# Exhibit 1

**NOT FOR PUBLICATION**

FILED

JUN 2 2022

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U.S. COURT OF APPEALS

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

CHEMEON SURFACE TECHNOLOGY LLC, a Nevada Limited Liability Company,

Plaintiff-Appellant,

v.

METALAST INTERNATIONAL, INC.; et al.,

Defendants-Appellees,

DEAN MEILING; MADYLON MEILING,

Defendants-counter-claimants-Appellants,

and

MARC HARRIS; MHA GROUP,

Defendants.

No. 21-15561

D.C. No. 3:15-cv-00294-CLB

MEMORANDUM*

Appeal from the United States District Court
for the District of Nevada
Carla Baldwin, Magistrate Judge, Presiding

Argued and Submitted May 11, 2022
San Francisco, California

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

Before: W. FLETCHER and BUMATAY, Circuit Judges, and KANE,** District Judge.

Chemeon Surface Technology LLC ("Chemeon") raises numerous claims on appeal from the district court's judgment in favor of Defendants-Appellees (David Semas).[1] We have jurisdiction under 28 U.S.C. § 1291 and we affirm in part and vacate and remand in part.

1. We affirm the district court's judgment in favor of the breach of contract counterclaim. We review the district court's interpretation of the contract de novo. *Rittman v. Amazon.com, Inc.*, 971 F.3d 904, 909 (9th Cir. 2020). The Settlement Agreement between the parties prohibited Chemeon from using "the name Metalast in any fashion or manner whatsoever." The district court found that Chemeon's use of "formerly Metalast" on purchase orders, invoices, advertising materials, and on technical and safety data sheets violated the Agreement. The district court properly applied the terms of the Agreement, which clearly provides that Chemeon may not use the name "Metalast" in any "manner whatsoever."[2] Thus, by using "formerly

** The Honorable Yvette Kane, United States District Judge for the Middle District of Pennsylvania, sitting by designation.

[1] Because both parties refer to Defendants-Appellees as "David Semas" in their briefing, we do so as well.

[2] We reject Chemeon's argument that the district court was bound under the law of the case doctrine. The district court was not bound by a prior analysis of the Agreement because it retained the discretion to interpret the Agreement in reaching judgment on Semas's counterclaim. *See City of L.A., Harbor Div. v. Santa Monica Baykeeper*, 254 F.3d 882, 888 (9th Cir. 2001) (explaining that the law of the case

Metalast" in its commercial documents, Chemeon breached the express terms of the Agreement.[3] We therefore affirm the district court's grant of judgment on Semas's breach of contract counterclaim.[4]

2. The district court did not abuse its discretion in excluding Chemeon's affirmative defense evidence. *See Clare v. Clare*, 982 F.3d 1199, 1201 (9th Cir. 2020). Chemeon argues that its evidence with respect to fair use, unclean hands, and fraudulent acquisition of the disputed trademarks were all improperly excluded by the district court. But importantly, Chemeon's evidence supported affirmative defenses for a *trademark* action, not the *breach of contract* claim at issue. Thus, the district court did not err in excluding Chemeon's trademark evidence.

Chemeon's remaining argument is that the district court abused its discretion by excluding the introduction of an Occupational Safety and Health Administration ("OSHA") litigation brief which allegedly shows that former business names can be required in safety sheets. But the brief was not properly offered into evidence. Additionally, Chemeon failed to establish that the OSHA brief even represented the

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doctrine "is discretionary, not mandatory and is in no way a limit on a court's power" (simplified)).

[3] Even under the analysis of *Kassbaum v. Steppenwolf Productions, Inc.*, 236 F.3d 487 (9th Cir. 2000), the district court properly held that Chemeon exceeded the scope of any implied use by using "Metalast" in multiple commercial documents—going well beyond a mere historical reference. *See id.* at 492.

[4] Given that we affirm the grant of judgment on the breach of contract counterclaim, we also affirm the district court's injunction preventing Chemeon from using the name "Metalast" in commerce.

agency's official interpretation of its safety requirements. Thus, the district court did not abuse its discretion in excluding the brief.

3. We affirm the district court's denial of judgment on Chemeon's trademark infringement claims. To determine whether Chemeon's product marks are distinctive and thus protectable, we "consider whether the mark owner has engaged in a constant pattern or effort to use the product mark in a manner separate and distinct from the house mark." *Quiksilver, Inc. v. Kymsta Corp.*, 466 F.3d 749, 757 (9th Cir. 2006) (simplified). Here, the district court found that the terms "TCP-HF" and "AA-200" were never used to sell products without the preceding name "Metalast." Chemeon fails to show that the district court's factual finding is clearly erroneous. As a result, because Chemeon did not sell its products using "TCP-HF" or "AA-200" and did not otherwise engage in a "pattern" of distinctive usage, the district court properly denied judgment on Chemeon's trademark infringement claims.

4. The district court did not abuse its discretion in denying Chemeon's claim for attorney fees under the Lanham Act. *See SunEarth, Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179, 1181 (9th Cir. 2016) (en banc) (per curiam). The district court properly analyzed Chemeon's attorney fees claim under the totality of the circumstances approach set out in *Octane Fitness, LLC v. ICON Health & Fitness*, 572 U.S. 545, 554 (2014). In doing so, the district court specifically looked to

Semas's conduct and found that the voluntarily dismissed claims were neither frivolous nor otherwise exceptional. Chemeon cannot point to any evidence compelling an award of attorney fees and so the district court did not abuse its discretion in denying fees.

5. The district court erred at summary judgment by dismissing Chemeon's trademark cancellation claim solely on the fact that Chemeon did not have an interest in its "own mark." In reaching its decision, the district court cited *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*, 735 F.2d 346 (9th Cir. 1984). The district court reasoned that *Star-Kist* requires a trademark cancellation petitioner to have an interest in his "own mark" to establish standing. Assuming *Star-Kist* applies here,[5] that case did not create a bright-line rule that a trademark cancellation petitioner *must* have an interest in his "own mark" to establish standing. Rather, *Star-Kist* explained that the standing analysis turns on whether "the cancellation petitioner [can] plead and prove facts showing a 'real interest' in the proceeding in order to establish standing." *Id.* at 349 (simplified). And the *Star-Kist* court made clear that the "[i]nterest assertions will vary with the facts surrounding each cancellation dispute" thus requiring a "case-by-case" analysis. *Id.* On remand, the district court must determine whether Chemeon's other asserted interests are sufficient to pursue a trademark cancellation

[5] We note that the Supreme Court's decision in *Lexmark International, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014), arguably provides the proper basis for analyzing this trademark cancellation claim.

claim.

**AFFIRMED IN PART, VACATED AND REMANDED IN PART.**

**United States Court of Appeals for the Ninth Circuit**

**Office of the Clerk**
95 Seventh Street
San Francisco, CA 94103

**Information Regarding Judgment and Post-Judgment Proceedings**

**Judgment**

- This Court has filed and entered the attached judgment in your case. Fed. R. App. P. 36. Please note the filed date on the attached decision because all of the dates described below run from that date, not from the date you receive this notice.

**Mandate (Fed. R. App. P. 41; 9th Cir. R. 41-1 & -2)**

- The mandate will issue 7 days after the expiration of the time for filing a petition for rehearing or 7 days from the denial of a petition for rehearing, unless the Court directs otherwise. To file a motion to stay the mandate, file it electronically via the appellate ECF system or, if you are a pro se litigant or an attorney with an exemption from using appellate ECF, file one original motion on paper.

**Petition for Panel Rehearing (Fed. R. App. P. 40; 9th Cir. R. 40-1)**
**Petition for Rehearing En Banc (Fed. R. App. P. 35; 9th Cir. R. 35-1 to -3)**

**(1) A. Purpose (Panel Rehearing):**

- A party should seek panel rehearing only if one or more of the following grounds exist:
  - ► A material point of fact or law was overlooked in the decision;
  - ► A change in the law occurred after the case was submitted which appears to have been overlooked by the panel; or
  - ► An apparent conflict with another decision of the Court was not addressed in the opinion.
- Do not file a petition for panel rehearing merely to reargue the case.

**B. Purpose (Rehearing En Banc)**

- A party should seek en banc rehearing only if one or more of the following grounds exist:

- ► Consideration by the full Court is necessary to secure or maintain uniformity of the Court's decisions; or
- ► The proceeding involves a question of exceptional importance; or
- ► The opinion directly conflicts with an existing opinion by another court of appeals or the Supreme Court and substantially affects a rule of national application in which there is an overriding need for national uniformity.

**(2) Deadlines for Filing:**

- A petition for rehearing may be filed within 14 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the United States or an agency or officer thereof is a party in a civil case, the time for filing a petition for rehearing is 45 days after entry of judgment. Fed. R. App. P. 40(a)(1).
- If the mandate has issued, the petition for rehearing should be accompanied by a motion to recall the mandate.
- *See* Advisory Note to 9th Cir. R. 40-1 (petitions must be received on the due date).
- An order to publish a previously unpublished memorandum disposition extends the time to file a petition for rehearing to 14 days after the date of the order of publication or, in all civil cases in which the United States or an agency or officer thereof is a party, 45 days after the date of the order of publication. 9th Cir. R. 40-2.

**(3) Statement of Counsel**

- A petition should contain an introduction stating that, in counsel's judgment, one or more of the situations described in the "purpose" section above exist. The points to be raised must be stated clearly.

**(4) Form & Number of Copies (9th Cir. R. 40-1; Fed. R. App. P. 32(c)(2))**

- The petition shall not exceed 15 pages unless it complies with the alternative length limitations of 4,200 words or 390 lines of text.
- The petition must be accompanied by a copy of the panel's decision being challenged.
- A response, when ordered by the Court, shall comply with the same length limitations as the petition.
- If a pro se litigant elects to file a form brief pursuant to Circuit Rule 28-1, a petition for panel rehearing or for rehearing en banc need not comply with Fed. R. App. P. 32.

- The petition or response must be accompanied by a Certificate of Compliance found at Form 11, available on our website at www.ca9.uscourts.gov under *Forms.*
- You may file a petition electronically via the appellate ECF system. No paper copies are required unless the Court orders otherwise. If you are a pro se litigant or an attorney exempted from using the appellate ECF system, file one original petition on paper. No additional paper copies are required unless the Court orders otherwise.

**Bill of Costs (Fed. R. App. P. 39, 9th Cir. R. 39-1)**

- The Bill of Costs must be filed within 14 days after entry of judgment.
- See Form 10 for additional information, available on our website at www.ca9.uscourts.gov under *Forms.*

**Attorneys Fees**

- Ninth Circuit Rule 39-1 describes the content and due dates for attorneys fees applications.
- All relevant forms are available on our website at www.ca9.uscourts.gov under *Forms* or by telephoning (415) 355-7806.

**Petition for a Writ of Certiorari**

- Please refer to the Rules of the United States Supreme Court at www.supremecourt.gov

**Counsel Listing in Published Opinions**

- Please check counsel listing on the attached decision.
- If there are any errors in a published opinion, please send an email or letter **in writing within 10 days** to:
  - ► Thomson Reuters; 610 Opperman Drive; PO Box 64526; Eagan, MN 55123 (Attn: Maria Evangelista (maria.b.evangelista@tr.com));
  - ► and electronically file a copy of the letter via the appellate ECF system by using "File Correspondence to Court," or if you are an attorney exempted from using the appellate ECF system, mail the Court one copy of the letter.

# UNITED STATES COURT OF APPEALS
# FOR THE NINTH CIRCUIT

## Form 10. Bill of Costs

*Instructions for this form: http://www.ca9.uscourts.gov/forms/form10instructions.pdf*

**9th Cir. Case Number(s)**

**Case Name**

The Clerk is requested to award costs to *(party name(s))*:

I swear under penalty of perjury that the copies for which costs are requested were actually and necessarily produced, and that the requested costs were actually expended.

**Signature** **Date**

*(use "*s/[typed name]*" to sign electronically-filed documents)*

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*TOTAL: 4 x 500 x $.10 = $200.*

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