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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

CONSUMERINFO.COM, INC.,	)	NO. CV 07-04275 SJO (Ex)
	)	
Plaintiff,	)	<b>ORDER DENYING DEFENDANT'S MOTION</b>
	)	<b>FOR PARTIAL SUMMARY JUDGMENT</b>
v.	)	[Docket No. 31]; <b>GRANTING PLAINTIFF'S</b>
	)	<b>MOTION FOR PARTIAL SUMMARY</b>
MONEY MANAGEMENT	)	<b>JUDGMENT [Docket No. 92]; DENYING</b>
INTERNATIONAL, INC., et al.,	)	<b>DEFENDANT'S MOTION FOR</b>
	)	<b>PRELIMINARY INJUNCTION [Docket No.</b>
Defendants.	)	<b>85]; AND DENYING DEFENDANT'S</b>
_____	)	<b>MOTION REQUESTING SANCTIONS</b>
	)	[Docket No. 136]
AND RELATED COUNTERCLAIMS.	)	
_____	)	

On June 9, 2008, Defendant Money Management International, Inc. ("MMI") filed a Motion for Partial Summary Judgment. Plaintiff ConsumerInfo.com, Inc. ("ConsumerInfo") filed an Opposition, to which MMI replied. On August 1, 2008, ConsumerInfo also filed a Motion for Partial Summary Judgment. MMI filed an Opposition, to which ConsumerInfo replied.

Separately, MMI filed a Motion for Preliminary Injunction on July 31, 2008, and a Motion Requesting Sanctions on August 11, 2008. ConsumerInfo filed Oppositions to both Motions, to which MMI replied respectively.

The Court found the above matters suitable for disposition without oral argument, and vacated all hearing dates. See Fed. R. Civ. P. 78(b). For the following reasons, MMI's Motions are DENIED and ConsumerInfo's Motion is GRANTED.

1 I. BACKGROUND

2 ConsumerInfo and MMI offer products and services that help individuals improve their credit  
3 scores. The instant dispute arises out of the parties' use of their respective trademarks to promote  
4 and market these credit-related products and services.

5 Pertinently, on September 8, 2003, ConsumerInfo filed an intent to use application with the  
6 United States Patent and Trademark Office ("USPTO") for registration of the mark "PLUS  
7 SCORE," which was subsequently amended to allege a first use in commerce date of  
8 October 16, 2003. The mark was approved by the USPTO on March 22, 2005.

9 On June 18, 2004, MMI filed two applications with the USPTO to register two marks. The  
10 first application sought to register the mark "MY SCORE+," claiming a first use in commerce date  
11 of January 30, 2002. The second application sought to register the mark "MY SCORE PLUS,"  
12 claiming a first use in commerce date of March 30, 2004. Registration was granted for MY  
13 SCORE+ on October 16, 2005, but MY SCORE PLUS was not registered because the USPTO  
14 found it confusingly similar to ConsumerInfo's PLUS SCORE mark.

15 Despite offering competing products and services, the parties for several years shared a  
16 business relationship. In August 2002, ConsumerInfo and MMI entered a co-branding agreement,  
17 whereby MMI agreed to provide a link from its website to a "co-branded" website run by  
18 ConsumerInfo offering ConsumerInfo's credit-related products and services. For each sale, MMI  
19 would receive a commission. The relationship eventually soured, and ConsumerInfo terminated  
20 the contract in April 2007.

21 Two months later, ConsumerInfo filed the instant action, alleging: (1) trademark  
22 infringement; (2) unfair competition; (3) trademark dilution; (4) common law trademark  
23 infringement; and (5) breach of contract. MMI filed counterclaims for: (1) trademark infringement;  
24 (2) declaration of non-infringement; (3) declaration of trademark invalidity; (4) cancellation of  
25 ConsumerInfo's registration; and (5) declaration of rights under the co-branding agreement. Both  
26 parties assert a variety of affirmative defenses.

27 Before the close of discovery, MMI filed a Motion for Partial Summary Judgment, requesting  
28 summary judgment on all of ConsumerInfo's claims for relief except breach of contract. After the

1 close of discovery, ConsumerInfo filed a separate Motion for Partial Summary Judgment,  
2 requesting summary judgment on its trademark infringement, unfair competition, and common law  
3 trademark infringement claims. ConsumerInfo also requests summary judgment on all of MMI's  
4 counterclaims and on MMI's affirmative defenses of estoppel, licensee estoppel, licensor estoppel,  
5 and unclean hands. Separately, MMI filed a Motion for Preliminary Injunction and a Motion  
6 Requesting Sanctions.

## 7 II. DISCUSSION

### 8 A. MMI and ConsumerInfo's Motions for Partial Summary Judgment

9 Summary judgment is proper only if "the pleadings, depositions, answers to interrogatories,  
10 and admissions on file, together with affidavits, if any, show that there is no genuine issue as to  
11 any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R.  
12 Civ. P. 56(c). A "material" fact is one that could affect the outcome of the case, and an issue of  
13 material fact is "genuine" if "the evidence is such that a reasonable jury could return a verdict for  
14 the nonmoving party." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). In determining  
15 whether a genuine issue of material fact exists, the court views the evidence in the light most  
16 favorable to the non-moving party. *Id.* at 255.

#### 17 1. ConsumerInfo Is Entitled to Summary Judgment on Its Trademark 18 Infringement, Unfair Competition, and Common Law Trademark Infringement 19 Claims and on MMI's Counterclaims for a Declaration of Non-Infringement, 20 a Declaration of Trademark Invalidity, and Cancellation of ConsumerInfo's 21 Registration.

22 "To establish a trademark infringement claim under section 32 of the Lanham Act or an  
23 unfair competition claim under section 43(a) of the Lanham Act, [ConsumerInfo] must establish  
24 that [MMI] is using a mark confusingly similar to a valid, protectable trademark of  
25 [ConsumerInfo's]." *See Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1046  
26 (9th Cir. 1999); *see also Glow Indus., Inc. v. Lopez*, 252 F. Supp. 2d 962, 975 n.90 (C.D. Cal.  
27 2002) ("[T]he elements of state claims for trademark infringement and unfair competition are  
28 substantially similar to those of the comparable federal claims.") (citing *Entrepreneur Media, Inc.*

1 *v. Smith*, 279 F.3d 1135, 1153 (9th Cir. 2002)). Because the parties agree that the marks in  
2 question are confusingly similar (see PI.'s Statement of Genuine Issues ("SGI") ¶ 5),<sup>1</sup> the key issue  
3 before the Court is whether ConsumerInfo's PLUS SCORE mark is valid and protectable.

4 Registration of a mark "constitutes prima facie evidence of the validity of the registered  
5 mark and of [the registrant's] exclusive right to use the mark on the goods and services specified  
6 in the registration." *Brookfield*, 174 F.3d at 1047. However, a non-registrant "can rebut this  
7 presumption by showing that it used the mark in commerce first, since a fundamental tenet of  
8 trademark law is that ownership of an inherently distinctive mark . . . is governed by priority of  
9 use." *Id.* (citing *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir.1996) ("It is  
10 axiomatic in trademark law that the standard test of ownership is priority of use. To acquire  
11 ownership of a trademark it is not enough to have invented the mark first or even to have  
12 registered it first; the party claiming ownership must have been the first to actually use the mark  
13 in the sale of goods or services.")).

14 Here, ConsumerInfo registered its mark before MMI registered its marks. According to  
15 ConsumerInfo, MMI has failed to rebut the presumption of validity created by ConsumerInfo's

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17 <sup>1</sup> MMI attempts to backtrack from this "admission" in its Opposition to ConsumerInfo's  
18 Motion, conclusorily stating that ConsumerInfo "has failed to demonstrate actual confusion."  
19 (Opp'n PI.'s MPSJ 18.) Regardless of whether MMI's earlier statement is deemed an admission,  
20 see *Am. Title Ins. Co. v. Lacelaw Corp.*, 861 F.2d 224, 227 (9th Cir. 1988) ("We . . . hold that  
21 statements of fact contained in a brief may be considered admissions of the party in the discretion  
22 of the district court."), MMI has not met its burden of establishing that a genuine issue of material  
23 fact exists on the issue of likelihood of confusion. ConsumerInfo met its "initial responsibility of .  
24 . . identifying those portions of the [record] . . . which it believes demonstrate the absence of a  
25 genuine issue of material fact" on the issue of likelihood of confusion. See *Celotex Corp. v. Catrett*,  
26 477 U.S. 317, 323 (1986) (internal quotation marks omitted). Specifically, ConsumerInfo  
27 introduced the expert report of Dr. Eli Seggev, which found a likelihood of confusion between the  
28 parties' marks. (See Seggev Decl. Ex. A; see also PI.'s MPSJ 16-17.) MMI, in its Opposition,  
however, "set[s] out [no] specific facts showing a genuine issue for trial" on the issue, see Fed.  
R. Civ. P. 56(e)(2), save for two evidentiary objections, neither of which is persuasive. First, MMI  
argues that the declaration of Dr. Seggev lacks specificity. The Court finds that the attached expert  
report articulates sufficient facts supporting Dr. Seggev's conclusions. Second, MMI argues that  
Dr. Seggev's statements constitute inadmissible legal conclusions. The Court finds that Dr.  
Seggev's opinions are admissible under Federal Rule of Evidence 704, which allows for expert  
testimony on ultimate issues, except with respect to the mental state of a defendant in a criminal  
case. Accordingly, the Court finds that ConsumerInfo has established a likelihood of confusion  
between the parties' marks.

1 registration, thus entitling ConsumerInfo to summary judgment on its trademark infringement,  
 2 unfair competition, and common law trademark infringement claims, and on MMI's counterclaims  
 3 for a declaration of non-infringement, a declaration of trademark invalidity, and cancellation of  
 4 ConsumerInfo's registration. MMI, on the other hand, argues that ConsumerInfo's mark is not  
 5 entitled to the presumption of validity because ConsumerInfo lacks standing to raise its claims.  
 6 Even if ConsumerInfo is entitled to the presumption, MMI argues that it has overcome the  
 7 presumption by demonstrating first use of its mark, thus entitling it to summary judgment on  
 8 ConsumerInfo's trademark infringement, unfair competition, trademark dilution, and common law  
 9 trademark infringement claims.<sup>2</sup>

10 a. ConsumerInfo's PLUS SCORE Mark Is Presumptively Valid.

11 MMI argues that, despite the fact that ConsumerInfo was the first party to register its mark,  
 12 ConsumerInfo does not own its mark because the mark is promoted under the "Experian" brand  
 13 name. (Opp'n 9-10.) MMI's argument is without merit.

14 "Where a registered mark . . . is or may be used legitimately by related companies, such  
 15 use shall inure to the benefit of the registrant . . . , and such use shall not affect the validity of such  
 16 mark or of its registration . . . . If first use of a mark by a person is controlled by the registrant . .  
 17 . of the mark with respect to the nature and quality of the goods or services, such first use shall  
 18 inure to the benefit of the registrant . . . ." 15 U.S.C. § 1055. Here, it is undisputed that  
 19 ConsumerInfo is a wholly owned subsidiary of Experian Holdings, Inc., and that ConsumerInfo is  
 20 also known as Experian Consumer Direct. (Def.'s SGI ¶ 2.) It is also undisputed that  
 21 ConsumerInfo, as the registrant of the PLUS SCORE mark, controls the nature and quality of  
 22 goods sold under the PLUS SCORE mark. (Def.'s SGI ¶¶ 5-9 ("The ConsumerInfo employees on  
 23 the team specified the nature and quality of the scoring model . . . . [I]n its PLUS Score product,  
 24 ConsumerInfo provides the consumer the three digit number in combination with analysis and

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25  
 26 <sup>2</sup> ConsumerInfo does not seek summary judgment on its trademark dilution claim. MMI  
 27 argues that, if MMI can demonstrate first use, ConsumerInfo cannot as a matter of law succeed  
 28 on its trademark dilution claim. See *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th  
 Cir. 1998) (stating that, to establish a trademark dilution claim under 15 U.S.C. § 1125(c), a party  
 must show, among other things, that it owns a famous mark).

1 other educational information supplied by ConsumerInfo that helps the consumer understand their  
 2 credit score.".) Accordingly, ConsumerInfo is entitled to the presumption of validity. See 15 U.S.C.  
 3 § 1127 ("[A trademark] indicate[s] the source of the goods, even if that source is unknown."); see  
 4 also *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 155 (9th Cir. 1963).

5 In light of the presumption, and ConsumerInfo's un rebutted evidence of significant  
 6 nationwide sales in the months following registration (Def.'s SGI ¶¶ 26-29),<sup>3</sup> MMI must, at the very  
 7 least, demonstrate a genuine issue of material fact on the issue of first use.

8 b. MMI Cannot Establish First Use.

9 "To demonstrate priority of use, [MMI] must prove (1) that it actually adopted and used the  
 10 [MY SCORE+] mark[] in commerce prior to [ConsumerInfo's] registration in such a manner that  
 11 sufficiently associated the mark[] with [MMI's] provision of [credit-related] services . . . ; and (2) that  
 12 its use of the mark[] was continuous and not interrupted . . . ." *Dep't of Parks & Recreation v.*  
 13 *Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1125-26 (9th Cir. 2006). The question of first use depends  
 14 on the facts of each case. *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1159 (9th Cir. 2000).

15 [W]e hold that the totality of the circumstances must be employed to determine  
 16 whether a service mark has been adequately used in commerce so as to gain the  
 17 protection of the Lanham Act. In applying this approach, the district courts should  
 18 be guided in their consideration of non-sales activities by factors we have discussed,  
 19 such as the genuineness and commercial character of the activity, the determination  
 20 of whether the mark was sufficiently public to identify or distinguish the marked  
 21 service in an appropriate segment of the public mind as those of the holder of the  
 22 mark, the scope of the non-sales activity relative to what would be a commercially  
 23 reasonable attempt to market the service, the degree of ongoing activity of the  
 24 holder to conduct the business using the mark, the amount of business transacted,

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27  
 28 <sup>3</sup> MMI seeks to rebut this evidence based on the already-rejected argument that Experion,  
 not ConsumerInfo, is the owner of the PLUS SCORE mark.

1 and other similar factors which might distinguish whether a service has actually been  
2 "rendered in commerce

3 *Id.*

4 MMI submits the following facts that it argues demonstrate first use:<sup>4</sup>

- 5 (1) In 2001, MMI conceived of a service that would educate people about credit  
6 bureaus, which it called MY SCORE+. (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 4.)
- 7 (2) In late 2001, MMI partnered with Credit Data Southwest ("CDSW") to have CDSW  
8 refer customers to MMI for the education sessions promoted by MY SCORE+.  
9 (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 7.) Beginning in January 2002, CDSW began to  
10 refer customers to MMI for the education sessions promoted by MY SCORE+.  
11 (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 7.)
- 12 (3) On January 30, 2002, MMI's claimed first use in commerce date for MY SCORE+,  
13 MMI printed an unknown number of brochures using the mark MY SCORE+ at  
14 MMI's Houston, Texas corporate offices and distributed them to MMI's main  
15 Phoenix, Arizona office. (Ray Decl. Def.'s MPSJ ¶ 2.) In February 2002, MMI printed  
16 1000 additional brochures and delivered them to Phoenix, Arizona. (Ray Decl. Def.'s  
17 MPSJ ¶ 3(i).) In March 2002, MMI printed and delivered an additional 1000  
18 brochures to Phoenix, Arizona. (Ray Decl. Def.'s MPSJ ¶ 3(ii).) And in April 2002,  
19 MMI printed an additional 1000 brochures and delivered them to Phoenix, Arizona.  
20 (Ray Decl. Def.'s MPSJ ¶ 3(iii).) Apparently, posters using MY SCORE+ were also  
21 sent to Phoenix. (Stanley Decl. Opp'n Pl.'s MPSJ ¶¶ 8-9.) These promotional  
22 materials advertised MMI's services under MY SCORE+, providing a toll free  
23 telephone number inviting consumers to inquire about a thirty-minute planning

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25 <sup>4</sup> Because MMI filed its Motion for Partial Summary Judgment before the close of  
26 discovery, the factual record was not yet complete. Accordingly, the Court cites primarily from  
27 declarations submitted in support of and in opposition to ConsumerInfo's Motion for Partial  
28 Summary Judgment. MMI and ConsumerInfo each object to various declarations offered by the  
opposing party. These objections go more to weight than to admissibility, and accordingly do not  
bar consideration for purposes of summary judgment.

1 session with a personal credit advisor. (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 9, Exs. 3-  
2 4.)

3 (4) Once received by MMI in Phoenix, these brochures and posters were distributed to  
4 other MMI and CDSW offices located throughout the Phoenix metropolitan area.  
5 (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 8; Woods Decl. Opp'n Pl.'s MPSJ ¶ 4.) They were  
6 also given to banks, mortgage companies, realty firms, finance companies, and  
7 mortgage brokers. (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 13; Woods Decl. Opp'n Pl.'s  
8 MPSJ ¶ 5.) Further, individual MMI counselors visited local communities to deliver  
9 these brochures to individuals, inviting them to participate in the thirty-minute  
10 education sessions. (Stanley Decl. Opp'n Pl.'s MPSJ ¶ 13; Woods Decl. Opp'n Pl.'s  
11 MPSJ ¶ 5.)

12 (5) Outside of Arizona, MMI advertised its "debt and budget counseling services"  
13 through yellow page advertisements and through MMI's website. (Stanley Decl.  
14 Opp'n Pl.'s MPSJ ¶ 11.) Further, in early- to mid-2003, MMI acquired offices in  
15 Illinois, Louisiana, California, Colorado, Pennsylvania, and Virginia, and began to  
16 promote the services advertised by MY SCORE+ to consumers in those states.  
17 (Stanley Decl. Opp'n Pl.'s MPSJ ¶¶ 16-17.)

18 (6) As a result of these efforts, MMI claims to have conducted "hundreds of education  
19 sessions promoted by the Mark MY SCORE+ . . . in 2002 and 2003." (Stanley Decl.  
20 Opp'n Pl.'s MPSJ ¶ 12; Woods Decl. Opp'n Pl.'s MPSJ ¶ 4.) Some sessions were  
21 conducted in person, others were conducted over the phone.<sup>5</sup> (Stanley Decl. Opp'n  
22 Pl.'s MPSJ ¶ 12; Woods Decl. Opp'n Pl.'s MPSJ ¶ 4.)

23 The Court finds that, even when viewing the above facts in the light most favorable to MMI,  
24 MMI cannot establish priority of use. MMI claims that it generated "thousands of promotional  
25 materials" advertising MY SCORE+ between 2002 and October 2003, but the facts only evidence  
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28 <sup>5</sup> MMI has presented evidence that it argues shows continued use of its mark beyond  
2003. For purposes of the instant Motion, the Court need not evaluate this evidence.

1 some 3000 brochures that MMI sent from its Houston office to its Phoenix office.<sup>6</sup> MMI provides  
2 declaration testimony suggesting that these materials were widely distributed to the public, but this  
3 testimony is largely unsupported.<sup>7</sup> See *Garden of Life, Inc. v. Letzer*, 318 F. Supp. 2d 946, 958  
4 (C.D. Cal. 2004) ("Mr. Letzer's declaration testimony is also completely unsubstantiated . . . [for  
5 he provides no] documentation that would substantiate his claim that Garden of Life, Inc. engaged  
6 in substantial and continuous business activities between 1974 and 2000 . . ."). Lastly, MMI  
7 claims that, as a result of its promotional efforts, it conducted "hundreds of education sessions,"  
8 but MMI has only presented evidence of seventeen consumer encounters referencing MY  
9 SCORE+ (Stanley Decl. Opp'n Pl.'s MPSJ Ex. 6) and \$70 in sales of MY SCORE+ services  
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11  
12 <sup>6</sup> MMI claims that its initial shipment of brochures constitutes the first use in commerce  
13 date of the MY SCORE+ mark. However, the mere shipment of brochures between MMI offices  
14 does not constitute a first use in commerce. See *Chere Amie, Inc. v. Windstar Apparel, Corp.*, No.  
15 01 CIV. 0040, 2002 WL 460065, at \*6 (S.D.N.Y. Mar. 26, 2002) ("That intra-company shipment  
16 is a paradigmatic token use devoid of any open and public use before potential customers.")  
17 (internal quotation marks omitted).

18 <sup>7</sup> MMI claims that some of these brochures were "displayed . . . in such a way so as to be  
19 readily viewable by anyone who walked into the [MMI] branch" (Stanley Decl. Opp'n Pl.'s MPSJ  
20 ¶ 9), but no evidence is offered that customers saw or took these brochures. See *Chere Amie*,  
21 2002 WL 460065, at \*6 ("Although plaintiffs argue that potential customers viewed the Girl Zone  
22 merchandise, no evidence is offered to support that allegation."). MMI also claims: (1) that some  
23 brochures were sent to CDSW offices, but provides no evidence as to the number of brochures  
24 sent to these offices and whether customers viewed or took these brochures; (2) that some  
25 brochures were sent to banks, mortgage companies, realty firms, finance companies, and  
26 mortgage brokers, but provides no evidence identifying these businesses, the number of  
27 brochures delivered, when the brochures were delivered, or what these businesses did with the  
28 brochures once in their possession; (3) that brochures were handed out in local communities, but  
provides no evidence identifying how many brochures were actually distributed and how often; and  
(4) that MMI advertised its "debt and budget counseling services" through yellow page  
advertisements and MMI's website, but provides no date-specific evidence of these  
advertisements and webpages, let alone any evidence that these advertisements and webpages  
featured the mark MY SCORE+. MMI's best evidence indicating that consumers actually received  
these brochures is the testimony of Jerry Radoff, who estimates that, during 2003, he sent out  
"hundreds" of MY SCORE+ brochures as a result of phone counseling sessions. (Briones Decl.  
Opp'n Pl.'s MPSJ Ex. 28.) However, this testimony is undercut by the fact that there is no  
documentary evidence of these phone sessions, and the testimony of Christopher Ray, designated  
by MMI to testify about the marketing and promotional efforts of MY SCORE+. Ray testified that  
he was not aware of any written materials being disseminated to the public during 2003 containing  
the MY SCORE+ mark. (Trotter Decl. Pl.'s MPSJ Ex. C, at 47.)

1 (Trotter Decl. Pl.'s MPSJ Ex. E-25).<sup>8</sup> Under the Ninth Circuit's totality of the circumstances test,  
2 MMI cannot demonstrate that its use of MY SCORE+ was sufficiently public "to identify or  
3 distinguish [its service] in an appropriate segment of the public mind."<sup>9</sup> See *Chance*, 242 F.3d at  
4 1158 (internal quotation marks omitted); see also *id.* at 1160 (finding that the defendant  
5 established first use where it began a comprehensive public relations campaign using its mark to  
6 introduce its new service, which included sending out brochures to potential customers,  
7 conducting interviews with major newspapers including the *Wall Street Journal*, *Washington Post*,  
8 and *Chicago Tribune* that resulted in multiple stories mentioning the mark, and marketing the  
9 service to potential customers through a slide presentation using the mark, but finding that the  
10 plaintiff could not demonstrate first use where it mailed 35,000 post cards, which generated 128  
11 responses to its 1-800 number and resulted in only two token sales); *New W. Corp. v. NYM Co.*  
12 *of Ca.*, 595 F.2d 1194, 1200 (9th Cir. 1979) (finding that the plaintiff had established first use  
13 where it sent 430,000 individuals a free exemplar copy of its magazine containing its mark, and  
14 over 13,500 people bought subscriptions as a result).

15 Accordingly, MMI's Motion for Partial Summary Judgment is DENIED, and ConsumerInfo's  
16 Motion for Partial Summary Judgment is GRANTED as to ConsumerInfo's trademark infringement,  
17 unfair competition, and common law trademark infringement claims, and MMI's counterclaims for  
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19  
20 <sup>8</sup> MMI directs the Court's attention to a spreadsheet that it claims evidences a significant  
21 additional number of MY SCORE+ education sessions and sales. (See Stanley Decl. Opp'n Pl.'s  
22 MPSJ Ex. 5.) However, there is no reference on this spreadsheet to MY SCORE+. MMI can thus  
23 only "assume" that certain data entries reference MY SCORE+ education sessions. (See Trotter  
24 Decl. Ex. D 87 ("I would assume that those two were MyScorePlus . . . .").) This is not a reliable  
25 record.

26 <sup>9</sup> MMI claims that the documentary evidence before the Court is not complete because  
27 MMI's electronic database came into existence in 2004, and MMI does not maintain electronic or  
28 paper documents for prior years. (See Woods Decl. Opp'n Pl.'s MPSJ 8 ("MMI has had difficulty  
locating electronic or paper documentation evidencing MMI's activities in connection with the use  
of the mark MY SCORE+ during 2002 and 2003.")) According to MMI, this absence of  
documentary evidence is not dispositive given the "multitude of testimonial evidence from MMI  
employees who have declared that MMI has continually used the Mark MY SCORE+ from 2002  
until the present." (Opp'n Pl.'s MPSJ 13.) However, for reasons explained above, this testimonial  
evidence does not raise a genuine issue of material fact as to first use.

1 a declaration of non-infringement, a declaration of trademark invalidity, and cancellation of  
2 ConsumerInfo's registration.

3 2. ConsumerInfo Is Entitled to Summary Judgment on MMI's Affirmative  
4 Defenses of Licensee Estoppel, Estoppel, and Licensor Estoppel and MMI's  
5 Counterclaim for a Declaration of Rights Under the Co-Branding Agreement.

6 MMI's counterclaim for a declaration of rights under the co-branding agreement, and MMI's  
7 affirmative defenses of estoppel, licensee estoppel, and licensor estoppel all center on a provision  
8 in the co-branding agreement, which provides that "[e]ach party hereby grants to the other party  
9 a non-exclusive, limited license to use its Marks only as reasonably necessary for the fulfillment  
10 of the other of the obligations specifically described in this Agreement." (First Am. Compl. Ex. B  
11 ¶ 10.2.)

12 MMI's affirmative defenses of licensee estoppel requires MMI to show, as a threshold  
13 matter, that it "owned the marks at issue because, without ownership, there can be no license."  
14 (Order of Sept. 24, 2007 (citing *DEP Corp. v. Opti-Ray, Inc.*, 768 F. Supp. 710, 712 (C.D. Cal.  
15 1991) ("In order to license a mark, the licensor must have exclusivity of ownership . . . .").)  
16 Because the Court has determined that MMI cannot establish ownership of its MY SCORE+ and  
17 MY SCORE PLUS marks, ConsumerInfo is entitled to summary judgment on MMI's affirmative  
18 defenses of estoppel and licensee estoppel.<sup>10</sup>

19 MMI's affirmative defense of licensor estoppel requires MMI to show that its allegedly  
20 infringing use of ConsumerInfo's mark was "reasonably necessary for the fulfillment of the other  
21 of the obligations specifically described in [the co-branding agreement]." See J. Thomas  
22 McCarthy, *McCarthy on Trademarks and Unfair Competition* § 25.30 (4th ed. 2008) ("Any sales  
23 of goods or services under the mark which are outside the area of consent granted in the license  
24

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25 <sup>10</sup> ConsumerInfo does not distinguish between MMI's affirmative defenses of estoppel and  
26 licensee estoppel, arguing instead that they constitute the same affirmative defense. MMI, in its  
27 Opposition, does not take issue with ConsumerInfo's conflation of these two defenses.  
28 Accordingly, insofar as ConsumerInfo is entitled to summary judgment on MMI's affirmative  
defense of licensee estoppel, ConsumerInfo is entitled to summary judgment on MMI's affirmative  
defense of estoppel.

1 are regarded as infringements of the mark."). MMI argues that its use of MY SCORE+ and MY  
 2 SCORE PLUS was "reasonably necessary" to the success of the co-branding agreement, since  
 3 these marks advertised a service that included an Experian score. However, the evidence shows  
 4 that, contrary to MMI's suggestion, the service promoted by MMI's marks did not include an  
 5 Experian score, but rather, a CreditXpert score. (See Maya Decl. Reply Pl.'s MPSJ Ex. F, at 161  
 6 (showing that MMI thought, but was mistaken, that the credit reports it was offering were Experian  
 7 products).) Regardless, MMI has not shown how using its marks to make sales through websites  
 8 other than the co-branded website are reasonably necessary to fulfillment of the purposes of the  
 9 co-branding agreement. Accordingly, ConsumerInfo is entitled to summary judgment on MMI's  
 10 affirmative defense of licensor estoppel and on MMI's counterclaim for a declaration of rights  
 11 under the co-branding agreement.<sup>11</sup>

12 3. ConsumerInfo Is Entitled to Summary Judgment on MMI's Affirmative  
 13 Defense of Unclean Hands.

14 "Unclean hands is a defense to a Lanham Act infringement suit. . . . To make out an  
 15 unclean hands defense, a trademark defendant must demonstrate that the plaintiff's conduct is  
 16 inequitable and that the conduct relates to the subject matter of its claims." *Japan Telecom, Inc.*  
 17 *v. Japan Telecom Am. Inc.*, 287 F.3d 866, 870 (9th Cir. 2002).

18 MMI's only evidence in support of its unclean hands affirmative defense is a pair of  
 19 stipulated injunctions between ConsumerInfo and the Federal Trade Commission. (See Briones  
 20 Decl. Opp'n Pl.'s MPSJ Ex. 17.) However, these injunctions expressly state that they do not  
 21 constitute admissions of liability. (See Briones Decl. Opp'n Pl.'s MPSJ Ex. 17, at 78 ("Defendant  
 22 agrees to entry of this Stipulated Order without any finding or admission of liability as to any  
 23 violation of the Final Order."); Briones Decl. Opp'n Pl.'s MPSJ Ex. 17, at 85 ("Defendant makes  
 24 no admissions as to the allegations in the Complaint, other than the jurisdictional facts.").)

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 26 <sup>11</sup> Again, MMI does not contest ConsumerInfo's argument that, insofar as ConsumerInfo  
 27 is entitled to summary judgment on MMI's affirmative defense of licensor estoppel, ConsumerInfo  
 28 is entitled to summary judgment on MMI's counterclaim for a declaration of rights under the co-  
 branding agreement. Summary judgment on this counterclaim is thus proper.

1 Furthermore, neither injunction mentions ConsumerInfo's MY SCORE PLUS mark. Because MMI  
2 has not presented evidence demonstrating a genuine issue of material fact as to its unclean hands  
3 defense, ConsumerInfo is entitled to summary judgment.

4 B. MMI's Motion For Preliminary Injunction

5 MMI moves to enjoin ConsumerInfo from using its PLUS SCORE mark. MMI's Motion is  
6 DENIED because, for reasons explained above, MMI has not shown probable success on the  
7 merits or that serious questions are raised. See *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 902  
8 (9th Cir. 2007).

9 C. MMI's Motion Requesting Sanctions

10 MMI requests sanctions for ConsumerInfo's submission of the declaration of Brad Simmons  
11 in support of ConsumerInfo's Motion for Partial Summary Judgment. MMI describes this  
12 declaration as a "sham declaration." MMI's Motion is DENIED because the Court does not find that  
13 the declaration was submitted "in bad faith." See Fed. R. Civ. P. 56(g).

14 III. RULING

15 For the foregoing reasons, MMI's Motions are DENIED. ConsumerInfo's Motion is  
16 GRANTED.

17 IT IS SO ORDERED.

18 Dated this 2nd day of September, 2008.

19 \_\_\_\_\_  
20 / S /  
21 S. JAMES OTERO  
22 UNITED STATES DISTRICT JUDGE  
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