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**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

ELEM INDIAN COLONY OF POMO INDIANS OF THE SULPHUR BANK RANCHERIA, A FEDERALLY RECOGNIZED INDIAN TRIBE,

Plaintiff,

v.

CIEBA LEGAL, LLP, MICHAEL HUNTER, ANTHONY STEELE, DAVID BROWN, ADRIAN JOHN, PAUL STEWARD, NATALIE SEDANO GARCIA, KIUYA BROWN, AND DOES 1-100, INCLUSIVE,

Defendants.

**CASE NO. 3:16-CV-03081-WHA**

**NOTICE OF MOTION AND MOTION OF INDIVIDUAL DEFENDANTS TO DISMISS FIRST AMENDED COMPLAINT PURSUANT TO RULE 12(b)(6) OF THE FEDERAL RULES OF CIVIL PROCEDURE; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION**

Date: October 6, 2016
Time: 8:00 a.m.
Place: Courtroom 8, 19th Floor
Before: Hon. William Alsup

TO ALL THE PARTIES AND THEIR ATTORNEYS OF RECORD

NOTICE IS HEREBY GIVEN that on October 6, 2016 at 8:00 a.m., or as soon thereafter as counsel may be heard by the above-entitled Court, in Courtroom 8, 19th Floor, 450 Golden Gate Avenue, San Francisco, California, Individual Defendants Michael Hunter, Anthony Steele, David Brown, Adrian John, Natalie Sedano Garcia, and Kiuya Brown will and hereby do move the Court for an order dismissing the First Amended Complaint pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure on the basis that each claim for relief, whether based on federal or state law, is barred by the *Noerr-Pennington* doctrine. The pendent state law claims are also barred by

California Code of Civil Procedure section 425.16 and Civil Code section 47. Even if Individual Defendants are not immune, Plaintiff's First Amended Complaint and Exhibit simply do not describe any sale of goods or services required for a trademark violation. Additionally, Individual Defendants' use of the Tribe's federally recognized name to identify a dispute between the tribal factions at most constitutes nominative fair use, which is shielded from liability.

This motion is based upon this Notice of Motion and Motion, the accompanying memorandum of points and authorities, request for judicial notice, all pleadings and papers on file in this action, and upon other such matters as may be presented to the Court at the time of the hearing.

Dated: August 24, 2016

BRADY & VINDING

By: /s/Michael V. Brady
MICHAEL V. BRADY
Attorneys for Individual Defendants Michael Hunter, Anthony Steele, David Brown, Adrian John, Natalie Sedano Garcia, Kiuya Brown

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION OF INDIVIDUAL DEFENDANTS TO DISMISS FIRST AMENDED COMPLAINT PURSUANT TO RULE 12(b)(6) OF THE FEDERAL RULES OF CIVIL PROCEDURE**

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## INTRODUCTION

Plaintiff's "First Amended Complaint for Damages and Injunctive Relief" ("First Amended Complaint") infringes upon the individual defendants' ("Individual Defendants") constitutional right to petition the United States government for redress under the First Amendment. Each claim for relief, whether based on federal or state law, is barred by the *Noerr-Pennington* doctrine. The pendent state law claims are also barred by California Code of Civil Procedure[1] section 425.16 and Civil Code section 47. The Individual Defendants incorporate each of Ceiba Legal, LLP's arguments raised in its Supporting Memorandum of Points and Authorities in support of its Motion to Dismiss the First Amended Complaint.

On November 8, 2014, David Brown, Adrian John, Natalie Sedano Garcia, and Kiuya Brown were elected by a majority of adult tribal members of the Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria ("Tribe") to serve as its governing body, the Executive Committee ("Brown Faction"). Agustin Garcia, Sarah Brown Garcia, Leora John, Stephanie Brown and Nathan Brown II ("Garcia Faction") also claim that they were elected on the same day despite not being able to martial evidence that a majority of the Tribe elected them. The First Amended Complaint targets the Brown Faction's petition to be recognized by the Bureau of Indian Affairs ("BIA") and the Interior Board of Indian Appeals ("IBIA") as members of the lawful governing body for the Tribe.[2] The results of the election of the Brown Faction were communicated to the BIA on November 12, 2014 which triggered an administrative process which is ongoing.[3] The Pacific Regional Director of the BIA issued a final appealable agency decision

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[1] All subsequent references are to the California Codes unless indicated otherwise.

[2] "Individual Defendants" is used for convenience to refer to the Brown Faction, Michael Hunter and Anthony Steele collectively, however, Michael Hunter and Anthony Steele are not tribal members and did not participate in the election of the Brown Faction. The Individual Defendants do not concede that this case was brought by the governing body of the Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria nor that it was authorized by the Tribe's membership. References to the "Plaintiff" as the "Tribe" herein is for convenience and should not be construed as acceptance that the Garcia Faction is one in same as the Tribe or supported by the Tribe.

[3] See attached Request for Judicial Notice ("RJN"), Exhibit A. January 20, 2015 letter from David Brown, Chairman, to Troy Burdick, Superintendant Department of Interior Bureau of Indian Affairs. The November 8, 2014 "Report of Tribal Election" is attached as Exhibit A to this document.

adverse to the Individual Defendants on November 20, 2015,[4] which was appealed on December 31, 2015 to the IBIA where the matter remains pending. Plaintiff, the Garcia Faction, is an interested party in that administrative process,[5] and all material facts alleged in the First Amended Complaint occurred during that process. As such, Individual Defendants' acts are immunized from liability under federal and state law.

Moreover, even if Individual Defendants are not immune, Plaintiff's First Amended Complaint and Exhibit simply do not describe any sale of goods or services required for a trademark violation. Additionally, Individual Defendants' use of the Tribe's federally recognized name to identify a dispute among two tribal factions at most constitutes nominative fair use, which is shielded from liability.

**PLAINTIFF'S CLAIMS**

Plaintiff alleges as follows in paragraphs 10-16 of the First Amended Complaint:

> 10. In November 2014, after the Tribe's bi-annual Tribal election, Defendants conspired to attempt and to continue to attempt to take control of the Elem tribal government, its federal reservation lands, and its finances.
>
> 11. In furtherance of the conspiracy, Defendant Ceiba Legal drafted and sent, via United States mail, correspondence to several federal departments, a federally funded Tribal Health Clinic, the California Gambling Control Commission, and at least two Lake County banks. (See Ex A, The Fraudulent Correspondences).
>
> 12. The correspondence, sent on or around March 28, 2016, alleged and represented that Defendants Paul, David Brown, John, Garcia and Kiuya Brown were the duly elected government of the Tribe. The correspondence also requested a freeze of specific activities provided by the government entities (to the Tribe), including a freeze on federal Housing and Urban Development funding, and/or possession of the Tribe's bank accounts, and requesting the California Gaming Control Commission freeze $1.1 million dollars annually paid to the Tribe pursuant to the California Indian Gaming Revenue Sharing Trust Fund (RSTF).

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[4] RJN, Exhibit B, Docket No. IBIA 16-037, Notice of Docketing and Order Setting Briefing Schedule (March 1, 2016).

[5] RJN, Exhibit B, page 4, item 11.

(The reference to 2016 is wrong. The correspondence and the interpleader action that followed occurred in 2015.)[6]

> 13. Defendant Ceiba Legal's correspondence directly contradicted a Bureau of the Interior Department decision, issued on March 9, 2016, by Central California Agency Superintendent Troy Burdick, recognizing General Council, Agustine Garcia as Chairman of the Tribe, Stephanie Brown (Vice-Chair), Sarah B. Garcia (Secretary/Treasurer), Nathan M. Brown III and Leora John (members at large).

(The reference to 2016 is, again, wrong. The BIA decision in question was issued on March 9, 2015.)[7]

> 14. While the correspondence was largely ignored by the federal and state government agencies, tribal health clinic and one bank, non-party Wells Fargo Bank filed an interpleader action, *Wells Fargo Bank v. Augustin Garcia* et al., Lake County Superior Court, case number CV-414987. Plaintiff's Garcia Faction had to respond to that interpleader action, and ultimately prevailed.

(The statement is false because the Garcia Faction's attorney requested Wells Fargo to file the interpleader action, the Garcia Faction never responded to the action, and the Garcia Faction did not prevail because Wells Fargo voluntarily dismissed the action on September 11, 2015.)[8]

> 15. Defendants' fraudulent correspondence cost the Tribal treasury thousands of dollars in legal fees and expenses, of which the Tribe now seeks to recoup from Defendants, along with treble damages and/or punitive damages pursuant to California and federal law.
>
> 16. Defendants' actions had and continue to have a debilitating effect on the Tribe in the form of requiring a tremendous amount of resources, time and legal fees to address.

Pages 5-6 of Exhibit A to the First Amended Complaint is the February 6, 2015 letter which prompted the Wells Fargo interpleader action. It reads in relevant part:

> An administrative freeze is proper and will reduce Wells Fargo Bank's potential liability in the future. There could be legal exposure if distributions of tribal assets are made in the midst of this heated dispute and while there is no recognized government by the Bureau of Indian

[6] RJN, Exhibit C, Complaint in Interpleader.

[7] RJN, Exhibit B, p. 1.

[8] RJN, Exhibit D, Request for Dismissal dated September 11, 2015.

> Affairs. If Wells Fargo Bank is unwilling to issue an administrative freeze then it is our intention to sue Wells Fargo Bank in order to obtain a judicial freeze until the dispute is resolved.

Paragraph 8 of Wells Fargo's "Complaint in Interpleader" reads in relevant part:

> On February 6, 2015, counsel for the Second Council [Defendants herein] sent a letter to Wells Fargo asserting, among other things, that the Second Council had been elected by a majority of voters of the Elem Indian Colony in a November 2013 [sic] election. The letter stated that the First Council had not been lawfully elected and does not represent or have authority to conduct business on behalf of the Elem Indian Colony. The letter demanded that Wells Fargo place an administrative freeze on the Account while the dispute was ongoing, and it threatened that "*[t]here could be legal exposure if distributions of tribal assets are made in the midst of this heated dispute.*"[9] (Emphasis added.)

(The election at issue in this matter occurred in November of 2014.)

In the Fourth, Fifth, Sixth and Seventh causes of action Plaintiff alleges that Individual Defendants infringed upon the Tribe's trademark, its name.

**STANDARD OF REVIEW FOR A 12(B)(6) MOTION**

A motion to dismiss is proper under Federal Rule of Civil Procedure 12(b)(6) where the pleadings fail to state a claim upon which relief can be granted. The complaint is construed in the light most favorable to the non-moving party and all material allegations in the complaint are taken to be true. (*Sanders v. Kennedy,* 794 F.2d 478, 481 (9th Cir. 1986).) However, even under the liberal pleading standard of Federal Rule of Civil Procedure 8(a)(2), "a plaintiff's obligation to provide the 'grounds' of his 'entitle[ment] to relief' requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do." (*Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555, 127 S.Ct. 1955, 167 L.Ed. 2d 929 (2007).) While the Court must treat well-pleaded facts as true, it does not accept as true "allegations that are merely conclusory, unwarranted deductions of fact, or unreasonable inferences." (*Daniels-Hall v. National Education Association*, 629 F.3d 992, 998 (9th Cir. 2010).)

In cases where a plaintiff seeks relief for conduct which is *prima facie* protected by the First Amendment, the plaintiff must allege specific facts. (*Omni Resource Development Corp. v.*

[9] RJN, Exhibit C, Complaint in Interpleader, paragraph 8.

*Conoco, Inc.* 739 F.Supp 1412, 1415 (9th Cir. 1984). See also, *Franchise Realty Interstate Corp. v. San Francisco Local Joint Executive Bd. Of Culinary Workers,* 542 F.2d 1076, 1083 (9th Cir. 1976 *cert. denied,* 430 U.S. 940, 97 S.Ct. 1571, 51 L.Ed.2d 787 (1977)) ("[T]he danger that the mere pendency of the action will chill the exercise of First Amendment rights requires more specific allegations than would otherwise be required.").)

A district court may not consider any material beyond the pleadings in ruling on a Rule 12(b)(6) motion, however, documents subject to judicial notice may be considered on a motion to dismiss. (*Mack v. South Bay Distributors, Inc.*, 789 F.2d 1279, 1282 (9th Cir. 1986).) Moreover, a court may take judicial notice of "records and reports of administrative bodies." (*Interstate Natural Gas Co. v. Southern California Gas Co.*, 209 F.2d 380, 385 (9th Cir. 1953).) Because the Complaint does not allege specific facts, and even the general allegations are rife with errors, resort to judicial notice is necessary to frame the issues here.

**DISCUSSION**

1. <u>The First, Second, Fifth, Sixth and Seventh Causes of Action brought under state law are barred by the *Noerr-Pennington* doctrine, Code of Civil Procedure section 425.16 and Civil Code section 47.</u>

A. The *Noerr-Pennington* Doctrine.

The *Noerr-Pennington* doctrine generally immunizes from liability acts petitioning the government for redress. (*Theme Promotions, Inc. v. News America Mktg FSI*, 546 F.3d 991, 1007 (9th Cir. 2008) ("*Theme Promotions"*); *Sosa v. DIRECTV, Inc.,* 437 F.3d 923, 929 (9th Cir. 2006) (citing *Eastern R.R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 81 S.Ct. 523, 5 L.Ed.2d 464 (1961) (hereinafter, *"Noerr"*) and *United Mine Workers v. Pennington*, 381 U.S. 657, 85 S.Ct. 1585, 14 L.Ed.2d. 626 (1965).) The *Noerr-Pennington* doctrine provides a rule of statutory construction that is based on and implements the First Amendment right to petition. (*Sosa v. DIRECTV, Inc.,* 437 F.3d 923, 931 (9th Cir. 2006).)

There is an exception under *Noerr-Pennington* where the litigation is "a mere sham to cover what is actually nothing more than an attempt to interfere directly with the business relationships of a competitor." (*California Motor Transport Co. v. Trucking Unlimited*, 404 U.S.

508, 510, 92 S.Ct. 609, 30 L.Ed. 2d 642 (1972) (internal quotation omitted).) The United States Supreme Court set forth a two part definition of sham litigation in *Professional Real Estate Investors, Inc. v. Columbia Pictures, Inc.*, 508 U.S. 49, 60-61 (1993), 113 S.Ct. 1920, 123 L.Ed.2d 611:

> First, the lawsuit must be objectively baseless in the sense that no reasonable litigant could realistically expect success on the merits. If an objective litigant could conclude that the suit is reasonably calculated to elicit a favorable outcome, the suit is immunized under *Noerr*, and an antitrust claim premised on the sham exception must fail. Only if challenged litigation is objectively meritless may a court examine the litigant's subjective motivation. Under this second part of our definition of sham, the court should focus on whether the baseless lawsuit conceals "an attempt to interfere directly with the business relationships of a competitor," *Noerr, supra,* at 144 (emphasis added), through the "use [of] the governmental process —as opposed to the outcome of that process—as an anticompetitive weapon," *Omni*, [*City of Columbia v. Omni Outdoor Advertising*], 499 U.S., 365, 380 (emphasis in original). (Footnote omitted.)

Later decisions have extended *Noerr-Pennington* to administrative petitions like the one here. (See *Theme Promotions,* at 1006 ("The essence of the *Noerr-Pennington* doctrine is that those who petition any department of the government for redress are immune from statutory liability for their petitioning conduct.").) *Noerr-Pennington* also applies to state law claims. (*Theme Promotions,* at 1006.)

In addition to immunizing conduct in a legitimate lawsuit or administrative proceeding, the *Noerr-Pennington* doctrine also protects conduct that is "incidental to the prosecution of the suit." (See *Sosa*, 437 F.3d at 936-939 (internal quotation omitted).) In *Sosa* the conduct at issue was the sending of pre-litigation demand letters. The court found such conduct was immunized (from RICO liability) under the *Noerr-Pennington* doctrine as "incidental to the prosecution of the suit." (*Id.* at 934-35.)

B. *Noerr-Pennington* and the First Amended Complaint.

The state law causes of action that Plaintiff pleads - for tortious interference with contract, for fraud and deceit, trademark infringement, injury to business reputation and trademark infringement - are all subject to, and barred by, the *Noerr-Pennington* doctrine. In *Theme Promotions, Inc. v. News Am. Mktg. FSI*, 546 F.3d 991 (9th Cir. 2008) the Ninth Circuit joined the

Fifth Circuit in extending *Noerr-Pennington* to state law causes of action:

> In explaining its decision to extend *Noerr-Pennington* to tortious interference with contracts, the Fifth Circuit stated, 'There is simply no reason that a common-law tort doctrine can any more permissibly abridge or chill the constitutional right of petition than can a statutory claim such as antitrust.' *Id. at 1084*. We agree, and we hold that the *Noerr-Pennington* doctrine applies to *Theme's* state law tortious interference with prospective economic advantage claims.
>
> * * * * *
>
> The *Noerr-Pennington* doctrine has been articulated as a principle of statutory construction rather than as a privilege. See *Sosa,* 437 F.3d at 930-32. More importantly, because *Noerr-Pennington* protects federal constitutional rights, *it applies in all contexts*, even where a state law doctrine advances a similar goal.

*Id.* at 1006 (emphasis added).

In *Theme Promotions* the allegedly offending conduct arose during the course of litigation. One of the parties sent common clients of the litigants a letter informing them that they could become embroiled in the litigation if they followed the advice of the other party. (*Id* at 997.) The court concluded that the letter was immunized against attack by *Noerr-Pennington* because the underlying litigation between the parties was not objectively baseless. (*Id.* at 1007-08.) The court then analyzed the letter as if it were a threat of a future lawsuit and determined that such a lawsuit would not have been objectively baseless either. (*Id.* at 1008.)

In the instant case the allegedly offending conduct is a letter Defendants sent to Wells Fargo during the BIA's administrative process. The letter stated that there could be legal exposure to Wells Fargo if distributions of tribal assets are made in the midst of the dispute.[10] This language is essentially the same as the language the Ninth Circuit analyzed in *Theme Promotions* (*Id.*, at 997) therefore *Noerr-Pennington* applies unless Plaintiff can meet its burden to show that the underlying petitioning activity is objectively baseless. It is not.

The petition to have the election recognized by the BIA was reasonable because a majority of the Tribe's adult members voted for the "Brown Faction" and their election followed the processes required by the Tribe's constitution.[11] Moreover, the Brown Faction submitted its

[10] RJN, Exhibit C, Complaint in Interpleader, paragraph 8.

[11] RJN, Exhibit A, pp. 5-10.

election report on November 8, 2014 to the BIA but the BIA never sent anything back to them about the election.[12] It was not until March 2015 that the Defendants learned that the Superintendent of the BIA recognized the Garcia Faction.[13] And, it was not until November 20, 2015 that the Pacific Regional Director of the BIA issued final agency action on the recognition in which he found only one infirmity in the election process which was an alleged lack of proper notice.[14] On March 1, 2016, the IBIA accepted the matter for review as to whether the Garcia Faction was properly recognized by the BIA.[15] Thus, the pending actions are legitimate and Plaintiff cannot meet its burden to show otherwise.

If the letter to Wells Fargo is analyzed as a threat of a future lawsuit against Wells Fargo for disbursement of tribal funds to the wrong party the conclusion would be the same, i.e., such an action would not be objectively baseless. The fact that Wells Fargo filed the interpleader action to determine the appropriate owner of the account demonstrates that a future action by the prevailing faction would not have been objectively baseless.

C. California's Anti-SLAPP Statute and California Civil Code section 47.

Plaintiff's state law causes of action are also subject to a special motion to strike pursuant to California Code of Civil Procedure section 425.16 which immunizes from liability any act taken in furtherance of the right to petition under the United States Constitution or the California Constitution. This provision includes "any written or oral statement or writing made in connection with an issue under consideration or review by a legislative, executive or judicial body, or any other official proceeding authorized by law." (Code of Civ. Proc. § 425.16(e)(2).) Similarly,

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[12] RJN, Exhibit A to Exhibit A, "Report of Tribal Election."

[13] RJN, Exhibit B, "Notice of Docketing and Order Setting Briefing Schedule," and "Administrative Record for the November 20, 2015, Decision Regarding the Elem Indian Colony" Item 17 of which references a March 9, 2015 "Decision by Superintendent, Central California Agency, to Agustin Garcia, Chairman, Elem Indian Colony, regarding recognizing the Executive Committee members."

[14] RJN, Exhibit B, "Notice of Docketing and Order Setting Briefing Schedule," and "Administrative Record for the November 20, 2015, Decision Regarding the Elem Indian Colony" Item 3 of which references a November 20, 2015 "Decision by Amy Dutschke, Regional Director, to affirm three decisions issued by the Superintendent, Central California Agency, dated December 18, 2014, March 9, 2015 and March 12, 2015.

[15] RJN, Exhibit B, "Notice of Docketing and Order Setting Briefing Schedule."

California Civil Code section 47(b) recognizes an absolute privilege for communications having "some relation" to a legislative, judicial or other official proceeding authorized by law. (*Rubin v. Green* (1993) 4 Cal.4th 1187, 1193.) Both Code of Civil Procedure section 425.16 and Civil Code section 47 are construed broadly to protect the right of litigants to "the utmost freedom of access to the courts without fear of being harassed subsequently by derivative tort actions." (*Id.* at 1194.)

Communications made during litigation to non-parties are immunized under section 425.16(e)(2) if they relate to the substantive issues in the litigation and are directed to persons having an interest in the litigation. (*Contemporary Services Corp. v. Staff Pro Inc.* (2007) 152 Cal.App.4th 1043, 1055 (allegedly defamatory statements contained in e-mail to opponent's clients was protected activity under section 425.16(e)(2) and Civil Code section 47(b)).) A similar result was reached in *Healy v. Tuscany Hills Landscape & Recreation Corp.* (2006) 137 Cal.App.4th 1 where a local homeowners association provided a litigation update to members which prompted a defamation cross-claim from the defendant in the underlying litigation. The court found the statement protected by section 425.16(e)(2) and Civil Code section 47(b). (*Id.* at p. 5.) In *Neville v. Chudacoff* (2008) 160 Cal.App.4th 1255, 1270 the court determined that section 425.16 extended to pre-litigation communications.

D. Code of Civil Procedure section 425.16, Civil Code section 47 and the First Amended Complaint.

Communications made during litigation to non-parties are immunized under section 425.16(e)(2) if they relate to the substantive issues in the litigation and are directed to persons having an interest in the litigation. (*Contemporary Services Corp. v. Staff Pro Inc.* (2007) 152 Cal.App.4th 1043, 1055.) Both requirements are met here. The communication related to the Tribe's bank account and, because of that, Wells Fargo had an interest in the litigation. In *Neville v. Chudacoff* (2008) 160 Cal.App.4th 1255 the attorney for a security firm sent a letter to the security firm's clients cautioning them about doing business with a former employee who was competing against the firm and warning them that they could be targeted for an accounting if they did business with the former employee. (*Id.* at 1260.) The court held that this was protected activity immune from suit under *Noerr-Pennington*. (*Id.* at pp. 1262-70.)

The letter Defendants sent Wells Fargo, asking that it freeze the account and warning the bank that it could become embroiled in the dispute otherwise is largely the same message at issue in *Neville v. Chudacoff*. Unlike in *Chudacoff*, the statement to Wells Fargo was made while the administrative proceeding was still pending meaning the statement is also absolutely privileged under California Civil Code section 47.

2. The Third Cause of Action, brought under the Racketeer Influenced and Organized Crime Act, is barred by the *Noerr-Pennington* doctrine.

Plaintiff's third cause of action includes two counts under the Racketeer Influenced and Organized Crime Act ("RICO") codified at 18 U.S.C. sections 1961-1968. As with the other causes of action the factual predicate is the disputed November 2014 election and subsequent communications regarding the election to non-parties who had dealings with the tribe. (See Complaint at ¶¶ 35-56.)

In *Sosa v. DIRECTV, Inc.,* 437 F.3d 923 (9th Cir. 2006) the Ninth Circuit applied the *Noerr-Pennington* doctrine to affirm dismissal of a RICO complaint based on letters threatening litigation. The letters were sent prior to the initiation of litigation and thus were not actual petitions for redress, however, the court noted that the Petition Clause also protected conduct that was incidental to a valid effort to influence governmental action. Said the court, "Although the letters were not themselves petitions, the Petition Clause may nevertheless preclude burdening them so as to preserve the breathing space required for the effective exercise of the right it protects." (*Id.* at 933.) The notion of First Amendment breathing space first arose in the freedom of speech area, specifically, *New York Times Co. v. Sullivan*, 376 U.S. 254, 84 S.Ct. 710, 11 L.Ed.2d 686 (1964) and was also recognized in *Noerr,* itself, where the Court extended immunity not only to the railroad's direct communications with legislators but also its public relations campaign, finding that the letter's aim was to influence the passage of favorable legislation. (*Noerr,* 365 U.S. at 140-43, 81 S.Ct. 523.) Based upon the "breathing space" concept the *Sosa* court went on to hold that the subject communications triggered the *Noerr-Pennington* doctrine "so long as they are sufficiently related to the petitioning activity." (*Id.* at 935.)

In the instant case Individual Defendants petitioned to have their election recognized by the

BIA and then communicated with other non-parties that had an interest in the proceeding. Under *Sosa v. DIRECTV, Inc.,* these communications fall within the protected First Amendment "breathing space" and, under *Noerr-Pennington,* Plaintiff's RICO counts must be dismissed.

3. The Fourth Cause of Action, for Trademark Infringement under 15 U.S.C. sections 1114 and 1125(a) is barred by the *Noerr-Pennington* doctrine.

Plaintiff's fourth cause of action alleges Defendants violated the Lanham Act, codified at 15 U.S.C. section 1051 *et seq.,* by using the Tribe's trademark and "confusingly similar variations thereof in commerce to advertise, promote, market and receive unlawful financial benefits . . . ." (Complaint at ¶ 61.) Even if true, Defendants' actions as alleged fall within the same breathing space guaranteed by the First Amendment and protected by the *Noerr-Pennington* doctrine. The only case specifically addressing *Noerr-Pennington* in the context of the Lanham Act is *Innovative Health Solutions, Inc. v. DyAnsys, Inc.*, No. 14-CV-05207 SI, 2015 WL 2398931 (N.D. Cal. May 19, 2015). There the court found that *Noerr-Pennington* applied and dismissed the Lanham Act claims. (*Id.* at *8.)*f*

4. The Fourth, Fifth, Sixth, and Seventh Causes of Action fail because Plaintiff does not and cannot allege use of any mark in connection with a sale of goods or services.

"The Supreme Court has made it clear that trademark infringement law prevents only unauthorized uses of a trademark in connection with a commercial transaction in which the trademark is being used to confuse potential consumers." (*Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 676 (9th Cir. 2005) (citations omitted).) The question is whether the Defendants' alleged use of the marks is "in connection with a sale of goods or services." (*Id.* at 677; 15 U.S.C. §§ 1114(1)(a), 1125(a)(1).) Absent such use, the Lanham Act is not implicated. (*Id.*) This ensures that a plaintiff "cannot use the Lanham Act either as a shield from [the defendant's] criticism, or as a sword to shut [the defendant] up." (*Bosley Med. Inst., Inc.*, 403 F.3d at 680.) This rule gives force to First Amendment protections, which ensure the Lanham Act cannot be used as "an instrument for chilling or silencing the speech of those who disagree with or misunderstand a mark holder's positions or views." (*Radiance Foundation, Inc. v. NAACP*, 786 F.3d 316, 327-28 (4th Cir. 2015) (reversing district court order that Lanham Act prohibited criticism of NAACP's stance

on abortion using the NAACP's marks and recognizing that "Courts have uniformly understood that imposing liability under the Lanham Act for [speech on political and social issues] is rife with the First Amendment problems").) The analysis of state law trademark claims is "substantially congruent" to Lanham Act claims. (*Playboy Enterprises, Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024 n.10 (9th Cir. 2004) (holding district court properly declined to analyze state law trademark claims separately from federal trademark claims).)

Plaintiff cannot state a trademark claim because it nowhere alleges that use of the Tribe's name to identify the ongoing leadership dispute was "in connection with a sale of goods or services." (*Bosley Med. Inst., Inc.*, 403 F.3d at 677; 15 U.S.C. §§ 1114(1)(a), 1125(a)(1).) In *Bosley*, the Ninth Circuit rejected plaintiff Bosley Medical's attempt to use the Lanham Act to silence commentary about its services on a website by a dissatisfied customer, where the customer used Bosley Medical's trademark to criticize the company but not to offer goods and services. (*Bosley Med. Inst., Inc.*, 403 F.3d at 676-77, 679-80.) Plaintiff's complaint identifies no good or service that Defendants were offering to the government entities or banks to whom they directed the correspondence about the leadership dispute. (First Amended Complaint, ¶¶ 57-74, Ex. A.) At best, the correspondence upon which Plaintiff bases its claims constitutes "speech of those who disagree with . . . [plaintiff]'s positions or views." (*Radiance Foundation, Inc. v. NAACP*, 786 F.3d 316, 327-28 (4th Cir. 2015).) Plaintiff cannot silence those views under the guise of trademark law. (*Id.*; *Bosley Med. Inst., Inc.*, 403 F.3d at 677.)

5. The Fourth, Fifth, Sixth, and Seventh Causes of Action fail because Defendants at most engaged in nominative fair use of the Tribe's name.

Even if Plaintiff could allege commercial use under trademark law, Plaintiff's trademark claims also fail because Defendants' use of the Tribe's name to identify an ongoing tribal leadership dispute at most constituted nominative fair use. (*Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175-76 (9th Cir. 2010).)

The doctrine of nominative fair use arises from the premise that "[m]uch useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark."

(*New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 306–07 (9th Cir. 1992).) As the Ninth Circuit has recognized, "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark." (*Id.* at 306.)

The doctrine bars a trademark claim "'where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.'" (*New Kids on the Block*, 971 F.2d at 308.) The use is protected even if "carried on for profit and in competition with the trademark holder's business." (*Id.* at 309.)

The test for whether nominative fair use bars a trademark claim asks "whether (1) the product was 'readily identifiable' without use of the mark; (2) defendant used more of the mark than necessary; or (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder." (*Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175–76 (9th Cir. 2010); *Stevo Design, Inc. v. SBR Mktg. Ltd.*, 919 F. Supp. 2d 1112, 1123 (D. Nev. 2013) (same test applies to both goods and services).) Federal fair use standards apply to California law trademark claims. (*Bell v. Harley Davidson Motor Co.*, 539 F. Supp. 2d 1249, 1261 (S.D. Cal. 2008) (citing *Playboy Enterprises, Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024 n.10 (9th Cir. 2004)).) Specifically, Plaintiff's claims are barred because its First Amended Complaint and Exhibit confirm that each part of the test demonstrates nominative fair use as a matter of law.

A. Communication About The Leadership Dispute Required Identification Of The Tribe.

The Amended Complaint alleges Individual Defendants sent the correspondence attached as Exhibit A to assert their position that they "were the duly elected government of the Tribe," with the authority to "control of the Elem tribal government, its federal reservation lands, and its finances." (First Amended Complaint, ¶¶ 10, 12, Ex. A.) In fact, each letter identified those individuals Individual Defendants believed comprised the "Executive Committee elected by a majority of the qualified voters of the Elem Indian Colony of Pomo Indians." (*Id.*, Ex. A at 2-5.) Each letter also disclosed the existence of a dispute with another faction, "led by Augustine Garcia," which was also acting as a "purported Executive Committee." (*Id.*) Agustin Garcia

claims to be the Chairman of the tribal faction that filed this lawsuit. (*Id.*, ¶ 14 (referencing "Plaintiff's Garcia Faction"); see *id.*, ¶ 13.) The letters referencing tribal funds specifically requested that the recipients preserve the status quo by immediately "freez[ing]" funds pending resolution of the dispute. (*Id.*, Ex. A at 2, 4-5.)

The Tribe is recognized by the United States, and listed in the Federal Register, as the "Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria, California." (81 Fed. Reg. 26,826, 26,828 (May 4, 2016).) Use of an identifiable portion of the name by which the Tribe is federally recognized was necessary to communicate Individual Defendants' position that they are "the duly elected government of" that particular tribe. (First Amended Complaint, ¶ 10; see *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1180 (2010) (holding brokers of Lexus-brand vehicles "need to let consumers know that they are brokers of Lexus cars, and that's nearly impossible to do without mentioning Lexus"); *Western Wind Energy Corp. v. Savitr Capital*, No. C 12-4806 PJH, 2013 WL 3286190, *1, *6 (June 27, 2013) (finding nominative fair use based on necessity to use corporate trademark in urging shareholders to vote against corporation's current management and to elect directors nominated by defendant).) Any other rule would grant the Plaintiff faction a monopoly on presenting its legal position to government agencies and banks with control over the fate of the Tribe and its finances.

B. Defendants' Communications Used the Tribal Name Only as Necessary.

Defendants' correspondence used no more of the Tribe's federally recognized name than necessary to express their position on the pending leadership dispute. (*Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d at 1175-76.) Each of Defendants' communications uses portions of the Tribe's federally recognized name to identify for the reader the existence of the leadership dispute, as well as Plaintiff's and Defendants' respective positions in that dispute. (Amended Complaint, Ex. A at 2-5.) The correspondence references the Tribe's name without stylization in the same font as other text, and no logo of the Tribe appears in any of the correspondence, nor did the First Amended Complaint allege the communications mirror the Tribe's known letterhead or any past use of the Tribe's name, whether in connections with goods or services or not. (*Id.*; see *Toyota Motor Sales, U.S.A., Inc.*, 610 F.3d at 1181-82 (reversing injunction where defendants referenced

trademark without stylized mark and logo); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969) (no Lanham Act violation where independent Volkswagen repair provider "did not use Volkswagen's distinctive lettering style or color scheme, nor did he display the encircled 'VW' emblem").) Thus, Defendants used a portion of the Tribe's name as necessary to identify the dispute without implying Plaintiff's sponsorship of Defendants' message.

C. Defendants' Identified the Dispute and Disclaimed Any Connection to Plaintiff.

Defendants' correspondence identified the dispute with Plaintiff's faction, requesting preservation of the status quo pending its resolution, and in no way suggested Plaintiff sponsored or endorsed Defendants' message. (*Toyota Motor Sales, U.S.A., Inc.*, 610 F.3d at 1175-76; *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 803 (9th Cir. 2002) (recognizing that defendant's reference to "ongoing legal battles with" plaintiff supported nominative fair use defense).) In fact, in each letter Defendants disclaimed any connection to "*another* purported Executive Committee" "being led by Augustine Garcia." (Amended Complaint, Ex. A at 2-5 (emphasis added).) "While not required, such a disclaimer is relevant to the nominative fair use analysis." (*Toyota Motor Sales, U.S.A., Inc.*, 610 F.3d at 1182 (citing *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 803 (9th Cir. 2002)).)

Far from suggesting sponsorship, Defendants' correspondence expresses criticism of the Plaintiff faction, arguing it "has no right to conduct business or represent the tribe." (First Amended Complaint, Ex. A at 2-5.) Such criticism showed Plaintiff did not sponsor or endorse Defendants' communication. (*New Kids on the Block*, 971 F.2d at 308-09 (holding defendants' suggestion that "the New Kids might be 'a turn off'" demonstrated lack of "endorsement or joint sponsorship on the part of the New Kids"); *Architectural Mailboxes, LLC v. Epoch Design*, LLC, No. 10CV974 DMS CAB, 2011 WL 1630809, at *3 (S.D. Cal. Apr. 28, 2011) (granting motion to dismiss based on nominative fair use where defendant's negative statements and criticism dispelled any "affiliation, connection or sponsorship" and "dr[ew] a clear distinction between its products and those of Plaintiff"); see also *Stevo Design, Inc. v. SBR Mktg. Ltd.*, 919 F. Supp. 2d 1112, 1124 (D. Nev. 2013) (plaintiff failed to state a trademark claim based on nominative fair use defense where "the criticism of Stevo's analysts on the message board greatly reduces the likelihood that a

visitor to SBR's message board would infer Plaintiffs' 'sponsorship or endorsement'").)

In sum, when a dispute arose between Plaintiff and Defendants about which faction rightfully was elected to govern the Tribe, Defendants used the Tribe's name only as necessary to reach out to government agencies and banks on whom the Tribe depends, inform them of the dispute and of Plaintiff and Defendants' respective positions, and ask them to preserve the status quo pending the dispute's resolution. The nominative fair use doctrine thus also requires dismissal of Plaintiff's trademark claims.[16]

## CONCLUSION

For the foregoing reasons the Complaint should be dismissed with prejudice.

Respectfully submitted.

Dated: August 24, 2016

BRADY & VINDING

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[16] Even if Defendants used the Tribe's name to describe a good or service of Defendants' *without* reference to Plaintiff, such use would constitute classic, as opposed to nominative, fair use. (15 United States Code § 1115(b); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150-51 (9th Cir. 2002).) This is because Defendants used the Tribe's name, not as a trademark, but rather fairly and in good faith to identify the federally recognized tribe of which they are a faction and the entity for whose benefit the disputed funds are held. (81 Fed. Reg. 26,826, 26,828 (May 4, 2016); see *Cairns*, 292 F.3d 1139, 1150-51.)