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Filing date: **04/24/2014**

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

Proceeding	92058222
Party	Defendant Oculus Info Inc.
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Submission	Motion to Suspend for Civil Action
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Date	04/24/2014
Attachments	Motion to Suspend.pdf(58787 bytes ) Complaint-FILED 4.21.14.pdf(800225 bytes ) Memorandum ISO Motion for Preliminary Injunction-FILED 4 21 14.pdf(3427389 bytes ) OculusVR v. Oculus- Info._Complaint_U.S.Dist._C.D.Cal._DktNo.14-cv-00640.pdf(31048 bytes )

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

Oculus VR, Inc.	)	
	)	
Petitioner,	)	Registration No.: 3,960,289
	)	Mark: OCULUS INFO INC.
v.	)	
	)	Cancellation No.: 92058222
Oculus Info. Inc.	)	
	)	
Registrant.	)	
	)	
	)	
	)	
	)	

**MOTION TO SUSPEND IN VIEW OF PENDING CIVIL ACTION**

Registrant, Oculus Info. Inc. (“Registrant” or “Oculus”), a corporation of Canada with its principal office at 2 Berkeley Street, Suite 600, Toronto, Ontario, Canada M5A 4J5, by and through its attorneys, Honigman Miller Schwartz and Cohn, LLP, hereby moves for suspension of these cancellation proceedings pursuant to Trademark Trial and Appeal Board Rule 510.02(a) and Trademark Rule 2.117(a), 37 C.F.R. § 2.117(a).

Despite the fact that Oculus has been in business for over a decade under the name and mark OCULUS INFO INC., Petitioner took the aggressive tactic of filing this Cancellation Action. The cancellation action filed by Oculus VR, Inc. (“Petitioner”) alleges that Registrant is not using its registered mark OCULUS INFO INC., that the mark has been abandoned, and that in the alternative, the Registrant’s mark should be restricted under §18. These actions are clearly aimed at clearing the path to registration for Petitioner’s own pending Application, No. 85/392,272, which, as stated in Petitioner’s Cancellation Action, is under refusal based on Oculus’ registration. In light of Oculus’ prior rights in the OCULUS INFO INC. trademark and other OCULUS-formative marks, and in light of significant and damaging additional

encroachment and confusion arising as a result of Facebook's announcement that it was acquiring Petitioner and expanding its use, Oculus felt that this was a highly time-sensitive matter that should not be decided in the TTAB, but rather a federal court. Oculus therefore filed a Verified Complaint and Motion for Preliminary Injunction in the United States District Court for the Eastern District of Virginia (Oculus Info Inc. and Oculus Federal Corp. vs. Oculus VR, Inc., Civ. Action No. 1:14-cv-436) on April 21, 2014 (the "Civil Action"). Oculus submits herewith a copy of the Verified Complaint and Motion for Preliminary Injunction, asserting Trademark Infringement, Unfair Competition and other causes of action against Petitioner.

In the Civil Action, Oculus presents significant evidence of its use of the OCULUS INFO INC. mark, and asks the Court to find that Petitioner has infringed its registered and common law trademarks, including OCULUS INFO INC. Oculus requests that the Court direct Petitioner to expressly abandon its pending trademark application No. 85/839,272, the application that has caused Petitioner to pursue this Cancellation Action. The Civil Action accordingly involves issues which are involved in this proceeding, namely, whether Petitioner has infringed the registered mark OCULUS INFO INC., which necessarily involves an inquiry as to whether that mark has been sufficiently used to avoid abandonment (which it has). The determination of these issues by the District Court will likely be dispositive of the issues involved in this proceeding. And the parties to the Civil Action (with the exception of the addition of Oculus' U.S. subsidiary, Oculus Federal Corp.) are the same.

Clearly, Petitioner also believes this case is better suited for the district courts, because on April 23, 2014, Petitioner filed a Declaratory Judgment action for non-infringement in the United States District Court for the Central District of California (Oculus VR, Inc. vs. Oculus Info Inc.; Civil Action No. 14-cv-00640) (copy of Complaint attached herewith).

Oculus therefore respectfully requests suspension of these proceedings pending the outcome of the Civil Action pursuant to Trademark Rule 2.117(a), 37 C.F.R. § 2.117(a); *Whopper-Burger, Inc. v. Burger King Corp.*, 171 U.S.P.Q. 805, 807 (TTAB 1971) (suspending cancellation pending the outcome of civil litigation between the parties because “the outcome of the civil action will have a direct bearing on the question of the rights of the parties herein and may in fact completely resolve all the issues.”).

Respectfully submitted,

Oculus Info. Inc.



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Dated: April 24, 2014

**CERTIFICATE OF FILING**

The undersigned affirms that the foregoing MOTION TO SUSPEND IN VIEW OF PENDING CIVIL ACTION was filed with the Trademark Trial and Appeal Board via the ESTTA electronic filing system on the date below.

Dated: April 24, 2014

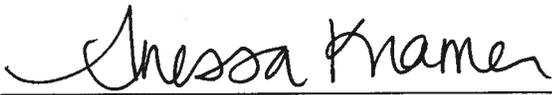
  
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Anessa Owen Kramer, Esq.

**CERTIFICATE OF SERVICE**

The undersigned affirms that the foregoing MOTION TO SUSPEND IN VIEW OF PENDING CIVIL ACTION was served by e-mail, pursuant to an agreement between the parties, upon the following:

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uspto@socalip.com, jpearce@socalip.com and alamonaco@socalip.com

Dated: April 24, 2014

  
\_\_\_\_\_  
Anessa Owen Kramer, Esq.

FILED

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

2014 APR 21 P 3:45

CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA

OCULUS INFO INC. )  
 )  
and )  
 )  
OCULUS FEDERAL CORP. )  
 )  
 )  
Plaintiffs, )  
 )  
v. )  
 )  
OCULUS VR, INC. )  
 )  
 )  
Defendant. )  
 )  
\_\_\_\_\_ )

Case No.

1:14cv436-AST-TBT

**VERIFIED COMPLAINT<sup>1</sup>**

Plaintiffs Oculus Info Inc. and Oculus Federal Corp. (“Oculus”), by its attorneys Honigman Miller Schwartz and Cohn LLP and Caulkins & Bruce, P.C., for their Complaint against Defendant Oculus VR, Inc. (“OVR”), says:

**THE PARTIES**

1. Plaintiff Oculus Info Inc. is a Canadian corporation with its principal place of business located at 2 Berkeley Street, Suite 600, Toronto, ON M5A 4J5, and is the owner of the trademark rights involved in this action.

2. Plaintiff Oculus Federal Corp. is a Delaware corporation with its principal place of business located at 1655 North Fort Myer Drive, Suite 700, Arlington, VA 22209. Oculus Federal Corp. is a wholly owned subsidiary of Oculus Info Inc.

3. Defendant Oculus VR, Inc. is a Delaware corporation with its principal place of business located at 19800 MacArthur Blvd., Suite 200, Irvine, CA 92612.

<sup>1</sup> The factual allegations in support of the merits of the claims alleged in this Complaint are verified by the Declaration of Warren Shultz, filed contemporaneously herewith.

## JURISDICTION AND VENUE

4. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. §1121 and 28 U.S.C. §§1331, 1332 and 1338. The amount in controversy exceeds the sum or value of seventy-five thousand dollars (\$75,000), exclusive of interest and costs. Jurisdiction over the state law claims is also appropriate under 15 U.S.C. §1367(a) and principles of pendent jurisdiction.

5. This Court has personal jurisdiction over OVR. OVR has purposefully availed itself of the privilege of acting in this judicial district by, among other things:

(a) Advertising and promoting the sale of its software and services under OCULUS-formative marks via the internet website available at <http://www.oculusvr.com> (“OVR’s Website”), which is available to internet users throughout the country, including those in this district. Specifically, and without limitation, OVR makes its software developer kits available for download and its “Oculus Rift” headsets available for delivery in this district.

(b) Operating multiple message boards and other digital forums on the OVR Website in which OVR representatives and developers interact, discuss OVR products, and dialogue about issues related to creating software intended to increase the commercial viability of OVR’s products. A search of the OVR Website in April 2014 using the Google search engine for references to “Virginia” returned approximately 510 results. Most of these are posts by software developers located in Virginia, many of which were directly responded to by OVR representatives.

(c) Conducting demonstrations of its products through Tel, a not-for-profit venture capital firm in Arlington, Virginia.

(d) Filing a Petition to Cancel Oculus' Federal trademark registration in the Trademark Trial and Appeal Board, which is located in this district.

(e) Choosing and making commercial use of trademarks that OVR knew, or should have known, injured and infringed upon the rights owned by Oculus, which bases its United States physical presence in this district and incurred such injuries here. For example, in the current fiscal year, Oculus expects to derive approximately 30% of its income from Virginia-based clients.

6. Venue in this district is proper pursuant to 28 U.S.C. §§ 1391(b). Oculus is located in this district. OVR is subject to personal jurisdiction here, and a substantial portion of the activity giving rise to the claims in this Complaint occurred here.

### **RELEVANT BACKGROUND**

#### **Oculus' Development of its OCULUS and OCULUS-Formative Marks and Related Goodwill**

7. Oculus was founded in 2001 and has been serving clients in the United States, Canada, Australia, and Europe ever since. In 2008, it opened an office in Arlington, Virginia under the name of its wholly-owned subsidiary, Oculus Federal Corp. Oculus has a number of clients within the U.S. Federal Government.

8. Oculus is a software services consulting group which does analysis, design and development of innovative business information visualization and visual analytics solutions. It is highly regarded for performance, quality and leadership by its customers and within the visual analytics and information visualization community. Oculus designs, builds and deploys unique, easy-to-use, advanced visualization solutions that provide competitive advantage for clients in a variety of industries. Many of its user communities number in the thousands. At least one includes hundreds of thousands of users. A list of Oculus' achievement awards (bestowed

between 2004 and 2013 by such groups as DARPA, IEEE VAST (Visual Analytics Science and Technology),, Microsoft and others) can be found at <oculusinfo.com/awards/>. A list of Oculus' peer reviewed scientific and technical papers can be found at <oculusinfo.com/publications/>.

9. In recognition of the goodwill and reputation Oculus has developed in the marketplace, the United States Patent and Trademark Office has granted Oculus Info Inc:

(a) U.S. Trademark Registration No. 3,960,289 for the mark OCULUS INFO INC., in connection with "*Computer software for use by commercial analysts and government intelligence analysts for data visualization applications*" in International Class 9, and in connection with "*Design and development of computer software; computer software consulting services*" in International Class 42.<sup>2</sup> In both classes, the registration lists a first use in commerce date of October 2001, and claims priority under Trademark Act §44(d) on a materially identical Canadian registration filed on January 25, 2008. The registration further disclaims any independent rights in the words "INFO INC." standing alone, making clear that OCULUS is the dominant feature of this mark.

(b) U.S. Trademark Registration No. 3,548,601 for the mark OCULUS NSPACE, in connection with "*Computer software program for use by commercial and government intelligence analysts for data visualization and analysis of information content in large number of documents and other text-based items, namely, documents stored as text, HTML or as generated by standard commercial word processing and document publishing software.*" This registration lists a first use date of May 2004, and claims priority under Trademark Act §44(d) on

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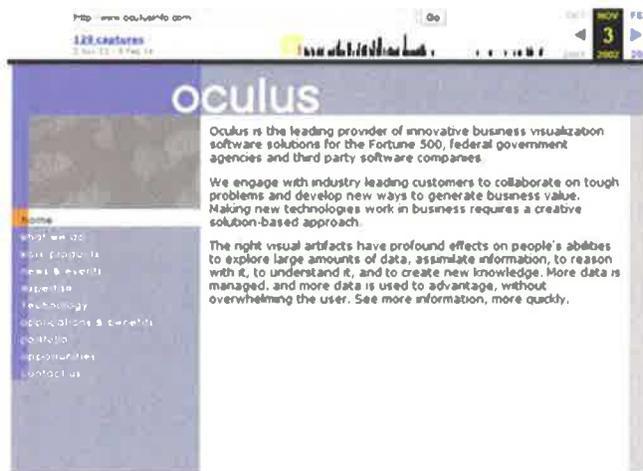
<sup>2</sup> Both descriptions expressly exclude from the claimed goods and services "*computer hardware and software used in the field of computer information security and privacy for keeping information displayed on computer monitors visually secure and private.*"

a materially identical Canadian registration filed on August 11, 2005. This registration has been granted incontestable status by the U.S. Patent and Trademark Office.

10. In addition to these registered trademarks, Oculus has consistently referred to itself simply as “Oculus” in commercial marketing materials, including on its website, which has been consistently available at <oculusinfo.com> (the “Oculus Website”) since 2001. For that entire time has prominently displayed, *inter alia*, slight variations of the following stylized mark:



(the “OCULUS Design Mark”), as seen in these screen captures from November 2002 (left) and August 2012 (right):



11. Oculus also uses in commerce a number of other OCULUS-formative marks in connection with its goods and services. Oculus refers to its commercial software products for business visualization application development and deployment on the third-party .NET, Java, WPF, Ajax and Excel platforms as OCULUS FOR .NET, OCULUS FOR JAVA (O4J®), OCULUS FOR WPF™, OCULUS FOR AJAX™ and OCULUS EXCEL VISUALIZER™ respectively.

12. In sum, Oculus has developed an extensive family of registered and common law marks having OCULUS as its central element. All of these marks are used with respect to commercial software, visual analytics and data information visualization. Oculus will refer to its family of registered and common law OCULUS-formative marks as the “Oculus Marks.”

**Oculus VR and Its Progressive Infringement of the Oculus Marks**

13. OVR was founded in 2012 as a self-described “small team working out of our apartments and garages in California.” It attracted its initial capital through a September 2012 campaign on the crowdfunding website Kickstarter. This helped fund development of its first product, the “Oculus Rift,” a virtual reality headset originally designed for gaming.

14. Throughout the remainder of 2012 and 2013, OVR remained a small company that did not garner much public attention outside of niche tech media outlets. To this day, OVR has yet to offer a consumer product, although it continues to take pre-orders for its Oculus Rift headsets and to make available headsets and related software development kits (SDKs) to software developers around the country.

15. On February 1, 2013, OVR filed an application with the USPTO to register the mark OCULUS VR in connection with “*Virtual reality headsets and helmets adapted for use in playing video games*” in Class 28, claiming a first use date of November 12, 2012. On October 29, 2013, OVR received U.S. Trademark Reg. No. 4,424,543 for this mark.

16. On February 2, 2013, OVR filed U.S. Trademark Application No. 85/839,272 with the USPTO to register the mark OCULUS VR in connection with “*Design and development of computer game hardware and software and virtual reality hardware and software*” in Class 42, also claiming a first use date of November 12, 2012. In both applications, OVR disclaimed

any independent rights in the word “VR” standing alone, making clear that OCULUS is the dominant feature of this mark.

17. This time, however, the USPTO’s Examining Attorney refused OVR’s application. In a May 15, 2013 Office Action, the USPTO found “a likelihood of confusion with the mark in U.S. Registration No. 3960289”—*i.e.*, Oculus’s registration for the mark OCULUS INFO INC. The Examining Attorney concluded that the marks are confusingly similar in both appearance and in the nature of the related services.

18. As the Office Action explains, the marks OCULUS INFO INC. and OCULUS VR are materially identical for trademark purposes, because the terms “INFO INC.” and “VR” are merely descriptors to which the parties specifically disclaimed any independent trademark rights. That leaves only “OCULUS” as the dominant feature of each mark:

Trademark Act Section 2(d) bars registration of an applied-for mark that so resembles a registered mark that it is likely that a potential consumer would be confused or mistaken or deceived as to the source of the goods and/or services of the applicant and registrant.. ...

In a likelihood of confusion determination, the marks are compared for similarities in their appearance, sound, meaning or connotation and commercial impression. ... The question is not whether people will confuse the marks, but whether the marks will confuse people into believing that the goods and/or services they identify come from the same source.

Here, applicant’s mark is “OCULUS VR” in standard characters. Registrant’s mark is “OCULUS INFO INC.” in standard characters with a disclaimer of “INFO INC.”. The marks are highly similar in that they share the term “OCULUS” as the first term in each mark. ... Moreover, the marks are highly similar because the remainders of each mark are composed of descriptive and/or disclaimed matter. ...

Consumers are generally more inclined to focus on the first word, prefix or syllable in any trademark or service mark. Disclaimed matter is typically less significant or less dominant when comparing marks. Descriptive or generic matter is also typically less significant or less dominant in relation to other wording in a mark.

In the present case, registrant's mark includes a disclaimer of "INFO INC.", and the attached evidence, discussed below in the disclaimer requirement section, shows that "VR" in applicant's mark is descriptive of the services. As such, the only non-disclaimed, non-descriptive portion of both marks is the identical "OCULUS".

Thus, a comparison of the marks shows that they are similar.

(Case law citations omitted, emphasis added).

19. Likewise, the nature of the services with which the parties use their marks is also highly similar. The mark for which OVR received a registration was strictly limited to hardware "for use in playing video games." By contrast, OVR's refused application seeks to register the mark in connection with the design and development of software, which is the core of Oculus' business and of the services described in its registrations. Moreover, both parties perform the very specialized service of rendering digital data so that it can be perceived in three dimensions, bringing that data "to life," as it were, and allowing it to be experienced in new ways. The fact that OVR is primarily focused on displaying its three-dimensional images within a head-mounted display, while Oculus typically (but not always) displays its three-dimensional images on a computer screen, is inconsequential hair-splitting for trademark purposes. The Examining Attorney explained:

#### Comparing the Services

The goods and/or services of the parties need not be identical or directly competitive to find a likelihood of confusion. Rather, they need only be related in some manner, or the conditions surrounding their marketing are such that they would be encountered by the same purchasers under circumstances that would give rise to the mistaken belief that the goods and/or services come from a common source....

Both parties are providing computer software design. Thus, applicant's services are highly related to registrant's services.

In sum, for the reasons stated above, registration is refused because of a likelihood of confusion with the registered mark.

(Case law citations omitted, emphasis added).

20. As is standard procedure, the Office Action offered OVR the opportunity to submit evidence in rebuttal of this conclusion within six months following the Office Action. In the interim, however, OVR's application remained refused.

21. Precisely six months later—on November 13, 2013—OVR responded to the Office Action. Rather than offering any evidence in contradiction of the refusal, however, OVR asked the USPTO to hold its application in suspension while OVR pursued an administrative action within the Trademark Trial and Appeal Board (TTAB) to cancel Oculus's registration. OVR filed its Petition to Cancel on the same day. The Cancellation Proceeding was assigned No. 92058222 and remains pending before the TTAB. The Cancellation Proceeding is baseless, alleging that Oculus "abandoned" the mark that has been its primary commercial identifier for at least 13 years.

22. Meanwhile, completely failing to heed the legal conclusions articulated by the USPTO, OVR continued to use the word "Oculus," standing alone, and various permutations of the word "Oculus" (including without limitation "Oculus VR," Oculus Rift," "Oculus Rift Development Kit," "Oculus Share," and the Twitter handle "@Oculus") to describe itself, its products and its services. Oculus will refer to these collectively as the "Infringing Marks."

23. On March 19, 2014, OVR released the second version of its Oculus Rift SDK.

24. Then, on March 25, 2014, Facebook announced its agreement to purchase OVR for \$2 billion. This was the first time that the majority of Americans had ever heard of OVR. Moreover, both OVR and Facebook immediately used the opportunity to publicly discuss the many potential applications of its "Oculus" VR technology beyond the video game applications described by its trademark registration. Facebook CEO Mark Zuckerberg extolled "Oculus" and

the “Oculus Rift” to his shareholders as a boon for social media and augmented reality, calling it “the next big computing platform” and “the most social platform ever.” Media coverage described Zuckerberg as “adamant that gaming is just a ‘start.’” OVR’s CEO Brendan Iribe has since been quoted as saying “that there were many other fields that could benefit from Oculus and other virtual reality systems. He said he hoped that Oculus could eventually be used in the medical, architectural, communication and even travel industries.”

25. In light of the high degree of similarity between the parties’ marks that the USPTO identified, but also the persistent use by both OVR and the media of the word “Oculus,” standing alone, to refer to OVR, there is an enormous and irreparable likelihood of confusion between the parties’ marks.

26. On April 10, 2014, OVR served its first (timely) set of discovery requests on Oculus in the Cancellation Proceeding—an indication that it remains unwilling to resolve the matter amicably. Oculus reached the conclusion that it has no reasonable alternative but to enforce its superior trademark rights through litigation.

### **Injury to Oculus**

27. The confusion caused by OVR’s Infringing Marks became immediately apparent and undeniable following the announcement of the Facebook acquisition. For example, several of Oculus’ long-time clients contacted Oculus asking whether it had been acquired by Facebook, demonstrating their actual confusion and the immediate injury to Oculus’ goodwill.

28. Moreover, Facebook has its share of detractors, some of whom are quite vocal. Several of OVR’s early supporters have been quoted as being offended and displeased by the acquisition. For example, Markus “Notch” Persson, whose game *Minecraft* is a huge commercial success and who supports VR, wrote, “I definitely want to be a part of VR, but I will not work

with Facebook. Their motives are too unclear and shifting, and they haven't historically been a stable platform. There's nothing about their history that makes me trust them, and that makes them seem creepy to me. *And I did not chip in ten grand to seed a first investment round to build value for a Facebook acquisition.*" (emphasis Persson's). Oculus will never be able to fully know how many of its current, prior and potential clients were dissuaded from using Oculus' services because of their distaste for Facebook.

29. The customer confusion Oculus is experiencing is just the beginning. It can be expected to grow exponentially as OVR expands through the acquisition by Facebook and its broad software aspirations. Oculus' market is very important and vital for Oculus, and that market is being flooded by OVR's ubiquitous publicity.

30. Without an injunction, Oculus may no longer be able to distinguish itself in the marketplace. OVR continues to subsume Oculus' goodwill in virtually every field in which Oculus operates, identifying itself as the visualization software provider named "Oculus" to more or less the entire world. This is likely to have the practical effect of preventing Oculus from ever being distinguished by its Oculus Marks in its chosen industry—the industry in which it has spent 13 years building its good name and reputation.

31. OVR's registration, attempted registration, and use of OVR's Infringing Marks have irreparably injured and, if permitted to continue, will irreparably injure Oculus, Oculus' reputation and the goodwill associated with its Oculus Marks, as well as the public's interest in being free from confusion between service providers.

32. As the USPTO has already determined, OVR's registration and use of OVR's Infringing Marks are likely to cause confusion, mistake, or deception as to the source or origin of Oculus' and OVR's respective services, and are likely to falsely suggest a sponsorship,

connection, license, or association between Oculus and OVR or their respective goods and services, thereby injuring Oculus and the public.

33. Oculus has no adequate remedy at law.

**FIRST CLAIM FOR RELIEF**  
**Violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114**

34. Oculus incorporates herein by reference each of the foregoing paragraphs.

35. OVR's Infringing Marks are a reproduction, copy, or colorable imitation of Oculus' registered OCULUS INFO INC. and OCULUS NSPACE marks.

36. OVR uses the Infringing Marks in connection with the sale, offering for sale, distribution, or advertising of goods or services, including without limitation with the Oculus Rift headset, various SDK releases, and software development consulting services.

37. There is a high degree of similarity between the Oculus Marks and the Infringing Marks.

38. There is a high degree of similarity between the goods and services Oculus offers in connection with the Oculus Marks and the goods and services that OVR offers in connection with the Infringing Marks.

39. OVR's use in commerce of the Infringing Marks is likely to cause confusion, or to cause mistake, or to deceive.

40. The actions, conduct, and practices of OVR described above have at all times relevant to this action been willful, in bad faith and/or knowing.

41. As a direct and proximate result of the actions, conduct, and practices of OVR alleged above, Oculus has been damaged and will continue to be damaged.

**SECOND CLAIM FOR RELIEF**  
**Violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)**

42. Oculus incorporates herein by reference each of the foregoing paragraphs.

43. OVR's registration and use of the Infringing Marks is likely to cause confusion, mistake, or deception as to the origin, sponsorship, or approval of OVR's services and commercial activities, and thus constitute trademark infringement, false designation of origin, passing off, and unfair competition with respect to the Oculus Marks in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1).

44. By registering and using the Infringing Marks, OVR has made false and misleading representations of fact to internet users visiting OVR's Website and social media accounts, misrepresenting the nature of OVR's goods and services, in violation of Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B).

45. The actions, conduct, and practices of OVR described above have at all times relevant to this action been willful, in bad faith and/or knowing.

46. As a direct and proximate result of the actions, conduct, and practices of OVR alleged above, Oculus has been damaged and will continue to be damaged.

**THIRD CLAIM FOR RELIEF**  
**Trademark Infringement, Unfair Competition,**  
**and Misappropriation Under State Law**

47. Oculus incorporates herein by reference each of the foregoing paragraphs.

48. OVR's registration and use of the Infringing Marks constitute trademark infringement, unfair competition, and misappropriation of Oculus' goodwill under relevant statutory and/or common law of all jurisdictions whose law is found to apply, including but not limited to Va. Code Ann. §59.1-92.12, by reason of which Oculus has suffered, and will continue to suffer, irreparable injury.

49. The actions, conduct, and practices of OVR described above have at all times relevant to this action been willful, in bad faith and/or knowing.

**PRAYER FOR RELIEF**

WHEREFORE, Oculus prays that this Court enter judgment in its favor on each of the foregoing claims and award it relief including, but not limited to, the following:

A. An injunction preliminarily and permanently enjoining OVR and its employees, agents, officers, directors, shareholders, subsidiaries, parent companies, related companies, affiliates, distributors, dealers, and all persons in active concert or participation with any of them:

1. From using OVR's Infringing Marks, any variation of these marks and names, and any other marks or names that are likely to cause confusion with the Oculus Marks, including but not limited to use as domain names, trademarks, business names, metatags, account names, or other identifiers or as part of websites, domain names, trademarks, business names, metatags, or other identifiers;

2. From representing by any means whatsoever, directly or indirectly, that OVR, any goods or services offered by OVR, or any activities undertaken by OVR, are associated or connected in any way with Oculus or with Oculus's goods and services as marketed sold under the Oculus Marks, including but not limited to creating or posting, or having others create or post, any websites or online accounts using marks confusingly similar to the Oculus Marks, or purporting to be Oculus or somehow affiliated or connected with Oculus;

B. An Order immediately:

1. transferring the domain names <oculus.com>, <oculusvr.com>, and any other OCULUS-formative domain names and internet accounts that OVR may own, to Oculus and

2. directing OVR to voluntarily cancel and/or expressly abandon, with prejudice, U.S. Trademark Reg. No. 4,424,543 and U.S. Trademark App. No. 85/839,272, and also U.S. Trademark App. Nos. 86/203,743; 86/203,738; 86/143,210; 86/143,192; 86/143,204; and 85/951,916.

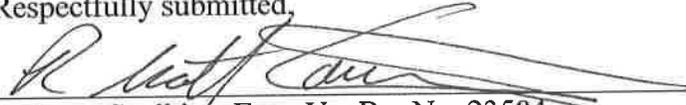
C. An Order directing OVR to file with the Court and serve upon Plaintiffs' counsel within thirty (30) days of the entry of any injunctive order an affidavit or declaration attesting to and detailing OVR's compliance with the Court's Order; and

D. An award of compensatory, statutory, and/or punitive damages, including but not limited to actual damages and disgorgement of profits, as well as Oculus's costs and attorneys' fees and treble damages, incurred in connection with OVR's wrongful, bad faith activities.

E. Other relief as the Court may deem appropriate.

Dated: April 21, 2014

Respectfully submitted,



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Federal Corp.*

FILED

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

2014 APR 21 P 3:55

U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA

OCULUS INFO INC. )  
 )  
and )  
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OCULUS FEDERAL CORP. )  
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Plaintiffs, )  
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v. )  
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OCULUS VR, INC. )  
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Defendant. )  
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Case No.

1:14cv436

**MEMORANDUM IN SUPPORT OF  
MOTION FOR PRELIMINARY INJUNCTION**

**INTRODUCTION**

Plaintiffs Oculus Info Inc. and Oculus Federal Corp. (“Oculus”), by its attorneys, file this memorandum in support of their Motion for Preliminary Injunction against Defendant Oculus VR, Inc. (“OVR”) pursuant to Fed. R. Civ. P. 65.

In this case, a trademark owner with obviously superior rights (plaintiff Oculus) took reasonable steps to notify and reach an amicable resolution with a small but growing start-up company infringing its trademarks (defendant OVR). When the infringer then tried unsuccessfully to register one of its infringing marks, the U.S. Patent and Trademark Office informed the infringer that its proposed mark was unacceptably likely to cause confusion with the senior trademark owner’s rights. At that point, a reasonable young company would have altered its mark or how the mark was used.

This infringer, however, did the opposite. Not only did it continue to expand the uses of its infringing marks, but it attacked one of the trademark owner's registered trademarks before the Trademark Trial and Appeal Board. Just when it appeared that the infringer's activities had encroached far enough on the trademark owner's rights such that direct enforcement action would be warranted, on March 25, 2014 the infringer cemented its commercial position by announcing an agreement to be purchased for \$2 billion by one of world's largest companies-- Facebook—and expansion of the infringing mark even further into the trademark owner's field.

The only way to prevent OVR's unrepentant disregard for Oculus' trademark rights from completely eclipsing Oculus' ability to distinguish itself in the marketplace is for this Court to grant a preliminary injunction prohibiting OVR and its newfound suitor from further infringing the OCULUS-formative family of marks into which Oculus has spent the past 13 years investing its time, finances and goodwill.

#### **RELEVANT BACKGROUND**

##### **A. Oculus Has Spent 13 Years Building Goodwill in Its Family of OCULUS-Formative Marks With Respect to 3D Data Visualization**

##### **1. Oculus' Well-Established Goodwill With American Businesses and Government Agencies**

Oculus Info Inc. was founded in 2001 and has been serving clients in the United States, Canada, Europe and Australia ever since. *See Dec. of Warren Shultz*<sup>1</sup> (filed contemporaneously) ¶4. In 2008, it opened an office in Arlington, Virginia under the name of its wholly-owned subsidiary, Oculus Federal Corp. *Id.* Oculus has assisted more than one hundred Fortune 500 and Federal Government agency customers. Approximately 90% of Oculus' annual sales originate from within the United States. Sectors we serve include the capital

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<sup>1</sup> Certain exhibits to the Shultz Declaration containing confidential and/or personal information have been redacted, as indicated by portions shown in black.

markets, banking, retail, government, insurance and defense industries, which together have accounted for approximately \$70 million in sales over the past decade. *Id.* ¶5.

As a software services consulting group, Oculus' services include analysis, design and development of innovative business information visualization and visual analytics solutions. It is highly regarded for performance, quality and leadership by its customers and within the visual analytics and information visualization community. Oculus designs, builds and deploys unique, easy-to-use, advanced visualization solutions that provide competitive advantage for clients in a variety of industries. Many of its user communities number in the thousands. At least one includes hundreds of thousands of users. *Id.* ¶6. Between 2004 and 2013, such groups as DARPA, IEEE VAST (Visual Analytics Science and Technology), Microsoft and others have bestowed various achievement awards on Oculus. *Id.* ¶14.

## **2. The OCULUS Family of Marks**

In recognition of the goodwill and reputation Oculus has developed in the marketplace, the U.S. Patent and Trademark Office has granted Oculus Info Inc. two trademark registrations:

(a) U.S. Trademark Registration No. 3,960,289 for the mark OCULUS INFO INC., in connection with “*Computer software for use by commercial analysts and government intelligence analysts for data visualization applications*” in International Class 9, and in connection with “*Design and development of computer software; computer software consulting services*” in International Class 42.<sup>2</sup> In both classes, the registration lists a first use in commerce date of October 2001, and claims priority under Trademark Act §44(d) on a materially identical Canadian registration filed on January 25, 2008. **Ex A.** The registration further disclaims any

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<sup>2</sup> Both descriptions expressly exclude from the claimed goods and services “*computer hardware and software used in the field of computer information security and privacy for keeping information displayed on computer monitors visually secure and private.*”

independent rights in the words “INFO INC.” standing alone, making clear that OCULUS is the dominant feature of this mark.

(b) U.S. Trademark Registration No. 3,548,601 for the mark OCULUS NSPACE, in connection with “*Computer software program for use by commercial and government intelligence analysts for data visualization and analysis of information content in large number of documents and other text-based items, namely, documents stored as text, HTML or as generated by standard commercial word processing and document publishing software.*” This registration lists a first use date of May 2004, and claims priority under Trademark Act §44(d) on a materially identical Canadian registration filed on August 11, 2005. **Ex B.** This registration has been granted incontestable status by the U.S. Patent and Trademark Office. **Ex C.**

In addition to these registered trademarks, Oculus has consistently referred to itself simply as “Oculus” in commercial marketing materials, including on its website, which has been available at <oculusinfo.com> (the “Oculus Website”) since 2001. **Shultz Dec. ¶21.** For that entire time, Oculus has prominently displayed, *inter alia*, slight variations of the mark

 (the “OCULUS Design Mark”) *Id.*

Oculus also uses in commerce a number of other OCULUS-formative marks in connection with its goods and services. *Id.* ¶22. Oculus refers to its commercial software products for business visualization application development and deployment on the third-party .NET, Java, WPF, Ajax and Excel platforms as OCULUS FOR .NET, OCULUS FOR JAVA (O4J®), OCULUS FOR WPF™, OCULUS FOR AJAX™ and OCULUS EXCEL VISUALIZER™ respectively. *Id.*

In sum, Oculus has developed an extensive family of registered and common law marks having OCULUS as its central element. All of these marks are used with respect to commercial

software and data visualization, which involves creative rendering of complex data over space and time within a single, highly interactive 2D or 3D graphical view. Depicting information in this unique manner saves analysts time and provides them with better insights. Oculus will refer to its family of registered and common law OCULUS-formative marks as the “Oculus Marks.”

**B. OVR Has Been Aware of Oculus’ Rights Since OVR’s Formation in 2012**

OVR was founded in 2012 as a self-described “small team working out of our apartments and garages in California.” **Ex D.** It attracted its initial capital through a crowdfunding campaign on the website Kickstarter. This campaign, which reached its goal on September 1, 2012, helped fund development of OVR’s first product, the “Oculus Rift,” a virtual reality headset originally designed for gaming.

Oculus immediately noticed OVR’s use of the marks OCULUS and OCULUS RIFT, and the fact that OVR was even using a similar font and color as the OCULUS Design Mark. On September 17, 2012, Oculus contacted OVR in writing to express its concerns. **Shultz Dec. ¶29 & Ex 23.** That letter also conveyed two instances of actual confusion that Oculus had already experienced. The letter noted that—at the time—OVR’s plans for using the mark appeared to be limited to “virtual reality gaming devices.” *Id.* Therefore, Oculus offered to abide OVR’s use for that specific application only, “so long as [OVR] agree[d] to change the colour and font of the word OCULUS, that [OVR] always use it in close proximity to the eye design and further that [OVR] agree not to use the word OCULUS in [Oculus’] industry sector including with software or related services.” *Id.* Although OVR never directly responded to this letter, it did promptly change the font and color of its mark, and continued to use the word mark together with its “eye” design, as Oculus had demanded, as follows:  (“OVR Design Mark”). *Id.*

¶30.

Throughout the remainder of 2012 and 2013, OVR remained a relatively small company focused on gaming devices that did not garner much public attention outside of niche tech media outlets. *Id.* ¶32. To this day, OVR has yet to offer a consumer product, although it continues to take pre-orders for its Oculus Rift headsets and to make available headsets and related software development kits (SDKs) to software developers around the country.

**C. The USPTO Has Already Found OVR’s Mark to Be Likely to Create Confusion With the Oculus Marks When Used in Relation to Software Development**

On February 1, 2013, OVR filed an application with the USPTO to register the mark OCULUS VR in connection with “*Virtual reality headsets and helmets adapted for use in playing video games*” in Class 28, claiming a first use date of November 12, 2012. On October 29, 2013, OVR received U.S. Trademark Reg. No. 4,424,543 for this mark. **Ex E.**

On February 2, 2013, OVR filed U.S. Trademark Application No. 85/839,272 with the USPTO to register the mark OCULUS VR in connection with “*Design and development of computer game hardware and software and virtual reality hardware and software*” in Class 42, also claiming a first use date of November 12, 2012. **Ex F.** In both applications, OVR disclaimed any independent rights in the word “VR” standing alone, making clear that OCULUS is the dominant feature of this mark.

The USPTO’s Examining Attorney refused OVR’s class 42 application, which, as noted above, was not limited to gaming. In a May 15, 2013 Office Action, the USPTO found “a likelihood of confusion with the mark in U.S. Registration No. 3960289”—*i.e.*, Oculus’s registration for the mark OCULUS INFO INC. As explained in more detail below, the Examining Attorney concluded that the marks are closely similar in both appearance and in the nature of the related services, and thus the OVR mark was likely to cause confusion with the cited Oculus mark. **Ex G.**

As is standard procedure, the Office Action offered OVR the opportunity to submit evidence in rebuttal of this conclusion within six months following the Office Action. In the interim, however, OVR's application remained refused (and it remains refused, but under suspension, today).

**D. OVR Has Willfully Ignored and Progressively Encroached Upon the Oculus Marks**

Precisely six months later—on November 13, 2013—OVR responded to the Office Action. Rather than offering any evidence in contradiction of the refusal, however, OVR asked the USPTO to hold its application in suspension while OVR pursued an administrative action within the Trademark Trial and Appeal Board (TTAB) to cancel Oculus's registration. **Ex H.** OVR filed its Petition to Cancel on the same day. The Cancellation Proceeding, which was assigned No. 92,058,222 and remains pending<sup>3</sup> before the TTAB, is little more than a bully tactic. It rests on the baseless allegation that Oculus "abandoned" the registered mark OCULUS INFO INC. This not only ignores Oculus' continuous use of that now-incontestable mark (and the USPTO's repeated acceptance of Oculus' evidence of its use), but it also does nothing to alleviate OVR's liability, in light of Oculus's broader family of well-established Oculus Marks.

On multiple occasions since OVR instituted the Cancellation Proceeding, Oculus made good-faith efforts to amicably resolve the parties' trademark dispute. A consistent feature of those negotiations, however, has been Oculus' insistence that OVR's use of its Infringing Marks be centered on virtual reality video games. **Shultz Dec. ¶33.** OVR has largely rebuffed those overtures, and the parties have made no progress in settlement.

Meanwhile, completely failing to heed the legal conclusions articulated by the USPTO, OVR continued to use the word "Oculus," standing alone, and various permutations of the word

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<sup>3</sup> Oculus will request that the TTAB suspend the Cancellation Proceeding during the pendency of this lawsuit. The TTAB generally accepts such requests.

“Oculus” (including, without limitation, “Oculus VR,” the Oculus Design Mark, “Oculus Rift,” “Oculus Rift Development Kit,” “Oculus Share,” and the username “Oculus” on the social media sites Twitter and Google+) to describe itself, its products and its services. **Ex I.** Oculus will refer to these collectively as the “Infringing Marks.”

On March 3, 2014, Oculus made yet another attempt to settle the matter. OVR ignored it.

On March 19, 2014, OVR released the second version of its Oculus Rift SDK. Meanwhile, OVR continued to ignore Oculus’ pending settlement offer. **Shultz Dec. ¶34.**

**E. Facebook’s Acquisition of OVR and Plans for Expanding the Brand Render OVR’s Infringement of the Oculus Marks Irreconcilable**

Then, on March 25, 2014, Facebook announced its agreement to purchase OVR for \$2 billion. This was the first time that the majority of Americans had ever heard of OVR. Moreover, both OVR and Facebook immediately used the opportunity to publicly discuss the many potential applications of its “Oculus” VR technology beyond the video game applications described by its trademark registration. Facebook CEO Mark Zuckerberg extolled the “Oculus Rift” to his shareholders as a boon for not only virtual reality but for social media and augmented reality as well, calling it “the next big computing platform” and “the most social platform ever.” **Ex J.** Media coverage described Zuckerberg as “adamant that gaming is just a ‘start.’” **Id.** OVR’s CEO Brendan Iribe has since been quoted as saying “that there were many other fields that could benefit from Oculus and other virtual reality systems. He said he hoped that Oculus could eventually be used in the medical, architectural, communication and even travel industries.” **Ex K.** OVR’s technology has even been used by Federal agencies, **Ex L—**Oculus’ primary customer base—and for data visualization, which is Oculus’ primary service. **Ex M.** These public proclamations have permanently destroyed any likelihood that OVR will limit its use of the Infringing Marks to virtual reality video games.

Moreover, in light of the high degree of similarity between the parties' marks that the USPTO identified, and the persistent use by both OVR and the media of the word "Oculus," standing alone, to refer to OVR (most notably after the recent Facebook announcement), there is now an enormous and irreparable likelihood of confusion between the parties' marks.

On April 10, 2014—still having refused to respond to Oculus' settlement overtures—OVR served its first (timely) set of discovery requests on Oculus in the Cancellation Proceeding—an indication that it remains unwilling to resolve the matter amicably. Therefore, Oculus reached the conclusion that it has no reasonable alternative but to enforce its superior trademark rights through litigation and to seek this preliminary injunction in light of the Facebook announcement.

## ARGUMENT

### **A. Legal Standards for Obtaining a Preliminary Injunction**

"To obtain a preliminary injunction, a moving party must establish the presence of the following: (1) 'a clear showing that it will likely succeed on the merits'; (2) 'a clear showing that it is likely to be irreparably harmed absent preliminary relief'; (3) the balance of equities tips in favor of the moving party; and (4) a preliminary injunction is in the public interest." *United States v. S. Carolina*, 720 F.3d 518, 533 (4th Cir. 2013), quoting *Real Truth About Obama, Inc. v. Fed. Election Comm.*, 575 F.3d 342, 346-47 (4th Cir. 2009).

"To establish trademark infringement, a plaintiff must prove that it owns a valid and protectable mark, and that the defendant's use of a reproduction, counterfeit, copy, or colorable imitation of that mark creates a likelihood of confusion." *George & Co., LLC v. Imagination Entm't Ltd.*, 575 F.3d 383, 393 (4th Cir. 2009). "The Fourth Circuit's test for unfair competition violating § 43(a) of the Lanham Act is basically the same test for a violation of trademark

infringement § 32(1) of the Lanham Act, *i.e.*, the likelihood of confusion.” *Precision Tune Auto Care v. Pinole Auto Care*, 2001 U.S. Dist. Lexis 24840, at \*16 (E.D. Va. Oct. 15, 2001); *Scotch Whisky Ass’n v. Majestic Distilling Co.*, 958 F.2d 594, 597 (4th Cir. 1992) (same).

The evidence submitted with Oculus’ pleadings and motion papers easily satisfies these tests.

**B. Oculus Owns Valid, Protectable, and Superior Rights in its Oculus Marks**

Federal registration is prima facie evidence of the registrant’s ownership and exclusive right to use the mark, and constitutes constructive use of the mark. *See* 15 U.S.C. §§1057(b), 1115(a)). Such constructive use will fix a registrant’s nationwide priority rights in a mark from the filing of its application for registration. *See* 15 U.S.C. §1057(c). Registration “creates a presumption that the registrant is entitled to use the registered mark throughout the nation.” *Draeger Oil Co. v. Uno-Ven Co.*, 314 F.3d 299, 302 (7th Cir. 2002). A mark that is registered and used for more than five years, moreover, becomes “incontestable.” 15 U.S.C. §1065. An incontestable “registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce.” 15 U.S.C. §1115.

Both the OCULUS INFO INC. mark and the OCULUS NSPACE marks are registered, and the OCULUS NSPACE registration is incontestable. Although OVR asserts in the Cancellation Proceeding that Oculus “abandoned” the mark OCULUS INFO INC., that is simply false. OVR claims, falsely, that Oculus has not used and is not currently using the OCULUS INFO INC. trademark. Yet, the USPTO requires proof of use of a trademark prior to registration, and the USPTO accepted Oculus’ specimens proving use of the mark on CDs containing Oculus’

software, use that continues today. In addition, Oculus can offer copious additional evidence demonstrating its consistent use of the mark since 2001. **Shultz Dec. ¶25.**

Besides, the entire issue is a red herring in this context, because there is no question that Oculus has also consistently used the mark OCULUS—in both word and stylized form—to identify itself and its software development services in the marketplace, and has used substantially all of the Oculus Marks since well before OVR ever existed. For this reason, Oculus’ rights in the Oculus Marks easily predate—and thus have priority over—any arguable trademark rights that OVR may have developed. *Worsham Sprinkler Co. v. Wes Worsham Fire Prot., LLC*, 419 F. Supp. 2d 861, 867 (E.D. Va. 2006) (“Where two users claim a right to use the same or similar mark, the first user to validly appropriate use of that mark generally has priority over the second, or junior, user”). The Cancellation Proceeding is merely an attempt by OVR to get its own mark registered while bullying Oculus. Notably, OVR never even approached Oculus to see whether Oculus would be willing to consent to OVR’s proposed registration, favoring the heavy-handed approach.

Therefore, the merits of Oculus’ claims will be determined by applying the test for likelihood of confusion.

**C. OVR’s Infringement Creates a Clear Likelihood of Confusion**

**1. The Multi-Factored Test for Likelihood of Confusion**

A likelihood of confusion exists between two marks if “the defendant’s actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question.” *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 267 (4th Cir.2006).

To determine if there is a likelihood of confusion between two marks, courts within the Fourth Circuit consider nine non-exclusive and non-mandatory factors:

(1) the strength or distinctiveness of the plaintiff's mark as actually used in the marketplace; (2) the similarity of the two marks to consumers; (3) the similarity of the goods or services that the marks identify; (4) the similarity of the facilities used by the markholders; (5) the similarity of advertising used by the markholders; (6) the defendant's intent; (7) actual confusion; (8) the quality of the defendant's product;<sup>4</sup> and (9) the sophistication of the consuming public.

*Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 158 (4th Cir. 2014). "These nine factors serve as a guide rather than a rigid formula for infringement; they are not all of equal importance and not all factors are relevant in every case." *Id.* at 158-59 (internal quotations omitted). Depending on "the nature of the trademark infringement claim at issue . . . some of these factors are either entirely irrelevant or only slightly relevant" in any given case. *Ga. Pac. Consumer Prods., LP v. Von Drehle Corp.*, 618 F.3d 441, 454 (4th Cir. 2010). "[Judgment as a matter of law] may be granted in a trademark dispute when the material, undisputed facts disclose a likelihood of confusion." *Synergistic Int'l, LLC v. Korman*, 470 F.3d 162, 170 (4th Cir. 2006).

## **2. Both "Forward" and "Reverse" Confusion Are at Issue Here**

Typical trademark infringement cases involve "forward confusion," which occurs when "the junior user attempts to trade on the senior's user's goodwill and reputation." *Fuel Clothing Co. v. Nike, Inc.*, 2014 U.S. Dist. Lexis 37167, at \*22 (D.S.C. Mar. 20, 2014). In that scenario, "customers mistakenly think that the junior user's goods or services are from the same source as or are connected with the senior user's goods or services." 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §23:10 (4th ed.). This analysis describes OVR's use of the Infringing Marks from 2012 until Facebook announced its acquisition of OVR in March 2014.

By contrast, "[r]everse confusion occurs when a larger, more powerful company uses the trademark of a smaller, less powerful senior owner and thereby causes likely confusion as to the

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<sup>4</sup> "[T]his factor is not relevant here, as the Fourth Circuit has recognized that this factor only applies in 'situations involving the production of cheap copies or knockoffs of a competitor's trademark-protected goods.'" *Fuel Clothing Co. v. Nike, Inc.*, 2014 U.S. Dist. Lexis 37167, 61 (D.S.C. Mar. 20, 2014) (quoting *George II*, 575 F.3d at 399)).

source of the senior user's goods or services.” *Dick’s Sporting Goods, Inc. v. Dick’s Clothing and Sporting Goods, Inc.*, 1999 U.S. App. Lexis 19942, \*34 (4th Cir. Aug. 20, 1999) (quoting *Fisons Horticulture, Inc. v. Vigoro Indus., Inc.*, 30 F.3d 466, 474 (3d Cir. 1994)). This is precisely what happened *after* Facebook announced its acquisition of OVR. “The doctrine ... protects important interests .... [W]ithout the existence of such a claim, smaller business owners might not have any incentive to invest in their marks at all, for fear the mark could be usurped at will by a larger competitor.” *Commerce Bank & Trust Co. v. TD Banknorth, Inc.*, 554 F.Supp.2d 77, 83 (D. Mass. 2008) (internal quotations omitted).

To date, the Fourth Circuit has not had occasion to expressly endorse or reject the reverse confusion doctrine. Yet “all U.S. Courts of Appeals [that have] considered claims of reverse confusion ha[ve] accepted ... that the likelihood of confusion language of § 32(1) of the Lanham Act is broad enough to encompass reverse confusion.” *Rainforest Cafe, Inc. v. Amazon, Inc.*, 86 F.Supp.2d 886, 898 (D. Minn. 1999) (internal quotations omitted). Indeed, “proof of likelihood of confusion is still needed in a reverse confusion claim,” *George & Co., LLC v. Imagination Entertainment Ltd*, No. 1-07cv498 (LMB/TRJ) n.6 (E.D. Va. July 25, 2008); *M2 Software, Inc. v. Madacy Entm’t*, 421 F.3d 1073, 1079 (9th Cir. 2005) (same); the difference lies more in the facts of the case than in the governing statutory principle. Certain of the judiciary’s factors for ascertaining the existence of likelihood of confusion, however—primarily the significance of the marks’ strength—take on a different gloss when applied to circumstances of reverse confusion.

**2. Multiple Instances of Actual Confusion Demonstrate the Likelihood of Confusion Caused by OVR’s Infringing Marks**

A district court must consider whether there is evidence of “actual consumer confusion that allows the seller to pass off his goods as the goods of another.” *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 464 F. Supp. 2d 495, 502 (E.D. Va. 2006), *aff’d on other grounds*,

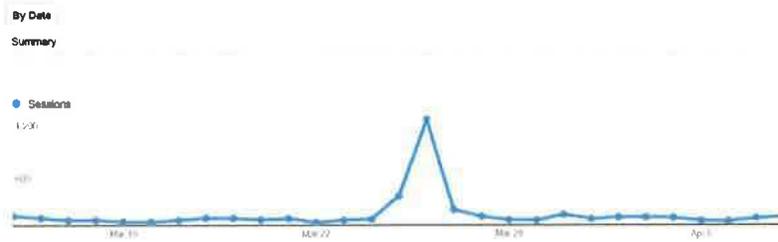
507 F.3d 252 (4th Cir. 2007). The Fourth Circuit has indicated that the actual confusion factor is “often paramount” to a likelihood of confusion analysis because “[w]hen the plaintiff’s mark is strong and the defendant’s use of a similar mark has actually confused the public, [a court’s] inquiry ends almost as soon as it begins.”<sup>5</sup> *Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 804 (4th Cir. 2001) (internal quotations omitted). *Fuel Clothing Co.*, 2014 U.S. Dist. Lexis 37167 at \*55-56 (same).

“Actual confusion can be demonstrated by both anecdotal and survey evidence.” *George & Co.*, 575 F.3d at 398. Here, anecdotal evidence of actual confusion abounds. Oculus encountered two such instances of confusion after OVR made its initial splash on Kickstarter in 2012, **Shultz Dec. Ex 29**, and began encountering customers confused between the two companies in late 2013 and early 2014. *Id.* ¶¶35-36. For a time, Oculus sought to limit the potential for this confusion by ensuring that OVR would restrict its activities to virtual reality video games.

After Facebook announced its acquisition of OVR for \$2 billion, however, episodes of actual confusion went through the roof. Several of Oculus’ pre-existing customers contacted Oculus after the announcement, under the impression that it was Oculus that Facebook was acquiring. *Id.* ¶38. Moreover, immediately following Facebook’s announcement, traffic to the Oculus Website spiked by approximately 20 times (*see id.* ¶38(e)), a clear indication that consumers thought that it was Oculus, not OVR, who was the subject of the Facebook announcement:

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<sup>5</sup> It is also “well established that no actual confusion is required to prove a case of trademark infringement.” *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 263 (4th Cir. 2007); *Super Duper, Inc. v. Mattel, Inc.*, 382 Fed. Appx. 308, 313 (4th Cir. 2010).



In cases of reverse confusion, “[m]any courts have found that customer inquiries to the senior user as to whether it was affiliated or connected with the junior user ... are relevant, admissible and should be viewed in conjunction with other evidence of actual confusion.” *Rainforest Café*, 86 F.Supp.2d at 900 (internal quotations omitted). Even in the days preceding the filing of this motion, Oculus continued to encounter such confusion during in-person meetings, even with well-established customers. **Shultz Dec. ¶¶39-40.**

This powerful evidence, even taken alone, demonstrates a clear likelihood of confusion as a result of OVR’s Infringing Marks, both before, but certainly following, the Facebook announcement.

### **3. The Parties’ Marks Are Materially Identical**

“[I]n evaluating the similarity of two marks, ... the marks need only be sufficiently similar in appearance, with greater weight given to the dominant or salient portions of the marks.” *Lone Star Steakhouse & Saloon v. Alpha of Va., Inc.*, 43 F.3d 922, 936 (4th Cir. 1995) (identifying “Lone Star” as the dominant portion of the “Lone Star Steakhouse & Saloon” and “Lone Star Grill” marks); *Swatch AG*, 739 F.3d at 159 (“We ... generally use the phrase ‘dominant portion’ to refer to the non-generic words in multiword marks”). “In other words, we focus on whether there exists a similarity in sight, sound, and meaning which would result in confusion.” *George & Co.*, 575 F.3d at 396; see *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1534-35 (4th Cir. 1984) (noting that “Uno,” as used by the parties, was similar in “appearance,”

“sound,” and “meaning”); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 465 (4th Cir. 1996) (noting that two non-identical marks were “perceived similarly by the eye and ear”).

Applying materially identical case law, the USPTO Office Action concluded that OCULUS INFO INC. and OCULUS VR are materially identical for trademark purposes. The terms “INFO INC.” and “VR” are merely generic descriptors in which the parties disclaimed any independent rights. That leaves only “OCULUS” as the dominant feature of each mark:

Trademark Act Section 2(d) bars registration of an applied-for mark that so resembles a registered mark that it is likely that a potential consumer would be confused or mistaken or deceived as to the source of the goods and/or services of the applicant and registrant.. ...

In a likelihood of confusion determination, the marks are compared for similarities in their appearance, sound, meaning or connotation and commercial impression. ... The question is not whether people will confuse the marks, but whether the marks will confuse people into believing that the goods and/or services they identify come from the same source.

Here, applicant’s mark is “OCULUS VR” in standard characters. Registrant’s mark is “OCULUS INFO INC.” in standard characters with a disclaimer of “INFO INC.”. The marks are highly similar in that they share the term “OCULUS” as the first term in each mark. ... Moreover, the marks are highly similar because the remainders of each mark are composed of descriptive and/or disclaimed matter. ...

Consumers are generally more inclined to focus on the first word, prefix or syllable in any trademark or service mark. Disclaimed matter is typically less significant or less dominant when comparing marks. Descriptive or generic matter is also typically less significant or less dominant in relation to other wording in a mark.

In the present case, registrant’s mark includes a disclaimer of “INFO INC.”, and the attached evidence, discussed below in the disclaimer requirement section, shows that “VR” in applicant’s mark is descriptive of the services. As such, the only non-disclaimed, non-descriptive portion of both marks is the identical “OCULUS”.

Thus, a comparison of the marks shows that they are similar.

**Ex G** (citations omitted, emphasis added).

Of course, this analysis is only necessary for the two specific marks in question. Oculus has developed an entire family of OCULUS-formative trademarks, which accentuates the likelihood that another party's use of OCULUS in a mark will cause confusion. The facts presented in *Bridges in Organizations, Inc. v. Bureau of Nat'l Affairs, Inc.*, 1991 U.S. Dist. Lexis 15449, 22-23 (D. Md. June 24, 1991) are highly analogous. There, plaintiff's registered mark was BRIDGES IN HEALTH CARE but it also claimed common law trademark rights in a family of marks including BRIDGES IN ORGANIZATIONS, BRIDGES LEADERSHIP COACHING, THE BRIDGES PROCESS, and BRIDGES standing alone. Defendants' mark was BRIDGES: SKILLS FOR MANAGING A DIVERSE WORKFORCE, and they likewise used BRIDGES standing alone. Recognizing that BRIDGES was the dominant portion of both parties' marks, the court weighing the "similarity of marks" factor in favor of confusion. *See also Nina Ricci S.A.R.L. v. E.T.F. Enterprises, Inc.*, 889 F.2d 1070, 1072 (Fed. Cir. 1989) (finding plaintiff owned a family of -RICCI marks such as CAPRICCI, MADEMOISELLE RICCI, and SIGNORICCI, and that the mark VITTORIO RICCI infringed those rights).

Similarly, both parties here identify themselves simply as OCULUS. And on December 13, 2013, OVR only underscored the Examining Attorney's conclusion by filing three separate applications for the mark OCULUS, standing alone in Classes 9, 28 and 42. Each claims a first use date of April 2012 and first commercial use date of March 27, 2013. **Ex N**. This directly overlaps with Oculus' own use of the word OCULUS standing alone.

#### **4. The Parties' Goods and Services Are Highly Similar**

Where "virtual[ly] identi[cal] marks [are used] with identical products or services[,] likelihood of confusion would follow as a matter of course." *Brookfield Communs. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1055-56 (9th Cir. 1999) *Interpace Corp. v. Lapp, Inc.*, 721 F.2d

460, 462 (3d Cir. 1983); *E & J Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992) (“Where goods are related or complementary, the danger of consumer confusion is heightened”). “The use of similar marks to offer similar products accordingly weighs heavily in favor of likelihood of confusion.” *Brookfield Communs.*, 174 F.3d at 1056.

“[T]he goods in question [, however,] need not be identical or in direct competition with each other” in order to be infringing. *George & Co.*, 575 F.3d at 397. In addressing this factor, the Court’s “focus is on whether the consuming public is likely somehow to associate [OVR’s virtual reality software services] with [Oculus’ data visualization software and services].” *Brookfield Communs.*, 174 F.3d at 1056; *see also Recot, Inc. v. Becton*, 214 F.3d 1322, 1329 (Fed. Cir. 2000) (relevant question is whether the “goods can be related in the mind of the consuming public as to [their] origin”).

The one relevant mark for which OVR has received a Federal registration was strictly limited to hardware “for use in playing video games.” By contrast, OVR’s refused application seeks to register the mark in connection with the design and development of software, which is the core of Oculus’ business and of the services described in its registrations. Moreover, both parties perform the very specialized service of rendering digital data so that it can be perceived in three dimensions, bringing that data “to life,” as it were, and allowing it to be experienced in new ways. The fact that OVR is primarily focused on displaying its three-dimensional images within a head-mounted display, while Oculus typically displays its three-dimensional images on a computer screen, is inconsequential hair-splitting for trademark purposes. The Examining Attorney explained:

The goods and/or services of the parties need not be identical or directly competitive to find a likelihood of confusion. Rather, they need only be related in some manner, or the conditions surrounding their marketing are such that they would be encountered by the same purchasers under circumstances that would

give rise to the mistaken belief that the goods and/or services come from a common source....

Both parties are providing computer software design. Thus, applicant's services are highly related to registrant's services.

In sum, for the reasons stated above, registration is refused because of a likelihood of confusion with the registered mark.

**Ex G** (citations omitted, emphasis added). What is more, since at least 2009, Oculus has conducted design and technical studies on benefits of immersive visualization, and since 2010, Oculus has offered a product that is conceptually identical to virtual reality: the CAVE product. This display system creates an immersive experience using polarized glasses instead of OVR's head-mounted display. **Shultz Dec. ¶11**. And in December 2013, OVR demonstrated its technology to In-Q-Tel, a non-profit venture capital firm in Arlington Virginia that is affiliated with the DoD. **Id. ¶35**. Therefore, even before the Facebook announcement, OVR's use of the Infringing Marks for use with virtual reality game software was sufficiently similar to Oculus' data visualization software to cause a likelihood of confusion.

Following the Facebook acquisition, however, this factor barely requires discussion and raises this case to the level of serious and irreparable harm to Oculus. Facebook, OVR and the public at large are now openly planning to use OVR's technology in developing software for all manner of applications, including specifically for 3D data visualization. **Ex M**. The parties' services are now not only similar, but materially identical.

**5. The Oculus Marks are Strong, Yet the Post-Acquisition Commercial Strength of the Infringing Marks Portends Reverse Confusion**

**a. The Strength of the Oculus Marks Support a Finding of Pre-Acquisition Confusion**

The Fourth Circuit has “emphasized ... that the first factor—the strength or distinctiveness of the plaintiff's mark—is important to an assessment of the confusion issue.”

*Synergistic Int'l*, 470 F.3d at 171. “Generally, the stronger the mark, the greater the likelihood that consumers will be confused by competing uses of the mark. Strength consists of both conceptual strength and commercial strength.” *George & Co.*, 575 F.3d at 393; *CareFirst of Md.*, 434 F.3d at 269 (defining conceptual strength as “linguistic or graphical peculiarity” and commercial strength as recognition by customers).

Courts have categorized marks into four classes in increasing order of conceptual strength: (1) generic; (2) descriptive; (3) suggestive; and (4) arbitrary. *See Lone Star Steakhouse*, 43 F.3d at 933. OCULUS does not describe the 3D visualization of data. The Oculus Marks are therefore at least suggestive, and thus “presumptively valid,” *id.*—if not entirely arbitrary, which is the strongest category of mark.

“[T]he commercial-strength inquiry, by contrast, looks at the marketplace and asks if in fact a substantial number of present or prospective customers understand the designation when used in connection with a business to refer to a particular person or business enterprise.” *Synergistic Int'l*, 470 F.3d at 174. The Oculus Marks easily pass this test. Even “[i]n a case of reverse confusion, the court analyzes the strength of the trade[mark] as of the time of the initial alleged infringement rather than on the basis of the strength resulting from the allegedly infringing use.” *Rainforest Cafe*, 86 F. Supp.2d at 898.

The OCULUS and OCULUS INFO INC. marks have been used in commerce at least as early as October 2001, with the remainder of the Oculus Marks being introduced between 2001 and 2008. **Shultz Dec.** ¶21. Since 2001, goods and services bearing one or more of the Oculus Marks have been sold, and offered for sale, in a variety of trade channels including, but not limited to, website sales, open bid contracts, direct in person sales and sales pitches and in response to requests for services. *Id.* ¶¶26-27. Oculus serves hundreds of customers in the

United States. These primarily include various agencies of the United States Federal Government as well as companies in the private financial sector and companies listed on the “Fortune 500.” Although most of these relationships are confidential, representative non-governmental customers include BHP Billiton and NASDAQ. *Id.* ¶5. Oculus’ sales revenue from these customers has been approximately \$70 million in the past decade. *Id.*

Oculus is also a business partner of ESRI, an international supplier of Geographic Information System software, web GIS and geodatabase management applications headquartered in Redlands, California. ESRI has listed Oculus in its catalog since 2005. *Id.* ¶20.

Oculus has received a number of professional awards and accolades from such prominent agencies as DARPA and IEEE VAST, as well as from Microsoft and other private interests. *Id.* ¶14. Oculus representatives attend a wide variety of prominent trade shows and symposiums where they give presentations regarding goods and/or services sold in connection with its Oculus Marks. *Id.* ¶¶16-18. In total, Oculus has invested nearly \$5 million in the past 9 years on these methods of marketing, sales, travel and trade show activities. *Id.* ¶13.

***b. Facebook’s Unparalleled Commercial Strength and Investment of \$2 Billion Into OVR Ensures Reverse Confusion***

Regardless of how strong the Oculus Marks were, they have no hope of competing with the notoriety that comes from OVR being acquired by Facebook for \$2 billion. That acquisition marked a turning point after which OVR’s Infringing Marks will now (absent action by this Court) forever have more commercial strength than the Oculus Marks. This “relatively large advertising and promotion [by a] junior user ... is the hallmark of a reverse confusion case.” 3 MCCARTHY, *supra*, §23:10, at 23– 37.

Under these circumstances, the comparative “lack of commercial strength of the smaller senior user's mark is to be given less weight in the analysis because it is the strength of the

larger, junior user's mark which results in reverse confusion. ... [T]he evidence of commercial strength is different from what we expect in a case of forward confusion, where the junior user tries to palm off his goods as those of the senior user." *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 231 (3d. Cir. 2000). Even assuming that "[OVR] does not seek to profit from the goodwill associated with [Oculus'] mark, [Oculus] is injured because the public comes to assume that [Oculus'] products are really [OVR's]." *Fuel Clothing Co.*, 2014 U.S. Dist. LEXIS 37167 at \*22-23 (internal quotations omitted). Oculus' evidence of actual confusion illustrates that this is, in fact, occurring.

#### **6. OVR Willfully Chose to Disregard Oculus' Trademark Rights**

Intent can be "a major factor because if there is intent to confuse the buying public, this is strong evidence establishing likelihood of confusion, since one intending to profit from another's reputation generally attempts to make his signs, advertisements, etc., to resemble the other's so as deliberately to induce confusion." *George & Co.*, 575 F.2d at 397 (internal quotations, brackets omitted). "The converse . . ., however, is not true: the lack of intent by a defendant is largely irrelevant in determining if consumers likely will be confused as to source." *Brookfield Communs.*, 174 F.3d at 1059 (citation omitted).

In a reverse confusion case, however, the junior user presumably does not intend to pass its goods off as the senior user's. Rather, under these circumstances, "the relevant inquiry to determine intent was whether, despite acting innocently, the alleged infringer was careless in not conducting proper research, to avoid infringement, prior to development of its trademark or trade dress." *Fisons*, 30 F.3d at 480. "To answer said inquiry, *Fisons* proposed a series of questions as to whether the defendant: (1) conducted an adequate name search for other companies marketing similar goods under the mark in question; (2) followed through with their investigation when

they found there were such companies; (3) considered the likelihood of confusion with other companies' marks and products; (4) attempted to contact companies using a similar mark, such as plaintiff; and (5) were careless in their evaluation of the likelihood of confusion.” *Rainforest Café*, 86 F.Supp.2d. at 899-900. “If such an intent to confuse does, in fact, exist in a reverse confusion case, it should weigh against the defendant in the same manner as it would in a direct confusion case.” *A & H Sportswear*, 237 F.3d at 232 (following *Fisons*).

Here, the record demonstrates that Oculus put OVR on notice of the potential for confusion in September 2012, mere days after OVR completed its initial Kickstarter campaign. OVR implicitly acknowledged that risk by complying with at least some of Oculus’ demands and changing the appearance of its OVR Design Mark. Then, in its May 2013 Office Action refusing to register OCULUS VR for software design services, the USPTO explained in detail to OVR how the overlap between the parties’ marks and services created an unacceptable likelihood of confusion in that field. Therefore, there is no question that OVR completely understood the risk of confusion that continuing to expand the use of its Infringing Marks would cause.

With abject disregard for those risks, however, OVR nevertheless continued to radically expand its use of the Infringing Marks far beyond the context of virtual reality video games. Facebook CEO Mark Zuckerberg has expressly declared that such games will only be “the start” for OVR’s software applications. **Ex J.** OVR’s announced expansion plans include almost every industrial sector in existence. Most notably for purposes of this litigation, OVR software is even being used for 3D data visualization—the precise services that Oculus has offered under its Oculus Marks for the past 13 years. **Ex M.**

OVR's unabashed and accelerated use of its Infringing Marks in willful defiance of Oculus' clearly articulated and superior trademark rights is strong evidence of likely confusion.<sup>6</sup>

**7. To the Extent the Factors Concerning Facilities, Advertising and Sophistication Are Relevant, They Suggest a Likelihood of Confusion**

Neither party appears to rely on traditional advertising to promote their goods or services. Of course, the parties' business methods are not identical (and Oculus certainly does not have the benefit of Facebook's pre-existing network of relationships and capital), and strong support from these minor factors are not required, especially where the more significant factors weigh so heavily in favor of confusion.

But these factors do support a finding of likely confusion. Both parties use a website as their portal to the general public, and both have relied on appearances at conferences and other professional venues to build business-to-business relationships. And the parties' target customer base overlaps more than OVR's video gaming background may suggest. As noted above, U.S. Federal agencies are by far Oculus' largest category of customer. OVR has specifically targeted Federal agencies such as NASA, **Ex L**, and members of the intelligence community. *Id.* ¶35. Moreover, even Oculus' more sophisticated clients are initially confused by OVR's popularity, and once that is cleared up, they are continually reminded by ongoing OVR press. **Shultz Dec.** ¶41. The law enforcement market is generally not as technically sophisticated. Police detectives, intelligence analysts and police chiefs buy products off the shelf and do not generally read the information technology press or journals. *Id.* ¶42.

Therefore, each factor of the likelihood of confusion analysis weighs in favor of Oculus' complaint—some of them strikingly so. Oculus has made a clear showing that it is likely to prevail on the merits of its claims.

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<sup>6</sup> It is also the very definition of bad faith, which will support an award of significant monetary damages, including attorneys' fees, at a later stage of this litigation.

**D. Oculus Is Clearly Likely to Be Irreparably Harmed Absent Preliminary Relief**

For decades, Federal courts across the country—including the Fourth Circuit—presumed the existence of irreparable harm whenever trademark infringement was proven. Even though the U.S. Supreme Court no longer permits such presumptions, irreparable harm is not difficult to find in circumstances like these, where Oculus is powerless to control the impact that OVR is having on its goodwill. “A trademark ... not only protects the goodwill represented by particular marks, but also allows consumers readily to recognize products and their source, preventing consumer confusion between products and between sources of products.” *Ga. Pac. Consumer Prods.*, 618 F.3d at 452. “[I]njunction[s] prevent [defendants] from infecting the marketplace with the same or similar [infringements] in the future,” even if the plaintiff also recovers monetary damages. *PBM Prods., LLC v. Mead Johnson & Co.*, 639 F.3d 111, 127 (4th Cir. 2011); see *Pappan Enters. v. Hardee’s*, 143 F.3d 800, 805 (3d Cir. 1998) (“Grounds for irreparable injury include loss of control of reputation, loss of trade, and loss of goodwill”). Such intangible injuries are irreparable by definition, since “to prove the loss of sales due to infringement is also notoriously difficult[.]” *Tough Traveler v. Outbound Prods.*, 60 F.3d 964, 968 (2d Cir. 1995).

The injury to the Oculus Marks’ ability to signify source caused by OVR’s Infringing Marks became immediately apparent and undeniable following the announcement of the Facebook acquisition in late March 2014. As noted above, several of Oculus’ long-time clients contacted Oculus concerning the acquisition, demonstrating their actual confusion and the immediate injury to Oculus’ goodwill. Moreover, Facebook has its share of detractors, some of whom are quite vocal. Several of OVR’s early supporters have been quoted as being offended and displeased by the acquisition. For example, Markus “Notch” Persson, whose game *Minecraft*

is a huge commercial success and who supports VR, wrote, “I definitely want to be a part of VR, but I will not work with Facebook. Their motives are too unclear and shifting, and they haven’t historically been a stable platform. There’s nothing about their history that makes me trust them, and that makes them seem creepy to me.” **Ex J.** Oculus is unlikely to ever know how many of its current, prior and potential clients were dissuaded from using Oculus’ services because of their distaste for Facebook.

The “reverse” nature of the confusion that OVR’s infringement will continue to inflict following the closing of the acquisition inflicts especially pernicious injury to Oculus and its goodwill. “[A] consumer first encountering a mark with one set of goods is likely to continue to associate the mark with those goods.” *A & H Sportswear*, 237 F.3d at 230. “The harm flowing from reverse confusion is that the public comes to assume the senior user’s products are really the junior user’s or that the former has become somehow connected to the latter.... The senior user loses the value of the trademark—its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.” *Id.* at 228 (internal quotations and brackets omitted); *Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co.*, 561 F. 2d 1365, 1372 (10<sup>th</sup> Cir. 1977) (same).

As Judge Niemeyer of the Fourth Circuit has emphasized, preliminary injunctions are the only means available to a court to prevent the injury inflicted by such reverse confusion from becoming permanent. “To deny [plaintiff] a preliminary injunction at this stage of the proceedings, when no trial has yet been held, ensures that any rights [plaintiff] may have in the mark [at issue] will be seriously undermined, if not permanently destroyed, by [defendant’s] planned advertising campaign promoting its *identical* mark in a contiguous, complementary product market.” *MicroStrategy Inc. v. Motorola, Inc.*, 245 F. 3d 335, 344 (4th Cir. 2001)

(Niemeyer, dissenting). The affected customers, he lamented, “are likely to be [defendant’s] customers—the targets of the advertising blitz—and thus are inherently likely to begin associating the [mark] with [defendant] and naturally to assume that [plaintiff’s] products bearing the slogan are associated with [defendant]—a classic case of ‘reverse confusion.’” *Id.* at 346-47 (citing *A&H Sportswear*).

A similar fate awaits Oculus. As long as OVR—fueled by Facebook’s billions—continues to saturate the market with OVR-branded software and services, Oculus will suffer a steady decline in the distinctiveness of its Oculus Marks, in the strength of its commercial goodwill, and its ability to grow its business. **Shultz Dec. ¶¶44-46.** Oculus’ ability to position itself as a company focused on serious business applications is being seriously jeopardized. **Id. ¶ 40.**

**E. The Balance of Equities Leans Heavily in Oculus’ Favor**

The balance of hardships strongly weighs in favor of a trademark owner who has invested considerable time and money in the development of its products and establishment of its marks. *See E. Remy Martin & Co. v. Shaw-Ross Int’l Imps.*, 756 F.2d 1525, 1534 (11th Cir. 1985). The Court should not consider putative harms to an infringer stemming from its being required to cease their infringing activities. *See, e.g., PBM Prods.*, 639 F.3d at 127 (affirming that “the balance of the hardships favors” plaintiff because defendant “simply has no equitable interest in perpetuating the false and misleading claims”); *Concrete Mach. Co. v. Classic Lawn Ornaments*, 843 F. 2d 600, 612 (1st Cir. 1988) (“Where the only hardship that the defendant will suffer is lost profits from an activity which has been shown likely to be infringing, such an argument in defense merits little equitable consideration” (citation omitted)).

Notably, Oculus is not requesting that OVR stop producing virtual reality headsets, developing virtual reality game software, or to curtail any of the ambitious agenda that its new owner has for its technology. To the contrary, Oculus wishes OVR and Facebook well in their quest to reinvigorate VR technology. Oculus simply insists that they do so under their own trademark, rather than using brute commercial force to muscle Oculus out of the commercial identity it spent 13 years building.

The fact that it is Facebook that turned OVR into a household name overnight weighs the scales even more heavily in Oculus' favor. This is not the first time that Facebook has announced a brand first and asked questions later. Only one year ago, the Illinois-based software company Timelines, Inc. was forced to seek injunctive relief when Facebook announced its plan to replace the "Wall" portion of its social media site with "Timelines" instead. *Timelines, Inc. v. Facebook, Inc.*, 938 F. Supp. 2d 781 (N.D. Ill. 2013). Like Oculus, Timelines "ha[d] invested millions of dollars in its business [and] own[ed] Federal Trademark Registration[s]." *Id.* at 785. Regardless, Facebook went ahead and publicly announced its adoption of the term "Timelines" anyway. In denying Facebook's motion for summary judgment on infringement, the court specifically pointed to "genuine issues of material fact ... regarding [Facebook's] use of the term "Timeline" in good faith, as evidence demonstrates that [Facebook] was aware of [Timeline's] registered trademarks and [Facebook's] CEO [Zuckerberg] commented that [Facebook] 'wanted to punch anyone who tried to compete with [Facebook] in the face really hard . . . .'" *Id.* at 794. Facebook appears to have taken a materially identical stance toward Oculus.

Any potential injury to OVR is minimized by the fact that OVR has yet to offer a commercial product. It has taken pre-orders, but has only shipped beta devices to software developers. Even if the injunction were to cause some form of cognizable harm to OVR, it is

eclipsed by the weight of Oculus' own injury. *BCBS Mut. v. BCBS Ass'n*, 110 F.3d 318, 334 (6th Cir. 1997) (upholding injunction and "discounting" possibility of harm by the remoteness of nonmovant's likelihood of success on the merits). This factor weighs in favor of the injunction.

**F. A Preliminary Injunction Is in the Public Interest**

"[T]he public has an interest in preventing the misleading and deceptive use of trademarks." *Bowe Bell & Howell Co. v. Harris*, 145 Fed. Appx. 401, 404 (4th Cir. 2005). Consumers are the ones ultimately injured by trademark infringement, because they lose their ability to distinguish between different providers of goods and services. It has already happened here, among the several Oculus customers suddenly confused about whether Facebook now owns their data visualization provider, and among developers seeking warranty service on their VR devices from Oculus. The ability of social media and tech-savvy media outlets to spread misinformation across the country in seconds magnifies the fragility of the public's ability to discern the source of goods and services, and underscores the courts' duty to protect the source-identifying function of trademarks.

**CONCLUSION**

For all of the foregoing reasons, Oculus respectfully requests that the Court enter an order preliminarily enjoining Defendant Oculus VR, Inc. ("OVR") and its employees, agents, officers, directors, shareholders, subsidiaries, parent companies, related companies, affiliates, distributors, dealers, and all persons in active concert or participation with any of them in the manner requested in Oculus' Motion and Proposed Order.

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

13 Oculus VR, Inc.,  
14 Plaintiff,  
15 v.  
16 Oculus Info Inc.,  
17 Defendant.

18 No.  
19 Complaint for Declaratory Judgment

20 Plaintiff Oculus VR, Inc. (Oculus VR) files this complaint for declaratory  
21 judgment against defendant Oculus Info, Inc. (Oculus Info) and alleges the following:

22 **FIRST CLAIM FOR RELIEF**

23 **DECLARATORY JUDGMENT OF NONINFRINGEMENT OF A REGISTERED TRADEMARK**

24 **A. Subject Matter Jurisdiction**

25 1. Oculus VR brings this action under 28 U.S.C. § 2201 *et seq.* for a  
26 declaratory judgment that it does not infringe a federally registered trademark on the  
27 mark OCULUS INFO, INC. allegedly owned by Oculus Info.

28 2. The court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,  
1338 and 2201 with respect to an actual controversy arising under the Lanham  
Trademark Act, 15 U.S.C. § 1051, *et seq.*

1 **B. The Parties, Personal Jurisdiction and Venue**

2 3. Plaintiff Oculus VR is a California corporation with its principal place of  
3 business at 19800 MacArthur Boulevard, Suite 450, Irvine, California 92612, in this  
4 district.

5 4. On information and belief, Oculus Info is a Canadian corporation with  
6 its principal place of business at 2 Berkeley St., #600, Toronto, ON M5A, Canada.  
7 On information and belief, Oculus Info does business in the United States and in  
8 California.

9 5. This court has personal jurisdiction over Oculus Info because on  
10 information and belief, it does business in California and in this district.

11 6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(c)(3)  
12 because Oculus Info is a corporation formed outside the United States and may be  
13 sued in any judicial district.

14 **C. Nature of the Action**

15 7. Oculus Info claims rights under United States Trademark Registration  
16 No. 3,960,289, which issued May 17, 2011, for the mark OCULUS INFO, INC. (the  
17 Registration). The goods and services listed in Registration are “Computer software  
18 for use by commercial analysts and government intelligence analysts for data  
19 visualization applications; all of the foregoing goods exclude computer hardware and  
20 software used in the field of computer information security and privacy for keeping  
21 information displayed on computer monitors visually secure and private,” and  
22 “Design and development of computer software; computer software consulting  
23 services; all of the foregoing services exclude the design and development of and  
24 consulting regarding computer hardware and software used in the field of computer  
25 information security and privacy for keeping information displayed on computer  
26 monitors visually secure and private.”  
27  
28



