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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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| Proceeding | 92057110 |
| Party | Plaintiff Jeff Miller, Max Kleven and Rin, Inc. |
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**UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD**

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| JEFF MILLER, MAX KLEVEN and RIN, INC. Petitioners, v. DAPHNE HEREFORD, Respondent. |) Cancellation No.: 92057110)) Registration Nos.: 3111161, 2969852,) 3582436, 2538312, 2384745, and 1763135)) Regarding the Mark: RIN TIN TIN and) RIN TIN TIN CANINE AMBASSADOR) CLUB)) NOTICE OF U. S. DISTRICT COURT) ENTRY OF FINDINGS OF FACT AND) CONCLUSIONS OF LAW AND ORDER) CANCELLING MARKS |
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TO THE TRADEMARK TRIAL AND APPEAL BOARD:

On August 27, 2013, this tribunal ordered of suspension of these proceedings pending the disposition of that certain civil action pending in United States District Court for the Central District of California captioned *Max Kleven, et al. v. Daphne Hereford, et al.*, Civil Action No: 13-CV-02783-ABC (AGRx) (the “Civil Action”) involving the validity and disposition of United States Trademark Registration Nos.: 3111161, 2969852, 3582436, 2538312, 2384745, and 1763135, which are the registrations at issue in this Petition for Cancellation (collectively, the “Subject Trademark Registrations”).

On December 2, 2015, a bifurcated court trial commenced in the Civil Action on the cancellation of the Subject Trademark Registrations.

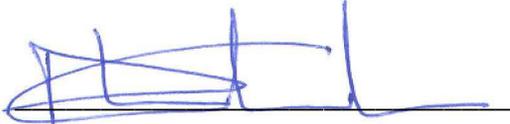
On August 21, 2015, the Court in the U.S. District Court Action issued its Findings of Fact and Conclusions of Law and, within it, made the following Order:

Registrations 1763135, 2384745, 2538312, 2969852, 3111161, 3215700, 3380788, 3582436, and 4263551 are hereby ordered cancelled.

August 21, 2015-Findings of Fact and Conclusions of Law, 55:13-14. (Emphasis

added.) A true and correct copy of said Findings of Fact and Conclusions of Law is attached hereto as Exhibit A and incorporated herein by this reference.

Respectfully,



David L. Gernsbacher
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EXHIBIT A

**[TO NOTICE OF U. S. DISTRICT COURT ENTRY OF FINDINGS
OF FACT AND CONCLUSIONS OF LAW AND ORDER
CANCELLING MARKS]**

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

MAX KLEVEN et al.

Plaintiff,

v.

DAPHNE HEREFORD et al.

Defendants.

Case No. CV 13-02783-AB (AGRx)

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

TRIAL DATE: DECEMBER 2, 2014

This matter was tried before this Court, sitting without a jury, on December 2, 2014. David Gernsbacher appeared on behalf of Plaintiffs Max Kleven and Rin, Inc. Kirk Hallam appeared on behalf of Plaintiff-in-intervention Shamrock Entertainment, Ltd. Lora Friedemann, Cynthia Moyer, Paul Thomas, and Deborah Sirias appeared on behalf of Defendant Belleair Trading International, LLC.

Having heard and reviewed the admissible evidence presented by the parties, the arguments of counsel, and the supplemental briefing, and having considered the demeanor and credibility of the witnesses and all papers and exhibits presented by the parties for purposes of this trial, including admissions in various entries of Defaults and in the Final Pretrial Conference Order, the Court makes the following findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

FINDINGS OF FACT¹

A. The Parties

1. Plaintiffs Max Kleven and Rin, Inc. initiated the instant action in April 2013. (Dkt. No. 1.) Plaintiff-in-intervention Shamrock Entertainment, Ltd. (“Shamrock”) intervened in this case in December 2013. (Dkt. No. 41.) Max Kleven, Rin, Inc., and Shamrock, when referred to collectively, shall be referred to herein after as “Plaintiffs.”

2. Defendants Daphne Hereford (*pro se* defendant) and Rin Tin Tin, Inc. (“RTTI”) (unrepresented corporate defendant) have had default entered against them. (Dkt. Nos. 1, 11, 47, 49, 106-107.) Defendant Belleair Trading International, LLC (“Belleair”) is the only actively litigating defendant in this case.

B. Instant and Prior Lawsuits

3. The instant lawsuit is the latest in a series of lawsuits that have been filed by the parties and their predecessors relating to the Rin Tin Tin trademark.

4. *Herbert B. Leonard v. Daphne Hereford*, Case No. 2:94-cv-02281-CBM (JR_x), was filed in April 1994 in federal district court for the Central District of California. The case was resolved in 1996. (*See infra* Factual Findings Nos. 28-36.)

5. *Max Kleven v. Daphne Hereford*, 2:06-cv-0785-CBM (JTL_x), was filed in February 2006 in federal district court for the Central District of California and resolved the same year. (*See infra* Factual Findings Nos. 53-59.)

¹ Following the bench trial, both parties filed and lodged proposed findings of fact and conclusions of law. (Dkt. Nos 205-206.) Neither Plaintiffs nor Belleair filed objections to the opposing parties’ proposed findings of fact and conclusions of law, as permitted by the Central District of California Local Rule 52-7. The Court has reviewed the proposed factual findings and conclusions of law submitted by all parties. To the extent any party submitted a proposed factual finding inconsistent with this Order, the Court deemed that proposal to be unsupported and/or inconsistent with the Court’s review and understanding of the evidence.

1 6. *Rin Tin Tin, Inc. et al. v. First Look Studios, Inc.*, Case No. 08-cv-02853,
2 was filed in September 2008 in federal district court for the Southern District of
3 Texas. The case was resolved in 2009. (*See infra* Factual Finding Nos. 60-66.)

4 7. In the instant lawsuit, Plaintiffs assert various claims against Defendant
5 Belleair. The December 2, 2014 trial and this Order addresses only Plaintiffs' claims
6 for cancellation of trademark registrations that were initially obtained by Hereford and
7 RTTI and that are currently owned by Belleair, namely:

8 a. “RIN TIN TIN” Mark (stylized), Reg. No. 1763135 (“Registration
9 ‘135”), registered to Hereford on April 6, 1993, International Class 031 for live
10 German Shepherd puppies. (Trial Exs. 74, 111.)

11 b. “RIN TIN TIN CANINE AMBASSADOR CLUB,” Reg. No.
12 2384745 (“Registration ‘745”), registered to RTTI on June 20, 2000, International
13 Class 041 for the promotion of responsible dog ownership through programs
14 presented to schools and groups. (Trial Ex. 75, 114.)

15 c. “RIN TIN TIN,” Reg. No. 2538312 (“Registration ‘312”),
16 registered to Hereford on February 12, 2002, International Class 041 for mail order
17 fan club service providing materials promoting the breeding, training, raising, and
18 showing of authentic Rin Tin Tin German Shepherd dog lineage. (Trial Ex. 76.)

19 d. “RIN TIN TIN,” Reg. No. 2969852 (“Registration ‘852”),
20 registered to Hereford on July 19, 2005, International Class 016 for printed
21 publications, namely, magazines, pamphlets, books, and comic books about German
22 Shepherd dogs; activity and coloring books, posters, stickers, business cards, and
23 cards in the nature of greeting cards and trading cards; International Class 028 for
24 playing cards; and International Class 41 for entertainment services in the nature of an
25 ongoing television series in the field of variety and motion pictures featuring a
26 German Shepherd dog as a live or animated character. (Trial Exs. 77, 113.)
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1 e. “RIN TIN TIN,” Reg. No. 3111161 (“Registration ‘161”),
2 registered to Hereford on July 4, 2006, International Class 016 for printed
3 publications, namely children’s books.² (Trial Ex. 78, 108.)

4 f. “RIN TIN TIN,” Reg. No. 3215700 (“Registration ‘700”),
5 registered to Hereford on March 6, 2007, International Class 018 for dog clothing, dog
6 collars, dog leashes, dog shoes, handbags, purses, and tote bags; International Class
7 021 for bowls, brushes for pets, cups, mugs, pet brushes, and pet feeding brushes;
8 International Class 025 for caps, hats, jackets, muffs, scarves, slippers, sweat shirts,
9 and t-shirts; and International Class 028 for board games, dog toys, plush toys,
10 puzzles, and soft sculpture plush toys. (Trial Ex. 79.)

11 g. “RIN TIN TIN,” Reg. No. 3380788 (“Registration ‘788”),
12 registered to Hereford on February 12, 2008, International Class 031 for dog food.
13 (Trial Ex. 80.)

14 h. “RIN TIN TIN,” Reg. No. 3582436 (“Registration ‘436”),
15 registered to Hereford on March 3, 2009, International Class 031 for live German
16 Shepherd dogs of Rin Tin Tin lineage; and International Class 041 for animal
17 exhibitions and live animal performances featuring a German Shepherd dog. (Trial
18 Exs. 81, 109.)

19 i. “RIN TIN TIN,” Reg. No. 4263551 (“Registration ‘551”),
20 registered to Hereford on December 25, 2012, International Class 041 for
21 entertainment services in the field of motion pictures featuring a German Shepherd
22 dog. (Trial Exs. 83, 110.)

25 ² Registration ‘161 was granted on July 19, 2005. Prior to the 2006 Settlement
26 Agreement, *see infra* Factual Finding Nos. 55-59, Registration ‘161 was still pending
27 as U.S. trademark registration application No. 78393500 (Application ‘500). For ease
28 of reference, Registration ‘161 will be referred to as Registration ‘161, even in the
context of when it was still pending as Application ‘500.

1 8. Of the nine registrations, seven had been registered for more than five
2 years at the time this lawsuit was filed: Registrations ‘135, ‘745, ‘312, ‘852, ‘161,
3 ‘700, and ‘788.

4 **C. Rin Tin Tin – The Dog**

5 9. Rin Tin Tin was a German Shepherd dog that lived from 1918 to 1932.
6 (Trial Ex. 50 at 1.) Rin Tin Tin’s owner was Lee Duncan, an American soldier who
7 found the dog in France during World War 1. (*Id.*; Trial Tr. 100:23-101:2 (J.
8 Tierney).) Duncan named the dog “Rin Tin Tin” after a French good-luck charm.
9 (Trial Tr. at 101:3-5 (J. Tierney).)

10 10. After the war, Duncan brought his dog to the United States where, under
11 Duncan’s training and supervision, Rin Tin Tin appeared in movies for Warner Bros.
12 starting in the 1920s. (Trial Tr. at 101:10-15 (J. Tierney).) Rin Tin Tin became well
13 known throughout the United States after he starred in these motion pictures. (Trial
14 Ex. 50 at 2.) Plaintiffs do not claim any rights in the Rin Tin Tin movies from the
15 1920s and 1930s. (Trial Tr. at 102:6-103:3 (J. Tierney).)

16 **D. Herbert Leonard and Herbert B. Leonard Productions, Inc.**

17 11. Herbert B. Leonard was a television and motion picture producer, writer,
18 and director who produced, among other things, the television series *Route 66* and
19 *Naked City*. (Dkt. No. 150-1 (“Tierney Trial Decl.”), ¶ 4; Trial Ex. 68.)

20 12. On March 21, 1954, Duncan entered into a written agreement with
21 Herbert B. Leonard Productions, Inc. (Leonard Productions), the production company
22 owned by Leonard. (Trial Ex. 1.) The agreement provides:

23 a. Duncan has the “sole and exclusive ownership of and right to use the
24 name and title RIN TIN TIN, which was the name of the former canine motion picture
25 performer and is the name of certain other dogs owned by [Duncan]; and [Duncan
26 has] the sole and exclusive ownership of the character and likeness of RIN TIN TIN;
27 and the name, title, character and likeness of RIN TIN TIN are herein for convenience
28 collectively referred to as the ‘tradenome.’”

1 b. Duncan was “the sole and exclusive owner of a German Shepherd dog
2 named RIN TIN TIN and other dogs of similar appearance, which dogs have been and
3 will be trained by [Duncan] for motion picture work, and these dogs as well as other
4 German Shepherd dogs hereinafter owned by [Duncan] are herein for convenience
5 collectively referred to as RIN TIN TIN.”

6 c. Duncan then licensed to Leonard Productions the exclusive rights to use
7 the trade name and character Rin Tin Tin in connection with the production,
8 distribution, and exploitation of television shows.

9 13. On March 24, 1955, Duncan and Leonard Productions entered into
10 another written agreement, wherein Duncan assigned his rights to tell the “Rin Tin Tin
11 Story,” a literary work written by James W. English, and Duncan’s life story rights.
12 The March 24, 1955 agreement was amended by written agreements dated October 3,
13 1955 and March 1, 1957. (Tierney Trial Decl. ¶ 5(c); Trial Exs. 2-4.)

14 14. The March 24, 1955 agreement was followed by a copyright assignment
15 in “The Story of Rin Tin Tin” from English to Leonard Productions, which was
16 renewed on September 30, 1955, and an assignment of those rights from Leonard
17 Productions to Leonard individually on August 30, 1962. (Tierney Trial Decl., ¶ 5(d-
18 e); Trial Exs. 5-7.)

19 **E. “The Adventures of Rin Tin Tin”**

20 15. Beginning in the 1950s, Leonard and Leonard Productions created and
21 produced 164 half-hour black and white television episodes of the ABC Television
22 Series *The Adventures of Rin Tin Tin* that featured the fictional canine character Rin
23 Tin Tin. (Tierney Trial Decl. ¶¶ 4, 7; Trial Exs. 53, 57.)

24 16. Dog food and dog treats products endorsed or sponsored by Rin Tin Tin
25 during the 1950s included Nabisco’s Milk Bone Dog Biscuits, Ken-L-Ration, and
26 Gravy Train. (Tierney Trial Decl., 10; Dkt. No 150-5 (“Miller Trial Decl.”), ¶ 12.)

27 17. During the 1970s, Leonard updated *The Adventures of Rin Tin Tin*
28 television series by filming and adding contemporary “wraparound” scenes in color to

1 introduce and close each episode so that original cast members would appear in a
2 rustic setting and explain some aspect of life in the 1880s at Fort Apache, Arizona to a
3 group of multicultural children. This updated version of the series was syndicated
4 with *The Mickey Mouse Club* television series. (Tierney Trial Decl. ¶¶ 7-8.)

5 18. During the mid-1990s, *The Adventures of Rin Tin Tin* television series,
6 which was originally filmed in black and white, was colorized and currently remains
7 in distribution. (Tierney Trial Decl., ¶ 9.)

8 19. After Duncan's death, and pursuant to three written agreements each
9 dated April 4, 1978, Duncan's widow, Eva Duncan transferred all remaining Rin Tin
10 Tin rights to Leonard, including the right to produce and exploit motion pictures,
11 television shows, and books, using the name, title, likeness, and image of the motion
12 picture and television character Rin Tin Tin, including associated merchandising.
13 (Tierney Trial Decl. ¶ 6; Trial Exs. 8-10, 19 at 5:4-6.)

14 **F. "Rin Tin Tin K-9 Cop"**

15 20. Between 1988 and 1992, Leonard created and produced 106 episodes of a
16 new Rin Tin Tin television series entitled *Rin Tin Tin K-9 Cop*, which was broadcast
17 on different television stations in the United States, including The Family Channel.
18 (Tierney Trial Decl. ¶ 10.)

19 21. Commercial sponsors of *Rin Tin Tin K-9 Cop* included Ralston Purina, a
20 manufacturer of dog food and dog treats. (Tierney Trial Decl. ¶ 10.)

21 22. The *Rin Tin Tin K-9 Cop* television series has been in distribution since
22 its original release. The series is available on DVD – pursuant to a licensing
23 distribution agreement by Shamrock – and it is now being distributed throughout the
24 world exclusively by CBS Television Distribution. (Tierney Decl., ¶ 11-12; Trial Tr.
25 106:14-20 (J. Tierney); Trial Exs. 56, 104.)

1 **G. Disney's Option To Make a Rin Tin Tin Motion Picture**

2 23. In 1994, Walt Disney Pictures ("Disney") and Leonard entered into an
3 option agreement, whereby Disney paid Leonard \$100,000 for the option to license
4 the right to make a Rin Tin Tin motion picture based on a script with the working title
5 *Rin Tin Tin and the River of Gold*, which featured the struggles and adventures of a
6 young boy who travels across the United States during the gold rush days searching
7 for his father with his companion and protector, Rin Tin Tin. (Tierney Trial Decl.
8 ¶ 13; Trial Ex. 14.) Were Disney to exercise the option, the initial purchase price was
9 set at \$1,000,000 and included other financial incentives for Leonard.

10 24. During discussions surrounding the option agreement, Disney
11 representatives expressed their attraction to the positive and heroic character traits of
12 the Rin Tin Tin character, and their past successful association with Leonard on the
13 television syndication package of *The Mickey Mouse Club* and *The Adventures of Rin*
14 *Tin Tin*. (Tierney Trial Decl. ¶ 13.)

15 25. Sometime in 1994, Leonard saw an advertisement that Hereford had
16 placed in either the Hollywood Reporter or Daily Variety that offered to license rights
17 in Rin Tin Tin, including motion picture and television rights. (Tierney Trial Decl.
18 ¶ 16.)

19 26. As of 1994, Hereford had only one trademark registration, Registration
20 '135, which was issued to her in her individual capacity on April 6, 1993 for live
21 German Shepherd puppies. (Trial Exs. 74, 111.)

22 27. Upon learning that Hereford was claiming ownership in the Rin Tin Tin
23 trademark, Disney opted not to exercise its option and shelved the *Rin Tin Tin and the*
24 *River of Gold* project. (Tierney Trial Decl. ¶ 16.)

25 **H. Leonard's 1994 Lawsuit Against Hereford and Rin Tin Tin, Inc.**

26 28. Disney's decision not to exercise its option was financially devastating to
27 Leonard, who was otherwise broke. Beginning in 1994, James Tierney began loaning
28 Leonard a minimum of \$10,000 per month to cover his expenses. Tierney's law firm

1 had represented Leonard in various intellectual property matters, and the two had
2 become good friends. Plaintiff Max Kleven and director Irvin Kershner, who was best
3 known for directing *Star Wars: the Empire Strikes Back*, were also good friends with
4 Leonard and often loaned him substantial sums of money. (Tierney Decl., ¶¶ 17-18.)

5 29. In 1994, Tierney, on behalf of Leonard, filed an action against Hereford
6 and RTTI in federal district court in the Central District of California, *Herbert B.*
7 *Leonard v. Daphne Hereford et al*, Case No. 94-cv-0221-CBM, for damages and
8 injunctive relief based on Hereford's alleged violation of Leonard's trademark rights
9 in the name, character, and title Rin Tin Tin (herein after referred to as the "1994
10 Lawsuit").

11 30. The parties engaged in extensive discovery as part of the 1994 Lawsuit.
12 During the course of discovery, Tierney (representing Leonard) learned that
13 Hereford's claimed rights in the character Rin Tin Tin arose from the purchase of a
14 descendant of Rin Tin Tin IV by her grandmother from Lee Duncan in the late 1940s.
15 Duncan bred and sold or gave away hundreds of German Shepherd dogs. Rin Tin Tin
16 IV appeared infrequently in *The Adventures of Rin Tin Tin*, but the dog was not a
17 descendant of the original Rin Tin Tin. (Tierney Trial Decl. ¶ 20.)

18 31. After discovery was complete, Leonard filed a motion for summary
19 judgment. On January 8, 1996, the day of the hearing on Leonard's motion, the
20 parties settled the case, and the material terms of the stipulated settlement agreement
21 ("1996 Settlement Agreement") were put on the record. (Tierney Trial Decl. ¶ 21;
22 Trial Ex. 19.)

23 32. The following are six key provisions of the 1996 Settlement Agreement
24 stipulation, which were read in open court and agreed to by the parties (Trial Ex. 19 at
25 4:17-5:15):

- 26 a. Leonard has common law trademark rights in Rin Tin Tin.
- 27 b. Hereford has bred, raised, and trained, and sold German Shepherd
28 dogs descended from Rin Tin Tin IV since at least 1977.

1 c. Rin Tin Tin IV is not a genetic descendant of the original Rin Tin
2 Tin brought back from Europe by Duncan.

3 d. Duncan assigned the rights in the Rin Tin Tin trademark and
4 character to Leonard in the 1950s.

5 e. Leonard acquired the all residual rights from Eva Duncan
6 (Duncan's widow) in the Rin Tin Tin trademark and character pursuant to agreements
7 dated April 4, 1978.

8 f. So long as Hereford's use of the Rin Tin Tin mark is limited to
9 identifying her dogs as descendants of Rin Tin Tin IV in connection with the
10 breeding, raising, training, and selling of German Shepherd dogs, such use is not
11 likely to cause confusion with Leonard's use of the Rin Tin Tin trademark and
12 character.

13 33. Upon the reading of these six stipulated terms in open court, the district
14 court accepted the stipulation and adopted the stipulated terms as the court's actual
15 findings. (Trial. Ex. 19 at 5:16-22.)

16 34. The parties also stipulated and agreed to additional terms as part of a
17 separate settlement agreement, which the parties intended to reduce to writing
18 following the January 8, 1996 hearing. The terms of the parties' separate agreement
19 were as follows (Trial Ex. 19 at 6:3-16, 7:5-8, 15:16-18:3, 18:16-23):

20 a. Leonard (the plaintiff in the 1994 Lawsuit) dismisses the complaint
21 with prejudice.

22 b. Hereford (the counter-claimant in the 1994 Lawsuit) dismisses the
23 counter claims with prejudice.

24 c. Hereford assigns the Rin Tin Tin fan club service trademark in
25 international class 042 to Leonard.

26 d. Leonard grants Hereford a royalty-free, non-exclusive license in
27 perpetuity for use of the Rin Tin Tin trademark in connection with fan club services,
28

1 provided that Hereford identifies any such fan club as being under license from
2 Leonard.

3 e. Hereford consents to a permanent injunction as follows: (A)
4 Hereford shall not state or imply that her dogs are affiliated with any Rin Tin Tin
5 television shows or movies without written permission of Leonard, other than to state
6 that Rin Tin Tin IV was one of the four dog actors in the Rin Tin Tin series in the
7 1950s; (B) Hereford may not represent that any dogs bred, raised, trained, or sold by
8 her were used in any Rin Tin Tin television show or Rin Tin Tin movie, unless it
9 becomes true in the future; and (C) Hereford may not use the Rin Tin Tin mark,
10 except with the Roman Numeral IV, to describe her dogs as line-bred descendants of
11 Rin Tin Tin IV; acceptable uses by Hereford are “Rin Tin Tin® IV German Shepherd
12 dogs, line-bred descendants of Rin Tin Tin IV” or “Rin Tin Tin® under license from
13 Herbert B. Leonard.”

14 f. Hereford consents that Leonard may name dog actors as Rin Tin
15 Tin for any and all entertainment vehicles, including personal appearances, so long as
16 he does not attempt to sell the live German Shepherd dogs as “Rin Tin Tin.”

17 g. Any and all cross-licenses between Hereford and Leonard are in
18 perpetuity and apply to all heirs and assigns, and all royalty free.

19 35. The parties stipulated and agreed to these additional terms in open court,
20 and the district court accepted the stipulation. Hereford, who was present at the
21 January 8, 1996 hearing, stated in open court that she had an understanding of the
22 terms and conditions of the settlement that had been reached and put on the record.
23 (Trial Ex. 19 at 19:4-9, 30:9-12.)

24 36. Following the January 8, 1996 hearing, the parties never reduced their
25 separate settlement agreement to writing because Hereford thought it was
26 unnecessary. During a telephone call between the two parties, Hereford assured
27 Tierney (acting as Leonard’s attorney) that “all she wanted to do was breed and sell
28 her dogs, that she did not want to pay money to attorneys to review formal

1 documentation, and that [Tierney] had her word she would live up to the terms of the
2 Settlement Agreement as agreed in court.” In light of this, Leonard opted not to
3 expend the time and expense in reducing the parties’ separate settlement agreement to
4 writing. (Tierney Trial Decl., ¶¶ 29-30.)

5 **I. Shamrock’s Acquisition of Rights in Rin Tin Tin**

6 37. Plaintiff-in-intervention Shamrock is a California corporation wholly
7 owned by Tierney, who in 1973 began representing Leonard and his various
8 companies while practicing law at a private law firm. (Tierney Trial Decl., ¶¶ 3, 17.)

9 38. By 1997, Leonard owed Tierney over \$1.5 million as a result of
10 Tierney’s personal loans to Leonard and Leonard’s unpaid legal fees to Tierney’s law
11 firm. (Tierney Trial Decl. ¶¶ 32-34.)

12 39. In 2000, Leonard and Tierney reached a settlement agreement with
13 respect to Leonard’s outstanding loans and unpaid legal fees to Tierney. (Tierney
14 Trial Decl. ¶ 35; Trial Ex. 30.)

15 40. As part of their settlement agreement, Leonard executed a Short Form
16 Quitclaim of Rights (“Quitclaim”) in the *Rin Tin Tin K-9 Cop* television series, a copy
17 of which was recorded with the U.S. Copyright Office on March 29, 2006. (Tierney
18 Trial Decl. ¶ 36; Trial Ex. 31.) The Quitclaim provides that Leonard quitclaimed,
19 transferred, and assigned to Tierney all Leonard’s rights, title, and interest in and to:

- 20 (i) “K-9 Cop” a/k/a “Katts and Dog” television series, (ii) any and all
21 derivative works based thereon (including without limitation, any and all
22 treatments and screenplays based thereon and any and all motion picture
23 projects or versions thereof) and (iii) all copyrights, copyrightable
24 interests and all contract rights and benefits related to any of the
25 foregoing, whatsoever, and without reservation (collectively, the
26 “Transferred Rights”), including without limitation, the sole and
27 exclusive theatrical motion picture rights, and the television motion
28 picture and television rights relating thereto, the right to produce,

1 distribute and otherwise exploit such Transferred Rights and any
2 derivative works based thereon in all media now known or hereafter
3 devised, in perpetuity and throughout the Universe, and all copyrights
4 and copyrightable interests relating to the foregoing

5 (Trial Ex. 31.)

6 41. Leonard confirmed in writing to CBS Broadcast International that
7 Tierney had succeeded in Leonard’s rights in the *Rin Tin Tin K-9 Cop* television series
8 (Tierney Trial Decl., ¶ 37, Trial Ex. 33); and Tierney’s rights in the *Rin Tin Tin K-9*
9 *Cop* television series were again confirmed in a June 2003 agreement with
10 International Family Entertainment, Inc. (“IFE”), the licensed broadcaster of *Rin Tin*
11 *Tin K-9 Cop* television series on the Family Channel. (Tierney Trial Decl., ¶ 38, Trial
12 Ex. 36.)

13 42. Also in 1994, Leonard owed a separate \$550,000 debt to Finance
14 Company, N.V. (“Finaco”). As collateral, Finaco and Tierney (before Tierney settled
15 Leonard’s debt to him) obtained security interests on Leonard’s entertainment assets.
16 (Tierney Trial Decl., ¶¶ 32-33; Trial Ex. 16.) The entertainment assets over which
17 Finaco and Tierney had security interests included revenue from programs owned by
18 Leonard, including *Rin Tin Tin K-9 Cop* and *The Adventures of Rin Tin Tin*. (Trial
19 Ex. 16.) A copy of the written security agreement between Leonard, Finaco, and
20 Tierney was recorded with the U.S. Copyright Office in 1997. (Tierney Trial Decl.,
21 ¶ 33; Trial Ex. 16.)

22 43. In 1997, in partial satisfaction of Leonard’s debt to Fianco, Leonard
23 assigned to Fianco the rights to make two full-length motion pictures based upon *The*
24 *Rin Tin Tin Story* by James English, including merchandising rights, and rights in and
25 to the book entitled *The Rin Tin Tin Story* by James English (*see supra* Factual
26 Finding 13). (Tierney Trial Decl., ¶ 39; Exs. 21-23.)

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1 44. As part of the December 2000 settlement agreement between Leonard
2 and Tierney (*see supra*, Factual Finding No. 39), Leonard assigned to Tierney the *Rin*
3 *Tin Tin Story* rights he had not assigned to Fianco. (Tierney Trial Decl., ¶ 39.)

4 45. In November 2002, Fianco assigned to Tierney the *Rin Tin Tin Story*
5 rights it had acquired from Leonard. (Tierney Trial Decl., ¶ 39; Trial Ex. 34.)

6 46. In January 2004, Tierney assigned to Shamrock (Tierney's wholly-owned
7 corporation) the rights Tierney had received in the *Rin Tin Tin K-9 Cop* television
8 series and *The Rin Tin Tin Story*. (Tierney Trial Decl., ¶ 40; Trial Ex. 37.) As a result
9 of the foregoing, Shamrock acquired ownership of all rights in the *Rin Tin Tin K-9*
10 *Cop* television series and *The Rin Tin Tin Story*.

11 **J. Kleven's Acquisition of Rights in Rin Tin Tin**

12 47. As mentioned above, Kleven also loaned substantial sums of money to
13 Leonard after Disney's decision not to exercise its option on the *Rin Tin Tin and the*
14 *River of Gold* project. (*See supra* Factual Finding No. 27.)

15 48. In 2005, in satisfaction of his debt to Kleven and pursuant to a written
16 agreement dated December 10, 2005, Leonard and his companies assigned to Kleven
17 and TRG Management, LLC ("TRG"), all rights, including adaption and
18 merchandising rights, in *The Adventures of Rin Tin Tin* television series. (Miller Trial
19 Decl., ¶ 9; Trial Ex. 65; Trial Tr. at 146:13 – 148:1 (J. Miller).)

20 49. Sometime prior to March 2008, Kleven was "shopping around" a script
21 for a movie about Rin Tin Tin and had made certain agreements with various
22 individuals and companies, *i.e.*, TRG Management, RTT Movie One LLC, Rodney
23 Rosa, and Ronnie Belarmino. There was a falling out as between these individuals
24 and companies, on the one hand, and Max Kleven and his production company, on the
25 other hand. To resolve any disputes between them, in March 2008, the parties entered
26 into an Intellectual Property Assignment Agreement, whereby Max Kleven, through
27 his company Kleven Productions, Inc. ("Kleven Productions"), received all rights
28 (including the copyright, trademark rights, and all other rights, title, and interest) in

1 Rin Tin Tin that he previously received from Leonard, and that he should have always
2 had, namely:

3 any manifestations of the character “Rin Tin Tin” in any manner or
4 context whatsoever, . . . [including but not limited to]:

5 (a) the mark “Rin Tin Tin,”

6 (b) the words, name and character Rin Tin Tin,

7 (c) the television series “The Adventures of Rin Tin Tin,”

8 (d) motion picture(s) or television program(s) based on Rin Tin Tin,

9 (e) the good will associated with Rin Tin Tin,

10 (g) the right to produce motion picture(s) or television program(s) based
11 on Rin Tin Tin,

12 (h) all other rights, title, and interest in and to the goodwill and all other
13 intangible assets associated with Rin Tin Tin . . . ,

14 (i) all Internet Sites and Domain Names associated, related, concerning or
15 referring in any manner to Rin Tin Tin.

16 (Trial Ex. 73; Trial Tr. at 151:9 – 152:14.)

17 **K. Hereford and RTTI’s Applications for Trademark Registrations After The**
18 **1996 Settlement Agreement**

19 50. Again, as part of the 1996 Settlement Agreement, Hereford and RTTI
20 stipulated that Leonard had total and unqualified trademark and merchandising rights
21 in the Rin Tin Tin Mark, subject to Hereford’s narrow right to breed, advertise, and
22 sell German Shepherd puppies as linear descendants of Rin Tin Tin IV, when truthful.
23 (See *supra* Factual Finding Nos. 32-34.) Despite the stipulation and court findings,
24 beginning in 2000, Hereford obtained the following trademark registrations:

25 a. “Rin Tin Tin” Registration ‘745 (2000) for the promotion of
26 responsible dog ownership through programs presented to schools and groups. (Trial
27 Ex. 75.)
28

1 b. “Rin Tin Tin” Registration ‘312 (2002) for mail order fan club
2 service providing materials promoting the breeding, training, raising, and showing of
3 authentic Rin Tin Tin German Shepherd dog lineage. (Trial Ex. 76.)

4 c. “Rin Tin Tin” Registration ‘852 (2005) for printed publications,
5 namely magazines, pamphlets, books, and comic books about German Shepherd dogs;
6 activity and coloring books, posters, stickers, business cards, and trading cards;
7 playing cards; and entertainment services in the nature of an ongoing television series
8 in the field of variety and motion pictures featuring a German Shepherd dog as a live
9 or animated character. (Trial Ex. 77.)

10 d. “Rin Tin Tin” Registration ‘161 (2006) for printed publications,
11 namely children’s books. (Trial Ex. 78.)

12 51. In each of the trademark registration applications for Registrations ‘745,
13 ‘312, ‘852, and ‘161, Hereford provided a sworn declaration as to the following (*see*
14 Trial Exs. 75-78):

15 a. Hereford believed she was the owner of the “Rin Tin Tin”
16 trademarks sought to be registered, and that she was entitled to use the marks in
17 commerce;

18 b. To the best of Hereford’s knowledge and belief, “no other person,
19 firm, corporation or association has the right to use the mark in commerce”;

20 c. That Hereford’s use of the “Rin Tin Tin” marks were not likely to
21 cause confusion;

22 d. That all statements based on Hereford’s knowledge are true; and

23 e. That all statements based on Hereford’s information and belief are
24 believed to be true.

25 52. In her sworn declarations, Hereford did not disclose to the USPTO the
26 court findings and stipulations related to the 1996 Settlement Agreement, thus
27 concealing that she had previously admitted that Leonard owned common law
28 trademark rights to the Rin Tin Tin mark; that she admitted her rights were limited to

1 the breeding, raising, training, and selling of German Shepherd dogs descended from
2 Rin Tin Tin IV, which is not a descendant of the original Rin Tin Tin brought back
3 from Europe by Duncan; and that she had acknowledged the prior uses of the Rin Tin
4 Tin mark by Leonard, his predecessors, and his successors-in-interest, including uses
5 for movies, television, and merchandising.

6 **L. Kleven’s 2006 Lawsuit Against Hereford and Rin Tin Tin, Inc.**

7 53. Upon learning of Hereford’s Registration ‘852 for “[e]ntertainment
8 services in the nature of an ongoing television series in the field of variety and motion
9 pictures featuring a German Shepherd dog as a live or animated character,” Kleven
10 and Leonard filed an action against Hereford and RTTI in federal district court in the
11 Central District of California, *Kleven et al. v. Daphne Hereford, et al.*, Case No. 06-
12 cv-785-CBM (“2006 Lawsuit”), which included a cause of action for cancellation of
13 Registrations ‘135, ‘745, ‘312, ‘852, and ‘161. (Trial Tr. at 118:5-119:1 (J. Tierney).)

14 54. The parties resolved the 2006 Lawsuit pursuant to a written Settlement
15 Agreement, dated May 1, 2006 (“2006 Settlement Agreement”). (Trial Ex. 98.)

16 55. The 2006 Settlement Agreement provided, among other things:

17 a. The parties agreed to dismiss their respective lawsuits with
18 prejudice (2006 Settlement Agreement section 2.1).

19 b. Hereford agreed to assign to Kleven, Leonard, and Kleven
20 Productions all rights to Registration ‘852 for the Rin Tin Tin mark in International
21 Class 042 for use of the mark in “motion pictures, television programs or series, or
22 any newly derived processes that provide a dynamic visual image, as well as the
23 exclusive right to the mark Rin Tin Tin for any products or services that derive from
24 said motion pictures, television programs or series, or any newly derived processes”
25 (2006 Settlement Agreement section 2.2.1).

26 c. “[A]s to licenses for use in motion pictures, television programs or
27 series, or any newly derived processes that provide a dynamic visual image made by
28 Hereford prior to April 24, 2006, all of which have been disclosed by Hereford and

1 which are delineated in Appendix “1” herein [namely, Todd Moore, Susan Orlean,
2 Darryl Rehr, MPH Entertainment, and Kendra Waters], those licenses remain valid
3 and enforceable by Hereford, and all payments due thereunder shall be entirely
4 Hereford’s own property” (2006 Settlement Agreement section 2.2.2).

5 d. “Hereford may exercise any other intellectual property rights
6 owned by Hereford as to the use of the mark Rin Tin Tin against anyone, other than
7 those relating to motion pictures, television, or other video products, or other products
8 related thereto, produced by Kleven [including Leonard and Kleven Productions] or
9 its successors, assigns, and licensees. . . . In the event that both Hereford and Kleven
10 [including Leonard and Kleven Productions] desire to preclude the production or
11 distribution of any motion picture or television series, by way of example James
12 Tierney’s Story of Rin Tin Tin, they may cooperate but each party shall bear its own
13 costs and attorneys’ fees” (2006 Settlement Agreement section 2.2.3).

14 e. “With regard to any products or services [that] derive from said
15 motion pictures, television programs or series, or any newly derived processes, thus
16 including, for example, stuffed animals, books, costumes, video and computer games,
17 song books and all other manner of toys for the relevant age group, Hereford shall be
18 entitled to ten percent (10%) of the net proceeds received by Kleven [including
19 Leonard and Kleven Productions]” (2006 Settlement Agreement section 2.2.4).

20 f. The parties agreed that the 2006 Settlement Agreement “contains
21 all the promises which have been made in connection with this settlement. There are
22 no hidden terms, and everything that is important to this release is specified in writing
23 herein [in the text of the 2006 Settlement Agreement]. The matters set forth herein [in
24 the 2006 Settlement Agreement] shall be binding upon and inure to the benefit of the
25 executors, administrators, personal representatives, heirs, successors and assigns of
26 each party” (2006 Settlement Agreement section 2.4).

27 g. The parties agreed “not to sue one another hereafter for any reason
28 other than a breach of this Agreement [the 2006 Settlement Agreement], which is

1 intended as a full and complete final settlement of any and all disputes, asserted or
2 not, known or unknown, now existing or hereafter arising” (2006 Settlement
3 Agreement 2.9).

4 56. Prior the execution of the 2006 Settlement Agreement, Kleven and his
5 attorney advised Tierney that the purpose and effect of the agreement was to confirm
6 Kleven and Leonard’s rights to secure the transfer of the motion picture and television
7 trademark from Hereford and confirm Kleven’s merchandising rights (as obtained
8 from Leonard), to allow Hereford and RTTI to honor any existing contracts, and to
9 allow Hereford to exercise her existing Rin Tin Tin intellectual property rights against
10 third parties, that ironically included, pursuant to a demand by Hereford, the right to
11 bring a lawsuit against Tierney based on his forthcoming *Finding Rin Tin Tin* motion
12 picture based on the life story of Rin Tin Tin because it featured a German Shepherd
13 dog. To aid in settling the lawsuit, Tierney consented to this arrangement. (Trial Tr.
14 at 119:10 – 120:22, 139:17 – 142:7, 143:12-24 (J. Tierney).)

15 57. As part of the 2006 Settlement Agreement, Hereford retained
16 Registration ‘852 in International Class 016 (printed publications, namely, magazines,
17 pamphlets, books, and comic books about German Shepherd dogs; activity and
18 coloring books, posters, stickers, business cards, and cards in the nature of greeting
19 cards and trading cards) and International Class 028 (playing cards), as well as
20 Registrations ‘135, ‘745, ‘312, ‘042, and ‘161, to the extent those Registrations did
21 not interfere with Kleven, Kleven Productions, and Leonard’s Registration ‘852 for
22 motion pictures, television programs or series, and associated derived processes and
23 products and services.

24 58. Tierney, though not a party to the 2006 Lawsuit or 2006 Settlement
25 Agreement, was aware of the settlement agreement and its terms. (Trial Tr. at 119:20
26 – 120:4.) Tierney was also aware that Hereford obtained additional Rin Tin Tin
27 trademark registrations after the 1996 Settlement Agreement but before July 2004.
28 (Trial Tr. at 112:8-14 (J. Tierney).)

1 59. Belleair is not a party to the 2006 Settlement Agreement, and neither the
2 March 22, 2013 nor August 1, 2013 Agreement/Bill of Sales (*see infra* Factual
3 Finding Nos. 80-85, 93-101) assigned Belleair any rights under the 2006 Settlement
4 Agreement. (Trial Exs. 94, 95, 98.) Erickson (Belleair’s only witness at trial) offered
5 no testimony that he or Belleair had any knowledge of or relied upon the existence of
6 the 2006 Settlement Agreement at any relevant time period.

7 **M. Shamrock’s Authorization of a Movie Based on *The Rin Tin Tin Story* and**
8 **Hereford’s 2008 Lawsuit Against the Film**

9 60. Shamrock authorized the production and distributions of a motion picture
10 based on the life story adaption rights Shamrock owned in *The Rin Tin Tin Story*.
11 Tierney received a writing credit and served as an executive producer, and he retained
12 consultation rights regarding script changes and the production and distribution of the
13 motion picture. (Tierney Trial Decl., ¶¶ 43, 45; Trial Ex. 38.)

14 61. The film was produced in 2006, released to the public in 2007 under the
15 title *Finding Rin Tin Tin*, and remains in distribution through the usual video on-
16 demand outlets and home-video market to this day. (Tierney Trial Decl., ¶ 45; Trial
17 Ex. 40.)

18 62. In 2008, Hereford and RTTI filed an action against the producer and
19 distributor of the Shamrock-authorized motion picture in federal district court in the
20 Southern District of Texas, *Rin Tin Tin, Inc. et al. v. First Look Studios, Inc.*, Case No.
21 08-cv-02853, alleging unfair competition, trademark infringement, and trademark
22 dilution (“2008 Lawsuit”). (Tierney Trial Decl., ¶ 46; Trial Ex. 47.)

23 63. In their 2008 Lawsuit, Hereford and RTTI alleged, among other things,
24 that Rin Tin Tin IV was a descendant of the original Rin Tin Tin, and that Lee Duncan
25 gave Rin Tin Tin IV to Hereford’s grandmother to begin a breeding program of
26 German Shepherd dogs “to carry on the bloodline of Rin Tin Tin for future
27 generations”; that Hereford has “vigorously and consistently pursued the Rin Tin Tin
28 German Shepherd dog breeding program,” and she has shown many dogs “that she

1 has bred from the Rin Tin Tin bloodline”; that Hereford owns the Rin Tin Tin
2 property rights with respect to the Rin Tin Tin bloodline and the Rin Tin Tin name
3 associated with that bloodline, with respect to German Shepherd dogs and puppies;
4 and that because of the efforts of Hereford and RTTI, “the famous German Shepherd
5 [d]og named Rin Tin Tin and his story continue to be famous and to have fans to this
6 day, and the Rin Tin Tin trademarks and service marks have become associated with
7 [Hereford and RTTI].” (Trial Ex. 47 at ¶¶ 11-12, 14-15, 19.) In light of Hereford’s
8 stipulation on the record in connection with the 1996 Settlement Agreement (*see*
9 *supra* Factual Finding Nos. 32-34), Hereford and RTTI’s allegations in the complaint
10 for the 2008 lawsuit were false.

11 64. The defendants to Hereford’s 2008 Lawsuit filed counterclaims for
12 declaratory relief, cancellation of trademark registrations, and enforcement of the
13 1996 Settlement Agreement. The counterclaims included a detailed history of the
14 parties’ prior litigation, including the principal terms of the 1996 Settlement
15 Agreement, and Hereford’s subsequent application for Registration ‘852 for use of the
16 Rin Tin Tin mark in connection with use of services in the field of motion pictures
17 and television series productions, which Hereford subsequently assigned to Kleven,
18 Kleven Productions, and Leonard as part of the 2006 Settlement Agreement.
19 (Tierney Trial Decl., ¶ 47; Trial Ex. 49.)

20 65. The district court dismissed Hereford’s claims on summary judgment and
21 dismissed the case without reaching the defendants’ counter claims. (Tierney Trial
22 Decl., ¶ 47; Trial Ex. 50.)

23 66. On October 3, 2008, a copy of the complaint associated with Hereford
24 and RTTI’s 2008 Lawsuit was sent to the USPTO and electronically appended to all
25 existing Rin Tin Tin trademark files, including (without limitation) Registrations ‘852
26 for dog food and ‘700 for miscellaneous dog specific productions (Trial Ex. 48),
27 which were the two trademarks registrations purchased by Belleair from Hereford and
28 RTTI in March 2013. (*See infra* Factual Finding Nos. 80-85.)

1 **N. Hereford and RTTI's Applications for Trademark Registrations After The**
2 **2006 Settlement Agreement**

3 67. Following the 2006 Settlement Agreement and beginning in 2007,
4 Hereford again filed a series of trademark applications for the use of the Rin Tin Tin
5 mark in connection with various goods or services. As a result of those applications,
6 Hereford obtained the following trademark registrations:

7 a. "Rin Tin Tin" Registration '700 (2007) for dog clothes, dog
8 collars, dog leashes, dog shoes, handbags, purses, and tote bags (purportedly based on
9 actual use in commerce in March 2004); bowls, brushes for pets, cups, mugs, pet
10 brushes, pet and feeding dishes (purportedly based on actual use in commerce in
11 March 2004); hats, jackets, muffs, scarves, slippers, sweat shirts, and t-shirts
12 (purportedly based on actual use in commerce in March 2004); and board games, dog
13 toys, plush toys, puzzles, and soft sculpture plush toys (purportedly based on actual
14 use in commerce in February 2006, four months prior to the execution of the 2006
15 Settlement Agreement). (Trial Ex. 79.)

16 b. "Rin Tin Tin" Registration '788 (2008) for dog food (purportedly
17 based on actual use in commerce in May 1998, approximately two years after the
18 1996 Settlement Agreement in which Hereford disclaimed any right to the Rin Tin Tin
19 trademark except for Hereford's narrow right to breed, advertise, and sell German
20 Shepherd puppies as linear descendants of Rin Tin Tin IV, when truthful). (Trial Ex.
21 80.)

22 c. "Rin Tin Tin" Registration '436 (2009) for live German Shepherd
23 dogs of the Rin Tin Tin lineage (purportedly based on actual use in commerce in
24 December 1980, despite Hereford's stipulations and the court findings that Hereford
25 has only ever bred and sold German Shepherd dogs descended from Rin Tin Tin IV,
26 which is not a genetic descendant of the original Rin Tin Tin), and animal exhibitions
27 and live animal performances featuring a German Shepherd dog (purportedly based on
28 actual use in commerce also in December 1980). (Trial. Ex. 81.)

1 d. “Rin Tin Tin” Registration ‘551 (2012) for entertainment services
2 in the field of motion pictures featuring a German Shepherd dog (purportedly based
3 on actual use in commerce in April 2007). (Trial Ex. 83.)

4 68. Hereford filed the trademark registration application for Registration
5 ‘700 nine (9) days after signing on the 2006 Settlement Agreement, on May 10, 2006.
6 This application sought registration for, among other things, dog toys and plush toys,
7 products that were specific examples of the merchandising rights retained by Kleven,
8 Leonard, and Kleven Productions under section 2.2.4 of the 2006 Settlement
9 Agreement. Hereford’s trademark registration application for Registration ‘700 did
10 not disclose the trademark rights of Leonard, Kleven, and/or Kleven Productions as
11 provided in the 1996 and 2006 Settlement Agreements. (Trial Ex. 79.)

12 69. In each of the trademark registration applications for Registrations ‘700,
13 ‘788, ‘436, and ‘551, Hereford provided the same sworn declaration as above (*see*
14 *supra* Factual Finding No. 51), namely that she believed she was the owner of the
15 “Rin Tin Tin” marks she sought to register, and that she was entitled to use the marks
16 in commerce; to the best of Hereford’s knowledge and belief, no one else had the right
17 to use the marks in commerce; that Hereford’s marks were not likely to cause
18 confusion; that all statements based on Hereford’s knowledge were true; and that all
19 statements based on Hereford’s information and belief are believed to be true. (Trial
20 Ex. 79-91, 83.) These applications did not disclose to the USPTO the courts findings
21 and stipulations related to the 1996 and 2006 Settlement Agreements, thus concealing
22 that Hereford had previously admitted that Leonard owned common law trademark
23 rights to the Rin Tin Tin mark; that she admitted her rights were limited to the
24 breeding, raising, training, and selling of German Shepherd dogs descended from Rin
25 Tin Tin IV, which was not a descendant of the original Rin Tin Tin brought back from
26 Europe by Duncan; and that she had acknowledged the prior uses of the Rin Tin Tin
27 mark by Leonard, his predecessors, and his successors-in-interest, including uses for
28 movies, television, and merchandising.

1 70. With respect to Registration ‘436, Hereford claimed that her first use of
2 the mark for live German Shepherd dogs of the Rin Tin Tin lineage was in 1980,
3 approximately the time when she took over her grandmother’s breeding business.
4 This statement was knowingly false in light of Hereford’s stipulations in open court in
5 connection with the 1996 Settlement Agreement, *i.e.*, that Hereford has bred, raised,
6 trained, and sold German Shepherd dogs descended from Rin Tin Tin IV since 1977,
7 and Rin Tin Tin IV is not a genetic descendant of the original Rin Tin Tin brought
8 back from Europe by Duncan.

9 71. With respect to Registration ‘551, Hereford claims that her first use of
10 the mark for entertainment services in the field of motion pictures featuring a German
11 Shepherd dog was in September 2006 (Trial Ex. 83), five (5) months after she
12 executed the 2006 Settlement Agreement in which she assigned the same mark to
13 Kleven, Leonard, and Kleven productions. Hereford concealed material facts from the
14 USPTO with respect to her application for Registration ‘551, namely Kleven and
15 Leonard’s rights to Registration ‘852 for the Rin Tin Tin mark in International Class
16 042 for use of the mark in “motion pictures, television programs or series, or any
17 newly derived processes that provide a dynamic visual image, as well as the exclusive
18 right to the Rin Tin Tin mark for any products or services that derive from said motion
19 pictures, television programs or series, or any newly derived processes.”

20 72. In or around September 2008, Tierney became aware that Hereford
21 obtained Registrations ‘700, ‘788, and ‘436. (Trial Tr. at 122:23 – 123:9 (J. Tierney).)

22 **O. Hereford and RTTI’s 2012 License to Belleair**

23 73. Dwight Erickson, President and founder of Belleair, approached Hereford
24 for a dog food license after reading Susan Orlean’s 2011 book entitled, *Rin Tin Tin:
25 The Life and the Legend*. Erickson was struck by the remarkable story of Rin Tin Tin
26 and thought that the dog’s life would create an attractive back-story to a brand of
27 high-quality dog treats. Through online research, Erickson found the website
28 rintintin.com, which at the time was operated by RTTI, a company owned by

1 Hereford. The website included a section regarding licensing the Rin Tin Tin
2 trademark. Erickson made contact with the company through the website and began
3 discussing a licensing agreement between RTTI and Belleair. (Dkt. No. 149
4 (“Erickson Trial Decl.”), ¶¶ 3-4.)

5 74. Belleair acquired ownership of the Registrations at issue in this case in
6 three phases. As part of the first phase, on April 10, 2012, Belleair entered into
7 written Merchandising and Licensing Agreement with RTTI, in which RTTI licensed
8 to Belleair the exclusive right to use the Rin Tin Tin mark in the manufacture and
9 retail sale of dog treats, dog snacks, and related food items. The agreement provided
10 that Belleair would acquire no ownership rights in the Rin Tin Tin mark and that all of
11 the goodwill that adhered to the Rin Tin Tin mark through Belleair’s license would be
12 owned by RTTI. In the agreement, RTTI represented that it was the sole owner of the
13 Rin Tin Tin trademark registrations subject to the license. (Trial Exs. 93, 106; Trial
14 Tr. at 56:22 – 57:9 (D. Erickson).)

15 75. Prior to entering into the Merchandising and Licensing Agreement,
16 Belleair did not investigate who owned or distributed *The Adventures of Rin Tin Tin*
17 series, and Belleair did not independently confirm what trademark registrations
18 Hereford and RTTI owned, if any. Additionally, at the time Belleair entered into the
19 agreement, Erickson had never purchased any of Hereford’s purported commercial
20 dog food, he never sought or obtained any formula or ingredient list for Hereford’s
21 purported commercial dog food, and he had no personal knowledge that Hereford or
22 RTTI actually sold and distributed any dog food using the Rin Tin Tin mark.
23 (Erickson Trial Decl., ¶¶ 10-12; Trial Tr. at 56:11 – 57:4, 63:21 – 64:4; 65:22 – 66:18
24 (D. Erickson).)

25 76. That Erickson was not offered proof of, for example, dog food sales by
26 Hereford is consistent with Hereford’s inability to establish sales of her dog food
27 products to which she claimed trademark ownership during discovery in this case.
28

1 a. Specifically, Shamrock served interrogatories on Hereford, which
2 asked: “If you [Hereford] contend that you used the phrase ‘Rin Tin Tin’ as a mark in
3 commerce, please set forth all facts upon which you base that contention, including
4 the dates and nature of each use,” and “If you [Hereford] contend that you have
5 acquired rights to use the phrase ‘Rin Tin Tin’ as a mark in commerce, please set forth
6 all facts upon which you base that contention.”

7 b. Following objections that the interrogatories were overbroad and
8 unduly burdensome,³ Hereford responded to the interrogatories as follows:

9 “Defendant’s use of the marks in Interstate Commerce are a matter of public record
10 through various Internet sites that are readily accessible to [Shamrock].” (Dkt. No.
11 150-8 (“Gernsbacher Trial Decl.”), ¶ 5 at 3:26 – 4:17.) Not only did Hereford fail to
12 answer the interrogatory, but Hereford provided no information regarding the
13 unspecified uses or the identity or location of these “various Internet sites.”

14 Separately, Shamrock served a request for production on Hereford, requesting that she
15 provide “[o]ne representative example of every use you have made in commerce of
16 the phrase ‘Rin Tin Tin.’” Hereford responded that “the information sought . . . can
17 be obtained by public access to the Internet. (Gernsbacher Trial Decl., ¶ 6 at 5:8-15;
18 Tierney Trial Decl., ¶ 56.)

19 77. Both James Tierney and Jeff Miller conducted thorough searches on the
20 Internet for examples of any uses in commerce of the phrase “Rin Tin Tin” in
21 connection with any trademarked goods or services and for any Rin Tin Tin motion
22 pictures authorized or licensed by Hereford and/or RTTI. Following Tierney’s
23 searches, he only found references to a single 2011 book entitled, *Rin Tin Tin: The*
24 *Lineage and Legacy*, attributed to Hereford as the author, and to Rin Tin Tin
25 memorabilia, such as statutes of German Shepherd dogs without visible trademarks.

26
27 ³ The Court overrules any objection that the referenced discovery requests were
28 overbroad or unduly burdensome.

1 Tierney also found reference to a single documentary film entitled, *RIN TIN TIN: a*
2 *living legacy*, that was used by Hereford to secure Registration ‘551 in 2012 for
3 entertainment services in the field of motion pictures featuring a German Shepherd
4 dog. The reference was merely a copy of a DVD cover filed with the USPTO, which
5 listed RTTI and an unrelated third party as co-copyright proprietors. Tierney searched
6 the records of the U.S. Copyright Office and found no copyright registration for the
7 purported documentary film, and there was no record of any copyright transfer for the
8 film. Additionally, Tierney searched Amazon.com and was unable to find a single
9 new or used copy of the documentary film for purchase, whether by Amazon itself or
10 any third party. (Tierney Trial Decl., ¶¶ 57-58.)

11 78. Miller also conducted Internet searches for evidence of Hereford’s use of
12 the Rin Tin Tin mark in commerce, and was unable to find any such evidence. (Miller
13 Trial Decl., ¶ 26.)

14 79. Given Hereford’s claim that evidence of her use in commerce and
15 acquired rights to use in commerce the Rin Tin Tin mark were readily accessible on
16 the Internet, and thorough searches of the Internet resulted in no such evidence (other
17 than the specimens attached Hereford and RTTI’s trademark registration applications
18 filed with the USPTO), the Court finds that there is no evidence of any use by
19 Hereford and/or RTTI of the Rin Tin Tin mark in commerce.⁴

20
21 ⁴ Indeed, neither Tierney nor Miller used the “WayBack” Internet archive
22 program or any other comparable programs when conducting their Internet searches.
23 (Trial Tr. at 131:7-24 (J. Miller) and 161:14 – 162:3 (J. Tierney).). But they were not
24 obligated to do so, especially in light of Hereford’s discovery response that all
25 information related to her use in commerce was readily accessible by public access to
26 the Internet, and use of an Internet archive program is inconsistent with the fact that
27 something is readily accessible by public access to the Internet. Additionally, the fact
28 that Rin, Inc. and Shamrock opted not to depose Hereford carries little weight against
the Court’s finding that Hereford and RTTI are unable to establish use in commerce of
the Rin Tin Tin mark: Hereford and RTTI’s answers have been stricken (Dkt. Nos. 11,
49), and default has been entered against them (Dkt. Nos. 107), which means they are
deemed to have admitted the well-pleaded factual allegations in Plaintiffs’ complaints.

1 **P. Hereford and RTTI's Assignment of Registrations '700 and '788 to**
2 **Belleair**

3 80. The second stage of Belleair's acquisition of rights in Hereford's
4 Registrations was pursuant to a March 22, 2013 Agreement/Bill of Sale between
5 Hereford and Belleair, in which Hereford assigned Registrations '700 (non-food
6 related products, *e.g.*, dog leashes and dog collars) and '788 (dog food) to Belleair.
7 (Trial Ex. 94.) The Agreement/Bill of Sale was recorded with the USPTO. (Erickson
8 Trial Decl, ¶ 19.)

9 81. Before the March 2013 Agreement/Bill of Sale was executed, and during
10 the first year of the licensing agreement, Hereford approached Belleair about
11 purchasing Rin Tin Tin, Inc. and all of the trademarks the company owned. Hereford
12 has a very serious lung disease and she wanted to leave the business. Belleair
13 considered purchasing Rin Tin Tin, Inc. and the associated trademarks but ultimately
14 decided to purchase only the rights corresponding with the registrations for dog food
15 (Registration '788) and for dog related products, clothing, and toys (Registration
16 '700.) (Erickson Trial Decl. ¶ 18.)

17 82. The March 2013 Agreement/Bill of Sale makes no reference to any
18 goodwill associated with Registrations '700 and '788, and Erickson's understanding
19 of RTTI's business dealings was limited to a review of the company's tax returns for
20 the prior seven years, which showed that RTTI was not a profitable company.
21 (Erickson Trial Decl., ¶ 20.) Indeed, Erickson provided no testimony that he had any
22

23 *Vogel v. Rite Aid Corp.*, 992 F. Supp. 2d 998, 1005 (C.D. Cal. 2014) (“Once a party’s
24 default has been entered, the factual allegations of the complaint, except those
25 concerning damages, are deemed to have been admitted by the non-responding
26 party.”) Additionally, the fact that Hereford claimed prior and initial use of Rin Tin
27 Tin marks in her trademark registration applications, in direct contradiction to
28 stipulations and agreements made in connection with the 1996 and 2006 Settlement
Agreements, subsequent statements by Hereford (for example, her discovery
responses) are incredible and are entitled to little evidentiary weight.

1 knowledge that Hereford or RTTI manufactured, distributed, marketed, and/or sold
2 Rin Tin Tin dog food or treats prior to executing the Agreement/Bill of Sale.

3 83. Registration ‘700 was the mark issued to Hereford in 2007 pursuant to an
4 application filed nine (9) days after Hereford executed the 2006 Settlement
5 Agreement, and it includes four classes of goods, including the class covering “plush
6 toys.” Registration ‘788 was the mark issued to Hereford in 2008 for dog food. (*See*
7 *supra* Factual Finding Nos. 67.b.)

8 84. Erickson testified that he entered into the Agreement/Bill of Sale only
9 after Belleair’s outside intellectual property counsel completed a review RTTI’s
10 trademark registrations. (Erickson Trial Decl., ¶ 20.) To the extent Erickson’s
11 testimony could be construed as evidence that Belleair conducted adequate due
12 diligence with respect to Hereford/RTTI’s rights to Registrations ‘700 and ‘788, the
13 Court finds Erickson’s testimony incredible and entitled to little weight for the
14 following reasons: Registrations ‘700 and ‘788 were issued to Hereford not RTTI
15 (*see supra* Factual Finding No. 67); RTTI was not a party to or signatory on the
16 Agreement/Bill of Sale (Trial Ex. 94); and Belleair’s outside counsel did investigate
17 Rin Tin Tin trademarks owned by Hereford in her individual capacity beyond
18 Registrations ‘700 and ‘788, as confirmed by an email sent by the attorney to
19 Erickson, notifying him that there was a pending trademark registration cancellation
20 proceeding for Registration ‘551 (owned by Hereford). (Trial Tr. at 84:16 – 87:3 (D.
21 Erickson).) Additionally, the Agreement/Bill of Sale provided that Belleair would
22 accept full responsibility for any future liability arising out of Registrations ‘700 and
23 ‘788. Specifically, Belleair agreed to purchase Registrations ‘700 and ‘788 on an “as
24 is” basis, Hereford “ma[de] no warranties whatsoever” with respect to the
25 Registrations, and Hereford “disclaim[ed] any liability with regard to future
26 possession or use of the Registrations. (Trial Ex. 94.) Thus, Belleair was on actual
27 notice of a pending cancellation proceeding for Registration ‘551 and constructive
28

1 notice of other potential title defects with respect to other Registrations owned by
2 Hereford.

3 85. After the March 2013 Agreement/Bill of Sale was executed, Belleair
4 continued to use the Rin Tin Tin mark to sell dog treats, and Belleair also began
5 selling items like sweatshirts, t-shirts, flip-flops, and puzzles. (Trial Tr. at 61:17-25.)
6 Belleair's sales of Rin Tin Tin dog treats began to take off after it acquired
7 Registrations '700 and '788; the dog treats were placed in retail grocery stores with
8 220 locations in five states. (Erickson Trial Decl., ¶ 22.)

9 **Q. Rin, Inc.'s Involvement With and Exploitation of Rin Tin Tin Intellectual**
10 **Property Rights**

11 86. Beginning in 2012, Kleven, Sasha Jenson, Casey LaScala, and Miller
12 agreed to form a joint venture to own and pursue the Rin Tin Tin rights Kleven
13 acquired through Leonard, including (without limitation) the right to produce and
14 distribute new versions or adaptations of *The Adventures of Rin Tin Tin* television
15 series. Specifically, Kleven assigned Jenson, LaScala, and Miller a 50% interest of
16 Kleven's Rin Tin Tin rights. The joint venture agreement was memorialized in a
17 written Confirmation of Assignment of Rights and Joint Venture Agreement dated
18 February 1, 2013 and amended in writing on February 27, 2013, and in a Trademark
19 Assignment dated March 26, 2013. (Miller Trial Decl., ¶¶ 7-9; Trial Exs. 58, 62-64.)

20 87. Jenson, LaScala, and Miller are the three principals of Rin, Inc., a
21 California corporation and Plaintiff in this action. Rin, Inc. was formed with the
22 purpose of holding Jenson, LaScala, and Miller's Rin Tin Tin rights and has since
23 succeeded in those rights. (Miller Trial Decl., ¶¶ 2-3, 8.)

24 88. Beginning in 2009, Kleven in conjunction with Rin, Inc. and/or its
25 principals, Jenson, LaScala, and Miller, actively pursued a new Rin Tin Tin movie
26 project; among other things, they prepared scripts for the project, shopped the scripts,
27 and met with film and television producers, agencies, managers, and advertising and
28 marketing agencies. (Miller Trial Decl., ¶¶ 6, 13-14.)

1 89. While financing a movie entails promising the financier or studio the
2 chance to recoup its investment from receipts from the exploitation of a movie, the
3 ability to also receive payment for merchandise associated with the movie greatly
4 increases the ability to obtain financing and a studio's interest. For example, the
5 producers of the *Star Wars* films and many other movies are able to generate
6 substantial monies from the sale of merchandise associated with the movies long after
7 the movies have left the theaters. These products could, in turn, maintain enough
8 interest to warrant further movie and television productions, thus further enhancing
9 Rin Tin Tin's appeal to both the public and the companies whose products the public
10 buys. (Miller Trial Decl., ¶¶ 10-12.)

11 90. In pursuit of financing their new Rin Tin Tin project, Kleven, Jenson,
12 LaScala, and/or Miller met with various talent and advertising agencies whose clients
13 include manufacturers of well-known dog food and dog care lines, including William
14 Morris Endeavor Agency; BBDO, an advertising agency that handles the Pedigree
15 account for Mars, Inc.; Fallon Advertising, who handles the Purina (Nestle) account;
16 and Saatchi & Saatchi, who handles Iams. Each of these agencies and manufacturers
17 expressed interest in the Rin Tin Tin project and brand. (Miller Trial Decl., ¶¶ 13-14.)

18 91. In October 2012, Rin, Inc. filed with the USPTO an application for an
19 intent-to-use registration for the Rin Tin Tin mark in International Class 041 for
20 movies, television shows, live performances, live shows, plays, videos, books, comic
21 books, graphic novels, licensing, merchandising, marketing, and advertising for third
22 parties, all featuring the image of and/or text having as the subject the television and
23 movie icon and character Rin Tin Tin and related characters and written publications.
24 In February 2014, the UPSTO rejected Rin, Inc.'s application "because of a likelihood
25 of confusion with a family of registered marks," referring to Hereford's Rin Tin Tin
26 Registrations. (Miller Trial Decl., ¶¶ 22-23; Trial Exs. 91-92.)

1 92. Kleven and Rin, Inc. have been unable to make progress on their Rin Tin
2 Tin projects due to the Defendants' claimed Rin Tin Tin trademark registrations.
3 (Miller Trial Decl., ¶ 14.)

4 **R. Hereford and RTTI's Second Assignment of Registrations to Belleair**

5 93. The final stage of Belleair's acquisition of rights in Hereford's
6 Registrations occurred pursuant to an August 1, 2013 Agreement/Bill of Sale.

7 94. The final stage came about during the second quarter of 2013, when
8 Belleair's relationship with Hereford became somewhat strained because Hereford
9 behaved as though she had the right to control Belleair's use of the Rin Tin Tin mark
10 in connection with Registrations '788 and '700. (Erickson Trial Decl., ¶ 23.)

11 95. Belleair believed that Hereford would continue to attempt to control
12 Belleair's use of the Rin Tin Tin mark unless Belleair purchased all of Hereford and
13 RTTI's remaining Rin Tin Tin trademark registrations, as well as the website
14 rintintin.com. Belleair's decision to purchase the remaining trademark registrations
15 was motivated by a desire to have the freedom to operate and to make business
16 decisions without having to continue to interact with Hereford. (Erickson Trial Decl.,
17 ¶ 24.)

18 96. Pursuant to the August 2013 agreement, Belleair purchased the seven
19 remaining Registrations owned by Hereford (Registrations '551, '135, '745, '312,
20 '436, '161, and '852), the only trademark registrations owned by RTTI (Registration '
21 458), and "all Trademark rights, common law and otherwise, in Rin Tin Tin."
22 Hereford and RTTI made "no warranties whatsoever" with respect to the
23 Registrations, and Belleair agreed to purchase these Registrations on an "as is" basis
24 and indemnify Hereford and/or RTTI for any financial responsibility specifically
25 associated with their respective defense in the pending litigation.⁵ (Trial Ex. 95.) The
26

27 ⁵ The August 2013 agreement was executed after this action had been initiated
28 and after Belleair, Hereford, and RTTI appeared in this action.

1 agreement makes no mention of or otherwise purports to transfer any goodwill
2 associated with any of these Registrations, and it makes no mention of or otherwise
3 purports to assign Hereford or RTTI's rights in the 2006 Settlement Agreement to
4 Belleair. Belleair, Hereford, and RTTI executed a separate trademark assignment
5 confirming that Belleair acquired "all right, title, and interest" in the Rin Tin Tin
6 trademark as reflected in Registrations '161, '852, '436, '745, '312, '135, and '551.
7 Hereford also assigned to Belleair the rintintin.com website; and she agreed not to
8 compete with Belleair and to dissolve RTTI.

9 97. Belleair began using the rintintin.com website after acquiring it from
10 Hereford. (Erickson Trial Decl., ¶ 27.) Belleair recorded both the March 2013 and
11 August 2013 Agreement/Bill of Sales with the UPSTO. (Erickson Trial Decl., ¶ 19,
12 26.)

13 98. Hereford dissolved RTTI in June 2014. (Trial. Ex. 103.)

14 99. By the end of 2013, Belleair's Rin Tin Tin dog treats were on the shelves
15 in more than 700 retail grocery stores in nine states. (Erickson Trial Decl., ¶ 28.)

16 100. On the back packaging of Belleair's Rin Tin Tin dog treats is a narrative
17 about the historical Rin Tin Tin character, which reads as follows:

18 The Legendary Rin Tin Tin:

19 Rescued from a bombed out World War I German War Dog kennel

20 . . . this German Shepherd Dog would go on to become the most

21 famous canine in the world. Corporal Lee Duncan . . . took him and

22 the rest of the litter back to his camp that fateful day, and named his

23 new puppy after a popular French hand puppet, RIN TIN TIN.

24 Returning to California after the war, Duncan was astonished at the

25 dog's intelligence and agility which landed him a starring role in 26

26 movies. Rin Tin Tin was nominated for an Academy Award, has a

27 star on the Hollywood Walk of Fame, and was noted in *Anne Frank's*

28 *Diary*. He was also credited with saving from bankruptcy a small

1 motion picture studio named Warner Bros.

2 The legacy continued as Rin Tin Tin starred in the TV series “The
3 Adventures of Rin Tin Tin” from 1954 to 1959 and served as the
4 mascot for the Boy Scouts of America.

5 (Trial Tr. at 69:11 – 72:14 (D. Erickson); Trial Ex. 107.) Belleair included this
6 narrative, in addition to a picture of Rin Tin Tin from the “Adventures of Rin Tin Tin”
7 television series, on packaging of their dog treats so that customers would know about
8 the legacy of the Rin Tin Tin character and the *Adventures of Rin Tin Tin* television
9 series, and associate Belleair’s products with the Rin Tin Tin character. (Trial Tr. at
10 70:14-21, 71:10-24, 72:5-14.)

11 101. Belleair has no intention of making movies or television programs using
12 the Rin Tin Tin mark, and Belleair has always been willing to relinquish its rights in
13 Registration ‘551. Belleair’s acquisition of Hereford’s remaining Registrations and
14 other purported trademark rights was motivated by a desire to buy-out Hereford
15 completely so that Belleair could have freedom to operate its business without
16 interference by Hereford and not by a desire to produce movies or television.
17 (Erickson Trial Decl., ¶ 31.)

18 **S. Procedural History in this Action**

19 102. On April 19, 2013, Max Kleven, in his individual capacity, and Rin, Inc.
20 initiated this action by filing their complaint against Hereford, RTTI, and Belleair.
21 (Dkt. No. 1.) On May 15, 2013, Belleair first appeared in this case and filed,
22 collectively with Hereford and RTTI, an answer to Kleven and Rin, Inc.’s complaint.
23 (Dkt. No. 11.)

24 103. Shamrock intervened as a plaintiff, and on January 14, 2014, Shamrock
25 filed its first amended complaint in intervention. (Dkt. Nos. 41, 47.) On January 22,
26 2014, Belleair filed an answer to Shamrock’s complaint in intervention. (Dkt. No.
27 48.) On February 4, 2014, Hereford filed an answer to Shamrock’s complaint in
28 intervention. (Dkt. No. 49.)

1 104. On July 15, 2014, the Court struck the Answers filed by Hereford and
2 RTTI and entered defaults against Hereford and RTTI with respect to Kleven and Rin,
3 Inc.'s complaint and Shamrock's first amended complaint in intervention. (Dkt. Nos.
4 11, 19, 106, 107.) Accordingly, Hereford and RTTI are deemed to have admitted the
5 well-pleaded factual allegations in Kleven and Rin, Inc.'s complaint and Shamrock's
6 first amended complaint in intervention. *See* Fed. R. Civ. Proc. 8(b)(6); *Geddes v.*
7 *United Fin. Group*, 559 F.2d 557, 560 (9th Cir. 1977).

8 105. With respect to Shamrock's first amended complaint in intervention,
9 Hereford and RTTI are deemed to have admitted the following: (1) in connection with
10 the 1996 Settlement Agreement, Hereford and RTTI, in open court and on the record,
11 stipulated to the court findings and other settlement terms with respect to their limited
12 rights related to the Rin Tin Tin trademark; (2) Hereford and RTTI have used the Rin
13 Tin Tin mark in direct contradiction of the stipulated findings and agreements and
14 obtained and/or claimed rights under various federal trademark registrations in Rin
15 Tin Tin, *i.e.*, the Registrations cited and referenced herein; and (3) the Registrations at
16 issue in this case were obtained and are being used deceptively and contrary to the
17 settlement and court findings in connection with the 1996 Settlement Agreement
18 because the claimed uses would cause confusion and deception and because Hereford
19 and RTTI have not, in fact, used the Rin Tin Tin trademark in connection with, for
20 example motion pictures or television series. (Dkt. No. 47 at ¶¶ 34, 39-40, 42.)

21 106. With respect to Kleven and Rin, Inc.'s complaint, Hereford and RTTI are
22 deemed to have admitted the following: (1) the circumstances surrounding the 1994
23 Lawsuit, as well as Hereford's stipulations in open court in connection with the 1996
24 Settlement Agreement, as described above; (2) the iconic fictional German Shepherd
25 character named Rin Tin Tin featured in multiple copyrighted works was famous well
26 before Hereford and RTTI filed their trademark registration applications, and
27 Hereford and RTTI were, in fact, referencing the famous Rin Tin Tin character in their
28 applications; (3) the Kleven and Rin, Inc. are the owners of multiple copyrighted

1 works that feature the iconic fictional German Shepherd dog character Rin Tin Tin,
2 and those works are not associated with Hereford, RTTI, or Belleair; (4) due to the
3 fame of the iconic fictional German Shepherd dog character Rin Tin Tin, any use of
4 the Registrations by Belleair, Hereford, and RTTI is likely to cause consumers to
5 presume a connection between Defendants and the iconic fictional German Shepherd
6 dog character Rin Tin Tin, and Defendants' representations on their website have
7 intended that consumers make such a connection; (5) when Hereford and RTTI filed
8 each of the trademark registration applications associated with the Registrations at
9 issue in this case, they swore oaths as described above regarding their right to use such
10 marks in commerce (*see supra* Factual Findings 51, 69), and they knew these sworn
11 representations to be untrue at the time they were made with the explicit purpose of
12 deceiving the USPTO and inducing it to grant the Registrations; (6) the USPTO
13 materially relied on Hereford and RTTI's materially false misrepresentations when it
14 granted the Registrations; and (7) the Registrations harm consumers by creating
15 source and affiliation confusion. (Dkt. No. 1 at ¶¶ 31, 33-36, 157, 160-162, 164, 166-
16 167, 170-174.)

17 107. Additionally, Hereford and RTTI are deemed to have admitted the facts
18 alleged against them with respect to Kleven and Rin, Inc.'s claims for breach of the
19 2006 Settlement Agreement, specific performance of the 2006 Settlement Agreement,
20 and rescission of the 2006 Settlement Agreement, including that they breached the
21 2006 Settlement Agreement. (Dkt. No. 1 at ¶¶ 216-239.)

22 108. On December 1, 2014, Belleair assigned Registration '551 to Kleven in
23 his individual capacity. (Dkt. No. 167.)

24 CONCLUSIONS OF LAW

25 **A. Jurisdiction and Venue**

- 26 1. Jurisdiction and venue are proper in this Court.
- 27 2. The Court has federal question jurisdiction pursuant to 28 U.S.C. § 1331
28 because the Plaintiffs assert a claim under § 43 of the federal Lanham Act, 15 U.S.C.

1 § 1125(a), and there is supplemental jurisdiction pursuant to 28 U.S.C. § 1367 with
2 respect to the parties’ common law and state law claims.

3 3. The Court also has diversity of citizenship jurisdiction pursuant to 28
4 U.S.C. § 1332 because the amount in controversy exceeds \$75,000, and there is
5 complete diversity between Plaintiffs, on the one hand, and Defendants, on the other
6 hand.

7 4. Venue is proper in the Central District of California pursuant to 28
8 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the
9 claims occurred in this District.

10 **B. Legal Standard for Cancellation of Trademark Registrations**

11 5. A party seeking cancellation of a trademark registration must prove two
12 elements: (1) that it has standing to petition for cancellation; and (2) that there is a
13 valid ground why the trademark should not continue to be registered. *Star-Kist*
14 *Foods, Inc. v. P.J. Rhodes & Co.*, 735 F.2d 346, 348 (9th Cir. 1984) (citations and
15 internal quotation marks omitted).

16 **C. Plaintiffs Have Standing To Bring Their Cancellation Claims**

17 6. Rin, Inc. and Shamrock have standing to bring the instant claims for
18 cancellation of trademark registration.

19 7. “Standing is the more liberal of the two elements and requires only that a
20 party believe that it is likely to be damaged by the registration.” *Cunningham v. Laser*
21 *Golf Corp.*, 222 F.3d 943, 945 (Fed. Cir. 2000). Section 14 of the Lanham Act
22 confers standing to cancel a trademark registration on “any person who believes that
23 he is or will be damaged . . . by the registration of a mark. . . .” 15 U.S.C. § 1604.
24 “[T]here is no requirement that damage be proved in order to establish standing.”
25 *Star-Kist Foods, Inc.*, 735 F.2d at 349 (citations and internal quotation marks
26 omitted). The cancellation petitioner need only show “a ‘real interest’ in the
27 proceedings,” which requires a demonstration that it “is more than an intermeddler but
28 rather has a personal interest [in the cancellation], and that there is a real controversy

1 between the parties.” *Id.* (citations and internal quotation marks omitted). “The
2 petitioner . . . must show a real and rational basis for [its] belief that [it] would be
3 damaged by the registration sought to be cancelled, stemming from an actual
4 commercial or pecuniary interest in his own mark.” *Id.*; see also *Lipton Indus., Inc. v.*
5 *Ralston Purina Co.*, 670 F.2d 1024, 1028-29 (C.C.P.A. 1982) (“The purpose in
6 requiring standing is to prevent litigation where there is no real controversy between
7 the parties, where a plaintiff . . . is no more than an intermeddler.”). A party can
8 typically show standing if it has a pending or soon-to-be filed trademark registration
9 application for a mark that has been or likely will be rejected on the basis of the
10 challenged registrations. 3 McCarthy on Trademarks and Unfair Competition
11 (“McCarthy”) § 20:46 (4th ed.). Additionally, a party can also typically show
12 standing if it has alleged a likelihood of confusion between its mark and the registered
13 mark that “is not wholly without merit.” McCarthy at § 20.46 (quoting *Lipton*
14 *Industries, Inc.*, 670 F.2d at 1029).

15 8. There is a reasonable basis to believe that Rin, Inc. and Shamrock will be
16 damaged by the challenged registrations. Rin, Inc. owns 50% of the Rin Tin Tin mark
17 that Kleven Productions obtained vis-à-vis Max Kleven from Herbert Leonard,⁶ in
18 addition to the words, name, and character Rin Tin Tin, the television series *The*
19 *Adventures of Rin Tin Tin* (which remains in distribution today), motion picture(s) or
20 television program(s) based on Rin Tin Tin, and the right to produce motion picture(s)
21 or television program(s) based on Rin Tin Tin; Rin, Inc. intends to pursue its right to
22 produce and distribute new versions or adaptations of *The Adventures of Rin Tin Tin*
23 television series; and the USPTO denied Rin, Inc.’s October 2012 intent-to-use
24 registration application for the mark because of a likelihood of confusion with the
25 “family of registered marks” associated with Hereford and RTTI.

26
27 ⁶ Because standing only requires a reasonable belief that the moving party will
28 be damaged by the challenged registrations, the Court need not decide at this time
whether Rin, Inc.’s purported trademark rights in the Rin Tin Tin mark are valid.

1 9. Shamrock owns all rights in the *Rin Tin Tin K-9 Cop* television series and
2 the right to make two full-length motion pictures based upon the *Rin Tin Tin Story* by
3 James English, including merchandising rights. When Shamrock exercised its right to
4 make the first full-length motion picture, the 2007 film *Finding Rin Tin Tin*, Hereford
5 and RTTI filed a lawsuit against the producer and distributor of the Shamrock-
6 authorized motion picture and alleged unfair competition, trademark infringement,
7 and trademark dilution based on Hereford's then-existing trademark registrations. To
8 the extent Shamrock seeks to exercise its right to make a second full-length motion
9 picture, companies involved in the picture's production and distribution may face
10 additional litigation in light of the challenged trademark registrations.

11 10. There is a reasonable basis to believe that Rin, Inc. and Shamrock will be
12 damaged by the challenged registrations, and that they have a real interest in the
13 outcome of this proceeding. The marks at issue are virtually identical, and the goods
14 are arguably related, *i.e.*, they involve goods or services related to German Shepherd
15 dogs and/or a German Shepherd dog character named Rin Tin Tin. This is a sufficient
16 showing that a likelihood of confusion claim is not wholly without merit.
17 Additionally, the USPTO denied Rin, Inc.'s registration application for the mark on
18 the basis of the challenged registrations. Based on the foregoing, Rin, Inc. and
19 Shamrock have established standing to bring the pending cancellation of trademark
20 registrations claims.

21 11. Max Kleven, the individual, on the other hand, has not established
22 standing to bring cancellation of trademark registrations. Max Kleven transferred any
23 interest he had in the Rin Tin Tin mark and *Adventures of Rin Tin Tin* television series
24 to Kleven Productions, which in turn assigned a 50% interest in those rights to Rin,
25 Inc. While Kleven Productions would likely have standing to bring the pending
26 claims for cancellation of trademark registrations for the reasons articulated above,
27 Kleven Productions is not a party to this action, and the parties have identified no
28 basis by which Max Kleven (the individual) can assert claims on behalf of Kleven

1 Productions. Accordingly, to the extent Max Kleven brings claims in his individual
2 capacity against any Defendant for cancellation of trademark registrations, those
3 claims (only those brought by Kleven) are dismissed.

4 **D. Valid Grounds to Cancel Trademark Registration**

5 12. Regarding the valid grounds for why a trademark should not continue to
6 be registered, for the first five years, a trademark registration may be challenged for
7 any reason that would have been sufficient to refuse the original registration. 15
8 U.S.C. § 1064(1). Once a trademark has been registered for more than five years, the
9 grounds available to cancel the registration narrow significantly, *i.e.*, as applicable to
10 this case, (1) that the registration has been abandoned, (2) that the registration is being
11 used to misrepresent the source of the goods or services in connection with which it is
12 used, or (3) that the registration was fraudulently obtained. 15 U.S.C. § 1054(3).

13 **a. Cancellation based on abandonment**

14 13. A mark is deemed abandoned if the party seeking cancellation proves the
15 following:

16 When [the mark's] use has been discontinued with intent not to
17 resume such use. Intent not to resume may be inferred from
18 circumstances. Nonuse for three consecutive years shall be prima
19 facie evidence of abandonment. "Use" of a mark means the bona fide
20 use of such mark made in the ordinary course of trade, and not made
21 merely to reserve a right in a mark.

22 15 U.S.C. § 1127.

23 14. "Section 1127 . . . provides that 'use' of a trademark defeats an allegation
24 of abandonment when: the use includes placement on goods sold or transported in
25 commerce; is bonafide; is made in the ordinary course of trade; and is not made
26 merely to reserve a right in a mark." *Electro Source, LLC v. Brandess-Kalt-Aetna*
27 *Grp., Inc.*, 458 F.3d 931, 936 (9th Cir. 2006). The prima facie case of abandonment
28 (proof of non-use for three consecutive years) "eliminates the challenger's burden to

1 establish the intent element of abandonment as an initial part of [its] case,” and creates
2 a rebuttable presumption that the registrant has abandoned the mark without intent to
3 resume. *Levi Strauss & Co. v. GTFM, Inc.*, 196 F. Supp. 2d 971, 976 (N.D. Cal.
4 2002) (quoting *Imperial Tobacco, Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1579
5 (Fed.Cir.1990). Once created, a prima facie case of abandonment may be rebutted by
6 showing valid reasons for nonuse or lack of intent to abandon the mark. *Id.* (citing
7 *Abdul-Jabbar v. Gen’l Motors Corp.*, 85 F.3d 407, 411 (9th Cir. 1996)).

8 15. Where a party seeks to cancel a trademark registration that has been
9 subsequently assigned on the grounds that use of the mark has been abandoned, the
10 Court must first determine whether the registration was properly assigned, *i.e.*, that it
11 was not an assignment in gross, before determining the issue of abandonment.
12 *interState Net Bank v. NetB@nk, Inc.*, 348 F. Supp. 2d 340, 352 (D.N.J. 2004). “As
13 the Lanham Act states the principle, a mark is ‘assignable with the goodwill of the
14 business in which the mark is used, or with that part of the goodwill of the business
15 connected with the use of and symbolized by the mark.’” *E. & J. Gallo Winery v.*
16 *Gallo Cattle Co.*, 967 F.2d 1280, 1289 (9th Cir. 1992) (quoting 15 U.S.C. § 1060). A
17 purported trademark that is assigned without either the goodwill of the assignor’s
18 business or the goodwill connected with the use of the mark, the assignment is an
19 invalid assignment in gross. *Id.* “The purpose behind requiring that goodwill
20 accompany the assigned mark is to maintain the continuity of the product or service
21 symbolized by the mark and thereby avoid deceiving or confusing consumers.” *Id.*
22 (citation omitted).

23 **b. Registration ‘135 is ordered cancelled on the grounds**
24 **that it has been abandoned**

25 16. In this case, the only goodwill associated with Registration ‘135 was
26 Hereford’s breeding, raising, training, and selling of German Shepherd puppies, a
27 business she had been involved with since at least 1977. When it acquired
28 Registration ‘135, Belleair did not acquire any goodwill Hereford had in the breeding,

1 raising, training, and selling German Shepherd puppies. Rather, Belleair sought only
2 to acquire the naked Rin Tin Tin trademark registration so that Belleair could buy out
3 Hereford and operate its business without Hereford's interference. Belleair did not
4 acquire and was not interested in acquiring the breeding business, and Hereford's
5 breeding product is not of the same nature and quality as Belleair's dog treat business.
6 Because Belleair did not acquire any goodwill in Hereford's breeding business,
7 Hereford's assignment of Registration '135 to Belleair was an invalid assignment in
8 gross. Thus, Registration '135 is deemed reverted to Hereford, and the ultimate issue
9 of abandonment turns on whether Hereford (not Belleair) has abandoned the
10 registered mark, *i.e.*, whether Hereford has ceased commercial use of Registration
11 '135 with no intent to resume.

12 17. The Court finds that Hereford has ceased commercial use of the Rin Tin
13 Tin mark, as authorized by Registration '135, with no intent to resume, and therefore
14 she has abandoned any right to the registered mark. That Hereford has ceased
15 commercial use is evidenced by the fact that Hereford claimed that all evidence of her
16 commercial use of the Rin Tin Tin mark in connection with live German Shepherd
17 puppies is readily accessible on the Internet, and thorough searches on the Internet
18 resulted in no such evidence other than the specimens attached to Hereford and
19 RTTI's trademark registration applications filed with the USPTO.

20 18. Hereford's intent not to resume commercial use of the mark is evidenced
21 by Hereford's business dealings with Belleair. During the first year of Belleair's
22 licensing agreement, Hereford offered to sell Registration '135 to Belleair (along with
23 all of her other Rin Tin Tin Registrations) because she was suffering from a serious
24 lung disease and wanted to leave her business. Hereford ultimately sold Registration
25 '135, and Belleair purchased the registration in order to completely buy out Hereford
26 so that Belleair could have the freedom to operate its business without any
27 interference by Hereford. Additionally, as part of the sale to Belleair, Hereford agreed
28 not to compete with Belleair, Hereford has since dissolved her business, and there is

1 no evidence suggesting that Hereford intends to resume use of the Rin Tin Tin mark
2 authorized by Registration ‘135 in the future.

3 19. That Rin, Inc. and Shamrock did not present direct evidence of
4 Hereford’s intent to cease using or abandon the mark – *i.e.*, testimony by Hereford –
5 does not change the analysis. Intent not to resume use may be established by
6 circumstances, *see* 15 U.S.C. § 1127, and the circumstances above, particularly the
7 fact that Hereford assigned and gave away her right to Registration ‘135
8 (notwithstanding the fact that it was an invalid assignment) is sufficient circumstantial
9 evidence of Hereford’s intent not to resume commercial use of Rin Tin Tin mark
10 authorized by Registration ‘135.

11 **c. Cancellation based on fraud**

12 20. To succeed on a cancellation claim based on fraud, the petitioner must
13 prove: “(1) a false representation regarding a material fact; (2) the registrant’s
14 knowledge or belief that the representation is false; (3) the registrant’s intent to induce
15 reliance upon the misrepresentation; (4) actual, reasonable reliance on the
16 misrepresentation; and (5) damages proximately caused by that reliance.” *Hokto*
17 *Kinoko Co. v. Concord Farms, Inc.*, 738 F.3d 1085, 1097 (9th Cir. 2013) (citing *Robi*
18 *v. Five Platters, Inc.*, 918 F.2d 1439, 1444 (9th Cir. 1990)). The burden to prove
19 fraud is “heavy,” *Robi*, 918 F.2d at 1439, and must be shown by clear and convincing
20 evidence. *In re Bose Corp.*, 580 F.3d 1240, 1243 (Fed. Cir. 2009).

21 21. “A false representation in the original trademark application or an
22 affidavit accompanying a renewal application may be grounds for cancellation if all
23 five requirements are met.” *Id.* (citing McCarthy § 20:58). “[A]n applicant or
24 registrant may not make a statement he/she knew or should have known was false or
25 misleading.” *Hachette Filipacchi Presse v. Elle Belle LLC*, 85 U.S.P.Q2d 1090, 1094
26 (TTAB 2007) (emphasis added). The “appropriate inquiry is . . . not into the
27 registrant’s subjective intent, but rather into the objective manifestations of that
28 intent.” *Medinol Ltd.*, 67 U.S.P.Q.2d 1205, 1209 (P.T.O. May 13, 2003). “[P]roof of

1 specific intent to commit fraud is not required, rather, fraud occurs when an applicant
2 or registrant makes a false material representation that the applicant or registrant knew
3 or should have known was false[.]” *Id.* (internal quotation marks omitted). Intent can
4 be inferred from indirect and circumstantial evidence. *In re Bose Corp.*, 580 F.3d at
5 1245. “When drawing an inference of intent, the involved conduct, viewed in light of
6 all the evidence . . . must indicate sufficient culpability to require a finding of intent to
7 deceive.” *Id.* (internal quotation marks and citation omitted).

8 22. “[T]he falsity and intent prongs are separate, so absent the requisite
9 intent to mislead the [US]PTO, even a material misrepresentation would not qualify as
10 fraud under the Lanham Act warranting cancellation. Deception must be willful to
11 constitute fraud, and mere negligence is not sufficient to infer fraud or dishonesty.”
12 *Spin Master, Ltd. v. Zobmondo Entm’t, LLC*, 778 F. Supp. 2d 1052, 1061 (C.D. Cal.
13 2011) (quoting *In re Bose Corp.*, 580 F.3d at 1243-45) (internal citations and
14 quotation marks omitted); *eCash Technologies, Inc. v. Guagliardo*, 210 F. Supp. 2d
15 1138, 1149 (C.D. Cal. 2001) (“A statement in an application or representation to the
16 [US]PTO may be ‘false,’ without being ‘fraudulent.’ Statements of honest, but
17 perhaps incorrect belief or innocently made inaccurate statements of fact do not
18 constitute ‘fraud.’ Fraud arises only when the party making a false statement of fact
19 knows that the fact is false ...”).

20 23. Under its usual meaning, “[a] fact is ‘material’ if the fact may affect the
21 outcome of the case.” *Far Out Productions, Inc. v. Oskar*, 247 F.3d 986, 992 (9th Cir.
22 2001). “[I]n the trademark context, a material misrepresentation arises only if the
23 registration should not have issued if the truth were known to the examiner.”
24 *Alphaville Design, Inc. v. Knoll, Inc.*, 627 F.Supp.2d 1121, 1132 (N.D. Cal. 2009)
25 (Patel, J.) (quotation marks omitted). A registrant is “obligated to confirm the
26 meaning and accuracy of the statements contained in the application before signing
27 the declaration prior to the submission to the USPTO.” *Hachette Filipacchi Presse*,
28 85 U.S.P.Q2d at 1094. Misrepresentations of fact made on the statement of use are,

1 by their nature, “material” because “the statement of use would not have been
2 accepted nor would registration have issued but for [the applicant’s] misrepresentation
3” *Medinol Ltd.*, 67 U.S.P.Q.2d 1205, 1208.

4 **d. Registrations ‘745, ‘312, ‘852, ‘161, ‘700, 788, ‘436,**
5 **and ‘551 are ordered cancelled on the grounds that**
6 **they were obtained by fraud**

7 24. In light of Hereford’s factual admissions in connection with the 1996
8 Settlement Agreement and her agreements in connection with the 1996 and 2006
9 Settlement Agreements, Hereford fraudulently obtained each of the post-1996
10 registrations.

11 25. In connection with the 1996 Settlement Agreement, Hereford admitted
12 that Leonard had superior common law trademark rights in Rin Tin Tin; at the time of
13 the settlement agreement, Leonard had acquired all residual rights in the Rin Tin Tin
14 trademark and character; and Hereford only had a narrow right to breed, advertise, and
15 sell German Shepherd puppies as linear descendants of Rin Tin Tin IV (which was not
16 a descendant of the original Rin Tin Tin), when truthful.

17 26. Despite Hereford’s factual admissions in connection with the 1996
18 Settlement Agreement, she subsequently applied for and obtained Registrations ‘745
19 (for the promotion of responsible dog ownership), ‘312 (for mail order fan club
20 service providing materials promoting the breeding, training, raising, and showing of
21 authentic Rin Tin Tin German Shepherd dog lineage), ‘852 (for printed publications,
22 activity and coloring books, games and toys, and entertainment services), and ‘161
23 (printed publications) for the Rin Tin Tin mark. In each registration application,
24 Hereford provided a sworn declaration that she believed she was the owner of and
25 entitled to use the Rin Tin Tin trademarks, that no one else had a right to use the
26 marks in commerce, and that Hereford’s uses of the marks were not likely to cause
27 confusion.
28

1 27. In light of Hereford's factual admissions in connection with the 1996
2 Settlement Agreement, Hereford's sworn statements in the applications for
3 Registrations '745, '312, '852, and '161 were knowingly and materially false and
4 made with the intent to deceive the USPTO into issuing the registrations. Hereford
5 knew and acknowledged that Leonard had superior rights to a confusingly similar (and
6 in some cases, an identical) Rin Tin Tin mark, Hereford did not disclose Leonard's
7 superior rights to the USPTO with the intent to induce the USPTO into issuing the
8 registrations, and the USPTO materially relied on Hereford's false statements and
9 would not have issued the registrations had Hereford disclosed the truth regarding the
10 facts as stipulated to and court findings with respect to the 1996 Settlement
11 Agreement, *i.e.*, that Hereford's trademark rights were limited to the breeding, raising,
12 training, and selling of German Shepherd dogs descended from Rin Tin Tin IV, which
13 is not a descendent of the original Rin Tin Tin brought back from Europe by Duncan.
14 That Hereford's knowingly false statements and intentional concealments were
15 material to the USPTO's decisions to issue the Registrations is further supported by
16 the fact that the USPTO denied Plaintiff Rin, Inc.'s October 2012 application for an
17 intent-to-use registration for the Rin Tin Tin mark in International Class 041 on the
18 grounds that Rin, Inc.'s application would result in a likelihood of confusion with
19 Hereford's family of registered marks.

20 28. These findings are not affected by the terms of the 2006 Settlement
21 Agreement, in which Kleven, Kleven Productions, and Leonard agreed to allow
22 Hereford to retain Registration '852 for printed publications and playing cards and
23 Registrations '135, '745, '312, '042, and '161, to the extent those Registrations did
24 not interfere with Kleven, Kleven Productions, and Leonard's Registration '852 for
25 motion pictures, television programs or series, and associated derived processes and
26 products and services. There is no evidence that, in agreeing to these terms, Kleven,
27 Kleven Productions, and Leonard were conceding that Hereford had any rights in the
28 Rin Tin Tin mark.

1 29. The Court makes similar findings with respect to the registrations
2 Hereford applied for and obtained following the 2006 Settlement Agreement:
3 Registrations ‘700 (for dog clothes, collars, leashes, and shoes; various clothing and
4 accessories; and games and toys, including plush toys), ‘788 (for dog food), ‘436 (for
5 live German Shepherd dogs of the Rin Tin Tin lineage), and ‘551 (for entertainment
6 services in the field of motion pictures featuring a German Shepherd dog). As with
7 Hereford’s pre-2006 Registrations, in connection with her applications for
8 Registrations ‘700, ‘788, ‘436, and ‘551, Hereford provided a sworn declaration that
9 she believed she was the owner of and entitled to use the Rin Tin Tin trademarks, that
10 no one else had a right to use the mark in commerce, and that Hereford’s use of the
11 mark were not likely to cause confusion. In light of Hereford’s factual admissions in
12 connection with the 1996 Settlement Agreement, Hereford’s sworn statements in the
13 applications for Registrations ‘700, ‘788, ‘436, and ‘551 were knowingly and
14 materially false and made with the intent to deceive the USPTO into issuing the
15 registrations for the same reasons stated above with respect to Registrations ‘745,
16 ‘312, ‘852, and ‘161.

17 30. A finding of fraud is further supported by the timing and nature of
18 Registrations ‘700, ‘788, ‘436, and ‘551, which underscore that Hereford’s sworn
19 declarations were knowingly false and made with intent to deceive the USPTO. For
20 example, Hereford filed the trademark registration application for Registration ‘700
21 nine (9) days after signing the 2006 Settlement Agreement, and Registration ‘700
22 sought registrations for, among other things, dog toys and plush toys, products that
23 were specifically acknowledged to be examples of the merchandising rights retained
24 by Kleven, Leonard, and Kleven Productions under section 2.2.4 of the 2006
25 Settlement Agreement, and Hereford provided in her sworn declaration that the
26 registration was based on her actual use of the mark in commerce in February 2006,
27 four months prior to execution of the 2006 Settlement Agreement. In connection with
28 Registration ‘788 for dog food, Hereford provided in her sworn declaration that the

1 registration was based on actual use in May 1998, two years after the 1996 Settlement
2 Agreement, in which Hereford disclaimed any right to the Rin Tin Tin mark except
3 for her narrow right to breed, advertise, and sell German Shepherd puppies as linear
4 descendants of Rin Tin Tin IV, when truthful. In connection with Registration ‘436
5 for live German Shepherd dogs of the Rin Tin Tin lineage, Hereford provided in her
6 sworn declaration that the registration was based on actual use in commerce in
7 December 1980, despite Hereford’s stipulations and the court findings that Hereford
8 has only ever bred and sold German Shepherd dogs descended from Rin Tin Tin IV,
9 which is not a genetic descendant of the original Rin Tin Tin. Finally, in connection
10 with Registration ‘551 for entertainment services in the field of motion pictures
11 featuring a German Shepherd dog, Hereford provided that it was based on actual use
12 in commerce in April 2007 and made no mention of the 2006 Settlement Agreement,
13 in which Hereford assigned to Kleven, Kleven Productions, and Leonard all rights to
14 Registration ‘852 for use of the Rin Tin Tin mark in motion pictures, television
15 programs or series, and the exclusive right to use the Rin Tin Tin mark for any
16 products or services that derive from those motion pictures, television programs or
17 series, or any newly derived processes.⁷

18 31. Finally, with respect to each of the post-1996 Registrations, Hereford
19 provided a sworn declaration that she was the first to use and had actually used the
20 mark in commerce on the dates specified in her registration applications. Yet when
21 Plaintiffs served Hereford with interrogatories asking her to identify all facts upon
22 which she based her contention regarding use of the Rin Tin Tin mark in commerce,
23

24 ⁷ The Court rejects Belleair’s contention that the issue of Registration ‘551 is
25 moot because Belleair voluntarily assigned the registration to Max Kleven in his
26 individual capacity: Kleven transferred any interest he had in the Rin Tin Tin mark
27 and *Adventures of Rin Tin Tin* television series to Kleven Production, he does not have
28 standing to bring the instant claims for cancellation of trademark registrations, and the
assignment does not resolve the issue with respect to Rin, Inc. and Shamrock, which
do have standing to bring claims for cancellation of trademark registrations.

1 Hereford responded simply that her uses of the marks “are a matter of public record
2 through various Internet sites that are readily accessible.” Thorough Internet searches
3 by Tierney and Miller, however, resulted in no such evidence other than the
4 specimens attached to Hereford and RTTI’s trademark registration applications filed
5 with the USPTO. Additionally, when Belleair entered into the initial licensing
6 agreement with Hereford, Erickson had no personal knowledge that Hereford or RTTI
7 actually sold and distributed dog food (or any other commercial product) using the
8 Rin Tin Tin mark. This, in conjunction with the above-stated circumstances
9 supporting the finding that the post-1996 Registrations were obtained by fraud, the
10 Court draws a negative inference from the lack of evidence of Hereford’s commercial
11 use of the Rin Tin Tin trademarks and finds that Hereford’s sworn statements
12 regarding her purported commercial use of the Rin Tin Tin mark were knowingly and
13 materially false statements made with the intent to induce the USPTO into issuing
14 each of the post-1996 Registrations.

15 **E. Belleair Lacks Standing to Enforce the 2006 Settlement Agreement**

16 32. Belleair argues that the 2006 Settlement Agreement controls this case
17 because the agreement expressly states that it “contains all the promises which have
18 been made in connection with this settlement” and that “everything that is important
19 to this release is specified in writing herein” (Trial Ex. 98 ¶ 2.4), and therefore,
20 Belleair’s argument goes, the 2006 Settlement Agreement was the exclusive
21 embodiment of the parties’ agreement regarding the Rin Tin Tin mark and supersedes
22 the earlier 1996 Settlement Agreement on the same subject matter. (Def’s PFFCL at
23 26).

24 33. Enforcement of a settlement agreement is an affirmative defense to be
25 pled by a party with standing to enforce the settlement agreement. *See Corkland v.*
26 *Boscoe*, 156 Cal. App. 3d 989, 993 (1984). A stipulation for settlement can be
27 enforced by any party to the action who benefits from it, even if indirectly, such as
28 a third party beneficiary. *Provost v. Regents of Univ. of Cal.*, 201 Cal. App. 4th 1289,

1 1299, 135 Cal. Rptr. 3d 591, 601 (2011). However, to enforce a settlement agreement
2 the third party must be an intended beneficiary of the agreement. *Performance*
3 *Plastering v. Richmond Am. Homes of California, Inc.*, 153 Cal. App. 4th 659, 665-
4 66, 63 Cal. Rptr. 3d 537, 542-43 (2007).

5 34. Belleair is not a party to the 2006 Settlement Agreement, and it offers no
6 evidence or argument that it otherwise has standing to enforce the terms of the
7 agreement, *i.e.*, that it was an intended beneficiary of the agreement. Neither the
8 March 2013 nor August 2013 Agreements/Bills of Sale mentions or purports to assign
9 Hereford and RTTI's rights in the 2006 Settlement Agreement to Belleair; Belleair
10 purchased the Registrations on an "as is" basis, and Hereford made no warranties
11 whatsoever with respect to the Registrations and disclaimed any liability with regard
12 to future possession or use of the Registrations; and Belleair offers no evidence that it
13 otherwise relied on the terms of the 2006 Settlement Agreement when it entered into
14 the Agreements/Bills of Sale.⁸

15 35. That Belleair has not established standing to enforce the 2006 Settlement
16 Agreement is not inconsistent with the Court's reliance on Hereford's factual
17 admissions made pursuant to the 1996 Settlement Agreement, even absent a finding
18

19 ⁸ In fact, Belleair purchased the remaining registrations through the August
20 2013 Agreement/Bill of Sale on an "as is" basis four months after Plaintiffs initiated
21 this lawsuit (Dkt. No. 1) and three months after Belleair filed its answer. (Dkt. No.
22 11.) Belleair argues that it has relied on the 2006 Settlement Agreement since the
23 beginning of this case, citing it in its answer and attaching a copy of the agreement as
24 an exhibit to the answer. Reliance on the 2006 Settlement Agreement throughout this
25 proceeding does not confer standing to enforce the agreement. In any event, a review
26 of the docket shows that Hereford, RTTI, and Belleair jointly filed an answer to the
27 initial complaint. (Dkt. No. 11.) Included in the answer were counterclaims brought
28 by Hereford and RTTI only (not Belleair), and the 2006 Settlement Agreement is
mentioned and referenced only in connection with Hereford and RTTI's counterclaims
for breach of contract and fraud. (Dkt. No. 11 at ¶¶ 101-115.) On July 15, 2014,
Hereford and RTTI's answer and counterclaims filed at docket entry 11 were stricken.
(Dkt. No. 106.)

1 that Rin, Inc. and Shamrock have standing to enforce the 1996 Settlement Agreement.
2 Hereford's statements made in connection with the 1996 Settlement Agreement were
3 factual admissions regarding her limited rights in the Rin Tin Tin mark, *i.e.*, Hereford
4 admitted that Leonard had common law trademark rights in Rin Tin Tin, and
5 Hereford's only rights were in the breeding and selling of German Shepherd dogs
6 descended from Rin Tin Tin IV, which was not a genetic descendant of the original
7 Rin Tin Tin. Hereford's factual admissions are different in kind than any agreed-upon
8 contractual promises by the parties in the 1996 and 2006 Settlement Agreements, and
9 the Court need not find that Rin, Inc. and Shamrock have standing to enforce the 1996
10 Settlement Agreement in order to rely on Hereford's factual admissions made in
11 connection with that settlement agreement.

12 **F. Belleair's Laches Defense Fails**

13 36. Belleair fails to establish the affirmative defense of laches.

14 37. Laches is a recognized defense in a trademark registration cancellation
15 proceeding. *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006) ("It
16 is well established that laches is a valid defense to Lanham Act claims for both
17 monetary damages and injunctive relief.") (citing *Jarrow Formulas, Inc. v. Nutrition*
18 *Now, Inc.*, 304 F.3d 829, 840 (9th Cir. 2002)). "In order to succeed on a defense of
19 laches, a defendant must prove both: (1) an unreasonable delay by plaintiff in bringing
20 suit, and (2) prejudice to himself. *Id.* (citing *Couveau v. American Airlines, Inc.*, 218
21 F.3d 1078 (9th Cir. 2000) (per curiam). "In considering whether a plaintiff's delay
22 was unreasonable, courts consider: (1) the length of the delay, measured from the time
23 the plaintiff knew or should have known about his potential cause of action, and (2)
24 whether the plaintiff's delay was reasonable, including whether the plaintiff has
25 proffered a legitimate excuse for his delay." *Id.* (citing *Jarrow Formulas*, 304 F.3d at
26 838). "If a plaintiff files suit within the applicable period of limitations for his claim,
27 there is a strong presumption that laches does not bar the claims. Conversely, if any
28 part of the alleged wrongful conduct occurred outside of the limitations period, courts

1 presume that the plaintiff's claims are barred by laches." *Id.* (citation omitted). "A
2 defendant may establish prejudice by showing that during the delay, it invested money
3 to expand its business or entered into business transactions based on his presumed
4 rights." *Id.* at 999 (citing *Whittaker Corp. v. Execuair Corp.*, 736 F.2d 1341, 1347
5 (9th Cir. 1984)).

6 38. Belleair contends that the statute of limitations for Plaintiffs' cancellation
7 claims is four years because the Ninth Circuit has held that there is a four-year statute
8 of limitations to trademark infringement claims under the Lanham Act, *see Miller v.*
9 *Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 n.11 (9th Cir. 2006), and therefore there
10 is a strong presumption that the cancellation claims are barred by laches. The Court
11 rejects this argument. A claim for cancellation of trademark registration is distinct
12 from a claim for trademark infringement, and the Lanham Act specifically provides
13 that there is no limitation on when a party can bring a cancellation claim based on
14 abandonment and fraud. *See* 15 U.S.C. § 1054(3).

15 39. Belleair also contends that Plaintiffs' delay in bringing the instant
16 cancellation claims was unreasonable because Hereford obtained her registrations
17 from four to twenty years ago, and Plaintiffs were aware of the registrations and "yet
18 did nothing about them." The Court rejects that the delay was unreasonable,
19 particularly any contention that Rin, Inc. and Shamrock did "nothing" about
20 Hereford's registrations. Rin, Inc. and Shamrock and their predecessors in interest
21 have consistently and aggressively pursued their purported rights in the Rin Tin Tin
22 mark, beginning with the 1994 Lawsuit, which Leonard promptly pursued after
23 learning that Hereford was advertising to license the Rin Tin Tin mark. Any delays
24 between the 1994 and 2006 lawsuits and the 2006 and the instant lawsuits were
25 reasonable because the Plaintiffs and their predecessors in interest, in good faith,
26 attempted to settle their disputes with Hereford by entering into the 1996 and 2006
27 Settlement Agreements. After each settlement agreement, Hereford fraudulently
28 obtained a series of trademark registrations, and the Plaintiffs and their predecessors

1 in interest pursued cancellation claims following each series of trademark
2 registrations, culminating with Registration ‘852 in 2006 and Registration ‘551 in
3 2012 for entertainment services featuring a German Shepherd dog.

4 40. Belleair also has not proven that it suffered prejudice as a result of Rin,
5 Inc. and Shamrock’s delay in pursuing their cancellation claims. While Belleair has
6 invested in the Rin Tin Tin mark – paying Hereford to purchase her registrations and
7 investing in a business formed around the mark – Belleair was on notice of the title
8 defects in Hereford’s registration, Belleair purchased the registrations on an “as is”
9 basis, Hereford made no warranties whatsoever with respect to the registrations and
10 disclaimed any liability with regard to future possession or use of the registrations,
11 and, most importantly, Belleair purchased most of the registrations *after* Belleair had
12 been served with the summons and complaint and appeared in this action.

13 41. In light of the foregoing, Belleair has failed to carry its burden of proving
14 the affirmative defense of laches.

15 **G. Belleair’s Waiver Defense Fails**

16 42. Belleair also fails to establish the affirmative defense of waiver.

17 43. Waiver is the “intentional relinquishment of a known right with
18 knowledge of its existence and the intent to relinquish it.” *Gibson Brands, Inc. v.*
19 *John Hornby Skewes & Co. Ltd.*, 2014 WL 5419512 (C.D. Cal. Oct. 23, 2014).

20 44. Belleair argues that Rin, Inc. and Shamrock knowingly gave up any
21 objection to Registrations ‘135, ‘745, ‘312, ‘852, and ‘161 when their predecessors in
22 interest entered into the 2006 Settlement Agreement, in which they consented to
23 Hereford’s continued use and registration of the Rin Tin Tin mark. The Court rejects
24 this contention. Plaintiffs’ consent to Hereford’s continued use and registration of the
25 Rin Tin Tin mark in connection with Registrations ‘135, ‘745, ‘312, ‘852, and ‘161
26 was part of an agreement to settle the 2006 Lawsuit and contingent on Hereford’s
27 compliance with the terms of the 2006 Settlement Agreement. After executing the
28 2006 Settlement Agreement, Hereford then fraudulently obtained Registrations ‘700,

1 '788, '436, and '551 and made statements in her applications for those registrations
2 that directly contradicted her factual admissions in connection with the 1996
3 Settlement Agreement and the terms of the 2006 Settlement Agreement, thus (from
4 Plaintiffs' perspective) vitiating the consideration and purpose of the settlement
5 agreement. Following this, Plaintiffs were then reasonably prompt in filing the instant
6 lawsuit, asserting (among other causes of action) claims for breach of the 2006
7 Settlement Agreement, rescission of the 2006 Settlement Agreement, and cancellation
8 of trademarks. Under these circumstances, Plaintiffs cannot be said to have waived
9 their right to cancel the trademark registrations at issue.

10 **H. Belleair's Estoppel Defense Fails**

11 45. To the extent Belleair continues to pursue this defense, Belleair also fails
12 to establish the affirmative defense of estoppel.⁹

13 46. To establish the affirmative defense of equitable estoppel, the party
14 asserting the defense must prove:

- 15 (1) The party to be estopped must know the facts; (2) he must intend
16 that his conduct shall be acted upon or must so act that the party
17 asserting the estoppel has a right to believe it is so intended; (3) the
18 latter must be ignorant of the true facts and (4) he must rely on the
19 former's conduct to his injury.

20 *Morgan v. Gonzalez*, 495 F.3d 1084, 1092 (9th Cir. 2007).

21 47. In March 2013, when Belleair purchased Registrations '700 and '788
22 from Hereford, Belleair was on actual notice of a pending cancellation proceeding for
23 Registration '551 and constructive notice of other potential defects with respect to
24 other Registrations owned by Hereford. In August 2013, when Belleair purchased the
25 remaining Registrations, Belleair had already appeared as a defendant in this lawsuit,
26

27 ⁹ Belleair offers no proposed conclusions of law in support of this affirmative
28 defense.

1 which includes claims for cancellation of all of Hereford's Registrations. Thus, even
2 assuming Plaintiffs intended that their conduct (presumably entering into the 2006
3 Settlement Agreement and waiting until 2013 to file the instant lawsuit) be acted upon
4 by Belleair – there is no evidence of this – Belleair has not proven that it was ignorant
5 of Plaintiffs' purported rights in the Rin Tin Tin mark or that Belleair relied on
6 Plaintiffs' conduct to its detriment.

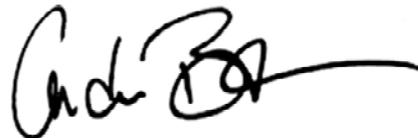
7 THEREFORE, the Court concludes that Rin, Inc. and Shamrock have standing
8 to pursue their claims for cancellation of trademark registration, and they have carried
9 their burden of proving that Hereford abandoned Registration '135, and that Hereford
10 and/or RTTI fraudulently obtained Registrations '745, '312, '852, '161, '700, 788,
11 '436, and '551. Belleair failed to prove its affirmative defenses of laches, waiver, and
12 estoppel.

13 Registrations '135, '745, '312, '852, '161, '700, 788, '436, and '551 are hereby
14 ordered cancelled.

15 In light of these findings of fact and conclusions of law, Belleair's motion for
16 judgment pursuant to Federal Rule of Civil Procedure 52(c) is hereby denied as moot.

17
18
19 **IT IS SO ORDERED.**

20
21 Dated: August 21, 2015



22 HONORABLE ANDRÉ BIROTTE JR.
23 UNITED STATES DISTRICT COURT JUDGE
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