No. 25-

IN THE

Supreme Court of the United States

WORLD CHAMP TECH, LLC,

Petitioner,

v.

PELOTON INTERACTIVE, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

The Lanham Act prohibits use of a trademark when such use is "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C, §1114(1)(a); *see also* §§1052(d), 1125(a). This federal likely confusion standard is implemented by the circuit courts under variable "non-exclusive" factor tests that, in practice, are in tension with summary judgment standards. Most lower courts, including in this case, impermissibly weigh evidence to determine which party is likely to succeed on each confusion factor before weighing these judgments again in deciding likely confusion. This approach leads courts to apply "rules of thumb" that contain embedded judgments about likely confusion that, under the summary judgment standard, should be left to the jury. For example, the Ninth Circuit held that the similarity factor favored Peloton Interactive, Inc. because it used its house mark with World Champ Tech, LLC's otherwise identical mark. This effectively *eliminated*—as a matter of law—the inference that the district court made on the same record that Peloton's use of its house mark *aggravates* likely confusion (an inference that the majority of circuits recognize). To preserve the right to a jury consistent with this Court's summary judgment rules, the likely confusion factors must be treated on summary judgment as an evidentiary guide, not a factor scorecard.

The question presented, accordingly, is whether lower courts must, to comply with the summary judgment standard, avoid a factor-by-factor analysis that balances competing evidence and the weight to be given likely confusion factors.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rules 14.1(e) and 29.6, Petitioner World Champ Tech, LLC states as follows: World Champ Tech, LLC is a Limited Liability Company organized under the laws of California. World Champ Tech, LLC has no parent corporation, and no publicly held corporation owns 10% or more of its stock.

RELATED PROCEEDINGS

United States District Court (Northern District of California)

> *World Champ Tech, LLC v. Peloton Interactive, Inc.*, No. 21-cv-03202 (February 16, 2024) (and related cross-claims)

United States Court of Appeals (Ninth Circuit)

> *World Champ Tech, LLC v. Peloton Interactive, Inc.*, No. 24-2266 (September 26, 2025)

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PETITION FOR A WRIT OF CERTIORARI

Petitioner World Champ Tech, LLC respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The 9th Circuit Court of Appeals amended memorandum regarding likelihood of confusion (App., infra 1a-12a) is unofficially reported at 2025 WL 2673906. The district court's orders granting Peloton Interactive, Inc.'s motion for summary judgment (App., infra 20a-62a) is unofficially reported at 2022 WL 2159260.

JURISDICTION

On July 25, 2025, the 9th Circuit Court of Appeals entered a Judgment. On September 18, 2025, the 9th Circuit denied a petition for rehearing, and issued an amended memorandum, which is the judgment sought to be reviewed. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATUTORY PROVISION INVOLVED

The relevant provisions of the Lanham Act, Pub. L. 79–489, 60 Stat. 427, are reproduced in the appendix to this petition, namely, 15 U.S.C. § 1114 (App., infra, 65a-71a) and 15 U.S.C. § 1125 (App., infra 72a-84a). Fed. R. Civ. P. 56 is also reproduced in the appendix to this petition (App., infra, 85a-87a).

STATEMENT

World Champ Tech, LLC ("WCT") was founded in 2012 by two championship-level athletes. The company develops technology products to support athletes in training, including cyclists. WCT's original BIKE+ app—developed for Apple iOS devices and the Pebble Watch—tracked speed, distance, altitude, and grade, included interval timers, recorded ride history, and allowed users to post details of their rides to social media. WCT launched these apps in 2014 and has been distributing them ever since.

WCT originally considered using BIKEMORE as the trademark for its app. The USPTO, however, rejected WCT's application for BIKEMORE on grounds that it previously had been applied for by a bicycle manufacturer that used a stylized version of the mark. The USPTO reasoned that use of the mark on mobile apps and bicycles would cause likely consumer confusion. WCT proceeded with its alternative and received a federal trademark registration for the BIKE+ mark for mobile cycling apps in July 2015.

In January 2021, WCT released a second version of the BIKE+ app for the Apple Watch. WCT's updated BIKE+ app summarizes a user's cycling metrics, provides motivational feedback, and can recommend rides to help a user reach a specific goal. This app also provides an innovative on-device coaching component for users who pay a subscription fee.

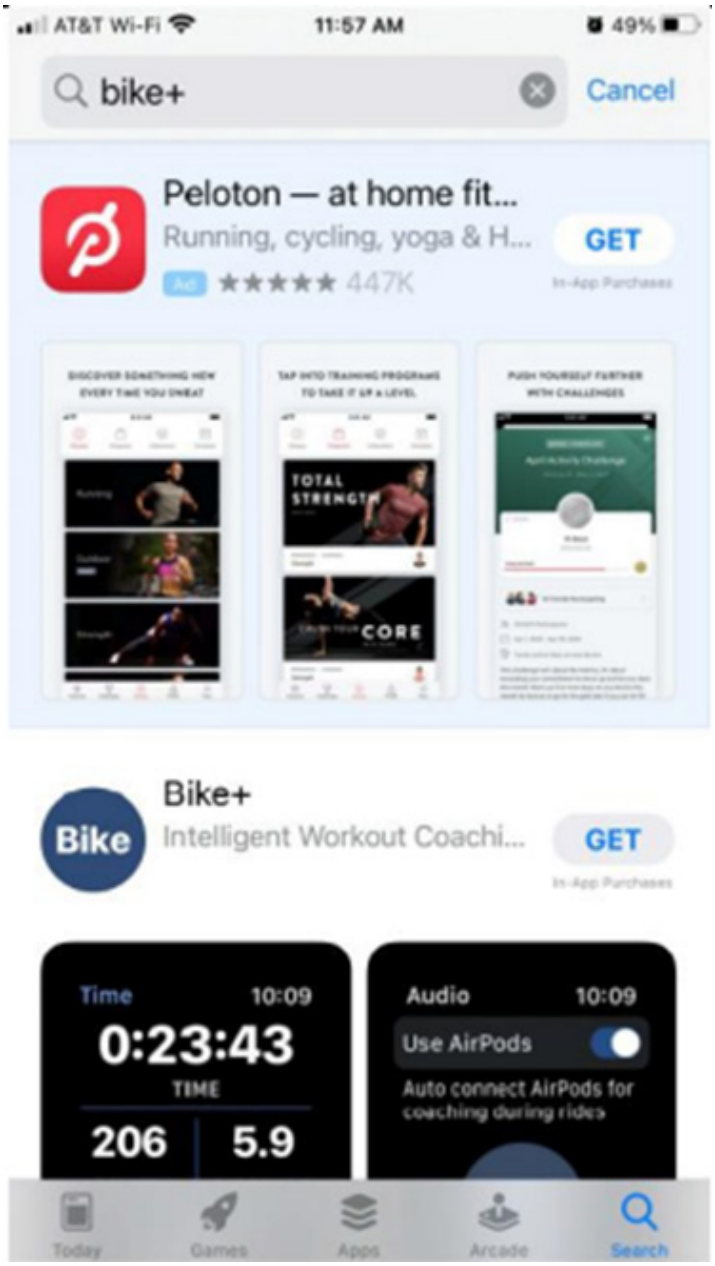
WCT has marketed and distributed its BIKE+ app through the Apple App Store, its website, social media sites, paid advertising on Facebook, sponsorships by

cycling teams and Olympic cyclists, and charity bike racing events.

In September 2020, Peloton Interactive, Inc. ("Peloton")—a large corporation that makes and sells bundled "interactive" or "connected" fitness products (a combination of software and exercise products)—announced its "ALL NEW BIKE+," boasting that Peloton was "making it easier than ever to become part of the Peloton community, with or without hardware." Following the announcement, Peloton launched an enormous advertising campaign, spending tens of millions of dollars in the first few months alone to advertise its new BIKE+ products throughout the United States in all channels. These ads frequently displayed Peloton's BIKE+ mark with and without its PELOTON house mark. This tactic leveraged and accelerated consumer associations between BIKE+ and Peloton.

Peloton rented and sold its BIKE+ product with a monthly "All Access Membership" subscription that includes a mobile app (and its metric and tracking features, both for stationary and outdoor bikes, which directly compete with WCT's BIKE+ app) and Peloton's streaming classes. When consumers acquire BIKE+ products, they are eligible to use the app (even while waiting for delivery) and are told to download it from the relevant app provider.

Peloton's mobile app bears the Peloton® trademark but not the BIKE+ name. Peloton's app, however, is advertised in the Apple App Store and online directly adjacent to WCT's BIKE+ app. After Peloton launched its BIKE+ product, WCT's app was drowned in Peloton references whenever the mark was searched online and intermingled with Peloton ads in the App Store if the mark was searched there.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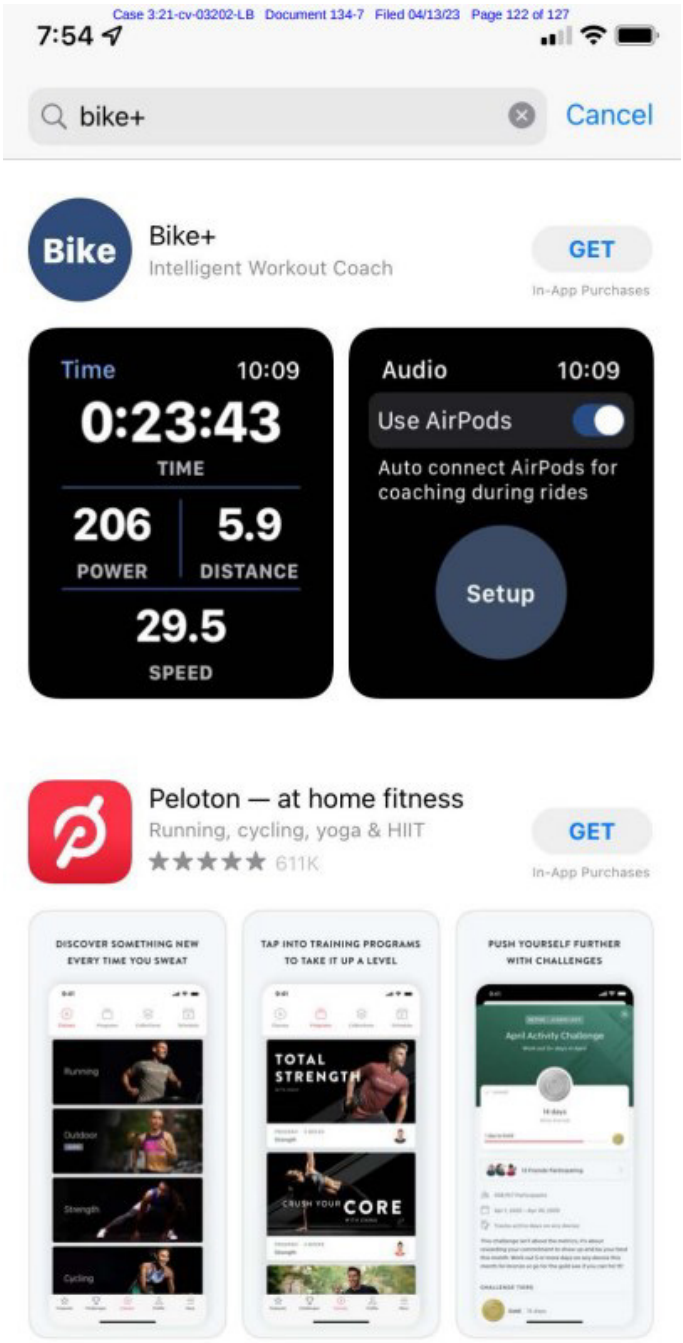
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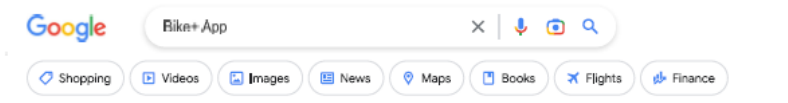

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WCT sued Peloton in 2021, relying on the doctrine of reverse trademark confusion (which essentially puts the trademark owner in the position of infringer). Up until the lawsuit, Peloton had challenged third-party producers of accessory products for using Peloton's supposed BIKE+ trademark. It asserted that use of the BIKE+ trademark by these third parties, even if Peloton did not itself produce the same accessories under a BIKE+ mark, was likely to cause confusion. The "forward" consumer confusion Peloton asserted was likely is the exact mirror of WCT's likely confusion claims.

Because Peloton had announced its BIKE+ product immediately before WCT was about to launch its new app with in-app coaching, WCT held off on plans to further advertise its product and mark. As a result, its new app had few users and no direct reports emerged from consumers who were confused about the app's association with Peloton. WCT, however, conducted a consumer survey that showed 28.7% of consumers reported confusion that, after subtracting the 16.7% confusion in response to the control stimulus, resulted in net confusion of 12%.

By the time WCT and Peloton filed cross summary judgment motions in 2022, Peloton had spent hundreds of millions to advertise its BIKE+ product.

A. PROCEEDINGS IN THE LOWER COURTS

Peloton moved for summary judgment on grounds that no jury could find likely confusion. The district court called it a "close call" but ruled in Peloton's favor. Its ruling, like many rulings in likelihood of confusion cases, considered each of the confusion factors—*Sleekcraft* factors in the Ninth Circuit—as follows:

1. strength of the mark;

2. proximity of the goods;

3. similarity of the marks;

4. evidence of actual confusion;

5. marketing channels used;

6. type of goods and the degree of care likely to be exercised by the purchaser;

7. defendant's intent in selecting the mark; and

8. likelihood of expansion of the product lines.

AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979), abrogated by *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003). The district court analyzed each of these factors to determine which party had more support for each factor. Then, while nominally forsaking any "bean counting" of factors, the district court judged that, in the "totality," confusion was not probable.

The district court's ruling contained findings that, in most cases, would have disposed of Peloton's motion in WCT's favor. The district court concluded that the marks were similar, pointing to the rule in many circuits that the presence of Peloton's house mark was likely to aggravate likely confusion as consumers associated the BIKE+ mark with Peloton, while experiencing reduced exclusive associations with WCT. The district court found that the parties' goods were related and complementary and that a consumer likely would believe the BIKE+

app was intended to be used with Peloton's BIKE+ bike. The district court held the trademark held commercial strength due to Peloton's advertising of the mark.

The district court, however, opined that the BIKE+ mark—despite having been registered for many years—was descriptive as a matter of law (even though a descriptive mark cannot be registered). The district court relied on this determination to conclude that the mark's commercial strength in Peloton's hands was outweighed by the mark's descriptiveness, and that the mark strength factor therefore favored Peloton.

The court also balanced or ignored the evidence when assessing the "actual confusion" factor. It found no evidence of consumer reported confusion and, while it mentioned the consumer survey, did not include that evidence in its assessment. It held that proximity in channels of distribution favored Peloton as well, holding that the Peloton BIKE+ was sold in brick-and-mortar stores while WCT's app was not, and that this outweighed the marks' side-by-side presence in online searches and in the App Store. The district court held that the intent factor, considering both parties' evidence, mildly tilted in WCT's favor because Peloton knew about WCT's registration nearly a year before it launched its BIKE+. It also held that the factor evaluating likelihood of expansion and convergence of the parties' offerings favored WCT because Peloton "considered developing an app store for its fitness equipment and has applied for trademark registrations related to mobile app features."

After balancing the parties' evidence on all the factors, the district court's conclusion pivoted on its determination

that mark strength was the most important factor. The court openly questioned whether its determination was supported by Ninth Circuit authority that required consideration in reverse confusion cases of the junior user's commercial strength. But, noting again that there were no reports of actual confusion while ignoring the consumer survey, the court held that balance confusion was not probable. The district court reinforced this conclusion in its reconsideration order.

WCT appealed the summary judgment decision to the Ninth Circuit.

The Ninth Circuit affirmed that the parties' products were related and that this factor favored WCT. It came out differently, however, in its balancing of evidence on other factors relied on by the district court. It concluded the mark strength factor supported WCT due to the prevalence of Peloton's advertising, outweighing the conceptual weakness—be it descriptiveness or suggestiveness—of the BIKE+ mark. It held that the consumer survey must be considered, but that in the absence of additional evidence, this factor would not favor WCT unless the survey confusion results exceeded 20%. Most importantly, it concluded, in conflict with opinions from virtually every Federal Circuit, that the presence of Peloton's house mark *eliminated* any similarity of the marks. This factor, and the conclusion that the survey was outweighed by the absence of reported confusion by actual customers, became dispositive despite the evidence and factors tilting in WCT's favor. Without this departure from the majority rule regarding house marks, the mark similarity and proximity of goods—factors that predict likelihood of confusion outcomes 99% of the time based on a

recent empirical study covering thousands of cases—both would have favored WCT. *See* Reichert, *Doctrine, Data, and the Death of DuPont,* p. 41 (Dec. 1, 2025), https://ssrn.com/abstract=5843642 (last visited Dec. 15, 2025) (noting that "[w]hat courts celebrate as flexible contextualization, litigants experience as outcome uncertainty").

REASONS TO GRANT THE PETITION

1. The Circuits' Multi-Factor Likely Confusion Tests are Guidelines for the Jury to Use in Answering the Ultimate Factual Issue

Each circuit has developed a multi-factor test for deciding whether using a junior mark will cause likely confusion, mistake or deception with a senior mark. *B & B Hardware, Inc. v. Hargis Indus., Inc.,* 575 U.S. 138, 154 (2015). The variations in each of these "non-exclusive" factor tests is minor and, so long as they address themselves to a uniform standard of likely confusion, the different formulations do not hinder agreement between the circuit courts on the underlying standard.

The courts, however, do not agree on how the factor tests should apply to summary judgment. Some courts imply that all the listed factors in each circuit *must* be considered. *E.g.*, *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987) ("All of the factors are interrelated, and no one factor is dispositive."); *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 29 (1st Cir. 1989) ("No one factor is necessarily determinative, but each must be considered."); *Plus Prods. v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1004 (2d Cir. 1983) ("[E]ach must be considered in the context of all of the other factors,

and from a balance of these determinations, one is able to reach the ultimate conclusion, whether there is likelihood of confusion …"); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) ("[R]esolution of this issue does not hinge on a single factor but requires a consideration of numerous factors to determine whether under all the circumstances there is a likelihood of confusion."); *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Virginia, Inc.*, 43 F.3d 922, 933 (4th Cir. 1995) ("In order to guide courts in determining whether a likelihood of confusion exists, this Court has delineated seven factors a court must consider …"); *Dieter v. B & H Indus. of Sw. Fla., Inc.*, 880 F.2d 322, 326 (11th Cir. 1989) ("Determination of likelihood of confusion requires analysis of the following seven factors …"); *Fisons Horticulture, Inc. v. Vigoro Indus., Inc.*, 30 F.3d 466, 473 (3d Cir. 1994) ("Where 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."); *Piper Aircraft Corp. v. Wag-Aero, Inc.*, 741 F.2d 925, (7th Cir. 1984) (cautioning that: "None of these factors is determinative. In fact, we have reversed lower court decisions that have placed excessive importance on certain factors.").

At the same time, other courts focus on a few principal factors to make confusion determinations affirmatively or negatively. These courts may analyze a factor "troika" or a handful of the "most important" factors. *See*, *e.g.*, *PlayNation Play Sys., Inc. v. Velex Corp.*, 924 F.3d 1159, 1169 (11th Cir. 2019) ("Courts do not have to consider every factor in every case."); *Top Tobacco, L.P. v. N. Atl. Operating Co., Inc.*, 509 F.3d 380, 383 (7th Cir. 2007) ("If we know for sure that consumers are not confused about a product's origin, there is no need to consult even a single proxy."); *Gen. Motors Corp. v. Lanard Toys, Inc.*, 468

F.3d 405 (6th Cir. 2006) (affirming finding of likelihood of confusion on summary judgment despite the lower court failing to adequately discuss the *Frisch* factors); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002) (defending the analysis of only a "subset" of factors in the non-internet context), *superseded by statute on other grounds*; *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (endorsing a "subset" of the three "most important" factors in the internet context).

There is broad agreement that these factors, whether all or a subset are considered, must be weighed and balanced according to the circumstances of each case with the jury to decide in "the totality of the circumstances" whether likely confusion will arise. The outliers are the Sixth and Federal Circuits that hold the ultimate likely confusion determination is a "legal" issue. Several Justices openly wondered if the Court's decision in *Hana Fin., Inc. v. Hana Bank* would influence this circuit split. Transcript of Oral Argument at 41:16-19, 42:16-18, *Hana Financial, Inc. v. Hana Bank,* No. 13-1211 (U.S. Dec. 3, 2014), https://www.supremecourt.gov/oral_arguments/argument_transcripts/2014/13-1211_fdhk.pdf. But the *Hana Fin.* decision determined that mark similarity for tacking purposes presented a jury question. *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 423 (2015). The Ninth Circuit treats the ultimate question as factual and the majority rule requires the jury to balance the confusion factors and decide whether confusion is likely. *See, e.g., Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1265 (9th Cir. 2001) ("[T]he question of likelihood of confusion is routinely submitted for jury determination as a question of fact.").

Even on summary judgment, in some instances, appellate courts limit consideration of the evidence to a few factors. *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1154 (9th Cir. 2011) (reversing and remanding, directing the district court to "weigh the *Sleekcraft* factors flexibly to match the specific facts of this case."); *Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930, 939 (9th Cir. 2015) ("The likelihood of confusion is often a question of fact, but not always. In a case such as this, where a court can conclude that the consumer confusion alleged by the trademark holder is highly unlikely by simply reviewing the product listing/advertisement at issue, summary judgment is appropriate.").

In contrast, when presenting the likely confusion question to juries, the lower courts present all the factors and do not typically prescribe any hierarchy or relative weight that the jury should bring to each factor. At most, the jury is told to consider all the confusion evidence and not to focus on any one factor. For example, the Ninth Circuit Model Jury Instruction states as follows:

> [...] You should not focus on any one factor to resolve whether there was a likelihood of confusion, because you must consider all relevant evidence. As you consider the likelihood of confusion you should examine the following:
>
> 1. Strength or Weakness of the Plaintiff's Mark. The more distinctive the plaintiff's mark is and the more the consuming public recognizes the plaintiff's trademark, the

more likely it is that consumers would be confused about the source of the defendant's goods if the defendant uses a similar mark.

2. The Defendant's Use of the Mark. If the defendant and the plaintiff use their trademarks on the same, related, or complementary kinds of goods, there may be a greater likelihood of confusion about the source of the goods than otherwise.

3. Similarity of the Plaintiff's and the Defendant's Marks. If the overall impression created by the plaintiff's trademark in the marketplace is similar to that created by the defendant's trademark in [appearance] [sound] [or] [meaning], there is a greater chance [that consumers are likely to be confused by the defendant's use of a mark] [of likelihood of confusion]. [Similarities in appearance, sound or meaning weigh more heavily than differences in finding the marks are similar.]

4. Actual Confusion. If the defendant's use of the plaintiff's trademark has led to instances of actual confusion, this strongly suggests a likelihood of confusion. However, actual confusion is not required for a finding of likelihood of confusion. Even if actual confusion did not occur, the defendant's use of the trademark may still be likely to cause confusion. As you consider whether the trademark used by the defendant creates

for consumers a likelihood of confusion with the plaintiff's trademark, you should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there is a very large volume of sales, but only a few isolated instances of actual confusion, you may find that there has not been substantial actual confusion.

5. The Defendant's Intent. Knowing use by the defendant of the plaintiff's trademark to identify similar goods may strongly show an intent to derive benefit from the reputation of the plaintiff's mark, suggesting an intent to cause a likelihood of confusion. On the other hand, even in the absence of proof that the defendant acted knowingly, the use of the plaintiff's trademark to identify similar goods may indicate a likelihood of confusion.

6. Marketing/Advertising Channels. If the plaintiff's and the defendant's goods are likely to be sold in the same or similar stores or outlets, or advertised in similar media, this may increase the likelihood of confusion.

7. Consumer's Degree of Care. The more sophisticated the potential buyers of the goods or the more costly the goods, the more careful and discriminating the reasonably prudent purchaser exercising ordinary

> caution may be. They may be less likely to be confused by similarities in the plaintiff's and the defendant's trademarks.
>
> 8. Product Line Expansion. When the parties' products differ, you may consider how likely the plaintiff is to begin selling the products for which the defendant is using the plaintiff's trademark. If there is a strong possibility of expanding into the other party's market, there is a greater likelihood of confusion.
>
> 9. Other Factors. [*Insert any other factors that bear on likelihood of confusion.*]

Manual of Model Civil Jury Instructions for the Ninth Circuit No. 15.18 (Ninth Circuit Jury Instructions Committee, 2024) ("Infringement—Likelihood of Confusion—Factors—*Sleekcraft* Test").

The jury answers the likely confusion issue under similar instructions in the majority of circuits. *See, e.g.,* Fifth Circuit Model Jury Instructions, 14.10 ("Trademark Infringement—Likelihood of Confusion") ("The weight to be given to the factors depends on the facts and circumstances of each case. The absence or presence of any one of the [factors] does not determine whether there is, or is not, a likelihood of confusion."); Seventh Circuit Model Jury Instructions, 13.1.2.3 ("Infringement—Elements—Likelihood Of Confusion—Factors") ("The weight to be given to each of these factors is up to you to determine. No particular factor or number of factors is required to prove likelihood of confusion.").

2. The Factor Test is Not Applied With Adequate Deference to the Jury in the Lower Courts

This Court's decisions are rife with advisories not to engage in the balancing and weighing of evidence that occurs in most likelihood of confusion cases. *E.g.*, *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986) ("Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge, whether he is ruling on a motion for summary judgment or for a directed verdict"). The Court's decisions establish standards for summary judgment that protect the right to jury by requiring the courts to credit reasonable inferences from the evidence in the nonmovant's favor. For example:

> The witnesses on both sides come to this case with their own perceptions, recollections, and even potential biases. It is in part for that reason that genuine disputes are generally resolved by juries in our adversarial system. By weighing the evidence and reaching factual inferences contrary to Tolan's competent evidence, the court below neglected to adhere to the fundamental principle that at the summary judgment stage, reasonable inferences should be drawn in favor of the nonmoving party.

Tolan v. Cotton, 572 U.S. 650, 660 (2014).

In applying this test to likely confusion, however, the lower courts including in this case will often weigh the evidence to determine which party will likely prevail on each factor and then apply its own rules for balancing

the relative weight to give each factor. Dkt. 41.1 and 9.2 pp.3-30. This produces inconsistent and unpredictable summary judgment results as courts agree, disagree, or substitute their own view for how competing evidence will be perceived by consumers, and then again when they roll up those factors to a "totality" analysis. These inconsistencies could be consigned to mere errors in judgment or nuanced distinctions that require a deep understanding of evidentiary records in the thousands of pages. Or, more likely, the factor tests invite courts, at least without any structural filter, to substitute their own view for the jury's and, like juries, reach differing outcomes on similar facts.

At every stage, WCT has experienced the downsides of these contradictory approaches to the same confusion questions. WCT was told it could not register the same mark for its mobile biking application because a third party already had registered the mark for a standard (not "connected") bicycle because the marks would cause likely confusion. Dkt. 20.2, SER-76. The logic was plain; the goods were related and the "Bikemore" marks were considered identical. *Id.* WCT applied for and received a registration for BIKE+, assured that it was sufficiently distinctive to be registered upon first use.

Then, after Peloton blitzed the market with its BIKE+ launch for a connected bicycle (that will not work without a mobile app), the district court granted summary judgment because it believed there was no likely confusion between the identical marks. The Ninth Circuit almost entirely rejected the district court's approach while coming to the same outcome. All its conclusions, however, involved a balancing of the evidence or the application of a "rule" that

itself balanced the evidence. It held the identical marks were not "similar" because Peloton's house mark, rather than aggravating confusion, was held to eliminate the similarity of the marks. It further discounted the marks' similarity because the goods were marketed online, where the court deemed the presence of goods to be too ubiquitous to matter. WCT's survey was considered and deemed sufficient, but only upon proof of other evidence, to support an inference of likely confusion. Dkt. 39.1, p.5 & n. 1. Only by differently balancing the evidence and factors could the Ninth Circuit produce the same outcome through such diametrically opposed approaches.

When the courts themselves (on an identical record) disagree about how a reasonable juror will assess the competing evidence relating to important confusion factors, it promotes distrust, unpredictability and inefficiency. As Judge Easterbrook once said about a factor test:

> I would be most reluctant to accept an approach that calls on the district judge to throw a heap of factors on a table and then slice and dice to taste. Although it is easy to identify many relevant considerations,… a court's job is to reach judgments on the basis of rules of law rather than to use a different recipe for each meal.

Reinsurance Co. of Am. v. Administratia Asigurarilor de Stat, 902 F.2d 1275, 1283 (7th Cir. 1990) (Easterbrook, J. concurring).

The same has become true of the patchwork of conflicting principles that lower courts bring to bear on likely confusion, as it suits their desire to "employ fast and frugal heuristics to short-circuit the multifactor test." Prof. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. Law Rev. 1581, 1586 (2006).

Each of the legal rules applied by the lower courts, none of which would be provided to a jury, contain embedded judgments about how conflicting evidence bears on likely confusion. The Ninth Circuit ruled that "although the use of house marks 'can aggravate reverse confusion' in some cases, this is not one of them." Dkt. 39.1, pp.3-4. This ruling—which was pivotal given the court's assessment of other factors—contradicted the district court and the majority of circuits, including the Ninth, in similar cases. *E.g.*, *Wreal, LLC v. Amazon.com, Inc.*, 38 F.4th 114, 131 (11th Cir. 2022) (holding that in *forward* confusion the presence of a house mark often dispels confusion, but in *reverse* confusion the presence of a house mark may aggravate confusion because it reinforces the association of the allegedly infringing mark with defendant's corporate identity); *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 230 (3d Cir. 2000) ("As to the presence of the housemark [...] not only is there the possibility that consumers will fail to remember the mark when encountering A & H's swimwear, but there is also the possibility that the mark will *aggravate*, rather than mitigate, reverse confusion, by reinforcing the association of the word 'miracle' exclusively with Victoria's Secret.") (emphasis in original); *Attrezzi, LLC v. Maytag Corp.*, 436 F.3d 32, 39 (1st Cir. 2006) ("Yet since the alleged harm is *reverse* confusion,

to the extent Jenn-Air is itself the more recognized label the linkage could actually aggravate the threat to Attrezzi LLC.") (emphasis in original); *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 954 (7th Cir. 1992) ("some courts have observed that the conjunction of defendant's trademark and the allegedly infringed term 'may actually increase the misappropriation by linking defendant's name to plaintiff's goodwill' […]. Clearly, then, the fact that the Gatorade trademark always appears in Quaker's 'Thirst Aid' advertisements does not preclude a finding that those advertisements also use 'Thirst Aid' as a trademark."); *Banff, Ltd. v. Federated Dep't Stores, Inc.*, 841 F.2d 486, 492 (2d Cir. 1988) ("Bloomingdale's attachment of its company name below its standard typestyle 'B Wear' mark does not offset the marks' similarity because the name is in very small letters and may actually increase the misappropriation by linking defendant's name to plaintiff's goodwill."); *Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.,* 846 F.2d 1079, 1088 (7th Cir. 1988) ("DCN and Mighty Star further invite us to infer that the defendants' use of its house mark '24K Polar Puff' in conjunction with the International Kennel Club name on its advertising decreases the likelihood of confusion among consumers. This argument is a smoke screen and a poor excuse for the defendants' blatant misappropriation of the plaintiff's name."), *abrogation recognized on other grounds*; *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1288 (9th Cir. 1992), citing *Menendez v. Holt,* 128 U.S. 514, 521, 9 S.Ct. 143, 144, 32 L.Ed. 526 (1888) ("Indeed, use by Russ of its housemark along with Amtra's trademark may 'be an aggravation and not a justification, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor.'").

The Ninth Circuit's ruling also discounted the similarity of the parties' marks when they appear in search engines and online channels. Dkt. 41.1, pp.4. The idea that these channels don't matter originates from a widely criticized judge-created rule formulated on intuition rather than evidence. *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1178 (9th Cir. 2010). Judge Kozinski imagined, without evidence, a much more sophisticated internet consumer who was unlikely to be confused by nominative uses of others' marks. *Id.*

As one commentator put it:

> Grynberg's argument calls to mind the earliest cases involving online commerce, in which reasonable consumers were portrayed as being utterly mystified by the perceived intricacies of search engines and hyperlinks, and it also calls to mind somewhat newer cases such as *Toyota v. Tabari*, in which Judge Kozinski portrayed the reasonably prudent consumers as remarkably agile online. Both portrayals may have reflected the reality of their respective times, of course. But the reasonably prudent consumer in *Tabari* seemed to possess skills suspiciously like Judge Konzinski's, and one might draw a similar impression from the older cases. Perhaps the problem with the reasonably prudent consumer metric is that judges are too prone to superimpose onto it their own sensibilities and limitations.

Graeme B. Dinwoodie and Mark D. Janis, *The drivers of trademark law reform: perspectives from the academy*,

in Research Handbook on Trademark Law Reform 13 (Graeme B. Dinwoodie & Mark D. Janis eds., 2021)

The courts, sometimes appearing to balance evidence of likely confusion against the impact of trademark law on e-commerce, remain in multiple camps regarding how internet commerce should affect confusion. *Multi Time Mach.*, 804 F.3d at 936, citing *Brookfield Commc'ns,* 174 F.3d at 1054 ("We must be acutely aware of excessive rigidity when applying the law in the Internet context; emerging technologies require a flexible approach."); *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 155 (4th Cir. 2012) (treating keyword advertising/recommendations as potentially actionable); *Brookfield Commc'ns*, 174 F.3d at 1045 and 1057 (Explaining the mechanism of keyword searches and holding that "[i]n addition to the relatedness of products, West Coast and Brookfield both utilize the Web as a marketing and advertising facility, a factor that courts have consistently recognized as exacerbating the likelihood of confusion. Both companies, apparently recognizing the rapidly growing importance of Web commerce, are maneuvering to attract customers via the Web. Not only do they compete for the patronage of an overlapping audience on the Web, both "MovieBuff" and "moviebuff.com" are utilized in conjunction with Web-based products.") (internal citations omitted); *P & P Imps. LLC v. Johnson Enters., LLC*, 46 F.4th 953, 962 (9th Cir. 2022), citing *Interstellar Starship Servs. v. Epix, Inc.*, 184 F.3d 1107, 1110 (9th Cir. 1999) ("'overlapping internet marketing channels are likely to cause confusion [because] consumers are likely to encounter these substantially similar games 'at the same time, on the same screen,' compounding the risk of confusion.")

The Ninth Circuit also pivoted from its own law, and the law of other circuits in downgrading survey evidence. Its decision to reject an admissible survey showing 12% net confusion is impossible to reconcile with its decision that a survey showing 11% confusion should defeat summary judgment. *Fortune Dynamic, Inc. v. Victoria Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1037 (9th Cir. 2010). The marks in that case were also sold under a house mark, exclusively offered as gifts with purchase at Victoria's Secret, and were deemed "related." Both surveys show some evidence of likely confusion and only by usurping the jury's role can rules emerge like the one the Ninth Circuit applied here. *Id.* at 1035, citing *Sleekcraft*, 599 F.2d at 353 and *Thane*, 305 F.3d at 902 ("Not surprisingly, evidence of actual confusion can also support a finding of likelihood of confusion. Perhaps '[b]ecause of the difficulty in garnering such evidence,', we have held that '[s]urvey evidence may establish actual confusion,…'").

Other cases send similarly mixed signals regarding the import of survey and other confusion evidence as it bears on summary judgment. *Variety Stores, Inc. v. Wal-Mart Stores, Inc.*, 888 F.3d 651, 665 (4th Cir. 2018), citing *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 162 (4th Cir. 2014) and *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 263 (4th Cir. 2007) ("Although actual confusion is 'often paramount,' '[i]t is well established that no actual confusion is required to prove a case of trademark infringement'"); *P & P Imps.*, 46 F.4th at 962 fn. 3, citing *Fortune Dynamic*, 618 F.3d at 1036–38 ("The net confusion level was 18% and 16.5% for the first and second surveys, respectively. We have previously found a net confusion level of 11% sufficient to preclude summary judgment on the issue of confusion.").

In reaching their decisions, the district court and Ninth Circuit overtly confessed they "weighed" the evidence and factors, and reached different conclusions. The district court, as is conventional, noted the summary judgment standard, stating "the court does not make credibility determinations or weigh conflicting evidence…." Dkt. 9.2, pp.14. But then it proceeded to conclude that the competing actual confusion evidence "weighs in the defendant's favor" and, because the internet and app stores are ubiquitous channels, the marketing channel evidence also "weighs in the defendant's favor." *Id.* at 23. Differing from the district court on mark strength, the Ninth Circuit concluded "[t]he first two factors—mark strength and proximity of the goods—weigh in WCT's favor." Dkt. 41.1, pp.4.

The process courts follow, as both lower courts followed here, of grading each side on each factor inevitably requires balancing evidence and factors as the jury ordinarily would do. Each of these assessments carries a risk of importing factual judgments that belong—and are assigned in jury instructions without arbitrary or restrictive rules about how they bear on consumer perceptions—to the jury. *E.g.*, *Tolan,* 572 U.S. at 657 ("courts must take care not to define a case's 'context' in a manner that imports genuinely disputed factual propositions.") The Court should take this opportunity to redirect courts away from a factor-by-factor balancing of evidence in favor of a process that considers whether sufficient evidence, if believed, supports a likely confusion finding.

3. How Summary Judgment Motions for Trademark Infringements Should be Resolved

The summary judgment standard is compromised by approaching the confusion factor test as a "factor scorecard" rather than an evidentiary "checklist." Several courts warn against this. *See, e.g., Thane*, 305 F.3d at 901, citing *Dreamwerks Prod. Grp., Inc. v. SKG Studio,* 142 F.3d 1127, 1129 (9th Cir.1998). ("Unless properly used, this long list of factors has the potential to befuddle the inquiry. The list of factors is not a score-card—whether a party 'wins' a majority of the factors is not the point. Nor should '[t]he factors ... be rigidly weighed; we do not count beans.'"). Yet, despite this tension, most courts, when deciding summary judgment, plod through the confusion factors to decide which ones favor each side, before totaling them up to declare an answer. *See, e.g., Int'l Ass'n of Machinists & Aerospace Workers, AFL-CIO v. Winship Green Nursing Ctr.*, 103 F.3d 196, 207 (1st Cir. 1996); *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 646 (7th Cir. 2001); *Water Pik, Inc. v. Med-Sys., Inc.*, 726 F.3d 1136, 1160 (10th Cir. 2013).

Courts employ often contradictory rules about the "weight" to be given certain types of evidence in the context of finding a "winner" of each factor. For example, the presence or absence of a house mark is hardly likely to have the same effect in every case. In some, a reasonable jury may find that it harms exclusive consumer associations with a trademark owner while, in others, a house mark may mitigate confusion. But the approach taken in this case, where the district court and the court of appeals were in search of the "winner" on "similarity," this house mark rule produced diametrically different

results. In the court of appeals, declaring Peloton the "winner" on this factor washed away the contribution to confusion that obviously arises when otherwise identical marks are used.

Declaring "winners" on each factor inherently requires balancing the evidence—multiple times—to determine which side's evidence, if believed, is more likely to prevail on a given factor. An admissible confusion survey showing 30% confusion is more likely to persuade a jury than if the same survey shows 12%. But both surveys contribute to an inference of likely confusion. Only in the context where one is overtly balancing the evidence—here the absence of evidence of actual reported consumer confusion (which every court acknowledges is not required)—are the survey's results washed away.

Were the analytical framework followed by courts analogous to the one that courts pose to juries, there would be far less tension with the summary judgment standard. The confusion factors are advisory, to make sure that all angles are considered, not "innings" where an outcome needs to be determined for each. This approach would help avoid missing important evidence that encapsulates multiple factors but may not be "weighty" on any specific factor. Here, the mirror forward confusion case was tested in real life as Peloton repeatedly claimed "its" BIKE+ trademark was infringed by third-party BIKE+ uses on related products—including visually dissimilar ones—that sprung up after Peloton launched its BIKE+ product. While not specifically relevant to any individual factor raised by WCT's case, certainly a jury might infer that Peloton's admissions on the ultimate question—likely confusion—were relevant to the question. Yet between

them, in four separate orders, neither the district court nor the court of appeals mentioned Peloton's (successful) mirror enforcement. Ostensibly, this evidence did not neatly plug into their evaluation of each factor.

This does not mean that, if a critical mass of evidence is apparent, thorough consideration must be given of every confusion factor in every case. In many cases, courts can identify the important factors likely to be of primary significance. *See, e.g., Maker's Mark Distillery, Inc. v. Diageo N. Am.*, 679 F.3d 410, 424 (6th Cir. 2012) (declaring "the 'most important *Frisch* factors' are similarity and strength of the mark") (citing *Gray v. Meijer, Inc.*, 295 F.3d 641, 646 (6th Cir. 2002); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000) (declaring the "three most important" factors in the Internet context as the similarity of the mark, the relatedness of the goods and services, and the marketing channel used); *Frehling Enters., Inc. v. Int'l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1995) (declaring "the type of mark and the evidence of actual confusion are the most important"); *A & H Sportswear*, 237 F.3d at 216 (declaring "[t]he single most important factor" as mark similarity); *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1091 (10th Cir. 1999) (declaring "the first and most important factor" as similarity of the marks); *FCOA LLC v. Foremost Title & Escrow Servs. LLC*, 57 F.4th 939, 947 (11th Cir.), *cert. denied*, 144 S. Ct. 103 (2023) (reversing the district court's grant of summary and declaring "[i] n drawing the ultimate inference about likelihood of confusion, the two most important circumstantial facts are respectively actual confusion and the strength of the mark").

If, by a quick look at the evidence, it is apparent that reasonable inferences from admissible evidence show the nonmovant can meet its burden of proof, there is no reason for a court to march through the applicable set of confusion factors in its circuit. In this case, for example, a court that was not engaged in tallying the winner on certain confusion factors might see that WCT's registration is identical to the challenged use, Peloton had created a strong mark, the goods were related and likely to be associated with a single source, and evidence of consumer confusion was reflected in the survey. That should be enough, particularly when Peloton itself made the same arguments without any survey against others. The counterarguments on each factor or how the factors might otherwise be weighed are irrelevant under the summary judgment standard provided the nonmovant's evidence is credited and is sufficient to support a reasonable narrative of likely confusion.

The factors exist for a reason, of course, and before granting summary judgment against likely confusion, a court should review the record for evidence on each factor and make sure that the trademark owner cannot support a confusion narrative before entering summary judgment.

Risks that the summary judgment standard will be ignored will persist so long as it is engrained in lower courts that they must balance one side's evidence against the other to answer which party benefits from consideration of each factor. Only this Court can redirect the likely confusion inquiry away from this impermissible weighting of the evidence and factors to considering the sufficiency of evidence as a whole supporting likely confusion. This case, and the arbitrary and conflicting

rules the lower courts applied—in contradiction with one another on a pivotal factor—is a perfect vehicle to illustrate how the typical approach produces distorted results.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

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UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 24-2266

D.C. No. 3:21-cv-03202-LB

WORLD CHAMP TECH, LLC,

Plaintiff-Appellant,

v.

PELOTON INTERACTIVE, INC.,

Defendant - Appellee.

Appeal from the United States District Court
for the Northern District of California
Laurel D. Beeler, Magistrate Judge, Presiding

June 3, 2025, Argued and Submitted,
San Francisco, California;
September 18, 2025, Filed

Before: CALLAHAN, BADE, and KOH, Circuit Judges.

Appendix A

AMENDED MEMORANDUM*

Plaintiff-Appellant World Champ Tech, LLC ("WCT") has a trademark registration for "BIKE+" and has produced a mobile app called "Bike+" since 2014. In September 2020, Defendant-Appellee Peloton Interactive, Inc. ("Peloton") released a new version of its home exercise bike called the "Peloton Bike+." WCT sued for trademark infringement, claiming that Peloton's use of the mark Peloton Bike+ is likely to cause confusion among consumers as to whether Peloton produces or sponsors WCT's Bike+ app. The district court granted summary judgment to Peloton. WCT timely appealed, and we have jurisdiction pursuant to 28 U.S.C. § 1291. We review the district court's order de novo and the evidence in the light most favorable to WCT. *See Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1159 (9th Cir. 2021). We affirm.

"The test for likelihood of confusion is whether a 'reasonably prudent consumer' in the marketplace is likely to be confused as to the origin of the good or service bearing one of the marks." *Dreamwerks Prod. Grp., Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998). In a reverse confusion case like this one, "[t]he question . . . is whether consumers doing business with the senior user might mistakenly believe that they are dealing with the junior user." *Id.* at 1130. The analysis is guided by eight factors:

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* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

> (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.

Lodestar Anstalt v. Bacardi & Co., 31 F.4th 1228, 1252 (9th Cir. 2022) (quoting *Ironhawk Techs.*, 2 F.4th at 1160). "These factors are neither exhaustive nor dispositive; it is the totality of facts in a given case that is dispositive." *Id.* at 1252 (quoting *Ironhawk Techs.*, 2 F.4th at 1160). Accordingly, even when certain factors weigh in the plaintiff's favor, summary judgment is appropriate if those factors are "overwhelmingly offset" by the remaining factors such that "no reasonable trier of fact could find that confusion is probable." *Id.* at 1261 (citation modified).

That is the case here. The first two factors—mark strength and proximity of goods—weigh in WCT's favor. For the first factor, regardless of whether WCT's Bike+ mark is descriptive or suggestive, a jury could find that Peloton's Peloton Bike+ mark is so commercially strong that it could overtake WCT's mark. *See Ironhawk Techs.*, 2 F.4th at 1162-63. For the second factor, a jury could find that the parties' products are intended for the "same class" of consumers—those who bike as a form of exercise—and are "similar in use and function"—offering users the ability to track metrics while biking. *See id.* at 1164.

But other factors overwhelmingly favor Peloton. Consider the third factor, which turns on the similarity of

the marks "as they are encountered in the marketplace." *Lodestar*, 31 F.4th at 1260 (citations omitted). Since WCT ceased paid advertising in 2019, consumers who encounter WCT's mark primarily do so in the Apple App Store. There, Peloton's app may appear alongside WCT's app in search results, but the two apps bear no similarity in appearance, especially because the Peloton app does not use the term "Bike+." Further, although the use of house marks "can aggravate reverse confusion" in some cases, this is not one of them. *Ironhawk Techs.*, 2 F.4th at 1165. Consumers interested in downloading either app from the Apple App Store are presented with the name of the app's developer during that process, thereby reducing the potential for consumer confusion as to who produces each app. *See Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842 (9th Cir. 2002); *see also Lodestar*, 31 F.4th at 1260. The mark similarity factor therefore favors Peloton.

Next, consider the sixth factor, which asks "whether a 'reasonably prudent consumer' would take the time to distinguish between the two product lines." *Ironhawk Techs.*, 2 F.4th at 1167 (quoting *Surfvivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 634 (9th Cir. 2005)). This factor similarly favors Peloton. When WCT applied for its trademark registration, it represented to the United States Patent and Trademark Office that its app "is not acquired through impulse or 'rash' action"; instead, consumers must complete the multi-step process of searching the Apple App Store, selecting the app they are looking for among competitor apps, and then entering a passcode or alternative method of authentication to confirm that they intend to download the app. Again, during this process,

the Apple App Store displays "World Champ Tech" as the producer of the Bike+ app. Accordingly, a reasonably prudent consumer would identify the Bike+ app as being produced by WCT, not Peloton. *See Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711, 718 (9th Cir. 2024) ("[R]egular internet users can readily distinguish domain names associated with the companies they are searching for from those they are not." (citation omitted)).

Importantly, the fourth factor, actual confusion, also favors Peloton. While WCT has offered an expert survey finding a net confusion rate of 12%, courts generally treat rates below 10% as evidence "that confusion is not likely," 5 *McCarthy on Trademarks and Unfair Competition* § 32:189 (5th ed. May 2025), and rates "between 10% and 20%" as evidence that confusion is likely when "other evidence is supportive," *id.* § 32:188.[1] Here, the other evidence points in the opposite direction. The products have coexisted in the marketplace for years, and hundreds of consumers have downloaded WCT's Bike+ app during that time. Yet WCT has no evidence that any of them has experienced any confusion. *See Lerner & Rowe*, 119 F.4th at 720 (where 109,322 consumers saw the allegedly infringing ads and 7,452 consumers clicked on them, but there were only 236 consumer calls indicating confusion, "[t]he resulting 0.216% confusion rate [was] direct

1. *Cf. Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1038 (9th Cir. 2010) (triable issue over likelihood of confusion based on expert survey finding 11% net confusion rate *and* disputes of material fact with respect to each of the eight factors).

evidence of the likelihood of confusion comparable to, but more complete than, survey evidence"); *Cohn*, 281 F.3d at 842-43.

Collectively, these factors make it such that no reasonable trier of fact could find that confusion is probable, so WCT's claims fail as a matter of law.[2] *See Lodestar*, 31 F.4th at 1261.

AFFIRMED.

2. The remaining factors do not add much to the picture. With respect to the fifth factor, marketing channels, to the extent WCT's website or social media posts continue to generate views without paid promotion, the "shared use of a ubiquitous marketing channel" such as the internet "does not shed much light on the likelihood of consumer confusion." *Lerner & Rowe*, 119 F.4th at 725 (citation omitted); *see also M2 Software v. Madacy Ent.*, 421 F.3d 1073, 1083-84 (9th Cir. 2005). The seventh factor, intent, favors WCT because Peloton was aware of WCT's registered mark, but WCT's limited use of the mark is a "mitigating consideration." *Lodestar*, 31 F.4th at 1260; *see M2 Software*, 421 F.3d at 1085. Finally, the eighth factor, expansion of product lines, is neutral at best for WCT. *See M2 Software*, 421 F.3d at 1085; *Surfvivor Media*, 406 F.3d at 634; *Cohn*, 281 F.3d at 843.

APPENDIX B — MEMORANDUM OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, FILED JULY 25, 2025

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 24-2266

D.C. No. 3:21-cv-03202-LB

WORLD CHAMP TECH, LLC,

Plaintiff-Appellant,

v.

PELOTON INTERACTIVE, INC.,

Defendant-Appellee.

Appeal from the United States District Court for the Northern District of California
Laurel D. Beeler, Magistrate Judge, Presiding.

Before: CALLAHAN, BADE, and KOH, Circuit Judges.

MEMORANDUM[*]

Plaintiff-Appellant World Champ Tech, LLC ("WCT") has a trademark registration for "BIKE+" and has produced a mobile app called "Bike+" since 2014. In September 2020, Defendant-Appellee Peloton Interactive, Inc. ("Peloton") released a new version of its home

[*] This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

exercise bike called the "Peloton Bike+." WCT sued for trademark infringement, claiming that Peloton's use of the mark Peloton Bike+ is likely to cause confusion among consumers as to whether Peloton produces or sponsors WCT's Bike+ app. The district court granted summary judgment to Peloton. WCT timely appealed, and we have jurisdiction pursuant to 28 U.S.C. § 1291. We review the district court's order de novo and the evidence in the light most favorable to WCT. *See Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1159 (9th Cir. 2021). We affirm.

"The test for likelihood of confusion is whether a 'reasonably prudent consumer' in the marketplace is likely to be confused as to the origin of the good or service bearing one of the marks." *Dreamwerks Prod. Grp., Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998). In a reverse confusion case like this one, "[t]he question . . . is whether consumers doing business with the senior user might mistakenly believe that they are dealing with the junior user." *Id.* at 1130. The analysis is guided by eight factors:

> (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.

Lodestar Anstalt v. Bacardi & Co., 31 F.4th 1228, 1252 (9th Cir. 2022) (quoting *Ironhawk Techs.*, 2 F.4th at 1160). "These factors are neither exhaustive nor dispositive; it is the totality of facts in a given case that is dispositive."

Id. at 1252 (quoting *Ironhawk Techs.*, 2 F.4th at 1160). Accordingly, even when certain factors weigh in the plaintiff's favor, summary judgment is appropriate if those factors are "overwhelmingly offset" by the remaining factors such that "no reasonable trier of fact could find that confusion is probable." *Id.* at 1261 (citation modified).

That is the case here. The first two factors—mark strength and proximity of goods—weigh in WCT's favor. For the first factor, regardless of whether WCT's Bike+ mark is descriptive or suggestive, a jury could find that Peloton's Peloton Bike+ mark is so commercially strong that it could overtake WCT's mark. *See Ironhawk Techs.*, 2 F.4th at 1162-63. For the second factor, a jury could find that the parties' products are intended for the "same class" of consumers—those who bike as a form of exercise—and are "similar in use and function"—offering users the ability to track metrics while biking. *See id.* at 1164.

But other factors overwhelmingly favor Peloton. Consider the third factor, which turns on the similarity of the marks "as they are encountered in the marketplace." *Lodestar*, 31 F.4th at 1260 (citations omitted). Since WCT ceased paid advertising in 2019, consumers who encounter WCT's mark primarily do so in the Apple App Store. There, Peloton's app may appear alongside WCT's app in search results, but the two apps bear no similarity in appearance, especially because the Peloton app does not use the term "Bike+." Further, although the use of house marks "can aggravate reverse confusion" in some cases, this is not one of them. *Ironhawk Techs.*, 2 F.4th at 1165. The Apple App Store displays the app producer's name alongside the app name and icon, which reduces the potential for any confusion

as to who produces each app. *See Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842 (9th Cir. 2002); *see also Lodestar*, 31 F.4th at 1260. The mark similarity factor therefore favors Peloton.

Next, consider the sixth factor, which asks "whether a 'reasonably prudent consumer' would take the time to distinguish between the two product lines." *Ironhawk Techs.*, 2 F.4th at 1167 (quoting *Surfvivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 634 (9th Cir. 2005)). This factor similarly favors Peloton. When WCT applied for its trademark registration, it represented to the United States Patent and Trademark Office that its app "is not acquired through impulse or 'rash' action"; instead, consumers must complete the multi-step process of searching the Apple App Store, selecting the app they are looking for among competitor apps, and then entering a passcode or alternative method of authentication to confirm that they intend to download the app. Again, during this process, the Apple App Store displays "World Champ Tech" as the producer of the Bike+ app. Accordingly, a reasonably prudent consumer would identify the Bike+ app as being produced by WCT, not Peloton. *See Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711, 718 (9th Cir. 2024) ("[R]egular internet users can readily distinguish domain names associated with the companies they are searching for from those they are not." (citation omitted)).

Importantly, the fourth factor, actual confusion, also favors Peloton. While WCT has offered an expert survey finding a net confusion rate of 12%, courts generally treat rates below 10% as evidence "that confusion is not likely," 5 *McCarthy on Trademarks and Unfair Competition* § 32:189 (5th ed. May 2025), and rates "between 10% and 20%" as evidence

that confusion is likely when "other evidence is supportive," *id.* § 32:188.[1] Here, the other evidence points in the opposite direction. The products have coexisted in the marketplace for years, and hundreds of consumers have downloaded WCT's Bike+ app during that time. Yet WCT has no evidence that any of them has experienced any confusion. *See Lerner & Rowe*, 119 F.4th at 720 (where 109,322 consumers saw the allegedly infringing ads and 7,452 consumers clicked on them, but there were only 236 consumer calls indicating confusion, "[t]he resulting 0.216% confusion rate [was] direct evidence of the likelihood of confusion comparable to, but more complete than, survey evidence"); *Cohn*, 281 F.3d at 842-43.

Collectively, these factors make it such that no reasonable trier of fact could find that confusion is probable, so WCT's claims fail as a matter of law.[2] *See Lodestar*, 31 F.4th at 1261.

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1. *Cf. Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1038 (9th Cir. 2010) (triable issue over likelihood of confusion based on expert survey finding 11% net confusion rate *and* disputes of material fact with respect to each of the eight factors).

2. The remaining factors do not add much to the picture. With respect to the fifth factor, marketing channels, to the extent WCT's website or social media posts continue to generate views without paid promotion, the "shared use of a ubiquitous marketing channel" such as the internet "does not shed much light on the likelihood of consumer confusion." *Lerner & Rowe*, 119 F.4th at 725 (citation omitted); *see also M2 Software v. Madacy Ent.*, 421 F.3d 1073, 1083-84 (9th Cir. 2005). The seventh factor, intent, favors WCT because Peloton was aware of WCT's registered mark, but WCT's limited use of the mark is a "mitigating consideration." *Lodestar*, 31 F.4th at 1260; *see M2 Software*, 421 F.3d at 1085. Finally, the eighth factor, expansion of product lines, is neutral at best for WCT. *See M2 Software*, 421 F.3d at 1085; *Surfvivor Media*, 406 F.3d at 634; *Cohn*, 281 F.3d at 843.

AFFIRMED.

APPENDIX C — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, FILED MARCH 26, 2024

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
San Francisco Division

Case No. 21-cv-03202-LB

WORLD CHAMP TECH LLC,

Plaintiff,

v.

PELOTON INTERACTIVE, INC.,

Defendant.

Filed March 26, 2024

ORDER DENYING MOTION FOR RECONSIDERATION
Re: ECF No. 222

The plaintiff World Champ Tech, which offers a mobile-fitness app called "Bike+" and owns a trademark registration for the same name, sued the defendant Peloton Interactive for trademark infringement and other claims after the defendant launched a new line of interactive stationary bicycles under the name "Peloton

Bike+."[1] The court recently granted the defendant's motion for summary judgment on the ground that as a matter of law, there is no likelihood of confusion.[2] The court thus entered judgment.[3] The plaintiff now moves for reconsideration of the final judgment under Federal Rules of Civil Procedure 59(e) and 60(b).[4] The court can decide the matter without oral argument, N.D. Cal. Civ. L.R. 7-1(b), and denies the motion.

A district court can "reconsider" final judgments or appealable interlocutory orders under Rules 59(e) (governing motions to alter or amend judgments) and 60(b) (governing motions for relief from a final judgment). *See Balla v. Idaho Bd. of Corr.*, 869 F.2d 461, 466–67 (9th Cir. 1989). Reconsideration is appropriate when (1) the court is presented with newly discovered evidence, (2) the underlying decision was in clear error or manifestly unjust, or (3) there is an intervening change in controlling law. *See School Dist. No. 1J, Multnomah Cnty. v. ACandS, Inc.*, 5 F.3d 1255, 1263 (9th Cir. 1993). (At issue here is the second ground.[5]) "[A]mending a judgment after its entry [is] an extraordinary remedy which should be used sparingly." *Allstate Ins. Co. v. Herron*, 634 F.3d 1101, 1111 (9th Cir. 2011) (cleaned up).

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1. Compl. – ECF No. 1. Citations refer to material in the Electronic Case File (ECF); pinpoint citations are to the ECF-generated page numbers at the top of documents.

2. Order – ECF No. 218.

3. J. – ECF No. 219.

4. Mot. – ECF No. 222.

5. *Id.* at 5 n.1.

Appendix C

Probably the most important issue is whether the court was clearly wrong that the Bike+ mark is descriptive as a matter of law. As the court noted, courts consider "a mark's strength by reference to the goods or services that it identifies[] and as it appears in the marketplace." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 (9th Cir. 2002). Also, a descriptive mark need only "describe some aspect of the [plaintiff's] product." *Zobmondo Ent., LLC v. Falls Media, LLC*, 602 F.3d 1108, 1116 (9th Cir. 2010). Under the circumstances, the burden is the defendant's to overcome a presumption of distinctiveness and all reasonable inferences must go in the plaintiff's favor.[6]

The plaintiff points out that a "Bike+" mark could refer to different things: an app for motorcycle-performance data or a video game, for example, as opposed to the court's description ("an app for enhancing biking"). (The plaintiff's app is primarily for metric tracking during bicycle rides.) The plaintiff further contends that a plus sign does not necessarily refer to enhancement and could instead refer to "addition, computer language, positivity, [or] alternatives to bikes."[7]

Even if the court were wrong in its exact description of the Bike+ mark's meaning, the mark is still descriptive. At the least, the mark conveys the addition of something to a bike or biking. (This really is just a restatement of the court's previous description, but it helps to illustrate

6. Order – ECF No. 218 at 16–17.

7. Mot. – ECF No. 222 at 8–9.

the point.) As applied to an app, that is the conventional meaning of this composite mark (and the actual purpose of the plaintiff's app). *Threshold Enters. v. Pressed Juicery, Inc.*, 445 F. Supp. 3d 139, 150 (N.D. Cal. 2020) ("By examining the dictionary definitions of a mark's components, a court can ascertain whether the resulting mark uses the individual words in a way different from their common meaning."). And that meaning "describe[s] some aspect of the product," literally and without requiring imagination. *Zobmondo Ent.*, 602 F.3d at 1115–16 (the imagination test is the "most-used" test and is the Ninth Circuit's "primary criterion for evaluating distinctiveness") (cleaned up).

Also, the exact function of the app does not need to be conveyed by the mark for the mark to be descriptive. In *Entrepreneur Media*, for example, the mark "Entrepreneur" was descriptive in the context of computer programs (among other products). 279 F.3d at 1142. What does a computer program for entrepreneurs do? The mark didn't answer that question, but it was still descriptive.

The plaintiff points to *Zobmondo* and generally contends that the court did not properly consider the evidence in the record. *Zobmondo* does cast some doubt on the notion of a freestanding conceptual-strength analysis at summary judgment, but the court does not think that changes the outcome here.

"With respect to a registered mark," the defendant's burden "is not simply to show that the mark describes a feature of the trademark holder's product; rather, it

must show that consumers regard the mark as merely descriptive of that product." *Zobmondo Ent.*, 602 F.3d at 1117. Put another way, "[t]he underlying issue is the standard of meaning prevalent among prospective purchasers of the article." *Id.* at 1116 n.9 (cleaned up). The Zobmondo court did hint that some marks are more easily settled: "some terms may not be susceptible to abstract 'imagination test' analysis at summary judgment, and instead the application of the imagination test will be informed by expert testimony offered at trial." *Id.* But dictionary definitions are "not determinative," even if they are "often persuasive." *Id.* at 1116.

All that said, one can find courts appearing to use a freestanding conventional-word-meaning analysis. *Entrepreneur Media*, 279 F.3d at 1142–43 (evaluating the word "entrepreneur" and then examining evidence for purposes of the needs test; the needs test only "confirm[ed]" that the mark was descriptive) ("[W]e need not belabor the point that some words, phrases or symbols better convey their intended meanings than others."); *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1047 n.8 (9th Cir. 1998) ("Descriptive marks define qualities or characteristics of a product in a straightforward way that requires no exercise of the imagination to be understood. Thus, 'Honey Baked Ham' is a descriptive term for a ham that has been baked with honey, and 'Honey Roast' is a descriptive term for nuts that have been roasted with honey.") (cleaned up).

In the end, the court thinks that its descriptiveness holding is sound. There is evidence in the record, beyond

conventional meanings, to support the holding. For example, many other companies have used a plus sign next to another word to convey additional quality, and such a plus sign's meaning has been described in mass media.[8] The court denies the motion for reconsideration on this ground.

The issue then is what it means for the reverse-confusion context that the plaintiff's mark is descriptive. The court cited authority for the notion that a descriptiveness finding is very important. *Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1162 (9th Cir. 202 1) ("[T]he question [on summary judgment in a reverse-confusion case] is whether a reasonable jury could find that [the] mark is at least suggestive[.]"); *Lodestar Anstalt v. Bacardi & Co.*, 31 F.4th 1228, 1260 (9th Cir. 2022) ("Given that the [plaintiff's] mark is properly considered distinctive for purposes of summary judgment, the strength-of-the-mark factor in this reverse confusion case focuses on whether the junior mark is so commercially strong as to overtake the senior mark.") (cleaned up). These propositions are key, and they apply regardless of any consideration of the plaintiff's mark's commercial strength.

Beyond that, the court will rest on its summary judgment order, which addresses the plaintiff's arguments. The court denies the motion for reconsideration.

This disposes of ECF No. 222.

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8. Hoyer Report – ECF No. 136-44 at 9–17 (¶¶ 23–56).

IT IS SO ORDERED.

Dated: March 26, 2024

/s/
LAUREL BEELER
United States Magistrate Judge

APPENDIX D — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA FILED FEBRUARY 16, 2024

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
San Francisco Division

Case No. 21-cv-03202-LB

WORLD CHAMP TECH LLC,

Plaintiff,

v.

PELOTON INTERACTIVE, INC.,

Defendant.

Filed February 16, 2024

ORDER GRANTING SUMMARY JUDGMENT TO THE DEFENDANT
Re: ECF Nos. 134, 135

INTRODUCTION

The plaintiff World Champ Tech, which offers a mobile-fitness app called "Bike+" and owns a trademark registration for the same name, sued the defendant Peloton Interactive for trademark infringement and

other claims after the defendant launched a new line of interactive stationary bicycles under the name "Peloton Bike+." The defendant raised various affirmative defenses – such as that the plaintiff abandoned its mark by not updating its app and by showing other signs of inactivity – and counterclaimed for trademark cancellation due to abandonment and fraud on the USPTO (in the form of misrepresentations about the continued operability of the app). The parties each moved for summary judgment: the defendant contends that consumers are not likely to be confused and the plaintiff cannot show damages, and the plaintiff contends that the defendants' affirmative defenses and counterclaims are not viable. The court grants the defendant's motion for summary judgment on the ground that as a matter of law, there is no likelihood of confusion.

STATEMENT

1. The Plaintiff and its Apps

The plaintiff is a fitness-technology company that was founded in 2012 by professional cyclist James Mattis and professional cyclist and Olympic windsurfer Ted Huang. Mr. Mattis is now the plaintiff's sole member. He developed the Bike+ app, which was first released in February 2014 for the Apple iPhone and Pebble Watch. The 2014 app was a metric-tracking cycling app that was designed to "track speed, distance, altitude, and grade." It also "allowed users to capture photos or video along a ride, activate interval timers during a ride, and post details to Facebook, Twitter, or other services." Mr. Mattis testified

that the app was "more focused on outdoor activities" but was always "available for indoor bike riding." The app name was displayed as "Bike+" on the iPhone home screen and as "Bike+ [bike more]" on the Apple App Store, as follows:

The app was marketed through the Apple App Store, the plaintiff's website, social media including Facebook advertising, and sponsorships and endorsements.[1]

Mr. Mattis described the 2014 app's lifecycle. The app, according to Mr. Mattis, "enjoyed moderate success in the early years after its release, producing tens of thousands of downloads and some revenue" in the form of in-app subscriptions. Then some changes happened: for example, Mr. Huang left the company in late 2014, the Apple Watch was released in fall 2014 and achieved commercial success, and downloads declined after a 2015 peak. By the end of 2016, Mr. Mattis "became convinced the company needed

1. Mattis Decl. – ECF No. 137-3 at 1-4 (¶¶ 1-12); Mattis Dep. – ECF No. 136-10 at 8 (p. 106:17-22); App Store Preview – ECF No. 136-9 at 2. Citations refer to material in the Electronic Case File (ECF); pinpoint citations are to the ECF-generated page numbers at the top of documents.

an alternative direction." He then focused on developing a new app dedicated to the Apple Watch. Facebook advertising for the 2014 app – which required payment only "based on impressions or conversions to downloads" – continued until 2019. The app also remained available for download, including for Pebble Watch users; even though the Pebble Watch was discontinued in late 2016, "there remains a loyal following among the Pebble Watch community." But the app was not updated after 2016 because Mr. Mattis considered focusing on the new app to be the best use of his resources.[2]

The defendant also offered evidence about the plaintiff from this time period. Certain 2014 projections and comments by the plaintiff differed from what later happened.[3] At his deposition, Mr. Mattis testified that: it may have been in 2016 that he last funded Facebook advertising or created a new Facebook ad; the plaintiff has removed the 2014 app from its website; the plaintiff does not have data sufficient to indicate how many bike rides have been tracked using the app; Mr. Mattis could not recall opening the 2014 app since 2019 (though he often works with the latest unreleased build of the app); and Mr. Mattis doesn't know from personal use how functional the 2014 app is (though he receives crash reports from the Apple App Store).[4] Also, by the end of 2016, the

2. Mattis Decl. – ECF No. 137-3 at 3 (¶ 8), 4-5 (¶¶ 14-15), 6 (¶ 22).

3. Def.'s Opp'n – ECF No. 147-2 at 12 (citing evidence under seal).

4. Mattis Dep. – ECF No. 148-3 at 21 (p. 192:13-15), 30-32 (pp. 254:9-256:5), 37-38 (pp. 299:15-300:25), 40-42 (pp. 328:3-330:9).

plaintiff had not paid taxes since 2015 and its certificate of incorporation was therefore suspended.[5] (This changed after the defendant launched its Bike+ product in 2020, as discussed below.)

Mr. Mattis continued developing a new version of the Bike+ app from 2017 until 2020, writing "over 2.4 million lines of code," or about 1,500 lines per day. Apple announced new machine-learning tools in June 2017 and he sought to use them to create an "on-device coaching system" featuring "fatigue detection." He "spent substantial amounts of time coding and testing this innovation and applying for a patent . . . that has been since implemented in the Bike+ app." He started collecting real-world test data in August 2018. Around June 2019, he was nearing completion of a new app, but Apple announced a new Apple Watch operating system that enabled apps to run independently of a companion iPhone. This required a change in development for Mr. Mattis. He again neared completion by late 2019, but in early 2020 Apple released "StoreKit for Watch apps," which "would at least theoretically permit World Champ Tech to alter its distribution model to provide for an in app coaching feature for which subscription fees could be charged." Mr. Mattis began incorporating StoreKit and then "the COVID pandemic struck, impacting development productivity." He made certain other source-code edits in February 2020. As he prepared for final testing in mid-July 2020, Apple released a new operating system that introduced a bug; on September 2, 2020, he reported this

5. Mattis Dep. – ECF No. 136-10 at 31 (p. 462:1-14).

bug to Apple. Another operating-system release occurred in November 2020, and after an inquiry from Mr. Mattis, Apple confirmed on December 3, 2020 that the bug was fixed. Mr. Mattis completed final testing and submitted the new Bike+ app to Apple for review on December 21, 2020. The new app then launched in January 2021.[6]

Aside from developing the new app, Mr. Mattis declares that the plaintiff engaged in other commercial activities during the period from 2016 to 2020. This included (1) "[w]ebsite promotion of the app," (2) Facebook accounts and advertising campaigns until 2019, (3) "agreement to the Apple Developer Program License Agreement and payment of the required, annual $99 developer license fee," (4) agreement to "the Apple Paid Applications Agreement, which allowed [the plaintiff] to include paid features in [its] apps" and entailed periodic pricing updates (for example, due to changes in currency-exchange rates), (5) "[c]ompliance with the requirements for export under U.S. Department of Commerce policy for software using encryption," (6) membership in "the Apple App Store Small Business Program," under which "Apple provides marketing support to small developers, including presentation of apps in responses to Internet search engines," and (7) "[p]ayment of a $450 monthly service fee . . . for the Heroku cloud data service that supports and maintains key functions of the 2014 Bike+ app."[7] Some of this activity "occurred in support of international

6. Mattis Decl. – ECF No. 137-3 at 5-8 (¶¶ 16-29), 13 (¶¶ 40-41).

7. *Id.* at 10-12 (¶ 37).

downloads and sales," but "[d]omestic downloads and sales of the Bike+ app continued throughout this time."[8]

Like the 2014 app, the 2021 app is for metric tracking while cycling.[9] Unlike the 2014 app, the 2021 app does not include "[bike more]" in its name, leaving only "Bike+," and the app logo says "Bike" rather than "b+." The 2021 app appears as follows in the Apple App Store:[10]

The 2021 app "shares significant code" with the 2014 app and "contains substantial code that descends from or extends the code of" of the 2014 app.[11] Mr. Mattis testified that the 2021 app is functional for both indoor and outdoor bike rides.[12] It also has subscription coaching features.[13]

8. *Id.* at 12 (¶ 38).

9. App Store Preview – ECF No. 136-34 at 3.

10. *Id.* at 2.

11. Pl.'s 1st Am. Resp. to Def.'s 1st Set of Interrogs. – ECF No. 136-19 at 19-20 (Interrog. 6).

12. Mattis Dep. – ECF No. 153-10 at 7-8 (pp. 560:22-562:5).

13. App Store Preview – ECF No. 136-34 at 3.

But Mr. Mattis is "not positive" that the coaching features have ever worked since the 2021 app's launch. He "believed following the completion of testing that it would work."[14] The 2021 app was last updated in January 2022.[15]

Mr. Mattis is not aware of any in-app sales since the 2021 app's launch. He has posted about the app on social media but he has not encouraged others to post about it on social media.[16] He did not have a written business or marketing plan before launching the app, and he did not create investor presentations, solicit investors, or raise capital.[17] He testified that with respect to marketing of the 2021 app, the plaintiff paid for one press release, sometime after the app's "soft launch."[18] He declares that "[c]onsistent with downscaling of expectations for the app" due to the defendant's alleged infringement, he has, "at a modest pace, posted regularly about [the plaintiff's] philosophy[] and the underlying technology and capabilities of the apps" on the plaintiff's website and on social media. "The Bike+ app regularly is featured in these comments."[19]

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14. Mattis Dep. – ECF No. 136-10 at 35 (pp. 545:18-546:17).

15. App Store Preview, Version History – ECF No. 136-34 at 5.

16. Mattis Dep. – ECF No. 136-10 at 36 (pp. 563:12-564:8).

17. *Id.* at 32 (pp. 534:22-535:25).

18. *Id.* at 3 (pp. 51:24-52:22).

19. Mattis Decl. – ECF No. 137-3 at 16-17 (¶ 54).

Mr. Mattis declares the total numbers, going back to the Bike+ app's launch in 2014 and broken down by year, of app downloads, subscribers, search impressions, Apple App Store page views, and app "sessions" (instances of users' opening the app after downloading it).[20]

2. The Plaintiff's Trademark

The plaintiff obtained a trademark registration for the Bike+ mark. It filed an intent-to-use application with the USPTO on November 23, 2013. It filed the statement of use in April 2014 and the mark was registered on July 28, 2015, with registration number 4,782,695.[21] The registration is for the following goods: "Downloadable mobile applications for recording and managing cycling activities, namely, the rider's average and maximum speed, rider's average and maximum power, heart rate, geographic route taken, outside air temperature, altercations with aggressive drivers, rider-entered route conditions, taking photos and uploading the same to an external computer server for personal review and viewing by others."[22]

After the plaintiff filed its trademark application, the USPTO cited a third party's prior filing for a "BIKEMORE" mark for bicycles. The plaintiff responded in March 2014, contending that its mark was not likely to cause consumer confusion. It distinguished between its

20. *Id.* at 14-15 (¶¶ 46-49) (under seal).

21. *Id.* at 8 (¶ 31).

22. Bike+ Trademark – ECF No. 136-13 at 2.

software and the prior applicant's bicycles, pointing out that "[b]icycles are physical objects." The plaintiff also argued that because consumers who download an app first go through a selection process that takes several minutes, they are not likely to be confused.[23]

3. The Defendant and its Bike+ Product Launch

The defendant, which was founded in 2012, is a home-fitness company that "bring[s] studio-style workouts into the home." Its first product was "an indoor stationary bike that replicates an in-studio experience." That bike was launched in 2013 and, among other features, has a "high-definition touchscreen with built-in stereo speakers to stream live and on-demand classes."[24]

The defendant now has about seven million members. Its "core brand" is the name Peloton. It conducted a survey finding that about 80% of the "general consuming public" have seen or heard of the Peloton brand. The defendant's products all feature that name. For example, the "Peloton Row" is a "connected-fitness rowing machine." The defendant also operates "more than [ninety] . . . brick-and-mortar retail showrooms throughout the United States."[25]

Over the years, the defendant has released new products. In 2018, it launched the Peloton App, a mobile

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23. Resp. to Off. Action – ECF No. 136-14 at 5-12.

24. Cortese Decl. – ECF No. 135-2 at 2 (¶¶ 2-4).

25. *Id.* at 3 (¶¶ 5-7); Horet Report – ECF No. 138-5 at 10.

app for members to do such things as stream Peloton's classes, track outdoor workouts, and sign up for classes.[26] The app enables Peloton subscribers to track metrics when working out, separately from any Peloton class, including when cycling.[27]

On September 8, 2020, the defendant announced that it would offer a "second, higher-end version" of its (indoor) connected bike and treadmill products. This was a "better/best" product strategy consisting of "two models: one a high-quality option and the other a premium, higher-priced option offering additional features." The premium models were given a plus sign in their name: "Peloton Bike+" and "Peloton Tread+." The Peloton Bike+ "offers features not found on the original bike, including a larger, rotating screen" and "a resistance knob that automatically adjusts to the instructor's recommendations." It also offers integration with Apple Watches for metric tracking. Marketing expenditures for the product launch were substantial. The Peloton Bike+ costs up to $1,050 more than the original bike.[28]

The defendant "chose to append a '+' to 'Bike' because it is a simple term that consumers understand

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26. Cortese Decl. – ECF No. 135-2 at 3 (¶ 5).

27. Dillon-Curran Dep. – ECF No. 137-35 at 4 (pp. 194:15-195:5).

28. Cortese Decl. – ECF No. 135-2 at 3-4 (¶¶ 8-12); Feature Comparison – ECF No. 137-49 at 3-4; Brennan Dep. – ECF No. 137-44 at 5 (pp. 120:24-121:20) (providing an estimated minimum amount of marketing expenditures) (under seal).

to signify a product line extension with added features. Numerous leading brands, such as Apple (Apple TV+) and Disney (Disney+), had already adopted '+' for their line expansions." Thus, the plus sign "can easily be implemented across product lines to indicate a 'better/best' product array."[29]

"All of Peloton's marketing materials that mention the term 'Bike+' are also branded with the [Peloton] mark." The defendant describes the Peloton mark as "distinctive" and as "typically" being "emphasize[d]" when its premium model's name is displayed. This is how the full name is "often" displayed:[30]

The defendant "is unaware of any instances of consumers confusing or making any connection between [the plaintiff] and [the defendant]." The defendant "has no plans to use the term 'Bike+'" other than with its "Peloton Bike+" model.[31]

Tom Cortese, the defendant's co-founder and Chief Product Officer, did not learn of the plaintiff and its mobile applications until after the filing of this case.

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29. Cortese Decl. – ECF No. 135-2 at 4-5 (¶¶ 14-16).

30. *Id.* at 6 (¶¶ 22-23).

31. *Id.* at 5 (¶¶ 19-20).

His understanding is that "the other members of the marketing team and executive team that were involved in conceiving and adopting the naming convention were also unaware of [the plaintiff] and its mobile applications prior to the filing of this lawsuit." Members of the defendant's in-house legal team "became aware of [the plaintiff] and its trademark registration for a mobile cycling app during the clearance process."[32] Specifically, Peloton in-house counsel learned of the trademark in October 2019 and then communicated with outside counsel, who provided an opinion on the subject in November 2019.[33]

4. The Plaintiff's Actions After the Defendant's Bike+ Product Launch

The plaintiff first discovered Peloton's Bike+ product when it was released in September 2020.[34] The following occurred after that discovery.

As already described, the plaintiff's 2021 app (which was already in development for a while) launched after that time: "[o]n December 3, 2020, [the plaintiff] received notice from Apple" that a bug reported by the plaintiff on September 2, 2020 had been fixed. "This bug had prevented the submission and lunch, prior to September 2, 2020, of the new . . . mobile applications that [the plaintiff]

32. *Id.* at 5 (¶ 18).

33. Dillon-Curran Dep. – ECF No. 137-38 at 4 (pp. 184:16-185:25).

34. Mattis Decl. – ECF No. 137-3 at 15 (¶ 50).

later launched." The plaintiff submitted the new app to Apple on December 21, 2020.[35]

On December 1, 2020, the plaintiff renewed its trademark registration and filed a declaration of incontestability. The renewal included an air-temperature-measurement feature even though at that time, it was "highly likely, perhaps certain, that the temperature feature did not work." Mr. Mattis declares that the reason it did not work was because it "depended on a feed from Weather Underground" that was no longer operational, and that he "cannot remember whether [he] knew at the time [he] renewed the registration that Weather Underground was no longer supporting the feed."[36]

In March 2021, the plaintiff produced new videos "for use in marketing and customer support in connection with" its 2021 app. In April 2021, it "took steps to design and develop a new website for use at the domain name worldchamptech.com, prepare content for such website (including writing blog posts that were later posted to the website on May 3 and 4, 2021), and transfer it to a new hosting service."[37]

As of September 2020, the plaintiff's LLC status was suspended due to its failure to pay taxes since 2015.[38]

35. Pl.'s 1st Am. Resp. to Def.'s 1st Set of Interrogs. – ECF No. 136-19 at 6 (Interrog. 3).

36. Mattis Decl. – ECF No. 137-3 at 10 (¶ 36).

37. Pl.'s 1st Am. Resp. to Def.'s 1st Set of Interrogs. – ECF No. 136-19 at 7 (Interrog. 3).

38. Mattis Dep. – ECF No. 136-10 at 31 (p. 462:1-14).

"From February 2021 through April 2021, [the plaintiff] took steps to correct" this tax-filing "oversight."[39]

The parties' pre-lawsuit contact began on December 2, 2020: the plaintiff's lawyer "wrote to raise its rights with [the defendant] and invite a discussion." The parties held discussions on January 4, 2021, and the defendant solicited further discussions later that month, but the plaintiff elected not to respond substantively. Mr. Mattis "took stock of the resources that would be necessary and then helped counsel investigate the claims and prepare a complaint." On April 30, 2021, the plaintiff filed the complaint.[40]

Mr. Mattis declares that the plaintiff "filed suit as soon as [he] felt it was reasonably practical." "Just before filing suit, to help decide whether to sue, [Mr. Mattis] created an analysis . . . based on [his] own lay understanding of the rules." He sent this analysis to his girlfriend "to check [his] assumptions," and he "was not intending to indicate that [he] expected [the plaintiff] to recover huge sums of money." He was not "acting opportunistically to take advantage of [the defendant's] decision to infringe." Overall, the plaintiff's actions were allegedly consistent with plans "to sell apps under a [Bike+] trademark."[41]

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39. Pl.'s 1st Am. Resp. to Def.'s 1st Set of Interrogs. – ECF No. 136-19 at 7 (Interrog. 3).

40. Mattis Decl. – ECF No. 137-3 at 15-16 (¶¶ 50-51).

41. *Id.* at 16 (¶ 53).

5. Procedural History

The complaint has six claims: (1) federal trademark infringement, 15 U.S.C. § 1114; (2) federal unfair competition, 15 U.S.C. § 1125(a); (3) California unfair competition, Cal. Bus. & Prof. Code § 17200; (4) California false advertising, Cal. Bus. & Prof. Code § 17500; (5) common-law trademark infringement; and (6) common-law unfair competition. All claims are based on the defendant's alleged "willful and unauthorized use of [the plaintiff]'s trademark."[42] The parties stipulated that the plaintiff's claims are limited to "the theory that [the defendant]'s conduct is likely to cause reverse confusion, not forward confusion."[43]

The court has federal-question jurisdiction. 28 U.S.C. §§ 1331, 1338. All parties consented to magistrate-judge jurisdiction.[44] *Id.* § 636(c). The court held a hearing on May 25, 2023.

STANDARD OF REVIEW

The court must grant summary judgment where there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a); *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 247-48 (1986). Material facts are those that

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42. Compl. – ECF No. 1 at 1 (¶ 1), 12-20 (¶¶ 70-113).

43. Joint Case-Mgmt. Statement – ECF No. 130 at 2.

44. Joint Consent – ECF No. 102.

may affect the outcome of the case. Anderson, 477 U.S. at 248. A dispute about a material fact is genuine if there is sufficient evidence for a reasonable jury to return a verdict for the nonmoving party. *Id.* at 248-49.

The party moving for summary judgment has the initial burden of informing the court of the basis for the motion and identifying portions of the pleadings, depositions, answers to interrogatories, admissions, or affidavits that demonstrate the absence of a triable issue of material fact. *Celotex Corp. v. Catrett,* 477 U.S. 317, 322-23 (1986). To meet its burden, "the moving party must either produce evidence negating an essential element of the nonmoving party's claim or defense or show that the nonmoving party does not have enough evidence of an essential element to carry its ultimate burden of persuasion at trial." *Nissan Fire & Marine Ins. Co. v. Fritz Cos.,* 210 F.3d 1099, 1102 (9th Cir. 2000); *see Devereaux v. Abbey,* 263 F.3d 1070, 1076 (9th Cir. 2001) ("When the nonmoving party has the burden of proof at trial, the moving party need only point out 'that there is an absence of evidence to support the nonmoving party's case.'") (quoting *Celotex,* 477 U.S. at 325). "Where the moving party will have the burden of proof on an issue at trial, the movant must affirmatively demonstrate that no reasonable trier of fact could find other than for the moving party." *Soremekun v. Thrifty Payless, Inc.,* 509 F.3d 978, 984 (9th Cir. 2007).

If the moving party meets its initial burden, then the burden shifts to the nonmoving party to produce evidence supporting its claims or defenses. *Nissan Fire & Marine*

Ins. Co., 210 F.3d at 1103. "Once the moving party carries its initial burden, the adverse party may not rest upon the mere allegations or denials of the adverse party's pleading, but must provide affidavits or other sources of evidence that set forth specific facts showing that there is a genuine issue for trial." *Devereaux*, 263 F.3d at 1076 (cleaned up). If the non-moving party does not produce evidence to show a genuine issue of material fact, then the moving party is entitled to summary judgment. *Celotex*, 477 U.S. at 322-23.

In ruling on a motion for summary judgment, the court does not make credibility determinations or weigh conflicting evidence. Instead, it views the evidence in the light most favorable to the non-moving party and draws all factual inferences in the non-moving party's favor. *E.g.*, *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587-88 (1986); *Ting v. United States*, 927 F.2d 1504, 1509 (9th Cir. 1991).

ANALYSIS

The defendant moved for summary judgment on the ground that consumers are not likely to be confused about the source of the plaintiff's app.[45] That argument, if correct, would resolve all of the plaintiff's claims because they all turn on the same likelihood-of-confusion analysis. *M2 Software, Inc. v. M2 Commc'ns, L.L.C.*, 281 F. Supp. 2d 1166, 1169 (C.D. Cal. 2003). The court grants summary judgment on this ground.

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45. Def.'s Mot. – ECF No. 135.

Appendix D

1. Legal Standard

The United States Trademark Act (Lanham Act) prohibits the unauthorized use in commerce of "any reproduction, counterfeit, copy, or colorable imitation of a registered mark" where such use is likely to cause confusion, to cause mistake, or to deceive. 15 U.S.C. § 1114(1)(a). To prevail on a claim for relief, a plaintiff must prove "(1) that it has a protectible ownership interest in the mark; and (2) that the defendant's use of the mark is likely to cause consumer confusion, thereby infringing upon the [plaintiff's] rights to the mark." *Dep't of Parks & Recreation for Cal. v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1124 (9th Cir. 2006); *M2 Software, Inc. v. Madacy Ent.*, 421 F.3d 1073, 1085 (9th Cir. 2005) (the plaintiff "must show sufficient evidence to permit a rational trier of fact to find that confusion is probable, not merely possible") (cleaned up).

Courts consider eight factors to determine the likelihood of confusion:

> (1) [S]trength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.

Jada Toys, Inc. v. Mattel, Inc., 518 F.3d 628, 632 (9th Cir. 2008). The factors are pliant, and the Ninth Circuit has

warned against "excessive rigidity" in their application. *Id.* at 632-33. Instead, "[t]he test is a fluid one and the plaintiff need not satisfy every factor, provided that strong showings are made with respect to some of them." *Surfvivor Media, Inc. v. Survivor Prods.,* 406 F.3d 625, 631 (9th Cir. 2005). Indeed, "[n]either intent nor actual confusion is necessary to establish a likelihood of confusion." *Chanel, Inc. v. Dudum,* No. C-12-01966 JCS, 2012 WL 5833562, at *4 (N.D. Cal. Oct. 29, 2012), *R. & R. adopted,* No. C 12-1966 CRB, 2012 WL 5835694 (N.D. Cal. Nov. 15, 2012). That said, "some factors – such as the similarity of the marks and whether the two companies are direct competitors – will always be important." *Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.,* 174 F.3d 1036, 1054 (9th Cir. 1999).

This is a reverse-confusion case where "consumers dealing with a senior trademark-holder" (the party that first used the mark, which here is the plaintiff) are allegedly confused because they believe "that they are doing business with a junior user" (here, the defendant). *M2 Software,* 421 F.3d at 1079; *Ironhawk Techs., Inc. v. Dropbox, Inc.,* 2 F.4th 1150, 1159-60 (9th Cir. 2021) (describing reverse confusion in more detail). That is, "reverse confusion occurs when a person who knows only of the well-known junior user comes into contact with the lesser-known senior user, and because of the similarity of the marks, mistakenly thinks that the senior user is the same as or is affiliated with the junior user." *Ironhawk Techs.,* 2 F.4th at 1160. These cases change the likelihood-of-confusion analysis for certain factors, as explained in more detail below.

"Because of the 'intensely factual nature of trademark disputes,' summary judgment is generally disfavored in trademark cases and should be granted 'sparingly.'" *Monster, Inc. v. Dolby Lab'ys Licensing Corp.,* 920 F. Supp. 2d 1066, 1070-71 (N.D. Cal. 2013) (quoting *Rearden LLC v. Rearden Commerce, Inc.,* 683 F.3d 1190, 1202, 1210 (9th Cir. 2012)). "[C]areful assessment of the pertinent factors that go into determining likelihood of confusion usually requires a full record." *Rearden LLC,* 683 F.3d at 1210 (cleaned up). Still, summary judgment is appropriate when "[t]he distribution of the *Sleekcraft* factors does not raise a material issue of fact regarding likelihood of confusion." *Surfvivor,* 406 F.3d at 634.

2. Application

The court first addresses a threshold issue, which is the defendant's argument that the plaintiff's 2014 and 2021 apps are distinct and the latter is not relevant because it was not a bona fide commercial use of the plaintiff's mark.[46]

"[A] senior user's post-infringement use of the mark on additional products" should sometimes be excluded from likelihood-of-confusion analysis. *Lodestar Anstalt v. Bacardi & Co.,* 31 F.4th 1228, 1252-53 (9th Cir. 2022). Specifically, "the Lanham Act generally limits enforceable trademark rights to bona fide uses that reflect genuine commercial endeavors rather than merely efforts to retain rights in a mark." *Id.* at 1254 (cleaned up) (citing 15 U.S.C. § 1127). Thus, "the statute requires commercial use of the

46. Def.'s Mot. – ECF No. 135 at 29-32.

type common to the particular industry in question" – use that is "for genuine commercial reasons" and is not a "'token' or other insubstantial use[]." *Id.* at 1255 (cleaned up). But "[a] single sale, or non-sales activities alone, may suffice to merit trademark protection upon review of the totality of the circumstances." *Soc. Techs. LLC v. Apple Inc.,* 4 F.4th 811, 821 n.11 (9th Cir. 2021).

Here, the plaintiff's 2021 app was in continuous (if slow paced) development before and after the launch of the Peloton Bike+. Also, the "2021 app" was in a sense an update to the plaintiff's existing use in commerce (its 2014 Bike+ app). This is unlike cases where a product launch was merely a reaction to an allegedly infringing product launch, for the purpose of reserving trademark rights. *Compare Lodestar,* 31 F.4th at 1255 (the plaintiff had decided to suspend a rum project but then reactivated it after the defendant's allegedly infringing product campaign began; after an initial sale, only sixteen sample bottles were delivered over the next five years; "a reasonable jury . . . could conclude" that the project was a bona fide use), *with Soc. Techs.,* 4 F.4th at 819-22 (the plaintiff's app was not a bona fide use because after filing its trademark application, the plaintiff did not even develop code for its "Memoji" app until Apple released a similar app, at which point the plaintiff "rushed to develop the code for and release its [app]"). It is true that the 2021 iteration of the plaintiff's app has arguably been less than robust: for example, there have been no in-app sales, the app's distinguishing "coaching" feature may not be functional, marketing has been limited, and the app was last updated in January 2022. But viewing the evidence

in the light most favorable to the plaintiff, and especially in light of *Lodestar,* there is a genuine dispute that the 2021 app is a bona fide commercial use.

The issue then is whether, considering both the 2014 and 2021 apps, the *Sleekcraft* analysis entitles the defendant to summary judgment on the plaintiff's claims for liability. With the knowledge that "this inquiry [is] exhausting," *Ironhawk Techs.,* 2 F.4th at 1161, the court begins at the beginning.

The strength of the mark is an important factor. A party that chooses "a common, useful, and descriptive term as a trademark" will not get "the same broad scope of protection that may be accorded to more distinctive and arbitrary marks." *Redken Lab'ys, Inc. v. Clairol, Inc.,* 501 F.2d 1403, 1405 (9th Cir. 1974). "This 'strength' of the trademark is evaluated in terms of its conceptual strength and commercial strength." *GoTo.com, Inc. v. Walt Disney Co.,* 202 F.3d 1199, 1207 (9th Cir. 2000). In reverse-confusion cases, the court compares the conceptual strength of the plaintiff's mark to the commercial strength of the defendant's mark. *Ironhawk Techs.,* 2 F.4th at 1162. "[T]he important question . . . is whether the [defendant's] junior mark is so [commercially] strong as to overtake the senior mark." *Id.* (cleaned up). Thus, a reverse-confusion plaintiff "with a commercially weak mark is more likely to prevail than a plaintiff with a stronger mark, and this is particularly true when the plaintiff's weaker mark is pitted against a defendant with a far stronger mark." *Id.* at 1162-63 (cleaned up).

With respect to conceptual strength, "[f]rom weakest to strongest, marks are categorized as generic, descriptive, suggestive, and arbitrary or fanciful." GoTo.com, 202 F.3d at 1207. Parties often dispute "how marks in the middle, not so plainly descriptive, nor so plainly distinctive, should be categorized." *Ironhawk Techs.*, 2 F.4th at 1162. Suggestive marks "suggest a product's features and require consumers to exercise some imagination to associate the suggestive mark with the product." *JL Beverage Co. v. Jim Beam Brands Co.*, 828 F.3d 1098, 1107 (9th Cir. 2016). Descriptive marks "define a particular characteristic of the product in a way that does not require any imagination." *Id.* "[T]he question [on summary judgment] is whether a reasonable jury could find that [the] mark is at least suggestive[.]" *Ironhawk Techs.*, 2 F.4th at 1162. But "the line between descriptive and suggestive marks is elusive" and "is a question of fact." *Id.* (cleaned up).

Commercial strength, on the other hand, "is based on actual marketplace recognition." *JL Beverage*, 828 F.3d at 1107 (cleaned up). This can be shown "by such factors as extensive advertising, length of exclusive use, public recognition and uniqueness." *Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1536 (9th Cir. 1989).

The first question is whether the plaintiff's Bike+ mark is suggestive rather than descriptive. In this analysis, it matters that the plaintiff has a federal trademark registration. The parties do not dispute that the mark was registered without proof of secondary meaning, which is an "acquired distinctiveness" that is

required for a descriptive mark to become protectable. *Zobmondo Ent., LLC v. Falls Media, LLC,* 602 F.3d 1108, 1113 (9th Cir. 2010). When a mark is registered without proof of secondary meaning, the mark holder is "entitled to a presumption that the mark is inherently distinctive – i.e., suggestive – and the burden shift[s] to [the defendant] to show that the mark is 'merely descriptive' by a preponderance of the evidence." *Id.* at 1115. If the defendant can do so "through law, undisputed facts, or a combination thereof," the plaintiff "cannot survive summary judgment." *Id.* But this is a "heavy" burden for the defendant and because the defendant is the moving party, the plaintiff "gets the benefit of reasonable inferences." *Id.*

This is the rare case where the court can decide as a matter of law that the plaintiff's mark is descriptive. No imagination is needed to understand from the "Bike+" mark and its context in the marketplace that the plaintiff's product is an app for enhancing biking. *Entrepreneur Media, Inc. v. Smith,* 279 F.3d 1135, 1142 (9th Cir. 2002) ("Whether a mark suggests or describes the goods or services of the trademark holder depends . . . upon what those goods or services are. We therefore adjudge a mark's strength by reference to the goods or services that it identifies[] and as it appears in the marketplace.") (cleaned up); *Zobmondo Ent.,* 602 F.3d at 1116 ("Our prior precedent makes it clear that merely descriptive marks need not describe the 'essential nature' of a product; it is enough that the mark describe some aspect of the product."). In *Entrepreneur Media,* for example, the court held that the mark "Entrepreneur," as applied to

the plaintiff's magazines and computer programs and manuals, was descriptive. 279 F.3d at 1142 (summary-judgment stage); *see also Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1006 (2d Cir. 1983) ("The term Plus is an everyday word that indicates something added, and when applied to goods, it merely implies additional quantity or quality."). "Bike+" is likewise descriptive.

The plaintiff's mark is further weakened by the presence of similar marks for similar apps in the major app stores. *Lodestar*, 31 F.4th at 1259 n.11 ("[e]vidence of third-party use of a similar mark is relevant to the strength of the mark," including "for the . . . purpose of showing that the [plaintiff's mark] has been repeatedly associated with [similar] products"). The defendant submitted evidence of nine other apps in the Apple App Store and the Google Play Store using variants of "Plus" or "+" along with "Bike."[47] The plaintiff responds that it "challenged several of these and the use, if any, stopped,"[48] but that does not account for all of them and the fact remains that "the [plaintiff's mark] has been repeatedly associated with [similar] products." *Id.*

On the mark-strength factor, though, "[w]hether [the senior mark is] descriptive or suggestive, the important question in a reverse confusion case is whether the junior mark is so commercially strong as to overtake the senior mark." *Ironhawk Techs.*, 2 F.4th at 1162 (cleaned up). In

47. Hoyer Report – ECF No. 136-44 at 14 (¶ 44); Google Play Store Page – ECF No. 162-4 at 3.

48. Pl.'s Opp'n – ECF No. 149 at 28 & n.4.

Ironhawk Techs., the plaintiff's mark was conceptually weak but the court held that given the evidence of the junior mark's commercial strength, the overall mark-strength issue was for the jury to decide. *Id.* at 1163.

Nonetheless, the parties dispute whether the plaintiff's mark's reputation or "commercial strength" might matter for the mark-strength factor in a reverse-confusion case. (Recall that under Ninth Circuit precedent, in reverse-confusion cases the court compares the conceptual strength of the plaintiff's mark to the commercial strength of the defendant's mark.) The defendant relies on *Aliign Activation Wear, LLC v. lululemon athletica Canada Inc.* for the proposition that the senior mark must have more than de minimis goodwill, i.e., it must have some commercial strength for the junior mark to overtake.[49] No. 220CV03339SVWJEM, 2021 WL 3117239, at *11 (C.D. Cal. June 7, 2021) ("[T]o survive summary judgment on a reverse confusion claim, [the plaintiff] must raise a genuine issue of material fact that an appreciable number of consumers believe they are purchasing [the defendant's] products when they are, in fact, purchasing [the plaintiff's] products.") (citing *Surfvivor Media,* 406 F.3d at 630), *aff'd,* No. 21-55775, 2022 WL 3210698 (9th Cir. Aug. 9, 2022). In Aliign, the court noted that "hardly anyone" purchased the plaintiff's yoga clothing: the plaintiff had sold seven items "from 2015 onwards." *Id.* The court thus held that "no reasonable juror could find an appreciable number of consumers are likely to be confused and believe they are buying lululemon." *Id.*

49. Def.'s Mot. – ECF No. 135 at 24-25.

Appendix D

In its unpublished decision affirming *Aliign,* the Ninth Circuit did not address the mark-strength factor or the district court's "appreciable number" reasoning. 2022 WL 3210698, at *1-2. Aside from the *Aliign* district court's decision, it is possible to find some other support for the notion that the plaintiff's junior mark must have some degree of commercial strength for there to be reverse confusion. *See Dreamwerks Prod. Grp., Inc. v. SKG Studio,* 142 F.3d 1127, 1129 (9th Cir. 1998) ("Dreamwerks notes that whatever goodwill it has built now rests in the hands of DreamWorks; if the latter should take a major misstep and tarnish its reputation with the public, Dreamwerks too would be pulled down."); *Ironhawk Techs.,* 2 F.4th at 1160 (describing the senior user in a reverse-confusion case as known to some degree and stating that reverse confusion occurs when a consumer "mistakenly thinks that the senior user is the same as or is affiliated with the junior user"); *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.,* 237 F.3d 198, 228 (3d Cir. 2000) ("The chief danger inherent in recognizing reverse confusion claims is that innovative junior users, who have invested heavily in promoting a particular mark, will suddenly find their use of the mark blocked by plaintiffs who have not invested in, or promoted, their own marks.").

Certainly, it is important that the Ninth Circuit's reverse-confusion test compares the senior mark's conceptual strength to the junior mark's commercial strength. *Ironhawk Techs.,* 2 F.4th at 1162-63. And here, the defendant's mark's commercial strength is significant compared to the plaintiff's mark's conceptual strength. What about when the plaintiff's mark is descriptive,

though? *Id.* at 1162 ("On summary judgment . . . the question is whether a reasonable jury could find that [the plaintiff's] mark is at least suggestive."). Or when the plaintiff's mark is both descriptive and commercially weak? The Ninth Circuit has assumed that the plaintiff's mark's commercial strength must meet some minimum bar. *Id.* at 1163 ("[W]e assess the commercial strength of [the defendant's] mark and ask whether it is able to swamp the reputation of [the plaintiff's mark] with a much larger advertising campaign.").

To the extent the plaintiff's mark's commercial strength is relevant, there was not much of it for the defendant's mark to overtake in this case. The current version of the plaintiff's app (discussed above as the "2021 app") was under development for a very long time before the defendant's product launch (with an associated lack of development or promotion of the 2014 app), was last updated in January 2022, has achieved no in-app sales, showed declining (and insubstantial) subscriber numbers, has been marketed minimally, and has a key feature that may not be functional. Under these circumstances – where besides being commercially weak, the plaintiff's mark is (as a matter of law) descriptive – the mark-strength factor favors the defendant. The court revisits this issue in its recap of the *Sleekcraft* factors below, though.

The next factor (which is also an important one) is whether the parties are direct competitors or, put another way, "the relatedness of the products and services offered." *Brookfield Commc'ns,* 174 F.3d at 1055. "Related goods are generally more likely than unrelated goods to

confuse the public as to the producers of the goods." *Id.* In this "competitive proximity" analysis, the court asks whether "the products are used for similar purposes" and whether "the two companies compete for the patronage of an overlapping audience." *Id.* Stated differently, "[t]he proximity of goods is measured by whether the products are: (1) complementary; (2) sold to the same class of purchasers; and (3) similar in use and function." *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.,* 638 F.3d 1137, 1150 (9th Cir. 2011). But "the mere fact that two products or services fall within the same general field" is not enough. *Stonefire Grill, Inc. v. FGF Brands, Inc.,* 987 F. Supp. 2d 1023, 1050 (C.D. Cal. 2013); *Brookfield Commc'ns,* 174 F.3d at 1056 (the focus is on the parties' products rather than their "principal lines of business").

Although the defendant's product is a $2500 stationary bike and the plaintiff's is an app, they are complementary: the defendant offers a metric-tracking app to accompany its bike, and the plaintiff's app can be used with indoor stationary bikes. *Wreal, LLC v. Amazon.com, Inc.,* 38 F.4th 114, 132 (11th Cir. 2022) (record evidence of the potential for cross-compatibility, in the form of equivalent cross-compatibility already existing in the market, shows product relatedness). For the same reason, there is at least a genuine dispute that the products are sold to the same class of purchasers and are similar in use and function. This factor thus favors the plaintiff.

The third factor, which again is important, is the similarity of the marks. This analysis "rel[ies] on three general principles." *Ironhawk Techs.,* 2 F.4th at 1164.

"First, similarity is best adjudged by appearance, sound, and meaning." *Id.* (cleaned up). "Second, the marks must be considered in their entirety and as they appear in the marketplace." *Id.* (cleaned up); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984) ("The two marks viewed in isolation are . . . identical, but their similarity must be considered in light of the way the marks are encountered in the marketplace and the circumstances surrounding the purchase of the [products]."); *Arcona, Inc. v. Farmacy Beauty, LLC*, 976 F.3d 1074, 1080-81 (9th Cir. 2020) ("[N]o reasonable consumer would be confused by these two products because the packaging, size, color, shape, and all other attributes . . . are not remotely similar."). "Third, similarities are weighed more heavily than differences." *Ironhawk Techs.*, 2 F.4th at 1164 (cleaned up).

The defendant's use of its "business name or house mark alongside its version of the disputed mark" is important for this factor. *Id.* "[I]n a reverse confusion case[,] the junior user's use of a house mark can . . . aggravate confusion by reinforcing the association between the mark and the junior user." *Id.*; *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1288 (9th Cir. 1992).

Despite differences in how the marks have been encountered in the marketplace at times (for example, the plaintiff's mark's being encountered in an app store with "bike more" next to it), in the specific context of reverse confusion, the defendant's use of its housemark means that "a reasonable jury could find that the marks

are similar." *Ironhawk Techs.,* 2 F.4th at 1165; *Americana Trading,* 966 F.2d at 1288 (due to "the prominence of [the defendant]'s housemark," the district court "erred by finding no genuine issue of material fact as to similarity of appearance, sound, and meaning"). This factor favors the plaintiff.

The fourth factor is whether there is evidence of actual confusion. *Jada Toys,* 518 F.3d at 632. Although the parties offered competing expert surveys on whether consumers would be confused and the parties dispute (essentially) the weight those reports should be given, it is undisputed that no evidence of actual confusion has been offered. Given that the parties' products have coexisted in the marketplace since September 2020, the lack of evidence of actual confusion weighs in the defendant's favor at the summary-judgment stage. *Lodestar,* 31 F.4th at 1261; *Cohn v. Petsmart, Inc.,* 281 F.3d 837 at 842-43 (9th Cir. 2002).

The next factor – the marketing channels used by the parties – also weighs in the defendant's favor.

"Convergent marketing channels increase the likelihood of confusion." *Official Airline Guides, Inc. v. Goss,* 6 F.3d 1385, 1393 (9th Cir. 1993) (cleaned up). "In assessing marketing channel convergence, courts consider whether the parties' customer bases overlap and how the parties advertise and market their products." *Pom Wonderful LLC v. Hubbard,* 775 F.3d 1118, 1130 (9th Cir. 2014). The ultimate question is whether "the general class of . . . purchasers exposed to the products overlap." *Id.*

(cleaned up); *see Ironhawk Techs.*, 2 F.4th at 1166 ("[B]oth [parties'] employing salespeople is of little significance without evidence those salespeople target the same class of customers."). If both parties engage in "generic internet advertising," though, that is insignificant because "most companies today engage in online marketing." *See, e.g.*, *Asuragen, Inc. v. Accuragen, Inc.*, No. 16-cv-05440-RS, 2018 WL 558888, at *6 (N.D. Cal. Jan. 25, 2018).

The defendant emphasizes that it sells its Bike+ product "exclusively through [its] showrooms and website[] and through [Dick]'s Sporting Goods' stores and website."[50] Also, the summary-judgment evidence is that the plaintiff has not done much marketing: the last Facebook advertising for the 2014 app was in 2019 (before the defendant's product launch), and marketing for the 2021 app has been limited. The plaintiff counters that the defendant's advertising "has swamped all channels with [Bike]+ advertising" (and thus occupies the channels used by the plaintiff, such as "the Apple App Store, search engines, and social media") and that the parties' marketing experts "describe a long sales funnel in which consumers interested in Peloton's Bike+ are likely exposed to multiple Bike+ impressions in multiple channels before they buy."[51]

The parties' marketing channels are not convergent. For one thing, the fact that the defendant's substantial

50. Cortese Decl. – ECF No. 135-2 at 6 (¶ 21).

51. Pl.'s Opp'n – ECF No. 149 at 29-30 (citing summary-judgment evidence, including expert depositions).

advertising campaign encompasses the Apple App Store and internet search engines is unremarkable under the precedent. Moreover, the plaintiff has done very little marketing during the products' coexistence (i.e., from September 2020 onwards), meaning that the parties' marketing channels have not themselves exposed a meaningful overlap of consumers to the products. *Helix Env't Plan., Inc. v. Helix Env't & Strategic Sols.*, No. 3:18-cv-2000-AJB-AHG, 2020 WL 2556341, at *6 (S.D. Cal. May 20, 2020) (one party did "very little marketing" and instead "advertise[d] primarily through word-of-mouth," so the court "conclude[d] that this factor favor[ed] Defendants"). The defendant's use of brick-and-mortar stores further separates its marketing channels from the plaintiff's. Thus, this factor favors the defendant significantly.

The sixth factor is "the type of goods and the degree of care likely to be exercised by the purchaser." *Jada Toys,* 518 F.3d at 632. Courts "assess the sophistication of the customers and ask whether a 'reasonably prudent consumer' would take the time to distinguish between the two product lines." *Ironhawk Techs.*, 2 F.4th at 1167 (cleaned up). "In a reverse confusion case, the degree of care exercised by customers is determined with reference to the alleged senior user's customers only." *Abercrombie & Fitch Co. v. Moose Creek, Inc.*, 486 F.3d 629, 634 n.2 (9th Cir. 2007) (cleaned up).

"When the buyer has expertise in the field, or the goods are expensive, the buyer can be expected to exercise greater care in his purchases." *Ironhawk Techs.*,

2 F.4th at 1167 (cleaned up). In this regard, consumers "in specialized, niche markets may be very sophisticated as to brands and discerning in their purchases. Possible examples could include buyers of mountain climbing equipment and buyers of tap dance shoes." 4 McCarthy on Trademarks and Unfair Competition § 23:99 (5th ed. Dec. 2023 Update). Thus, district courts have held that buyers exercise greater care when choosing products related to fitness and health. *Suja, Life, LLC v. Pines Int'l, Inc.,* No. 16CV985-GPC(WVG), 2016 WL 6157950, at *12 (S.D. Cal. Oct. 24, 2016) ("Consumers choosing products that affect their physical appearance and health are likely to exercise a great deal of care.") (cleaned up); *Reeves v. Gen. Nutrition Ctrs., Inc.,* No. SACV1001653JAKFFMX, 2012 WL 13018362, at *7 (C.D. Cal. Apr. 2, 2012) (similar); *Jevo Inc. v. Barre Physique LLC,* No. CV-08-06315-R, 2010 WL 11597823, at *20 (C.D. Cal. Feb. 22, 2010) (similar). At the same time, the Ninth Circuit has said that "a discerning consumer might immediately connect the like-named products more readily than an unsophisticated consumer." *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.,* 618 F.3d 1025, 1038 (9th Cir. 2010).

Here, the plaintiff does not dispute that its customers are sophisticated with respect to connected-fitness products. Instead, the plaintiff relies on the proposition that their sophistication increases the likelihood of confusion.[52] The Ninth Circuit's statement to that effect in *Fortune Dynamic* was in the context of "the difficulty of trying to determine with any degree of confidence

52. Pl.'s Opp'n – ECF No. 149 at 32-33.

the level of sophistication of young women shopping at Victoria's Secret," which "only confirm[ed] the need for [the] case to be heard by a jury." *Id.* By contrast, there is longstanding precedent that consumer sophistication (at least when known) "can be expected" to result in consumers' using "greater care in [their] purchases." *Ironhawk Techs.*, 2 F.4th at 1167. This precedent applies in the online context as well. *Network Automation*, 638 F.3d at 1150 ("[T]he default degree of consumer care [online] is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace."). The purchaser-care factor thus favors the defendant because the plaintiff's customers can be expected to exercise greater care when browsing the Apple App Store.

The court next considers the defendant's intent in selecting its mark. *Jada Toys*, 518 F.3d at 632. "Evidence that a defendant has an 'intent to deceive' customers weighs in favor of finding a likelihood of confusion." *Fortinet, Inc. v. Fortanix, Inc.*, No. 20-cv-06900-MMC, 2022 WL 1128723, at *5 (N.D. Cal. Apr. 15, 2022). But "when a court applies *Sleekcraft* in a case that presents reverse confusion," it "may consider several indicia of intent," bearing in mind that "[t]he *Sleekcraft* factors are to be applied flexibly." *Marketquest Grp., Inc. v. BIC Corp.*, 862 F.3d 927, 934 (9th Cir. 2017). "At one extreme, intent could be shown through evidence that a defendant deliberately intended to push the plaintiff out of the market by flooding the market with advertising to create reverse confusion." *Id.* "Intent could also be shown by evidence that, for example, the defendant knew of the

mark, should have known of the mark, intended to copy the plaintiff, failed to conduct a reasonably adequate trademark search, or otherwise culpably disregarded the risk of reverse confusion." *Id.* at 934-35; *Ironhawk Techs.,* 2 F.4th at 1167-68 ("In the reverse confusion context, we ask whether there is some evidence that the junior user, when it knew of the senior user, was at fault for not adequately respecting the rights of the senior user.") (cleaned up). "[B]ut no specific type of evidence is necessary to establish intent, and the importance of intent and evidence presented will vary by case." *Marketquest Grp.,* 862 F.3d at 935.

The defendant admits that its in-house counsel knew of the plaintiff's mark before the defendant's Bike+ product launch and that its in-house counsel obtained an opinion from outside counsel on the subject at that time.[53] The plaintiff contends that this scenario shows that the defendant "culpably disregarded the risk of reverse confusion."[54] It is true that the defendant at least should have known of the plaintiff's mark at the time of the defendant's product launch. But especially given that "Bike+" is a descriptive mark, the defendant's choice of a product name that likewise describes its product mitigates the significance of the intent factor. *Edge Games, Inc. v. Elec. Arts, Inc.,* 745 F. Supp. 2d 1101, 1116 (N.D. Cal. 2010) (in a reverse-confusion case, "there [was] no evidence in the record that EA chose to call [its] product 'Mirror's Edge' for any reason but to describe the visual and

53. Cortese Decl. – ECF No. 135-2 at 5 (¶ 18); Dillon-Curran Dep. – ECF No. 137-38 at 4 (pp. 184:16-185:25).

54. Pl.'s Opp'n – ECF No. 149 at 31.

thematic aspects of the video game," and relatedly, "the 'strength' of plaintiff's asserted marks [was] also highly susceptible to attack"). The court thus concludes that this factor is neutral or very slightly in the plaintiff's favor.

The final factor – the likelihood of expansion of the parties' product lines – is treated by the parties as insignificant in their briefs. This factor is more important "[i]n the context of non-competing goods" (unlike the complementary products at issue here). *Ironhawk Techs.*, 2 F.4th at 1168 ("[A] strong possibility that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing.") (cleaned up). The plaintiff did submit evidence that the defendant has considered developing an app store for its fitness equipment and has applied for trademark registrations related to mobile app features.[55] Some cases, though, have described the likelihood-of-expansion test as whether "the plaintiff's expansion plans" are being hindered. *Surfvivor,* 406 F.3d at 634. If anything, this factor favors the plaintiff very slightly, but the factor's significance is diminished here.

Having walked through each factor, the court's final task is to evaluate the totality of the circumstances.

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55. Feb. 2022 New York Times Article – ECF No. 150-18 at 3-4 (the defendant's CEO floated the idea of creating an app store to run on the equipment's screen); Trademark Registration – ECF No. 152-40 at 2-3 (registration for the mark "Peloton" for (among other things) "downloadable software in the nature of an application for use by individuals participating in exercise classes [and] physical training").

Ironhawk Techs., 2 F.4th at 1169. To survive summary judgment, "the plaintiff need not satisfy every factor, provided that strong showings are made with respect to some of them." *Surfvivor,* 406 F.3d at 631. That said, the *Sleekcraft* "list does not purport to be exhaustive, and non-listed variables may often be quite important." *Brookfield Commc'ns,* 174 F.3d at 1054. The ultimate question is whether "a rational trier of fact could find that confusion is probable." *Ironhawk Techs.*, 2 F.4th at 1167.

Although the court's task is not to "count beans," *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1076 (9th Cir. 2006), a recap of the court's conclusions will be helpful. The following *Sleekcraft* list shows which factors are the "important" ones and which party each one favors:

(1) strength of the marks (important): Defendant

(2) relatedness of the goods (important): Plaintiff

(3) similarity of the marks (important): Plaintiff

(4) evidence of actual confusion: Defendant

(5) marketing channels: strongly Defendant

(6) degree of consumer care: Defendant

(7) intent to deceive: neutral or very slightly Plaintiff

(8) likelihood of expansion: neutral or very slightly Plaintiff

Given that two of the important factors came out in the plaintiff's favor, it is a close call whether summary judgment should be granted. *Monster, Inc.*, 920 F. Supp. 2d at 1070-71 ("Because of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in trademark cases and should be granted sparingly.") (cleaned up). But it's also important to apply the factors flexibly, taking account of the circumstances of the case. By the time of the defendant's September 2020 Bike+ product launch, the plaintiff's Bike+ app was mostly dormant, having gone through an extended update process that finished after September 2020. The last meaningful marketing for the app was in 2019. Subscriber and download numbers were insubstantial and declining and a portion of them were for international consumers.[56] The Pebble Watch portion of the userbase was a very niche group of consumers who, owing to their very specific search criteria, were unlikely to be confused. And crucially, the Bike+ mark is descriptive and is joined in the marketplace by equivalent app names and variants on that composite mark. Not surprisingly, despite several years of coexistence, no evidence of actual confusion was submitted.

The plaintiff's 2021 app, launched soon after the defendant's product launch, does not add much to the

56. Mattis Decl. – ECF No. 137-3 at 14-15 (¶¶ 47, 49) (under seal).

picture. This is even though the court already held the 2021 app to be a bona fide commercial use, a test that requires only a very minimal showing. The 2021 app's key feature may not be functional, it has achieved no in-app sales, and the plaintiff made almost no meaningful marketing efforts.

This all creates a situation where the plaintiff's app had very little strength for the defendant's product launch to overtake. And if there is so little to overtake, reverse confusion must be unlikely. *See Ironhawk Techs.*, 2 F.4th at 1160 (reverse confusion occurs when a consumer "mistakenly thinks that the senior user is the same as or is affiliated with the junior user"); *Freedom Card, Inc. v. JPMorgan Chase & Co.*, 432 F.3d 463, 474-75 (3d Cir. 2005) ("Chase did not overwhelm UTN's FREEDOM CARD at all. It is undisputed that CompuCredit FREEDOM CARD was not promoted or marketed after December 2001. Thus, FREEDOM CARD was out of the market for more than a year before Chase launched the CHASE FREEDOM card on January 27, 2003. We are therefore hard-pressed to understand how CHASE FREEDOM card could have overwhelmed UTN's FREEDOM CARD[.]").

That said, it's worth dwelling for a moment on whether this interpretation of the reverse-confusion context is supported by Ninth Circuit precedent. In that regard, the fact that the plaintiff's mark is descriptive is key. The *Ironhawk Techs.* court said that "[w]hether [the senior mark is] descriptive or suggestive, the important question in a reverse confusion case is whether the junior mark is so commercially strong as to overtake the senior mark."

2 F.4th at 1162 (cleaned up). *But see id.* ("[T]he question [on summary judgment] is whether a reasonable jury could find that [the] mark is at least suggestive[.]"). This would seem to suggest that even a descriptive mark is ripe to be overtaken. But that one sentence does not necessarily tell the full story, because in the more recent *Lodestar* decision, the court said "[g]iven that the [plaintiff's] mark is properly considered distinctive for purposes of summary judgment, the strength-of-the-mark factor in this reverse confusion case focuses on whether the junior mark is so commercially strong as to overtake the senior mark." 31 F.4th at 1260 (cleaned up). In other words, if the plaintiff's mark is descriptive rather than distinctive, the analysis can be different. That point is consistent with rejecting a reverse-confusion claim that lacks sufficient mark strength and supporting marketing efforts.

In sum, under these circumstances, confusion is possible but not probable. *Ironhawk Techs.*, 2 F.4th at 1167. Having come to the end, the court stops, grants summary judgment to the defendant, and denies the plaintiff's motion for summary judgment as moot.

Appendix D

CONCLUSION

The court grants summary judgment to the defendant and will separately enter judgment. This disposes of ECF Nos. 134 and 135.

IT IS SO ORDERED.

Dated: March 26, 2024

/s/_____
LAUREL BEELER
United States Magistrate Judge

APPENDIX E — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, FILED SEPTEMBER 18, 2025

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 24-2266

WORLD CHAMP TECH, LLC,

Plaintiff-Appellant,

v.

PELOTON INTERACTIVE, INC.,

Defendant - Appellee.

Filed September 18, 2025

ORDER

D.C. No. 3:21-cv-03202-LB
Northern District of California, San Francisco

Before: CALLAHAN, BADE, and KOH, Circuit Judges.

The memorandum disposition filed on July 25,2025, is amended, and the amended memorandum disposition is filed concurrently with this order.

The panel has unanimously voted to deny the petition for panel rehearing and to deny the petition for rehearing

en banc. The full court has been advised of the petition for rehearing en banc and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 40. The petition for rehearing and rehearing en banc is denied.

No further petitions for panel rehearing or rehearing en banc will be entertained.

APPENDIX F — RELEVANT PROVISIONS INVOLVED

15 U.S.C. § 1114

§ 1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant—

> (a) use in commerce any 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; or
>
> (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term ''any person'' includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of a right infringed under this chapter or to a person bringing an action under section 1125(a) or (d) of this title shall be limited as follows:

(A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under section 1125(a) of this title shall be entitled as against such infringer or violator only to an injunction against future printing.

(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter

in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of title 18, the remedies of the owner of the right infringed or person bringing the action under section 1125(a) of this title as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.

(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 1125(a) of this title with respect to an issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violating matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue or transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction

or restraining order with respect to such infringing matter or violating matter.

(D)(i)(I) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief or, except as provided in subclause (II), for injunctive relief, to any person for such action, regardless of whether the domain name is finally determined to infringe or dilute the mark.

(II) A domain name registrar, domain name registry, or other domain name registration authority described in subclause (I) may be subject to injunctive relief only if such registrar, registry, or other registration authority has—

(aa) not expeditiously deposited with a court, in which an action has been filed regarding the disposition of the domain name, documents sufficient for the court to establish the court's control and authority regarding the disposition of the registration and use of the domain name;

(bb) transferred, suspended, or otherwise modified the domain name during the pendency of the action, except upon order of the court; or

(cc) willfully failed to comply with any such court order.

(ii) An action referred to under clause (i)(I) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—

(I) in compliance with a court order under section 1125(d) of this title; or

(II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark.

(iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

(iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant,

including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

(E) As used in this paragraph—

(i) the term ''violator'' means a person who violates section 1125(a) of this title; and

(ii) the term ''violating matter'' means matter that is the subject of a violation under section 1125(a) of this title.

(3)(A) Any person who engages in the conduct described in paragraph (11) of section 110 of title 17 and who complies with the requirements set forth in that paragraph is not liable on account of such conduct for a violation of any right under this chapter. This subparagraph does not preclude liability, nor shall it be construed to restrict the defenses or limitations on rights granted under this chapter, of a person for conduct not described in paragraph (11) of

section 110 of title 17, even if that person also engages in conduct described in paragraph (11) of section 110 of such title.

(B) A manufacturer, licensee, or licensor of technology that enables the making of limited portions of audio or video content of a motion picture imperceptible as described in subparagraph (A) is not liable on account of such manufacture or license for a violation of any right under this chapter, if such manufacturer, licensee, or licensor ensures that the technology provides a clear and conspicuous notice at the beginning of each performance that the performance of the motion picture is altered from the performance intended by the director or copyright holder of the motion picture. The limitations on liability in subparagraph (A) and this subparagraph shall not apply to a manufacturer, licensee, or licensor of technology that fails to comply with this paragraph.

(C) The requirement under subparagraph (B) to provide notice shall apply only with respect to technology manufactured after the end of the 180-day period beginning on April 27, 2005.

(D) Any failure by a manufacturer, licensee, or licensor of technology to qualify for the exemption under subparagraphs (A) and (B) shall not be construed to create an inference that any such party that engages in conduct described in paragraph (11) of section 110 of title 17 is liable for trademark infringement by reason of such conduct.

Appendix F

15 U.S.C. § 1125

§ 1125. False designations of origin, false descriptions, and dilution forbidden

(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.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her

official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

(b) Importation

Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

(c) Dilution by blurring; dilution by tarnishment

(1) Injunctive relief

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous,

commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

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

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) Exclusions

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

(4) Burden of proof

In a civil action for trade dress dilution under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

(5) Additional remedies

In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

(6) Ownership of valid registration a complete bar to action

The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this chapter shall be a complete bar to an action against that person, with respect to that mark, that—

(A) is brought by another person under the common law or a statute of a State; and

(B)(i) seeks to prevent dilution by blurring or dilution by tarnishment; or

(ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

(7) Savings clause

Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

(d) Cyberpiracy prevention

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others

that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c).

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

Appendix F

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

(ii) the court finds that the owner—

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

(B) The actions under subparagraph (A)(ii) shall constitute service of process.

(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

(D)(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

Appendix F

RULES OF CIVIL PROCEDURE 56

Rule 56. Summary Judgment

(a) For Claimant. A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in the party's favor upon all or any part thereof.

(b) For Defending Party. A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in the party's favor as to all or any part thereof.

(c) Motion and Proceedings Thereon. The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith 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. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages.

(d) Case Not Fully Adjudicated on Motion. If on motion under this rule judgment is not rendered upon the whole case or for all the relief asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just. Upon the trial of the action the facts so specified shall be deemed established, and the trial shall be conducted accordingly.

(e) Form of Affidavits; Further Testimony; Defense Required. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further affidavits. When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of the adverse party's pleading, but the adverse party's response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is

a genuine issue for trial. If the adverse party does not so respond, summary judgment, if appropriate, shall be entered against the adverse party.

(f) When Affidavits Are Unavailable. Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

(g) Affidavits Made in Bad Faith. Should it appear to the satisfaction of the court at any time that any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party employing them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused the other party to incur, including reasonable attorney's fees, and any offending party or attorney may be adjudged guilty of contempt.