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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

GROUPION, LLC.,

Plaintiff,

No. C 11-00870 JSW

v.

GROUPON, INC., et al.,

Defendants.

**ORDER DENYING GROUPTION'S
MOTION FOR
RECONSIDERATION AND
MOTION FOR SUMMARY
JUDGMENT**

Now before the Court are the motions filed by plaintiff and counterclaim defendant Groupion, LLC ("Groupion") for reconsideration of the Court's order granting summary judgment against Groupion on its affirmative claims and for summary judgment on the counterclaims against it. The Court finds that these matters are appropriate for disposition without oral argument and are hereby deemed submitted. *See* Civ. L.R. 7-1(b). Accordingly, the hearing set for August 3, 2012 is HEREBY VACATED. Having carefully reviewed the parties' papers, considered their arguments and the relevant legal authority, the Court hereby denies both motions.

BACKGROUND

Groupion contends that Groupon, Inc. ("Groupon") is infringing upon its trademark. The Court granted Groupon's motion for summary judgment on all of Groupion's claims against it. Groupion now moves for reconsideration of that Order.

1 Groupon filed counterclaims against Groupon for cybersquatting and for cancellation of
2 its registration. Groupon also moves for summary judgment on Groupon’s counterclaims
3 against it.

4 The Court shall refer to additional facts as necessary in the remainder of this Order.
5

6 **ANALYSIS**

7 **A. Groupon’s Motion for Reconsideration.**

8 Under local rule 7-9, a motion for reconsideration may be made on one of three grounds:
9 (1) a material difference in fact or law exists from that which was presented to the Court, which,
10 in the exercise of reasonable diligence, the party applying for reconsideration did not know at
11 the time of the order; (2) the emergence of new material facts or a change of law; or (3) a
12 manifest failure by the Court to consider material facts or dispositive legal arguments presented
13 before entry of judgment. N.D. Civ. L.R. 7-9(b)(1)-(3). The moving party may not reargue any
14 written or oral argument previously asserted to the Court. *Id.*, 7-9(c).

15 The Court granted Groupon leave to file a motion for reconsideration on one limited
16 ground – whether Groupon’s filing of its Form 8-K on May 7, 2012 with the Securities and
17 Exchange Commission (“SEC”) was a change of material fact which creates a question of fact
18 regarding the similarity of the marks. Therefore, this is the only issue the Court will consider
19 on Groupon’s motion.

20 In its order granting Groupon’s motion for summary judgment, the Court found that,
21 when it viewed the evidence in the light most favorable to Groupon and balanced the factors
22 set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), no reasonable juror
23 could have found that Groupon was using a confusingly similar mark. With respect to the
24 individual factors, the Court found Groupon had not submitted sufficient evidence to create a
25 genuine issue of material fact regarding the similarity of the marks, that their products were
26 related such that consumers would be confused as to their source, that Groupon and Groupon
27 shared similar marketing channels apart from the ubiquitous use of the internet, the strength of
28 Groupon’s mark, Groupon’s bad faith in adopting its mark, or the existence of any actual

1 customer confusion. Groupon also failed to submit any evidence to show that its and/or
2 Groupon's customers do not exercise a higher degree of care than a typical consumer.

3 Groupon's SEC filing is not sufficient to alter the Court's finding and create a genuine
4 issue of material fact. As the Court stated in its order granting summary judgment, what is
5 relevant is the substance of the two companies' respective products and services, not the
6 characterizations or labels offered by the parties regarding the products and services. The Court
7 examined the admissible evidence regarding Groupon's products and services and found that a
8 reasonable juror could not find that a business which needs comprehensive customer
9 management software would turn to Groupon. The SEC filing does not change this finding.
10 Moreover, even if this evidence was sufficient to show a small overlap between the companies'
11 products, Groupon has not even argued, let alone demonstrated, that upon consideration of and
12 balancing all of the *Sleekcraft* factors, this SEC filing is sufficient to support a finding by a
13 reasonable juror that Groupon is using a confusingly similar mark.¹ Accordingly, the Court
14 DENIES Groupon's motion for reconsideration.²

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16 ¹ In its reply brief, Groupon objects to portions of the declaration by Nick Cioffi.
17 The Court need to rule on these objections because the Court did not need to consider this
18 evidence in order to resolve Groupon's motion for reconsideration.

19 ² In its motion for reconsideration, Groupon shifts its position from the one it took
20 when it initially opposed Groupon's motion for summary judgment. In its opposition brief,
21 Groupon argued that Groupon infringed because it had moved into Customer Relations
22 Management ("CRM") software. (Opp. at 12-14, 18-19, 22.) In its motion for
23 reconsideration, and in particular in its reply brief, Groupon now appears to argue that
24 Groupon is infringing upon the categories of Groupon's Section 44(d) registration.
25 However, because Groupon did not move for leave to file a motion for reconsideration on
26 this point, it is not a proper ground for reconsideration.

27 Moreover, Groupon's procedurally improper argument is also legally incorrect.
28 "The holder of a registered mark (incontestable or not) has a civil action against anyone
employing an imitation of it in commerce when 'such use is likely to cause confusion, or to
cause mistake, or to deceive.' ... Although an incontestable registration is 'conclusive
evidence ... of the registrant's exclusive right to use the ... mark in commerce,' ...the
plaintiff's success is still subject to 'proof of infringement as defined in section 1114.'" *KP
Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117 (2004)(quoting 15
U.S.C. §§ 1114(1)(a), 1115(b)) (internal citations omitted). Therefore, Groupon is required
to show that Groupon's "actual practice is likely to produce confusion in the minds of
consumers about the origin of the goods or services in question." *Id.* Groupon's registration
under Section 44, 15 U.S.C. § 1126, does not alter this standard or expand the rights of
Groupon beyond those provided under the Lanham Act. *See Scotch Whisky Ass'n v.
Majestic Distilling Co., Inc.*, 958 F.2d 594, 597-98 (4th Cir. 1992); *see also Mattel, Inc. v.
MCA Records, Inc.*, 296 F.3d 894, 908 (9th Cir. 2002) ("Section 44 and the Paris Convention

1 **B. Groupon’s Motion for Summary Judgment.**

2 A principal purpose of the summary judgment procedure is to identify and dispose of
3 factually unsupported claims. *Celotex Corp. v. Cattrett*, 477 U.S. 317, 323-24 (1986).

4 Summary judgment is proper when the “pleadings, depositions, answers to interrogatories, and
5 admissions on file, together with the affidavits, if any, show that there is no genuine issue as to
6 any material fact and that the moving party is entitled to judgment as a matter of law.” Fed. R.
7 Civ. P. 56(c). “In considering a motion for summary judgment, the court may not weigh the
8 evidence or make credibility determinations, and is required to draw all inferences in a light
9 most favorable to the non-moving party.” *Freeman v. Arpaio*, 125 F.3d 732, 735 (9th Cir.
10 1997).

11 The party moving for summary judgment bears the initial burden of identifying those
12 portions of the pleadings, discovery, and affidavits that demonstrate the absence of a genuine
13 issue of material fact. *Celotex*, 477 U.S. at 323. An issue of fact is “genuine” only if there is
14 sufficient evidence for a reasonable fact finder to find for the non-moving party. *Anderson v.*
15 *Liberty Lobby, Inc.*, 477 U.S. 242, 248-49 (1986). A fact is “material” if it may affect the
16 outcome of the case. *Id.* at 248. If the party moving for summary judgment does not have the
17 ultimate burden of persuasion at trial, that party must produce evidence which either negates an
18 essential element of the non-moving party’s claims or that party must show that the non-moving
19 party does not have enough evidence of an essential element to carry its ultimate burden of
20 persuasion at trial. *Nissan Fire & Marine Ins. Co. v. Fritz Cos.*, 210 F.3d 1099, 1102 (9th Cir.
21 2000). Once the moving party meets its initial burden, the non-moving party must go beyond
22 the pleadings and, by its own evidence, “set forth specific facts showing that there is a genuine
23 issue for trial.” Fed. R. Civ. P. 56(e).

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26 therefore interact as follows: A foreign national is entitled to the same effective protection
27 against unfair competition to which an American is entitled, ... and in turn, the American gets
28 the same right that the foreign national gets.”) (internal quotation marks and citation
omitted). Therefore, Groupon was required to demonstrate that Groupon’s use of its marks
was likely to confuse consumers about the source of the goods or services in question. *See*
Scotch Whisky, 958 F.2d at 597-98.

1 In order to make this showing, the non-moving party must “identify with reasonable
2 particularity the evidence that precludes summary judgment.” *Keenan v. Allan*, 91 F.3d 1275,
3 1279 (9th Cir. 1996). In addition, the party seeking to establish a genuine issue of material fact
4 must take care adequately to point a court to the evidence precluding summary judgment
5 because a court is “not required to comb the record to find some reason to deny a motion for
6 summary judgment.” *Carmen v. San Francisco Unified School Dist.*, 237 F.3d 1026, 1029 (9th
7 Cir. 2001) (quoting *Forsberg v. Pacific Northwest Bell Telephone Co.*, 840 F.2d 1409, 1418
8 (9th Cir. 1988)). If the non-moving party fails to point to evidence precluding summary
9 judgment, the moving party is entitled to judgment as a matter of law. *Celotex*, 477 U.S. at 323.

10 Groupon moves for summary judgment on Groupon’s counterclaims for cybersquatting
11 and for cancellation of Groupon’s registration. The Court finds that Groupon submits
12 sufficient evidence to create a genuine issue of material fact which precludes the granting of
13 summary judgment on either of these claims.³ Therefore, the Court denies Groupon’s motion
14 for summary judgment.

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21 ³ Groupon argues that it is moving to strike inadmissible statements in the
22 declaration of Jedediah Wakefield. (Reply at 1 (referring to pages 14-15 of its Reply).)
23 However, Groupon’s request to strike merely cites to arguments in Groupon’s brief that
24 Groupon considers to be unsupported. Groupon does not point to any specific statements or
25 paragraphs in Wakefield’s Declaration to which it seeks to strike. (Reply at 14-15.)
26 Therefore, Groupon has not actually submitted any evidentiary objections on which the
27 Court may rule.

28 The Court HEREBY STRIKES Groupon’s arguments, and the evidence Groupon
submitted in support thereof, regarding an interpretation of International Class 9 to include
software, which was asserted for the first time in its reply brief. When Groupon filed its
motion for summary judgment, Groupon was already aware of Groupon’s argument in
support of its cancellation claim. Groupon argued its position when it opposed Groupon’s
motion to dismiss on April 13, 2012, before Groupon moved for summary judgment. To the
extent Groupon contends that International Class 9 includes software, Groupon could have
and should have asserted this argument in its opening motion. Because Groupon waited and
asserted this argument, and supporting evidence, for the first time in its reply brief, the Court
strikes it.

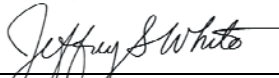
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CONCLUSION

For the foregoing reasons, the Court DENIES Groupion’s motion for reconsideration and DENIES Groupion’s motion for summary judgment.

IT IS SO ORDERED.

Dated: July 23, 2012



JEFFREY S. WHITE
UNITED STATES DISTRICT JUDGE