

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

INTELLAPEX PLLC,)
a Michigan professional limited liability company,)

Plaintiff,)

v.)

INTEL CORPORATION, a Delaware corporation,))

Defendant.)

INTEL CORPORATION, a Delaware corporation,))

Counterclaimant,)

v.)

INTELLAPEX PLLC,)
a Michigan professional limited liability company,)

Counterclaim Defendant)

and)

BOMBAY SOLUTIONS GROUP, LLC,)
a Michigan limited liability company,)

Third Party Defendant.)

Hon: Ellen S. Carmody

Case No.: 1:05-CV-0404

ORAL ARGUMENT REQUESTED

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**PLAINTIFF INTELLAPEX PLLC’S MOTION FOR SUMMARY JUDGMENT AND
INTELLAPEX PLLC’S AND THIRD PARTY DEFENDANT BOMBAY SOLUTIONS
GROUP LLC’S MOTION TO DISMISS COUNTERCLAIMS OF DEFENDANT INTEL
CORPORATION**

Plaintiff INTELLAPEX PLLC, (“IntellApex”) by and through its attorney, moves this Court for summary judgment on its declaratory action against Defendant INTEL CORPORATION (“Intel”) pursuant to Rule 56(c) of the Federal Rules of Civil Procedure on the basis that, as a matter of law, IntellApex has not and is not infringing upon or diluting any of the Intel’s trademarks under Federal law. In addition, IntellApex and Bombay Solutions Group, LLC (“Bombay”) move this Court for dismissal of Intel’s Counterclaims against IntellApex and Bombay pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, for the reasons that the Defendant has failed to state any valid claims under which relief can be granted.

The moving party e-mailed Mr. Harvey at 9:10 AM (EDT) and called his office at 10:30 AM (EDT) on 4 November 2005 and inquired if he will oppose the attached motion.

Respectfully submitted,

Date: 4 November 2005

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**BRIEF IN SUPPORT OF PLAINTIFF INTELLAPEX PLLC'S MOTION FOR
SUMMARY JUDGMENT AND INTELLAPEX PLLC AND THIRD PARTY
DEFENDANT BOMBAY SOLUTIONS GROUP LLC'S MOTION TO DISMISS
COUNTERCLAIMS OF DEFENDANT INTEL CORPORATION**

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I. INTRODUCTION

Though Intel, through its incessant procedural gimmicks in this Court and in a federal court in California, has attempted to complicate and delay resolution to this otherwise straightforward case, it is clear that when all the distractions are brushed aside there is one basic issue that this court must decide: Whether IntellApex's use of its mark is likely to cause confusion among consumers regarding IntellApex's association with Intel? Reasonable minds can reach only one conclusion on this issue. There simply is no chance that the use of IntellApex's mark could cause relevant consumers to believe that the legal services offered by IntellApex and the computer-related products offered by Intel are affiliated in some way. Even Intel, itself, all but conceded this fact when it unreasonably demanded that IntellApex change its name to INTELLIAPEX – a nearly indistinguishable alternate to the existing mark, INTELLAPEX. In light of this suggested name change by Intel, it is clear that Intel's ongoing, bullying efforts in this case are nothing short of frivolous and without any legal basis whatsoever.

II. FACTUAL BACKGROUND

IntellApex PLLC ("IntellApex"), a Michigan-based law firm that specializes in patent services, was formed in November of 2004 with an objective to provide high quality, low cost patent services to inventors. On or around February 24, 2005, Bombay Solutions Group, LLC ("Bombay"), an asset holding company, filed a trademark application (Application Serial No. 78/573,940) with the United States Patent and Trademark Office for its use of the word "INTELLAPEX" (words only) under Class 42, which is for legal services. It was never intended that the "IntellApex" mark would be a variant of Intel. Rather, the word "IntellApex" is derived from "Intellectual" and "Apex" (meaning "height"), the connection being that IntellApex would

position itself as a law firm assisting its clients to protect their intellectual property and reach intellectual heights. (*See* Zachary Bossenbroek's Affidavit, attached hereto as **Exhibit A** ("Bossenbroek Affidavit"), ¶ 7).

On June 9, 2005, IntellApex received a cease-and-desist letter from Intel dated June 3, 2005, sent by its Trademark Attorney, Jennifer Adams Draffen, Esq. ("Draffen"). Draffen claimed that the IntellApex name and mark were confusingly similar to the Intel's name and mark, in violation of trademark infringement and dilution laws, and demanded that IntellApex comply with Intel's so-called request for a change in its name to "INTELLIAPEX". (*See* Letter from Intel Corporation dated June 3, 2005, attached hereto as **Exhibit B** (the "Intel Letter")). Upon receipt of this cease-and-desist letter, Zachary Bossenbroek ("Bossenbroek"), a manager at IntellApex, called Draffen with an offer to reach a settlement in which IntellApex's mark would be strictly limited to association with the provision of legal services. (*See* Bossenbroek Affidavit, ¶ 3). Draffen, however, flatly rejected the proposal and insisted that the IntellApex mark was confusingly similar to the Intel mark and that it would have to change its name. (*See id.*).

Apprehending an infringement lawsuit against it, IntellApex filed an action for declaratory judgment in this Court on June 10, 2005, and Intel was served with IntellApex's Complaint on June 21, 2005. In response, not only did Intel file a Motion to Dismiss or, in the alternative, to Transfer IntellApex's action from this Court, Intel also filed a retaliatory lawsuit in United States District Court for the Northern District of California, alleging a barrage of federal and state law claims. (*See* Intel's Complaint, attached hereto as **Exhibit C** (the "Intel Complaint")). In an order dated August 26, 2005, this Court denied Intel's motion to dismiss or transfer the IntellApex suit to the California federal court, holding that Intel's request to dismiss

or transfer the suit for declaratory judgment “flies in the face of the customary ‘first to file’ rule, which is the law of the Sixth and Ninth Circuit Courts of Appeal.” (*See* Hon. Richard Alan Enslin’s Order, attached hereto as **Exhibit D** (“Court Order”)).

On September 12, 2005, Intel filed its Answer to the IntellApex’s Complaint in this Court along with Counterclaims against IntellApex and against Third Party Defendant, Bombay, for violation of various Federal and California trademark laws. (*See* Intel’s Answer and Counterclaims, attached hereto as **Exhibit E** (the “Intel Answer and Counterclaims”)).

IntellApex now brings this motion for summary judgment on its declaratory action filed with this Court since there exists no genuine issue of material fact that IntellApex has not infringed upon or diluted any of Intel’s marks as alleged by Intel under Federal law. Further, IntellApex and Third Party Defendant Bombay move this Court for the dismissal of counterclaims against them for alleged violations of Federal and California trademark-related laws on the basis that there exist no claims upon which relief can be granted by this Court.

III. ARGUMENTS

A. Standard for Summary Judgment and Dismissal for Failure to State a Claim.

(a) Standard for Summary Judgment

Rule 56(c) of the Federal Rules of Civil Procedure provides for summary judgment in cases where there are no genuine issues of material fact. Fed. R.Civ. P Rule 56(c) (Summary judgment shall be granted “if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.” *Id.*). In *Kraft v. U.S.*, 991 F.2d 292 (6th Cir. 1993), the court, while elaborating on the standard for granting summary judgment, held:

“By its very terms, this standard provides that the mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no genuine issue of material fact.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 106 S.Ct. 2505, 2510, 91 L.Ed.2d 202 (1986) (emphasis in original)... If the disputed evidence “is merely colorable or is not significantly probative, summary judgment may be granted.” *Anderson*, 477 U.S. at 249-50, 106 S.Ct. at 2511

991 F.2d at 296 (emphasis added). Further, summary judgment is appropriate in trademark infringement cases. *WSM, Inc. v. Tennessee Sales Co.*, 709 F.2d 1084 (6th Cir. 1983) (“Summary judgment is as appropriate in a trademark infringement case as in any other case and should be granted or denied on the same principles.”); *see also, Alladin Plastics, Inc. v. Jerrold Stephan Co.*, 362 F.2d 532, 534 (9th Cir. 1966) (holding that where plaintiff offered no showing that it had available extrinsic evidence of likelihood of confusion, summary judgment was properly entered in favor of alleged infringer); *see also, Nartron Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397, 400 (6th Cir. 2002) (where trademark holder brought an action against competitor alleging federal and state law claims of trademark infringement, dilution, and unfair competition over use of term “smart power,” the court upheld district court’s grant of summary judgment for the competitor).

In the instant case, IntellApex must be granted summary judgment in its favor because there are no genuine issues of material fact which demonstrate that IntellApex is infringing upon or diluting Intel’s trademarks under Federal Trademark Law. *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619, 622-623 (6th Cir. 1996) (in order to avoid summary judgment in Lanham Act case alleging trademark infringement and false designation of origin, nonmoving party must establish that genuine factual disputes exist concerning those factors that are material to whether confusion is likely in marketplace as result of alleged infringement).

(b) Standard for motion to dismiss

Rule 12(b)(6) of the Federal Rules of Civil Procedure provides that a plaintiff's claims can be dismissed if such claims cannot state a valid claim upon which relief can be granted. Fed. R. Civ. P Rule 12(b)(6). In *Bovee v. Coopers & Lybrand C.P.A.*, 272 F.3d 356 (6th Cir. 2001), while discussing the standard in ruling on motion to dismiss for failure to state a claim upon which relief can be granted, the court noted:

The court must construe the complaint in the light most favorable to the plaintiff, accept all the factual allegations as true, and determine whether the plaintiff can prove a set of facts in support of its claims that would entitle it to relief.

Id. at 360 (internal citations omitted). Claims for trademark infringement are subject to dismissal for failure to state a viable claim. *See, e.g., Nartron Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397 (6th Cir. 2002) (dismissing trademark holder's complaint alleging federal and state-law claims of trademark infringement, dilution, and unfair competition against competitor defendant); *Ford Motor Co. v. Greatdomains.Com, Inc.*, 177 F.Supp.2d 635, 640 (E.D. Mich. 2001); *Pirone v. MacMillan, Inc.*, 894 F.2d 579, 581 (2d Cir. 1990).

In the instant case, Intel's counterclaims against IntellApex and Bombay must be dismissed because Intel cannot prove any set of facts in support of its claims that would entitle it to any relief by this court.

B. The use of the "IntellApex" mark does not constitute federal trademark infringement in violation of 15 U.S.C. § 1114.

The use of the "IntellApex" mark does not constitute federal trademark infringement in violation of 15 U.S.C. § 1114. 15 U.S.C. § 1114 provides that a plaintiff may prevail on a trademark infringement claim upon showing that the defendant used in commerce, without plaintiff's consent, a "reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services

on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive...” 15 U.S.C. § 1114(1)(a). “The touchstone of liability for trademark infringement... is whether the defendant’s use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties.” *Interactive Products Corp. v. a2z Mobile Office Solutions, Inc.*, 326 F.3d 687, 694 (6th Cir. 2003); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619, 623 (6th Cir. 1996) (“The general requirement underlying a showing of the likelihood of confusion is that the public believes that ‘the mark’s owner sponsored or otherwise approved the use of the trademark.’” (internal citation omitted)); *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1053 (9th Cir. 1999).

The ultimate question of whether a likelihood of confusion exists between two trademarks is a question of law. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 1370 (Fed. Cir. 2002). The following factors are weighed by the court to determine likelihood of confusion: (1) the strength of the senior mark; (2) relatedness of the goods and services; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels used; (6) likely degree of purchaser care; (7) the intent of the defendant in selecting the mark; and (8) the likelihood of expansion of the product lines. *Interactive Products Corp.*, 326 F.3d at 694; *Brookfield*, 174 F.3d at 1053-1054. “Although some factors--such as the similarity of the marks and whether the two companies are direct competitors--will always be important, it is often possible to reach a conclusion with respect to likelihood of confusion after considering only a subset of the factors.” *Brookfield*, 174 F.3d at 1053-1054. Not all of these factors will be relevant in every case, and the ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated in some way. *Kellogg*

Co. v. Toucan Golf, Inc., 337 F.3d 616, 623 (6th Cir. 2003) (emphasis added). In the present case, none of these factors, or even a subset thereof, indicates any likelihood of confusion between the IntellApex mark and Intel marks.

(a) *Similarity of marks*

The “IntellApex” mark does not create likelihood of confusion with the Intel marks because the products and services of Intel Corporation and IntellApex, PLLC are markedly different from each other and the IntellApex mark does not appear similar or otherwise give any impression that the law firm is somehow associated with Intel Corporation. Further, the “IntellApex” mark and the Intel marks are not similar because IntellApex is not intended to be, nor does it appear to be, a variant of Intel. It is common knowledge that the term ‘Intel’ is derived from the words, ‘INTEgrated ELelectronics,’¹ whereas the ‘IntellApex’ mark is derived from the combination of two common words— ‘Intell’ from Intellectual and ‘Apex’ meaning the highest point. Thus, the term which the IntellApex name incorporates is not the INTEL mark but INTELL of the common word ‘Intellectual,’ derived from the Latin “intellectum,” meaning “to understand,” the connection being that IntellApex is a law firm which assists its clients in protecting their intellectual property and reaching intellectual heights. Since the term “Intel” was derived from the words “Integrated Electronics,” Intel evidently has no connection with or monopoly over all the variants of the word “Intellectual,” or the Latin “intellectum.” Further, contrary to what Intel suggests, the APEX portion of INTELLAPEX is as dominant as the INTELL portion, and, as such, makes it very clear to the consumer that the two companies are completely unrelated.

Even Intel, itself, has suggested that a variant of the word “Intellectual,” coupled with the word “Apex” is not confusingly similar to Intel’s marks. In its June 3 cease-and-desist letter,

¹ See, e.g., <http://www.bookrags.com/sciences/computerscience/intel-corporation-csci-01.html>

Intel stated that it would accept a name change to INTELLIAPEX. (*See Intel Letter*). Thus, Intel has conceded that “INTELLIAPEX” would not be considered as infringing on Intel’s marks, merely as a consequence of including another letter. Having made this concession, Intel is now estopped from claiming that “IntellApex” is somehow confusingly similar to its marks because of the lack of one vowel – an “I” – prior to the word “Apex”. *See In re Dow Corning Corp.*, 419 F.3d 543, 553 (6th Cir. 2005) (“Quasi-estoppel is appropriate where it would be unconscionable to allow a person to maintain a position inconsistent with one to which he acquiesced...” (internal quotations omitted)). Indeed, in light of this concession, Intel’s insistence that the IntellApex mark infringes on the Intel marks appears to be nothing short of frivolous.

Even if the Intel and IntellApex marks had the same identity (which they clearly do not), there still could not be any consumer confusion since Intel and IntellApex belong to entirely different industries. In *Brookfield*, the court noted that:

Even where there is precise identity of a complainant’s and an alleged infringer’s mark, there may be no consumer confusion--and thus no trademark infringement--if the alleged infringer is in a different geographic area or in a wholly different industry.

174 F.3d at 1054 (emphasis added); *Therma-Scan, Inc. v. Thermoscan, Inc.*, 295 F.3d 623, 631 (6th Cir. 2002) (holding that consumers would not be confused regarding origin of diagnostic thermal imaging examinations using ‘THERMA-SCAN’ trademark and thermometers using ‘THERMOSCAN’ trademark by junior user, even though trademarks were nearly identical and both parties utilized similar technology because the products did not compete with each other); *Kellogg Co.*, 337 F.3d at 627 (6th Cir. 2003) (golf equipment manufacturer’s proposed use of “Toucan Gold” mark and “Golfbird” logo were not likely to create confusion as to cereal manufacturer’s “Toucan Sam” marks for cereal as the golf equipment manufacturer’s clientele

was unlikely to believe that the cereal manufacturer now manufactured golf clubs); *Sunbeam Furniture Corp. v. Sunbeam Corp.*, 191 F.2d 141, 144 (9th Cir. 1951) (where ‘Sunbeam’ mark of defendant, an Illinois corporation engaged in the sale of decorative household electric lamps purchased from numerous manufacturers was not held to cause confusion with ‘Sunbeam’ mark of plaintiff engaged in selling household furniture, primarily to the retail dealers in California and neighboring states). Therefore, the “IntellApex” mark and the Intel marks are not likely to create confusion because IntellApex provides patent related *legal* services, which is a wholly different and unrelated industry from Intel Corporation.²

“A proper analysis of similarity [of marks] includes examining the pronunciation, appearance, and verbal translation of conflicting marks.” *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1118 (6th Cir. 1996) (internal citations omitted); *see PACCAR Inc. v. TeleScan Technologies, L.L.C.*, 319 F.3d 243, 252 (6th Cir. 2003) (“When analyzing similarity, courts should examine the pronunciation, appearance, and verbal translation of conflicting marks.”). *See also, Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1218 (9th Cir. 1987) (For service mark infringement purposes, composite marks should be examined in their entirety, not piece by piece); *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451, 1455 (9th Cir.1985) (the validity of a composite mark is not to be judged by an examination of its parts). The “IntellApex” mark and the Intel marks are pronounced differently, there are no phonetic similarities, and they appear very different as the Intel marks never contain

² Indeed, it is questionable that the “IntellApex” mark could ever cause confusion with Intel or its marks because IntellApex is a law firm and under the professional conduct rules of any state, a law firm cannot be owned (directly or indirectly) by a corporation, such as Intel. *See, e.g.*, MRPC 5.4 (“(a) A lawyer or law firm shall not share legal fees with a nonlawyer * * * (b) A lawyer shall not form a partnership with a nonlawyer if any of the activities of the partnership consist of the practice of law. * * * (d) A lawyer shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if: (1) a nonlawyer owns any interest therein, except that a fiduciary representative of the estate of a lawyer may hold the stock or interest of the lawyer for a reasonable time during administration; (2) a nonlawyer is a corporate director or officer thereof; or (3) a nonlawyer has the right to direct or control the professional judgment of a lawyer.”).

two successive L's. *See Alladin Plastics, Inc. v. Jerrold Stephan Co.*, 362 F.2d 532, 534 (9th Cir. 1966) (upholding that simple comparison of sound, appearance and meaning of defendant's trademark "Con-Form-Chair" and plaintiff's mark "Form-Fit" did not establish likelihood of confusion amounting to infringement), *c.f. Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1188 (6th Cir. 1988) (where the court noted that "both parties use the exact term CLASSIC, which obviously is pronounced, and verbally translated in exactly the same way."). In addition, the marks are very different in the sense that in all cases of an active Intel mark that is comprised of two or more words, the word "Intel" precedes and is separate from the subsequent word (e.g., "Intel Inside," "Intel Teamstation", etc.), whereas IntellApex is only one word. Further, with the IntellApex mark having four syllables and Intel having only two syllables, the verbal translation of the two marks is very different, thereby not confusing the public when singly presented.

Finally, the USPTO has registered thousands of presently active trademarks that are comprised of variants of the word "Intellectual" or "Intelligent." In fact, a trademark search using the Boolean expression Intel* indicates that 3001 live trademarks exist containing the letters "intel....." (*See Exhibit F*) (Only the first page has been attached as an exhibit because a complete printout would have consumed about 120 pages). Examples of such live marks include trademarks like "INTELLIX," "INTELIFUSE" and service marks such as "INTELLIPAT," "INTELLEVATE" and "INTELLICOLLECT." (*See Exhibit G*). The fact that the USPTO has registered thousands of marks with the "Intel" suffix is compelling evidence of the fact that Intel, despite its suggestions to the contrary, does not own a monopoly over variants of the word "Intellectual" or "Intelligent" and many such marks were not held to be confusingly similar to any of Intel's marks when examined in their entirety. Indeed, to suggest that Intel's marks could be confusingly similar to any mark beginning with "Intell..." is absurd due to the common

knowledge that the Intel mark derives from the combination of “INTegrated ELelectronics,” which has no connection to the word “intellectual” or to any other word having the unique, two consecutive letter L’s.

(b) Relatedness

The relatedness of services offered is a very important factor in the likelihood of confusion analysis. *Brookfield*, 174 F.3d at 1053-1054. Services are related if the services of the concerned parties are marketed and consumed such that buyers are likely to believe that the services, similarly marked, come from the same source, or are somehow connected with or sponsored by a common company. *Champions Golf Club, Inc.* 78 F.3d at 1118 (6th Cir. 1996); *see also, Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family*, 109 F.3d 275, 282-283 (6th Cir. 1997).

With respect to the inquiry of relatedness, because IntellApex and Intel Corporation do not compete directly as rivals in business nor are they proximate in the provision of goods and services, consumer confusion is virtually impossible. The “IntellApex” mark cannot create likelihood of confusion with the Intel marks as IntellApex is engaged in the business of providing legal services with a focus on intellectual property; whereas, Intel Corporation develops, manufactures and sells a broad spectrum of high-technology, state-of-the-art electronic computer chips and equipment. While discussing relatedness, the court in *Brookfield* noted:

Related goods are generally more likely than unrelated goods to confuse the public as to the producers of the goods. In light of the virtual identity of marks, if they were used with identical products or services likelihood of confusion would follow as a matter of course If, on the other hand, Brookfield and West Coast did not compete to any extent whatsoever, the likelihood of confusion would probably be remote. ...

174 F.3d at 1055-1056 (emphasis added and internal citations omitted). *See also, Kellogg Co.*, 337 F.3d at 624 (6th Cir. 2003) (where Kellogg claimed that a golf-equipment manufacturer

infringed the famous “Toucan Sam” trademark, the court held that Kellogg’s connection with the golf industry was tenuous, and consequently confusion was unlikely, the court noted that “[t]he relatedness inquiry therefore focuses on whether goods or services with comparable marks that are similarly marketed and appeal to common customers are likely to lead consumers to believe that they come from the same source, or are somehow connected with or sponsored by a common company.”); *Homeowners Group, Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1108-1109 (6th Cir. 2002) (holding that real-estate brokers and marketing services for real-estate brokers are not related enough to cause a likelihood of confusion). Likewise, since the services provided by IntellApex and Intel do not appear affiliated, connected, or even competing in any sense, there is no question of any confusion between the marks of the two businesses.

(c) Strength of mark

The factor that considers the strength of the plaintiff’s mark focuses on the distinctiveness of the mark and the public’s ability to recognize it. *Kellogg Co.*, 337 F.3d at 624 (6th Cir. 2003). With respect to this third factor, even though Intel’s marks are strong marks, the “IntellApex” mark is an equally strong mark because of its unique usage and because of the fact that the mark is fanciful, having been completely fabricated by the proprietors of IntellApex. The IntellApex mark was derived from “Intellectual” and “Apex” (from height/peak) to connote that IntellApex is a law firm which assists its clients and/or inventors to reach intellectual heights. See *Alpha Indus., Inc. v. Alpha Steel Tube & Shapes, Inc.*, 616 F.2d 440, 445 (9th Cir. 1980) (“A ‘strong’ mark is one which is used only in a fictitious, arbitrary, and fanciful manner. The best example is a name made up by the user.” (emphasis added)).

(d) Marketing channels used

The factor dealing with the marketing channels used to determine likelihood of confusion in a trademark infringement case requires the court to consider similarities or differences between predominant customers of parties' respective goods or services. *Daddy's Junky Music Stores, Inc.*, 109 F.3d at 285 (6th Cir. 1997). Further, the court must determine whether marketing approaches employed by each party resemble each other. *Id.* In *Homeowners*, , the court elucidated on this factor:

This factor, also termed "channels of trade" by some courts, consists of considerations of how and to whom the respective goods or services of the parties are sold. This factor is very significant in illuminating what actually happens in the marketplace and, where other factors are not particularly probative, is of special importance.

Obviously, dissimilarities between the predominant customers of a plaintiff's and defendant's goods or services lessens the possibility of confusion, mistake, or deception. Likewise if the services of one party are sold through different marketing media in a different marketing context than those of another seller, the likelihood that either group of buyers will be confused by similar service marks is much lower than if both parties sell their services through the same channels of trade. As one commentator has noted:

If one mark user sells exclusively at retail and the other exclusively to commercial buyers, then there may be little likelihood of confusion since no one buyer ever buys both products. For example, if one user sells food only at retail to consumers and the other sells only to commercial food brokers (and the product never reaches consumers under the mark), then there is no one buyer who will be faced with both products, and hence no confusion. 2 J. McCarthy, Trademarks and Unfair Competition § 24:7, at 190-91 (2d ed. 1984) (footnote omitted).

931 F.2d at 1110 (emphasis added).

The marketing channels employed by IntellApex and Intel Corporation are completely dissimilar. Intel is a large, multinational corporation that provides computer hardware and technology solutions for the computing and communications industries globally, to Original Equipment Manufacturers on a wholesale basis and through its own retail distribution network

using authorized vendors/representatives.³ It attracts its customers by exhibiting its size and its reputation as a large technological player in the computer equipment industry.

IntellApex, on the other hand, is a small, Michigan-based law firm, whose entire business model is based on providing affordable patent services to its clients. Unlike Intel, IntellApex is in a personalized patent service business in which the clients are in close contact with the attorneys rendering services to the clients. Since lawyers are retained by clients by looking at their professional credentials, experience, and related skills, it would be absurd for Intel to suggest that IntellApex is attempting to cash in on Intel's name. The considerations that go into choosing an Intel product or service are poles apart from the considerations that an interested inventor may take into account while hiring IntellApex for its patent needs. Further, IntellApex's targeted customers are inventors who wish to take legal steps to protect their inventions, not customers or potential consumers of Intel's products and services. Thus, contrary to what Intel alleges, IntellApex's services are not distributed or sold through the same marketing channels, nor are they directed at the same consumers, in order to cause any likelihood of confusion. *See Homeowners*, 931 F.2d at 1111 (where Homeowners' services were sold exclusively to real estate brokers and its marketing efforts, e.g. telemarketing, brochures etc., were targeted to them alone but Specialists' services were sold exclusively to owners of real estate and its marketing efforts, e.g. newspaper and mail advertisements, were targeted to individuals who desired assistance in selling their property, the marks were not rendered as confusingly similar).

Furthermore, Intel and IntellApex are not rivals in business – i.e., they are not competing in the market for the sale of their products/services in any way. *See Sunbeam Furniture Corp.*, 191 F.2d at 144-145 (9th Cir. 1951) (“[T]he evidence reveals neither market competition nor

³ See <http://www.intel.com/products/>

confusion of source. The business to which the word ‘Sunbeam’ is applied as a mark is entirely different from that of the Illinois corporation. ... [W]here market competition is absent, it is a corollary that the likelihood of confusion in the mind of the buyer decreases.” (emphasis added and internal citations omitted)).

(e) Likely degree of purchaser care

The predominant customers for IntellApex and Intel Corporation are from completely different spheres of life. While IntellApex’s customers are mostly inventors who wish to secure their legal rights in their inventions, Intel’s customers are typically, original equipment manufacturers, PC and computing appliance users, Internet data centers and e-Commerce service providers.⁴ With respect to assessing the likely degree of purchaser care factor, the court in *Homeowners*, noted pertinently:

Generally, in assessing the likelihood of confusion to the public, the standard used by the courts is the typical buyer exercising ordinary caution. However, when a buyer has expertise or is otherwise more sophisticated with respect to the purchase of the services at issue, a higher standard is proper. Similarly, when services are expensive or unusual, the buyer can be expected to exercise greater care in her purchases. When services are sold to such buyers, other things being equal, there is less likelihood of confusion.

931 F.2d at 1111 (emphasis added). Surely, purchasers of Intel products and the clients for IntellApex services are knowledgeable, sophisticated specialists in their respective areas, who are unlikely to get confused between the two marks in light of the stark differences in the Intel and IntellApex marks. *Alpha Indus. Inc.*, 616 F.2d at 444 (9th Cir. 1980) (“Appellant often uses the word ALPHA alone and in a distinctive logo; Appellee uses ALPHA always in conjunction with another word or words (steel, tube, shapes). These other words are significant words, indicating a different origin, not merely descriptive words. Moreover, one of the circumstances surrounding the purchase of these goods is the fact that the purchasers are knowledgeable,

⁴ http://www.sustainability-indexes.com/djsi_pdf/djsi_world/CompanyBiographies/Bios05/CBR_Intel_05.pdf

sophisticated specialists in their areas.”). Further, patent legal services are relatively expensive and the IntellApex client can be expected to exercise great care in his or her purchases. *Homeowners*, 931 F.2d at 1111.

(f) *IntellApex’s intent in selecting its mark*

With respect to the intent factor, the “IntellApex” mark was selected by its proprietors with an honest and good faith intent to connote a law firm that provides the best professional legal services to those who wish to secure their intellectual property. (*See* Bossenbroek Affidavit, ¶ 7). There was never any intent to select a mark that would suggest any sort of connection or affiliation with Intel, a manufacturer of computer chips. (*Id.*) Even if the intent factor was considered to be an issue of fact in this case, it is clear that failure to resolve this lone factor would not be sufficient to preclude a dismissal based on the lack of likelihood of confusion as shown by application of the remaining seven factors. *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 799 (6th Cir. 2004) (holding that “[t]he intention factor naturally is considered in light of the other factors; a bad-faith intent to infringe upon another mark may not increase the likelihood of confusion if the other seven factors suggest that confusion is improbable.”).

(g) *Evidence of actual confusion*

The “IntellApex” mark does not infringe the Intel marks as there is absolutely no evidence of any actual confusion between the two marks. Indeed, no IntellApex customer has ever questioned whether any association, sponsorship, or other relation exists between Intel and IntellApex. (*See* Bossenbroek Affidavit, ¶ 6). Any chance of actual confusion is entirely avoided by the fact that the IntellApex website clearly tells clients and prospective clients that IntellApex is a Michigan-based law firm that specializes in patent services. *See* IntellApex

webpage, available at www.intellapex.com (“IntellApex is an experienced US Patent law firm providing all patent related services. Based in Michigan, IntellApex provides Patent Research, Patent Drafting and Patent Submission.” (emphasis added)). See *Paul Sachs Originals Co. v. Sachs*, 325 F.2d 212, 216 (9th Cir. 1963) (holding that even though evidence of actual confusion is unnecessary in trademark infringement case, lack of it is a relevant factor in determining likelihood of confusion when there is much doubt about such likelihood). There is also no evidence of any probability of confusion, such that the “IntellApex” mark could be found to be infringing on Intel’s marks. See *Playtex Products, Inc. v. Georgia-Pac. Corp.*, 390 F.3d 158, 161 (2d Cir. 2004) (holding that to support a finding of infringement, there must be a “probability of confusion, not a mere possibility.” (emphasis added)).

(h) Likelihood of expansion of services

Finally, IntellApex’s expansion of its services, if at all, would be within the limited sphere of legal services, which will not in any way intrude or have the potential to invade any arm of Intel Corporation’s business. *Champions Golf Club, Inc.*, 78 F.3d at 1121-1122 (6th Cir. 1996) (holding that the “likelihood of expansion of product inquiry” is not limited simply to geographical expansion, rather, the inquiry concerns expansion in the types of services offered by the parties). In addition, Intel is not going to expand its services into the legal sphere as state bar ethics rules would clearly prohibit this.

Therefore, contrary to Intel’s arguments, the “IntellApex” mark does not and cannot create a likelihood of confusion and Intel will be unable to meet any of the eight factors necessary to establish a likelihood of confusion. The products and services of Intel Corporation and IntellApex are completely unrelated, the two marks are dissimilar, there is no evidence of actual confusion, IntellApex uses an entirely different marketing channel, the people who use

services of IntellApex are dissimilar to those using Intel's products/services, the 'IntellApex' mark was selected by its proprietors with an honest and good faith intent, and even when IntellApex expands its services, it would only be within the limited gambit of legal services – not in Intel's field of business.

Thus, it is clear that IntellApex has not infringed Intel's marks as a matter of law. Therefore, this Court must grant IntellApex's Motion for Summary Judgment in the absence of a genuine issue of material fact. This Court must also dismiss Intel's trademark infringement counterclaim against IntellApex and third party claim against Bombay for failure to state a claim upon which relief can be granted.

C. The "IntellApex" mark does not create a false designation of origin.

Contrary to Intel's counterclaim, the "IntellApex" mark does not create a false designation of origin. (*See* Intel Answer and Counterclaims, ¶ 38). Section 1125(a) of the United States Code provides for false designation of origin and in its pertinent part states:

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1) (emphasis added); *Johnson v. Jones*, 149 F.3d 494, 502 (6th Cir. 1998) (“A Lanham Act claim for false designation of origin must contain two elements: (1) the false designation must have a substantial economic effect on interstate commerce; and (2) the false designation must create a likelihood of confusion.” (internal citation omitted)). The touchstone of liability for false designation of an original claim is whether the defendant’s use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties. *Interactive Products Corp. v. a2z Mobile Office*, 326 F.3d 687, 694 (6th Cir. 2003). Therefore, the factors for determining likelihood of confusion for false designation of origin claim are identical to those for the trademark infringement claim discussed above and the conclusion is, not surprisingly, also identical to that reached for the trademark infringement claim.

As set forth at length in Subsection III.B, above, the “IntellApex” mark does not create a likelihood of confusion with any of the Intel marks. Thus, as a matter of law, the “IntellApex” mark does not falsely suggest that it is connected with, sponsored by, affiliated with, or related to Intel in any manner. Therefore, this Court must also dismiss Intel’s counterclaim of false designation of origin against IntellApex and Bombay.

D. IntellApex has not diluted Intel’s mark under the Federal Trademark Dilution Act.

IntellApex has not diluted Intel’s mark under the Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c). This section, in its pertinent part, states:

(c) Remedies for dilution of famous marks

(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to

an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to--

(A) the degree of inherent or acquired distinctiveness of the mark;

(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

(C) the duration and extent of advertising and publicity of the mark;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;

(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c)(1). Thus, for a successful claim for federal trademark dilution (1) the senior mark must be famous; (2) it must be distinctive; (3) the junior use must be a commercial use in commerce; (4) it must begin after the senior mark has become famous; and (5) it must cause dilution of the distinctive quality of the senior mark. *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562 (6th Cir. 2000).

Actual dilution is evidenced where the marks are identical. *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 804 (6th Cir. 2004). Where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution. *Id.*, citing, *Moseley v. V Secret Catalogue, Inc.*, 537

U.S. 418, 123 S.Ct. 1115, 1125 (U.S. 2003); *Thane Intern., Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 905-906 (9th Cir. 2002) (while establishing the proof required for a trademark dilution claim, the court observed that “the defendant must use essentially the same mark, not just a similar one. * * * The legislative history, while not definitive on the issue, also suggests that the marks must be identical or close thereto.”); *Kellogg Co. v. Toucan Golf Inc.*, 337 F.3d 616, 628 (6th Cir. 2003) (holding that that the mere fact that customers might see the junior mark and associate it with a famous mark does not establish dilution).

In order to prevail on its dilution claim, Intel must demonstrate that IntellApex has blurred its mark and caused damage to the positive associations that are attached to its mark. *See Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419, 424 (6th Cir. 1999) (holding that a senior user must demonstrate that it has a famous mark and that the junior user’s conduct damages the senior’s mark “by blurring its product identification or by damaging positive associations that have attached to it.”). Furthermore, the degree of similarity required to prove dilution is greater than the degree of similarity required to be shown for likelihood of confusion. *Id.* at 425; *AutoZone*, 373 F.3d at 806 (“[W]e require a plaintiff to demonstrate a higher degree of similarity than is necessary in infringement claims...”). In *Films of Distinction, Inc. v. Allegro Film Productions, Inc.*, 12 F.Supp.2d 1068 (C.D. Cal 1998), while elaborating on the elements of dilution, the court held:

Traditionally, dilution has been found where the defendant’s conduct either tarnishes or blurs the mark, but dilution is not limited to tarnishment and blurring. When a famous mark is linked to products of lesser quality or portrayed in an unwholesome manner, the mark is tarnished. “‘Blurring’ involves a ‘whittling away’ of the selling power and value of a trademark by unauthorized use of the mark. Examples of blurring would be “Pepsi” in-line skates or “Microsoft” lipstick.

12 F.Supp.2d at 1078, n. 5 (emphasis added and internal citations omitted). *See also, Malletier v. Dooney & Bourke, Inc.*, 340 F.Supp.2d 415, 435 (S.D.N.Y. 2004) (holding that blurring occurs where the defendant uses or modifies a plaintiff's trademark to identify the defendant's goods and services, raising the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product and tarnishment occurs where a trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context, with the result that the public will associate the lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods).

The "IntellApex" mark is not identical, or nearly identical, to Intel's marks. *See AutoZone*, 373 F.3d at 806 (while finding the AutoZone and PowerZone marks not identical, the court commented that "every federal court to decide the issue has ruled that a high degree of similarity, ranging from 'nearly identical' to 'very similar,' is required for a dilution claim to succeed."). As discussed above in length in Subsection III.B, the "IntellApex" mark and the Intel marks are not similar because IntellApex does not appear or sound identical to any of the famous Intel marks. Indeed, by having already shown above that there is no likelihood of confusion between the Intel and IntellApex marks as a matter of law, Intel cannot meet the greater burden of proving that IntellApex mark is highly similar or nearly identical to Intel marks. *See AutoZone*, 373 F.3d at 806 ("Given that there is not even enough similarity between the two marks to demonstrate a likelihood of confusion, the marks are certainly not highly similar or nearly identical such that AutoZone can prove that actual dilution has occurred.").

Further, unlike the examples of "Pepsi" in-line skates or "Microsoft" lipstick, the use of the "IntellApex" mark does not tarnish or blur the Intel marks. The "IntellApex" mark is very different from the Intel marks and cannot be linked with or have any kind of effect on the value

and quality of the Intel marks. IntellApex and Intel Corporation are involved in two completely different kinds of business and their consumers/customers cannot and do not associate Intel and its products with the services provided by IntellApex. Intel's dilution claim also fails because as there is no evidence of actual harm, injury or dilution being caused to the trademark holder, Intel, as a result of the use of the mark "IntellApex" in trade and commerce. There has been no evidence to suggest, nor has Intel alleged any facts to suggest, that the "IntellApex" mark actually created an association in the consumers' minds between the Intel's mark and the patent related services that IntellApex provides. *Moseley*, 123 S.Ct. at 1125 (where the trademarks at issue in a trademark dilution case are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution).

Thus, this Court must grant summary judgment in light of the fact that IntellApex has not diluted Intel's marks as a matter of law and there is no genuine issue of material fact that the use of IntellApex mark dilutes Intel marks in any way. This Court must likewise dismiss Intel's counterclaim of dilution against IntellApex and third-party claim against Bombay for failure to state claim upon which relief can be granted.

E. Intel's affirmative defenses are conclusory and baseless and do not bar summary judgment in favor of IntellApex.

Intel's affirmative defenses as stated in its Answer are completely baseless. *See* Intel Answer and Counterclaims, p. 5. As demonstrated above, contrary to Intel's first affirmative defense, IntellApex's declaratory action succeeds in stating a claim upon which relief can be granted because there is no genuine issue of material fact that IntellApex has not and is not infringing upon or diluting any of Intel's trademarks under Federal law. Further, contrary to Intel's second and third boilerplate affirmative defenses, which are conclusory and allege no

supporting relevant facts, IntellApex's conduct is not barred by any equitable doctrine such as estoppel or unclean hands. A defense should be struck when it is clearly "irrelevant and frivolous and its removal from the case would avoid wasting unnecessary time and money litigating the invalid defense." *S.E.C v. Gulf & Western*, 502 F.Supp. 343, 345 (D. D.C.1980); *See S.E.C. v. Electronics Warehouse, Inc.*, 689 F.Supp. 53, 73 (D.Conn. 1988); *aff'd sub nom. S.E.C. v. Calvo*, 891 F.2d 457 (2d Cir.1989), *cert. denied*, 496 U.S. 942, 110 S.Ct. 3228 (1990) (noting that the allegation of "inequitable conduct" purportedly constituting unclean hands was conclusory and vague). Rather, it is Intel which has engaged in inequitable conduct by threatening IntellApex with a suit without making any reasonable attempts of reaching a fair compromise and thereafter bringing an onslaught of baseless federal and state claims against IntellApex in California even while this action was already pending.

The fourth affirmative defense in which the Defendant alleges that IntellApex has engaged in forum shopping is without any merit and is entirely redundant in light of this Court's order denying the Intel's motion to dismiss/transfer the declaratory action to California federal court. Intel's argument that IntellApex's declaratory action filed in this Court was borne out of "bad faith" and "procedural fencing" was dismissed in its entirety by this Court in its order dated August 26, 2005. *See Court Order*. Pertinently, Hon. Richard Alan Enslin held the following:

In the present case, there was no exercise of "bad faith" by Plaintiff in the filing of this suit, nor "procedural fencing".... This suit was prompted by Defendant's letter and Defendant's refusal to accept counter-suggestions by Plaintiff. Defendant's letter itself essentially promised suit if Plaintiff did not concede. While a "race to the courthouse" is not always a desired outcome, the first-to-file rule, which is widely followed, generally favors the first suit. In this case, the bulk of the disagreements lodged in Defendant's letter and its California suit will be answered by the resolution of this declaratory action which is a valid and useful suit.

Accordingly, all the affirmative defenses raised by Intel are without any merit and should be dismissed forthwith. *Ameriwood Industries Intern. Corp. v. Arthur Andersen & Co.*, 961 F.Supp. 1078, 1083 (W.D. Mich. 1997) (holding that affirmative defenses are insufficient and must be stricken if, as a matter of law, such defenses cannot succeed under any circumstances).

F. IntellApex and Bombay are not subject to Intel’s counterclaims arising under California state law.

IntellApex and Bombay are not answerable to California state law counterclaims on two grounds: (1) IntellApex and Bombay have not purposefully availed themselves of California state law for jurisdictional purposes, and (2) Michigan choice of law principle dictates that Michigan law applies in this case – not California law.

To establish purposeful availment of California law, Intel would have to establish that IntellApex had directed its activities on California such that it could enjoy/invoke the “benefits and protections” of California law. *See Burger King Corp v. Rudzewicz*, 471 U.S. 462, 475 (1985) (holding that it is essential in each case that there be some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum state thus invoking the benefits and protections of its laws). In the instant case, the quality and nature of IntellApex’s business relationships in California could at best be viewed as random, fortuitous or attenuated as opposed to focused, regular or direct. *See Burger King Corp*, 471 U.S. at 475-476 (holding that a defendant will not be haled into a jurisdiction solely as a result of “random,” “fortuitous,” or “attenuated” contacts, but only when the defendant has created “continuing obligations” between itself and the residents of the forum state). IntellApex’s past random and occasional business contacts in California do not suggest any deliberate contrived plan to avail itself of the laws of California or to avail itself of the opportunity to conduct business in California by soliciting business through any advertisements. (*See Bossenbroek Affidavit*, ¶ 10).

IntellApex has had no other contact with California and has sought to avoid any conduct that would require it to be governed by laws of any state other than Michigan. In fact, when IntellApex enters into a contract with potential clients for provision of patent services, such contract of service stipulates that any legal disputes are to be decided under Michigan law in a Michigan state or federal court.⁵ Thus, IntellApex has gone to great lengths to avoid being subject to another state's laws or courts. Further, Bombay, a Michigan asset holding company, has had absolutely no contact with California whatsoever. (*See* Bossenbroek Affidavit, ¶ 8).

Both IntellApex and Bombay are Michigan entities. Neither is incorporated in California nor are they deliberately engaged in significant business activities in California. Neither Bombay nor IntellApex have an agent for service of process there, and neither maintains a bank account, mailbox, telephone listing, sales facility, or storage facility in California. (*See* Bossenbroek Affidavit, ¶ 9). IntellApex and Bombay do not have any agents or employees within the state of California, nor have they ever owned any real or personal property there. (*See* Bossenbroek Affidavit, ¶ 9). Neither IntellApex nor Bombay has ever filed any state or local tax returns in California, nor do they specifically advertise or otherwise solicit business within the state. (*See* Bossenbroek Affidavit, ¶ 10). Further, neither purchases products or services in California on a regular or substantial basis. (*See* Bossenbroek Affidavit, ¶ 10). IntellApex has never solicited business in the State of California through any form of advertisements, other than its website which is accessible anywhere in the world. (*See* Bossenbroek Affidavit, ¶ 10). As a result, California lacks the contact necessary to establish that IntellApex and Bombay purposefully availed of its laws.

IntellApex's activities in California are similar to those found insufficient for personal jurisdiction purposes in *Kerry Steel, Inc. v. Paragon Indus., Inc.*, 106 F.3d 147 (6th Cir. 1997).

⁵ *See* http://www.intellapex.com/patent_services_terms.htm.

In that case, the plaintiff was a steel company located in Michigan, who pursuant to negotiations by telephone and fax, entered into business with an Oklahoma based defendant who sent purchase orders to Michigan. *Id.* at 148. Since the defendant did not have any employees or offices in Michigan and had never been in Michigan to transact business, the court held that the plaintiff failed to demonstrate that the defendant availed itself of the benefits and protections of Michigan law. *Id.* at 151. Specifically, the court observed that the defendant did not reach out to the plaintiff in Michigan, rather, the plaintiff initiated the contact with the defendant in Oklahoma and the defendant “responded without leaving home.” *Id.* The relationship between the parties was not substantial because there was no realistic impact on the commerce of Michigan, the deal was “nothing more than an isolated transaction” and there was no evidence that the defendant “intended to create an ongoing relationship in Michigan with [the plaintiff].” *Id.* at 151; *Cf. Cadence Design Systems, Inc. v. Verilog, S.A.*, 779 F.Supp. 473, 475 (N.D.Cal. 1991) (where a French corporation had sufficient contacts with the state of California to justify exercise of personal jurisdiction over declaratory action, when corporation regularly solicited customers in California, regularly advertised in a publication distributed in California, and placed products in stream of commerce with knowledge that some would reach California; moreover, such activities, in connection with corporation’s threats to sue plaintiff, showed that corporation purposely availed itself of privileges of doing business in the state and reasonably should have known it could be subject to jurisdiction of federal district court). *See also, Global Crossing Telecommunications, Inc. v. World Connection Group*, 287 F.Supp.2d 760, 765 (E.D. Mich. 2003) (holding that since the defendant did not purchase services to be used in Michigan, did not solicit customers in Michigan, and did not employ distributors in Michigan, the defendant had not purposefully availed itself of the privilege of acting in Michigan).

California's lack of contacts with IntellApex and Bombay, coupled with the lack of any interest in having its law applied, makes California law inapplicable in this Court. Michigan's choice of law rules applies to an action brought in federal court in Michigan. *Mill's Pride, Inc. v. Continental Ins. Co.*, 300 F.3d 701, 704 (6th Cir. 2002). Michigan courts use a choice-of-law analysis known as "interest analysis" to determine which state's law governs a suit where more than one state's law may be implicated. *See Sutherland v. Kennington Truck Service, Ltd.*, 454 Mich. 274, 278-286, 562 N.W.2d 466 (Mich. 1997). "Although this balancing approach most frequently favors using the forum's (Michigan's) law, Michigan courts nonetheless use another state's law where the other state has a significant interest and Michigan has only a minimal interest in the matter." *Hall v. Gen. Motors Corp.*, 229 Mich. App. 580, 585, 582 N.W.2d 866 (1998) (emphasis added); *Frydrych v. Wentland*, 252 Mich.App. 360, 363, 652 N.W.2d 483, 485 (2002) ("When resolving a conflict of law question, we apply Michigan law unless a rational reason to do otherwise exists." (emphasis added). In determining whether a "rational reason" to displace Michigan law exists, the court undertakes a two-step analysis: (1) the court determines if any foreign state has an interest in having its law applied and, if no state has such an interest, the presumption that Michigan law will apply cannot be overcome, and (2) if foreign state does have an interest in having its law applied, court must then determine if Michigan's interests mandate that Michigan law be applied, despite foreign interests. *Hall*, 229 Mich.App. at 585. Further, in order for a court to apply the law of a particular state, the State must have "a significant contact or significant aggregation of contacts, creating state interests, such that choice of its law is neither arbitrary nor fundamentally unfair." *Allstate Ins. v. Hague*, 449 U.S. 302, 313, 101 S.Ct. 633, 640 (1981). The "significant contacts" required for choice of law purposes is similar to the "minimum contacts" required for jurisdictional purposes. *Sutherland*, 454 Mich. at

472, n. 22; *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316, 66 S.Ct. 154, 158 (1945) (holding that a state may not exercise jurisdiction over a defendant unless the defendant and state have “minimum contacts” so that “traditional notions of fair play and substantial justice” are not offended).

In the instant case, California does not have a significant interest in having its law applied, nor does it have significant/minimal contact with the Counterclaim Defendants, IntellApex and Bombay. *Cf. In re Pizza Time Theatre Securities Litigation*, 112 F.R.D. 15, 18 (N.D.Cal. 1986) (Application of California law to pendent fraud and negligent misrepresentation claims in an action for violations of federal securities laws was proper where defendant corporation was incorporated and had headquartered in California, all non-underwriter defendants were California residents, alleged misrepresentations emanated from California, and many of plaintiffs were California residents). Michigan, on the other hand, has a much greater interest in having its laws applied. IntellApex has significant clients in Michigan, its managers are all located in Michigan and it operates out of a Grand Rapids, Michigan-based office which is responsible for maintaining the IntellApex mark, website, and marketing efforts. (*See Bossenbroek Affidavit*, ¶ 11).

Thus, having established that IntellApex and Bombay lack the minimum contacts with California necessary to indicate that they purposefully availed of the laws of California, or the minimum contacts necessary to establish that California has a greater interest in having its laws applied, California’s interest in the litigation is conclusively insignificant and, accordingly, its laws may not be applied against IntellApex. *Allstate Ins.*, 449 U.S. at 310-311 (holding that if a state has only an insignificant contact with the parties and the occurrence and transaction, application of its law is unconstitutional). There simply is no rational reason to displace the

forum state's law in this case. *Frydrych*, 252 Mich.App. at 363. Therefore, Bombay and IntellApex, are not subject to Intel's California state law claims as a matter of law.

G. All of Intel's California counterclaims against IntellApex and Bombay fail as a matter of law.

Even if Intel's California state law counterclaims could somehow be brought in this Court against IntellApex, all of its state counterclaims against IntellApex and Bombay fail as a matter of law. In fact, the California state law counterclaims are nearly identical to the federal claims of trademark infringement and dilution of marks, which have already been shown to be without merit. *See* Sections III.B, III.C, and III.D *supra*. As this court previously surmised, Intel's state law claims against IntellApex add little substance to the federal claims already at issue in this case. *See* Court Order, p. 3 (“[I]f the Court is to decide matters on suspicions, then its own suspicion is that Defendant’ additional claims (including its California claims) add little substance to the federal declaratory claims asserted by the Plaintiff.”).

(a) *The “IntellApex” mark does not infringe on the Intel marks under California law.*

Section 14335 of the California Business and Professions Code provides for injunctive relief in case of trademark infringement:

(a) Any person who uses or unlawfully infringes upon a mark registered under this chapter or under Title 15 of the United States Code, other than in an otherwise noninfringing manner, either on the person's own goods or services or to describe the person's own goods or services, irrespective of whether the mark is used primarily as an ornament, decoration, garnishment, or embellishment on or in products, merchandise, or goods, for the purpose of enhancing the commercial value of, or selling or soliciting purchases of, products, merchandise, goods, or services, without prior consent of the owner of the mark, shall be subject to an injunction against that use by the owner of the mark.

CAL. BUS. & PROF. CODE § 14335. When deciding on a claim brought under Section 14335, a court employs the same eight factor test for determining trademark infringement as is employed

under the Lanham Act. *See Mattel, Inc. v. MCA Records, Inc.*, 28 F.Supp.2d 1120, 1144 n 30 (C.D. Cal. 1998) (“As the likelihood of confusion test is generally used to determine whether a use is noninfringing, the Court will apply the same test for § 14335(a).”). As elaborated above in Subsection III.B, Intel cannot show that the use of “IntellApex” as a mark creates a likelihood of confusion between IntellApex and any of its famous marks. Accordingly, as a matter of law, IntellApex’s conduct does not constitute trademark infringement in violation of CAL. BUS. & PROF. CODE § 14335(a) and Intel’s counterclaim of trademark infringement under California state law must be dismissed for failure to state a claim.

(b) *The “IntellApex” mark does not dilute the Intel marks under California law.*

Section 14330 of the California Business and Professions Code provides for injunctive relief upon finding of trademark dilution:

(a) Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

CAL. BUS. & PROF. CODE § 14330(a). To make a dilution claim under California’s anti-dilution statute, plaintiff must show that his or her trademark is strong, and that it has been associated with something unsavory. *Upper Deck Authenticated, Ltd. v. CPG Direct*, 971 F.Supp. 1337, 1349 (S.D. Cal. 1997). “The state law anti-dilution claim, CAL. BUS. & PROF.CODE § 14330, bears many similarities to the federal Lanham Act infringement action, and is meant to prevent ‘the whittling away’ of one’s trademark by the unauthorized use by another.” *Id.* at 1349, *citing Saks & Co. v. Hill*, 843 F.Supp. 620, 624 (S.D. Cal. 1993), *appeal dismissed*, 65 F.3d 175 (9th Cir.1995); *Toho Co., Ltd. v. Sears, Roebuck & Co.*, 645 F.2d 788, 793 (9th Cir. 1981) (“The

focus is on damage to the mark's inherent value as a symbol, rather than on whether consumers have been misled as to origin or sponsorship.”).

Trademark dilution claims under California law are subject to same analysis as federal dilution claims under Lanham Act. *Discovery Communications, Inc. v. Animal Planet, Inc.*, 172 F.Supp.2d 1282 (C.D.Cal. 2001). In a recent case, *ACI Int'l. Inc. v. Adidas-Salomon AG*, 359 F.Supp.2d 918, 923 (C.D. Cal. 2005), while comparing California's dilution cause of action with federal Trademark Dilution Act, the court stated:

California's dilution cause of action is substantially similar to the Federal Trademark Dilution Act (the act), providing relief if the plaintiff can demonstrate a likelihood of injury to business reputation or of dilution of the distinctive quality of a mark, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services. Cal. Bus. & Prof. Code § 14330. ‘The court has interpreted § 14330, like the act, to protect only famous marks’.

Id. at 923 n1 (emphasis added and internal citations omitted).

As discussed above in Subsection III.D, the use of the “IntellApex” mark in connection with the distribution of intellectual property law services to its clients does not dilute the strength of Intel marks in any manner nor does it affect the selling power, value, and quality of Intel marks. Intel has not alleged any facts showing that its mark has been associated with something unsavory or that its marks' inherent values as symbols have been blurred, tarnished, or damaged in any manner, by the use of the “IntellApex” mark. Again, Intel has failed to state a valid counterclaim against Bombay and IntellApex upon which relief can be granted and should be dismissed forthwith.

(c) IntellApex has not engaged in unfair competition in violation of CAL. BUS & PROF. CODE § 17200 et. seq.

In order to successfully allege a California unfair competition claim under CAL. BUS. & PROF. CODE § 17200, Intel bears the burden of proving likelihood of confusion or deception

between Intel's marks and the "IntellApex" marks, which is essentially the same standard as needed to prove federal trademark infringement. *Glow Industries, Inc. v. Lopez*, 252 F.Supp.2d 962, 975 (C.D. Cal. 2002) (elements of California law claims for trademark infringement and unfair competition are substantially similar to those of comparable federal claims). Further, to state a claim under California's Unfair Business Practices Act, one need not plead and prove elements of tort; instead, one must show that members of public are likely to be deceived. *Freeman v. Time, Inc.*, 68 F.3d 285, 289 (9th Cir. 1995), citing *Bank of the West v. Superior Court of Contra Costa County*, 2 Cal.4th 1254, 1267, 10 Cal.Rptr.2d 538, 833 P.2d 545 (1992); *Churchill Village, L.L.C. v. General Elec. Co.*, 169 F.Supp.2d 1119, 1131 (N.D. Cal. 2000), affirmed 361 F.3d 566, certiorari denied 2004 WL 2053331 (in order to succeed on a claim for fraud under the California statute prohibiting unfair competition, the plaintiff bears the burden of proving that the public is likely to be deceived by the defendant's conduct).

In the present case, however, as extensively discussed in Subsection III.B above, Intel cannot prove any likelihood of confusion between the "IntellApex" mark and any of the Intel marks. In other words, there is no likelihood of deception to the public. Therefore, Intel's statutory unfair competition counterclaim against IntellApex and Bombay must be dismissed as a matter of law.

(d) "IntellApex" mark does not constitute common law passing off and unfair competition.

California courts have held that state law claims of unfair competition and passing off are also governed by the "likelihood of confusion" test. *Mattel, Inc.*, 28 F.Supp.2d at 1144, n 30 (C.D. Cal. 1998); *Kelley Blue Book v. Car-Smarts, Inc.*, 802 F.Supp. 278, 289 (C.D. Cal. 1992) ("The test for common law unfair competition is the same 'likelihood of confusion' test...");

Toho Co., Ltd., 645 F.2d at 793 (9th Cir. 1981) (“California courts have construed the tort of passing off to require likelihood of consumer confusion as to source or sponsorship.”).

As previously established above in Subsection III.B, Intel cannot succeed on its claim that the “IntellApex” mark causes a likelihood of confusion with Intel’s marks, and, accordingly, Intel also fails in alleging common law claims of unfair competition and passing off. Thus, this Court must also dismiss this counterclaim for failure to state a claim.

IV. CONCLUSION

Based on the above arguments, this Court must grant summary judgment on the Plaintiff’s declaratory action because the Defendant, Intel, cannot show as a matter of law that the Plaintiff, IntellApex, has infringed upon or diluted any of Intel’s marks. This Court must also dismiss Intel’s counterclaims/third party claims against the Plaintiff and the Third Party Defendant, Bombay, because Intel has failed to adequately plead any claim upon which relief can be granted.

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