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7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 KISCHE USA LLC,

11 Plaintiff,

12 v.

13 ALI SIMSEK, et al.,

14 Defendants.

CASE NO. C16-0168JLR

ORDER DENYING PLAINTIFF'S
SECOND MOTION FOR
SUMMARY JUDGMENT

15
16 **I. INTRODUCTION**

17 Before the court is Plaintiff Kische USA LLC's ("Kische") second motion for
18 summary judgment.¹ (2d MSJ (Dkt. # 101).) Defendants oppose the motion. (2d MSJ

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20 ¹ Defendants Ali Simsek, Diane Walker, and JD Stellar LLC ("JD Stellar") (collectively,
21 "Defendants") have also filed a motion for summary judgment. (Def's. MSJ (Dkt. # 121).) That
22 motion is not yet ripe for the court's consideration (*see id.* at 1 (stating a noting date of
December 8, 2017)), and thus the court makes no ruling on that motion at this time. However,
where Defendants argue in response to Kische's motion that the court should enter summary
judgment in their favor, the court addresses the argument. *See infra.*

1 Resp. (Dkt. # 107).) The court has considered the motion, the parties’ submissions in
2 favor of and in opposition to the motion, the relevant portions of the record, and the
3 applicable law. Being fully advised,² the court DENIES Kische’s motion for the reasons
4 set forth below.

5 II. BACKGROUND

6 The court has extensively detailed the factual and procedural background of this
7 case in numerous prior orders. (*See, e.g.*, 6/29/16 Order (Dkt. # 39); 12/13/16 Order
8 (Dkt. # 65); 2/22/17 Order (Dkt. # 74); 9/6/17 Order (Dkt. # 95); 11/2/17 Order (Dkt.
9 # 115).) Thus, in this order, the court recounts only the facts salient to Kische’s instant
10 motion.

11 Mehmet Uysal, who resides in Turkey, formed Kische in 2007. (Uysal Decl. (Dkt.
12 # 103) at 2.)³ Beginning at that time, Kische “designed, imported[,] and sold clothing to
13 prominent retailers in the United States, including Nordstrom, Haute Look, Winners, T.J.
14 Maxx, Marshalls[, and] Ross.” (*Id.*) Kische contends that Mr. Simsek and Ms. Walker
15 abused their positions as Kische managers to misappropriate Kische’s assets and form JD
16 Stellar, a competing business. (*See id.* (stating that Mr. Simsek and Mr. Walker “worked
17 as managers of Kische”); SAC (Dkt. # 75) ¶¶ 4.19, 4.23-4.26; 9/6/17 Order (concluding
18 that Mr. Simsek breached duties that he owed to Kische as its manager).) Of particular
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20 ² Kische requests oral argument (*see* 2d MSJ at 1), but the court determines that oral
21 argument would not be helpful to the court’s disposition of the motion, Local Rules W.D. Wash.
LCR 7(b)(4). Accordingly, the court denies Kische’s request.

22 ³ Kische mislabels Mr. Uysal’s declaration on the docket as “Declaration of Plaintiff.”
(*See* Uysal Decl.) Mr. Uysal is not, however, a party to this case. (*See generally* Dkt.)

1 relevance here, Kische contends that Defendants invalidly transferred and used two
2 trademarks of which Kische is “the senior user and owner”: (1) Kische word mark # 682
3 (“the Kische Mark”), and (2) Marseille design mark # 455 (“the Marseille Mark”)
4 (collectively, “the Marks”).⁴ (2d MSJ at 6 (citing SAC ¶¶ 4.9, Ex. 6 (Dkt. # 75-1) at
5 35-36 (“Kische Reg.”), 4.10, Ex. 7 (Dkt. # 75-1) at 37-38 (“Marseille Reg.”)).) On this
6 basis, Kische claims that Defendants infringed the marks in violation of the Lanham Act,
7 15 U.S.C. § 1114, and common law. (SAC ¶¶ 5.1-6.7.)

8 Kische registered the Marseille Mark on May 17, 2011, and the Kische Mark on
9 August 5, 2014, with the United States Patent and Trademark Office (“USPTO”). (*See*
10 *Kische Reg.*; *Marseille Reg.*) The registrations state that Kische first used the Kische
11 Mark in 2007 and the Marseille Mark in 2010. (*See Kische Reg.*; *Marseille Reg.*)
12 According to Mr. Uysal, Kische “used its trademarks in commerce in Washington State,
13 as well as regionally across the United States through its shipments and distributions to
14 major retailers.” (Uysal Decl. at 2; *see also* Simsek Decl. (Dkt. # 108) ¶ 8 (agreeing that
15 Kische sold clothing under the Marks).) Kische’s sale of clothing with the Marks
16 “grossed annual sales of \$13 million” in 2011. (Uysal Decl. at 1.) Kische promoted the
17 clothing bearing the Marks “through the internet, email and print advertising, word of

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19 ⁴ Kische’s briefing also implicates two other marks—a Kische design mark and a
20 Marseille word mark. (*See* 2d MSJ at 8 (discussing both the Marseille design mark and the
21 Marseille word mark); *see also* SAC ¶ 4.8, Ex. 5 (Dkt. # 75-1) at 33-34 (registering a Kische
22 design mark on December 23, 2008, but showing that Kische later canceled the registration on
July 24, 2015); *id.* ¶ 4.30, Ex. 25 (Dkt. # 75-2) (showing that after the Marseille Mark was
assigned to JD Stellar, JD Stellar also registered a Marseille word mark).) However, Kische does
not allege infringement of those marks or move for summary judgment on any infringement of
those marks other than for transfer of the Marseille word mark. (*See* SAC ¶¶ 5.1-6.7; 2d MSJ at
28.)

1 mouth, showrooms, tradeshow, retail agents, and at clothing showcase events.” (*Id.* at
2 2.)

3 On March 13, 2014, Mr. Simsek—while he was still Kische’s manager—
4 facilitated the assignment of the Marseille Mark to JD Stellar.⁵ (*See* SAC ¶ 4.23, Ex. 18
5 (Dkt. # 75-1) (“Assignment”) at 55.) After the assignment, JD Stellar filed for federal
6 trademark protection of a Marseille word mark. (*See* SAC ¶ 4.30, Ex. 25 at 6.) The
7 registration stated that the mark had first been used on June 20, 2010. (*Id.*) The word
8 mark was registered to JD Stellar on July 7, 2015. (*Id.*; Simsek Decl. ¶ 22, Ex. F.) Citing
9 two purchase orders from JD Stellar to TJ Maxx in 2014, Kische contends that after the
10 transfer and redesign of the Marseille Mark, JD Stellar used the mark in connection with
11 selling its goods. (2d MSJ at 9 (citing Herschlip Decl. (Dkt. # 102) at 2, Exs. F, G).)
12 Kische also contends that JD Stellar used the Kische Mark to “sell clothing goods[] and
13 solicit sales” by using the mark in emails to customers. (*Id.* at 12 (citing Mitchell Decl.
14 (Dkt. # 104) at 2, Exs. D-F).)

15 Defendants’ version of events does not differ significantly from Kische’s.⁶
16 However, Defendants maintain that “Kische has not delivered a single clothing order
17 since 2014” (2d MSJ Resp. at 6 (citing Simsek Decl. ¶ 13, Ex. B); *but see id.* at 8 (stating
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19 ⁵ In its September 6, 2017, order on Kische’s first motion for summary judgment, the
20 court found that Mr. Simsek breached his common law fiduciary duty by using Kische’s property
for his own benefit at the time he assigned the Marseille Mark from Kische to JD Stellar. (9/6/17
Order at 31.)

21 ⁶ The court does not recount Defendants’ explication of Mr. Uysal’s financial difficulties
22 in Turkey because those facts are irrelevant to the trademark infringement claims before the
court. (*See* 2d MSJ Resp. at 7; Foreman Decl. (Dkt. # 109) ¶¶ 3-10; Simsek Decl. ¶¶ 7, 10-15.)

1 that “[t]he last shipment of Kische’s Marseille mark clothing was February 26, 2014, and
2 the last shipment of Kische’s Kische mark clothing . . . was May 28, 2016”) and that JD
3 Stellar never sold or advertised any clothing bearing the Kische Mark (Simsek Decl.
4 ¶ 17). Defendants further aver that the Kische Mark was the more popular of the Marks
5 and accounted for at least 90 percent of Kische’s sales prior to 2014. (*Id.* ¶ 8.)
6 Defendants contend that Kische sold only small quantities of the Marseille Mark
7 “primarily to select Canadian customers.” (*Id.* ¶ 9.) Mr. Simsek attests that Mr. Uysal’s
8 goal was to turn the Kische Mark “into an internationally known brand” and that Mr.
9 Uysal disfavored the Marseille Mark as a result. (*Id.* ¶ 8.) Mr. Simsek further states that
10 the Marseille Mark has also made up only a small percentage of JD Stellar’s sales, while
11 the “vast majority” of JD Stellar’s sales have come from its Dantelle mark. (*Id.* ¶ 20, Ex.
12 D.) Defendants maintain that JD Stellar stopped selling any clothing under the Marseille
13 Mark after they received a cease-and-desist letter from Kische’s counsel on September
14 11, 2015. (*Id.* ¶ 26.)

15 Kische now seeks summary judgment on its claims that Defendants infringed the
16 Marks. (*See* 2d MSJ at 15-28; SAC ¶¶ 5.1-5.7 (alleging trademark infringement in
17 violation of 15 U.S.C. § 1114), 6.1-6.7 (alleging common law trademark infringement).)

18 **III. ANALYSIS**

19 **A. Legal Standard**

20 Summary judgment is appropriate if the evidence shows “that there is no genuine
21 dispute as to any material fact and the movant is entitled to judgment as a matter of law.”
22 Fed. R. Civ. P. 56(a); *see Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Galen v.*

1 | *Cty. of L.A.*, 477 F.3d 652, 658 (9th Cir. 2007). A fact is “material” if it might affect the
2 | outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A
3 | factual dispute is “‘genuine’ only if there is sufficient evidence for a reasonable fact
4 | finder to find for the non-moving party.” *Far Out Prods., Inc. v. Oskar*, 247 F.3d 986,
5 | 992 (9th Cir. 2001) (citing *Anderson*, 477 U.S. at 248-49).

6 | The moving party bears the initial burden of showing there is no genuine dispute
7 | of material fact and that it is entitled to prevail as a matter of law. *Celotex*, 477 U.S. at
8 | 323. If the moving party does not bear the ultimate burden of persuasion at trial, it can
9 | show the absence of such a dispute in two ways: (1) by producing evidence negating an
10 | essential element of the nonmoving party’s case, or (2) by showing that the nonmoving
11 | party lacks evidence of an essential element of its claim or defense. *Nissan Fire &*
12 | *Marine Ins. Co. v. Fritz Cos.*, 210 F.3d 1099, 1106 (9th Cir. 2000). If the moving party
13 | will bear the burden of persuasion at trial, it must establish a prima facie showing in
14 | support of its position on that issue. *UA Local 343 v. Nor-Cal Plumbing, Inc.*, 48 F.3d
15 | 1465, 1471 (9th Cir. 1994). That is, the moving party must present evidence that, if
16 | uncontroverted at trial, would entitle it to prevail on that issue. *Id.* at 1473. If the moving
17 | party meets its burden of production, the burden then shifts to the nonmoving party to
18 | identify specific facts from which a fact finder could reasonably find in the nonmoving
19 | party’s favor. *Celotex*, 477 U.S. at 324; *Anderson*, 477 U.S. at 252.

20 | The court is “required to view the facts and draw reasonable inferences in the light
21 | most favorable to the [nonmoving] party.” *Scott v. Harris*, 550 U.S. 372, 378 (2007).

22 | The court may not weigh evidence or make credibility determinations in analyzing a

1 motion for summary judgment because those are “jury functions, not those of a judge.”
2 *Anderson*, 477 U.S. at 249-50. Nevertheless, the nonmoving party “must do more than
3 simply show that there is some metaphysical doubt as to the material facts Where
4 the record taken as a whole could not lead a rational trier of fact to find for the
5 nonmoving party, there is no genuine issue for trial.” *Scott*, 550 U.S. at 380 (internal
6 quotation marks omitted) (quoting *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*,
7 475 U.S. 574, 586-87 (1986)).

8 **B. Second Motion for Summary Judgment**

9 As a threshold issue, Defendants take issue with the fact that this motion is
10 Kische’s second motion for summary judgment. (2d MSJ Resp. at 5.) District courts
11 have discretion to entertain second motions for summary judgment. *Hoffman v.*
12 *Tonnemacher*, 593 F.3d 908, 909 (9th Cir. 2010). The Ninth Circuit has stated that
13 “allowing a party to file a second motion for summary judgment is logical, and it fosters
14 the ‘just, speedy, and inexpensive’ resolution of suits.” *Id.* at 911 (quoting Fed. R. Civ.
15 P. 1); *see also id.* at 912 (“Allowing a successive summary judgment motion potentially
16 can save all concerned the far greater expenses of a trial.”). However, the Ninth Circuit
17 also cautioned that district courts should “weed out frivolous or simply repetitive
18 motions.” *Id.* In exercising its discretion on this question, a district court may consider
19 the following factors: ““(1) an intervening change in controlling law; (2) the availability
20 of new evidence or an expanded factual record; and (3) [the] need to correct a clear error
21 or prevent manifest injustice.”” *Brazill v. Cal. Northstate Coll. of Pharm., LLC*, No. CIV.

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1 2:12-1218 WBS GGH, 2013 WL 4500667, at *1 (E.D. Cal. Aug. 22, 2013) (quoting
2 *Whitford v. Boglino*, 63 F.3d 527, 530 (7th Cir. 1995)).

3 Although Defendants contest Kische's filing of a second motion for summary
4 judgment, the court will consider the motion in the interest of judicial efficiency. (2d
5 MSJ Resp. at 5.) Even though many of the underlying facts and issues are the same as in
6 Kische's first motion, the second motion is not patently frivolous or simply repetitive.
7 *See Hoffman*, 593 F.3d at 911. Moreover, the first motion for summary judgment
8 involved the breach and duty elements of Kische's breach of contract and fiduciary duty
9 claims against Mr. Simsek, whereas this motion involves Kische's trademark
10 infringement claims. (*Compare* 1st MSJ (Dkt. # 85), *with* 2d MSJ.)

11 However, if left unchecked, repetitive motions practice can create significant costs
12 and expend considerable court resources. Thus, the court orders any party wishing to file
13 an additional dispositive motion to first seek the court's leave. *See* Fed. R. Civ. P. 56(b)
14 (stating that "[u]nless a different time is set by local rule or the court orders otherwise, a
15 party may file a motion for summary judgment at any time until 30 days after the close of
16 all discovery"); (*see also* Sched. Order (Dkt. # 78) at 1 (setting the dispositive motions
17 deadline as January 9, 2018).) A party's failure to seek the court's leave will result in the
18 court striking the dispositive motion as improperly filed.

19 **C. Kische's Motion**

20 As presented in its motion, Kische seeks summary judgment on four issues: (1)
21 that Kische had valid common law and federal trademark rights in the Marks; (2) that Mr.
22 Simsek's transfer of the Marseille Mark was invalid and should be reversed; (3) that

1 Defendants infringed on the Marks by causing a likelihood of consumer confusion; and
2 (4) that Defendants knowingly and willfully infringed on the Marks.⁷ (2d MSJ at 6.) As
3 a preliminary matter, Defendants argue Kische’s motion is so confused and unclear that
4 they cannot properly respond to it. (*See* 2d MSJ Resp. at 5.) But Defendants exaggerate
5 the severity of any ineloquence in Kische’s motion. Although Kische does not expressly
6 state that it seeks summary judgment on its trademark infringement claims—instead
7 stating that it requests judgment in its favor on the issues of whether it had rights in the
8 Marks and whether Defendants infringed on the Marks by causing a likelihood of
9 consumer confusion—Kische’s motion adequately informs Defendants and the court of
10 Kische’s arguments. (*See* 2d MSJ at 14 (using the subheading “JD Stellar Has
11 Committed Federal Trademark Infringement In Violation of 15 U.S.C. § 1114”); *see also*
12 2d MSJ Resp. at 13-25 (contesting the entry of summary judgment on the trademark
13 infringement claims).) Indeed, those two “issues” comprise the two elements of a
14 trademark infringement claim under both Section 32 of the Lanham Act and common
15 law.⁸ *See Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d 966, 969 (9th Cir. 2007)
16 (stating that a plaintiff asserting a trademark infringement claim must prove that (1) it has

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18 ⁷ However, Kische elsewhere in its motion states that three issues are suitable for
19 summary judgment: (1) whether the transfer of the Marseille Mark to JD Stellar was proper; (2)
20 whether JD Stellar’s use of the Marks “in connection with the sale of identical clothing goods
create[d] a likelihood of confusion”; and (3) whether the Marseille Mark should be transferred to
Kische. (*Id.* at 13; *see also id.* at 14.) In the interest of comprehensively addressing the motion,
the court takes up the four issues identified above.

21 ⁸ Although Kische does not expressly say so in either its second amended complaint or
22 second motion for summary judgment, Kische appears only to assert a theory of direct trademark
infringement. (*See, e.g., SAC*; 2d MSJ.) Thus, the court does not address any other theory of
liability.

1 valid, protectable trademarks, and (2) the defendant’s use of the marks in commerce is
2 likely to cause confusion); *Hokto Kinoko Co. v. Concord Farms, Inc.*, 810 F. Supp. 2d
3 1013, 1031 (C.D. Cal. 2011) (analyzing common law and Lanham Act trademark
4 infringement claims together because “courts have uniformly held that common law and
5 statutory trademark infringement are merely specific aspects of unfair competition”).
6 The court thus proceeds to analyze whether Kische is entitled to summary judgment on
7 its trademark infringement claims.

8 1. Laches

9 Before turning to the merits of the claims, the court addresses Defendants’
10 argument that the doctrine of laches applies because Kische has not sold any clothing or
11 used either of the Marks since 2014.⁹ (2d MSJ Resp. at 16-17.) Kische argues that the
12 doctrine is inappropriate on the facts of this case. (Reply (Dkt. # 110) at 7-8.)

13 A laches defense “can defeat an otherwise valid claim under the Lanham Act.”
14 *Tillamook Country Smoker, Inc. v. Tillamook Cty. Creamery Ass’n*, 465 F.3d 1102, 1108
15 (9th Cir. 2006) (internal quotation marks omitted). “The limitations period
16 for laches starts from the time the plaintiff knew or should have known about its potential
17 cause of action.” *Id.* (internal quotation marks omitted). This standard can be satisfied
18 by either actual or constructive knowledge because “[c]ompanies expecting judicial

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20 ⁹ The court notes that Defendants appear to conflate their laches argument with their
21 abandonment argument. (*See id.* (stating that Kische “should be barred under laches from
22 making an infringement claim[] because, since 2014, it has abandoned the production of clothing
and abandoned the use of any marks, including [the] Marseille [mark]”).) Because the doctrine
of laches and the abandonment defense are distinct legal doctrines, the court addresses them
separately. *See infra* § III.C.1.i.

1 enforcement of their marks must conduct an effective policing effort.” *Grupo Gigante Sa*
2 *De CV v. Dallo & Co. Inc.*, 391 F.3d 1088, 1102 (9th Cir. 2004) (emphasis omitted).

3 Laches requires a defendant to show that the plaintiff’s delay in filing suit was
4 unreasonable and that the defendant suffers prejudice from the delay. *See Jarrow*
5 *Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 838 (9th Cir. 2002). In a trademark
6 infringement action, the court engages in two steps to determine whether a delay was
7 unreasonable. *See id.* First, the court determines when the statute of limitations period
8 expired for “the most closely analogous action under state law.” *Jarrow Formulas*, 304
9 F.3d at 836. “If the plaintiff filed within that statutory period, there is a strong
10 presumption against laches.” *Tillamook*, 465 F.3d at 1108. The district court then
11 balances six factors to determine whether the trademark owner’s delay in filing suit was
12 unreasonable: “(1) strength and value of the trademark rights asserted; (2) plaintiff’s
13 diligence in enforcing [the] mark; (3) harm to [the] senior user if relief is denied; (4) good
14 faith ignorance by [the] junior user; (5) competition between [the] senior and junior
15 users; and (6) extent of harm suffered by the junior user because of [the] senior user’s
16 delay.” *Id.*

17 Defendants make no argument regarding an analogous statute of limitations or the
18 six factors bearing on unreasonableness. (*See* 2d MSJ Resp.) In addition, Defendants
19 make no showing of prejudice from any delay in Kische asserting its trademark
20 infringement claims. (*See id.*) These omissions are fatal to Defendants’ contention that
21 laches should bar Kische’s trademark claims, and the court declines to apply the laches

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1 doctrine here. Accordingly, the court proceeds to analyze the trademark infringement
2 claims.

3 2. Trademark Infringement Claims

4 To prove a claim for trademark infringement, Kische must show that (1) it has
5 valid, protectable trademarks,¹⁰ and (2) Defendants’ use of the Marks in commerce is
6 likely to cause consumer confusion. *Applied Info. Scis.*, 511 F.3d at 969 (citing 15
7 U.S.C. ¶ 1114(1)(a)). Courts often characterize those two elements as comprising three
8 distinct requirements: (1) a valid, protectable trademark (2) used in commerce (3) in such
9 a way that is likely to cause consumer confusion. *See Karl Storz Endoscopy Am., Inc. v.*
10 *Surgical Techs., Inc.*, 285 F.3d 848, 855 (9th Cir. 2002) (“We must address whether [the
11 defendant] used [the plaintiff’s] trademark in commerce.”); *UL LLC v. Space Chariot*
12 *Inc.*, 250 F. Supp. 3d 596, 608 (C.D. Cal. 2017) (addressing whether the defendant used a
13 mark “identical with, or substantially indistinguishable from” the mark at issue “in
14 connection with the sale, offering for sale, distribution, or advertising of goods or
15 services” before addressing the likelihood of consumer confusion). The key inquiry in a
16 claim for trademark infringement is whether the infringing use of a valid trademark
17 “creates a likelihood that the consuming public will be confused as to who makes what
18 product.” *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 632 (9th Cir. 2008). “Because of

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¹⁰ The Lanham Act defines a trademark as “any word, name, symbol, or device, or any combination thereof” that is “used by a person” or that “a person has a bona fide intention to use in commerce and applies to register on the principal register . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127.

1 the intensely factual nature of trademark disputes, summary judgment is generally
2 disfavored in the trademark arena.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135,
3 1140 (9th Cir. 2002).

4 *a. Valid Ownership*

5 The court first considers whether Kische owns the marks. Kische contends that it
6 “has established prima facie evidence of its trademarks’ validity by virtue of their
7 registration, and established common law rights to [the] marks by virtue of their prior
8 use.” (2d MSJ at 16.) “Registration of a mark on the Principal Register in the Patent and
9 Trademark Office constitutes prima facie evidence of the validity of the registered mark
10 and of [the registrant’s] exclusive right to use the mark on the goods and services
11 specified in the registration.” *Applied Info. Scis.*, 511 F.3d at 970 (internal quotation
12 marks omitted and alteration in original). The defendant can rebut the presumption by
13 demonstrating that the registrant had not established valid ownership rights in the mark at
14 the time of registration. *Sengoku Works v. RMC Int’l*, 96 F.3d 1217, 1219-20 (9th Cir.
15 1996).

16 *i. The Kische Mark*

17 Kische has established prima facie ownership of the Kische Mark because Kische
18 registered the mark on August 5, 2014. (*See* Kische Reg.); *Applied Info. Scis.*, 511 F.3d
19 at 970. Defendants do not attempt to rebut this showing by arguing that Kische did not
20 have valid ownership rights at the time of registration. (*See generally* 2d MSJ Resp.); *see*
21 *Sengoku Works*, 96 F.3d at 1219-20. Rather, Defendants challenge Kische’s ownership
22 by arguing that Kische abandoned it. (2d MSJ Resp. at 16.) They contend that Kische

1 has not sold any clothing under the mark since 2014, “has not offered any evidence of a
2 plan or even the possibility of starting to sell clothing again,” and is “now a presumably
3 insolvent company with no means of production.” (*Id.* at 17.)

4 “Abandonment is a defense to a claim of infringement of a registered trademark.”
5 *Grocery Outlet Inc. v Albertson’s Inc.*, 497 F.3d 949, 951 (9th Cir. 2007). Abandonment
6 requires “both discontinuance of all bona fide trademark use in the ordinary course of
7 trade and an intent not to resume such use.”¹¹ *Electro Source, LLC v.*
8 *Brandess-Kalt-Aetna Grp., Inc.*, 458 F.3d 931, 933 (9th Cir. 2006) (citing 15 U.S.C.
9 § 1127). Abandonment requires that an entity completely cease or discontinue its
10 trademark use, and unless use “is actually terminated, the intent not to resume use prong
11 of abandonment does not come into play.” *Id.* at 937-38. The party claiming
12 abandonment bears the burden of proving both elements, *see Grocery Outlet*, 497 F.3d at
13 951, and the proof required is “strict,” *see Wallack v. Idexx Labs., Inc.*,
14 No. 11cv2996-GPC (KSC), 2015 WL 5943844, at *5 (S.D. Cal. Oct. 13, 2015) (“The
15 Ninth Circuit has not decided whether ‘strictly proved’ means to prove by clear and
16 convincing evidence, but the burden of proof is high.”). Nonuse for three consecutive
17 years constitutes prima facie evidence of abandonment, although it does not shift the
18 burden of proof to the trademark owner. *See Herb Reed Enters., LLC v. Fla. Entm’t*
19 *Mgmt., Inc.*, 736 F.3d 1239, 1247-48 (9th Cir. 2013); *Abdul-Jabbar v. Gen. Motors*
20 *Corp.*, 85 F.3d 407, 411 (9th Cir. 1996).

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22 ¹¹ A trademark may also be abandoned when it becomes generic. *See Grocery Outlet*,
497 F.3d at 951.

1 Defendants have not “strictly proved” abandonment of the Kische Mark. *See*
2 *Wallack*, 2015 WL 5943844, at *5. Mr. Simsek attests that Kische has not sold any
3 clothing under either of the Marks for the last three years—since May 28, 2014 (Simsek
4 Decl. ¶ 13, Ex. B), which constitutes prima facie evidence of abandonment, *Herb Reed*,
5 736 F.3d at 1247-48. However, Defendants fail to meet their burden of proving intent not
6 to resume use of the Marks. *Wallack*, 2015 WL 5943844, at *5. They rely only on
7 conclusory assertions to make this showing. (*See* 2d MSJ Resp. at 17.) For example,
8 Defendants state that Kische “has not offered any evidence of a plan or even the
9 possibility of starting to sell clothing again.” (*Id.*) But this assertion falls far short of the
10 strict proof Defendants must put forth to demonstrate abandonment. In addition, even if
11 Defendants’ assumption that Kische is no longer a solvent business is correct (*id.* (stating
12 that Kische is “now a presumably insolvent company”)), “a failing, yet ongoing, business
13 [does not] automatically abandon[] its mark,” *Electro Source*, 458 F.3d at 933. For these
14 reasons, the court finds that Defendants have not met their burden of proving
15 abandonment and denies Defendants’ request to grant judgment in their favor on the
16 trademark infringement claims on this basis. (*See* 2d MSJ Resp. at 17 (“[U]nder Rules
17 56(e)(4) and 56(f), the [c]ourt is asked to enter a ruling that [Kische’s] infringement
18 claims must fail”))

19 ii. The Marseille Mark

20 As to the Marseille Mark, the undisputed evidence before the court shows that JD
21 Stellar is currently the registered owner of the Marseille Mark. (*See* Assignment.) Thus,
22 the court presumes that JD Stellar owns the trademark. *Sengoku Works*, 96 F.3d at 1219

1 (“When proving ownership of a trademark, federal registration of the mark is prima facie
2 evidence that the registrant is the owner of the mark.”). However, Kische can rebut this
3 presumption by “showing that the registrant had not established valid ownership rights in
4 the mark at the time of registration—in other words, if the non-registrant can show that
5 he used the mark in commerce first, then the registration may be invalidated.”¹² *Id.*; *see*
6 *also Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1124 (9th
7 Cir. 2006) (stating that the plaintiff “may rebut the presumption of ownership [in favor of
8 the defendant] with evidence establishing its own prior use in commerce of the registered
9 mark”). Kische must prove “(1) that it actually adopted and used the mark[] in commerce
10 prior to [JD Stellar’s] registration in such a manner that sufficiently associated the mark[]
11 with” Kische’s sale of clothing, and “(2) that its use of the mark[] was continuous and not
12 interrupted.” *Id.* at 1126. Prior use in commerce includes an element of actual use and
13 an element of display. *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1159 (9th Cir.
14 2001) (citing 15 U.S.C. § 1127). In evaluating these elements, the court uses a totality of
15 the circumstances approach to determine whether the mark was used “in a way
16 sufficiently public to identify or distinguish the marked goods in an appropriate segment
17 of the public mind.” *Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d 1190, 1205 (9th
18 Cir. 2012) (internal quotation marks omitted); *see also Airs Aromatics, LLC v. Opinion*

19
20 ¹² In this regard, Defendants are incorrect that because JD Stellar is the registered owner
21 of Marseille mark, Kische’s claim fails as a matter of law. (*See* 2d MSJ Resp. at 15 (“Because JD
22 Stellar’s use of the Marseille mark occurred during the period of time it was the registered owner
and not [Kische], there cannot be infringement.”).) The court therefore denies Defendants’
request to “enter a ruling that [Kische’s] infringement claims must fail due to” JD Stellar’s
registration of the Marseille mark. (*Id.* (citing Fed. R. Civ. P. 56(e)(4), (f)).)

1 *Victoria's Secret Stores Brand Mgmt., Inc.*, 744 F.3d 595, 599 (quoting *Brookfield*
2 *Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1052 (9th Cir. 1999))
3 (“Continuous usage requires sufficiently public usage as ‘to identify or distinguish the
4 marked goods in an appropriate segment of the public mind as those of the adopter of the
5 mark.’”). Under this approach, the court considers actual sales, the genuineness and
6 commercial character of the activity, the amount of business transacted, the degree of
7 ongoing activity to the holder to conduct the business using the mark, and whether the
8 mark was sufficiently public, among other factors. *Rearden*, 683 F.3d at 1205.

9 Although Kische does not dispute that JD Stellar is the registered owner of the
10 Marseille Mark, Kische argues that it acquired ownership of the Marseille Mark before
11 JD Stellar by using it in commerce before JD Stellar’s registration. (2d MSJ at 17.) The
12 court concludes that Kische fails to meet its burden of production regarding Kische’s
13 prior use. *See id.* at 1208.

14 To prove prior use, Kische proffers Mr. Simsek’s deposition testimony, a
15 cease-and-desist letter from Kische’s counsel, Defendants’ answers to Kische’s requests
16 for admission, and pictures of clothing bearing a Marseille label. (*See* 2d MSJ at 17.)
17 However, when viewing this evidence in the light most favorable to Defendants, Kische
18 falls short of demonstrating prior use as a matter of law. First, the deposition testimony,
19 cease-and-desist letter, and responses to the requests for admission demonstrate at best
20 establish a dispute of material fact as to whether Kische first used the Marseille Mark in
21 commerce. For example, Mr. Simsek testified that he believed Kische began using the
22 Marseille mark in 2011 but was “not sure” and that Kische stopped using the mark in

1 2012. (Herschlip Decl. at 1, Ex. A (“Simsek Dep.”) at 44.) In addition, Kische’s
2 counsel’s cease-and-desist letter states only that “on information and belief,” Kische had
3 used the Marseille mark in commerce since August 2010, and thus is insufficient to
4 demonstrate prior use. (*Id.* at 2, Ex. D at 42.) Further, Defendants’ answers to Kische’s
5 requests for admission state only that Kische “briefly” used the Marseille Mark, Mr.
6 Uysal directed Mr. Simsek to stop using the Marseille Mark, and the mark was first used
7 in August 2010. (*Id.* at 2, Ex. B at RFA Nos. 47, 82, 110.) Finally, the court cannot
8 discern what Kische intends the pictures to demonstrate because Kische does not provide
9 any context for the pictures. (*See, e.g., id.* at 2 (describing the exhibit as “[a] true and
10 correct copy of JD Stellar’s MARSEILLE work mark specimen of use”).) In short, none
11 of the proffered material illustrates the exemplary factors the court evaluates under the
12 totality of circumstances analysis.¹³

13 The other piece of evidence Kische presents in support of demonstrating its prior
14 use is its May 17, 2011, registration of the Marseille Mark before the mark was later
15 assigned to JD Stellar. (*See* 2d MSJ at 17 (citing Marseille Reg.)) In the registration,
16 Kische stated that it first used the mark on June 20, 2010, and first used the mark in
17 commerce on August 10, 2010. (Marseille Reg.) Although the statements in the

18
19 ¹³ To the extent that other material in the voluminous docket supports Kische’s assertion
20 of prior use, Kische bears responsibility for bringing that material to the court’s attention. *See*
21 *Celotex*, 477 U.S. at 323 (stating that the party seeking summary dismissal of the case “bears the
22 initial responsibility of informing the district court of the basis for its motion, and identifying
those portions of the pleadings, depositions, answers to interrogatories, and admissions on file,
together with the affidavits, if any, which it believes demonstrate the absence of a genuine issue
of material fact”); *United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991) (per curiam)
 (“Judges are not like pigs, hunting for truffles . . .”). Accordingly, the court does not trawl the
record for additional material helpful to Kische’s position.

1 registration suggest Kische used the mark in commerce before JD Stellar, they fail to
2 demonstrate first use as a matter of law. *See Halicki Films LLC v. Sanderson Sales &*
3 *Mktg.*, 547 F.3d 1213, 1226 (9th Cir. 2008) (stating that to acquire ownership of a
4 trademark, “[i]t is not enough to have invented the mark first or even to have registered it
5 first; the party claiming ownership must have been the first to actually use the mark in the
6 sale of goods or services”). Kische puts forth no evidence to support any other factors
7 under the totality of circumstances test, such as actual sales, the genuineness and
8 commercial character of the activity, the amount of business transacted, the degree of
9 ongoing activity to the holder to conduct the business using the mark, or whether the
10 mark was sufficiently public.¹⁴ *See Rearden*, 683 F.3d at 1205; (*see also* 2d MSJ.) In
11 short, it is simply not enough for Kische to state that it first used the Marseille Mark in
12 commerce—it must actually demonstrate that it did so through evidence other than its
13 prior registration. *See id.*; *Halicki Films*, 547 F.3d at 1226.

14 Kische also fails to show that its use of the Marseille Mark was continuous and
15 uninterrupted. *See Bazaar Del Mundo Inc.*, 448 F.3d at 1126; (2d MSJ at 17-18 (failing
16 to address this requirement for showing prior use).) In addition to Kische’s failure to

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18 ¹⁴ Although some of the statements in Defendants’ motion could support the proposition
19 that Kische first used the Marseille mark in commerce (*see, e.g.*, 2d MSJ Resp. at 6 (stating that
20 “the Marseille mark was far less popular” than the Kische mark, and sold in small quantities
21 primarily to select Canadian customers), 8 (stating that “[t]he last shipment of Kische’s Marseille
22 mark clothing was February 26, 2014”)), those statements are insufficient because Kische has
not met its burden of establishing a prima facie showing in support of its position on this issue,
Nor-Cal Plumbing, 48 F.3d at 1471; *see also Playboy Enters., Inc. v. Netscape Commc’ns Corp.*,
354 F.3d 1020, 1024 (9th Cir. 2004) (“If the moving party meets its initial burden, the burden
shifts to the non-moving party to set forth, by affidavit or as otherwise provided by Rule 56,
specific facts showing that there is a genuine [dispute] for trial.” (internal quotation marks and
emphasis omitted).).

1 meet its initial burden of production, Mr. Simsek’s testimony suggests a genuine dispute
2 of material fact on this point because he attests that Kische discontinued using the
3 Marseille Mark in 2014. (*See* Simsek Decl. ¶ 13.) Thus, the court concludes that on this
4 record and viewing the evidence in the light most favorable to Defendants, Kische has
5 not met its burden of demonstrating its ownership of the Marseille Mark, and denies
6 summary judgment as to the trademark infringement claim regarding the mark.¹⁵

7 In setting forth its arguments, Kische makes much of the fact that Mr. Simsek
8 improperly assigned the Marseille Mark to JD Stellar. (*See* 2d MSJ at 14.) To the extent
9 Kische asserts that the mark was fraudulently transferred (*id.* at 17 (“Kische also filed for
10 federal trademark registration of its MARSEILLE design mark prior to its invalid
11 assignment.”)), a claim for trademark infringement is not the proper vehicle for testing
12 that theory, *see Dahon N. Am., Inc. v. Hon*, No. 2:11-cv-05835-ODW (JCGx), 2012 WL
13 1413681, at *10-11 (C.D. Cal. Apr. 24, 2012) (discussing a claim for fraudulent
14 trademark registration and citing 15 U.S.C. § 1120). In any event, Kische does not allege
15 such a claim or properly raise the argument on summary judgment. Kische also provides
16 no argument or authority for connecting its assertion that Mr. Simsek’s “assignment of
17 the trademark was improper as a matter of law” to the motion for summary judgment on
18 the trademark infringement claims. (*See* 2d MSJ at 14; *see also* Reply at 6 (citing only
19 deposition testimony in which Mr. Simsek agreed that he “asked . . . to . . . reverse the
20

21 ¹⁵ For this reason, the court does not address whether Defendants’ use of the Marseille
22 Mark in commerce caused a likelihood of consumer confusion. *See Applied Info. Scis.*, 511 F.3d
at 969.

1 transfer and send [the Marseille Mark] back to Kische”). Accordingly, the court
2 concludes that any improper assignment does not negate Kische’s need to demonstrate
3 ownership.

4 *b. Defendants’ Use of the Kische Mark*

5 The court now addresses whether Defendants used the Kische Mark in commerce.
6 Kische contends that Defendants used “kische.com email addresses that include the
7 KISCHE mark to sell JD Stellar’s clothing goods, and solicit JD Stellar sales” by
8 including the mark “in the body of emails and in the signature lines of the emails.” (2d
9 MSJ at 18.) Specifically, Kische points the court to three emails that include the Kische
10 Mark. (*See* Mitchell Decl. at 2, Exs. D-F.) The first email includes correspondence from
11 Ms. Walker and representatives from Haute Look and Nordstrom, and some parts of the
12 email thread include “Kische” in the signature. (*See* Mitchell Decl. at 2, Ex. D. at 32,
13 35-37.) The second email appears to be an internal email between Kische and/or JD
14 Stellar employees and includes “Kische” in Ms. Walker’s signature. (*Id.*, Ex. E at 40.)
15 Finally, the third email is from Ms. Walker—using a kische.com email address—to
16 Nordstrom representatives, stating that she and Mr. Simsek “are transitioning from
17 Kische to JD Stellar” and that they “have a new label [they] can ship [the] cardigan
18 under, Dantelle.” (*Id.*, Ex. F at 43.) Kische argues that these emails constitute a use of
19 the mark in commerce, which created a likelihood of confusion. (*See* 2d MSJ at 18.)
20 Defendants respond that their use of the Kische Mark in the form of email addresses and
21 signatures cannot constitute trademark infringement. (*See* 2d MSJ Resp. at

22 //

1 15 (“The question[] the [c]ourt must ask is whether JD Stellar is even using the mark for
2 possible infringement purposes”).)

3 A trademark is used in commerce for goods when “it is placed in any manner on
4 the goods or their containers or the displays associated therewith or on the tags or labels
5 affixed thereto.”¹⁶ 15 U.S.C. § 1127. Thus, courts have held that marks used in a
6 brochure describing a good, tradeshow activities related to a good, and handwritten
7 receipts for the sale of a good, for example, do not constitute use in commerce. *See*
8 *VersaTop Support Sys., LLC v. Ga. Expo Inc.*, No. 3:15-cv-02030-JE, 2017 WL 1364617,
9 at *4-5 (D. Or. Feb. 16, 2017) (holding that the use of a mark in a brochure describing
10 pipe and drape products and in tradeshow activities were not uses in commerce because
11 15 U.S.C. § 1127 requires that a mark be placed on the good in question); *Langford v.*
12 *Rice*, No. CV 10-3258-JST (PLAx), 2010 WL 11549752, at *5 (C.D. Cal. Oct. 28, 2010)
13 (finding that the use of a mark on two handwritten receipts was not a use in commerce).
14 Similarly, Defendants’ use of kische.com email addresses and their inclusion of
15 signatures with the Kische Mark in the emails described above does not constitute use in
16 commerce. *See* 15 U.S.C. § 1127. Kische fails to point to any evidence of Defendants
17 using the Kische Mark on goods. (*See* 2d MSJ; Reply at 7 (focusing solely on “the strong
18 weight of [Kische’s] forensic expert” in authenticating the emails)); 15 U.S.C. § 1127
19 (requiring a mark to be placed on a good). Thus, Kische fails to meets its burden of

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21 ¹⁶ “[I]f the nature of the goods makes such placement impracticable,” a trademark is used
22 in commerce when it is placed “on documents associated with the goods or their sale.” *Id.*
Because the goods at issue here are clothing (Uysal Decl. at 1), there is no indication that it is
impracticable to place the Kische Mark on the clothing.

1 demonstrating that Defendants used the Kische Mark in commerce, and the court denies
2 summary judgment on this trademark infringement claim.¹⁷

3 3. Willful and Knowing Infringement

4 Kische further seeks summary judgment in its favor that Defendants willfully and
5 knowingly infringed the Marks, entitling Kische to attorneys' fees and treble damages.¹⁸
6 (See 2d MSJ at 6.) Because the court denies Kische's motion for summary judgment on
7 the trademark infringement claims, it does not address any damages arising from the
8 alleged infringement.

9 4. Invalid Assignment and Return

10 Finally, Kische argues that because the Marseille Mark was improperly assigned
11 to JD Stellar, Defendants "should be foreclosed from continuing to benefit from
12 possessing the registrations, and the registrations of the two marks should be transferred"
13 to Kische.¹⁹ (2d MSJ at 28.) Defendants counter that Kische in effect seeks injunctive
14

15 ¹⁷ Accordingly, the court does not address the likelihood of consumer confusion from
16 Defendants' use of the Kische Mark. See *Dreamwerks Prod. Grp., Inc. v. SKG Studio*, 142 F.3d
17 1127, 1129 (9th Cir. 1998) (internal quotation marks omitted) ("The test for likelihood of
18 confusion is whether a reasonably prudent consumer in the marketplace is likely to be confused
19 as to the origin of the good or service bearing one of the marks."). In addition, the court denies
20 Defendants' request for summary judgment in its favor based on this factor. (See 2d MSJ Resp.)
21 Defendants raise this issue in their own motion for summary judgment (see Defs. MSJ at 22-23),
22 and the court will address the issue after Kische has had an opportunity to respond to that
motion, cf. Fed. R. Civ. P. 56(f)(1) (stating that the court may grant summary judgment for a
nonmovant "[a]fter giving notice and a reasonable time to respond").

20 ¹⁸ The court also notes that despite raising willful and knowing infringement as an issue
21 for summary judgment, Kische provides no argument in support of its damages. (See generally
22 2d MSJ.)

22 ¹⁹ Thus, Kische requests that the court transfer not only the Marseille Mark, but also the
Marseille word mark that JD Stellar later registered. See *supra* n.4.

1 relief and fails to meet the standard for demonstrating its entitlement to that form of
2 relief. (2d MSJ Resp. at 25-26.)

3 Although a court may cancel a trademark under 15 U.S.C. §1064(3) if the
4 trademark’s “registration was obtained fraudulently,” *Prof’l’s Choice Sports Med.*
5 *Prods., Inc. v. Eurow & O’Reilly Corp.*, No. 13cv1484 AJB (KSC), 2013 WL 12077438,
6 at *4 (S.D. Cal. Nov. 12, 2013); *see also eCash Techs., Inc. v. Guagliardo*, 127 F. Supp.
7 2d 1069, 1079 (C.D. Cal. 2000) (“Fraud in procurement of a trademark registration may
8 be raised as a ground for cancellation in civil litigation”), as the court noted above,
9 Kische does not raise any legal grounds upon which it is entitled to a transfer of the
10 Marseille Mark, *see supra* § III.C.2.a.ii; (2d MSJ at 28.) Although the court concluded
11 that Mr. Simsek breached his fiduciary duty to Kische by assigning the Marseille Mark to
12 JD Stellar (*see* 9/6/17 Order at 31), that conclusion alone—without any showing that a
13 transfer is legally permissible or justified—is insufficient to grant Kische the relief it
14 seeks. The court therefore denies at this time Kische’s motion for transfer of the
15 Marseille mark.²⁰

16 5. Leave to Amend

17 In its reply brief, Kische requests that the court grant Kische leave to amend
18 pursuant to Federal Rule of Civil Procedure 15 if the court finds “any aspect” of Kische’s
19 second motion for summary judgment “inadequate.” (Reply at 13 (citing Fed. R. Civ. P.

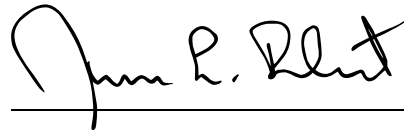
20
21 _____
22 ²⁰ Given the lack of clarity about the basis for Kische’s request, the court denies
Defendants’ request for summary judgment in its favor on this issue pursuant to Rule 56(f). (*See*
2d MSJ Resp. at 26.)

1 15.) Leave to amend is unnecessary, however, because the court rules only that Kische
2 has not demonstrated that it is entitled to summary judgment on its trademark
3 infringement claims. Accordingly, the court denies the request for leave to amend.

4 **IV. CONCLUSION**

5 For the foregoing reasons, the court DENIES Kische's second motion for
6 summary judgment (Dkt. # 101).

7 Dated this 29th day of November, 2017.

8 

9
10 JAMES L. ROBART
United States District Judge