

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

READY FOR THE WORLD INC.,
d/b/a READY FOR THE WORLD

Plaintiff,

v.

Case No. 2:19-cv-10062
Honorable: Denise Page Hood
Magistrate: David R. Grand

MELVIN RILEY, JOHN EATON,
RENEE ATKINS, DANIEL DILLMAN
d/b/a CURTAIN CALL PERFORMING ARTS,
and JAN MARK LAND, et al.

Defendants.

**DEFENDANT, MELVIN RILEY’S MOTION TO DISMISS FOR
LACK OF SUBJECT MATTER JURISDICTION**

Defendant Melvin Riley (“Defendant”) through its undersigned counsel, pursuant to Fed. R. Civ. P. 12(b)(1), hereby moves to dismiss Plaintiff Ready for the World, Inc.’s (“RFTW”) Verified Complaint (ECF No. 1) for lack of subject matter jurisdiction.

Pursuant to LR 7.1, a request was made to opposing counsel as to whether she opposes this motion. Concurrence in the relief sought was not obtained.

WHEREFORE, Defendant, Melvin Riley, respectfully requests entry of an Order dismissing this case against him for lack of subject matter jurisdiction.

February 8, 2019

Respectfully Submitted,

Melvin Riley

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Plaintiff,

Case No. 2:19-cv-10062
Honorable: Denise Page Hood
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MELVIN RILEY, JOHN EATON,
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and JAN MARK LAND, et al.

Defendants.

**MEMORANDUM IN SUPPORT OF DEFENDANT, MELVIN RILEY,
MOTION TO DISMISS FOR LACK OF SUBJECT MATTER
JURISDICTION**

Defendant Melvin Riley (“Riley”) through his undersigned counsel, pursuant to Fed. R. Civ. P. 12(b)(1), hereby moves to dismiss Plaintiff Ready for the World, Inc.’s (“Plaintiff”) Verified Complaint (ECF No. 1) for lack of subject matter jurisdiction.

I. INTRODUCTION

Plaintiff, comprising certain member of the band “Ready for the World” under cloak of the corporate entity Ready for the World Inc. (“RFTW”) formed by the

original members of the band¹, has attempted to manufacture a dispute by asserting the “READY FOR THE WORLD” trademark (“the Mark”) against Riley – who is a co-owner of the Mark. Plaintiff’s case, however, rests on several legal and factual inaccuracies.

Most importantly, Plaintiff cannot bring federal trademark infringement claims against co-owners of the trademark. Courts, including this one, have repeatedly confirmed that trademark “owners” may only bring Lanham Act trademark disputes against non-owners.

RFTW was incorporated in the State of Delaware in 2008 by band members Melvin Riley, John Eaton, Willie Triplett, Gordon Strozier, Gregory Potts, and Gerald Valentine. RFTW registered the Mark in the United States Patent and Trademark Office (“USPTO”) in 2010. Riley is still an owner/shareholder of RFTW (and is also still a member of the band Ready for the World). It is undisputed that RFTW owns the Mark, Riley was an owner of RFTW when the Mark was registered, and Riley is still an owner of RFTW.

Accordingly, this action should be dismissed in its entirety as this court lacks subject matter jurisdiction because these counts are the only federal claims asserted.

¹ Riley does not concede that Plaintiff has standing to assert the Mark.

II. RELEVANT FACTUAL BACKGROUND

RFTW filed this action against two of its shareholders/co-owners and band members, Melvin Riley and John Eaton, alleging that they performed concerts and recordings under the name “Ready for the World” in violation of RFTW’s trademark rights and Michigan’s Consumer Protection Act. (ECF No. 1, ¶¶ 1, 11-53). RFTW also named Jan Mark Land, Daniel Dillman d/b/a Curtain Call Productions, and Renee Atkins, as defendants. (*Id.*, ¶¶3-6).

Ready for the World began as an R&B band in the 1980s and became very successful including charting #1 with the hit “Oh Shelia.” RFTW was incorporated in the State of Delaware in 2008 by band members Melvin Riley, John Eaton, Willie Triplett, Gordon Strozier, Gregory Potts, and Gerald Valentine. (ECF No. 1-2). All founding members are co-owners of RFTW. (Ex. 1., ¶ 2). RFTW registered the Mark in the United States Patent and Trademark Office (“USPTO”) in 2010. (ECF No. 1-3). Riley, the lead singer of the band, has been playing and continues to perform with various members of the band as well as solo performances. (Ex. 1., ¶ 3). Riley never left RFTW or the band. (Ex. 1., ¶ 4)

III. LEGAL BACKGROUND

28 U.S.C. § 1338 provides that “[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks.” Accordingly, complaints that

fail to state a claim “arising under” the Lanham Act, which is the federal statute that governs trademarks, service marks, and unfair competition, should be dismissed because the court lacks subject matter jurisdiction. *See, e.g., Derminer v. Kramer*, 406 F. Supp. 2d 756, 758 (E.D. Mich. 2005) (dismissing claims that did not arise under the Lanham Act for lacking subject matter jurisdiction); *Piccari v. GTLO Prods. LLC*, 115 F.Supp.3d 509, 513–17 (E.D. Penn. 2015) (same).

Federal courts only have subject matter jurisdiction to hear state law claims when the court has original jurisdiction if the state law claims “are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.” 28 U.S.C. § 1367. “When all federal claims are dismissed before trial, the balance of considerations usually will point to dismissing the state law claims, or remanding them to state court if the action was removed.” *Musson Theatrical, Inc. v. Fed. Exp. Corp.*, 89 F.3d 1244, 1254-1255 (6th Cir. 1996); *Gamel v. City of Cincinnati*, 625 F.3d 949, 952 (6th Cir. 2010); 28 U.S.C. § 1367(c)(3) (stating that a district court may decline to exercise supplemental jurisdiction if it has “dismissed all claims over which it ha[d] original jurisdiction”).

IV. ARGUMENT

A. Plaintiffs' Lanham Act Claims Fail Because Plaintiffs Cannot Bring an Action Against Co-Owners of The Trademark

Counts I-VI of the Complaint should be dismissed because Plaintiff has failed to plead a claim arising under the Lanham Act.

1. Plaintiff Cannot Bring Lanham Act Claims against Trademark Co-Owners

As has been repeatedly determined by courts in this circuit and across the country, trademark owners cannot bring Lanham Act violation claims against co-owners of the mark. *See, e.g., Derminer*, 406 F. Supp. 2d at 758; *Piccari*, 115 F.Supp.3d at 513–17.

For example, in *Derminer*, Judge Feikens analyzed the Lanham Act and determined that “plain language of [the Lanham Act] provisions appears to me to distinguish between ‘the mark’s owner’ and the person against whom an action may be brought.” *Derminer*, 406 F. Supp. 2d at 758. Thus, Judge Feikens reasoned that “the language of the statute makes clear that Congress never intended to create a trademark dilution cause of action between owners.” *Id.* Accordingly, Judge Feikens explained:

Therefore, I find that under the plain meaning of the statute, an action between co-owners of a trademark for dilution of that mark under 15 U.S.C. § 1125(c) is not permitted. Like an action for trademark infringement by a co-owner, the claim is best understood as an action for an accounting that arises under state contract law, not under the Lanham Act.

Id. In that case, Judge Feikens had already determined that the other trademark claims should be dismissed because the parties were co-owners of the mark and therefore the claims did not arise under the Lanham Act. *See Derminer v. Kramer*, 386 F.Supp.2d 905, 911–13 (E.D. Mich. 2005).

Similarly, in *Piccari*, the court considered the text of the Lanham Act and related case law. There, the court noted that the Supreme Court has observed that “[r]egistration of a mark under § 2 of the Lanham Act, 15 U.S.C. § 1052, enables the *owner* to sue an *infringer* under § 32, 15 U.S.C. § 1114.” *Piccari*, 115 F.Supp.3d at 514 (quoting *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209, 120 S.Ct. 1339, 146 L.Ed.2d 182 (2000) (emphasis added in *Piccari*)). The court explained that “[t]his distinction between an ‘owner’ and an ‘infringer’ is consistent with the statute’s expressly stated purpose.” *Id.* Then, the court considered the purpose and application of the Lanham Act as well as several other sources, including the preeminent J. McCarthy on Trademarks and Unfair Competition, which all confirmed that trademark claims between co-owners should be dismissed for lacking subject matter jurisdiction because the claims do not arise under the Lanham Act. *Id.* at 514–17.

2. Riley Is Co-Owner of The Mark

Notwithstanding Plaintiff’s attempts to mischaracterize the factual history of the band, Plaintiff has not and cannot dispute that Riley is a co-owner of the mark.

As explained below, it is undisputed that RFTW owns the Mark, Riley was a member of RFTW at the time of the trademark application, and Riley is still a member of RFTW. Thus, Riley is a co-owner of the Mark.

Plaintiff admits that the band members, including Riley, formed RFTW in 2008. (ECF No. 1, ¶ 20 (citing ECF No. 1-2)). Plaintiff also admits that in 2010, RFTW registered the Mark with the USPTO. (*Id.* at ¶ 20 (citing ECF No. 1-3)). Plaintiff has not and cannot allege that there has been any transfer of ownership of the trademark from RFTW. Accordingly, it is undisputed that the Riley was a member of RFTW and that RFTW owns the Mark.

Plaintiff also has not alleged (and cannot) that Riley ever left RFTW. Accordingly, Plaintiff cannot show that Riley is not a co-owner of RFTW and consequently a co-owner of the Mark. Therefore, on these undisputed facts alone, Plaintiff's claim should be dismissed for lack of subject matter jurisdiction.

Nonetheless, Plaintiff appears to allege that Riley is liable for trademark infringement because he allegedly left the band. This does not resolve the problems of trademark co-ownership for at least two reasons.

First, even if all of the allegations contained in the complaint were true², Plaintiff has failed to show that Riley ever left RFTW. The Company, RFTW, and

² Defendant disputes the factual accuracy of many of the numbered paragraphs in Plaintiff's complaints, but, as explained above, does not believe the allegations bear any impact on this motion.

the band, Ready for the World, are not the same. While the original members of Ready for the World band were the founding members of RFTW, ownership in a corporation is not the same as membership in a band. Corporation ownership includes contractual rights that have not been addressed. Accordingly, Riley's alleged departure from the band would not affect his ownership interest in RFTW and the Mark.

Second, Plaintiff misrepresents the facts regarding Riley's alleged departure from the band. As an initial matter, it is unclear specifically when Plaintiff contends Riley actually left the band. Not only does Plaintiff misrepresent the content of the email from February 18, 2015, but Plaintiff admits in the very next paragraph that Riley was still a member of the corporation and was identified as a shareholder on the shareholder agreement (which he has not yet elected to sign) three years later. (ECF No. 1., ¶¶ 23-24). Moreover, Riley continued to play with the band and was active in corporate band decisions. (Ex. 1., ¶¶ 6-7, Ex. 2).

Further, Plaintiff's reliance on Terry Harvey to prove that Riley left the band is misplaced. Specifically, Harvey misrepresented the substance of his conversation with Riley in February 2018 that Riley was leaving the band. Rather than state that he was leaving the band, Riley explained that he never left the band. (Ex. 1., ¶ 8). When Harvey asked whether Riley was "good" with playing with "the other fellas," Riley replied "yes." (*Id.*). Moreover, not only did he misrepresent the conversation,

but its objectively false because Riley still performed with the band later in 2018. (Ex. 1., ¶ 5).

This case is distinguishable from cases like *Commodores*, because there is no dispute concerning *common law trademark ownership*. In *Commodores*, the remaining members of the band filed for the trademark *after* the defendant left the band. *Commodores Entm'T Corp. v. Thomas McClary, Fifth Ave. Entm'T, Llc, No. 14-14883* (11th Cir. April 15, 2016). Accordingly, there was a dispute regarding which party owned the common law rights to the mark. Here, there is no dispute that Riley has ownership rights in the Mark, because it is a registered trademark owned by the co-owned corporation.

B. Plaintiffs' Remaining Claims Fail Because There Is No Supplemental Jurisdiction

Plaintiff's remaining Counts, Counts VII-VIII, arise under Michigan state laws. (ECF No. 1, ¶¶ 105–122). Plaintiff admits that the only basis for subject matter jurisdiction for these claims is supplemental jurisdiction based on purported original jurisdiction for its Lanham Act claims. (ECF No. 1, ¶ 9). Accordingly, because Plaintiff has failed to plead any claims with original jurisdiction, there is no basis for supplemental jurisdiction and these claims should be dismissed. *Musson Theatrical, Inc. v. Fed. Exp. Corp.*, 89 F.3d 1244, 1254-1255 (6th Cir. 1996); *Gamel v. City of Cincinnati*, 625 F.3d 949, 952 (6th Cir. 2010); 28 U.S.C. § 1367(c)(3) (stating that

a district court may decline to exercise supplemental jurisdiction if it has “dismissed all claims over which it ha[d] original jurisdiction”).

V. CONCLUSION

For the foregoing reasons, Defendant respectfully requests that this Court grant the Motion to Dismiss Plaintiffs’ Complaint with prejudice.

February 8, 2019

Respectfully Submitted,

Melvin Riley

By: _____

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