

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA, SACRAMENTO DIVISION

Mr. Roof and Solar, Inc. dba American Eagle Roofing v. Sequoia
Roofing and Construction, Tyler Anderson, and Robert Williams

Mr. Roof and Solar · No. 2:25-cv-00510-AC · Decided April 21, 2025

SUMMARY

The United States District Court for the Eastern District of California dismissed Robert Williams’s counterclaims for breach of contract, unpaid wages, and waiting-time penalties. The court held that the counterclaims did not fall within its original jurisdiction and were not sufficiently related to the plaintiff’s copyright-infringement claim to support supplemental jurisdiction under 28 U.S.C. § 1367. The court also stated that it would decline supplemental jurisdiction even if it existed.

CASE DETAILS

COURT	United States District Court for the Eastern District of California, Sacramento Division
WRITING FOR THE COURT	Allison Claire
JURISDICTION	United States District Court for the Eastern District of California, Sacramento Division
DECIDED	April 21, 2025
DOCKET	2:25-cv-00510-AC
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff moved under Federal Rule of Civil Procedure 12(b)(1) to dismiss Robert Williams's counterclaims for lack of subject matter jurisdiction.
STANDARD OF REVIEW	On a facial Rule 12(b)(1) challenge, the court considers the allegations in the pleading, accepts well-pleaded factual allegations as true, and applies the plausibility standard to determine whether the pleading sufficiently invokes federal jurisdiction.
PRECEDENTIAL VALUE	Unknown

TOPICS

subject matter jurisdiction

motions to dismiss

civil procedure

copyright infringement

employment contracts

PRACTICE AREAS

civil procedure

copyright

employment law

commercial litigation

QUESTIONS PRESENTED

1. Whether the district court had original federal subject matter jurisdiction over Williams's state-law counterclaims for breach of contract, unpaid wages, and waiting-time penalties.
2. Whether the counterclaims fell within the court's supplemental jurisdiction under 28 U.S.C. § 1367(a) because they formed part of the same case or controversy as the copyright-infringement claim.
3. Whether the court should decline supplemental jurisdiction under 28 U.S.C. § 1367(c) even if supplemental jurisdiction existed.

HOLDINGS

1. The court lacked original subject matter jurisdiction over Williams's state-law counterclaims for breach of contract, unpaid wages, and waiting-time penalties.
2. The court lacked supplemental jurisdiction over Williams's counterclaims because the pleadings did not establish that the counterclaims and the copyright-infringement claim formed part of the same case or controversy.
3. Even if supplemental jurisdiction existed, the court would decline to exercise it under 28 U.S.C. § 1367(c).

KEY QUOTATIONS

“The pleadings do not establish that Defendant’s counterclaims form a part of the same case or controversy as Plaintiff’s claim for Copyright Infringement under 17 U.S.C. § 101 et seq., as Defendant Robert Williams has failed to establish that his counterclaims and Plaintiff’s claim are derived from a common nucleus of operative fact.” (at 2)

FACTUAL BACKGROUND

Mr. Roof and Solar, doing business as American Eagle Roofing, alleged that former employees Tyler Anderson and Robert Williams joined competitor Sequoia Roofing and Construction, which then used construction contracts allegedly copied from American Eagle's contracts. American Eagle asserted a single federal copyright-infringement claim. Williams separately asserted counterclaims concerning allegedly unpaid compensation and commissions under his employment agreement, including wage claims and waiting-time penalties; those counterclaims did not rely on the facts concerning the allegedly copied construction contracts or the defendants' work for Sequoia.

PROCEDURAL HISTORY

Mr. Roof and Solar, Inc. brought a copyright-infringement action against Sequoia Roofing and Construction, Tyler Anderson, and Robert Williams. Williams filed counterclaims against Mr. Roof for breach of an employment contract, unpaid wages, and California waiting-time penalties. The district court granted Mr. Roof's motion to dismiss the counterclaims for lack of original and supplemental subject matter jurisdiction.

DISPOSITION

dismissed

CASES CITED

- Safe Air for Everyone v. Meyer, 373 F.3d 1035, 1039 (9th Cir.)
- White v. Lee, 227 F.3d 1214, 1242 (9th Cir.)
- Howard Jarvis Taxpayers Ass'n v. California Secure Choice Retirement Savings Program, 443 F. Supp. 3d 1152, 1156 (E.D. Cal.)
- Diva Limousine, Ltd. v. Uber Techs., Inc., 392 F. Supp. 3d 1074, 1084 (N.D. Cal.)
- Terenkian v. Republic of Iraq, 694 F.3d 1122, 1131 (9th Cir.)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- United States v. Morton, 467 U.S. 822, 828 (1984)
- Cooper v. Tokyo Elec. Power Co., 990 F. Supp. 2d 1035, 1038 (S.D. Cal.)
- Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375, 377 (1994)
- In re Wilshire Courtyard, 729 F.3d 1279, 1284 (9th Cir.)

OPINION

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SOLAR, INC. dba AMERICAN EAGLE ROOFING 7 8 UNITED STATES DISTRICT COURT 9
EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION 10 11 MR. ROOF AND
SOLAR, INC. dba Case No. 2:25-cv-00510-AC AMERICAN EAGLE ROOFING, a California 12
corporation, [PROPOSED] ORDER GRANTING MOTION TO DISMISS 13 Plaintiffs, Judge:
Hon. Allison Claire 14 v. Date: May 28, 2025 Time: 10:00 a.m.

15 SEQUOIA ROOFING AND Crtrm.: 26 CONSTRUCTION, a California corporation; 16
TYLER ANDERSON, an individual; ROBERT WILLIAMS, an individual, 17 Defendants. 18 19
AND RELATED COUNTER-CLAIMS 20 21 Mr. Roof and Solar, Inc. dba American Eagle
Roofing's Motion to Dismiss came on for 22 hearing before this Court on May 28, 2025, at 10:00
a.m.

After full consideration of the matter, 23 this Court rules as follows: 24 I. BACKGROUND 25 According to the allegations in the pleadings, American Eagle is a construction business 26 that provides construction services in Northern California. See Complaint (Doc. No. 1), ¶ 10 and 27 Prayer for Relief. Defendants Anderson and Williams were previously employed by American 1 protected construction contract.

Id. at ¶¶ 2, 5-6, 12. 2 In 2023, Anderson and Williams resigned from American Eagle, and were subsequently 3 hired by Sequoia, a direct competitor of American Eagle. Id. at ¶ 12. Soon thereafter, American 4 Eagle discovered that following Sequoia's hiring of Anderson and Williams, Sequoia had begun 5 using construction contracts that copied verbatim substantial portions of American Eagle's 6 original contract language, including the language, formatting, and organization of terms.

Id. at ¶¶ 7 13-14. Following a side-by-side comparison, American Eagle found that Sequoia's contract had 8 taken verbatim language in key sections from its contract, adopted identical clause structures, and 9 replicated specific phrases and formatting unique to Plaintiff's original work. Id. at ¶ 15. 10 American Eagle filed a complaint in this Court, asserting a single claim of copyright 11 infringement under 17 U.S.C. § 101, et seq., against Sequoia, Anderson, and Williams.

Id. at ¶¶ 12 21-24. As a cause of action arising under federal law, the District Court has original subject 13 matter jurisdiction pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1338(a). 14 On March 28, 2025, Defendants filed an answer to American Eagle's complaint, denying 15 the majority of American Eagle's allegations. But in addition to the Answer, Williams separately 16 filed three claims against American Eagle: (1) breach of his employment contract with American 17 Eagle; (2) failure to pay wages earned under California Labor Code §§ 200 et. seq., and (2) 18 Waiting Time Penalties under California Labor Code § 203.

Answer and Counterclaims (Doc. 19 No. 8), ¶¶ 11-26. Distilled down, Williams's three claims arose from a contention that American 20 Eagle had failed to pay wages/commissions owed to Williams under his employment contract 21 throughout his employment relationship and upon the termination of his employment, as provided 22 for in the Salesperson Agreement attached as Exhibit A to Williams's Answer and Counterclaim.

23 Id. at ¶¶ 7-9; see also id., Ex. A. Notably, Williams's counterclaims made no reference to the 24 facts alleged in American Eagle's complaint about the separate copyright protected construction 25 contract or his employment by Sequoia and instead focused entirely on transgressions that he 26 claimed occurred during his employment and pertained to his wholly separate employment 27 contract.

Id. at ¶ 10. 1 counterclaims, which reads in full: "This Court has subject matter jurisdiction pursuant to 28 2 U.S.C. § 1367." Id. at ¶ 5. 3 II. MOTION TO DISMISS 4 American Eagle moves

to dismiss the counterclaims on the ground that the Court lacks 5 jurisdiction over the counterclaims. 6 A. Legal Standard – Fed. R. Civ. P. 12(b)(1) 7 Rule 12(b)(1) of the Federal Rules of Civil Procedure allows a party to challenge a federal 8 court’s jurisdiction over the subject matter of a claim.

Fed. R. Civ. P. 12(b)(1). “A Rule 12(b)(1) 9 jurisdictional attack may be facial or factual.” *Safe Air for Everyone v. Meyer*, 373 F.3d 1035, 10 1039 (9th Cir. 2004) (citing *White v. Lee*, 227 F.3d 1214, 1242 (9th Cir. 2000)).

In a facial attack 11 like the present motion, “the challenger asserts that the allegations contained in a [pleading] are 12 insufficient on their face to invoke federal jurisdiction.” *Id.* A party making a facial attack does 13 not submit supporting evidence with the motion because jurisdiction is challenged based solely on 14 the pleadings. *Howard Jarvis Taxpayers Ass’n v. California Secure Choice Retirement Savings 15 Program*, 443 F. Supp. 3d 1152, 1156 (E.D.

Cal. 2020); see also *Diva Limousine, Ltd. v. Uber 16 Techs., Inc.*, 392 F. Supp. 3d 1074, 1084 (N.D. Cal. 2019) (“[C]ourts do not consider evidence 17 outside the pleadings when deciding a facial attack.”) (citation omitted).

In a facial attack on 18 subject matter jurisdiction, the district court applies the *Iqbal* standard to determine if the 19 complaint or counterclaim alleges “sufficient factual matter, accepted as true, to ‘state a claim to 20 relief that is plausible on its face.’” *Terenkian v. Republic of Iraq*, 694 F.3d 1122, 1131 (9th Cir. 21 2012) (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl.*

Corp. v. Twombly, 22 550 U.S. 544, 570 (2007))). 23 “Subject matter jurisdiction defines the Court’s authority to hear a given type of case.” 24 *U.S. v. Morton*, 467 U.S. 822, 828 (1984). “Federal district courts are courts of limited jurisdiction 25 that ‘may not grant relief absent a constitutional or valid statutory grant of jurisdiction’ and are 26 ‘presumed to lack jurisdiction in a particular case unless the contrary affirmatively appears.’” 27 *Cooper v. Tokyo Elec.*

Power Co., 990 F. Supp. 2d 1035, 1038 (S.D. Cal. 2013) (quoting *A-Z Int’l 1 ||* falls within a federal district court’s limited jurisdiction “rests upon the party asserting 2 || jurisdiction” — here, on *Williams. Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 377 (1994); 3 || *In re Wilshire Courtyard*, 729 F.3d 1279, 1284 (9th Cir. 2013). 4 B. Analysis of Motion to Dismiss 5 Defendant and Counterclaimant Robert Williams has not met his burden to establish that 6 || this Court has subject matter jurisdiction over his counterclaims.

The Court finds that it does not 7 || have original subject matter jurisdiction over Mr. Williams’ claims for (1) Breach of Contract, (2) 8 || Failure to Pay Earned Wages under California Labor Code §§ 220 et seq., or (3) Waiting Time 9 || Penalties under California Labor Code § 203.

The Court also finds that it does not have subject 10 || matter jurisdiction over Defendant's counterclaims pursuant to 28 U.S.C. § 1367(a). The pleadings 11 |} do not establish that Defendant's counterclaims form a part of the same case or controversy as 12 || Plaintiff's claim for Copyright Infringement under 17 U.S.C. § 101 et seq., as Defendant Robert 2 13 || Williams has failed to establish that his counterclaims and Plaintiff's claim are derived from a z 14 |} common nucleus of operative fact.

15 Even if the Court were to find that it could exercise supplemental jurisdiction over the 3 16 || counterclaims, it would decline to do so under 28 U.S.C. § 1367(c). 17 I. CONCLUSION 18 For the reasons stated above, IT IS HEREBY ORDERED that Defendant Williams's 19 || counterclaims for (1) Breach of Contract, (2) Failure to Pay Earned Wages under California Labor 20 || Code §§ 220 et seq., and (3) Waiting Time Penalties under California Labor Code § 203 are 21 || DISMISSED.

22 || DATED: April 21, 2025 Z 2 A 23 ALLISON CLAIRE 54 UNITED STATES MAGISTRATE JUDGE 25 26 27 28