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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 SAN DIEGO COUNTY CREDIT
12 UNION,

13 Plaintiff,

14 v.

15 CITIZENS EQUITY FIRST CREDIT
16 UNION,

17 Defendant.
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Case No.: 18cv967-GPC(MSB)

**ORDER GRANTING DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT AND DENYING
PLAINTIFF'S MOTIONS TO
EXCLUDE EXPERT TESTIMONY
OF ROBERT TAYLOR AND
THEODORE DAVIS AS MOOT**

**[REDACTED VERSION - ORIGINAL
FILED UNDER SEAL]**

[Dkt. Nos. 152, 159, 163.]

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21 Before the Court is Defendant's motion for summary judgment on the fifth cause
22 of action for false or fraudulent trademark registration pursuant to 15 U.S.C. § 1120.
23 (Dkt. No. 152.) Plaintiff filed an opposition and Defendant replied. (Dkt. Nos. 187,
24 218.) In conjunction with the summary judgment motion, Plaintiff also filed a motion to
25 exclude the expert testimony of Robert A. Taylor and a motion to exclude the expert
26 testimony Theodore Davis Jr. which are fully briefed. (Dkt. Nos. 159, 163, 176, 184,
27 223, 230.) A hearing was held on July 2, 2020. (Dkt. No. 243.) Jesse Salen, Martin
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1 Bader and Stephen Korniczky appeared as counsel for Plaintiff and James Dabney,
2 Geoffrey Thorn, Emma Barrata and Stefanie Garibyan appeared as counsel for
3 Defendant. (Id.)

4 Based on the reasoning below, the Court GRANTS Defendant’s motion for
5 summary judgment on the fifth cause of action and DENIES Plaintiff’s motions to
6 exclude the expert testimony of Robert Taylor and Theodore Davis as MOOT.

7 **Procedural Background**

8 On May 16, 2018, Plaintiff San Diego County Credit Union (“SDCCU”) filed a
9 complaint against Defendant Citizens Equity First Credit Union (“CEFCU”) alleging the
10 following causes of action: 1) declaratory judgment of non-infringement of federally
11 registered trademark for “CEFCU. NOT A BANK. BETTER.”; 2) declaratory judgment
12 of non-infringement of common law mark “NOT A BANK. BETTER.”; 3) declaratory
13 judgment for invalidity of federally registered trademark for “CEFCU. NOT A BANK.
14 BETTER.”; 4) declaratory judgment for invalidity of common law mark “NOT A BANK.
15 BETTER.”; 5) false or fraudulent trademark registration under 15 U.S.C. § 1120; and 6)
16 unfair competition under 15 U.S.C. § 1125.¹ (Dkt. No. 1. Compl, ¶¶ 58-98.)

17 On July 31, 2018, the Court denied Defendant’s motion to dismiss for lack of
18 personal jurisdiction pursuant to Federal Rule of Civil Procedure (“Rule”) 12(b)(2).
19 (Dkt. No. 39.) On October 2, 2018, the Court denied Defendant’s second motion to
20 dismiss for lack of subject matter jurisdiction pursuant to Rule 12(b)(1) on the first four
21 causes of action for declaratory judgment, and granted Defendant’s motion to dismiss for
22 failure to state a claim under Rule 12(b)(6) on the fifth and sixth causes of action with
23 leave to amend. (Dkt. No. 47.) On October 12, 2018, Plaintiff filed a first amended
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27 ¹ In response to a motion to dismiss, Plaintiff agreed to voluntarily dismiss the seventh and eighth causes
28 of action alleging unfair competition under California law. (Dkt. No. 47 at 4.)

1 complaint alleging the same six causes of action with additional factual allegations. (Dkt.
2 No. 48, FAC.) On February 5, 2019, the Court denied Defendant’s third motion to
3 dismiss for lack of subject matter jurisdiction, and granted in part and denied in part
4 Defendant’s motion to dismiss for failure to state a claim. (Dkt. No. 55.) Specifically,
5 the Court denied dismissal of the fifth cause of action for false/fraudulent registration of
6 trademark under 15 U.S.C. § 1120 but granted dismissal of the attorney’s fees and costs
7 sought under 15 U.S.C. § 1120, and granted dismissal of the sixth cause of action for
8 unfair competition under 15 U.S.C. § 1125. (Id.) On April 14, 2020, the Court granted
9 Defendant’s motion for judgment on the pleadings on the fifth cause of action for false or
10 fraudulent trademark registration under 15 U.S.C. § 1120 as barred by the statute of
11 limitations with leave to amend. (Dkt. No. 134.) On April 23, 2020, the operative
12 second amended complaint (“SAC”) was filed alleging the same five remaining causes of
13 action. (Dkt. No. 139.)

14 **Factual Background**

15 SDCCU and CEFCU are both large credit unions. (Dkt. No. 139, SAC ¶ 2.)
16 SDCCU’s customers are primarily located in Southern California while CEFCU’s
17 customers are primarily located in Peoria, Illinois and Northern California. (Id.; Dkt. No.
18 187-1, SDCCU’s Response to CEFCU’s SSUF, No. 1.)

19 SDCCU owns U.S. Trademark Registration No. 4,560,596 for “IT’S NOT BIG
20 BANK BANKING. IT’S BETTER” (the “SDCCU Mark”) which issued on July 1, 2014.
21 (Dkt. No. 139-3, SAC, Ex. A.)

22 On September 1, 2010, CEFCU filed an application for federal registration of
23 “CEFCU. NOT A BANK. BETTER”, (Dkt. No. 187-1, SDCCU’s Response to CEFCU’s
24 SSUF No. 8), which matured into U.S. Trademark Registration No. 3,952,993 (the
25 “CEFCU Mark”) on May 3, 2011. (Id., No. 10; Dkt. No. 139-4, SAC, Ex. B.) CEFCU
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1 also allegedly uses the common law mark “NOT A BANK. BETTER”. (Dkt. No. 139,
2 SAC ¶ 14.)

3 As part of its trademark application, CEFCU submitted the declaration of then
4 Vice-President, Susan K. Yoder, now Susan Portscheller (“Portscheller”). (Dkt. No. 187-
5 13, Salen Decl., Ex. 10.) SDCCU claims that two statements in her declaration were
6 false and were made in order to advance the registration of CEFCU’s Mark. First
7 Portscheller stated the CEFCU Mark was “first used in the sale or advertising of the
8 services . . . rendered in Interstate commerce which may be lawfully regulated by
9 Congress as early as February 5, 2007, and is now in use in such commerce.” (Id. at 1.²)
10 Second, she declared that “to the best of her knowledge and belief no other person, firm,
11 corporation, or association has the right to use the above identified mark in commerce,
12 either in the identical form thereof or in such near resemblance thereto as to be likely,
13 when used on or in connection with the goods of such other person, to cause confusion,
14 or to cause mistake, or to deceive.” (Id. at 2.)

15 SDCCU has alleged that to distinguish themselves from banks, credit unions use
16 similar themed taglines and/or trademarks, and that Third Party Marks consisting of
17 “NOT A BANK – BETTER!”; “BETTER THAN A BANK”; and “IT’S NOT A BANK”
18 were in use prior to CEFCU’s use and registration of its mark. (Dkt. No. 139, SAC ¶¶ 3,
19 4.) SDCCU also claims that CEFCU, though Kevin Schneider, then outside counsel,
20 fraudulently filed the trademark application even though CEFCU and Schneider knew
21 about Third-Party Marks identified in the prefiling trademark search report they ordered
22 and reviewed. (Id. ¶ 38.)

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27 ² Page numbers are based on the CM/ECF pagination.

1 On May 17, 2017, CEFCU filed a petition for cancellation³ of the ‘596 Trademark
2 Registration No. for the SDCCU Mark with the U.S. Patent and Trademark Office’s
3 (“USPTO”) Trademark Trial and Appeal Board (“TTAB”) claiming the SDCCU Mark is
4 likely to cause confusion or to cause mistake or to deceive consumers when viewing
5 CEFCU’s Mark. (Dkt. No. 139-6, SAC, Ex. D.) On March 23, 2018, CEFCU filed a
6 motion for leave to amend its cancellation petition to add its alleged common law mark
7 of “NOT A BANK. BETTER” (“CEFCU Common Law Mark”) against SDCCU. (Dkt.
8 No. 139, SAC ¶ 14.) On August 28, 2017, SDCCU filed a first amended counterclaim
9 seeking cancellation of the CEFCU Mark. (Dkt. No. 152-4, Dabney Decl., Ex. 1.) After
10 this case was filed on May 16, 2018, SDCCU moved to stay the cancellation proceedings
11 which the USPTO granted on June 8, 2018. (Dkt. No. 29-3, Dabney Decl., Ex. 23 at 202;
12 id., Ex. 24 at 208.)

13 Discussion

14 A. Legal Standard on Motion for Summary Judgment

15 Federal Rule of Civil Procedure (“Rule”) 56 empowers the Court to enter summary
16 judgment on factually unsupported claims or defenses, and thereby “secure the just,
17 speedy and inexpensive determination of every action.” *Celotex Corp. v. Catrett*, 477
18 U.S. 317, 325, 327 (1986). Summary judgment is appropriate if the “pleadings,
19 depositions, answers to interrogatories, and admissions on file, together with the
20 affidavits, if any, show that there is no genuine issue as to any material fact and that the
21 moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c). A fact is
22 material when it affects the outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477
23 U.S. 242, 248 (1986).

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27 ³ *Citizens Equity First Credit Union v. San Diego Cnty. Credit Union*, Cancellation No. 92066165.

1 The moving party bears the initial burden of demonstrating the absence of any
2 genuine issues of material fact. *Celotex Corp.*, 477 U.S. at 323. The moving party can
3 satisfy its burden in two ways: (1) by presenting evidence that negates an essential
4 element of the nonmoving party's case or (2) by demonstrating that the nonmoving party
5 failed to make a showing sufficient to establish an element essential to that party's case
6 on which that party will bear the burden of proof at trial. *Id.* at 322–23. Summary
7 judgment is warranted when a party “fails to make a showing sufficient to establish the
8 existence of an element essential to that party's case, and on which that party will bear the
9 burden of proof at trial.” *Id.* at 322. In such a case, “there can be ‘no genuine issue as to
10 any material fact,’ since a complete failure of proof concerning an essential element of
11 the nonmoving party's case necessarily renders all other facts immaterial.” *Id.* at 323.
12 If the moving party fails to bear the initial burden, summary judgment must be denied
13 and the court need not consider the nonmoving party’s evidence. *Adickes v. S.H. Kress &*
14 *Co.*, 398 U.S. 144, 159-60 (1970). A “party cannot manufacture a genuine issue of
15 material fact merely by making assertions in its legal memoranda.” *S.A. Empresa de*
16 *Viacao Aerea Rio Grandense v. Walter Kidde & Co., Inc.*, 690 F.2d 1235, 1238 (9th Cir.
17 1982) (citations omitted).

18 Once the moving party has satisfied this burden, the nonmoving party cannot rest
19 on the mere allegations or denials of his pleading, but must “go beyond the pleadings and
20 by her own affidavits, or by the ‘depositions, answers to interrogatories, and admissions
21 on file’ designate ‘specific facts showing that there is a genuine issue for trial.’” *Celotex*,
22 477 U.S. at 324. If the non-moving party fails to make a sufficient showing of an
23 element of its case, the moving party is entitled to judgment as a matter of law. *Id.* at
24 325. “Where the record taken as a whole could not lead a rational trier of fact to find for
25 the nonmoving party, there is no ‘genuine issue for trial.’” *Matsushita Elec. Indus. Co. v.*
26 *Zenith Radio Corp.*, 475 U.S. 574, 587 (1986). In making this determination, the court
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1 must “view[] the evidence in the light most favorable to the nonmoving party.” Fontana
2 v. Haskin, 262 F.3d 871, 876 (9th Cir. 2001). The Court does not engage in credibility
3 determinations, weighing of evidence, or drawing of legitimate inferences from the facts;
4 these functions are for the trier of fact. Anderson, 477 U.S. at 255.

5 **B. Statute of Limitations**

6 CEFCU argues that the fifth cause of action is time barred because the SAC fails to
7 plead elements of the discovery rule on one of the two false statements made by
8 Portscheller that “CEFCU falsely declared that the CEFCU Mark was used in commerce
9 as of February 5, 2007 with the intention of deceiving the U.S. Patent and Trademark
10 Office such that the CEFCU Mark would advance to registration.” (Dkt. No. 139, SAC ¶
11 106.) It further argues that because the first alleged false statement is time-barred, the
12 second alleged false statement is necessarily time-barred. SDCCU disagrees arguing that
13 it has sufficiently plead the discovery rule concerning both statements.

14 “The Lanham Act contains no express statute of limitations and the general rule is
15 that when a federal statute provides no limitations for suits, the court must look to the
16 state statute of limitations for analogous types of actions. A claim for fraud under the
17 Lanham Act conforms to this general rule.” *Beauty Time, Inc. v. VU Skin Sys., Inc.*, 118
18 F.3d 140, 143 (3d Cir. 1997) (citing *Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385,
19 1395 (9th Cir. 1993) (applying Oregon's two-year limitation period)). Therefore,
20 California’s three-year statute of limitations for fraud applies on this cause of action. See
21 Cal. Code Civ. Proc. § 338(d). Under section 338(d), “[t]he cause of action . . . is not
22 deemed to have accrued until the discovery, by the aggrieved party, of the facts
23 constituting the fraud or mistake.” *Id.* (emphasis added). As a general matter, “a cause
24 of action accrues at ‘the time when the cause of action is complete with all of its
25 elements.’” *Fox v. Ethicon Endo-Surgery, Inc.*, 35 Cal. 4th 797, 806 (2005) (quoting
26 *Norgart v. Upjohn Co.*, 21 Cal. 4th 383, 397 (1999)). However, the discovery rule
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1 “delays accrual until the plaintiff has, or should have, inquiry notice of the cause of
2 action.” Fox, 35 Cal. 4th at 807; Jolly v. Eli Lilly & Co., 44 Cal. 3d 1103, 1110-11
3 (1988) (the statute of limitations begins once “the plaintiff has notice or information of
4 circumstances to put a reasonable person on inquiry . . .”). In other words, the statute of
5 limitations begins to run when a plaintiff “suspects or should suspect that her injury was
6 caused by wrongdoing, that someone has done something wrong to her.” Jolly, 44 Cal.
7 3d at 1110; Norgart, 21 Cal. 4th at 397 (“the plaintiff discovers the cause of action when
8 he at least suspects a factual basis . . . for its elements”). Once on inquiry notice, the
9 plaintiff has an obligation to discover facts and cannot sit on his rights but must go find
10 them himself. Jolly, 44 Cal. 3d at 1111.

11 “In order to rely on the discovery rule for delayed accrual of a cause of action, ‘[a]
12 plaintiff whose complaint shows on its face that his claim would be barred without the
13 benefit of the discovery rule must specifically plead facts to show (1) the time and
14 manner of discovery and (2) the inability to have made earlier discovery despite
15 reasonable diligence.’” Fox, 35 Cal. 4th at 808 (quoting McKelvey v. Boeing N.
16 American, Inc., 74 Cal. App. 4th 151, 160 (1999) (emphasis in original)). The plaintiff
17 “must conduct a reasonable investigation of all potential causes of that injury. If such an
18 investigation would have disclosed a factual basis for a cause of action, the statute of
19 limitations begins to run on that cause of action when the investigation would have
20 brought such information to light.” Id. at 808-09.

21 CEFCU challenges as time barred Portscheller’s false statement that the CEFCU
22 Mark was used in commerce as of February 5, 2007 because the SAC fails to allege the
23 time and manner of discovery and the inability to have made earlier discovery despite
24 reasonable diligence. Because the factual predicates were publicly available to SDCCU
25 during the three-year statute of limitations period, CEFCU argues SDCCU’s claim is
26 barred. For example, CEFCU notes that prior to any discovery in the cancellation
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1 proceeding, SDCCU was able to assert a counterclaim alleging CEFCU made a false or
2 fraudulent statement to the USPTO stating that the CEFCU Mark was being used in
3 commerce as of February 5, 2007.⁴ (Dkt. No. 152-4, Dabney Decl., Ex. 1, First Am.
4 Counterclaim ¶ 7.) Therefore, it contends that SDCCU has failed to plead that a
5 reasonable investigation would not have disclosed a factual basis for the cause of action.

6 SDCCU opposes arguing that it has sufficiently alleged that it would not have been
7 able to discover the basis of the false statement concerning use in commerce until after
8 CEFCU filed its petition for cancellation on May 18, 2017 because it did not know about
9 the existence of CEFCU's mark until then and had no reason to investigate whether
10 Portscheller's statement was true.

11 Here, the SAC alleges that CEFCU procured the '993 Registration by a false
12 statement made in a declaration filed on September 1, 2010 by then CEFCU's Vice-
13 President Susan K. Yoder in the application for the '993 registration. (Dkt. No. 139,
14 SAC ¶ 37; Dkt. No. 139-5, Compl., Ex. C.) She declared that the CEFCU Mark was used
15 in interstate commerce as of February 5, 2007, when in fact, CEFCU did not direct its
16 advertising using its mark outside the Illinois market prior to June 2011. (Dkt. No. 139,
17 SAC ¶¶ 36, 37; Dkt. No. 139-5, Compl., Ex. C at 2.) The SAC further claims that
18 SDCCU could not have known about the false statement in Portscheller's declaration
19 until after the filing of the petition for cancellation on May 17, 2017. (Id. ¶ 109.)
20 SDCCU did not become aware of the CEFCU mark until May 18, 2017 when CEFCU's
21 petition for cancellation against Travis Credit Union's mark was inadvertently served on
22 SDCCU. (Id. ¶ 39.) SDCCU did not become aware of the term "NOT A BANK.

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25 ⁴ The First Amended Counterclaim asserted that "[o]n information and belief, Petitioner knowingly and
26 intentionally misrepresented to the U.S. Patent and Trademark Office that the CEFCU Mark was being
27 used in commerce as early as February 5, 2007, and continuing through September 1, 2010, and
28 therefore obtained its registration of the CEFCU Mark fraudulently." (Dkt. No. 152-4, Dabney Decl.,
Ex. 1, First Am. Counterclaim ¶ 7.)

1 BETTER” until after November 2017 based on discovery responses in the cancellations
2 action. (Id. ¶ 40.) The SAC explains that SDCCU had no reason to search for CEFCU’s
3 trademarks because it operates in a geographically distinct market and did not know or
4 consider CEFCU a competitor at any time before May 18, 2017. (Id. ¶ 41.)

5 Here, the SAC alleges the discovery rule by stating the time and manner of
6 discovery and inability to have made the discovery earlier despite reasonable diligence.
7 The discovery rule is invoked when SDCCU suspected or would have suspected the
8 alleged wrongdoing by CEFCU. SDCCU had no reason to suspect any wrongful conduct
9 by CEFCU because it was not aware of CEFCU’s Mark until the petition for cancellation
10 against Travis Credit Union was filed in May 2017. Moreover, CEFCU does not point to
11 any facts that should have put SDCCU on notice of an alleged wrongdoing. Therefore,
12 SDCCU was not on inquiry notice about any alleged wrong until May 2017. The fact
13 that SDCCU was able to allege its fraud claim in a counterclaim in the cancellation action
14 prior to discovery demonstrates that the facts supporting the claim were available in the
15 public record; it does not show that SDCCU should have suspected any alleged
16 wrongdoing by CEFCU. See Jolly, 44 Cal. 3d at 1110; Norgart, 21 Cal. 4th at 397 (“the
17 plaintiff discovers the cause of action when he at least suspects a factual basis . . . for its
18 elements”). In fact, once SDCCU was on inquiry notice on May 18, 2017, it conducted
19 an investigation and based on the public records, it filed its amended counterclaim in
20 August 2017 seeking to cancel CEFCU’s registration based on fraudulent statements.
21 Contrary to CEFCU’s argument, nothing put SDCCU on notice of any wrongdoing until
22 May 2017; therefore, SDCCU’s claim for false or fraudulent trademark registration is
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1 timely and the Court DENIES CEFCU’s motion for summary judgment the fifth cause of
2 action under 15 U.S.C. § 1120 as time barred.⁵

3 **C. False or Fraudulent Trademark Registration, 15 U.S.C. § 1120**

4 CEFCU moves for summary judgment arguing that SDCCU cannot show by clear
5 and convincing evidence that the two alleged false statements by Portscheller made to the
6 USPTO were false or fraudulent. SDCCU disagrees.

7 Under the Lanham Act,

8 Any person who shall procure registration in the Patent and Trademark
9 Office of a mark by a false or fraudulent declaration or representation, oral
10 or in writing, or by any false means, shall be liable in a civil action by any
11 person injured thereby for any damages sustained in consequence thereof.

12 15 U.S.C. § 1120. The Court has authority to cancel the federal registration of a
13 trademark. 15 U.S.C. § 1119.

14 A claim for cancellation of trademark registration due to fraud requires "(1) a false
15 representation regarding a material fact; (2) the registrant's knowledge or belief that the
16 representation is false; (3) the registrant's intent to induce reliance upon the
17 misrepresentation; (4) actual, reasonable reliance on the misrepresentation; and (5)
18 damages proximately caused by that reliance." *Hokto Kinoko Co. v. Concord Farms, Inc.*,
19 738 F.3d 1085, 1097 (9th Cir. 2013) (citing *Robi v. Five Platters, Inc.*, 918 F.2d 1439,
20 1444 (9th Cir. 1990)); see also *In re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009) (A
21 “trademark is obtained fraudulently under the Lanham Act only if the applicant or
22 registrant knowingly makes a false, material representation with the intent to deceive the
23 PTO.”). Here, CEFCU moves for summary judgment arguing that SDCCU has made an

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26 ⁵ Because the Court denies CEFCU’s motion as time barred, the Court need not address its alternative
27 argument that if the alleged false statement concerning use in commerce is time-barred, the second
28 alleged false statement concerning third-party marks is necessarily time-barred.

1 insufficient showing to establish the elements relating to false representation of a material
2 fact and knowledge that it was false. (Dkt. No. 196 at 13-18.)

3 A party seeking to cancel a trademark registration must prove by clear and
4 convincing evidence that the trademark registration was procured by fraud and the burden
5 is a heavy one. *Robi*, 918 F.2d at 1444; *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349,
6 1351 (Fed. Cir. 1999) (“[A] party seeking cancellation for fraudulent procurement must
7 prove the alleged fraud by clear and convincing evidence.” (citation omitted)). Making a
8 false statement, by itself, is not sufficient to cancel a mark. *Metro Traffic Control, Inc. v.*
9 *Shadow Network Inc.*, 104 F.3d 336, 340 (Fed. Cir. 1997). “The question is not whether
10 the statement is factually false, but whether the applicant subjectively believed it was
11 false at the time he or she made the representation.” *Marketquest Grp., Inc. v. BIC Corp.*,
12 316 F. Supp. 3d 1234, 1278 (S.D. Cal. 2018) (quoting *Ricks v. BMEzine.com, LLC*, 727
13 F. Supp. 2d 936, 967 (D. Nev. 2010) (emphasis in original)).

14 For allegations of trademark fraud,

15 [i]ntent to deceive must be “willful.” If it can be shown that the statement
16 was a “false representation” occasioned by an “honest” misunderstanding,
17 inadvertence, negligent omission or the like rather than one made with a
18 willful intent to deceive, fraud will not be found. [Citations] Fraud,
19 moreover, will not lie if it can be proven that the statement, though false,
20 was made with a reasonable and honest belief that it was trueThere is
no room for speculation, inference or surmise, and obviously, any doubt
must be resolved against the charging party.

21 *Oreck Corp. v. Thomson Consumer Elecs., Inc.*, 796 F. Supp. 1152, 1159-60 (S.D. Ind.
22 1992) (quoting *Citibank N.A. v. Citibanc Group, Inc.*, No. CV80-PT-0464-S, 1982 WL
23 52144, at *26 (N.D. Ala. March 24, 1982), *aff’d* 724 F.2d 1540 (11th Cir. 1984)).

24 An “allegation of ‘failure to disclose use by others’ creates the greatest number of
25 fraud in the procurement cases but remains ‘a serious charge which is not easily
26 proven.’” *San Juan Prods.*, 849 F.2d at 472-73 (citing 2 J. McCarthy, § 31:21, at 614).

1 A trademark registration applicant must have “a bona fide intention, under circumstances
2 showing the good faith of such person, to use a trademark in commerce.” 15 U.S.C. §
3 1051(b)(1). Further, the Lanham Act requires that a trademark registration applicant
4 submit “a verified statement that the mark is in use in commerce and specifying the date
5 of the applicant's first use of the mark in commerce and those goods or services specified
6 in the notice of allowance on or in connection with which the mark is used in commerce.”
7 Id. § 1051(d)(1). 15 U.S.C. § 1051(a)(3) only requires that the declarant state “to the best
8 of the verifier’s knowledge and belief, no other person has the right to use such mark in
9 commerce.” Id. § 1051(a)(3). Therefore, statements in a trademark application “require
10 the statement of beliefs about exclusive rights, not their actual possession.” American
11 Sec. Bank v. American Sec. & Trust Co., 571 F.2d 564, 568 (C.C.P.A. 1978).

12 **1. False or Fraudulent Statement Re: “Use in Commerce”**

13 SDCCU claims that CEFCU falsely declared that the CEFCU Mark was used in
14 commerce as of February 5, 2007. CEFCU argues that SDCCU has presented no
15 evidence to support its claim that Portscheller made the false statement that the CEFCU
16 Mark had been used in commerce as of February 5, 2007 and that Portscheller had any
17 belief that the “use in commerce” statement was untrue. (Dkt. No. 152-1 at 13-15.) In
18 opposition, SDCCU argues CEFCU has failed to identify any admissible evidence
19 demonstrating the veracity of Portscheller’s statement. (Dkt. No. 187 at 19.)

20 At summary judgment, the appropriate question is whether a reasonable jury could
21 find, by clear and convincing evidence, that the “use in commerce” statement by
22 Portscheller was false. See *Anderson*, 477 U.S. at 255-56. A “party opposing summary
23 judgment may not simply question the credibility of the movant to foreclose summary
24 judgment. Instead, the non-moving party must go beyond the pleadings and by its own
25 evidence “set forth specific facts showing that there is a genuine issue for trial.” *Far Out*
26 *Prods., Inc. v. Oskar*, 247 F.3d 986, 997 (9th Cir. 2001) (citing Fed. R. Civ. P. 56(e)). At
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1 trial, SDCCU will have the burden of demonstrating by clear and convincing evidence
2 the elements to support a cause of action for false or fraudulent trademark registration.
3 See *Robi*, 918 F.2d at 1444. On a motion for summary judgment, it is Plaintiff’s burden
4 to provide evidence sufficient to show falsity by clear and convincing evidence; CEFCU
5 is not required to disprove the allegations of fraud. See *Marketquest Grp., Inc.*, 316 F.
6 Supp. 3d at 1278-79 (citing *Anhing Corp. v. Thuan Phong Co.*, 215 F. Supp. 3d 919, 938
7 (C.D. Cal. 2015) (“Although Defendant maintains that Plaintiff has not produced
8 evidence to support or verify Mr. Ly's statements [to the PTO], this argument is
9 unpersuasive, as it is Defendant's burden to produce clear and convincing evidence of
10 fraud.”) and *Learning Internet v. Learn.com, Inc.*, No. CV 07-227-AC, 2009 WL
11 6059550, at *6 (D. Or. Nov. 25, 2009) (party claiming falsity of acquired distinctiveness
12 declaration must show that the mark had not been in continuous use for five years)).

13 Here, SDCCU incorrectly claims that it is Defendant’s burden to show that
14 Portscheller’s statement was not true, and, in doing so, fails to meet its burden opposing
15 summary judgment, that is, presenting evidence to create a material issue of fact.

16 Under the Lanham Act, the word “‘commerce’ means all commerce which may
17 lawfully be regulated by Congress” 15 U.S.C. § 1127.

18 The term ‘use in commerce’ means the bona fide use of a mark in the
19 ordinary course of trade, and not made merely to reserve a right in a mark.
20 For purposes of this chapter, a mark shall be deemed to be in use in
21 commerce-- . . . on services when it is used or displayed in the sale or
22 advertising of services and the services are rendered in commerce, or the
23 services are rendered in more than one State or in the United States and a
foreign country and the person rendering the services is engaged in
commerce in connection with the services.

24 *Id.* A mark is deemed to be “use in commerce” where (1) “when it is used or displayed in
25 the sale or advertising of services” to customers and (2) “the services are rendered in
26 commerce.” *Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d 1190, 1204 (9th Cir.
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1 2012) (citing 15 U.S.C. § 1127); *Chance v. Pac-Tel Teletrac, Inc.*, 242 F.3d 1151, 1159
2 (9th Cir. 2001) (the requirement has two parts: “(1) an element of actual use, and (2) an
3 element of display.”). “Commerce” as defined within the Lanham Act has been
4 interpreted liberally to include those intrastate activities which “could affect . . .
5 commerce which Congress can regulate.” *Maier Brewing Co. v. Fleischmann Distilling*
6 *Corp.*, 390 F.2d 117, 120 (9th Cir), cert denied by 391 U.S. 966 (1968). Use in
7 commerce of the alleged mark must be “sufficiently public to identify or distinguish the
8 marked goods in an appropriate segment of the public mind as those of the adopter of the
9 mark.” *New West Corp. v. NYM Co. of Cal., Inc.*, 595 F.2d 1194, 1200 (9th Cir. 1979).

10 Here, CEFCU presents the following undisputed evidence to support Portscheller’s
11 declaration that the CEFCU Mark has been used in commerce since February 5, 2007.
12 As of February 5, 2007, CEFCU has continuously offered credit union services from
13 locations inside the State of Illinois to customers located both inside and outside the State
14 of Illinois, and whose membership includes employees of CATERPILLAR dealers and
15 corporate employees who are located inside and outside of Illinois. (Dkt. No. 187-1,
16 SDCCU’s Response to CEFCU’s SSUF, Nos. 2, 3.) CEFCU credit union services have
17 been regulated by the National Credit Union Administration (“NCUA”), by, among
18 things, insuring CEFCU deposit accounts since February 5, 2007. (Id., No. 4.) Since
19 February 5, 2007, CEFCU has advertised and marketed credit union services from
20 locations inside the State of Illinois to members located outside the State of Illinois,
21 including members who have moved away from central Illinois and members who are
22 employees of CATERPILLAR dealers and CATERPILLAR company facilities. (Id., No.
23 6.)

24 Moreover, CEFCU has produced other evidence to demonstrate use in commerce.
25 According to the Assistant Vice President of Market Strategy and Analytics, Jennifer
26 Flexer, since February 5, 2007, CEFCU has used its Mark in connection with the
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1 marketing, advertising and sale of credit union services. (Dkt. No. 152-29, Flexer Decl. ¶
2 4.) [REDACTED]
3 [REDACTED]
4 [REDACTED] (Dkt. No. 152-29, Flexer Decl. ¶ 3; Dkt. No. 196-20, Flexer
5 Decl., Ex. 1 (UNDER SEAL).) In addition, Flexer attached copies of account statements
6 sent to CEFCU members in various states around August 2009 which include advertising
7 “CEFCU.® Not a bank. Better.” (Dkt. No. 152-29, Flexer Decl. ¶ 5; Dkt. No. 152-31,
8 Flexer Decl., Ex. 2.) Also attached are copies of an Internet archive screen capturing
9 CEFCU’s website as of March 18, 2007 and November 16, 2007 where the mark is
10 presented as “CEFCU. . . Not a bank. Better.” (Dkt. No. 152-29, Flexer Decl. ¶ 6; Dkt.
11 No. 152-32, Flexer Decl., Ex. 3.) Finally, CEFCU cites to its newspaper advertisement
12 dated February 5, 2007 with its Mark, “CEFCU. Not a bank. Better.” (Dkt. No. 29-3,
13 Dabney Decl., Ex. 9 at 53), as well as copies of CEFCU Home Equity Loan
14 advertisements dated February 6, 2007 with “CEFCU. Not a bank. Better.” (Id., Ex. 10 at
15 56-63.)



16 In response, SDCCU does not present any evidence to challenge CEFCU’s
17 evidence but instead merely disputes the admissibility of CEFCU’s evidence concerning
18 the two internet screenshots, or Wayback Machine, from March 18, 2007 and November
19 16, 2007 as inadmissible hearsay and not authenticated. (Dkt. No. 187 at 13.)
20 Notwithstanding the inadmissibility of the two internet screenshots from 2007, CEFCU’s
21 other evidence supports Portscheller’s statement that the CEFCU Mark was used in
22 commerce as of February 5, 2007. The totality of circumstances demonstrates the
23 CEFCU Mark was displayed and used in commerce as of February 5, 2007. See Chance,
24 242 F.3d at 1159.

25 One district court concluded that an internet website which prominently features
26 and promotes a bank’s services in connection with its mark and having members outside
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1 of a state constitute “use in commerce.” See *Laurel Capital Grp., Inc. v. BT Fin. Corp.*,
2 45 F. Supp. 2d 469, 479 (W.D. Pa. 1999) (“website is accessible to customers worldwide
3 . . . Internet users constitute a national, even international, audience, who must use
4 interstate telephone lines to access defendant's website”). The case involved two
5 Pennsylvania-based banks where the court addressed “use in commerce” in the context of
6 subject matter jurisdiction under the Lanham Act. *Id.* at 477. The court noted several
7 factors supported interstate commerce. It found that the bank’s website which
8 prominently featured its services with the mark was accessible to customers worldwide.
9 *Id.* at 479. The court also explained that the bank had at least 40 bank accounts held by
10 customers who resided outside of Pennsylvania. *Id.* Third, the bank engaged in some,
11 though limited, interstate advertising. *Id.*

12 In the present case, CEFCU has shown that it has had membership throughout the
13 United States, advertised its services with the Mark in a local newspaper, and sent
14 account statements to its members that included the Mark. Accordingly, CEFCU has
15 provided factual support that Portscheller’s statement that the Mark was “used in
16 commerce” as of February 5, 2007 was not false. In opposition, SDCCU does not present
17 any evidence to create a genuine issue of material fact whether the Portscheller’s
18 statement was false.

19 The Court also does not find SDCCU’s citation to cases persuasive. In *Burns v.*
20 *Realnetworks, Inc.*, 359 F. Supp. 2d 1187, 1192-93 (W.D. Okla. 2004), the court noted
21 that the mere posting of a webpage is insufficient to create ownership rights where no one
22 viewed or knew it existed, as admitted by the holder of the common law trademark.
23 Here, to the extent that the two internet screenshots of CEFCU’s website from 2007 were
24 admissible, it is not claimed that no one had viewed CEFCU’s website. Meanwhile, in
25 *FW OmniMedia Corp. v. Toyota Motor Sales, U.S.A., Inc.*, No. 04CV–8624 GPS (JR_x).
26 2004 WL 3203134, at *9 (C.D. Cal. Dec. 8, 2004), the court found FW OmniMedia had
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1 not sufficiently proven trademark use of “FW   forward” where that form did not
2 appear consistently in FW’s magazine. Here, unlike FW OmniMedia Corp., there is no
3 suggestion that CEFCU did not make consistent use of its Mark.

4 CEFCU also argues that SDCCU does not have any evidence that Portscheller
5 knew that the statement she made regarding commercial use was false. SDCCU
6 challenges the truthfulness of evidence presented by CEFCU because they involve
7 deposition testimonies of those involved in the challenged fraud. SDCCU does not
8 present any evidence to challenge the statements of Portscheller and Flexer.

9 In support, Portscheller testified that she believed that the CEFCU Mark was in use
10 in commerce as of February 5, 2007. (Dkt. No. 152-9, Dabney Decl., Ex. 6, Porscheller
11 Depo. at 24:2-12; 28:6-29:1). Moreover, Flexer testified that in an email she sent on
12 August 19, 2010, to Shawn Harrison, CEFCU’s Compliance Manager, (Dkt. No. 196-5,
13 Dabney Decl., Ex. 8, Flexer Depo. at 90:2-5), there were attachments of advertisements
14 of the CEFCU Mark to be used in support of its application for registration. (Id. at
15 117:16-120:8.) One of the documents was a proof of an advertisement to be placed in the
16 Peoria Journal Star dated February 5, 2007. (Id.)

17 Direct evidence of a subjective intent to deceive is difficult to prove but is an
18 indispensable element of the cause of action. In re Bose Corp., 580 F.3d at 1245.
19 Therefore, “because direct evidence of deceptive intent is rarely available, such intent can
20 be inferred from indirect and circumstantial evidence. But such evidence must still be
21 clear and convincing, and inferences drawn from lesser evidence cannot satisfy the
22 deceptive intent requirement.” Id. (quoting *Star Scientific, Inc. v. R.J. Reynolds Tobacco*
23 *Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008)). Indeed, “[t]here is no fraud if a false
24 misrepresentation is occasioned by an honest misunderstanding or inadvertence without a
25 willful intent to deceive.” Id. at 1246 (reversing USPTO decision cancelling trademark
26 registration because substantial evidence did not show that Bose intended to deceive the
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1 PTO in the renewal process). In *In re Bose*, the declarant knew that Bose had stopped
2 manufacturing and selling audio tape recorders and players at the time of renewal but he
3 believed Bose’s repair of the damaged, previously-sold WAVE audio tape recorders and
4 players and returning them to the customers met the “use in commerce” requirement for
5 the renewal of the trademark. *Id.* at 1246. Because the declarant testified under oath that
6 he believed the statement was true at the time he signed the renewal application, the court
7 noted that the opposing party’s burden was to point to evidence to support an inference of
8 deceptive intent; otherwise, it fails to satisfy the clear and convincing evidence standard
9 required to establish a fraud claim. *Id.*

10 In *Stanfield*, the Tenth Circuit affirmed the district court’s summary judgment in
11 favor of the defendant. *Stanfield v. Osborne Indus., Inc.*, 52 F.3d 867, 874 (10th Cir.
12 1995) (*abrogated on other grounds by Lexmark Int’l, Inc. v. Static Control Components,*
13 *Inc.*, 572 U.S. 119 (2014)). On the issue of whether the registrant knew or believed that
14 the representation he made was false, the court noted that the plaintiff presented no
15 evidence that defendant knew the oath was false. *Id.* In support, the defendant produced
16 the affidavits of the registrant, Stanley, and his brother Ronald, an employee and vice
17 president of marketing and engineering, stating the declarant believed that defendant had
18 the right to register the trademarks. *Id.* The court concluded, “[w]ith no other evidence
19 to contradict defendants’ statements, plaintiff has failed “to establish the existence of an
20 element essential to [his] case.” *Id.* (citing *Celotex*, 477 U.S. at 322).

21 Similarly, here, while SDCCU challenges the truthfulness of the deposition
22 testimony of Portscheller and Flexer, it fails to present any direct or indirect and
23 circumstantial evidence that would create an inference of fraud as to Portscheller’s
24 statement. By its failure to present any affirmative evidence to support the false
25 statement and knowledge elements of the cause of action, Plaintiff has failed to meet its
26 clear and convincing evidence burden that it is required to meet.

1 Thus, the Court GRANTS Defendant’s motion for summary judgment on Susan
2 Portscheller’s declaration stating that the CEFCU Mark had been used in commerce as of
3 February 5, 2007.

4 **2. False or Fraudulent Statement re: Right to Use**

5 On the existence of third-party rights, the SAC alleges two alleged false
6 statements. First, Susan Portscheller falsely declared that “to the best of her knowledge
7 and belief no other person, firm, corporation, or association has the right to use the above
8 identified mark in commerce, either in the identical form thereof or in such near
9 resemblance thereto as to be likely, when used on or in connection with the goods of such
10 other person, to cause confusion, or to cause mistake, or to deceive” (Dkt. No. 139,
11 SAC ¶ 37.) Second, CEFCU’s attorney filed the trademark application around
12 September 1, 2010 even though he knew about the Third-Party Marks in the pre-filing
13 trademark search report. (Id. ¶ 38.)

14 Defendant contends that the falsity of Portscheller’s statement is not supported by
15 any evidence submitted by SDCCU. In response, SDCCU does not challenge the motion
16 as to Susan Portscheller’s statement. (Dkt. No. 187 at 7, 21-24.) Therefore, the Court
17 GRANTS CEFCU’s motion for summary judgment as to the statement concerning the
18 “right to use” statement contained in Portscheller’s declaration.

19 SDCCU’s opposition focuses on Kevin Schneider’s, CEFCU’s then-outside
20 counsel, filing of the trademark application concerning CEFCU’s “right to use”
21 declaration even though he and CEFCU knew about an existing third-party common law
22 mark for the same tagline, “Not a Bank – BETTER!” used by a Georgia-based credit
23 union, United First Federal Credit Union (“UFFCU”). (Dkt. No. 187 at 21.) At the
24 hearing, SDCCU argued that the core of its fraud claim is based on a false statement that
25 CEFCU believed it had the right to use the CEFCU mark in commerce that was made in a
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1 declaration⁶ to the PTO that was submitted by CEFCU's attorney, Schneider. (Dkt. No.
2 245, Trans. at 5.) In reply, CEFCU argues that SDCCU has presented no admissible
3 evidence that as of August 26, 2020, the date the declaration was signed, a third-party had
4 “the right to use” CEFCU. NOT A BANK. BETTER. “either in the identical form thereof
5 or in such near resemblance thereto as to be likely, when used on or in connection with
6 the goods of such person, to cause confusion, or to cause mistake, or to deceive” and that
7 CEFCU knew or subjectively believed that the third-party had such superior legal rights.
8 (Dkt. No. 218 at 10-11.)

9 [REDACTED]
10 [REDACTED]. (Dkt. No. 208-6,
11 Salen Decl., Ex. 9, Schneider Depo. at 48:8-10 (UNDER SEAL).) [REDACTED]
12 [REDACTED] (Id. at 49:7-12.) [REDACTED]
13 [REDACTED]. (Id. at 58:4-7;
14 59:14-23.) [REDACTED] (Id.
15 [REDACTED] at 61:16-24.) [REDACTED] (Id.) [REDACTED]
16 [REDACTED] (Dkt. No. 196-4,
17 Dabney Decl., Ex. 7 at 91:4-14 (UNDER SEAL).) [REDACTED]
18 [REDACTED]
19 [REDACTED] (Dkt. No. 196-9, Dabney Decl., Ex. 12 (UNDER SEAL).)

23 Based on this evidence, SDCCU argues that Schneider admitted and knew that
24 UFFCU had been using the tagline “Not a Bank – BETTER!” to market its credit union
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27 ⁶ Although not specifically stated, it appears SDCCU is referencing Portscheller’s declaration.

1 services in Georgia prior to filing the trademark registration. The “common law” section
2 of the search report identified conflicting marks based on the use of the mark, not its
3 registration. CEFCU replies that reliance on the trademark search report to prove the
4 truth of the search report that the common law mark had been used by another bank is
5 inadmissible hearsay. (Dkt. No. 218 at 10-11.)

6 The admissibility of a trademark search report depends on its use. In general,
7 trademark search reports are inadmissible to show that a third-party mark has been
8 registered or has been in commercial use. See *Marketquest Grp.*, 316 F. Supp. 3d at 1268
9 n. 19 (“[I]t is well settled that a trademark search report does not constitute evidence of
10 either the existence of the registration or the use of a mark.”) (citing *Icon Enters. Int’l v.*
11 *Am. Prods. Co.*, CV 04–1240 SVW (PLAx), 2004 WL 5644805, at *31 (C.D. Cal. Oct. 7,
12 2004) (quoting 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair*
13 *Competition*, § 11:88 (4th ed. 2001)); *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F.
14 *Supp. 2d* 1096, 1113 (N.D. Cal. 2008) (“When a search report is offered to prove what
15 the report asserts, i.e. that a mark has been registered and that it is in commercial use, this
16 is classic inadmissible hearsay.”). However, if the trademark search report is relied on to
17 show notice to the plaintiff, or the effect of the report on the listener, then it is not
18 hearsay. *Saul Zaentz Co.*, 627 F. Supp. 2d at 1113.

19 Here, SDCCU argues that the declaration that Schneider submitted as part of the
20 trademark application regarding “right to use” was false and relies on the trademark
21 search report to demonstrate that UFFCU used the tagline “Not a Bank – BETTER!”
22 prior to CEFCU’s trademark registration. (Dkt. No. 208-3, Salen Decl., Ex. 6 at 106
23 (UNDER SEAL).) However, the trademark search report is inadmissible to show that
24 UFFCU’s common law mark had been used in commerce and cannot prove that “the right
25 to use” statement was false. As such, Schneider’s testimony regarding the trademark
26 search report is also inadmissible. At the hearing, SDCCU acknowledged that the
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1 trademark search report is inadmissible hearsay but argued that it can be used to
2 demonstrate that Schneider had notice of the Third Party Mark in the trademark search
3 report and supports its claim. However, notice of the trademark search report is distinct
4 from knowledge that the Third-Party Mark had been used in commerce and had rights
5 superior to CEFCU. See *Int'l House of Pancakes, Inc. v. Elca Corp.*, 216 U.S.P.Q. 521,
6 525 (Trademark Tr. & App. Bd.1982) (“The mere fact that applicant received the
7 [trademark] search report and its attorney's letter is insufficient to charge it with
8 knowledge of a third party use . . . much less [with knowledge] that the entity had any
9 rights superior to applicant's.”).

10 In order to establish that an applicant executed its trademark registration
11 application fraudulently, SDCCU would have to prove: “(1) there was in fact another use
12 of the same or a confusingly similar mark at the time the oath was signed; (2) the other
13 user had legal rights superior to applicant's; (3) applicant knew that the other user had
14 rights in the mark superior to applicant's, and either believed that a likelihood of
15 confusion would result from applicant's use of its mark or had no reasonable basis for
16 believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent
17 and Trademark Office, intended to procure a registration to which it was not entitled.”
18 *Hana Fin., Inc v. Hana Bank*, 500 F. Supp. 2d 1228, 1234 (C.D. Cal. 2007). On these
19 factors, even if notice were sufficient to show Schneider was aware of a similar existing
20 Third-Party Mark, SDCCU has not shown, by clear and convincing evidence that UFFCU
21 had legal rights superior to CEFCU or that Schneider knew that the UFFCU had rights in
22 the mark superior to CEFCU. Therefore, SDCCU’s argument of an alleged false
23 statement concerning “the right to use” is not supported.

24 SDCCU’s additional evidence shows UFFCU’s advertisements using its tagline
25 dated April 2008 to September 2008, (Dkt. No. 196-9, Dabney Decl., Ex. 12 (UNDER
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1 SEAL)), after CEFCU claims its Mark was being used in commerce, that is, February 5,
2 2007, and lends no succor.⁷

3 Finally, at the hearing, the SDCCU disputed CEFCU's claim that its trademark has
4 been used in commerce as of February 5, 2007 claim as it is based solely on a single
5 newspaper ad that was run in a local newspaper in Peoria, Illinois. (Dkt. No. 245, Trans.
6 at 10.) However, in the record, the Court notes that SDCCU did not dispute CEFCU's
7 separate statement of undisputed material facts that as of February 5, 2007, CEFCU has
8 continuously offered credit union services from locations inside the State of Illinois to
9 customers located both inside and outside the State of Illinois, and whose membership
10 includes employees of CATERPILLAR dealers and corporate employees who are located
11 inside and outside of Illinois. (Dkt. No. 187-1, SDCCU's Response to CEFCU's SSUF,
12 Nos. 2, 3.) Since February 5, 2007, CEFCU has advertised and marketed credit union
13 services from locations inside the State of Illinois to members located outside the State of
14 Illinois, including members who have moved away from central Illinois and members
15 who are employees of CATERPILLAR dealers and CATERPILLAR company facilities.
16 (Id., No. 6.)

17 Therefore, as to Schneider, SDCCU has failed to meet its burden on summary
18 judgment to set forth facts to support a claim of fraudulent trademark registration under
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22 ⁷ At the hearing, the Court questioned the admissibility of UFCCU's newspaper advertisement as
23 hearsay. (Dkt. No. 245, Trans. at 9.) SDCCU acknowledged that UFCCU's newspaper advertisement is
24 hearsay but stated it had recently sent CEFCU a declaration from UFCCU stating that the ads were
25 business records and fall under an exception to the hearsay rule. Acknowledging that the admissibility
26 standard on summary judgment is distinct from trial, SDCCU asserted it will produce the declaration at
27 trial. "At the summary judgment stage, courts focus on admissibility of the evidence's content, not its
28 form." *Clark v. Cnty. of Tulare*, 755 F. Supp. 2d 1075, 1083 (E.D. Cal. 2010); see also *Fonseca v.*
Sysco Food Servs. of Arizona, Inc., 374 F.3d 840, 846 (9th Cir. 2004) ("Even the declarations that do
contain hearsay are admissible for summary judgment purposes because they "could be presented in an
admissible form at trial." The Court agrees with SDCCU and will consider UFCCU's advertisements.

1 15 U.S.C. § 1120. Thus, the Court GRANTS CEFCU’s motion for summary judgment
2 concerning the false statement regarding “the right to use.”

3 CEFCU also claims that SDCCU has no evidence to demonstrate Schneider’s
4 subjective intent to deceive. Given SDCCU’s failure to offer admissible evidence of a
5 false representation as to the “right to use”, this claim is moot.

6 Lastly, because Plaintiff has failed to show sufficient facts to support its claim
7 under 15 U.S.C. § 1120, the Court need not consider Defendant’s final argument that
8 Plaintiff has not provided any admissible evidence of legally cognizable damages.
9 Accordingly, the Court GRANTS Defendant’s motion for summary judgment the fifth
10 cause of action.

11 **D. Plaintiff’s Motion to Exclude Expert Testimony of Robert A. Taylor and**
12 **Theodore Davis Jr.**

13 Plaintiff filed a motion to exclude CEFCU’s rebuttal expert testimony of Robert A.
14 Taylor addressing damages on the fifth cause of action. (Dkt. No. 163.) Plaintiff also
15 filed a motion to exclude CEFCU’s rebuttal expert testimony of Theodore Davis Jr.
16 concerning the practice and procedure of trademark registration before the USPTO. (Dkt.
17 No. 159.) Because the Court grants summary judgment on the fifth cause of action, the
18 motions to exclude are moot. (Dkt. No. 176 at 6 (CEFCU argued that “[a] grant of
19 CEFCU’s pending motion for summary judgment (Dkt. 152) would render moot
20 SDCCU’s motion to exclude Mr. Davis’s expert testimony.”). Thus, the Court DENIES
21 SDCCU’s motions to exclude the expert reports and testimony of Robert A. Taylor and
22 Theodore Davis Jr. as MOOT.

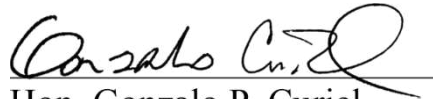
23 **Conclusion**

24 Based on the above, the Court GRANTS Defendant’s motion for summary
25 judgment on the fifth cause of action for false and/or fraudulent registration of trademark
26 under 15 U.S.C. § 1120 and DENIES Plaintiff’s motions to exclude the expert testimony
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1 of Robert A. Taylor and Theodore Davis Jr. as MOOT. The Court also overrules
2 CEFCU's objections to Ashlee Micale's declaration as MOOT. (Dkt. No. 182.)

3 IT IS SO ORDERED.

4 Dated: September 29, 2020

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6 Hon. Gonzalo P. Curiel
7 United States District Judge
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