

NOT FOR PUBLICATION

FILED

UNITED STATES COURT OF APPEALS

JUL 24 2024

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

GLOBAL APOGEE, a Wyoming
Corporation,

Plaintiff-Appellant,

No. 23-55410

D.C. No.
2:18-cv-05162-PSG-E

v.

MEMORANDUM*

SUGARFINA, INC., a Delaware
Corporation,

Defendant,

and

JOSHUA REZNICK, an individual; et al.,

Defendants-Appellees.

GLOBAL APOGEE, a Wyoming
Corporation,

Plaintiff-Counter-
Defendant-Appellee,

No. 23-55447
23-55593

D.C. No.
2:18-cv-05162-PSG-E

v.

JOSHUA REZNICK, an individual; ROSIE
O'NEILL, an individual,

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

Defendants-Counter-
Claimants-Appellants.

Appeal from the United States District Court
for the Central District of California
Philip S. Gutierrez, District Judge, Presiding

Argued and Submitted July 9, 2024
Pasadena, California

Before: GRABER, N.R. SMITH, and NGUYEN, Circuit Judges.

Plaintiff Global Apogee owns the federally registered trademark “CANDY-GRAM.” Plaintiff alleges that Defendants Joshua Resnick¹ and Rosie O’Neill infringed on that registered trademark and on Plaintiff’s common law trademarks by misappropriating the marks to advertise and sell candy. The district court entered summary judgment in Defendants’ favor. Plaintiff appeals, and Defendants cross-appeal.

1. The district court erred in holding that the operative complaint failed to give Defendants proper notice that Plaintiff’s allegations included Defendants’ use of the mark “CANDY-GRAM” and its use of “CANDY[ENVELOPE]GRAM.” See Pickern v. Pier 1 Imps. (U.S.), Inc., 457 F.3d 963, 968 (9th Cir. 2006) (stating that we review de novo a district court’s determination whether a complaint

¹ Resnick’s surname appears as “Reznick” in the district court docket, the operative complaint, and in this court’s case caption and docket, but it is spelled “Resnick” in Defendants’ briefing to this court.

complies with notice pleading requirements). Because the complaint gave Defendants fair notice of Plaintiff's claims, the district court erred by analyzing genericness based only on the term "Candygram" rather than considering the federally registered trademark. This error led the district court to misallocate to Plaintiff, rather than to Defendants, the burden of proof for genericness. See Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove, Inc., 419 F.3d 925, 927 (9th Cir. 2005) (stating that, when a plaintiff pursues a trademark action involving a properly registered mark, the defendant bears the burden of proving that the mark was or has become generic). That error, in turn, tainted the court's conclusion as to likelihood of confusion.

2. The district court also erred by granting summary judgment to Defendants on Plaintiff's state law claims. See id. (stating that we review de novo a district court's grant of summary judgment in a trademark infringement claim). The court reasoned that those claims are substantially congruent with the federal claim which, as we held above, was analyzed incorrectly.

3. With respect to the cross-appeal, Defendants' counterclaim for cancellation of Plaintiff's federally registered "CANDY-GRAM" mark is revived. But Defendants' counterclaim for a declaratory judgment is not revived, because it is merely duplicative.

4. The district court did not abuse its discretion in denying Defendants' motion for attorney fees under 15 U.S.C. § 1117(a) and 28 U.S.C. § 1927. See Jason Scott Collection, Inc. v. Trendily Furniture, LLC, 68 F.4th 1203, 1212 (9th Cir. 2023) (stating standard of review), cert. denied, 144 S. Ct. 550 (2024).

5. The district court did not abuse its discretion in refusing to disqualify Plaintiff's counsel. See Radcliffe v. Hernandez, 818 F.3d 537, 541 (9th Cir. 2016) (stating standard of review).

AFFIRMED IN PART as to the district court's denials of Defendants' counterclaim for declaratory judgment and motions for attorneys' fees and disqualification of Plaintiff's counsel. REVERSED IN PART as to the district court's grant of summary judgment to Defendants and denial of Defendants' counterclaim for cancellation of Plaintiff's federally registered mark. REMANDED FOR FURTHER PROCEEDINGS.

The parties shall bear their own costs on appeal.