

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

CIVIL MINUTES -- GENERAL

Case No. **CV 14-9216-JFW (JPRx)**

Date: November 5, 2015

Title: Denver Urban Homesteading, LLC -v- Dervaes Institute et al

PRESENT:

HONORABLE JOHN F. WALTER, UNITED STATES DISTRICT JUDGE

**Shannon Reilly
Courtroom Deputy**

**None Present
Court Reporter**

ATTORNEYS PRESENT FOR PLAINTIFFS:

None

ATTORNEYS PRESENT FOR DEFENDANTS:

None

PROCEEDINGS (IN CHAMBERS):

**ORDER GRANTING IN PART, DENYING IN PART
PLAINTIFF DENVER URBAN HOMESTEADING, LLC'S
MOTION FOR SUMMARY JUDGMENT
[filed 10/2/2015; Docket No. 53]**

On October 2, 2015, Plaintiff Denver Urban Homesteading, LLC ("Plaintiff") filed a Motion for Summary Judgment. On October 9, 2015, Defendant Dervaes Institute and Jules Dervaes filed their Opposition. On October 9, 2015, Defendant Mignon Rubio filed her Opposition. On October 16, 2015, Plaintiff filed its Replies. Pursuant to Rule 78 of the Federal Rules of Civil Procedure and Local Rule 7-15, the Court found the matter appropriate for submission on the papers without oral argument. The matter was, therefore, removed from the Court's November 2, 2015 hearing calendar and the parties were given advance notice. After considering the moving, opposing, and reply papers, and the arguments therein, the Court rules as follows:

I. FACTUAL AND PROCEDURAL BACKGROUND¹

Dervaes Institute is the owner of service mark URBAN HOMESTEADING, which is registered in class 41 on the Supplemental Register of the United States Patent and Trademark Office ("USPTO") for educational and entertainment services in the field of "sustainable living, organic foods and gardening, the environment, and conservation."

¹The Court has considered the facts in the light most favorable to the nonmoving party, and to the extent any of these facts are disputed, they are not material to the disposition of this motion. In addition, to the extent that the Court has relied on evidence to which the parties have objected, the Court has considered and overruled those objections. As to the remaining objections, the Court finds that it is unnecessary to rule on those objections because the disputed evidence was not relied on by the Court.

In October 2008, the USPTO denied Dervaes Institute's application to register the mark URBAN HOMESTEADING on the Principal Register, because it concluded that "the applied-for mark merely describes the subject matter of applicant's services." In denying the application, the examining attorney stated in relevant part: "the term 'urban homesteading' typically refers to sustainable living practiced in a city environment' and 'it appears that the applicant is providing educational services centered on urban homesteading. Therefore, the proposed mark appears to merely describe the subject matter of the applicant's educational services and registration on the Principal Register must be refused and made FINAL" The USPTO however agreed to register the mark on the Supplemental Register on June 2, 2009.

Plaintiff Denver Urban Homesteading, LLC maintained a Facebook page for its business beginning in February 2010 entitled "Denver Urban Homesteading," which provided information about products for sale at its farmer's market and its school for teaching "urban homesteading skills." On or about February 13, 2011, Defendant Mignon Rubio, the ex-wife of Defendant Jules Dervaes,² submitted an infringement complaint to Facebook regarding Plaintiff's Facebook page. In that complaint, Rubio, using an alias Facebook account under the name "Margaret N. Barnes", represented to Facebook that: (1) Plaintiff is "[u]sing Dervaes Institute trademark 'urban homesteading' name as [its] own," (2) "Urban Homesteading is a registered trademark of Dervaes Institute (Registration Number 3633366)," and (3) she is the owner of the trademark or a person legally authorized to act on behalf of the owner.

Based on the infringement complaint submitted by Rubio, Facebook disabled Plaintiff's Facebook page on February 14, 2011, identifying Jules Dervaes at dervaes@dervaesinstitute.com as the complaining party. Plaintiff immediately contacted Facebook to complain about the disablement of its Facebook page, and requested its reinstatement without success. Facebook informed Plaintiff that it would not reinstate Plaintiff's Facebook page without consent from the complaining party, Defendant Jules Dervaes. Although informed that Rubio had filed an infringement complaint in his name, Jules Dervaes never asked Facebook to reinstate Plaintiff's Facebook page. Plaintiff claims that it has been damaged by the loss of its Facebook page and the resulting loss of sales.

On April 11, 2011, Plaintiff filed a Petition to Cancel the Dervaes Institute's Supplemental Registration of URBAN HOMESTEADING before the Trademark Trial and Appeal Board ("TTAB") of the USPTO. That Petition to Cancel is still pending, but the proceedings have been suspended.³ On April 10, 2013, Plaintiff also filed a civil action against Dervaes Institute, Jules Dervaes, and Mignon Rubio in the United States District Court for the District of Colorado, Case No. 13-CV-917

²Defendant Jules Dervaes was, at all relevant times, the principal officer of Defendant Dervaes Institute.

³The TTAB suspended Denver Urban Homesteading's Petition to Cancel pending final determination of another cancellation petition (Cancellation No. 92053837) filed by Kelly Coyne, Erick Knutzen, and Process Media, Inc. (the "Coyne Petition"), which also seeks to cancel the Dervaes Institute's mark URBAN HOMESTEADING on the Supplemental Register (as well as the mark URBAN HOMESTEAD on the Principal Register). On October 19, 2015, the TTAB suspended the Coyne Petition proceedings pending this Court's determination on Plaintiff's Motion for Summary Judgment.

(the “Colorado Action”), alleging nine claims for relief, including, for example, cancellation of trademark, fraud on the USPTO (against Dervaes Institute and Jules Dervaes only), intentional interference with contractual/business relations, and interference with prospective business/economic advantage. On March 28, 2014, the United States District Court for the District of Colorado dismissed the claims related to the cancellation of trademark and fraud on the USPTO for lack of personal jurisdiction, and dismissed the remaining claims with prejudice because they were barred by the applicable Colorado statutes of limitations.

On December 1, 2014, Plaintiff filed its Complaint in this action against Defendants Dervaes Institute, Jules Dervaes, and Mignon Rubio, alleging the following claims for relief: (1) cancellation of trademark due to genericness; (2) cancellation of trademark due to fraud on the USPTO; (3) fraudulent misrepresentation based on the infringement complaint filed with Facebook; (4) violation of Cal. Bus. & Prof. Code §§ 17200, 17500; (5) California common law unfair competition; (6) intentional interference with contractual relations; and (7) intentional interference with prospective economic relations.

Plaintiff moves for summary judgment on all claims for relief.

II. LEGAL STANDARD

Summary judgment is proper where “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). The moving party has the burden of demonstrating the absence of a genuine issue of fact for trial. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 256 (1986). Once the moving party meets its burden, a party opposing a properly made and supported motion for summary judgment may not rest upon mere denials but must set out specific facts showing a genuine issue for trial. *Id.* at 250; Fed. R. Civ. P. 56(c), (e); see also *Taylor v. List*, 880 F.2d 1040, 1045 (9th Cir. 1989) (“A summary judgment motion cannot be defeated by relying solely on conclusory allegations unsupported by factual data.”). In particular, when the non-moving party bears the burden of proving an element essential to its case, that party must make a showing sufficient to establish a genuine issue of material fact with respect to the existence of that element or be subject to summary judgment. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). “An issue of fact is not enough to defeat summary judgment; there must be a genuine issue of material fact, a dispute capable of affecting the outcome of the case.” *American International Group, Inc. v. American International Bank*, 926 F.2d 829, 833 (9th Cir. 1991) (Kozinski, dissenting).

An issue is genuine if evidence is produced that would allow a rational trier of fact to reach a verdict in favor of the non-moving party. *Anderson*, 477 U.S. at 248. “This requires evidence, not speculation.” *Meade v. Cedarapids, Inc.*, 164 F.3d 1218, 1225 (9th Cir. 1999). The Court must assume the truth of direct evidence set forth by the opposing party. See *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 507 (9th Cir. 1992). However, where circumstantial evidence is presented, the Court may consider the plausibility and reasonableness of inferences arising therefrom. See *Anderson*, 477 U.S. at 249-50; *TW Elec. Serv., Inc. v. Pacific Elec. Contractors Ass’n*, 809 F.2d 626, 631-32 (9th Cir. 1987). Although the party opposing summary judgment is entitled to the benefit of all reasonable inferences, “inferences cannot be drawn from thin air; they must be based on evidence which, if believed, would be sufficient to support a judgment for the nonmoving party.” *American International Group*, 926 F.2d at 836-37. In that regard, “a mere ‘scintilla’ of evidence

will not be sufficient to defeat a properly supported motion for summary judgment; rather, the nonmoving party must introduce some ‘significant probative evidence tending to support the complaint.’” *Summers v. Teichert & Son, Inc.*, 127 F.3d 1150, 1152 (9th Cir. 1997).

III. DISCUSSION

A. Cancellation of the URBAN HOMESTEADING Mark

Plaintiff, in relevant part, moves for summary judgment on its claim for cancellation of the mark URBAN HOMESTEADING from the Supplemental Register on the grounds that it is generic.⁴

“There are five categories of trademarks: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful.” *Yellow Cab Co. of Sacramento v. Yellow Cab Co. of Elk Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005). “The latter three categories are deemed inherently distinctive and are automatically entitled to protection because they naturally serve to identify a particular source of a product.” *Id.* (quotations, citations, and alterations omitted). “Descriptive marks define a particular characteristic of the product in a way that does not require any exercise of the imagination” and “can receive trademark protection if [the mark] has acquired distinctiveness by establishing ‘secondary meaning’ in the marketplace.” *Id.* “Generic marks give the general name of the product; they embrace an entire class of products.” *Id.* (quotations and citations omitted). Unlike descriptive marks, “[g]eneric marks are not capable of receiving [trademark] protection because they identify the product, rather than the product’s source.” *Id.* (quotations and citations omitted).

“Registration on the principal register shows that the Commissioner has determined that the mark is distinctive. Registration on the supplemental register means that the Commissioner has determined that the mark is ‘capable of distinguishing.’” *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1454 (9th Cir. 1985) (quoting 15 U.S.C. § 1091); see also 15 U.S.C. § 1091 (“All marks capable of distinguishing applicant’s goods or services and not registrable on the principal register . . . which are in lawful use in commerce by the owner thereof, on or in connection with any goods or services may be registered on the supplemental register” 15 U.S.C. § 1091.). Because generic terms are not capable of distinguishing an applicant’s goods or services, they are not registrable on the Supplemental Register. See 2 McCarthy on Trademarks and Unfair Competition § 12:59 (4th ed.) (“A designation which is a generic name for goods or services cannot appear on the Supplemental Register and can be removed by a Petition to Cancel.”).

⁴Pursuant to 15 U.S.C. § 1119, “[i]n any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action.” In the interest of efficiency and in light of Facebook’s disablement of Plaintiff’s Facebook page, Plaintiff’s related state law claims for relief, and the TTAB’s suspension of proceedings pending the outcome of this Motion for Summary Judgment, the Court concludes that it should decide whether to cancel the mark URBAN HOMESTEADING, rather than decline to decide this issue under the doctrine of primary jurisdiction. See *Rhoades v. Avon Products, Inc.*, 504 F.3d 1151, 1165 (9th Cir. 2007) (“The deciding factor should be efficiency; the district court should exercise jurisdiction ‘if this course is more efficient; otherwise not.’”).

Unlike registration of a mark on the Principal Register, registration of the mark on the Supplemental Register does not constitute “prima facie evidence of the validity of the registered mark [or] of the registration of the mark, of the owner’s ownership of the mark, [or] of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate” 15 U.S.C. §§ 1057(b); 1094.

“Whether a mark is generic is a question of fact.” *Stuhlberg Int’l Sales Co., Inc. v. John D. Brush & Co., Inc.*, 240 F.3d 832, 840 (9th Cir. 2001). Plaintiff Denver Urban Homesteading bears the burden of proving genericness by a preponderance of the evidence. See *Princeton Vanguard, LLC v. Frito-Lay North America, Inc.*, 786 F.3d 960, 965 n.2 (Fed. Cir. 2015). In this case, the Court concludes that there are no genuine issues of material fact and that, based on the undisputed facts, the term “urban homesteading” is generic.

“To determine whether a term has become generic, we look to whether consumers understand the word to refer only to a particular producer’s goods or whether the consumer understands the word to refer to the goods themselves.” *Yellow Cab Co. of Sacramento*, 419 F.3d at 929 (quoting *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 604 (9th Cir. 2005)). “If buyers understand the term as being identified with a particular producer’s goods or services, it is not generic. But if the word is identified with all such goods or services, regardless of their suppliers, it is generic.” *Yellow Cab Co. of Sacramento*, 419 F.3d at 929 (quotations and citations omitted). The Ninth Circuit has often determined whether a mark is generic using the practical “who-are-you/what-are-you” test. *Id.* “A mark answers the buyer’s questions ‘Who are you?’ ‘Where do you come from?’ ‘Who vouches for you?’ But the generic name of the product answers the question ‘What are you?’” *Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999) (citations and alterations omitted).

Evidence to prove genericness can include the following: (1) “[g]eneric use by competitors which has not been contested by [the registration holder];” (2) the registration holder’s use of the term as a generic name; (3) dictionary definitions; (4) “[g]eneric usage in the media such as in trade journals and newspapers;” (5) testimony of persons in the trade; and (6) consumer surveys. 2 McCarthy on Trademarks and Unfair Competition § 12:13 (4th ed.). Although “consumer surveys have become almost de rigeur in litigation over genericness,” *id.* § 12:14, consumer surveys are not necessarily required to prove genericness. See, e.g., *Narton Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397, 407 (6th Cir. 2002) (“[T]he overwhelming evidence in this case obviates the need for ST to have conducted a consumer survey.”); *Nat’l Envelope Corp. v. American Pad & Paper Co. Of Delaware, Inc.*, 2009 WL 5173920, at *3 (S.D.N.Y. Dec. 30, 2009) (“Consumer surveys are probative and routinely employed, but not required since they are not dispositive.”); *Suh v. Yang*, 987 F. Supp. 783, 791 n.4 (N.D. Cal. 1997) (noting that, although consumer survey evidence has become de rigeur in litigation over genericness, such evidence is not required).

The Court concludes, based on the undisputed facts, that the term “urban homesteading” answers the question “What are you?” rather than “Who are you?”. Indeed, Plaintiff has presented substantial evidence that the term “urban homesteading” is generic, including (1) generic usage of the term by the media to refer to sustainable living, organic foods, gardening, the environment, and conservation, including, for example, Mother Earth News (who has published educational articles in the field of sustainable living titled “Urban Homesteading” since at least 1976), American Free Press, and the Los Angeles Times (among others) ; (2) generic usage of the term by Amazon as

the title of a section for books in the field of sustainable living and related subjects; (3) generic usage of the term by at least one television show and radio show for entertainment services in the fields of sustainable living and related subjects; (4) generic usage of the term by competitors of the Dervaes Institute in connection with their education and entertainment services in the fields of sustainable living, organic foods, gardening, the environment, and conservation; (5) general reference to the term as a movement and lifestyle; (6) the usage of term as a topic category by users of the Meetup website; and (7) generic usage of the term by the Dervaes Institute and Jules Dervaes on their websites.⁵

In contrast, Defendants fail to present any admissible evidence demonstrating that there is a genuine issue of material fact as to genericness of the term “urban homesteading.” Instead, Defendants present primarily irrelevant and erroneous arguments. For example, Defendants erroneously argue that registration of the mark on the Supplemental Register constitutes prima facie evidence of the validity of the mark. However, as previously discussed, registrations on the Supplemental Register are not entitled to that statutory presumption. See 15 U.S.C. § 1094. In addition, Defendants argue that the mark is suggestive, and thus distinctive. However, the Court concludes that Defendants’ evidence is entirely insufficient to create a genuine issue of material fact that the term “urban homesteading” is suggestive, especially in light of Plaintiff’s evidence that the term was used by others to describe sustainable living, organic foods, gardening, the environment, and conservation as early as 1976 and that Defendants themselves have used the term in the generic sense.⁶

Accordingly, the Court concludes that Plaintiff has demonstrated that it is entitled to summary judgment on its claim for “Cancellation of the mark ‘Urban Homesteading’ due to Genericness.”

B. Plaintiff’s Remaining Claims

The Court concludes that Plaintiff has failed to demonstrate that it is entitled to summary judgment on its remaining claims.

⁵The Court concludes that the generic term “urban homesteading,” referring to sustainable living, organic foods and gardening, the environment, and conservation, is also a generic term as it relates to educational and entertainment services in the field of “sustainable living, organic foods and gardening, the environment, and conservation.” Cf. 2 McCarthy on Trademarks and Unfair Competition § 12:23 (4th ed.) (“A generic name of goods may also be a generic name of the service of selling or designing those goods.”); *In re Industrial Relations Counselors, Inc.*, 224 USPQ 309, 310 (TTAB 1984) (“[H]ad the mark before us been INDUSTRIAL RELATIONS rather than INDUSTRIAL RELATIONS COUNSELORS, INC., a finding as to incapability of appropriation would be in order even though that designation describes not the services involved (education, training, research, etc.) but rather the subject matter focus of such services.”).

⁶Indeed, the Court notes that the USPTO, in rejecting the Dervaes Institute’s application to register the mark on the Principal Register, concluded that the mark “URBAN HOMESTEADING” was not inherently distinctive and instead was merely descriptive.

IV. CONCLUSION

For the foregoing reasons, Plaintiff's Motion for Summary Judgment is **GRANTED in part, DENIED in part**. Specifically, the Court **GRANTS** Plaintiff's Motion for Summary Judgment on Plaintiff's claim for "Cancellation of the mark 'Urban Homesteading' due to Genericness." In all other respects, Plaintiff's Motion for Summary Judgment is **DENIED**.

IT IS SO ORDERED.