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8

9 **UNITED STATES DISTRICT COURT**  
10 **DISTRICT OF NEVADA**

11 SLEP-TONE ENTERTAINMENT  
CORPORATION,

12 Plaintiff,

13 vs.

14 PT'S PLACE; GOLDEN-PT'S PUB  
15 CHEYENNE-NELLIS 5, LLC; PT'S PUB;  
16 GOLDEN-PT'S PUB WEST SAHARA 8,  
17 LLC; PT'S GOLD; GOLDEN-PT'S PUB  
CENTENNIAL 32, LLC; GOLDEN-PT'S  
18 PUB STEWART-NELLIS 2, LLC; GOLDEN  
TAVERN GROUP, LLC,

19 Defendants.  
20

Case No. 2:12-cv-00239-KJD-RJJ

**DEFENDANTS MOTION TO DISMISS**

21 Pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, Defendants PT'S  
22 PLACE; GOLDEN-PT'S PUB CHEYENNE-NELLIS 5, LLC; PT'S PUB; GOLDEN-PT'S PUB  
23 WEST SAHARA 8, LLC; PT'S GOLD; GOLDEN-PT'S PUB CENTENNIAL 32, LLC;  
24 GOLDEN-PT'S PUB STEWART-NELLIS 2, LLC; GOLDEN TAVERN GROUP, LLC  
25 (hereinafter the "PT'S Defendants") by and through counsel, GREENBERG TRAUERIG LLP,  
26 hereby file this motion to dismiss. Plaintiff SLEP-TONE ENTERTAINMENT  
27 CORPORATION (hereinafter "Slep-Tone" or "Plaintiff") has failed to state a claim upon  
28 which relief can be granted against PT'S Defendants; therefore, PT'S Defendants should

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1 be dismissed from this action with prejudice.

2 This Motion is based upon the attached memorandum of points and authorities and  
3 any exhibits thereto, the papers and pleadings on file in this action, and any oral argument  
4 that this Court may allow.

5 DATED this 16<sup>th</sup> day of March, 2012.

6 Respectfully submitted,

7 GREENBERG TRAUIG, LLP

8 By: /s/ Lauri S. Thompson

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21 **MEMORANDUM OF POINTS AND AUTHORITIES**

22 **I. INTRODUCTION**

23 Plaintiff claims that its SOUND CHOICE trademarks have been infringed by various  
24 “Karaoke Jockeys” (or “KJs” as Plaintiff defines this occupation in its Complaint) who  
25 provide their karaoke entertainment services in various bar and restaurant venues in and  
26 around Las Vegas, Nevada. Plaintiff alleges that KJs are making unauthorized copies of  
27 Plaintiff’s compact disks and that the visual elements of these unauthorized compact disks  
28 display Plaintiff’s SOUND CHOICE trademark during karaoke performances, constituting  
trademark infringement and unfair competition.

In addition to the KJs, Plaintiff has also named dozens of individual venues who hire  
these independent contractor KJs to perform in their establishments - including the PT’S  
Defendants as the owner and/or operator of the PT’S brand of bar/restaurants throughout  
Las Vegas. Plaintiff makes no allegation, however, the PT’S Defendants or any other

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1 venue Defendants are using its trademarks in any way. Plaintiff merely alleges that the fact  
2 that KJs are using unauthorized copies of Plaintiff's disks allows PT'S Defendants and  
3 other venue Defendants to hire KJs for a lower price. But this allegation has nothing to do  
4 with the Plaintiff's only allegation -- that KJs are displaying Plaintiff's trademark without  
5 permission. Plaintiff has not and cannot allege that PT'S Defendants have any involvement  
6 in or control of the KJs alleged unauthorized copying of Plaintiff's compact disks or that the  
7 PT'S Defendants knew or had any reason to know that any copying was taking place.

8 As such, Plaintiff's claims against the PT'S Defendants are baseless and legally  
9 insufficient allegations and fail to allege any wrongful or culpable conduct by the PT'S  
10 Defendants and the Complaint should be dismissed against PT'S Defendants in its entirety.

## 11 **II. STATEMENT OF FACTS**

12 Defendant Golden Tavern Group, LLC ("Golden Tavern") owns and operates a  
13 number of bar/restaurants in Las Vegas, Nevada, including PT'S Defendants, under the  
14 "PT'S" brand, which is a popular and well known chain of bar/restaurants in Las Vegas,  
15 Nevada specializing in serving Las Vegas residents. The PT'S Defendants offer a "locals-  
16 friendly" restaurant and bar environment which includes causal dining, premium spirits and  
17 advanced casino gaming technology (including sports betting at select locations), as well  
18 as a variety of other amenities for patrons, including high-definition televisions for watching  
19 sports. Additionally, many of the PT'S branded bar/restaurants host live entertainment on  
20 designated nights, including karaoke.

21 The PT'S Defendants do not own karaoke equipment or provide karaoke services  
22 themselves. Rather, as Plaintiff acknowledges, these karaoke nights are provided by  
23 independent contractor Defendant Roll N Mobile, LLC to provide "Karaoke Jockeys" (or  
24 "KJs" as Plaintiff defines this occupation in its Complaint) to perform at their various venues  
25 for special karaoke events and private parties. In fact, PT'S Defendants exclusively use  
26 this Nevada limited liability company, and its principal Kenneth Angell, also named as a  
27 Defendant, to provide them with karaoke services at their venues.

28

1 Plaintiff's thirty-eight page Complaint boils down to a single claim -- that KJs  
2 infringe Plaintiff's trademarks when KJs display Plaintiff's SOUND CHOICE trademark in  
3 those instances when they are using illegal copies of Plaintiff's audio and visual tracks.  
4 Plaintiff describes the KJs as "entertainers who provide karaoke services in bars,  
5 restaurants, and other venues," and such karaoke services include "providing the karaoke  
6 music and equipment for playback, entertaining the assembled crowd for warm-up  
7 purposes, and organizing the karaoke show by controlling access to the stage, setting the  
8 order of performance, and operating the karaoke equipment." (See Pl. Slep-Tone's  
9 Complaint, ¶ 63 [Docket # 1]). Further, Plaintiff claims that "[t]ypically a KJ will maintain a  
10 catalog of songs available for performances in order to aid participants in selecting a song  
11 to sing," and "[l]egitimate KJs purchase equipment and purchase or license compact disks  
12 containing accompaniment tracks and charge for the above-mentioned karaoke services."  
13 (See Id. ¶¶ 64-5).

14 Plaintiff goes on in its Complaint to allege that recent technology has made it easy  
15 for unscrupulous KJs to illegally build up libraries of thousands of karaoke songs without  
16 paying for them through decoding and illegitimately copying its SOUND CHOICE brand  
17 karaoke disks, or by downloading the tracks from illegal file sharing sites, and then  
18 distributing, sharing, and/or swapping the illegally obtained SOUND CHOICE karaoke  
19 tracks with other KJs. (See Id. ¶ 51). Plaintiff further alleges that this wide-spread piracy  
20 by KJs of its SOUND CHOICE brand karaoke disks causes unfair competition in the  
21 marketplace because "the illegitimate KJs are able to provide karaoke services with a  
22 considerably lower overhead cost and significantly more songs through the pirating of  
23 SLEP-TONE's tracks." (See Id. ¶ 87). Plaintiff claims that the "pirate KJs" conduct in turn  
24 pressures the "legitimate KJs" to "skirt or ignore the law and become pirates" by engaging  
25 in infringement in order to compete with the "pirate KJs." (See Id. ¶¶ 57, 89, 91).

26 None of these allegations pertain in any way, however, to the PT'S Defendants. The  
27 only allegations that Plaintiff makes about the PT'S Defendants are that "[v]enues such as  
28 those operated by the Defendants can enjoy significant savings by turning a blind eye to

1 the actions of the illegitimate KJs they hire,” and that the PT’S Defendants’ “venues benefit  
 2 from piracy because unfair competition from pirate KJs pressures legitimate KJs to accept  
 3 lower compensation from the venues to obtain new business or retain old business. By  
 4 decreasing the fixed cost of entertainment, the Defendants’ operations become more  
 5 profitable.” (Id. ¶¶ 93-4). Further, Plaintiff alleges that the PT’S Defendants “knowingly  
 6 benefits” from the KJs’ pirating of the SOUND CHOICE karaoke disks. (Id. ¶ 232). Plaintiff  
 7 does not claim that it made any attempt to put the PT’S Defendants on notice of the alleged  
 8 trademark infringement prior to filing instant Complaint in the United States District Court,  
 9 District of Nevada on February 15, 2012.

### 10 **III. LEGAL ARGUMENT**

#### 11 **A. Legal Standard.**

12 FED R. CIV. P. 12(b)(6) authorizes this Court to dismiss a complaint for failure to state  
 13 a claim upon which relief can be granted. To withstand a motion to dismiss, the complaint  
 14 must set forth sufficient facts to establish all necessary elements of a claim for relief so that  
 15 the adverse party has adequate notice of the nature of the claim and the relief sought. See  
 16 FED R. CIV. P. 8(a); see also Johnson v. Riverside Healthcare, 534, F.3d 1116, 1123 (9th  
 17 Cir. 2002). “A court should grant a Rule 12(b)(6) motion if it is clear that no relief could be  
 18 granted under any set of facts that could be proved consistent with the allegations.” Hishon  
 19 v. King & Spalding, 467 U.S. 69, 73 (1984). Although the allegations contained in a  
 20 complaint are generally assumed to be true, the court need not accept as true conclusory  
 21 allegations of law, nor must it accept unreasonable inferences or unwarranted deductions  
 22 of fact. See Hon. William W. Schwarzer, et al., *Federal Civil Procedure Before Trial* §  
 23 9:221 (2000) (citing In re Delorean Motor Co., 991 F.2d 1236, 1240 (6th Cir. 1993)).

24 To survive a motion to dismiss, a complaint must include “enough facts to state a  
 25 claim to relief that is plausible on its face.” Ashcroft v. Iqbal, 556 U.S. 662, 129 S. Ct. 1937,  
 26 1960 (2009) (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)). This “requires  
 27 more than labels and conclusions, and a formulaic recitation of a cause of action’s  
 28 elements will not do.” Twombly, 550 U.S. at 555. Bald contentions, unsupported

1 characterizations, and legal conclusions are not well-pleaded allegations, and will not  
 2 suffice to defeat a motion to dismiss. See G.K. Las Vegas Ltd. Partnership v. Simon Prop.  
 3 Group, Inc., 460 F. Supp. 2d 1246, 1261 (D. Nev. 2006); see also Sprewell v. Golden State  
 4 Warriors, 266 F.3d 979, 988 (9th Cir. 2001). Most recently, the Supreme Court observed  
 5 that “[t]hreadbare recitals of the elements of a cause of action, supported by mere  
 6 conclusory statements, do not suffice.” Iqbal, 129 S. Ct. at 1949. Further, “only a  
 7 complaint that states a plausible claim for relief survives a motion to dismiss.” Id. at 1950.  
 8

9 As this Motion will establish, the causes of action contained in Plaintiff’s Complaint  
 10 have failed to allege sufficient and consistent facts or legal principles upon which any relief  
 11 could be granted. As such, this Motion should be granted in its entirety.

12 **B. Plaintiff’s Claim for Trademark Infringement Fails to State a Claim for**  
 13 **Relief against the PT’S Defendants and Must Be Dismissed.**

14 Plaintiff has failed to state a legally-cognizable claim for trademark infringement  
 15 against the PT’S Defendants. Plaintiff has not alleged, and cannot allege, that the PT’S  
 16 Defendants are involved in making or dealing in pirated copies of its karaoke disks or in  
 17 the display of the SOUND CHOICE trademarks during karaoke performances. In its  
 18 Complaint, Plaintiff has alleged trademark infringement; however, it is unclear from the  
 19 pleadings under which theory or theories of trademark infringement the Plaintiff is  
 20 proceeding (i.e., direct, contributory or vicarious trademark infringement). In any event,  
 21 Plaintiff has failed to sufficiently plead that it is entitled to relief under any trademark  
 22 infringement theory. Additionally, Plaintiff has failed to meet the even greater threshold of  
 23 making out a claim for trademark counterfeiting. Plaintiff’s Trademark Infringement claim  
 24 against the PT’S Defendants fails in its entirety as a matter of law.

25 **1. No Allegations of Direct Trademark Infringement.**

26 To prevail on a claim for direct trademark infringement “the moving party must  
 27 establish: (1) ownership of the trademark at issue; (2) use by defendant, without  
 28

1 authorization, of a copy, reproduction, counterfeit or colorable imitation of the moving  
 2 party's mark in connection with the sale, distribution or advertising of goods or services;  
 3 and (3) that defendant's use of the mark is likely to cause confusion, or to cause mistake  
 4 or to deceive." Toho Co., Ltd. v. William Morrow and Company, Inc., 33 F. Supp. 2d 1206,  
 5 1210 (C.D. Cal. 1998) (citing 15 U.S.C. § 1114(a); E. & J. Gallo Winery v. Gallo Cattle Co.,  
 6 967 F.2d 1280, 1288 n. 2 (9th Cir. 1992)); see also Century 21 Real Estate Corp. v.  
 7 Sandlin, 846 F.2d 1175, 1178 (9th Cir. 1988). Further, "[b]ecause 'commercial use' of the  
 8 mark is a requirement for...trademark infringement...claims, Plaintiff must have sufficiently  
 9 alleged that Defendants used the mark commercially to survive a motion to dismiss."  
 10 Crown Realty & Development, Inc. v. Sandblom, 2007 WL 177842, \*2 (D. Ariz. Jan 22,  
 11 2007) (granting motion to dismiss plaintiff's Lanham Act claims for failure to sufficiently  
 12 allege that defendants used the mark in commerce).

13 Here, Plaintiff has not set forth any facts to establish the necessary elements of a  
 14 claim of direct trademark infringement against PT'S Defendants. Specifically, Plaintiff has  
 15 not alleged any facts that show PT'S Defendants have actually used its SOUND CHOICE  
 16 marks in commerce. While Plaintiff alleges in great detail the use of its SOUND CHOICE  
 17 marks by the KJs who perform and provide karaoke entertainment services, it makes no  
 18 allegations that the PT'S Defendants used its marks in commerce in any way.

19 Plaintiff alleges that it is the KJs who provide the karaoke services in the venues,  
 20 and that these services include "providing the karaoke music and equipment for playback,  
 21 entertaining the assembled crowd for warm-up purposes, and organizing the karaoke  
 22 show by controlling access to the stage, setting the order of performance, and operating  
 23 the karaoke equipment." (See Pl. Slep-Tone's Complaint, ¶ 63 [Docket # 1]). Further,  
 24 Plaintiff claims that it is the KJs who are responsible for maintaining their own catalog of  
 25 karaoke songs to use at their performances, and it is up to the KJs to purchase or license  
 26 the particular equipment and disks (or hard drives) to be used in the provision of their  
 27 karaoke entertainment services. (See Id. ¶¶ 64-5). Plaintiff alleges that the KJs have  
 28 engaged in pirating its karaoke disks and have used and displayed the SOUND CHOICE

1 trademark without permission. Plaintiff does not and cannot claim that KJs are employees  
 2 of PT'S Defendants or have any agency relationship with KJs. Plaintiff only alleges that  
 3 the PT'S Defendants benefited from the KJs unauthorized use of pirated compact disks,  
 4 not that the PT'S Defendants have actually used the SOUND CHOICE trademark in any  
 5 way.

6 Because Plaintiffs have not alleged any actual use of its trademarks by the PT'S  
 7 Defendants, for purposes of the instant motion the Court need not consider the fact-  
 8 intensive "likelihood of confusion" element of a direct trademark infringement claim,  
 9 because the Plaintiff has not, and can not, establish the critical element of the PT'S  
 10 Defendants' use of the Plaintiff's SOUND CHOICE marks in commerce as a matter of law.  
 11 In similar cases, courts in this district have not hesitated to dismiss complaints when they  
 12 fail to allege use of a trademark in commerce. Similar to Sandblom, because Plaintiff has  
 13 failed to sufficiently allege any facts in the complaint that the PT'S Defendants have used  
 14 its mark in commerce, the PT'S Defendants cannot be liable for direct trademark  
 15 infringement as a matter of law and the Court should dismiss this claim.

## 16 2. Failure to State a Claim for Contributory Trademark Infringement.

17 To the extent Plaintiff is alleging PT'S Defendants have committed contributory  
 18 trademark infringement, this cause of action too must fail. "To be liable for contributory  
 19 trademark infringement, a defendant must have (1) 'intentionally induced' the primary  
 20 infringer to infringe, or (2) continued to supply an infringing product to an infringer with  
 21 knowledge that the infringer is mislabeling the particular product supplied." Perfect 10,  
 22 Inc. v. Visa Int'l Serv. Ass'n, 494 F.3d 788, 807 (9th Cir. 2007) (citing Inwood Labs., Inc. v.  
 23 Ives Labs., Inc., 456 U.S. 844, 854 (1982)). Further, "[w]hen the alleged direct infringer  
 24 supplies a service rather than a product, under the second prong of this test, the court  
 25 must 'consider the extent of control exercised by the defendant over the third party's  
 26 means of infringement.'" Perfect 10, Inc., 494 F.3d at 807 (citing Lockheed Martin Corp. v.  
 27 Network Solutions, Inc., 194 F.3d 980, 984 (9th Cir. 1999)). "For liability to attach, there  
 28

1 must be ‘[d]irect control and monitoring of the instrumentality used by a third party to  
2 infringe the plaintiff’s mark.’” Id.

3 Here, Plaintiff has not set forth sufficient facts to establish the necessary elements  
4 required for a contributory infringement claim against the PT’S Defendants.

5 **a. No Allegations of Intentional Inducement.**

6 Regarding the first independent prong of the contributory infringement test, Plaintiff  
7 has not pled facts showing that PT’S Defendants intentionally induced KJs to infringe  
8 Plaintiff’s SOUND CHOICE marks. Plaintiff has merely alleged that PT’S Defendants have  
9 “benefitted from the use and display of unauthorized...copies of karaoke accompaniment  
10 tracks which have been marked falsely with SLEP-TONE’s federally registered  
11 trademarks.” (See Pl. Slep-Tone’s Complaint, ¶ 70 [Docket # 1]). Further, Plaintiff alleges  
12 that “[v]enues such as those operated by the PT’S Defendants can enjoy significant  
13 savings by turning a blind eye to the actions of the illegitimate KJs they hire,” and that the  
14 PT’S Defendants’ “venues benefit from piracy because unfair competition from pirate KJs  
15 pressures legitimate KJs to accept lower compensation from the venues to obtain new  
16 business or retain old business. By decreasing the fixed cost of entertainment, the PT’S  
17 Defendants’ operations become more profitable.” (See Id. ¶¶ 93-4). These allegations can  
18 in no way be construed to constitute inducement.

19 **b. Insufficient Allegations of Prior Knowledge of Infringement.**

20 The second independent prong of the contributory infringement test deals with the  
21 defendant’s actual knowledge of the third-party infringer’s activities. “This second test can  
22 be met where one knows or has reason to know of the infringing activity, and it specifically  
23 covers those who are ‘willfully blind’ to such activity.” Perfect 10, Inc. v. Cybernet  
24 Ventures, Inc., 213 F. Supp. 2d 1146, 1188-89 (C.D. Cal. 2002) (citing Fonovisa, Inc. v.  
25 Cherry Auction, Inc., 76 F.3d 259, 265 (9th Cir. 1996)). However, general knowledge that  
26 there may be some third-party infringement taking place is not enough for a defendant to  
27 be held liable for contributory infringement; the defendant must actually know or have  
28 reason to know of the infringement. See Fonovisa, Inc., 76 F.3d 261 (finding defendant

1 had actual knowledge after being put on notice multiple times by plaintiff); see also,  
2 Perfect 10, Inc., 494 F.3d at 798; Tiffany, Inc. v. eBay, Inc., 600 F.3d 93, 107 (2d Cir.  
3 2010) (“For contributory trademark infringement liability to lie, a service provider must  
4 have more than a general knowledge or reason to know that its service is being used to  
5 sell counterfeit goods.”)

6 Here, Plaintiff has not pled facts showing that PT’S Defendants had actual  
7 knowledge of the alleged third-party infringement of its SOUND CHOICE marks. Unlike in  
8 Fonovisa, Plaintiff has not alleged that it notified PT’S Defendants of the claimed  
9 infringement directly by letter or otherwise prior to instituting this lawsuit. Again, the only  
10 factual allegations made by Plaintiff in its Complaint regarding actual knowledge are the  
11 unsupported claims that the PT’S Defendants knowingly enjoyed a savings from the KJs’  
12 piracy.

13 However, Plaintiff makes no allegations about how the price for the services of a KJ  
14 who has not made unauthorized copies of Plaintiff’s compact disks differs from that of one  
15 who has. Further, Plaintiff does not offer an explanation as to how the PT’S Defendants  
16 could or should know that the price being charged by a particular individual KJ or KJ  
17 company is due to illicit infringement, rather than any other factor that might determine the  
18 price of its services, including showmanship, punctuality or professionalism of the KJs,  
19 legitimate economies of scale, and/or fair marketplace competition. As such, Plaintiff’s  
20 bald contentions and unsupported characterizations that an alleged price differential  
21 between the services of legitimate and illegitimate KJs equates to actual knowledge, or a  
22 reason to know, of third-party infringement is not a well-pleaded allegation, and should not  
23 suffice to defeat this motion to dismiss. (See G.K. Las Vegas Ltd. Partnership, 460 F.  
24 Supp. 2d at 1261; see also Sprewell, 266 F.3d at 988.)

25 **c. Insufficient Allegations of Control.**

26 “When the alleged direct infringer supplies a service rather than a product, under  
27 the second prong of this test, the court must ‘consider the extent of control exercised by  
28 the defendant over the third party’s means of infringement.’” Perfect 10, Inc., 494 F.3d at

1 807 (citing Lockheed Martin Corp. v. Network Solutions, Inc., 194 F.3d 980, 984 (9th Cir.  
 2 1999)). “For liability to attach, there must be ‘[d]irect control and monitoring of the  
 3 instrumentality used by a third party to infringe the plaintiff’s mark.’” Id.

4 Because the Plaintiff has not sufficiently pled facts to show that PT’S Defendants  
 5 knew or had reason to know of the alleged third-party infringement, this Court need not  
 6 reach the issue of whether or not the PT’S Defendants had direct control and monitoring  
 7 of the instrumentality used by a third party to infringe the plaintiff’s mark. Nevertheless,  
 8 the facts alleged by Plaintiff demonstrate that it is the KJs, operating as independent  
 9 contractors in PT’S Defendants’ venues, who retain complete control over the karaoke  
 10 equipment and the karaoke song selections in the KJs’ library, which together make up  
 11 the instrumentality used to allegedly infringe on Plaintiff’s marks.

12 Specifically, Plaintiff alleges that “entertainers who provide karaoke services in bars,  
 13 restaurants, and other venues are known as karaoke jockeys (‘KJs’), karaoke hosts, or  
 14 karaoke operators. The services provided by KJs typically include providing the karaoke  
 15 music and equipment for playback, entertaining the assembled crowd for warm-up  
 16 purposes, and organizing the karaoke show by controlling access to the stage, setting the  
 17 order of performance, and operating the karaoke equipment.” (See Id. ¶ 63 (emphasis  
 18 added)). Conversely, Plaintiffs make no allegation that PT’S Defendants are involved in  
 19 any way in maintaining libraries of compact disks for karaoke performances, making copies  
 20 of such disks (unauthorized or otherwise), operating karaoke equipment or performing any  
 21 karaoke services. Thus, the PT’S Defendants have no direct control over of the  
 22 instrumentality used by the third-party KJs to allegedly infringe Plaintiff’s mark; therefore,  
 23 this claim must fail as a matter of law.

### 24 3. No Allegations Supporting Vicarious Trademark Infringement.

25 To the extent Plaintiff is alleging the PT’S Defendants have committed vicarious  
 26 trademark infringement, this cause of action too must fail. “Vicarious liability for trademark  
 27 infringement requires ‘a finding that the defendant and the infringer have an apparent or  
 28 actual partnership, have authority to bind one another in transactions with third parties or

1 exercise joint ownership or control over the infringing product.” Perfect 10, Inc., 494 F.3d  
 2 at 807 (citing Hard Rock Café Licensing Corp. v. Concession Servs., Inc., 955 F.2d 1143,  
 3 1150 (7th Cir. 1992)).

4 Here, Plaintiff makes no allegation to support a finding that the PT’S Defendants and  
 5 the alleged third-party infringer KJs have an apparent or actual partnership, authority to  
 6 bind one another in transactions, or exercise joint ownership or control over the alleged  
 7 infringement, other than the bald contention in its pleading that “the Plaintiff has a good-  
 8 faith belief that discovery will show that each of the Defendants (a) is in possession of  
 9 unauthorized counterfeit goods bearing the Sound Choice Marks, or (b) knowingly benefits  
 10 from and/or has the capacity to control the infringing conduct of others.” (See Pl. Slep-  
 11 Tone’s Complaint, ¶ 232 [Docket # 1]). This allegation is insufficient to support vicarious  
 12 trademark infringement liability; therefore, this claim also must fail as a matter of law.

#### 13 4. Insufficient Allegations of Counterfeiting.

14 In order for a claim of counterfeiting to prevail, a plaintiff’s trademark must be  
 15 registered on the Principal Register of the United States Patent and Trademark Office  
 16 (“USPTO”) for use on the same goods or services to which the defendant applied the mark.  
 17 15 U.S.C. § 1116(d)(1)(B)(i) (a “counterfeit mark” is a “counterfeit of a mark that is  
 18 registered on the principal register...for such goods or services sold, offered for sale, or  
 19 distributed”); 18 U.S.C. § 2320(e)(1)(A)(iii) (a “counterfeit mark” is a “spurious mark ... that  
 20 is applied to or used in connection with the goods or services for which the mark is  
 21 registered with the United States Patent and Trademark Office”). The use of a trademark in  
 22 connection with goods or services for which there is no trademark registration falls outside  
 23 of the definition of “counterfeit mark.” (See 130 Cong. Rec. H. 12078-79 (joint statement on  
 24 1984 trademark counterfeiting legislation) (“[B]ecause this act is intended to reach only the  
 25 most egregious forms of trademark infringement, it does not affect cases in which the  
 26 defendant uses a registered mark in connection with goods or services for which the mark  
 27 is not registered.”), reprinted in Vol. 8, p. 34-619.) See also, GILSON ON TRADEMARKS, §  
 28 5.19.

1 Here, Plaintiff relies on two federal registrations in its Complaint to support its  
 2 allegations of trademark counterfeiting against the PT'S Defendants - a registration in class  
 3 9 for the word-only mark SOUND CHOICE (U.S. Reg. No. 1,923,448) and a registration in  
 4 class 9 for the composite word and design mark SOUND CHOICE (and design) (U.S. Reg.  
 5 No. 2,000,725). (See Pl. Slep-Tone's Complaint, ¶¶ 95-6 [Docket # 1]). According to the  
 6 USPTO records, these marks were federally registered on October 3, 1995 and September  
 7 17, 1996, respectively, and both are registered for the same goods of "pre-recorded  
 8 magnetic audio cassette tapes and compact discs containing musical compositions and  
 9 compact discs containing video related to musical compositions." While both of these  
 10 marks are currently registered, both are registered only for the goods identified in the  
 11 registrations, which are the actual physical cassette tapes and compact discs containing  
 12 musical compositions and related video content.

13 Again, here Plaintiff has only pled it has federal registrations for the goods of  
 14 "cassette tapes and compact discs," but yet alleges that the PT'S Defendants are using  
 15 counterfeit trademarks in the provision of karaoke entertainment services. Therefore,  
 16 Plaintiff has failed to allege a trademark counterfeiting cause of action against the PT'S  
 17 Defendants upon which relief can be granted. In its Complaint, Plaintiff does not claim that  
 18 the PT'S Defendants produce, manufacture, sell or deal in the type of pre-recorded  
 19 cassette and compact disc goods for which the Plaintiff owns federal registrations, nor  
 20 could it, as the PT'S Defendants do not deal in such goods. The Complaint on its face  
 21 merely alleges that the PT'S Defendants purchase the karaoke entertainment services  
 22 offered by the independent contractor KJs to perform in their venues. If any party in this  
 23 action is dealing in the goods recited in Plaintiff's registrations, it would be the KJs.  
 24 Therefore, Plaintiff is not entitled to the relief it seeks from the PT'S Defendants under its  
 25 trademark counterfeiting cause of action as a matter of law, and this claim should be  
 26 dismissed.

27 **C. Plaintiff's Claim for Lanham Act Unfair Competition Fails to State A**  
 28 **Claim For Relief Against the PT'S Defendants and Must Be Dismissed.**

1 Plaintiff has brought both trademark and unfair competition claims against the PT'S  
 2 Defendants under 15 U.S.C. §§ 1114(a) and 1125(a). "When trademark and unfair  
 3 competition claims are based on the same [alleged] infringing conduct, courts apply the  
 4 same analysis to both claims." Toho Co., Ltd. v. William Morrow and Company, Inc., 33 F.  
 5 Supp. 2d 1206, 1210 (C.D. Cal. 1998) (citing E. & J. Gallo Winery v. Gallo Cattle Co., 967  
 6 F.2d 1280, 1288 n. 2 (9th Cir. 1992)); see also Visa Intern. Service Ass'n v. Visa Hotel  
 7 Group, Inc., 561 F. Supp. 984, 989 (D. Nev. 1983) ("The Ninth Circuit has held that the  
 8 tests for Federal Trademark Infringement under Title 15 U.S.C. § 1114, False Designation  
 9 of Origin under Title 15 U.S.C. § 1125 and unfair competition involving trademarks, are the  
 10 same.") As such, "[t]o succeed on a claim for trademark infringement or unfair  
 11 competition, the moving party must establish: (1) ownership of the trademark at issue; (2)  
 12 use by defendant, without authorization, of a copy, reproduction, counterfeit or colorable  
 13 imitation of the moving party's mark in connection with the sale, distribution or advertising  
 14 of goods or services; and (3) that defendant's use of the mark is likely to cause confusion,  
 15 or to cause mistake or to deceive." Toho Co., Ltd., 33 F. Supp. 2d at 1210 (citing 15  
 16 U.S.C. § 1114(a); Gallo, 967 F.2d at 1288 n. 2.)

17 Here, as the analysis for unfair competition is the same as that for trademark  
 18 infringement, the Court should dismiss this cause of action alleged against the PT'S  
 19 Defendants for failing to set forth any demonstrable and factual basis for relief against the  
 20 PT'S Defendants. For the same reasons set forth above in this Motion, Plaintiff has failed  
 21 to state a legally-cognizable claim for unfair competition against the PT'S Defendants.  
 22 Whether under § 1114(a) trademark infringement or § 1125(a) unfair competition, Plaintiff  
 23 has failed to sufficiently plead that it is entitled to relief under any theory of trademark  
 24 infringement or unfair competition. Therefore, Plaintiff's Trademark Infringement and  
 25 Unfair Competition claims fail in their entirety as a matter of law.

#### 26 **IV. CONCLUSION**

27 For the reasons identified above, the PT'S Defendants respectfully request that the  
 28 Court dismiss it from this action with prejudice. Plaintiff has not alleged a single claim or

1 asserted any facts in support of any claim against the PT'S Defendants, nor could any  
2 claims stand against the PT'S Defendants, as they have not engaged in trademark  
3 infringement or unfair competition as against Plaintiff. Thus, the PT'S Defendants cannot  
4 be liable to Plaintiff for any of the damages alleged nor can Plaintiff obtain from the PT'S  
5 Defendants any of the relief it seeks. The PT'S Defendants respectfully request, therefore,  
6 that they be dismissed from this action with prejudice.

7 DATED this 16<sup>th</sup> day of March, 2012.

8 Respectfully submitted,

9 GREENBERG TRAUIG, LLP

10 /s/ Lauri S. Thompson

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**CERTIFICATE OF SERVICE**

I hereby certify that on March 16<sup>th</sup>, 2012, I served the foregoing **DEFENDANTS'**  
**MOTION TO DISMISS** via the Court's CM/ECF filing system to all counsel of record and  
parties as listed.

/s/ Cynthia L. Ney  
An employee of GREENBERG TRAUIG, LL

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