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UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

METAMORFOZA D.O.O., DBA Museum
of Illusions,

Plaintiff-Appellant,

v.

BIG FUNNY, LLC, DBA Museum of 3D
Illusions, DBA Museum of Illusions; et al.,

Defendants-Appellees.

No. 21-55929

D.C. No.

2:21-cv-02020-JFW-RAO

MEMORANDUM*

METAMORFOZA D.O.O., DBA Museum
of Illusions,

Plaintiff-Appellee,

v.

BIG FUNNY, LLC, DBA Museum of 3D
Illusions, DBA Museum of Illusions; et al.,

Defendants-Appellants,

and

ALEXANDER DONSKOY; DOES, XYZ

Nos. 21-56067

21-56067

D.C. No.

2:21-cv-02020-JFW-RAO

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

Corporations, 1-10 fictitious entities,
Defendants.

Appeal from the United States District Court
for the Central District of California
John F. Walter, District Judge, Presiding

Argued and Submitted October 17, 2022
Pasadena, California

Before: KLEINFELD, CHRISTEN, and BUMATAY, Circuit Judges.

Metamorfoza D.O.O. appeals the district court’s order dismissing its claims against Big Funny, LLC, Big Funny FL, LLC, Big Funny Corporation (collectively “Big Funny”) for trademark infringement under the Lanham Act and unfair competition under the Lanham Act, the California Business and Professions Code, and California common law for failure to state a claim. Big Funny cross-appeals the district court’s order denying their motion for attorneys’ fees under 15 U.S.C. § 1117(a).

We have jurisdiction pursuant to 28 U.S.C. § 1291. We review the district court’s dismissal de novo, *Wilson v. Lynch*, 835 F.3d 1083, 1090 (9th Cir. 2016), and its denial of attorneys’ fees for abuse of discretion, *Nutrition Distribution LLC*

v. IronMag Labs, LLC, 978 F.3d 1068, 1081 (9th Cir. 2020). We affirm both of the district court's orders.

The district court correctly dismissed Metamorfoza's trademark-infringement claim because it failed to "state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). Reviewing Metamorfoza's Second Amended Complaint (the operative complaint) de novo, we do not see any plausible allegation that there is any similarity between the two marks other than the disclaimed text, and Metamorfoza lacks a protectible interest in the disclaimed text except as part of its composite mark. *See Off. Airline Guides, Inc. v. Goss*, 856 F.2d 85, 87 (9th Cir. 1988).

Most significantly, Metamorfoza has not alleged any actionable similarity between its registered trademark and Big Funny's trademarks that it alleges as infringing. Were we to reach the question of likelihood of confusion, we would compare Big Funny's allegedly infringing marks against Metamorfoza's registered mark as a whole, including the phrase "Museum of Illusions," which is subject to a disclaimer Metamorfoza made at the time of registration. But we do not see any

similarity other than the disclaimed phrase. Because Metamorfoza has disclaimed the exclusive right to use the phrase apart from the registered mark, it cannot allege trademark infringement based solely on Big Funny's use of the same words. *See Off. Airline Guides*, 856 F.2d at 87.

Relying on *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 632–33 (9th Cir. 2008), Metamorfoza argues that the district court erred in only considering the lack of similarity and no other factors under *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979), *abrogated in part on other grounds by Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003). As Metamorfoza itself acknowledges, this Court has opined on several occasions that no likelihood of confusion exists where two marks are completely dissimilar. *See, e.g., Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (“Where the two marks are entirely dissimilar, there is no likelihood of confusion.”); *Sleeper Lounge Co. v. Bell Mfg. Co.*, 253 F.2d 720, 723 (9th Cir. 1958) (“[Similarity of the marks] is the one essential feature, without which the others have no probative value.”). We do not need to resolve the tension, if any, between the two lines of cases, because the only similarity between the two marks is the disclaimed words, and Metamorfoza lacks a protectible interest in those

words. We thus affirm the district court's dismissal of Metamorfoza's trademark-infringement claim.

For the reasons stated above, we also affirm the district court's dismissal of Metamorfoza's unfair-competition claims under federal and California law, the standards for which are substantially the same as those for the trademark-infringement claim. *See Lodestar Anstalt v. Bacardi & Co. Ltd.*, 31 F.4th 1228, 1245 (9th Cir. 2022) (unfair competition under the Lanham Act); *Applied Underwriters, Inc. v. Lichtenegger*, 913 F.3d 884, 893 n.6 (9th Cir. 2019) (unfair competition under California statutory and common law).

The district court acted within its discretion in denying Big Funny attorneys' fees under 15 U.S.C. § 1117(a). The statute authorizes award of attorneys' fees in "exceptional cases." § 1117(a). In exercising its discretion, a district court may consider the totality of circumstances to decide whether a case "stands out from others with respect to the substantive strength of a party's litigating position . . . or the unreasonable manner in which the case was litigated." *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 (2014). The district court did not abuse its discretion in finding that Metamorfoza's case involves debatable legal

questions and hence does not rise to the level of an “exceptional case.”

AFFIRMED.

United States Court of Appeals for the Ninth Circuit

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Information Regarding Judgment and Post-Judgment Proceedings

Judgment

- This Court has filed and entered the attached judgment in your case. Fed. R. App. P. 36. Please note the filed date on the attached decision because all of the dates described below run from that date, not from the date you receive this notice.

Mandate (Fed. R. App. P. 41; 9th Cir. R. 41-1 & -2)

- The mandate will issue 7 days after the expiration of the time for filing a petition for rehearing or 7 days from the denial of a petition for rehearing, unless the Court directs otherwise. To file a motion to stay the mandate, file it electronically via the appellate ECF system or, if you are a pro se litigant or an attorney with an exemption from using appellate ECF, file one original motion on paper.

Petition for Panel Rehearing (Fed. R. App. P. 40; 9th Cir. R. 40-1)

Petition for Rehearing En Banc (Fed. R. App. P. 35; 9th Cir. R. 35-1 to -3)

(1) A. Purpose (Panel Rehearing):

- A party should seek panel rehearing only if one or more of the following grounds exist:
 - ▶ A material point of fact or law was overlooked in the decision;
 - ▶ A change in the law occurred after the case was submitted which appears to have been overlooked by the panel; or
 - ▶ An apparent conflict with another decision of the Court was not addressed in the opinion.
- Do not file a petition for panel rehearing merely to reargue the case.

B. Purpose (Rehearing En Banc)

- A party should seek en banc rehearing only if one or more of the following grounds exist:

- ▶ Consideration by the full Court is necessary to secure or maintain uniformity of the Court's decisions; or
- ▶ The proceeding involves a question of exceptional importance; or
- ▶ The opinion directly conflicts with an existing opinion by another court of appeals or the Supreme Court and substantially affects a rule of national application in which there is an overriding need for national uniformity.

(2) Deadlines for Filing:

- A petition for rehearing may be filed within 14 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the United States or an agency or officer thereof is a party in a civil case, the time for filing a petition for rehearing is 45 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the mandate has issued, the petition for rehearing should be accompanied by a motion to recall the mandate.
- See Advisory Note to 9th Cir. R. 40-1 (petitions must be received on the due date).
- An order to publish a previously unpublished memorandum disposition extends the time to file a petition for rehearing to 14 days after the date of the order of publication or, in all civil cases in which the United States or an agency or officer thereof is a party, 45 days after the date of the order of publication. 9th Cir. R. 40-2.

(3) Statement of Counsel

- A petition should contain an introduction stating that, in counsel's judgment, one or more of the situations described in the "purpose" section above exist. The points to be raised must be stated clearly.

(4) Form & Number of Copies (9th Cir. R. 40-1; Fed. R. App. P. 32(c)(2))

- The petition shall not exceed 15 pages unless it complies with the alternative length limitations of 4,200 words or 390 lines of text.
- The petition must be accompanied by a copy of the panel's decision being challenged.
- A response, when ordered by the Court, shall comply with the same length limitations as the petition.
- If a pro se litigant elects to file a form brief pursuant to Circuit Rule 28-1, a petition for panel rehearing or for rehearing en banc need not comply with Fed. R. App. P. 32.

- The petition or response must be accompanied by a Certificate of Compliance found at Form 11, available on our website at www.ca9.uscourts.gov under *Forms*.
- You may file a petition electronically via the appellate ECF system. No paper copies are required unless the Court orders otherwise. If you are a pro se litigant or an attorney exempted from using the appellate ECF system, file one original petition on paper. No additional paper copies are required unless the Court orders otherwise.

Bill of Costs (Fed. R. App. P. 39, 9th Cir. R. 39-1)

- The Bill of Costs must be filed within 14 days after entry of judgment.
- See Form 10 for additional information, available on our website at www.ca9.uscourts.gov under *Forms*.

Attorneys Fees

- Ninth Circuit Rule 39-1 describes the content and due dates for attorneys fees applications.
- All relevant forms are available on our website at www.ca9.uscourts.gov under *Forms* or by telephoning (415) 355-7806.

Petition for a Writ of Certiorari

- Please refer to the Rules of the United States Supreme Court at www.supremecourt.gov

Counsel Listing in Published Opinions

- Please check counsel listing on the attached decision.
- If there are any errors in a published opinion, please send an email or letter **in writing within 10 days** to:
 - ▶ Thomson Reuters; 610 Opperman Drive; PO Box 64526; Eagan, MN 55123 (Attn: Maria Evangelista (maria.b.evangelista@tr.com));
 - ▶ and electronically file a copy of the letter via the appellate ECF system by using “File Correspondence to Court,” or if you are an attorney exempted from using the appellate ECF system, mail the Court one copy of the letter.

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT
Form 10. Bill of Costs**

Instructions for this form: <http://www.ca9.uscourts.gov/forms/form10instructions.pdf>

9th Cir. Case Number(s)

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The Clerk is requested to award costs to *(party name(s))*:

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