CLOVER NETWORK'S CASE MANAGEMENT STATEMENT

CASE NO.: C 11-02859 JSC

I. PARTIES

Plaintiff Clover Network, Inc. ("Clover Network") is a Delaware corporation having a principal place of business at 785 Castro Street, Suite A, Mountain View, California, 94041.

Upon information and belief, Defendant Clovr Media, Inc. ("Clovr Media") is a Delaware corporation having a principal place of business at 225 Franklin Street, 26th Floor, Boston, Massachusetts, 02210. In a cease and desist letter dated May 20, 2011, counsel for Defendant Clovr Media stated that Defendant Clovr Media is the owner of certain trademark rights in the mark CLOVR and has filed an application with the United States Patent and Trademark Office to register the mark CLOVR

II. JURISDICTION AND SERVICE

Plaintiff Clover Network has not yet served Clovr Media.

This action arises under the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, for a declaration of the parties' rights federal and state law, including the Lanham Act, 15 U.S.C. § 1501 *et seq.* This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1338.

Clover Network contends that this Court has personal jurisdiction over Defendant Clovr Media because, *inter alia*, it has purposefully directed its activities relating to the CLOVR mark, which is the subject matter of this action, into the Northern District of California. Among other things, Clovr Media has asserted rights in the CLOVR mark against Plaintiff Clover Network, in the Northern District of California. Accordingly, Defendant Clovr Media has established the requisite minimum contacts with this District, and exercise of jurisdiction would comport with traditional notions of substantial justice and fair play. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b).

III. FACTS

This is a trademark infringement case. On May 20, 2011, Defendant Clovr Media, through counsel, sent a cease and desist letter to Plaintiff Clover Network regarding its use of the term CLOVER. The cease and desist letter alleged that Clover Network's use of CLOVER

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

constitutes "infringement" of Defendant Clovr Media's rights under federal and state law and is "likely to create considerable confusion" with Defendant's name, website, and mark. Plaintiff filed this action on June 10, 2011, seeking a declaration from this Court that it is lawfully using the term CLOVER and the CLOVER NETWORK mark and is not infringing any rights of Clovr Media.

The parties are engaged in ongoing settlement negotiations, and Clovr Media has not yet been served with process.

IV. **FACTUAL ISSUES**

Clover Network is currently aware of the following factual issues presented in this case:

- (1) whether the marks and names are similar in terms of sight, sound and meaning;
- whether Clover Network and Clovr Media promote their businesses through the (2) same channels;
- (3) whether the goods and services offered by Clover Network and Clovr Media overlap;
 - (4) whether Clovr Media's marks and name are strong;
 - whether Clovr Media's marks and name are famous; (5)
 - whether the parties' likely zones of expansion overlap; and (6)
 - whether there has been actual confusion; and (8)
 - (9) whether Clovr Media has suffered injury.

V. **LEGAL ISSUES**

Clover Network is currently aware of the following legal issues presented in this case:

- whether Clover Network's use of the name and mark CLOVER NETWORK (1) creates a likelihood of confusion with Clovr Media's marks and name;
- (3) whether Clover Network's use of the name and mark CLOVER NETWORK constitutes unfair competition;
- whether Clover Network's use of the name and mark CLOVER NETWORK (4) infringes any mark of Clovr Media under the Lanham Act or California Law.

Clover Network reserves the right to contest any additional factual or legal issues in the

event Clovr Media is served, enters an appearance, and raises such issues.

VI. MOTIONS

Clover Network filed an Administrative Motion to Consider Whether Cases Should Be Related (Dkt. No. 5), which the Court denied on August 19, 2011 (Dkt. No. 9).

VII. AMENDMENT OF PLEADINGS

Clover Network reserves the right to amend its complaint as it continues to investigate the dispute between the parties.

VIII. EVIDENCE PRESERVATION

Clover Network has taken reasonable steps to preserve evidence, including electronically stored information, as well as all relevant hard copy files.

IX. DISCLOSURES

As set forth above, in order to facilitate the parties' ongoing settlement discussions, Clover Network has refrained from serving Clovr Media. Until it does so, and until Clovr Media enters an appearance, Clover Network believes it premature to set any other schedule, such as for party disclosures under Rule 26(a)(1) and other obligations under the Northern District's Local Rules, and for trial.

X. DISCOVERY

Neither Clover Network nor Clovr Media has served discovery requests on any parties to this action or on any other third parties. Clover Network anticipates that the scope of discovery will cover the factual and legal issues identified above, including all related, ancillary, and subsidiary factual and legal issues and matters.

XI. CLASS ACTIONS

This matter is not a class action.

XII. RELATED CASES

As noted above, the Court found that *Clover Sites, Inc. v. Clover Network, Inc.*, Case No. C 11-03600 JSW, which is also pending in this District, is not related to the present action. Clover Network is not aware of any other related cases.

1	XIII.	RELIEF
2		As pled in its Complaint, Clover Network seeks the following relief:
3		(1) a declaration that Clover Network can lawfully use the term CLOVER and the
4	CLOV	ER NETWORK mark;
5		(2) a declaration that Clover Network's use of CLOVER does not constitute
6	infring	ement under federal or state laws;
7		(3) Clover Network's attorneys' fees, expenses, and costs;
8		(4) any further relief pursuant to 28 U.S.C. § 2202; and
9		(5) such further relief as the Court deems just and reasonable.
10	XIV.	SETTLEMENT AND ADR
11		With respect to ADR, the parties have not yet reached an agreement, as they are currently
12	pursuing efforts at resolving the case outside of any formal ADR process.	
13	XV.	CONSENT TO MAGISTRATE JUDGE FOR ALL PURPOSES
14		On August 24, 2011, Clover Network filed its consent to magistrate jurisdiction for all
15	purpos	es.
16	XVI.	OTHER REFERENCES
17		Clover Network does not believe that this case is suitable for reference to binding
18	arbitra	tion, a special master, or the Judicial Panel on Multidistrict Litigation.
19	XVII.	NARROWING OF ISSUES
20		Clover Network is not aware of any issues that can be narrowed at this time.
21	XVIII	EXPEDITED SCHEDULE
22		Clover Network does not believe that this case is suitable for resolution on an expedited
23	basis w	vith streamlined procedures.
24	XIX.	SCHEDULING
25		As set forth above, Clover Network has not yet formally served the complaint on Clovr
26	Media.	Unless and until Clover Network serves Clovr Media and Clovr Media enters an
27	appear	ance, Clover Network believes it is premature to set any other schedule, such as for party
28		