

EXHIBIT I

1 William C. Rooklidge (SBN 134483)
Frank P. Coté (SBN 204529)
2 HOWREY LLP
4 Park Plaza, Suite 1700
3 Irvine, CA 92614-2559
Telephone: (949) 721-6900
4 Facsimile: (949) 721-6910
E-mail: rooklidgew@howrey.com
5 E-mail: cotef@howrey.com

6 Bobby A. Ghajar (SBN 198719)
Eric J. Moore (SBN 221995)
7 HOWREY LLP
550 South Hope Street, Suite 1100
8 Los Angeles, California 90071
Telephone: (213) 892-1800
9 Facsimile: (213) 892-2300
E-mail: ghajarb@howrey.com
10 E-mail: mooree@howrey.com

11 Attorneys for Defendants
The California Cars Initiative, Inc. and
12 Felix Kramer

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.
25
26
27

Case No. SACV07-723 AG (JWJx)

**DEFENDANTS' REPLY 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 In a case where the strength of the CALCAR mark has been questioned since
3 Plaintiff Calcar, Inc.'s unsuccessful motion for preliminary injunction, Plaintiffs
4 dropped their fame-based dilution claim after compelling TCCI to incur the expense of
5 litigating the issue for a year. Also, concurrent with their opposition filed on July 7,
6 2008, months after the close of discovery, almost a year after Defendants served their
7 discovery requests and in clear violation of Federal Rule of Civil Procedure 26,
8 Plaintiffs produced over 400 new documents and attached many of them to Mr.
9 Obradovich's latest declaration in an attempt to survive summary judgment by
10 burdening Defendants and this Court with off-topic and unsubstantiated evidence.
11 Despite this sandbagging and last-minute claim pruning, Plaintiffs have nothing to
12 support their remaining claims and damages prayer other than unsupported and
13 conclusory allegations, which are insufficient to create a triable issue of fact so as to
14 preclude summary judgment.

15 Instead of going beyond the pleadings and designating "specific facts" evidencing
16 a genuine issue of material fact for trial as required by Federal Rule of Civil Procedure
17 56(e), Plaintiffs attempt to cast The California Cars Initiative as a politically polarizing
18 organization, Mr. Kramer as a greedy opportunist, Defendants' counsel as vengeful
19 crusaders, Quick Tips as safety guides, Auto-Director as computer hardware, general
20 automotive technology as hybrid technology, and virtually everyone as the relevant
21 consuming public. The legal analysis, however, remains the same as that laid out in
22 Defendants' opening brief: there can be no likelihood of confusion where there is a
23 confirmed absence of objective evidence of (1) similar "products" or services "sold" by
24 the parties; (2) consumer recognition and commercial strength of "Calcar" as uniquely
25 associated with Plaintiffs' goods and services; (3) actual confusion among relevant
26 consumers; (4) credible evidence of expansion; or (5) relevant overlap in marketing.
27 This is especially true in light of Plaintiffs' failure to disprove (1) the high degree of
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1 care exercised by the parties' respective audiences; (2) the dissimilarity of the marks as
2 they appear in the marketplace; (3) the unrelatedness between TCCI's advocacy efforts
3 and Plaintiffs' printed or electronic manuals; (4) TCCI's good-faith adoption of the
4 nickname "CalCars;" (5) Plaintiffs' use of "Calcar" predominantly as a trade name; and
5 (6) Plaintiffs' fraud on the USPTO at least with respect to computer hardware and
6 telecommunications connections. Plaintiffs' opposition confirms that they have failed
7 to carry their burden to prove a likelihood of confusion or damages.

8 **II. THE COURT SHOULD GRANT DEFENDANTS' MOTION FOR**
9 **SUMMARY JUDGMENT BECAUSE THERE IS AN ABSENCE OF**
10 **EVIDENCE TO SUPPORT PLAINTIFFS' CLAIMS**

11 **A. Plaintiffs' Absence of Evidence**

12 To defeat TCCI's motion, Plaintiffs' cannot "rely merely on allegations or
13 denials," rather, they must "must set out specific facts showing there is a genuine issue
14 for trial." Fed. R. Civ. P. 56(e). If the evidence is "merely colorable, or is not
15 significantly probative," or just raises "some metaphysical doubt as to the material fact,"
16 summary judgment may be granted. *Anderson v. Liberty Lobby*, 477 U.S. 242, 249-50,
17 261, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986). Likewise, a motion for summary
18 judgment cannot be defeated by mere conclusory allegations unsupported by factual
19 data. *Angel v. Seattle-First Nat'l Bank*, 653 F.2d 1293, 1299 (9th Cir. 1981).

20 Plaintiffs cannot survive summary judgment through their speculation, innuendo,
21 and lack of evidence. They cite no case in which a court has denied a defense motion
22 for summary judgment based on a record as devoid of objective proof as what Plaintiffs
23 rely on here. By comparison, on objectively stronger plaintiff's facts, in *Survivor*
24 *Media, Inc. v. Survivor Products*, 406 F.3d 625, 633 (9th Cir. 2005), the Ninth Circuit
25 affirmed a grant of summary judgment in favor of defendants because no material issue
26 of fact was raised reflecting confusion between the marks. In that case, while the
27 suggestive marks differed by only one letter and sounded "nearly identical," the court
28

1 noted they were visually distinctive because of their typical use with other slogans or
2 graphics such that any similarity between “Survivor” and “Survivor” did not help the
3 plaintiff survive summary judgment. *Id.* The goods were not related, despite both
4 parties’ incorporation of a general “outdoor theme,” because there was a lack of record
5 evidence to show customers were likely to associate the products or associate them as
6 coming from the same source. *Id.* There was “scant evidence” of actual confusion (two
7 instances), despite some overlap in marketing channels. *Id.* at 633-34. Additionally, the
8 plaintiff expressed an interest in expansion, but had a “complete inability to adduce any
9 concrete evidence of expansion plans.” *Id.* at 634. The Ninth Circuit also noted another
10 basis for granting summary judgment: the lack of evidence that the plaintiff suffered any
11 damages as a result of the asserted infringement. *Id.* at 634 n.4.¹ Plaintiffs’ similar
12 failure here to raise a genuine issue of material fact as to likelihood of confusion and
13 damages confirms that Defendants’ motion for summary judgment should be granted.

14 Defendants’ opening brief highlighted the following lack of evidence:

- 15 • no financial data relating to Plaintiffs’ sales, revenue, marketing
expenditures, pricing, profits, or product distribution;
- 16 • no admissible or objective evidence of strength, fame, or scope of
protectable use of CALCAR as a trademark;
- 17 • no overlapping goods “sold” by non-profit TCCI to “customers;”
- 18 • no consumer confusion survey or any other admissible evidence of
likelihood of consumer confusion between the parties and their activities;
- 19 • no third party testimony showing any likelihood of harm to Plaintiffs’
because of any association with TCCI;
- 20 • no proof of monetary damage; and
- 21 • no proof of use of the CALCAR mark in commerce on goods such as
computer hardware and telecommunications services.

22 Plaintiffs’ Opposition confirms their lack of proof on these critical issues.

23
24
25 ¹ See also *Matrix Motor Co. v. Toyota Jidosha Kabushiki Kaisha*, 290 F. Supp. 2d 1083,
1092 (C.D. Cal. 2003) (granting defense summary judgment where plaintiff sold race
26 car and parts, and defendant sold passenger cars, finding that “Plaintiff has shown no
evidence of ill will when people buy Plaintiff’s products, that any people have bought
27 one of Plaintiff’s products believing it was a Toyota product (or vice versa), that it has
lost or will lose any goodwill due to Defendants’ use of the TOYOTA MATRIX mark”
28 and that Plaintiff presented no evidence of its own reputation.).

1 Plaintiffs rely on the same allegations as when the Court denied their motion for
2 preliminary injunction, namely that: (1) Calcar, Inc. distributes “millions” of Quick
3 Tips; (2) American Calcar, Inc. owns patents that could relate to hybrid technology; (3)
4 Plaintiffs are expanding into hybrid technology; (4) automobile manufacturers associate
5 CALCAR mark with high-quality goods and services, with Plaintiffs as the source; and
6 (5) Ms. Spiegel read a newspaper article about TCCI, allegedly called Plaintiffs, and
7 was therefore “confused.” This Court did not find that evidence persuasive. (Moore
8 Decl. Ex. 1.)² To supplement this bare record, Plaintiffs have submitted more
9 speculative, self-serving, or otherwise inadmissible testimony of renown and confusion
10 from Plaintiffs’ principal and his wife.

11 Plaintiffs continue to refuse to produce documents and information despite an
12 order compelling production. While simultaneously filing a motion to vacate that order,
13 an order they first chose to willfully violate, Plaintiffs produced over 1,000 pages of
14 heavily redacted shipping receipts for their Quick Tips guides two business days before
15 the motion cut-off. (Confidential Moore Decl. ¶ 10, Ex. 10.) As discussed in
16 Defendants’ opening brief, even if admissible, those shipping receipts do not establish
17 proof of sales or distribution or trademark use of CALCAR.

18 Plaintiffs were aware of the discovery deadlines, and the special extension
19 stipulated to regarding the continued depositions of the parties’ key witnesses, yet
20 refused to make the Obradoviches available. On July 7, 2008, Plaintiffs served their
21 opposition brief with a new-found focus on their Auto-Director software, and over 400
22 pages of additional documents, many attached to Mr. Obradovich’s latest declaration.

23 _____

24 ² For the Court’s reference, as in previous briefs, Defendants use the same naming
25 convention for the supporting declarations cited herein. Aside from the Reply
26 Declaration of Eric Moore (“Moore Reply Decl.”), the declarations cited herein refer to
27 those filed on June 30 and July 7 (designated “Moore Decl.” and “Moore Opp. Decl.”)
28 with Defendants’ opening brief and opposition to Plaintiffs’ motion, respectively.
Likewise, references to Plaintiffs’ declarations are designated with similar abbreviations
to their motion for partial summary judgment and opposition (e.g. “Michael O. Decl.
ISO PMSJ.”)

1 Yet, despite these belated attempts to selectively fill the self-created gaps in the record,
2 Plaintiffs are essentially left with the Declarations of Michael and Karen Obradovich
3 stating their beliefs that “Calcar” is well-known and that TCCI’s use of “CalCars” is
4 confusing. It is well established that “mere speculation is not evidence.” *Survivor* at
5 634 (citing *Paladin Assocs., Inc. v. Montana Power Co.*, 328 F.3d 1145, 1161 (9th Cir.
6 2003).) The Obradoviches’ perception is not proof of *probable* confusion among an
7 appreciable number of reasonably prudent consumers. *See Entrepreneur Media, Inc. v.*
8 *Smith*, 279 F.3d 1135, 1151 (9th Cir. 2002).

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

11 Plaintiffs’ trademark infringement, false designation of origin and unfair
12 competitions claims hinge on whether they can prove a likelihood of confusion between
13 TCCI’s longstanding use of “CalCars” for its non-profit organization’s PHEV
14 awareness efforts on the one hand, and Plaintiffs’ limited, cryptic use of “Calcar, Inc.”
15 on its printed manuals, software demonstrations, and website. *See Walter v. Mattel*, 210
16 F.3d 1108, 1111 (9th Cir. 2000). Plaintiffs have not carried their burden of proof.

17 **1. The Parties Continue to Provide Disparate Products and**
18 **Services**

19 Plaintiffs attempt to create “relatedness” where it does not exist. For example,
20 Plaintiffs point to amorphous automotive patents “including those designed for or usable
21 with hybrid cars” (but not for plug-in hybrid electric technology)³ and the Mazda
22 Tribute Hybrid Quick Tip (which is largely the same as the other instructional manuals)
23 (Opp. at 18), as if the link between the parties can be established through a mere
24

25 _____
26 ³ Asked about the scope of the patents, American Calcar’s 30(b)(6) witness refused to
27 testify based on privilege. (Confidential Moore Opp. Decl. Ex. 2:Yip. Depo. at 171:7-
28 “usable” with a hybrid car is irrelevant, and ownership of a patent application is not a
“service” that confers trademark rights on its owner. (*See id.* at 169:4-171:7.)

1 compatibility of Plaintiffs' products with hybrid cars. (Moore Reply Decl. ¶ 8, Ex. 7
2 (discussing Plaintiffs' patents and their unrelatedness to hybrid vehicles; *also compare*
3 Confidential Moore Decl. Ex. 4 with Moore Decl. Ex. 2.)

4 Through advocacy and demonstration of how PHEVs are viable, TCCI promotes
5 the successful commercialization of PHEVs by whoever is willing to answer the call.
6 (Defendants' Response to Plaintiffs' Genuine Issues of Material Fact ("SGI") ¶¶ 2, 6,
7 11, 13.) Defendants explained and proved that TCCI is a non-profit advocacy
8 organization which does not sell any automotive "products," it is not a "commercial
9 venture," and it has no "customers" *per se*. (Kramer Decl. ¶ 5; Kramer Opp Decl. ¶ 2.)
10 In opposition, Plaintiffs' mischaracterize Mr. Kramer's testimony to paint TCCI as Felix
11 Kramer's for-profit enterprise. (Opp. at 17.) These irrelevant, unfounded, and personal
12 attacks fail to identify what "products" TCCI sells to what customers, much less their
13 relatedness to the products Plaintiffs allegedly brand as "CALCAR."

14 Plaintiffs falsely assert that the parties both make "in-vehicle display systems."
15 (Opp. at 17.) There is no such thing as a "CalCars' CAN-view display," and TCCI does
16 *not* make or market any screen displays. (Kramer Decl. ¶ 25; Moore Opp. Decl. Ex. 1:
17 Kramer I Depo. at 240:2-15; Kramer II Depo. at 344:2-348:2; 563:20-564:10.) The
18 CAN-view circuit board that works with Toyota Priuses or freestanding displays is
19 made by an unrelated third party. (Kramer Decl. ¶ 25; Moore Decl., Ex 44; Kramer II
20 Depo. at 336:3-347:7, 563:3-10.) TCCI only lists that provider on its website among a
21 list of 13 "Hybrid component" companies. (Kramer Decl. at ¶24, Ex. 10.) The list
22 does not identify any products (*id.*) and TCCI and Mr. Kramer do not receive revenue
23 from and do not have an ownership stake in that company's endeavors. (Kramer Opp.
24 Decl. ¶ 24.) What Plaintiffs call the Auto-Director "in-vehicle electronic screen display
25 system" is beta computer *software* that Plaintiffs have yet to sell in the last *eleven* years.
26 (Moore Opp. Decl. Ex. 2; Michael O. Depo. at 44:3-17; Moore Decl. Ex. 41 at ROG 8,
27
28

1 18; Ex. 39 at ROG 1; Confidential Moore Opp. Decl. Ex. 1: Karen O. Depo. at 13:9-16;
2 *Id.* at Ex. 2: Yip Depo. at 152:17-153:6, 39:22-24; *Id.* at Ex. 2.)⁴ *See infra* II.C.1.

3 Plaintiffs also allege that both parties “distribute printed instructional materials that
4 detail the operation and condition of a vehicle, including hybrid vehicles” (Opp. at 17-
5 18), but cite to no evidence to support TCCI’s distribution of such materials, or how their
6 content could at all overlap. In sum, Plaintiffs’ goods and TCCI’s advocacy and
7 development efforts are completely unrelated, such that auto makers, volunteers, or
8 donors are not likely to mistake the two, making this factor strongly favor Defendants.

9 **2. The Parties’ Respective Audiences Are Sophisticated Enough to**
10 **Recognize the Difference Between an Instructional Automotive**
11 **Guide and a Mission to Commercialize PHEVs**

12 Defendants’ motion noted that Plaintiffs’ originally asserted only “approximately
13 twenty” major automobile manufacturers as potential customers, (Moore Decl., Ex. 32:
14 Michael O. Decl. ISO PI ¶¶ 11-12), and that because Plaintiffs’ products are automobile
15 brand-specific, those alleged customers must necessarily be familiar with the goods
16 such that the bulk purchase of those products is neither a casual decision, nor a likely
17 point of hypothetical confusion with TCCI’s activities. In response, Plaintiffs repeat the
18 argument from their preliminary injunction motion that the effect of the high degree of
19 care exercised by sophisticated customers is somehow irrelevant if the marks are
20 similar, and that “initial interest confusion” makes this factor irrelevant. (Moore Opp.
21 Decl., Ex. 9: Mot. for PI at pp. 9-10; Opp. at 21-22.) This attempt to downplay a factor
22 that points squarely in Defendants’ favor is not supported by Ninth Circuit law. *See*

23
24
25 ⁴ As to the flawed argument that the hardware display systems are similar in appearance,
26 the console itself belongs to neither Hybrid Interfaces (CAN-view’s provider) (much
27 less TCCI), nor Plaintiffs: it comes with the car. The display is also different: the CAN-
28 view (offered at www.hybridinterfaces.ca), for example, may show diagnostic tools
specific to how a hybrid or PHEV functions between gas and electric power. (Brookey
Decl. ISO PMSJ, Ex. L at p. 173.) The cited Auto-Director screen shot shows how to
set the date and time. (Michael O. Decl. ISO PMSJ, Ex. C.)

1 *Perfumebay.com, Inc. v. eBay, Inc.*, 506 F.3d 1165, 1176 (9th Cir. 2007) (noting that the
2 relatedness of goods offered and the level of care exercised by the consumer may
3 largely determine initial interest confusion); *Accuride Int'l, Inc. v. Accuride Corp.*, 871
4 F.2d 1531, 1537 (9th Cir. 1989) (noting that the high degree of purchasing care factor
5 weighs heavily against a likelihood of confusion in the relevant purchasing population).
6 Plaintiffs' argument that "even a knowledgeable, careful consumer *could* assume that
7 the parties are affiliated" is an unsupported hypothetical – nothing more. (Opp. at 21
8 (emphasis added).)

9 At other points in their opposition, Plaintiffs argue that the relevant consuming
10 public is larger than the original "twenty automakers" that Plaintiffs approach via cold
11 calls, mass mailings, and personal contacts. But Plaintiffs' recent attempt to expand the
12 purchasing group to (undefined) "first-tier" suppliers of automobile parts and systems,
13 and "anyone who may have a use for licensing Calcar's [automotive] technology" is as
14 unsupported by the evidence as their unsubstantiated "contacts" with the original twenty
15 automakers. (See Defendants' Response to Plaintiffs' SGI ¶ 42.) Plaintiffs failed to
16 identify these groups, points of contact, what materials they were shown, when and how
17 many times those communications were received or responded to, and there is no
18 documentary evidence supporting sales to any of them. (Conf. Moore Decl. Ex. 5 at
19 ROG 17) (asking for all points of contact with each of its clients in the auto industry
20 who have purchased, or have considered purchasing CALCAR products or services.) In
21 response to an interrogatory asking for proof of sales of *each* "CALCAR" branded
22 product and service sold from 2000-2008, Plaintiffs produced a chart showing a total of
23 *eight* automakers (and only two clients in the last two years) that allegedly purchased
24 Quick Tips and Start-Up guides (and no other products or services) at an undisclosed
25 price. (Confidential Moore Decl., Ex. 2.) Also, Plaintiffs have only one current patent
26 licensee. (Conf. Moore Opp. Decl., Ex. 2: Yip Depo. at 53:5-10.) Plaintiffs cannot
27 retreat from their responses to avoid summary judgment.

28

1 Even assuming as true Plaintiffs' mischaracterization that TCCI "consumers" are
 2 "anyone who is exposed to CalCars' print or electronic products or who hears CalCars'
 3 political message" (Opp. at 16), if everyone "shopping" for information on PHEVs on
 4 the internet or in the media is the relevant "consumer," where is the evidence of anyone
 5 being confused? Plaintiffs fail to explain how this expanded theory of the relevant
 6 consuming public negates the degree of care exercised by either Plaintiffs' clients, or
 7 TCCI's volunteers or donors. This factor strongly favors Defendants.

8 **3. After Six Years of Coexistence and Almost a Year of Discovery**
 9 **Plaintiffs Confirm There is No Relevant Actual Confusion**

10 The Ninth Circuit observed in *Brookfield Comm'ns., Inc. v. West Coast Entm't*
 11 *Corp.*, 174 F.3d 1036, 1050, (9th Cir. 1999), that "[w]e cannot think of more persuasive
 12 evidence that there is no *likelihood* of confusion between these two marks than the fact
 13 that they have been simultaneously used for five years without causing any consumers
 14 to be confused as to who makes what." To avoid this damning conclusion, Plaintiffs
 15 proclaim to have "persuasive proof" of future confusion in the form of: the instance of
 16 an environmental consultant (Mrs. Spiegel) allegedly leaving a message for TCCI on
 17 Plaintiffs' voicemail over a year ago, inquiring about a demonstration of the converted
 18 Toyota Prius; and the deposition testimony of BMW's 30(b)(6) representative
 19 purportedly exhibiting confusion. (Opp. at 19-20.) First, the voice message is
 20 inadmissible hearsay; unsubstantiated by a sworn statement from Ms. Spiegel herself;
 21 and is, at best, evidence that Ms. Spiegel dialed the wrong phone number. (Defendants'
 22 Evid. Objections (DKT 126) at p. 31-32.) Even so, under the relaxed evidentiary
 23 standards of a preliminary injunction proceeding, this Court already noted that the
 24 voicemail was *de minimus* evidence of actual confusion. (Moore Decl. Ex. 1 at p. 11 &
 25 n.1.) Second, there can be no actual marketplace confusion during a deposition when
 26 the declarant has no knowledge of what the parties offer, much less a belief that one
 27 parties' goods or services are those of another. For context, Plaintiffs subpoenaed
 28

1 BMW for the person most knowledgeable on the CALCAR mark with respect to
2 automotive goods and services; the reputation of the mark within the automotive
3 industry; communications with American Calcar, Inc.; Plaintiffs' patents; TCCI and Mr.
4 Kramer; hybrid technology with respect to BMW cars; and hybrid technology with
5 respect to TCCI and Mr. Kramer. (Moore Reply Decl. Ex. 5.) BMW's 30(b)(6) witness
6 had never heard of TCCI or Mr. Kramer before the deposition, and his only familiarity
7 with "Calcar" was as the name of the company that sued BMW for patent infringement.
8 (Moore Opp. Decl. Ex. 4: Klein Depo. at 48:2-51:19; also 23:19-26:22, 28:22-30:6;
9 22:14-24.) Further, this purported evidence cannot be used as a "proxy for all the
10 members of the public who read [a] newspaper article and think the entity known as
11 CALCAR/CALCARS is hounding the automotive industry" or "compelling evidence of
12 future likelihood of confusion" by the very automakers who are not aware that they are
13 allegedly being hounded. (Opp. at 20.)

14 Elsewhere in Plaintiffs' opposition regarding post-sale confusion, they assert that
15 there was a "sudden loss of interest" from Toyota and Maserati (two automakers which
16 have not been Plaintiffs' clients in the last eight years) (Confidential Moore Decl. Ex.
17 2), which Mrs. Obradovich believes is attributable to "confusion with CalCars' and
18 prejudice against CalCars' political message." (Karen O. Decl. ISO PMSJ at ¶ 5.) Like
19 all of the other statements used to support their claims, Plaintiffs rely on pure
20 speculation: "[t]his is my belief. If I knew for a fact, believe me, I would be telling you
21 for a fact. I don't know for a fact. It's a belief I have." (Confidential Moore Opp. Decl.
22 Ex. 1: Karen O. Depo. at 52:24-53:7.)

23 Additionally, Plaintiffs do not factually dispute that in six years, nobody has ever
24 approached TCCI in actual confusion with Plaintiffs. (Defendants' Response to
25 Plaintiffs' SGI ¶ 54.) And Plaintiffs do not explain why, in spite of the Court's tentative
26 ruling on their scant evidence in support of the preliminary injunction, they failed to
27 supplement their proof with a consumer confusion survey – the other extra-judicial type
28

1 of evidence of confusion. *Glow Indus. v. Lopez*, 273 F. Supp. 2d 1095, 1125 (C.D. Cal.
2 2002) (citing *Cairns v. Franklin Mint, Co.*, 24 F. Supp. 2d 1013, 1040 (C.D. Cal.
3 1998).) There is no genuine issue that this factor strongly favors Defendants.

4 **4. The Lack of Recognition or Renown of CALCAR Belies its**
5 **Strength as a Source-Identifier of Plaintiffs' Goods and Services**

6 Plaintiffs' opposition relies on three things to support the strength of the
7 CALCAR mark: (1) Michael and Karen Obradovich's statements that people in the
8 automotive industry react positively "to mention of the CALCAR mark;" (2) "the extent
9 of Calcar's marketing of printed products, electronic products, and patent technology;"
10 and (3) a purported "concession" by Mr. Kramer that the mark is arbitrary. (Opp. at 16-
11 17.)⁵

12 First, both Obradovich declarations are purely speculative and unsupported by
13 tangible or credible evidence. (*See* Defendants' Evidentiary Objections to the
14 Declarations of Michael and Karen O.) For example, Mrs. Obradovich states that
15 people at "industry functions" are familiar with "Calcar" products such as Quick Tips,
16 yet does not name a single "industry function," or type of person in attendance. (Karen
17 Decl. ¶ 2.) This generalization is unsupported by any evidence whatsoever that any auto
18 industry third parties recognized Plaintiffs or their "CALCAR" trademark. Plaintiffs
19 provide no objective evidence of marketplace recognition, advertising or promotional
20 expenditures, proof of advertising, promotional expenditures, sales revenue, surveys,
21 third party testimony, website visits, or other indicia of strength or renown that might
22 suggest that automakers, let alone the consuming public, know of "Calcar." *See*
23 *Brookfield*, 174 F.3d at 1058 (finding mark weak in spite of federal and state

24
25 _____
26 ⁵ To the extent Plaintiffs rely on the incontestability of their fraudulently obtained
27 registration as evidence of strength, "even where a trademark is incontestable ... the
28 significance of its presumed strength will depend upon its recognition among members
of the public." *Therma-Scan, Inc. v. Thermoscan, Inc.*, 295 F.3d 623,632 (6th Cir.
2002). Here, there is none.

1 registrations and \$100,000 in advertising because plaintiff failed to “come forth with
2 substantial evidence establishing the widespread recognition of its mark.”); *see also*
3 Moore Decl., Ex. 50 at RFPD 68-70. Additionally, Plaintiffs’ do not exclusively use
4 “Calcar” in the industry and ignore uses like calcarcover.com, Defendants’ use of
5 CalCars and CalCars.org for six years, and a car dealership’s use of calcar.com. (Moore
6 Opp. Decl., Ex. 5; Kramer Decl. at ¶ 13; Moore Decl., Ex. 11.)

7 Second, Plaintiffs have provided no proof of the extent of marketing of its
8 suddenly-growing list of purported products. As mentioned above, they produced no
9 accounting of marketing or advertising – either factual or financial. Their “printed
10 products,” Quick Tips (which do not use “Calcar” as a trademark), are supported by a
11 one-page summary Plaintiffs ginned up long after the close of discovery. (Confidential
12 Moore Decl. Ex. 2.) Their “electronic products,” Auto-Director, a sample of which was
13 not produced until June 11, 2008 and almost 300 screen shots of which were produced
14 as late as July 7, 2008, were not subject to any cross-examination, were never sold and
15 there is no record of *who* they were marketed to, or when – in the last eleven years since
16 the product was first developed –the software was demonstrated. (Defendants’
17 Response to Plaintiffs’ SGI ¶ 33, 52-53.) Their “patent technology” has garnered them
18 some recognition from the automakers it has chosen to sue for patent infringement, and
19 only resulted in one license agreement. (Conf. Moore Opp. Decl., Ex. 2: Yip Depo. at
20 53:5-10.) Additionally, the handful of pages of “promotional” material produced, which
21 include business cards, are unsupported by any evidence of distribution and often
22 indicate outdated website and contact information. (*See, e.g.*, Moore Decl, Ex. 5,
23 CALCAR 18-27 pointing to www.calcar1.com, a now defunct website.) Third, Mr.
24 Kramer did not concede that the mark is strong or arbitrary. Strength of a mark is a
25 legal issue, and Mr. Kramer’s lay opinion was based on the fact that the “Calcar” mark
26 had no specific meaning to him absent any context for the term. As they do throughout
27 their Opposition, Plaintiffs fail to recognize that context matters. (*See infra*, Section
28

1 II.C.1.) Plaintiffs can have a product labeled front-to-cover with the CALCAR mark,
2 but if they cannot prove appreciable widespread recognition of the mark by the relevant
3 consuming public, they cannot prove that the mark is strong. *See Brookfield*, 174 F.3d
4 at 1058

5 Accordingly, even if Plaintiffs used CALCAR as a trademark, and even if the
6 mark were conceptually strong, the record is devoid of evidence of strength or renown
7 that might suggest that automakers, let alone the consuming public, know of “Calcar.”
8 As such, Plaintiffs’ mark is weak.

9 **5. Plaintiffs Admit They Have No Intention of Expanding Into**
10 **Hybrid Technology Per Se**

11 Plaintiffs cite *Survivor*, 406 F.3d at 634, in order to redirect this Court’s inquiry
12 on “whether existence of the allegedly infringing mark is hindering the plaintiff’s
13 expansion plans,” (Opp. at 23) but fail to address how TCCI’s presence is doing this, or
14 that Plaintiffs have actual plans to expand. Plaintiffs do not dispute that they admitted
15 in discovery that they “have no intention of expanding into hybrid technology per se but
16 that their products, Quick Tip guides, could be used in cars with internal combustion
17 engines or, theoretically, in hybrid cars as well.” (Defendants’ Response to Plaintiffs’
18 SGI ¶ 47; Moore Decl. Ex. 41 at ROG 18, RFPD 54-55.) With nothing but a
19 “theoretical” link between their products and TCCI’s advocacy efforts, Plaintiffs focus
20 on the never-commercialized Auto-Director software in an attempt to bridge the gap
21 between the parties’ unrelated “goods.” As with their reliance on certain patents (*see*
22 *supra* Section II.B.1 and fn. 3), whether Plaintiffs have products that “may be
23 applicable” to hybrid technology – for example, merely because all hybrid cars have
24 internal combustion engines – is not evidence of expansion. By analogy, that “tires” are

1 used on hybrids does not mean tire companies are expanding into hybrid technology.⁶
2 Regardless, there needs to be a “strong possibility of expansion into competing markets”
3 in order to show a likelihood of confusion. *M2 Software, Inc. v. Madacy Entm’t*, 421
4 F.3d 1073, 1085 (9th Cir. 2005) (discrediting plaintiff’s claim of expansion into general
5 retail distribution of audio CDs because it had only sold 215 audio CDs in ten years).
6 Here, Plaintiffs developed Auto-Director eleven years ago but have yet to sell a single
7 copy, and have only obtained one license of its other technology. With no proof of
8 expansion, this factor weighs in Defendants’ favor.

9 **6. There is an Insufficient Overlap of Marketing Channels**

10 As the Court previously recognized, the fact that both parties have websites does
11 not create persuasive overlap of marketing channels (Moore Decl., Ex. 1 at p. 9), yet
12 Plaintiffs again push that argument. (Opp. at 20.) Plaintiffs do not rebut the fact that
13 they do not even track who has visited their website and that the username/password
14 section of the website is inoperative and failed to point to any evidence that those
15 visiting Plaintiffs’ website are the same people who are searching for information on
16 PHEVs. (Defendants’ Response to Plaintiffs’ SGI ¶¶ 37-38.) Their ownership of a
17 website adds nothing to the analysis without proof of who uses it.

18 Although Plaintiffs argue, without legal support, that this Court should ignore the
19 purpose and content of the parties’ marketing (and erroneously contend that the parties
20 are “promoting and marketing very similar goods”), it is undisputed that when TCCI has
21 communicated with representatives of automobile manufacturers, it is through
22 sophisticated high-level media representatives, managers, and engineers who are
23 sensitive to environmental issues – not with those involved in purchasing decisions for
24 what is included in a bundle of materials given to new car buyers. (Moore Decl., Ex.

25
26 _____
27 ⁶ Although Mr. Obradovich’s declaration, like his first a year ago, refers to Plaintiffs
28 “recently hiring additional technical R&F staff to develop this technology,” Plaintiffs
refused to identify those alleged hires in discovery. (Moore Decl., Ex. 53 at RFPD 82.)

1 45: Gremban Depo. at 145:3-146:18; Ex. 54.)

2 In opposition, Plaintiffs now argue that “both companies market directly to the
3 same automotive industry, including the same automaker companies and the same
4 technology departments within those manufacturers.” (Opp. p. 20; Michael O. Opp.
5 Decl. ¶ 18.) But Plaintiffs do not support the statement that they target “the same
6 technology departments” and in fact, their only declared points of contact with
7 automakers consisted of two in-house counsel and a chief financial officer.
8 (Confidential Moore Decl. Ex. 5 at ROG 17.) Plaintiffs fail to address Defendants’
9 point that the automotive industry is large, as are the manufacturing companies within it,
10 such that the purpose of the parties’ marketing would lead them to very different
11 contacts and minimize any potential marketing overlap. *See, e.g. Switchmusic.com, Inc.*
12 *v. U.S. Music Corp.*, 416 F. Supp. 2d 812, 824 (C.D. Cal. 2006) (no overlap in
13 marketing channels even though parties’ guitars both appeared in the same buyer’s
14 guide and both were listed as exhibitors at a trade show, noting “numerous
15 manufacturers’ guitars are depicted in the buyer’s guide” and the parties’ guitars “never
16 appear on the same or neighboring pages.”)

17 **7. As They Appear in the Marketplace, the Marks are Dissimilar**

18 The parties agree that similarity is determined by appearance, sound, and meaning
19 when considered in the marks’ entirety as they appear in the marketplace. *See*
20 *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). Regarding
21 meaning, “CalCars” is a direct reference to the words “California Cars” in TCCI’s name.
22 (Kramer Decl. ¶ 4.) Plaintiffs allege that “Calcar” is Latin for “spur,” “intended to
23 convey the concept of rider spurring on a willing horse.” (Moore Decl., Ex. 33 at ¶ 3.)
24 Other obscure English-language definitions for “calcar” include a definition in anatomy
25 as “spur,” and in “*The Transformers*,” a toy characterized as “a near-unfeeling machine
26 with flawless memory for military history and tactics. And evil.” (Moore Opp. Decl.,
27 Exs. 6-7.)

28

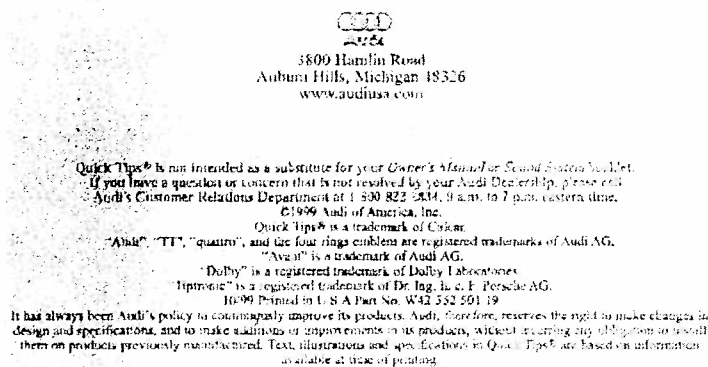
1 Plaintiffs allege that there are "many instances of the words CALCAR and
2 CALCARS being presented alone to represent the respective parties and their products or
3 activities," yet the total of five documents provided in support of this contention prove
4 TCCI's point: for example, the word "Calcar" is used as a reference to the company, e.g.
5 "Calcar's Quick Tips" or "Calcar Announces..." or "Quick Tips is a trademark of
6 Calcar." (Opp. at 19, citing Michael O. Opp. Decl. ¶ 17, Ex. J.) When Plaintiffs refer to
7 their company names alone, as already discussed, that is not trademark use. Regardless,
8 the following examples show that, as they appear in the marketplace, the parties'
9 respective names and marks are neither identical, nor confusingly similar:

10 Parties' "Website Banners" (Michael O. Opp. Decl. Ex. I; Moore Decl. Ex. 13):



13 Plaintiffs' "Products" (Moore Decl. Ex. 2; Michael O. Decl. ISO PMSJ Ex. C):

14 *Back copyright page of Audi Quick Tips*



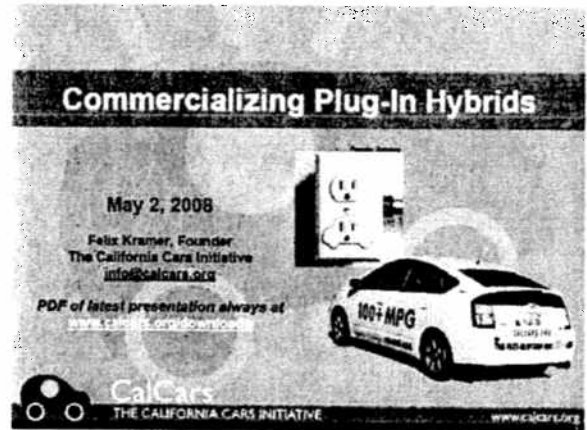
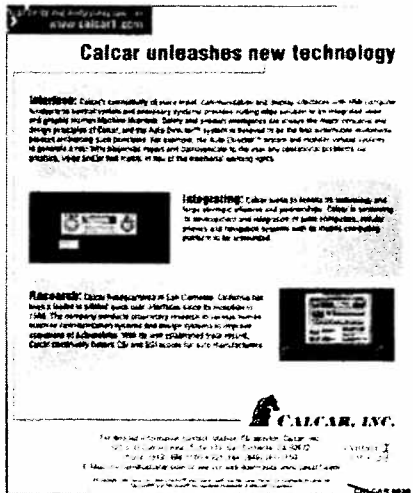
16 *Screen shot of beta Auto-Director Software*



18 Defendants' "Products" (Kramer Decl. ¶ 17):



1
2 "Promotional Materials" (Michael O. Opp. Decl. Ex. I; Kramer Decl. Ex. 4):



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4
5
6
7
8
9
10 ©Copyright 1998 Calcar, Inc. "Auto Director™" and "Quick Tips®" and the Calcar "Horse" are trademarks of Calcar, Inc.
11 "Microsoft®" and "Windows®" are registered trademarks of Microsoft Corporation.

12 Additionally, in third-party articles, TCCI's name "CalCars" is typically preceded
13 by the full name that it abbreviates, "The California Cars Initiative," and/or often with
14 the fact that the company is a non-profit, along with its .org website. (Moore Decl. Ex.
15 43; Kramer Depo. at 98:4-9; Moore Reply Decl. Ex. 8; Kramer Decl. ¶ 17.)

16 When the Court considers the differences in how the names – including
17 accompanying slogans, designs, and graphics—appear on the parties' materials, this
18 factor weighs in Defendants' favor or at the very least, favors neither party. Cf.
19 *Survivor*, 406 F.3d at 633.

20 **8. TCCI's Good Faith Adoption of "CalCars" is Unquestionable**

21 *Sleekcraft's* "intent" factor looks to evidence of bad faith in a defendant's
22 adoption of the accused mark – whether a defendant adopted a mark with the intent to
23 capitalize on the goodwill or reputation of a plaintiff's trademark rights. *Brookfield*,
24 174 F.3d at 1059. Plaintiffs do not, and cannot, dispute that Mr. Kramer adopted
25 "CalCars" without any knowledge of Plaintiffs or "Calcar." (Moore Decl., Ex. 37 at
26 ROG 10; Kramer Decl. ¶ 18.) He adopted the nickname "CalCars" for reasons having
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28

1 nothing to do with Plaintiffs. (*Id.* at ¶ 4; Moore Decl., Ex. 43: Kramer Depo. at 53:16-
2 54:2.)

3 Plaintiffs' "evidence" of bad faith consists of a character attack on Mr. Kramer,
4 and alleged constructive knowledge of the mark or failure to conduct a trademark
5 search. (Opp. pp. 22-23.) First, there is no evidence that Mr. Kramer is using the
6 "CalCars" name to promote himself or to "sell" products, and the record is clear that
7 TCCI does not and will not offer products for sale. Moreover, contrary to Plaintiffs'
8 argument (Opp. at 22), there is no affirmative duty for every trademark user to conduct
9 a trademark search, lest they be found a willful infringer. *Int'l Star Class Yacht Racing*
10 *Ass'n v. Tommy Hilfiger USA, Inc.*, 80 F.3d 749, 754 (2d Cir. 1996), is inapposite, as
11 that case involved a situation in which a company received attorney advice to conduct a
12 search and ignored that advice. As the Court recognized in its tentative preliminary
13 injunction order (Moore Decl., Ex. 1 at p. 10), *even if* Mr. Kramer had known of
14 Plaintiffs' registration for CALCAR, nothing about that registration, which covered
15 goods such as "computer hardware" and "computer software for use in
16 telecommunications" would have suggested that TCCI's use of "CalCars" on TCCI's
17 distinct advocacy efforts would pose a problem. (Kramer Opp. Decl., at ¶4);
18 *Blockbuster Videos v. City of Tempe*, 141 F.3d 1295, 1300 (9th Cir. 1998) (finding that
19 infringement is not willful if the defendant "might have reasonably thought that its
20 proposed usage was not barred by the statute.") This factor weighs in TCCI's favor.

21 **C. Plaintiffs Are Not Entitled to Any Presumptions Stemming from a**
22 **Trademark Registration That Was Fraudulently Obtained, And is**
23 **Otherwise Narrow in Scope**

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

26 Plaintiffs failed to disprove that their CALCAR trademark registration was
27 obtained through fraud on the USPTO regarding their trademark use on goods and
28

1 services such as computer hardware in class 9 and telecommunications services in class
 2 38, and in fact conceded the point.⁷ (Moore Decl. Ex. 9; Defendants' Response to
 3 Plaintiffs' SGI ¶¶ 52-53.) Auto-Director is *not* computer hardware, even if Mrs.
 4 Obradovich – who does not handle any of the technological sides of Plaintiffs' business
 5 – thinks that it is. (Confidential Moore Opp. Decl., Ex. 1: Karen O. Depo. at 13:19-23.)
 6 Plaintiffs try to salvage the registration by arguing that Auto-Director may be “used
 7 with computer hardware;” but that does not make it computer hardware. Likewise, that
 8 it may “utilize” or “relate to” telecommunications services does not make it a product
 9 that offers such services. (Michael O. Opp. Decl. ¶ 4.) In discovery, Defendants asked
 10 for proof of Plaintiffs' use of the CALCAR mark on each of the goods and services
 11 listed in the registration. (Moore Decl., Ex. 34: Kramer ROG 12, 1st RFPDs 21-24 and
 12 90-93, 94.) Plaintiffs never produced any “computer hardware” or any proof that it
 13 offered telecommunications services to any customers (*i.e.* the Class 38 component of
 14 its registration). Plaintiffs' misrepresentations are undisputed.

15 Plaintiffs do not dispute the law cited in Defendants' opening brief relating to
 16 fraud on the USPTO, or that it is a strict liability offense. It is clear that one
 17 misrepresented good is enough to cancel the entire registration, and innocence or
 18 mistake is no defense. *See, e.g. Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q.2d (BNA)
 19 1205, 1209-10 (T.T.A.B. 2003) (rejecting lack of subjective intent argument and
 20 cancelling entire registration because the applicant's statement of use claimed that the
 21 mark was in use on catheters and stents, but the mark had never been used on stents);
 22 *see also Herbaceuticals, Inc. v. Xel Herbaceuticals, Inc.*, 86 U.S.P.Q.2d 1572 (TTAB
 23

24 ⁷ Plaintiffs also fail to sufficiently address the other identified goods which Defendants
 25 believe have never been a part of Plaintiffs' products or used in commerce, such as
 26 computer software for use in *weather reporting, messaging, global positioning,*
 27 *database access, imaging,* and pre-recorded software on CD-Rom relating to *global*
 28 *computer networks,* and *telecommunications* in class 9, but because one
 misrepresentation is sufficient to constitute fraud, Defendants need not further
 distinguish how Plaintiffs' goods do not relate to the above categories.

1 March 7, 2008). Given Plaintiffs' admitted misrepresentations set forth above, the
2 Court should cancel the registration as invalid. *See, id.*; 15 U.S.C. § 1119 (granting
3 courts power to invalidate registered marks to rectify the register); 15 U.S.C. §
4 1115(b)(1) (Defendants' invalidity defense includes a registration fraudulently
5 obtained.)

6 Side-stepping the issue of their lack of use on "computer hardware" or
7 "telecommunications services," Plaintiffs argue that the Auto-Director embodies "all the
8 functionality" of the registration, and that an actual sale was not required. That
9 argument is wrong as well. Plaintiffs offer no objective evidence that the Auto-Director
10 product was marketed "in a way sufficiently public to identify or distinguish the marked
11 goods in an appropriate segment of the public mind as those of the adopter of the mark"
12 (Opp. at 7). The Ninth Circuit's opinion in *New West Corp. v. NYM Co. of California,*
13 *Inc.*, 595 F.2d 1194 (9th Cir. 1979), provides guidance. In *New West*, the court
14 determined that prior advertising of a mark for a new magazine was sufficient to
15 establish use of the mark when that advertising was followed by receipt of 13,500
16 subscriptions for that magazine. *Id.* at 1200. Thus, there was an offering for sale,
17 followed by an execution of sales. Here, while Plaintiffs claim that they marketed the
18 Auto-Director product (and that it bears the CALCAR mark) – without identifying who
19 received the marketing, or when it occurred – they admit that there has not been a single
20 sale or delivery of these products in the 11 years since its first development. Any
21 development-stage demonstrations, even if substantiated with appropriate back-up
22 information, are insufficient to establish trademark use and trademark rights. *See*
23 *Brookfield*, 174 F.3d at 1052. Consequently, Plaintiffs' reliance on the Auto-Director
24 beta product to support its use of the mark CALCAR on "computer software" or other
25 goods and services alleged in its registration and later renewal necessarily fails.

26 Without its federal registration, Plaintiffs' claim for infringement of a registered
27 mark under 15 U.S.C. § 1114(1) necessarily fails, and they are left to their limited or
28

1 non-existent common law rights in the term “CALCAR.”

2 **2. Whatever Trademark Rights Plaintiffs Have Are Limited**

3 Plaintiffs claim they use “Calcar” as a house mark in conjunction with their Quick
4 Tips, Start-Up Tips, and Auto-Director marks, and on their promotional materials and
5 website. With the exception of the newly produced Auto-Director samples, Defendants
6 addressed each of these categories of “use” in their opening brief (Mot. at 9-11),
7 describing the non-trademark, miniscule text used to refer to the company “Calcar” in
8 each of these guides. Plaintiffs’ opposition does not address these arguments, and
9 merely concludes that “the CALCAR mark is inextricably linked” with Plaintiffs’
10 goods, without explaining or distinguishing its house mark theory. Regardless,
11 Plaintiffs acknowledge that a house mark must serve to indicate the origin of the
12 product (Opp. p. 4 (citing *Quicksilver Inc. v. Kymsta Corp.*, 466 F.3d 749, 757 (9th Cir.
13 2006)) such that Plaintiffs must also prove its recognition among the relevant
14 consuming public. Plaintiffs have not even tried to do so.

15 Plaintiffs point to no evidence that anybody outside of a select group of
16 individuals personally approached by the Obradoviches, among a finite set of major
17 automakers, has heard, or would have occasion to hear, of “Calcar.” (Confidential
18 Moore Decl. Ex. 9: Karen O. Depo. at 125:18-127:9; Ex. 1; Moore Decl. Ex. 33 at ¶¶
19 11-12.) Nor do they point to non-speculative evidence that anyone recognizes
20 “CALCAR” as a trademark versus the name of a company. Accordingly, Defendants
21 have sufficiently rebutted any presumption of validity Plaintiffs’ fraudulent registration
22 could provide.

23 **D. Plaintiffs’ Varying Theories of Confusion Conflict With Each Other**
24 **and Are Unsupported by the Evidence**

25 Plaintiffs’ Opposition inaccurately accuses Defendants of ignoring certain
26 meritless claims in Plaintiffs’ opening brief. First, Defendants have discussed, in detail,
27
28

1 the factors that are relevant to any analysis of “initial interest confusion” or “reverse
2 confusion” in the above discussion of the likelihood of confusion factors.

3 Plaintiffs make much of the “internet trinity” without acknowledging that this
4 record does not favor them in either a “troika” analysis, or in light of the totality of
5 likelihood of confusion factors favoring Defendants. *Perfumebay.com*, 506 F.3d at
6 1176 (“actionable initial interest confusion on the Internet is determined, in large part,
7 by the relatedness of the goods offered and the level of care exercised by the
8 consumer.”) (quoting *Interstellar Starship Servs. v. Epix, Inc.*, 304 F.3d 936, 945 (9th
9 Cir. 2002).) Mere similarity in domain names is irrelevant to the likelihood of
10 confusion analysis. *First Franklin Fin. Corp. v. Franklin First Fin., Ltd.*, 356 F. Supp.
11 2d 1048, 1052 (C.D. Cal. 2005) (quoting *Brookfield*, 174 F.3d at 1055) (“Certainly, it is
12 true that anyone manually typing the URL www.Franklinfirstfinancial.com will find
13 defendant's website, but such persons would only do so, in all likelihood, in an attempt
14 to specifically locate defendant's website and would in no way be confused.”) With no
15 evidence of an internet presence, or evidence that even their few clients search for, or
16 utilize, the calcar.net website, this theory is yet another, inapplicable hypothetical.

17 Second, Plaintiffs failed to plead the distinct claim of reverse confusion, which
18 requires that a junior user dominate the senior user in the relevant market, and they
19 waived this theory by insisting on pursuing their fame-based dilution cause of action
20 through the filing of dispositive motions, and by maintaining that they are renowned
21 among the automotive industry. *See Surfivivor*, 406 F.3d at 631 (declining to consider
22 forward confusion because plaintiff's claim focused on reverse confusion and forward
23 confusion was insufficiently pled in the complaint).

24 Similarly, Plaintiffs' “post sale confusion” argument fails for the sheer fact that
25 TCCI has no “products” that are redistributed post-sale.⁸ Finally, Defendants decline to
26

27 ⁸ Plaintiffs cite *Karl Storz Endoscopy-America, Inc. v. Surgical Techs., Inc.*, 285 F.3d
28 848 (9th Cir. 2002) and *Payless Shoesource, Inc. v. Reebok Int'l Ltd.*, 998 F.2d 985,

(Continued...)

1 address Plaintiffs' bald assertion that there are special considerations raised by TCCI's
2 allegedly "political" message, as the law affords none and the evidence does not warrant
3 creating a new likelihood of confusion factor based on Plaintiffs' and counsel's
4 conjecture about perceptions of those in the automotive field.

5 **E. Defendants Should be Granted Summary Judgment on Plaintiffs'**
6 **Damages Claim**

7 Plaintiffs argue that Defendants' motion on damages is "moot" because they have
8 abandoned their "claim for economic damages" even though they now seek corrective
9 advertising damages. (Opp. at 23.) At the same time, they argue that they did plead
10 corrective advertising damages because their Complaint's prayer sought "monetary
11 damages," for which prospective corrective advertising damages are a surrogate.⁹ (*Id.* at
12 25 n.15.) Plaintiffs cannot have it both ways: if they plead it, they waived it. And
13 Plaintiffs' argument that their damages waiver is limited to past damages, (*id.* at 24), is
14 belied by at least the 28 contrary statements Defendants identified in the opening brief.

15 Defendants deny that they failed to produce evidence to support their damages
16 claim, but do not point to any supporting evidence. (*Id.* at 24.) In fact, neither
17 Plaintiffs' answer to Defendants' contention interrogatory on damages, nor Plaintiffs'
18 30(b)(6) witnesses on damages, ever mentioned prospective corrective advertising.
19 Moreover, Plaintiffs never submitted an expert report on damages. While prospective
20 corrective advertising damages may indeed be established by the amount of advertising

21 _____
22 (...Continued)

23 989-90 (Fed. Cir. 1993), which recognize that post-sale confusion is actionable, but deal
24 with highly-related, competing *products*. In *Au-Tomotive Gold, Inc. v. Volkswagen of*
25 *Am., Inc.*, 457 F.3d 1062, 1076-79 (9th Cir. 2006), the defendant intentionally and
26 exactly copied Volkswagen and Audi marks and sold products bearing those marks; the
27 court noted that defendant's disclaimer on the packaging was not useful when removed
28 post-sale. None of these cases are applicable to the instant facts.

⁹ Prospective corrective advertising damages are "monetary damages," because the
damages statute, 15 U.S.C. §1117 allows recovery of only "(1) defendant's profits, (2)
any damages sustained by the plaintiff, and (3) the costs of the action." Prospective
corrective advertising damages are neither defendants' profits nor costs.

1 expenditure necessary to restore an infringed mark to the value it enjoyed before the
2 infringement, Plaintiffs have never identified in pleadings, discovery or an expert report
3 the initial or post-infringement value of the Calcar mark, or the dollar amount of
4 advertising necessary to restore any lost value, and should be barred from doing so at
5 trial. *See Nat'l Fire Prot. Ass'n, Inc. v. Int'l. Code Council, Inc.*, 2006 WL 839501 at
6 *30 (D.Mass. 2006) (granting defendant summary judgment on plaintiff's corrective
7 advertising claim because plaintiff "never claimed in its discovery responses, its Rule
8 26(a) damage disclosures, or in its 30(b)(6) witness testimony that it has ever conducted
9 a corrective advertising campaign, or that it plans to do so" and estimated its cost of
10 corrective advertising for the first time after the close of discovery).

11 Plaintiffs rely on *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988-89 (9th Cir. 1995)
12 (reversing refusal to instruct jury on corrective advertising damages), and *Mirage*
13 *Resorts, Inc. v. Cybercom Prods.*, 228 F. Supp. 2d 1141, 1142 (D. Nev. 2002) (granting
14 uncontested request for corrective advertising damages), for the unremarkable
15 proposition that Defendants bear the burden of showing that Plaintiffs' corrective
16 advertising figure based on 25% of Defendants' accused advertising expenses is
17 unreasonable. *See also West Des Moines State Bank v. Hawkeye Bancorporation*, 722
18 F.2d 411, 414 (8th Cir. 1983) (reversing and remanding for recalculation of defendants'
19 advertising expenses to remove sum spent on materials not exposed to the public). That
20 proposition is irrelevant here because Plaintiffs have never carried their burden of
21 coming forward with evidence to shift the burden to Defendants.¹⁰

22 Plaintiffs never identified in pleadings, discovery or expert report either the sum
23 requested for corrective advertising or the amount Defendants allegedly spent on the
24

25 ¹⁰ Moreover, Plaintiffs should not be permitted to, on the one hand, shift such a burden
26 onto Defendants, while, on the other hand, simultaneously depriving Defendants of the
27 evidence it could use to meet that burden, *i.e.* improperly refusing to produce to
28 Defendants the financial information that would show that Defendants have in no way
injured Plaintiffs' mark.

1 infringing advertising. Moreover, even though a prospective corrective damages claim
2 should “not exceed the damage to the value of [plaintiff’s] mark,” *Adray*, 76 F.3d at
3 989, Plaintiffs have never identified in pleadings, discovery or an expert report the
4 damage to the value of their mark. *Accord, Zazu Designs v. L’Oreal, S.A.*, 979 F.2d 499,
5 506 (7th Cir. 1992) (“To justify damages to pay for corrective advertising a plaintiff
6 must show that the confusion caused by the defendant’s mark injured the plaintiff and
7 that ‘repair’ of the old trademark, rather than adoption of a new one, is the least
8 expensive way to proceed.”). Nor have Plaintiffs shown a factual basis for equating
9 cost of advertising with its damages. *Cf Gillette Co. v. Wilkinson Sword, Inc.*, 1992
10 U.S. Dist. LEXIS 1265, *14-15 (S.D.N.Y. Jan. 31, 1992) (cost-of-advertising damages
11 permissible only if “it is reasonable to suppose that if a defendant spends x amount on
12 an advertising campaign, a competitor (plaintiff) is likely to lose x amount as a result of
13 that advertising campaign”). Because Plaintiffs never produced in discovery any
14 evidence or assertion on these factual bases for their prospective corrective advertising
15 damages claim, Defendants have nothing to rebut, and summary judgment should be
16 granted.

17 **III. CONCLUSION**

18 For all of these reasons, the Court should grant Defendants summary judgment.
19

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Respectfully submitted,

HOWREY LLP

21 By: /s/ Bobby A. Ghajar

22 Bobby A. Ghajar

23 William C. Rooklidge

24 Attorneys for Defendants

25 The California Cars Initiative

26 and Felix Kramer
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