



You Fit, Inc. et al v. Pleasanton Fitness, LLC et al

2013 | Cited 0 times | M.D. Florida | February 11, 2013

UNITED STATES COURT

OF FLORIDA DIVISION

YOU

PLEASANTON FITNESS,

ORDER BEFORE COURT 60)

Order

60) APPROVED

PROCEDURAL

"You Fit,"

"Fit U."

DISTRICT MIDDLE DISTRICT

TAMPA

FIT, INC., et al., Plaintiffs, v. Case No. 8:12-CV-1917-T-27EAJ

LLC, et al., Defendants.

THE is the Magistrate's Report and Recommendation (Dkt. that Plaintiffs' Motion for Temporary Restraining or, in the Alternative, for Preliminary Injunction (Dkt. 2) be granted. Upon consideration, the Report and Recommendation (Dkt. is and Plaintiffs Motion (Dkt. 2) is GRANTED in part. I. BACKGROUND 1

Plaintiffs, constituent entities of the health club known as bring this action for trademark infringement, trademark dilution, unfair competition, and various related state law claims against



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Defendants, who own and operate health clubs known as Significantly, Defendants Michael Zarrillo and Tracy Zarrillo are former franchisees of You Fit. Dkt. 1 31. Plaintiffs moved for a temporary restraining order, or in the alternative, a preliminary injunction. 2

Dkt. 2. The motion

1 The Court adopts in full the findings of fact by the Magistrate in the Report and Recommendation. Dkt. 60 at 2-3.

2 Defendants failed to appear at the hearing or otherwise timely respond to the motion for preliminary injunction.

1 "persuasive

violations."

\$50,000 OM "LLC Defendants")

areas";

'justifiable secrets."

interest."

See for a temporary restraining order was denied (see Dkt. 7), but the order noted that Plaintiffs had presented a showing that certain of the named Defendants have committed and are committing Lanham Act /d. After supplemental briefing on the issue of personal jurisdiction, the Magistrate Judge recommended that the motion for preliminary injunction be granted with a bond requirement. Dkt. 60 at 8. Defendants Pleasanton Fitness, LLC, Zeus Fitness, LLC, Fitness LLC, and Monterey Fitness, LLC (the timely objected to the Report and Recommendation (Dkt. 65) and Plaintiffs responded (Dkt. 67). In the interim, the LLC Defendants' motion to dismiss for lack of personal jurisdiction was denied. 3

Dkt. 68. The LLC Defendants pose three objections to the Report and Recommendation: (1) Plaintiffs' marks are merely descriptive and weak or invalid, and there is no likelihood of confusion between Plaintiffs' marks and Defendants'; (2) the Magistrate Judge failed to consider whether Plaintiffs have shown that the LLC Defendants are using a confusingly similar mark "in the same trade and (3) Plaintiffs' claim of misappropriation of trade secrets fails because Plaintiffs have not identified

trade II. STANDARD



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To obtain a preliminary injunction, the moving party must demonstrate "(1) a substantial likelihood of success on the merits; (2) that irreparable injury will be suffered unless the injunction is issued; (3) the threatened injury to the moving party outweighs whatever damage the proposed injunction might cause the non-moving party; and (4) if issued, the injunction would not be adverse to the public. *Keeton v. Anderson-Wiley*, 664 F.3d 865, 868 (11th Cir. 2011) (citing *BellSouth Telecomms., Inc. v. MC/Metro Access Transmission Servs., LLC*, 425 F.3d 964, 968 (11th

3 Because Florida's long-arm statute permits the exercise of personal jurisdiction, the LLC Defendants' argument that a preliminary injunction should not be entered because the LLC Defendants are not subject to personal jurisdiction is rejected. Dkt. 65 at 2-9.

2 "extraordinary remedy" "not

prerequisites." US. 720

DISCUSSION

See (lith (lith 2010))

(lith 2010)

"(1)

confusion."

ofSt.

Other

"The

Select 1330, Six Swatch S.A. St.

1209 2009); 908 2000). Cir. 2005)). A preliminary injunction is an and drastic and is to be granted unless the movant clearly established the burden of persuasion as to the four

v. Jefferson Cnty., F.2d 1511, 1519 (11th Cir. 1983)). III.

A. Likelihood of Confusion. Plaintiffs must demonstrate a likelihood of confusion to prevail on their trademark infringement, trademark dilution, and unfair competition claims. *Suntree Techs., Inc. v. Ecosense Int'l, Inc.*, 693 F.3d 1338, 1346 Cir. 2012) (quoting *Tana v. Dantanna 's*, 611 F.3d 767, 773



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Cir. (trademark infringement); Alaven Consumer Healthcare, Inc. v. Dr Floras, LLC, 399 Fed. Appx. 545, 547 Cir. (trademark dilution); Tana, 611 F.3d at 773 (unfair competition). To determine whether the marks are likely to be confused, seven factors are considered: the type of mark, (2) the similarity of the marks at issue, (3) the similarity of the services the marks represent, (4) the similarity of the parties' service outlets and customers, (5) the nature and similarity of the parties' advertising media, (6) the defendant's intent, and (7) any actual

Sovereign Military Hospitaller Order of Saint John of Jerusalem of Rhodes and of Malta v. Fla. Priory of Knights Hospitallers of Sovereign Order John of Jerusalem, Knights of Malta, Ecumenical Order, _F. 3d_, 2012 WL 6582565, at *9 (11th Cir. Dec. 18, 2012). 4

factors, such as geographic concerns, may also be considered. Tana, 611 F.3d at 780. 5

extent to which two marks are confusingly similar cannot be assessed without considering all seven factors to ensure that the determination is made in light of the totality of the

4 Citing *Frehling Enters. v. Int'l Group, Inc.*, 192 F.3d 1335 (11th Cir. 1999); *Coach House Rest., Inc. v. Coach & Rests., Inc.*, 934 F.2d 1551, 1561 (11th Cir. 1991).

5 Citing *Watch, v. Taxor, Inc.*, 785 F.2d 956, 958 (11th Cir. 1986); *Luke's Cataract & Laser Inst., P.A. v. Sanderson*, 573 F.3d 1186, (11th Cir. *Alliance Metals, Inc. of Atlanta v. Hinely Indus., Inc.*, 222 F.3d 895, (11th Cir.

3 circumstances."

(lith "[t]he

exists." "Rather,

case." Of the

"There

it." 605

2010) (lith 2008) "An

Penguin

Center)." 509 (lith Plaintiffs' "YOUFIT," "It's YOU In,"



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Premier 605 20 0).

"best confusion." ("This

attention."). Sovereign Military Hospitaller, 2012 WL 6582565, at *9 (quoting Wesco Mfg., Inc. v. Tropical Attractions of Palm Beach, Inc., 833 F.2d 1484, 1488 Cir. 1987)). When balancing the factors, issue of likelihood of confusion is not determined by merely analyzing whether a majority of the subsidiary factors indicates that such a likelihood AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1538 (11th Cir. 1986). a court must evaluate the weight to be accorded the individual factors and then make its ultimate decision. The appropriate weight to be given to each of these factors varies with the circumstances of the /d. seven factors, the type of mark and the evidence of actual confusion are the two most important. Suntree, 693 F.3d at 1346. 6

1. The Type and Strength of the Marks.

a. Categorization of the Marks. are four recognized types of mark, ranging from weakest to strongest: generic, descriptive, suggestive and arbitrary. The stronger the mark, the greater the scope of protection accorded Caliber Auto. Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC, F.3d 931, 938 (11th Cir. (quoting Aronowitz v. Health-Chem Corp., 513 F.3d 1229, 1240 Cir.

. arbitrary or fanciful mark bears no logical relationship to the product or service it is used to represent (e.g., Kodak). A suggestive mark refers to some characteristic of the goods, but requires a leap of the imagination to get from the mark to the product (e.g., Refrigerators). A descriptive mark identifies a characteristic or quality of the service or product (e.g. Vision /d. (quoting Welding Servs. v. Forman, F.3d 1351, 1357-58 Cir. 2007)).

Three of marks are at issue in this case: Where FIT

6 Actual confusion is probably the most important factor, with the type of mark a close second. See Caliber Automotive Liquidators, Inc. v. Chrysler, Jeep, Dodge, LLC, F .3d 931, 936 n.19 (II th Cir. I Where there is evidence of actual consumer confusion, it is the evidence of likelihood of Id; see id circuit's caselaw makes plain that the consumers of the relevant product or service, especially the mark holder's customers, turn the key. All potential consumers of the relevant product or service, including middlemen, can inform the inquiry, and the ultimate consumers deserve special

4 "Fit ou." Plaintiffs "arbitrary fanciful," "YOU FIT" "at

mark." Plaintiffs' "YOU" "FIT" Plaintiff. On

"The draw."



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ICON 1330, 1340 2004). "A

them." 2002)). "tend[s]

goods." 2002). "the

descriptiveness." 902, 1340

Univ. 2012) ("A

product.").

"Universal Sight/UNS" "a and begins withY The LLC Defendants contend that these marks are descriptive and weak.

allege that the marks are and and argue that is the very least, a suggestive service marks are not arbitrary because the words and

bear a logical relationship to the health club services provided by the spectrum of marks, they are somewhere between descriptive and suggestive.

line between descriptive and suggestive marks can be difficult to Nautilus Group, Inc. v. Health & Fitness, Inc., 372 F.3d (Fed. Cir. suggestive mark is one for which 'a consumer must use imagination or any type of multistage reasoning to understand the mark's significance . . . [,] the mark does not describe the product's features, but suggests !d. (quoting Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1142 (9th Cir.

A descriptive mark, on the other hand, to consist of common words that might be the only way to describe a category of Japan Telecom, Inc. v. Japan Telecom Am. Inc., 287 F .3d 886, 872 (9th Cir. In distinguishing between descriptive and suggestive marks, one must consider imaginativeness involved in the suggestion, that is, how immediate and direct is the thought process from the mark to the particular product. Ifthe mental leap between the word and the product's attribute is not almost instantaneous, this strongly indicates suggestiveness, not direct

Self-Realization Fellowship Church v. Anada Church ofSelf-Realization, 59 F.3d 911 (9th Cir. 1995); see Nautilus Group, 3 72 F .3d at (adopting Ninth Circuit's approach); see also of Ala. Bd. ofTrustees v. New Life Art, Inc., 683 F.3d 1266, 1271 n.6 (11th Cir.

suggestive mark refers to some characteristic of the goods, but requires a leap of the imagination to get from the mark to the



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For example, the mark Night is not a suggestive mark because customer in the relevant community can readily perceive the nature of the product, that is night sight,

5

imagination." Sys. 2011). On "OGGETTI" "connotation."

"Laser Specialist" "does

deduce" "laser specialist" St. 1208.

"YOUFIT")

"YOUFIT," "It's YOU In," "Fit You"

"fit," 7

Plaintiffs' Plaintiffs

See

"secondary meaning").

Plaintiffs' "the of mark." "The

deserves." "[t]he

"fit" or the ability to see at night, without having to use his or her Knights Armament Co. v. Optical Tech., Inc., 654 F.3d 1179, 1188-89 (11th Cir. the other hand, the mark

is suggestive because the mark was adopted to create a Frehling Enters., 192 F.3d at 1336. The mark is suggestive because it not immediately convey the nature of the services offered and requires a leap of the imagination to that a

is an oculoplastic surgeon. Luke's, 573 F.3d at They key question in distinguishing between suggestive and descriptive marks is whether a consumer is required to use imagination to leap from the mark (e.g., to the services provided (a health club). In this case, a consumer would not automatically associate the marks

Where FIT and begins with with a health club. Due to the multiple meanings of the word an imaginative leap is required to associate marks with a health club. Therefore, are likely to be able to



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prove their marks are suggestive and accorded a heightened level of protection. 8

Knights Armament, 654 F.3d at 1188 (suggestive marks are accorded a heightened level of protection, while descriptive marks attain protection only where the mark has developed a

b. Commonality of the Marks. Another important factor in determining the strength of marks is degree to which third parties make use the Frehling Enters., 92 F.3d at 1336. less that third parties use the mark, the stronger it is, and the more protection it !d. When a mark contains very common formative components, likelihood of prospective use by competitors

7 Merriam Webster accords the word six definitions as a noun, three as an adjective, and nine as a verb. See <http://www.merriam-webster.com/dictionary/fit> (last viewed Jan. 22, 2013).

8 Categorization of marks is a question of fact, not of law. See Aloe Creme Labs., Inc. v. Milsan, Inc., 423 F.2d 845, 849 (5th Cir. 1970). The ultimate decision on whether Plaintiffs' marks are arbitrary, suggestive, descriptive, or generic is reserved for the finder of fact.

6 high," Corp. C., "[t]he

trademark." 30 "The

protection." Co. 1190

"YOU" "FIT,"

"Sun Bank" "the

'Sun' confusion.'). 10

Co. Central Co.,

1206, 1209 (lith

30, 10 See Pizza, 1980)

"Domino"); 505 "World"

Out "Holiday" "bongo" Cafe,

"El Chico" is resulting in narrower protection of the mark. Investacorp, Inc. v. Arabian Inv. Banking



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(Investcorp) E. 931 F.2d 1519, 1523 (11th Cir. 1991). However, fact that a word is common does not necessarily make it weak or unworthy of protection as a Fisons Horticulture, Inc. v. Vigoro Indus., Inc., F.3d 466,478 (3d Cir. 1994). significant factor is not whether the word itself is common, but whether the way the word is used in a particular context is unique enough to warrant trademark Wynn Oil v. Thomas, 839 F.2d 1183, n.4 (6th Cir. 1988).

The LLC Defendants contend that Plaintiffs' marks are weak because they use common, unremarkable words utilized by others in the fitness industry. In support of this argument, the LLC Defendants submit a constellation of marks using the words and eleven similar trade names for services available in Florida, and ten trade names for services available in California.

Marks are considered weak when they use common words as formative components. See, e.g., SunBank of Fla. v. SunFed. & Loan Ass'n, 651 F.2d 311 (5th Cir. July 20, 1981) 9

(finding the mark arbitrary, but according it no trademark protection because extensive third-party use of the word [is] impressive evidence that there would be no likelihood of

Moreover, marks are considered weak when their formative components are used frequently in a particular market. See Continental Grain v. Soya Inc., 69 F.3d 555,

9 In Bonner v. City of Prichard, 661 F.2d Cir. 1981)(en banc), the Eleventh Circuit adopted as binding precedent all decisions of the former Fifth Circuit handed down prior to close of business on September 1981.

also Amstar Corp. v. Domino's Inc., 615 F.2d 252 (5th Cir. (reversing district court's finding of likelihood of confusion for failing to properly weigh the impact of third-party uses of the word Armstrong Cork Co. v. World Carpets, Inc., 597 F.2d 496, (5th Cir. 1979) (wide use of the word in marks results in little likelihood of confusion); Holiday Inns, Inc. v. Holiday in America, 481 F.2d 445, 448 (5th Cir. 1973) (common word is of weak trademark significance); Michael Caruso & Co. v. Estefan Enter., Inc. 994 F. Supp. 1454, 1459 (S.D. Fla. 1998), aff'd 166 F.3d 353 (11th Cir. 1998) (defendant's evidence of extensive third-party use of the term

renders it unlikely that the mark will have strong trademark significance); El Chico, Inc. v. El Chico 214 F.2d 721, 725 (5th Cir. 1954) (the mark is weak in part due to twenty-seven trademark registrations using the term).

7 649500, ("Where "weak"

confusion."). Plaintiffs'

Plaintiffs'



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You U One U "VERY similar" You

U You

U.

Very

11 See, Cafe, 2011) ("But

"Mango" services.");

2009) "Homes" "Homes Land"

"fun" "Fun Ship"); 2006 2006) ("The

United Office

"fit." 1995 WL at *2 (Fed. Cir. Nov. 6, 1995) the common element of conflicting marks is in the sense that such portion is ... in common use by many sellers in the market, then this reduces the likelihood of

11 marks use formative words that are both generally common 12

and common in the fitness market. This militates in favor of finding that marks are weak even though they are suggestive.

2. Actual Confusion. The second of the two most important factors in determining likelihood of confusion is any actual confusion. Internet postings on the website www.yelp.com demonstrate that at least one consumer is actually confused about the differences between Fit gyms and Fit gyms. post calls Fit to Fit (Dkt. 1-8 at 9), and another expounds at length on his confusion as to whether Fit is the same as Fit:

I am soo confused. I was a member at Youfit in [Arizona] and when I moved back to [California] I saw this place by my house and thought great my gym is here! When I went into the gym, I realized it was called Fit They use the same basic color scheme on their sign and the motto seemed the same. When I asked the girl at the desk, ... [she] said her owner created this brand. I said what are you [sic] rates? Seemed very similar to me as when I was a member at Y oufit. confusing and a big let down.

e.g., *Mango's Tropical Inc. v. Mango Martini Rest. & Lounge, Inc.*, 844 F. Supp. 2d 1246, 1254 (S.D. Fla. even if we found Plaintiff's mark to be arbitrary, its strength is considerably weakened by



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extensive third-party use of the word or a variation thereof in connection with restaurant and bar
Homes & Land Affiliates, LLC v. Homes & Loans Magazine, LLC, 598 F. Supp. 2d 1248, 1261 (M.D. Fla. (evidence of eighteen publications using in their titles renders the magazine title & a weak mark); Carnival Corp. v. SeaEscape Casino Cruises, Inc., 74 F. Supp. 2d 1261, 1266 (S.D. Fla. 1999) of numerous third-party registrations for marks using the word in the travel and entertainment industries weakens the strength of the mark Gulf Coast Commercial Corp. v. Gordon River Hotel Assocs., No. 2:05-cv-564-FtM- 33SPC, WL 1382072, at *7 (M.D. Fla. May 18, Court concludes that the Inn on Fifth mark, which contains very common formative components that have been used widely by third parties, is relatively weak in its descriptiveness.").

12 This conclusion is based on evidence supplied by the LLC Defendants. However, a cursory search of the States Patent and Trademark database for live trademarks reveals 4,342 trademarks with the formative component

8 "affidavits injunction"

proceeding."

Pan 805 "appropriate proceeding."

"YOUFIT" "Fit U" U

of"You" "U." "FIT" "U"

Y US. 2010) "New Gas" "New Electric"

See

See See V.E., calls

"the declarants"). U's See Dkt. 1-8 at 9. While these anonymous posts are not conclusive evidence of actual confusion, they are indicative of potential consumer confusion. This factor therefore weighs in favor of a finding of likelihood of confusion.

The LLC Defendants argue that the Magistrate Judge improperly gave weight to the posts on yelp.com as indications of confusion because, as hearsay, the comments may not be considered. To the contrary, and hearsay materials which would not be admissible evidence for a permanent may be considered if the evidence is 'appropriate given the character and objectives of the injunctive Levi Strauss & Co. v. Sunrise Int'l Trading Inc., 51 F.3d 982, 985 (11th Cir. 1995) (quoting Asseo v. Am. Grain Co., F.2d 23, 26 (1st Cir. 1986)). The evidence submitted by Plaintiffs is given the character and objectives of the injunctive !d. 13



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3. Similarity of the Marks.

and are plainly very similar marks. Fit is a transposition of the syllables of You Fit with the alteration to Even though Fit U's trade name 14

- the word with an elongated capital underneath it - diminishes similarity because its appearance differs from You Fit's marks, a holistic examination of the marks reveals that they are very similar. See *N. State Elec. & Gas Corp. v. Gas & Elec., Inc.*, 697 F. Supp. 2d 415, 432-33 (W.D.N.Y. (finding the names York State Electric & and York Gas & to be

13 Additionally, the comments are not hearsay because they are not being used to prove the truth of the matter asserted in the comment. Fed. R. Evid. 801(c)(2). Rather, Plaintiffs invoke the comments to demonstrate the consumer's confusion, a then-existing mental state of the declarant who posted the comments Fed. R. Evid. 803(3).

Innovation Ventures, LLC v. N. Inc., 694 F.3d 723, 738 (6th Cir. 2012) (addressing the weight of phone as evidence of actual confusion and disapproving the district court's finding that the evidence is hearsay because phone calls were not relied on to show the content of the conversations, but rather were introduced merely to show that the conversations occurred and the state of mind of the

14 Fit trade name can be found on the first line of page II in the LLC Defendants' Objections. Dkt. 65 at II.

9

"state" 2001)

"closely resemble[d]" "a words").

"not marketplace.").

("It

customers.").

U "another club"

10 confusingly similar because the only differences between them are the omission of the word and the transposition of the words); see also *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. (finding that plaintiffs and defendant's internet domain names were confusingly similar, where defendant's domain names plaintiffs, and differed only because they contained few additional or deleted letters,



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or ... rearrang[ed] the order of the The fact that the marks are utilized in the same market further supports a finding of similarity. See *The Sports Authority, Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 962 (2d Cir. 1996) (In deciding similarity, the court must look just at the typewritten and aural similarity of the marks, but how they are presented in the This factor weighs in favor of a likelihood of confusion.

4. Similarity of the Services, Service Outlets, and Customers. The parties' services, service outlets, and customers are also similar. See Dkts. 1-1, 1-7. Cf *Coach House*, 934 F.2d at 1562 would seem that the similar menu and ambience utilized in both restaurants would attract the same Both businesses operate gyms or health clubs and are designed to attract customers who are young, independent, and cost-conscious. A text message from Defendant Michael Zarillo confirms that the service outlets are designed to be similar and to attract similar customers because Fit is ten dollar like You Fit. Dkt. 4-1 at 1. This factor weighs in favor of a likelihood of confusion.

5. Similarity of the Parties' Advertising Media. The similarity of the parties' advertising media is difficult to evaluate on the current record. The parties' websites reflect a slight similarity of advertising (compare Dkt. 1-1, with Dkt. 1-7), but the record contains no other evidence of similar advertising. This factor, therefore, is neutral.

6. Defendants' Intent. Text messages from Michael Zarillo suggest the possibility of an intent to copy or utilize

("Intent confusion."). "Fit U"

"Fit You," "Fitness Unlimited."

"entails

balance.'" 508 2007).

650. "The

way."

10. Plaintiffs' marks. See Dkt. 4-1 at 1; *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1172 (11th Cir. 1991) (per curiam) to copy in itself creates a rebuttable presumption of likelihood of

However, the declaration of Tim Simon (Dkt. 64-6) avers that the mark was not conceived with the intent to copy but rather as a contraction of the California trade name Id 5. Given the conflicting evidence, this factor is neutral.



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7. Conclusion Examination of the seven factors more than the mechanistic summation of the number of factors on each side; it involves an evaluation of the 'overall Custom Mfg. & Eng'g, Inc. v. Midway Servs., Inc., F.3d 641, 649 (11th Cir. In deciding whether a likelihood of confusion exists, the unique facts of each case must be considered. !d. at ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated in some !d.

Four of the seven factors weigh in favor of a likelihood of confusion, including the most important factor: any actual confusion. Two factors are neutral, and the second most important factor, the strength of the mark, weighs against a likelihood of confusion. While Plaintiffs are likely to succeed in demonstrating that its marks are suggestive, the use of common formative words utilized frequently in Plaintiffs' marketplace significantly weakens the marks and diminishes the scope of their protection. Indeed, the Eleventh Circuit has restricted the protection afforded to marks with common formative components, even if those marks are arbitrary. See Sun Banks, 651 F .2d 311. Nevertheless, Defendants marks are very similar, used to attract the same cadre of consumers, and have actually confused at least one consumer. Even the websites are slightly similar in scheme and color, and Plaintiffs have presented evidence that Defendants copied Plaintiffs' website to create their own. See Dkt. 3-1

11 "an remedy" "unless

persuasion." 720

"clearly persuasion"

Plaintiffs

Plaintiffs "in area."

"zone expansion," See 60 1018, 1028

"zone expansion"

See U.S.C. 1057(c); 780 ("The

marks.>"). "zone expansion" "provides Although marks using common words are not afforded broad trademark protection, they are still protected from infringement. Balancing the factors, the indications of actual confusion and the close similarity of the marks and services create a likelihood of confusion. Preliminary injunctions are extraordinary and drastic not to be granted the movant clearly established the burden of Jefferson Cnty., F.2d at 1519. Notwithstanding, I agree with the magistrate judge that Plaintiffs have established the burden of required to demonstrate a likelihood of confusion. Given a finding of likelihood of confusion, are likely to succeed on the merits of their



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trademark infringement, trademark dilution, and unfair competition claims.

B. Zone of Natural Expansion The LLC Defendants contend that the Magistrate Judge failed to consider whether have shown that the LLC Defendants are using a confusingly similar mark the same trade Dkt. 65 at 13-14. To the contrary, the Magistrate Judge found that Plaintiffs' ten locations in Arizona establish California as a of natural which a trademark holder is entitled to protect.

Dkt. at 4; Tally-Ho, Inc. v. Coast Comm. Col!. Dist., 889 F.2d (11th Cir. 1989). To the extent the LLC Defendants are objecting solely on the basis of the Magistrate Judge's failure to consider this element, that objection is overruled.

In any event, the LLC Defendants cannot invoke of natural or trade area concerns because Plaintiffs have registered their marks and are therefore entitled to an exclusive right to use the mark. 15 § Tana, 611 F.3d at owner of a registered mark, in contrast, enjoys the unlimited right to use the mark nationwide, and federal registration affords the registrant priority over all future users of confusingly similar The of natural is a common law doctrine that the senior user [of a mark] with some

12

use." See So.

("Under

another."). Plaintiffs

CONCLUSION Plaintiffs Plaintiffs

See N 2008). Plaintiffs

See

Pleasanton OM Objections U.S.

U.S.C. "limited area"

"the

mark." See 640 "limited area" limited 'breathing space' in which to expand beyond its current actual Tally-Ho, 889 F.2d at 1028. also Junior Food Stores ofW Fla., Inc. v. Junior Food Stores, Inc., 226 2d 393, 396 (Fla. 1969) the common law, the universal rule governing tradename protection is that protection will be extended to the first appropriator of a name, within the territorial scope of its



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business, against subsequent use of the same or similar name by are not pursuing common law remedies in this case, and the zone of natural expansion is not determinative. 15

are likely to succeed on the merits of their Lanham Act claims. are therefore entitled to a presumption of irreparable harm, and the LLC Defendants have not submitted any evidence to rebut that presumption. *Am. Med Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227 (11th Cir. The threatened injury to outweighs the damages the proposed preliminary injunction may cause Defendants, and if issued, the preliminary injunction is not adverse to the public interest. *Ferre/lgas Partners, L.P. v. Barrow*, 143 Fed. Appx. 180, 191 (11th Cir. 2005). 16

Accordingly, 1) The Defendants Fitness, LLC, Zeus Fitness, LLC, Fitness LLC, and Monterey Fitness, LLC to the Report and Recommendation of Magistrate Judge

15 The Lanham Act does codify a limited geographic defense similar to the zone of natural expansion. Section 33(b), codified at 15 § 1115(b)(5), provides a exception to the general premise of incontestability of registered marks in continuous use for five years. To be able to invoke this exception, however, junior user must have used the mark continuously in that location and initially in good faith without notice of an infringing *Thrifty Rent-A-CarSys., Inc. v. Thrift Cars, Inc.*, 831 F.2d 1177, 1181 (1st Cir. 1987). The exception does not apply in this case because Plaintiffs do not contend that their marks are incontestable, and Defendants necessarily had notice of Plaintiffs' marks through Michael Zarrillo, who operated You Fit franchises in Arizona. also *Foxtrap, Inc. v. Foxtrap, Inc.*, 671 F.2d 636, (D.C. Cir. 1982) (to sustain a defense, the defendant must demonstrate, inter alia, that it adopted its mark before the plaintiff's registration and without knowledge of the plaintiffs prior use of the mark).

16 Because Plaintiffs are entitled to a preliminary injunction on their trademark infringement, trademark dilution, and unfair competition claims brought under the Lanham Act, their remaining claims need not be addressed.

13 October 31,2012 OVERRULED.

60) APPROVED.

Order

"Fit U" "Fit U"

POST \$50,000.00 (20)

n DONE ORDERED Lday 2013. Elizabeth A. Jenkins of (Dkt. 65) are



You Fit, Inc. et al v. Pleasanton Fitness, LLC et al

2013 | Cited 0 times | M.D. Florida | February 11, 2013

2) The Report and Recommendation (Dkt. is 3) Plaintiffs' Motion for Temporary Restraining or, in the Alternative, for Preliminary Injunction (Dkt. 2) is GRANTED.

4) Defendants, and all others bound by Federal Rule of Civil Procedure 65(d)(2), are ENJOINED and PROHIBITED from using the mark or otherwise using in any manner in the offer, sale, or advertising of any goods or services.

5) Plaintiffs shall security of as a condition of this injunction within twenty days of the date of this order.

AND this of February,

Copies to: Counsel of record

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