

1 **WO**

2

3

4

5

6

IN THE UNITED STATES DISTRICT COURT

7

FOR THE DISTRICT OF ARIZONA

8

9

Aviva USA Corporation, an Iowa corporation; and Aviva Brands Limited, a United Kingdom limited company,

No. CV 11-0369-PHX-JAT

10

**ORDER**

11

Plaintiffs,

12

vs.

13

14

Anil Vazirani, an individual; Vazirani & Associates Financial, LLC, an Arizona limited liability company; Secured Financial Solutions, LLC, an Arizona limited liability company; James Regan, an individual; and Regan & Associates, LLC, an Arizona Limited liability Company

17

Defendants.

18

19

Anil Vazirani, an individual; Vazirani & Associates Financial, LLC, an Arizona limited liability company; and Secured Financial Solutions, LLC, an Arizona limited liability company,

22

Counterclaimants,

23

Aviva USA Corporation, an Iowa corporation; and Aviva Brands Limited, a United Kingdom limited company,

25

Counterdefendants.

26

27

Pending before the Court are the parties' cross-motions for summary judgment.

28

Plaintiffs and counterdefendants Aviva USA Corporation ("AUSA") and Aviva Brands

1 Limited (“ABL”, and together with AUSA, “Aviva”) have moved for summary judgment on  
2 their federal and state trademark infringement and unfair competition claims and on their  
3 cybersquatting claim. Defendants Anil Vazirani, Vazirani & Associates Financial, LLC  
4 (“VAF”), Secured Financial Solutions, LLC (“SFS,” and together with Mr. Vazirani and  
5 VAF, the “Vazirani Defendants” or “Counterclaimants”), James Regan, and Regan &  
6 Associates, LLC (collectively, the “Regan Defendants,” and together with the Vazirani  
7 Defendants, the “Defendants”) have also moved for summary judgment on those claims, in  
8 addition to Aviva’s state law racketeering claim. Aviva also filed a motion to seal certain  
9 evidence submitted with its motion for summary judgment. The Court now rules on the  
10 motions.

## 11 **I. BACKGROUND**

12 Aviva is one of the largest insurance companies in the world and serves customers in  
13 the life insurance and annuity sector. Though the Vazirani Defendants once sold Aviva’s life  
14 insurance and annuity products, and related services, under an agreement with certain  
15 affiliates of Aviva, that relationship has been terminated. Defendants now offer those  
16 services in competition with Aviva. Defendant Anil Vazirani, Aviva, and other related  
17 parties are presently engaged in a series of legal disputes arising out of the termination of the  
18 contractual relationship between Mr. Vazirani and Aviva. In the present lawsuit, Aviva  
19 alleges that Defendants have infringed Aviva’s trademarks and committed acts of  
20 racketeering against Aviva.

### 21 **A. Aviva’s Marks**

22 ABL owns U.S. Trademark Registration No. 2,773,101 for the mark AVIVA as used  
23 in connection with life insurance underwriting and related services. According to Aviva,  
24 AUSA and its affiliates have, with ABL’s authorization, used the AVIVA mark in interstate  
25 commerce since at least 2006 to identify AUSA and its affiliates as the source of a variety  
26 of life insurance and annuity products, and related services, sold by AUSA’s affiliates, and  
27 to distinguish those products and services from those sold by others. Aviva also asserts that,  
28 since at least November 2006, AUSA and its affiliates have used in commerce a trade dress

1 consisting of (1) a yellow, blue, and green color scheme; (2) the appearance of a ray of light  
2 emanating from the yellow background; and (3) the use of a serif, all-capitals font for the  
3 AVIVA mark (the “Trade Dress”), to identify AUSA and its affiliates as the source of their  
4 life insurance and annuity products and related services, and to distinguish those products  
5 and services from those sold by others. Aviva also displays a graphic to the left of the  
6 AVIVA mark consisting of a blue, almost-square shaped object, joined at the top with, and  
7 separated at the bottom from, a green, almost-rectangular shaped object. Aviva alleges that  
8 AUSA has expended great effort and expense to develop and maintain the goodwill  
9 associated with the AVIVA mark and the Trade Dress (collectively, “Aviva’s Marks”). As  
10 they appear on AUSA’s website, Aviva’s Marks look like this:

11 Home | Aviva USA - Life and Annuities



### 15 **B. Mr. Vazirani’s Relationship with Aviva**

16 Anil Vazirani is an independent life insurance and annuity sales agent. As an  
17 independent agent, Vazirani requires the authorization of any carrier whose life insurance or  
18 annuity products he wishes to sell. Vazirani’s company, Defendant VAF, operates as an  
19 independent marketing organization, or “IMO.” Defendant SFS conducts marketing and  
20 other activities for VAF. In early 2009, AUSA terminated Vazirani’s authorization to sell  
21 the life insurance and annuity products of Aviva’s issuing affiliates. The termination had the  
22 effect not only of barring Vazirani from selling products issued by AUSA’s issuing  
23 subsidiaries, and thus from earning commissions on the sale of those products, but also of  
24 barring Vazirani’s IMO, VAF, from earning any income on the sale of such products by an  
25 agent. As stated by the Vazirani Defendants, now that they are no longer associated with  
26 Aviva, they offer similar services in competition with Aviva. Doc. 174 at 3.

27 In the time since his contract with Aviva was terminated, Mr. Vazirani initiated four  
28 lawsuits. The first, filed in Maricopa County Superior Court on April 13, 2009, asserted

1 claims by Mr. Vazirani and SFS against certain IMO's and others, whom Mr. Vazirani  
2 alleged were involved in his termination. One of the IMO's sued in that action was Creative  
3 Marketing, an AUSA subsidiary. The second, filed in the U.S. District Court for the District  
4 of Kansas on October 9, 2009, asserted claims by Vazirani and SFS against Mark Heitz, a  
5 former employee of AUSA, whom Mr. Vazirani alleged was involved in his termination.  
6 The third and fourth lawsuits, in which Mr. Vazirani again alleged wrongful conduct in  
7 connection with his termination, were filed on January 27, 2011 in Maricopa County  
8 Superior Court and on January 28, 2011 in the District of Kansas, respectively. Mr. Vazirani  
9 did not name AUSA or ABL as a defendants in any of the suits.

10 On July 28, 2010, when only the first two suits were being litigated, Mr. Vazirani's  
11 counsel sent an email to counsel for Defendants in those suits. At least one of the attorneys  
12 who received the letter apparently also represented AUSA at the time. Doc. 182. The email,  
13 in its entirety, stated the following:

14 Counsel,

15 As you know, we have received disclosure documents from all the defendants  
16 as well as from Aviva in the related Heitz litigation pending in Wichita,  
17 Kansas[.]

18 The e-mails totally belie Aviva's claim that Mr. Vazirani was terminated as  
19 part of its decision to focus on key core groups. Rather, it is clear that the  
20 named defendants' wrongful actions caused Aviva to terminate Mr. Vazirani's  
21 contract and the contracts of his downline producers.

22 Among other evidence, there is an e-mail from Mike Tripses of CMIC  
23 expressing his intent to cause Mr. Vazirani's contracts to be terminated not just  
24 with Aviva, *but with all insurance carriers that Mr. Vazirani does business*  
25 *with*. Unlike most agents, Mr. Vazirani holds a Series 65 Securities License  
26 and carries the LUTCF designation and is a Qualified Financial Advisor  
27 through Kaplan Financial. According to Mr. Tripses, Mr. Vazirani's offense  
28 was that he had reported to Aviva instances where competing insurance agents  
had provided securities and investment advice that they were not licensed to  
provide. Mr. Tripses is currently the Chairman of the Board of Directors of  
the National Association for Fixed Annuities ("NAFA"). In that high profile  
position, one would hope that Mr. Tripses would not be advocating the mass  
termination of an industry leading, "half [sic] of fame" minority agent and  
business owner for asking that Aviva hold all agents to the rule that they not  
provide securities advice without proper licensure. It is particular unseemly  
given NAFA's ongoing fight against Rule 151A.

There are several e-mails from Advisors Excel talking about "setting up" Anil  
for termination and expressing satisfaction in their successful efforts to

1 convince Aviva to terminate Mr. Vazirani and Phil Wasserman, both of whose  
2 downline agent Advisors Excel subsequently targeted for recruitment.

3 As for Ronald Shurts, there is an e-mail from Mr. Shurts telling Aviva to  
4 “TERMINATE THAT . . . IDIOT.”

5 There are numerous e-mails from Aviva’ [sic] representatives that Aviva  
6 terminated Mr. Vazirani at the behest of the named Defendants and without  
7 any legitimate business justification for doing so.

8 In light of Mr. Tripses’ threat, we plan to send a letter to all of the insurance  
9 carriers that Mr. Vazirani does business with that includes various non-  
10 confidential disclosure documents that demonstrate that it is not Mr. Vazirani  
11 who has engaged in misconduct, but these defendants. We have also retained  
12 a PR firm to publicize the injustices suffered by Mr. Vazirani at the hand of  
13 your clients and Aviva.

14 Prior to taking these actions, we wanted to give your clients the opportunity to  
15 discuss a fair and equitable settlement with Mr. Vazirani and/or to participate  
16 in an early mediation. If we don’t hear from you by close of business Monday,  
17 August 3, 2010, we will be left with no choice but to take the actions outlined  
18 above.

19 Regards,

20 David G. Bray . . .

21 Doc. 182 at 76 (emphases in original). There is no evidence that any of the invited discussions  
22 of settlement or mediation ever took place.

### 23 **C. The Defendants’ Website and “Blast Emails”**

24 Instead, Mr. Vazirani, along with Mr. Regan and others, implemented a plan to  
25 apparently make good on Mr. Vazirani’s intention to “publicize the injustices suffered by  
26 Mr. Vazirani.” *Id.* This plan primarily involved developing a website that Mr. Vazirani used  
27 to criticize Aviva and its business practices (“the Website”). A heading was included on the  
28 Website that appeared on each page and read: “AVIVA Uncovered The Sad Truth About  
Aviva’s Business Practices.” Doc. 188-1 at 142-52. The heading also incorporates some  
elements of Aviva’s Trade Dress:



The Website includes several different sections, including “Anil’s Background,”

1 which introduces Mr. Vazirani, his history with Aviva, and his concerns about Aviva, and  
2 also includes a photograph of Mr. Vazirani; “Anil’s Case Against Aviva,” which details the  
3 lawsuits initiated by Mr. Vazirani in connection with the termination of his agreement with  
4 Aviva; “The Illinois Complaint Against Mark Heitz,” which links to a news release about a  
5 case alleging deceptive marketing practices against Mr. Heitz and also links to a related  
6 complaint filed in that case; “Aviva’s Class Action Settlement,” which links to a complaint  
7 in a case filed against Aviva alleging that Aviva deceptively marketed to elderly people;  
8 “Newsroom,” which contains no content, but is reserved for “[n]ews releases and related  
9 stories” that might appear in that section in the future; and “Tell us your story about Aviva,”  
10 which allows visitors to the site to send a message to the operators of the Website,  
11 presumably to share their own experiences dealing with Aviva. Doc. 188-1 at 142-52. An  
12 alternate version of the Website also includes sections entitled “Anil’s Legal Filings &  
13 Supporting Emails,” which links to the complaints filed in his lawsuits and various emails  
14 at issue in those lawsuits; “The Washburn University/Sigma Pi Epsilon Connection,” wherein  
15 Mr. Vazirani alleges a connection between some of the people involved in his lawsuits and  
16 a fraternity to which they apparently all belonged; and “Complaint Implicating Aviva in a  
17 Ponzi Scheme,” which links to a complaint in the case alleging deceptive marketing  
18 practices to elderly people and also to an “FBI report that also connects Aviva to the Ponzi  
19 scheme.” *Id.*

20 Defendants also registered fourteen domain names in connection with the Website,  
21 each of which referenced Aviva. Those domain names are *insideaviva.com*, *aviva-*  
22 *exposed.com*, *avivauncovered.com*, *aviva-uncovered.com*, *aviva-lawsuit.com*,  
23 *avivacomplaints.com*, *avivaplcsucks.com*, *avivasucksusa.com*, *anilvaziranivsaviva.com*,  
24 *anilvsaviva.com*, *avivavsanilvazirani.com*, *avivavsanil.com*, *aviva-problems.com*, and *aviva-*  
25 *litigation.com*. Doc. 42 at ¶¶ 31-61. Some of these domain names were registered with false  
26 names and contact information. Furthermore, Defendants also sent out a series of “blast  
27 emails” to hundreds of thousands of life insurance and annuity sales agents and stockbrokers,  
28 providing a link to the Website. Doc. 178 at ¶ 3.13. Those emails appear to have all stated,

1 in their entirety, the following: “A detailed summary making a case against Aviva . . .  
2 <http://www.aviva-uncovered.com>.” *E.g.*, Doc. 179 at 13.

### 3 **D. Aviva’s Racketeering Allegations**

4 In addition to the claims based on trademark infringement, Aviva also alleges that  
5 Defendants’ conduct constitutes racketeering. Specifically, Aviva contends that Defendants  
6 are “participating in, operating and/or controlling a criminal enterprise . . . targeting Aviva  
7 with a campaign of cyber-terrorism in an effort to extort money from Aviva, unfairly  
8 compete with Aviva, and otherwise commercially harm Aviva.” Doc. 42 at ¶ 1. That alleged  
9 “smear campaign” allegedly consists of the Website, “[t]he ostensible purpose [of which] has  
10 been to air the Vazirani Defendants’ grievances towards Aviva and its associates over the  
11 termination of their commercial relationship with the Vazirani Defendants,” *id.* at ¶¶ 1, 4, and  
12 the blast e-mails “directed at Aviva’s agents, potential agents, and consumers, which  
13 disparaged Aviva . . . [and] asserted that Aviva had been implicated in a Ponzi scheme. . . .”  
14 *Id.* at ¶ 56. In the amended complaint, Aviva also alleges that the publication of the Website  
15 and blast e-mails “have damaged Aviva and will continue to damage Aviva, causing injury  
16 to Aviva’s reputation and goodwill.” *Id.* at ¶¶ 98, 108, 124. Aviva further contends that the  
17 Website and blast e-mails are the fruits of a criminal enterprise directed by Defendants and  
18 that, by publishing the Website and e-mails, Defendants have engaged in a “pattern of  
19 racketeering activity” that consists of three predicate acts—“[e]xtortion, forgery, and wire  
20 fraud.” *Id.* at ¶¶ 5, 20-63. The extortion allegation arises from the email sent by Mr.  
21 Vazirani’s attorney, in which he describes Mr. Vazirani’s intention, in the absence of an  
22 equitable settlement or mediation, to publicize negative information about Aviva. The  
23 forgery and wire fraud allegations arise from the use of false contact information to register  
24 some of the domain names.

### 25 **E. Aviva’s Claims**

26 Aviva subsequently brought suit in this Court, claiming trademark infringement,  
27 cybersquatting, common law unfair competition, and racketeering under both federal and  
28 state law. This Court granted Defendants’ motion for judgment on the pleadings on Aviva’s

1 federal racketeering claim (Doc. 169). Currently pending before the Court are the parties'  
2 motions for summary judgment. Aviva moved for summary judgment on its trademark  
3 infringement, cybersquatting, and unfair competition claims (Doc. 177). The Vazirani  
4 Defendants also moved for summary judgment on those claims, in addition to Aviva's state  
5 law racketeering claim (Docs. 174 & 175). The Regan Defendants moved for summary  
6 judgment on all claims, arguing that Aviva has failed to meet its burden on damages (Doc.  
7 172). The Court now rules on the motions.

## 8 **II. LEGAL STANDARD FOR SUMMARY JUDGMENT**

9 Summary judgment is appropriate when “the movant shows that there is no genuine  
10 dispute as to any material fact and the movant is entitled to judgment as a matter of law.”  
11 FED. R. CIV. P. 56(a). “A party asserting that a fact cannot be or is genuinely disputed must  
12 support that assertion by . . . citing to particular parts of materials in the record, including  
13 depositions, documents, electronically stored information, affidavits, or declarations,  
14 stipulations . . . admissions, interrogatory answers, or other materials,” or by “showing that  
15 materials cited do not establish the absence or presence of a genuine dispute, or that an  
16 adverse party cannot produce admissible evidence to support the fact.” *Id.* 56(c)(1)(A)&(B).  
17 Thus, summary judgment is mandated “against a party who fails to make a showing  
18 sufficient to establish the existence of an element essential to that party’s case, and on which  
19 that party will bear the burden of proof at trial.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 322  
20 (1986).

21 Initially, the movant bears the burden of pointing out to the Court the basis for the  
22 motion and the elements of the causes of action upon which the non-movant will be unable  
23 to establish a genuine issue of material fact. *Id.* at 323. The burden then shifts to the non-  
24 movant to establish the existence of material fact. *Id.* The non-movant “must do more than  
25 simply show that there is some metaphysical doubt as to the material facts” by “com[ing]  
26 forward with ‘specific facts showing that there is a *genuine* issue for trial.’” *Matsushita Elec.*  
27 *Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986) (quoting FED.R.CIV.P. 56(e)  
28 (1963) (amended 2010)). A dispute about a fact is “genuine” if the evidence is such that a

1 reasonable jury could return a verdict for the nonmoving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). The non-movant’s bare assertions, standing alone, are  
2 insufficient to create a material issue of fact and defeat a motion for summary judgment. *Id.*  
3 at 247–48. However, in the summary judgment context, the Court construes all disputed  
4 facts in the light most favorable to the non-moving party. *Ellison v. Robertson*, 357 F.3d  
5 1072, 1075 (9th Cir. 2004).<sup>1</sup>  
6

---

7  
8  
9  
10 <sup>1</sup> In the Order dated January 10, 2012 (Doc. 101), this Court granted in part and denied  
11 in part Aviva’s motion for spoliation sanctions. Specifically, the Court granted Aviva’s  
12 request for adverse inference instructions as follows: “If Plaintiffs believe that Defendants’  
13 spoliation affects their ability to dispute summary judgment, Plaintiffs may propose an  
14 appropriate adverse inference in response to any motion for summary judgment. If Plaintiffs  
15 propose inferences in response to a summary judgment motion, they must specify how  
16 Defendants’ spoliation has prevented them from disputing specific facts, the discovery they  
17 have undertaken to obtain those facts, and how an inference in their favor would prevent  
18 summary judgment as a matter of law.” Doc. 101 at 13.

19  
20 Aviva has only raised the possibility of applying an adverse inference in its Reply to  
21 its own motion for summary judgment (Doc. 224), which improperly deprived Defendants  
22 of any opportunity to respond. *See Schwartz v. Upper Deck Co.*, 183 F.R.D. 672, 682 (S.D.  
23 Cal. 1999) (“It is well accepted that raising of new issues and submission of new facts in [a]  
24 reply brief is improper”). Furthermore, Aviva does not propose an adverse inference that  
25 would prevent the Court from granting summary judgment against Aviva, but rather only  
26 asks for an inference that would “fill[] any gaps the Court otherwise might be inclined to  
27 find” in considering and granting summary judgment in favor of Aviva. Plaintiffs therefore  
28 have not proposed any adverse inferences in accordance with the Court’s instructions.

23 Moreover, the only evidence to which Aviva suggests that the Court should apply an  
24 adverse inference relates to Aviva’s request for Defendants to produce text messages and  
25 emails regarding their “anti-Aviva campaign.” Doc. 224 at 21. The Court, however, finds  
26 that such evidence, even if it were available, could not change the outcome of the Court’s  
27 analysis with respect to Aviva’s motion for summary judgment. Accordingly, the Court will  
28 not apply any adverse inferences in deciding the pending motions for summary judgment.  
Further, Defendants’ motion to strike Aviva’s arguments regarding an adverse inference  
(Doc. 228) is denied as moot. Oral argument on this issue would not have aided the Court’s  
decisional process. *See* LRCiv 7.2(f).

1 **III. AVIVA’S LANHAM ACT INFRINGEMENT CLAIMS**

2 **A. Trademark Validity**

3 “Before [trademark] infringement can be shown, the trademark holder must  
4 demonstrate that it owns a valid mark, and thus a protectable interest.” *KP Permanent Make-*  
5 *Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 602 (9th Cir. 2005). Here, Aviva claims  
6 to have a protectable interest in its AVIVA mark, which its predecessor, Grey Panthers  
7 Limited, registered with the U.S. Patent and Trademark Office on Oct. 14, 2003. Doc. 180  
8 at 10. Aviva also claims to have a protectable interest in its Trade Dress, “which [Aviva  
9 USA] and its affiliates have used continuously and substantially exclusively since at least  
10 November 2006 to identify and distinguish their products and services.” Doc. 177 at 12.

11 Though in their Counterclaims, Counterclaimants alleged that Aviva’s Trade Dress  
12 “is not inherently distinctive and has not acquired secondary meaning,” Doc. 50 at ¶ 14, the  
13 Counterclaimants have not offered any arguments in their summary judgment briefing  
14 contesting the protectability of Aviva’s Trade Dress. Nor have Counterclaimants contested  
15 the protectability of the AVIVA mark. Aviva moved for summary judgment in its favor on  
16 this part of Counterclaim No. 2. Therefore, summary judgment is granted in favor of Aviva  
17 on the part of Counterclaim No. 2 that alleges that Aviva’s Trade Dress “is not inherently  
18 distinctive and has not acquired secondary meaning.” The Court will discuss the remainder  
19 of the Counterclaims in greater detail below.

20 **B. Commercial Use**

21 Aviva has alleged that Defendants have violated sections 32 and 43(a) of the federal  
22 Lanham Act by unlawfully using Aviva’s Marks. Section 32 creates liability for any  
23 person’s use of a registered mark, without the consent of the registrant, “in connection with  
24 the sale, offering for sale, distribution, or advertising of any goods or services on or in  
25 connection with which such use is likely to cause confusion, or to cause mistake, or to  
26 deceive.” 15 U.S.C. § 1114. Similarly, section 43(a) prohibits any person from using “in  
27 connection with any goods or services . . . any word, term, name, symbol, or device, or any  
28 combination thereof” that is likely to cause confusion or mistake as to the origin of the goods

1 or services. *Id.* § 1125(a). By requiring that infringement occur in connection with (the sale  
2 of) any goods or services, infringement claims brought under either of these sections are  
3 subject to a commercial use requirement. *See Bosley Med. Inst. v. Kremer*, 403 F.3d 672,  
4 676 (9th Cir. 2005) (commercial use requirement applies to § 32 claims); *Utah Lighthouse*  
5 *Ministry v. Found. for Apologetic Info. and Research*, 527 F.3d 1045, 1051-53 (10th Cir.  
6 2008) (commercial use requirement also applies to § 43(a) claims). Thus, a use that does not  
7 meet this requirement, i.e., a noncommercial use, cannot create liability under sections 32 and  
8 43(a) of the Lanham Act. *See Bosley*, 403 F.3d at 676; *see also Utah Lighthouse Ministry*,  
9 527 F.3d at 1054 (“Unless there is a competing good or service labeled or associated with  
10 the plaintiff’s trademark, the concerns of the Lanham Act are not invoked.”).

11 This commercial use requirement comports with the primary purpose of the Lanham  
12 Act, which is to “protect consumers who have formed particular associations with a mark  
13 from buying a competing product using the same or substantially similar mark and to allow  
14 the mark holder to distinguish his product from that of his rivals.” *Bosley*, 403 F.3d at 676.  
15 The commercial use requirement also ensures that the Lanham Act’s prohibitions on speech  
16 are consistent with the First Amendment: “As a matter of First Amendment law, commercial  
17 speech may be regulated in ways that would be impermissible if the same regulation were  
18 applied to noncommercial expressions.” *Id.* at 677 (citing *Florida Bar v. Went For It, Inc.*,  
19 515 U.S. 618, 623 (1995)). Further, the Ninth Circuit has stated that “[t]he First Amendment  
20 may offer little protection for a competitor who labels its commercial good with a  
21 confusingly similar mark, but trademark rights do not entitle the owner to quash an  
22 unauthorized use of the mark by another who is communicating ideas or expressing points  
23 of view.” *Id.* (quoting *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002)).

24 The distinction between commercial and noncommercial use is particularly important  
25 in the context of consumer or editorial criticism and commentary. *See* 135 Cong. Rec.  
26 H1207, H1217 (daily ed. April 13, 1989) (statement of Rep. Kastenmeier) (“[T]he proposed  
27 change in section 43(a) should not be read in any way to limit political speech, consumer or  
28 editorial comment, parodies, satires, or other constitutionally protected material. . . . The

1 section is narrowly drafted to encompass only clearly false and misleading commercial  
2 speech.”). Even though a trademark holder will almost never consent to the use of its mark  
3 in conjunction with commentary that is critical of the trademark holder or its products and  
4 services, the trademark holder also cannot seek the protections of the Lanham Act to stop  
5 such critical use when it does not occur in connection with the sale of goods or services. *See*  
6 *Bosley*, 403 F.3d at 679 (“The Lanham Act, expressly enacted to be applied in commercial  
7 contexts, does not prohibit all unauthorized uses of a trademark.”). As the Ninth Circuit  
8 stated, a plaintiff in such instances “cannot use the Lanham Act either as a shield from [a  
9 defendant’s] criticism, or as a sword to shut [a defendant] up.” *Id.* at 680. On the other hand,  
10 when the criticism and unauthorized use of the mark *do* occur in connection with the sale of  
11 goods or services, the mark holder may pursue and potentially succeed on a Lanham Act  
12 infringement claim. *See Sunlight Saunas, Inc. v. Sundance Sauna, Inc.*, 427 F. Supp. 2d  
13 1032, 1056-58 (D. Kan. 2007) (“[T]he Court cannot find as a matter of law that defendants’  
14 website speech, including the chosen domain name, is ‘noncommercial’ speech. Although  
15 the speakers on the website were anonymous or disguised, they were direct competitors of  
16 Sunlight and defendants had no apparent reason to disparage Sunlight products except to  
17 promote their own.”); *cf. HER, Inc. v. RE/MAX First Choice, LLC*, 468 F. Supp. 2d 964, 975,  
18 978-79 (S.D. Ohio 2007) (finding that the plaintiffs were likely to succeed on their § 32  
19 claim where the defendants had “criticized the [p]laintiffs, but only in conjunction with  
20 commercially related speech” because the defendants were “in direct business competition  
21 with the [p]laintiffs” and their “use of the trademarks and tradenames [was] directly related  
22 to [the defendants’] business”).

23 In *Bosley*, the Ninth Circuit addressed this distinction between commercial and  
24 noncommercial use in the context of a “cybergripe” website. The plaintiff, Bosley Medical  
25 Institute (“Bosley Medical”), was a provider of various surgical hair transplantation,  
26 restoration, and replacement services. *Bosley*, 403 F.3d at 674. Bosley Medical also owned  
27 the registered mark “Bosley Medical.” *Id.* The defendant, Kremer, was a “dissatisfied  
28 former patient” of Bosley Medical who had attempted to sue Bosley Medical for medical

1 malpractice. *Id.* at 675. After that suit was dismissed, Kremer purchased the domain name  
2 www.BosleyMedical.com. *Id.* Kremer posted on the website associated with that domain  
3 name content that was critical of Bosley Medical, which the court summarized as follows:

4 Kremer began to use www.BosleyMedical.com in 2001. His site summarizes  
5 the Los Angeles County District Attorney's 1996 investigative findings about  
6 Bosley, and allows visitors to view the entire document. It also contains other  
7 information that is highly critical of Bosley. Kremer earns no revenue from the  
8 website and no goods or services are sold on the website. There are no links  
9 to any of Bosley's competitors' websites. BosleyMedical.com does link to  
Kremer's sister site, BosleyMedicalViolations.com, which links to a  
newsgroup entitled alt.baldspot, which in turn contains advertisements for  
companies that compete with Bosley. BosleyMedical.com also contained a link  
to the Public Citizen website. Public Citizen is the organization that represents  
Kremer in this case.

10 *Id.* In addition, prior to creating the website, Kremer delivered to Bosley Medical a letter  
11 warning Bosley Medical of Kremer's intention to spread critical information about the  
12 company over the internet and also offering the company's president the opportunity to  
13 "discuss this" with Kremer.<sup>2</sup> *Id.*

14 In finding that Kremer's site was not commercial, the Ninth Circuit rejected three of  
15 Bosley Medical's arguments that the site satisfied the "in connection with the sale of goods  
16 or services" requirement. First, the court rejected Bosley Medical's contention that "a mark  
17 used in an otherwise noncommercial website or as a domain name for an otherwise  
18 noncommercial website is nonetheless used in connection with goods and services where a  
19 user can click on a link available on that website to reach a commercial site." *Bosley*, 403  
20 F.3d at 677. Finding that Bosley Medical's assertion was "unfounded," the court stated:

21 Kremer's website contains no commercial links, but rather contains links to a  
22 discussion group, which in turn contains advertising. This roundabout path to  
the advertising of others is too attenuated to render Kremer's site commercial.

---

23  
24 <sup>2</sup> The first page of Kremer's letter stated the following: "Let me know if you want to  
25 discuss this. Once it is spread over the internet it will have a snowball effect and be too late  
26 to stop. M. Kremer [phone number]. P.S. I always follow through on my promises."  
27 *Bosley*, 403 F.3d at 675. The second page, which was entitled "Courses of action against  
28 BMG," included the following enumerated item: "1. Net web sites disclosing true operating  
nature of BMG. Letter 3/14/96 from LAC D.A. Negative testimonials from former clients.  
Links. Provide BMG competitors with this information." *Id.* The letter did not mention any  
domain names or other references to the Internet. *Id.*

1 At no time did Kremer's BosleyMedical.com site offer for sale any product or  
2 service or contain paid advertisements from any other commercial entity.

3 *Id.* at 678 (citing *TMI, Inc. v. Maxwell*, 368 F.3d 433, 435, 438 (5th Cir. 2004) (holding that  
4 the commercial use requirement is not satisfied where defendant's site had no outside links)).  
5 The court also rejected the possibility that the link to Kremer's lawyers included on the site  
6 could transform the site from noncommercial to commercial. *Id.*

7 Second, the court found that there was no evidence that "Kremer created his website  
8 to enable an extortion scheme in an attempt to profit from registering BosleyMedical.com."  
9 *Id.* Distinguishing the case from others in which a party had attempted to sell the domain  
10 name to the party owning the trademark, *see, e.g., Panavision Int'l, L.P. v. Toeppen*, 141  
11 F.3d 1316, 1325 (9th Cir. 1998), the court stated that "[t]he letter delivered by Kremer to  
12 [Bosley Medical's] headquarters is a threat to expose negative information about [Bosley  
13 Medical] on the Internet, but it makes no reference whatsoever to ransoming [Bosley  
14 Medical's] trademark or to Kremer's use of the mark as a domain name." *Id.* Thus, the court  
15 found that Kremer's mere threat to publicly criticize Bosley Medical on his website, in the  
16 absence of an offer to sell the domain name to Bosley Medical, did not constitute a  
17 commercial use of Bosley Medical's trademark.

18 Finally, Bosley Medical's third argument that the commercial use requirement was  
19 satisfied was that Kremer used the mark in connection with, and prevented users from  
20 obtaining, *Bosley Medical's* goods and services. As noted by the *Bosley* court, the Fourth  
21 Circuit has endorsed the view that a parody website, though it has no commercial purpose  
22 and does not sell any goods or services, may nonetheless meet the Lanham Act's commercial  
23 use requirement if it prevents users from obtaining the goods or services of the entity targeted  
24 by the parody. *Bosley*, 403 F.3d at 678-79 (citing *People for the Ethical Treatment of*  
25 *Animals v. Doughney* ("*PETA*"), 263 F.3d 359 (4th Cir. 2001)). Specifically, the *PETA* court  
26 stated that the defendant in that case "need not have actually sold goods or services," but  
27 rather "need only have prevented users from obtaining or using *PETA's* goods or services."  
28 *PETA*, 263 F.3d at 365. The Ninth Circuit, however, disagreed with *PETA's* "over-

1 expansive” approach: “The *PETA* approach would place most critical, otherwise protected  
2 consumer commentary under the restrictions of the Lanham Act. . . . The *PETA* court’s  
3 reading of the Lanham Act would encompass almost all uses of a registered trademark, even  
4 when the mark is merely being used to identify the object of consumer criticism.” *Bosley*,  
5 403 F.3d at 679. Thus, the Ninth Circuit rejected Bosley Medical’s third argument and  
6 instead adopted a narrower view of the commercial use requirement: “Limiting the Lanham  
7 Act to cases where a defendant is trying to profit from a plaintiff’s trademark is consistent  
8 with the Supreme Court’s view that ‘[a trademark’s] function is simply to designate the  
9 goods as the product of a particular trader and to protect his good will against the sale of  
10 another’s product as his.’” *Id.* (quoting *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S.  
11 90, 97 (1918)). The Court therefore affirmed the district court’s grant of summary judgment  
12 in favor of Kremer on Bosley Medical’s Lanham Act claims. *Id.* at 682.

13 The undisputed facts of this case require a similar outcome. Much like the website  
14 in *Bosley*, there is no evidence here that Defendants offered for sale any goods or services  
15 on the Website. Nor did the Website contain any links to other sites that offered goods or  
16 services for sale. Additionally, there is no evidence that any of Defendants ever attempted  
17 to sell the Website or domain name to Aviva or any other party for profit. Based on the  
18 Ninth Circuit’s decision in *Bosley*, these facts all strongly urge the conclusion that the  
19 Website was noncommercial.

20 Nevertheless, Aviva argues that Defendants published the Website “in connection  
21 with goods or services” because “it seeks to inflict commercial harm on Aviva” and because  
22 the intention of the website was “to divert business from Aviva to [Vazirani].” Doc. 206 at  
23 8. However, to the extent that Aviva suggests that the Website is commercial merely because  
24 it prevented users from using or obtaining Aviva’s goods or services, that argument is  
25 unavailing. As previously described, the Ninth Circuit rejected this reasoning in *Bosley*. *See*  
26 *Bosley*, 403 F.3d at 679. Accordingly, this Court will not adopt the broad interpretation of  
27  
28

1 commercial use endorsed by the Fourth Circuit in *PETA* urged here by Aviva.<sup>3</sup>

2 Aviva further contends that the Website satisfies the Lanham Act’s commercial use  
3 requirement because it was designed for “commercial gain.” Specifically, Aviva states that

4 [the Website] touts Vazirani’s financial accomplishments and credentials as a  
5 seller of products competing with products available through Aviva’s  
6 affiliates. It advertises Vazirani’s name in connection with those  
7 accomplishments. By doing so, it lets consumers know where to procure  
8 Vazirani’s financial services, because he is doing business under his name at  
9 *anilvazirani.com*. Vazirani’s purpose with the Website was to drive business  
to Vazirani and gain a commercial advantage at Aviva’s expense. The purpose  
is clear—to get his contracts with Aviva restored, and to extract payment,  
settlement, and other benefits from Aviva. This was the purpose behind the  
July 28, 2010 extortionate demand from Vazirani’s counsel. Vazirani admits  
he wants his contracts back and he want Aviva to pay him.

10 Doc. 206 at 8 (citations omitted).

11 First, there is no mention of Mr. Vazirani’s *anilvazirani.com* website on the Website.  
12 Thus, the Website does not give any indication as to how to find that site, other than perhaps  
13 through trial-and-error guessing of the domain name. The Court therefore does not find  
14 credible Aviva’s claim that Mr. Vazirani intended to “drive business” to his other website.

15 Also, with regard to the July 28, 2010 “extortionate demand” letter, the Court views  
16 this communication from Mr. Vazirani’s counsel to Aviva’s counsel as analogous to the  
17 communications between Kremer and Bosley Medical. The July 28, 2010 letter stated, in  
18 pertinent part, the following:

19 There are numerous e-mails from Aviva’ [sic] representatives that Aviva  
20 terminated Mr. Vazirani at the behest of the named Defendants and without  
any legitimate business justification for doing so.

21 In light of Mr. Tripses’ threat, we plan to send a letter to all of the insurance  
22 carriers that Mr. Vazirani does business with that includes various non-  
23 confidential disclosure documents that demonstrate that it is not Mr. Vazirani  
24 who has engaged in misconduct, but these defendants. We have also retained  
a PR firm to publicize the injustices suffered by Mr. Vazirani at the hands of  
your clients and Aviva.

25 Prior to taking these actions, we wanted to give your clients the opportunity to  
discuss a fair and equitable settlement with Mr. Vazirani and/or to participate

---

26  
27 <sup>3</sup> In any event, the facts of this case are easily distinguishable from *PETA* insofar as  
28 the website at issue in that case “provide[d] links to more than 30 commercial operations  
offering goods and services.” *PETA*, 263 F.3d at 366.

1 in an early mediation. If we don't hear from you by the close of business  
2 Monday, August 3, 2010, we will be left with no choice but to take the actions  
outlined above.

3 Doc. 182 at 76. Clearly, the letter indicates no attempt to "ransom" Aviva's trademarks or  
4 to otherwise sell any of Aviva's trademarks. Instead, as was the case in *Bosley*, the letter is  
5 merely "a threat to expose negative information about [Aviva] . . ." *Bosley*, 403 F.3d at 678.  
6 Though the letter does mention the possibility of "discuss[ing] a fair and equitable  
7 settlement," there is no evidence of any attempt by Mr. Vazirani to profit from any sale of  
8 the trademarks. Rather, in the absence of any additional evidence showing otherwise, the  
9 only reasonable interpretation of the letter is that Mr. Vazirani believed he had been injured  
10 by Aviva and was seeking some sort of restitution, monetary or otherwise, for those injuries.<sup>4</sup>  
11 In light of the fact that the defendant in *Bosley* had previously brought a medical malpractice  
12 lawsuit against Bosley Medical and otherwise believed he had been wronged by the  
13 company, it is highly unlikely that his desire to "discuss this" with Bosley Medical was any  
14 different. *See Bosley*, 403 F.3d at 675. Thus, like *Bosley*, the facts here can be distinguished  
15 from those cases where commercial use was found from an "attempt to sell the trademarks  
16 themselves." *See Panavision Int'l*, 141 F.3d at 1325; *see also Intermatic v. Toeppen*, 947 F.  
17 Supp. 1227 (N.D. Ill. 1996). There is simply no evidence here that Mr. Vazirani, or any of  
18 the Defendants, desired to sell Aviva's trademarks, in any form, for profit.

19 Aviva also argues that it deems Mr. Vazirani to be a "competitor" and that the  
20 Website somehow functions as promotion or advertising for goods or services that compete  
21 with those sold by Aviva.<sup>5</sup> However, having reviewed the entire content of the Website, the  
22

---

23 <sup>4</sup> Additional evidence in the record supports this conclusion. When pressed on this  
24 issue in his deposition, Mr. Vazirani stated that he "repeatedly asked for [his] contracts back  
25 and the loss of revenue suffered." Doc. 188-1 at 23. Again, this is insufficient to demonstrate  
any intent by Mr. Vazirani to profit from any sale of the Aviva trademarks.

26 <sup>5</sup> Though it is not clear that Mr. Vazirani directly competes with Aviva, Defendants  
27 state that Mr. Vazirani "now offers [life insurance and annuity products, and related  
28 services,] in competition with Aviva." Doc. 174 at 3. For the purposes of this Order, the  
Court will therefore assume that Mr. Vazirani offers products and services that compete with

1 Court concludes that only a small portion could even remotely be considered relevant to this  
2 argument. Specifically, the following language was included in the “Anil’s Background”  
3 section of the Website:

4 I’m Anil Vazirani and by any measure I’m one of the most successful financial  
5 advisers in America. I’m a “Top of the Table” member in the prestigious  
6 Million Dollar Round Table, I was a 2004 Hall of Fame Inductee into the  
7 Society of Senior Market Professionals, and I have been featured and  
8 interviewed in leading industry publications. I’ve been a member of the  
9 National Association of Insurance and Financial Advisors for nearly two  
10 decades.

11 Doc. 188-1 at Exhibit 4. Also, in the “Anil’s Case Against Aviva” section, the Website  
12 stated the following:

13 For many years Aviva’s products were among those I used to build diversified  
14 portfolios for my clients. Admittedly, it was a mutually beneficial  
15 relationship. I underwrote Aviva’s products and was one of the company’s  
16 biggest producers. But then something inexplicably happened. On November  
17 6, 2008, Aviva executive Jordan Canfield notified me that the company would  
18 cease doing business with me. Canfield first said it was due to concern about  
19 my “business practices” but in subsequence [sic] correspondence Aviva said  
20 they weren’t required to give me an explanation. Disparaging me for my  
21 business practices is a very slippery slope – there has never been a regulatory  
22 fine or judgment leveled against me.

23 *Id.* To interpret these statements as advertising goods or services that compete with Aviva  
24 is not reasonable. The Website does not even identify any such goods or services. Rather,  
25 at most there is only an implication that, as an apparently successful financial adviser who  
26 formerly sold Aviva products, Mr. Vazirani *might* currently sell products that compete with  
27 Aviva’s products. The Website provides no contact information or any other information  
28 that would allow a visitor to the Website to determine whether Mr. Vazirani sells competing  
products and how the visitor might go about purchasing those products from him.

Hence, in order to connect the Website to an offer from Mr. Vazirani to sell goods or  
services, a visitor to the Website must first interpret these statements to imply that Mr.  
Vazirani sells competing products, then leave the Website to research whether that is indeed  
true and how to actually contact Mr. Vazirani. Only after the visitor subsequently determines

---

Aviva’s, though the Court notes that there is no reference to any of those competing products  
or services on the Website.

1 that Mr. Vazirani indeed sells products the visitor might want to purchase and reaches out  
2 to Mr. Vazirani, assuming correct contact information could be found and doing so feasible,  
3 could Mr. Vazirani offer any competing products to the visitor. To describe as attenuated this  
4 path from the Website to any potential offers by Mr. Vazirani to sell competing products is  
5 an understatement.<sup>6</sup> And it is far more “roundabout” than the series of links from Kremer’s  
6 site to commercial advertising in *Bosley*. See *Bosley*, 403 F.3d at 678.

7 In addition to Aviva’s argument that the Website promotes products that compete with  
8 Aviva’s products, Aviva also argues that “gripe sites,” when operated by competitors, satisfy  
9 the commercial use requirement. Aviva cites two cases to support this proposition: *HER, Inc.*  
10 *v. Re/Max First Choice, LLC*, 468 F. Supp. 2d 964 (S.D. Ohio 2007) and *Sunlight Saunas v.*  
11 *Sundance Saunas*, 427 F. Supp. 2d 1032 (D. Kan. 2006). These cases, however, can be  
12 distinguished from the facts of this case. In *HER, Inc.*, the defendants specifically directed  
13 consumers to the defendants’ own website in emails that allegedly infringed the plaintiff’s  
14 marks, and the allegedly infringing domain names routed visitors to the defendants’ website,  
15 which provided real estate searching services that directly competed with similar services  
16 provided on the plaintiff’s website. *HER, Inc.*, 468 F. Supp. 2d at 968-71. Thus, that court  
17 concluded that “the marks were used by the Defendants in connection with the sale of goods  
18 and services.” *Id.* at 978 n.6.

---

19  
20  
21 <sup>6</sup> There is also evidence that, because links to the Website were included in “blast  
22 emails” that were sent out to “an audience of hundreds of thousands of life insurance and  
23 annuity agents in the United States,” some visitors to the Website may already be familiar  
24 with Mr. Vazirani and the products and services that he sells. Doc. 178 at ¶ 3.13. However,  
25 Aviva also asserts that the emails were materially misleading in that they did not reveal that  
26 they were sent by Defendants. *Id.* at ¶ 3.13-3.14. Further, it is not clear whether these  
27 recipients would likely have any interest in purchasing products and services from Mr.  
28 Vazirani, or whether they themselves sell similar products and services in competition with  
Mr. Vazirani. Nevertheless, because the emails also did not contain any reference to any  
goods or services sold by Defendants, or any statements that could be considered to promote  
such goods or services, any connection between the emails, the Website, and any goods or  
services offered for sale by Defendants is at least as “roundabout” as the series of links  
described in *Bosley*. See *Bosley*, 403 F.3d at 678.

1 Similarly, in *Sunlight Saunas*, the court found that the defendants “had no apparent  
2 reason to disparage [the plaintiff’s] products except to promote their own.” *Sunlight Saunas*,  
3 427 F. Supp. 2d at 1057. In support of that conclusion, the court cited to evidence that the  
4 defendants’ website temporarily “included direct links to competitors [and] also stated that  
5 ‘other companies offer the same products without the fraudulent claims.’” *Id.* Thus, the court  
6 could not “find as a matter of law that [the] defendants’ website speech, including the chosen  
7 domain name, [was] ‘noncommercial’ speech.” *Id.*

8 Here, in contrast, Defendants’ Website did not contain any direct links to sites  
9 offering competing goods or services and did not promote any competing companies’ goods  
10 or services. Nor did any of the domain names registered to Defendants route visitors to any  
11 commercial websites or other sites that competed with Aviva. Rather, all of the domain  
12 names routed visitors to Defendants’ Website, which had a noncommercial purpose—that  
13 is, criticizing Aviva’s business practices.

14 In sum, Aviva’s attempts to argue that the Ninth Circuit’s reasoning in *Bosley* does  
15 not apply to the facts of this case are unavailing. The Defendants’ use of Aviva’s trademarks  
16 on the Website and in the domain names “is not in connection with a sale of goods or  
17 services—it is in connection with the expression of [Defendants’] opinion *about* [Aviva’s]  
18 goods and services.” *Bosley*, 403 at 679. Hence, to paraphrase the Ninth Circuit,

19 [t]he dangers that the Lanham Act was designed to address are simply not at  
20 issue in this case. The Lanham Act, expressly enacted to be applied in  
21 commercial contexts, does not prohibit all unauthorized uses of a trademark.  
. . . Any harm to [Aviva] arises not from a competitor’s sale of a similar  
product under [Aviva’s] mark, but from [Defendants’] criticism of [Aviva].

22 *Id.* at 679-80. Accordingly, the Vazirani Defendants’ motion for summary judgment on  
23 Aviva’s Lanham Act infringement claims is granted, and Aviva’s motion for summary  
24 judgment on those claims is denied.

25 **C. Likelihood of Confusion and Nominative Fair Use**

26 Though the Court has found that Defendants’ uses of Aviva’s Marks do not satisfy the  
27 Lanham Act’s commercial use requirement, the Court will nevertheless briefly address the  
28 issue of likelihood of confusion because Aviva focused almost exclusively on this issue in

1 its motion for summary judgment on its Lanham Act claims. Both sections 32 and 43(a) of  
2 the Lanham Act require a showing that a defendant’s use of a trademark is “likely to cause  
3 confusion” as to the origin of goods or services. The Ninth Circuit typically uses an eight-  
4 factor test, known as the “*Sleekcraft* factors,” to assess whether a use of a mark is likely to  
5 cause confusion.<sup>7</sup> *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). Much  
6 of Aviva’s motion for summary judgment on its sections 32 and 43(a) claims focuses on the  
7 eight *Sleekcraft* factors.

8 The Ninth Circuit, however, has articulated a different test for cases involving  
9 nominative use of a trademark, which occurs when a defendant uses a plaintiff’s mark to  
10 refer to the *plaintiff’s* products, rather than to the defendant’s *own* products. See *New Kids*  
11 *on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). That test addresses  
12 the following three factors:

13 First, the product or service in question must be one not readily identifiable  
14 without use of the trademark; second, only so much of the mark or marks may  
15 be used as is reasonably necessary to identify the product or service; and third,  
the user must do nothing that would, in conjunction with the mark, suggest  
sponsorship or endorsement by the trademark holder.

16 *Id.* The Ninth Circuit has further stated the following with regard to nominative use of a  
17 trademark:

18 In cases in which the defendant raises a nominative use defense, the . . . three-  
19 factor [nominative use] test should be applied instead of the test for likelihood  
20 of confusion set forth in *Sleekcraft*. The three-factor test better evaluates the  
21 likelihood of confusion in nominative use cases. When a defendant uses a  
22 trademark nominally, the trademark will be identical to plaintiff’s mark, at  
23 least in terms of the words in question. Thus, application of the *Sleekcraft* test,  
24 which focuses on the similarity of the mark used by the plaintiff and the  
defendant, would lead to the incorrect conclusion that virtually all nominative  
uses are confusing. The three-factor test—with its requirement that the  
defendant use marks only when no descriptive substitute exists, use no more  
of the mark than necessary, and do nothing to suggest sponsorship or  
endorsement by the mark holder—better addresses concerns regarding the  
likelihood of confusion in nominative use cases.

---

25 <sup>7</sup> The eight factors include: 1) strength of the mark; 2) proximity of the goods; 3)  
26 similarity of the marks; 4) evidence of actual confusion; 5) marketing channels used; 6) type  
27 of goods and the degree of care likely to be exercised by the purchaser; 7) defendant’s intent  
28 in selecting the mark; and 8) likelihood of expansion of the product lines. *Sleekcraft*, 599  
F.2d at 348-49.

1 *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002); *see also* *Mattel v. Walking*  
2 *Mountain Prods.*, 353 F.3d 792, 810 n.19 (9th Cir. 2003) (“The nominative fair use test  
3 replaces the traditional [*Sleekcraft*] analysis.”).

4 Here, Defendants have raised a nominative fair use defense. Indeed, Defendant’s use  
5 of Aviva’s trademark and trade dress was undoubtedly a nominative use—that is, the mark  
6 was used to refer to Aviva and its products and services rather than Defendants and their  
7 products and services. As described above, the Website offers no goods or services for sale  
8 and references no goods or services other than those of Aviva. Thus, there is no evidence  
9 that Aviva’s marks were used in conjunction with any of Defendants’ goods or services.  
10 Moreover, the Website’s entire purpose is to criticize Aviva and its products, which typically  
11 necessitates the nominal use of the criticized party’s mark. *See New Kids on the Block*, 971  
12 F.2d at 306 (“Indeed, it is often virtually impossible to refer to a particular product for  
13 purposes of comparison, criticism, point of reference or any other such purpose without using  
14 the mark.”). The *Sleekcraft* factors therefore are not applicable here. *See Welles*, 279 F.3d  
15 at 801.

16 Furthermore, the Court finds that Defendants’ use of the mark and trade dress satisfy  
17 the three-factor nominative fair use test from *New Kids on the Block*. The first factor is  
18 easily met, for there is no clear way for Defendants to convey their criticism for a specific  
19 entity, Aviva, without naming that specific entity. There is simply no proper descriptive  
20 substitute. *Cf. New Kids on the Block*, 971 F.2d at 308 (“[O]ne might refer to ‘the two-time  
21 world champions’ or ‘the professional basketball team from Chicago,’ but it’s far simpler  
22 (and more likely to be understood) to refer to the Chicago Bulls.”).

23 The third factor is also satisfied. With regard to potential infringement by both the  
24 domain names and the Website itself, the content of the Website must be considered under  
25 a likelihood of confusion analysis. *See Lamparello v. Falwell*, 420 F.3d 309, 316 (4th Cir.  
26 2005) (“[A] court must evaluate an allegedly infringing domain name in conjunction with the  
27 content of the website identified by the domain name.”). As described above, the entire  
28

1 website is concerned with criticizing Aviva and its business practices. Therefore, it is not  
2 reasonable to conclude that Defendants have taken any actions that would suggest that Aviva  
3 supports or endorses the Website or the associated domain names in any way.

4 The second factor provides a closer question, but is nonetheless also satisfied. On one  
5 hand, Defendants did not merely refer to the name “Aviva” using plain text. Rather,  
6 Defendants used a stylized blue font on a yellow background with rays of light in the  
7 background to refer to Aviva. These additional stylizations are part of Aviva’s protected  
8 Trade Dress. In certain cases, such distinctive stylizations might be considered more than  
9 is permitted under the Ninth Circuit’s nominative fair use test. *See New Kids on the Block*,  
10 971 F.2d at 308 n.7 (“Thus, a soft drink competitor would be entitled to compare its product  
11 to Coca-Cola or Coke, but would not be entitled to use Coca-Cola’s distinctive lettering.”).

12 Here, however, the stylized logo and distinctive coloring were not used in a  
13 commercial or competitive manner, but rather were used solely to identify Aviva as the  
14 object of the Website’s criticism. Further, Defendants embedded their own critical  
15 commentary within the logo, such that it read “Aviva Uncovered The Sad Truth About  
16 Aviva’s Business Practices.” Doc. 188-1 at 144. The Court notes that the purpose of the  
17 nominative fair use test is “to address the risk that nominative use of the mark will inspire  
18 a mistaken belief on the part of consumers that the speaker is sponsored or endorsed by the  
19 trademark holder.” *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1176 (9th Cir.  
20 2010). Indeed, the Ninth Circuit specifically identified the second factor as “indirectly”  
21 addressing the risk of such confusion: “Consumers may reasonably infer sponsorship or  
22 endorsement if a company uses . . . ‘more’ of a mark than necessary.” *Id.* In light of that  
23 purpose, the Court finds that the amount of Aviva’s trademark and trade dress used by  
24 Defendants was reasonable. In other words, Defendants’ use of the more distinctive colors  
25 and font, in light of the very obvious negative commentary directed toward Aviva that is  
26 included in the logo, could not reasonably lead to such confusion. Therefore, Defendants  
27 have satisfied all three factors of the nominative fair use test. Accordingly, Defendants’ use  
28 was a nominative fair use, and there existed no likelihood of confusion.

1 **IV. AVIVA’S CYBERSQUATTING CLAIM**

2 The Anticybersquatting Consumer Protection Act (“ACPA”), 15 U.S.C. § 1125(d),  
3 was enacted to address the problem of “cybersquatting.” The Ninth Circuit has generally  
4 described this practice as follows:

5 Cybersquatting is the Internet version of a land grab. Cybersquatters register  
6 well-known brand names as Internet domain names in order to force the  
7 rightful owners of the marks to pay for the right to engage in electronic  
8 commerce under their own name.

9 *Interstellar Starship Services, Ltd. v. Tchou*, 304 F.3d 936, 946 (9th Cir. 2002). The ACPA  
10 states that

11 [a] person shall be liable in a civil action by the owner of a mark . . . if, without  
12 regard to the goods or services of the parties, that person (i) has a bad faith  
13 intent to profit from that mark . . . ; and (ii) registers, traffics in, or uses a  
14 domain name [that is confusingly similar to another’s mark or dilutes another’s  
15 famous mark].

16 15 U.S.C. § 1125 (d)(1)(A). Defendants do not contest the second prong regarding the  
17 registration of confusingly similar domain names. However, Defendants argue that Aviva’s  
18 ACPA claim fails because Aviva cannot prove that Defendants had a bad faith intent to profit  
19 from the mark.

20 Indeed, “[a] finding of ‘bad faith’ is an essential prerequisite to finding an ACPA  
21 violation.” *Tchou*, 304 F.3d at 946. The ACPA lists nine non-exhaustive factors to consider  
22 when determining whether a defendant had a bad faith intent to profit from use of a mark:

23 (I) the trademark or other intellectual property rights of the person, if any, in  
24 the domain name;

25 (II) the extent to which the domain name consists of the legal name of the  
26 person or a name that is otherwise commonly used to identify that person;

27 (III) the person’s prior use, if any, of the domain name in connection with the  
28 bona fide offering of any goods or services;

(IV) the person’s bona fide noncommercial or fair use of the mark in a site  
accessible under the domain name;

(V) the person’s intent to divert consumers from the mark owner’s online  
location to a site accessible under the domain name that could harm the  
goodwill represented by the mark, either for commercial gain or with the intent  
to tarnish or disparage the mark, by creating a likelihood of confusion as to the  
source, sponsorship, affiliation, or endorsement of the site;

1 (VI) the person's offer to transfer, sell, or otherwise assign the domain name  
2 to the mark owner or any third party for financial gain without having used, or  
3 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;

4 (VII) the person's provision of material and misleading false contact  
5 information when applying for the registration of the domain name, the  
6 person's intentional failure to maintain accurate contact information, or the  
7 person's prior conduct indicating a pattern of such conduct;

8 (VIII) the person's registration or acquisition of multiple domain names which  
9 the person knows are identical or confusingly similar to marks of others that  
10 are distinctive at the time of registration of such domain names, or dilutive of  
11 famous marks of others that are famous at the time of registration of such  
12 domain names, without regard to the goods or services of the parties; and

13 (IX) the extent to which the mark incorporated in the person's domain name  
14 registration is or is not distinctive and famous within the meaning of  
15 subsection (c) of this section.

16 15 U.S.C. § 1125(d)(1)(B)(I). As the Sixth Circuit has stated, “[t]hese factors attempt ‘to  
17 balance the property interests of trademark owners with the legitimate interests of Internet  
18 users and others who seek to make lawful uses of other’s marks, including for purposes such  
19 as comparative advertising, *comment*, *criticism*, parody, news reporting, fair use, etc.’”  
20 *Lamparello*, 420 F.3d at 319 (quoting H.R. Rep. No. 106-412, 1999 WL 970519, at \*10)  
21 (emphasis provided by *Lamparello* court).

22 To begin, the Court notes that there is no evidence in this case of traditional  
23 cybersquatting. That is, there is no evidence that Defendants have made any attempt to sell  
24 the registered domain names to Aviva for profit. Accordingly, the sixth factor favors  
25 Defendants.

26 Furthermore, as discussed above, the Court has found that the undisputed evidence  
27 demonstrates that the Website was noncommercial and that its purpose was to criticize Aviva  
28 and to inform potential consumers about Mr. Vazirani's concerns about Aviva's business  
practices. Importantly, the legislative history for the ACPA states the following:

Under the bill, the use of a domain name for purposes of comparative  
advertising, comment, criticism, parody, news reporting, etc., even where done  
for profit, would not alone satisfy the bad-faith intent requirement. The fact  
that a person may use a mark in a site in such a lawful manner may be an  
appropriate indication that the person's registration or use of the domain name  
lacked the required element of bad-faith.

1 S. Rep. No. 106-140, 1999 WL 594571, at \*14. In accordance with this guidance, other  
2 courts have placed great weight on these considerations in finding a lack of bad-faith intent.  
3 *See, e.g., TMI, Inc. v. Maxwell*, 368 F.3d 433, 438-40 (5th Cir. 2004) (“[T]he site’s purpose  
4 as a method to inform potential customers about a negative experience with the company is  
5 key.”); *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 811 (6th Cir. 2004)  
6 (“Perhaps most important to our conclusion are[] Grosse’s actions, which seem to have been  
7 undertaken in the spirit of informing fellow consumers about the practices of a landscaping  
8 company that she believed had performed inferior work on her yard.”). Thus, because the  
9 Defendants used the domain names primarily for purposes of comment and criticism, and  
10 further did not do so for profit, the Court finds that the fourth factor strongly favors  
11 Defendants.

12 The fifth factor also favors Defendants. “This factor recognizes that one of the main  
13 reasons cybersquatters use other people’s trademarks is to divert Internet users to their own  
14 sites by creating confusion as to the source, sponsorship, affiliation, or endorsement of the  
15 site.” S. Rep. No. 106-140, 1999 WL 594571, at \*14. Thus, the factor requires the existence  
16 of a likelihood of confusion as to these considerations. As discussed above, there is no  
17 evidence that a likelihood of confusion exists with regard to the source of the material on the  
18 Website. No reasonable jury could find that the criticism on the Website came from a source  
19 other than Mr. Vazirani, and certainly not from Aviva itself. Aviva’s only evidence to the  
20 contrary consists of users who experienced actual, but temporary, confusion over the source  
21 of the Website prior to realizing that, because of the content of the Website, it did not  
22 originate from Aviva. *See, e.g., Doc. 179 at ¶ 25*. Such fleeting confusion is not sufficient  
23 to establish a likelihood of confusion.<sup>8</sup>

24 The first three factors, on the other hand, do not favor Defendants because there is no

---

25  
26 <sup>8</sup> In any event, the Court also notes that much, if not all, of Aviva’s evidence of any  
27 actual confusion consists of the inadmissible hearsay testimony of Paul McGillivray, as  
28 recounted in the declaration of Janet Sipes (Doc. 179). *See, e.g., In re Sunset Bay Assocs.*,  
944 F.2d 1503, 1514 (9th Cir. 1991) (noting that hearsay evidence cannot be introduced to  
defeat a summary judgment motion).

1 evidence that Defendants had any rights in the domain names prior to registering the domain  
2 names and creating the Website. However, though the domain names used by the  
3 Defendants may not be related to any trademarks owned by the Defendants, legal names of  
4 the Defendants, or goods or services previously sold by Defendants, the domain names  
5 chosen by Defendants do relate to the criticism of Aviva. *See* Doc. 188-2 at 18-40; Doc.  
6 188-5 at 108-145 (the domain names registered by Defendants included *insideaviva.com*,  
7 *aviva-exposed.com*, *avivauncovered.com*, *aviva-lawsuit.com*, *aviva-problems.com*, *aviva-*  
8 *litigation.com*, *avivacomplaints.com*, *avivaplcsucks.com*, *avivasucksusa.com* and others).  
9 The legislative history of the ACPA recognizes such criticism as a valid objective that the  
10 ACPA was not intended to punish. Therefore, these factors only minimally favor Aviva.

11 Similarly, the seventh factor also does not favor Defendants. This factor primarily  
12 recognizes that “[f]alsification of contact information with the intent to evade identification  
13 and service of process by trademark owners is . . . a common thread in cases of  
14 cybersquatting.” S. Rep. No. 106-140, 1999 WL 594571, at \*15. Here, while there is  
15 evidence that Defendants provided false contact information with the registration of at least  
16 some of the domain names, *see, e.g.*, Doc. 188-2 at 21, there is no evidence that they did so  
17 with the intent to evade identification or service of process by Aviva. Indeed, Mr. Vazirani  
18 clearly identifies himself on the Website and takes credit for its content. Thus, while this  
19 factor certainly doesn’t favor Defendants, it only minimally favors Aviva, if at all.

20 The eighth factor also does not favor Defendants. As is stated in the legislative  
21 history of the ACPA,

22 [t]his factor recognizes the increasingly common cybersquatting practice  
23 known as “warehousing,” in which a cybersquatter registers multiple domain  
24 names—sometimes hundred, even thousands—that mirror the trademarks of  
25 others. By sitting on these marks and not making the first move to offer to sell  
26 them to the mark owner, these cybersquatters have been largely successful in  
27 evading the case law developed under the Federal Trademark Dilution Act.  
*This bill does not suggest that the mere registration of multiple domain names  
is an indication of bad faith*, but allows a court to weigh the fact that a person  
has registered multiple domain names that infringe or dilute the trademarks of  
others as part of its consideration of whether the requisite bad-faith intent  
exists.

28 S. Rep. No. 106-140, 1999 WL 594571, at \*15-16 (emphasis added). While it is undisputed

1 that Defendants registered multiple domain names to host the Website, there is no evidence  
2 of any desire to sell the domain names to Aviva, and thus no evidence that the Defendants  
3 were “sitting on [the] marks” in anticipation of any sale. Further, there is no credible  
4 evidence of any “warehousing” of domain names in this case because Defendants registered  
5 a total of only fourteen domain names, all of which were related to Defendants’ hosting of  
6 the Website. Thus, though this factor does not favor Defendants, like the seventh factor, it  
7 only minimally favors Aviva, if at all.

8 Finally, Aviva acknowledges that the ninth factor is inapplicable in this case because  
9 “Aviva makes no dilution claim.” Doc. 177 at 22. This factor is therefore neutral.

10 After analyzing the relevant factors, the Court finds that Aviva has failed to establish  
11 that Defendants acted with the required bad-faith intent to profit when they registered the  
12 domain names. Importantly, because the Website was not commercial, it was used only to  
13 criticize Aviva, and the Defendants never made any attempt to sell the domain names for  
14 profit, Defendants’ actions do not fall within the scope of the ACPA. In other words,  
15 Defendants’ “conduct is not the kind of harm that [the] ACPA was designed to prevent.”  
16 *TMI*, 368 F.3d at 440. Therefore, the Court will grant Defendants’ motion for summary  
17 judgment on Aviva’s ACPA claim and deny Aviva’s motion for summary judgment on that  
18 claim.

## 19 **V. AVIVA’S COMMON LAW UNFAIR COMPETITION CLAIM**

20 Aviva has asserted a common law unfair competition claim against Defendants based  
21 on the same conduct on which Aviva asserts its Lanham Act claims, i.e., trademark  
22 infringement. The Arizona Supreme Court has stated that “the essence of unfair competition  
23 is confusion of the public. If such confusion exists, the relevant inquiry is whether the name  
24 taken by a defendant has previously come to indicate the plaintiff’s business.” *Taylor v.*  
25 *Quebedeaux*, 126 Ariz. 515, 516, 617 P.2d 23, 24 (1980) (citations omitted).

26 Here, as described above, there is no likelihood of confusion of the public arising from  
27 Defendants’ use of Aviva’s marks. Defendants’ use of any trademarks or trade dress owned  
28 by Aviva was a nominative fair use that was not in connection with any goods or services.

1 The use was noncommercial and directed solely at criticizing Aviva. Therefore, because  
2 Aviva has failed to provide any evidence of a likelihood of confusion, the Court will grant  
3 summary judgment in favor of Defendants on Aviva’s common law unfair competition claim  
4 and deny Aviva’s motion for summary judgment on that claim.

5 **VI. AVIVA’S RACKETEERING CLAIM**

6 Defendants have also moved for summary judgment on Aviva’s state-law racketeering  
7 claim brought under Arizona’s anti-racketeering statute (“AZRAC”). The Court previously  
8 granted Defendants’ motion for judgment on the pleadings with regard to Aviva’s federal  
9 racketeering claim. Doc. 169. The Court’s decision to grant that motion was based primarily  
10 on Aviva’s failure to allege a “pattern of racketeering activity” as that phrase is defined under  
11 the federal anti-racketeering statute (“RICO”). *Id.*; *see also* 18 U.S.C. §§ 1961(5).

12 AZRAC also requires evidence of a “pattern of racketeering activity.” A.R.S. §13-  
13 2314.04(T)(3). Specifically, the statute states the following:

14 “Pattern of Racketeering Activity” means . . . :

15 (a) At least two acts of racketeering as defined in § 13-2301, subsection D,  
16 paragraph 4, subdivision (b), item (iv), (v), (vi), (vii), (viii), (ix), (x), (xiii),  
(xv), (xvi), (xvii), (xviii), (xix), (xx), (xxiv), or (xxvi) that meet the following  
requirements:

17 (i) The last act of racketeering activity that is alleged as the basis of the claim  
18 occurred within five years of a prior act of racketeering.

19 (ii) The acts of racketeering that are alleged as the basis of the claim were  
20 related to each other or to a common external organizing principle, including  
21 the affairs of an enterprise. Acts of racketeering are related if they have the  
same or similar purposes, results, participants, victims, or methods of  
commission or are otherwise interrelated by distinguishing characteristics.

22 (iii) The acts of racketeering that are alleged as the basis of the claim were  
23 continuous or exhibited the threat of being continuous.

24 *Id.* AZRAC also contemplates a pattern of racketeering activity arising from “a single act  
25 of racketeering,” but only in limited circumstances that do not apply in this case. *See* A.R.S.  
26 § 13-2314.04(T)(3)(b). Furthermore, extortion, forgery, and fraud, all when committed for  
27 financial gain, are among the predicate acts that might constitute a pattern when at least two  
28 acts are committed. A.R.S. § 13-2301(D)(4)(iv), (ix), (xx).

1           The Arizona Court of Appeals concluded in *Lifeflite Med. Air Transport, Inc. v.*  
2 *Native Am. Air Servs., Inc.* that the Arizona legislature intended that AZRAC’s definition of  
3 “pattern of racketeering activity” should be interpreted in accordance with the U.S. Supreme  
4 Court’s interpretation of that phrase in the federal statute. 7 P.3d 158, 151-53 (Ariz. Ct. App.  
5 2000). With regard to the federal statute, the Supreme Court has stated that it was Congress’  
6 intent that a plaintiff, in order to demonstrate a pattern of racketeering activity, “must show  
7 that the racketeering predicates are related, *and* that they amount to or pose a threat of  
8 continued criminal activity.” *H.J. Inc. v. Northwestern Bell Telephone Co.*, 492 U.S. 229,  
9 239 (1989) (emphasis in original). In that case, the Supreme Court went on to further  
10 elaborate on “these two constituents of RICO’s pattern requirement”—relatedness and  
11 continuity. *Id.* at 239-49.

12           The *Lifeflite* court considered the propriety of a lower court’s use of a jury instruction  
13 regarding a plaintiff’s burden to establish a pattern of racketeering activity under Arizona  
14 law. *Lifeflite*, 7 P.3d at 151. The instruction paraphrased the Supreme Court’s interpretation  
15 of continuity from *H.J. Inc. Id.* (The instruction stated, in part, that “[c]ontinued unlawful  
16 activity’ means a series of related acts extending over a substantial period of time or past  
17 conduct that by its nature projects into the future with a threat of repetition. Acts extending  
18 over a few weeks or months and threatening no future criminal conduct are not ‘continued  
19 unlawful activity.’”); *see H.J. Inc.*, 492 U.S. at 241-42. The court noted that AZRAC, as  
20 amended by the Arizona legislature in 1993, “incorporates the Supreme Court’s definition  
21 of related acts but does not expressly include the Court’s definition of continuing activity.”  
22 *Id.* at 152. Nevertheless, the court further observed that “[t]he history of the amendments to  
23 Arizona’s racketeering statute suggests a legislative awareness of the Supreme Court’s  
24 definition of continuing activity and an intention to accept it implicitly, if not explicitly.” *Id.*  
25 at 153. Thus, the court affirmed the lower court’s use of the instruction: “Because an  
26 interpretation of the Arizona statute to include the federal definition of continued unlawful  
27 activity is both reasonable and consistent with the apparent legislative intention in amending  
28 the statute, we find that the jury instruction was a proper statement of law.” *Id.*

1 In Aviva's first amended complaint, Aviva alleged violations of both RICO and  
2 AZRAC. Doc. 42 at 24-26. Both the RICO and the AZRAC claims were based on identical  
3 alleged predicate acts of extortion, forgery, and wire fraud. *Id.* Defendants moved for  
4 judgment on the pleadings with regard to only the RICO claim, and the Court granted that  
5 motion. Doc. 169. In doing so, the Court held that the alleged acts of extortion, forgery, and  
6 wire fraud did not meet RICO's continuity requirement under the standard announced in *H.J.*  
7 *Inc.* Based on the Arizona Court of Appeals' holding in *Lifeflite*, under which this Court  
8 must also apply the *H.J. Inc.* continuity standard to Aviva's AZRAC claim, Aviva's  
9 allegations with respect to that claim are necessarily also insufficient because they involved  
10 identical alleged predicate acts.

11 The conclusion is no different at the summary judgment stage. Aviva's allegations  
12 that Defendants engaged in a pattern of racketeering activity are simply not supported by the  
13 evidence. In the Court's Order of May 10, 2012, the Court held that Aviva had properly  
14 alleged only one predicate act of extortion, and assumed that Aviva had sufficiently alleged  
15 acts of wire fraud and forgery. As the Court discussed in that Order, even if the Court  
16 assumes that Aviva can prove acts of extortion, forgery, and wire fraud, these acts together  
17 do not constitute a pattern under the *H.J. Inc.* framework:

18 Even assuming here that the alleged acts of wire fraud and forgery constitute  
19 distinct predicate acts for purposes of RICO, those acts combined with the  
20 predicate act of extortion described above do not sufficiently establish a  
21 pattern of racketeering activity. Rather, this "collective conduct is in a sense  
22 a single episode having [a] singular purpose." [*Sever v. Alaska Pulp Corp.*, 978  
23 F.2d 1529, 1535 (9th Cir. 1992)]. That is, both the alleged wire fraud and  
24 forgery were simply steps taken to further the Defendant's single alleged  
25 extortion scheme, which it targeted only at Plaintiffs. Moreover, the fact that  
26 all of the alleged predicate acts here occurred within less than a year further  
27 undermines a finding of closed-ended continuity. *See, e.g., Kehr Packages,*  
28 *Inc. v. Fidelcor, Inc.*, 926 F.2d 1406, 1418 ([3d] Cir. 1991) ("[A]n eight-month  
period of fraudulent activity directed at a single entity does not constitute a  
pattern, absent a threat of future criminal acts.").

With regard to a threat of future criminal conduct, the acts alleged in the  
amended complaint are clearly all "designed to bring about a single event"—the  
"paying off" of Defendants. *See Sever*, 978 F.2d at 1535-36. There is no  
suggestion of other potential victims or that Defendants will continue to  
commit acts of extortion, wire fraud, or forgery against Plaintiffs once the  
alleged objective is completed. In other words, there is no indication that the  
alleged "racketeering acts themselves include a specific threat of repetition

1 extending indefinitely into the future,” which would “supply the requisite  
2 threat of continuity.” *See H.J. Inc.*, 492 U.S. at 242.

3 Further, as the amended complaint itself demonstrates, Defendants’ alleged  
4 acts of wire fraud and forgery, which related to the Tranche 1 and Tranche 2  
5 Domain Names, were not allegedly repeated with the Tranche 3 and Tranche  
6 4 Domain Names, further indicating that these acts have not “become a regular  
7 way of conducting business” for the Defendants. *See [Ticor Title Ins. Co. v.*  
8 *Florida*, 937 F.2d, 447, 450 (9th Cir. 1991)]. Thus, the alleged acts “[do] not  
9 pose a threat of continuity,” *see Sever*, 978 F.2d at 1536, and Plaintiffs have  
10 failed to allege a pattern of racketeering activity under RICO.

11 Doc. 169 at 8-9 (footnotes omitted). Aviva has not pointed to any evidence in its summary  
12 judgment briefing that would alter the Court’s conclusion that Aviva has not met the  
13 continuity requirement that applies under both RICO and AZRAC. Accordingly, the Court  
14 will grant Defendants’ motion for summary judgment on Aviva’s AZRAC claim.

## 15 **VII. AVIVA’S CLAIMS FOR DAMAGES**

16 Because the Court has granted summary judgment in favor of Defendants on all of  
17 Aviva’s remaining claims, the Court need not reach the issue of whether Aviva has met its  
18 burden with respect to damages. Therefore, the Regan Defendants’ motion for summary  
19 judgment is denied as moot.

## 20 **VIII. THE COUNTERCLAIMS**

21 Counterclaimants assert claims of: (1) Non-Infringement of § 32 of the Lanham Act,  
22 15 U.S.C. § 1114 (Counterclaim No. 1) Doc. 50 at 10, ¶¶ 8-12; (2) Non-Infringement of  
23 Alleged Trade Dress Rights and Unfair Competition (Counterclaim No. 2) *Id.* at 11, ¶¶ 13-  
24 17; and (3) Lack of Federal Cyberpiracy, Violations of § 43(d) of the Lanham Act and the  
25 Anti-Cyber Squatting Protection Act, 15 U.S.C. § 1125(d) (Counterclaim No. 3) *Id.* at 11-12,  
26 ¶¶ 18-22.

27 As relief, Counterclaimants request the following judicial declarations: (1) that  
28 counterclaimants have not infringed counterdefendants’ trademark rights or violated § 32 of  
the Lanham Act, 15 U.S.C. § 1114; (2) that counterdefendants alleged trade dress rights are  
not protectable; (3) that counterclaimants have not infringed counterdefendants’ trademark  
rights in connection with counterdefendants’ alleged trade dress rights and have not violated  
§ 43(a) of the Lanham Act, 15 U.S.C. § 1125 (a); and (4) that counterclaimants have not

1 infringed upon counterdefendants' trademark rights, have not violated § 43(b) of the Lanham  
2 Act. and have not violated the Anti-Cyber Squatting Protection Act, 15 U.S.C. § 1125(d). (*Id.*  
3 at 12, ¶¶ C-F).

4 As discussed more fully in section III(A) above, Aviva is entitled to summary  
5 judgment on the part of Counterclaim No. 2 that seeks a declaration that counterdefendants'  
6 alleged trade dress rights are not protectable. With regard to the remainder of the requested  
7 declaratory relief, the Counterclaimants have failed to establish that they are entitled to the  
8 declarations requested because such declarations are based on allegations that are entirely  
9 duplicative of Aviva's claims against Counterclaimants.

10 Aviva previously requested that all of the Counterclaims be dismissed because such  
11 Counterclaims were redundant of Counterclaimants' denials and affirmative defenses. The  
12 Court denied Aviva's request to dismiss the Counterclaims without prejudice. Doc. 101. The  
13 Court found that a challenge to the Counterclaims was premature because Aviva failed to  
14 show that there was no doubt that the Counterclaims would be rendered moot by the  
15 adjudication of the main action. *Id.* The Court has now determined that, with the exception  
16 of the part of Counterclaim No. 2, on which Aviva is entitled to summary judgment, the  
17 remainder of the Counterclaims are duplicative of the claims alleged in Plaintiffs' Amended  
18 Complaint.

19 Counterclaimants have failed to show that they are entitled to declaratory relief in  
20 addition to receiving summary judgment in their favor on the claims in Plaintiffs' Complaint.  
21 The "Declaratory Judgment Act provides courts with discretion to either grant or dismiss a  
22 counterclaim for declaratory judgment." Doc. 101 (internal citation and quotation omitted).  
23 Counterclaimants have failed to show the necessity of declaratory judgment on their  
24 Counterclaims. Accordingly, the Court will not enter declaratory judgments on the  
25 Counterclaims. Moreover, because declaratory judgment is the only relief sought on the  
26 Counterclaims, the Counterclaims (Counterclaim No. 1, the remaining part of Counterclaim  
27 No. 2, and Counterclaim No. 3) will be dismissed.

28 **IX. AVIVA'S MOTION TO SEAL**

1 Aviva has filed a motion to seal a four-page exhibit attached to the declaration of  
2 Chris Jones, which Aviva has filed in support of its motion for summary judgment. A party  
3 seeking to seal a document attached to a dispositive motion must overcome a “strong  
4 presumption in favor of access” and meet a “compelling reasons” standard. *Kamakana v.*  
5 *City & Cty. of Honolulu*, 447 F.3d 1172, 1178-79 (9th Cir. 2006). That is, “the party must  
6 articulate compelling reasons supported by specific factual findings that outweigh the general  
7 history of access and the public policies favoring disclosure, such as the public interest in  
8 understanding the judicial process.” *Id.* (citations and punctuation omitted). It is then a  
9 court’s duty to balance the competing interests of the public and the party seeking to seal the  
10 record. *Id.* at 1179. If a court decides to grant the motion to seal, it must “base its decision  
11 on a compelling reason and articulate the factual basis for its ruling, without relying on  
12 hypothesis or conjecture.” *Id.* (quoting *Hagestad v. Tragesser*, 49 F.3d 1430, 1434 (9th Cir.  
13 1995)).

14 Compelling reasons to seal a judicial record typically will exist when such court files  
15 might become “a vehicle for improper purposes, such as the use of records to gratify private  
16 spite, promote public scandal, circulate libelous statements, or release trade secrets.” *Id.*  
17 (citing *Nixon v. Warner Commc’ns, Inc.*, 435 U.S. 589, 598 (1978)). However, “[t]he mere  
18 fact that the production of records may lead to a litigant’s embarrassment, incrimination, or  
19 exposure to further litigation will not, without more, compel the court to seal its records.”  
20 *Id.* (citation omitted).

21 Aviva states that the exhibit it seeks to seal “contains specific information relating to  
22 Aviva USA Corporation’s (“AUSA’s”) marketing and advertising budget and actual  
23 expenditures, including detailed breakdowns of AUSA’s marketing and advertising efforts.”  
24 Doc. 186 at 2. Aviva further argues that this information is “protectable trade secret  
25 information” that Aviva does not make publicly available and that could jeopardize Aviva’s  
26 competitive standing if Aviva’s competitors were to acquire it. *Id.* at 2-3.

27 The Court’s review of the exhibit indicates that it does indeed contain information  
28 related to budgeted and actual expenditures in various marketing-related categories over a

1 time range spanning several years. Furthermore, the information does not appear to be a type  
2 that a business would typically make public or choose to reveal to competitors.

3 On the other hand, it is not immediately apparent how a competitor might use the  
4 information in the exhibit to competitively injure Aviva. In its motion, Aviva only generally  
5 states that competitive injury will arise from a competitor's decision, based upon seeing the  
6 information in this exhibit, to simply spend more on a particular category than Aviva spends,  
7 thereby putting Aviva at a competitive disadvantage. Though the Court acknowledges that  
8 there is some plausibility to this theory, it nevertheless does involve some conjecture. Thus,  
9 while Aviva has to some degree provided a factual basis for the Court to seal this exhibit, it  
10 has left some doubt as to how compelling these reasons are.

11 However, because the Court finds that the public interest in this exhibit will not  
12 interfere with the public's interest in understanding the judicial process, the Court will grant  
13 Aviva's motion. Of particular importance is that, though this exhibit was attached to a  
14 dispositive motion for summary judgment, the Court's analysis and resolution of the parties'  
15 motions for summary judgment did not address the information in this exhibit. Thus,  
16 permitting this exhibit to be sealed will not interfere with the "public interest in  
17 understanding the judicial process." *Kamakana*, 447 F.3d at 1179 (citations omitted).  
18 Further, the material that Aviva seeks to seal represents a very small portion of the total  
19 amount of evidence submitted to this Court in connection with the summary judgment  
20 motions—only four out of several hundred pages. Finally, while perhaps not a very strong  
21 factor, the Court notes that Aviva's motion is unopposed by Defendants.

22 Accordingly, the Court finds that Aviva has stated reasons that are sufficiently  
23 compelling, if only barely, to grant its motion to seal. Thus, the Court will permit the four-  
24 page Exhibit F to the declaration of Chris Jones to be sealed.

## 25 **X. CONCLUSION**

26 Accordingly,

27 **IT IS ORDERED** that Aviva's Motion for Summary Judgment (Doc. 177) is denied  
28 in part and granted in part as follows:

1 Aviva's Motion for Summary Judgment is granted solely to the extent it requests  
2 summary judgment on the part of Counterclaimants' Counterclaim No. 2 that alleges that  
3 Aviva's Trade Dress "is not inherently distinctive and has not acquired secondary meaning."  
4 Aviva's Motion for Summary Judgment is denied in all other respects.

5 **IT IS FURTHER ORDERED** dismissing Counterclaimants' Counterclaims, except  
6 for the part of Counterclaim No. 2 on which Aviva is granted summary judgment, as set forth  
7 herein. Counterclaimants to take nothing on their Counterclaims.

8 **IT IS FURTHER ORDERED** granting the Vazirani Defendants' Motions for  
9 Summary Judgment (Docs. 174 and 175) and the Regan Defendants' Joinder in the Vazirani  
10 Defendants' Motions for Summary Judgment (Doc. 191). The Clerk of the Court shall  
11 therefore enter judgment for all Defendants on the claims in Plaintiffs' Complaint.

12 **IT IS FURTHER ORDERED** denying as moot the Regan Defendants' Motion for  
13 Summary Judgment (Doc. 172).

14 **IT IS FURTHER ORDERED** denying as moot the Vazirani Defendants' Motion to  
15 Strike Portions of Aviva's Reply in Support of its Motion for Summary Judgment (Doc.  
16 228).

17 **IT IS FURTHER ORDERED** granting Aviva's Motion to Seal Document Offered  
18 in Support of Motion for Summary Judgment (Doc. 186). The Clerk of the Court shall file  
19 under seal the exhibit lodged at Doc. 187.

20 DATED this 2nd day of October, 2012.

21  
22  
23   
24 James A. Teilborg  
25 United States District Judge  
26  
27  
28