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4 UNITED STATES DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA  
6 SAN JOSE DIVISION

7  
8 NEO4J, INC., et al.,

9 Plaintiffs,

10 v.

11 PURETHINK, LLC, et al.,

12 Defendants.

Case No. [5:18-cv-07182-EJD](#)

**ORDER GRANTING MOTION FOR  
JUDGMENT ON THE PLEADINGS**

Re: Dkt. No. 60

13 Before the Court is Plaintiff and Counter-Defendant Neo4j, Inc.'s ("Plaintiff" or "Neo4j  
14 USA") motion for a judgment on the pleadings pursuant to Federal Rule of Civil Procedure 12(c)  
15 (the "Motion"). Dkt. No. 60. Plaintiff requests judgment on the pleadings as to the First Cause of  
16 Action for Cancellation of Trademark and Second Cause of Action for Declaratory Relief for  
17 Abandonment of Trademark asserted in Defendant John Mark Suhy's ("Suhy") Counterclaim  
18 (Dkt. No. 48), as well as the Tenth Cause of Action for Declaratory Relief for Abandonment of  
19 Trademark and Eleventh Cause of Action for Cancellation of Trademark asserted in the First  
20 Amended Counterclaim filed by Defendants PureThink, LLC ("PureThink") and iGov Inc.  
21 ("iGov") (Dkt. No. 55). Plaintiff further seeks judgment on the on the substantively identical  
22 Seventh Affirmative Defense for Cancellation of Trademark Procured by Fraud and Ninth  
23 Affirmative Defense for Naked License Abandonment of Trademark asserted in the Answer to the  
24 Second Amended Complaint (Dkt. No. 54) by Defendants Suhy, PureThink, and iGov  
25 (collectively "Defendants").

26 The Court took the matter under submission for decision without oral argument pursuant to  
27 Civil Local Rule 7-1(b). For the reasons below, Plaintiff's motion is **GRANTED**.

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**I. Background<sup>1</sup>**

**A. Factual Background**

Neo4j USA is a Delaware corporation with its principal place of business in San Mateo, California, specializing in graph database management systems. SAC, ¶ 2. Neo4j USA’s platform “helps organizations make sense of their data by revealing how people, processes and digital systems are interrelated.” Id. Neo4j USA has more than 300 commercial customers, including global enterprises such as Walmart, Comcast, Cisco, and eBay, and also does substantial business with government agencies, including agencies within the United States Government. Id. at ¶ 3. Neo4j USA was originally incorporated as Neo Technology, Inc., but changed its name to Neo4j, Inc. in or about July 2017. Id. at ¶ 2.

Neo4j USA owns the trademark for the word mark “Neo4j,” U.S. Trademark Registration No. 4,784,280. Id. at ¶ 21. Neo4j USA first used this trademark in June 2006 and has continually used it since it was published by the USPTO in May 2015 and issued on August 4, 2015. Id. at ¶ 22. Neo4j Sweden AB (“Neo4j Sweden”), a wholly owned subsidiary of Neo4j USA and a plaintiff in this action, owns certain copyrights related to the Neo4j graph platform software, including the source code, and has licensed these copyrights to Neo4j USA. Id. at ¶ 4. Neo4j Sweden distributes a version of Neo4j software known as “Neo4j Community Edition” on an open source basis under the GNU General Public License (Dkt. No. 65, Ex. B) (“GPL”) and a variant called the GNU Affero General Public License (Dkt. No. 55, Ex. A) (“AGPL”). First Amended Counterclaim, Dkt. No. 55 (“Am. Counterclaim”), ¶ 7. This open source software is available at Github.com, the preeminent open source software repository. Id. at ¶ 8. Under the GPL and AGPL, anyone can download the Neo4j Community Edition source code and use, modify,

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<sup>1</sup> This background summarizes only the allegations relevant to the affirmative defenses and counterclaims at issue in the present motion for judgment on the pleadings. Because the motion challenges both affirmative defenses and counterclaims, this background draws from allegations in both the Second Amended Complaint and the First Amended Counterclaim.

1 support, combine and convey the software for free; however, licensees who copy, distribute, or  
2 modify the software are required to provide notice of any modifications they make to the software.  
3 Id. at ¶ 9.

4 While Neo4j Sweden licensed the Neo4j Community Edition software under the GPL and  
5 AGPL, Neo4j USA licensed a commercial version, known as the “Enterprise Edition” which came  
6 with additional features and commercial support. Id. at ¶ 11; SAC ¶ 24. The commercial version  
7 was initially licensed under the terms of the AGPL as well as under a paid commercial license. Id.  
8 at ¶ 25; Am. Counterclaim, ¶ 11. Plaintiff alleges that beginning in November 2018, it exclusively  
9 offered the commercial version under a paid commercial license. SAC ¶¶ 25-27.

10 On or around September 30, 2014, Neo4j USA entered into a Partner Agreement with  
11 Defendant PureThink, by which PureThink agreed to sell and support the commercial version of  
12 the software in exchange for a percentage of the fees. Id. at ¶ 29; Am Counterclaim, ¶¶ 12-15.  
13 PureThink is a Delaware limited liability company, allegedly focused on software development.  
14 SAC ¶ 6. Plaintiff alleges that iGov is the successor-in-interest and alter ego of PureThink. Id. at  
15 ¶¶ 6-14. Plaintiff alleges that Defendant Suhy is the sole member and manager of PureThink and  
16 the sole shareholder of iGov. Id. at ¶ 8.

17 The partnership between Neo4j USA and PureThink deteriorated, for reasons not relevant  
18 to the analysis herein, and on May 30, 2017, Neo4j USA provided PureThink with formal  
19 notification of material breach. SAC ¶ 33. Shortly thereafter, on July 11, 2017, Neo4j USA  
20 provided PureThink with written notice that the Partner Agreement was terminated due to  
21 PureThink’s failure to cure the material breaches set forth in the May 30, 2017 letter. Id. at ¶ 35.

### 22 **B. Procedural History**

23 On November 28, 2018, Plaintiff filed this action against Defendants, asserting (1)  
24 Trademark Infringement; (2) False Designation of Origin; (3) False Advertising; (4) Federal and  
25 State Unfair Competition; (5) Breach of Contract; and (6) Invasion of Privacy. On January 9,  
26 2019, Defendants PureThink and iGov filed a counterclaim against Plaintiff, alleging (1)  
27 Interference With Prospective Economic Advantage; (2) Interference with Contract; (3) Breach of

1 Contract; (4) Declaratory Relief (Void Restrictions); (5) Declaratory Relief (Restrictions Violate  
2 AGPL License); and (6) Declaratory Relief (Abandonment of Trademark).

3 On October 1, 2019, Neo4j USA filed the now-related action, Neo4j, Inc. v. Graph  
4 Foundation, Inc., Case No. 3:19-cv-06226-EJD (the “GFI Action”). Neo4j USA alleges that GFI  
5 engaged in conduct that amounts to trademark infringement in violation of 15 U.S.C. § 1117(a), as  
6 well false advertising, passing-off and false designation of origin in violation of 15 U.S.C. §  
7 1125(a). Neo4j USA further alleges that this same conduct constitutes unlawful and unfair  
8 competition in violation of California’s unfair competition law, Cal. Bus. & Prof. Code § 17200 et  
9 seq. (“UCL”). These claims overlap with and are substantially similar to the Lanham Act and  
10 UCL claims asserted by Neo4j USA against Defendants in this action.

11 On October 22, 2019, Plaintiff sought and obtained leave to file its First Amended  
12 Complaint (see Dkt. Nos. 35-37), which set forth additional allegations to support its claims under  
13 the Lanham Act and the UCL, and also included a new claim alleging that Defendant Suhy  
14 violated the Digital Millennium Copyright Act (“DMCA”). The First Amended Complaint also  
15 added Neo4j Sweden AB (“Neo4j Sweden”) as a plaintiff, which joined in the new DMCA claim.

16 On November 13, 2019, Suhy filed a counterclaim wherein he asserted claims for (1)  
17 Cancellation Of Trademark Procured By Fraud; and (2) Declaratory Relief (Abandonment of  
18 Trademark). Dkt. No. 48 (“Suhy Counterclaim”). On November 25, 2019, Plaintiffs filed their  
19 Second Amended Complaint in response to a motion to dismiss filed by PureThink and iGov Inc.  
20 See Dkt. Nos. 49-50. On December 9, 2019, PureThink and iGov filed their First Amended  
21 Counterclaim. Dkt. No. 55 (“Am. Counterclaim”). The First Amended Counterclaim contained  
22 claims identical to claims (1) and (2) asserted by Suhy for the cancellation and abandonment of the  
23 trademark. Similarly, the Answer filed by all Defendants on December 9, 2019 contains  
24 affirmative defenses that are substantively identical to the cancellation and abandonment  
25 counterclaims. Dkt. No. 54 (“Answer”).

26 The Defendants’ Ninth Affirmative Defense, PureThink and iGov’s Tenth Cause of Action  
27 in their Amended Counterclaim, and Suhy’s Second Cause of Action in his Counterclaim

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1 (collectively, the “Abandonment Arguments”) all allege:

2 [T]here is confusion whether Neo4j is a company name trademark or  
3 product name trademark. This confusion is exacerbated by NEO4J  
4 SWEDEN’ open source license for a product called Neo4j. NEO4J  
5 SWEDEN’s license states: “The software (“Software”) is developed and  
6 owned by NEO4J SWEDEN (referred to in this notice as “Neo4j”) . . .  
7 NEO4J SWEDEN asserts they own the software-and not NEO4J Inc.- and  
8 they use Neo4j name as part of the company name and call the open source  
9 software product Neo4j too.

10 See Suhy Counterclaim at ¶ 9; Am. Counterclaim at ¶ 85; Answer at 19:13-21. They further  
11 allege, in varying language, that because “the Neo4j trademark is used and licensed as open source  
12 software, there is no ability to maintain quality control” over the product and that Neo4j has  
13 therefore abandoned the Neo4j trademark. Am. Counterclaim ¶ 85.

14 Similarly, the Defendants’ Seventh Affirmative Defense, PureThink and iGov’s Eleventh  
15 Cause of Action in their Amended Counterclaim, and Suhy’s First Cause of Action in his  
16 Counterclaim (collectively, the “Cancellation Arguments”) all allege:

17 “The Registered Trademark for NEO4J, Reg. No. 4,784,280, was procured  
18 by fraud as the representation to the PTO was that Neo Technology (a  
19 Delaware corporation) (changed to Neo4J, Inc.) first used the trademark in  
20 6-4-2006 and in commerce in 5-28-2007. [] These statements are  
21 [knowingly] false and material to the decision to grant the registration  
22 application. [] Neo Technology, the predecessor to NEO4J USA did not  
23 exist on 6-4-2006 or 5-28-2007. [] Neo Technology, the predecessor to  
24 NEO4J US was first formed 7-7-2011 in Delaware under File Number  
25 5007564.”

26 Am. Counterclaim at ¶¶ 88-92; see also Suhy Counterclaim at ¶¶ 4-7; Answer at 18:20-19:3.

27 The Abandonment and Cancellations Arguments are also identical to the trademark-related

1 affirmative defenses asserted by Graph Foundation in the GFI Action. Thus, in addition to filing  
2 the present motion for judgment on the pleadings, Neo4j USA also filed a motion to strike GFI’s  
3 affirmative defenses in the GFI action, which raises substantively identical legal arguments. See  
4 GFI Action, Dkt. No. 32.

5 **II. Legal Standard**

6 Federal Rule of Civil Procedure 12(c) provides that “[a]fter the pleadings are closed—but  
7 early enough not to delay trial—a party may move for judgment on the pleadings.” A Rule 12(c)  
8 motion challenges the legal sufficiency of the opposing party’s pleadings. Judgment on the  
9 pleadings is appropriate when, even if all material facts in the pleading under attack are true, the  
10 moving party is entitled to judgment as a matter of law. *Fleming v. Pickard*, 581 F.3d 922, 925  
11 (9th Cir. 2009).

12 On a motion for judgment on the pleadings, “all material allegations in the complaint are  
13 accepted as true and construed in the light most favorable to the non-moving party.” *Turner v.*  
14 *Cook*, 362 F.3d 1219, 1225 (9th Cir. 2004). “[A]ll reasonable inferences” must be made “in favor  
15 of the nonmoving party.” *Mediran v. International Ass’n of Machinists and Aerospace Workers*,  
16 No. 09-0538 TEH, 2011 WL 2746601, at \*2 (N.D. Cal. July 14, 2011). “A motion for judgment  
17 on the pleadings may be granted if, after assessing the complaint and matters for which judicial  
18 notice is proper, it appears ‘beyond doubt that the [non-moving party] cannot prove any facts that  
19 would support his claim for relief.’” *Williams v. Nichols Demos, Inc.*, No. 5:17-CV-07101-EJD,  
20 2018 WL 3046507, at \*3 (N.D. Cal. June 20, 2018) (citing *Morgan v. County of Yolo*, 436 F.  
21 Supp. 2d 1152, 1155 (E.D. Cal. 2006)). In other words, the standard for a Rule 12(c) motion is  
22 essentially the same as that for a Rule 12(b)(6) motion. *Chavez v. United States*, 683 F.3d 1102,  
23 1108 (9th Cir. 2012).

24 “[I]t is common to apply Rule 12(c) to individual causes of action,” as well as individual  
25 affirmative defenses and answers. *Strigliabotti v. Franklin Res., Inc.*, 398 F.Supp.2d 1094, 1097  
26 (N.D. Cal. 2005); *Innovation Ventures, LLC v. Pittsburg Wholesale Grocers, Inc.*, No. C 12-05523  
27 WHA, 2013 WL 4519805, at \*1 (N.D. Cal. Aug. 23, 2013) (granting trademark holder’s motion

1 for judgment on the pleadings with respect to three of defendant’s affirmative defenses).  
2 Although Rule 12(c) makes no mention of leave to amend, “courts have discretion both to grant a  
3 Rule 12(c) motion with leave to amend . . . and to simply grant dismissal of the action instead of  
4 entry of judgment.” *Mitchell v. Corelogic, Inc.*, No. SA 17-CV-2274-DOC (DFMx), 2019 WL  
5 7172978, at \*4 (C.D. Cal. Nov. 20, 2019) (citing *Carmen v. S.F. Unified Sch. Dist.*, 982 F. Supp.  
6 1396, 1401 (N.D. Cal. 1997) and *Moran v. Peralta Community College Dist.*, 825 F.Supp. 891,  
7 893 (N.D. Cal. 1993)).

8 **III. Discussion**

9 **A. Judicial Notice**

10 As with a Rule 12(b)(6) motion, the Court may also consider documents that are attached  
11 to the complaint, incorporated by reference when their authenticity is not contested, or are  
12 otherwise properly the subject to judicial notice. See *Ramachandran v. City of Los Altos*, 359  
13 F.Supp.3d 801, 810 (N.D. Cal. 2019); see also *Spy Optic, Inc. v. Alibaba.Com, Inc.*, 163  
14 F.Supp.3d 755, 764 (C.D. Cal. 2015).

15 The AGPL was attached to the Amended Counterclaim as Exhibit A. It was also  
16 repeatedly referenced and quoted throughout the SAC and Amended Counterclaim. The GPL was  
17 attached to Plaintiff’s Request for Judicial Notice, submitted in conjunction with the Reply. See  
18 Dkt. No. 65, Ex. B. The GPL was also repeatedly referenced in the SAC, Amended Counterclaim  
19 Suhy Counterclaim and Answer. Both documents are publicly available and their authenticity is  
20 not in dispute. Thus, the Court finds that the document is incorporated by reference into the  
21 pleadings and may be properly considered on this motion. See *Van Buskirk v. CNN*, 284 F.3d 977,  
22 980 (9th Cir. 2002) (recognizing that a court may rely upon “the doctrine of ‘incorporation by  
23 reference’ to consider documents that were referenced extensively in the complaint and were  
24 accepted by all parties as authentic”); *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003)  
25 (“Even if a document is not attached to a complaint, it may be incorporated by reference into a  
26 complaint if the plaintiff refers extensively to the document or the document forms the basis of the  
27 plaintiff’s claim.”).



1           The remainder of the documents included in Plaintiff’s two requests for judicial notice are  
2 not relevant to the Court’s analysis and, therefore, the Court declines to take judicial notice of  
3 those documents.

4                           **B. Cancellation Arguments**

5           In their Opposition, Defendants conceded, and the Court agrees, that a misstatement of a  
6 date of first use in a registration in and of itself does not support cancellation of the trademark.  
7 Opposition, p. 3; see Pony Exp. Courier Corp. of Am. v. Pony Exp. Delivery Serv., 872 F.2d 317,  
8 319 (9th Cir. 1989); Teeter-Totter, LLC v. Palm Bay Int’l, Inc., 344 F.Supp.3d 1100, 1109 (N.D.  
9 Cal. 2018) (citing same) (dismissing trademark cancellation counterclaim because “allegations  
10 that [the trademark applicant] made false statements about [its] date of first use in commerce are  
11 not sufficient to state a claim ... for fraud to cancel [Plaintiff’s trademark] registration”).

12           Thus, Defendants effectively conceded that the Cancellation Arguments fail to establish a  
13 legally plausible claim or defense. Given this concession, the Court finds that amendment would  
14 be futile. See Telesaurus VPC, LLC v. Power, 623 F.3d 998, 1003 (9th Cir. 2010) (The Court  
15 “may deny a plaintiff leave to amend if it determines that allegation of other facts consistent with  
16 the challenged pleading could not possibly cure the deficiency.”). Accordingly, the Court  
17 **GRANTS** the Motion as to the Cancellation Arguments and **DISMISSES** these claims with  
18 prejudice.

19                           **C. Abandonment Arguments**

20           Under the Lanham Act, a mark can only be deemed “abandoned” when either of the  
21 following occurs: “(1) When its use has been discontinued with intent not to resume such use,” or  
22 “(2) When any course of conduct of the owner, including acts of omission as well as commission,  
23 causes the mark to become the generic name for the goods or services on or in connection with  
24 which it is used or otherwise to lose its significance as a mark.” 15 U.S.C. § 1127. Both of  
25 Defendants’ arguments fall under the second definition of abandonment.

26           In their counterclaims and identical affirmative defense, Defendants argue that Neo4j USA  
27 abandoned the Neo4j mark by (1) creating “confusion” by using it as both a company name and



1 the name of multiple software products; and (2) distributing Neo4j-branded software via an open  
2 source license, which allegedly amounts to naked licensing.

3 **i. Confusion**

4 Defendant first alleges that the use of the mark “Neo4j” as both a trade name and the name  
5 of multiple software products is confusing. Specifically, the allegations stated in the Amended  
6 Counterclaim are that “there is confusion whether Neo4j is a company name trademark or product  
7 name trademark” and that “[Plaintiffs] use Neo4j name as part of the company name and call the  
8 open source software product Neo4j too.” Am. Counterclaim, ¶ 85; see also Suhy Counterclaim, ¶  
9 9; Answer, 19:13-21.

10 Plaintiff argues that these allegations are insufficient to state a claim or defense of  
11 abandonment because there are no allegations suggesting that the use of “Neo4j” as both a  
12 company name and product name has caused the mark to become generic or otherwise lose its  
13 trade significance. In fact, Plaintiff avers that the use of the mark as both a company name and  
14 product name “demonstrates its strength and significance because the mark is functioning as its  
15 intended purpose as an indicator of origin.” Motion, p. 13.

16 The Court agrees with Plaintiff that the use of a mark in both a company name and product  
17 name, without more, is not sufficient to show that the mark has been abandoned. Indeed,  
18 companies often share a name with their products without causing any confusion to the public or  
19 reducing the significance of the mark. See *Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531,  
20 1534 (9th Cir. 1989) (“Trade names often function as trademarks or service marks as well.”);  
21 *SunEarth, Inc. v. Sun Earth Solar Power Co.*, 846 F. Supp. 2d 1063, 1074 (N.D. Cal. 2012)  
22 (finding that trademark was still protected where plaintiff SunEarth “used SunEarth as both a trade  
23 name, referring to the company, and a trademark, referring to particular products”); *Stork Rest. v.*  
24 *Sahati*, 166 F.2d 348, 353 (9th Cir.1948) (“A corporate name or trade name identifies a  
25 corporation; it also identifies its business and the goods or services which it sells or renders”);  
26 *Standard Oil Co. of N. M. v. Standard Oil Co. of Cal.*, 56 F.2d 973, 979 (10th Cir. 1932) (same).

27 Defendants do not address this case law in their Opposition, nor do they provide any

1 factual allegations in their pleadings demonstrating that Plaintiff’s use of the Neo4j mark in its  
2 company name and product name has caused confusion. Even accepting the allegations of  
3 confusion in the pleadings as true, Defendant does not allege that this confusion has caused the  
4 mark “to become the generic name” for goods of the same type or “to lose its significance as a  
5 mark” such that the mark could be found to be abandoned. 15 U.S.C. § 1127.

6 Defendants’ allegation that the “Neo4j” mark is used in the company names of both Neo4j,  
7 Inc. as well as Neo4j Sweden is insufficient to establish abandonment for the same reasons.  
8 Plaintiff alleges that Neo4j Sweden is a wholly owned subsidiary of Neo4j USA. SAC ¶ 4. The  
9 Lanham Act expressly recognizes that a registered mark “may be used legitimately by related  
10 companies, such use shall inure to the benefit of the registrant . . . and such use shall not affect the  
11 validity of such mark or of its registration.” 15 U.S.C. § 1055; see also 15 U.S.C. § 1127 (“The  
12 term ‘related company’ means any person whose use of a mark is controlled by the owner of the  
13 mark with respect to the nature and quality of the goods or services on or in connection with  
14 which the mark is used.”).

15 Defendants, however, denied the allegation that the companies are related in their Answer,  
16 asserting a lack of knowledge sufficient to form a belief. Answer, ¶ 4. Defendants do not assert  
17 any allegations as to the relationship of Neo4j USA and Neo4j Sweden in their pleadings. Even  
18 making all inferences in favor of Defendants and assuming that the companies are not related, the  
19 allegation that both companies use “Neo4j” in their name is still insufficient to show that the mark  
20 has been abandoned. The use of the mark in two companies’ names, without more, does not  
21 demonstrate that the mark has “become the generic name” for goods of the same type or has  
22 “los[t] its significance as a mark” such that the mark could be found to be abandoned. 15 U.S.C. §  
23 1127. Thus, Defendants’ argument that Plaintiff used the mark in multiple company names and  
24 product names fails to support a claim or defense that the mark has been abandoned.

25 **ii. Naked Licensing**

26 Defendants next argue that the “Neo4j” mark has been abandoned under the “naked  
27 licensing” doctrine because Plaintiff failed to control the quality of products using the trademark.

1 It is well-established that “[u]ncontrolled or ‘naked’ licensing may result in the trademark  
2 ceasing to function as a symbol of quality and controlled source.” *Barcamerica Int’l USA Trust v.*  
3 *Tyfield Importers, Inc.*, 289 F.3d 589, 595-96 (9th Cir. 2002) (citing *Moore Bus. Forms, Inc. v.*  
4 *Ryu*, 960 F.2d 486, 489 (5th Cir.1992)). “Consequently, where the licensor fails to exercise  
5 adequate quality control over the licensee, a court may find that the trademark owner has  
6 abandoned the trademark, in which case the owner would be estopped from asserting rights to the  
7 trademark.” *FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509, 516 (9th Cir. 2010)  
8 (quoting *Barcamerica*, 289 F.3d at 596). “[T]he naked licensing claim is fundamentally a claim  
9 that the trademark is no longer valid and enforceable because of the licensor’s neglect in policing  
10 its use.” *Monster, Inc. v. Dolby Labs. Licensing Corp.*, 920 F. Supp. 2d 1066, 1076 (N.D. Cal.  
11 2013). Because the theory is essentially that a party forfeited trademark rights, “the Ninth Circuit  
12 has described the standard required of the trademark challenger as ‘stringent.’” *Id.* (quoting  
13 *FreecycleSunnyvale*, 626 F.3d at 514) (citing *Barcamerica*, 289 F.3d at 596).

14 Defendants argue that the distribution of Neo4j branded software on an open source basis,  
15 subject to the GPL and AGPL, amounts to naked licensing. Specifically, Defendants allege that  
16 because “the Neo4j trademark is used and licensed as open source software there is no ability to  
17 maintain quality control over the software product called Neo4j as any licensees may modify  
18 combine the software with other code and distribute[] or convey Neo4j without required quality  
19 control by Neo4J USA.” Am. Counterclaim, ¶ 85; see also Suhy Counterclaim, ¶ 9; Answer at  
20 19:21-25.

21 Plaintiff argues that distribution of Neo4j software on an open source basis does not  
22 establish abandonment because its use of the GPL and AGPL demonstrates an effort to control the  
23 quality of the mark rather than evidence an abandonment of it. Motion, p. 15. Under the terms of  
24 the GPL, a licensee may “convey a work based on the Program, or the modifications to produce it  
25 from the Program, in the form of source code under the terms of section 4, provided that . . . [t]he  
26 work must carry prominent notices stating that [the licensee] modified it, and giving a relevant  
27 date.” GPL § 5(a). The AGPL similarly provides that a licensee “may convey a work based on

1 the Program, or the modifications to produce it from the Program, in the form of source code  
2 under the terms of section 4, provided that . . . [t]he work must carry prominent notices stating that  
3 the licensee modified it, and giving a relevant date.” AGPL § 5(a). Plaintiff argues that these  
4 provisions expressly require licensees to identify any and all modifications they make to the  
5 software to ensure that such modifications are not attributed to the Neo4j mark. Because users are  
6 required to provide prominent notice of their modifications, Plaintiff argues that the GPL and  
7 AGPL are not trademark licenses at all, and that it is still able to control the quality of software  
8 bearing the Neo4j mark. See GPL § 7(e) (authorizing users to supplement to terms of the GPL  
9 with terms “declining to grant rights under trademark law for . . . trademarks” indicating that the  
10 GPL does not otherwise cover trademark rights).

11 In support of this argument, Plaintiff cites *Planetary Motion, Inc. v. Techsplosion, Inc.*,  
12 261 F.3d 1188, 1198 (11th Cir. 2001). In *Planetary Motion*, the Eleventh Circuit considered  
13 whether the plaintiff’s distribution of his software on a public site pursuant to the GPL constituted  
14 “use in commerce” sufficient to create ownership rights in the mark. *Id.* at 1196. The Court held:

15 “That the Software had been distributed pursuant to a GNU General Public  
16 License does not defeat trademark ownership, nor does this in any way  
17 compel a finding that [plaintiff] abandoned his rights in trademark.  
18 Appellants misconstrue the function of a GNU General Public License.  
19 Software distributed pursuant to such a license is not necessarily ceded to  
20 the public domain and the licensor purports to retain ownership rights,  
21 which may or may not include rights to a mark.”

22 *Id.* at 1198. In a footnote, the Court explained that “[b]ecause a GNU General Public License  
23 requires licensees who wish to copy, distribute, or modify the software to include a copyright  
24 notice, the license itself is evidence of [plaintiff’s] efforts to control the use of the . . . mark in  
25 connection with the Software.” *Ibid.*

26 Defendants argue that *Planetary Motion* is distinguishable here because “[c]ontrol of  
27 ownership of a trademark to support a use in commerce position is not equivalent to requiring

1 quality control under a naked license analysis.” Opposition, p. 7. While it is true that ownership  
2 analysis in Planetary Motion differs from the abandonment analysis here, Defendants fail to show  
3 why the level of control exerted under the GPL is not also sufficient to overcome a claim of  
4 abandonment. Instead, Defendants argue that Neo4j USA is unable to control the quality of  
5 products using the mark because neither the GPL nor AGLP contain specific trademark quality  
6 control provisions. In support of this contention, Defendants cite FreecycleSunnyvale v. Freecycle  
7 Network, 626 F.3d 509 (9th Cir. 2010). In Freecycle, the Court considered whether the defendant  
8 had established adequate control standards over its licensees’ use of the trademark to avoid a  
9 finding of naked licensing and abandonment where the defendant allowed others to use the  
10 trademark without a formal license agreement. *Id.* The Court noted that the absence of an  
11 agreement with quality control provisions supports a finding of naked licensing, but also  
12 acknowledged that “[t]he lack of an express contract right . . . is not conclusive evidence of lack of  
13 control.” *Id.* at 516 (citing *Barcamerica*, 289 F.3d at 596). The court found in that case that the  
14 defendant did not exercise “actual control” over licensees’ use of the trademark. *Id.* at 518.

15 Defendants do not raise any allegations indicating that Plaintiff has failed to exercise actual  
16 control over licensees’ use of the trademark. Thus, the Court finds that the absence of specific  
17 quality control provisions—either in the GPL, AGPL, or in a separate trademark license—is not  
18 dispositive here. See *Hokto Kinoko Co. v. Concord Farms, Inc.*, 738 F.3d 1085, 1098 (9th Cir.  
19 2013) (“[e]ven absent formal quality control provisions, a trademark owner does not abandon its  
20 trademark where the particular circumstances of the licensing arrangement suggests that the public  
21 will not be deceived”) (internal quotes and citation omitted). Moreover, this Court is persuaded by  
22 the reasoning in Planetary Motion that the notice requirements in the GPL and AGPL evidence an  
23 effort to control the use of the mark.

24 Thus, the fact that Plaintiff distributed Neo4j software on an open source basis pursuant to  
25 the GPL and AGPL is not, without more, sufficient to establish a naked license or demonstrate  
26 abandonment. However, “[t]he court should freely give leave when justice so requires.” Fed. R.  
27 Civ. P. 15(a)(2). To the extent that Defendants are able to allege that Plaintiff failed to exercise

1 actual control over licensees' use of the trademark, such allegations may be sufficient to state a  
2 claim of abandonment under Freecycle. Because amending the complaint to add allegations  
3 regarding Plaintiff's lack of actual control over use of the trademark would not be futile, cause  
4 undue delay, or unduly prejudice Plaintiff, the Court grants leave to amend. Leadsinger, Inc. v.  
5 Music Publ'g, 512 F.3d 522, 532 (9th Cir. 2008). The Court **GRANTS** Neo4j USA's Motion and  
6 **DISMISSES** the Abandonment Arguments with leave to amend.

7 **IV. Conclusion**

8 For the reasons stated above, the Court **GRANTS** Neo4j USA's Motion in full. The First  
9 Cause of Action in the Suhy Counterclaim, the Eleventh Cause of Action in the Amended  
10 Counterclaim, and the Seventh Affirmative Defense in the Answer are **DISMISSED with**  
11 **prejudice**. The Second Cause of Action in the Suhy Counterclaim, the Tenth Cause of Action in  
12 the Amended Counterclaim and the Ninth Affirmative Defense in the Answer are **DISMISSED**  
13 **with leave to amend**.

14 If Defendants wish to file an amended counterclaim for the sole purpose of adding  
15 allegations to support an abandonment argument as described above, they may do so on a  
16 consolidated basis by no later than June 5, 2020.

17 **IT IS SO ORDERED.**

18 Dated: May 21, 2020



EDWARD J. DAVILA  
United States District Judge

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