

ESTTA Tracking number: **ESTTA627631**

Filing date: **09/17/2014**

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

Proceeding	91217437
Party	Plaintiff Google Inc.
Correspondence Address	MATTHEW J SNIDER DICKINSON WRIGHT PLLC INTERNATIONAL SQUARE, 1875 EYE STREET NW SUITE 1200 WASHINGTON, DC 20006 UNITED STATES trade- mark@dickinsonwright.com,google@dickinson-wright.com,jnishi@dickinsonwright.com,msnider@dickinsonwright.com
Submission	Motion to Suspend for Civil Action
Filer's Name	Matthew J. Snider
Filer's e-mail	trade- mark@dickinsonwright.com,google@dickinson-wright.com,jnishi@dickinsonwright.com,msnider@dickinsonwright.com
Signature	/Matthew J. Snider/
Date	09/17/2014
Attachments	Motion_to_Suspend_Opposition_(Ser_No_85674801).pdf(4869046 bytes)

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

GOOGLE INC.

Opposer,

v.

HANGINOUT, INC.,

Applicant.

Opposition No. 91217437

App. Ser. No. 85/674,801

Mark: HANGINOUT

**OPPOSER GOOGLE INC.’S
MOTION TO SUSPEND OPPOSITION**

Google Inc. (“Google”), through its undersigned counsel, states as follows for its Motion to Suspend Opposition pending the final determination of a civil action between the parties.

I. INTRODUCTION

This matter concerns Google’s opposition of Application Serial Number 85/674,801 (the “’801 Application”), owned by Hanginout, Inc. (“Applicant”). The ‘801 Application seeks registration of HANGINOUT for good and services in International Classes 9 and 38.

Applicant has initiated a civil action against Google in the United States District Court for the Southern District of California, Case No. 3:13-CV-02811-AJB-NLS (the “District Court Action”). In the District Court Action, Applicant has alleged, among other things, that it owns enforceable rights in HANGINOUT and the  design mark, that such rights are evidenced by the ‘801 Application, as well by Application Serial No. 85/764,799 for , and that Google has infringed and otherwise violated those rights. Google has

answered the complaint alleging, *inter alia*, that Applicant does not own rights in HANGINOUT and  that are senior to Google's rights in its mark HANGOUTS, which is the subject of Application Serial No. 85/916,316. The District Court Action thus will have a direct impact on these proceedings. In accordance with well-established principles, including those codified in 37 C.F.R. 2.117(a) and set forth in Section 510.02(a) of the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), Google respectfully requests that the Board suspend this opposition pending a final determination of the District Court Action.

II. FACTS AND PROCEDURAL HISTORY

On November 26, 2013, Applicant filed the District Court Action, in which Google was named as defendant. In the complaint, as amended on January 28, 2014, (the "Complaint") (copy attached as Appendix A), Applicant alleged that it owns rights in the HANGINOUT and  marks that are superior to Google's rights in HANGOUTS, that Google's mark is confusingly similar to Applicant's marks, and that Google has infringed Applicant's rights. Appendix A, at ¶ 38 to 45. Applicant put these allegations squarely before the District Court in a motion for preliminary injunction filed on January 22, 2014.

On May 12, 2014, the District Court concluded, in part, that Applicant "failed to present sufficient evidence of" rights senior to Google's to warrant preliminary injunctive relief. See Order Denying Hanginout's Motion For Preliminary Injunction, at 34 (attached as Appendix B). On June 25, 2014, Google filed its answer to the Complaint (the "Answer") (copy attached as Appendix C). At paragraph 63 of the Answer, Google alleged that Applicant does not own trademark rights in HANGINOUT and  that are senior to Google's rights in HANGOUTS, and Google prayed for a judgment to that effect.

III. ARGUMENT

When parties to a Board proceeding are involved in a civil action that may be dispositive of the issues before the Board, the Board generally will suspend its proceedings pending the final determination of the civil action. See 37 C.F.R. 2.117(a). This rule is set forth in TBMP 510.02(a), which states: “Whenever it comes to the attention of the Board that a party or parties to a case pending before it are involved in a civil action which may have a bearing on the Board case, proceedings before the Board may be suspended until final determination of the civil action.” TBMP § 510.02(a); see also *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 USPQ2d 1933 (TTAB 1992) (granting a motion to suspend where “[a] decision by the district court [would] be dispositive of the issues before the Board”); *Tokaido v. Honda Associates, Inc.*, 179 USPQ 861 (TTAB 1973) (suspending opposition proceeding “pending final determination of the civil suit in which the parties are now involved”).

The question before the Board, therefore, is whether the District Court Action will have a “bearing” on the opposition. See TBMP § 510.02(a). The Complaint, preliminary injunction proceedings, and Answer all raise issues that are identical to those at issue in this opposition proceeding before the Board. The opposition therefore should be suspended pursuant to 37 C.F.R. 2.117(a) and TBMP § 510.02(a).

As discussed above, Applicant has alleged in the District Court Action that it owns enforceable rights in HANGINOUT and ~~h~~hanginout, that Google’s HANGOUTS mark is confusingly similar to Applicant’s marks, and that Google has infringed Applicant’s rights. Appendix A, at ¶ 38 to 45. Further, Applicant alleged that the application for registration that is the subject of this opposition provides evidence of Applicant’s rights. Appendix A, at ¶ 22 to 24. These issues were directly before the District Court in Applicant’s motion for preliminary injunction. See Appendix B.

In its Answer, Google alleged that Applicant does not own rights in HANGINOUT and ~~hanginout~~ that are senior to Google's rights in HANGOUTS. Appendix C, at ¶ 63.

Likewise, in this opposition, central issues include the priority of use of Google's HANGOUTS mark vis-à-vis Applicant's HANGINOUT, as well as the likelihood of confusion between the parties' marks.

These matters, as raised by Applicant in the Complaint and its motion for a preliminary injunction, and by Google in the Answer, are central to the District Court Action. Indeed, the District Court has already addressed these issues when it denied Applicant's motion for a preliminary injunction. Any final determination by the District Court of the likelihood of confusion between the parties' marks and the priority of rights would resolve the questions before the Board in this opposition. For these reasons, the District Court Action not only will have a "bearing" on the issues before the Board, but also likely will be dispositive. See *General Motors Corp.*, 22 USPQ2d 1933 (TTAB 1992) (granting a motion to suspend where "[a] decision by the district court [would] be dispositive of the issues before the Board"). Accordingly, Google respectfully submits that the Board should grant Google's Motion to Suspend and, pursuant to that suspension, suspend each party's rights or obligations to file motions, briefs, and other memoranda.

IV. CONCLUSION

For the foregoing reasons, Google respectfully requests that the Board suspend this Opposition No. 91217437 pending a final resolution of the District Court Action and, pursuant to that suspension, suspend each party's rights or obligations to file motions, briefs, and other memoranda.

Respectfully submitted,

DICKINSON WRIGHT PLLC

By: 

Matthew J. Snider (P76744)
Attorney for GOOGLE INC.
350 S. Main St., Suite 350
Ann Arbor, MI
(734) 623-1909
MSnider@dickinsonwright.com

Dated: September 17, 2014

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on September 17, 2014, a true copy of this document was served on counsel for the Applicant by delivering the same via First Class U.S. Mail, postage prepaid, to: Andrew D. Skale, MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C, 3580 Carmel Mountain Rd, Suite 300, San Diego, California 92130-6768.

DICKINSON WRIGHT PLLC

By: 

Matthew J. Snider (P76744)
Attorney for GOOGLE INC.
350 S. Main St., Suite 350
Ann Arbor, MI
(734) 623-1909
MSnider@dickinsonwright.com

Dated: September 17, 2014

APPENDIX A

1 Andrew D. Skale (SBN 211096)
 askale@mintz.com
 2 Ben L. Wagner (SBN 243594)
 bwagner@mintz.com
 3 Justin S. Nahama (SBN 281087)
 jsnahama@mintz.com
 4 MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P.C.
 3580 Carmel Mountain Road, Suite 300
 5 San Diego, CA 92130
 Telephone: (858) 314-1500
 6 Facsimile: (858) 314-1501
 7 Attorneys for Plaintiff
 HANGINOUT, INC.
 8

9 UNITED STATES DISTRICT COURT
 10 SOUTHERN DISTRICT OF CALIFORNIA

11 HANGINOUT, INC., a Delaware
 12 corporation,

13 Plaintiff,

14 vs.

15 GOOGLE, INC., a Delaware
 16 corporation,

17 Defendant.

Case No. 3:13-CV-02811-AJB-NLS

**PLAINTIFF HANGINOUT, INC.'S
 FIRST AMENDED COMPLAINT
 FOR:**

- 1) **TRADEMARK INFRINGEMENT;**
- 2) **FEDERAL UNFAIR
 COMPETITION; AND**
- 3) **STATUTORY AND COMMON
 LAW UNFAIR COMPETITION**

[JURY DEMANDED]

Courtroom 3B
 The Honorable Anthony J. Battaglia

21 Hanginout, Inc. ("Hanginout" or "Plaintiff") brings this suit for trademark
 22 infringement, federal unfair competition, and common law unfair competition against
 23 Google, Inc. ("Google" or "Defendant") and alleges as follows:

24 **THE PARTIES**

25 1. Hanginout is a Delaware corporation with its principal place of business
 26 at 2712 Jefferson Street, Carlsbad, CA 92008.
 27
 28

1 **FACTUAL ALLEGATIONS**

2 **Hanginout's Background and Products**

3 9. Hanginout is a San Diego based technology company that has
4 developed, produced, owns, and commercialized mobile-video based communication
5 products.

6 10. Hanginout was formally founded in 2011, but developed its products at
7 least as early as approximately 2009.

8 11. Hanginout adopted the HANGINOUT logo and word mark in
9 connection with its social media services as early as November 2008.

10 12. Hanginout developed an interactive video-response platform with real-
11 time analytic solutions under the brand HANGINOUT. The platform analyzes
12 website demographics, usage, and audience interests. The platform enable users to
13 more effective develop, promote, and sell their brands by engaging, educating, and
14 entertaining their customers.

15 13. The HANGINOUT application is a novel social-media application that
16 gives users the ability to easily build and publish personal video profiles
17 complimented with a video publishing tool to create mobile video content.

18 14. Utilizing the HANGINOUT application, a user can explore, find and
19 follow interesting people, celebrities and personalities, ask them questions and
20 receive instant personal video responses (Hanginout's "Q&A" capability).

21 15. The HANGINOUT application also gives users the unique ability to
22 field questions from anyone in the application, record and publish responses, and
23 share them from anywhere at any time.

24 16. In March 2010, Hanginout partnered with celebrity and professional
25 athlete Shawne Merriman to shoot a HANGINOUT promotional video.

26 17. In March 2010, Hanginout's Facebook profile was uploaded containing
27 the HANGINOUT Mark.

1 18. In March and April 2011, consumers began registering HANGINOUT
2 profiles and endorsing the product on social-media platforms such as Twitter and
3 Facebook.

4 19. In March and April 2011, Hanginout continued aggressively marketing
5 its platforms through various social-media outlets.

6 20. By May of 2011, over 200 customers had actually registered for and
7 used Version 1.0 of the HANGINOUT Q&A platform.

8 **Federal Trademark Applications for Hanginout**

9 21. Given the importance of the brand HANGINOUT, Hanginout filed for
10 U.S. trademark applications on July 12, 2012.

11 22. The U.S. Patent and Trademark Office assigned Hanginout Application
12 Serial No. 85674801 (attached hereto as **EXHIBIT A**) for the HANGINOUT word
13 mark and Application Serial No. 85674799 (attached hereto as **EXHIBIT B**) for the
14 HANGINOUT design mark (collectively HANGINOUT marks).

15 23. The pending trademark applications for the HANGINOUT marks covers
16 the following goods and services: "Computer application software for mobile devices
17 for sharing information, photos, audio and video content in the field of
18 telecommunications and social networking services" in International Class ("IC") 009
19 and "Telecommunications services, namely, providing online and telecommunication
20 facilities for real-time and on-demand interaction between and among users of
21 computers, mobile and handheld computers, and wired and wireless communication
22 devices; audio, text and video broadcasting services over the Internet or other
23 communications networks, namely, electronically transmitting audio clips, text and
24 video clips; electronic messaging services enabling individuals to send and receive
25 messages via email, instant messaging or a website on the Internet in the field of
26 general interest; providing online forums for communication on topics of general
27 interest; providing an online forum for users to share information, photos, audio and
28

1 video content to engage in social networking” in IC 038.

2 24. The application been published by the USPTO, meaning that the USPTO
3 has found the mark HANGINOUT to be inherently descriptive for the services
4 identified. That is because, in fact, HANGINOUT is a valid and protectable mark,
5 and a mark that is inherently distinctive.

6 **Google Launches Google Hangouts**

7 25. On information and belief, on June 28, 2011, Google’s official blog
8 contained an announcement for the Google+ project, noting that its new messaging
9 platform “+Hangouts” was beginning a field trial.

10 26. On information on belief, on May 15, 2013, Google officially launched
11 its new messaging platform titled “Hangouts.” On information and belief, Google’s
12 first use date of the “Hangouts” mark is on or after May 15, 2013.

13 27. Prior to first use by Google, Hanginout’s HANGINOUT app had
14 received hundreds of thousands of viewers from hundreds of countries and every state
15 in the United States (most of which returned for additional visits), was downloaded
16 across the United States, received widespread celebrity media attention, and was
17 featured by Apple in the iTunes application portal. Hanginout’s offering of the
18 HANGINOUT services in both Southern California and the entire United States
19 through its website and downloadable app has been continuous and resulted in
20 substantial goodwill and valid and protectable trademark rights nationwide prior to
21 Google’s first use.

22 28. On information and belief, Google’s “Hangouts” is a social-media based
23 video-chat service that enables both one-on-one and group chats. Hangouts can be
24 accessed through the Gmail or Google+ websites, or through mobile applications
25 available for Android and iOS.

26 29. On April 26, 2013, Google filed an application to register the mark
27 “Hangouts,” Application Serial No. 85916316.

28

1 30. Google's "Hangouts" mark is nearly identical to Hanginout's
2 HANGINOUT mark in appearance, sound and meaning.

3 31. On information and belief, mirroring Hanginout's products, Google's
4 "Hangouts" trademark application sought to cover nearly identical mobile-video
5 based communication products including:

6 a. "Downloadable software for publishing and sharing digital media and
7 information via global computer and communication network; instant
8 messaging software; communications software for electronically
9 exchanging voice, data, video and graphics accessible via computer,
10 mobile, wireless, and telecommunication networks; computer software
11 for processing images, graphics, audio, video, and text; computer
12 software development tools; computer software for use in developing
13 computer programs; video and audio conferencing software" (IC 009);

14 b. "Telecommunications services, namely, electronic transmission of data
15 and digital messaging via global computer and communication
16 networks; providing online forums, chat rooms and electronic bulletin
17 boards for transmission of messages among users in the field of general
18 interest; digital multimedia broadcasting services over the Internet,
19 namely, posting, displaying, and electronically transmitting data, audio
20 and video; providing access to computer databases in the fields of
21 general interest; instant messaging services; voice over ip (VOIP)
22 services; video and audio conferencing services conducted via the web,
23 telephone, and mobile devices; communications by computer terminals;
24 local and long distance telephone services; mobile telephone
25 communication services" (IC 038)

26 c. "Entertainment services, namely, providing temporary use of non-
27 downloadable interactive multiplayer and single player games played via
28

1 global computer and communication networks” (IC 041);

2 d. “Providing temporary use of on-line non-downloadable software for
3 publishing and sharing digital media and information via global
4 computer and communication networks; Providing temporary use of on-
5 line non-downloadable software development tools; Providing
6 temporary use of on-line non-downloadable software for use as an
7 application programming interface (API); Providing a web hosting
8 platform for others for organizing and conducting meetings, social
9 events and interactive text, audio, and video discussions; Providing an
10 on-line network environment that features technology that enables users
11 to share data; computer software consulting; application service provider
12 (ASP) services featuring computer software for transmission of text,
13 data, images, audio, and video by wireless communication networks and
14 the Internet; application service provider (ASP) services featuring
15 computer software for electronic messaging and wireless digital
16 messaging” (IC 042).

17 32. Just as Hanginout’s app is available at the iTunes store, Google’s
18 “Hangouts” app is also available at the iTunes store. By offering virtually identical
19 services under a virtually identical mark, Google has passed off its services as those
20 of the senior user, Hanginout.

21 33. On July 30, 2013, the U.S. Patent and Trademark Office suspended
22 Google’s Hangout application because of the HANGINOUT mark. The suspension
23 notice is attached hereto as **EXHIBIT C**.

24 34. The suspension notice concluded that if the HANGINOUT mark
25 registers, Google may be prevented from receiving a trademark registration for
26 “Hangouts” based on likelihood of confusion with the HANGINOUT mark.

27 35. On or around September 12, 2013, Google introduced its “Live Q&A for
28

1 Hangouts On Air,” mirroring the HANGINOUT Q&A platform’s capabilities.

2 36. Google continues to aggressively market its Hangouts product.

3 37. Hanginout is informed and believes, and based thereon alleges, that
4 Google has advertised Google’s Hangouts to replicate Hanginout’s products’
5 capabilities. For example, Google has described its product capabilities as:

6 a. “Bring your conversations to life with photos, email, and video calls for
7 free.”

8 b. “Turn any Hangout into a live video call with up to 10 friends or simply
9 search for a contact to start a voice call from your computer.”

10 c. “Hangouts work the same everywhere- computers, Android, and Apple
11 devices – so nobody gets left out.”

12 **FIRST CAUSE OF ACTION**

13 **TRADEMARK INFRINGEMENT**

14 **(15 U.S.C. § 1125 *et seq.*)**

15 38. Hanginout incorporates by reference all other paragraphs contained in
16 this Complaint.

17 39. Hanginout’s HANGINOUT marks are inherently distinctive.

18 40. Hanginout’s HANGINOUT marks have achieved market penetration
19 throughout the United States and, at a minimum, in California.

20 41. Hanginout substantially used its HANGINOUT marks in commerce
21 before Google used the HANGOUTS mark. Its market penetration was prior to
22 Google’s first use of the infringing HANGOUTS mark.

23 42. Google’s HANGOUTS mark is identical or substantially similar in
24 sound, appearance and meaning to Hanginout’s HANGINOUT marks, with the same
25 order of “hang” and “out.”

26 43. Google has used the HANGINOUT marks or confusingly similar
27 variations of them, in connection with the sale, offering for sale, distribution or
28

1 advertising of goods and/or services that are related to and directly compete with
2 Hanginout's services.

3 44. The use of the HANGOUTS mark by Google is likely to cause
4 confusion with Hanginout's HANGINOUT mark for reasons including, but not
5 limited to:

- 6 a. The HANGINOUT mark is inherently distinctive;
- 7 b. HANGINOUT and HANGOUTS are nearly identical in sight, sound and
8 meaning, Google simply substituting one form of "Hang" for another,
9 using the same ordering without any spacing, and making it plural;
- 10 c. The HANGOUTS and HANGINOUT platforms offer virtually identical
11 Q&A capabilities in addition to other similar social-media based
12 services;
- 13 d. Both Google and Hanginout use overlapping marketing channels
14 including iTunes (where both have an app for download under the
15 subject trademarks) and social-media outlets;
- 16 e. There is a low degree of consumer care or attentiveness about how the
17 social-media based services are utilized because they are free and easy to
18 download through often small smart phone screens;
- 19 f. Google launched its Q&A platform mirroring the HANGINOUT Q&A
20 platform's capabilities after it received its suspension notice from the
21 USPTO in relation to its HANGOUTS application, making its use of a
22 similar trademark for virtually identical services deliberate and
23 intentional;
- 24 g. Evidence of actual confusion exists and continues to permeate
25 Hanginout's marketing efforts, with consumers indicating a lack of
26 appreciation for the differences between the two trademarks; and
27

28

1 h. Google intends to directly compete with Hanginout in the social-media
2 arena.

3 45. Google's wrongful use of the HANGINOUT marks constitutes
4 trademark infringement of Hanginout's HANGINOUT marks, has caused significant
5 confusion in the marketplace, and is likely to cause both confusion and mistake,
6 along with being likely to deceive consumers.

7 46. Google's infringement of Hanginout's marks was willful and with
8 knowledge that such its use of the "Hangouts" mark would or was likely to cause
9 confusion and deceive others.

10 47. As a direct and proximate result of Google's trademark infringement,
11 Hanginout has been damaged within the meaning of 15 U.S.C. § 1125 *et seq.*

12 48. Hanginout has suffered damages in an amount to be established after
13 proof at trial.

14 49. Hanginout is further entitled to disgorge Google's profits for its willful
15 sales and unjust enrichment.

16 50. Hanginout's remedy at law is not adequate to compensate for injuries
17 inflicted by Google. Thus, Hanginout is entitled to temporary, preliminary and
18 permanent injunctive relief.

19 **SECOND CAUSE OF ACTION**

20 **FEDERAL UNFAIR COMPETITION**

21 **(15 U.S.C. § 1125 *et seq.*)**

22 51. Hanginout incorporates by reference all other paragraphs contained in
23 this Complaint.

24 52. Google has committed acts of unfair competition under 15 U.S.C. §
25 1125 *et seq.*, including the practices and conduct referred to above. Not only does the
26 conduct alleged constitute trademark infringement, but the content and promotion of
27 the Google "Hangouts" itself purposefully attempts to heighten the likelihood that
28

1 consumers will be confused and an inaccurate appearance of affiliation created. For
2 example, Google arranged its Q&A platform to mirror HANGINOUT's Q&A
3 platform.

4 53. As a direct and proximate result of Google's wrongful acts, Hanginout
5 has suffered and continues to suffer substantial pecuniary losses and irreparable
6 injury to its business reputation and goodwill. As such, Hanginout's remedy at law is
7 not adequate to compensate for passinjuries inflicted by Google. Accordingly,
8 Hanginout is entitled to temporary, preliminary and permanent injunctive relief.

9 54. By reason of such wrongful acts, Hanginout is and was, and will be in
10 the future, deprived of, among others, the profits and benefits of business
11 relationships, agreements, and transactions with various third parties and/or
12 prospective business relationship. Google has wrongfully obtained profit and
13 benefits instead of Hanginout. Hanginout is entitled to compensatory damages and
14 disgorgement of Google's said profits, in an amount to be proven at trial.

15 **THIRD CAUSE OF ACTION**

16 **STATUTORY (Cal. B&P 17200 *et seq.*) AND COMMON LAW UNFAIR**
17 **COMPETITION**

18 55. Hanginout incorporates by reference all other paragraphs contained in
19 this Complaint.

20 56. By offering virtually identical services under a virtually identical mark,
21 Google has passed off its services as those of the senior user, Hanginout.

22 57. Google has committed acts of unfair competition, including the practices
23 and conduct referred to in this Complaint. These actions constitute unlawful, unfair
24 or fraudulent business acts or practices, and/or unfair, deceptive, untrue or misleading
25 business practices. The actions were done in connection with sales or advertising.

26 58. As a direct and proximate result of Google's wrongful acts, Hanginout
27 has suffered and continues to suffer substantial pecuniary losses and irreparable
28

1 injury to its business reputation and goodwill. As such, Hanginout's remedy at law is
2 not adequate to compensate for injuries inflicted by Google. Accordingly, Hanginout
3 is entitled to temporary, preliminary and permanent injunctive relief.

4 59. By reason of such wrongful acts, Hanginout is and was, and will be in
5 the future, deprived of, among other damages, the profits and benefits of business
6 relationships, agreements, and transactions with various third parties and/or
7 prospective business relationship. Google has wrongfully obtained profit and
8 benefits instead of Hanginout. Hanginout is entitled to compensatory damages and
9 disgorgement of Google's said profits, in an amount to be proven at trial.

10 60. Such acts, as alleged above, were done with malice, oppression and/or
11 fraud, thus entitling Hanginout to exemplary and punitive damages.

12 WHEREFORE, Plaintiff demands the following relief for each cause of action
13 unless otherwise noted:

- 14 1. A judgment in favor of Hanginout and against Google on all counts;
- 15 2. A preliminary and permanent injunction from trademark infringement
16 and unfair business practices by Google;
- 17 3. Damages in an amount to be determined at trial;
- 18 4. Google's unjust enrichment and/or disgorgement of Google's profits;
- 19 5. Trebling of damages for willful infringement and unfair competition;
- 20 5. Exemplary and punitive damages (except as to relief for Cal. B&P
21 17200 *et seq.*);
- 22 6. Pre-judgment interest at the legally allowable rate on all amounts owed;
- 23 8. Costs and expenses;
- 24 9 Attorney's fees and other fees under, among others, 15 U.S.C. § 1117(a)
25 *et seq.* as an exceptional case;
- 26 10. Restitution; and
- 27 11. Such other and further relief as this Court may deem just and proper.

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

Dated: January 28, 2014

MINTZ LEVIN COHN FERRIS GLOVSKY
AND POPEO PC

By /s/Ben L. Wagner, Esq.

Andrew D. Skale, Esq.

Ben L. Wagner, Esq.

Justin S. Nahama, Esq.

Attorneys for Plaintiff
HANGINOUT, INC.

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

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial as to all issues that are so triable.

Dated: January 28, 2014

MINTZ LEVIN COHN FERRIS GLOVSKY
AND POPEO PC

By /s/Ben L. Wagner, Esq.

Andrew D. Skale

Ben L. Wagner

Justin S. Nahama

Attorneys for Plaintiff
HANGINOUT, INC.

CERTIFICATE OF SERVICE

I, the undersigned, certify and declare that I am over the age of 18 years, employed in the County of San Diego, State of California, and am not a party to the above-entitled action.

On January 28, 2014, I filed a copy of the following document:

PLAINTIFF HANGINOUT, INC.'S FIRST AMENDED COMPLAINT FOR:

- 1) TRADEMARK INFRINGEMENT;**
- 2) FEDERAL UNFAIR COMPETITION; AND**
- 3) STATUTORY AND COMMON LAW UNFAIR COMPETITION**

[JURY DEMANDED]

by electronically filing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

Andrew D. Skale askale@mintz.com, Docketing@mintz.com,
adskale@mintz.com, bwagner@mintz.com,
kasteinbrenner@mintz.com, kjenckes@mintz.com

Margaret M. Caruso mmc@quinnemanuel.com,
calendar@quinnemanuel.com,
cherylgalvin@quinnemanuel.com,
sherrinvanetta@quinnemanuel.com

Executed on January 28, 2014, at San Diego, California. I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

/s/Ben L. Wagner
Ben L. Wagner, Esq.

26538395v.1

EXHIBIT A



United States Patent and Trademark Office

Home | Site Index | Search | FAQ | Glossary | Guides | Contacts | eBusiness | eBiz alerts | News | Help

Trademarks > Trademark Electronic Search System (TESS)

TESS was last updated on Mon Nov 25 03:20:26 EST 2013

TESS HOME NEW USER STRUCTURED FREE FORM BROWSE DICT SEARCH OG BOTTOM HELP

Please logout when you are done to release system resources allocated for you.

Record 1 out of 1

(Use the "Back" button of the Internet Browser to return to TESS)

HANGINOUT

Word Mark HANGINOUT

Goods and Services IC 009. US 021 023 026 036 038. G & S: Computer application software for mobile devices for sharing information, photos, audio and video content in the field of telecommunications and social networking services. FIRST USE: 20120606. FIRST USE IN COMMERCE: 20120606

IC 038. US 100 101 104. G & S: Telecommunications services, namely, providing online and telecommunication facilities for real-time and on-demand interaction between and among users of computers, mobile and handheld computers, and wired and wireless communication devices; audio, text and video broadcasting services over the Internet or other communications networks, namely, electronically transmitting audio clips, text and video clips; electronic messaging services enabling individuals to send and receive messages via email, instant messaging or a website on the Internet in the field of general interest; providing online forums for communication on topics of general interest; providing an online forum for users to share information, photos, audio and video content to engage in social networking. FIRST USE: 20120606. FIRST USE IN COMMERCE: 20120606

Standard Characters Claimed

Mark Drawing Code (4) STANDARD CHARACTER MARK

Serial Number 85674801

Filing Date July 12, 2012

Current Basis 1A

Original Filing Basis 1A

Owner (APPLICANT) Hanginout, Inc. CORPORATION DELAWARE 2712 Jefferson Street Carlsbad CALIFORNIA 92008
Attorney of Record Andrew D. Skale
Type of Mark TRADEMARK. SERVICE MARK
Register PRINCIPAL
Live/Dead Indicator LIVE

[TESS HOME](#) [NEW USER](#) [STRUCTURED](#) [FREE FORM](#) [Browse Data](#) [SEARCH OG](#) [TOP](#) [HELP](#)

[|.HOME](#) | [SITE INDEX](#) | [SEARCH](#) | [BUSINESS](#) | [HELP](#) | [PRIVACY POLICY](#)

EXHIBIT B



United States Patent and Trademark Office

Home | Site Index | Search | FAQ | Glossary | Guides | Contacts | eBusiness | eBiz alerts | News | Help

Trademarks > Trademark Electronic Search System (TESS)

TESS was last updated on Tue Nov 26 03:20:26 EST 2013

TESS HOME NEW USER STRUCTURED FREE FORM BROWSER DICT SEARCH OG BOTTOM HELP

Please logout when you are done to release system resources allocated for you.

Record 1 out of 1

(Use the "Back" button of the Internet Browser to return to TESS)



Word Mark HANGINOUT

Goods and Services IC 009. US 021 023 026 036 038. G & S: Computer application software for mobile devices for sharing information, photos, audio and video content in the field of telecommunications and social networking services. FIRST USE: 20120606. FIRST USE IN COMMERCE: 20120606

IC 038. US 100 101 104. G & S: Telecommunications services, namely, providing online and telecommunication facilities for real-time and on-demand interaction between and among users of computers, mobile and handheld computers, and wired and wireless communication devices; audio, text and video broadcasting services over the Internet or other communications networks, namely, electronically transmitting audio clips, text and video clips; electronic messaging services enabling individuals to send and receive messages via email, instant messaging or a website on the Internet in the field of general interest; providing online forums for communication on topics of general interest; providing an online forum for users to share information, photos, audio and video content to engage in social networking. FIRST USE: 20120606. FIRST USE IN COMMERCE: 20120606

Mark

Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

Design Search Code 02.01.02 - Men depicted as shadows or silhouettes of men; Silhouettes of men

02.09.04 - Humans, including men, women and children, depicted sitting or kneeling; Kneeling, humans; Sitting, humans

Serial Number 85674799

Filing Date July 12, 2012

Current Basis 1A

Original Filing Basis 1A

Owner (APPLICANT) Hanginout, Inc. CORPORATION DELAWARE 2712 Jefferson Street Carlsbad CALIFORNIA 92008

Attorney of Record Andrew D. Skale

Description of Mark Color is not claimed as a feature of the mark. The mark consists of a human figure sitting down with the word HANGINOUT besides it.

Type of Mark TRADEMARK. SERVICE MARK

Register PRINCIPAL

Live/Dead Indicator LIVE

[TESS HOME](#) [NEW USER](#) [STRUCTURED](#) [FREE FORM](#) [BROWSE/DICT](#) [SEARCH OG](#) [TOP](#) [HELP](#)

[|.HOME](#) | [SITE INDEX](#) | [SEARCH](#) | [eBUSINESS](#) | [HELP](#) | [PRIVACY POLICY](#)

EXHIBIT C

To: Google Inc. (tmddocketing@google.com)
Subject: U.S. TRADEMARK APPLICATION NO. 85916316 - HANGOUTS - GT-0536-US-1
Sent: 7/30/2013 9:14:12 PM
Sent As: ECOM113@USPTO.GOV
Attachments: [Attachment - 1](#)
[Attachment - 2](#)
[Attachment - 3](#)
[Attachment - 4](#)
[Attachment - 5](#)
[Attachment - 6](#)

UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO)

OFFICE ACTION (OFFICIAL LETTER) ABOUT APPLICANT'S TRADEMARK APPLICATION

U.S. APPLICATION SERIAL NO. 85916316

MARK: HANGOUTS

85916316

CORRESPONDENT ADDRESS:

GOOGLE INC.

1600 AMPHITHEATRE PKWY

MOUNTAIN VIEW, CA 94043-1351

GENERAL TRADEMARK IN
<http://www.uspto.gov/trademark>

APPLICANT: Google Inc.

CORRESPONDENT'S REFERENCE/DOCKET NO :

GT-0536-US-1

CORRESPONDENT E-MAIL ADDRESS:

tmddocketing@google.com

SUSPENSION NOTICE: NO RESPONSE NEEDED

ISSUE/MAILING DATE: 7/30/2013

The trademark examining attorney is suspending action on the application for the reason(s) stated below. *See* 37 C.F.R. §2.67; TMEP §§716 *et seq.*

PRIOR-FILED PENDING APPLICATION(S) FOUND: The trademark examining attorney has searched the USPTO's database of registered and pending marks and has found no similar registered marks that would bar registration under Trademark Act Section 2(d). TMEP §704.02; *see* 15 U.S.C. §1052(d). However, a mark(s) in a prior-filed pending application(s) may present a bar to registration of applicant's mark.

The effective filing date of the pending application(s) identified below precedes the filing date of applicant's application. If the mark in the referenced application(s) registers, applicant's mark may be refused registration under Section 2(d) because of a likelihood of confusion with that registered mark(s). *See* 15 U.S.C. §1052(d); 37 C.F.R. §2.83; TMEP §§1208 *et seq.* Therefore, action on this application is suspended until the earlier-filed referenced application(s) is either registered or abandoned. 37 C.F.R. §2.83(c). A copy of information relevant to this referenced application(s) is attached.

- Application Serial No(s). 85674799 and 85674801

The USPTO will periodically conduct a status check of the application to determine whether suspension remains appropriate, and the trademark examining attorney will issue as needed an inquiry letter to applicant regarding the status of the matter on which suspension is based. TMEP §§716.04, 716.05. Applicant will be notified when suspension is no longer appropriate. *See* TMEP §716.04.

No response to this notice is necessary; however, if applicant wants to respond, applicant should use the "Response to Suspension Inquiry or Letter of Suspension" form online at <http://teasroa.uspto.gov/rsi/rsi>.

/Amy L. Kertgate/

Examining Attorney

Law Office 113

Tel: (571) 272-1943

Email: amy.kertgate@uspto.gov

PERIODICALLY CHECK THE STATUS OF THE APPLICATION: To ensure that applicant does not miss crucial deadlines or official notices, check the status of the application every three to four months using the Trademark Status and Document Retrieval (TSDR) system at <http://tsdr.uspto.gov/>. Please keep a copy of the TSDR status screen. If the status shows no change for more than six months, contact the Trademark Assistance Center by e-mail at TrademarkAssistanceCenter@uspto.gov or call 1-800-786-9199. For more information on checking status, see <http://www.uspto.gov/trademarks/process/status/>.

TO UPDATE CORRESPONDENCE/E-MAIL ADDRESS: Use the Trademark Electronic Application System (TEAS) form at <http://www.uspto.gov/trademarks/teas/correspondence.jsp>.

Print: Jul 30, 2013

85674799

DESIGN MARK

Serial Number

85674799

Status

FINAL REFUSAL - MAILED

Word Mark

HANGINOUT

Standard Character Mark

No

Type of Mark

TRADEMARK; SERVICE MARK

Register

PRINCIPAL

Mark Drawing Code

(3) DESIGN PLUS WORDS, LETTERS AND/OR NUMBERS

Owner

Hanginout, Inc. CORPORATION DELAWARE 2712 Jefferson Street Carlsbad CALIFORNIA 92008

Goods/Services

Class Status -- ACTIVE. IC 009. US 021 023 026 036 038. G & S: Computer application software for mobile devices for sharing information, photos, audio and video content in the field of telecommunications and social networking services. First Use: 2012/06/06. First Use In Commerce: 2012/06/06.

Goods/Services

Class Status -- ACTIVE. IC 038. US 100 101 104. G & S: Telecommunications services, namely, providing online and telecommunication facilities for real-time and on-demand interaction between and among users of computers, mobile and handheld computers, and wired and wireless communication devices; audio, text and video broadcasting services over the Internet or other communications networks, namely, electronically transmitting audio clips, text and video clips; electronic messaging services enabling individuals to send and receive messages via email, instant messaging or a website on the Internet in the field of general interest; providing online forums for communication on topics of general interest; providing an online forum for users to share information, photos, audio and video content to engage in social networking. First Use: 2012/06/06. First Use In Commerce: 2012/06/06.

Description of Mark

Print: Jul 30, 2013

85674798

The mark consists of a human figure sitting down with the word HANGINOUT besides it.

Colors Claimed

Color is not claimed as a feature of the mark.

Filing Date

2012/07/12

Examining Attorney

LEE, YAT SYE

Attorney of Record

Andrew D. Skale

 hanging out

Print: Jul 30, 2013

85674801

DESIGN MARK

Serial Number

85674801

Status

FINAL REFUSAL - MAILED

Word Mark

HANGINOUT

Standard Character Mark

Yes

Type of Mark

TRADEMARK; SERVICE MARK

Register

PRINCIPAL

Mark Drawing Code

(4) STANDARD CHARACTER MARK

Owner

Hanginout, Inc. CORPORATION DELAWARE 2712 Jefferson Street Carlsbad CALIFORNIA 92008

Goods/Services

Class Status -- ACTIVE. IC 009. US 021 023 026 036 038. G & S:
Computer application software for mobile devices for sharing information, photos, audio and video content in the field of telecommunications and social networking services. First Use: 2012/06/06. First Use In Commerce: 2012/06/06.

Goods/Services

Class Status -- ACTIVE. IC 038. US 100 101 104. G & S:
Telecommunications services, namely, providing online and telecommunication facilities for real-time and on-demand interaction between and among users of computers, mobile and handheld computers, and wired and wireless communication devices; audio, text and video broadcasting services over the Internet or other communications networks, namely, electronically transmitting audio clips, text and video clips; electronic messaging services enabling individuals to send and receive messages via email, instant messaging or a website on the Internet in the field of general interest; providing online forums for communication on topics of general interest; providing an online forum for users to share information, photos, audio and video content to engage in social networking. First Use: 2012/06/06. First Use In Commerce: 2012/06/06.

Filing Date

Print: Jul 30, 2013

85874801

2012/07/12

Examining Attorney
LEE, YAT SYE

Attorney of Record
Andrew D. Skale

HANGINOUT

To: Google Inc. (tmdocketing@google.com)
Subject: U.S. TRADEMARK APPLICATION NO. 85916316 - HANGOUTS - GT-0536-US-1
Sent: 7/30/2013 9:14:13 PM
Sent As: ECOM113@USPTO.GOV
Attachments:

UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO)

IMPORTANT NOTICE REGARDING YOUR
U.S. TRADEMARK APPLICATION

USPTO OFFICE ACTION (OFFICIAL LETTER) HAS ISSUED
ON 7/30/2013 FOR U.S. APPLICATION SERIAL NO. 85916316

Please follow the instructions below:

(1) TO READ THE LETTER: Click on this [link](#) or go to <http://tsdr.uspto.gov/>, enter the U.S. application serial number, and click on "Documents."

The Office action may not be immediately viewable, to allow for necessary system updates of the application, but will be available within 24 hours of this e-mail notification.

(2) QUESTIONS: For questions about the contents of the Office action itself, please contact the assigned trademark examining attorney. For *technical* assistance in accessing or viewing the Office action in the Trademark Status and Document Retrieval (TSDR) system, please e-mail TSDR@uspto.gov.

WARNING

PRIVATE COMPANY SOLICITATIONS REGARDING YOUR APPLICATION: Private companies not associated with the USPTO are using information provided in trademark applications to mail or e-mail trademark-related solicitations. These companies often use names that closely resemble the USPTO and their solicitations may look like an official government document. Many solicitations require that you pay “fees.”

Please carefully review all correspondence you receive regarding this application to make sure that you are responding to an official document from the USPTO rather than a private company solicitation. All official USPTO correspondence will be mailed only from the “United States Patent and Trademark Office” in Alexandria, VA; or sent by e-mail from the domain “@uspto.gov.” For more information on how to handle private company solicitations, see http://www.uspto.gov/trademarks/solicitation_warnings.jsp.

APPENDIX B

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

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HANGINOUT, INC., a Delaware corporation,

Plaintiff,

v.

GOOGLE, INC., a Delaware corporation,

Defendant.

Case No.13cv2811 AJB (NLS)

ORDER:

(1) DENYING HANGINOUT’S MOTION FOR PRELIMINARY INJUNCTION, (Doc. No. 12); and

(2) DENYING GOOGLE’S MOTION TO DISMISS THE FIRST AMENDED COMPLAINT, (Doc. No. 23).

On November 26, 2013, Hanginout, Inc. (“Hanginout”) filed this action against Google, Inc. (“Google”) alleging trademark infringement, federal unfair competition, and California statutory and common law unfair competition.¹ (Doc. No. 1.) In the First Amended Complaint, Hanginout alleges that it has used the HANGINOUT mark in commerce to market its interactive video-response platform since at least March 2010, and that Google’s use of the HANGOUTS mark to market its video-response platform, which is substantially similar if not identical to Hanginout’s product, infringes on Hanginout’s common law trademark rights. (Doc. No. 14.)

¹ Google filed a motion to dismiss the original complaint on January 10, 2014, (Doc. No. 9), which was deemed moot after Hanginout filed the First Amended Complaint on January 28, 2014, (Doc. No. 14).

1 Currently before the Court are Hanginout's motion for preliminary injunction filed
2 on January 22, 2014, (Doc. No. 12), and Google's motion to dismiss the First Amended
3 Complaint filed on February 28, 2014, (Doc. No. 23). Hanginout's motion for prelimi-
4 nary injunction seeks to enjoin Google from using the HANGOUTS mark on the Internet
5 in connection with its social media platform, either nationwide or limited to California.
6 The Court heard oral argument on both motions on April 25, 2014. (Doc. No. 41.) For
7 the reasons set forth below, the Court DENIES Hanginout's motion for a preliminary
8 injunction and DENIES Google's motion to dismiss.

9 BACKGROUND

10 **I. Factual Background**

11 Hanginout is a technology based Delaware corporation that has developed mobile
12 video and social media based communication products since at least 2009.² (Doc. No. 14
13 ¶ 10.) At issue in this litigation is Hanginout's interactive video response platform
14 HANGINOUT, which enables users to create, promote, and sell their own brands by
15 engaging directly with potential customers via pre-recorded video messages and/or video
16 profiles. (*Id.* at ¶¶ 12–14.) The HANGINOUT platform also includes a “Q&A”
17 function, wherein users can exchange questions and personal video responses from
18 anyone in the application at any time. (*Id.* at ¶¶ 14–15.)

19 **A. The HANGINOUT mark**

20 Hanginout alleges it adopted the HANGINOUT word and design marks in
21 connection with its social media based platform as early as November 2008, and that for
22 the first year or so developed business plans and the technological know-how to turn its
23 vision into a reality. (*Id.* at ¶ 11; Doc. No. 12, Malone Decl. ¶¶ 6, 7, Ex. 1.) Thereafter,
24 beginning in early 2010, Hanginout began marketing the HANGINOUT platform
25 through social media and various partnerships with celebrities and professional athletes.
26 (Doc. No. 4 ¶¶ 16-17.) For example, in March 2010, Hanginout's company Facebook

27
28 ² Hanginout incorporated in the state of Delaware in 2011. (Doc. No. 14 at ¶ 1.)
Its principal place of business is located at 2712 Jefferson Street, Carlsbad, CA 92008.
(*Id.*)

1 profile containing the HANGINOUT mark was uploaded and Hanginout partnered with
2 professional athlete Shawne Merriman to shoot a HANGINOUT promotional video.

3 (*Id.*)

4 Approximately a year later, in or around March or April 2011, Hanginout alleges
5 that consumers began registering for HANGINOUT profiles via Hanginout’s web-based
6 application and endorsing the product on social-media based platforms such as Twitter
7 and Facebook. (*Id.* at ¶ 18.) Thereafter, Hanginout alleges it continued to market the
8 HANGINOUT application through various social-media outlets. (*Id.* at ¶ 19.) By May
9 2011, Hanginout alleges that over 200 customers had registered for and used Version 1.0
10 of the HANGINOUT Q&A web-based platform. (*Id.* at ¶ 20.)

11 On July 12, 2012, Hanginout filed trademark applications for the HANGINOUT
12 word and design marks with the United States Patent and Trademark Office (“USPTO”).
13 (*Id.* at ¶ 21.) The USPTO assigned Application Serial No. 85674801 to the
14 HANGINOUT word mark and Application Serial No. 85674799 to the HANGINOUT
15 design mark.³ (*Id.* at ¶ 22.) Both applications have since been published by the USPTO
16 for opposition. (*Id.* at ¶ 24.) As of the date of this order, neither trademark is officially
17 registered with the USPTO. Two months later, on September 12, 2012, Hanginout
18 officially launched a HANGINOUT iOS application for its web-based platform on the
19 iTunes App Store. (Doc. No. 12 at 5:2–3, 25; Doc. No. 14 ¶ 27.) Since this date,
20 Hanginout alleges that the HANGINOUT app has received hundreds of thousands of
21 views from individuals across the world, received celebrity media attention, has been
22 downloaded and used by consumers across the United States, and has been featured by
23 Apple in the iTunes application portal. (Doc. No. 12 ¶ 27.)

24 **B. The HANGOUTS Mark**

25 By 2009, Google alleges it had already developed an internal version of what later
26 became its HANGOUTS product, referring to the prototype as “The Hangout.” (Doc.

27
28

³ Hanginout attached both trademark applications to the First Amended Complaint.
(Doc. No. 14, Exs. A, B.)

1 No. 30 at 2:24-25, Lachappelle Decl. ¶ 4.) Thereafter, on June 28, 2011, Google made
2 HANGOUTS accessible to the public, including it as one of several products that made
3 up Google+, a social layer that connects many of Google's products.⁴ (Doc. No. 30 at
4 2:26-28, Leske Decl. ¶ 3, Exs. 1-2.) Among other features, HANGOUTS allows users to
5 engage in live interactions with other users, including instant messaging and real-time
6 video-conferencing. (Doc. No. 34, Caruso Decl. ¶ 3, Ex. 1; Leske Decl. ¶¶ 3, 6.)
7 HANGOUTS had 50,000 unique registered users the very first day it launched and
8 150,000 unique registered users as of July 8, 2011.⁵ (Doc. No. 30 at 3:6, Leske Decl. ¶ 3,
9 Ex. 1.) Since HANGOUTS launch, Google contends that users have initiated more than
10 ██████████ HANGOUT video conferences and the app version of HANGOUTS has been
11 installed on more than ██████████ mobile devices. (*Id.* at 3:6-10, Leske Decl. ¶¶ 5-6.)

12 On April 26, 2013, Google filed an application with the USPTO to register the
13 HANGOUTS mark, which was assigned Application Serial No. 85916316. (Doc. No. 14
14 ¶ 29.) Thereafter, in or around May 2013, Google released the HANGOUTS iTunes
15 application for the App store. (Doc. No. 12 at 7:2-3.) On July 30, 2013, the USPTO
16 suspended Google's HANGOUTS trademark application after finding that a "pending
17 application(s) may present a bar to registration of the applicant's mark." (Doc. No. 12,
18 Malone Decl., Ex. 26.)

19 On September 12, 2013, Google launched Hangouts On Air ("HOA"), which
20 offers users the ability to host interactive conversations with people from around the
21 world. (Doc. No. 29, Ex. 3.) HOA is different from HANGOUTS because HOA is not
22
23

24
25 ⁴ At oral argument, counsel for Google provided the Court with a time line of
26 Google's uses of "Hangouts" and "Google+ Hangouts." This document has been marked
at Court's Exhibit 1. (Doc. No. 42.)

27 ⁵ Google asserts that by June 30, 2011, Google's official blog post announcing
28 HANGOUTS was viewed more than 460,000 times. (Doc. No. 30, Leske Decl. ¶ 3.)
Press reports regarding the release of HANGOUTS immediately followed, including
articles and announcements by The New York Times, NBC News, CNN, Fox News,
Bloomberg Businessweek, Computer World, Rolling Stone, and PC Magazine. (*Id.*)

1 limited to ten participants and allows the public to view the live feed.⁶ (Doc. No. 30,
2 Leske Decl. ¶¶ 8–10.) Google alleges that HANGOUTS can be accessed through Gmail,
3 Google+ websites, or through mobile applications available for Android and iOS
4 devices. (*Id.* at ¶ 28.)

5 DISCUSSION

6 **I. Hanginout’s Motion for Preliminary Injunction**

7 Hanginout moves to preliminary enjoin Google from using the HANGOUTS mark
8 in its messaging and social media platforms, its Q&A platform, and cease advertising
9 and soliciting the HANGOUTS mark in connection with its messaging platform.
10 Because the parties’ briefing focused solely on Hanginout’s trademark infringement
11 claim under the Lanham Act, the Court does not address Hanginout’s federal unfair
12 competition claim or Hanginout’s statutory and common law unfair competition claims
13 under California law.

14 **A. Legal Standard**

15 In deciding whether to issue a preliminary injunction, the court must consider: (1)
16 the likelihood of the moving party’s success on the merits; (2) the possibility of irrepara-
17 ble injury to the moving party if relief is not granted; (3) the extent to which the balance
18 of hardships tips in favor of one party or the other; and (4) whether the public interest
19 will be advanced by granting preliminary relief. *Toyo Tire Holdings of Ams. Inc. v.*
20 *Cont’l Tire N. Am., Inc.*, 609 F.3d 975, 982 (9th Cir. 2010) (citing *Winter v. Natural Res.*
21 *Def. Council, Inc.*, 555 U.S. 7, 22, 20 (2008)). “A preliminary injunction is an extraordi-
22 nary remedy” that may only be granted “upon a clear showing that the plaintiff is entitled
23 to such relief.” *Winter*, 555 U.S. at 22, 24; *Mazurek v. Armstrong*, 520 U.S. 968, 972
24 (1997) (“And what is at issue here is not even a defendant’s motion for summary
25 judgment, but a plaintiff’s motion for preliminary injunctive relief, as to which the
26 requirement for substantial proof is much higher.”). The mere possibility that a plaintiff
27

28 ⁶ The live feed is then saved on the host Google+ page and YouTube to allow editing and sharing. (Doc. No. 30, Leske Decl. ¶¶ 8–10.)

1 will suffer irreparable injury is insufficient. *See Am. Trucking Ass’n, Inc. v. City of L.A.*,
2 559 F.3d 1046, 1052 (9th Cir. 2009) (stating that following *Winter* cases suggesting a
3 lower standard “are no longer controlling, or even viable”).

4 **B. Analysis**

5 **1. Likelihood of Success on the Merits**

6 To state a claim for trademark infringement under the Lanham Act, 15 U.S.C. §
7 1125(a), a plaintiff must demonstrate that it is: “(1) the owner of a valid, protectable
8 mark, and (2) that the alleged infringer is using a confusingly similar mark.” *Herb Reed*
9 *Enters., LLC v. Fla. Entm’t Mgmt, Inc.*, 736 F.3d 1239, 1247 (9th Cir. 2013) (citing
10 *Grocery Outlet, Inc. v. Albertson’s, Inc.*, 497 F.3d 949, 951 (9th Cir. 2007)).

11 **i. Ownership of a Valid, Protectable Mark**

12 To establish common law trademark rights in the absence of federal registration, a
13 plaintiff must plead and prove that it is the senior user of the mark with sufficient market
14 penetration to preclude the defendant from using the mark in a specific geographic
15 market.⁷ *See Sengoku Works Ltd. v. RMC Int’l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996)
16 (“To acquire ownership of a trademark it is not enough to have invented the mark first or
17 even to have registered it first; the party claiming ownership must have been the first to
18 actually use the mark in the sale of goods or services.”); *Quiksilver, Inc. v. Kymsta*
19 *Corp.*, 466 F.3d 749, 761–62 (9th Cir. 2006) (stating that use equated to sales in a
20 specified area); *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir. 1995); *Credit One*
21 *Corp. v. Credit One Fin., Inc.*, 661 F. Supp. 2d 1134, 1138 (C.D. Cal. 2009) (“A party
22 asserting common law rights must not only establish that it is the senior user, it must also
23 show that it has ‘legally sufficient market penetration’ in a certain geographic market to
24
25
26

27 ⁷ It is undisputed that neither mark—HANGOUTS or HANGINOUT—is
28 registered with the USPTO. Therefore, neither are presumed valid. *See Tie Tech, Inc. v.*
Kinedyne Corp., 296 F.3d 778, 783 (9th Cir. 2002) (stating that registration of a mark
carries a “presumption of validity”).

1 establish those trademark rights.”)⁸ Contrary to Plaintiff’s contentions, the Court finds
2 these are two independent determinations—seniority of use and market penetra-
3 tion—both of which must be satisfied in the absence of federal registration.⁹

4 **a. Senior User**

5 “It is axiomatic in trademark law that the standard test of ownership is priority of
6 use. To acquire ownership of a trademark it is not enough to have invented the mark
7 first or even to have registered it first; the party claiming ownership must have been the
8 first to actually use the mark in the sale of goods or services.” *Brookfield Commc'ns,*
9 *Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999). Although seniority
10 of use does not require “evidence of actual sales,” *Rearden LLC v. Rearden Commerce*,
11 683 F.3d 1190, 1205 (9th Cir. 2012), the Ninth Circuit has stated that use of the mark
12 must be “sufficiently public” so that the public identifies the mark with the “adopter of
13 the mark,” *Johnny Blastoff, Inc. v. L.A. Rams Football Co.*, 188 F.3d 427, 433-34 (9th
14 Cir. 1999). In making this determination, a court may rely on the mark’s use and
15 promotion in “ ‘advertising brochures, catalogs, newspaper ads, and articles in newspa-
16 pers and trade publications,’ as well as in media outlets such as television and radio.” *Id.*
17 at 434 (quoting *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1375 (Fed. Cir. 1996); *see*

18
19 ⁸ Hanginout contends that a presumption of nationwide ownership should exist
20 based on Hanginout’s pending federal trademark applications. The Court does not agree.
21 *See, e.g., CG Roxane LLC v. Fiji Water Co. LLC*, 569 F. Supp. 2d 1019, 1032 (N.D. Cal.
22 2008) (“[S]ince the defendant was using the mark prior to its registration, plaintiff is not
23 entitled to a presumption that the mark is valid.”); *Pollution Denim & Co. v. Pollution*
24 *Clothing Co.*, 547 F. Supp. 2d 1132, 1139 (C.D. Cal. 2007).

25 ⁹ At oral argument, Hanginout suggested that market penetration in a specific
26 geographic area is not required to assert common law trademark rights in the absence of
27 federal registration. The Court does not agree. It is nonsensical that mere advertising or
28 use of a mark in commerce could be enough to enjoin a junior user from using a similar
29 mark anywhere in the United States—priority of use is limited to the geographic area in
30 which the product at issue is sold. *See, e.g., Adray*, 76 F.3d at 989 (“The extent of
31 market penetration depends upon the volume of sales, the positive and negative growth
32 trends, the number of people who purchased the party’s goods in relation to the number
33 of potential customers, and the amount of advertising.”); *Glow*, 252 F. Supp. 2d at 983
34 (“Generally, the senior user of a mark is entitled to assert trademark rights in all areas in
35 which it has legally sufficient market penetration.”); *Optimal Pets*, 877 F. Supp. 2d at
36 958 (“A party asserting common law rights must not only establish that it is the senior
37 user, it must also show that it has ‘legally sufficient market penetration’ in a certain
38 geographic market to establish those trademark rights.”) (internal citation omitted).

1 *also Brookfield Commc'ns*, 174 F.3d at 1036 (stating that trademark rights can vest even
2 before any goods are actually sold if “the totality of [one’s] prior actions, taken together,
3 [can] establish a right to use the trademark”) (internal quotations and citation omitted).

4 Under the framework set forth above, Hanginout contends it is the senior user of
5 the mark based on the totality of the circumstances. Hanginout asserts that by March
6 2010, over a year before Google released Hangouts+ as part of the Google+ platform,
7 and over two years before Google rebranded the platform as purely HANGOUTS,
8 Shawne Meriman shot a HANGINOUT promotional video and Hanginout’s company
9 Facebook page was uploaded. Thereafter, by May 2011, nearly two months before
10 Google’s release of HANGOUTS+, Hanginout asserts that over 200 consumers regis-
11 tered for and used Version 1.0 of the HANGINOUT Q&A web-based platform. (Doc.
12 No. 12, Malone Decl. ¶ 17.) Hanginout further argues that the marketing campaign for
13 the HANGINOUT platform, all of which utilized the HANGINOUT mark, was aggres-
14 sively and publicly pursued on a continuous basis beginning in May 2011 via LinedkIn,
15 Twitter, and celebrity YouTube videos.

16 In opposition, Google contends Hanginout cannot possibly be the senior user of
17 the mark based on Hanginout’s own representations to the USPTO. Google argues that
18 on July 12, 2012, more than a year after Google released HANGOUTS, Hanginout filed
19 trademark applications with the USPTO asserting that it first began using the mark in
20 commerce on June 6, 2012.¹⁰ (Doc. No. 14 ¶ 22, Exs. A, B.) Therefore, because
21 Hanginout previously represented to the USPTO that it first began using the mark in
22 commerce on June 6, 2012, but now asserts an earlier “first use” date, Google argues
23 Hanginout must prove the earlier first-use date by clear and convincing evidence. *See*
24 *Wells Fargo & Co. v. Stagecoach Props., Inc.*, 685 F.2d 302, 304 n.1 (9th Cir. 1982).¹¹
25

26 ¹⁰ Google contends it was only after it raised this priority of use argument in its
27 first motion to dismiss that Hanginout amended its complaint. (Doc. No. 14 ¶¶ 17–20.)

28 ¹¹ Both parties agree that under *Wells Fargo v. Stagecoach* a party must present
“clear and convincing” evidence to establish a date prior in time than that represented to
the USPTO. (Doc. No. 30 at 7:19-23; Doc. No. 36 at 3:9-11.)

1 Representations to the USPTO aside, Google argues Hanginout’s actions fail to
2 establish seniority of use in a nationwide market. Google maintains that similar to
3 *Future Domain Corp. v. Trantor Sys. Ltd.*, No. C930812, 1993 WL 270522, at *8 (N.D.
4 Cal. May 3, 1993), wherein the court found the plaintiff’s advertisement at a large trade
5 show was insufficient to establish seniority of use, here, the only evidence Hanginout
6 provides to support its alleged aggressive marketing campaign prior to June 28, 2011
7 (Google’s alleged first use date), are exhibits showing two promotional YouTube videos,
8 Hanginout’s company Facebook page, an announcement of the HANGINOUT preview
9 launch on LinkedIn, a brief article in a lesser-known tech-blog called Tech Cocktail, and
10 48 tweets on Hanginout’s company Twitter page. (Doc. No. 12 at 3, Malone Decl. ¶¶ 7,
11 11, 12, 15–16; Doc. No. 30, Caruso Decl. ¶¶ 4–5, Exs. 2–5.) However, Google contends
12 none of these alleged advertising tactics are noteworthy because the article in Tech
13 Cocktail received no likes, tweets, or shares; the endorsement on Facebook by Tech
14 Cocktail received only two likes (one of which was from the then COO/CFO of
15 Hanginout); the announcement of the preview on LinkedIn received only one like; and
16 Hanginout’s Twitter feed shows only 48 tweets before June 28, 2011 (18 of which were
17 from Hanginout). As a result, Google contends Hanginout has failed to provide any
18 evidence that a sufficient number of people actually saw or noticed its promotional
19 efforts.¹²

20 Although the parties ardently dispute whether Google first began using the
21 HANGOUTS mark in commerce as of June 2011, or whether the use did not commence
22 until May 2013, this argument need not be resolved because the Court finds Hanginout
23 first began using the HANGINOUT mark in commerce in or around May 2011—prior to
24 both of Google’s alleged first-use dates.¹³ Therefore, because more than 200 customers
25

26 ¹² Google asserts that Hanginout’s promotional YouTube videos were poorly
27 viewed. (Doc. No. 30, Caruso Decl. ¶¶ 4–5, Exs. 2, 5.)

28 ¹³ Because Hanginout’s trademark applications stated that the marks were first
used in commerce “[a]t least as early as 06/06/2012,” the clear and convincing standard
set forth in *Wells Fargo* does not apply. (Doc. No. 36, Wagner Decl., Exs. 13, 14.)

1 had registered for Version 1.0 of Hanginout’s web-based platform as of May 2011,
 2 which was then followed by continuous advertising and marketing of the platform under
 3 the HANGOUTS mark, this case is markedly different from *Future Domain and Chance*
 4 *v. Pac-Bel*, both of which were cited by Google. *Future Domain v. Trantor*, No.
 5 C930812, 1993 WL 270522, at *6–10 (N.D. Cal May 3, 1993) (stating that the launch of
 6 a mark at a single trade show was insufficient to show priority of use); *Chance v. Pac-*
 7 *Bel*, 242 F.3d 1151 (9th Cir. 1988) (finding no priority of use based on postcards that did
 8 not generate a single use of services) and, because here, Hanginout has presented
 9 evidence of its actual use and marketing of the HANGINOUT mark, in commerce, prior
 10 to the first use date of Google’s HANGOUTS mark.¹⁴

11 Accordingly, the Court finds Hanginout is the senior user of the marks based on
 12 the totality of the circumstances—number of registered users, marketing via social
 13 media, and launch of iTunes app in the Apple store to name a few. *See Allard Enter-*
 14 *prises, Inc. v. Advanced Programming Res., Inc.*, 146 F.3d 350, 358 (6th Cir. 1998) (“As
 15 long as there is a genuine use of the mark in commerce, however, ownership may be
 16 established even if the first uses are not extensive and do not result in deep market
 17 penetration or widespread recognition.”); *Dep’t of Parks & Recreation v. Bazaar del*
 18 *Mundo Inc.*, 448 F.3d 1118, 1126 (9th Cir. 2006) (“Although mere advertising by itself
 19 may not establish priority of use, advertising combined with other non-sales activity,
 20 under our ‘totality of the circumstances test,’ can constitute prior use in commerce.”)
 21 (internal citations omitted).

22 **b. Market Penetration in a Specific Geographic Area**

23 Establishing priority of use however is not in and of itself sufficient to
 24 bestow common law trademark rights. To warrant immediate injunctive relief,

25 _____
 26 ¹⁴ The HANGINOUT app had been viewed more than a million times (90% repeat
 27 visits) from users in every state in the U.S. (30,000 from California), it enjoyed tens of
 28 thousand of users (including high-profile celebrities and politicians), and had substantial
 media attention (including ESPN). (Doc. No. 12, Malone Decl. ¶¶ 3-5, 9, 11-17, 20, 23,
 24, 26, 27, 29-33, Exs. 2-7, 9, 11-12, 14, 15, 17-19.) Hanginout also contends that of the
 nearly 300 YouTube views, it generated over 200 customers, thereby equating to a 65%
 conversion ratio.

1 Hanginout must also establish sufficient market penetration in a specified geographic
2 area. *See Credit One Corp*, 661 F. Supp. 2d at 1138 (“A party asserting common law
3 rights must not only establish that it is the senior user, it must also show that it has
4 ‘legally sufficient market penetration’ in a certain geographic market to establish those
5 trademark rights.”); *Optimal Pets*, 877 F. Supp. 2d at 958 (“The first to use a mark in an
6 area is deemed the ‘senior’ user and has the right to enjoin ‘junior’ users from using
7 confusingly similar marks in the same industry and market or within the senior user’s
8 natural zone of expansion.”).

9 To determine whether Hanginout has market penetration in an identified geo-
10 graphic area, the court considers: (1) the volume of Hanginout’s sales with regard to the
11 product at issue; (2) the growth trends of the product both positive and negative; (3) the
12 number of persons actually purchasing/registering for the pertinent product in relation to
13 the total number of potential customers; and (4) the amount of advertising with the
14 regard to the product at issue. *See Adray*, 76 F.3d at 989 (9th Cir. 1995); *Optimal Pets*,
15 877 F. Supp. 2d at 958. Thereafter, and only if Hanginout can establish market penetra-
16 tion in a specific geographic area, the Court must then assess whether Hanginout may
17 preclude Google from utilizing the mark within Hanginout’s “natural zone of expan-
18 sion.” *Optimal Pets*, 877 F. Supp. 2d at 958; 4 J. Thomas McCarthy, McCarthy on
19 Trademarks and Unfair Competition, § 26:13 (4th ed. 2002) (stating that “in the absence
20 of federal registration, both parties have the right to expand [use of an unregistered
21 mark] into unoccupied territory and establish exclusive rights by being first in that
22 territory. In effect, it is a race between the parties to establish customer recognition in
23 unoccupied territory.”).

24 Here, Hanginout urges the Court to find that its market penetration is either
25 nationwide, or Southern California with a nationwide zone of expansion. In support,
26 Hanginout asserts that: (1) it had a Facebook profile by March 2011; (2) by May
27 2011, over 200 consumers had registered for and used Version 1.0 of the HANGINOUT
28 web-based platform; (3) from September 15, 2012 through December 23, 2013 the

1 HANGINOUT smart phone application had 30,000 visits from California¹⁵ consumers,
2 7,000 visits from New York consumers, 3,500 visits from Florida consumers, 2,700
3 visits from Michigan consumers, 2,600 visits from Texas consumers, and a ranging
4 number of visits from consumers in the remaining states; (4) nearly 8,000 individuals
5 had registered for the HANGINOUT iTunes application by the filing of the preliminary
6 injunction; and (5) various celebrities and politicians have created HANGINOUT
7 accounts and published content utilizing the HANGINOUT platform. (Doc. No. 12 at
8 10–11; Malone Decl. ¶¶ 10, 20, 17, 32, Exs. 9, 19.) Therefore, Hanginout contends that
9 because it offered and marketed its computer-based services under the HANGINOUT
10 mark via its website and iTunes application, its customers, and therefore its market
11 penetration, is nationwide.

12 In response, Google contends Hanginout has failed to submit any evidence of its
13 actual market penetration in a specific area, and use of a mark over the Internet does not
14 automatically implicate a nationwide market. In support, Google relies on *Glow Indus.,*
15 *Inc. v. Lopez*, 252 F. Supp. 2d 962, 984 (C.D. Cal. 2002) (finding no market penetration
16 because the plaintiff had presented no evidence of the “volume or level of sales in any
17 location, nor how [the plaintiff’s] market penetration compares with that of competi-
18 tors”); *Credit One Corp. v. Credit One Fin., Inc.*, 661 F. Supp. 2d 1134, 1137 (C.D. Cal.
19 2009) (stating that the plaintiff failed to show market penetration in areas where an
20 office had closed and there was no basis for which to believe sales had occurred); and
21 *Optimal Pets*, 877 F. Supp. 2d 953, 962 (C.D. Cal. 2012) (finding no market penetration
22 because the plaintiff had no sales in 34 states, in 8 of the 16 states where there were sales
23
24
25
26

27
28 ¹⁵ The California data can be further broken down as follows: Los Angeles (4,456 visits), Carlsbad (4,191 visits), and San Diego (3,726 visits). (Doc. No. 12, Malone Decl. ¶ 45, Ex. 28.)

1 those sales were under \$80, and the two states with “big ticket” sales all originated in a
2 single zip code).¹⁶

3 The Court finds the cases relied upon by Google instructive, and Hanginout’s
4 failure to present any evidence as to the actual location of its registered users dispositive.
5 First, with regard to total sales, or in this case registered users, although Hanginout
6 represented that it had over 200 registered users of its web-based platform as of May
7 2011, and nearly 8,000 registered users of its iTunes application as of the filing of the
8 preliminary injunction, Hanginout has never identified the state of residence of these
9 alleged registered users.¹⁷ See *Optimal Pets*, 877 F. Supp. 2d at 962 (“Thus, a sale to a
10 customer through the internet will be considered a sale in the geographical area in which
11 the customer is located.”).¹⁸ Hanginout’s evidence of “site visits” fails no better.¹⁹
12 Although this evidence pins down the state (and city within California) of the consumer
13 that viewed Hanginout’s mobile profile, the Court is at a loss as to how these statistics
14

15 ¹⁶ The *Optimal Pets* court further noted that there was a “downward trend” in
16 sales, no evidence of “actual vis-à-vis potential purchasers,” and no evidence of
“continued” marketing or advertising from 2004 through 2008. *Id.* at 963–64.

17 ¹⁷ Hanginout conceded this point at oral argument, stating that they are not
18 required to identify the location of their users to attain common law trademark rights. As
19 stated below, the Court does not agree, and finds the location of Hanginout’s users key to
fashioning an injunction.

20 ¹⁸ Hanginout provided a print-out from Apple to document the total number of
21 individuals who registered for the HANGINOUT iTunes application in 2012 and 2013.
(Doc. No. 12, Malone Decl., Ex. 28.) However, this document shows that of the 9,534
22 individuals who downloaded the application in 2012, only 6,926 resided in the United
23 States; and of the 2,306 individuals who downloaded the application in 2013, only 1,235
24 resided in the United States. (*Id.*) The document never specifies the specific geographic
residence within the United States of each registered user. (*Id.*) Furthermore, Hanginout
did not provide any evidence, other than the Malone Declaration, of the 200 users that
registered for its web-based platform in May 2011. (*Id.*)

25 ¹⁹ Hanginout attached a Google Analytic Report showing that between September
15, 2015 and December 23, 2012, 61,601 total individuals visited/clicked on
26 HANGINOUT Mobile. (Doc. No. 12, Malone Decl., Ex. 17.) This information further
27 breaks down the number of visits between and among the various states in the United
28 States, showing visits from every state with the highest number of visits from California
(29,985), New York (7,056), Florida (3,506), Michigan (2,701), Texas (2,629), Colorado
(1,283), and Illinois (1,094). (Doc. No. 12, Malone Decl., Ex. 19.) Although the total
number of visits is 71,503, the Court disregards visits from individuals outside the
United States.

1 identify the location of Hanginout's registered users. Therefore, although evidence of
2 site visits shows that consumers are actually looking at Hanginout's website and/or
3 products, and supports Hanginout's seniority of use argument, it is insufficient to show
4 actual sales/registration for Hanginout's product necessary to establish market penetra-
5 tion.

6 Second, with regard to actual growth trends of the product at issue, although
7 Hanginout never specifically commented on this factor, the Court finds the evidence
8 submitted by Hanginout speaks for itself. For example, the Google Analytic Audience
9 Overview report shows a dramatic decline in the overall number of views of the
10 HANGINOUT application, with the number of visits the highest in or around October
11 2012, then nearly flat-lining in or around October 2013. (Doc. No. 12, Malone Decl.,
12 Ex. 17.) This analysis is then confirmed by sales statistics that were reported to
13 Hanginout by iTunes. (Doc. No. 12, Malone Decl., Ex. 28.) These sales reports indicate
14 that 6,926 individuals downloaded the HANGINOUT application in 2012, and that 1,235
15 individuals downloaded the HANGINOUT application in 2013. (*Id.*) This represents a
16 82.17% decline in the number of registered users, or 5,691 fewer registered users from
17 2012 to 2013. (*Id.*) Therefore, based on these statistics, all of which were produced by
18 Hanginout, there appears to be a negative growth trend for the HANGINOUT product.
19 *See Optimal Pets*, 877 F. Supp. 2d at 963.

20 Third, with regard to the actual number of consumers actually purchas-
21 ing/registering for the product in relation to the total number of potential consumers,
22 Hanginout once again did not produce or direct the Court to any evidence indicative of
23 this factor. Instead, the only evidence the Court is left to consider is that 6,926 individu-
24 als registered for the HANGINOUT iTunes application in 2012, 1,235 individuals
25 registered for the HANGINOUT iTunes Application in 2013, and that 61,601 individuals
26 viewed HANGINOUT Mobile between September 2012 and December 23, 2013.
27 However, as these numbers do not directly overlap, nor did Hanginout present any
28

1 evidence regarding its market share, this weighs against finding Hanginout had sufficient
2 market penetration to warrant immediate injunctive relief.

3 However, with regard to marketing and advertising, Hanginout fares much better.
4 Hanginout contends that as early as 2009, it began utilizing various means to market and
5 advertise the HANGINOUT web-based platform. For example, Hanginout asserts that
6 by March 2010, it began partnering with celebrities and professional athletes to create
7 HANGINOUT profiles for their interactive social-media platforms. These individuals
8 included Kassim Osgoode (NFL), Shawne Meriman (NFL), Ritchie Brusco (X-Games),
9 DJ Chuckie (DJ), Eric Griggs (Music Producer), Miles McPherson (Pastor at the Rock
10 Church and former NFL player), Mike Hill (ESPN), Daphne Joy (Actress/Model),
11 Jessica Burciaga (Model), Amanda Cerny (Model), Da Internez (Music Producers), and
12 Belmont Lights (Band). (Doc. No. 12, Malone Decl. ¶ 10, Ex. 2.) Hanginout further
13 contends that these efforts were supplemented by announcements on Twitter, LinkedIn,
14 and the release of YouTube videos detailing key elements of the HANGINOUT plat-
15 form. (Doc. No. 12, Malone Decl. ¶¶ 11, 13-14.) Thereafter, on October 24, 2011, San
16 Diego mayoral candidate Carl DeMaio utilized HANGINOUT to create a “virtual town
17 hall” for his campaign, and on July 6, 2012, professional skateboarder Ritchie Brusco
18 launched an application utilizing the HANGINOUT platform. (*Id.* at ¶ 22, Ex. 11.)
19 Hanginout further contends that ESPN ran an article about the Brusco application in
20 conjunction with the upcoming X-Games, (*Id.* at ¶ 23, Ex. 12), and that on September 16,
21 2012, Hanginout officially launched a HANGINOUT application in the iTunes App store
22 and Apple elected to feature the HANGINOUT app as one of its social-media based
23 applications. (*Id.* at ¶ 24.)

24 Although the Court finds the evidence presented above exemplifies Hanginout’s
25 marketing and intent to use the HANGINOUT mark in commerce, none of the evidence
26 is sufficient to support a finding of market penetration in a specific geographic market.
27 Therefore, because marketing and advertising is but one factor to consider in determin-
28 ing market penetration of an unregistered mark, without evidence as to the actual

1 location of Hanginout’s registered users, the Court cannot determine Hanginout’s market
2 penetration. *See Charles Jacquin Et Cie, Inc. v. Destileria Serralles, Inc.*, 921 F.2d 467,
3 472 (3d Cir. 1990) (“The proper geographic scope of an injunction in a trademark
4 infringement case is determined by examining the market penetration of the mark.”).
5 Accordingly, although the Court is cognizant of the complexities posed by the use of
6 Internet, the Court does not agree with Hanginout that marketing, advertising, and
7 promoting an unregistered mark over the Internet is sufficient to find nationwide market
8 penetration. The Court also does not agree with Hanginout that it has sufficient market
9 penetration in Southern California by virtue of the location of its office and/or the
10 number of site views originating out of Southern California.

11 As a result, the Court finds Hanginout had not presented sufficient evidence to
12 permit the Court to determine its market penetration in a specific geographic area, and as
13 a result, the Court need not consider Hanginout’s natural zone of expansion. *See, e.g.*,
14 *Optimal Pets*, 877 F. Supp. 2d at 962 (quoting Brian L. Berlandi, What State Am I In?:
15 Common Law Trademarks on the Internet, 4 Mich. Telecomm. & Tech. L. Rev. 105,
16 123–24 (1998) (“[T]he limits of territorial protection for a common law mark become
17 much more difficult to define once that mark is placed on the Internet . . . mostly due to
18 the apparent lack of ‘boundaries’ on the Internet.”); *Echo Drain v. Newsted*, 307 F. Supp.
19 2d 1116, 1128 (C.D. Cal. 2003) (“Although Echo Drain has a website, Echo Drain offers
20 no evidence that people outside of the Dallas–Fort Worth area have accessed the
21 website, downloaded performances from the website, or even posted messages to the
22 website.”); *Pure Imagination, Inc. v. Pure Imagination Studios, Inc.*, No. 03 C 6070,
23 2004 WL 2967446, at *12 (N.D. Ill. Nov. 15, 2004) (“Studios has failed to offer any
24 specificity as to its activity in any markets in which it alleges priority rights.”); *Alliance*
25 *for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1131 (9th Cir. 2011) (“A preliminary
26
27
28

1 injunction is an extraordinary remedy never awarded as of right.”) (internal citations
2 omitted).²⁰

3 **ii. Likelihood of Confusion**

4 Although the Court has determined that Hanginout has not shown market penetra-
5 tion in a specific geographic area, the Court will nonetheless examine whether Google’s
6 use of the HANGOUTS mark will likely confuse the consuming public as to the source
7 of the parties’ products. A court considers eight factors to determine if there is a
8 likelihood of confusion:

9 (1) strength of the mark, (2) proximity of the goods, (3) similarity of the
10 marks, (4) evidence of actual confusion, (5) marketing channels used, (6)
11 type of goods and the degree of care likely to be exercised by the purchaser,
12 (7) defendant’s intent in selecting the mark, and (8) likelihood of expansion
13 of the product lines.

14 *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979).

15 A court need not address all eight factors, nor must the plaintiff establish that each
16 weighs in its favor to establish a likelihood of confusion. *See C & C Org. v. AGDS, Inc.*,
17 676 F. Supp. 204, 206 (C.D. Cal. 1987); *Network Automation, Inc. v. Advanced Sys.*
18 *Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011) (“The Sleekcraft factors are
19 intended as an adaptable proxy for consumer confusion, not a rote checklist.”);
20 *Dreamwerks Prod. Grp., Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998) (“The
21 factors should not be rigidly weighed; we do not count beans.”); *Eclipse Assoc. Ltd. v.*
22 *Data Gen. Corp.*, 894 F.2d 1114, 1118 (9th Cir.1990) (“These tests were not meant to be
23 requirements or hoops that a district court need jump through to make the determina-
24 tion.”). The Court addresses the *Sleekcraft* factors in the order presented by Hanginout.

25 **a. Proximity or Relatedness of the Goods**

26 “Related goods are those ‘products which would be reasonably thought by the
27 buying public to come from the same source if sold under the same mark.’ ” *Sleekcraft*,

28 ²⁰ The Court finds Hanginout’s citation to *Taylor v. Thomas*, No. 2:12-CV-02309-JPM, 2013 WL 228033, (W.D. Tenn. Jan. 22, 2013) unavailing. The issue in *Taylor* was not whether the plaintiff had established sufficient use in a particular market, but whether ownership of a mark could be based on an assignment.

1 599 F.2d at 348, n.10 (quoting *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 37 (2d Cir.
2 1945)); see also 4 J. McCarthy, McCarthy on Trademarks and Unfair Competition, §
3 24.24 (4th ed. 2002) (“Goods are ‘related’ if consumers are likely to mistakenly think
4 that the infringer’s goods come from the same source as the senior user’s goods or are
5 sponsored or approved by the senior user.”). “[T]he danger presented is that the public
6 will mistakenly assume there is an association between the producers of the related
7 goods, though no such association exists.” *Sleekcraft*, 599 F.2d at 350. Proximity of
8 goods is measured by whether the products are: (1) complementary; (2) sold to the same
9 class of purchasers; and (3) similar in use and function. *Id.*

10 Hanginout contends the products offered by Hanginout and Google directly
11 overlap because they are both social-media based platforms offering the same services
12 through the iTunes app store. To support this contention, Hanginout compares its
13 pending trademark application, which lists computer application software, telecommuni-
14 cation services, audio, text, and video broadcasting, electronic messaging services, and
15 providing online forums for communication as the marks uses, with information obtained
16 from Google’s website, wherein Google describes the HANGOUTS Q&A platform as
17 allowing users to solicit questions from concurrent viewers, select and answer live
18 questions, and timestamp a YouTube recording by marking questions as they are
19 answered.

20 In opposition, Google contends that although the products contain some similar
21 functions within the broad category of video communications, the purposes and func-
22 tions of the products are neither identical nor interchangeable. For example, whereas
23 HANGOUTS allows real-time, live video-conferencing, instant messaging, and other
24 communications among multiple parties, HANGINOUT is merely a platform for posting
25 and viewing pre-recorded video messages or video profiles. Furthermore, Google
26 maintains that contrary to Hanginout’s contentions, there is no such thing as the HANG-
27 OUTS Q&A application, instead HANGOUTS Q&A is a feature of Google’s HANG-
28 OUTS ON AIR, which the host can turn on or off. Therefore, because the Q&A feature

1 is only related to HANGOUTS ON AIR, which is not the basis of this litigation, Google
2 argues the Q&A feature of HANGOUTS ON AIR is irrelevant.

3 Although the Court finds Google and Hanginout offer similar products under the
4 HANGOUTS and HANGINOUT marks, the Court finds the products have distinct
5 differences that change the functionality of the products. Therefore, because Hanginout
6 did not respond to Google's contention that the products are necessarily different based
7 on the fact that HANGOUTS offers real-time capabilities whereas HANGINOUT only
8 offers pre-recorded messaging and video features, this factor does not weigh in favor of
9 finding a likelihood of confusion.

10 **b. Similarity of the Marks**

11 “[T]he more similar the marks in terms of appearance, sound, and meaning, the
12 greater the likelihood of confusion.” *Brookfield*, 174 F.3d at 1054. “Where the two
13 marks are entirely dissimilar, there is no likelihood of confusion.” *Id.* “Similarity of the
14 marks is tested on three levels: sight, sound, and meaning. Each must be considered as
15 they are encountered in the marketplace.” *Sleekcraft*, 599 F.2d at 351 (citations omit-
16 ted).

17 Here, Hanginout contends that the marks at issue—HANGINOUT and HANG-
18 OUTS—are nearly identical in sight, sound, and meaning, and therefore, this factor
19 weighs in favor of finding a likelihood of confusion. *See, e.g. Banff, Ltd. v. Federated*
20 *Dep’t Stores, Inc.*, 841 F.2d 486, 491 (2d Cir. 1988) (finding a likelihood of confusion
21 between B WEAR and BEE WEAR for women’s clothing); *Baker v. Simmons Co.*, 307
22 F.2d 458, 465 (1st. Cir. 1962) (finding SIMMONS and SIMMONS essentially identical
23 in sound). As would be expected, Google does not agree. Instead, Google maintains the
24 marks are significantly different because unlike *Banff* and *Baker*, the two decisions cited
25 by Hanginout, the marks are not phonetically identical. Google argues that whereas
26 HANGOUTS has two syllables, is plural, and is a noun; HANGINOUT has three
27 syllables, is singular, and describes an activity. These nonsensical arguments aside,
28 Google argues that given the actual appearance of the marks in commerce, in that the

1 Google name appears next to or close to any reference to HANGOUTS, no consumer is
2 likely to be confused as to the product's origin.

3 Although the Court finds Google's final contention persuasive, in that marks must
4 be considered as they will be encountered in the marketplace, *Lindy Pen Co., v. Bic Pen*
5 *Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984), the Court also finds that the marks are
6 relatively similar in sight, sound, and meaning. Thus, although the marks have different
7 design features associated with the words that define them, courts have found that where
8 a trademark includes a combination of words and a design, "the word is normally
9 accorded greater weight[] because it would be used by purchasers to request the goods."
10 *L.C. Licensing, Inc. v. Cary Berman*, 86 U.S.P.Q.2d 1883, 2008 WL 835278, at *3
11 (T.T.A.B. 2008); *see also Herbko Int'l v. Kappa Books*, 308 F.3d 1156, 1165 (Fed. Cir.
12 2002) ("The words dominate the design feature."). Accordingly, although Hanginout has
13 not presented any evidence of actual consumer confusion (as detailed below), the Court
14 finds this factor weighs slightly in favor of Hanginout.

15 **c. Marketing Channels Used**

16 "Convergent marketing channels increase the likelihood of confusion." *Sleekcraft*,
17 599 F.2d at 353 (finding that confusion is likely due to the fact that both parties adver-
18 tised in niche markets, including boat shows, speciality retail outlets, and trade maga-
19 zines). "However, this factor becomes less important when the marketing channel is less
20 obscure." *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137,
21 1151 (9th Cir. 2011). Where both parties utilize the Internet to market the products at
22 issue, the Ninth Circuit has found this factor carries little weight in the likelihood of
23 confusion calculation. *See Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d
24 1020, 1028 (9th Cir. 2004) ("Given the broad use of the Internet today, the same could
25 be said for countless companies. Thus, this factor merits little weight.").

26 Here, although Hanginout urges the Court to find that this factor weighs in favor
27 of finding a likelihood of consumer confusion because there is a limited number of
28 iTunes app store applications, the Court finds *Network Automation* and *Playboy* control-

1 ling. Therefore, Google and Hanginout’s shared use of the Internet and iTunes app store
2 to market their respective products weighs against a likelihood of confusion.

3 **d. Strength of the Plaintiff’s Mark**

4 “The stronger a mark—meaning the more likely it is to be remembered and
5 associated in the public mind with the mark’s owner—the greater the protection it is
6 accorded by the trademark laws.” *Brookfield*, 174 F.3d at 1058. Strength of a given
7 mark is determined by measuring conceptual strength and commercial strength. *Network*
8 *Automation*, 638 F.3d at 1149. “Conceptual strength involves classification of a mark
9 ‘along a spectrum of generally increasing inherent distinctiveness as generic, descriptive,
10 suggestive, arbitrary, or fanciful.’ ” *Id.* (quoting *Brookfield*, 174 F.3d at 1058). “A
11 mark’s conceptual strength depends largely on the obviousness of its connection to the
12 good or service to which it refers.” *Fortune Dynamic, Inc. v. Victoria's Secret Stores*
13 *Brand Mgmt., Inc.*, 618 F.3d 1025, 1032–33 (9th Cir. 2010). Once a mark has been
14 placed on the conceptual strength spectrum, the court must then assess the marks
15 commercial strength, i.e., whether the mark has actual “marketplace recognition.”
16 *Brookfield*, 174 F.3d at 1058 (stating that large advertising expenditures can transform a
17 suggestive mark into a strong mark).²¹

18 Hanginout contends its marks are suggestive, if not stronger, because a “mental
19 leap” is required to get from the term HANGINOUT to the product’s features. *See*
20 *Network Automation*, 638 F.3d at 1149 (“If a mental leap between the word and the
21 product’s attribute is not almost instantaneous, this strongly indicates suggestiveness, not
22 direct descriptiveness.”). Hanginout further argues that Google has admitted that the
23 HANGINOUT mark is inherently distinctive because Google identified the mark on its
24 trademark list as “HanginoutTM Messaging Service.”²² However, besides these two
25 points, Hanginout does not address either marks commercial strength. In opposition,

26 _____
27 ²¹ Hanginout confirmed at oral argument that this is not a reverse confusion case,
28 which would necessitate a different analysis.

²² Hanginout argues that designating a mark with a TM is an admission that the
mark is distinctive.

1 Google asserts that the HANGINOUT mark is weak and the HANGOUTS mark is
2 strong, which can be exemplified by the market penetration and actual use of the
3 respective marks. Google further argues that Hanginout has an erroneous understanding
4 of the meaning of the TM symbol, in that the symbol reflects common law trademark
5 rights not inherent distinctiveness.

6 The Court finds it telling that Hanginout failed to identify or discuss the commer-
7 cial strength of the HANGINOUT mark, which is key to determining whether Google's
8 marketing and advertising has resulted in a "saturation in the public awareness of
9 [Hanginout's] mark," thereby reducing Hanginout's marketplace recognition. *A & H*
10 *Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 231 (3d Cir. 2000).
11 However, based on the evidence presented to the Court, it is apparent that Google has
12 spent substantial time and substantial monies developing and promoting HANGOUTS,
13 which has an installed base of millions of users.²³ Google has further represented that
14 the HANGOUTS product has been featured by prominent magazines and websites, and
15 that Google has invested substantial resources in media costs for advertising.²⁴ In
16 contrast, Hanginout has failed to present any evidence as to the amount of money
17 expended to develop, market, and/or promote HANGINOUT, and the only evidence of
18 Hanginout's growth trends shows a 82% drop in the number of individuals who regis-
19 tered for the HANGINOUT iTunes application from 2012 to 2013.

20 Therefore, although the parties ardently dispute the marketplace recognition of
21 their respective products, seemingly engaging in a popularity contest based on who
22 utilized their products (Dalai Lama for Google and Shawne Merriman for Hanginout),
23 the Court finds Google is likely to overwhelm Hanginout's product line if the products
24 are in competition with one another in the market due to Google's marketplace recogni-
25 tion. *See Cohn v. Petsmart, Inc.*, 281 F.3d 837, 841 (9th Cir. 2002) ("Petsmart's
26 extensive advertising gives it the ability to overwhelm any public recognition and
27

28 ²³ For exact figures see Google's sealed opposition. (Doc. No. 34 at 1:20-25.)

²⁴ For exact figures see Google's sealed opposition. (Doc. No. 34 at 23-24.)

1 goodwill that Cohn has developed in the mark.”). However, because the parties did not
 2 present any evidence as to how crowded the market actually is, and Hanginout cannot
 3 claim a right to all variants of the phrase in the given market, this factor does not weigh
 4 in favor of finding a likelihood of consumer confusion. *See SunEarth, Inc. v. Sun Earth*
 5 *Solar Power Co., Ltd.*, 846 F. Supp. 2d 1063, 1078 (N.D. Cal. 2012), appeal dismissed
 6 (Apr. 18, 2012) (recognizing that where the marks share a word or phrase but are
 7 otherwise different, the plaintiff is not permitted to claim a right to all variant of the
 8 phrase in a specific market).

9 **e. Evidence of Actual Confusion**

10 “[A] showing of actual confusion among significant numbers of consumers
 11 provides strong support for the likelihood of confusion.” *Playboy*, 354 F.3d at 1026
 12 (citing *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 902 (9th Cir. 2002))
 13 (“Evidence of actual confusion constitutes persuasive proof that future confusion is
 14 likely . . . If enough people have been actually confused, then a likelihood that people are
 15 confused is established.”). “Actual confusion is not necessary to a finding of likelihood
 16 of confusion under the Lanham Act.” *Academy of Motion Picture Arts & Sciences v.*
 17 *Creative House Promotions, Inc.*, 944 F.2d 1446, 1456 (9th Cir. 1991) (citing *Am. Int'l*
 18 *Grp., Inc. v. Am. Int'l Bank*, 926 F.2d 829, 832 (9th Cir. 1991)). Indeed, “[p]roving
 19 actual confusion is difficult . . . and the courts have often discounted such evidence
 20 because it was unclear or insubstantial.” *Sleekcraft*, 599 F.2d at 352.

21 Here, Hanginout tries to articulate a basis for actual confusion when none in fact
 22 exists. Therefore, the Court finds this factor should be accorded no weight.²⁵ *See*
 23 *Network Automation*, 638 F.3d at 1151 (“Therefore, while this is a relevant factor for
 24 determining the likelihood of confusion in keyword advertising cases, its importance is
 25 diminished at the preliminary injunction stage of the proceedings.”); *Rearden*, 597 F.

26
 27 _____
 28 ²⁵ Hanginout’s only evidence of actual confusion is that consumers have used the
 phrase “Hanging out” and “Hangout” when referring to the HANGINOUT platform.
 However, Hanginout does not connect these references to Google’s HANGOUTS mark.
 (Doc. No. 12 at 20:18-23.)

1 Supp. 2d at 1023, 1023 n.9 (stating that, while courts outside of the Ninth Circuit may
2 consider confusion by others relevant, the Ninth Circuit’s “precedents clearly hold that
3 the key inquiry is confusion of prospective purchasers”).

4 **f. Degree of Care Likely Exercised by Purchasers**

5 “Low consumer care . . . increases the likelihood of confusion.” *Playboy*, 354
6 F.3d at 1028. “In assessing the likelihood of confusion to the public, the standard used
7 by the courts is the typical buyer exercising ordinary caution When the buyer has
8 expertise in the field, a higher standard is proper though it will not preclude a finding
9 that confusion is likely. Similarly, when the goods are expensive, the buyer can be
10 expected to exercise greater care in his purchases; again, though, confusion may still be
11 likely.” *Sleekcraft*, 599 F.2d at 353 (citations omitted).

12 Here, Hanginout argues that because the products at issue are inexpensive (or for
13 that matter free), it is likely that consumers are likely to register for the products without
14 doing significant investigation. In opposition, Google contends that Hanginout has
15 presented no evidence of the degree of sophistication of its customers, and that such an
16 inference can not be made purely on the basis that the products are offered free of
17 charge. Google also contends that because consumers will most likely select a product
18 that their friends, family, and/or acquaintances are also using (or will be using), this
19 factor does not automatically weigh in favor of Hanginout. Finally, Google contends
20 that because viruses and spyware can potentially be included in free software, it cannot
21 be assumed that the average consumer takes minimal care in downloading free software.

22 Although Google’s final point is without merit, as Apple pre-screens all applica-
23 tions offered on the iTunes app store (either free or at a cost), the Court finds Google’s
24 first two points raise valid arguments. As recently explained by the Ninth Circuit in
25 *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1176 (9th Cir. 2010), when
26 examining consumer confusion in the context of products offered over the Internet, the
27 “relevant marketplace is the online marketplace, and the relevant consumer is a reason-
28 ably prudent consumer accustomed to shopping online Unreasonable, imprudent

1 and inexperienced web-shoppers are not relevant.” *Id.* As a result, although it is true
2 that courts originally presumed a low degree of care exercised by Internet consumers, the
3 Ninth Circuit has cautioned against such a conclusory analysis and instructed lower
4 courts to consider the “nature and the cost of the goods, and whether the products being
5 sold are marketed primarily to expert buyers.” *See Network Automation*, 638 F.3d at
6 1152 (citing *Brookfield*, 174 F.3d at 1060).

7 Accordingly, taking all of these factors into consideration: (1) the heightened
8 degree of care of Internet consumers; (2) the fact that both products are offered free of
9 charge; and (3) the fact that the applications offered via the iTunes app store indicated
10 the source of the application, i.e., whether the application was offered by Google or
11 Hanginout, the Court finds Hanginout has not presented sufficient evidence to support a
12 finding that this factor weighs in favor of a likelihood of confusion.

13 **g. Intent**

14 “When the alleged infringer knowingly adopts a mark similar to another’s,
15 reviewing courts presume that the defendant can accomplish his purpose: that is, that the
16 public will be deceived.” *Sleekcraft*, 599 F.2d at 354. However, the Ninth Circuit has
17 cautioned lower courts that this factor must be considered in light of whether the defen-
18 dant’s use of the trademark was to mislead consumers rather than truthfully inform them
19 of their choice of products. *See Network Automation*, 638 F.3d 1153.

20 Hanginout contends Google intentionally adopted the HANGOUTS mark with full
21 knowledge of the HANGINOUT mark because Google received the suspension notice
22 from the USPTO of their trademark application on July 30, 2013, but nevertheless
23 proceeded to launch the HANGOUTS iTunes application on September 12, 2013.
24 Hanginout further argues that considering the sheer size of Google, and the number of
25 researchers, employees, and attorneys that work for Google, it seems highly improbable
26 that Google had no knowledge of the HANGINOUT mark prior to releasing its HANG-
27 OUTS iTunes application. In response, Google contends that its actions are not automat-
28 ically indicative of bad faith because even after the USPTO alerted it of the existence of

1 Hanginout's pending trademark application in July 2013, it nonetheless believed it had
2 superior common law rights and intended to challenge the mark.

3 Although the date Google submitted its trademark application for HANGOUTS
4 closely correlates with the date Hanginout successfully had a third-party mark for
5 HANGOUTS suspended due to lack of use, the Court does not find that Google adopted
6 the HANGOUTS mark with the intent to deceive consumers. Thus, to the extent Google
7 believed it had superior common law trademark rights, the Court finds this fact does not
8 weigh in favor of finding a likelihood of confusion. *See SecuraComm Consulting, Inc. v.*
9 *Securacom Inc.*, 166 F.3d 182, 188 (3d Cir. 1999)

10 **h. Likelihood of Expansion of the Product Line**

11 "Inasmuch as a trademark owner is afforded greater protection against competing
12 goods, a 'strong possibility' that either party may expand his business to compete with
13 the other will weigh in favor of finding that the present use is infringing. When goods
14 are closely related, any expansion is likely to result in direct competition." *Sleekcraft*,
15 599 F.2d at 354 (citations omitted). However, where two companies "already compete to
16 a significant extent," this factor is unimportant. *Brookfield*, 174 F.3d at 1060; *See*
17 *Network Automation*, 638 F.3d 1153.

18 Hanginout contends that Google intends to directly compete with Hanginout in the
19 social-media arena, and therefore, expansion is an established fact. In opposition,
20 Google contends that Hanginout's assertions should be afforded little weight because
21 Hanginout has failed to present any evidence that either Google or Hanginout plans to
22 expand into a different product areas. *See Instant Media, Inc. v. Microsoft Corp.*, No. C
23 07-02639 SBA, 2007 WL 2318948, at * 17 (N.D. Cal. Aug. 13, 2007) ("Nevertheless, in
24 the absence of any concrete evidence that Microsoft plans to use the i'm mark in
25 connection with the sort of product that would compete with the I'M player, this factor
26 weighs slightly in Microsoft's favor.").

27 The Court agrees with Google that Hanginout has failed to present any evidence
28 that it plans to expand into real-time video conferencing and messaging services, thereby

1 merging into and offering services/products in competition with Google. As a result, the
2 Court finds this factor neither weighs in favor or against a finding of likelihood of
3 consumer confusion.

4 Accordingly, after taking all the *Sleekcraft* factors into consideration, the Court
5 finds Hanginout has failed to show that consumers will likely be confused by the two
6 products at issue based on the evidence presently before the Court. This determination
7 was made with special consideration to: (1) the strength of the marks; (2) evidence of
8 actual confusion; (3) the type of goods and degree of care likely to be exercised by the
9 purchaser; and (4) the labeling and appearance of the marks when offered to consumers
10 through the iTunes app store.

11 2. Irreparable Harm

12 In addition to the factors outlined above, a plaintiff must establish irreparable
13 harm to be entitled to immediate injunctive relief, i.e., that the plaintiff is unlikely to be
14 made whole by an award of monetary damages or some other legal remedy within the
15 ordinary course of litigation.²⁶ *See Am. Trucking Associations*, 559 F.3d at 1059.
16 Speculative future harm is insufficient. *See Herb Reed Enters.*, 736 F.3d at 1250 (stating
17 that the record below failed to support a finding of irreparable harm in the absence of
18 evidence that such harm was likely rather than speculative); *see also Mortgage Elec.*
19 *Registration Sys. v. Brosnan*, No. C 09-3600, 2009 WL 3647125, at *8, (N.D. Cal. Sept.
20 4, 2009) (citing *Stuhlberg Intern. Sales Co., Inc. v. John D. Brush and Co., Inc.*, 240
21 F.3d 832, 841 (9th Cir. 2001)) (“The potential loss of good will or the loss of the ability
22 to control one’s reputation may constitute irreparable harm for purposes of preliminary
23 injunctive relief.”). Moreover, where there is a delay in time between the defendant’s
24

25 ²⁶ Although the standard for issuing a preliminary injunction in the trademark
26 context previously presumed irreparable injury if the moving party showed a likelihood
27 of success on the merits, district courts in this circuit have found the presumption no
28 longer applicable. *See, e.g., Jumbo Bright Trading Ltd. v. Gap, Inc.*, No. CV12-8932,
2012 WL 5289784, at *1 (C.D. Cal. Oct. 25, 2012) (“As far as this court is aware, every
district court in the Ninth Circuit that has examined the issue after *Flexible Lifeline* . . .
has either found or at least suggested that irreparable harm cannot be presumed in
trademark cases as well.”) (collecting cases).

1 first alleged infringing use and the plaintiff's filing of the preliminary injunction, courts
2 have found that a "lack of urgency" weighs against finding irreparable harm. *Oakland*
3 *Tribune, Inc. v. Chronicle Publ'g Co.*, 762 F.2d 1374, 1377 (9th Cir. 1985); *see also*
4 *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 55 F. Supp. 2d 1070, 1090 (C.D. Cal.
5 1999) ("[Plaintiff]'s [five-month] delay in seeking injunctive relief further demonstrates
6 the lack of any irreparable harm.") *aff'd*, 202 F.3d 278 (9th Cir. 1999); *Valeo Intellectual*
7 *Prop., Inc. v. Data Dep't Corp.*, 368 F. Supp. 2d 1121, 1128 (W.D. Wash. 2005) ("A
8 three-month delay in seeking injunctive relief is inconsistent with [plaintiff]'s insistence
9 that it faces irreparable harm.").

10 In the present case, Hanginout argues that it will suffer irreparable harm if an
11 injunction does not issue because: (1) Google will continue to exploit Hanginout's
12 goodwill; (2) Hanginout will lose the ability to police and control its brand and pending
13 trademark applications; and (3) actual confusion, not just a likelihood of confusion, is
14 already occurring. In opposition, Google contends any irreparable harm Hanginout
15 alleges has or will continue to occur is displaced by Hanginout's failure to commence
16 this litigation, or file the pending motion for preliminary injunctive relief, soon after it
17 learned of Google's alleged infringing conduct. As a result, because Google first
18 announced the release of HANGOUTS on June 28, 2011, but Hanginout did not file the
19 instant litigation until November 26, 2013 (approximately 29 months later), or the
20 pending motion for preliminary injunction until January 22, 2014 (approximately 31
21 months later), Hanginout's lack of urgency weighs against irreparable harm. Finally,
22 Google contends that Hanginout has failed to offer any evidence that: (1) it has experi-
23 enced a decline in customers/goodwill or that such a decline is likely; (2) that actual
24 consumer confusion has occurred; and/or (3) that any immediate threatened injury exists.

25 Whether the Court considers Google's first-use date as of June 28, 2011 or May
26 2013 is irrelevant. Hanginout still waited anywhere between 29 months (June 2011) to 7
27 months (May 2013) before initiating the instant litigation, and even longer before filing
28 the instant motion for preliminary injunctive relief. Some courts have found a delay

1 shorter than this—7 months—on its own, sufficient to weigh against a finding of
2 irreparable harm. *See, e.g., Edge Games, Inc. v. Elec. Arts, Inc.*, 745 F. Supp. 2d 1101,
3 1117–18 (N.D. Cal. 2010) (“The undisputed fact that plaintiff did not timely act to
4 prevent the “Mirror’s Edge” franchise from inundating the market is *alone* sufficient to
5 deny the instant motion.”) (alteration in original); *Playboy Enters.*, 55 F. Supp. 2d at
6 1090 (C.D. Cal. 1999) (stating the five month delay weighed against a finding of
7 irreparable harm); *Valeo Intellectual Prop.*, 368 F. Supp. 2d at 1128 (stating that three
8 month delay was inconsistent with a finding of irreparable harm). The Court also finds
9 Hanginout’s contention, raised at oral argument, that they did not file sooner because
10 they did not believe Google intended to use the mark without merit.

11 Finally, even if the Court found the delay excusable, which it does not, Hanginout
12 has failed to present any evidence that it has experienced a decline in customers or
13 goodwill that occurred as a result of actual customer confusion. Allegations that the
14 plaintiff has invested resources in developing its brand and that the alleged infringing
15 conduct is denying the plaintiff the benefit of its investment is insufficient. *See Mytee*
16 *Prods., Inc. v. Shop Vac Corp.*, No. 13CV1610 BTM BGS, 2013 WL 5945060, at *6–7
17 (S.D. Cal. Nov. 4, 2013) (“Plaintiff has failed to establish that Defendant is causing
18 irreparable harm that cannot be cured by money damages.”). Accordingly, the Court
19 finds Hanginout has failed to produce “probative, nonspeculative evidence” that it has
20 “lost, or will likely lose, prospective customers or goodwill due to” Goggle’s alleged
21 infringing conduct. *SpiralEdge, Inc. v. SeaWorld Entm’t, Inc.*, No. 13 CV296-
22 WQH-BLM, 2013 WL 3467435, at *4 (S.D. Cal. July 9, 2013); *see also ConocoPhillips*
23 *Co. v. Gonzalez*, No. 5:12-CV-00576-LHK, 2012 WL 538266 (N.D. Cal. Feb. 17, 2012)
24 (stating that if the “Plaintiff could wait eight months since becoming aware of the alleged
25 trademark infringement before filing its ex parte application . . . Plaintiff can wait until
26 Defendant has an opportunity to be heard”).

27 ///

28 ///

3. Balance of Equities and the Public Interest

Finally, the Court finds the remaining two factors—balance of equities and public interest—also weigh in favor of denying Hanginouts’s request for injunctive relief. In the trademark context, courts often define the public interest as the right of the public not to be deceived or confused. *See, e.g., Moroccanoil, Inc. v. Moroccan Gold, LLC*, 590 F. Supp. 2d 1271, 1282 (C.D. Cal. 2008); *Davidoff & Cie, S.A. v. PLD Int’l Corp.*, 263 F.3d 1297, 1304 (11th Cir. 2001) (noting the public interest is served by avoiding confusion in the marketplace); *BellSouth Adver. & Publ’g Corp. v. The Real Color Pages, Inc.*, 792 F. Supp. 775, 785 (M.D. Fla. 1991) (“When a trademark is said to have been infringed, what is actually infringed is the right of the public to be free of confusion and the synonymous right of the trademark owner to control his products’ reputation.”).

Therefore, in light of the findings set forth above, specifically Hanginout’s failure to show market penetration in a specific geographic area and actual consumer confusion, the Court finds the balance of equities and the public interest weigh against granting Hanginout’s motion for immediate injunctive relief. As noted by Google, it has expended substantial time and resources to develop and market the HANGOUTS mark, and requiring Google to re-brand the product on the evidence presented now would be unjust and potentially harm third-party developers as well as the public.

Accordingly, for the reasons stated above, Hanginout’s motion to preliminarily enjoin Google from using the HANGOUTS mark is DENIED.

II. Motion to Dismiss

Similar to the arguments presented above, Google moves to dismiss the First Amended Complaint on the basis that Hanginout has failed to sufficiently allege seniority of use and market penetration in a specific geographic area.²⁷ However, because obtaining preliminary injunctive relief and succeeding on a motion to dismiss require different quanta of proof, the Court does not assume Google’s motion to dismiss

²⁷ Google contends Hanginout’s state law claims fail for the same reasons its federal trademark infringement claims fail.

1 will be granted purely because Hanginout’s motion for preliminary injunctive relief was
2 denied. *See Walker v. Woodford*, 454 F. Supp. 2d 1007, 1024 (S.D. Cal. 2006), *aff’d in*
3 *part*, 393 F. App’x 513 (9th Cir. 2010).

4 **A. Legal Standard**

5 A motion to dismiss pursuant to Rule 12(b)(6) tests the legal sufficiency of the
6 claims asserted in the complaint. Fed. R. Civ. P. 12(b)(6); *Navarro v. Block*, 250 F.3d
7 729, 731 (9th Cir. 2001). When ruling on a motion to dismiss under Rule 12(b)(6), the
8 court must accept all factual allegations pleaded in the complaint as true, and must
9 construe them and draw all reasonable inferences from them in favor of the nonmoving
10 party. *Cahill v. Liberty Mut. Ins. Co.*, 80 F.3d 336, 337–38 (9th Cir. 1996). The court,
11 however, is not bound to accept “legal conclusions” as true. *Ashcroft v. Iqbal*, 556 U.S.
12 662, 664 (2009).

13 To avoid a Rule 12(b)(6) dismissal, a complaint need not contain detailed factual
14 allegations; rather, the complaint must plead “enough facts to state a claim to relief that
15 is plausible on its face.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim
16 has “facial plausibility when the plaintiff pleads factual content that allows the court to
17 draw the reasonable inference that the defendant is liable for the misconduct alleged.”
18 *Iqbal*, 556 U.S. at 678. “The plausibility standard is not akin to a ‘probability require-
19 ment,’ but it asks for more than a sheer possibility that a defendant has acted unlaw-
20 fully.” *Id.* “Where a complaint pleads facts that are ‘merely consistent with’ a defen-
21 dant’s liability, it ‘stops short of the line between possibility and plausibility of entitle-
22 ment to relief.’ ” *Id.* (quoting *Twombly*, 550 U.S. at 557). It is not proper for the court to
23 assume that “the [plaintiff] can prove facts that [he or she] has not alleged or that
24 defendants have violated . . . laws in ways that have not been alleged.” *Associated Gen.*
25 *Contractors of Cal., Inc. v. Cal. State Council of Carpenters*, 459 U.S. 519, 526 (1983).

26 **B. Analysis**

27 To state a claim for trademark infringement under the Lanham Act, a plaintiff
28 must allege that it owns a valid, protectable trademark, and that the defendant is using a

1 mark in commerce that is confusingly similar to the plaintiff's mark. *See* 15 U.S.C. §
2 1125(a); *Herb Reed Enters.*, 736 F.3d at 1247; *Dep't of Parks & Recreation for State of*
3 *Cal. v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1124 (9th Cir. 2006). Although federal
4 registration is not a prerequisite to an infringement claim, in the absence of federal
5 registration, a plaintiff must plead that it is the senior user of the market and has suffi-
6 cient market penetration in the area in which protection is requested. *See, e.g., Adray*, 76
7 F.3d at 989 (“The extent of market penetration depends upon the volume of sales, the
8 positive and negative growth trends, the number of people who purchased the party’s
9 goods in relation to the number of potential customers, and the amount of advertising”);
10 *Glow*, 252 F. Supp. 2d at 983 (“Generally, the senior user of a mark is entitled to assert
11 trademark rights in all areas in which it has legally sufficient market penetration.”);
12 *Optimal Pets*, 877 F. Supp. 2d at 958 (“A party asserting common law rights must not
13 only establish that it is the senior user, it must also show that it has “legally sufficient
14 market penetration” in a certain geographic market to establish those trademark rights”).
15 Google contends Hanginout has failed in both regards.

16 **1. Priority of Use**

17 “It is axiomatic in trademark law that the standard test of ownership is priority of
18 use.” *See Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 *as modified*, 97
19 F.3d 1460 (9th Cir. 1996). “To acquire ownership of a trademark it is not enough to
20 have invented the mark first or even to have registered it first; the party claiming
21 ownership must have been the first to actually use the mark in the sale of goods or
22 services.” *Id.* Courts must examine the totality of the circumstances when determining
23 whether a mark has been adequately used in commerce so as to gain the protection of the
24 Lanham Act. *See Chance*, 242 F.3d at 1159.

25 As discussed above, because Hanginout has alleged that it first used the
26 HANGINOUT mark in commerce as early as March 2010, and had over 200 registered
27 users of the web-based platform as early as May 2011, whereas Google did not begin
28 using the HANGOUTS mark in commerce until June 28, 2011, assuming the Court

1 agreed with Google, the Court finds Hanginout has stated a plausible claim that it is the
 2 senior user of the mark in question. *See, e.g., Allard Enterprises*, 146 F.3d at 358 (“As
 3 long as there is a genuine use of the mark in commerce, however, ownership may be
 4 established even if the first uses are not extensive and do not result in deep market
 5 penetration or widespread recognition.”); *Dep’t of Parks & Recreation*, 448 F.3d at 1126
 6 (“Although mere advertising by itself may not establish priority of use, advertising
 7 combined with other non-sales activity, under our ‘totality of the circumstances test,’ can
 8 constitute prior use in commerce.”) (internal citations omitted); *Autodesk, Inc. v.*
 9 *Dassault Systemes SolidWorks Corp.*, No. C08-04397 WHA, 2008 WL 6742224, at *2
 10 (N.D. Cal. Dec. 18, 2008) (denying motion to dismiss in trademark case where moving
 11 party claimed priority because factual allegations in the complaint were inconsistent with
 12 the plaintiff’s submissions to the USPTO); *Gulfstream Media Grp., Inc. v. PD Strategic*
 13 *Media, Inc.*, No. 12-62056-CIV, 2013 WL 1891281 at *5 (S.D. Fla. May 6, 2013)
 14 (stating the Court must wait to consider the evidence adduced later in the litigation to
 15 determine priority of use and whether that use constituted use in commerce).²⁸

16 2. Market Penetration in a Specific Geographic Area

17 “Sufficient market penetration is determined by ‘examining the trademark user’s
 18 volume of sales and growth, number of persons buying the trademarked product in
 19 relation to the number of potential purchasers, and the amount of advertising’ in a given
 20 market.” *Credit One Corp.*, 661 F. Supp. 2d at 1138 (quoting *Glow*, 661 F. Supp. 2d at
 21 1138); 5 McCarthy on Trademarks and Unfair Competition §26:13 (4th ed.) (“In the
 22 absence of federal registration, both parties have the right to expand into unoccupied
 23 territory and establish exclusive rights by being first in that territory. In effect, it is a race
 24 between the parties to establish customer recognition in unoccupied territory, possibly
 25 subject to the concept of a zone of natural expansion.”).

26
 27
 28 ²⁸ The Court also notes that none of the cases cited by Google with respect to this
 issue concerned a motion to dismiss pursuant to Rule 12(b)(6), in which the Court was
 required to accept the plaintiff’s factual allegations as true.

1 Google asserts Hanginout has failed to sufficiently allege market penetration “in
2 any single geographic location, let alone nationwide.” (Doc. No. 23 at 7.) Google
3 further claims that Hanginout “pleads no specific facts regarding its volume of sales and
4 growth trends, the number of persons buying the trademarked product in relation to the
5 number of potential purchasers, the amount of its advertising prior to June 2011, or
6 where the 200 alleged users were located.” (*Id.*) In opposition, Hanginout contends
7 Google completely ignores the pleading standard and what is required to defeat a motion
8 to dismiss. Therefore, Hanginout asserts that Google’s efforts are premature, and
9 “[w]hile Google may explore the depths of Hanginout’s allegations as litigation and
10 discovery progress,” such an inquiry is not appropriate on a motion to dismiss.

11 The Court agrees. Although Hanginout has failed to present sufficient evidence of
12 its market penetration in a specific geographic area to warrant preliminary injunctive
13 relief at this juncture, on a motion to dismiss, the Court must take the plaintiff’s allega-
14 tions as true, and construe the facts in the light most favorable to the plaintiff. *Cahill*, 80
15 F.3d at 337–38; *Ashcroft*, 556 U.S. at 678 (stating that while a plaintiff need not “plead
16 every detail or prove every fact,” a plaintiff must allege certain facts, which if true,
17 would state a plausible claim for relief). Therefore, because Hanginout has alleged that
18 it “achieved market penetration through the United States and, at a minimum, in Califor-
19 nia,” the Court must take these facts as true and leave for a later date the determination
20 of whether Hanginout will be able to support such facts with the necessary evidence. *See*
21 *Monster Daddy, LLC v. Monster Cable Prods., Inc.*, No. CA 6:10-1170-TMC, 2012 WL
22 2513466, at *2-3 (D.S.C. June 29, 2012) (denying 12(b)(6) motion in trademark case on
23 grounds that it was not appropriate for the court to make factual determinations at that
24 time) (denying 12(b)(6) motion in trademark infringement case on the basis that it was
25 inappropriate for the court to make factual determinations on a motion dismiss);
26 *CYBERsitter, LLC v. Google Inc.*, 905 F. Supp. 2d 1080, 1087 (C.D. Cal. 2012).
27 Accordingly, the Court DENIES Google’s motion to the dismiss the First Amended
28 Complaint.

CONCLUSION

As set forth above, the Court DENIES Hanginout's motion for preliminary injunction, (Doc. No. 12), and DENIES Google's motion to dismiss the First Amended Complaint, (Doc. No. 23). Google must file an answer to the operative complaint no later than thirty (30) days from the date of this order.

IT IS SO ORDERED.

DATED: May 12, 2014



Hon. Anthony J. Battaglia
U.S. District Judge

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

APPENDIX C

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP
Margret M. Caruso (Bar No. 243473)
2 margretcaruso@quinnemanuel.com
Cheryl A. Galvin (Bar No. 252262)
3 cherylgalvin@quinnemanuel.com
555 Twin Dolphin Dr., 5th Floor
4 Redwood Shores, California 94065
Telephone: (650) 801-5000
5 Facsimile: (650) 801-5100
Attorneys for Google Inc.

6
7 UNITED STATES DISTRICT COURT
8 SOUTHERN DISTRICT OF CALIFORNIA
9

10 HANGINOUT, INC., a Delaware
11 corporation,

12 Plaintiff,

13 vs.

14 GOOGLE, INC., a Delaware
15 corporation,

16 Defendants.

CASE NO. 3:13-CV-02811-AJB-NLS

**GOOGLE INC.'S ANSWER AND
AFFIRMATIVE DEFENSES TO
PLAINTIFF HANGINOUT, INC.'S
FIRST AMENDED COMPLAINT
AND DEMAND FOR JURY TRIAL**

1 Defendant Google Inc. (“Google”), through its counsel, answers the First
2 Amended Complaint (“Complaint”) of Plaintiff Hanginout, Inc., (“Hanginout”) as
3 set forth below. Unless specifically admitted, Google denies each of the allegations
4 of Hanginout’s Complaint.

5 **THE PARTIES**

6 1. Google lacks knowledge or information sufficient to form a belief as to
7 the truth or falsity of the allegations in Paragraph 1 and therefore denies those
8 allegations.

9 2. Google admits that it is a corporation organized and existing under the
10 laws of the State of Delaware with its principal place of business located at 1600
11 Amphitheatre Parkway, Mountain View, California 94043.

12 3. Google lacks knowledge or information sufficient to form a belief as to
13 the truth or falsity of the allegations in Paragraph 3 and therefore denies those
14 allegations.

15 **JURISDICTION AND VENUE**

16 4. Google admits that Hanginout is attempting to assert claims under the
17 Lanham Act, 15 U.S.C. §§ 1051, et seq., and that the Court has federal question
18 jurisdiction over such claims. Google admits that the Court has supplemental
19 jurisdiction over the remaining California state law claims.

20 5. Google admits that Hanginout is attempting to assert claims under the
21 Lanham Act, 15 U.S.C. § 1051, et seq., and that the Court has jurisdiction over such
22 claims.

23 6. Google admits that the court has supplemental jurisdiction over
24 Hanginout’s California state law claims.

25 7. Google admits that Google conducts business in California and that it
26 has its principal place of business in California. Google denies the remaining
27 allegations in Paragraph 7.

28

1 17. Google lacks knowledge or information sufficient to form a belief as to
2 the truth or falsity of the allegations in Paragraph 17 and therefore denies those
3 allegations.

4 18. Google lacks knowledge or information sufficient to form a belief as to
5 the truth or falsity of the allegations in Paragraph 18 and therefore denies those
6 allegations.

7 19. Google lacks knowledge or information sufficient to form a belief as to
8 the truth or falsity of the allegations in Paragraph 19 and therefore denies those
9 allegations.

10 20. Google lacks knowledge or information sufficient to form a belief as to
11 the truth or falsity of the allegations in Paragraph 20 and therefore denies those
12 allegations.

13 **Federal Trademark Applications for Hanginout**

14 21. Google lacks knowledge or information sufficient to form a belief as to
15 the truth or falsity of the allegations in Paragraph 21 and therefore denies those
16 allegations.

17 22. Google admits that Exhibit A is a document showing assignment of
18 Serial No. 85674801 to the HANGINOUT word mark application. Google admits
19 that Exhibit B is a document showing assignment of Serial No. 85674799 to the
20 HANGINOUT design mark application. Google lacks knowledge or information
21 sufficient to form a belief as to the truth or falsity of the remaining allegations in
22 Paragraph 22 and therefore denies those allegations.

23 23. Google admits that the quoted language appears on Exhibit A. Google
24 lacks knowledge or information sufficient to form a belief as to the truth or falsity of
25 the remaining allegations in Paragraph 23 and therefore denies those allegations.

26 24. Google admits and avers that the HANGINOUT application has been
27 published for opposition by the USPTO. Google denies the remaining allegations of
28 the first sentence of Paragraph 24. Google lacks knowledge or information

1 sufficient to form a belief as to the rest of the allegations in Paragraph 24 and
2 therefore denies those allegations.

3 **Google Launches Google Hangouts**

4 25. Google admits that on June 28, 2011, Google's official blog contained
5 an announcement for the Google+ project, including an announcement of Google's
6 new messaging platform, "Hangouts," and a "Field Test" of Google+. Google
7 denies the remaining allegations in Paragraph 25.

8 26. Google denies that Google officially launched its "Hangouts"
9 messaging platform on May 15, 2013, and denies that it first used the HANGOUTS
10 mark on May 15, 2013. Google avers that it officially launched the "Hangouts"
11 platform on June 28, 2011 and that its first public use date of the HANGOUTS mark
12 is June 28, 2011.

13 27. Google lacks knowledge or information sufficient to form a belief as to
14 the truth or falsity of the number of viewers and downloads of the HANGINOUT
15 app and therefore denies those allegations. Google denies the remaining allegations
16 in Paragraph 27.

17 28. Google admits that Hangouts is a video-conferencing and instant
18 messaging service that enables both one-on-one and group chats. Google admits the
19 allegations of the second sentence of Paragraph 28, but denies the implication that
20 those are the only means of accessing Hangouts. Google denies the remaining
21 allegations in Paragraph 28.

22 29. Google admits that on April 26, 2013 it filed an application to register
23 the mark HANGOUTS, which was assigned Serial No. 85916316.

24 30. Google admits that the word HANGINOUT has some similarity in
25 appearance, sound, and meaning to the word HANGOUTS. Google denies that the
26 two marks are nearly identical and denies the implication that the parties' marks
27 appear the same in the marketplace.

28

1 31. Google admits that the quoted words in Paragraph 31 can be found on
2 Google's trademark application for HANGOUTS. Google denies the remaining
3 allegations in Paragraph 31.

4 32. Google admits that its Hangouts app is available at the iTunes store.
5 Google lacks knowledge or information sufficient to form a belief as to the truth or
6 falsity of the remaining allegations in the first sentence of Paragraph 32 and
7 therefore denies those allegations. Google denies the remaining allegations in
8 Paragraph 32.

9 33. Google admits that on July 30, 2013, the U.S. Patent and Trademark
10 Office sent an office action to Google giving notice that it was suspending Google's
11 HANGOUTS application because of the HANGINOUT applications. Google
12 admits that a copy of the office action is attached as EXHIBIT C.

13 34. Google admits that the office action stated that if the HANGINOUT
14 marks register, HANGOUTS may be refused registration because of a possible
15 likelihood of confusion between the marks. Google denies the remaining allegations
16 of Paragraph 34.

17 35. Google admits and avers that on or around September 12, 2013 it
18 introduced the Live Q&A app for its Hangouts On Air product. Google denies the
19 remaining allegations of Paragraph 35.

20 36. Google admits that it markets its Hangouts products. Google denies the
21 remaining allegations of Paragraph 36.

22 37. Google admits and avers that it has described the product capabilities of
23 Hangouts to include:

24 a. "Bring your conversations to life with photos, emoji, and even
25 group video calls for free."

26 b. "Turn any Hangout into a live video call with up to 10 friends or
27 simply search for a contact to start a voice call from your
28 computer."

1 c. “Hangouts works on computers, Android and Apple devices, so
2 you can connect with everyone, and no one gets left out.”

3 Google denies the remaining allegations of Paragraph 37.

4 **FIRST CAUSE OF ACTION**
5 **TRADEMARK INFRINGEMENT**
6 **(15 U.S.C. § 1125 *et seq.*)**

7 38. Google incorporates by reference its responses in each and every
8 paragraph of this Answer with the same force and effect as if fully set forth herein.

9 39. Google lacks knowledge or information sufficient to form a belief as to
10 the truth or falsity of the allegations in Paragraph 39, and therefore denies those
11 allegations.

12 40. Google lacks knowledge or information sufficient to form a belief as to
13 the truth or falsity of the allegations in Paragraph 40, and therefore denies those
14 allegations.

15 41. Google lacks knowledge or information sufficient to form a belief as to
16 the truth or falsity of the allegations in the first sentence of Paragraph 41, and
17 therefore denies those allegations. Google denies that its HANGOUTS mark was
18 ever infringing and denies that HANGINOUT had market penetration before Google
19 first used HANGOUTS.

20 42. Google admits that the word HANGOUTS has some similarity in
21 appearance, sound, and meaning to the word HANGINOUT. Google admits that
22 HANGOUTS and HANGINOUT have the same order of “hang” and “out.” Google
23 denies the remaining allegations of Paragraph 42 and denies the implication that the
24 parties’ marks appear the same in the marketplace.

25 43. Google denies the allegations in Paragraph 43.

26 44. Google denies the allegations in Paragraph 44.

27 45. Google denies the allegations in Paragraph 45.

28 46. Google denies the allegations in Paragraph 46.

1 47. Google denies the allegations in Paragraph 47.

2 48. Google denies the allegations in Paragraph 48.

3 49. Google denies the allegations in Paragraph 49.

4 50. Google denies the allegations in Paragraph 50.

5 **SECOND CAUSE OF ACTION**

6 **FEDERAL UNFAIR COMPETITION**

7 **(15 U.S.C. § 1125 *et seq.*)**

8 51. Google incorporates by reference its responses in each and every
9 paragraph of this Answer with the same force and effect as if fully set forth herein.

10 52. Google denies the allegations in Paragraph 52.

11 53. Google denies the allegations in Paragraph 53.

12 54. Google denies the allegations in Paragraph 54.

13 **THIRD CAUSE OF ACTION**

14 **STATUTORY (Cal. B&P 17200 *et seq.*) AND COMMON LAW UNFAIR
15 COMPETITION**

16 55. Google incorporates by reference its responses in each and every
17 paragraph of this Answer with the same force and effect as if fully set forth herein.

18 56. Google denies the allegations in Paragraph 56.

19 57. Google denies the allegations in Paragraph 57.

20 58. Google denies the allegations in Paragraph 58.

21 59. Google denies the allegations in Paragraph 59.

22 60. Google denies the allegations in Paragraph 60.

23 **PRAYER FOR RELIEF**

24 Google denies that Hanginout is entitled to any relief from Google.

25 **FURTHER ANSWER AND AFFIRMATIVE DEFENSES**

26 By way of further Answer and affirmative defenses, Google denies that it is
27 liable to Plaintiff on any of the claims alleged and denies that Plaintiff is entitled to
28

1 damages, treble or punitive damages, equitable relief, attorney's fees, costs, pre-
2 judgment interest or to any relief whatsoever from Google, and states as follows:

3 **FIRST AFFIRMATIVE DEFENSE**

4 **(FAILURE TO STATE A CLAIM)**

5 61. The Complaint, on one or more counts set forth therein, fails to state a
6 claim upon which relief can be granted.

7 **SECOND AFFIRMATIVE DEFENSE**

8 **(LACK OF OWNERSHIP OF VALID TRADEMARK RIGHTS)**

9 62. Plaintiff's claims fail because Plaintiff does not own valid rights in the
10 alleged trademarks.

11 **THIRD AFFIRMATIVE DEFENSE**

12 **(LACK OF SENIOR TRADEMARK RIGHTS)**

13 63. Plaintiff's claims fail because Plaintiff does not have trademark rights
14 in HANGINOUT that are senior to Google's trademark rights in HANGOUTS.

15 **FOURTH AFFIRMATIVE DEFENSE**

16 **(NON-INFRINGEMENT)**

17 Google has not infringed any applicable trademarks under federal or state law.

18 **FIFTH AFFIRMATIVE DEFENSE**

19 **(INNOCENT INFRINGEMENT)**

20 64. The claims made in the Complaint are barred, in whole or in part,
21 because any infringement, if any, was innocent.

22 **SIXTH AFFIRMATIVE DEFENSE**

23 **(NO WILLFUL CONDUCT)**

24 65. Plaintiff's claims for enhanced damages and an award of fees and costs
25 against Google have no basis in fact or law and should be denied.

26

27

28

1 **SEVENTH AFFIRMATIVE DEFENSE**

2 **(NO DAMAGE)**

3 66. Without admitting that the Complaint states a claim, there has been no
4 damage in any amount, manner or at all by reason of any act alleged against Google
5 in the Complaint, and the relief prayed for in the Complaint therefore cannot be
6 granted.

7 **EIGHTH AFFIRMATIVE DEFENSE**

8 **(LACK OF IRREPARABLE HARM)**

9 67. Plaintiff's claims for injunctive relief are barred because Plaintiff
10 cannot show that it will suffer any irreparable harm from Google's actions.

11 **NINTH AFFIRMATIVE DEFENSE**

12 **(ADEQUACY OF REMEDY AT LAW)**

13 68. The alleged injury or damages suffered by Plaintiff, if any, would be
14 adequately compensated by damages. Accordingly, Plaintiff has a complete and
15 adequate remedy at law and is not entitled to seek equitable relief.

16 **TENTH AFFIRMATIVE DEFENSE**

17 **(FAILURE TO MITIGATE)**

18 69. The claims made in the Complaint are barred, in whole or in part,
19 because of a failure to mitigate damages, if such damages exist.

20 **ELEVENTH AFFIRMATIVE DEFENSE**

21 **(DUPLICATIVE CLAIMS)**

22 70. Without admitting that the Complaint states a claim, any remedies are
23 limited to the extent that there is sought an overlapping or duplicative recovery
24 pursuant to the various claims for any alleged single wrong.

25 **TWELFTH AFFIRMATIVE DEFENSE**

26 **(WAIVER, ACQUIESCENCE, ESTOPPEL)**

27 71. Each of the purported claims set forth in this Complaint is barred by the
28 doctrines of waiver, acquiescence, and estoppel.

1 **THIRTEENTH AFFIRMATIVE DEFENSE**

2 **(LACHES)**

3 72. Plaintiff's claims are barred in whole or in part by laches, in that
4 Plaintiff has unreasonably delayed to enforce its rights, if any, despite its full
5 awareness of Google's actions.

6 **FOURTEENTH AFFIRMATIVE DEFENSE**

7 **(UNCLEAN HANDS)**

8 73. Plaintiff's claims are barred in whole or in part by the doctrine of
9 unclean hands.

10 **ADDITIONAL DEFENSES**

11 74. Google reserves the right to assert additional defenses.

12 **JURY DEMAND**

13 A jury trial is demanded on all issues so triable.

14 WHEREFORE, Google prays for judgment as follows:

- 15 1. That Hanginout takes nothing by way of its Complaint;
16 2. That the Complaint, and each and every purported claim for relief
17 therein, be dismissed with prejudice;
18 3. That Google be awarded its costs of suit incurred herein, including
19 attorneys' fees and expenses; and
20 4. For such other and further relief as the Court deems just and proper.

21
22 DATED: June 25, 2014

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

23
24
25 By */s/ Margret M. Caruso*

26 Margret M. Caruso

27 Attorneys for Google Inc.