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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

XEN, INC., a California corporation,	)	Case No. CV 11-09568 DDP (MRWx)
	)	
Plaintiff,	)	<b>ORDER DENYING IN PART AND GRANTING IN PART PLAINTIFF'S MOTION FOR</b>
v.	)	<b>1. SUMMARY JUDGMENT, OR ALTERNATIVELY, SUMMARY ADJUDICATION ON XEN, INC'S COMPLAINT, AND</b>
CITRIX SYSTEMS, INC., a Delaware corporation,	)	<b>2. SUMMARY JUDGMENT, OR ALTERNATIVELY, SUMMARY ADJUDICATION ON CITRIX SYSTEMS INC.'S COUNTERCLAIMS</b>
Defendant.	)	
	)	
	)	
	)	[Docket No. 30 ]

Presently before the court is Xen, Inc.'s ("Plaintiff") Motion for Summary Judgment or, in the alternative, for Partial Summary Adjudication. The court DENIES summary judgment on Citrix Systems, Inc.'s ("Defendant") counterclaims of trademark infringement, unfair competition, and false designation of origin. Plaintiff's declaratory relief counts related thereto are also DENIED. The court GRANTS Plaintiff's motion for summary judgment on Defendant's counterclaims for dilution and cybersquatting. Plaintiff's declaratory relief counts related thereto are also GRANTED.

1 **I. Background**

2 Plaintiff operates xen.com, a social networking website that  
3 allows users to "select interests, pick their level of interest,  
4 and browse through interests of other users" on matters such as  
5 television shows and restaurants. (Statement of Genuine Disputes  
6 ("SGD") ¶¶ 2, 12 (filed under seal). The website was launched in  
7 2009. Id. ¶ 9. Plaintiff has invested at least \$8,800,000 in its  
8 products and services under the Xen mark. (Id. at ¶ 14.) It is  
9 disputed how many people use xen.com, and whether the website is  
10 only available to individuals selected to test it. Id. at ¶¶ 14,16.  
11 Plaintiff's "Xen" mark is not registered.

12 Defendant is the owner of a number of marks that include the  
13 word "XEN" (e.g. "XEN SOURCE," "XENCENTER," "XENDESKTOP," "XEN  
14 SUMMIT," and "XENMOTION"), including two marks that contain "XEN"  
15 as its sole word. (Gates Decl. Ex. A.) Defendant, however, is not  
16 the only entity with a registered trademark that features this  
17 word. (SGD ¶ 54 (filed under seal).) Virtualization is the  
18 technology behind Citrix's XEN products. (See Wasson Decl. ¶  
19 19(filed under seal)); (SGD ¶ 19(filed under seal).)  
20 Virtualization software allegedly "allows one physical computer to  
21 operate as multiple 'virtual' computers- and even lets them run  
22 multiple virtual desktops on a single laptop." (See Wasson ¶ 6  
23 (filed under seal).) It allegedly also powers cloud computing  
24 resources. (SGD ¶ 21 (filed under seal).) Defendant sells  
25 products under the XEN name, some costing several thousand dollars.  
26 (SGD ¶ 25 (filed under seal).) Defendant is also the owner of  
27 xen.org, which allows users to download various free products.  
28 (SGD ¶ 26 (filed under seal).) Defendant uses both its XEN and

1 Citrix marks in marketing its XEN products. (SGD ¶ 28 (filed under  
2 seal).) Allegedly, every day 100 million people worldwide sign  
3 onto Defendant's XENAPP and XENDESKTOP to access their employers'  
4 work spaces, and Defendant allegedly receives one billion dollars  
5 in yearly revenue from sales of XEN branded products. (Wasson  
6 Decl. ¶¶ 14, 25 (filed under seal).)

## 7 **II. Legal Standard**

8 Summary judgment shall be granted when a movant "shows that  
9 there is no genuine dispute as to any material fact and the movant  
10 is entitled to judgment as a matter of law." FED. R. CIV. P.  
11 56(a). In other words, summary judgment should be entered "against  
12 a party who fails to make a showing sufficient to establish the  
13 existence of an element essential to that party's case, and on  
14 which that party will bear the burden of proof at trial." Parth v.  
15 Pomona Valley Hosp. Med. Ctr., 630 F.3d 794, 798-99 (9th Cir.  
16 2010)(internal quotation marks omitted).

17 A moving party without the burden of persuasion at trial "must  
18 either produce evidence negating an essential element of the  
19 nonmoving party's claim or defense or show that the nonmoving party  
20 does not have enough evidence of an essential element to carry its  
21 ultimate burden of persuasion at trial." Nissan Fire & Marine Ins.  
22 Co., v. Fritz Cos., 210 F.3d 1099, 1102 (9th Cir. 2000); see also  
23 Devereaux v. Abbey, 263 F.3d 1070, 1076 (9th Cir. 2001) (*en banc*)  
24 ("When the nonmoving party has the burden of proof at trial, the  
25 moving party need only point out 'that there is an absence of  
26 evidence to support the nonmoving party's case.'" ) (quoting Celotex  
27 Corp. v. Catrett, 477 U.S. 317, 325 (1986), and citing Fairbank v.  
28 Wunderman Cato Johnson, 212 F.3d 528, 532 (9th Cir. 2000) (holding

1 that the Celotex "showing" can be made by "pointing out through  
2 argument-the absence of evidence to support plaintiff's claim").

3 If the party moving for summary judgment meets its initial  
4 burden of identifying for the court the portions of the  
5 materials on file that it believes demonstrate the absence  
6 of any genuine issue of material fact, the nonmoving party  
7 may not rely on the mere allegations in the pleadings in  
8 order to preclude summary judgment[,but instead] must set  
9 forth, by affidavit or as otherwise provided in Rule 56,  
10 specific facts showing that there is a genuine issue for  
11 trial.

12 T.W. Elec. Serv., v. Pac. Elec. Contractors Ass'n, 809 F.2d 626,  
13 630 (9th Cir. 1987) (internal citations, quotation marks, and  
14 emphasis omitted).

15 At the summary judgment stage, the court does not make  
16 credibility determinations or weigh conflicting evidence, and it  
17 views all evidence and draws all inferences in the light most  
18 favorable to the non-moving party. See id. at 630-31 (citing  
19 Matsushita Elec. Indus. Co., v. Zenith Radio Corp., 475 U.S. 574,  
20 587 (1986)); see also Hrdlicka v. Reniff, 631 F.3d 1044 (9th Cir.  
21 2011); Miranda v. City of Cornelius, 429 F.3d 858, 860 n.1 (9th  
22 Cir. 2005). Speculative testimony in affidavits and motion papers  
23 is insufficient to raise genuine issues of fact and defeat summary  
24 judgment. Thornhill Publ'g Co., v. GTE Corp., 594 F.2d 730, 738  
25 (9th Cir. 1979). As the Supreme Court has stated, "[t]he mere  
26 existence of a scintilla of evidence . . . will be insufficient;  
27 there must be evidence on which the jury could reasonably find for  
28 the [non-moving party]." Anderson v. Liberty Lobby, Inc., 477 U.S.  
242, 252 (1986).

It is not the court's task "to scour the record in search of a  
genuine issue of triable fact." Keenan v. Allan, 91 F.3d 1275,  
1279 (9th Cir. 1996). Counsel has an obligation to lay out their

1 support clearly. Carmen v. San Francisco Unified Sch. Dist., 237  
2 F.3d 1026, 1031 (9th Cir. 2001). The court "need not examine the  
3 entire file for evidence establishing a genuine issue of fact,  
4 where the evidence is not set forth in the opposing papers with  
5 adequate references so that it could conveniently be found." Id.

### 6 **III. Analysis**

#### 7 **A. Likelihood of Confusion: Trademark Infringement, Unfair** 8 **Competition, False Designation of Origin**

9 Plaintiff claims that no reasonable trier of fact could find  
10 that there is a likelihood of confusion between the parties' marks.  
11 Likelihood of confusion is the center of the trademark  
12 infringement, unfair competition, and false designation of origin  
13 claims in this case. See Toho Co., v. Sears, Roebuck & Co., 645  
14 F.2d 788, 790 (9th Cir. 1981); see also Brookfield Commc'n, Inc. v.  
15 W. Coast Entm't Corp., 174 F.3d 1036, 1046 (9th Cir. 1999). The  
16 factors for determining likelihood of confusion are: "1. strength  
17 of the mark; 2. proximity of the goods; 3. similarity of the marks;  
18 4. evidence of actual confusion; 5. marketing channels used; 6.  
19 type of goods and the degree of care likely to be exercised by the  
20 purchaser; 7. defendant's intent in selecting the mark; and 8.  
21 likelihood of expansion of the product lines." AMF Inc. v.  
22 Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979). It is  
23 unnecessary to meet every factor, because the likelihood of  
24 confusion test is "fluid". Surfvivor Media, Inc. v. Survivor  
25 Prods., 406 F.3d 625, 631 (9th Cir. 2005). The test is fact  
26 intensive, and it thus is rarely appropriate for deciding on  
27 summary judgment. Au-Tomotive Gold, Inc. v. Volkswagen of Am.,  
28 Inc., 457 F.3d 1062, 1075 (9th Cir. 2006).

1 A reasonable fact finder could decide that Defendant has a  
2 strong mark. "[T]he more unique or arbitrary a mark, the more  
3 protection a court will afford it." Visa Int'l Serv. Ass'n v. JSL  
4 Corp., 610 F.3d 1088, 1090 (9th Cir. 2010); J. B. Williams Co., v.  
5 Le Conte Cosmetics, Inc., 523 F.2d 187, 192 (9th Cir. 1975)  
6 (holding that "[a] strong mark is entitled to a greater degree of  
7 protection"). Registration indicates strength: "There can be no  
8 serious dispute with the principle that a federal trademark  
9 registration of a particular mark supports the distinctiveness of  
10 that mark, because the PTO should not otherwise give it  
11 protection." Zobmondo Entm't, LLC v. Falls Media, LLC, 602 F.3d  
12 1108, 1115 (9th Cir. 2010) (internal quotations omitted); see also  
13 E. & J. Gallo Winery v. Consorzio del Gallo Nero, 782 F. Supp. 457,  
14 462 (N.D. Cal. 1991). Courts will also look to various other  
15 factors in analyzing strength, among them is whether a mark has  
16 been used successfully in commerce for a significant period of  
17 time. Interplay Entm't Corp. v. TopWare Interactive, Inc., 751 F.  
18 Supp. 2d 1132, 1137 (C.D. Cal. 2010).

19 Defendant owns many XEN marks. (Gates Decl. Ex. A.)  
20 Defendant has allegedly used the XEN mark in commerce since 2002.  
21 (SGD ¶ 5 (filed under seal).) Every day 100 million people  
22 allegedly sign onto Defendant's XENAPP and XENDESKTOP to access  
23 their employers' work spaces, and Defendant allegedly receives one  
24 billion dollars in yearly revenue from sales of XEN branded  
25 products. (Wasson Decl. ¶¶ 14, 25 (filed under seal).)  
26 Defendant's multiple XEN registrations and evidence of its  
27 prevalent use in commerce show that a reasonable trier of fact  
28 could find that Defendant's mark is strong. This factor weighs

1 heavily in favor of denying summary judgment on the infringement  
2 claim. GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1207 (9th  
3 Cir. 2000) (holding that the stronger the mark "the greater  
4 protection the mark is accorded by trademark laws").

5 A reasonable fact finder could decide that the parties' marks  
6 are similar. "Similarity of the marks is tested on three levels:  
7 sight, sound, and meaning." Sleekcraft, 599 F.2d at 351.

8 Regarding sight, courts will compare the spelling of words within  
9 the marks. Id. They will also look to the marks overall design

10 and whether other marks accompany the mark in dispute. Id. Here,  
11 Defendant's XEN mark is spelled exactly the same as Plaintiff's.

12 Regarding design, Defendant admits the marks are dissimilar.

13 (Memorandum in Opposition to Summary Judgment ("Op.") at 19: 19-20  
14 (filed under seal).) However, Defendant has provided evidence that

15 Plaintiff sometimes uses XEN as a standalone mark, without any  
16 accompanying design. (See, e.g., Gates Decl. Exs. E, CC.) Since

17 the accompanying logo is at least sometimes absent, the

18 significance of the difference in design is significantly

19 diminished. See Sleekcraft, 599 F.2d at 351. As for other

20 accompanying marks, Defendant admits that it uses its Citrix mark  
21 in conjunction with its XEN mark. (SGD ¶ 28 (filed under seal).)

22 However, Plaintiff, the moving party, waited until its reply brief,  
23 which was filed under seal, to argue that the Citrix mark is

24 prominently featured. The prominence of the Citrix mark is very

25 important to analyzing similarity, see Sleekcraft, 599 F.2d at 351,

26 but the Court should not consider new arguments made in reply

27 briefs, see Zamani v. Carnes, 491 F.3d 990, 997 (9th Cir. 2007)

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1 (affirming district court's decision to reject points raised for  
2 the first time in reply).

3 "Sound is also important because reputation is often conveyed  
4 word-of-mouth." See Sleekcraft, 599 F.2d at 351. Both parties use  
5 the same word, "Xen," as a mark. Defendant claims both words sound  
6 the same. (Op. at 19: 16-17 (filed under seal).) Since Plaintiff  
7 does not (and probably cannot) dispute this argument, the two marks  
8 are found to sound the same.

9 "Closeness in meaning can itself substantiate a claim of  
10 similarity of trademarks." Sleekcraft, 599 F.2d at 352. The  
11 relevant meaning is the one the "ordinary consumer" would attach to  
12 the word. 4 McCarthy on Trademarks and Unfair Competition  
13 ("McCarthy") § 23:26 (4th ed. 2012); see also Synergistic Int'l  
14 Inc. v. Windshield Doctor, Inc., No. CV 03-579, 2003 WL 21468568,  
15 at \*5 (C.D. Cal. Apr. 28, 2003) (emphasizing the meaning the  
16 "average consumer" would give to words). Meaning is generally only  
17 relevant when different words are used. See McCarthy at § 23:26.  
18 Plaintiff only offers evidence that the parties attached different  
19 meanings to "Xen," but it offers no evidence that the consumers  
20 would do the same. Since both parties use the same word, there is  
21 no reason to think there is a difference in meaning between the two  
22 marks in the mind of the general public.

23 A reasonable trier of fact could also find that Plaintiff and  
24 Defendant provide similar products. "When dealing with the second  
25 Sleekcraft factor, the courts assess whether the goods are related  
26 or complementary. Where the goods are related or complementary,  
27 the danger of confusion is heightened." M2 Software, Inc. v.  
28 Madacy Entm't, 421 F.3d 1073, 1081-82 (9th Cir. 2005). Factors



1 relevant to determining similarity of products include: whether the  
2 products are complementary, whether they are similar in use and  
3 function, and whether they are sold to the same class of  
4 purchasers. Sleekcraft, 599 F.2d at 351.

5 A reasonable fact finder could decide that the products are  
6 complementary and similar in use and function. Plaintiff's website  
7 allows users to "collect and share [their] interests everywhere."  
8 (Gates Decl. Ex. CC.) Similarly, Defendant's XEN products  
9 allegedly allow users "to communicate, work, and even play through  
10 virtual meetings, training events, face-to-face video conferencing"  
11 from any computer. (Wasson Decl. ¶¶ 6, 8 (filed under seal).)  
12 Plaintiff focuses on the entertainment nature of its social  
13 networking product and the professional focus of Defendant's  
14 virtualization products, claiming "[c]orporate virtualization  
15 companies are not known for products where individuals express  
16 dislike for Jersey Shore with an angry face emoticon. . . ."  
17 (Motion for Summary Judgment at 15: 1-3.)

18 However, all inferences must be drawn in the light most  
19 favorable to the non-moving party. T.W. Elec. Serv., 809 F.2d 630-  
20 31. The line between work and entertainment is often blurred,  
21 especially within Plaintiff's field of social networking. More  
22 importantly, the fact intensive nature of comparing the parties'  
23 products-in comparing why people use them and what people can do  
24 with them-underscores why the likelihood of confusion analysis is  
25 generally inappropriate for summary judgment. Au-Tomotive Gold,  
26 457 F.3d 1062, 1075 (9th Cir. 2006). In light of the collaborative  
27 and communicative nature of Defendant's product, the Court finds

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1 that a reasonable trier of fact could find that the products are  
2 similar.

3 The Court's analysis *supra* has shown that a reasonable fact  
4 finder is likely to decide that Defendant's mark is very strong,  
5 and that Plaintiff's and Defendant's marks are substantially  
6 similar. Additionally, the Court's has demonstrated that a  
7 reasonable trier of fact could find that the Plaintiff's and  
8 Defendant's products are similar. While there are other factors to  
9 consider, these are three of the most important ones. important.  
10 See Dreamwerks Prod. Group, Inc. v. SKG Studio, 142 F.3d 1127, 1130  
11 (9th Cir. 1998). Defendant need not meet every Sleekcraft factor  
12 to show a likelihood of confusion. Survivor Media, 406 F.3d at  
13 631. If a few factors favor a non-moving party, it can survive  
14 summary judgment on likelihood of confusion. Dreamwerks Prod.  
15 Group, 142 F.3d at 1129-30, 1132. Additionally, likelihood of  
16 confusion is rarely appropriate for summary judgment. Au-Tomotive  
17 Gold, 457 F.3d at 1075. The court accordingly DENIES summary  
18 judgment on the infringement, false designation of origin, and  
19 unfair competition claims.

20 **B. Dilution**

21 Plaintiff argues that Defendant's dilution counterclaim must  
22 be summarily adjudicated. "A plaintiff seeking relief under  
23 federal anti-dilution law must show that its mark is famous and  
24 distinctive, that defendant began using its mark in commerce after  
25 plaintiff's mark became famous and distinctive, and that  
26 defendant's mark is likely to dilute plaintiff's mark." Visa Int'l  
27 Serv. Ass'n v. JSL Corp., 610 F.3d 1088, 1089-90 (9th Cir. 2010).

28

1 Plaintiff claims Defendant's mark is not famous. There are  
2 several statutory factors that courts may consider in deciding  
3 whether a mark is famous. 15 U.S.C. § 1125(c)(2).<sup>1</sup> However, "most  
4 courts take an approach more akin to Justice Stewart's test for  
5 obscenity: we know it when we see it. Unless a mark rises to the  
6 level of KODAK' or 'COKE,' it is not considered famous and thus not  
7 afforded protection from dilution." Self-Ins. Inst. of Am., Inc.  
8 v. Software & Info. Indus. Ass'n, 208 F. Supp. 2d 1058, 1077 (C.D.  
9 Cal. 2000). Niche market fame is insufficient. Planet Coffee  
10 Roasters, Inc. v. Dam, No. SACV 09-00571-MLG, 2009 WL 2486457, at  
11 \*3 (C.D. Cal. Aug. 12, 2009). A mark is famous if it is "widely  
12 recognized *by the general consuming public of the United States* as  
13 a designation of source of the goods or services of the mark's  
14 owner." 15 U.S.C. § 1125(c)(2)(A) (emphasis added). Even  
15 extensive commercial use, substantial advertising, and significant  
16 sales will not suffice to make a mark famous. Avery Dennison Corp.  
17 v. Sumpton, 189 F.3d 868, 876-77 (9th Cir. 1999) (holding marks not  
18 famous despite decades of use, \$3 billion in annual sales, and over  
19 \$5 million in advertising).

20 Defendant relies on its marketing budget, its sales, the  
21 number of people who use its products, and its mark's registration  
22 and distinctiveness in its effort to defeat summary adjudication.  
23 (Op. at 27:21-28:6 (filed under seal).) Such evidence is  
24 insufficient. See Avery Dennison, 189 F.3d at 876-77. In the three

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25  
26 <sup>1</sup> Those factors are: "(I) The duration, extent, and geographic reach of  
27 advertising and publicity of the mark, whether advertised or publicized by the  
28 owner or third parties. (ii) The amount, volume, and geographic extent of sales  
of goods or services offered under the mark. (iii) The extent of actual  
recognition of the mark. (iv) Whether the mark was registered under the Act of  
March 3, 1881, or the Act of February 20, 1905, or on the principal register.

1 sentences that constitute its dilution argument, Defendant never  
2 claims that its mark is famous. Tellingly, the closest Defendant  
3 comes to asserting fame is in its uncited proposition that its XEN  
4 mark is "well recognized in the trade." (Op. at 28:3 (filed under  
5 seal).) Niche fame, however, will not suffice. Planet Coffee  
6 Roasters, 2009 WL 2486457, at \*3. While Defendant's evidence  
7 suggests that it has successful products and a strong mark, it has  
8 not shown that its mark is "widely recognized by the general  
9 consuming public of the United States." See 15 U.S.C. § 1125(c)(2).  
10 This Court therefore GRANTS summary judgment on dilution.

### 11 **C. Cybersquatting**

12 Defendant claims that Plaintiff is liable for cybersquatting.  
13 Cybersquatting requires proof that "1) the defendant [plaintiff in  
14 this case] registered, trafficked in, or used a domain name; (2)  
15 the domain name is identical or confusingly similar to a protected  
16 mark owned by the plaintiff; and (3) the defendant [plaintiff]  
17 acted "with bad faith intent to profit from that mark." DSPT  
18 Int'l, Inc. v. Nahum, 624 F.3d 1213, 1218-19 (9th Cir. 2010).  
19 Generally cybersquatting occurs when "a person other than the  
20 trademark holder registers the domain name of a well known  
21 trademark and then attempts to profit from this by either ransoming  
22 the domain name back to the trademark holder or by using the domain  
23 name to divert business from the trademark holder to the domain  
24 name holder." Bosley Med. Inst., v. Kremer, 403 F.3d 672, 680 (9th  
25 Cir. 2005).

26 Plaintiff contends that summary judgment is appropriate  
27 because Defendant has insufficient evidence of a bad faith intent  
28 to profit from the mark. There are nine statutory factors courts

1 may consider in determining bad faith. 15 U.S.C. §§  
2 1125(d)(1)(B)(i)(I)-(IX).<sup>2</sup> Prior knowledge of the claimant's mark  
3 is not a statutory factor. See 15 U.S.C. §§  
4 1125(d)(1)(B)(i)(I)-(IX). Mere knowledge of a claimant's trademark  
5 is insufficient for proving bad faith generally in trademark law.  
6 See Visible Sys. Corp. v. Unisys Corp., 551 F.3d 65, 76 (1st Cir.  
7 2008) (holding that mere evidence of knowledge of a claimant's mark  
8 is insufficient to show bad faith in an infringement case). And  
9 legislative history clarifies that one may have actual knowledge of  
10 a claimant's mark without being a cybersquatter. See 145 Cong.  
11 Rec. S9744, S9749 (daily ed. July 29, 1999) (Statements on  
12 Introduced Bills and Joint Resolutions) (declaring that  
13 cybersquatting "does not extend to... someone who is aware of the  
14

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15 <sup>2</sup>Those factors are: (I) the trademark or other intellectual property  
16 rights of the person, if any, in the domain name; (II) the extent to which the  
17 domain name consists of the legal name of the person or a name that is otherwise  
18 commonly used to identify that person; (III) the person's prior use, if any, of  
19 the domain name in connection with the bona fide offering of any goods or  
20 services; (IV) the person's bona fide noncommercial or fair use of the mark in a  
21 site accessible under the domain name; (V) the person's intent to divert  
22 consumers from the mark owner's online location to a site accessible under the  
23 domain name that could harm the goodwill represented by the mark, either for  
24 commercial gain or with the intent to tarnish or disparage the mark, by creating  
25 a likelihood of confusion as to the source, sponsorship, affiliation, or  
26 endorsement of the site; (VI) the person's offer to transfer, sell, or otherwise  
27 assign the domain name to the mark owner or any third party for financial gain  
28 without having used, or having an intent to use, the domain name in the bona  
fide offering of any goods or services, or the person's prior conduct indicating  
a pattern of such conduct; (VII) the person's provision of material and  
misleading false contact information when applying for the registration of the  
domain name, the person's intentional failure to maintain accurate contact  
information, or the person's prior conduct indicating a pattern of such  
conduct; (VIII) the person's registration or acquisition of multiple domain names  
which the person knows are identical or confusingly similar to marks of others  
that are distinctive at the time of registration of such domain names, or  
dilutive of famous marks of others that are famous at the time of registration  
of such domain names, without regard to the goods or services of the parties;  
and (IX) the extent to which the mark incorporated in the person's domain name  
registration is or is not distinctive and famous within the meaning of  
subsection (c) of this section.

1 trademark status of the name but registers a domain name without a  
2 bad faith intent to profit").

3 Defendant argues that there is a triable issue of fact as to  
4 whether Plaintiff knew of Citrix and its XEN marks, and therefore  
5 the question of whether there was bad faith intent cannot be  
6 summarily adjudicated. There are two problems with Defendant's  
7 argument. First, it has only scant evidence that Plaintiff was  
8 aware of Defendant's XEN mark. Defendant points to its marks'  
9 registration and an article that Plaintiff's principals read and  
10 commented on which mentions Defendant's XEN product. However, the  
11 two-page article only passingly notes Defendant's product once, and  
12 never refers to it again. (Gates Decl. Ex. U at 2563-64 (filed  
13 under seal).) While courts do not weigh evidence on summary  
14 judgment, the mere scintilla of evidence of Plaintiff's knowledge  
15 is insufficient to create a triable issue of fact. Anderson, 477  
16 U.S. at 252.

17 Second, and more importantly, knowledge of a mark is  
18 insufficient to show bad faith. See 15 U.S.C. §§  
19 1125(d)(1)(B)(i)(I)-(IX); see also Visible Sys. Corp., 551 F.3d at  
20 76; See 145 Cong. Rec. S9744, S9749 (daily ed. July 29, 1999).  
21 Since the only evidence Defendant has provided is insufficient, it  
22 has not met its burden to "set forth, by affidavit or as otherwise  
23 provided in Rule 56, specific facts showing that there is a genuine  
24 issue for trial." T.W. Elec. Serv., 809 F.2d at 630 (internal  
25 citations, quotation marks, and emphasis omitted).

26 The court further notes that many of the bad faith factors cut  
27 in Plaintiff's favor. For instance, no evidence exists that  
28 Plaintiff has tried to sell its xen.com domain name to a third

1 party for financial gain (factor VI). See 15 U.S.C. §§  
2 1125(d)(1)(B)(i). There are no allegations that Plaintiff provided  
3 "material and misleading false contact information when applying  
4 for the registration of the domain name" (factor VII). See id.  
5 There is no evidence that Plaintiff has registered other domain  
6 names that are similar to other mark (factor VIII). See id. These  
7 are not the only factors that favor Plaintiff. The court only  
8 mentions them to illustrate the point that not only has Defendant  
9 failed to produce evidence of a bad faith intent, the available  
10 evidence generally points to the opposite conclusion.

11 **D. Defendant's 56(d) request**

12 Defendant argues summary judgment is inappropriate, because it  
13 still needs to conduct necessary discovery. In response to a  
14 summary judgment motion, a nonmoving party may obtain relief  
15 pursuant to Fed. R. Civ. P. 56(d) ("Rule 56(d)") if it "shows by  
16 affidavit or declaration that, for specified reasons, it cannot  
17 present facts essential to justify its opposition." A party  
18 seeking relief under Rule 56(d) in the Ninth Circuit must show:  
19 "(1) it has set forth in affidavit form the specific facts it hopes  
20 to elicit from further discovery; (2) the facts sought exist; and  
21 (3) the sought-after facts are essential to oppose summary  
22 judgment." Family Home and Fin. Ctr., v. Fed. Home Loan Mortg.  
23 Corp., 525 F.3d 822, 827 (9th Cir. 2008). Defendant's affidavit  
24 explains that more discovery is needed to produce important  
25 evidence for the likelihood of confusion element of its trademark  
26 infringement counterclaim. (Merton E. Thompson Decl. ¶ 10.) Since  
27 the court DENIES Plaintiff's request for summary judgment on  
28

1 trademark infringement, it need not consider Defendant's request  
2 under Rule 56(d).

3 **IV. Conclusion**

4 Based on the preceding analysis, the Court DENIES Plaintiff's  
5 Motion for Summary Judgment on Defendant's counterclaim for  
6 trademark infringement, unfair competition, and false designation  
7 of origin. It also DENIES Plaintiff's declaratory relief counts  
8 related to these counterclaims. However, the court GRANTS  
9 Plaintiff's Motion for Summary Judgment on Defendant's  
10 counterclaims of dilution and cybersquatting. It likewise GRANTS  
11 Plaintiff's declaratory relief counts related thereto.

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13 IT IS SO ORDERED.

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16 Dated: October 25, 2012

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DEAN D. PREGERSON

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United States District Judge

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