IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

LOVETAP, LLC, Plaintiff, v. CVS HEALTH CORPORATION, CVS PHARMACY, INC., and MINUTECLINIC, LLC, Defendants.	)	**CIVIL ACTION** **FILE NO. 1:16-cv-3530-TWT**

DEFENDANTS' MEMORANDUM OF LAW
IN SUPPORT OF THEIR MOTION TO DISMISS
PLAINTIFF'S STATE LAW DILUTION CLAIM

Pursuant to Federal Rule of Civil Procedure 12(b)(6), Defendants CVS Health Corporation, CVS Pharmacy, Inc. and MinuteClinic, LLC (collectively, "CVS") hereby respectfully move this Court to dismiss Lovetap, LLC's ("Plaintiff" or "Lovetap") claim for dilution pursuant to O.C.G.A. § 10-1-451(b) for failure to state a claim upon which relief can be granted, because the claim is expressly barred by Section 43(c)(6) of the Lanham Act, 15 U.S.C. § 1125(c)(6).

FACTUAL AND PROCEDURAL BACKGROUND

In 2014, CVS initiated a rebrand of its corporate identity to emphasize CVS's focus on the health and wellness of its customers (*Id.* at ¶ 21).[1] The result of that rebrand was the adoption of a heart-shaped design as the companies' logo (the "CVS Logo") (*Id.* at ¶ 23). An image of the primary version of the logo, as used by CVS Pharmacy, is set forth below (*See id.* at ¶ 28):

Since September 2014, CVS has applied for federal registration of twenty-six (26) marks that consist in full or in part of the CVS Logo (*Id.* at ¶ 29). To date, eleven (11) of those marks have matured to registration. True and correct copies of the registration certificates for these marks are attached hereto as Exhibit A.[2]

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[1] For purposes of this Motion only, CVS accepts the Complaint's factual allegations as true. *See Kawa Orthodontics, LLP v. U.S. Dept. of the Treasury*, 773 F.3d 243, 245 (11th Cir. 2014) (quoting *Warth v. Seldin*, 422 U.S. 490, 501 (1975)). CVS, however, neither affirms nor denies any of the Complaint's factual or legal allegations through the filing of this Motion.

[2] In analyzing the sufficiency of a complaint, the Court may consider "well-pleaded factual allegations, documents central to or referenced in the complaint, and matters judicially noticed." *LaGrasta v. First Union Sec., Inc.*, 358 F.3d 840, 845 (11th Cir. 2004). Although Lovetap includes a reference in its Complaint to CVS owning

Lovetap is a Georgia company that offers a mobile application named "Life" through the Apple App Store (*Id.* at ¶¶ 6, 10, 13). Lovetap utilizes the following design in connection with its Life app (the "Lovetap Logo"):

(*Id.* at ¶ 15).

On September 20, 2016, Lovetap filed the instant action against CVS alleging, *inter alia*, that CVS's use of the CVS Logo dilutes the Lovetap Logo pursuant to Georgia's dilution statute, O.C.G.A. § 10-1-451(b) (*Id.* at ¶¶ 65-769).

ARGUMENT

I. Standard for Dismissal Under Fed. R. Civ. P. 12(b)(6).

A district court may grant a motion to dismiss for failure to state a claim under Rule 12(b)(6) if it is clear that the complaint does not contain allegations that support

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federal registration(s) for its CVS Logo (Dkt. 1 at p. 31), Lovetap does not specifically identify the registrations. CVS therefore requests that the Court take judicial notice of the registrations attached as Exhibit A. *See* Fed. R. Evid. 201; *see also Sream, Inc. v. PB Grocery, Inc.*, No. 16-CV-81584, 2017 U.S. Dist. LEXIS 29711, at *7-8 (S.D. Fla. Feb. 28, 2017) (taking judicial notice of defendant's trademark registrations on a motion to dismiss) (citing *Bryant v. Avado Brands, Inc.*, 187 F.3d 1271, 1277-78 (11th Cir. 1999)).

recovery. *See Williams v. Fulton Cnty. Sch. Dist.*, 181, F. Supp. 3d 1089, 1110 (N.D. Ga. 2016) (Totenberg, J.). In evaluating a motion to dismiss pursuant to Rule 12(b)(6), a court "must accept a plaintiff's well-pled facts as true and make reasonable inferences in his favor." *Thomas v. Lawrence*, 421 F. App'x 926, 927 (11th Cir. 2011). Yet this Court need not accept inferences unsupported by factual allegations in the complaint or legal conclusions set forth by the plaintiff. *Sinaltrainal v. Coca-Cola Co.*, 578 F.3d 1252, 1260 (11th Cir. 2009) (citing *Aschcroft v. Iqbal*, 556 U.S. 662 (2009)). Dismissal is appropriate when "it is clear that no relief could be granted under any set of facts that could be proved consistent with the allegations." *Hishon v. King & Spalding*, 467 U.S. 69, 73 (1984).

II. Plaintiff's State Law Dilution Claim Is Barred Under the Lanham Act, 15 U.S.C. § 1125(c)(6).

The federal Trademark Dilution Revision Act ("TDRA") bars state law dilution claims brought against marks that are registered on the principal register of the U.S. Patent and Trademark Office:

> The ownership by a person of a valid registration . . . on the principal register under this chapter shall be a complete bar to an action against that person, with respect to that mark that (A) is brought by another person under the common law or a statute of a state; and (B)(i) seeks to prevent dilution by blurring or dilution by tarnishment; or (ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement."

15 U.S.C. § 1125(c)(6).

In this case, Lovetap alleges that CVS's use of its federally registered CVS Logo causes a likelihood of injury to Lovetap's business reputation and the distinctiveness of its Lovetap Logo in violation of Georgia's trademark dilution statute, O.C.G.A. § 10-1-451(b) (Dkt. 1 at ¶¶ 23-24, 27, 65-69). Because CVS owns eleven (11) federal trademark registrations on the principal register that include the CVS Logo (*see* Exhibit A), Lovetap's state law dilution claim is barred by the TDRA. 15 U.S.C. § 1125(c)(6); *see also Healthier Choice Flooring, LLC v. CCA Global Partners, Inc.,* No. 1:11-CV-2504-CAP, 2014 WL 12529091, at *16-17 (N.D. Ga. Mar. 31, 2014) (Pannell, J.); *Westchester Media Co. L.P. v. PRL USA Holdings, Inc.*, 103 F. Supp. 2d 935, 977 (S.D. Tex. 1999); *N.J. Physicians United Reciprocal Exch, v. Privilege Underwriters, Inc.*, No. 15-6911, 2016 WL 6126914, at *5 (D.N.J. Oct. 18, 2016).

CVS acknowledges that the Ninth Circuit held in a footnote in *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 637 n.4 (9th Cir. 2008), that the plaintiff's federal registration for its mark did not bar the defendant's state law dilution counterclaim because the defendant had filed a counterclaim to cancel the plaintiff's registration. Lovetap has prayed for cancellation of CVS's federal registrations in its prayer for relief; CVS therefore anticipates Lovetap will cite *Jada Toys* as authority that 15 U.S.C. § 1125(c)(6) does not bar its Georgia dilution claim.

CVS submits that the Ninth Circuit's holding in *Jada Toys* was erroneous and should not be followed by this court. Section 1125(c)(6) is intended to be a "complete bar" to actions under state dilution law brought against federal registrants. *See* H.R. Rep. No. 104-374, at 7 (1995). Congress intended that this bar would: (i) "provide[] a further incentive for the federal registration of marks" and (ii) "recognize[] that to permit a state to regulate use of federally registered marks is inconsistent with the intent of the Lanham Act." *Id*; *see also* H.R. Rep. No. 112-647 (2012) (commenting that the 2012 revision to § 1125(c)(6) effectuated the original intent of the Section in barring state law dilution claims); *Trademark Dilution Revision Act: Hearings on 2005 H.R. 683 Before the Subcomm. on the Courts, the Internet and Intellectual Property*, 109th Cong., 2005 WL 408425 (statement of Anne Gundelfinger, Pres., Int'l Trademark Ass'n) ("A valid federal registration should, however, be a complete bar to a state dilution claim. This is the current law under the FTDA and it would remain unchanged by H.R. 683. We agree.").

The Ninth Circuit's holding in *Jada Toys* eviscerates the protections afforded by the statute to federal registrants and defeats the Congressional purpose of the statute. Under *Jada Toys*, plaintiffs could circumvent the protections of the statute in every instance merely by pleading for cancellation of the defendant's registration, no matter how meritorious the basis for cancellation.

Significantly, plaintiffs would not be left without a remedy if the statute is applied as it was intended because plaintiffs can prevent the registration of marks they consider to be problematic by opposing the marks when they are published for opposition by the Trademark Office. *See* 15 U.S.C. § 1063. In this case, Lovetap elected not to oppose any of CVS's applications for the CVS Logo. Lovetap should not now be allowed to circumvent the statutory protections CVS has secured through its registrations merely by pleading for cancellation of the registrations. CVS submits that its registrations therefore properly bar Lovetap's state dilution claim.

III. Conclusion

For the reasons set forth above, Lovetap's claim under O.C.G.A. § 10-1-451(b) should be dismissed with prejudice.

Respectfully submitted this 18th day of April, 2017.

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