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

Proceeding	92054577
Party	Plaintiff BIC Corporation, BIC USA Inc., and Norwood Promotional Products LLC
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Attachments	Opposition to Motion to Suspend.pdf(516591 bytes)

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

In the matter of Registration No. 3,153,089) Cancellation No. 92054567
For the Trademark **ALL-IN-ONE** (Design))
Registered October 10, 2006)

In the matter of Registration No. 2,422,967) Cancellation No. 92054569
For the Trademark **ALL-IN-ONE**)
Registered January 23, 2001)

In the matter of Registration No. 3,718,333) Cancellation No. 92054577
For the Trademark **ALL-IN-ONE** (Design))
Registered December 1, 2009)

In the matter of Registration No. 3,164,707) Cancellation No. 92054580
For the Trademark **THE WRITE CHOICE**)
Registered October 31, 2006)

In the matter of Registration No. 2,426,417) Cancellation No. 92054590
For the Trademark **ALL-IN-ONE LINE**)
Registered February 6, 2001)

BIC CORPORATION, BIC USA INC., and)
NORWOOD PROMOTIONAL PRODUCTS, LLC,)

Petitioners,)

v.)

MARKET QUEST GROUP, INC.)

Registrant.)

OPPOSITION TO MOTION FOR SUSPENSION OF PROCEEDINGS

Petitioners BIC Corporation, BIC USA, Inc. and Norwood Promotional Products, LLC
("Petitioners") hereby oppose the motion by Registrant Marketquest Group, Inc. ("Registrant")
to suspend the current proceedings.

The United States District Court for the Southern District of California recently *granted* Petitioners' motions for summary judgment against Registrant's trademark infringement claims, finding that Petitioners' use of the accused phrases "all in one" and "the write pen choice for 30 years!" constituted Fair Use. *See* Order Granting Summary Judgment, *Marketquest Group, Inc. v. BIC Corporation et al.*, Case no. 11-cv-618 BAS JLB (S.D.Cal. Apr. 17, 2015); decision attached as Exhibit A. This Order terminated the District Court case entirely, which had been the reason for suspension of the subject TTAB proceedings. That reason therefore no longer exists.

While Registrant has filed a Notice of Appeal, Registrant has *admitted* in its Ninth Circuit mediation questionnaire that *the only issue on appeal is whether the district court correctly decided that Petitioners' offending uses constituted fair use*. *See* Appellant's Mediation Questionnaire, Exhibit B. The appeal will ***not*** decide whether Registrant's marks are valid. There is therefore no judicial determination or decision upon which these subject TTAB proceedings will turn, and thus no reason for further delay.

It is possible—although extraordinarily unlikely, given that *two* District Judges *each* found Petitioners accused use to be Fair Use, the first coming on denial of Registrant's motion for preliminary injunction (attached as Exhibit C)—that the well-reasoned District Court opinion (Exhibit A) will be reversed by the Court of Appeal, in which case the parties theoretically could resume litigating all issues of trademark infringement, including mark validity. However, until such time, there are currently no "issues in common" under TBMP § 510.02(a) as between these TTAB proceedings and the pending appeal, as the only issue on appeal is Petitioner's Fair Use, not mark validity.

The instant proceedings have been suspended since October 24, 2011, and no reason exists to further delay them. For the reasons stated above, Petitioners respectfully request that this Board resume the above-captioned proceedings.

Date: June 18, 2015

Respectfully submitted,

/s/ Richard P. Sybert

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CERTIFICATE OF SERVICE

I hereby certify that a copy of this opposition was served this 18th day of June, 2015 by first class mail and email to its Attorney of Record:

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Exhibit A

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

Case No. 11-cv-618 BAS (JLB)

MARKETQUEST GROUP, INC., a
California corporation d/b/a All-In-
One,

Plaintiff,

v.

BIC CORPORATION, a Connecticut
corporation, et al.,

Defendants.

ORDER:

- (1) **GRANTING DEFENDANTS’
MOTIONS FOR SUMMARY
JUDGMENT [ECFs 214, 215];**
- (2) **DENYING DEFENDANTS’
MOTION FOR SUMMARY
JUDGMENT [ECF 216];**
- (3) **DENYING DEFENDANTS’
MOTION FOR SANCTIONS
[ECF 289]; AND**
- (4) **TERMINATING PENDING
MOTIONS**

**[ECFs 199, 205, 214, 215, 216, 217,
218, 219, 289]**

Before the Court are Defendants Norwood Promotional Products, LLC (“Norwood”) and BIC USA, Inc.’s (“BIC”) motions for summary judgment. ECFs 214, 215. Plaintiff Marketquest Group, Inc. (“Marketquest”) has sued them for infringing its trademarks “All-In-One” and “The Write Choice” (respectively), and Defendants have moved for summary judgment on all claims on the basis that any infringement is protected by fair use. For the following reasons, the Court **GRANTS** Defendants’ motions.

BACKGROUND

1
2 Plaintiff Marketquest Group Inc. is a California corporation that produces
3 and sells various promotional products. FAC ¶¶ 10–12. Marketquest has registered
4 trademarks for “ALL-IN-ONE” and “THE WRITE CHOICE.”¹

5 BIC included the phrase “The Write Pen Choice” in online advertising and
6 displays for writing instruments, including its pens, in October 2010. FAC ¶¶ 21–
7 25. This campaign, designed to celebrate BIC’s thirty-year anniversary producing
8 its ROUND STIC pens in the United States, included BIC ® and ROUND STIC ®
9 at the top of the page, followed by “The WRITE Pen Choice for 30 years!”,
10 unaccompanied by either TM or ®. BIC and ROUND STIC, along with BIC’s
11 logo, are included in other portions of the advertisement and are always
12 prominently followed by ®. FAC, Ex. G. This advertisement could allegedly be
13 found on various internet sites and at BIC’s promotional displays. FAC ¶ 23. This
14 promotion is no longer active.

15 Norwood, a subsidiary of BIC, sells promotional products and included the
16 phrase “All in ONE” on its 2011 product catalogue. FAC ¶ 24. This catalogue
17

18 ¹Marketquest lists five separate registered trademarks (four for the “ALL-IN-ONE” mark, and
19 one for “THE WRITE CHOICE” mark; collectively, “the Infringing Marks”):

- 20 1. The mark “ALL-IN-ONE,” registered in connection with its sale of products including
21 “writing instruments, namely pens, pencils, markers, highlighting markers.” Registration
22 No. 2,422,967 (registered Jan. 23, 2001). (FAC ¶ 13, Ex. A.)
- 23 2. The mark “ALL-IN-ONE-LINE,” registered in connection with its sale of products
24 including “writing instruments, namely pens, pencils, markers.” Registration No.
25 2,426,417 (registered Feb. 6, 2001). (FAC ¶ 14, Ex. B.)
- 26 3. The mark “ALL-IN-ONE stylized design,” registered in connection with its sale of
27 products and services including “writing instruments, namely pens, pencils, markers,
28 highlighting markers” and “dissemination of advertising matter.” Registration No.
3,153,089 (registered Oct. 10, 2006). (FAC ¶ 15, Ex. C.)
4. The mark “THE WRITE CHOICE,” registered in connection with its sale of products
including “writing instruments, namely pens, pencils, markers, highlighting markers.”
Registration No. 3,164,707 (registered Oct. 31, 2006). (FAC ¶ 16, Ex. D.)
5. The mark “ALL-IN-ONE stylized design,” registered in connection with its sale of
services including “customized imprinting of equipment, merchandise and accessories for
business promotion.” Registration No. 3,718,333 (registered Dec. 1, 2009). (FAC ¶ 17, Ex.
E.)

1 included many of Norwood’s hard goods products in one catalogue and is no
2 longer available. “Norwood ®” was printed in a larger font on the cover of the
3 catalogue, and “All in ONE” appeared below and to the right of it.

4 **LEGAL STANDARD**

5 Federal courts sitting in diversity “apply state substantive law and federal
6 procedural law.” *Snead v. Metro. Prop. & Cas. Ins. Co.*, 237 F.3d 1080, 1090 (9th
7 Cir. 2001) (citing *Gasperini v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 427
8 (1996)). Under Rule 56 of the Federal Rules of Civil Procedure, summary
9 judgment is appropriate if “the movant shows that there is no genuine dispute as to
10 any material fact and the movant is entitled to judgment as a matter of law.” Fed.
11 R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). An issue of
12 fact is “material” if it “might affect the outcome of the suit under the governing
13 law.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986); *George v.*
14 *Morris*, 736 F.3d 829, 834 (9th Cir. 2013). A dispute is “genuine” if “a reasonable
15 jury could return a verdict for the nonmoving party.” *Anderson*, 477 U.S. at 248;
16 see also *FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509, 514 (9th Cir.
17 2010). “Disputes over irrelevant or unnecessary facts will not preclude a grant of
18 summary judgment.” *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809
19 F.2d 626, 630 (9th Cir. 1987) (citing *Anderson*, 477 U.S. at 248).

20 A party seeking summary judgment bears the initial burden of establishing
21 the absence of a genuine issue of material fact. *Celotex Corp.*, 477 U.S. at 323. The
22 moving party without the ultimate burden of persuasion at trial can satisfy this
23 burden in two ways: (1) by producing “evidence negating an essential element of
24 the nonmoving party’s claim or defense;” or (2) by demonstrating that the
25 nonmoving party does not have enough evidence of an essential element to carry
26 its ultimate burden of persuasion at trial. *Nissan Fire & Marine Ins. Co., Ltd. v.*
27 *Fritz Cos., Inc.*, 210 F.3d 1099, 1102 (9th Cir. 2000); *Celotex*, 477 U.S. at 322-23;
28 Fed. R. Civ. P. 56(c)(1). Evidence may be offered “to support or dispute a fact” on

1 summary judgment only if it “could be presented in an admissible form at trial.”
2 *Fraser v. Goodale*, 342 F.3d 1032, 1036–37 (9th Cir. 2003); see also Fed. R. Civ.
3 P. 56(c)(2). However, at the summary judgment stage, the focus is not on the
4 admissibility of the evidence’s form, but on the admissibility of its contents. *Id.* If
5 the moving party meets its burden, the burden then shifts to the non-moving party to
6 produce admissible evidence showing a genuine issue of material fact. *Nissan Fire*,
7 210 F.3d at 1102-03; *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S.
8 574, 586-87 (1986).

9 “[I]n granting summary judgment a district court cannot resolve disputed
10 questions of material fact; rather, that court must view all of the facts in the record
11 in the light most favorable to the non-moving party and rule, as a matter of law,
12 based on those facts.” *Albino v. Baca*, 747 F.3d 1162, 1173 (9th Cir. 2014).
13 “Credibility determinations, the weighing of the evidence, and the drawing of
14 legitimate inferences from the facts are jury functions, not those of a judge [when]
15 ruling on a motion for summary judgment[.]” *Anderson*, 477 U.S. at 255.

16 DISCUSSION

17 Two provisions of The Lanham Act, 15 U.S.C. §§ 1124–25, protects
18 trademarks from infringement. In particular, former Section 43 (now 15 U.S.C. §
19 1125) prohibits false designations of origin or dilution of a trademark under a
20 “likelihood of confusion” standard. If the false designation is “likely to cause
21 confusion, or to cause mistake, or to deceive as to the affiliation, connection, or
22 association of such person with another person, or as to the origin, sponsorship, or
23 approval of his or her goods, services, or commercial activities by another person”
24 the trademark holder may sue the infringer. Previously in this case, the court
25 determined that BIC and Norwood’s use of Marketquest’s trademark had some
26 likelihood of confusion. See Order Den. Prelim. Inj. 20:17–20, ECF 41. While
27 some of the evidence presented at the summary judgment stage changes the
28 calculus of some *Sleekcraft* factors, the Court is satisfied that there is some

1 likelihood of confusion and therefore the potential for trademark infringement
2 liability. *See AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).
3 Further analysis of those factors is unnecessary, however, because **BIC and**
4 **Norwood's uses of Marketquest's trademarks are completely protected by fair use.**

5
6 Fair use is an affirmative defense to trademark infringement. In trademark
7 law, fair use is a defense if “the use of the ... term, or device charged to be an
8 infringement is a use, otherwise than as a mark, ... of a term or device which is
9 descriptive of and used fairly and in good faith only to describe the [defendant's]
10 goods or services[.]” 15 U.S.C. § 1115(b)(4). Here, Defendants allege “classic fair
11 use” defenses because they used Marketquest's marks only to describe their own
12 products, which applies when defendants “ha[ve] used the plaintiff's mark *only* to
13 describe [their] own product, and not at all to describe the plaintiff's product.”
14 *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 809 (9th Cir.2003)
15 (emphasis deleted) (internal quotations omitted). Under fair use doctrine, “ ‘[a]
16 junior user is always entitled to use a descriptive term in good faith in its primary,
17 descriptive sense other than as a trademark.’ ” *Cairns v. Franklin Mint Co.*, 292
18 F.3d 1139, 1150–51 (9th Cir.2002) (quoting 2 *McCarthy on Trademark and Unfair*
19 *Competition* § 11.45 (4th ed.2001)). This doctrine “forbids a trademark registrant
20 to appropriate a descriptive term for his exclusive use and so prevent others from
21 accurately describing a characteristic of their goods.” *See New Kids on the Block v.*
22 *News Am. Publ'g, Inc.*, 971 F.2d 302, 306 (9th Cir.1992) (internal quotation
23 omitted)). To invoke the fair use defense, defendants must show they are (1) not
24 using the term as a trademark, (2) use the term only to describe their own goods
25 and services, and (3) use the term fairly and in good faith. *Cairns*, 292 F.3d at
26 1151.

27 According to the Supreme Court, “the defendant has no independent burden
28 to negate the likelihood of any confusion in raising the affirmative defense” of fair

1 use. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111,
2 124, 125 S.Ct. 542, 160 L.Ed.2d 440 (2004). Therefore, “some possibility of
3 consumer confusion must be compatible with fair use[.]” *Id.* at 121, 125 S.Ct. 542;
4 *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 217 (3d
5 Cir.2005). The fair use defense recognizes “the undesirability of allowing anyone
6 to obtain a complete monopoly on use of a descriptive term simply by grabbing it
7 first.” *KP Permanent Make-Up*, 543 U.S. at 122, 125 S.Ct. 542. The Ninth Circuit
8 has clarified that although some consumer confusion will not negate fair use, the
9 degree of consumer confusion remains a factor. *KP Permanent Make-Up Inc. v.*
10 *Lasting Impression I*, 408 F.3d 596, 609 (9th Cir. 2005). Relevant factors include
11 “the degree of likely confusion, the strength of the trademark, the descriptive
12 nature of the term for the product or service being offered by [the plaintiff] and the
13 availability of alternate descriptive terms, the extent of the use of the term prior to
14 the registration of the trademark, and any differences among the times and contexts
15 in which [the plaintiff] has used the term.” *Id.*

16 A. *Norwood’s 2011 Catalog*

17 The Court first turns to the mark itself, “all-in-one,” to determine both its
18 meaning in common parlance and the extent of its use prior to Marketquest’s
19 registration. According to the Oxford English Dictionary, “all-in-one” (used to
20 describe “an entity or object which combines all the required or *appropriate*
21 elements, items, or functions in one”) dates to the April 1841 issue of Chicago’s
22 *The Dial* magazine. *All-in-one Definition*, OXFORD ENGLISH DICTIONARY,
23 <http://www.oed.com/view/Entry/314403> (Mar. 2015) (last visited Apr. 14, 2015)
24 (“OED Def.”) (italics added) (“Pantheism ... rejects the doctrine of the Trinity, not
25 like Unitarianism, by denying it, but by making an omni-unity,—not a three-in-
26 one, but an all-in-one.”). In 1882, *Harper’s Magazine* used the term to describe a
27 Zuni religious dance combining “all the various dances of the Zuñi[.]” *id.* (Jun.). In
28 sum, “all-in-one” has been used in general, mainstream publications for over 130

1 years.

2 Additionally, in the context of “all-in-one,” “all” does not imply absolute
3 consolidation. For example, all-in-one garments are a “[f]oundation garment or
4 corselet consisting of girdle and brassière, made *with or without* a pantie[.]”*All-in-*
5 *one Definition*, MARY BROOKS PICKEN, THE LANGUAGE OF FASHION: A
6 DICTIONARY AND DIGEST OF FABRIC, SEWING, AND DRESS (1939) (italics added))
7 (quoted in OED Def.); *See also* OED Def., “all-in-one tool-chest” (*Pop. Sci.*
8 *Monthly*, Nov. 1923). As is obvious from the definition, only the “appropriate”
9 elements need to be included in the entity or object. OED Def.

10 Marketquest challenges the accuracy of Norwood’s use of “all-in-one”
11 because Norwood “produced other catalogs in addition to their ‘all in ONE’
12 Catalog that year which featured their housemarks and sub-brands.” Pl.’s Opp.
13 12:20–24, ECF 258. This argument lacks merit. No reasonable English speaker
14 could torturously construe an “all-in-one pocketknife” as including all gadgets ever
15 conceived. Similarly, Norwood is not forced to include all products ever produced
16 in its All in ONE Catalog or even all of the products Norwood itself sells. Instead,
17 “all-in-one” means what it is plainly understood to mean: “Appropriately
18 consolidated.” Trademark fair use is designed to protect uses of the plain meanings
19 of common words, and semantic contortions cannot render Norwood’s meaning or
20 use uncommon.

21 Concomitant with trademarking a descriptive phrase is the risk that such
22 trademarks are weak. “If any confusion results, that is a risk the plaintiff accepted
23 when it decided to identify its product with a mark that uses a well known
24 descriptive phrase.” *KP Permanent*, 408 F.3d at 122. Here, as discussed, “all-in-
25 one” is a common phrase used to describe consolidated products. Therefore while
26 Norwood is prohibited from using “all-in-one” in its trademarked, secondary
27 meaning, Marketquest has no claim to the phrase’s generic, common meaning.
28 This is precisely the protection fair use affords.

1 Because Norwood used “all-in-one” for its descriptive, common meaning, it
2 is used other than as a trademark. As stated in *Cairns*, junior users are “always
3 entitled” to such use, if it is in good faith. 292 F.3d at 1150–51. Therefore the
4 Court will now analyze evidence of Norwood’s good or bad faith.

5 Primarily, Marketquest argues that showing Defendants’ knowledge of the
6 trademarks alone is sufficient to establish bad faith. They opine that unless the
7 Court imputes bad faith to any larger organization that commits “knowing acts of
8 infringement[,]” this Court would “wash away” reverse confusion doctrine. Pl.’s
9 Opp. 19:1–5. While it is true that a larger corporation may not roll over a small
10 corporation’s mark, any organization that imbues secondary meaning to common
11 phrases assumes the risk that another organization in the same business sphere will
12 use that phrase for its common meaning. Marketquest was on notice that its ALL-
13 IN-ONE marks were, by their very nature, susceptible to such confusion. Therefore
14 simple knowledge of the senior user’s trademark cannot create an inference of bad
15 faith.

16 Beyond simple knowledge, Marketquest claims Defendants’ adoption of
17 “both of AIO’s Marks in the same year they targeted AIO’s niche” somehow
18 demonstrates bad faith. Pl.’s Opp. 21:5–7. However, Defendants’ use of two
19 common descriptive phrases in their wide-ranging marketing materials is
20 insufficient to show bad faith.

21 Additionally, Norwood largely mitigated the risk of confusion. Norwood
22 prominently printed its “Norwood ®” in every location including the phrase. Ex. 3
23 to Norwood’s Mot. Summ. J., ECF 214-3. Spatially, there is no implied association
24 between the Norwood mark and the All in ONE descriptor. All in ONE is printed
25 in a standard font, and it is followed by a list of generic types of items included in
26 the catalog. While previous catalogs had been formatted with lists of brands, the
27 2011 Catalog clearly includes only Norwood branding. Further, several places in
28 the catalog explained the phrase’s context, including: “Our primary product

1 resource, featuring all product lines in ONE catalog.” *Id.* In sum, Norwood did
2 everything possible, short of an explicit disclaimer, to mitigate the risk of
3 confusion.²

4 Norwood used “all-in-one” other than as a mark and in good faith.
5 Accordingly, the Court **GRANTS** Norwood’s motion for summary judgment. ECF
6 214.

7 *B. BIC’s 30th Anniversary Promotion*

8 BIC must similarly show that its use of “the write pen choice” was other
9 than as a mark and that the degree of consumer confusion does not outweigh the
10 fair use defense. *See KP Permanent*, 408 F.3d at 609. The Court finds that there is
11 no evidence of actual or potential confusion. Marketquest cites to Ninth Circuit’s
12 confusion analysis in a footnote, but then fails to point to evidence that any of
13 these factors are disputed or weigh in favor of Marketquest against fair use of “the
14 write choice.” Pl.’s Opp. 5 fn. 3. Marketquest instead argues that BIC’s use is
15 “suggestive” and therefore not entitled to fair use because “[t]here are many more
16 ways of suggesting than describing[.]” *See* Pl.’s Opp. 13:13–14:8 (quoting
17 *Fortune*, 618 F.3d at 1043 (internal quotations omitted)). However, *Fortune’s*
18 junior user, Victoria’s Secret, provided promotional t-shirts with “Delicious”
19 across the chest, finding that such a “playful self-descriptor” was used like a
20 trademark and in a suggestive manner. In contrast, here the “write choice” is a trite
21 pun, notable only for its obviousness. “Delicious,” used to describe wearers of
22 Victoria’s Secret t-shirts, is far more “suggestive.” Similarly, “MovieBuff” reads
23 as a brand name and was used as such by the junior user in *Brookfield Commc’ns,*
24 *Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999). The difference
25 between “Movie Buff” and “MovieBuff” is “pivotal” because consumers are

26 _____
27 ² No court has held that using common phrases requires a disclaimer to distinguish between the
28 junior and senior use. *See e.g. Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.,*
Inc., 618 F.3d 1025 (9th Cir. 2010), *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th
Cir. 2003), *Bell v. Harley Davidson Motor Co.*, 539 F. Supp. 2d 1249 (S.D. Cal. 2008).

1 conditioned to see such combinations as brands. *Id.* The “write choice” phrase here
2 includes no such combination or a fanciful spelling that would denote a trademark
3 use.

4 Advertisers use puns in 10 to 40% of advertisements, and they are designed
5 to establish rapport and present the consumer with an easily solved riddle.³ Solving
6 a riddle is a pleasurable experience, and therefore this may lead to a “positive
7 attitude towards the product” advertised. *Id.* This simplistic pun is directly related
8 to BIC’s pen product, and “write” is far more descriptive of a pen than of
9 Marketquest’s general promotional products business. To preclude BIC from
10 making this pun would effectively eliminate this avenue of commercial speech.

11 Marketquest consolidates its attacks on BIC and Norwood’s good faith into
12 one section. The arguments and conclusions are no less applicable to BIC than to
13 Norwood. BIC took similar measures to reduce the likelihood of confusion,
14 including modifying its promotion from “The WRITE choice for over 30 years!” to
15 “The WRITE Pen Choice for 30 Years!”. Ex. 1 to BIC USA’s Summ. J. Mot., ECF
16 215.⁴ It is arguable that only a small minority of the challenged slogan’s uses were
17 infringing at all. Moreover, BIC also rigorously labeled its BIC, ROUND STIC,
18 BIC logo, and BIC mascot with ® or TM, as well as any other trademarks in the
19 displays. BIC and ROUND STIC were prominently placed on the displays, with
20 the “write choice” slogan in the context of a complete sentence or with “choice”
21 omitted completely. Additionally, Marketquest does not allege that BIC coopted

23 ³ Margot van Mulken et al., *Puns, Relevance and Appreciation in Advertisements*, 37 J. of
24 Pragmatics 707–721 (2005). For example: Lea & Perrins, “the Worcester Saucerer”; Weight
25 Watchers: “Taste. Not waist.”; British Steel: “British Steel: British Mettle”. Timothy R. V. Foster,
26 *The Art and Science of the Advertising Slogan* (last visited Apr. 16, 2015),
<http://www.adslogans.co.uk/ans/creslo01.html>; see also Margot van Mulken et al., *Puns,*
Relevance and Appreciation in Advertisements, 37 J. of Pragmatics 707–21 (2005).

27 ⁴ BIC also phrased it as “The WRITE Hotel & Lodging pen for 30 years!”. The shortened
28 “WRITE choice” slogan comes from a character-limited tweet from January 19, 2011, while the
other, non-infringing versions more commonly appeared on promotional materials without
extreme space limitations. Ex. 1 to BIC USA’s Summ. J. Mot., ECF 215.

1 their font or styling of the phrase, instead using BIC’s house font. While
2 Marketquest often uses a nondescript cursive font for “the write choice” logo, its
3 failure to make a more distinctive mark is again an assumed risk. In sum, the
4 undisputed evidence shows that “the write choice” advertising campaign was
5 undertaken in good faith.

6 For all Marketquest’s attacks, they do not suggest a viable alternative.⁵ It
7 selected a trademark that was suggestive and based on a common descriptive
8 phrase. BIC incorporated the phrase and similar phrases into an advertising
9 campaign, using it in good faith for its primary meaning. Marketquest cannot now
10 attempt to enjoin others from such protected uses. Accordingly, the Court
11 **GRANTS** BIC USA Inc.’s motion for summary judgment. ECF 215.

12 **CONCLUSION**

13 For the foregoing reasons, the Court **GRANTS** Norwood and BIC USA
14 Inc.’s motions for summary judgment. ECF 214, 215. Accordingly, the Court
15 **DISMISSES** Marketquest’s First Amended Complaint. ECF 14.

16 At oral argument, Defendants’ counsel represented that if the Court were to
17 rule in Defendants’ favor on fair use, they would concede their counterclaims.
18 Summ. J. Hr’g Tr. 12:18–21, ECF 324.⁶ Accordingly, the Court **DENIES** BIC
19 Corp.’s motion for summary judgment on its counterclaims and **DISMISSES**
20 Defendants’ counterclaims. ECFs 17, 216.

21 The Court **DENIES** Defendants’ motion for sanctions (ECF 289) and
22 declines to issue an order to show cause why Defendants should not be sanctioned
23 (as urged in Marketquest’s Opposition to the motion, ECF 315).

24 The Court **TERMINATES AS MOOT** all other pending motions in this
25

26 ⁵ They suggest “The Right Choice,” (Pl.’s Opp. 14:1) which eliminates any pun and begs readers
27 to ask: “Why not use the obvious pun here?”

28 ⁶ THE COURT: Sure. Let me ask you this: If I were to rule in the defendants' favor on the fair use
issue, do I even have to reach the abandonment or fraud invalidity argument?
MR. SYBERT: You do not.

1 matter. ECFs 199, 205, 217, 218, 219.

2 **IT IS SO ORDERED.**

3 Dated: April 17, 2015



Hon. Cynthia Bashant
United States District Judge

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Exhibit B

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Circuit Mediation Office

Phone (415) 355-7900 Fax (415) 355-8566

<http://www.ca9.uscourts.gov/mediation>

MEDIATION QUESTIONNAIRE

The purpose of this questionnaire is to help the court's mediators provide the best possible mediation service in this case; it serves no other function. Responses to this questionnaire are *not* confidential. Appellants/Petitioners must electronically file this document within 7 days of the docketing of the case. 9th Cir. R. 3-4 and 15-2. Appellees/Respondents may file the questionnaire, but are not required to do so.

9th Circuit Case Number(s):	15-55755		
District Court/Agency Case Number(s):	3:11-cv-00618-BAS-JLB		
District Court/Agency Location:	United States District Court for the Southern District of California		
Case Name:	Marketquest Group, Inc.	v.	BIC Corporation, et al.
If District Court, docket entry number(s) of order(s) appealed from:	Docket Nos. 327 and 328		
Name of party/parties submitting this form:	Plaintiff-Appellant, Marketquest Group, Inc.		

Please briefly describe the dispute that gave rise to this lawsuit.

Appellant is a promotional products supplier that owns five federal trademark registrations for the marks "ALL IN ONE" and "THE WRITE CHOICE," two of which have become "incontestable" under 15 U.S.C. § 1065. These registrations protect Appellant against competitors' uses of confusingly similar designations on their competing promotional products and related services. In 2011, Appellees began using both of Appellant's marks at the same time, in the same marketing materials, to compete with Appellant for the same customers. These uses caused actual confusion among the parties' customers as to whether there was an affiliation between Appellant and Appellees. Moreover, at the time Appellees were using Appellant's marks, Appellees' sales were suffering unprecedented losses, and the perceived association between Appellant and Appellees caused Appellant's sales to suffer similar unprecedented losses. Appellant therefore brought this action for trademark infringement and unfair competition under the Lanham Act and California state laws.

Briefly describe the result below and the main issues on appeal.

On summary judgment, the district court recognized that there was "some likelihood of confusion and therefore the potential for trademark infringement liability." However, the court granted summary judgment to Appellees on their affirmative defense of "fair use," finding that Appellees' uses of Appellant's marks were excused by the fair use doctrine, codified at 15 U.S.C. § 1115(b)(4). Specifically, the court found that Appellees used Appellant's marks otherwise than as trademarks; only to describe their own products or services; and, fairly and in good faith, rejecting Appellant's argument that genuine disputes of material fact remained outstanding for resolution at trial, as to whether Appellees' uses of Appellant's marks were "fair." Thus, the main issue presented on appeal is whether the district court's ruling on summary judgment that Appellees used Appellant's marks fairly can survive de novo review.

Describe any proceedings remaining below or any related proceedings in other tribunals.

No proceedings (besides costs and fees motions) remain below, as Appellant's claims and Appellee's counterclaims were dismissed. However, Appellees instituted proceedings before the Trademark Trial and Appeal Board in 2011 in an effort to cancel Appellant's marks, under Cancellation Proceeding Nos. 92054567, 92054569, 92054577, 92054580 and 92054590. Those proceedings have been stayed pending resolution of this action, and there are no other related proceedings before any other tribunals.

Provide any other thoughts you would like to bring to the attention of the mediator.

Any party may provide additional information *in confidence* directly to the Circuit Mediation Office at ca09_mediation@ca9.uscourts.gov. Please provide the case name and Ninth Circuit case number in your message. Additional information might include interest in including this case in the mediation program, the case's settlement history, issues beyond the litigation that the parties might address in a settlement context, or future events that might affect the parties' willingness or ability to mediate the case.

CERTIFICATION OF COUNSEL

I certify that:

a current service list with telephone and fax numbers and email addresses is attached

(see 9th Circuit Rule 3-2).

I understand that failure to provide the Court with a completed form and service list

may result in sanctions, including dismissal of the appeal.

Signature

("s/" plus attorney name may be used in lieu of a manual signature on electronically-filed documents.)

Counsel for

Note: Use of the Appellate ECF system is mandatory for all attorneys filing in this Court, unless they are granted an exemption from using the system. **To file this form electronically** in Appellate ECF, complete the form, and then print the filled-in form to PDF (File > Print > PDF Printer/Creator). Then log into Appellate ECF and choose Forms/Notices/Disclosure > File a Mediation Questionnaire.

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9th Circuit Case Number(s)

NOTE: To secure your input, you should print the filled-in form to PDF (File > Print > PDF Printer/Creator).

CERTIFICATE OF SERVICE

When All Case Participants are Registered for the Appellate CM/ECF System

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on (date) .

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

Signature (use "s/" format)

CERTIFICATE OF SERVICE

When Not All Case Participants are Registered for the Appellate CM/ECF System

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on (date) .

Participants in the case who are registered CM/ECF users will be served by the appellate CM/ECF system.

I further certify that some of the participants in the case are not registered CM/ECF users. I have mailed the foregoing document by First-Class Mail, postage prepaid, or have dispatched it to a third party commercial carrier for delivery within 3 calendar days to the following non-CM/ECF participants:

Signature (use "s/" format)

Exhibit C

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

MARKETQUEST GROUP, INC., <div style="text-align: center;">vs.</div> BIC CORPORATION; BIC USA, INC.; NORWOOD PROMOTIONAL PRODUCTS, LLC; et al., <div style="text-align: right;">Defendants.</div>		Plaintiff,
---	--	--

CASE NO. 11-CV-618 JLS (WMC)

**ORDER: (1) DENYING
PLAINTIFF’S MOTION FOR
PRELIMINARY INJUNCTION; (2)
DENYING DEFENDANTS’
MOTION TO STRIKE**

(ECF Nos. 27, 40)

Presently before the Court is Plaintiff Marketquest Group, Inc.’s (Marketquest) motion for a preliminary injunction. (ECF No. 27.) Also before the Court are Defendants BIC Corp., BIC USA, and Norwood Promotional Products’ (BIC) opposition (ECF No. 33), Marketquest’s reply (ECF No. 35), and BIC’s motion to strike (ECF No. 40). The motion hearing set for November 10, 2011, is **HEREBY VACATED**, and the matter is taken under submission without oral argument pursuant to Civil Local Rule 7.1(d)(1). Having considered the parties’ arguments and the law, the Court **DENIES** Marketquest’s motion for a preliminary injunction and **DENIES** BIC’s motion to strike.

BACKGROUND

Plaintiff Marketquest is a California corporation engaged in the production, advertising, and sale of customizable promotional products, including writing instruments such as pens, using the

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1 registered trademarks “ALL-IN-ONE” and “THE WRITE CHOICE.” (FAC ¶ 10-12.)¹ According
 2 to Marketquest, in late 2010 Defendant BIC, comprised of Connecticut and Delaware corporations,
 3 began advertising and selling products, including pens and related products and services, using marks
 4 similar to Marketquest’s. (FAC ¶ 21-25.) Specifically, BIC began using the phrase “The Write Pen
 5 Choice” in an online advertising campaign for writing instruments, including pens, in or around
 6 October, 2010. (FAC ¶ 23.) BIC also began advertising customizable promotional products,
 7 including pens, in 2011 Catalogues using the phrase “All in ONE.” (FAC ¶ 24.)

8 By way of relevant background, in 2009 Defendant BIC USA acquired what became
 9 Defendant Norwood Promotional Products, LLC, a competitor in the promotional products business.
 10 (Def.’s Opp’n 2.) Norwood has its own trademark registrations for the NORWOOD mark and
 11 logo/design.² (*Id.*) In late 2010, BIC printed a number of NORWOOD catalogues for 2011, one of
 12

13 ¹Marketquest lists five separate registered trademarks (four for the “ALL-IN-ONE” mark, and
 14 one for “THE WRITE CHOICE” mark; collectively, “the Infringing Marks”):

15 1. The mark “ALL-IN-ONE,” registered in connection with its sale of products including
 16 “writing instruments, namely pens, pencils, markers, highlighting markers.” Registration No.
 2,422,967 (registered Jan. 23, 2001). (FAC ¶ 13, Ex. A.)

17 2. The mark “ALL-IN-ONE-LINE,” registered in connection with its sale of products
 18 including “writing instruments, namely pens, pencils, markers.” Registration No. 2,426,417
 (registered Feb. 6, 2001). (FAC ¶ 14, Ex. B.)

19 3. The mark “ALL-IN-ONE stylized design,” registered in connection with its sale of products
 20 and services including “writing instruments, namely pens, pencils, markers, highlighting
 markers” and “dissemination of advertising matter.” Registration No. 3,153,089 (registered
 Oct. 10, 2006). (FAC ¶ 15, Ex. C.)

21 4. The mark “THE WRITE CHOICE,” registered in connection with its sale of products
 22 including “writing instruments, namely pens, pencils, markers, highlighting markers.”
 Registration No. 3,164,707 (registered Oct. 31, 2006). (FAC ¶ 16, Ex. D.)

23 5. The mark “ALL-IN-ONE stylized design,” registered in connection with its sale of services
 24 including “customized imprinting of equipment, merchandise and accessories for business
 promotion.” Registration No. 3,718,333 (registered Dec. 1, 2009). (FAC ¶ 17, Ex. E.)

25 ² BIC lists two relevant registered trademarks:

26 1. The mark “NORWOOD,” registered in connection with “preparation of custom
 27 advertisements and custom promotional products for others,” Registration No. 2,894,578
 (registered Oct. 14, 2004). (Def.’s Opp’n 2.)

28 2. The mark “NORWOOD logo/design,” registered in connection with “custom imprinting
 for others of company name, trade name, logo or other copy, namely, words, phrases, and

1 which was the “NORWOOD All in ONE” catalogue, which “consolidated all of Norwood’s available
2 hard goods products in one catalogue.” (Def.’s Opp’n 3.) As of the date of BIC’s opposition to this
3 motion, on October 3, 2011, BIC claims that this “NORWOOD All in ONE” catalogue is no longer
4 in print and is no longer being distributed. (*Id.*) “Norwood will be changing the name of its
5 NORWOOD Catalogue for 2012 and will no longer use the phrase ‘All in ONE.’” (*Id.* at 4.)

6 On March 28, 2011, Marketquest filed this action for trademark infringement and unfair
7 competition against BIC. (ECF No. 1.) On May 5, 2011, Marketquest filed the operative First
8 Amended Complaint. (ECF No. 14.) Marketquest alleges what are essentially three causes of action:
9 (1) trademark infringement under 15 U.S.C. § 1114(1) of its ALL-IN-ONE mark (Count I) and its
10 THE WRITE CHOICE mark (Count III); (2) unfair competition under 15 U.S.C. § 1125(a) for its
11 ALL-IN-ONE mark (Count II) and its THE WRITE CHOICE mark (Count IV); and (3) unfair
12 competition in violation of Cal. Bus. & Prof. Code § 17200 (Count V). Marketquest requests a
13 preliminary and permanent injunction to enjoin BIC from using the Infringing Marks in any manner,
14 to order BIC to remove any products bearing the Infringing Marks from sale or display, and to order
15 BIC to deliver any such goods to the Court for destruction. (FAC 8-10.) Marketquest claims BIC’s
16 use of the Infringing Marks is likely to confuse consumers, causing irreparable injury. (FAC ¶¶ 28-34.)
17 On August 26, 2011, Marketquest moved for a preliminary injunction. (ECF No. 27.)

18 LEGAL STANDARD

19 A preliminary injunction is an equitable remedy aimed at preserving the status quo and at
20 preventing the occurrence of irreparable harm during the course of litigation. *See* Fed. R. Civ. P. 65.
21 The Ninth Circuit has recently modified its preliminary injunction analysis in response to the
22 Supreme Court’s rejection of its previous standard. Now, it is clear that “[a] plaintiff seeking a
23 preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to
24 suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his
25 favor, and that an injunction is in the public interest.” *Winter v. Natural Res. Def. Council, Inc.*

26
27 decorative designs on promotional products, namely, promotional merchandise, apparel, and
28 corporate gifts; custom printing for others of company name, trade name, logo or other copy,
namely, words, phrases, decorative designs on advertising matter,” Registration No. 3,575,173
(registered Feb. 17, 2009). (Def.’s Opp’n 2-3.)

1 (NRDC), 555 U.S. 7, 20 (2008) (citing *Munaf v. Geren*, 553 U.S. 674, 689-90 (2008)); *see also Am.*
2 *Trucking Ass'ns, Inc. v. City of L.A.*, 559 F.3d 1046, 1052 (9th Cir. 2009). A preliminary injunction
3 is an “extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is
4 entitled to such relief.” *NRDC*, 555 U.S. at 22. This “clear showing” requires the plaintiff to show
5 more than a mere “possibility” of irreparable harm; instead, he must “demonstrate that irreparable
6 injury is *likely* in the absence of an injunction.” *Id.* at 22 (emphasis in original); *American Trucking*,
7 559 F.3d at 1052.

8 Federal Rule of Civil Procedure 65(d) requires that every order granting an injunction must
9 “state the reasons why it issued; state its terms specifically; and describe in reasonable detail—and not
10 by referring to the complaint or other document—the act or acts restrained or required.” This mandate
11 for specificity ensures that those against whom an injunction is issued receive fair and precise notice
12 of what conduct is prohibited. *See Halo Mgmt., LLC v. Interland, Inc.*, 308 F.Supp.2d 1019, 1027
13 (N.D. Cal. 2003) (citing *Union Pac. R.R. v. Mower*, 219 F.3d 1069, 1077 (9th Cir. 2000)).³

14 ANALYSIS

15 The Ninth Circuit, as noted, has elaborated a four-part test for determining whether a moving
16 party is entitled to a preliminary injunction. *See, e.g., American Trucking*, 559 F.3d at 1052. To
17 succeed on a motion for a preliminary injunction, the movant must show: (1) likelihood of success on
18 the merits; (2) likelihood of irreparable harm in the absence of a preliminary injunction; (3) that the
19 balance of equities tips in his favor; and (4) that an injunction is in the public interest. *Id.* (citing
20 *NRDC*, 555 U.S. at 20.) The Court will address each aspect of this test below.

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23
24 ³Rule 65 also requires the movant to give security in an amount that the Court considers proper
25 to pay the costs and damages sustained by any party found to have been wrongfully enjoined or
26 restrained. Fed. R. Civ. P. 65(c). Marketquest has requested the Court dispense with the security
27 requirement or provide for a nominal bond. (Pl.’s Mem. ISO Mot. 16-17.) BIC has not requested
28 Marketquest give security, nor has it submitted any evidence regarding its likely damages if the Court
grants Marketquest’s motion for a preliminary injunction. Thus, the Court will not address the
security question here. *Cf. Halo Mgmt.*, 308 F.Supp.2d at 1027 n. 11 (declining to consider the
question of bond where the defendant did not request it); *see also Connecticut General Life Ins. Co.*
v. New Images of Beverly Hills, 321 F.3d 878, 882 (9th Cir. 2003) (refusing to address a bond-related
question on appeal where the district court was not presented with the bond issue).

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

2 In order to establish a claim for trademark infringement and unfair competition, Marketquest
 3 must show: (1) that it has a protectable ownership interest in the mark; and (2) that BIC's use of the
 4 mark is likely to cause consumer confusion.⁴ *Network Automation, Inc. v. Advanced Sys. Concepts,*
 5 *Inc.*, 638 F.3d 1137, 1144 (9th Cir. 2011) (citing *Dep't of Parks & Recreation v. Bazaar Del Mundo*
 6 *Inc.*, 448, F.3d 1118, 1124 (9th Cir. 2006). "The core element of trademark infringement is the
 7 likelihood of confusion, *i.e.*, whether the similarity of the marks is likely to confuse consumers about
 8 the source of the products." *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir.
 9 1992). Likelihood of confusion is determined by a fact-intensive, non-exclusive, eight-factor test.
 10 *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *Survivor Media, Inc. v. Survivor*
 11 *Prods.*, 406 F.3d 625, 631 (9th Cir. 2005).

12 Marketquest argues that it is likely to succeed on the merits of its federal claims because BIC's
 13 use of "All in ONE" is "likely to cause, and has, in fact, caused consumer confusion" because of its
 14 similarity to Marketquest's ALL-IN-ONE mark.⁵ (Pl.'s Mem. ISO Mot. 6.) BIC counters that
 15

16 ⁴Trademark infringement under Section 32 of the Lanham Act and unfair competition under
 17 both Section 43 of the Lanham Act and California Bus. & Prof. Code § 17200 are in this sense
 18 coextensive. *Cleary v. News Corp.*, 30 F.3d 1255, 1262-63 (9th Cir. 1994) ("This Circuit has
 19 consistently held that state common law claims of unfair competition and actions pursuant to
 20 California Business and Professions Code § 17200 are 'substantially congruent' to claims made under
 the Lanham Act."); *Enesco Corp. v. Price/Costco Inc.*, 146 F.3d 1083, n.1 (9th Cir. 1998); *Mattel, Inc.*
v. MCA Records, Inc., 296 F.3d 894 (9th Cir. 2002), *cert. denied*, 537 U.S. 1171 (2003) ("The
 likelihood of confusion test also governs [plaintiff's] [California] state law claims of unfair
 competition.") Section 32(1) of the Lanham Act applies to federally registered marks and provides:

21 Any person who shall, without the consent of the registrant—
 22 (a) use in commerce any reproduction, counterfeit, copy, or colorable
 23 imitation of a registered mark in connection with the sale, offering for
 24 sale, distribution, or advertising of any goods or services on or in
 connection with which such use is likely to cause confusion, or to cause
 mistake, or to deceive; ... shall be liable in a civil action by the
 registrant for the remedies hereinafter provided.

25 15 U.S.C. § 1114(1). Essentially the same standard is embodied in Section 43(a)(1) of the Lanham
 26 Act, which applies to both registered and unregistered trademarks. 15 U.S.C. § 1125(a)(1).

27 ⁵Marketquest's motion for a preliminary injunction focuses almost entirely on its ALL-IN-
 ONE mark, referencing only cursorily its THE WRITE CHOICE mark. (*see* Pl.'s Mem. ISO Mot. 5-
 28 7.) None of its arguments or evidence in support of the instant motion pertain to BIC's use of THE
 WRITE CHOICE mark. Thus, the Court deems Marketquest's request for a preliminary injunction
 as to THE WRITE CHOICE mark waived, and focuses entirely on the use of the ALL-IN-ONE mark.

1 Marketquest's ALL-IN-ONE marks were obtained fraudulently or have been abandoned and are thus
2 invalid, and also that no likelihood of confusion exists. (Def.'s Opp'n 7-8.) Finally, BIC argues that
3 even if a likelihood of confusion exists, its use of the phrase "All in One" is a protected fair use.
4 (Def.'s Opp'n 14.) The Court addresses each of these arguments in turn.

5 **(A) Validity of the ALL-IN-ONE Marks**

6 To determine whether BIC's use of "All in ONE" constitutes trademark infringement or unfair
7 competition, the Court must first resolve whether Marketquest has a valid, protectable trademark
8 interest in the ALL-IN-ONE mark.⁶

9 Marketquest's registration of the four ALL-IN-ONE marks on the Principal Register in the
10 Patent and Trademark Office (PTO) constitutes prima facie evidence of the validity of each registered
11 mark and of Marketquest's exclusive right to use the marks on the goods and services specified in the
12 registration. *See* 15 U.S.C. §§ 1057(b); 1115(a). Further, both parties agree that two of the four ALL-
13 IN-ONE registrations have achieved "incontestable" status, having been in continuous use for five
14 consecutive years subsequent to the date of registration. 15 U.S.C. § 1065; (*see also* Pl.'s Mem. ISO
15 Mot. 8; Def.'s Opp'n 5.) To the extent that the right to use a registered mark has become incontestable
16 under Section 1065, "the registration serves as conclusive evidence of the validity of the registered
17 mark and of the registration of the mark, of the registrant's ownership of the mark, and of the
18 registrant's exclusive right to use the registered mark in commerce." 15 U.S.C. § 1115(a). However,
19 even marks with incontestable status remain subject to the defenses set forth in Section 1115(b).

21 ⁶Before entering into its analysis, the Court notes that it has "discretion to consider otherwise
22 inadmissible evidence in ruling on an application for temporary restraining order or preliminary
23 injunction." *Glow Indus. v. Lopez*, 252 F.Supp.2d 962, 966 n.1 (C.D. Cal. 2002) (citing *Sierra Club*
24 *v. F.D.I.C.*, 992 F.2d 545, 551 (5th Cir.1993) ("At the preliminary injunction stage, the procedures
25 in the district court are less formal, and the district court may rely on otherwise inadmissible evidence,
26 including hearsay evidence. Thus, the district court can accept evidence in the form of deposition
27 transcripts and affidavits" (citations omitted)); *see also Flynt Distrib. Co., Inc. v. Harvey*, 734 F.2d
28 1389, 1394 (9th Cir.1984) ("The Harveys argue that Flynt's evidence is hearsay. The urgency of
obtaining a preliminary injunction necessitates a prompt determination and makes it difficult to obtain
affidavits from persons who would be competent to testify at trial. The trial court may give even
inadmissible evidence some weight, when to do so serves the purpose of preventing irreparable harm
before trial"); *see also Mattel, Inc. v. MCA Records, Inc.*, 1998 WL 422641, * 1 (C.D.Cal. Feb.18,
1998) (denying both parties' motions to strike declarations because "strict evidentiary rules" do not
apply at the preliminary injunction phase (citations omitted)). For these reasons, BIC's motion to
strike Marketquest's evidence in support of its motion for preliminary injunction (ECF No. 40) **IS**
DENIED.

1 BIC claims all four of Marketquest's ALL-IN-ONE registrations were procured fraudulently
2 or have been abandoned, and are thus invalid under Section 1115(b). (Def.'s Opp'n 7.) Specifically,
3 Section 1115(b)(1) provides the defense "[t]hat the registration or the incontestable right to use the
4 mark was obtained fraudulently," and Section 1115(b)(2) provides the defense "[t]hat the mark has
5 been abandoned by the registrant." The Court examines both of these asserted defenses.

6 *(i) Fraudulent Procurement of Mark*

7 A trademark registration, even if incontestable, is invalid if it was fraudulently obtained. *See*
8 15 U.S.C. § 1115(b)(1). "Fraud in procuring a trademark registration or renewal occurs when an
9 applicant knowingly makes false, material representations of fact in connection with his application."
10 *In re Bose Corp.*, 91 U.S.P.Q.2d 1938, 1939 (Fed. Cir. 2009). A party seeking cancellation of a mark
11 due to fraud bears a heavy burden. The party must identify a deliberate attempt by the registrant to
12 mislead the PTO, and must show that misstatements were made with respect to material fact. *Halo*
13 *Mgmt.*, 308 F.Supp.2d at 1031 (citing *Woodstock's Enter., Inc. v. Woodstocks' Enter., Inc.*, 43
14 U.S.P.Q.2d 1440 (T.T.A.B.1997) ("Fraud in a trademark cancellation is something that must be
15 'proved to the hilt'").

16 Here, BIC provides very little evidence to support its theory that Marketquest's ALL-IN-ONE
17 marks were fraudulently procured, especially in the face of such a heavy burden. BIC merely states
18 that there is "a serious question" as to whether the registrations were obtained fraudulently. (Def.'s
19 Opp'n 7.) As its one example, BIC points to Marketquest's submission to the PTO of specimens of
20 use that BIC states, "on information and belief, appear to be computer renderings of products that
21 Plaintiff never intended to sell in commerce." (Def.'s Opp'n 7-8.) In other words, BIC objects that
22 Marketquest provided the PTO with mock-ups of its products bearing the ALL-IN-ONE design/logo,
23 when in fact Marketquest never intended to sell its products bearing its own logo; rather, it intended
24 to sell and in fact did sell versions of these products customized with the marks of clients. (*Id.* at 8;
25 Ex. 14.) However, BIC does not explain how these catalogues fail to constitute use in commerce of
26 the logo in conjunction with the sale of goods.

27 The Lanham Act defines "use in commerce" as "the bona fide use of a mark in the ordinary
28 course of trade." 15 U.S.C. § 1127. BIC has not shown that failure to actually sell pens and other

1 items with the ALL-IN-ONE logo imprinted exactly as depicted in its advertisements necessarily
2 means Marketquest did not use the mark in the ordinary course of trade. A trademark need not
3 “appear in any particular position on the goods.” *In re Morganroth*, 208 U.S.P.Q. 284, 288 (T.T.A.B.
4 1980). Instead, the key to the use in commerce inquiry is whether Marketquest used the mark *as a*
5 trademark, to identify the source of its goods or services. *Id.*

6 Through its extensive use of the mark on its internet website and catalogues to identify its
7 customizable product lines, Marketquest is likely to succeed in establishing it has used the mark in
8 commerce sufficiently extensively to merit some manner of trademark protection. Further,
9 Marketquest has provided evidence that at least some of its customizable products, such as pens and
10 luggage tags, were in fact sold with the ALL-IN-ONE mark embossed on them, in addition to the
11 customer’s imprinted mark. (Pl.’s Reply 2; Pl.’s Mem. ISO Mot, Ex. 5.) Thus, BIC has failed to
12 provide the Court with a sufficient basis to find Marketquest did not use its ALL-IN-ONE mark in
13 commerce as a designation of source. As a result, the Court finds BIC has not satisfied its heavy
14 burden to identify a deliberate attempt by Marketquest to mislead the PTO, nor has it identified a
15 material misstatement required for a finding of fraudulent procurement.

16 *(ii) Abandonment*

17 Under the Lanham Act, a mark may be deemed “abandoned” in one of two situations: (1)
18 “[w]hen its use has been discontinued with intent not to resume such use,” and (2) “[w]hen any course
19 of conduct of the owner, including acts of omission as well as commission, causes the mark to become
20 the generic name for the goods or services on or in connection with which it is used or otherwise to
21 lose its significance as a mark.” 15 U.S.C. § 1127.

22 BIC’s argument that the ALL-IN-ONE marks were abandoned relies upon the same
23 unsupported reasoning as its argument that the marks were fraudulently procured. BIC asserts that
24 Marketquest “may very well use the ALL IN ONE marks as its trade name or service mark, but no
25 longer in association with its physical products.” (Def.’s Opp’n 8.) However, BIC provides no proof
26 of this contention. Further, even if the Court takes as true BIC’s statement that Marketquest no longer
27 imprints its mark on its customized goods, BIC still does not provide support for the proposition that

28 //

1 Marketquest's extensive use of the mark in advertising its customizable products fails to constitute
2 use in commerce for the purposes of the Lanham Act.

3 For these reasons, the Court concludes Marketquest is likely to succeed in showing it has valid,
4 protectable rights in the ALL-IN-ONE marks.

5 **(B) Likelihood of Confusion**

6 Next, the Court turns to the issue of customer confusion. As previously noted, the Ninth
7 Circuit has used an eight-factor test to analyze the likelihood of confusion in trademark cases, building
8 on the rubric first elaborated in *Sleekcraft*, 599 F.2d 341 (9th Cir. 1979). The eight factors are: (1)
9 strength of the mark, (2) proximity of the goods, (3) similarity of the marks, (4) evidence of actual
10 confusion, (5) marketing channels used, (6) type of goods and degree of care likely to be exercised
11 by the purchaser, (7) defendant's intent in selecting the mark, and (8) likelihood of expansion of the
12 product lines. *Id.* at 348-49. To determine likelihood of confusion, the Court must apply the
13 *Sleekcraft* factors in "a flexible manner, keeping in mind that the eight factors it recited are not
14 exhaustive, and that only some of them are relevant to determining whether confusion is likely" in any
15 given case. *Network Automation*, 638 F.3d at 1145; *Sleekcraft*, 599 F.2d at 348 n. 11. The Lanham
16 Act places the burden of proving likelihood of confusion on the party charging infringement even
17 when relying on an incontestable registration. *KP Permanent Make-Up, Inc. v. Lasting Impression*
18 *I, Inc.*, 543 U.S. 111, 118 (2004).

19 **(i) Strength of the Mark**

20 The strength of the mark, in terms of its ability to link products to their source, determines the
21 amount of protection from infringement that mark should be afforded. *See Sleekcraft*, 559 F.2d at 349;
22 *Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999) ("The
23 stronger a mark—meaning the more likely it is to be remembered and associated in the public mind
24 with the mark's owner—the greater the protection it is accorded by the trademark laws.")

25 In determining the strength of the mark, courts may look to two relevant measurements:
26 conceptual strength and commercial strength. *Network Automation*, 638 F.3d at 1149. A mark's
27 conceptual strength depends largely on the obviousness of the connection between the mark and the
28 goods or services to which it refers. *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand*, 618

1 F.3d 1025, 1032 (9th Cir. 2010). Marks may be classified according to a spectrum of five categories
2 originally formulated by Judge Friendly, ranging from weakest to strongest: generic, descriptive,
3 suggestive, arbitrary, or fanciful. *Id.* The other relevant measurement, commercial strength, is based
4 on “actual marketplace recognition, and thus advertising expenditures can transform a suggestive mark
5 into a strong mark.” *Network Automation*, 638 F.3d at 1149 (quotations omitted).

6 Conceptual strength attempts to quantify the inherent distinctiveness of the mark. At one end
7 of the spectrum, “generic marks refer to the genus of which the particular product is a species, such
8 as ‘bread’ or ‘door,’ and are not registerable as trademarks.” *Fortune Dynamic*, 618 F.3d at 1033
9 (quotations omitted). At the other end of the spectrum are arbitrary marks, “actual words with no
10 connection to the product—such as Apple computers and Camel cigarettes,” and fanciful marks,
11 “made-up words with no discernable meaning—such as Kodak film and Sony electronics that are
12 inherently distinctive and therefore receive maximum trademark protection.” *Id.* In the middle are
13 descriptive and suggestive marks. Descriptive marks “tell[] something about the product; [they] will
14 be protected only when secondary meaning is shown.” *Sleekcraft*, 599 F.2d at 349. Suggestive marks,
15 one step further along the spectrum of conceptual strength, “subtly connote something about the
16 products. Although less distinctive than an arbitrary or fanciful mark and therefore a comparatively
17 weak mark, a suggestive mark will be protected without proof of secondary meaning.” *Id.* In the
18 conceptual strength inquiry, registration of the mark “adds something on the scales,” but is not
19 determinative. *Zobmondo Entertainment, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1115 (9th Cir.
20 2010).

21 In terms of conceptual strength, BIC correctly points out that the incontestable status of two
22 of the ALL-IN-ONE marks does not, alone, establish a strong mark. *Miss World (UK), Ltd. v. Mrs.*
23 *America Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988); (*see also* Def.’s Opp’n 9.) BIC argues
24 that the ALL-IN-ONE mark is a descriptive term that is weak and should merit only limited trademark
25 protection. (Def.’s Opp’n 9-10.) BIC frames the ALL-IN-ONE mark as a description of
26 Marketquest’s services “as a one-stop source for a variety of customizable products.” (Def.’s Opp’n
27 10.)

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1 Although it is true that incontestable status does not determine whether a mark is strong or
2 weak, incontestable marks are conclusively presumed to have secondary meaning. *Miss World*, 856
3 F.2d at 1448 n. 4; 15 U.S.C. § 1115(b). Further, Marketquest persuasively argues that the ALL-IN-
4 ONE mark is at least suggestive, rather than descriptive, and as such is inherently distinctive. (Pl.’s
5 Reply 4.) Marketquest contends that “[n]othing in the phrase ALL IN ONE immediately conveys
6 knowledge to a consumer that [Marketquest] offers customized imprinting services on the business
7 promotion merchandise it supplies to wholesale distributors.” (*Id.*) Instead, Marketquest argues that
8 “ALL IN ONE suggests or connotes, rather than describes, a characteristic of its services and requires
9 consumer imagination to determine what those services are.” (*Id.*)

10 In determining the conceptual strength of a mark, the Court may be aided by the “imagination
11 test” and the “need test.” *Miss World*, 856 F.2d at 1449. The imagination test asks “how much
12 imagination a consumer must use to associate a given mark with the goods or services it identifies.”
13 *Id.* Essentially, the more imagination required to make the association, the stronger the mark. The
14 need test approaches the question “from the opposite end.” *Id.* It asks “to what extent a mark is
15 actually needed by competitors to identify their goods or services.” *Id.* If “the message conveyed by
16 the mark about the goods or services is so direct and clear that competing sellers would be likely to
17 [need to] use the term in describing or advertising their goods [or services], then this indicates the
18 mark is descriptive.” *Id.* There is an inverse relationship between the imagination test and the need
19 test; as the amount of imagination required increases, the need decreases. *Id.*

20 Here, the Court agrees with Marketquest that ALL-IN-ONE is at least a suggestive mark
21 because it “requires a mental leap from the mark to the product,” and as a registered trademark it is
22 inherently distinctive. *Brookfield*, 174 F.3d at 1058; *see also Network Automation*, 638 F.3d at 1150.
23 Categorizing trademarks is “necessarily an imperfect science. Far from being neatly distinct and
24 discrete, trademark categories often blur at the edges and merge together.” *Fortune Dynamic*, 618
25 F.3d at 1033. However, here the mark’s need aspect is plainly quite low. In describing a company
26 that sells customizable business promotion merchandise, the phrase “all in one” is not needed.
27 Correspondingly, the mark’s imagination aspect is high. The Court could imagine a connection
28 between the phrase “all in one” and a service, like Marketquest’s, that offers merchandise and

1 advertising combined—a useful item and an advertisement, *all in one* product, perhaps—but this
2 connection is far from obvious, nor was it supplied by either party. While BIC is correct that the
3 phrase “all in one” comes closest to describing the “one-stop source” aspect of Marketquest’s service,
4 it does not explain how the phrase in any way describes customizable business promotion
5 merchandise, which is in essence the heart of Marketquest’s service.

6 The Court’s determination that the ALL-IN-ONE mark is inherently distinctive when applied
7 to customizable promotional merchandise may not end the inquiry into the strength of the mark.
8 *Network Automation*, 638 F.3d at 1150. As stated above, commercial strength and the sophistication
9 of the consumer may also play a role. *See id.* However, the Court cannot discern from the proffered
10 evidence a basis to adequately determine commercial strength here. Further, as an evidence-intensive
11 inquiry, consideration of commercial strength is unnecessary at the preliminary injunction stage. *Id.*
12 Therefore, the Court finds that this factor weighs in favor of Marketquest.

13 *(ii) Proximity of the Goods*

14 The more closely related the goods, the higher the danger that the consumer public will
15 “mistakenly assume there is an association between the producers of the related goods, though no such
16 association exists.” *Sleekcraft*, 599 F.2d at 350. In determining the relatedness of goods, courts
17 consider: (1) whether the goods are complementary; (2) whether the products are sold to the same
18 class of purchasers; and (3) whether the goods are similar in use and function. *Id.*

19 Here, BIC acknowledges that the goods and services at issue are similar. (Def.’s Opp’n 10.)
20 Both parties sell customizable promotional merchandise such as pens, USB flash drives, computer
21 peripherals, and other office-related products. (Pl.’s Mem. ISO Mot. 10.) Because the products at
22 issue here are virtually interchangeable, this factor “may be helpful, but it must be considered in
23 conjunction with the labeling and appearance of the advertisements and the degree of care exercised
24 by the consumers.” *Network Automation*, 638 F.3d at 1150; *see also Playboy Enters., Inc. v. Netscape*
25 *Comm’ns Corp.*, 354 F.3d 1020, 1035 (9th Cir. 2004) (Berzon, J., concurring) (emphasizing that the
26 proximity of the goods becomes less important if advertisements are clearly labeled or consumers
27 exercise a high degree of care, because rather than being confused, the consumer would merely be
28 confronted with choices among similar products.)

1 Thus, although the Court finds that this factor decidedly weighs in favor of Marketquest, the
2 Court should not view this factor in isolation, and must consider whether the parties' status as direct
3 competitors would actually lead to a likelihood of confusion in light of the following factors.

4 *(iii) Similarity of the Marks*

5 This is an important factor in the current analysis because, "[w]here two marks are entirely
6 dissimilar, there is no likelihood of confusion." *Perfumebay.com Inc. v. eBay, Inc.*, 506 F.3d 1165,
7 1174 (9th Cir. 2007). The similarity of the marks used by both parties is measured in terms of
8 appearance, sound, and meaning. *Sleekcraft*, 559 F.2d at 351. Each of these aspects should be
9 considered as they are encountered by consumers in the market for that good or service. *Id.*

10 Standing alone the words used are identical in all respects. Marketquest uses the phrase and
11 logo "ALL-IN-ONE" or "All in One" to mark its catalogues and products, while BIC uses the phrase
12 "All in ONE" on its 2011 NORWOOD Catalogue. (*See* Pl.'s Reply Appx. A.) Aside from slight
13 variations in capitalization and punctuation, the words are the same.

14 BIC emphasizes that the words appear differently on the two companies' catalogues. (Def.'s
15 Opp'n 11.) The Court agrees that the font and graphical appearance of the phrase as used by the two
16 parties is distinguishable. The ALL-IN-ONE logo/design used by Marketquest contains distinctive
17 colors and graphics, consisting of a red slanted box with white outlined lettering, with the word "IN"
18 backed by a yellow box, all encircled by a curling white line. (*See* Pl.'s Mem. ISO Mot., Ex. 5.)
19 BIC's use, on the other hand, is not graphically distinctive, consisting of the words "All in ONE" in
20 plain yellow or black type. (*See* Pl.'s Mem. ISO Mot., Ex. 6.)

21 However, Marketquest's use of its ALL-IN-ONE marks is not confined to the logo/design.
22 For example, it also uses the phrase as its web domain name, and apparently imprints some of its
23 products with the words "All-In-One" in plain type. (*See* Pl.'s Mem. ISO Mot., Ex. 5.) Thus, even
24 the appearance of the mark is often similar. In the similarity analysis, "similarities weigh more
25 heavily than differences." *Sleekcraft*, 599 F.2d at 351.

26 Lastly, BIC argues that its use of the NORWOOD mark wherever the phrase "All in ONE"
27 appears on its catalogues should weigh in its favor in the similarity analysis, as it identifies its

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1 products in the marketplace as clearly originating from BIC, and differentiates the products in the
2 consumer's eye. (Def.'s Opp'n 11.)

3 In *Sleekcraft*, the Ninth Circuit noted that the use of a housemark can reduce the likelihood of
4 confusion, but concluded that the effect was negligible where the housemark was inconspicuous and
5 the logo often absent. *Sleekcraft*, 599 F.2d at 351. Here, BIC's use of its housemark, NORWOOD,
6 is not inconspicuous, nor is the logo often absent. To the contrary, the NORWOOD logo appears as
7 the largest words on the cover of the Catalogue, with the phrase "All in ONE" appearing in slightly
8 smaller type, below and to the side. Even on the first page of the Catalogue, where "All in ONE" is
9 larger than the NORWOOD mark, the NORWOOD mark appears at least five times on the page.
10 (Pl.'s Mem. ISO Mot. Ex. 6.)

11 However, Courts have found that "the addition of a celebrity 'housemark' to an allegedly
12 infringing mark may heighten confusion rather than reduce it," especially in cases where reverse
13 confusion is alleged. *Glow Indus. v. Lopez*, 252 F.Supp.2d 962, 995 (C.D. Cal. 2002) (citing
14 *Americana Trading, Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1288 (9th Cir.1992) ("[T]he
15 prominence of Russ's housemark may serve to create reverse confusion that Russ, and not Amtra, is
16 the source of Amtra's 'Wedding Bears.' Russ's housemark therefore does not, as a matter of law,
17 render its use of 'Wedding Bear' non-similar to Amtra's trademark. ... Indeed, use by Russ of its
18 housemark along with Amtra's trademark may be an aggravation and not a justification, for it is openly
19 trading in the name of another."))

20 Marketquest argues that, as in *Americana Trading*, BIC's usage of the ALL-IN-ONE mark in
21 conjunction with its own well-known mark actually heightens the likelihood of confusion in the
22 similarity analysis. (Pl.'s Reply 6-7.) Marketquest further asserts that, viewing all of the 2011
23 NORWOOD Catalogues in context, the placement of the phrase "All in ONE" below the NORWOOD
24 mark, compared to the similar placement of other phrases (trademarked brands such as Atchison, RCC
25 Koozie, Triumph Calendars, Good Value Calendars, etc.) below the NORWOOD mark on the cover
26 of other catalogues, could imply the use of "All in ONE" as a mark to designate source. (See Pl.'s
27 Reply 6-7, Ex. 13.) Marketquest also notes that the phrase "All in ONE" appears again on the first

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1 page of the NORWOOD Catalogue, this time at the top of the page, as the largest words on the page.
2 (*See* Pl.’s Mem. ISO Mot. Ex. 6.)

3 The Court agrees that such reverse confusion is possible here. However, the context
4 Marketquest depicts for BIC’s use of the phrase does not tell the whole story. The phrase “All in
5 ONE” appears in a different position on the cover of that Catalogue than the other marks on the
6 catalogues Marketquest points to, such that the covers are not directly analagous. (*See* Pl.’s Reply Ex.
7 13.) Instead of directly below the NORWOOD mark, the phrase “All in ONE” appears smaller, lower,
8 and to the side. (*Id.*) In addition, on the first page of the NORWOOD Catalogue, in which “All in
9 ONE” appears in large font at the top of the page, a blurb on the side of that same page explains that
10 this is the “NEW! Norwood All in ONE Catalog. Our primary product resource, featuring all product
11 lines in ONE catalog.” (Pl.’s Mem. ISO Mot., Ex. 6.) On page 14 of what is presumably the same
12 2011 NORWOOD Catalogue, text further explains the use of the phrase: “2011 Catalog: Your all-in-
13 one product resource! The new All in ONE Norwood Catalog includes 14 different product categories
14 and the brands you trust, including Atchison – now exclusive to Norwood. ... All categories in ONE
15 Flyer ...” (*Id.*) These descriptions may do some work in clarifying potential consumer confusion as
16 to whether or not NORWOOD was using the phrase “All in ONE” as a mark to designate the source
17 of the goods in the catalogue.

18 In the context of these facts, BIC’s use of the NORWOOD mark may mitigate against a finding
19 of similarity as consumers encounter the phrase in the marketplace. BIC’s marketing materials clearly
20 explain its use of the phrase as the title of its Catalogue, such that consumers could deduce BIC
21 intended to use the phrase in its descriptive sense, referring to the Catalogue’s omnibus contents, not
22 as a mark indicating the source of the products contained therein. However, given the reverse
23 confusion context that Marketquest alleges (*see* Pl.’s Reply 5 n.13), and the extreme similarity in
24 proximity of goods and marketing channels of both parties (*see infra.*), the Court cannot conclude that
25 BIC’s addition of the NORWOOD housemark renders the parties’ uses of the phrase “All in One”
26 completely dissimilar. *See, e.g., Glow*, 252 F.Supp.2d at 995 (“[I]n the absence of survey or other
27 evidence of consumer reaction to the products as encountered in the marketplace, [the Court declines
28 to find that] the addition of the ‘J.Lo’ housemark mitigates the likelihood of consumer confusion.”)

1 For these reasons, balancing the extreme similarity of the marks in many respects with the
2 mitigating facts tending to belie this similarity, the Court concludes that this factor weighs slightly in
3 favor of Marketquest.

4 *(iv) Evidence of Actual Confusion*

5 “Evidence that use of the two marks has already led to confusion is persuasive proof that
6 confusion is likely.” *Sleekcraft*, 559 F.2d at 352. However, such evidence is difficult to provide, and
7 courts often discount it as unclear or insubstantial. *Id.* As a result, providing evidence of actual
8 confusion is not necessary to a finding of likelihood of confusion. *Network Automation*, 638 F.3d at
9 1151. At the preliminary injunction stage of litigation, such evidence is more likely to be sparse or
10 nonexistent. *See id.* Some courts have found that, because reliable evidence of actual confusion is
11 difficult to obtain in trademark infringement cases, any such evidence is “substantial evidence that
12 confusion is likely.” *See, e.g., Jockey Int’l, Inc. v. Burkard*, 185 U.S.P.Q. 201, 207 (S.D. Cal. 1975).

13 Here, Marketquest has provided what is akin to anecdotal evidence of several instances of
14 actual confusion. (Pl.’s Mem. ISO Mot. 11; Pl.’s Reply 6.) Marketquest provides declarations from
15 three agents who were confused by the NORWOOD Catalogue and thought the two companies were
16 either the same or affiliated. (*Id.*; Strong Decl. ¶ 4; Smidt Decl. ¶ 4; Moreno Decl. ¶ 3.) In addition,
17 Marketquest provides the declaration of Harris Cohen, founder and President of Marketquest, who
18 states that on August 11, 2011, the company received an e-mail from a distributor who found BIC’s
19 “use of All-In-One’s Mark there to be ‘odd and confusing,’ and thought that a ‘majority’ of industry
20 distributors who were not as experienced as him could be confused by the advertising.” (Pl.’s Mem.
21 ISO Mot. 11-12; Cohen Decl. ¶ 30; Ex. 9.) Marketquest also points to two instances in which BIC
22 representatives referred to the NORWOOD Catalogue intentionally as its “All in ONE” Catalogue at
23 trade shows when talking to other industry representatives. (Pl.’s Mem. ISO Mot. 12; Land Decl. ¶
24 4; Cohen Decl. ¶ 29.)

25 Although five or six instances of actual customer confusion might be enough to find substantial
26 evidence that confusion is likely in some circumstances, the facts here do not support such a finding.
27 All of Marketquest’s anecdotes involve experienced industry distributors or agents, who are likely to
28 be sophisticated consumers and investigate any potential confusion. *See, e.g., Glow*, 252 F.Supp.2d

1 at 1000 (“Here, at most, Glow, Inc. present (*sic*) de minimis evidence of actual confusion; some of it,
2 moreover, involves ‘sophisticated’ wholesalers who might be expected to inquire about the affiliation,
3 if any, between the companies.”) Although it is well established that initial interest confusion may
4 be actionable, these few instances of alleged initial confusion are nonetheless weak evidence of actual
5 confusion. *Brookfield*, 174 F.3d at 1062-64; *see also Moose Creek, Inc. v. Abercrombie & Fitch Co.*,
6 331 F.Supp.2d 1214, 1230 n. 9 (C.D. Cal. 2004), *aff’d* 114 Fed. Appx. 921 (9th Cir. 2004).
7 Furthermore, the importance of this factor is diminished at the preliminary injunction stage. *Network*
8 *Automation*, 638 F.3d at 1151. Accordingly, the Court finds this factor weighs only very slightly in
9 Marketquest’s favor.

10 *(v) Marketing Channels Used*

11 “Convergent marketing channels increase the likelihood of confusion.” *Network Automation*,
12 638 F.3d at 1151. In *Sleekcraft*, the two products were sold in niche marketplaces, including boat
13 shows, specialty retail outlets, and local and national trade magazines, using similar sales methods and
14 price ranges. *Sleekcraft*, 599 F.2d at 353. This factor becomes less important “when the marketing
15 channel is less obscure.” *Network Automation*, 638 F.3d at 1151 (finding the Internet to be too broad
16 a shared marketing channel to merit any weight in this factor.)

17 Here, BIC concedes that the parties occupy similar marketing channels, but instead attempts
18 to blur the issue by emphasizing that the marketing channels consist of sophisticated customers.
19 (Def.’s Opp’n 13.) The Court considers the sophistication of customers next. However sophisticated,
20 the pool of potential customers is virtually identical for both parties. The two companies are direct
21 competitors, as both supply customizable promotional merchandise. Both companies advertise their
22 products and services via the Internet, through printed catalogues, and at trade shows. (Pl.’s Mem.
23 ISO Mot. 12.) Accordingly, the Court finds this factor favors Marketquest.

24 *(vi) Type of Goods and Degree of Care Likely to be Exercised by the Purchaser*

25 Courts look at the likelihood of confusion through the lense of the reasonably discriminating
26 purchaser. *See, e.g., Network Automation*, 638 F.3d at 1152. “When the buyer has expertise in the
27 field, a higher standard is proper though it will not preclude a finding that confusion is likely.”
28 *Sleekcraft*, 599 F.2d at 353. When goods are expensive, the buyer might be expected to exercise

1 greater care, though confusion may still be likely. *Id.* Thus, the Court must examine how
2 discriminating the average buyer of customizable promotional merchandise is likely to be.

3 BIC argues the targeted consumers of both parties' products are sophisticated. (Def.'s Opp'n
4 14.) BIC cites the fact that the minimum order of each customized item listed in Marketquest's
5 catalogue is 250 or 300, and that consumers seeking branded merchandise are likely to be institutions
6 and companies rather than individuals. (*Id.*) Marketquest failed to address this factor in its motion,
7 stating that it had yet to "fully investigate this factor." (Pl.'s Mem. ISO Mot. 13.) Instead,
8 Marketquest points to the previously referenced instances of actual confusion to counter BIC's
9 allegations of sophistication. (Pl.'s Reply 8.)

10 The degree of consumer care and sophistication can be proven by survey evidence, expert
11 testimony, or inference. *See, e.g., Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373 (2d Cir. 2005),
12 *cert. denied*, 126 S.Ct. 1570 (2006). Here, the parties have provided no survey evidence or expert
13 testimony. Thus, the Court must rely on its own inference to determine whether the reasonably
14 discriminating purchaser of customizable promotional merchandise should be held to a heightened
15 standard.

16 The evidence currently before the Court indicates that buyers are likely to be sophisticated,
17 institutional buyers placing bulk orders for corporate promotional purposes. The marketing materials
18 of both parties appear to be aimed at institutional purchasers. However, the parties have barely
19 addressed the factor, presenting the Court with very little evidence from which to form a solid
20 conclusion.

21 It is possible, for example, that the average customer, although institutional, is not likely to
22 exercise a heightened standard of care when making a purchase of 300 branded pens which will cost
23 its company 50 cents each. (*See, e.g., Pl.'s Mem. ISO Mot. Ex. 5.*) Further, customers, although
24 institutional, may be likely to be companies whose main business has no relation to the purchase of
25 customized promotional products, differentiating this situation from others in which courts have found
26 professional consumers are likely to exercise a high degree of care. *See, e.g., Moose Creek*, 331
27 F.Supp.2d at 1231 ("Plaintiff's customers are professional commercial clothing buyers and they are
28 therefore likely to be familiar with the retail clothing market, likely to exercise a high degree of care

1 in selecting wholesale clothing to purchase and thus unlikely to be easily confused by both parties’
2 use of a moose on their marks.”) In the alternative, it is possible that customers are more likely to be
3 marketing representatives or agents who may have a lot of specific knowledge about customizable
4 promotional products.

5 Given Marketquest’s failure to contest BIC’s assertion that the average customer is highly
6 sophisticated and the lack of evidence pertaining to this issue, the Court finds this factor weighs
7 slightly in favor of BIC but should be accorded little weight in the present analysis.

8 *(vii) Defendant’s Intent in Selecting the Mark*

9 “When the alleged infringer knowingly adopts a mark similar to another’s, reviewing courts
10 presume that the defendant can accomplish his purpose: that is, that the public will be deceived.”
11 *Sleekcraft*, 599 F.2d at 354. Thus, if Marketquest can show that BIC deliberately adopted the ALL-
12 IN-ONE mark in order to obtain advantage from Marketquest’s goodwill, this may weigh heavily in
13 favor of finding a likelihood of confusion.

14 Marketquest argues that bad faith is “the only reasonable explanation for Defendants’ choice”
15 of the phrase “All in ONE” for its NORWOOD Catalogue. (Pl.’s Mem. ISO Mot. 13.) Marketquest
16 alleges that BIC was “well aware of All-In-One in advance” of choosing the phrase for its catalogue,
17 and that the choice was an “attention getting symbol.” (Pl.’s Reply 9.) To show bad faith,
18 Marketquest alludes to several other marks it claims BIC “raided,” including its THE WRITE
19 CHOICE mark, which it originally claimed was infringed in the present action but has not pursued
20 in the instant motion. (*Id.*; see also FAC ¶ 16.) BIC counters that it used the phrase “in good faith
21 in an effort to streamline the number of catalogues Norwood would have to distribute, and to describe
22 what the catalogue contains.” (Def.’s Opp’n 14; Bauer Decl. ¶ 7.) In addition, BIC emphasizes that
23 it displays the phrase next to its NORWOOD trademark, which indicates it did not intend to deceive
24 consumers. (*Id.*)

25 The Ninth Circuit has recently emphasized that intent should not be considered in isolation,
26 and that, “much like the proximity of the goods, the defendant’s intent may be relevant here, but only
27 insofar as it bolsters a finding that the use of the trademark serves to mislead consumers rather than
28 truthfully inform them of their choice of products.” *Network Automation*, 638 F.3d at 1153. In

1 *Network Automation*, the district court failed to consider whether the defendant’s intentional choice
2 to use the plaintiff’s mark was based on a bad faith intent to deceive, or a permissible intent to
3 compare the two products. *Id.* Here, BIC has not alleged its use was based on an intent to compare.
4 Instead, BIC asserts its use was unintentional and that it did not mean to conjure up Marketquest’s
5 products or services in any way in the minds of consumers. (Def.’s Opp’n 14-15.)

6 In the absence of any evidence that BIC acted with a bad faith intent when it used the phrase
7 “All in ONE” on its 2011 NORWOOD Catalogue, the Court does not impute such intent based on
8 Marketquest’s circumstantial allegations. Accordingly, this factor weighs in favor of BIC.

9 *(viii) Likelihood of Expansion of the Product Lines*

10 The parties agree the Court need not consider this factor here, where the product lines already
11 entirely overlap. (Pl.’s Mem. ISO Mot. 14; Def.’s Opp’n 14.) “Where two companies are direct
12 competitors, this factor is unimportant.” *Network Automation*, 638 F.3d at 1153; *cf. Brookfield*, 174
13 F.3d at 1060. Accordingly, the Court finds this factor should be accorded no weight.

14 *(ix) Sleekcraft Factors Weigh in Favor of Finding a Likelihood of Confusion*

15 The Court notes that this likelihood of confusion test is fact-intensive, and many of the factors
16 considered above are dependent upon factual conclusions that ultimately should be sent to trial for
17 resolution. However, the Court must make a preliminary decision here for the purposes of this motion.
18 Upon weighing the *Sleekcraft* factors, the Court concludes that the majority weigh in favor of finding
19 a likelihood of confusion. Each of the first through fifth factors weighs at least slightly in favor of
20 Marketquest, and only the sixth and seventh factors weigh against. Having found some likelihood of
21 confusion, the Court now turns to BIC’s argument that the affirmative defense of fair use should bar
22 liability here.

23 *(C) Fair Use*

24 BIC argues that even if the Court finds the likelihood of confusion factors weigh in favor of
25 Marketquest, the “fair use” defense should shield BIC from infringement liability. (Def.’s Opp’n 15.)
26 An affirmative defense of fair use is available to a party who uses a descriptive word “otherwise than
27 as a mark ... [and] fairly and in good faith only to describe the goods or services of such party, or their
28 geographic origin.” 15 U.S.C. § 1115(b)(4). This Section of the Lanham Act codifies a longstanding

1 common law principle that “[t]he use of a similar name by another to truthfully describe his own
2 product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake
3 the origin ... of the product.” *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 529 (1924);
4 *Fortune Dynamic*, 618 F.3d at 1039. Subjective good faith is relevant to the inquiry, but the main
5 focus of the analysis is on whether the use of the mark was “objectively fair.” *Fortune Dynamic*, 618
6 F.3d at 1039.

7 The Supreme Court recently clarified that the affirmative defense of fair use may be validly
8 asserted even in cases where some degree of likelihood of confusion exists. *KP Permanent Make-Up*,
9 543 U.S. at 120 (“If a plaintiff succeeds in making out a prima facie case of trademark infringement,
10 including the element of likelihood of consumer confusion, the defendant may ... raise an affirmative
11 defense to bar relief... [including fair use].”). However, the Ninth Circuit has explained that the degree
12 of customer confusion remains a factor in evaluating fair use. *KP Permanent Make-Up Inc. v. Lasting*
13 *Impression I*, 408 F.3d 596, 609 (9th Cir. 2005). Among the relevant factors for consideration in
14 determining the fairness of the use are “the degree of likely confusion, the strength of the trademark,
15 the descriptive nature of the term for the product or service being offered by [the plaintiff] and the
16 availability of alternate descriptive terms, the extent of the use of the term prior to the registration of
17 the trademark, and any differences among the times and contexts in which [the plaintiff] has used the
18 term.” *Id.*

19 Here, although the Court has found that the phrase ALL-IN-ONE is an inherently distinctive
20 mark that is not merely descriptive of Marketquest’s service providing customizable promotional
21 products, it is nonetheless a phrase commonly used by companies in general to describe the
22 comprehensive nature of their services. The Supreme Court has explained that the Lanham Act
23 exhibits a certain leniency where a descriptive phrase was selected to be a mark. *Id.* at 122. “If any
24 confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a
25 mark that uses a well known descriptive phrase.” *Id.* (citing *Park ‘N Fly, Inc. v. Dollar Park and Fly,*
26 *Inc.*, 469 U.S. 189 (1985) (noting safeguards in Lanham Act to prevent commercial monopolization
27 of language); *Car-Freshener Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d. 267, 269 (2d Cir. 1995)

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1 (noting importance of “protect[ing] the right of society at large to use words or images in their primary
2 descriptive sense”).

3 The question remains whether BIC’s use of the phrase “All in ONE” on its 2011 NORWOOD
4 Catalogue was otherwise than as a mark and only to describe its goods and services. To determine
5 whether a term is being used as a mark, courts may look for indications that the term is being used to
6 associate goods with a certain manufacturer. *Fortune Dynamic*, 618 F.3d at 1040 (citing *Sierra*
7 *On-Line, Inc. v. Phoenix Software, Inc.*, 739 F.2d 1415, 1423 (9th Cir.1984)). Other indications of
8 trademark use include “whether the term is used as a symbol to attract public attention, which can be
9 demonstrated by the lettering, type style, size and visual placement and prominence of the challenged
10 words, ... [and] whether the allegedly infringing user undertook precautionary measures such as
11 labeling or other devices designed to minimize the risk that the term will be understood in its
12 trademark sense.” *Fortune Dynamic*, 618 F.3d at 1040 (citations omitted).

13 Here, the Court finds BIC likely used the phrase “All in One” otherwise than as a mark and
14 solely in its descriptive sense, to distinguish one particular catalogue as a catch-all catalogue
15 containing all of BIC’s customizable promotional products. The NORWOOD mark was prominently
16 displayed wherever the words “All in One” appeared, and BIC also explained its use of the phrase in
17 several places in the catalogue, such as: “Our primary product resource, featuring all product lines in
18 ONE catalog.” (Pl.’s Mem. ISO Mot., Ex. 6.) Although Marketquest has offered evidence that BIC’s
19 use could be confused for an indication of source by comparison to NORWOOD’s other catalogues
20 tailored to the sale of other trademarked items or through a few instances of documented actual
21 confusion, the Court finds this evidence unpersuasive.

22 The last factor in the fair use analysis asks whether BIC has exercised “good faith.” This
23 inquiry is similar to the intent factor in the likelihood of confusion analysis, focusing on whether BIC
24 intended to capitalize on Marketquest’s good will in adopting its mark *Fortune Dynamic*, 618 F.3d
25 at 1043. Marketquest offers no evidence of malicious intent on the part of BIC, other than assertions
26 that BIC must have known about the ALL-IN-ONE mark and thus must have had bad faith. (Pl.’s
27 Reply 9.) However, as above, this is not sufficient indication of bad faith to impute malicious intent.
28 Further, using an objective fairness standard, the explanations BIC included in its catalogue of its use

1 of the phrase “All in One” persuade the Court that use was likely fair. Thus, the Court finds BIC is
2 likely to succeed on its affirmative defense of fair use.

3 **2. The Other Preliminary Injunction Factors**

4 Because the Court finds BIC is likely to succeed in asserting a fair use defense, it concludes
5 Marketquest is unlikely to succeed on the merits of its trademark infringement case. Thus, the Court
6 need not examine the other preliminary injunction factors: the likelihood of irreparable harm in the
7 absence of a preliminary injunction; the balance of equities; and the public interest. *See Network*
8 *Automation*, 638 F.3d at 1154 (finding that there is no need to reach the three remaining preliminary
9 injunction elements where there is no likelihood of confusion.) Marketquest has fallen short of
10 making the required showing that it is likely to succeed on the merits of its trademark infringement
11 action. As a result, the Court finds the relief Marketquest seeks is better left to a trial on the merits
12 and, if successful, an appropriately tailored permanent injunction.

13 **CONCLUSION**

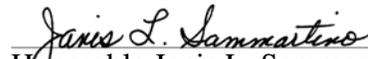
14 For the foregoing reasons, the Court **DENIES** Marketquest’s motion for a preliminary
15 injunction.

16 **IT IS SO ORDERED.**

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18 DATED: November 7, 2011

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Honorable Janis L. Sammartino
United States District Judge

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