

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**CIVIL MINUTES - GENERAL**

Case No. CV 18-6542 PSG (MAAx) Date March 24, 2020

Title Abraham Berti Levy v. adidas AG, et al.

Present: The Honorable Philip S. Gutierrez, United States District Judge

Wendy Hernandez

Not Reported

Deputy Clerk

Court Reporter

Attorneys Present for Plaintiff(s):

Attorneys Present for Defendant(s):

Not Present

Not Present

**Proceedings (In Chambers): Order GRANTING Defendant's motion for summary judgment**

Before the Court is a motion for summary judgment filed by Defendant adidas America, Inc. ("Defendant"). *See* Dkt. # 59 ("Mot."). Plaintiff Abraham Berti Levy ("Plaintiff") has opposed this motion, *see* Dkt. # 71 ("Opp."), and Defendant replied, *see* Dkt. # 81 ("Reply"). The Court finds the matter appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78; L.R. 7-15. Having considered the moving papers, the Court **GRANTS** the motion.

**I. Background**

This is a trademark dispute. Plaintiff applied to register the word mark "YOU'RE NEVER DONE" on August 13, 2014 for use on water bottles and a variety of clothing items. *See Defendant's Statement of Undisputed Facts*, Dkt. # 59-2 ("SUF"), ¶¶ 2-3. He filed a statement of use in January 2016 with the United States Patent and Trademark Office ("PTO"), which then issued a registration to Plaintiff in March 2016. *See id.* ¶¶ 5-7. The Statement of Use included a sworn declaration from Plaintiff's counsel that to the best of her knowledge, "[Plaintiff] is using the mark in commerce on or in connection with all the goods/services in the application." *See id.* ¶ 5. In August 2016, Plaintiff also filed trademark applications for WE'RE NEVER DONE, I'M NEVER DONE, and NEVER DONE. *See id.* ¶ 8. He filed a statement of use for these marks in October 2019. *See Plaintiff's Statement of Genuine Disputes*, Dkt. # 72 ("SGD"), ¶ 9.

In addition to registering these marks, Plaintiff also set up a website, [www.youreneverdone.com](http://www.youreneverdone.com). *See* *SUF* ¶ 10. On this site, Plaintiff displayed a hat, a shirt, and a water bottle with the "YOU'RE NEVER DONE" mark. *See id.* ¶ 11. Plaintiff also established a dedicated phone line for the business, in all spending a little over \$3,000 on startup costs. *See*

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*SGD* ¶¶ 35-36. Plaintiff began promoting the mark and sending products bearing it to friends and contacts in California, New York, and New Jersey. *See id.* ¶ 36.

Plaintiff declares that in August 2016 he made a pitch to Defendant to partner on use of the marks. *See id.* ¶¶ 38-44. However, the parties could not come to an agreement. *See id.* Defendant disputes whether negotiations ever occurred. *See Defendant’s Reply to Plaintiff’s Statement of Genuine Disputes*, Dkt. # 81-1 (“*SGD Reply*”), ¶¶ 38-44. In about March 2018, Plaintiff discovered that Defendant was using the YOU’RE NEVER DONE and NEVER DONE marks. *See SGD* ¶ 51. Defendant used NEVER DONE as the theme of a multi-media campaign promoting Defendant’s training program. *See id.* The marks appeared on athletic shirts and apparel on Defendant’s website, in Youtube videos, in blogs, and other advertising. *See id.*

Plaintiff filed suit in this Court on July 30, 2018. *See Complaint*, Dkt. # 1. After the Court granted Defendant’s motion to dismiss the complaint, Plaintiff filed the currently-operative First Amended Complaint (“FAC”). *See First Amended Complaint*, Dkt. # 29 (“FAC”). He brings five causes of action:

First Cause of Action: Federal trademark infringement, Lanham Act § 32. *Id.* ¶¶ 28-33.

Second Cause of Action: Federal unfair competition and false advertising, Lanham Act § 43(a). *Id.* ¶¶ 34-39.

Third Cause of Action: Reverse confusion, Lanham Act § 32. *Id.* ¶¶ 40-45.

Fourth Cause of Action: Unfair competition in violation of California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200 et seq. *Id.* ¶¶ 46-49.

Fifth Cause of Action: Common law unfair competition and trademark infringement. *Id.* ¶¶ 50-56.

Defendant now moves for summary judgment on all of Plaintiff’s claims. *See generally Mot.*

## II. Legal Standard

“A party may move for summary judgment, identifying each claim or defense or the part of each claim or defense on which summary judgment is sought. The court shall grant

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summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a).

A party seeking summary judgment bears the initial burden of informing the court of the basis for its motion and identifying those portions of the pleadings and discovery responses that demonstrate the absence of a genuine issue of material fact. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). If the nonmoving party will have the burden of proof at trial, the movant can prevail by pointing out that there is an absence of evidence to support the moving party’s case. *See id.* If the moving party meets its initial burden, the nonmoving party must set forth, by affidavit or as otherwise provided in Rule 56, “specific facts showing that there is a genuine issue for trial.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

In judging evidence at the summary judgment stage, the court does not make credibility determinations or weigh conflicting evidence. Rather, it draws all reasonable inferences in the light most favorable to the nonmoving party. *See T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809 F.2d 626, 630 31 (9th Cir. 1987). The evidence presented by the parties must be capable of being presented at trial in a form that would be admissible in evidence. *See Fed. R. Civ. P. 56(c)(2)*. Conclusory, speculative testimony in affidavits and moving papers is insufficient to raise genuine issues of fact and defeat summary judgment. *See Thornhill Publ’g Co. v. Gen. Tel. & Elecs. Corp.*, 594 F.2d 730, 738 (9th Cir. 1979).

### III. Discussion

Plaintiff alleges trademark infringement in violation of sections 32 and 43 of the Lanham Act. *FAC* ¶¶ 28 45. Section 32 of the Lanham Act “provides the registered owner of a trademark with an action against anyone who without consent uses a ‘reproduction, counterfeit, copy, or colorable imitation’ of the mark in such a way that ‘is likely to cause confusion or to cause mistake, or to deceive.’” *Enesco Corp. v. Price/Costco Inc.*, 146 F.3d 1083, 1085 (9th Cir. 1998) (quoting 15 U.S.C. § 1114(1)). Similarly, section 43(a) creates a civil cause of action against “[a]ny person who . . . uses in commerce any word, term, name, symbol, or device . . . or . . . false or misleading representation of fact, which . . . is likely to cause confusion . . . as to the affiliation . . . or approval of his or her goods, services, or commercial activities by another person . . . .”

To establish a trademark infringement claim under either section of the Lanham Act, a party “must prove: (1) that it has a protectible [sic] ownership interest in the mark; and (2) that the defendant’s use of the mark is likely to cause consumer confusion.” *Dep’t of Parks &*

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*Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1124 (9th Cir. 2006); *see also Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 630 (9th Cir. 2005); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999).

Here, Defendant moves for summary judgment based on the first prong, arguing that Plaintiff does not have a protectible ownership interest in any of his marks. *See generally Mot.* Specifically, Defendant argues that Plaintiff's YOU'RE NEVER DONE mark is void *ab initio* and is also void because it is ornamental. *See id.* 11 20. Defendant also contends that Plaintiff cannot establish common law rights in any of his asserted marks because he fails to raise a triable issue on whether he used the marks before Defendant. *See id.* 20 22. Finally, because Plaintiff's trademark claims fail, Defendant asserts that his companion claims for unfair competition fail as well. *See id.* The Court takes each argument in turn.

A. Claims One Through Three: Cancellation as Void *Ab Initio*

"It is axiomatic in trademark law that the standard test of ownership is priority of use." *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996). To acquire ownership of a trademark, the party claiming ownership must have been the first to "use" the mark in the sale of goods or services. *See id.* When proving ownership of a trademark, federal registration of the mark is prima facie evidence that the registrant is the owner of the mark. Lanham Act § 7(b), 15 U.S.C. § 1057(b); Lanham Act § 33(a), 15 U.S.C. § 1115(a). Therefore, the registrant is granted a presumption of ownership. *Vuitton et Fils S.A. v. J. Young Enterprises*, 644 F.2d 769, 775 76 (9th Cir. 1981); *Rolley, Inc. v. Younghusband*, 204 F.2d 209 (9th Cir. 1953). "However, the non-registrant can rebut this presumption by showing that the registrant had not established valid ownership rights in the mark at the time of registration in other words, if the non-registrant can show that he used the mark in commerce first, then the registration may be invalidated." *See Sengoku Works*, 96 F.3d at 1220.

Here, Plaintiff registered the YOU'RE NEVER DONE mark with the PTO. *See SUF* ¶ 7. Nevertheless, Defendant argues that Plaintiff has not used the mark in commerce under the Lanham Act. *See Mot.* 11 20.

A mark is "used in commerce" on goods when "the goods are sold or transported in commerce." *See* 15 U.S.C. § 1127(1)(B); *Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d 1190, 1205 (9th Cir. 2012). The use must be "bona fide" and "not made merely to reserve a right in a mark." *See* 15 U.S.C. § 1127; *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1159 (9th Cir. 2001). To determine whether the "use in commerce" test is satisfied, the Ninth Circuit

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follows a “totality of the circumstances” approach. *See Rearden*, 683 F.3d at 1204. This approach turns on “evidence showing, first, adoption, and, second, [u]se in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind.” *See New W. Corp. v. NYM Co. of California*, 595 F.2d 1194, 1200 (9th Cir. 1979) (quoting *New England Duplicating Co. v. Mendes*, 190 F.2d 415, 418 (1st Cir. 1951)). While actual sales weighs heavily in this analysis, the Ninth Circuit has held that sales are not dispositive in determining whether a party has established “use in commerce” under the Lanham Act. *See Rearden*, 683 F.3d at 1205. “[A]dvertising combined with other non-sales activity” may constitute use of a trademark, *Dep’t of Parks*, 448 F.3d at 1126, but “mere preparation to use a term as a trademark” is insufficient, *Brookfield Commc’ns*, 174 F.3d at 1052. For example, neither putting a mark “on a prototype displayed to a potential buyer” nor engaging in “limited e-mail correspondence with lawyers and a few customers” is sufficient “to establish trademark rights.” *See id.*

The Court holds that Plaintiff did not use the mark in commerce before Defendant. As an initial matter, the parties do not dispute that Plaintiff did not make any product sales, as potential customers could not do so through the website until September 2019. *See SUF* ¶ 25. Thus, Plaintiff must rely on his non-sales activity, such as purchasing the domain names reflecting the marks, establishing the website, and ordering products bearing the marks. *See id.* ¶¶ 10–11. But these activities, taken together, reflect “mere preparation to use a term as a trademark,” rather than actual use. *See Brookfield Commc’ns*, 174 F.3d at 1052. While Plaintiff engaged in discussions with Defendant’s representative about licensing the marks to it and other companies, these “communications with potential partners” are similarly insufficient preparations to use the mark. *See SGD* ¶¶ 38–44; *Am. Auto. Ass’n of N. California, Nevada & Utah v. Gen. Motors LLC*, 367 F. Supp. 3d 1072, 1100–01 (N.D. Cal. 2019); *see also Brookfield Commc’ns*, 174 F.3d at 1052 (holding that “limited e-mail correspondence with lawyers and a few customers” was insufficient to create a triable issue on use under the Lanham Act).

Additionally, Plaintiff improperly attempts to create a factual issue on use with his self-serving declaration. Plaintiff contends that there is a genuine issue of fact as to use in commerce because he spent thousands of dollars defending trademark infringement and promoting his products. *See SGD* ¶¶ 48, 56. However, Plaintiff’s only evidence of these expenditures and efforts to promote the marks are his declaration attached to his summary judgment motion. *See generally Declaration of Abraham Berti Levy*, Dkt. # 71-1 (“*Levy Decl.*”). These statements have not been corroborated by any specific evidence and are therefore insufficient to create a genuine dispute of fact. *See Villiarimo v. Aloha Island Air, Inc.*, 281 F.3d 1054, 1061 (9th Cir.

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2002) (“[T]his court has refused to find a genuine issue where the only evidence presented is uncorroborated and self-serving testimony.”) (internal quotations omitted).

Ultimately, the Court finds that Plaintiff’s registration of the YOU’RE NEVER DONE mark is void *ab initio*. As a result, it need not reach the issue of whether the mark is ornamental. Instead, the Court next analyzes whether Plaintiff has common law rights in any of his asserted marks.

**B. Claims One Through Three: Common Law Rights in All Marks**

To determine whether Plaintiff has common law rights in any of the marks, the Court engages in a “use” analysis similar to the one above. That is, a party acquires a common law right in a trademark “by adopting and using the mark in connection with the services rendered.” *Chance*, 242 F.3d at 1156. “To acquire ownership of a trademark, it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services.” *Brookfield*, 174 F.3d at 1047. “The first to use a mark is deemed the ‘senior’ user and has the right to enjoin ‘junior’ users from using confusingly similar marks in the same industry and market or within the senior user’s natural zone of expansion.” *Id.*

Akin to the YOU’RE NEVER DONE mark, Plaintiff does not show that he used any of the marks in commerce such that he is entitled to common law rights in them. As the Court has already established, Plaintiff’s non-sales activity related to the YOU’RE NEVER DONE mark reflects “mere preparation” rather than actual use. *See Brookfield Commc’ns*, 174 F.3d at 1052. With respect to the other marks, NEVER DONE, I’M NEVER DONE, and WE’RE NEVER DONE, Plaintiff acknowledges that the first use of these marks occurred in October 2019, well after Defendant started its campaign in March 2018. *See SUF* ¶ 19. Accordingly, even if Plaintiff had “used” these marks in commerce, his alleged use postdates Defendant’s use, thus depriving him of any common law right in the marks.

Therefore, the Court **GRANTS** summary judgment in favor of Defendant on Plaintiff’s first three claims as to all asserted marks.

**C. Claims Four and Five: Unfair Competition**

Plaintiff also brings claims for unfair competition under Cal. Bus. and Prof. Code §§ 17200 et seq. and the common law. *See FAC* ¶¶ 46–56. However, because Plaintiff’s claims

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under the Lanham Act fail, his unfair competition law claims also fail. *See Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir. 1988) (“The ultimate test for unfair competition is exactly the same as for trademark infringement: whether the public is likely to be deceived or confused by the similarity of the marks.”) (internal quotation marks omitted).

Accordingly, the Court **GRANTS** summary judgment in favor of Defendant on Plaintiff’s fourth and fifth causes of action as well.

D. Attorneys’ Fees

Defendant moves for attorneys’ fees. *See Mot. 22-24*. For trademark infringement claims, the Lanham Act provides that the “court in exceptional cases may award reasonable attorney fees to the prevailing party.” 15 U.S.C. § 1117(a). The Ninth Circuit has explained that “generally a trademark case is exceptional for purposes of an award of attorneys’ fees when the infringement is malicious, fraudulent, deliberate or willful.” *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 982 F.2d 1400, 1409 (9th Cir. 1993). Willful infringement means that the defendant acted with a “deliberate intent to deceive.” *Id.* at 1406.

Here, the Court does not find that attorneys’ fees are warranted because Plaintiff’s conduct was not willful. While Plaintiff failed on summary judgment, nothing about his case was unreasonably weak such that it was exceptional. Moreover, Plaintiff brought a claim based on a registered trademark. Although Defendant overcame the presumption that Plaintiff used the trademark in commerce, Plaintiff’s trademark ownership further supports a finding that his conduct was not willful. *See Caiz v. Roberts*, No. CV 15-09044 RSW (LAGRx), 2017 WL 830386, at \*4 (C.D. Cal. Mar. 2, 2017).

As such, the Court **DENIES** the request for attorneys’ fees.

IV. Conclusion

For the foregoing reasons, the Court **GRANTS** Defendant’s motion for summary judgment. The Court **DENIES** Defendant’s request for attorneys’ fees.

This order closes the case.

**IT IS SO ORDERED.**