

ESTTA Tracking number: **ESTTA632697**

Filing date: **10/14/2014**

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

Proceeding	91217436
Party	Defendant Hanginout, Inc.
Correspondence Address	ANDREW D SKALE MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO PC 3580 CARMEL MOUNTAIN RD, SUITE 300 SAN DIEGO, CA 92130-6768 UNITED STATES adskale@mintz.com
Submission	Other Motions/Papers
Filer's Name	Andrew D. Skale
Filer's e-mail	adskale@mintz.com, blwagner@mintz.com, jddib@mintz.com
Signature	/Andrew D. Skale/
Date	10/14/2014
Attachments	436.pdf(31038 bytes) A.pdf(110024 bytes) B.pdf(52545 bytes)

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



In the matter of Trademark Application No. 85/674799 for the mark
Published in the Official Gazette January 21, 2014

Google Inc. <div style="text-align: center;">Opposer,</div>)	
)	
v.)	Opposition No. 91217436
)	
Hanginout, Inc. <div style="text-align: center;">Applicant.</div>)	
)	
)	

HANGINOUT’S OPPOSITION TO MOTION TO SUSPEND OPPOSITION

Applicant Hanginout, Inc. (“Hanginout”) respectfully opposes Opposer Google, Inc.’s (“Opposer” or “Google”) Motion to Suspend Opposition (“Motion”). Suspensions pending the disposition of a civil action are “within the discretion of the Examiner of Trademarks.” 8-700 Trademark Manual of Examining Procedure (TMPEP) § 716; TBMP § 510.02 (“the Board may [] suspend[] until final determination of the civil action”). In order to have such discretion, “[t]he Board does not automatically suspend proceedings when civil litigation is pending between the parties” and “[s]uspension under such circumstances is granted only after both parties have been heard on the question and the Board has carefully reviewed the pleadings in the civil suit.” *Martin Bev. Co. v. Colita Bev. Corp.*, 169 U.S.P.Q. (BNA) 568, 570 (TTAB 1971).

To even get to the point where the Board has discretion to suspend, the TTAB has long held that the Opposer must show either “a decision by the district court will be dispositive of the issues before the Board” or that the outcome of the civil action “will have a bearing on the question of the rights of the parties in the Patent Office proceeding.” *Martin Bev. Co. v. Colita Bev. Corp.*, 169 U.S.P.Q. (BNA) 568, 570 (TTAB 1971) (first quote); *GMC v. Cadillac Club Fashions, Inc.*, 22 U.S.P.Q.2D (BNA) 1933, 1937 (TTAB 1992) (second quote); see also *Kearns-Tribune, LLC v. Salt Lake Tribune Publ. Co., LLC*, 2003 TTAB LEXIS 470 (TTAB Sept. 11, 2003) applying Rule 2.117 (“Suspension of a Board case is appropriate even if the civil case may not be dispositive of the Board case, so long as the ruling will have a bearing on the rights of the parties in the Board case.”); *Soc’y of Mexican Am. Eng’rs & Scientists, Inc. v. GVR Pub. Rels. Agency, Inc.*, 2002 TTAB LEXIS 697, 10-12 (TTAB Nov. 6, 2002) (same); *Black Box Corp. of Pa. & BB*

Techs., Inc. v. Better Box Communs. Ltd., 2002 TTAB LEXIS 253 (TTAB Mar. 29, 2002) (same).

But, in any event, even assuming the Board had discretion to suspend this Opposition, the inefficiency and fundamental unfairness that would result both still warrant denial of the Motion. *Soc'y of Mexican Am. Eng'rs & Scientists, Inc. v. GVR Pub. Rels. Agency, Inc.*, 2002 TTAB LEXIS 697, 10-12 (TTAB Nov. 6, 2002).

The Discretion to Suspend Has Not Been Triggered

As Google notes in its Motion, Hanginout filed a civil action against it in the United States District Court for the Southern District of California, Case No. 3:13-CV-02811-AJB-NLS (“District Action”). The District Action alleges *only* a claim for infringement of an unregistered mark (under 15 U.S.C. § 1125), and *not* for infringement of a registered mark (under 15 U.S.C. § 1114). Google Appendix A at p. 8.

In ruling on the preliminary injunction, the Court in the District Action held that market penetration was a required element of a claim for infringement of an unregistered mark. Google’s Appendix B at pp. 10-17 (market penetration). The Court’s Order further shows that this is a complex and thorny issue that must be maneuvered to resolve the claim for infringement of an unregistered mark in the District Action. Market penetration is central to Paragraph 63 of Google’s Answer in the District Action, because the Court found that seniority for an unregistered mark includes market penetration. Google Appendix C at ¶ 63.

In contrast, Hanginout’s right to register the opposed mark is based solely on first use in commerce – not market penetration in any particular geography. In ruling on the preliminary injunction, the Court spent three pages *easily* concluding that Hanginout had established ***it was the first to use the mark in commerce*** (the only relevant standard for this Opposition and for infringement of a registered mark). *Id.* at pp.7-10. Accordingly, there is no issue of priority; the Court has already held Hanginout had first use in commerce. *Id.*

Thus, priority is no longer really an issue before the District Court. Google, in turn, has focused almost exclusively on market penetration. Moreover, Google was very adamant in contending that the District Court scrutinize market penetration for purposes of establishing ownership of an unregistered mark. As a result, the Court spent 7 additional pages detailing the thorny issues of market penetration that led it to deny the preliminary injunction. *Id.* at pp. 10-17.

If the Court resolves the District Action (and more particularly, ownership of the unregistered mark) on the basis of market penetration, it will shed absolutely *no* light on the issues before the Board on these Opposition proceedings. Thus, under the TTAB’s *Martin Bev.* and *GMC* holdings, the Board should find that its discretion to even decide to stay the Opposition has not been triggered based on the civil action and Google’s request should be denied on this basis.

Even if the Board’s Discretion was Triggered, a Suspension Should Still be Denied

Were the Board to find it has the discretion to stay the proceedings here, Hanginout respectfully contends that the Motion should nevertheless be denied because it will result in extreme

inefficiency and unintended injustice. *Soc'y of Mexican Am. Eng'rs & Scientists, Inc. v. GVR Pub. Rels. Agency, Inc.*, 2002 TTAB LEXIS 697, 10-13 (TTAB Nov. 6, 2002) (efficiency is a primary consideration in evaluating potential suspension).

As noted, in the District Action, Hanginout alleges *only* a claim for infringement of an unregistered mark (under 15 U.S.C. § 1125), and *not* for infringement of a registered mark (under 15 U.S.C. § 1114). Google Appendix A at p. 8. Hanginout can only amend its complaint in the District Action to pursue infringement of a registered mark once these Opposition proceedings are completed and a registration issues – indeed, although Hanginout initially attempted to bring a claim for infringement of a registered mark in the District Action, Google insisted that the claim be dismissed *until* the application matured into a registration. *See* Hanginout Appendix A [ECF #9-1 P&A ISO Mtn. to Dismiss.]

Proceeding without a stay is the only way to give the District Court the chance to resolve a far simpler claim for infringement of a registered mark. And since the trial period in this Opposition is set to end October 6, 2015 – three months before the final pretrial conference in the District Action – the Board will get this Opposition resolved in time to include this claim in the District Action. *See* Hanginout Appendix B [ECF #54 Scheduling Order.]

Thus, by not staying this Opposition, a registration may feasibly issue in time to allow the District Action to resolve a claim for infringement of a registered mark (under 15 U.S.C. § 1114). On the other hand, staying this Opposition could result in **three** proceedings – the first currently-pending lawsuit (the District Action), these subsequently unsuspending Opposition proceedings, and then a second lawsuit for infringement of a registered mark once the registration issues. *Juno Lighting v. Ruud Lighting*, 1995 U.S. Dist. LEXIS 197 **10-11 (N.D. Ill. Jan. 11, 1995) (second suit for Section 1114 infringement of registration obtained subsequent to first suit is not barred by res judicata, even if it pertains to the same transactions, because it could not have been brought earlier). If Google does not agree with the Board's denial of a suspension, it can always dismiss this Opposition and file a petition to cancel once Hanginout's mark has registered. In fact, that should be the preferred way to handle this dispute as allowing the mark to register and then seeking cancelation does not prejudice Hanginout from being unfairly deprived of its registration during a suspension, or inefficiently forcing two lawsuits.

Conversely, refusing the stay does *more* than just protect the efficiencies and conserve the resources of the TTAB, the Court and the Parties. It also avoids a great and unwarranted injustice that the TTAB undoubtedly has never intended its procedures to be used for. As long as Google can hold Hanginout's registration hostage pending the District Action, it can exploit a potential bar on pre-registration statutory damages. *See, New Name, Inc. v. Walt Disney Co.*, 2008 U.S. Dist. LEXIS 107203, 17-18 (C.D. Cal. July 23, 2008); *see also City of Carlsbad v. Shah*, 850 F. Supp. 2d 1087, 1116-1117 (S.D. Cal. 2012) (suggesting a date after the application date but before registration may in some cases be treated as an earlier "constructive registration" date).

It is for these very sorts of reasons that judges have in the past found that the TTAB proceedings – not the lawsuit – were the most economical and efficient proceedings to resolve first. *Armand's Subway, Inc. v. Doctor's Associates, Inc.*, 604 F.2d 849, 852 (4th Cir. 1979) (noting that a resolution by the TTAB first "might simplify the remaining problems and perhaps entirely

eliminate some matters (hopefully the whole litigation) from the necessity of subsequent judicial determination.”); *Kemin Industries, Inc. v. Watkins Products, Inc.*, 183 U.S.P.Q. (BNA) 799 (D. Minn. 1974) (“While in this case there are issues that cannot be ruled upon by the Patent Office, the determination of the threshold question of the ownership of the mark lies particularly within their field of expertise. They would know best the criteria for ownership and that seems to be the key. If that question were resolved in favor of plaintiff and the trademark cancelled, the other issues would be disposed of in a very short time by this Court. If the Patent Office rules in favor of defendant then, on the facts as they now stand, all other questions would seem to be moot.”); *Sun Drop Sales Corp. v. Seminole Flavor Co.*, 159 F. Supp. 828, 829 (E.D. Tenn. 1958) (“Perhaps the Court may take jurisdiction merely to pass upon a question of registerability where no infringement is involved, but it appears advisable, and perhaps mandatory, in the present cases to defer action until the remedies available in the Patent Office have been exhausted. The Commissioner of Patents and his assistants are, being experts in this field, far better equipped to pass upon that question than this Court.”).

Conclusion

The District Court action should not be seen as opening up the Board’s discretion to suspend. *Martin Bev. Co. v. Colita Bev. Corp.*, 169 U.S.P.Q. (BNA) at 570; *GMC v. Cadillac Club Fashions, Inc.*, 22 U.S.P.Q.2D (BNA) at 1937. Regardless, parties to a civil action should be discouraged from using opposition proceedings to force an owner of a mark to bring two back-to-back actions to protect its marks from infringement, where such party has it in its power all along to proceed by way of cancellation and protect itself just the same. The injustice and inefficiency that result should not be condoned or allowed by the Board in this instance. Thus, Hanginout respectfully requests that the Motion be denied.

Respectfully submitted,

Dated: October 14, 2014

By: /Andrew D. Skale/
Andrew D. Skale
Mintz, Levin, Cohn, Ferris,
Glovsky, and Popeo, P.C.
3580 Carmel Mountain Road, Ste 300
San Diego, CA. 92130
Tel: 858-314-1506
Fax: 858-314-1501
E-mail: adskale@mintz.com
Attorneys for Applicant
HANGINOUT, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **HANGINOUT'S OPPOSITION TO MOTION TO SUSPEND OPPOSITION** was served by U.S. mail, first class, postage prepaid, on this 14th day of October, 2014 on the following:

Matthew J. Snider

Dickinson Wright PLLC

International Square 1875 Eye Street N.W. Suite 1200

Washington, DC 20006

Attorneys for Opposer

Google Inc.

/Sharon Wester/

Sharon Wester

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP
Margret M. Caruso (Bar No. 243473)
2 Cheryl A. Galvin (Bar No. 252262)
555 Twin Dolphin Drive, 5th Floor
3 Redwood Shores, California 94065-2139
Telephone: (650) 801-5000
4 Facsimile: (650) 801-5100

5 Attorneys for Defendant Google Inc.
6
7
8
9

10 UNITED STATES DISTRICT COURT
11 SOUTHERN DISTRICT OF CALIFORNIA
12

13 HANGINOUT, INC,

14 Plaintiff,

15 vs.

16 GOOGLE INC.,

17 Defendant.
18
19
20
21
22
23
24
25
26
27
28

CASE NO. 13-CV-2811 JAH NLS

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
GOOGLE'S MOTION TO DISMISS**

ORAL ARGUMENT REQUESTED

Date: March 3, 2014

Time: 2:30 p.m.

Courtroom 13B

Judge: Hon. John A. Houston

TABLE OF CONTENTS

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

Page

INTRODUCTION 1

BACKGROUND 1

ARGUMENT..... 2

I. LEGAL STANDARD..... 2

II. HANGINOUT’S § 1114 CLAIM (COUNT I) MUST BE DISMISSED 3

III. HANGINOUT’S § 1125 CLAIM (COUNT II) MUST BE DISMISSED..... 3

IV. HANGINOUT’S STATUTORY AND COMMON LAW UNFAIR
COMPETITION CLAIMS (COUNT III) MUST BE DISMISSED..... 6

 A. Hanginout Fails To Allege A Claim Under California Business
 & Professions Code § 17200..... 6

 B. Hanginout Fails To Allege A Claim of California Common Law
 Unfair Competition. 7

CONCLUSION..... 7

TABLE OF AUTHORITIES

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

Page(s)

Cases

Ashcroft v. Iqbal,
556 U.S. 662 (2009) 2, 3, 5, 6

Balistreri v. Pacifica Police Department,
901 F.2d 696 (9th Cir. 1990) 2

Bell Atlantic Corp. v. Twombly,
550 U.S. 544 (2007) 2, 5, 6

Brookfield Communications, Inc. v. West Coast Entm't Corp.,
174 F.3d 1036 (9th Cir. 1999) 2, 4

*Department of Parks and Recreation for State of California v. Bazaar Del Mundo
Inc.*,
448 F.3d 1118 (9th Cir. 2006) 4

Entrepreneur Media, Inc. v. Smith,
279 F.3d 1135 (9th Cir. 2002) 6

Fractional Villas, Inc. v. Tahoe Clubhouse,
No. 08-cv-1396, 2009 WL.160932 (S.D. Cal. Jan. 22, 2009) 6

FreecycleSunnyvale v. The Freecycle Network, Inc., No. C 06-00324 CW,
2006 WL 2060431 (N.D. Cal. July 25, 2006) 2, 4

Glow Industries, Inc. v. Lopez,
252 F. Supp. 2d 962 (C.D. Cal. 2002) 4, 5

Groupion, LLC v. Groupon, Inc.,
859 F. Supp. 2d 1067 (N.D. Cal. 2012) 7

International Jensen, Inc. v. Metrosound U.S.A., Inc.,
4 F.3d 819 (9th Cir. 1993) 4

Statutes

15 U.S.C. § 1114 1, 3

15 U.S.C. § 1125(a) 3

Cal. Bus. Prof. Code § 17200 6

Fed. R. Civ. P. 12(b)(6) 2

INTRODUCTION

1
2 The complaint that Plaintiff Hanginout, Inc. (“Hanginout”) filed against
3 defendant Google Inc. (“Google”) on November 26, 2013 (the “Complaint”) fails to
4 state any claims for which relief can be granted. Hanginout does not own, or
5 allege to own, a registered trademark and therefore cannot state a claim for
6 trademark infringement under 15 U.S.C. § 1114, Section 32 of the Lanham Act.
7 Hanginout’s additional claims for federal and state law unfair competition fail
8 because Hanginout does not plead any factual allegations sufficient to support that it
9 has a valid, protectable trademark or that it is the senior user. Because Hanginout
10 fails to state a cognizable legal theory or sufficient facts to support any cognizable
11 legal theory, the Complaint must be dismissed in its entirety.

BACKGROUND

12
13 According to Hanginout’s Complaint (Dkt. No. 1), it developed an interactive
14 video-response platform under the brand HANGINOUT. (Compl. ¶ 11.)
15 Hanginout filed U.S. trademark applications for the HANGINOUT word mark and
16 the HANGINOUT design mark (“the HANGINOUT marks”) on July 12, 2012.
17 (*Id.* at ¶ 16.) The applications are still pending. (*Id.* at ¶ 17.) The Complaint
18 does not allege that HANGINOUT is a viable protectable trademark, either because
19 it is inherently distinctive or because it has acquired secondary meaning. Nor does
20 it allege that Hanginout is the senior user of the mark. The Complaint does not
21 allege the date Hanginout first used the HANGINOUT marks in commerce or how
22 Hanginout “commercialized” its products, (Compl. ¶ 9), including whether
23 Hanginout has done any marketing or made any sales of its products bearing the
24 HANGINOUT marks, the volume of actual paying customers, or where the
25 customers are located.

26 According to the Complaint, Defendant Google has developed a social media-
27 based video chat service called Hangouts that enables both one-on-one and group
28 video chats. (Compl. ¶ 19.) Hangouts can be accessed on the Internet through

1 Google+ websites, or through mobile applications for Android and IOS. (*Id.*)
 2 Google filed an application to register the mark HANGOUTS on April 26, 2013.
 3 (*Id.* at ¶ 20.) Hanginout alleges upon information and belief that Google “officially
 4 launched” Hangouts on May 15, 2013 (Compl. ¶ 18), but does not allege when
 5 Google first began using the HANGOUTS mark. Hanginout alleges that Google
 6 “aggressively market[s]” its Hangouts product. (*Id.* at ¶ 25.)¹

7 ARGUMENT

8 I. LEGAL STANDARD

9 A complaint may be dismissed under Rule 12(b)(6) of the Federal Rules of
 10 Civil Procedure “based on the lack of a cognizable legal theory or the absence of
 11 sufficient facts alleged under a cognizable legal theory.” *Balistreri v. Pacifica*
 12 *Police Dep’t*, 901 F.2d 696, 699 (9th Cir. 1990). “Factual allegations must be
 13 enough to raise a right to relief above the speculative level.” *Bell Atlantic Corp. v.*
 14 *Twombly*, 550 U.S. 544, 555 (2007) (internal quotations and citation omitted).
 15 Mere “labels and conclusions, and a formulaic recitation of the elements of a cause
 16 of action will not do.” *Id.* Rather, “[t]o survive a motion to dismiss, a complaint
 17 must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that
 18 is plausible on its face.’ . . . A claim has facial plausibility when the plaintiff
 19 pleads factual content that allows the court to draw the reasonable inference that the
 20 defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662,
 21 678 (2009) (quoting *Twombly*, 550 U.S. at 556, 570). A plaintiff must plead “more

22
 23 ¹ While these allegations are assumed true for purposes of this motion to
 24 dismiss, and justify granting the motion, Google reserves the right to contest their
 25 accuracy and completeness. For example, Google officially launched Hangouts on
 26 June 28, 2011 (<http://googleblog.blogspot.com/2011/06/introducing-google-project-real-life.html>)—almost a year before the date Hanginout’s claimed as its first use
 27 date in its trademark applications (Compl. ¶ 16, Attachments A, B). But
 28 determination of the parties’ respective dates of first use are not necessary to resolve
 this motion.

1 than an unadorned, the-defendant-unlawfully-harmed-me accusation.” *Iqbal*, 556
2 U.S. at 678.

3 **II. HANGINOUT’S § 1114 CLAIM (COUNT I) MUST BE DISMISSED**

4 The plain language of 15 U.S.C. § 1114(1)(a), Section 32(1) of the Lanham
5 Act, provides protection only for the “registrant” of a “registered mark” when a use
6 in commerce of an imitation of that “registered mark” is likely to cause confusion.

7 15 U.S.C. § 1114(1)(a):

8 (1) Any person who shall, without the consent of the
9 *registrant*—

10 (a) use in commerce any reproduction, counterfeit,
11 copy, or colorable imitation of a *registered mark* in
12 connection with the sale, offering for sale, distribution, or
13 advertising of any goods or services on or in connection
14 with which such use is likely to cause confusion, or to
15 cause mistake, or to deceive

13 *Id.* (emphasis added).

14 Unlike Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)), which
15 provides protection for unregistered trademarks, “section 32 provides protection
16 only to registered marks.” *Brookfield Commc’ns, Inc. v. West Coast Entm’t Corp.*,
17 174 F.3d 1036, 1046 n.8 (9th Cir. 1999); *accord FreecycleSunnyvale v. The*
18 *Freecycle Network, Inc.*, No. C 06-00324 CW, 2006 WL 2060431, at **3-4 (N.D.
19 Cal. July 25, 2006) (dismissing claim under 15 U.S.C. § 1114 where mark was
20 unregistered but an application was pending, finding that “[o]n its face, §32(1) limits
21 standing to registrants.”).

22 Hanginout does not allege that it has a registered trademark—only that it has
23 “pending trademark applications” for the HANGINOUT marks. (Compl. ¶¶ 17.)
24 Hanginout therefore has not stated a claim for which relief can be granted, and its
25 claim for trademark infringement under 15 U.S.C. § 1114 must be dismissed.

26 **III. HANGINOUT’S § 1125 CLAIM (COUNT II) MUST BE DISMISSED**

27 The Complaint fails to allege elements necessary to state a claim for
28 trademark infringement under 15 U.S.C. § 1125(a) (Section 43(a) of the Lanham

1 Act), which can provide protection for unregistered marks. To state such a claim, a
2 plaintiff must allege that it has a valid, protectable trademark, for which it is the
3 senior user, and that the defendant is using a mark confusingly similar to the
4 plaintiff's mark in commerce. *See, e.g., Brookfield*, 174 F.3d at 1047. Hanginout
5 fails to do this.

6 First, the Complaint does not allege that HANGINOUT is a valid and
7 protectable trademark. Although Hanginout alleges it has pending trademark
8 applications, unregistered marks are not entitled to a presumption of validity.
9 *Glow Industries, Inc. v. Lopez*, 252 F. Supp. 2d 962, 976 (C.D. Cal. 2002)
10 (plaintiff's pending trademark application not entitled to presumption of validity).
11 Therefore, a plaintiff must allege that its unregistered mark is either inherently
12 distinctive or has acquired secondary meaning. *E.g., Int'l Jensen, Inc. v.*
13 *Metrosound U.S.A., Inc.*, 4 F.3d 819, 823 (9th Cir. 1993). The Complaint must be
14 dismissed because it fails to do so. "[B]ecause inherent and acquired
15 distinctiveness are different legal theories that potentially involve different factual
16 bases, [the accused infringer] is entitled to notice of whether the Marks are alleged
17 to possess inherent distinctiveness." *Freecycle*, 2006 WL 2060431 at *6
18 (dismissing § 43(a)(1) claim and finding that counterclaimant had failed to allege
19 whether the marks had inherent or acquired distinctiveness).

20 Second, the Complaint fails to allege facts sufficient to show that Hanginout
21 is the senior user of the mark. Seniority of use can only be established by
22 commercial usage. "[I]t is not enough to have invented the mark first or even to
23 have registered it first; the party claiming ownership must have been the first to
24 actually use the mark in the sale of goods or services." *Dep't of Parks and*
25 *Recreation for State of California v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1125
26 (9th Cir. 2006) (citation omitted). Thus, the senior user of an unregistered
27 trademark may assert trademark rights only where it has obtained "sufficient market
28 penetration in any particular geographic area to claim common law trademark rights

1 as the senior user in that territory,” which is determined by examining information
2 including the trademark user’s “volume of sales and growth trends, the number of
3 persons buying the trademarked product in relation to the number of potential
4 purchasers, and the amount of advertising.” *Glow Industries*, 252 F. Supp. at 983.
5 The Complaint fails to allege sufficient commercial use to establish seniority. It
6 does not even allege when Hanginout first used the HANGINOUT mark in
7 commerce.² Further, it fails to allege any facts from which it would be plausible to
8 conclude that Hanginout made any use in commerce of sufficient volume and
9 geographic scope to give it seniority over Google’s nationwide use of HANGOUTS.
10 *Cf. Iqbal*, 556 U.S. at 678 (requiring complaint to be “plausible on its face”)
11 (quoting *Twombly*, 550 U.S. at 570). Hanginout has not alleged that its product has
12 been marketed or sold in any specific geographic area for any continuous length of
13 time nor alleged any sales or advertising of its product. Accordingly, the
14 Complaint’s factual content fails to “allow[] the court to draw the reasonable
15 inference that the defendant is liable for the misconduct alleged.” *Id.* (citing
16 *Twombly*, 550 U.S. at 556).

17
18
19
20 ² Attachments A and B to the Complaint, which Hanginout represents are the
21 trademark applications for the HANGINOUT marks, represent under oath the date
22 of first use of the marks is June 6, 2012. (Compl. ¶ 16, Attachments A, B.)
23 However, it is unclear whether that is accurate. The specimens that Hanginout
24 submitted to the USPTO contain a copyright date of 2013—and feature an image of
25 the iPhone 5S, which was not released until September 2013. (Declaration of
26 Margret M. Caruso (“Caruso Decl.”), ¶ 2, Ex. 1;
27 <http://www.apple.com/pr/library/2013/09/16iPhone-5s-iPhone-5c-Arrive-on-Friday-September-20.html>.) Thus, nothing on the face of the specimens, which are
28 incorporated in the Complaint by reference as part of Hanginout’s trademark
application, reflect that the HANGINOUT mark was used in commerce for the
services identified as early as July 2012. This calls into question not only the first
use date, but also the veracity of Hanginout’s representations to the USPTO.

1 Third, Hanginout’s allegation of likelihood of confusion is factually deficient.
 2 The Complaint only formulaically recites that “Google’s wrongful use of the
 3 HANGINOUT marks constitutes trademark infringement of Hanginout’s
 4 HANGINOUT marks, has caused significant confusion in the marketplace, and is
 5 likely to cause both confusion and mistake, along with being likely to deceive
 6 consumers.” (Compl. ¶ 30.) But it alleges no facts that, if proven, would
 7 “allow[] the court to draw the reasonable inference” that confusion is likely. *Iqbal*,
 8 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 556). This requires dismissal. *See*,
 9 *e.g., id.; Fractional Villas, Inc. v. Tahoe Clubhouse*, No. 08-cv-1396, 2009
 10 WL160932, at *4 (S.D. Cal. Jan. 22, 2009) (dismissing Lanham Act Section 43
 11 claim where plaintiff failed “[b]eyond conclusory allegations” to plead “any specific
 12 facts that show the unauthorized use of its intellectual property caused confusion,
 13 induced mistake, or deceived as to the affiliation of defendant with plaintiff”).

14 Because Hanginout has failed to plead the essential elements of validity of its
 15 asserted trademark and senior use, and failed to plead sufficient factual allegations
 16 to support those elements or likelihood of confusion, Hanginout’s trademark
 17 infringement claim under Section 43(a) of the Lanham Act must be dismissed.

18 **IV. HANGINOUT’S STATUTORY AND COMMON LAW UNFAIR**
 19 **COMPETITION CLAIMS (COUNT III) MUST BE DISMISSED**

20 **A. Hanginout Fails To Allege A Claim Under California Business &**
Professions Code § 17200.

21 Actions pursuant to California Business & Professions Code § 17200 are
 22 “substantially congruent” to claims made under the Lanham Act and rise and fall
 23 with those claims. *E.g., Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1153
 24 (9th Cir. 2002). Hanginout’s conclusory allegations in support of its § 17200 claim
 25 provide no further factual information than what it pleads for its federal Lanham Act
 26 claims. (*Compare* Compl. ¶ 42 with ¶ 38.) Accordingly, its § 17200 claim fails
 27 for the same reasons as its federal Lanham Act claims.
 28

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

B. Hanginout Fails To Allege A Claim of California Common Law Unfair Competition.

“Under California law, unfair competition is limited to cases in which a party passes off their goods as another.” *Groupion, LLC v. Groupon, Inc.*, 859 F. Supp. 2d 1067, 1083 (N.D. Cal. 2012). Because Hanginout has not alleged that Google has “passed off” its goods as those of Hanginout, the Complaint fails to state claim for common law unfair competition. *Id.*

CONCLUSION

For the foregoing reasons, Hanginout’s Complaint should be dismissed in its entirety.

DATED: January 10, 2014

Respectfully submitted,

/s/ Margret M. Caruso

Margret M. Caruso

Cheryl A. Galvin

QUINN EMANUEL URQUHART

& SULLIVAN, LLP

Attorneys for Defendant Google Inc.

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

CERTIFICATE OF SERVICE

I hereby certify that on January 10, 2014, I will cause to be filed the foregoing **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF GOOGLE’S MOTION TO DISMISS** with the Clerk of the Court using the CM/ECF system, which will then send a notification of such filing to counsel for Plaintiff Hanginout, Inc.

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

By /s/ Margret M. Caruso
Margret M. Caruso
Attorneys for Defendant Google Inc.
margretcaruso@quinnemanuel.com

1 of time in advance of the cut-off date, **so that it may be completed** by the cut-off date,
2 taking into account the times for service, notice and response as set forth in the Federal
3 Rules of Civil Procedure. **Counsel shall promptly and in good faith meet and confer**
4 **with regard to all discovery disputes in compliance with Local Rule 26.1(a).** The
5 Court expects counsel to make every effort to resolve all disputes without court
6 intervention through the meet and confer process. If the parties reach an impasse on any
7 discovery issue, counsel shall, within forty-five (45) days of the date upon which the
8 event giving rise to the dispute occurred, file a joint statement entitled, "Joint Motion for
9 Determination of Discovery Dispute" with the Court (see attached "Chambers' Rules" on
10 Discovery Disputes). **A failure to comply in this regard will result in a waiver of a**
11 **party's discovery issue. Absent an order of the court, no stipulation continuing or**
12 **altering this requirement will be recognized by the court.**

13 4. The parties shall designate their respective experts in writing by **April 3,**
14 **2015.** The parties must identify any person who may be used at trial to present evidence
15 pursuant to Rules 702, 703 or 705 of the Fed. R. Evid. This requirement is not limited to
16 retained experts. The date for exchange of rebuttal experts shall be by **April 17, 2015.**
17 The written designations shall include the name, address and telephone number of the
18 expert and a reasonable summary of the testimony the expert is expected to provide. The
19 list shall also include the normal rates the expert charges for deposition and trial
20 testimony.

21 5. By **May 18, 2015,** each party shall comply with the disclosure provisions in
22 Rule 26(a)(2)(A) and (B) of the Federal Rules of Civil Procedure. This disclosure
23 requirement applies to all persons retained or specially employed to provide expert
24 testimony, or whose duties as an employee of the party regularly involve the giving of
25 expert testimony. **Except as provided in the paragraph below, any party that fails to**
26 **make these disclosures shall not, absent substantial justification, be permitted to use**
27 **evidence or testimony not disclosed at any hearing or at the time of trial. In**
28 **addition, the Court may impose sanctions as permitted by Fed. R. Civ. P. 37(c).**

1 6. Any party shall supplement its disclosure regarding contradictory or rebuttal
2 evidence under Rule 26(a)(2)(D) by **June 1, 2015**.

3 7. All expert discovery shall be completed by all parties by **July 17, 2015**. The
4 parties shall comply with the same procedures set forth in the paragraph governing fact
5 discovery.

6 8. Failure to comply with this section or any other discovery order of the court
7 may result in the sanctions provided for in Federal Rule of Civil Procedure 37, including
8 a prohibition on the introduction of experts or other designated matters in evidence.

9 9. All other pretrial motions including those addressing Daubert issues must be
10 filed by **August 17, 2015**. Counsel for the moving party must obtain a motion hearing
11 date from the law clerk of the judge who will hear the motion. The period of time
12 between the date you request a motion date and the hearing date may vary from one
13 district judge to another. Please plan accordingly. Failure to make a timely request for a
14 motion date may result in the motion not being heard. Motions in limine are to be filed as
15 directed in the Local Rules, or as otherwise set by the district judge.

16 10. A Mandatory Settlement Conference shall be conducted on **October 14,**
17 **2015** at **9:30 a.m.** in the chambers of Magistrate Judge Nita L. Stormes. Counsel or any
18 party representing himself or herself shall submit confidential settlement briefs directly to
19 chambers by **October 7, 2015**. **All parties are ordered to read and to fully comply**
20 **with the attached Chamber Rules.**

21 11. The requirement to file a Memoranda of Contentions of Fact and Law and
22 take any other action required by Local Rule 16.1(f)(2) is **waived**.

23 12. Counsel shall comply with the pre-trial disclosure requirements of Federal
24 Rule of Civil Procedure 26(a)(3) by **December 1, 2015**. Failure to comply with these
25 disclosure requirements could result in evidence preclusion or other sanctions under
26 Federal Rule of Civil Procedure 37.

27 13. Counsel shall meet and take the action required by Local Rule 16.1(f)(4) by
28 **December 8, 2015**. The parties shall meet and confer and prepare a proposed pretrial

1 order containing the following:

- 2 1. A joint neutral statement to be read to the jury, not in excess of one
3 page, of the nature of the case and the claims and defenses.
- 4 2. A list of the causes of action to be tried, referenced to the Complaint
5 [and Counterclaim if applicable]. For each cause of action, the order
6 shall succinctly list the elements of the claim, damages and any
7 defenses. A cause of action in the Complaint [and/or Counterclaim]
8 which is not listed shall be dismissed with prejudice.
- 9 3(a). A list of each witness counsel actually expect to call at trial with a
10 brief statement, not exceeding four sentences, of the substance of the
11 witnesses' testimony.
- 12 3(b). A list of each expert witness counsel actually expect to call at trial
13 with a brief statement, not exceeding four sentences, of the substance
14 of the witnesses' testimony.
- 15 3(c). A list of additional witnesses, including experts, counsel do not expect
16 to call at this time but reserve the right to call at trial along with a
17 brief statement, not exceeding four sentences, of the substance of the
18 witnesses' testimony.
- 19 4(a). A list of all exhibits that counsel actually expect to offer at trial with a
20 one-sentence description of the exhibit.
- 21 4(b). A list of all other exhibits that counsel do not expect to offer at this
22 time but reserve the right to offer if necessary at trial with a one-
23 sentence description of the exhibit.
- 24 5. A statement of all facts to which the parties stipulate. This statement
25 shall be on a separate page and will be read to and provided to the
26 jury.
- 27 6. A list of all deposition transcripts by page and line, or videotape
28 depositions by section, that will be offered at trial.

20 The Court encourages the parties to consult with the assigned magistrate judge to
21 work out any problems in preparation of the proposed pretrial order. The court will
22 entertain any questions concerning the conduct of the trial at the pretrial conference.

23 14. Counsel for plaintiff will be responsible for preparing the pretrial order and
24 arranging the meetings of counsel pursuant to Civil Local Rule 16.1(f). By **December**
25 **15, 2015**, plaintiff's counsel must provide opposing counsel with the proposed pretrial
26 order for review and approval. Opposing counsel must communicate promptly with
27 plaintiff's attorney concerning any objections to form or content of the pretrial order, and
28 both parties shall attempt promptly to resolve their differences, if any, concerning the

1 order.

2 15. The Proposed Final Pretrial Conference Order, including objections to any
3 other parties' Federal Rule 26(a)(3) Pretrial Disclosures shall be prepared, served and
4 lodged with the assigned district judge by **December 22, 2015**, and shall be in the form
5 prescribed in and comply with Local Rule 16.1(f)(6).

6 16. The final Pretrial Conference is scheduled on the calendar of **Judge**
7 **Battaglia** on **January 8, 2016** at **1:30 p.m.**

8 17. The court directs the parties to review the chambers' rules for the assigned
9 district judge and magistrate judge.

10 18. A post trial settlement conference before a magistrate judge may be held
11 within 30 days of verdict in the case.


12 19. The dates and times set forth herein will not be modified except for good
13 cause shown.

14 20. Briefs or memoranda in support of or in opposition to any pending motion
15 shall not exceed twenty-five (25) pages in length without leave of a district court judge.
16 No reply memorandum shall exceed ten (10) pages without leave of a district court judge.
17 Briefs and memoranda exceeding ten (10) pages in length shall have a table of contents
18 and a table of authorities cited.

19 21. Plaintiff's counsel shall serve a copy of this order on all parties that enter this
20 case hereafter.

21 **IT IS SO ORDERED.**

22 DATED: August 8, 2014

23 
24 Hon. Nita L. Stormes
25 U.S. Magistrate Judge
26 United States District Court
27
28

1 **CHAMBERS' RULES FOR MAGISTRATE JUDGE NITA L. STORMES**

2 **A. Discovery Disputes**

3 If the parties have not resolved their dispute through the meet and confer process, counsel
4 shall, within **forty-five (45) days of the date upon which the event giving rise to the**
5 **dispute occurred (see (2) below)**, file a joint statement entitled "Joint Motion for
Determination of Discovery Dispute" with the Court.

- 6 1. The joint statement is to include: (1) a declaration of compliance with the meet
7 and confer requirement; (2) points and authorities (not to exceed 10 pages per
8 side); and (3) a format in accordance with the "Sample Format" described
9 below.
- 10 2. For oral discovery, the event giving rise to the discovery dispute is the receipt
11 of the first copy of the transcript of the affected portion of the deposition. For
12 written discovery, the event giving rise to the discovery dispute is the service
13 of the initial response, not the date on which counsel reach an impasse in meet
and confer efforts.
- 14 3. Any exhibits accompanying the joint statement shall also be filed.
- 15 4. Counsel shall not attach copies of any meet and confer correspondence to the
16 joint statement.

17 The Court will either issue an order following the filing of the joint statement or will
18 schedule a discovery conference or hearing.

19 **Sample Format: Joint Motion for Determination
20 Of Discovery Dispute**

21 **Request No. 1:** Any and all documents referencing, describing or approving the
22 Metropolitan Correctional Center as a treatment facility for inmate mental health
23 treatment by the Nassau County local mental health director or other government official
or agency.

24 **Response to Request No. 1:** Objection. This request is overly broad, irrelevant,
burdensome, vague and ambiguous and not limited in scope as to time.

25 **Plaintiff's Reason to Compel Production:** This request is directly relevant to the denial
26 of Equal Protection for male inmates. Two women's jails have specifically qualified
27 Psychiatric Units with certain license to give high quality care to specific inmates with
28 mental deficiencies. Each women's psychiatric Unit has specialized professional
psychiatric treatment staff (i.e., 24 hour psychiatric nurses full time, psychiatric care,
psychological care, etc.). Men do not have comparable services. This request will
document the discrepancy.

Defendant's Basis for Objections: This request is not relevant to the issues in the case.
Plaintiff does not have a cause of action relating to the disparate psychiatric treatment of
male and female inmates. Rather, the issue in this case is limited to the specific care that
Plaintiff received. Should the Court find that the request is relevant, defendant request
that it be limited to a specific time frame.

29 **B. Settlement Conference Procedures**

30 **1. Attendance:** All parties, adjusters for insured defendants, and other
representatives of a party **having full and complete authority to enter into a binding**
31 **settlement**, and the principal attorneys responsible for the litigation, must be present and

1 legally and factually prepared to discuss settlement of the case. Full authority to settle
 2 means that the individuals at the settlement conference be authorized to fully explore
 3 settlement options and to agree at that time to any settlement terms acceptable to the
 4 parties. *Heileman Brewing Co., Inc. v. Joseph Oat Corp.*, 871 F.2d 648, 653 (7th Cir.
 5 1989). The person needs to have "unfettered discretion and authority" to change the
 6 settlement position of a party. *Pitman v. Brinker Int'l, Inc.*, 216 F.R.D. 481, 485-486 (D.
 7 Ariz. 2003). One of the purposes of requiring a person with unlimited settlement
 8 authority to attend the conference is that the person's view of the case may be altered
 9 during the face-to-face conference. *Pitman*, 216 F.R.D. at 486. Limited or sum certain
 10 authority is not adequate. *Nick v. Morgan's Foods, Inc.*, 270 F.3d 590, 595-597 (8th Cir.
 11 2001). Failure of any of the aforementioned to appear **in person** will result in the
 12 imposition of sanctions. Where settlement authority rests with a governing body, counsel
 13 shall propose special arrangements in advance for securing timely authority to settle.

14 Requests to continue settlement conferences are rarely granted. The Court,
 15 however, will consider written joint motion or ex parte requests to continue a conference
 16 when extraordinary circumstances exist that make a continuance appropriate. In and of
 17 itself, having to travel a long distance to appear in person is not "extraordinary" to justify
 18 continuing the conference or excusing the personal attendance of a party.

19 **2. Settlement Conference Briefs:** All parties are required to lodge a
 20 **confidential** settlement brief before the Settlement Conference. Please refer to the
 21 Court's order for the due date for the brief. Settlement briefs should not exceed ten (10)
 22 pages in length, double spaced, exclusive of exhibits, if any. Copies of all documents
 23 that might enhance the productivity of negotiations (e.g., contracts, key correspondence
 24 or memos, reports of experts, photos, medical bills, wage loss statements, selected pages
 25 from deposition transcripts or responses to other discovery) should be attached as
 26 exhibits to the settlement briefs with significant portions highlighted for easy reference.
 27 Parties may also attach as exhibits helpful judicial opinions and information about the
 28 settlement or judgment value of comparable cases. Each brief shall set forth the
 following required confidential information:

- a. A brief analysis of the key issues involved in the litigation;
- b. A description of the strongest and weakest legal and factual points in the party's case;
- c. A description of the strongest and weakest legal and factual points in the opponent's case;
- d. The status of any settlement negotiations, including the last settlement proposal made by each party; and
- e. The settlement proposal that the party is willing to make in order to conclude the matter and spare the further expense of litigation.

Parties should hand deliver, mail, or electronically mail the **original only** of settlement briefs directly to chambers. If the submission exceeds 20 pages, a paper copy **must** be delivered or mailed to chambers. FAX briefs will not be accepted. **Settlement briefs are confidential and shall not be served on opposing parties nor shall they be filed.**

Chambers of Magistrate Judge Nita L. Stormes
 333 West Broadway, Suite 1210
 San Diego, CA 92101
 email: [efile_stormes@casd.uscourts.gov]