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15 UNITED STATES DISTRICT COURT
16
17 NORTHERN DISTRICT OF CALIFORNIA
18
19 SAN FRANCISCO DIVISION
20

21 SPLUNK INC.,
22
23 Plaintiff,
24
25 v.
26
27 DEUTSCHE TELEKOM AG,
28
Defendant.

Case No. 3:20-cv-04377-JD

**DEFENDANT DEUTSCHE TELEKOM
AG'S NOTICE OF MOTION AND
MOTION TO DISMISS PLAINTIFF'S
COMPLAINT; MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

Date: November 19, 2020
Time: 10:00 a.m.
Location: Courtroom 11, 19th Floor
Judge: Hon. James Donato

NOTICE OF MOTION AND MOTION TO DISMISS

PLEASE TAKE NOTICE that on November 19, 2020 at 10 a.m., or as soon thereafter as the matter may be heard, in Courtroom 11 – 19th Floor, of the United States District Court, Northern District of California, San Francisco Courthouse, located at 450 Golden Gate Avenue, San Francisco, CA 94102, Defendant Deutsche Telekom AG, will and hereby does move the Court pursuant to Fed. R. Civ. P. 12(b)(1), for the entry of an order dismissing Plaintiff’s Complaint for lack of subject matter jurisdiction.

This motion (“Motion”) is made upon the grounds that Plaintiff’s Complaint fails to establish that an actual controversy exists between the parties as required under Article III of the United States Constitution and the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and the Court therefore lacks subject matter jurisdiction. The Motion is based on this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the Complaint, any Reply in Support of the Motion, and argument to be made at any hearing on the Motion.

Dated: September 29, 2020

ARENT FOX LLP

/s/ Ross Q. Panko
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MEMORANDUM OF POINTS AND AUTHORITIES

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1 **I. INTRODUCTION**

2 Splunk Inc.’s (“Splunk”) Complaint is fatally defective because it pleads only that Splunk
3 and Deutsche Telekom AG (“DTAG”) are parties to a trademark dispute in Europe, not in the
4 United States. Because trademark rights are territorial (i.e., country-specific), the parties’
5 European dispute cannot create declaratory judgment jurisdiction in the United States, and thus
6 Splunk’s Complaint must be dismissed.

7 Splunk tries in four ways to manufacture an actual U.S. controversy between the parties,
8 but the face of its Complaint shows that no such controversy exists. First, Splunk points to
9 DTAG’s February 2020 European cease-and-desist letter to Splunk, in which DTAG demanded
10 only that Splunk cease using magenta in Europe (not the United States). Splunk’s allegation
11 ignores the bedrock principle of territoriality in trademark law, pursuant to which trademarks
12 have a separate legal existence in each individual country, governed by each country’s laws. In
13 accordance with trademark territoriality, DTAG’s European letter to Splunk made no demand that
14 Splunk stop using magenta in the U.S., nor did it threaten Splunk with a U.S. lawsuit.

15 Second, and likewise because of trademark territoriality, Splunk’s allegations concerning
16 the parties’ ongoing German lawsuit do not create an actual controversy here in the U.S. Splunk
17 points to a March 2020 decision by the Civil Chamber of the Regional Court of Hamburg, in
18 which the court issued an E.U.-wide preliminary injunction against Splunk’s use of magenta in its
19 advertising and marketing materials. However, the geographic scope of the German court’s
20 injunction is limited to the E.U. As discussed below, a foreign court’s decision on parties’ non-
21 U.S. trademark rights cannot create an actual controversy in the U.S. between those same parties
22 concerning their U.S. trademark rights. As such, the German court’s preliminary injunction does
23 not create an actual controversy between Splunk and DTAG in the U.S.

24 Third, Splunk points to DTAG’s filing with the U.S. Trademark Trial and Appeal Board
25 (“TTAB”) of a request for a 90-day extension of its statutory deadline to potentially oppose a
26 U.S. trademark application filed by Splunk for a logo containing the color magenta. But this
27 allegation also fails to establish declaratory judgment jurisdiction because the mere act of
28 extending an opposition deadline with the TTAB does not create an actual controversy for

1 declaratory judgment purposes. Moreover, after obtaining the extension, DTAG did not file an
2 opposition against Splunk’s U.S. application, and DTAG’s deadline to do so has now expired.
3 Simply put, there is no U.S. dispute between DTAG and Splunk at the TTAB, nor has there ever
4 been. DTAG’s TTAB extension thus provides no basis for declaratory judgment jurisdiction.

5 Fourth, Splunk pleads facts concerning DTAG’s enforcement of its magenta trademark
6 rights against four unrelated companies over a period of 12 years. Splunk does not allege that
7 DTAG ever actually sued any of those companies in U.S. court, nor that any of the disputes
8 involved U.S. trademark rights, as opposed to foreign rights. A handful of DTAG enforcement
9 matters over 12 years cannot plausibly have created in Splunk a “real and reasonable”
10 apprehension that it was about to be sued by DTAG in U.S. court.

11 Finally, even if Splunk had pleaded an actual controversy (which it did not), the Court
12 should decline to hear this case because it impermissibly interferes with the first-filed German
13 action and would improperly permit Splunk’s forum shopping. Consequently, Splunk’s
14 Complaint must be dismissed.

15 **II. BACKGROUND**

16 Splunk does business in the United States and Europe, including through its German
17 subsidiary, and develops “enterprise software solutions that enable organizations to gain real-time
18 operational intelligence by harnessing the value of their data regardless of where it is coming
19 from.” Compl., ECF 1 ¶¶ 10-11. Splunk uses trademarks and trade dress that prominently
20 feature the color magenta to advertise and promote its goods and services (the “Splunk Magenta
21 Trade Dress”). *Id.* ¶¶ 18-20. Examples of Splunk’s use of the Magenta Trade Dress include its
22 websites, mobile apps, social media pages, and print materials, such as the following:
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24
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Id. Ex. D at 6, 9 (ECF 1-4 at 7, 10). Defendant DTAG is a German company that offers telecommunications and information technology goods and services under a variety of trademarks that prominently feature the color magenta, including the color magenta alone, and various marks that contain the color magenta, including “T,” “T-MOBILE,” and “T-SYSTEMS.” *See id.* ¶ 23 & Ex. D. On February 12, 2020, DTAG’s German counsel sent a cease-and-desist letter to Splunk requesting that it cease its use of the color magenta in the European Union. *Id.* ¶ 26 & Ex. D. DTAG’s letter relies entirely on DTAG’s trademarks rights in the E.U. and Germany (not the United States), and demands only that Splunk cease its use of magenta in the E.U. (not the United States). *See* Ex. D. For example, DTAG’s letter emphasizes DTAG’s E.U. and German trademark rights (not its United States rights) as follows:

[T]he colour Magenta is protected for DTAG in accordance with Article 9 para 2 lit. a and lit. b of the **Regulation on the European Union Trademark** as well as Section 14 para. 2 no. 1 and no. 2 of the **German Trademark Act**. Moreover, the colour Magenta is protected as a business identifier pursuant to Section 5 para 2 and Section 15 para 2 and 3 of the **German Trademark Act** as well.

In addition, the colour Magenta enjoys protection as a trademark having a reputation according to Article 9 para 2 lit. c of the Regulation on the **European Union Trademark** and Section 14 para. 2 no. 3 of the **German Trademark Act**.

Finally, Magenta is a protected business identifier pursuant to Section 15 para. 2 and 3 of the **German Trademark Act** as well.

1
2 ...

3 The use by Splunk of the colour Magenta or a highly similar colour creates a likelihood of
4 confusion and therefore infringes DTAG's Magenta trademark rights pursuant to Article 9
para 2 lit. b of the Regulation on the **European Union Trademark** as well as Section 14
para 2 no. 2 of the **German Trademark Act**.

5 *Id.* Ex. D at 3, 8 (ECF 1-4 at 4, 9) (emphasis added).

6 Similarly, DTAG's letter includes images of Splunk's German-language website and
7 marketing materials. *Id.* Ex. D at 6, 9 (ECF 1-4 at 7, 10). Finally, DTAG closes the letter to
8 Splunk by demanding that Splunk cease using the color magenta only in the European Union (not
9 in the United States). *Id.* Ex. D at 10 (ECF 1-4 at 11). Consistent with the foregoing demand, the
10 declaration attached to DTAG's letter specifies that Splunk's obligations apply only in the
11 European Union. *Id.* Ex. D (ECF 1-4 at 18) ("This undertaking applies to all member states of the
12 European Union").¹

13 DTAG's letter contains no demand that Splunk cease using the color magenta in the
14 United States. Rather, the sole reference to DTAG's U.S. trademark rights is found in a single
15 sentence at the end of the letter, in which DTAG states only that it reserves its rights in the United
16 States. *See id.* Ex. D at 10 (ECF 1-4 at 11) ("Please note that our client expressly reserves its
17 right to take legal action against the use of Magenta by Splunk according to the unfair
18 competition law as well as based on US trademark law"). When Splunk failed to fully comply
19 with DTAG's E.U. demand letter, DTAG filed a civil action against Splunk in German court. On
20 March 19, 2020, the Civil Chamber of the Regional Court of Hamburg issued an E.U.-wide
21 preliminary injunction requiring Splunk to significantly reduce and modify its use of magenta in
22 all E.U. member countries. Compl. ¶ 39. Splunk then asked the German court to lift the
23 preliminary injunction but the court declined to do so. *Id.* ¶ 42. Thus, the E.U.-wide injunction
24 on Splunk's use of magenta remains in place while the parties continue the German litigation. *Id.*

25 DTAG has never sent a cease-and-desist letter to Splunk demanding that Splunk cease
26 using the color magenta in the United States, or refrain from filing U.S. trademark applications

27 ¹ In addition, DTAG attached to its letter only its E.U. and German trademark registrations for the
28 color magenta, not its U.S. registrations. *Id.* Ex. D (ECF 1-4 at 12-17).

1 containing magenta. On June 3, 2020, DTAG filed with the TTAB a request for a 90-day
 2 extension of the statutory deadline to potentially file a notice of opposition against Splunk’s U.S.
 3 trademark application for one of the Splunk Gradient Marks (U.S. Serial No. 88/786,508). The
 4 TTAB granted the extension, thus making the new opposition deadline September 2, 2020. *Id.* ¶
 5 22. That deadline has now expired, and DTAG did not file a notice of opposition against
 6 Splunk’s U.S. trademark application.

7 **III. LEGAL STANDARD**

8 The plaintiff bears the burden of establishing that the Court has jurisdiction. *Kokkonen v.*
 9 *Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). To invoke declaratory judgment
 10 jurisdiction, a plaintiff “must allege facts, not mere legal conclusions” sufficient to establish an
 11 actual case or controversy. *Leite v. Crane Co.*, 749 F.3d 1117, 1121 (9th Cir. 2014); *Lujan v.*
 12 *Defs. of Wildlife*, 504 U.S. 555, 560–61 (1992); *see* 28 U.S.C. § 2201(a). To meet the “actual
 13 controversy” standard, a plaintiff must allege facts showing a dispute between the parties that is
 14 “definite and concrete, touching the legal relations of parties having adverse legal interests; and
 15 that it be real and substantial and admi[t] of specific relief through a decree of a conclusive
 16 character” *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) (internal quotation
 17 marks and citations omitted). In a trademark case, courts in the Ninth Circuit consider whether
 18 the declaratory judgment plaintiff has pleaded facts establishing “a real and reasonable
 19 apprehension that [the plaintiff] will be subject [to suit].” *E. & J. Gallo Winery v. Proximo*
 20 *Spirits, Inc.*, 583 F.App’x 632, 634 (9th Cir. 2014).² In a Rule 12(b)(1) motion to dismiss based

21 ² Post-*MedImmune*, courts in the Ninth Circuit still consider the plaintiff’s “real and reasonable”
 22 apprehension of suit as a factor in the “all the circumstances” test for declaratory judgment
 23 jurisdiction. *Atanasio v. Golden*, No. CV-15-08103, 2016 WL 1465317, at *2 n.2 (C.D. Cal. Apr.
 24 13, 2016). For example, courts considered the plaintiff’s “real and reasonable apprehension” of
 25 suit in the following decisions: *E. & J. Gallo Winery v. Proximo Spirits, Inc.*, 583 F.App’x 632,
 26 634 (9th Cir. 2014); *Merit Healthcare Int’l, Inc. v. Merit Med. Sys., Inc.*, 721 F.App’x 628, 629
 27 (9th Cir. 2018); *Coheso, Inc. v. Can’t Live Without It, LLC*, No. 17-CV-03381, 2017 WL
 28 10434396, at *4 (N.D. Cal. Dec. 18, 2017); *Expensify v. White*, No. 19-cv-01892, 2019 WL
 5295064, at *2 (N.D. Cal. Oct. 18, 2019), *appeal docketed*, No. 19-17320 (9th Cir. Nov. 15,
 2019); *San Diego Cnty. Credit Union v. Citizens Equity First Credit Union*, 344 F.Supp.3d 1147,
 1154 (S.D. Cal. 2018); *FN Cellars, LLC v. Union Wine Co.*, No. 15-cv-02301, 2015 WL
 5138173, at *2 (N.D. Cal. Sept. 1, 2015); *Abrahams v. Hard Drive Prods., Inc.*, No. C-12-01006,
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Amaretto Ranch Breedables v. Ozimals, Inc., 907 F.Supp.2d 1080, 1085 (N.D. Cal. 2012); *Ours*
Tech., Inc. v. Data Drive Thru, Inc., 645 F.Supp.2d 830, 834 (N.D. Cal. 2009); *Touchpoint*

on a facial attack, “the challenger asserts that the allegations contained in a complaint are insufficient on their face to invoke federal jurisdiction.” *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039 (9th Cir. 2004). “The district court resolves a facial attack as it would a motion to dismiss under Rule 12(b)(6).” *Leite*, 749 F.3d at 1121.

IV. ARGUMENT

A. **Splunk’s Complaint Fails To Plead an Actual Controversy.**

Splunk’s Complaint seeks to manufacture an actual controversy between DTAG and Splunk in the United States, where none exists. Instead, the face of Splunk’s Complaint demonstrates only that the parties are engaged in a trademark dispute in Europe, not the United States. The allegations in Splunk’s Complaint can be grouped into four categories: (1) DTAG’s E.U. cease-and-desist letter to Splunk; (2) the parties’ pending German litigation; (3) DTAG’s filing of a (now abandoned) extension of time to oppose Splunk’s U.S. trademark application at the TTAB; and (4) DTAG’s trademark enforcement efforts against third parties. As detailed below, none of the allegations in Splunk’s Complaint support declaratory judgment jurisdiction.

1. **DTAG’s E.U. Cease-and-Desist Letter to Splunk Does Not Create an Actual Controversy.**

Splunk relies on DTAG’s E.U. cease-and-desist letter to claim that declaratory judgment jurisdiction exists. Splunk is wrong because trademark rights are territorial, and DTAG’s reference in the E.U. letter to “reserving rights” in the U.S. does not create a controversy of “sufficient immediacy and reality” to warrant declaratory judgment jurisdiction. *Proximo Spirits*, 583 F.App’x at 634 (citing *MedImmune*, 549 U.S. at 127).

A trademark owner’s act of sending of a cease-and-desist letter asserting *United States* trademark rights and threatening an infringement action in the *United States* can give rise to declaratory judgment jurisdiction if the letter establishes that the “plaintiff has a real and reasonable apprehension that he will be subject to [suit].” *Id.*, 583 F.App’x at 634 (citation omitted). “In determining ‘if the threat perceived by the plaintiff is real and reasonable,’ the court

Commc’ns, LLC v. Dentalphone, LLC, No. 15-cv-05240, 2016 WL 524260, at *4 (W.D. Wash. Feb. 10, 2016); *Sakkis v. Artisan Pictures, Inc.*, No. CV 08-00049, 2008 WL 683388, at *4 (C.D. Cal. Mar. 11, 2008).

1 focuses ‘upon the position and perceptions of the plaintiff’ and ‘[t]he acts of the defendant [are] ...
 2 examined in view of their likely impact on competition and the risks imposed upon the plaintiff.’”
 3 *Coheso, Inc.*, 2017 WL 10434396, at *4 (citations omitted).

4 Although district courts have held that when an allegedly infringing mark is in use, the
 5 showing of apprehension “need not be substantial,” the trademark owner’s letter must at a
 6 minimum threaten a *United States* legal action. The basis for this rule is trademark territoriality,
 7 pursuant to which “a trademark has a separate legal existence in each country and receives the
 8 protection afforded by the laws of that country.” *Am. Circuit Breaker Corp. v. Or. Breakers Inc.*,
 9 406 F.3d 577, 582 (9th Cir. 2005); *see also Person’s Co. v. Christman*, 900 F.2d 1565, 1568–69
 10 (Fed. Cir. 1990) (“The concept of territoriality is basic to trademark law; trademark rights exist in
 11 each country solely according to that country’s statutory scheme.”). Thus, E.U. and U.S.
 12 trademark rights are separate and distinct. *Am. Circuit Breaker*, 406 F.3d at 582.

13 Applying this principle, a trademark owner’s sending of a letter asserting non-U.S.
 14 trademark rights or making non-U.S. demands, and the filing of foreign trademark infringement
 15 actions, do not give rise to declaratory judgment jurisdiction. *See, e.g., Avon Prods., Inc. v.*
 16 *Moroccanoil, Inc.*, No. 12 Civ 4507, 2013 WL 795652, *3–4 (S.D.N.Y. Mar. 4, 2013) (“[a]bsent
 17 . . . a claim of U.S. infringement, there is no ‘substantial controversy, between parties having
 18 adverse legal interests, of sufficient immediacy and reality’ so as to warrant the issuance of a
 19 declaratory judgment.” (quoting *MedImmune*, 549 U.S. at 127); *Studex Corp. v. Blomdahl Med.*
 20 *Innovation AB*, 355 F.Supp.2d 3, 8–9 (D.D.C. 2004) (no actual controversy because “the evidence
 21 offered by [plaintiff] shows only [defendant’s] willingness and intention of protecting its
 22 European patent rights in Sweden, rather than its intention of initiating litigation in the U.S.”).
 23 Accordingly, DTAG’s letter – which focuses entirely on E.U. and German trademark law and
 24 demands only that Splunk cease using magenta in the E.U. – does not create declaratory judgment
 25 jurisdiction in this Court.

26 Moreover, DTAG’s reference in its letter to “reserving its rights” in the U.S. did not create
 27 in Splunk a “real and reasonable apprehension that [Splunk] will be subject to [suit].” *Proximo*
 28 *Spirits*, 583 F.App’x at 634. Quite the opposite, DTAG’s letter takes pains to emphasize that the

geographic scope of its demand is limited to the E.U. and does not cover the U.S. The contents of DTAG's letter stand in stark contrast to cease-and-desist letters that courts have found sufficient to create declaratory judgment jurisdiction. For example, in *Coheso, Inc. v. Can't Live Without It, LLC*, the court found declaratory judgment jurisdiction where the trademark owner's letter demanded that the plaintiff immediately cease using the infringing trade dress **in the United States**, and "the demands [were] framed nonnegotiablely, and [were] immediately preceded by a list of at least six causes of action and the specific damages that Defendant could be awarded after litigation." 2017 WL 10434396, at *5³; *see also Proximo Spirits*, 583 F.App'x at 633, 635 (finding declaratory judgment jurisdiction based on letter sent to Gallo's sole American and Mexican supplier "on the eve of that product's launch in American markets"; "[u]nder such circumstances, Gallo's apprehension of suit in both Mexican and American forums was reasonable").

In stark contrast, here, DTAG's E.U. letter cannot have created in Splunk a "real and reasonable" apprehension that it was about to be sued in U.S. court. DTAG's letter relies entirely on DTAG's E.U. and German trademark rights, limits its demands to the E.U., and specifically underscores that the geographic scope of DTAG's demands does not extend to the U.S. Accordingly, DTAG's European cease-and-desist letter to Splunk does not provide a basis for declaratory judgment jurisdiction. *See Colur World, LLC v. Benco Dental Supply Co.*, Civ. A. No. 18-3265, 2019 WL 9100306, at *1 (E.D. Pa. Mar. 29, 2019) ("[V]ague threats of legal action like those present here coupled with the TTAB proceeding do not rise to the level 'of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.'" (citations omitted)).⁴

³ The *Coheso* letter further demanded that Coheso "stop selling Plaintiff's bottles [in the United States], ... identify retailers carrying Plaintiff's products, ... identify manufacturers who produced Plaintiff's products, and ... destroy any remaining inventory in Plaintiff's possession." *Id.* at *2. The letter closed with the non-negotiable demand that "[p]rovided we receive your full cooperation within ten (10) days of your receipt of this letter, S'well will not demand a full accounting of MIRA's sales and inventory." *Id.* Based on these explicit and non-negotiable threats of U.S. litigation and damages, the *Coheso* court found that the plaintiff had established declaratory judgment jurisdiction based on its "real and reasonable" apprehension that it was about to be sued in the United States. *Id.* at *5.

⁴ *See also 1-800-Flowers.com, Inc. v. Edible Arrangements, LLC*, 905 F.Supp.2d 451, 458 (E.D.N.Y. 2012) (rejecting the plaintiff's arguments that an "isolated and rather general comment that defendant objected to plaintiff's use of its mark, either on its own or viewed in conjunction

2. The Pending German Litigation Between DTAG and Splunk Does Not Create an Actual Controversy.

Likewise, because of the limitations of trademark territoriality, Splunk’s allegations concerning the parties’ German lawsuit do not create declaratory judgment jurisdiction in this Court. In the declaratory judgment context, courts hold that a party “being sued in a foreign nation for trademark infringement does not create an actual controversy sufficient for a declaratory judgment filed by that party in a United States court.” 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:51.50 (5th ed. 2020); *MGA Ent., Inc. v. Louis Vuitton Malletier, S.A.*, No. 18-cv-10758, 2019 WL 2109643, at *4 (C.D. Cal. May 14, 2019) (granting defendant’s motion to dismiss for lack of declaratory judgment jurisdiction where the parties’ French court litigation alleged infringement of Vuitton’s E.U. trademarks; “litigation concerning foreign rights standing alone does not support the finding of an actual controversy”)⁵; *Calzaturificio Rangoni S.p.A. v. U.S. Shoe Corp.*, 868 F.Supp. 1414, 1418 (S.D.N.Y. 1994) (“The Italian Judgment, based on Italian law, has no effect on the evaluation of the rights to use AMALFI in the United States.”)⁶ DTAG’s pending German litigation against Splunk thus does not create an actual controversy between DTAG and Splunk in the U.S.

with the language present in the Oppositions, meets the *MedImmune* standard”); *Vina Casa Tamaya S.A. v. Oakville Hills Cellar, Inc.*, 784 F.Supp.2d 391, 395 (S.D.N.Y. 2011) (granting motion to dismiss declaratory judgment action where cease-and-desist letter demanded that the plaintiff abandon its pending trademark application, but did not claim infringement or contest plaintiff’s continued use of the mark); *World Religious Relief v. Gospel Music Channel*, 563 F.Supp.2d 714, 716–17 (E.D. Mich. 2008); *Dunn Comput. Corp. v. Loudcloud, Inc.*, 133 F.Supp.2d 823, 827–28 (E.D. Va. 2001).

⁵ See also *SanDisk Corp. v. Audio MPEG, Inc.*, No. C-06-02655, 2007 WL 30598, at *5 (N.D. Cal. Jan. 3, 2007) (granting motion to dismiss for lack of declaratory judgment jurisdiction because defendant’s assertion of European patents against plaintiff did not create actual controversy in the U.S.; “the assertion of foreign patents in infringement actions, without more, does not create a reasonable apprehension that the purported United States counterparts would be asserted imminently in the United States”); *Schutte Bagclosures Inc. v. Kwik Lok Corp.*, 48 F.Supp.3d 675, 691–93 (S.D.N.Y. 2014) (granting defendant’s motion for summary judgment for lack of declaratory judgment jurisdiction because “[t]he Netherlands litigation alone should not be treated as a claim by [defendant] that [plaintiff] violated its United States trademark rights, because [defendant] only asserted its European trademark rights in that litigation”); *Studex Corp.*, 355 F.Supp.2d at 8–9 (foreign infringement suit did not create actual controversy; “the evidence offered by [plaintiff] shows only [defendant’s] willingness and intention of protecting its European patent rights in Sweden, rather than its intention of initiating litigation in the U.S.”).

⁶ See also *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 599 (5th Cir. 1985) (quoting *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 639 (2d Cir. 1956) (“the

1 **3. DTAG’s Filing of an Extension of Time to Oppose Splunk’s United**
 2 **States Trademark Application Does Not Establish an Actual**
 3 **Controversy.**

4 Splunk’s allegations concerning DTAG’s filing with the TTAB of a request for a 90-day
 5 extension of time to oppose one of Splunk’s U.S. trademark applications also fail to create
 6 declaratory judgment jurisdiction. “[I]f the only basis for a Declaratory Judgment is the threat or
 7 actual filing of an opposition or cancellation proceeding against plaintiff’s trademark registration
 8 in the Patent and Trademark Office, then this is not, by itself, sufficient to create an ‘actual
 9 controversy’ over trademark infringement.” 6 *McCarthy on Trademarks and Unfair Competition*
 10 § 32:52 (5th ed. 2020). The basis for this rule is that the TTAB only adjudicates issues of
 11 trademark **registration**, not use. The TTAB cannot issue injunctions or declaratory relief. *See*
 12 *Vina Casa Tamaya S.A.*, 784 F.Supp.2d at 397. “Thus, when ... an adversary does not threaten,
 13 directly or indirectly, to sue for trademark infringement, there is no reasonable apprehension of
 14 being sued and no basis for a declaratory judgment.” 6 *McCarthy on Trademarks and Unfair*
 15 *Competition* § 32:52. “This is so even though the adversary threatened to [or] did file a petition
 16 to cancel with the Trademark Board.” *Id.* “These cases are decided on the principle that the
 17 federal courts have no jurisdiction to enter a declaratory judgment with respect to a right to have a
 18 trademark registered where there is no question of infringement.” *Id.*

19 Applying the foregoing principles, courts routinely decline to exercise declaratory
 20 judgment jurisdiction where the defendant has filed an opposition proceeding at the TTAB, which
 21 is a far cry from the present case in which DTAG never filed any opposition against Splunk.⁷
 22 *See, e.g., Optics Inc. v. Barracuda Networks Inc.*, No. 17-cv-04977, 2017 WL 11514790, at *6
 23 (N.D. Cal. Nov. 20, 2017) (no actual controversy despite pending TTAB opposition); *Colur*

24 _____
 25 decisions of foreign courts concerning the respective trademark rights of the parties are irrelevant
 26 and inadmissible” to the issue of trademark infringement under U.S. law); *Moroccanoil, Inc. v.*
 27 *Golan*, No. Civ. 11-01974, 2012 WL 12885683, at *1 (C.D. Cal. Oct. 30, 2012) (citing *Fuji*
 28 *Photo* for the proposition stated above).

⁷ DTAG merely filed with the TTAB a request for a 90-day extension of its deadline to file such
 an opposition, which the TTAB granted. However, the as-extended deadline (September 2, 2020)
 has now expired, and DTAG did not in fact file an opposition against Splunk’s application at the
 TTAB.

1 *World, LLC*, 2019 WL 9100306, at *1 (“[A] single dispute before the TTAB is generally
 2 insufficient to establish a controversy for the purposes of a declaratory judgment action.”).⁸
 3 DTAG’s filing of its (now expired) TTAB extension thus does not create declaratory judgment
 4 jurisdiction.

5 Some courts in the Ninth Circuit have exercised declaratory judgment jurisdiction where
 6 the plaintiff alleged that the defendant filed an opposition with the TTAB, ***plus additional facts***
 7 that validly created a controversy of “sufficient immediacy and reality” for jurisdiction.
 8 However, those cases are distinguishable, as they involved a threat to file a TTAB action coupled
 9 with the actual filing of an infringement claim in U.S. court, or the actual filing of an opposition
 10 that pleaded the elements of a trademark infringement claim. *See, e.g., Chesebrough-Pond’s, Inc.*
 11 *v. Faberge, Inc.*, 666 F.2d 393, 397 (9th Cir. 1982) (declaratory judgment jurisdiction found
 12 where defendant sent plaintiff a letter declaring its intention to file opposition at the TTAB, and
 13 the defendant in fact filed a counterclaim for trademark infringement against the plaintiff in U.S.
 14 court; “[t]he actual filing of a counterclaim for infringement bolsters Chesebrough’s claim that a
 15 real threat existed.”); *Neilmed Prods., Inc. v. Med-Systems, Inc.*, 472 F.Supp.2d 1178, 1181 (N.D.
 16 Cal. 2007) (finding declaratory judgment jurisdiction, but only where the defendant had actually
 17 filed an opposition proceeding against the plaintiff at the TTAB which “also plead[ed] a case for
 18 trademark infringement”).

19 The facts here stand in stark contrast to *Chesebrough* and *Neilmed*. DTAG has not filed
 20 any opposition against Splunk at the TTAB, nor has DTAG sent any letter to Splunk threatening

21 ⁸ *See also Premium Denim, LLC v. Hamilton*, No. CV 10-4929, 2011 WL 13217219, at *6 (C.D.
 22 Cal. Nov. 28, 2011) (holding “ongoing proceedings before the TTAB . . . do not support
 23 declaratory judgment jurisdiction”); *Wham-O, Inc. v. Manley Toys, Ltd.*, No. 08-cv-07830, 2009
 24 WL 6361387, at *4 (C.D. Cal. Aug. 13, 2009) (finding no actual controversy despite defendant’s
 25 filing cancellation and opposition proceedings before the TTAB); *Halo Lifestyle LLC v. Halo*
 26 *Farm, Inc.*, No. 18 Civ. 9459, 2019 WL 1620744, at *3 (S.D.N.Y. Apr. 16, 2019) (“A notice of
 27 opposition with the TTAB alone does not make out an actual case or controversy or demonstrate
 28 that the party who filed such a notice seeks to prohibit the use of the mark in question.”); *see also*
Hogs & Heroes Found. Inc. v. Heroes, Inc., 202 F.Supp.3d 490, 495 (D. Md. 2016); *Circuit City*
Stores, Inc. v. Speedy Car-X, Inc., 35 U.S.P.Q.2d 1703, 1995 WL 568818 (E.D. Va. 1995);
TEKsystems, Inc. v. TekSavvy Sols., Inc., Civ. A. No.16-4125, 2017 WL 4805234, at *6 (D. Md.
 Oct. 25, 2017); *1-800-Flowers.com, Inc.*, 905 F.Supp.2d at 454; *Vina Casa Tamaya S.A.*, 784
 F.Supp.2d at 396–97; *Bruce Winston Gem Corp. v. Harry Winston, Inc.*, No. 09 Civ.7352, 2010
 WL 3629592, at *5 (S.D.N.Y. Sept. 16, 2010).

1 to file a U.S. opposition against it. Likewise, DTAG has not filed any counterclaim for
 2 infringement against Splunk in U.S. court. Accordingly, the facts here bear no resemblance to
 3 *Chesebrough* and *Neilmed*, and do not support declaratory judgment jurisdiction.

4 **4. Splunk’s Allegations About DTAG’s Enforcement Efforts Against**
 5 **Third Parties Do Not Create an Actual Controversy.**

6 Finally, Splunk attempts to manufacture an actual controversy between the parties in the
 7 United States by alleging that DTAG has “repeatedly attempted to block companies—even those,
 8 like Splunk, in completely different industries—from using any shade of magenta (or even
 9 straight pink) in connection with branding.” ECF 1 ¶ 3. Specifically, Splunk cites four DTAG
 10 disputes that occurred over a 12-year period. *Id.* ¶¶ 3, 4, 24. However, Splunk’s Complaint
 11 contains no allegations that DTAG sued any of these third parties in U.S. court, or that the
 12 disputes involved U.S. trademark rights or instead only E.U. or other foreign rights. Simply put,
 13 DTAG’s prior enforcement of its trademark rights against unrelated third parties does not create
 14 declaratory judgment jurisdiction. *See Avon Prods., Inc.*, 2013 WL 795652, at *5 (“[p]rior
 15 actions against other infringers do not give rise to an actual controversy with a non-party”).⁹

16 **B. The Court Should Decline to Exercise Declaratory Judgment Jurisdiction.**

17 Even if *arguendo* Splunk had pleaded an actual controversy (which it did not), the Court
 18 should decline to exercise declaratory judgment jurisdiction. In deciding whether to exercise
 19 their jurisdiction under the DJA, courts consider “whether the declaratory action is being sought
 20 merely for the purposes of procedural fencing or to obtain a ‘res judicata’ advantage.” *Gov’t*
 21 *Emps. Ins. Co. v. Dizol*, 133 F.3d 1220, 1225 n.5 (9th Cir. 1998). The potential for entanglement

22 ⁹ *See also MGA Ent., Inc.*, 2019 WL 2109643, at *4 (finding plaintiff’s attempt to create a
 23 controversy by alleging that defendant “has a history of not respecting parody rights in the United
 24 States and filing vexatious lawsuits against such protected parody” to be unavailing); *Ontel*
 25 *Prods. Corp. v. Yeti Coolers, LLC*, No. 16-cv-5712, 2017 WL 3033436, at *4 (D.N.J. June 30,
 26 2017), *R. & R. adopted*, No. 16-5712, 2017 WL 3033127 (D.N.J. July 17, 2017) (“[Defendant’s]
 27 history of aggressively enforcing its intellectual property rights against other companies does not
 28 establish that the parties to this case were on the brink of suit, despite [Plaintiff’s] subjective
 belief that a lawsuit was imminent.”); *SanDisk Corp.*, 2007 WL 30598, at *5 (general contentions
 that the defendant was “litigious” did not support a finding of an actual controversy; “the mere
 fact that a company files suit to enforce its patents does not necessarily mean it will
 indiscriminately assert infringement as to all of its patents”); *see also Premo Pharm., Inc. v.*
Pfizer Pharm. Labs., Inc., 465 F.Supp. 1281 (S.D.N.Y.1979); *Waters Corp. v. Hewlett-Packard*
Co., 999 F.Supp. 167, 173 (D. Mass. 1998).

1 between U.S. and foreign courts counsels in favor of a court declining to hear a case under the
 2 DJA. *Supermicro Comput., Inc. v. Digitechnic, S.A.*, 145 F.Supp.2d 1147, 1150-51 (N.D. Cal.
 3 2001). Courts may also decline jurisdiction over a declaratory judgment action where the action
 4 constitutes forum shopping. *Principal Life Ins. Co. v. Robinson*, 394 F.3d 665, 672 (9th Cir.
 5 2005). Here, Splunk’s Complaint presents a risk of inconsistent judgments between the U.S. and
 6 German courts because Splunk asks the Court for a declaratory judgment addressing the parties’
 7 trademark rights not only in the U.S., but also in Europe. Splunk requests the Court to issue a
 8 declaration that “Splunk’s use of its three-color gradient and of the Splunk Gradient Marks does
 9 not infringe any trademark rights that [DTAG] may have in the color magenta.” ECF 1 ¶ 64.
 10 Splunk’s requested relief is neither geographically nor statutorily limited, and thus would
 11 encompass the E.U. and the U.S. The order Splunk requests would thus improperly undermine
 12 the German court’s adjudication of an issue properly and first brought before it. *See Supermicro*
 13 *Comput.*, 145 F.Supp.2d at 1152 (declining to hear declaratory judgment action where judgment
 14 requested by the plaintiff “could . . . lead to conflicts between the French and U.S. legal systems
 15 if the parties attempt to enforce inconsistent judgments”).¹⁰ The Court should also decline to hear
 16 this case because Splunk plainly filed it to improperly forum shop in its “home court,” in an effort
 17 to gain leverage against DTAG. *See, e.g., Wyeth v. Wolfe*, Civ. A. No. 08-0754, 2008 WL
 18 3984076, at *3 (E.D. Pa. Aug. 28, 2008) (no declaratory judgment jurisdiction where purpose of
 19 judgment would be for plaintiff’s use as *res judicata* in Canadian action).

20 **V. CONCLUSION**

21 Splunk’s Complaint fails to allege sufficient facts to establish that an actual controversy
 22 exists between the parties in the U.S. Moreover, the Court should decline to hear this case
 23 because doing so creates a risk of inconsistent judgments between U.S. and European courts, and
 24 would permit Splunk’s improper forum shopping.

25
 26
 27 ¹⁰ *See also Crane v. Poetic Prods. Ltd.*, 351 F.App’x 516, 518 (2d Cir. 2009) (affirming dismissal
 28 of declaratory judgment action seeking declaration about infringement under U.K. law).

1 Dated: September 29, 2020

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2
3 /s/ Ross Q. Panko

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was filed with the Court's CM/ECF system which will provide notice on all counsel deemed to have consented to electronic service. All other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing document by mail on this day.

DATED: September 29, 2020

/s/ Ross Q. Panko
ROSS Q. PANKO