 U.S.C. 1391(b), (c). FAC ¶ 12. Plaintiff pleads
7 under 28 U.S.C. 1391(b)(2) that the Eastern District of California is where a substantial part of
8 the events giving rise to the claim occurred. The facts involving these theories are that
9 Defendant sells products which are confusingly similar in Plaintiff’s forum. FAC ¶ 9-11, Salyer
10 Decl. ¶ 3- 5, Ex. A, B. Plaintiff visited two local stores near Plaintiff’s headquarters in
11 Vacaville, California (in the Eastern District of California) which carried and sold Defendant’s
12 products. Plaintiff’s declaration of Ramey Salyer shows that there is even a large Almar made
13 display at a store in Vacaville, California focused on Defendant’s Princess Expressions
14 trademark. Salyer Decl. ¶ 3-5, Ex. A, B, Heimlich ¶ 5, Ex. H. Defendant has a website directed
15 toward California consumers with California provisions in its “Privacy Policy” and “Terms of
16 Use”, which is soliciting business in California. Nick Heimlich Decl. ¶ 2, 3, Ex.s E, F.
17 Defendant also has a sales representative for its “Princess Academy” products located in
18 California, which is clearly directing sales efforts at California. Nick Heimlich Decl. ¶ 4, Ex. G.
19 Finally, Defendant’s products are even being recalled for lead in California. Nick Heimlich
20 Decl. ¶ 8, Ex. K. Defendants claim that it has de minimus sales in California is simply not true
21 based upon the information on its own website, products sold in California stores, and a sales
22 representative located in California who represents exclusively California. Almar’s counsel
23 admits that they sell to BigLots! in a letter (Heimlich Decl. ¶ 6, Ex. I), but yet Almar states that
24 they have no sales to BigLots! in California (Heimlich Decl. ¶ 7, Ex. J). Defendant’s discovery
responses to date that they have Zero sales in California to BigLots! and Food Fair are not to be

1 believed because of the concrete evidence from Plaintiff showing the product in store and
2 purchasing the product from the stores in California.

3
4 Plaintiff pleads that Defendant is subject to personal jurisdiction because of
5 purposeful availment and direction to the forum and the claim is related to defendant's
6 forum related activities. Here, Defendant has sold product and directed its actions and
7 sales in California at BigLots! and Food Fair in Vacaville, California among others.

8 **II. Procedural History**

9 Plaintiff filed suit on June 15, 2010 for trademark infringement of its Princess
10 Bow trademark, false designation of origin, unfair competition and cancellation of
11 Defendant's Princess Expressions and Princess Academy marks. Defendant then filed a
12 motion to dismiss or transfer venue on or about August 6, 2010. Plaintiff amended its
13 Complaint on August 27, 2010. Defendant filed this motion to dismiss or transfer venue
14 on September 20, 2010 amended on September 22, 2010.

15 **III. Legal Arguments**

16 **A. Venue is Proper in the Eastern District of California because the passing off** 17 **and Defendant's solicitation occurred here and Plaintiff is located here.**

18 1. Venue is proper under 28 U.S.C. 1391 (c) which Defendant does not dispute.

19 Plaintiff, by his first amended complaint alleged venue was based on 28 U.S.C. 1391 (c).
20 FAC ¶ 12. Venue is proper under 28 U.S.C. 1391 (c) because Defendant is subject to personal
21 jurisdiction in this district. Defendants do not dispute this by their motion and therefore this is
22 waived and the Court may proceed to the transfer issue based on the interests of justice or
23 convenience. Personal jurisdiction is established by showing purposeful direction by Defendant,
24 a connection between Defendant's actions and the suit, and that the exercise of jurisdiction is

1 reasonable. Hope v. Otis Elevator Co., 389 F.Supp.2d 1235, 1239 (E.D. Cal., 2005). In Hope
2 (EDCA), the Court also found that solicitation or seeking business in the state of California is
3 adequate for personal jurisdiction. Id. at 1240. Here, you have a Defendant who sells their
4 product in this District (with actual purchases made see Exhibits A, and B), solicits business in
5 California from its website and even has a sales representative whose territory is California
6 exclusively. As to the reasonableness of exercising jurisdiction, Defendant bears the burden on
7 this issue. Id. This Court found that requiring a Hawaii Defendant (who solicited business in
8 California) to litigate in California was not unreasonable, and Plaintiff notes that New York is
9 roughly the same distance away as Hawaii. Id. Therefore, Plaintiff requests that the Court find
10 that venue in this District is proper and that the Court deny Defendant's motion.

11
12 2. Venue is proper under 28 U.S.C. 1391 (b) because of Defendant's sales of
13 infringing product (passing off) in the Eastern District, a California sales
representative, and solicitation directed at California consumers.

14 Venue is proper in trademark cases where the passing off (or sales to consumers) occurs,
15 not where the product is shipped from as Defendant contends. (“The place where the alleged
16 passing off occurred ... provides an obvious correct venue”), and Vanity Fair Mills v. T. Eaton
17 Co., 234 F.2d 633, 639 (2d Cir.1956) (“[I]n cases involving trademark infringement and unfair
18 competition, the wrong takes place not where the deceptive labels are affixed to the goods or
19 where the goods are wrapped in the misleading packages, but where the passing off occurs, i.e.,
20 where the deceived customer buys the defendant's product in the belief that he is buying the
21 plaintiff's”)); see Sutter Home Winery, Inc. v. Madrona Vineyards, L.P., No. C 05-0587 MHP,
22 2005 WL 701599, *4 (N.D.Cal. Mar. 23, 2005).” Allstar Marketing Group v. Your Store
23 Online, LLC, 666 F.Supp.2d 1109, 1128 (C.D. Cal., 2009) (underline added). Here, we have
24 sales in the Eastern District of California as demonstrated by Plaintiff's declaration and the

1 photos of the receipts of product purchases. Therefore, Plaintiff requests that the Court find that
2 venue in this District is proper and that the Court deny Defendant's motion.

3 Defendant's other cited cases are distinguishable, and Plaintiff will address those in turn.
4 Defendant cites Spiegelberg v. Collegiate Licensing Co., 402 F.Supp.2d 786, 792 (S.D. Tex
5 2005) for the proposition that it is the alleged infringer's principal place of business that is often
6 the controlling consideration in transfer of venue motions. However, that case is distinguishable
7 because the only person related to that case that was in the court's district was Plaintiff's
8 counsel. Id. at 790. There were no parties or witnesses in the district and the retail business
9 selling the product was not in the district either. Id. at 791. By contrast, Plaintiff is located in
10 this district (Plaintiff's counsel is not), and the retail sales of Defendant's product is in the
11 Eastern District of California at BigLots! and Food Fair in Vacaville, California. Thus, this cited
12 case does not support Defendant's motion.

13 Defendant cites Cartier v. D & D Jewelry Imports, 510 F.Supp.2d 344, 346 (S.D.N.Y.
14 2007) for the proposition that where there is an Internet based business, and the website was
15 operated from California and the product shipped only from California, then California is where
16 the alleged infringing activities occurred. However, what Defendant left out from that case is
17 that the store owner's only retail store was in California and that the only reason that the case
18 was brought into New York was because the Plaintiff specifically ordered and requested
19 shipment of product from California to New York. Id. at 345. Here, Plaintiff did not specifically
20 order that product be shipped into California, the product was already in California stores based
21 on Defendant's actions at retail stores in California including BigLots! and Food Fair in
22 Vacaville, California. This cited case does not help Defendant because of the differences
23 between that case and the case at bar.
24

1 Defendant uses Transamerica Corp. v Transfer Planning, Inc. (S.D.N.Y. 1976) 419 F.
2 Supp. 1261, for the proposition that venue in trademark infringement cases is not proper in any
3 venue when the product is shipped to almost every district in the nation. Again, this case is
4 distinguishable because that case had only a solicitation into a state, and not a single penny in
5 sales resulting, nor had any employee ever entered the state, nor was there any representative for
6 that state. Id. at 1263. Here, Defendant's has a sales representative located in California and
7 assigned exclusively to California for its Princess Academy mark. Defendant has sales of actual
8 product in the state, and in the Eastern District of California including BigLots! and Food Fair in
9 Vacaville, California. Defendant's own declaration of Mr. Ash doesn't say they have never
10 entered California, but rather says "no employees consistently travel within the state of
11 California," which clearly means that they do visit California but not "consistently" (whatever
12 that means). Harry Ash Decl. at ¶ 6. Defendant's evidence isn't believable.

13 The case of *Woodke v. Dahm*, 70 F.3d 983, 985; 1995 U.S. App. LEXIS 33108; 37
14 U.S.P.Q.2D (BNA) 1062 (8th Cir. 1995) is distinguishable because in that case Plaintiff tried to
15 establish venue based on his residence when the passing off occurred, not where the passing off
16 occurred. In this case, Plaintiff bases its venue based on Defendant's sales and passing off in the
17 Eastern District of California, not Plaintiff's location when the passing off occurred as in
18 Woodke. Defendant's passing off occurred in the Eastern District of California including
19 BigLots! and Food Fair in Vacaville, California which makes venue appropriate in this district.

20 //

21 //

22 //

23 //

24 //

1 **B. The Court should deny a discretionary transfer because all factors to**
2 **evaluate a transfer favor the Eastern District of California or are neutral.**

- 3 1. There is a strong presumption in favor of Plaintiff's choice of forum when the
4 Plaintiff resides in the chosen forum and Defendant seeks to transfer under 28
5 USC § 1404(a).

6 The United States Supreme Court stated that there is a strong presumption in
7 favor of Plaintiff's choice of forum when the Plaintiff resides in the forum. Piper Aircraft
8 Company v. Reyno Hartzell Propeller, Inc v. Reyno, 454 U.S. 235, 255 (1981), Langford
9 v. Ameritanz, Inc. 2006 WL 1328223 *8 (E.D.Cal.). The Southern District of New York
10 also stated, "The burden is on the moving party, here defendants, to make a "clear and
11 convincing showing" that transfer is proper." Cartier v. D & D Jewelry Imports, 510
12 F.Supp.2d 344, 345 (S.D.N.Y., 2007). The Eastern District of California has further
13 stated that the Plaintiff's choice of forum should rarely be disturbed and that the moving
14 party (here, Defendant) bears a heavy burden of showing the inconveniences to it. E. &
15 J. Gallo Winery v. F. & P. S.P.A., 899 F.Supp. 465, 466 (E.D. Cal., 1994). Given the
16 burden, Defendant must make a convincing case for venue and because Defendant cannot
17 meet that burden Defendant's motion to transfer should be denied.

- 18 2. The interests of justice and convenience regarding a transfer under 28 USC §
19 1404(a) favor Plaintiff and keeping the case in the Eastern District of California
20 because of non-party witnesses located in the forum.

21 Plaintiff will now address the factors for a discretionary transfer under Jones v.
22 GNC Franchising, Inc., 211 F.3d 495, 498 (9th Cir. 2000).

23 Factors to evaluate discretionary transfer:

24 Factors 1) And 5) The factor regarding the location of relevant agreements/contracts is not
applicable here.

This factor is not applicable because there are no agreements between the parties.

1 Factor 2) The factor regarding the state that is most familiar with governing law is not applicable
2 here.

3 The relevant law is trademark law (unfair competition, as Defendant notes is a
4 similar legal standard) which is federal law and the Eastern District of California and the
5 Southern District of New York are equally able to apply such law. This factor is neutral
6 as to transfer.

7
8
9 Factor 3) The factor regarding Plaintiff's choice of forum is relevant and weighs strongly in
10 Plaintiff's favor.

11 In this case, Plaintiff is located in the Eastern District of California and as such there is a
12 strong presumption in favor of Plaintiff's forum. Further, Defendant has a sales representative
13 located in California and assigned exclusively to California, has sales in California in the Eastern
14 District as shown based on Plaintiff's purchase of Defendant's product down the street from
15 Plaintiff and solicits California customers from its websites. This factor therefore weighs
16 strongly in Plaintiff's favor.

17 Factor 4) The factor regarding the respective parties' contacts with the forum favors the Eastern
18 District of California as the forum for this dispute.

19 In this case, clearly Plaintiff is based in the Eastern District, which makes that forum
20 appropriate for Plaintiff. As to Defendant, Plaintiff has produced evidence that Defendant has a
21 sales representative located in California and assigned exclusively to California, Almar has sales
22 in California in the Eastern District based on Plaintiff's purchase of Almar's product down the
23 street from Plaintiff and Almar also solicits California customers from its website. Defendant
24 states that it conducts NO business in California and sold NO product to Food Fair in Vacaville,

1 CA and BigLots!. Defendant has produced no evidence of where its sales are in terms of
2 quantity or location despite Plaintiff's attempts at focused interrogatories to address this issue.
3 Based on the evidence, Defendant's statements claiming NO sales in California are simply not
4 believable because the statements are contradicted by actual photographic and receipt evidence
5 produced by Plaintiff. Defendant's statements simply denying any business should be given
6 little or no weight as they are contradicted by concrete evidence.

7
8 Factor 6) The factor regarding the differences in costs of litigation is neutral.

9 As between the Eastern District of California and the Southern District of New York, at
10 least one of the parties will have to conduct litigation at a distance and as such the costs of
11 litigation in two federal courts are likely to be similar or neutral in this case.

12 Factors 7) and 8) the factors regarding the compulsory process for non-party witnesses and ease
13 to access to sources of proof weigh heavily in Plaintiff's favor.

14 Plaintiff in its declarations has identified the locations where infringement has occurred
15 and those non-party witnesses are located in the Eastern District of California because they work
16 at BigLots! and Food Fair in Vacaville, California. Salyer Decl. ¶ 3-5, Ex. A, B, Heimlich ¶ 5,
17 Ex. H. As stated in Jones (at 499), it is the non-parties that the Court is concerned with when it
18 comes to witnesses. Here, Plaintiff has identified a group of witnesses that are needed for this
19 action, however, Defendant has only identified itself and its employees, whom are not given
20 much weight in this factor. This factor weighs against transfer.

21 **1) Defendant's cited cases regarding a convenience transfer are factually**
22 **distinguishable.**

23 As to both Adachi v. Carlyle/Galaxy San Pedro, L.P., 595 F. Supp. 2d 1147 (S.D. Cal.
24 2009), and In re TS Tech USA Corp., 551 F.3d 1315, 1321 (Fed. Cir. 2009) these cases are both

1 distinguishable because the Courts found that none of the parties, nor the activities related to the
2 suit occurred in the forum. Here, we have Plaintiff located in the forum, non-party witnesses at
3 BigLots! and Food Fair in the forum and Defendant has a sales representative located in
4 California and assigned exclusively to California. Therefore, Defendant's assertions regarding
5 these cases should be disregarded as Plaintiff's case has a strong connection to this forum.

6
7 As to Boreal Laser Inc. v. Coherent Inc., 1992 U.S. Dist. LEXIS 276, 22 U.S.P.Q.2D
8 (BNA) 1559, 1560 (S.D.N.Y. 1992), Defendant cites this case for the proposition that Plaintiff
9 must prove that the Eastern District of California is a better venue than the Southern District of
10 New York. First, Defendant is wrong because the burden is on the Defendant, not Plaintiff as
11 stated above. Second, as to the factors for transfer, they are in Plaintiff's favor because Plaintiff
12 is located in the forum and because Plaintiff has identified non-party witnesses located in the
13 forum at BigLots! and Food Fair in Vacaville, California. Plaintiff requests that the Court deny
14 the motion because Defendant cannot show that Plaintiff's choice of forum is clearly and
15 convincingly unfair to Defendant.

16 **Plaintiff's request for Specific Findings, leave to amend or additional discovery**

17 If the Court is inclined to grant the motion, Plaintiff requests the Court make specific
18 factual and legal findings as to venue. Plaintiff also requests an opportunity to remedy those
19 issues, if any, by additional amendments to its pleadings and/or discovery on those issues to
20 more fully present factual evidence.

21 //

22 //

23 //

24 //

//

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

Oral Argument:

If the Court is inclined to grant an oral argument to the Defendant, then Plaintiff also requests an opportunity to be heard and expects that Plaintiff should be able to present its oral argument in no more than 20-30 minutes.

Conclusion:

For all of the above reasons, Plaintiff requests that Defendant's motion to dismiss or transfer venue be denied.

Dated: 11/03/2010

Respectfully submitted,

Nick Heimlich
Attorney for Plaintiff
No Slippy Hair Clippy, Inc.