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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 EMOVE, INC., a Nevada corporation, and
12 U-HAUL INTERNATIONAL INC., a
13 Nevada corporation,

14 Plaintiffs,

15 v.

16 HIRE A HELPER LLC, a California
17 limited liability company, and MICHAEL
18 GLANZ, an individual,

19 Defendants.

Case No.: 17cv0535-CAB-JLB

**ORDER DENYING DEFENDANTS’
MOTION FOR SUMMARY
JUDGMENT [Doc. No. 63]**

20 On November 22, 2017, Defendants Hire A Helper LLC (“HAH”) and Michael
21 Glanz (“Glanz”) filed a motion for summary judgment (“MSJ”) on Plaintiffs’ Second
22 Amended Complaint (“SAC”). [Doc. No. 63.] On December 13, 2017, Plaintiffs eMove,
23 Inc. (“eMove”) and U-Haul International, Inc. (“U-Haul”) filed an opposition to the MSJ.
24 [Doc. No. 72.] Plaintiffs also filed a motion to deny or continue the MSJ. [Doc. No. 73.]¹
25 On December 20, 2017, Defendants filed a reply to the opposition to the MSJ. [Doc. No.
26 77.] For the reasons set forth below, the motion for summary judgment is **DENIED**.

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28 ¹ The motion to deny or continue the MSJ [Doc. No. 73] is **HEREBY DENIED AS MOOT**.

1 FACTUAL BACKGROUND

2 In 2008, eMove sued HAH for, *inter alia*, improperly using its registered
3 trademarks “Moving Help®” and “Moving Helper®” (the “Trademarks”). [Doc. No. 52
4 at 5-6, ¶¶25-26.] The 2008 litigation was ultimately settled and, in 2010, the parties
5 entered into a settlement agreement (the “Settlement Agreement”) and dismissed the
6 2008 litigation. [Doc. No. 52-3 at 2-3, 5, 7.]

7 The Settlement Agreement contains the following pertinent provisions:

8 3. Trademarks. U-Haul is the owner of the Trademarks, and has
9 granted a license for the Trademarks to eMove. Respondents², on their own
10 behalf and on behalf of their affiliates, corporations, partnerships, limited
11 liability companies, proprietorships, entities and any entity in which any
12 Respondent owns any interest in (other than an insubstantial amount of stock
13 ownership of an entity that is publicly traded on the NASDAQ, NYSE or
14 AMEX stock exchanges), interest in any trusts, interests in any estates,
15 spouses, minor children, heirs, employees, agents, assigns and successors
16 hereby covenant, stipulate and agree not to use the Trademarks in any
17 manner (including any manner that might otherwise be deemed fair use of
18 the trademarks “MOVING HELP” and “MOVING HELPER”).
19 Respondents shall not allow any Service Provider, affiliate or other party to
20 use the phrases “MOVING HELP” or “MOVING HELPER” on any portion
21 of any website controlled or operated by Respondents. [Hereinafter referred
22 to as the “Trademark provision.”]

23 4. Respondents’ Acknowledgement of Claimants’³ Intellectual
24 Property Including the Payment Code. Respondents hereby acknowledge
25 Claimants’ proprietary and ownership interest in the Trademarks, copyrights
26 in Claimants’ movinghelp.com website, trade secrets, Payment Code and
27 Claimants’ other Intellectual Property. Claimants hereby grant Hire a
28 Helper a perpetual, fully paid up, noncancellable, world wide, nonexclusive,
nontransferable, nonsublicenseable license to use Claimants’ trade secrets
that existed when Glanz was a service provider for eMove and to which
Glanz had access. Said license is solely for the use of said trade secrets as
such is currently being used on the hireahelper.com website. Said license
does not include a license to use the Trademarks or the Payment Code. Said
license shall become effective as of the Effective Date. Respondents shall

² “Respondents” are HAH and Glanz.

³ “Claimants” are eMove and U-Haul.

1 dismiss Count I with leave to amend. [Doc. No. 51.] On September 19, 2017, Plaintiffs
2 filed a Second Amended Complaint (“SAC”). [Doc. No. 52.]

3 The SAC asserts four causes of action against Defendants: (1) for breach of the
4 Settlement Agreement; (2) for breach of the covenant of good faith and fair dealing
5 during the performance of that Settlement Agreement; (3) for a declaratory judgment
6 regarding the use of Plaintiffs’ registered trademarks by Defendants and certain affiliates;
7 and (4) for unfair competition. [Doc. No. 52 ¶¶ 57–83.]

8 Defendants answered the SAC and filed counterclaims. [Doc. No. 53 ¶¶ 14–36.]
9 Defendants now bring this motion for summary adjudication of each of the causes of
10 action in the SAC.

11 LEGAL STANDARD

12 A party is entitled to summary judgment “if the pleadings, depositions, answers to
13 interrogatories, and admissions on file, together with the affidavits, if any, show that
14 there is no genuine issue as to any material fact and that the moving party is entitled to a
15 judgment as a matter of law.” *See Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). To
16 avoid summary judgment, disputes must be both 1) material, meaning concerning facts
17 that are relevant and necessary and that might affect the outcome of the action under
18 governing law, and 2) genuine, meaning the evidence must be such that a reasonable jury
19 could return a verdict for the nonmoving party. *Anderson v. Liberty Lobby, Inc.*, 477
20 U.S. 242, 248 (1986); *Cline v. Indus. Maint. Eng’g & Contracting Co.*, 200 F.3d 1223,
21 1229 (9th Cir. 2000) (citing *Anderson*, 477 U.S. at 248).

22 The initial burden of establishing the absence of a genuine issue of material fact
23 falls on the moving party. *See Celotex Corp.*, 477 U.S. at 322-323. If the moving party
24 can demonstrate that its opponent has not made a sufficient showing on an essential
25 element of his case, the burden shifts to the opposing party to set forth facts showing that
26 a genuine issue of disputed fact remains. *Id.* at 324. When ruling on a summary
27 judgment motion, the court must view all inferences drawn from the underlying facts in
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1 the light most favorable to the nonmoving party. *Matsushita Elec. Indus. Co. v. Zenith*
2 *Radio Corp.*, 475 U.S. 574, 587 (1986).

3 DISCUSSION

4 A. Breach of the Settlement Agreement.

5 Defendants argue Count 1 for breach of contract should be adjudicated in favor of
6 Defendants because no breach of the Settlement Agreement is alleged. First, Defendants
7 argue that the filing of the petition with the private arbitrator was not a breach of Non-
8 Opposition clause because the petition did not challenge the “use or registration” of the
9 registered trademarks. In doing so, Defendants present a tortured interpretation of the
10 Non-Opposition Clause that strains the plain language. At a minimum, the Non-
11 Opposition clause is reasonably susceptible to Plaintiffs’ interpretation.⁴

12 Defendants also argue that Plaintiffs waived the Non-Opposition Clause by
13 pleading in this case that their trademarks are valid and enforceable, and cite to *United*
14 *States v. Catalanotto*, 468 F.Supp. 503, 506 (D. Ariz. 1978). However, *Catalanotto*
15 involves waiver in the attorney-client privilege context and is inapplicable here, where
16 the parties contractually agreed to the Non-Opposition Clause and to the validity of the
17 Trademarks. Defendant has provided no authority for the proposition that Plaintiffs’
18 efforts to enforce the terms of the contract constitute waiver.

19 Next Defendants argue that the Non-Opposition Clause is unenforceable and cite to
20 *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). However, *Lear* involved the doctrine of patent
21 licensee estoppel. The Ninth Circuit and other courts have held that, absent consumer
22 injury, the public interest against confusion in the trademark context is outweighed by the
23 interest in enforcing contracts and holding parties to the benefit of their bargain. *See Visa*

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26 ⁴ The more poignant question is whether the filing of a petition with a private
27 arbitrator, when the Settlement Agreement had no arbitration provision, constitutes a
28 petition being brought “in any trademark office, court, administrative or other
government body.” Neither party, however, addressed this question.

1 *Int'l Serv. Assn. v. Bankcard Holders of Am.*, 784 F.2d 1472, 1473-74 (9th Cir. 1986)(“a
2 party entering into a settlement agreement with respect to a trademark will be held to his
3 contract unless enforcement of the contract would result in injury to the public through
4 confusion[O]nce confusion is found, and once such confusion is found to be
5 harmless. . . .the policy of enforcing contracts will then predominate.”); *Times Mirror*
6 *Magazines, Inc. v. Field & Stream Licenses Co.*, 103 F.Supp. 2d 711 (S.D.N.Y. 2000),
7 *aff'd*, 294 F.3d 383, 395 (2d. Cir. 2002)(“in order to obtain rescission of a freely
8 bargained trademark contract, a party must show that the public interest will be
9 significantly injured if the contract is allowed to stand”). Here, Defendants have made no
10 showing of significant public injury. Therefore, the Non-Opposition Clause is not void.

11 Finally, Defendants argue Plaintiffs have no evidence of damages. However,
12 Plaintiffs have provided supplemental interrogatory responses asserting that Defendants
13 have damaged “Plaintiffs’ brand, reputation, and goodwill,” and that Plaintiffs are
14 entitled “to some or all of the profits Defendants earned from the HAH enterprise.”
15 [Doc. No. 72-1 at 5 – 13.] Thus, there is a triable issue of fact as to whether Plaintiffs
16 have suffered damages.

17 B. Breach of the Covenant of Good Faith and Fair Dealing.

18 Defendants argue Plaintiffs fail to state a claim for breach of the covenant of good
19 faith and fair dealing. However, the SAC alleges, expressly or impliedly, that Defendants
20 are attempting to use the legal process to nullify or modify certain provisions of the
21 parties’ Settlement Agreement in order to unfairly compete, thus preventing Plaintiffs
22 from receiving the benefits that flow from the Agreement. Under Arizona law, this is
23 sufficient to state a claim for breach of the covenant of good faith and fair dealing. *Wells*
24 *Fargo Bank v. Ariz. Laborers, Teamsters & Cement Masons Local No. 395 Pension Trust*
25 *Fund*, 38 P.3d 12, 28 (Ariz. 2002)(the “implied covenant of good faith and fair dealing”
26 prohibits a party from doing anything to prevent other parties to the contract from
27 receiving the benefits and entitlements of the agreement; the duty arises by operation of
28 law but exists by virtue of a contractual relationship).

1 C. Declaratory Judgment Regarding the Use of Plaintiffs’ Registered Trademarks.

2 Defendants seek summary adjudication as to Count Three on the basis that the
3 trademarks are generic as a matter of law, and that the requested declarations exceed the
4 scope of the Settlement Agreement. [Doc. No. 63 at 16-22.] However, the question of
5 the validity of the Trademarks, which includes whether they are generic, was the subject
6 of the 2008 litigation and was settled by the Settlement Agreement. This Court will not
7 adjudicate whether the Trademarks are generic.

8 The declarations sought by Plaintiffs essentially seek an adjudication of whether
9 there was a meeting of the minds as to key terms in the Settlement Agreement. As set
10 forth above, there are triable issues of fact as to what the parties intended as to the Non-
11 Opposition and other clauses.

12 D. Unfair Competition.

13 Defendants argue that Plaintiffs fail to state a claim for unfair competition under
14 Arizona law, which Defendants argue is limited to claims of passing off another’s goods
15 or services as one’s own. [Doc. No. 63-1 at 26-27 (citations omitted).] However, the law
16 does not appear to be so limited. *See Orca Commc’ns Unlimited, LLC v. Noder*, 337 P.3d
17 545, 547 (Ariz. 2014)(unfair competition claim permitted to the extent not based on
18 misappropriating trade secrets); *Fairway Constructors, Inc. v. Ahern*, 970 P.2d 954, 956
19 (Ariz. Ct. App. 1998)(citations omitted)(the “doctrine of unfair competition is based on
20 principles of equity” and “[t]he general purpose of the doctrine is to prevent business
21 conduct ‘contrary to honest practice in industrial or commercial matters.’”)


22 Here, Plaintiffs have alleged that Defendants’ behaviors have been an attempt to
23 “gain leverage in securing hoped-for modifications to the Settlement Agreement for the
24 purposes of unfairly competing with Plaintiffs,” “Defendants intentionally interfered with
25 Plaintiffs’ business in order to gain a competitive advantage for their company,” and
26 “Plaintiffs have suffered and continue to suffer irreparable damage to their business.”
27 [Doc. No. 52 at 4-12, ¶¶ 18-56, 79-83.] Therefore, Plaintiffs have sufficiently alleged a
28 claim for unfair competition.

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CONCLUSION

For the foregoing reasons, Defendants' motion for summary judgment is **DENIED.**

Dated: March 20, 2018



Hon. Cathy Ann Bencivengo
United States District Judge