

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SAN DIEGO GULLS HOCKEY CLUB,
LLC, a California limited liability company,
Plaintiff,
vs.
ECHL INC., a Virginia corporation, and
DOES 1 to 10, inclusive,
Defendant.

CASE NO. 8:19-cv-01716-JLS-DFM

**ORDER GRANTING DEFENDANT'S
MOTION FOR SUMMARY
JUDGMENT (DOC. 38)**

1 Before the Court is a Motion for Summary Judgment filed by Defendant ECHL,
2 Inc. (“ECHL”). (Mot., Doc. 38.) Plaintiff San Diego Gulls Hockey Club, LLC (“the
3 Gulls”) opposed and ECHL responded. (Opp., Doc. 50; Reply, Doc. 52.) Having
4 considered the parties’ briefs and held oral argument, the Court now GRANTS ECHL’s
5 Motion for the reasons stated below.

6

7 **I. BACKGROUND¹**

8 This dispute arises out of ECHL’s 2015 assignment of certain trademarks, including
9 a logo, to the Gulls. The Gulls allege that ECHL breached the assignment agreement by
10 transferring a trademark that was not free-and-clear of all competing claims. (Compl.,
11 Doc. 1, ¶ 11.) The Complaint further alleges that, to induce the Gulls to enter the
12 agreement, ECHL falsely represented that (1) it had the right, power, and authority to
13 assign the trademark and (2) the trademark was freely assignable and unencumbered by
14 adverse claims. (*Id.* ¶¶ 15–16.) ECHL now moves for summary judgment on all claims,
15 or partial summary judgment in the alternative. (*See* Mot.)

16 On February 9, 2015, the ECHL and the Gulls entered into the written trademark
17 assignment agreement that is at issue in this action (the “2015 Agreement,” Doc. 50-1).
18 Pursuant to this Agreement, the ECHL assigned to the Gulls its rights to certain marks and
19 various social media names, and all goodwill in the foregoing. (*See id.* at 1.) Specifically,
20 the Agreement assigned the following trademarks:

21

22

23

24

25


26

27

28

¹ Unless noted otherwise, the facts set forth herein are undisputed.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MARK	TRADEMARK OFFICE REGISTRATION STATUS	CLASS OF GOODS
Gulls San Diego	United States Patent and Trademark Office Registration No. 3008178	International Class 025 for clothing and apparel
San Diego Gulls	United States Patent and Trademark Office Application Serial No. 86373691	International Class 041 for Entertainment Services, namely hockey exhibitions
	No United States Patent and Trademark Office Applications	Entertainment services, namely hockey exhibitions, clothing, apparel and related goods and services

Under the Agreement, the above-enumerated trademarks; all other uses in commerce of the word “Gulls”; any formative of that word; or a depiction of a seagull in the context of hockey or hockey team were defined as the “Marks.” (2015 Agreement at 1.) The Agreement also assigned to the Gulls a list of social media names that contained the word “Gulls,” and had been used to promote the team. (*Id.*) Collectively, the Agreement defined the Marks and the social media names as “Intellectual Property.” (*Id.*)

The Agreement provides: “In consideration of the Assignment of all of the Assignee’s right, title, and interest in the Intellectual Property, including but not limited to the Marks, the names of Social Media, all rights to prepare derivate marks and all related goodwill, the Assignee [i.e., the Gulls] shall pay Assignor [i.e., ECHL] [a redacted amount] upon execution of this Agreement.” (2015 Agreement at 2.) ECHL further represented and warranted the following to the Gulls: “(1) Assignor has the right, power and authority to enter into this Agreement; (2) The Mark is freely assignable and not subject to liens, security interests, licenses or encumbrances of any kind; (3) The Assignor

1 is not subject to any agreement, judgment, or other order inconsistent with the terms of this
2 Agreement; and (4) The Assignor will never challenge, or participate in a challenge
3 against, Assignee’s or any of Assignee’s successors’ or assigns’ exclusive right, title or
4 interest in or to the Intellectual Property.” (2015 Agreement at 2.)

5 On April 7, 2016—after ECHL assigned the Intellectual Property to the Gulls—
6 Robert Barros, a non-party to this suit, filed a copyright infringement action against the
7 Gulls, alleging that he “own[ed] [the] original 2 dimension artwork entitled ‘San Diego
8 Gulls’ [pictured below] ... which has been registered with the United States Copyright
9 Office.” (Statement of Genuine Disputes (“SGD”), Doc. 50-6, ¶ 14.) That artwork,
10 depicted below, appears to be the same artwork used in the Logo. The Gulls defended and
11 ultimately settled that copyright infringement action. (*Id.* ¶ 15.) The Gulls subsequently
12 filed this suit against ECHL, alleging breach of contract and intentional misrepresentation,
13 and seeking to recover the legal fees and settlement amount paid in connection with the
14 Barros action. (*See Compl.*)



15
16
17
18
19
20
21
22
23
24 **II. LEGAL STANDARD**

25 Summary judgment shall be granted “if the movant shows that there is no genuine
26 dispute as to any material fact and the movant is entitled to judgment as a matter of law.”
27 Fed. R. Civ. P. 56(a). *See also Fortytune v. American Multi-Cinema, Inc.*, 364 F.3d 1075,
28

1 1079-80 (9th Cir. 2004) (“Summary judgment is appropriate ‘if the pleadings, depositions,
2 answers to interrogatories, and admissions on file, together with the affidavits, if any, show
3 that there is no genuine issue as to any material fact and that the moving party is entitled to
4 a judgment as a matter of law.” (quoting Fed. R. Civ. P. 56(c))). “A dispute about a
5 material fact is genuine ‘if the evidence is such that a reasonable jury could return a verdict
6 for the nonmoving party.’” *Freecycle Sunnyvale v. Freecycle Network*, 626 F.3d 509, 514
7 (9th Cir. 2010) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). A
8 fact is “material” when its resolution “‘might affect the outcome of the suit under the
9 governing law.’” *George v. Morris*, 736 F.3d 829, 834 (9th Cir. 2013) (quoting *Anderson*,
10 477 U.S. at 248).

11 When the moving party would not bear the burden of proof at trial, that party “must
12 either produce evidence negating an essential element of the nonmoving party’s claim or
13 defense or show that the nonmoving party does not have enough evidence of an essential
14 element to carry its ultimate burden of persuasion at trial.” *Nissan Fire & Marine Ins. Co.*
15 *v. Fritz Companies, Inc.*, 210 F.3d 1099, 1102 (9th Cir. 2000). “If the moving party
16 satisfies its initial burden of production, the nonmoving party must produce admissible
17 evidence to show that a genuine issue of material fact exists.” *Bernstein*, 365 F. Supp. 3d
18 at 984 (citing *Nissan Fire*, 210 F.3d at 1102). “If the nonmoving party fails to make this
19 showing, the moving party is entitled to summary judgment.” *Bernstein*, 365 F. Supp. 3d
20 at 984 (citing *Celotex Corp. v. Catrett*, 477 U.S. 317, 322–23 (1986)). The Supreme Court
21 has held that “[t]he mere existence of a scintilla of evidence in support of the non-moving
22 party’s position is not sufficient.” *Anderson*, 477 U.S. at 252. Genuine factual issues must
23 exist that “can be resolved only by a finder of fact because they may reasonably be
24 resolved in favor of either party.” *Id.* at 250. When ruling on a summary judgment
25 motion, the Court examines all the evidence in the light most favorable to the non-moving
26 party. *Celotex*, 477 U.S. at 325.

27

28

1
2
3 **III. DISCUSSION**

4 As noted above, the Gulls assert two claims: breach of contract and intentional
5 misrepresentation.² The Gulls' breach of contract theory is that, in the 2015 Agreement,
6 ECHL represented that it was assigning copyright in the Logo to them free and clear of any
7 claims, and that Barros's copyright claim is evidence that ECHL breached that
8 representation. (*See Opp.* at 7–8; *Compl.* ¶¶ 7–11.) Likewise, the Gulls' intentional
9 misrepresentation theory is that ECHL's representations during negotiations, and in the
10 Agreement, were false because ECHL knew, or should have known, about Barros's
11 copyright claim, and that ECHL therefore made misrepresentations when it stated it had
12 the right and authority to transfer the assets to the Gulls, and the assets were free and clear
13 of any claims. (*See Opp.* at 8–9; *Compl.* ¶¶ 15–18.) Both of the Gulls' claims therefore
14 rise and fall based on whether the 2015 Agreement transferred any copyright in the Logo.
15 The Court concludes that it did not.

16 A fundamental rule of contract interpretation is that the Court must “give effect to
17 the mutual intention of the parties as it existed at the time of contracting.” Cal. Civ. Code
18 § 1636. “Such intent is to be inferred, if possible, solely from the written provisions of the
19 contract.” *Waller v. Truck Ins. Exch., Inc.*, 11 Cal. 4th 1, 18 (1995) (citing Cal. Civ. Code
20 § 1639). “The clear and explicit meaning of these provisions, interpreted in their ordinary
21 and popular sense . . . controls judicial interpretation.” *AIU Ins. Co. v. Superior Ct.*, 51
22 Cal. 3d 807, 822 (1990) (internal citation omitted). But “[e]xtrinsic evidence may be
23 offered both to explain an obviously ambiguous term and to reveal a latent ambiguity.”
24 *Lennar Mare Island, LLC v. Steadfast Ins. Co.*, 176 F. Supp. 3d 949, 963 (E.D. Cal. 2016)

25
26 ² The Gulls also request punitive damages, and ECHL separately moves for summary
27 judgment on that claim, arguing that the record contains no evidence that ECHL acted with the
28 requisite level of intent. (*Mot.* at 19.) Because the Court finds that summary judgment in ECHL's
favor is warranted on the Gulls' substantive claims, the Gulls' request for damages likewise fails,
and the Court need not reach this alternative argument.

1 (citing *Pac. Gas & Elec. Co. v. G. W. Thomas Drayage & Rigging Co.*, 69 Cal. 2d 33, 37
2 (1968)). “A contract provision will be considered ambiguous when it is capable of two or
3 more constructions, both of which are reasonable. But language in a contract must be
4 interpreted as a whole, and in the circumstances of the case, and cannot be found to be
5 ambiguous in the abstract.” See *Int’l Bhd. of Teamsters v. NASA Servs., Inc.*, 957 F.3d
6 1038, 1044 (9th Cir. 2020) (citing *MacKinnon v. Truck Ins. Exch.*, 31 Cal. 4th 635, 648
7 (2003)) (internal quotation marks omitted). “[C]ourts will not strain to create an ambiguity
8 where none exists.” *Id.* (citing *Waller*, 11 Cal. 4th at 18–19). “Nor is the language of a
9 contract ... made ambiguous simply because the parties urge different interpretations.” *Id.*
10 (citing *Seiden Assocs., Inc. v. ANC Holdings, Inc.*, 959 F.2d 425, 428 (2d Cir. 1992))
11 (internal quotation marks omitted).

12 Here, the 2015 Agreement unambiguously defines the scope of the assets being
13 transferred, which does not include copyright in the Logo. Specifically, the Agreement
14 transfers “all of [ECHL’s] right, title and interest in the Intellectual Property.” (2015
15 Agreement at 2.) Under the Agreement, “Intellectual Property” is comprised of the
16 “Marks,” and a list of social media names that contain the word “Gulls.” (*Id.* at 1.) The
17 term “Marks,” in turn, is defined to include: a registered “San Diego Gulls” word mark; a
18 registered “Gulls San Diego” word mark; the unregistered trademark that is the Logo; all
19 other uses in commerce of the word “Gulls”; any formative of that word; or a depiction of
20 a seagull in the context of hockey or hockey teams. (2015 Agreement at 1.) Copyright is
21 not mentioned anywhere in the Agreement. Nor do the terms of the Agreement contain
22 any ambiguity that can be reasonably construed to include copyright.

23 The Gulls therefore cannot meet their burden of proving that ECHL breached any
24 provision of the Agreement because the Agreement is unambiguous, and it makes no
25 representation about copyright. See *Wall St. Network, Ltd. v. New York Times Co.*, 164
26 Cal. App. 4th 1171, 1178 (2008) (a contract plaintiff must prove, among other things, the
27
28

1 terms of the contract and breach by defendant). Thus, ECHL is entitled to summary
2 judgment on the breach of contract claim.

3 As noted above, the Gulls' intentional misrepresentation claim is similarly
4 predicated on the theory that the Barros copyright claim is evidence that the Agreement
5 contained false representations about the assets being freely assignable. Thus, the Gulls'
6 intentional misrepresentation claim also fails, because the Agreement contained no
7 affirmative representation at all about copyright in the Logo. *See Lazar v. Superior Court*,
8 12 Cal.4th 631, 638 (1996) (proving a misrepresentation is a necessary element of the
9 claim). In opposition to summary judgment, the Gulls have not proffered any evidence in
10 support of an alternative misrepresentation theory. Nor have the Gulls offered any
11 authority that ECHL had an affirmative duty to research and disclose any potential
12 copyright claim in a transaction that involves *only* a transfer of trademarks.

13 Instead, the Gulls sole argument is that summary judgment is inappropriate because
14 the Agreement is ambiguous about what assets ECHL was transferring. (Opp. at 7.) "In
15 other words, disputed material facts exist as to what intangible assets were assigned by
16 [ECHL] to [the Gulls] pursuant to the Agreement." (*Id.*) Specifically, the Gulls point out
17 that the Agreement "conveys *all* intellectual property." (*Id.* (emphasis in original).) As
18 explained above, however, the Agreement uses "Intellectual Property" as a defined term,
19 and that definition does not include copyright. In short, the term is not ambiguous. And
20 the Gulls have not proffered any extrinsic evidence that "reveal[s] a latent ambiguity."
21 *Lennar Mare Island*, 176 F. Supp. 3d at 963.³

22
23 ³ In the Opposition, the Gulls attach their Rule 26 expert disclosure of copyright attorney,
24 Relani Belous. (Opp. at 8 (citing to "Belous Report," Ex. B to Opp., Doc. 50-2).) But that
25 document is not admissible evidence because the Gulls failed to authenticate the contents of the
26 report. That is, Belous does not submit an affidavit or declaration attesting to the contents of the
27 report under the penalty of perjury. Moreover, even if the Court were to look at the expert
28 disclosure as evidence, that document states only that Belous would read the Agreement as
conveying copyright in addition to trademark. (Belous Report at ECF Pages 6–7.) But
interpreting the Agreement is the Court's province, and not appropriate subject of expert
testimony. The Belous Report does not argue that any terms in the Agreement have gained special
meaning through usage in the field of intellectual property transactions.

1 At the hearing, counsel for the Gulls also pointed to language in the Agreement that
2 states ECHL was transferring “all of [its] right, title and interest in the Intellectual
3 Property,” and argued that the “all right, title and interest” language should be read broadly
4 to include copyright. (2015 Agreement at 1.) In support, the Gulls relied on the Ninth
5 Circuit’s nonprecedential decision in *Johnson v. Storix, Inc.*, 716 F. App’x 628 (9th Cir.
6 2017) as persuasive authority. But that case is inapposite. At issue there was a written
7 transfer that stated: “*All assets* from Storix Software were transferred to Storix Inc., as of
8 its incorporation as of February 24, 2003.” *Id.* at 630 (emphasis added). “Both parties
9 offered extrinsic evidence to prove the meaning of ‘all assets.’” *Id.* at 631. The Ninth
10 Circuit held, in relevant part, that to satisfy Section 204(a) of the Copyright Act—which
11 requires copyright conveyance to be in signed writing—a written agreement “does not
12 have to be the Magna Carta; a one-line pro forma statement will do.” *Id.* (internal citation
13 and quotation marks omitted). Further, in that case, where the issue was the parties’
14 competing interpretations of ambiguous contract language, the Ninth Circuit found that
15 “the jury [had been] properly tasked with interpreting the term at issue.” *Id.* That is,
16 “[e]xtrinsic evidence that [was] offered to interpret the terms of [the] writing [was] for the
17 jury.” *Id.* at 631. In sum, *Johnson* is not helpful to the Gulls’ position because there the
18 undefined term “all assets” was not unambiguous.

19 Here, unlike in *Johnson*, the 2015 Agreement clearly defines the assets being
20 transferred. And the “all right, title, and interest” language, in context, reads: “In
21 consideration of the Assignment of all of the Assignee’s right, title, and interest in the
22 Intellectual Property, including but not limited to the Marks, the names of Social Media,
23 all rights to prepare derivate marks and all related goodwill, the Assignee [i.e., the Gulls]
24 shall pay Assignor [i.e., ECHL] [a redacted amount] upon execution of this Agreement.”
25 (2015 Agreement at 2.) As the Court explained at the hearing, this language indicates only
26 that ECHL was not keeping any unenumerated right in the assets being transferred. But it
27 was not a representation that ECHL *had* any intellectual property rights to convey beyond
28

1 those specifically identified and described in the 2015 Agreement. Put differently, while
2 the 2015 Agreement would protect the Gulls from a later copyright suit *by ECHL*, it does
3 not evidence any intent by the parties to include copyright in the assets being transferred to
4 the Gulls.

5 In sum, the Court finds that the Gulls cannot meet their burden of proof on
6 essential elements of their claims, and ECHL is therefore entitled to summary judgment.

7
8 **IV. CONCLUSION**

9 For the foregoing reasons, the Court GRANTS ECHL’s Motion for Summary
10 Judgment. ECHL shall submit a proposed judgment within **five (5) days** of this Order’s
11 issuance.

12 DATED: August 23, 2021

13
14 

15 _____
16 HON. JOSEPHINE L. STATON
17 UNITED STATES DISTRICT JUDGE
18
19
20
21
22
23
24
25
26
27
28