

EXHIBIT H

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13
14 **UNITED STATES DISTRICT COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**
16 **SOUTHERN DIVISION**

17 CALCAR, INC., a California
18 Corporation; and AMERICAN CALCAR,
INC., a Delaware corporation,

19 Plaintiffs,

20 vs.

21 THE CALIFORNIA CARS INITIATIVE,
22 INC., an unknown business entity; and
23 FELIX KRAMER, an individual,

24 Defendants.

Case No. SACV07-723 AG (JWJx)

**DEFENDANTS' MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF THEIR MOTION FOR
SUMMARY JUDGMENT**

Honorable Andrew J. Guilford

Date: July 21, 2008
Time 10:00 a.m.
Ctrm: 10-D

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1 **I. INTRODUCTION**

2 The merits of Plaintiffs' case have not improved since this Court rejected their
3 preliminary injunction motion a year ago. In their motion, Plaintiffs asserted extensive
4 use and renown of "CALCAR," and they alleged that Defendants had committed
5 "willful" trademark infringement, false designation of origin, trademark dilution, and
6 unfair competition. In its tentative order explaining the unlikelihood of Plaintiffs'
7 success on the merits, however, this Court recognized that CALCAR is not strongly and
8 uniquely associated with Plaintiffs' business, that the parties' goods and services are
9 unrelated, that the parties' consumers exercise a high degree of care, that Defendants did
10 not intend to copy CALCAR in an effort to deceive consumers, and that one purported
11 instance of actual confusion over a five-year period of contemporaneous use is
12 insufficient to establish likelihood of actual confusion.

13 Plaintiffs have since refused to produce financial data on their sales, revenue,
14 marketing expenditures, pricing, profits, or any other admissible evidence that might
15 suggest strength or fame of the CALCAR mark. Plaintiffs have failed to produce a
16 consumer confusion survey or any other evidence of likelihood of confusion between
17 the parties and their activities. Plaintiffs have even waived their claim for damages,
18 conceding that after six years of co-existence without any consumer confusion, they
19 cannot prove that they have been damaged. Given Plaintiffs' failure of proof, this Court
20 should grant Defendants' summary judgment on Plaintiffs' claims.

21 Discovery also has revealed that Plaintiffs committed fraud before the United
22 States Patent and Trademark Office ("USPTO") in obtaining the very trademark
23 registration upon which Plaintiffs rely. Specifically, during prosecution of the
24 CALCAR trademark application and its renewal, Plaintiffs represented that they had
25 used the CALCAR mark in connection with the sale of specific goods and services,
26 including "computer hardware" and "providing telecommunications connections to a
27 global computer network." Because Plaintiffs have no proof that they used CALCAR
28 as a trademark in connection with those goods and services and have admitted that they

1 did not, this Court should grant summary judgment on Defendants' defense that
2 Plaintiffs' trademark registration is invalid.

3 **II. FACTUAL BACKGROUND**

4 **A. *The California Cars Initiative and its Use of the Name "CalCars"***

5 In July 2002, Felix Kramer founded The California Cars Initiative ("TCCI"), a
6 Palo Alto-based non-profit group. (Declaration of Felix Kramer in Support of
7 Defendants' Motion for Summary Judgment ("Kramer Decl.") ¶¶ 1-2.) Mr. Kramer
8 joined other entrepreneurs, engineers, environmentalists, and automobile drivers with
9 the objective of getting plug-in hybrid electric vehicles (PHEVs) on the road in the
10 largest quantities possible in order to reduce oil usage and greenhouse gases. In other
11 words, through advocacy and technology development TCCI seeks to encourage, as
12 soon as possible, the successful commercialization of PHEVs, (*id.* at Ex. 4),
13 automobiles that combine both hybrid technology and electric battery technology to
14 replace much of the reliance on gasoline. (*Id.* ¶ 2.) For example, TCCI's volunteer
15 members were able to demonstrate that a converted Toyota Prius could obtain as much
16 as 100 miles per gallon through the use of PHEV technology. (*Id.* at Ex.4 at p.7.)
17 TCCI's modified Priuses have been built to show the feasibility of PHEVs to
18 consumers, politicians and the automotive industry. (*Id.* at Ex.4.) TCCI holds open
19 forums with diverse public audiences, with the hope that powering vehicles with
20 electricity will decrease reliance on foreign oil, lower emissions, and develop new
21 cleantech economic opportunities. (*Id.* at ¶ 5.)

22 In order to sway public opinion and encourage manufacturers that economical
23 PHEVs are viable as a commercially successful enterprise, TCCI's intermittently paid
24 consultants and volunteers attend speaking engagements, demonstrate TCCI-converted
25 PHEVs at public and private events directed at audiences including government,
26 opinion leaders, corporate executives, and non-governmental organizations, and present
27 the technology and its benefits to print, broadcast and online media. (*Id.* at ¶ 6;
28 Declaration of Eric Moore in Support of Defendants' Motion for Summary Judgment

1 (“Moore Decl.”), at Ex. 43: Kramer Depo at 71:15-20, 47:1-10, 15:17-21.)¹ These
 2 public events and speaking engagements have taken place across the United States and
 3 internationally. (Kramer Decl. at ¶7). On a grassroots level, TCCI has several dozen
 4 volunteers and senior advisors, a network of approximately 6,000 subscribers to its
 5 online newsletter, “CalCars News,” and many visitors to its informative website,
 6 “www.CalCars.org.” (*Id.* at ¶ 6, Ex.1; Moore Decl. Exs. 13, 15.)

7 Mr. Kramer chose the name “The California Cars Initiative” to reflect the state of
 8 California’s spirit of innovation and its role as a leader in the development of advanced
 9 environmental automotive technology and initiatives. TCCI immediately began using
 10 “CalCars” as the shortened version or nickname of TCCI, and Mr. Kramer registered the
 11 corresponding domain name calcars.org. (Kramer Decl. at ¶ 4; Moore Decl. Ex. 43:
 12 Kramer Depo at 53:16-54:2.)

13 TCCI is an advocacy organization. (Kramer Decl. at ¶ 3, Ex.2 and 4) TCCI is
 14 not in the business of selling modified PHEVs to the public, and it is not a wholesale or
 15 consumer products company. (*Id.* at ¶¶ 5 and 12; Moore Decl. Ex. 43: Kramer Depo at
 16 210:16.) It does not sell automobiles, automobile parts, visual displays, computer
 17 software or hardware, or manuals, and it has no future plans to do so. (Kramer Decl. at
 18 ¶¶ 17, 25.) To be sure, TCCI has given t-shirts, bumper stickers and the like to its
 19 donors, and allows a third party to sell those promotional items, but it has received little
 20 revenue from such sales and has not made a profit on those sales.² (*Id.* at ¶ 17; Moore
 21

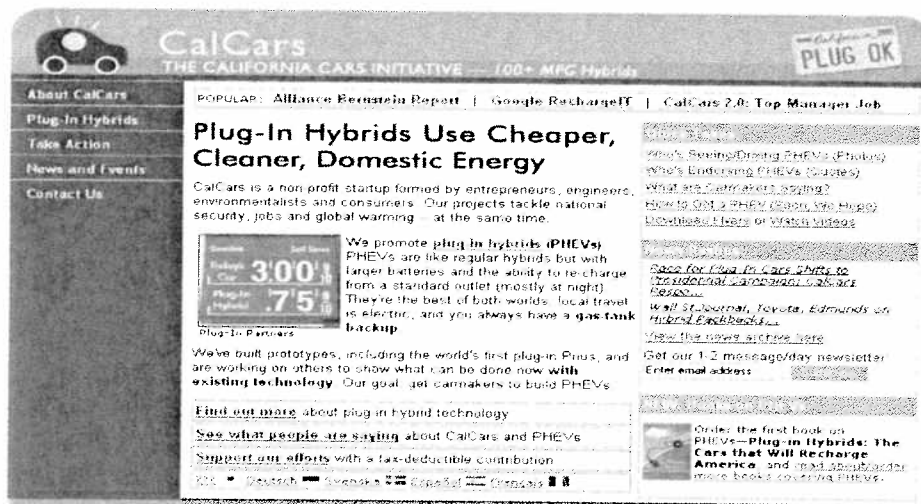
22 ¹ Citations to names or abbreviations of names (i.e., “Kramer”) refer to the deposition
 23 transcripts or declarations of or by that individual, contained in the Moore Decl. The
 24 “Confidential Moore Decl.” contains exhibits and testimony labeled “Confidential” or
 25 “Highly Confidential – Attorneys’ Eyes Only” by the parties and is therefore filed under
 26 seal. References to specific discovery requests will be abbreviated as follows: Requests
 27 for Production of Documents and Things (“RFPD”) and Interrogatories (“ROG”).
 28 Unless otherwise specified, the citation is referring to text contained in Plaintiffs’ most
 recent response to Defendant Kramer’s discovery requests.

² The website recently updated its offerings to include stamps and a link to a volunteer-
 created line of bumper stickers and license-plate frames that have yet to generate any
 income to TCCI. (Kramer Decl. ¶ 13.)

1 Decl. Ex. 44: Kramer II Depo. at 381:3-383:4, 564:3-565:11.) TCCI's technology
 2 demonstration efforts result in technology that TCCI places in the public domain, free
 3 for all to use. (Kramer Decl. at ¶¶ 20, 25; Moore Decl. Ex. 44: Kramer II Depo. at
 4 525:10-24.) And although TCCI provides website links to and otherwise encourages
 5 for-profit entities that perform or provide components for plug-in conversions, neither
 6 TCCI nor Mr. Kramer receive revenue from those activities or hold an ownership stake
 7 in those entities. (Kramer Decl. at ¶ 12.)

8 TCCI registered the domain names calcars.us and calcars.org on July 23 and 30
 9 2002, respectively. (*Id.* at ¶ 15.) TCCI's website repeatedly makes clear that CalCars,
 10 or "The California Cars Initiative" is a non-profit, that is, "an activity of the
 11 International Humanities Center." (*Id.* at ¶ 2; Moore Decl. Ex. 13.) The website
 12 describes CalCars as "a non-profit startup formed by entrepreneurs, engineers,
 13 environmentalists and consumers ... [whose] projects tackle national security, jobs and
 14 global warming – at the same time." (Kramer Decl. ¶ 15.) The website, a screen shot of
 15 which is depicted below, also explains that:

16 The California Cars Initiative (CalCars.org) is a Palo Alto-based nonprofit startup
 17 of entrepreneurs, engineers, environmentalists and consumers promoting
 18 100+MPG plug-in hybrid electric vehicles (PHEVs). Somewhat uniquely, we're
 19 ourselves a hybrid, focusing both on public policy and technology development,
 20 demand among highly receptive markets to encourage auto makers to produce
 21 100+MPG "no-sacrifices" high-performance, clean hybrid cars." (Moore Decl.
 22 Ex. 13.)



1 The “.org” domain suffix communicates to the general public that TCCI is a non-
2 profit organization, and helps its audience to quickly pinpoint how to find its website.
3 (*Id.* at Ex. 43: Kramer Depo at 103:14-25.) The purpose of the website is to provide the
4 most complete and up-to-date introductions to PHEVs, campaign news, track the
5 progress of automakers and of conversions, and to fundraise through tax-deductible
6 donations to TCCI. (Kramer Decl. at ¶ 15.)

7 TCCI’s advocacy efforts in support of PHEVs have resulted in considerable name
8 recognition as “CalCars” among the green automobile and environmental community.
9 Among the many accolades that TCCI has received for its advocacy and technology
10 development and research include the Keith Crook Technical Achievement Award from
11 the Electric Auto Association for being the first organization to convert a Toyota Prius
12 to a PHEV, the Aspen Institute Energy & Environment 2008 award for a non-
13 governmental organization, and the South Coast Earth Day 2008 Environmental Hero
14 Award. (*Id.* at ¶ 8, Exs. 2 and 3.) Google.org recognized TCCI’s advocacy efforts and
15 awarded it a \$200,000 grant. (*Id.* at ¶6; Moore Decl. Ex. 43: Kramer Depo at 92:12-25.)
16 TCCI has also received extensive press recognition and notoriety for its advocacy
17 efforts in leading publications such as the Los Angeles Times, the LA Times Magazine
18 cover story, the New York Times, Scientific American, the Washington Post, Popular
19 Mechanics, the Christian Science Monitor, and on broadcast media including Good
20 Morning America, NPR Science Friday, the Discovery Channel, CNN, and many
21 others. (Kramer Decl. at ¶ 9, Ex. 9; Moore Decl. Ex. 14.)

22 As it typically appears in the marketplace, “CalCars” is used in connection with
23 TCCI’s full name and its mission:



26 (*See, e.g.* Kramer Decl. ¶ 17; Moore Decl. Exs. 13, 15.)
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28

1 **B. Calcar, Inc. and American Calcar, Inc. and Their Use of “Calcar”**

2 Plaintiffs Calcar, Inc. and American Calcar, Inc. are owned by Mr. Michael
3 Obradovich. (Moore Decl. Ex. 31 at ¶ 1.) Both use the term “Calcar” within their
4 company names, and in the past 4-5 years, Calcar, Inc. began using the “Calcar”
5 company name alongside a horse-like logo on its website:



9 (See Moore Decl. Ex. 47: Michael O. Depo. 44:25-48:21.) Plaintiff American Calcar,
10 Inc.’s business is licensing and enforcing patents, while Calcar, Inc.’s business is
11 printed and electronic car manuals. (*Id.* at Ex. 47: Michael O. Depo. at 13:8-15:20; Ex.
12 48; Ex. 6; Ex. 32 at ¶¶ 2, 4.) Plaintiffs’ allegedly have “oral” agreements with several
13 car makers (none written), such as Audi, pursuant to which Plaintiffs produce guides
14 such as the “Quick Tips” that Audi distributes with certain of its cars to provide car
15 buyers a DVD or written guide on how to use the car’s media player or navigation
16 system. (*Id.* at ¶ 3; Ex. 2; Ex. 41 at RFPD 61.) Plaintiffs maintain that these instruction
17 manuals convey a “safety message,” which equates to the purported environmental
18 cause of “safety for all.” (*Id.* at Ex. 47: Michael O. Depo. at 154:24-155:10.)

19 Plaintiffs’ “how-to” automotive manuals are not offered under the CALCAR
20 trademark, but names such as “Quick Tips,” “Startup Tips,” and “Know to Go.” (*See,*
21 *e.g. id.* at ¶¶ 2-4; Exs. 2-3; Ex. 5 at CALCAR 0020 © notation; Ex. 47: Michael O.
22 Depo. at 42:1-20.) In fact, the only consistent reference to the term “Calcar” in the
23 Quick Tips guide appears in the copyright notification at the back of the instruction
24 manual, often noting that “QuickTips® is a trademark of Calcar.” (*Id.* at Ex. 2.) Karen
25 Obradovich, Vice President of Sales and Customer Satisfaction, only recalled one use of
26 “Calcar QuickTips” on the cover of a manual that it allegedly created for BMW, dated
27 1994. (Confidential Moore Decl. Ex. 9: Karen O. Depo. at 108:14-19; *see also,* Moore
28 Decl. ¶¶ 3-4; Ex. 1.) The Quick Tips guides themselves caution end-users to contact the

1 dealership with any questions, further removing any relationship between Plaintiffs and
2 the general consumer. (Moore Decl. Ex. 2 at CALCAR 0342, 368.)

3 Plaintiffs own the domain name www.calcar.net, but keep no record of web hits
4 or user traffic, cannot identify their web host, and have produced no evidence of the
5 extent to which the website is accessed by Plaintiffs' purported automobile clients or the
6 general public. (*Id.* at Ex. 31 at ¶ 3; Ex. 41 at 1st RFPD 56, 3rd RFPD 97, and ROG 15.)
7 The calcar.net website's password-protection section is not even operative. (*Id.* at Ex.
8 47: Michael O. Depo. at 180:14-182:1; Confidential Moore Decl. Ex. 5 at ROG 16.)

9 Plaintiffs' business is unknown outside a small group of auto manufacturers and
10 select individuals who work for them. Plaintiffs admit that their target audience is
11 limited to automakers, of which there are a *total* of twenty. (*Id.* at Ex. 33 at ¶¶ 11-12.)
12 In terms of "marketing," Plaintiffs rely solely on Mr. Obradovich and his wife's
13 personal contacts to make a sale by sending mailings, making "cold calls," handing out
14 business cards at events like Motor Press guild luncheons, and giving presentations. (*Id.*
15 at Ex.47: Michael O. Depo. at 68:1-19; Ex. 38 at ROG 1; Ex. 42 at TCCI ROG 3;
16 Confidential Moore Decl. Ex. 9: Karen O. Depo. at 7:7-8:7; Ex. 1.) Plaintiffs do not
17 keep track of expenditures on promotional materials and produced no advertising
18 expenditures or evidence of who received any promotional material, how the contact
19 arose, or what resulted from it. (Moore Decl. Ex. 34 at ¶9; Ex. 41 at ROG 8; Ex. 31 ¶6.)
20 In an interrogatory asking Plaintiffs to identify all points of contact among current
21 customers of their products and services, Plaintiffs provided *three* names— two of whom
22 were in-house legal counsel who gained familiarity with Plaintiffs after they sued the
23 automakers for patent infringement. (*Id.* at Ex. 48; Confidential Moore Decl., Ex. 5 at
24 ROG 17.)

25 Plaintiffs refused to produce tangible evidence of customer contracts, sales,
26 profits, advertising budgets or marketing data, or any other financial data. (Moore Decl.
27 Ex. 29 at pp.251-253, 305-06.) The only evidence relating to the quantity of
28 "CALCAR" products and services Plaintiffs have sold is a one-page summary of

1 “Calcar® Quick Tips ® Totals” that Plaintiffs produced on June 11, 2008.
2 (Confidential Moore Decl., Ex. 2.) This home-made summary has not been supported
3 by any sufficient backup data and this limited production defied Magistrate Judge
4 Johnson’s Order (Moore Decl. Ex. 29 at pp.251-253.)³ By denying Defendants
5 supporting documentation and the ability to question Plaintiffs’ 30(b)(6) witnesses
6 about this chart (*Id.* at ¶¶ 17-29; Exs. 16-28.), Plaintiffs deprived Defendants of the
7 opportunity to challenge the authenticity of Plaintiffs’ purported evidence of their
8 “presence” in any automotive marketplace.

9 In their complaint and preliminary injunction motion, Plaintiffs claimed to be
10 developing “hybrid technology,” but have provided no such proof in discovery. (*Id.* at
11 Ex. 32 at ¶; Ex. 41 at ROG 18; 1st RFPD 54-55.) Indeed, Plaintiffs conceded in the
12 Joint Stipulation on Defendants’ Motion to Compel that they “have no intention of
13 expanding into hybrid technology per se but that their products, Quick Tip guides, could
14 be used in cars with internal combustion engines so, theoretically, in hybrid cars as
15 well.” (*Id.* at Ex. 41 at ROG 8, 54-55.) From the beginning of this lawsuit, Plaintiffs
16 have alleged the broad scope of use and renown of the mark “CALCAR,” yet find
17 themselves at the end of discovery with no evidence to support any of their claims.

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23 ³ On June 26th, many months after Defendants served discovery calling for such
24 documents; after the close of written discovery; two business days before the filing of
25 this Motion; and without providing Defendants an opportunity to depose Plaintiffs –
26 Plaintiffs produced over a thousand pages of highly-redacted shipping receipts,
27 ostensibly to show that Plaintiffs in fact distributed a certain number of Quick Tip
28 guides. (Confidential Moore Decl. ¶ 10, Ex. 10.) In addition to its late, prejudicial
production, the evidence fails to make that showing because any relevant delivery
recipient has been completely redacted, and is entitled to no evidentiary weight. (*Id.*)
The shipping receipts fail to identify what countries the shipments were, the identity of
the contacts of the auto-makers, or whether those products were ever distributed to end
users. (*Id.*)

1 **III. THE COURT SHOULD GRANT DEFENDANTS SUMMARY JUDGMENT**
2 **BECAUSE PLAINTIFFS DO NOT OWN A VALID TRADEMARK AND**
3 **CANNOT PROVE THEIR CLAIMS**

4 The Ninth Circuit has not hesitated to affirm grants of summary judgment to
5 defendants in appropriate trademark cases. *See, e.g., Survivor Media, Inc. v. Survivor*
6 *Prods*, 406 F.3d 625, 635 (9th Cir. 2005) (granting defendant’s summary judgment
7 motion where four factors favored plaintiff, finding that that “facts of this case does not
8 raise a material issue of fact regarding actual confusion between the Surfivor and
9 Survivor marks.”); *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842 (9th Cir. 2002) (affirming
10 summary judgment even though parties sell related goods and services, finding that
11 evidence “fails to create a genuine issue that confusion is “probable, not simply a
12 possibility.”) This is such an appropriate case.

13 **A. Plaintiffs Cannot Prove That They Own a Protectable Right to the**
14 **Name “CALCAR” Which Extends to TCCI’s Unrelated Use**

15 A successful trademark infringement claim requires a showing that the claimant
16 holds a valid, protectable mark and that the accused mark is similar enough to “cause
17 confusion, or to cause mistake, or to deceive” as to the origin of the alleged infringer’s
18 goods or services. *See* 15 U.S.C. § 1114(1)(a)-(b); *KP Permanent Make Up, Inc. v.*
19 *Lasting Impression I, Inc.*, 543 U.S. 111, 117-118 (2004). Because Plaintiffs’ use of
20 “CALCAR” is limited to use as a trade name, not as a trademark, Plaintiffs’ rights to the
21 name “Calcar” must be narrowly drawn. Plaintiffs cannot rely on their federal
22 trademark registration for the mark CALCAR because that registration is invalid based
23 on Plaintiffs’ fraudulent misrepresentations to the USPTO regarding its scope of use.

24 **1. Plaintiffs’ Rights to “CALCAR” Are Limited and the Mark has**
25 **No Recognition**

26 Any protection afforded to Plaintiffs depends on their rights to a valid, protectable
27 mark and the way the parties use the marks at issue in commerce. *KP Permanent*, 543
28 U.S. at 117. As a threshold matter, Section 43(a) of the Lanham Act may not be used to

1 assert infringement of a trade name in federal court. “Congress had a clear intent ‘to
 2 draw a line between indicia which perform only trade name functions and indicia which
 3 perform or also perform the function of trademarks or services marks.’” *In re Letica*
 4 *Corp.*, 226 U.S.P.Q. 276, 277 (TTAB 1985) (citing *In re Canadian Pacific Ltd.*, 224
 5 U.S.P.Q. 971, 974 n.6 (Fed Cir. 1985).)

6 Plaintiffs consistently point to their Quick Tip guides as proof of use. It is
 7 undisputed that those guides use the trademarks “Quick Tips” or “Startup Tips”— not
 8 “Calcar” – as product identifiers. With the exception of one “Calcar’s QUICK TIPS™
 9 BMW 3 SERIES” version (of which there is no evidence of sale), the only mention of
 10 the word “Calcar” on any of the alleged “millions” of QuickTips that Plaintiffs have
 11 printed is the notice in tiny font at the back of the manual stating that “QuickTips® is a
 12 registered trademark of Calcar, Inc.”⁴ (Moore Decl. ¶¶ 3-4; Exs. 2-3.) Plaintiffs
 13 produced no evidence that any consumer refers to the guides as a “CALCAR” guide;
 14 that any consumers have ever seen the Quick Tip guide (as Plaintiffs refused to produce
 15 proof of sales); or that any consumer has ever connected the guide with Calcar, as
 16 opposed to the company from which the consumer purchased her vehicle. Nor have
 17 Plaintiffs identified to what countries the shipments were, the identity of the contacts of
 18 the auto-makers, or whether those products were ever distributed to end users.

19 To the extent the Quick Tip guides use CALCAR as a trademark at all, this Court
 20 has already recognized that the bald statement that Plaintiffs have distributed “ten
 21 million” Quick Tip guides was “insufficient to convert CALCAR into a strong mark.”
 22 (Moore Decl. Ex. 1 at p.7.) A mark may be “strengthened by [proof of] extensive
 23 advertising, length of time in business, public recognition and uniqueness,” *Century 21*
 24

25 _____
 26 ⁴ While some of Plaintiffs’ Quick Tips materials give notice of their ownership in and
 27 rights to trademarks such as “Quick Tips” or “Auto Director,” none identify “Calcar” as
 28 one of the registered trademarks, making it even more unlikely that somebody viewing
 the materials would perceive “Calcar” as a trademark. (See, e.g. Moore Decl. Ex. 2; Ex.
 5 at CALCAR 0018-20 at © footer.)

1 *Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir. 1988). Plaintiffs, however,
2 have produced no evidence of advertising, no advertising or marketing data, no survey
3 or recognition studies, no evidence of public recognition, and no declarations from third
4 parties (or a single car company) attesting to their familiarity with Plaintiffs.

5 Plaintiffs' use of the company name on Calcar, Inc. business supplies is also not
6 use as a trademark. (*Id.* at Ex. 47: Michael O. Depo. at 44:25-48:21 (describing
7 products Calcar, Inc. sells under its various trademarks and identifying business cards,
8 letterhead, and website as other "uses" of the mark); *see, e.g. id.* at Ex. 5 at CALCAR
9 0027; Confidential Moore Decl. Ex. 1.) There is no evidence that anybody outside of a
10 select group of individuals personally approached by Mr. or Mrs. Obradovich, among a
11 finite set of major automobile manufacturers, has heard, or would have occasion to hear,
12 of "Calcar." (Confidential Moore Decl. Ex. 9: Karen O. Depo at 125:18-127:9; Ex. 1;
13 Moore Decl. Ex. 33 at ¶¶ 11-12.) In fact, Ron Gremban, a TCCI consultant and
14 volunteer who has been in the electric car industry for forty years, had never heard of
15 Plaintiffs until they brought this lawsuit. (Moore Decl. Ex. 45: Gremban Depo. at
16 257:21-258:12.) Likewise, the head of marketing, product manager, environmental
17 manager, and other BMW employees had no knowledge or awareness of Plaintiffs
18 before this lawsuit. (*Id.* at Ex. 46: Klein Depo. at 23:18-24:23, 25:8-21, 28:23-30:6.)

19 In response to an interrogatory calling for verification of Plaintiffs' sales of all
20 products and services branded under the name CALCAR from 2000-present, Plaintiffs
21 pointed only to the alleged sales of the Quick Tips guides to eight automobile
22 manufacturers (*id.* at Ex. 39 at ROG 1; Confidential Moore Decl., Ex. 2), further
23 undermining any claim that anybody beyond a small group of individuals who have
24 worked with Plaintiffs to develop Quick Tips guides would have heard of Plaintiffs.
25 Similarly, there is no evidence that anybody recognizes "CALCAR" as a trademark.

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28

1 **2. Plaintiffs' CALCAR Trademark Registration Is Invalid Because**
2 **It Was Obtained Through Fraud on the USPTO**

3 Plaintiffs rely heavily on a federal CALCAR trademark registration. (*See, e.g.,*
4 Moore Decl. Ex. 30: Complaint at ¶¶11, 13, 21.) That registration is invalid due to
5 Plaintiffs' misrepresentations to the USPTO regarding their actual trademark use.

6 The law is clear — misstatements regarding the use of a mark on certain goods or
7 services constitute fraud. “[W]here a registrant makes a false statement as to the use of
8 the mark in connection with the goods or services listed in its registration, cancellation
9 of the mark is proper.” *Universal Nutrition Corp. v. Carbolite Foods, Inc.*, 325 F. Supp.
10 2d 526, 531 (D.N.J. 2004); *see, e.g. Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d
11 (BNA) 1205, 1209-10 (T.T.A.B. 2003) (entire registration cancelled because the
12 applicant's statement of use claimed that the mark was in use on catheters and stents,
13 but the mark had never been used on stents). In recent years, the USPTO's appellate
14 panel has essentially created a strict liability fraud rule, regardless of any subjective
15 intent or mistake on the part of the applicant or registrant. *See, e.g. Standard Knitting,*
16 *Ltd. v. Toyota Jidosha Kabushiki Kaisha*, 77 U.S.P.Q. 2d (BNA) 1917, 1928 (T.T.A.B.
17 January 10, 2006) (cancellation based on registrant's admissions during discovery that
18 the company neither made all of the goods identified, nor sold all the goods in the
19 United States); *also Sinclair Oil Corp. v. Kendrick*, 85 U.S.P.Q. 2d (BNA) 1032, 1035
20 (T.T.A.B. June 6, 2007).

21 During the process of obtaining and renewing Registration No. 2419611, in both
22 2000 and 2007, respectively, Plaintiffs filed statements with the USPTO under penalty
23 of perjury, claiming that the CALCAR mark was in use on a laundry list of goods,
24 namely: *computer hardware* and computer software for use in telecommunications,
25 *weather reporting, messaging, global positioning, database access, imaging, and pre-*
26 *recorded software on CD-Rom relating to automobiles, advertising, global computer*
27 *networks, web sites, and telecommunications* in class 9, and *providing*
28 *telecommunications connections to a global computer network in class 38.* (Moore

1 Decl. Ex. 22.) (*italics* indicating goods/services unused.) Specifically, when Plaintiff
2 Calcar, Inc. (who was not even the registered owner at the time) filed a “Statement of
3 Use” on July 10, 2000, it claimed in a sworn declaration that it was using the mark
4 CALCAR in connection with *all* of those goods and services. (*Id.*) And again, when
5 American Calcar, Inc. filed its renewal of the registration on April 2, 2007, it requested
6 deletion of the “weather reporting, messaging, and global positioning” goods in Class 9
7 and the “telecommunications connections” services in Class 38, but reiterated its
8 representation that it was using the mark in commerce in *all* of the remaining goods
9 registered in Class 9. (*Id.*)

10 Discovery has shown that those sworn statements were false. Calcar, Inc.’s use
11 of the mark in commerce is focused on automobiles – not the breadth of industries listed
12 above, such as telecommunications or weather reporting. (*See, e.g.* Confidential Moore
13 Decl. Ex. 9; Karen O. Depo. at 54:22-55:6.) In deposition, Plaintiffs’ representatives
14 admitted that Plaintiffs have not sold any products for use in telecommunications or
15 database access or “global computer networks,” or for website hardware or software,
16 and Plaintiffs’ car manuals have never been for use in weather reporting, messaging, or
17 global positioning. (*Id.* at Ex. 8; Yip Depo. at 141:16-145:9 (regarding ACI); Ex. 9:
18 Karen O. at Depo. 10:2-11:3 (describing Plaintiffs’ automotive manuals); Moore Decl.
19 Ex. 40 at TCCI RFPD 90-92 (noting nothing meaningful to compel besides the Quick
20 Tips.) Nor did Plaintiffs produce any evidence of use or sales of “computer hardware”
21 – much less CALCAR-branded hardware; their *sole* evidence of “sales” is of Quick Tips
22 and Start Up Tips manuals. (Confidential Moore Decl. Ex. 2; Ex. 9; Karen O. Depo. at
23 27:18-29:19; Moore Decl. Ex. 39. at ROG 11; Ex. 44 at TCCI RFPD 91.)

24 Plaintiffs’ knowledge that its mark was not in use on all of the goods and services
25 listed in the application at the time it filed its 2000 Statement of Use *or* upon all of the
26 goods listed in the registration when it filed its 2007 renewal is all that is required to
27 establish intent to commit fraud in the procurement of a registration. *Medinol, supra* at
28 1210; *see also Torres, supra* at 49. Even a single false representation to the USPTO

1 during the course of its prosecution invalidates the entire registration; here, there are
2 multiple misrepresentations, and the Court should therefore cancel the registration as
3 invalid. *See, id.*; and 15 U.S.C. § 1119 (granting courts power to invalidate registered
4 marks to rectify the register.) Without its federal registration, Plaintiffs' claim for
5 infringement of a registered mark under 15 U.S.C. § 1114(1) necessarily fails, and
6 Plaintiffs lack any (rebuttable) presumption of validity or ownership of trademark rights
7 to the term "CALCAR."

8 ***B. Plaintiffs Cannot Prove Their Trademark Infringement, False***
9 ***Designation or Unfair Competition Claims***

10 An element common to Plaintiffs' trademark infringement, false designation of
11 origin and unfair competition claims is likelihood of confusion. *See Walter v. Mattel*,
12 210 F.3d 1108, 1111 (9th Cir. 2000). To prove this element, Plaintiffs must come
13 forward with evidence that a "reasonably prudent consumer" in the marketplace is likely
14 to be confused as to the origin of the goods or services bearing one of the marks.
15 *Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998). To
16 put it another way, Plaintiffs must prove that confusion between TCCI's longstanding
17 use of "CalCars" for its non-profit organization's PHEV awareness efforts on the one
18 hand, and Plaintiffs' limited, cryptic use of "Calcar, Inc." on its manuals and website, on
19 the other hand, is probable – not just possible – among an appreciable number of
20 reasonably prudent consumers. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135,
21 1151 (9th Cir. 2002). Analysis of the eight factors used to evaluate likelihood of
22 confusion, and the relative importance of each factor will be case-specific. *Brookfield*
23 *Communications, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999).
24 The analysis of these factors decidedly favors TCCI.

25 **1. Plaintiffs' "Calcar" Name is Weak**

26 The weaker the mark, conceptually and/or commercially, the lesser the protection
27 it is afforded. *Glow Indus., Inc. v. Lopez*, 252 F. Supp. 2d 962, 987 (C.D. Cal. 2002).
28 In its tentative order denying Plaintiff Calcar, Inc.'s preliminary injunction motion, the

1 Court noted that CALCAR is suggestive, but merits lesser protection as it does not
2 appear inherently distinctive in relation to Calcar, Inc.'s products. (Moore Decl. Ex. 1
3 at p.7.) As explained above, Plaintiffs failed to produce any evidence of the commercial
4 strength of its mark "by extensive advertising, length of time in business, public
5 recognition and uniqueness." (*Id.* at Ex. 50 at RFPD 68-70); *Century 21 Real Estate*
6 *Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir. 1988). There is no evidence of
7 advertisements, promotional expenditures, sales revenue, surveys, consumer
8 recognition, website visits, or other indicia of strength or renown to suggest that auto
9 makers, let alone the consuming public, know of "Calcar." *See supra* Sections II.B, fn.
10 3, and III.A.1. With no evidence of market recognition or goodwill (much less proper
11 trademark use), there is genuine issue as to any material fact regarding to the overall
12 weakness Plaintiffs' CALCAR "mark."

13 **2. The Parties Provide Unrelated Products and Services to**
14 **Different Groups of People and Plaintiffs Have no Evidence of**
15 **Expansion Into TCCI's Field**

16 The standard for whether the parties' goods or services are "related" is whether
17 customers are "likely to associate" their products. *See Survivor*, 406 F.3d at 633.
18 Where "there is no material evidence in the record that customers are likely to associate
19 the two products or conclude that the products come from the same source" summary
20 judgment is appropriate. *Id.* Here, the parties' objectives, purpose, and nature are so
21 disparate, it is no wonder that there has been no evidence of confusion over six years of
22 co-existence. TCCI is an advocacy group with a mission to reduce reliance on foreign
23 oil and lower emissions. (Kramer Decl. ¶ 5.) TCCI does not use "CalCars" to sell any
24 automotive products, and has no plans to do so. (Kramer Decl. at ¶5, ¶12 and ¶13;
25 Moore Decl. Ex. 43; Kramer Depo at 210:16.) TCCI does not have any "customers": it
26 primarily provides information to the public and in terms of "products," it provides
27 bumper stickers and t-shirts to its donors, volunteers and other supporters of its mission.
28 (Kramer Decl. at ¶17; Moore Decl. Ex. 44; Kramer II Depo. at 380:25-382:7.)

1 Plaintiffs are for-profit companies, one (American Calcar, Inc.) which sells no
2 products and generates income by licensing its patents in settlement of infringement
3 lawsuits, and the other (Calcar, Inc.), which designs and sells niche automotive
4 demonstration manuals and DVDs to automotive companies – a field completely
5 unrelated to TCCI’s advocacy efforts. (Moore Decl. at Ex. 6; Ex. 48; Ex. 32 at ¶¶ 2, 4.)
6 The fact that Plaintiffs claim that they had not heard of TCCI until 2007 (five years after
7 TCCI began using “CalCars”) and that Mr. Gremban, who has been involved in the
8 electric car industry for nearly forty years, as well as Mr. Kramer, had not heard of
9 Calcar, Inc. until the lawsuit was filed, is further evidence that the parties operate in
10 different spheres. (*Id.* at Ex. 45; Gremban Depo. at 257:21-258:12; Confidential Moore
11 Decl. Ex. 5 at ROG 4.)

12 Although Plaintiffs’ Complaint refers to an “intention” to expand into “hybrid
13 technology,” they have conceded that they have no such intention. *See supra* Section
14 II.B. at pg. 8. In its tentative order denying the motion for preliminary injunction, this
15 Court recognized that the fact that the parties operate in the automobile arena is not
16 enough to find that the goods and services are related. (Moore Decl. Ex. 1 at p. 8.)
17 Plaintiffs’ own perception of “competition” does not make the QuickTip products
18 related to TCCI’s PHEV advocacy efforts. *See Thane Int’l, Inc. v. Trek Bicycle Corp.*,
19 305 F.3d 894, 908-909 (9th Cir. 2002) (acknowledging consumer differences between
20 sporting goods market and bicycle enthusiast market.) There is no genuine issue as to
21 any material fact regarding the differences in the parties’ services.

22 3. The Parties’ Respective Audiences are Sophisticated

23 When consumers are sophisticated or exercise great care in purchasing goods, or
24 where the goods are expensive, there is not a high likelihood of confusion. *See*
25 *Accuride Int’l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1537 (9th Cir. 1989). In its
26 tentative order denying Calcar, Inc.’s motion for preliminary injunction, the Court found
27 that consumers of Plaintiffs’ and Defendants’ goods and services would exercise a high
28 degree of care. (Moore Decl. Ex. 1 at p. 10.) A year later, the evidence proves that it

1 would be virtually impossible that those who interface with the parties would make a
2 hasty and mistaken assumption that they are related or affiliated.

3 Plaintiffs' potential "customers" are one or more of "approximately twenty"
4 major automobile manufacturers that are potential purchasers of their Quick Tip guides.
5 (*Id.* at Ex. 33, ¶¶ 11-12.) Plaintiffs do not sell products directly to the public. Plaintiffs
6 have refused to produce any pricing information regarding their products (including the
7 cost of its manuals), but it is indisputable that the bulk purchase of these products by
8 automobile manufacturers is not a casual decision. (*Id.* at Ex. 1 at p. 10; Ex. 29 at pp.
9 501-503; Defendants Sep. Stat. of Undisputed Facts (SUF) ¶¶ 55-56; *see also* fn. 3
10 (regarding inconclusive shipping receipts that fail to identify contacts or fact of
11 distribution.)) Because the manuals specifically relate to a media or navigation system
12 of a car company's vehicle, there must be direct and involved contact between Plaintiffs
13 and the representative of the automobile manufacturer, who, necessarily, would need to
14 be familiar with the vehicle's navigational or electronics system and what Plaintiffs
15 have to offer. (*See* Moore Decl. Exs. 2-3; Confidential Moore Decl. Ex. 2.)

16 Similarly, TCCI's audience (it has no customers *per se*) are driven, eco-friendly,
17 environmentally conscious individuals and organizations. (Kramer Decl. at ¶14.) They
18 volunteer, visit TCCI's website, and subscribe to TCCI's newsletter, knowing that they
19 *want* to be part of TCCI's efforts to promote PHEV development. There is no evidence
20 that TCCI's audience has ever heard of "Calcar, Inc." or "American Calcar, Inc." and
21 little opportunity or reason for any of TCCI's audience to be confused between the
22 parties. In these types of circumstances, courts rarely find likelihood of confusion. *See*
23 *Accuride*, 871 F.2d at 1537 ("purchasers of the parties' goods ... would be expected to
24 exercise a high degree of care in making their purchase decisions. This factor weighs
25 heavily against the finding a likelihood of confusion in the relevant purchasing
26 population"); *EA Eng'g, Sci. & Tech., Inc. v. Envtl. Audit, Inc.*, 703 F. Supp. 853, 858
27 (C.D. Cal. 1989). In light of the care, sophistication, and nature of Plaintiffs'

28

1 transactions and their niche group of clients, and the nature of TCCI's organization and
2 audience, future name confusion is highly unlikely.

3 **4. After Nearly Six Years, There Has Been No Actual Confusion**

4 Where significant time has passed with two names in the market, a relative lack
5 of actual confusion between them is persuasive evidence that confusion is not likely.
6 *Cohn*, 281 F.3d at 842-43 (several dozen inquiries over six years insufficient evidence).
7 There is no relevant evidence that anybody who supported or volunteered with TCCI
8 did so under the mistaken belief that it was associated with Calcar, Inc, especially when
9 Mr. Kramer and Mr. Gremban both testified that they had never heard of Plaintiffs until
10 the lawsuit. (Moore Decl. Ex. 44: Kramer II Depo. at 568:5-569:4; Ex. 45: Gremban
11 Depo. at 257:21-258:12; 208:20-209:19; *see also* Kramer Decl. ¶ 13.) Nor is there any
12 evidence that any of Plaintiffs' automotive clients have been confused, even for a
13 moment. (Moore Decl. Ex. 41 at RFPD 59; Ex. 40 at RFPD 110; Ex. 53 at RFPD 43-
14 45; *see also* Ex. 46: Klein Depo at 181:21 – 182:4.)⁵ Nobody has ever approached
15 TCCI or Mr. Kramer to ask about an affiliation with Plaintiffs or "Calcar." (*Id.*; Moore
16 Decl. Ex. 43: Kramer Depo. 106:8-13, 131:18-132:15; Ex. 44: Kramer II Depo. at 567:5-
17 568:4; Ex. 45: Gremban Depo. at 208:20-209:19; Ex. 42 at ¶¶ 6-7; Ex. 49 at ROG 12.)
18 Having failed to produce any relevant evidence that consumers confuse the parties'
19 identities, Plaintiffs cannot establish a "mental recognition in buyers' and potential
20 buyers' minds" between "CALCAR" and a single source. *Japan Telecom, Inc. v. Japan*
21 *Telecom Amer., Inc.*, 287 F.3d 866, 873-75 (9th Cir. 2002).

22 In the absence of actual confusion over a six-year period, Plaintiffs should have
23 conducted a consumer confusion survey. Their failure to do so is strong evidence that
24

25 ⁵ Mr. and Mrs. Obradovich's personal beliefs about "confusion" are not evidence of
26 confusion. For example, Mr. Obradovich suggests that every time TCCI uses "CalCars"
27 and others repeat it as a reference to TCCI, that is somehow evidence of confusion.
28 (Moore Decl. Ex. 47: Depo. at 73:2-76:19.) He could not recall any specifics of any
consumer confusion. (*Id.* at 76:9-19.)

1 they cannot show any likelihood of confusion. *Cairns v. Franklin Mint, Co.*, 24 F. Supp.
2 1013, 1041 (C.D. Cal. 1998) (“a plaintiff’s failure to conduct a consumer survey,
3 assuming it has the financial resources to do so, may lead to an inference that results of
4 such a survey would be unfavorable”); *Playboy Enters., Inc. v. Netscape Commc’n*
5 *Corp.*, 55 F. Supp. 2d 1070, 1084 (C.D. Cal. 1999). There is no genuine issue as to any
6 material fact as to the *de minimus*, if any, consumer confusion over the last six years.

7 **5. TCCI Adopted The Nickname “CalCars” In Good Faith**

8 The “intent” factor in the *Sleekcraft* analysis looks to evidence of bad faith in a
9 defendant’s adoption of the accused mark. It is undisputed that Mr. Kramer adopted
10 “CalCars” without any knowledge of Plaintiffs or their alleged rights in the name
11 “Calcar.” (Moore Decl. Ex. 37 at ROG 10; Kramer Decl. ¶ 18.) Indeed, he had never
12 heard of Plaintiffs before being contacted by their attorneys. (Kramer Decl. ¶ 18.)
13 There is no genuine issue as to any material fact regarding TCCI’s good faith in
14 adopting the nickname “CalCars” and the website URL calcars.org. *See also* Section
15 II.A (discussing reasons for choosing name.)

16 **6. The Parties’ Marks and Marketing Are Dissimilar**

17 Similarity of marks is determined by the appearance, sound, and meaning of the
18 marks when considered in their entirety and as they appear in the marketplace. *See*
19 *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). As they
20 appear in the marketplace, the parties’ respective names and marks are neither identical,
21 nor confusingly similar, and have different meanings:



24 When used in press articles, the name “CalCars” is typically preceded by the full
25 name that it abbreviates, “The California Cars Initiative,” and often with the fact that the
26 company is a non-profit organization based in Northern California. (Moore Decl. Ex. 14;
27 Ex. 43; Kramer Depo at 98:4-9.) “CalCars” is a direct reference to the words “California
28 Cars” in TCCI’s name. When an interested person visits TCCI’s website, or reads an

1 article about “The California Cars Initiative” or TCCI’s CalCars News about efforts to
2 promote PHEVs, the context and source is very clear. In many instances, such as on its
3 home page (see screenshot on pg. 4), in PowerPoint presentations, and its promotional
4 bumper stickers and t-shirts, TCCI uses a distinctive font, coloring, and design. (Kramer
5 Decl. Exs. 1, 3-6, 8.)

6 In contrast, Plaintiffs use “Calcar” in conjunction with a horse logo. Plaintiffs
7 claim that “Calcar” means “spur.” (Moore Decl. Ex. 33 at ¶3.) Plaintiffs use the name
8 on letterhead and business cards, but the name does not appear in the press or
9 advertisements. (*Id.* at Ex. 5 at CALCAR 0027; Confidential Moore Decl. Ex. 1.) As to
10 the “Quick Tip” guides, only people who know to look for “Calcar, Inc.” or “Calcar” on
11 the copyright page at back of the manuals would notice it. *See supra* at Sections II.B.
12 and III.A.1. Because the parties’ marks are accompanied by other slogans, designs, and
13 graphics, summary judgment is appropriate. *Survivor*, 406 F.3d at 633 (affirming
14 defense summary judgment, finding similarity of marks factor neutral as between
15 “Survivor” and “Survivor” and acknowledging marks’ differences in graphics and
16 accompanying slogans).

17 Overall, the content, method, and purpose of the parties’ marketing are distinct.
18 As the Court previously recognized, the fact that both parties have websites does not
19 create overlap (Moore Decl. Ex. 1 at p.9), and discovery has shown that Plaintiffs have
20 no evidence that anybody has visited their website, much less that those who are looking
21 for information from TCCI. TCCI’s messaging is clear, and refers to “The California
22 Cars Initiative” and to its non-profit status, mission and message. (Kramer Decl. ¶¶ 2,
23 6, 9-12, 15-16; Exs. 1, 4-6.) TCCI “markets” through speaking at public forums, private
24 events, presentations to the media, word of mouth, its “CalCars-News” subscription
25 newsletter, unsolicited press, and news stories. (*Id.* at ¶ 6.) TCCI’s communications
26 with representatives of automobile manufacturers are conducted through sophisticated
27 high-level media representatives, managers, and engineers who are sensitive to
28 environmental issues – not with those involved in purchasing decisions for what is

1 included in a bundle of materials given to new car buyers. (Moore Decl. Ex. 45:
2 Gremban Depo. at 145:3-146:18; Ex. 54.) TCCI's contacts are typically involved in
3 high-level policy making decisions and are well-versed in TCCI's campaign for the
4 advancement of environmental automotive technology. (Moore Decl. Ex. 43: Kramer
5 Depo. at 35:2-25; 239:7-16; Ex. 45: Gremban Depo at 145:3-146:8; 244:25-245:9; Ex.
6 54; Kramer Decl. Ex. 8.)

7 Among a pool of "twenty" total automobile manufacturers, several of whom
8 Plaintiffs have sued, Plaintiffs market to them via "cold" calls or personal letters or
9 work through Mr. and Mrs. Obradovich's personal contacts. (*Id.* at Ex.47: Michael O.
10 Depo. at 13:14-15:17, 68:1-19; Ex. 38 at ROG 1; Ex. 42 at TCCI ROG 3; Ex. 48;
11 Confidential Moore Decl. at Ex. 9: Karen O. Depo. at 7:7-8:7; Ex. 1.) *See supra*
12 Sections II.B. and III.A.1 (describing Plaintiffs' clients and limited use). To put it
13 simply, there is no evidence of overlap. Accordingly, there is no genuine issue as to any
14 material fact regarding the dissimilarity between the parties' marketing channels and
15 efforts.

16 ***C. Plaintiffs Cannot Prove Their Dilution Claim***

17 To prove their trademark dilution claim (Count III), Plaintiffs must prove that
18 CALCAR is famous among the general consuming public and that it became famous
19 before TCCI's first use of "CalCars" in 2002. *Perfumebay.com Inc. v. eBay Inc.*, 506
20 F.3d 1165, 1179-1180 and fn. 8 (9th Cir. 2007) (state dilution analysis same as federal
21 dilution.) Plaintiffs have failed to produce any such evidence. (SUF ¶¶ 35-37, 39-44,
22 48-49, 54.)

23 Plaintiffs have produced no evidence that more than a few people within a select
24 group of automobile makers, and those who American Calcar has sued, have ever heard
25 of a company named "Calcar," let alone a product branded under the CALCAR name.
26 Plaintiffs have produced no evidence that the CALCAR mark is "widely recognized
27 among general consuming public," 15 U.S.C. § 1125(c)(2), or a "household name."
28 *Thane*, 305 F.3d at 911. Plaintiffs have produced no consumer survey, third party

1 testimony, proof of meaningful advertising, proof of any revenues or marketing
2 expenditures – nothing at all – to support the contention that CALCAR is famous, much
3 less that it was famous as of July 2002 (TCCI’s first use.) *Cf. id.* at 909 (finding
4 “TREK” was not famous despite 20-plus years use, \$3-5 million a year in advertising in
5 publications of general interest, sponsorship with Lance Armstrong, and numerous
6 awards). For these failures, this Court should grant summary judgment on Plaintiffs’
7 dilution claim.

8 ***D. Plaintiffs Cannot Prove Their Damages Claim***

9 Plaintiffs sought in their Complaint’s prayer “monetary damages, including an
10 award of Defendants’ profits.” (Moore Decl. Ex. 30.) In their answer to Defendants’
11 interrogatory seeking the basis for their damages claim, Plaintiffs allege that “Where
12 there is a likelihood of confusion, it is presumed that Plaintiffs will suffer irreparable
13 harm.” (Moore Decl. Ex. 38 at ROG 7, p.4:8-9.) Even if Plaintiffs had earned this
14 presumption, it would establish only the fact of damage, not the amount. But a
15 “plaintiff must prove both the fact and the amount of damage.” *Lindy Pen Co., Inc. v.*
16 *Bic Pen Corp.*, 982 F.2d 1400, 1407 (9th Cir. 1993). Not only have Plaintiffs failed to
17 prove the amount of any damages they have suffered, they have disclaimed attempting
18 to do so.

19 Plaintiffs have since February of this year repeatedly rebuffed Defendants’
20 discovery requests on the ground that “Plaintiffs do not intend to seek damages.”
21 (Moore Ex. 51 at ROG 1, p.3; ROG 8, p.8.). Plaintiffs opposed Defendants’ motion to
22 compel by repeatedly asserting that “this case is about injunctive relief and not
23 damages,” (*Id.* at Ex. 41 at p.5:24-25), that “*Plaintiffs have dropped their claims for*
24 *damages from this lawsuit,*” *id.* at 26-27, 30, 33, 37, 40, 44, 49, 63 and 96 (emphasis in
25 original), and that “ACI has disclaimed any claim for damages,” *id.* at 27, 30, 34, 37 and
26 50, while repeatedly criticizing Defendants for “irrationally denying that Plaintiffs have
27 dropped their damages claim from this case.” (*Id.* at 27, 31, 34, 38 and 50.) Plaintiffs
28 then opposed Defendants motion for discovery sanctions by repeatedly asserting that

1 they “do not seek economic damages.” (*Id.* at Ex. 52 at pp. 1, 2.) At the hearing on
2 Defendants’ motion to compel, Plaintiffs counsel argued “this is an injunction case
3 where we’re not looking for damages.” (Moore Ex. 29 at pp. 294-95 at 40:16-41:11.)
4 Plaintiffs have sought to overturn Magistrate Judge Johnson’s discovery order by
5 reiterating that “This is an injunction case” and “Plaintiffs have dropped their claims for
6 damages from the lawsuit.” (*Id.* at Ex. 35 at pp. 2:12; 3:16.) Through these 28
7 unequivocal statements, Plaintiffs have waived their claims for damages.

8 Plaintiffs now try to limit that their abandonment of their damages claim to “past
9 economic damages,” (*Id.* at Ex. 29 at p.306; Ex. 35 at p.7), seeking to retain a claim for
10 corrective advertising damages. (*Id.* Ex. 52 at p.2.) Plaintiffs have never asserted such
11 a damages claim, however. Plaintiffs have both waived the corrective advertising
12 damages claim by failing to allege it in their complaint or contention interrogatory
13 answer, and by failing to produce evidence necessary to support that claim. (Moore Ex.
14 38 at ROG 7.) Fed. R. Civ. P. 37(c)(1) (“If a party fails to provide information . . . as
15 required by Rule 26(a) or (e), the party is not allowed to use that information . . . on
16 motion”). Plaintiffs have failed to produce any evidence of what they have spent, or
17 will spend, on corrective advertising. *See U-Haul Int’l, Inc. v. Jartran, Inc.*, 793 F.2d
18 1034 (9th Cir. 1986) (confirming award of plaintiff’s actual corrective advertising
19 expenditures). Plaintiffs have failed to identify how its corrective advertising expense
20 could be based on Defendants’ advertising expenses, the amount of damage to its
21 CALCAR mark, or the relationship between Defendants’ expenses and any such
22 damage. *See Adray v. Adry-Mart Inc.*, 76 F.3d 984, 988-89 (9th Cir. 1995).

23 Plaintiffs’ damages claim also fails for lack of evidence. (*See* Moore Decl, Ex.
24 30: Complaint at ¶¶25, 30 and “Prayer for Relief.”) Plaintiffs produced nothing in
25 response to TCCI’s discovery requests on the issue of actual damages, harm, or lost
26 sales. After Magistrate Judge Johnson ordered Plaintiffs to produce their financial
27 documents or reach a stipulation formally abandoning their claims, Plaintiffs did
28 neither. Instead, they produced a single-page summary of sales volumes, with no

1 revenue or profit data. Later, less than a week ago, they produced delivery receipts with
2 dollar values and delivery addresses redacted, and which failed to show that the Quick
3 Tip guides were actually distributed to any of Plaintiffs' customers. *See supra* fn. 3
4 (discussing late produced evidence and Plaintiffs' refusal to make their 30(b)(6)
5 witnesses available for deposition on these documents). Plaintiffs' failure to produce
6 sales revenue or profit numbers dooms their actual damages claim. *See Lindy*, 982 F.2d
7 at 1408 (affirming denial of actual damages for plaintiff's failure to produce sales
8 revenue and profit data).

9 As Defendants have never made a profit, there are no profits to disgorge under 15
10 U.S.C. § 1117(a), nor has there been a showing of willfulness or intentional
11 infringement that courts consider a prerequisite to a disgorgement remedy. *See id.* at
12 1406-08. Because there is "no record that [Plaintiffs] suffered any damages as a result
13 of the asserted infringement," this Court should grant Defendants summary judgment as
14 to monetary damages. *Survivor*, 406 F.3d at 634.

15 **IV. CONCLUSION**

16 The Court should grant Defendants summary judgment on their affirmative
17 defense that the CALCAR registration is invalid (Fifth Affirmative Defense), Plaintiffs'
18 dilution and infringement claims (Courts I-IV), and Plaintiffs' lack of monetary
19 damages.

20 Dated: June 30, 2008

Respectfully submitted,

21
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