

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

LegalForce RAPC Worldwide P.C. v. MH Sub I, LLC

LegalForce · No. C 24-00669 WHA · Decided May 15, 2025

SUMMARY

The United States District Court for the Northern District of California addresses end-of-case motions in a trademark action. The court dismisses the plaintiff's claims with prejudice, allocates unallocated costs to the plaintiff, denies or grants motions to seal in part, finds a motion to strike moot, and notes that a motion to disqualify counsel was previously denied. The court also discharges the special master and retains jurisdiction to enforce payment of costs and address collateral issues.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	William Alsup
JURISDICTION	United States District Court for the Northern District of California
DECIDED	May 15, 2025
DOCKET	C 24-00669 WHA
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff moved under Federal Rule of Civil Procedure 41(a)(2) to voluntarily dismiss its trademark action with each side bearing its own costs and fees. Defendant consented to dismissal but opposed plaintiff's proposed allocation of costs and indicated that it would seek fees, costs, and sanctions. The court also resolved related motions to strike materials, disqualify plaintiff's counsel, and seal documents.
STANDARD OF REVIEW	Under Rule 41(a)(2), dismissal after an answer and over the defendant's objection is subject to terms the court considers proper. Requests to seal dispositive or merits-related filings require compelling reasons, while less merits-related filings may be governed by the good-cause standard; the court applied those standards and the local sealing rules.
PRECEDENTIAL VALUE	unknown
PARTIES	LegalForce RAPC Worldwide P.C. v. MH Sub I, LLC

TOPICS

motions to dismiss

costs

trademark infringement

civil procedure

commercial litigation

PRACTICE AREAS

civil procedure

trademark infringement

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether the plaintiff's trademark action should be voluntarily dismissed under Rule 41(a)(2) and on what terms.
2. Whether the plaintiff or defendant should bear the unallocated costs of the action.
3. Whether the defendant's motion to strike materials attached to the voluntary-dismissal motion remained justiciable after dismissal.
4. Whether plaintiff's counsel should be disqualified from litigating post-dismissal motions.
5. Whether the parties established sufficient good cause or compelling reasons to seal the documents at issue.

HOLDINGS

1. When a plaintiff seeks dismissal after the defendant has answered and the defendant objects to the proposed terms, the court may dismiss the action by court order on terms it considers proper. Here, dismissal with prejudice was appropriate, and plaintiff was required to bear all costs not already allocated by the special master's orders.
2. The motion to strike the merits materials attached to plaintiff's voluntary-dismissal motion was moot because the action had been dismissed.
3. The motion to disqualify plaintiff's counsel was denied.
4. A party seeking to seal dispositive motions and filings more than tangentially related to the merits must establish compelling reasons and narrowly tailored redactions; a party seeking to seal less merits-related material must at least establish good cause and comply with the local sealing rules. The court denied two motions that relied on generalized assertions and failed to propose specific redactions, and granted two motions involving third-party confidential information or an inadvertently filed attorney-client email.

KEY QUOTATIONS

“The ordinary prevailing party rule applies for the ordinary reasons and then some.” (at 2)

“Plaintiff’s entire case is DISMISSED WITH PREJUDICE, with costs allocated as above.” (at 5)

FACTUAL BACKGROUND

Plaintiff, an IP-oriented law firm, alleged that defendant's allegedly infringing logo diverted prospective intellectual-property clients. Plaintiff's damages theory depended on evidence that users of defendant's general legal-referral website were directed to rival IP-oriented law firms, but discovery revealed no such leads. Plaintiff

nevertheless continued filing discovery-related materials before seeking dismissal, and the court concluded that the case had generated more than forty discovery orders despite the absence of evidence of material damages.

PROCEDURAL HISTORY

After defendant answered the complaint, the case proceeded through extensive discovery, including involvement by Special Master Harold McElhinny. Plaintiff later sought voluntary dismissal after concluding that it lacked evidence of material damages. The court dismissed all claims with prejudice, allocated unallocated costs to plaintiff, denied or granted the sealing motions as specified, found the motion to strike moot, and noted that the motion to disqualify had previously been denied.

DISPOSITION

dismissed

CASES CITED

- Subscription Telev., Inc. v. S. Cal. Theatre Owners Ass'n, 576 F.2d 230, 234
- Kamakana v. City & County of Honolulu, 447 F.3d 1172, 1178-80
- Center for Auto Safety v. Chrysler Group, LLC, 809 F.3d 1092, 1101-02

OPINION

1 2 3 4 5 6 UNITED STATES DISTRICT COURT 7 NORTHERN DISTRICT OF CALIFORNIA
8 9 10 LEGALFORCE RAPC WORLDWIDE P.C., 11 No. C 24-00669 WHA Plaintiff, 12 v. 13
ORDER RE END-OF-CASE MH SUB I, LLC, MOTIONS 14 Defendant. 15 16 17 In this
trademark action, this order decides the pending motions (1) to dismiss the action 18 voluntarily,
(2) to strike expert reports within that motion to dismiss, (3) to disqualify counsel 19 from post-
dismissal motions, and (4) to seal varied documents.

Each is taken in turn. 20 1. THE MOTION TO DISMISS VOLUNTARILY. 21 Plaintiff moves to
dismiss its own action and for each side to bear its costs and fees (Dkt. 22 No. 193). Defendant,
for its part, welcomes dismissal, but not on these terms (Dkt. No. 197). 23 It denies plaintiff’s
view of the merits, and “intends to seek attorneys’ fees, costs, non-taxable 24 costs, and
sanctions.” Under Rule 41(a)(2), because defendant long ago answered the 25 complaint, any
dismissal over its objection shall be “only by court order, on terms that the 26 court considers
proper.” Costs properly go to the prevailing party, absent specific reasons such 27 as misconduct.

Subscription Telev., Inc. v. S. Cal. Theatre Owners Ass’n, 576 F.2d 230, 234 1 As to the merits,
plaintiff argues it would prevail on the merits if litigated to completion, 2 and attaches over 500
pages of materials to show why. But plaintiff asks to dismiss its case 3 now without defendants’
agreement. So, of course it cannot be the prevailing party in any 4 dismissal, which leads to the
next point.

5 As to costs, plaintiff argues costs should be shared because defendant deserves blame for 6
delays in revealing what made this case not worth litigating: its limited prospects for damages. 7
Plaintiff's briefing is not persuasive. Plaintiff urges that defendants' failure to produce a 8
declaration until twice admonished by Special Master Harold McElhinny delayed plaintiff's 9
appreciation for the money-losing character of this suit (Dkt.

No. 198 at 3–4). But the docket 10 shows that after receiving this purportedly critical declaration
on February 6, 2025, plaintiff 11 submitted eight more discovery-related filings before requesting
dismissal. Those extra filings 12 included a discovery letter-brief seeking an adverse inference at
trial (Dkt. No. 172) — when it 13 turned out the documents it thought were missing had been
sitting in plaintiff's mailroom all 14 along (Dkt.

No. 190). 15 Nor was plaintiff's oral argument — and supplementary filing — persuasive. At our
16 hearing, each side relied upon a critical item of evidence to argue that the other side was more
17 at fault for not revealing any sooner that this case was not worth litigating. Interestingly, 18
plaintiff newly asserted that the critical item of evidence was something other than the one just 19
discussed above.

The Court ordered each side to file within 24 hours the corresponding 20 discovery request and
resulting production, which are examined now. 21 Recall that this is a trademark case where
plaintiff is an IP-oriented law firm, and 22 defendant is in relevant part a multifaceted general
legal referral service. Plaintiff's dream for 23 damages was based on the contention that
defendant's infringing logo diverted IP-oriented 24 prospective clients from plaintiff to defendant.

Defendant's website has a form where ordinary 25 people with all kinds of legal problems (such as
an auto accident) can enter their information to 26 receive a referral — and as they enter answers
the form apparently asks follow-up questions 27 about specific legal practice areas and sends the
client's resulting submission to law firms in 1 So, plaintiff reported that the critical starting point
for its damages calculation was the 2 complete list of prospective clients who had completed the
form and then been directed to rival 3 IP-oriented law firms.

This request was made on June 28, 2024: 4 NO. 61: All data to show all secondary information
captured through form fills of web form “connect with 5 attorneys for a free consultation” or “get
a case evaluation from a local lawyer” on LawFirms.com since November 6 30, 2023, including
but not limited to the forms related to trademarks, patents, copyrights, trade secrets, intellectual 7
property, litigation, and corporate services.

8 (See Dkt. No. 209 ¶ 3). And, defendant produced it by October 18, 2024 (Dkt. No. 213 ¶ 6). 9
Yes, there was an initial two-week period when defendant withheld contact information, for no 10
clear reason. But then defendant provided even that. And, defendant swore to Special Master 11
McElhinny under penalty of perjury that it had been no-holds-barred in its production (Exhs.

12 B–D). (Notably, plaintiff filed multiple such spreadsheets in its multiple supplementary 13 responses; by providing multiple spreadsheets in multiple responses, plaintiff violated the order 14 to file only the one spreadsheet that plaintiff had referred to in our hearing. None of the filings 15 vindicates plaintiff’s point.) 16 The problem with the complained-of production was not that defendant hid the answer, it 17 turns out, but that plaintiff did not like the answer that was revealed: Said plaintiff, “It doesn’t 18 have any records related to trademarks” (id. ¶ 13 (quoting)).

But, said defendant, “That is 19 precisely the point. Zero of the leads on lawfirms.com sought intellectual property attorneys” 20 (id. ¶ 14). “[H]ad a user wanted to ask for an intellectual property attorney [using the general 21 form described above], that user could have — but no one did” (id. ¶ 15). That plaintiff was 22 disappointed with the answer does not mean it was deficient.

Plaintiff’s post-hearing 23 supplement suggested as much all over again, however. Said plaintiff about its own records, “I 24 have found no evidence that Plaintiff received any contact information for trademarks, patents, 25 copyrights, trade secrets, intellectual property, and corporate services leads in any of the 26 Defendant’s production” (Dkt. No. 210 ¶ 5).

Reviewing these submitted records, that is no 27 surprise. We all agree plaintiff seeks to dismiss its own case because it has found no evidence 1 of material damages. Plaintiff should have known this months before it stopped prosecuting its 2 case. 3 Such a simple trademark action should not have generated over forty discovery orders 4 (see, e.g., Dkt. No. 97).

The ordinary prevailing party rule applies for the ordinary reasons and 5 then some. The following is HEREBY ORDERED: 6 i. All claims are dismissed with prejudice, in favor of defendant. 7 ii. All costs on both sides that have not been allocated already by orders of Special Master McElhinny are to be borne by plaintiff. 8 iii.

The Court retains jurisdiction to enforce payment of costs and 9 to preside over any collateral issues that may be brought. 10 2. THE MOTION TO STRIKE EXPERT REPORTS. 11 Defendant moves to strike the more than 500 pages of merits materials attached to the 12 request for voluntary dismissal (Dkt. No. 200).

Because the case is dismissed, the motion to 13 strike is MOOT. 14 3. THE MOTION TO DISQUALIFY. 15 Defendant moves to disqualify plaintiff’s counsel, Attorney Raj Abhyanker (Dkt. No. 16 196). For reasons stated at our hearing, the motion was there denied. 17 4. THE MOTIONS TO SEAL. 18 The public enjoys presumptive access to all court records. A party seeking to overcome 19 that presumption must show at least good cause and even, in the case of dispositive motions 20 and other filings more than tangentially related to case merits, compelling reasons.

Our local 21 rules also impose requirements for motions to seal. A failure to follow the rules can result in 22 total rejection. See *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1178–80

(9th Cir. 23 2006); Ctr. for Auto Safety v. Chrysler Grp., LLC, 809 F.3d 1092, 1101–02 (9th Cir. 2016). 24 Four motions pend. 25 A. MOTION TO SEAL STEMMING FROM MOTION TO DISMISS.

26 Plaintiff seeks to seal a purported expert report attached to its motion to dismiss 27 supporting why it would prevail on the merits (see Dkt. No. 194 (seeking to seal Dkt. No. 1 193)). This filing is therefore subject to the compelling reasons standard. And, it quotes the 2 requirement that it “narrowly tailor[]” redactions. But the filing proposes no redactions at 3 all — instead seeking to seal all 54 pages.

And, it provides only the boilerplate reason that the 4 purported document somewhere contains “sensitive financial information.” Dozens and 5 dozens of pages here contain nothing financial. Other pages contain only high-level financial 6 numbers. It is not the public court’s burden to parse and redact what plaintiff refused to parse 7 and redact. If there were compelling or even good cause to seal particular numbers within 8 these pages, plaintiff would have taken care to call them out with specificity, as our caselaw 9 and local rules require.

The motion is DENIED. 10 B. MOTION TO SEAL STEMMING FROM MOTION TO DISQUALIFY. 11 Plaintiff seeks to seal exhibits attached to its opposition to the motion to disqualify (Dkt. 12 No. 206 (seeking to seal Dkt. No. 205)). Even assuming the more lenient good-cause standard 13 applies, it is not met. Plaintiff again has failed to abide by the basic rules that our local rules 14 require.

For example, plaintiff has not provided in table format a list of each document or 15 portion sought to be sealed. It has not provided the interest that warrants sealing each, the 16 injury that would result if not sealed, and the reason why no less restrictive alternative would 17 suffice. Civil L.R. 79-5(c).

The one global reason offered by the motion is that they contain 18 financial records (Dkt. No. 206 at 2). But even fewer numbers are present here than in the 19 above filings (if any are present here at all). Rather, the portions to be sealed appear simply to 20 be a list of corporate entities and officers — the kind of information commonly published in 21 corporate directories.

If there were anything here worthy of sealing, plaintiff would have made 22 a commensurate effort to protect it. The motion to seal is DENIED. 23 C. MOTION TO SEAL STEMMING FROM POST-HEARING SUPPLEMENTARY BRIEFING. 24 Plaintiff seeks to seal exhibits attached to its post-hearing briefing (Dkt. No. 211 (seeking 25 to seal lodged exhibits)). Plaintiff’s motion is as deficient as the prior motions.

These 26 exhibits, however, obviously implicate third parties’ confidences, including nascent legal 27 1 claims related to car accidents, health issues, workplace issues, and other sensitive

information. 2 Because there is self-evident good reason to seal this peripheral filing, the motion is GRANTED. 3 D. MOTION TO SEAL STEMMING FROM DISCOVERY LETTER- 4 BRIEF.

Plaintiff seeks to seal an exhibit attached to a discovery letter-brief that it later withdrew ° (Dkt. No. 195 (seeking to seal Dkt. No. 180)). The special master already commented on the ° letter-brief, finding in part that plaintiff's counsel should not have used opposing counsel's attorney-client email it had received in error (Dkt. No. 185). Plaintiff's motion seeks to correct ° the filing.

It would replace the filing with one redacting the errant email. The special master's ° order provides good cause to do so. The motion is GRANTED. 5. THE SPECIAL MASTER. Special Master Harold McElhinny has ably served the United States District Court for the Northern District of California in this discovery-intensive proceeding. With appreciation, he is: ° DISCHARGED from duty in this matter.

CONCLUSION 15 16 Plaintiff's entire case is DISMISSED WITH PREJUDICE, with costs allocated as above. The motion to strike the expert reports is MOOT. The motion to disqualify was earlier denied. Two = " motions to seal (Dkt. Nos. 195, 211) are GRANTED.

The other two (Dkt. Nos. 194, 206) are "18 DENIED. As to them, unless a reviewing court orders otherwise before then, plaintiff shall re- " file the documents onto the public docket by AUGUST 7, 2025. IT ISSO ORDERED. 21 22 Dated: May 15, 2025. 23 24 if = Pee 25 TLLIAM ALSUP 26 UNITED STATES DISTRICT JUDGE 27 28