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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 PONANI SUKUMAR, an individual,
12 Plaintiff,
13 v.
14 INTERNATIONAL OLYMPIC
15 COMMITTEE, an international non-
16 profit, non-governmental organization;
17 and DOES 1 through 20, inclusive,
18 Defendant.

Case No.: 21cv215-GPC(AGS)

**ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS FOR LACK
OF SUBJECT MATTER
JURISDICTION WITHOUT LEAVE
TO AMEND**

[Dkt. No. 11.]

19 Before the Court is Defendant's motion to dismiss pursuant to Federal Rule of
20 Civil Procedure ("Rule") 12(b)(1), 12(b)(2), and 12(b)(6). (Dkt. No. 11.) Plaintiff filed
21 an opposition and Defendant filed a reply. (Dkt. Nos. 16, 18.) Based on the reasoning
22 below, the Court GRANTS Defendant's motion to dismiss for lack of subject matter
23 jurisdiction under Rule 12(b)(1) without leave to amend.

24 **Background**

25 Plaintiff Ponani Sukumar ("Plaintiff" or "Sukumar") filed a complaint for
26 declaratory relief against the International Olympic Committee ("IOC"). (Dkt. No. 1,
27 Compl.) IOC is an international non-profit, non-governmental organization that is
28 headquartered in Lausanne, Switzerland. (*Id.* ¶ 2.) IOC is believed to hold the rights to

1 the Olympic properties, including the iconic Olympic symbol consisting of the five
2 interlaced rings (“Olympic Rings”). (*Id.* ¶ 3.) Non-party the Swatch Group (U.S.) Inc.
3 includes Omega USA and Omega Retail Division, (collectively “Omega”) which is the
4 operator of the Omega Boutique store in San Diego, CA. (*Id.* ¶ 9.)

5 Plaintiff is a collector of Omega timepieces. In 2013, Plaintiff was solicited by
6 Omega to purchase a limited edition and collectible commemorative replica gold
7 Olympic stopwatch of the original Olympic 1932 Rattrapante chronograph which was
8 used as the official timekeeper of the Olympic Games in Los Angeles. (*Id.* ¶ 10.)
9 Plaintiff agreed to purchase the stopwatch on the condition that the Omega stopwatch and
10 accompanying pouch and ribbons included the Olympic Rings at a cost of about
11 \$110,000. (*Id.* ¶¶ 11-13.) Later, Omega determined that it was unwilling or unable to
12 provide the customization and returned the deposit and the transaction was cancelled.
13 (*Id.*) After realizing there were not enough purchasers willing to buy these unique and
14 expensive watches, Omega agreed to Plaintiff’s customization requirements which
15 included placing the Olympic Rings on the stopwatch, pouch and ribbons. (*Id.* ¶ 14.)
16 Based on Omega’s promises, Plaintiff purchased the Olympic stopwatch in red (Rose)
17 gold. (*Id.* ¶ 15.) Relying on Omega’s representations that it would customize the
18 stopwatch, pouch and ribbons to include the Olympic Rings, Plaintiff agreed to purchase
19 two additional commemorative replica gold Olympic stopwatches. (*Id.* ¶¶ 16, 17.) The
20 total purchase price for the three stopwatches was more than \$350,000. (*Id.* ¶ 17.)

21 When Omega delivered the three stopwatches to Plaintiff, the items were
22 substandard and did not meet the specifications Plaintiff had communicated to Omega.
23 (*Id.* ¶¶ 21, 22.) Plaintiff attempted an informal resolution concerning the quality and
24 workmanship of the pouches and ribbons, but Omega rejected any attempt to resolve the
25 issue and refused to refund the purchase. (*Id.* ¶ 23.) During these communications,
26 Omega represented that it had authorization from the IOC to engrave the Olympic Rings
27 on the three stopwatches as well on the customized leather pouches and ribbons. (*Id.* ¶
28 25.)

1 Defendant holds the rights to the Olympic Rings or the “Olympic symbol.” (*Id.* ¶
2 24.) Because Plaintiff and Omega could not resolve the dispute, Plaintiff filed a
3 complaint against Omega in New Jersey state court which is currently pending. (*Id.* ¶
4 26.) In that case, Plaintiff sought all documents showing that Omega had received
5 authorization from the IOC to use the Olympic Rings on Plaintiff’s stopwatches and
6 custom pouches and ribbons but Omega refused. (*Id.*) During settlement discussions,
7 Plaintiff reiterated his desire to commission someone to design and manufacture custom
8 pouches and ribbons for the three Olympic stopwatches he purchased. (*Id.* ¶ 27.) He
9 proposed that he be allowed a one-time use of the Omega logo and the Olympic Rings for
10 use on the custom pouches and ribbons. (*Id.*) His use of the Omega logo and the
11 Olympic Rings would be consistent with their use on the previously designed custom
12 pouches and ribbons already approved by Omega and purportedly approved by the IOC.
13 (*Id.*) Omega rejected the proposal explaining that “Omega does not have the authority
14 under its license to authorize a third-party to use Olympic IP and cannot therefore
15 authorize Mr. Sukumar to use the Olympic Rings or IOC intellectual property.” (*Id.* ¶
16 28.) According to Plaintiff, Omega’s explanation was inconsistent from its prior action
17 of outsourcing the manufacture of Plaintiff’s custom pouches and ribbons, including use
18 of the Olympic Rings, to a third-party vendor. (*Id.* ¶ 29.) Plaintiff asserts that it is not
19 clear why the same authorization from Omega could not be extended to Plaintiff in
20 connection with the very same project. (*Id.*) Plaintiff even offered to use the same third-
21 party vendor that had previously worked on the pouches and ribbons on behalf of Omega.
22 (*Id.*)

23 Because Plaintiff was unable to get a written confirmation of the scope of
24 authorization by the IOC to Omega and unable to get authorization from Omega to allow
25 Plaintiff to take over responsibility for the custom pouches and ribbons, he reached out to
26 the IOC, in a letter dated October 30, 2019, to obtain authorization information. (*Id.* ¶
27 30; *id.*, Ex. A.) When Plaintiff did not receive a response from the IOC, he sent another
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1 letter on January 7, 2021. (*Id.* ¶ 32; *id.*, Ex. B.) Again, the IOC did not respond to the
2 second letter. (*Id.* ¶ 33.)

3 Plaintiff is in possession of three customized Omega limited edition and collectible
4 commemorative replica gold Olympic stopwatches with Olympic Rings engraved on
5 them and claims he has concerns about the propriety of the Olympic Rings on the
6 watches as well as Omega’s authorization from the IOC for the Olympic Rings to be
7 embossed on the pouches and ribbons. (*Id.* ¶¶ 34, 35.) Plaintiff also seeks clarification
8 of Omega’s authority to include the Olympic Rings on any custom pouches and ribbons
9 that may be completed consistent with the original agreement between Plaintiff and
10 Omega. (*Id.* ¶ 35.)

11 Plaintiff seeks declaratory judgment concerning the use of the IOC intellectual
12 property, including the Olympic Rings, on the Omega stopwatches and the related custom
13 pouches and ribbons including but not limited to “(a) the right of Omega and Plaintiff to
14 utilize the IOC intellectual property and Olympic Rings on the three special edition
15 stopwatches; (b) the right of Omega and Plaintiff to utilize the IOC intellectual property
16 and Olympic Rings on the custom pouches and ribbons for Plaintiff; (c) the right of
17 Omega to engage a third-party vendor to produce the custom pouches and ribbons for
18 Plaintiff that utilize the IOC intellectual property and Olympic Rings; and (d) Plaintiff’s
19 right to engage a third-party vendor to produce the custom pouches and ribbons that
20 utilize the IOC intellectual property and Olympic Rings.” (*Id.* ¶ 38.)

21 Discussion

22 A. Legal Standard as to Federal Rule of Civil Procedure 12(b)(1)

23 Federal Rule of Civil Procedure (“Rule”) 12(b)(1) provides for dismissal of a
24 complaint for lack of subject-matter jurisdiction. Fed. R. Civ. P. 12(b)(1). Rule
25 12(b)(1) jurisdictional attacks can be either facial or factual. *White v. Lee*, 227 F.3d
26 1214, 1242 (9th Cir. 2000). Here, Plaintiff argues that Defendant appears to be mounting
27 a facial attack and the Court agrees. “In a facial attack, the challenger asserts that the
28 allegations contained in a complaint are insufficient on their face to invoke federal

1 jurisdiction.” *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 1039 (9th Cir. 2004).
2 When evaluating a facial attack, the court assumes the truth of the complaint's allegations
3 and draws all reasonable inferences in plaintiff's favor. *See Wolfe v. Strankman*, 392 F.3d
4 358, 362 (9th Cir. 2004). “If the court determines at any time that it lacks subject-matter
5 jurisdiction, the court must dismiss the action.” Fed. R. Civ. P. 12(h)(3). Ultimately,
6 Plaintiff has the burden to demonstrate that subject matter jurisdiction exists. *Kokkonen*
7 *v. Guardian Life Ins. Co. of America*, 511 U.S. 375, 377 (1994).

8 **B. Declaratory Judgment Act**

9 The Declaratory Judgment Act (“DJA”) provides that, “[i]n a case of actual
10 controversy within its jurisdiction . . . any court of the United States, upon the filing of an
11 appropriate pleading, may declare the rights and other legal relations of any interested
12 party seeking such declaration, whether or not further relief is or could be sought.” 28
13 U.S.C. § 2201. The phrase “case of actual controversy” under the DJA refers to Article
14 III’s “Cases” and “Controversies” for justiciable claims. *MedImmune, Inc. v. Genentech,*
15 *Inc.*, 549 U.S. 1919, 126-27 (2007) (citing *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 225,
16 240 (1937)); *American States Ins. Co. v. Kearns*, 15 F.3d 142, 143 (9th Cir. 1994) (an
17 actual controversy under the DJA is identical to Article III's constitutional case or
18 controversy requirement). To constitute a case or controversy, “the question in each case
19 is whether the facts alleged, under all the circumstances, show that there is a substantial
20 controversy, between parties having adverse legal interests, of sufficient immediacy and
21 reality to warrant the issuance of a declaratory judgment.” *MedImmune*, 549 U.S. at 127
22 (quoting *Maryland Casualty Co. v. Pacific Coal & Oil Co.*, 312 U.S. 270, 273 (1941)).
23 Without a “case or controversy”, the Court lacks subject matter jurisdiction under Rule
24 12(b)(1). *Fleck and Assoc., Inc. v. Phoenix, an Arizona Mun. Corp.*, 471 F.3d 1100,
25 1103–04 (9th Cir. 2006). “For the parties to have ‘adverse legal interests,’ ‘there [must]
26 be an underlying legal cause of action that the declaratory defendant could have brought
27 or threatened to bring, if not for the fact that the declaratory plaintiff has preempted it.’”
28 *Unisense Fertilitech A/S v. Auxogyn, Inc.*, 896 F. Supp. 2d 822, 828 (N.D. Cal. 2012)

1 (quoting *Microchip Tech. Inc. v. Chamberlain Group, Inc.*, 441 F.3d 936, 943 (Fed. Cir.
2 2006)); see *Arris Group Inc. v. British Telecomms. PLC*, 639 F.3d 1368, 1374–75 (Fed.
3 Cir. 2011) (“An ‘adverse legal interest’ requires a dispute as to a legal right—for
4 example, an underlying legal cause of action that the declaratory defendant could have
5 brought or threatened to bring.”).

6 The Court conducts a two-step inquiry as to whether it should exercise DJA
7 jurisdiction. First, the district court must “inquire whether there is an actual case or
8 controversy within its jurisdiction.” *Principal Life Ins. Co. v. Robinson*, 394 F.3d 665,
9 669 (9th Cir. 2005) (citation omitted); *Kearns*, 15 F.3d at 143 (noting there are two
10 distinct inquiries). Once the first part has been met, the district court must, using its
11 discretion, next decide, using the factors in *Brillhart v. Excess Ins. Co.*, 316 U.S. 491
12 (1942) whether to exercise its jurisdiction. *Id.* Essentially, the district court “must
13 balance concerns of judicial administration, comity, and fairness to the litigants.”
14 *Chamberlain v. Allstate Ins. Co.*, 931 F.2d 1361, 1367 (9th Cir. 1991).

15 Defendant argues the complaint should be dismissed for lack of any “actual
16 controversy” as there are no adverse legal interests between the parties. First, besides
17 Plaintiff’s two letters received by the IOC, it has not had any communication with
18 Sukumar. Therefore, Plaintiff fails to allege he can have a reasonable apprehension that
19 he will be subject to suit by the IOC. (Dkt. No. 11 at 13-14.) In response, Plaintiff
20 contends that he and the IOC have adverse legal interests because the issue “is whether
21 the IOC will bring action against Plaintiff for trademark infringement when Plaintiff
22 attempts to complete the custom pouches and ribbons project by hiring a third-party
23 vendor who will be including the Olympic Rings on those pouches and ribbons.” (Dkt.
24 No. 16 at 16.)

25 As an initial matter, the opposition raises facts not alleged in the complaint arguing
26 that Plaintiff has a reasonable apprehension that the IOC will bring a trademark
27 infringement action against him. Other than that argument, Plaintiff has not shown that
28 the complaint, as plead, alleges a reasonable apprehension that he would be subject to

1 liability by the IOC. Therefore, the complaint, as currently plead, presents no allegation
2 of any “real and reasonable apprehension” that Plaintiff will be subject to any type of
3 liability by the IOC. On this basis, the Court GRANTS Defendant’s motion to dismiss
4 for failing to sufficiently allege an actual case or controversy under the DJA.

5 However, the Court notes that even if Plaintiff were granted leave to amend the
6 complaint to add allegations concerning his “reasonable apprehension” that the IOC will
7 bring a trademark infringement action against him, the allegations presented in the
8 opposition do not demonstrate an actual case or controversy. Therefore, the Court
9 declines to grant Plaintiff leave to amend.

10 In the Ninth Circuit, a declaratory judgment action that a trademark is invalid or
11 that the plaintiff is not infringing asserts a case or controversy “if the plaintiff has a real
12 and reasonable apprehension that he will be subject to liability if he continues to
13 manufacture his product.” *Rhoades v. Avon Prods., Inc.*, 504 F.3d 1151, 1157 (9th Cir.
14 2007) (quoting *Hal Roach Studios, Inc. v. Richard Feiner & Co., Inc.*, 896 F.2d 1542,
15 1555-56 (9th Cir. 1990)). In *Chesebrough-Pond’s*, the Ninth Circuit explained,

16 In applying this standard, we focused upon the position and perceptions of
17 the plaintiff, declining to identify specific acts or intentions of the defendant
18 that would automatically constitute a threat of litigation. The acts of the
19 defendant were instead to be examined in view of their likely impact on
20 competition and the risks imposed upon the plaintiff, to determine if the
threat perceived by the plaintiff were real and reasonable.

21 *Chesebrough-Pond’s, Inc. v. Faberge, Inc.*, 666 F.2d 393, 396 (9th Cir. 1982) (citing
22 *Societe de Conditionnement v. Hunter Eng’g Co.*, 655 F.2d 938, 944 (9th Cir. 1981)).

23 The Court notes that the cases cited by Plaintiff involve situations where there was
24 an existing licensing agreement between the parties or the defendant made some direct or
25 indirect affirmative act signaling a possible infringement action. *See e.g., Epos Tech. Ltd*
26 *v. Pegasus Techs., Ltd.*, 636 F. Supp. 2d 57, 61 (D.D.C. 2009) (sufficient case or
27 controversy demonstrating an “actual or imminent injury” of “sufficient immediacy and
28 reality” where the defendant accused the plaintiff of possible infringement and caused

1 injury by causing investor relations to sour and delayed the release of its new product
2 line); *MedImmune*, 549 U.S. at 127-28 (existing patent licensing agreement between the
3 parties); *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1341-42 (Fed. Cir. 2008)
4 (“where Prasco has suffered no actual present injury traceable to the defendants, and the
5 defendants have not asserted any rights against Prasco related to the patents nor taken any
6 affirmative actions concerning Prasco’s current product, one prior suit concerning
7 unrelated patents and products and the defendants' failure to sign a covenant not to sue
8 are simply not sufficient to establish that Prasco is at risk of imminent harm from the
9 defendants and that there is an actual controversy between the parties of sufficient
10 immediacy and reality to warrant declaratory judgment jurisdiction. Although we
11 understand Prasco’s desire to have a definitive answer on whether its products infringe
12 defendants’ patents, were the district court to reach the merits of this case, it would
13 merely be providing an advisory opinion. This is impermissible under Article III.”)

14 In this case, Plaintiff has not alleged any conduct, either in the complaint or in his
15 opposition, by the IOC that would cause a “reasonable apprehension” that he would be
16 subject to a trademark infringement suit. In fact, it was Plaintiff that initiated
17 communication with the IOC and despite sending his letters explaining his position, the
18 IOC still did not respond with any indication that it would file an infringement claim
19 against Plaintiff. Next, Omega is not a party to this action and Plaintiff has not provided
20 legal authority that the Court may adjudicate rights of a non-party. Therefore, the Court
21 does not have any jurisdiction over Omega. Finally, even if Omega was a party in this
22 case, it is not clear how the rights of Omega to utilize IOC’s intellectual property has any
23 bearing on whether Plaintiff has the right to independently to utilize IOC’s intellectual
24 property. (*See* Dkt. No. 1, Compl. ¶ 38.)

25 At bottom, Plaintiff is a consumer who purchased collectible Omega stop watches
26 engraved with the Olympic Rings as well as pouches and ribbons embossed with the
27 Olympic Rings, and because he was not satisfied with the pouches and ribbons that
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1 Omega produced,¹ he seeks to independently have the pouches and ribbons with the
2 Olympic Rings made either through the third party used by Omega or an independent
3 third party. However, to do so, he must seek permission from the intellectual property
4 holder, the IOC, and not by filing a declaratory judgment lawsuit. Plaintiff acknowledges
5 that all rights to the Olympic Rings belong exclusively to the IOC and the Olympic Rings
6 may only be used “with the express prior written consent of the IOC.” (Dkt. No. 1,
7 Compl. ¶ 24.) Therefore, his declaratory relief action is merely seeking an answer to
8 whether he may use the Olympic Rings on the pouches and ribbons in lieu of obtaining
9 prior written consent from the IOC. That is not a proper use of the DJA.

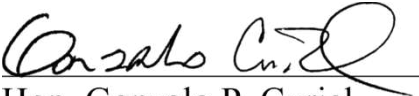
10 Therefore, even if the Court granted Plaintiff leave to amend to add the allegation
11 that he has a reasonable apprehension that the IOC will bring a trademark infringement
12 suit, those allegations are not sufficient to establish a case or controversy under the DJA.²
13 Accordingly, the Court GRANTS Defendant’s motion to dismiss for lack of subject
14 matter jurisdiction and without leave to amend.³

15 Conclusion

16 Based on the above, the Court GRANTS Defendant’s motion to dismiss for lack of
17 subject matter jurisdiction without leave to amend. The Clerk of Court shall close the
18 case. The hearing set on June 2, 2021 shall be **vacated**.

19 IT IS SO ORDERED.

20 Dated: June 1, 2021

21 
22 Hon. Gonzalo P. Curiel
23 United States District Judge

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26 ¹ Plaintiff does not allege the stopwatches were defective or did not comply with the customization he
discussed with Omega. (See Dkt. No. 1, Compl.)

27 ² Because the Court finds that the first step under the DJA has not been met, the Court declines to
consider the second step.

28 ³ Because the Court grants dismissal under the DJA, the Court need not address Defendant’s additional
arguments for dismissal under Rule 12(b)(1), 12(b)(2) and 12(b)(6).