Healthbox Global Partners LLC v. Under Armour Inc.

2016 | Cited 0 times | D. Delaware | July 19, 2016

IN UNITED STATES DISTRICT COURT

FOR DISTRICT OF

THBOX GLOBAL

UNDER ARMOUR, INC.,

MEMORANDUM 19°*'-day 2016, filed

following

Procedural On 2016,

("plaintiff") alleging

U.S.C. law

Under Inc. ("defendant"). (D.I. On 2016, (D.I. 20)

U.S.C. U.S.C.

U.S.C. THE

THE DELAWARE

HEAL PARTNERS,) LLC,)

Plaintiff,)

v.)

Defendant.)

Civ. No. 16-146-SLR

Healthbox Global Partners LLC v. Under Armour Inc.

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At Wilmington this of July, having reviewed the papers in connection with plaintiff's motion for preliminary injunction, and having heard oral argument on the same, the court issues its decision to deny the motion, for the reasons:

1. background. March 8, plaintiff Healthbox Global Partners, LLC filed a complaint trademark infringement, unfair competition pursuant to§ 43(a) of the Lanham Act, 15 § 1125(a), and state claims for dilution and deceptive trade practices against defendant Armour

1) April 28, defendant answered the complaint. The court has jurisdiction over the copyright and Lanham Act claims pursuant to 28

§§ 1331, 1338(a) and (b), and 15 § 1121 (a). The court has supplemental jurisdiction over plaintiff's additional claims pursuant to 28 § 1367(a).

Plaintiff Delaware limited liability principal place

Illinois. (D.I. ,-r plaintiff 1

"providing consulting healthcare including wellness

(D.I. ,-r laws Maryland principal place Baltimore, Maryland. (D.I. 20

launched athletes

It athletic including (D.I. Factual plaintiff million dollars developing including

healthcare leadership United elsewhere,

releases. (D.I. Plaintiff United

Healthbox®, 2013, 2011. Healthbox®

healthcare 11114-5) In portfolio plaintiff logo, Healthbox ™ • (Id. 116) Plaintiff "Healthbox® (formerly Accelerator), selects

early-stage healthcare

ability healthcare marketplace. (Id. In last 2,000 2. is a company with a of business in Chicago, 1 at 1) Since 2011, has been

and incubation services in the industry, and fitness." 14 at 3) Defendant is a corporation formed

under the of the State of with a of business in 2) Defendant, which in 1996, is a sports product company targeting and fitness-minded consumers. offers a variety of merchandise a box of connected fitness devices. 24at1-2)

3. background. Since about 2012, has spent over a

and promoting its brand, attending speaking engagements at and conferences in the States and and issuing periodic press 14 6-8, ex. 5) owns States Trademark Registration No. 4,305, 142 for the mark registered on March 19, with a first use date of September 1, (Id. 3, exs. 1-4) The

mark was registered for use in connection with advisory and incubation services and funding for start-ups and existing businesses in the industry (Classes 35 and 36). (Id. at connection with its services and the products of its companies, uses the . at

has a Studio Program" wherein it innovative, companies (sometimes taking an equity interest) and provides an intensive four-month program to enhance the companies' to succeed in the 11-12) the four years, of the

1 And its predecessors.

2

Program,

PUSH Peerfit, Platejoy, (Id. ,.m

H. "UA"

UA HS?INE UA SPEEDFORM,

.. COOLShJITCH

UA

(D.I. ,.m "making (Id. In 2011,

(Id. In 2014, J<:i. /UA BOX

"healthbox"

"UNDER ARMOUR." (Id. On 2015, UA RECORD THBOX

2015, UA H companies which have applied to the Healthbox® Studio plaintiff has made an equity investment in and partnered with 86 companies. The Healthbox® mark and logo have appeared in press releases, joint marketing, and directly on the websites of a number of companies with products specifically targeting consumers interested in health, wellness, and fitness. These companies include Fitness Cubed (which sells an elliptical machine), for Wellness, Soma Analytics, Salaso, and Sensing Strip. at 14-15, ex. 8)

4. Since 1996, defendant has used the corporate logo, , and its trademark/name abbreviation. Defendant also pairs its marks with other terms to create product names for its various goods - ColdGear, ,

and . Both the logo and the marks have become widely recognized and associated with defendant. 25 at 2- 3) Defendant's focus is athletes perform better." 4) defendant began offering electronic fitness devices targeted to its existing customer base. 4) December defendant selected the HEAL TH marks for a suite of devices physically packaged together in a box. According to defendant, the term was chosen to convey the nature of the product, which is packed in a box and used to get fit or healthy. The term is combined with defendant's known marks or with the name 5-12) January 7,

defendant filed a federal trademark application for HEAL (App. No. 86/496,990) and on July 17, for the marks HEALTHBOX (App. No. 86/696,524) and (App. No. 86/696,556). The marks were designated for use with multifunctional and wearable electronic devices for receiving,

3

uploading health Internet (Class I. 18-20) In 2015, world's largest digital health full $3.08 billion.

largest platform, launch UA RECORD ("app"). 2

(Id., In 2015, digital

employing "more 100

digital health, Under

health UA MyFitnessPal. " 3

(Id., In 2015, ("Magna"),

e-mail "align[ing] with" I. il

routinely In alleges 120

similar

portfolio plaintiff itself) suitable link UA RECORD

Of Of 2015), Under Opens Seaholm

2015), detail.cfm?releaseid=901074. displaying, processing, and and fitness data to the 9). (D. 15, exs. February defendant announced the creation of the

and fitness community and year net revenues of Defendant stated that it was focused on creating the Connected Fitness

through its recent of the application ex. 21) March defendant announced the opening of a headquarters in Austin, Texas, than industry-leading engineers, data scientists, designers, and product innovators in fitness, and sports .... The Armour Connected Fitness TM platform powers the world's largest digital and fitness community through a suite of apps: Record, MapMyFitness, Endomondo and

ex. 22) 5. June Rudy Magna defendant's director of business development, sent an e-mail to plaintiff's general account soliciting information about strategic partners plaintiff. (D. 13 at 2, ex. 12) According to defendant, it meets and reaches out to companies. the average month, defendant its Connected Fitness team sends and receives more than communications to third parties to the one sent to plaintiff. Defendant contends Magna's contact was to determine whether any of plaintiff's companies (but not

would be candidates to to the app. Magna

2 Under Armour Reports Full Year Net Revenues Growth 32%; Announces Creation World's Largest Digital Health And Fitness Community (February 4, http://investor.underarmour.com/releasedetail.cfm?releaseid=894686. 3

Armour First Digital Headquarters in Austin's Revitalized Power Plant District (March 11, http://investor.underarmour.com/release

4

alleges involvement selection

UA THBOX (D.I. 2015, email telephone, several plaintiff's portfolio developed applications

including Analytics, Salaso, PUSH Wellness, PlateJoy. I. D.I. 111110-11) alleges ultimately possible

UA RECORD (D.I. 26at1111)

In 2016, launched /UA THBOX "Connected athletes athletes." 4

(D.I. "box" complete "UA "UA Scale," "UA

collected UA RECORD mobile /UA BOX retails $400 available national retailers athletic electronic including

"UA standalone $180. (D.I. 25at1[1[

Plaintiff alleges launch /UA BOX Google "healthbox" results links links plaintiff. launch,

Suite Of detail.

he had no with the of the marks and the requested contact had nothing to do with the HEAL product or marks. 26) From June to November the parties corresponded via and discussing

of companies that connected fitness and devices, Fitness Cubed, Sensing Strip, Soma

Peerfit, and (D. 13; 26 at Defendant it spoke with FitnessCubed regarding interoperability of its product with the app, but the interoperation did not happen.

6. January defendant the HEAL product as a Fitness system made by for 15, ex. 23) The product comes in a containing a connected fitness system comprised of the Band," the and the Heart Rate." Data output from these devices (and others) is and tracked on the app, which is not part of the HEALTH product nor branded as such. The product

for and is through defendant, HTC, and of and goods, Best Buy, Dick's Sporting Goods, and Target. The Band" may be purchased as a product for 5- 11 ' 18)

7. that, prior to defendant's of the HEAL TH product, a search for returned wherein the top two and five out of the first ten pointed to After the the same

4 Under Armour Launches A Connected Fitness Products, Changing The Way Athletes Live (January 5, 2016), http://investor.underarmour.com/release

cfm?releaseid=948792.

5

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Google results links UA Google "healthbox results

all links (D.I. Plaintiff alleges launch,

all-time 2016 materially typical. (D.I. Plaintiff alleges "healthbox" "in healthcare technology exclusively Healthbox®," plaintiff's (Id. Plaintiff alleges emails

launch. plaintiff's CEO, emails ("Adhikari"), plaintiff's

emails. (Id. 10-11; D.I.

"healthbox "healthbox consulting," "healthbox "healthbox "healthbox accelerator,"

links plaintiff. I. also results multiple "healthbox" "health (D.I. declarant

(D.I.

BOX worldwide publishing Rodale); www.healthboxclinic.com BOX health clinic only 20 miles Healthbox

BOX online health

(ACTIVE BOX health (MY BOX health search returned wherein nine of the first ten pointed to defendant's HEALTHBOX product. A search for review" returns wherein of the top ten are to defendant's product. 15 19, exs. 28-29)

further that from the time of defendant's first time visitors to its website spiked to an high and continued into February at a higher rate than 14 21) that the term connection with has come to identify

trademark. 24) it received from third parties expressing confusion after defendant's Nina Nashif ("Nashif'), founder and provides two and Ateet Adhikari vice president of operations, provides three 22-23, exs. 12 6-7, exs. 15-17)

8. According to defendant, searches for services,"

incubator," studio," and each return eight or more out of ten pointing to (D. 28 11, ex. 9) Defendant provides search identifying other users of the terms

or box." 5

28 12, ex. 11) Defendant's asserts that he was not aware of any instance of confusion between the parties or the respective products and services. 25 14)

5 Such as www.themenshealthbox.com (MEN'S HEAL TH fitness products by

giant (HEAL TH away from LLC's headquarters); www.besthealthbox.com (BEST HEAL TH store and information source); www.activehealthbox.com.au HEAL TH products); and www.myhealthbox.eu HEAL TH app and information).

6

explained United Appeals

[p]reliminary relief should

only limited "A plaintiff preliminary establish likely

likely irreparable preliminary relief, balance

public "failure establish element preliminary

205, 210 2014) "'[O]ne goals preliminary analysis

last, peaceable, parties.'"

700, 708 2004) "[T]he

relief equitable

traditional principles " U.S. (2006).

10.

"measure[s] federal U.S.C. federal U.S.C. identical

210 2000). similar "likely

U.S.C. plaintiff

valid legally protectable; plaintiff

likely 9. Standard. As by the States Court of for the Third Circuit,

injunctive is an "extraordinary remedy, which be granted in circumstances." ... seeking a

injunction must that he is to succeed on the merits, that he is to suffer harm in the absence of

that the of equities tips in his favor, and that an injunction is in the interest." ... The to any

... renders a injunction inappropriate." ... The movant bears the burden of showing that these four factors weigh in favor of granting the injunction. Ferring Pharm., Inc. v. Watson Pharm., Inc., 765 F.3d (3d Cir. (citations omitted). of the of the injunction is to maintain the status quo, defined as the noncontested status of the Kos Pharm., Inc. v. Andrx Corp., 369 F.3d (3d Cir. (citation omitted). decision whether to grant or deny injunctive rests within the discretion of the district courts, and ... such discretion must be exercised consistent with

of equity .... eBay Inc. v. MercExchange, L.L.C., 547 388, 394 Likelihood of success on the merits - trademark infringement and unfair competition. The Third Circuit trademark infringement, 15

§ 1114, and unfair competition, 15 § 1125(a)(1)(A), by standards." A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198, (3d Cir. The Lanham Act defines trademark infringement as use of a mark so

to that of a prior user as to be to cause confusion, or to cause mistake, or to deceive." 15 § 1114(1). To prove trademark infringement, must show that: (1) the mark is and (2) owns the mark; and (3) defendant's use of the mark to identify goods or services is to create confusion

7

30 traditional classic "forward confusion"

mistakenly

similarity mistakenly In "reverse confusion,"

likely

traditional 23:10 Generally, "a larger, powerful smaller, less powerful

likely

size." "[T]he larger, powerful smaller user."

2005) internal

result "is loses value control goodwill

ability markets."

likelihood In include:

similarity alleged concerning the origin of the goods or services. Fisons Horticulture, Inc. v. Vigoro Indus., Inc., F.3d 466, 472 (3d Cir. 1994) (citations omitted).

The pattern of occurs when customers think that the junior user's goods or services are from the same source as or are connected with the senior user's goods or services. Customers want to buy the senior user's product and because of the of marks, buy the junior user's product instead.

customers purchase the senior user's goods under the mistaken impression that they are getting the goods of the junior user. That is, reverse confusion occurs when the junior user's advertising and promotion so swamps the senior user's reputation in the market that customers are to be confused into thinking that the senior user's goods are those of the junior user: the reverse of confusion. 4 McCarthy on Trademarks and Unfair Competition§ (4th ed.).

more company uses the trademark of a senior owner and thereby causes confusion as to the source of the senior user's goods or services. Thus, the junior user is junior in time but senior in market dominance or

doctrine of reverse confusion is designed to prevent ... a more company usurping the business identity of a senior Freedom Card, Inc. v. JPMorgan Chase & Co., 432 F.3d 463, 471-72 (3d Cir. (citations and quotation marks omitted); A & H Sportswear, 237 F.3d at 228-29 (citations omitted). The of reverse confusion that the senior user the

of the trademark-its product identity, corporate identity, over its and reputation, and to move into new Freedom Card, 432 F.3d at 471.

11. The Third Circuit has identified a number of factors to aid in determining

of confusion. the reverse confusion context, those factors (1) the degree of between the owner's mark and the infringing mark;

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("the

"The overall well

basis." 30

(D.I. D.I. "Where (2) the strength of the two marks, weighing both a commercially strong junior user's mark and a conceptually strong senior user's mark in the senior user's favor; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, competing or not competing, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties' sales efforts are the same; (9) the relationship of the goods in the minds of consumers, whether because of the near-identity of the products, the similarity of function, or other factors; (10) other facts suggesting that the consuming public might expect the larger, more powerful company to manufacture both products, or expect the larger company to manufacture a product in the plaintiff's market, or expect that the larger company is likely to expand into the plaintiff's market. A & H Sportswear, 237 F.3d at 234 (tracking the factors developed in Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983) Lapp factors")). As with the test for direct confusion, no one factor is dispositive," and certain factors may not apply in all cases. weight given to each factor in the picture, as as its weighing for plaintiff or defendant, must be done on an individual fact-specific Id. (citing Fisons, F.3d at476 n.11).

12. The parties do not dispute the validity and ownership of the trademarks at issue. 11; 24 at 4-5) the goods or services are not competing, the similarity of the marks is only one of a number of factors the court must examine to determine likelihood of confusion." With "non-competing goods or services, the court must look beyond the trademark to the nature of the products themselves, and to the context in which they are marketed and sold. The closer the relationship between the

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similar sales likelihood 30 plaintiff directly Plaintiff portfolio healthcare

apparel sale specifically athletes

evaluates

similarity similarity "the looks elements

general commercial

Healthbox® /UA "healthbox." exclusively capital letters always

H UA.

declines length plaintiff's sold portfolio should analysis plaintiff largely reply Plaintiff's consulting

healthcare

allow plaintiff consulting sold portfolio plaintiff

See, Orgs., U.S.P.Q.2d 1055 ("[A]lthough plaintiffs' deal

consultants similar."); ("When

sufficiently unrelated likely

Healthbox® logo directly small plaintiff's portfolio

properly analysis.

10 products, and the more their contexts, the greater the of confusion." Fisons, F.3d at 473. At bar, and defendant do not compete. offers advisory and incubation services for start-ups (and funding for certain companies) and existing businesses in the industry. Defendant offers and other fitness products for to customers, and

targets and fitness-minded consumers. 6

With this backdrop in mind, the court each Lapp factor in the order presented above.

13. Degree of (Lapp #1). To determine the of the marks, court to sight, sound, and meaning, and compares whether these combine to create a impression that is the same for the two marks." A & H Sportswear, 237 F.3d at 229 (citation omitted). The marks at bar - and HEALTHBOX - each use the term Defendant uses the term in and in a different font. Moreover, defendant ties the term with its house mark, either or The sound of the mark is

6 The court to address at arguments that the goods by its

companies factor into the of the Lapp factors, which arguments

abandons in its brief. services are aimed at the industry and defendant's product is health-oriented. This tenuous connection, however, does not to merge its services with products by its companies to argue that in some way provides competing products. e.g., Bridges in Inc. v. Bureau of Nat'/ Affairs, Inc., 19

1827, 1834 (D. Md. 1991), aff'd, 983 F.2d (4th Cir. 1993) services and defendants' videos may with the same subject matter, the Court finds that from the perspective of a purchaser surveying the markets, and videos are not see also, Checkpoint, 269 F.3d at 288 two products are part of distinct sectors of a broad product category, they can be

that consumers are not to assume the products originate from the same mark.") (citations omitted). For the same reasons, the use of the mark and

used on the websites of a number of companies is not the focus of the

virtually identical, with the exception of the pairing with " UA." The meaning of the marks offers some dissimilarity, with defendant' s mark describing " health" in a " box." 14. In context, defendant uses its mark on an actual product. This is distinct from plaintiff' s use of its mark on its website offering an " advanced platform for innovation" through two programs designed to target either serious start-ups in healthcare or large healthcare organizations. (D.I. 24, ex. A) As to the use of the house mark, the Third Circuit has explained that a district court should consider the possibility that the house mark " will aggravate, rather than mitigate, reverse confusion, by reinforcing the association of [a term] exclusively with" the junior user. A & H Sportswear, 237 F.3d at 230. In the case at bar, defendant' s house mark is always used with the term "h ealthbox" and is displayed (in capital letters and a different font) on an actual product. An individual looking at plaintiff' s mark in connection with its website 7 would not associate plaintiff or its offerings of advice and investment with the physical

/UA HEALTHBOX product. As the companies are not competitors and there is only one physical product at bar, the court concludes that the use of the house mark mitigates against confusion. This factor weighs in favor of defendant. 15. Strength of mark (Lapp #2). Courts should " examine: (1) the mark's distinctiveness or conceptual strength (the inherent features of the mark) and (2) its commercial strength (factual evidence of marketplace recognition)." Freedom Card, 432 F.3d at 472 (citation omitted). The conceptual strength of a mark is measured by classifying the mark in one of four categories ranging from the strongest to the weakest: arbitrary or fanciful; suggestive; descriptive; or generic. Stronger marks receive greater

7 Or even at the bottom of a portfolio company's webpage.

Plaintiff

plaintiff's While

should particularly

"healthbox"

logos. (D.I. 28at1112, Plaintiff irrelevant, "the similar

public." Del. Internet

publishing Rodele health clinic located miles plaintiff's results yield links

currently In online

"healthbox" See,

ample

"[o]f actual located

plaintiff. explained "there little public learn similar

similar concluded "assertion plaintiff's field example, plaintiff's reliance google protection. Id. (citation omitted). argues that its mark is suggestive and, therefore, stronger than defendant's descriptive mark. Accepting classification of its mark as suggestive does not end the inquiry. the classification of a mark as arbitrary, suggestive, or descriptive may guide the determination of the degree of protection a mark receive, "[s]uggestive or arbitrary marks may, in fact, be 'weak' marks, if they are used in connection with a number of different products." A & H Sportswear, 237 F.3d at 222. Defendant presents evidence that the term

is used in conjunction with a number of products and services with associated trademarks and ex. 11) argues that such evidence is without assessing impact of [the] existence [of names] on the consuming Accu Pers., Inc. v. AccuStaff, Inc., 823 F. Supp. 1161 (D. 1993). 8

Defendant's evidence is the product of an search with sources such as company and a 30 from

offices. Moreover, such search to websites, which may be visited to show that they are in use. the age of shopping and searching, 9

such evidence is persuasive in demonstrating that other uses of the term exist in a number of markets. e.g., Kinbook, LLC v. Microsoft Corp., 866 F. Supp. 2d 453, 466 (E.D. Pa. 2012) (stating that "Microsoft has presented

8 Wherein the court assessed the impact of third party uses on the strength of a mark, stating that the eighteen marks submitted by defendant, the record contains evidence of use of the marks by seven firms," with one in the same geographic region as The court that [wa]s evidence that the consuming has had to to make fine distinctions between names due to the abundance of such names

used by service providers in their market." The court that the that mark has been weakened by a crowded is unpersuasive." Accu Pers., 823 F. Supp at 1166-67. 9 For on searches.

12

"kin" litany 'social families

commercial properly while commercially commercially plaintiff's

article little plaintiff's looking

looking would

least professional roles). Google conclusion.

"healthbox" delivers results "healthbox"

"healthbox services" 10 plaintiff's links plaintiff. See

Sys., 303-04 analysis would conclusion

related. unlikely.).

UA retails $400. 11

Plaintiff insubstantial plaintiff's

10

well "healthbox consulting," "healthbox "healthbox studio," "healthbox accelerator."

UA RECORD mobile standalone

I. 1111 undisputed evidence demonstrating the widespread use of the term in the marks of a of products and services that occupy the networking for and friends' market.").

16. As to strength, defendant contends that it is

strong in its own market, it is weak in market. Defendant's strength within the sport's market has or no impact on consumers within market, i.e., company executives for advice or financing. Moreover, the decision-makers for such advice or financing not be the target audience for defendant's

advertising or marketing (at not in their

The searches cited by both parties support this A search for top for defendant's products as is both name and descriptor. However, a search for (descriptive of

services) returns eight or more out of ten referencing Checkpoint 269 F.3d at (finding that a focused of the junior user's mark not affect the court's on the strength of the mark, when the products were not The strong distinctiveness of the respective markets renders any confusion

17. Consumer care in purchase (Lapp #3). The HEALTHBOX product for points out that this amount is fair for some consumers, but

to others. As discussed above, the target audience for services

As as incubator," and 11

The free app and the products are not marketed using the disputed mark. (D. 25 at 8-11)

13

lowering likelihood

individuals FICO 780 plaintiff low-to-middle FICO below 580.). Regardless affluence, would likely UA

THBOX similar In

established plaintiff's would considerable applying concludes unlikely

actual Although "[e]vidence actual likelihood

plaintiff's "If sold appreciable

actual will lead

longer challenged will be." 50 205 Plaintiff emails following

launch UA BOX In email

article launch, CEO

"thoughts." (D.I. emails 12 licensed plaintiff's deal

plaintiff's portfolio differs from that of defendant's product, the of confusion. Checkpoint, 269 F.3d at 288-89; see also, Freedom Card, 432 F.3d at 467 & n.7, 478 (Both parties offered credit card services, but targeted different consumers - defendant targeted high-income with scores averaging around and targeted income consumers with scores of

consumers of defendant's products compare the HEAL product to other products before making a purchase. the same way, consumers (startups and companies) of services exercise care before for or purchasing such services. The court

confusion is and this factor weighs in defendant's favor. 18. Defendant's use of mark (Lapp #4) and evidence of confusion (Lapp #6). of confusion is not required to prove of confusion," such evidence strengthens case. Checkpoint, 269 F.3d at 291.

a defendant's product has been for an period of time without evidence of confusion, one can infer that continued marketing not to consumer confusion in the future. The the product has been in use, the stronger this inference Versa Products Co. v. Bifold Co. (Mfg.), F.3d 189, (3d Cir. 1995). presents five that it received defendant's of the HEAL TH product. response to an from Adhikari attaching an regarding defendant's Cubii's responded that he had reached out to Magna for 12, ex. 15) Two other asked Adhikari whether defendant had name or entered into a with

12

From executives at two of companies.

14

email "HBX UnderArmour" "is healthbox" UA BOX also email capital "I

licensing ©[.]" emails

play

emails actual See,

Shoe, AJP, (S.D.N.Y. concluded emails

plaintiff collaboration, "affected

Plaintiff also launch. Specifically, "web doubled, while

flat." (D.I. "website 2016 materially typical [plaintiff]." (D.I. Plaintiff "analytics

actual

In email plaintiff reply Baylor Scott Health ("Baylor") Healthbox UA

THBOX (D.I. plaintiff. (Id. at exs. 16, 17) Nashif received an from the managing director of an investment company with the subject and asking this and attaching a screenshot of the HEAL TH product. Nashif received an

from the managing partner of a venture fund stating hope you received some great revenue The demonstrate that the writers understood that two companies (plaintiff and defendant) were in and, at most, show that certain individuals inquired whether the companies were working together in some capacity. The do not evidence consumer confusion in the marketplace. 13

e.g., Denimafia Inc. v. New Balance Athletic Inc., Civ. No. 12-4112 2014 WL 814532, at *19 Mar. 3, 2014) (The court that the proffered showed individuals contacting to inquire whether the parties were working on a

but did not show that the use of the disputed mark a purchasing decision of any kind or confused them as to the source of the products.").

19. argues that its website received increased traffic after defendant's in January 2016, the traffic organic searches remained 30 at 7) Nashif states that visitors continued into February at higher year over year rates than for

14 21) submits a copy of reports for the months of December 2015 through February 2016, which tracks the number of visitors to the webpage [and] those visitors executing the JavaScript tracking code when they view

13

another cited by in its brief, & White

discusses both plaintiff's foundry service and defendant's HEAL product without confusion. 39)

15

page." 14

(D.I. D.I. 48at114) Plaintiff concludes "compelling

incorrectly healthbox.com affiliated (D.I. 30 SimilarWeb analytics

plaintiff's 2016, declining pre-launch level April 2016. (D.I.

explanation Indeed, faults compelling

healthbox.com affiliated compel conclusion actual neutral. 20. "[C]ourts 'intentional, willful closely similar

strongly likelihood

timeline selected, applied

plaintiff. involvement selection

UA BOX Plaintiff's conclusion

2016 leads inevitable conclusion

include April 2016, meaningful conclusion. (D.I. 47at11114-5)

plaintiff "not data" several Similar "the

low allow

(D.I. 48at11112-3) 120 2015), unhelpful analysis In consultant plaintiff explained

allowed analyze

conclusions. a 36; that this is evidence [that] consumers thought was with [defendant]."

at 7) Defendant submits a report from Ltd., 15

an company offering website traffic reports, showing an increase in traffic to website in January and February but back to by 47) Neither party provides adequate of the information presented. each party the other's reports. The reports (as presented) are not evidence that consumers thought was with defendant, nor do such reports a of consumer confusion. 16

This factor is Defendant's intent {Lapp #5). have recognized that evidence of

and admitted adoption of a mark to the existing marks' weighs in favor of finding the of confusion."

Checkpoint, 269 F.3d at 286. Defendant offers a wherein it conceived, and for a trademark about five months before reaching out to Moreover, Magna stated that he had no with the of the marks and the requested contact had nothing to do with the HEAL TH product or marks. that the first use of the trademark in January to the that

14

Defendant argues that because such report does not data for March and

the data is insufficient to draw a 15

Which criticizes as inaccurate, because it indicates enough in

instances. This is defined by Web Ltd. as meaning that engagement to this website is too to us to get enough data to provide an accurate estimation of the traffic to this website." 16

The parties' citation to Granite State Trade Sch., LLC v. The New Hampshire Sch. of Mech. Trades, Inc., F. Supp. 3d 56 (D.N.H. is to the at bar. Granite, a marketing testified for and the traffic pattern on the website in question, which the court to understand and the presented data in order to draw appropriate Id. at 66.

16

plaintiff's ACCU Supp. Del. ("[A] knowledge

knowledge merely

neutral.

similarity

likelihood "This

well sales sell consumers."'

In bar, plaintiff consulting, capital

(D.I. sells "website, several retail athletic

[It] • /UA BOX online

relating athletic emails social I. Internet defendant acted in bad faith, with the intent to swamp the market, is overbroad. There is no evidence of record that defendant intended to benefit from consumer confusion or dominate market. See Pers., Inc. v. AccuStaff, Inc., 846 F. 1191, 1211 (D. 1994) junior user's prior of a senior user's trademark use is probative of, but not dispositive of, the question whether the junior user acted in bad faith."); 5 McCarlhy, § 26:10 ([A] growing body of cases adopt[] the view that the junior user's is not determinative, but is the first step in an enquiry into 'bad faith."'). This factor is

21. Channels of trade and media (Lapp #7). The greater the between the parties' advertising and marketing campaigns, the greater the of confusion. Checkpoint, 269 F.3d at 289; Kos Pharms., 369 F.3d at 722. is a 'fact intensive inquiry' that requires a court to examine the 'media the parties use in marketing their products as as the manner in which the parties use their force to their products to Kos Pharms., 369 F.3d at 722 (quoting Checkpoint, 269 F.3d at 289). the case at "advertises and markets its business incubating and venture management services through its webpage, www.healthbox.com, press releases and at numerous national speaking engagements." 11 at 15) Defendant advertises and its product on its

the HTC website, and through national distributors of and electronic goods. has marketed the HEAL TH product in advertisements and banner ads on websites to the and fitness industries, mass to [it's] customers, and postings on [it's] media pages." (D. 24 at 11) That both parties market through the is not determinative.

17

sale all

Internet little, likelihood will similar

Sys. 2011) ("Today, would commercial retailer online, channel light likelihood

plaintiff individual overlap channels releases online concludes

Intended sales

likelihood 289-90. previously, plaintiff while individual Baylor email

sell individuals plaintiff individuals. Relationship relationship similar

could 30 "Near-identity" "similarity

[l]n the Twenty-First Century, the Internet has become the venue for the advertising and of manner

of goods and services. That the goods or services of the parties are both found on the proves if anything, about the that consumers confuse marks used on such goods or services. 4 McCarthy,§ 24:53.50; see also Network Automation, Inc. v. Advanced Concepts, Inc., 638 F.3d 1137, 1151 (9th Cir. it bethe rare

that did not advertise and the shared use of a ubiquitous marketing does not shed much on the of consumer confusion."). The parties target different consumers - start-ups and other business for and

consumers for defendant - lessening the in such as press and or other marketing campaigns. The court that this factor weighs in favor of defendant.

22. customers (Lapp #8). When the parties target their efforts to the same consumers, there is a stronger of confusion. Checkpoint, 269 F.3d at As discussed targets businesses, defendant targets consumers. Even taking into account the (demonstrating that defendant might its product to a business for distribution to within that business), offers services used by businesses and defendant offers a product used by This factor weights in favor of defendant.

23. of goods and services (Lapp #9). The test for determining the of goods in the minds of consumers is whether the goods are enough that a consumer assume they were associated with or offered by the same source. Fisons, F.3d at 481; Checkpoint, 269 F.3d at 286-87. and of function" are key to assessing whether consumers may see products

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related. closer relationship

likelihood

(plaintiff healthcare

would

Other In "an public

larger, powerful larger plaintiff's larger likely plaintiff's

Plaintiff healthcare circles" health would

"[plaintiff]-type (0.1. 30 plaintiff

portfolio concludes unlikely public would seller apparel

healthcare consulting.

Although similar, directly similarity necessarily likely particularly

directly Balancing as A & H Sportswear, 237 F.3d at 215. The the between the products, the greater the of confusion. Kos Pharms., 369 F.3d at 722. For the same reasons discussed above offers services to startups and businesses, whereas defendant offers a fitness product), there is no reason that consumers be confused concerning the origin of goods and services. This factor weighs in favor of defendant.

24. factors (Lapp #10). the reverse confusion context, this factor requires examination of other facts suggesting that the consuming might expect the more company to manufacture both products, or expect the

company to manufacture a product in the market, or expect that the company is to expand into the market." Freedom Card, 432 F.3d at 481 (citation omitted). argues that "[f]itness and are concentric

and that and fitness connected device users expect defendant to offer products and services." at 9) Limiting to its services (not the products of its companies), the court that it is

that the expect defendant (a maker and of sporting and goods) to expand into investment or This factor weighs in favor of defendant.

25. Weighing of the Lapp factors. the marks are somewhat the products and services at issue do not compete. Checkpoint, 269 F.3d at 282 ([M]ark is not determinative of confusion, when the products do not compete.) (citations omitted). the factors

19

totality analysis

conclusion marketplace unlikely. Likelihood dilution. Delaware ("OTA")

Likelihood dilution quality valid law, shall relief

Del. C. In prevail claim OTA, plaintiff

likelihood dilution. Likelihood dilution "some mental marks" "blurring

Supp. 1304 Del.

Healthbox Global Partners LLC v. Under Armour Inc.

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Plaintiff relies emails also closely related. well-known /UA

See 201 Supp. 2002) "alone" dilution claim)

1201, 1209-10 ("Astra" "Astra") 506 (display "Muppet Island" "Spa'am" "alone" could dilution Hormel's "Spam")).

emails plaintiff

20 and considering the of the circumstances based on the above of the Lapp factors directs the that confusion is

26. of success - The Trademark Act provides:

of injury to business reputation or of of the distinctive of a mark registered under this chapter, or a mark at common

be a ground for injunctive notwithstanding the absence of competition between the parties, or the absence of confusion as to the source of goods or services. 6 § 3313. order to on a brought pursuant to the must demonstrate that there is a of of requires

association between the and can be defined as a of a mark's product identification or the tarnishment of the affirmative associations a mark has come to convey." Barnes Group, Inc. v. Connell Ltd. P'ship, 793 F. 1277,

(D. 1992) (citation omitted). 27. on the and website traffic arguments discussed above and asserts that the parties' markets are Defendant's use of its

in the disputed mark and a different font renders the marks at issue different. Pharmacia Corp. v. Alcon Labs., Inc., F. 2d 335, 379 (D.N.J. (finding that the use of a house mark can defeat a (citing Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d (1st Cir. 1983) and and Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, (2d Cir. 1996) of Treasure next to character prevent of For the reasons discussed above, the provided by demonstrate that the sending parties

plaintiff's physical plaintiff's blurring

also multiple "healthbox" health related logos, It difficult reconcile "healthbox" plaintiff's

only dilutes plaintiff's Accordingly, concludes Sc-l /UA THBOX dilute plaintiff's

Healthbox®.

Healthbox Global Partners LLC v. Under Armour Inc.

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Likelihood conclusion. articulated plaintiff likelihood

claim, claim, dilution claim. Irreparable plaintiff's adequately plaintiff's

value Plaintiff

recall sold I. 20; D.I. 2016. would million losses,

length plaintiff's recall all

recall willful intentional recall 2003) Plaintiff were aware of the two distinct companies and the corresponding marks. The use of the mark on website in association with its services compared to defendant's use on a product further weakens argument for of the marks. Defendant has provided evidence showing that users of the term

for products exist, with webpages, and marks. is to these other uses of the term with the argument that defendant's use of the term mark. the court

that defendant's use of HEAL does not use of

28. of success on the merits - For the reasons

above, has not carried its burden to prove of success on the merits of its trademark infringement unfair competition or

29. harm. Nashif asserts that the harm to business cannot be redressed by damages as defendant's actions are jeopardizing business reputation and the continuing of its brand and mark. requests that the court issue an injunction and order defendant to its products. 17

(D. 11 at 14 28) Defendant's products have been on the market since January

According to defendant, it incur over $12 in expenses, and

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The court does not address at request for a of of defendant's wearable connected fitness devices distributed with the disputed mark. Such a requires plaintiff to demonstrate: (1) the or infringement by defendant; (2) whether the risk of confusion to the public and injury to the trademark owner is greater than the burden of the to defendant; and (3) a substantial risk of danger to the public due to defendant's infringing activity. Gucci Am., Inc. v. Daffy's Inc., 354 F.3d 228, 233 (3d Cir. (citations omitted). has not done so.

21

recall /UA (D.I. D.I. Plaintiff

decline financial

concludes

30. goodwill. Plaintiff "a likelihood affiliation plaintiff."

plaintiff, "actions only dilute Healthbox® plaintiff's quality wearable (D.I. On

alleges recall would result goodwill retail

athletes, well (D.I. D.I. would ability relaunch /UA BOX prevailed trial. (D.I. 20) concluded likelihood Plaintiff

sell wearable

quality would flow naturally recall.

Plaintiff calculations declarant relied inadmissible litigation declarants "told" financial (D.I. 30

logical recall loss sales fees if forced to and rebrand the HEALTHBOX product. 18

25 at 19-22; 27 21, 25, 26, 43, 49) has not offered evidence of damages such as a in companies participating in its incubation services or partnering with it for advising services. The court that this factor weighs in favor of defendant.

Reputation and argues that defendant creates of confusion as to the source, sponsorship, or with According to defendant's not the mark, they put

reputation at risk in the event of or safety issues with [defendant's] products and connected fitness systems." 11 at 19) the other hand, defendant that a and rebranding in damage to its reputation and with its consumers, investors, manufacturing partners, partners, sponsored as as its media and business contacts. 25 23-31;

27 27-41) Moreover, such an injunction harm defendant's to

the HEAL TH product name if it at 25 The court above that there was not a of confusion. does not manufacture and products and connected fitness systems, rendering its argument regarding and

safety tenuous at best. Defendant's damages from a This factor weighs in favor of defendant.

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criticizes defendant's of damages, asserting that each on evidence prepared for and that the were

numbers. at 12-13) At this juncture, defendant has quantified its damages, sufficient to show the effect of a and rebranding, i.e., the of

and added costs.

22

Irreparable conclusion. analysis,

Plaintiff irreparable

Balance Plaintiff alleges will lose building value will

recall would millions dollars alleges

goodwill. neutral,

Public largely neutral. public

On Indeed, plaintiff's

Conclusion. plaintiff's preliminary

I. 10) 31. harm - Based on the above the factors presented to the court weigh in favor of defendant. has not demonstrated

harm. 32. of hardships. it the reputation it spent years and the of its brand be destroyed. Defendant has presented concrete evidence that a and rebrand cost it of and damages to its reputation and This factor is at best if not weighing in favor of defendant.

33. interest. This factor is The has an interest in not being deceived or confused. The parties operate in separate market areas and target different customers. the record at bar, no confusion has been evidenced.

customers are businesses, with sophisticated decision-makers. 34. For the foregoing reasons, motion

for injunction (D. is denied.

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