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19 *Midwest Industrial Supply, Inc.*

20 **UNITED STATES DISTRICT COURT**
 21 **IN AND FOR THE DISTRICT OF ARIZONA**

22 SOILWORKS, LLC, an Arizona
23 corporation,

24 Plaintiff / Counterdefendant /
25 Counterclaimant,

26 v.

27 MIDWEST INDUSTRIAL SUPPLY,
28 INC., an Ohio corporation authorized to do
business in Arizona,

Defendant / Counterclaimant /
Counterdefendant.

NO.: 2:06-CV-2141-DGC

**MIDWEST INDUSTRIAL SUPPLY,
 INC.'S MOTION *IN LIMINE* TO
 BAR EVIDENCE REGARDING
 INNOCENT TRADEMARK
 INFRINGEMENT OF THE MARK
 SOIL-SEMENT**

1 **I. INTRODUCTION**

2 Defendant Midwest Industrial Supply, Inc. (“Midwest”) moves this Court *in limine* to
3 preclude Plaintiff Soilworks, LLC (“Plaintiff”) from presenting any evidence regarding
4 Soilworks’ non-willful trademark infringement of the mark Soil Sement.
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7 **II. ARGUMENT**

8 It is undisputed that Midwest and Soilworks are fierce competitors. It is also
9 undisputed that Midwest’s Soil-Sement product directly competes with Soilworks’ Soiltac
10 and Gorilla-Snot products. It is further undisputed that the main form of advertising by the
11 parties is the Internet. Soilworks has been found to be guilty of trademark infringement,
12 violation of the Lanham Act, False Designation of Origin and has violated the laws of Unfair
13 Competition by using the mark “Soil-Sement” to sell its competing Soiltac and Gorilla-Snot
14 products.
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17 The Court granted Midwest’s Counterclaim for Lanham Act Claims for Trademark
18 Infringement, False Designation of Origin, and Unfair Competition (Count I). (August 7,
19 2008 Order, at p. 15, “the Court will grant summary judgment in Midwest’s favor with
20 respect to liability – not damages or other relief – on the Lanham Act claims asserted in
21 Count I of the counterclaim with respect to Soil-Sement.”) In the August 7, 2008 Order, the
22 Court further found that (1) “Soilworks clearly uses the [Soil Sement] mark to attract
23 customers to Soilworks’ websites” (Id, footnote 6, at p. 13); (2) Soilworks is using
24 Midwest’s mark, in the Internet where Midwest does business, to divert potential customers
25 to Soilworks’ websites.” (Id, at p. 13.) “In its use of keywords and metatags, Soilworks thus
26 capitalizes on Midwest’s “Soil-Sement” trademark to attract clients to its websites.”
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28

1 The Lanham Act does not define “willfulness” or “intentional” infringement,
2 however, a Lanham Act case is exceptional if the infringement is “malicious, fraudulent,
3 deliberate, or willful.” *Online Partners.Com, Inc. v. Atlanticnet Media Corp.*, 2000 WL
4 101242 N.D.Cal., 2000 *citing* S.Rep. No. 93-1400, 93d Cong., 2d Ses's. (1978). “The proper
5 focus is whether defendant had the intent to derive benefit from the reputation or goodwill of
6 plaintiff.” *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417 (5th Cir. 1984). That is exactly
7 what this Court found in its Order of August 7, 2008 and Soilworks should be precluded
8 from offering any evidence that it is not an intentional, willful infringer of the mark Soil-
9 Sement.

12 As further background, Mr. Falkenberg, an officer of Soilworks, stated that Soilworks
13 purchased Midwest’s Soil-Sement® trademark as a “keyword” so that someone searching
14 for Soil-Sement® on the internet would also find Soilworks’ Soiltac® product, which is
15 desirable because they “compete in similar industries.” (Statement of Material Facts, ECF
16 Docket No. 80, at ¶39.) Pursuant to this and all of the evidence offered during the summary
17 judgment stage, the Court found that “Soilworks clearly uses the [Soil Sement] mark to
18 attract customers to Soilworks’ websites.” (August 7, 2008 Order, footnote 6, at p. 13).
19 Thus, Soilworks’ acts cannot be characterized as anything but intentional, deliberate and
20 willful.

23 In the view of the Federal Circuit, intentional infringement is where the infringement
24 is “willfully calculated to exploit the advantage of an established mark.” *Bandag, Inc. v. Al*
25 *Bolser's Tire Stores, Inc.*, 750 F.2d 903 (Fed. Cir. 1984), *on remand*, 228 U.S.P.Q. 211
26 (W.D. Wash. 1985), *aff'd without op.*, 809 F.2d 788 (Fed. Cir. 1986). That is exactly what
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1 this Court has found that Soilworks has done, namely, taken advantage of an established
2 mark with the intent to trade off of the goodwill of its competitor, Midwest.

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5 **III. CONCLUSION**

6 For the foregoing reasons, Midwest respectfully submits that the Court should enter
7 an order precluding Soilworks from introducing any evidence at trial that Soilworks'
8 infringement of the Soil-Sement mark was not intentional or willful, *i.e.*, that is was
9 innocent.
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **MIDWEST INDUSTRIAL SUPPLY, INC.’S MOTION *IN LIMINE* TO BAR EVIDENCE REGARDING INNOCENT TRADEMARK INFRINGEMENT OF THE MARK SOIL-SEMENT** has been electronically filed on this 17th day of September, 2008. Notice of this filing will be sent to all parties by operation of the Court’s electronic filing system. Parties may access this filing through the Court’s system.

/s/ John M. Skeriotis
John Skeriotis