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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

ISYS TECHNOLOGIES, INC., a Nevada Corporation, Plaintiff, vs. GOOGLE, INC., a Delaware Corporation; SAMSUNG ELECTRONICS USA, INC., a Delaware Corporation; ACER AMERICA CORP., a California Corporation; AMAZON.COM, INC., a Delaware Corporation; and BEST BUY CO., INC., a Minnesota Corporation; Defendant.	Civil Action No. 2:11-CV-507 CW Judge Clark Waddoups **PLAINTIFF'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR TEMPORARY RESTRAINGING ORDER AND PRELIMINARY INJUNCTION**

Plaintiff Isys Technologies, Inc. ("Isys") submits this memorandum in support of its motion for temporary restraining order and preliminary injunction.

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I. INTRODUCTION

The computer industry operates in two primary but different market segments, namely, software and hardware.

Isys Technologies, Inc. is an intellectual property management and holding company. Since its early product development and its subsequent market development over approximately the last ten years, Isys has been continuously building its technology portfolio, marketing efforts including brand names, customer relations, and market presence and reputation. Isys' efforts are gaining significant attention and recognition. Through its subsidiary Xi3 Corporation, Isys has established itself as a hardware innovator that recently received the coveted and prestigious 2011 International Consumer Electronics Show Innovations Design and Engineering Award for Isys' Xi3 Modular Computer known also the CHROMIUMPC computer. Isys has been promoting its CHROMIUMPC computer since November 2009.

On December 20, 2011, Google began interfering with Isys' business by improperly opposing and delaying the registration of Isys' pending trademark application for CHROMIUMPC. On May 11, 2011 software giant Google announced its new entry into the hardware market seeking to usurp Isys' CHROMIUMPC hardware presence by overwhelming it with a launch of Google's CHROMEBOOK for PC hardware products. Google has teamed up with hardware giants Samsung and Acer and distribution giants Best Buy and Amazon.com. Isys has worked diligently since 2009 to prepare for, market, and build a tie between the CHROMIUMPC computer hardware and Isys. Google and its associated companies are able to and are now preparing to undo that tie and cause the consuming public to instead recognize a CHROMEBOOK PC hardware product with Google through Samsung and Acer. This reverse confusion will cause damage and irreparable harm to Isys and its CHROMIUMPC mark unless enjoined by this Court.

II. FACTUAL BACKGROUND

1. In or about late 1999, Jason Sullivan, President of Isys, invented a new computing system and methods for manufacturing the computer systems which have been named Xi3 Technology ("Xi3 Technology"). Exhibit 13, ¶ 1.

2. Some of the features of the Xi3 Technology include closely-integrated circuitry in a smaller dimensional space, a computing design that can be used in many computing applications, fewer raw materials and manufacturing processes, cost savings due to the uniformity and its modular functionality permitting components to be readily added or changed as desired. Exhibit 1.

3. Due to its modular design, the Xi3 computers can be readily configured to run a number of operating systems, including Microsoft- or Linux-based operating systems. Exhibit 13; Exhibit 14; Exhibit 15.

4. While including the functionality of standard computers and being able to be used for all types of computing environments, some of the uniqueness of the Xi3 Technology is its compact size of an approximately 3½-inch cube, its durability, its light weight, its vertical applications and its ability to cluster and scale for larger processing applications. Exhibit 2.

5. In the Fall of 2009, ISYS began promoting its Modular Computer as an Xi3 product including the brand name CHROMIUMPC. Exhibit 2.

6. Since 2009, Isys has continuously promoted its new computers under the CHROMIUMPC brand at trade shows. Exhibit 13, ¶ 6; Exhibit 14, ¶ 6.

7. Since 2009, Isys has continuously promoted its new computers under the CHROMIUMPC brand in discussions with customers in different parts of the United States. Exhibit 13, ¶ 7; Exhibit 14, ¶ 7.

8. Since 2009, Isys has continuously promoted its new computers under the CHROMIUMPC brand in electronic communications about its business including marketing and sales emails to potential customers, Internet blogs, Twitter, Facebook, and its own

www.chromiumpc.com website, beginning in November 2009. Exhibit 2, Exhibit 13, ¶ 8; Exhibit 14, ¶ 8.

9. Isys is the senior user and owner of the mark CHROMIUMPC for use in connection with computer hardware. Exhibit 13, ¶9; Exhibit 14, ¶ 9.

10. On June 21, 2010, ISYS filed United States Trademark Application Serial No. 85/067977 for CHROMIUMPC for use in connection with computer hardware including computer carrying cases, computer chassis, computer expansion boards, computer interface boards, computer peripherals and computers ("CHROMIUMPC Application"). Exhibit 3; Exhibit 13, ¶9; Exhibit 14, ¶ 10.

11. Google has known of Isys' pending application for CHROMIUMPC for hardware since the summer of 2010.

12. Prior to publication of the CHROMIUMPC Application for opposition, the United States Trademark Office concluded there were no pending applications or registrations that would bar registration of CHROMIUMPC mark in connection with computer hardware. Exhibit 3, pg. 27.

13. In November 2010, the Consumer Electronics Association, owner of the International Consumer Electronics Show, announced that ISYS' Xi3 Modular Computer was to be recognized as a 2011 International CES Innovations Design and Engineering Award winner in the computer hardware category. Exhibit 4, Exhibit 13, ¶10; Exhibit 14, ¶11; Exhibit 5; Exhibit 15, 1.

14. Images of the approximately 4 x 3½" Xi3 Modular Computer include:

Exhibit 4, pg. 1; Exhibit 13, ¶11; Exhibit 14, ¶12; Exhibit 15, ¶ 2.

15. The Xi3 Modular Computer and other Xi3 Technology products received rave reviews at the January 6-9, 2011 International Consumer Electronics Show in Las Vegas, Nevada ("CES 2011"). Exhibit 13, ¶ 12; Exhibit 14, ¶13; Exhibit 15, ¶ 3.

16. A Business Wire covering the CES 2011 show characterized the impact of the Xi3 Technology as "Xi3 Corporation Rocks CES 2011." Exhibit 6; Exhibit 13, ¶ 13; Exhibit 14, ¶14; Exhibit 15, ¶ 4.

17. A version of the Xi3 Modular computer is being branded and promoted as the CHROMIUMPC computer. Exhibit 1; Exhibit 2; Exhibit 13, ¶ 14; Exhibit 14, ¶ 15; Exhibit 15, ¶ 5.

18. One example of the Xi3 CHROMIUMPC computer is depicted as follows:

Exhibit 1, Exhibit 13, ¶ 14; Exhibit 15, ¶ 16; Exhibit 15, ¶ 6.

19. In December 2010, Isys' CHROMIUMPC application was published for opposition. Exhibit 3, pg. 16.

Google lacks trademark rights in the CHROMIUM mark

20. In late 2008, Google initiated an open-source software development project named Chromium. Google invited independent third parties to participate. Exhibit 7; Exhibit 13, ¶ 17; Exhibit 14, ¶ 18.

21. This Chromium software initiative was for software development by third parties for networks such as the Internet for accessing, navigating, searching, browsing, running web applications and/or communicating. Exhibit 7.

22. Google abandoned any trademark rights in Chromium software by failing to control the nature and quality of the open source software developed by others but at the same time permitting others to distribute the third party software under the Chromium mark. Exhibit 7.

23. Google has expressly disclaimed any attempt to know the content or quality of software developed by others and distributed under the brand Chromium thereby allowing third parties to "do pretty much anything [they] want" with software distributed under the Chromium brand. Exhibit 7.

24. Google has expressly disclaimed any intent to verify any of the content, functionality, reliability or stability of software developed by others and distributed under the brand Chromium. Exhibit 7.

25. Google has failed to prevent uses or misuses by others of the Chromium mark in connection with software. Exhibit 7.

26. The acts of Google have caused the Chromium mark to lose its significance as a mark for software. Exhibit 7.

27. These acts of Google result in a loss of trademark rights in a Chromium mark for software. Exhibit 7.

Google's bad faith filing of its CHROMIUM trademark application

28. Google filed a trademark application for CHROMIUM in connection with network software and related education and services. Exhibits 8A and 8B.

29. Google knew when it filed its CHROMIUM trademark application that use of the term CHROMIUM would be in an uncontrolled, open-source initiative.

30. Nevertheless, Google filed a federal trademark application for CHROMIUM for software including a misleading and deceptive statement under oath of its intent to exclusively use the mark CHROMIUM in connection with software. Exhibit 8A, pg. 12, Exhibit 8B, pg. 14.

31. In so doing, Google has withheld material information from the United States Trademark Office which would contradict the factual basis for its CHROMIUM application. Exhibits 8A and 8B.

Google's bad faith continued in prosecution of its CHROMIUM trademark application after forfeiting trademark rights in CHROMIUM

32. After filing its application, Google instructed independent, open-source developers to freely use the term CHROMIUM in connection with software which was written by the independent, open-source developers but uncontrolled, unmonitored, unsupervised and unsupported by Google. Exhibit 7, pgs. 3-4, 7-10.

33. Google has expressly stated that it does not control or guarantee the quality of software produced by third party developers and distributed under the CHROMIUM brand. Exhibit 7, pgs. 3-4, 9-10.

34. Marks are treated by purchasers as an indication that the trademark owner is associated with the product.

35. Without controlling the quality of software distributed by others under the brand CHROMIUM, Google causes a deception which eliminates the ability of the CHROMIUM mark

to function as a trademark designation of origin for software upon which the public can rely for consistency of source and quality or as being sourced from Google. Exhibit 7.

36. This kind of uncontrolled permission or licensing without quality control is inherently deceptive. Exhibit 7.

37. This kind of uncontrolled permission or licensing without quality control constitutes abandonment of all rights in the mark. Exhibit 7.

38. This kind of uncontrolled permission or licensing without quality control invalidates the ability of Google to register or maintain a registration for exclusive rights in the CHROMIUM mark. Exhibit 7.

39. Nevertheless, Google has continued to prosecute its CHROMIUM application while withholding relevant and material information from the United States Trademark Office, namely, the freedom of all open source developers granted by Google to change the content and quality of software and distribute it to the public under the CHROMIUM brand without control from Google. Exhibit 8A and 8B.

Google's bad faith opposition to Isys' pending U.S. Trademark Application for CHROMIUMPC for hardware

40. Google has opposed Isys' attempts to register its CHROMIUMPC mark for hardware by filing an opposition with the U.S. Trademark Trial and Appeal Board (TTAB). Exhibit 9.

41. The only basis cited by Google in its opposition to Isys' CHROMIUMPC mark for hardware is Google's pending application for the CHROMIUM mark for software freely used by others without control. Exhibit 9, pgs. 8-14

42. Google has, however, withheld from and not disclosed to the TTAB that Google has abandoned the CHROMIUM mark by giving all open source software developers unfettered permission to brand software subject to no quality control of Google with the CHROMIUM mark. Exhibit 9.

43. Furthermore, in its opposition Google asserts that there is no distinction between its CHROMIUM application for software and Isys' CHROMIUMPC application for hardware. Exhibit 9, pgs. 8-14.

44. This software-hardware nondistinction argued by Google to now oppose Isys' CHROMIUMPC mark contradicts Google's publicly asserted and recently relied upon software-hardware distinction used by Google as Google seeks to register a trademark for hardware when the same or similar trademark already exists for software. Exhibit 9, 8-14; Exhibit 10, pgs. 12-13.

45. For example, for its own benefit Google has, under penalty of perjury, maintained that its proposed mark SPEEDBOOK for hardware is distinct from and not likely to cause confusion with a similar, previously registered mark SPEEDBOOK of another for software. Exhibit 10 pgs. 12-13.

46. This factual and legal position relied upon by Google resulted in a benefit in Google's favor in the U.S. Trademark Office's interim approval of Google's trademark application for the mark SPEEDBOOK for hardware.

47. Google has withheld from and not disclosed to the TTAB that it previously relied to its benefit on the distinction between hardware and software such that there is no likelihood of confusion between similar marks in hardware and software uses. Exhibits 9 and 10.

Google unfairly used extensions of time granted by the Trademark Office to delay registration of Isys' trademark for CHROMIUMPC and to further Google's trademark infringement and unfair competition

48. In November 2009, Isys began using CHROMIUMPC in connection with its modular computers. Exhibit 2.

49. In or before February 2010, Google selected the brand name SPEEDBOOK for computer hardware and filed a trademark application in Tonga. Tonga trademark application filings are not available to the public for searching online. Exhibit 10.

50. Google has known of Isys' trademark application for and of Isys' intent to use the CHROMIUMPC mark in connection with computer hardware since no later than July 2010.

51. In August 2010, Google filed a U.S. trademark application for SPEEDBOOK for hardware in the United States relying upon its priority date of February 2010 from its Tongan application. Exhibit 7.

52. Isys' trademark application for the CHROMIUMPC mark for hardware was given provisional approval by the U.S. Trademark Office ("Trademark Office") October 1, 2010. Google knew this because Google was monitoring Isys' application. Exhibit 3, pg. 27.

53. On October 19, 2010, Google received communication for the Trademark Office that its SPEEDBOOK application was provisionally approved and that additional information was needed to be filed within six months. Exhibit 10, pgs. 18-20.

54. Pursuant to Trademark Office procedure, Isys' trademark application for CHROMIUMPC was published for opposition November 23, 2010. The opposition period is thirty days, unless an extension is granted by the Trademark Office. Exhibit 10, pgs. 18-20.

55. Google knew that Isys' trademark application for CHROMIUMPC was published for opposition in November 2010.

56. On December 20, 2010, Google did not oppose but filed a request for extension of time in which to oppose Isys' CHROMIUMPC application. The Trademark Office granted that extension. Exhibit 9, pg. 4.

57. Representative of Google and Isys began communicating in the hopes of resolving the matters.

58. Unknown to Isys at the time, in or about December 2010 or January 2011, Google abandoned its intent to name new computer hardware SPEEDBOOK and adopted the name CHROMEBOOK.

59. Without resolution with Isys and without informing Isys of the change to the name CHROMEBOOK, in March 2011 Google filed a second request for extension seeking an extension of time up to May 22, 2011. Exhibit 9, pg. 5. The Trademark Office granted Google's Request. Exhibit 9, pg. 6.

60. Google knew that these extensions would materially delay the registration of Isys' registration of the CHROMIUMPC mark.

61. During the second extension period, on May 11, 2011 Google announced a new hardware product bearing the brand CHROMEBOOK. Exhibit 11.

62. Google took advantage of delays from extensions of time in which Google could consider opposing Isys' CHROMIUMPC application to delay registration of Isys' application for CHROMIUMPC and to permit Google to accomplish its public announcement of the launch of its infringing CHROMEBOOK PC products. Exhibits 9 and 11.

63. Google strategically timed delays relying upon extensions of time granted to permit Google to switch its brand name from SPEEDBOOK to CHROMEBOOK in order to launch its CHROMEBOOK PC products while delaying the registration of Isys' trademark application for CHROMIUMPC. Exhibit 9.

64. This manipulation rapidly puts the CHROMEBOOK PC products in the public eye through Google's vast promotion and distribution channels and thereby improperly confusing the public into believing that Google is the first to use a CHROME mark in connection with computer hardware PC products.

65. This is known as reverse confusion.

66. This manipulation misleadingly ties trademark rights in a CHROME-mark for hardware with Google in the public's eye.

67. This manipulated reverse confusion harms Isys by impeding and interfering with market entry of its CHROMIUMPC hardware products. Exhibit 13, ¶23; Exhibit 14, ¶ 30.

68. This manipulation damages the goodwill of Isys' CHROMIUMPC mark for hardware as a unique source of origin of hardware products. Exhibit 13, ¶23; Exhibit 14, ¶ 30.

Google's bad faith adoption of CHROMEBOOK and CHROMEBOX for hardware

69. A term "PC" is a commonly used term for hardware products. Exhibit 13, ¶ 19; Exhibit 14, ¶24.

70. The term "book" is a commonly used term for hardware products. Exhibit 13, ¶ 20; Exhibit 14, ¶25.

71. The term "box" is a commonly used term for hardware products. Exhibit 13, ¶ 21; Exhibit 14, ¶26.

72. The terms "pc," "book" and "box" equally connote hardware products for personal computer in the computer industry. Exhibit 13, ¶ 22; Exhibit 14, ¶27.

73. After abandoning CHROMIUM and knowing of Isys' pending trademark application for CHROMIUMPC for hardware, Google adopted the mark CHROMEBOOK, and potentially CHROMEBOX, for its PC hardware products. Exhibit 9.

74. After knowing that Isys' pending trademark application for CHROMIUMPC for hardware had been approved and published for opposition, Google adopted the mark CHROMEBOOK and/or CHROMEBOX for its hardware PC products. Exhibit 9.

75. On information and belief, after requesting and receiving an extension of time to prolong the time for filing an opposition to Isys' CHROMIUMPC mark, Google adopted the mark CHROMEBOOK for its PC hardware products.

76. Google did not adopt the mark CHROMEBOOK for its PC product until about late 2010 or early 2011.

77. Google prolonged the opposition proceeding for the benefit of its announcement of its CHROMEBOOK PC product.

78. On May 11, 2011, Google announced the public launch of upcoming sales of its CHROMEBOOK PC product and hinted at also using CHROMEBOX for a desktop PC. Exhibit 11.

79. Under the direction and inducement of Google in the U.S., Google's CHROMEBOOK PC product is being manufactured, promoted and advertised by Samsung and Acer for sale in the United States and other countries. Exhibit 11.

80. Under the direction and inducement of Google in the U.S., it appears that Google's CHROMEBOX PC product is being prepared for manufacturing, promotion and advertising by Samsung for sale in the United States and other countries. Exhibit 11.

81. Under the direction, license and/or other inducement of Google in the U.S., Samsung and Acer, Best Buy and Amazon.com are promoting and advertising the sale of CHROMEBOOK PC products in the United States and other countries. Exhibit 11.

82. Beginning June 15, 2011, under the direction and inducement of Google, Samsung and Ace, CHROMEBOOK PC products will be sold in the United States and other countries by Best Buy and Amazon.com. Exhibit 11.

83. All uses of CHROMEBOOK and/or CHROMBOX by Defendants have occurred subsequent to Isys' filing of its application June 21, 2010.

Google's bad faith cease and desist demand to Isys dated May 27, 2011

84. Google responded to Isys' May 20, 2011 CHROMIUMPC press release by sending Isys a cease and desist letter dated May 27, 2011 ("Google Demand Letter") threatening legal action if Isys did not abandon its use and registration of Isys' CHROMIUMPC mark for hardware products. Exhibit 12.

85. Knowing that Google lacks exclusive control and rights to the mark CHROMIUM, the Google Demand Letter nevertheless asserts ownership of "exclusive" trademark rights in the CHROMIUM mark for software and hardware uses. Exhibit 12.

86. This demand is made in bad faith.

87. Google's conduct has caused and is causing immediate and irreparable harm to Plaintiff and unless enjoined will continue to cause Plaintiff immediate and irreparable harm. Exhibit 13, ¶ 23; Exhibit 14, ¶ 30.

88. Samsung's conduct has caused and is causing immediate and irreparable harm to Plaintiff and unless enjoined will continue to cause Plaintiff immediate and irreparable harm. Exhibit 13, ¶ 23; Exhibit 14, ¶ 30.

89. Acer's conduct has caused and is causing immediate and irreparable harm to Plaintiff and unless enjoined will continue to cause Plaintiff immediate and irreparable harm. Exhibit 13, ¶ 23; Exhibit 14, ¶ 30.

90. Best Buy's conduct has caused and is causing immediate and irreparable harm to Plaintiff and unless enjoined will continue to cause Plaintiff immediate and irreparable harm. Exhibit 13, ¶ 23; Exhibit 14, ¶ 30.

91. Amazon.com's conduct has caused and is causing immediate and irreparable harm to Plaintiff and unless enjoined will continue to cause Plaintiff immediate and irreparable harm. Exhibit 13, ¶ 23; Exhibit 14, ¶ 30.

III. ARGUMENT

This action is the case of reverse confusion in trademark law – where a small senior user's trademark rights and good will established over years of continuous and extensive use risk being obliterated by a giant junior user.

Isys is the senior or first user of the mark CHROMIUMPC for PC hardware. Google is the junior or second user of a confusingly similar mark CHROMEBOOK for PC hardware. In this reverse confusion matter, junior user Google is poised to entirely overwhelm Isys using competing marks. This will destroy Isys' value and goodwill in its CHROMIUMPC mark. In similar reverse confusion cases, Courts within the Tenth Circuit and elsewhere have not hesitated to enjoin the junior user from overwhelming the mark of vastly smaller senior users.

A. Legal Standard for Preliminary Injunction

In the Tenth Circuit, a party moving for a preliminary injunction:

> . . . must demonstrate four factors: (1) a likelihood of success on the merits; (2) a likelihood that the movant will suffer irreparable harm in the absence of preliminary relief; (3) that the balance of equities tips in the movant's favor; and (4) that the injunction is in the public interest.

RoDa Drilling Co. v. Siegal, 552 F.3d 1203, 1210 (10th Cir. 2009) (internal quotation marks omitted) (citing *Winter v. Natural Res. Def. Council, Inc.*, 129 S. Ct. 365, 374 (2008)), *see also O Centro Espirita Beneficiente Uniao Do Vegetal v. Ashcroft*, 342 F.3d 1170, 1176- 77 (10th Cir. 2003), *affirmed en banc*, 389 F.3d 973 (10th Cir. 2004) (*per curiam*), *affirmed*, 546 U.S. 418 (2006) (when the moving party demonstrates that the "exigencies of the case require extraordinary interim relief," the district court may grant the motion upon satisfaction of the heightened burden.)

Isys meets the requirements for entitlement to a preliminary injunction.

B. Isys is Likely to Succeed on the Merits

1. Isys Is The Senior User Of CHROMIUMPC For Hardware

Isys was the first to use the CHROMIUMPC mark for hardware. In at least as early as November 2009, Isys began using the mark CHROMIUMPC for its new computer hardware. Isys has used the CHROMIUMPC mark continuously since November 2009. Isys' position of senior user stems from its use of the CHROMIUMPC mark in connection with computer hardware first, prior to anyone else including Google.

Isys has made extensive use of its CHROMIUM mark. Since November 2009, Isys has utilized www.chromiumpc.com to promote and sell its CHROMIUMPC hardware products. In addition, Isys has continually and pervasively marketed its hardware in connection with the CHROMIUM mark at tradeshows and during sales calls. Despite Isys' extensive use of the CHROMIUM mark for the past years, Google has never complained about Isys' www.chromiumpc.com website or about any of Isys' many other uses CHROMIUMPC.

2. Isys Is The Only User Of Or Filer For A CHROMIUMPC Mark For Hardware

In June 2010, Isys filed its trademark application for CHROMIUMPC for hardware. Isys was the first to file for protection for a CHROMIUM mark for hardware. Such filing can serve as nationwide, constructive notice to all and priority of use. 15 U.S.C. § 1057(c).[1] Isys timely sought the benefits of registration under 15 U.S.C. § 1051 *et. seq.* Google has not filed any trademark application for CHROMIUM in connection with computer hardware.

3. Google Abandoned The CHROMIUM Mark For Software

The owner of a trademark has a duty to ensure the consistency of the trademarked goods or service. If he does not fulfill this duty, he forfeits the trademark. *E.g., Gorenstein Enter. V. Quality Care-USA*, 874 F.2d 431, 435 (7th Cir. 1989). Uncontrolled licensing works a deception on the public; it is "inherently deceptive and constitutes abandonment" of all rights in the

[1] The benefit of constructive use is contingent upon registration. 15 U.S.C. § 1057 (c).

trademark and results in invalidity of a trademark registration. *Barcamerica Int'l v. Tyfield Importers*, 289 F.3d 589, (9th Cir. 2002); *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977); *Haymaker Sports, Inc. v. Turian*, 581 F.2d 257 (CCPA 1978). The Tenth Circuit agrees: the lack of control over the products distributed under a mark results in abandonment of the mark. *Stanfield v. Osborne Indus.*, 52 F.3d 867, 871 (10th Cir. 1995).

In this case, Google began an open-source software initiative in late 2008. Google invited independent third party software developers to participate. Many did so. Google failed to exercise quality control over the software developed by the third parties. Exhibit 7. Google permitted the third parties to do whatever they wanted in software development. *Id.* Google chose not to control, inspect, verify or guarantee any of the software prepared by the third parties. *Id.* Nevertheless, Google permitted and encouraged the third parties to brand their varying independent software products with the mark CHROMIUM. *Id.* his is classic trademark abandonment. By abandoning control of uses of the mark CHROMIUM, Google has forfeited all rights to a CHROMIUM mark software.

Once abandoned, a mark may be seized immediately and the person so doing may instantly build up rights against the whole world. *E.g., Manhattan Indus., Inc. v. Sweater Bee by Banff, Ltd.,* 627 F.2d 628, 630 (2d Cir. 1980). *Sutton Cosmetics v. Lander Co.*, 455 F.2d 285 (2d Cir. 1972); *McCarthy on Trademarks and Unfair Competition* Section 17:2.

4. ,Google Has Acted In Bad Faith

a) ***Filing For And Prosecuting CHROMIUM For Software***

Knowing that Google's CHROMIUM open-source initiative would lack the quality control required to establish exclusive right in the mark CHROMIUM, Google nevertheless filed a trademark application swearing under oath as to exclusive use of the mark. This was false. Google has not informed the U.S. Trademark Office of the facts and circumstances of uncontrolled use by others.

Even after apparent abandonment, Google has continued to prosecute its CHROMIUM mark, even filing documents within the last few weeks. This is working a deception on the U.S. Trademark Office and upon the public.

b) ***Opposing CHROMIUMPC Based Upon Abandoned Rights***

The U.S. Trademark Office gave interim approval to registration of Isys' CHROMIUMPC mark pending opposition by others. When Isys' CHROMIUMPC mark was published for opposition, Google did not file its opposition within the allowed thirty days but sought and obtained five months of extensions in which to file. It was during the second extension Google announced a CHROMEBOOK PC product.

When Google did file its opposition, the opposition was based solely on its pending CHROMIUM application. However, as established, Google has abandoned CHROMIUM. As a result, the basis relied upon by Google to oppose and thereby delay Isys' trademark registration for CHROMIUMPC is not well-grounded in fact and appears to be in bad faith.

c) ***Demand Based Upon "Exclusive" Rights In CHROMIUM***

Google's latest heavy-handed act has been to demand that Isys' cease and desist using the CHROMIUMPC mark and abandon its application. Again, the basis for the demand is its purported "exclusive" right in CHROMIUM. This demand is a baseless, bullying tactic.

5. Reverse Confusion

Google's conduct is classic reverse confusion. Reverse confusion is well established in the Tenth Circuit. *Big O Tire Dealers, Inc. v. The Goodyear Tire & Rubber Co.*, 561 F.2d 1365, 1371 (10th Cir. 1977) (affirming damage award for reverse infringement); *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089 (10th Cir. 1999) (considering forward and reverse confusion); *Universal Money Ctrs., Inc. v. American Tel. & Tel. Co.*, 22 F.3d 1527, 1529-30 (10th Cir. 1994) (reverse confusion). Reverse confusion occurs when a large junior user supersaturates the market with a trademark similar or identical to that of a smaller, senior user to

obliterate the identity of the senior user. The actual senior user is injured because the public comes to assume that the senior user's products are really the junior user's or improperly derived from the junior user. The result is that the actual senior user loses the value of the trademark, namely its product identity, corporate identity, control over its good will and reputation, and ability to move into new markets. *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir. 1992) (cited favorably as a reverse confusion case in *Universal Money Ctrs.*, 22 F.3d 1527 (10th Cir. 1994)).

The 10th Circuit's *Big O Tire Dealers, Inc. v. The Goodyear Tire & Rubber Co.* case is recognized as a seminal precedent on reverse confusion. In *Big* O, the smaller, senior user Big O was a tire franchise system with dealers operating in the western U.S. In late 1973, Big O planned for launch of a bias belted tire under the trademark BIGFOOT. First sales were made in the spring of 1974.

Unknown to Big O, the much larger Goodyear Tire & Rubber Co. decided in the summer of 1974 to adopt and use the mark BIGFOOT new radial tire. The expected launch was the fall of 1974. Goodyear designated over five million dollars for a large scale, nationwide television advertising promotion. However, in August 1974 Goodyear learned Big O's prior use of BIGFOOT on tires.

Without successful negotiations with Big O, Goodyear moved ahead with its product launch and advertising. Big O's BIGFOOT mark recognition was overwhelmed. Consumers were confused seeking Goodyear tires from Big O. Consumers were skeptical about Big O's BIGFOOT tires when they learned they were not made by Goodyear. The jury and judge agreed that it was reasonable for customers to assume that Big O had stolen the BIGFOOT mark from Goodyear. To most customers, BIGFOOT was tied to Goodyear and anyone else using the mark must be an imitator. This caused Big O damage and irreparable harm.

Another seminal case, this one from the Ninth Circuit and directly on point with the issues presented here, is *Dreamwerks Prod., Inc. v. SKG Studio*, 142 F.3d 1127 (9th Cir. 1998). In the case, senior user Dreamwerks, a tiny Sci-fi convention provider, sued entertainment giant

DreamWorks SKG claiming trademark infringement. The district court ruled for the junior user SKG Studios. The Ninth Circuit reversed based upon reverse confusion:

> [W]e note that if this were an ordinary trademark case rather than a reverse infringement case - in other words if DreamWorks had been there first and Dreamwerks later opened up a business running entertainment-related conventions - there would be little doubt that DreamWorks would have stated a case for infringement sufficient to survive summary judgment. The reason for this, of course, is that a famous mark like DreamWorks SKG casts a long shadow. Does the result change in a reverse infringement case because the long shadow is cast by the junior mark? We think not.

Id. at 1130.

A district court must focus on the strength and ability of the *junior* user's mark to overwhelm the senior user's mark. "[T]he greater the power of DreamWorks' mark in the marketplace, the more likely it is to capture the minds of Dreamwerks' customers." *Id.* at 1130, n. 5. "In a reverse confusion case, it makes more sense to evaluate whether persons familiar with the junior user's stronger mark, and who encounter the senior user's weaker and less well-known mark, associate it with the junior user's mark." 4 J.T. McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 23:10, (citing *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir. 1992), reversed on other grounds).

As with forward confusion, reverse confusion is based on the likelihood of confusion analysis.[2] In this case the similarity of the marks is likely to cause consumer confusion. For example, the competing marks share a similar commercial connotation. Both marks start with the term CHROM and it is well established that the beginning of a mark is given greater weight. *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985) (Greater weight is given to that dominant feature in determining whether there is a likelihood of confusion) *see also Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915, 189 USPQ 693 (C.C.P.A. 1976); *In re J.M. Originals Inc.*, 6 USPQ2d 1393 (TTAB 1987). The terms PC, book and box are commonly

[2] The likelihood of confusion factors: (1) the degree of similarity between the marks; (2) the intent of the alleged infringer in adopting its mark; (3) evidence of actual confusion; (4) the relation in use and manner of marketing between the goods or services marketed by the competing parties; (5) the degree of care likely to be exercised by purchasers; and (6) the strength or weakness of the marks. *King of the Mountain*, 185 F.3d at 1089-90.

used terms in the computer industry to refer to personal hardware computer products. When combined, the competing marks have a similar commercial connotation.

Furthermore, the marks are both used on PC hardware products. "Related goods are generally more likely than unrelated goods to confuse the public as to the producers of the goods." *Brookfield Comm'ns v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999); *Sleekcraft*, 599 F.2d at 350 (where the goods at issue are highly related, "a diminished standard of similarity must be applied when comparing the two marks.").

Google is one of the largest Internet companies in the world with hundreds of millions of users daily. Google's ability to immediately supersaturate the market is one of the selling points Google uses to promote its business. Like almost no other entity, Google has the ability to immediately reach hundreds of millions of people. Others like Isys seeking to introduce a new computer hardware item must buy advertising from a media source such as Google. Google's willingness to use its strength to create reverse confusion as to PC hardware shows that Google has the clear upper hand in rapidly and extensively establishing mark identification in the mind of consumers. This is a breeding ground for reverse confusion and without Court intervention, Google could absorb literally almost any trademark it chose, even as the junior user.

In this case, Google's announcement of CHROMEBOOK has in just weeks generated over five million Internet search results, while Isys' eighteen month effort can only boast less than a tenth of Google's two-to-three week effort. Introduction of CHROMEBOOK for PC products will further inundate the market with and accelerate mark recognition in favor of Google to obliterate the mark recognition Isys has worked for years to garner its CHROMIUMPC mark for hardware.

6. Status Quo

The status quo to be protected in this case is the ability of Isys to complete registration of its CHROMIUMPC mark and thereby maximize its trademark rights, including constructive use rights under 15 U.S.C. § 1057(c) back to June 2010, without the improper and/or baseless interference of Google and without having Isys' mark recognition in the market destroyed by

Google's immediate, massive market penetration and saturation with a competing, confusingly similar mark. Until Isys' registration rights in CHROMIUMPC are determined, further product promotion and sales of Google's CHROMEBOOK PC products should be held at bay. Allowing Google and the other Defendants to proceed with the intended June 15, 2011 launch will destroy and irreparably harm Isys' common law and pending trademark registration rights. A preliminary injunction that favors the status quo is preferred. S*ee Beltronics USA, Inc. v. Midwest Inventory Dist., LLC.*, 562 F.3d 1067, 1070 (10th Cir. 2009) (affirming order of preliminary injunction where unauthorized sale of trademarked goods would irreparably harm trademark owner).

7. Likelihood Of Isys Trademark Registration For CHROMIUMPC

The United States Trademark registry has concluded that Isys' CHROMIUMPC mark is worthy of registration as demonstrated by its publication of the mark for opposition. Accordingly, the mark is sufficiently distinctive to meet registration requirements and would have registered but for Google's improper and baseless Opposition Petition. Indeed, from November 2009 to the present, Isys has not been subject to any demands of any other industry participant vis-à-vis Isys' use or attempted registration of CHROMIUMPC. This establishes the industry and Trademark Office recognition of the strength and inherent distinctiveness of Isys' CHROMIUMPC mark in the market. The mark should quickly register once Google's bogus Opposition is cleared.

C. ISYS is Certain to Suffer Irreparable Harm

Google is attempting to eviscerate Isys' ability to maintain its brand recognition in the market by delaying Isys' registration while flooding the market with its CHROMEBOOK PC product. To the extent Isys needs to conduct a survey to support its trademark registration and accompanying entitlement to exclusive rights in CHROMIUMPC, such surveys depend upon a market which fairly reflects Isys' market position. Permitting the June 15, 2011 sales to go forward will irreparably and irretrievably extinguish Isys ability to survey the market status quo before CHROMEBOOK PC products flood the market. If Google floods the market, survey

participants may well deem Isys' CHROMIUMPC products to be knock-offs of Google's CHROMEBOOK PC products. This confusion cannot be undone.

In addition, Isys has garnered rights based on its filing an intent-to-use application. Isys' intent to use rights as well as the underlying policy upon which Intent to Use applications are based, will be eviscerated should the Court deny the preliminary injunction. Isys' Intent-to-Use application imbues Isys with certain rights which are not provided to those who do not file Intent to Use trademark applications. The Court should recognize these rights and the benefits provided to Isys for applying the rules.

The TTAB has recognized the need for perfecting registration:

> [T]he constructive use provision [15 U.S.C. § 1057(c)] was intended to foster the filing of intent-to-use applications, to give an intent-to-use applicant a superior right over anyone adopting a mark after applicant's filing date (providing the applicant's mark is ultimately used and registered) and to prevent a third party from acquiring common law rights in a mark after the filing date of the intent-to-use application. With these being the aims of the constructive use provision, there can be no doubt but that the right to rely upon the constructive use dates comes into existence with the filing of the intent-to-use application and that intent-to-use applicant can rely upon this date in an opposition brought by a third party asserting common law rights.

Zirco Corp. v. AT&T, 21 U.S.P.Q.2d 1542 (TTAB 1991).

Market degradation has already begun with Google's product announcement and will be exasperated by the June 15, 2011 sales via Samsung, Acer, Best Buy and Amazon.com. This is a situation Google has caused by opposing registration of Isys' CHROMIUMPC mark and doing so relying upon abandoned rights. This conduct of Google should not be rewarded with further market alteration but checked until Isys has the opportunity to perfect its pending but likely registration rights including dates of constructive use back to June 2010.

D. The Balance of Equities Favors ISYS

ISYS has done all that the Lanham Act asks of a trademark owner. ISYS has timely sought and pursued registration for its **CHROMIUMPC** mark. Isys has invested its effort and money in promoting the **CHROMIUMPC** brand and developing goodwill among PC product

consumers. But unless the Court grants ISYS the requested relief, all of that effort and goodwill will irretrievably vanish in the wave of Google's onslaught.

Maintaining a no-CHROMEBOOK/CHROMEBOX market entry status quo does not harm the Defendants. They have thus far successfully conducted business using other brand names and should simply be required to do so in this case at least until Isys is able to perfect its trademark registration or know whether it cannot.

E. A Preliminary Injunction Will Serve the Public Interest

The public interest strongly favors due process and denial of the preliminary injunction will effectively deny ISYS its due process. ISYS played by the rules, applied for a trademark, waited through the public opposition period, endured the months of Google's extensions only to discover that Google used the extensions to delay the issuance of ISYS' registration until Google's product release was eminent. Gaming the system in such a way goes against public notions of due process and fairness and the Court should not condone such tactics.

Similarly, the public interest at stake in a trademark infringement matter is the public's right to be free of confusion as to the source of goods or services offered by sellers, *Amoco Oil Co. v. Rainbow Snow Inc.*, 809 F.2d 656, 658 (10th Cir. 1987) (The Lanham Act protect the public from deception by accurately indicating the source of a product.) There is no countervailing public interest in assuring that Google's product can be rolled out under the CHROMEBOOK trademark.

IV. CONCLUSION

Thus, for the reasons stated above, ISYS respectfully request that the Court preliminarily enjoin Google from continuing to assert abandoned rights in CHROMIUM against Isys in the opposition proceeding and this proceeding and to enjoin the Defendants from irreversibly altering the market with the intended June 15, 2011 launch of sales of the CHROMEBOOK and/or CHROMEBOX PC products.

DATED this 6th day of June, 2011.

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