

1
2
3
4 UNITED STATES DISTRICT COURT
5 NORTHERN DISTRICT OF CALIFORNIA

6 **TPW MANAGEMENT, LLC,**

7 Plaintiff,

8 v.

9 **YELP INC.,**

10 Defendant.

Case No. 16-cv-03063-YGR

**ORDER DENYING MOTION FOR
PRELIMINARY INJUNCTION**

Re: Dkt. No. 68

11
12
13 Plaintiff TPW Management, LLC (“TPW”) brings this action against defendant Yelp for
14 alleged infringement of its registered trademark, “We Know Just the Place.” (Dkt. No. 1,
15 “Compl.”) Specifically, TPW brings claims under the following causes of action: (i) trademark
16 infringement under the Lanham Act, 15 U.S.C. § 1114; (ii) unfair competition under the Lanham
17 Act, 15 U.S.C. § 1125(a); (iii) dilution of a famous mark under the Lanham Act, 15 U.S.C. §
18 1125(c); (iv) common law unfair competition trademark infringement; (v) unfair competition
19 under Vermont Consumer Protection laws, 9 V.S.A. § 2453(a); (vi) Vermont common law for
20 unjust enrichment and restitution; and (vii) an accounting of money received by Yelp as a result of
21 its alleged infringement.

22 Now before the Court is TPW’s motion for a preliminary injunction, seeking to enjoin
23 Yelp’s continued use of the phrase, “We Know Just the Place.” Having carefully considered the
24 pleadings, the papers submitted on this motion, and oral arguments held on October 4, 2016, and
25 for the reasons set forth below, the Court **DENIES** TPW’s motion.¹

26
27 ¹ TPW moved only for a preliminary injunction based on its argument that it is likely to
28 succeed on the merits against Yelp as to its federal trademark infringement claim under the
Lanham Act. The Court therefore does not address whether a preliminary injunction should issue
pursuant to TPW’s other causes of action.

1 **I. BACKGROUND**

2 TPW is a family owned business that provides “professional community and property
3 management, home services, vacation rentals, and real estate sales services.” (Compl. ¶ 2.)
4 Currently, TPW provides “management, home services, vendor sourcing, rental management and
5 booking, and sales to over 20,000 rental, sales[,] and service customers, 3000 resort homeowners,
6 in 50 resort area community associations in New England” by connecting “community
7 associations, homeowners, and rental consumers to these service providers.” (*Id.* at ¶¶ 9, 10.)
8 Additionally, TPW “connects property owners to plumbers, electricians, painters, housekeepers,
9 and other service providers,” connects renters to rental properties, and also “recommends local
10 restaurants, service providers, and local attractions to property owners and renters.” (*Id.* at ¶¶ 12–
11 13.) Furthermore, TPW alleges that it developed an online booking service on June 1, 2012,
12 which places guests in rental properties. (*Id.* at ¶ 18.)

13 TPW alleges that it markets these services to customers with its registered trademark, “We
14 Know Just the Place” (the “Tagline”). (*Id.* at ¶ 15.) TPW applied to register this Tagline on or
15 about July 28, 2012 with its first use on October 1, 2010. (*Id.* at ¶ 22.) The U.S. Trademark
16 Office approved its registration on March 26, 2013 for “Real estate services, namely vacation
17 home rental management services, in Class 36.” (Dkt. No. 70-3, Carroccio Decl. Ex. 3; Compl. ¶
18 21 & Ex. 1.)² According to TPW, it uses the Tagline in “all service sectors and on line vacation
19 rental and real estate sales websites.” (Compl. ¶ 27.)

20 TPW alleges that Yelp has infringed on its trademark in the Tagline. The following
21 allegations are relevant to that claim:

22 Both Yelp and TPW are “in the same business of sourcing local vendors/service providers
23 for their customers as well as being in the ‘booking’ business.” (*Id.* at ¶¶ 49–56.) Yelp, like
24 TPW, also provides a means through which consumers can contact and connect with home service
25 providers and vendors. Additionally, Yelp also at one point facilitated booking hotel rooms and
26

27 ² According to the Trademark Manual of Examining Procedure, Class 36 encompasses
28 “services rendered in financial and monetary affairs and services rendered in relation to insurance
contracts of all kind.” Trademark Manual of Examining Procedure § 1401.02(a).

1 other rental properties through its website by partnering with another company.

2 Starting in 2013, Yelp “initiated a multi-million dollar multi-media campaign” in which it
3 “reli[ed] upon and featur[ed] the phrase, ‘We Know Just the Place.’” (*Id.* at ¶ 42 & Ex. 11.) Yelp
4 advertises nationally, including geographic regions in which TPW markets such as Vermont. (*Id.*
5 at ¶ 43.) As a result of such advertising campaigns, TPW’s “customers, employees, and vendors
6 have begun to question whether TPW acquired Yelp or vice versa as the mark or slogan is
7 identical and the services are similar.” (*Id.* at ¶ 58.) TPW contends that the “trust and credibility
8 TPW has developed with its customers and the public will be degraded by this confusion.” (*Id.* at
9 ¶ 63.)

10 TPW first became aware of Yelp’s use of the Tagline on October 12, 2015 when one of its
11 executives viewed Yelp’s advertisement on television. (*Id.* at ¶ 45.) Subsequent to this initial
12 discovery, TPW learned that Yelp had been promoting the Tagline “not only with TV
13 advertisements, but online with YouTube, blogs, articles, press releases, and advertisements.” (*Id.*
14 at ¶ 46 & Ex. 12.) On October 19, 2015, Yelp filed an application with the U.S. Trademark Office
15 to register its use of the Tagline as a trademark for use in “providing consumer information,
16 namely compilations, rankings, ratings, reviews, referrals and recommendations relating to
17 businesses, restaurants, service providers, events, public services and government agencies, parks
18 and recreational areas, religious organizations and nonprofit organizations” under Class 35. (Dkt.
19 No. 86-3, Lumpkin Decl. ¶ 3.)³

20 II. LEGAL STANDARD

21 A preliminary injunction is an extraordinary remedy, which should be granted only in
22 limited circumstances and where the merits of the case plainly favor one party over the other.
23 *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008).

24
25 _____
26 ³ According to the Trademark Manual, Class 35 covers “mainly services with the object of
27 (1) helping in the working or management of a commercial undertaking, or (2) help in the
28 management of the business affairs or commercial functions of an industrial or commercial
enterprise, as well as services rendered by advertising establishments . . . by all means of diffusion
and concerning all kinds of goods or services.” Trademark Manual of Examining Procedure §
1401.02(a).

1 The Court considers four factors when considering motions for a preliminary injunction,
2 namely whether: (1) the moving party has demonstrated that it is likely to succeed on the merits;
3 (2) the moving party will suffer irreparable injury if the relief is denied; (3) the balance of the
4 hardships favor the moving party; and (4) the public interest favors granting relief. *See Pom*
5 *Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1124 (9th Cir. 2014) (citing *Winter*, 555 U.S. at 20).
6 The plaintiff must make a threshold showing of likelihood of success on the merits and irreparable
7 harm, but a stronger showing on one element may offset a weaker showing on another. *Alliance*
8 *for Wild Rockies v. Cottrell*, 632 F.3d 1127, 1131–33 (9th Cir. 2011). In that regard, the four
9 factors may be evaluated on a sliding scale: “serious questions going to the merits and a balance
10 of hardships that tips sharply toward the plaintiff can support issuance of a preliminary injunction,
11 so long as the plaintiff also shows that there is a likelihood of irreparable injury and that the
12 injunction is in the public interest.” *Id.* at 1135 (internal quotations omitted).

13 The burden of showing a likelihood of success on the merits is “placed on the party
14 seeking to demonstrate entitlement to the extraordinary remedy of a preliminary injunction at an
15 early stage of the litigation, before the defendant has had the opportunity to undertake extensive
16 discovery or develop its defenses.” *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 714
17 *opinion amended on reh’g*, 508 F.3d 1146 (9th Cir. 2007).

18 **III. DISCUSSION**

19 **A. LIKELIHOOD OF SUCCESS ON THE MERITS**

20 The Lanham Act defines a trademark as “any word, name, symbol, or device, or any
21 combination thereof used by a person . . . to identify and distinguish his or her goods, including a
22 unique product, from those manufactured or sold by others and to indicate the source of the goods,
23 even if that source is unknown.” 15 U.S.C. § 1127. Thus, a trademark is anything that serves to
24 indicate the source of one company’s goods and to distinguish them from the goods of others. It
25 “is merely a convenient means for facilitating the protection of one’s good-will in trade by placing
26 a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package
27 in which it is sold.” *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98 (1918).

28 The elements of a trademark infringement claim are: (1) a valid, protectable ownership

1 interest in a trademark; and (2) defendant’s use of a mark similar to plaintiff’s trademark in a
2 manner that is likely to cause consumer confusion. *See* 15 U.S.C. § 1114(1). Likelihood of
3 confusion is the central inquiry in the trademark infringement analysis: whether a “‘reasonably
4 prudent consumer’ in the marketplace is likely to be confused as to the origin of the good or
5 service bearing one of the marks” because of the similarities between the two marks. *Dreamwerks
6 Prod. Grp., Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998). “[B]ecause we are at the
7 preliminary injunction stage, [plaintiff] must establish that it is likely to be able to show such a
8 likelihood of confusion.” *See Brookfield Comm’cs, Inc. v. W. Coast Entertainment Corp.*, 174
9 F.3d 1036, 1053 n.15 (9th Cir. 1999) (citing *Sardi’s Restaurant Corp. v. Sardie*, 755 F.2d 719, 723
10 (9th Cir. 1985)). At this time, the Court is not making ultimate findings of fact. The discussion of
11 infringement, and factual findings in that regard, is directed only towards TPW’s likelihood of
12 success on the merits. The Court thus addresses the two elements of a trademark infringement
13 claim, in turn.

14 **1. First Element: Valid Ownership Interest**

15 To satisfy the first element of a trademark infringement claim, TPW must establish that it
16 has a valid, protectable, ownership interest in the trademark at issue. 15 U.S.C. § 1114(1).
17 “Registration of a mark is prima facie evidence of the validity of the mark, the registrant’s
18 ownership of the mark, and the registrant’s exclusive right to use the mark in connection with the
19 goods specified in the registration.” *Pom Wonderful*, 775 F.3d at 1124 (citing 15 U.S.C. §
20 1115(a)). “When proof of registration is uncontested, the ownership interest element of a
21 trademark infringement claim is met.” *Id.* (citing *Sengoku Works Ltd. v. RMC Int’l Ltd.*, 96 F.3d
22 1217, 1219 (9th Cir. 1996)).

23 Yelp does not dispute that TPW has a properly registered trademark in the Tagline.
24 However, Yelp argues that the presumption of a protected ownership interest extends only as far
25 as the goods specified in the registration. *See Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d
26 966, 970 (9th Cir. 2007) (“A registered trademark holder’s protectable interest is limited to those
27 goods or services described in its registration.”). Here, Yelp argues, such registration was limited
28 for use in “Real estate services, namely, vacation home rental management services, in Class 36.”

1 1109–10 (citing *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979)).

2 The *Sleekcraft* factors are not intended to be applied mechanically, but rather, courts
3 consider “what each factor, and—more importantly—what the analysis as a whole, reveals about
4 the ultimate question,” i.e. “the likelihood of consumer confusion as to the origin of the product or
5 service bearing the allegedly infringing mark.” *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135,
6 1141 (9th Cir. 2002); see also *Network Automation, Inc. v. Adv. Sys. Concepts, Inc.*, 638 F.3d
7 1137, 1145 (9th Cir. 2011) (“The *Sleekcraft* factors are intended as an adaptable proxy for
8 consumer confusion, not a rote checklist.”). “In a close case amounting to a tie, doubts are
9 resolved in favor of the senior user.” *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109
10 F.3d 1394, 1404 n.14 (9th Cir. 1997).

11 The Court thus next turns to an analysis of each of the *Sleekcraft* factors to determine
12 whether TPW is likely to establish a likelihood of confusion between Yelp’s use of the Tagline
13 and its own use.⁴

14 **a. Factor One: Similarity of the Marks**

15 In analyzing the first factor, the Ninth Circuit employs the following framework: “[F]irst,
16 the marks must be considered in their entirety and as they appear in the marketplace; second,
17 similarity is adjudged in terms of appearance, sound, and meaning; and third, similarities are
18 weighed more heavily than differences.” See *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199,
19 1206 (9th Cir. 2000) (internal citations omitted). The greater the degree of similarity between the
20 two marks at issue, the greater the likelihood of confusion. *Id.*

21 Here, there is no dispute that the two marks are completely identical in terms of
22 appearance, sound, and meaning. Both TPW and Yelp use the exact same phrase—“We Know
23

24 ⁴ TPW argues that in cases involving the internet, the Ninth Circuit has recognized that the
25 most important *Sleekcraft* factors are the similarity of the marks, the relatedness of the goods or
26 services, and the use of the internet as a marketing channel. The Ninth Circuit has, however,
27 recently reversed course: “Given the multifaceted nature of the Internet and the ever-expanding
28 ways in which we all use the technology, however, it makes no sense to prioritize the same three
factors for every type of potential online commercial activity.” *Network Automation*, 638 F.3d at
1148. The Ninth Circuit reaffirmed that the *Sleekcraft* factors should be “applied flexibly,
particularly in the context of Internet commerce.” *Id.*

1 Just the Place”—to convey that each company has knowledge or information that consumers can
2 rely on. TPW argues that this is sufficient to find that this factor weighs heavily in favor of
3 finding a likelihood of confusion between the two uses of the Tagline. *See Cent. 21 Real Estate*
4 *Corp. v. Sandlin*, 846 F.2d 1175, 1179 (9th Cir. 1998); *Sindharella, Inc. v. Vhu*, No. 07-CV-4353-
5 WHA, 2008 WL 410246, at *4 (N.D. Cal. Feb. 12, 2008) (finding that the use of the same words
6 guarantees confusion); *Sleekcraft*, 599 F.2d at 352 (“Closeness in meaning can itself substantiate a
7 claim of similarity of trademarks.”).

8 Such would be true if the Court’s analysis were limited to reviewing the competing uses of
9 the Tagline in isolation. However, the Court must consider the marks in their “entirety and as they
10 appear in the marketplace.” *GoTo.com*, 202 F.3d at 1206. The exhibits submitted by TPW
11 demonstrate that both Yelp and TPW pair the Tagline with their own unique logos and/or
12 company names:



13
14
15
16 (Dkt. No. 70-4 at 7; Dkt. No. 72-6 at 2; *see also* Dkt. No. 73-2 (Google search results for “we
17 know just the place rentals”); Dkt. No. 75-7 at 11 (Youtube.com search results for “we know just
18 the place”); Dkt. No. 75-7 at 19 (Facebook search results for “#weknowjusttheplace”).) Such
19 pairing greatly reduces, if not completely eliminates, the risk of confusion that arises from the
20 similarity of the marks. The Ninth Circuit’s decision in *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 842
21 (9th Cir. 2002) is instructive. The plaintiff in *Cohn* was a veterinarian in Boise, Idaho, who
22 operated a clinic named “Critter Clinic.” *Id.* at 839. To advertise his services, the plaintiff began
23 using the slogan, “Where Pets are Family.” *Id.* A year after plaintiff began using such slogan,
24 Petsmart also began using the exact, same slogan to promote its national chain of pet supplies
25 stores, including in Boise. *Id.* Although Petsmart does not normally offer veterinary services, its
26 Boise store partnered with a local veterinarian to do so, and Petsmart advertised the availability of
27 such. *Id.* Nevertheless, the Ninth Circuit held that there was no likelihood of confusion
28 because consumers “will actually encounter the trademarks differently in the marketplace.” *Id.* at

1 842. The Ninth Circuit explained that a “critical factor [in *Cohn*] is that both parties use the
2 trademark merely as a tagline to their distinctive business names.” *Id.* Thus, the emphasis on
3 these “housemarks has the potential to reduce or eliminate the likelihood of confusion.” *Id.*
4 (internal citations and quotations omitted).

5 Similarly, the evidence submitted by TPW overwhelmingly demonstrates that the Tagline
6 is paired with the company name and logo of each respective company.⁵ On this ground,
7 therefore, the instant matter is indistinguishable from *Cohn*.⁶ Accordingly, the Court finds that
8 this factor weighs heavily against finding a likelihood of confusion.

9 **b. Factor Two: Relatedness of the Fields or Proximity of the Services**

10 The Ninth Circuit assesses the proximity of the goods or services by analyzing whether
11 they are complementary, sold or offered to the same class of consumers, and are similar in use and
12 function. *Network Automation*, 638 F.3d at 1150. “[T]he danger presented is that the public will
13 mistakenly assume there is an association between the producers of the related goods, though no
14 such association exists.” *Sleekcraft*, 599 F.2d at 350. “Related goods are generally more likely
15 than unrelated goods to confuse the public as to the producers of the goods.” *Brookfield*, 174 F.3d
16 at 1055–56. If, on the other hand, the parties “did not compete to any extent whatsoever, the
17 likelihood of confusion would probably be remote.” *Id.*

18 TPW argues that this factor should weigh in favor of a likelihood of confusion because
19 TPW and Yelp provide the following related services: (1) consumer referrals for real estate
20 listings, rentals, accommodations, and lodging; (2) access to service providers and home services
21 through TPW’s “Maintenance Request” feature and Yelp’s “Request a Quote” feature; and (3)

22
23 ⁵ TPW argues that Yelp at times uses the Tagline in isolation as a “hashtag.” However,
24 TPW offered no evidence in support of this assertion. Rather, the exhibits submitted by TPW
25 demonstrate that each company uses the Tagline in connection with their respective company
names, logos, or both. (*See* Dkt. No. 76-3.)

26 ⁶ TPW attempts to distinguish *Cohn* by arguing that the Ninth Circuit’s decision was
27 actually based on its finding that the veterinarian and Petsmart operated in unrelated fields. To the
28 contrary, the Ninth Circuit held that the “parties indisputably sell related goods and services” and
based its decision on the “critical factor” that “both parties use the trademark merely as a tagline to
their distinctive business names.” *Cohn*, 281 F.3d at 842.

1 booking services for lodging and accommodations. (Carroccio Decl. ¶¶ 39–50.)

2 Yelp counters that the services it offers differ substantially from those offered by TPW,
3 and therefore should not be considered “related.” With respect to consumer referrals, Yelp unlike
4 TPW, only provides a platform for consumers to offer feedback. TPW, on the other hand,
5 compiles consumer data based on “customer satisfaction, vendor/service qualifications . . . and
6 cost,” and on those bases, “rates each service experience for each provider.” (Carroccio Decl. ¶
7 9.) With respect to providing access to service providers and home services, Yelp argues that
8 Yelp only provides a means by which consumers can reach out to the vendor or business directly,
9 whereas TPW manages the requests itself. Additionally, Yelp explained that it makes no revenue
10 from its “Request a Quote” service, the vendors may opt-in to the feature free of charge, and Yelp
11 offers no preferential treatments to the vendors who utilize the “Request a Quote” feature.

12 (*Compare* Carroccio Decl. ¶ 11 *with* Osborn Decl. ¶¶ 12–13.) Finally, with respect to providing
13 booking services for rentals and accommodations, Yelp explains that it does not currently offer
14 those services, nor did it ever directly allow consumers to book lodgings through Yelp’s site.⁷

15 The Court finds that Yelp’s focus on specific differences between the companies’ offerings
16 too narrowly defines the scope of this *Sleekcraft* factor. The relevant inquiry is not whether the
17 two companies provide the exact same services, but rather whether the “consuming public is likely
18 somehow to associate” the products offered by TPW and Yelp. *Sleekcraft*, 599 F.2d at 350
19 (“[T]he danger presented is that the public will mistakenly assume there is an association between
20 the producers of the related goods, though no such association exists.”). The court’s decision in
21 *Palantir Techs. Inc. v. Palantir.net, Inc.*, No. 07-CV-03863-CRB, 2008 WL 152339 (N.D. Cal.
22 Jan. 15, 2008) was similar. There, Palantir.net offered “website design services and custom
23 computer services,” whereas Palantir Technologies was not involved in website design or in the
24 provision of customer computer services. *Id.* at *5. Rather, Palantir Technologies had developed

25
26 ⁷ Yelp avers that in 2014, it partnered with Hipmunk, Inc. such that visitors to Yelp’s
27 website could “access the Hipmunk platform to book rooms at hotels listed on Yelp. (Dkt. No.
28 86-2, Curzon Decl. ¶ 10.) According to Yelp, it ended this relationship with Hipmunk for
business reasons unrelated to this lawsuit, and such features are no longer available on Yelp’s site.
(*Id.* at ¶ 12.)

1 software programs for specialized use by a select group of clients. *Id.* Nevertheless, the court
2 found that the relatedness of the services provided by the two companies weighed in favor of
3 finding a likelihood of confusion because both provided clients the “ability to manage and analyze
4 data through software.” *Id.* at *6. Similarly here, although Yelp and TPW provide different
5 methods for providing consumers with ratings of different accommodations and service providers,
6 both provide consumers with a means by which to rate and assess different offerings in the market.
7 *See, e.g., Nat’l Customer Eng’g Inc. v. Lockheed Martin Corp.*, No. 96-CV-8938-DDP, 1997 WL
8 363970, at *4 (C.D. Cal. Feb. 14, 1997) (noting that the companies “need only be related in some
9 manner, or the conditions surrounding their marketing be encountered by the purchaser under
10 circumstances that could give rise to the mistaken belief that the goods come from a common
11 source”).

12 However, the Court notes that the differences in the services offered by TPW and Yelp do
13 impact the weight of this factor in the overall likelihood of confusion analysis. The Court finds it
14 unlikely that a consumer would confuse the curated referrals and ratings offered by TPW with the
15 free-form, consumer rating-based platform offered by Yelp. *See Pinterest, Inc. v. Pintrips, Inc.*,
16 140 F. Supp. 3d 997, 1011–12 (N.D. Cal. 2015) (finding no proximity between an online tool for
17 tracking airline prices and a social media website for sharing information). Similarly, the Court
18 finds it unlikely that a consumer would confuse TPW’s “Maintenance Request” feature and
19 TPW’s “Request a Quote” feature as each provides access to service providers in significantly
20 different ways. *See Hanginout, Inc. v. Google, Inc.*, 54 F. Supp. 3d 1109, 1126 (S.D. Cal. 2014)
21 (finding no proximity where “Hangouts” provided real-time video capabilities whereas
22 “Hanginout” only offered pre-recorded messaging and video features).

23 Accordingly, while the Court finds that the services provided by TPW and Yelp are related
24 in the sense that they both provide consumers access to information about service providers,
25 vendors, rentals, and homes, because both do so in significantly different ways, this factor weighs
26 only slightly in favor of finding a likelihood of confusion.

27 **c. Factor Three: Strength of the Mark**

28 The “strength” of a trademark is evaluated both in terms of its conceptual strength and its

1 commercial strength. A mark’s “conceptual strength depends largely on the obviousness of its
2 connection to the good or service to which it refers.” *JL Beverage Co., LLC v. Jim Bean Brands*
3 *Co.*, 828 F.3d 1098, 1107 (9th Cir. 2016) (internal citation and quotation omitted). “To determine
4 a mark’s conceptual strength, [the Ninth Circuit] classif[ies] a mark along a spectrum of five
5 categories ranging from strongest to weakest: arbitrary, fanciful, suggestive, descriptive, and
6 generic.” *Id.* Commercial strength is based on “actual market recognition.” *Network Automation,*
7 638 F.3d at 1149. The more likely a mark is to be remembered and associated in the public mind
8 with the mark’s owner, the greater the likelihood of confusion. *Brookfield*, 174 F.3d at 1058
9 (citing *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 353 (Fed. Cir. 1992)).

10 With regards to the “conceptual” strength of the mark, the parties agree that at best, the
11 Tagline is “suggestive.” The Court, however, finds that the mark does not rise to the level of a
12 suggestive mark, but is rather only a “descriptive” mark because it merely describes the nature of
13 the service provided. It takes little to no stretch of the imagination to connect the Tagline with the
14 referral services provided by TPW and Yelp. *See Survivor*, 406 F.3d at 632 (defining
15 “descriptive” marks as those that do “not require any exercise of the imagination”). In either
16 event, the mark would only be entitled to moderate protection. *Brooklyn Brewery Corp. v. Black*
17 *Ops Brewing, Inc.*, 156 F. Supp. 3d 1173, 1179 (E.D. Cal. 2016) (explaining that generic marks
18 are afforded no protection whereas descriptive or suggestive marks are given only moderate
19 protection); *Brookfield*, 174 F.3d at 1058 (holding that “suggestive marks are presumptively
20 weak”). As a descriptive mark, such protection would be warranted only if the Tagline “acquired
21 sufficient ‘secondary meaning’ to create an association between the mark and the product.”
22 *Survivor*, 406 F.3d at 632. Here, TPW has made no showing that the mark has acquired any such
23 secondary meaning.

24 With regards to the “commercial” strength of the mark, TPW offers two arguments: First,
25 TPW argues that its investment of \$2.2 million in the mark is sufficient to transform a suggestive
26 mark into a strong mark. *See Rearden LLC v. Rearden Commerce, Inc.*, 683 F.3d 1190, 1211 (9th
27 Cir. 2012) (reversing summary judgment holding that a jury could have afforded more weight to
28 this factor given plaintiff’s investment in the mark). Second, TPW argues that Yelp’s investment

1 in the Tagline converts it into a stronger mark, overcoming the “presumption that a suggestive
2 mark is weak and undeserving of protection.” *Masters Software, Inc. v. Discovery Comm’cs, Inc.*,
3 725 F. Supp. 2d 1294, 1300 (W.D. Wa. 2010).

4 However, focusing only on the amount of money spent by each respective party in
5 developing and using the Tagline is not conclusive as to the commercial strength of the mark. The
6 focus of the analysis must be on “actual marketplace recognition.” *Network Automation*, 638 F.3d
7 at 1150. While advertising expenditures are relevant and “can transform a suggestive mark into a
8 strong mark,” see *Brookfield*, 174 F.3d at 1058, the Court finds that here, TPW has not shown that
9 TPW’s or Yelp’s investment in the Tagline has resulted in strong marketplace recognition of the
10 Tagline.

11 Accordingly, the Court finds that this factor weighs against a likelihood of confusion.

12 **d. Factor Four: Marketing Channels Used**

13 In assessing the impact of this factor, courts “consider whether the parties’ customer bases
14 overlap and how the parties advertise and market their products.” *Pom Wonderful*, 775 F.3d at
15 1130. “Marketing channels can converge even when different submarkets are involved so long as
16 the ‘general class . . . of purchasers exposed to the products overlap.’” *Id.* (quoting *Sleekcraft*, 599
17 F.2d at 353).

18 TPW and Yelp’s advertising can be divided into two broad categories: internet-based and
19 non-internet based.

20 With respect to their internet advertising, TPW argues that this factor should weigh in
21 favor of finding a likelihood of confusion because both companies utilize a variety of social media
22 sites including Facebook, Youtube, and Twitter, and appear on search results together on Google.
23 (Dkt. No. 70, Carroccio Decl. ¶¶ 15, 42, 53–56.) TPW contends that the use of the internet for
24 marketing increases the likelihood of confusion because it “allows for competing marks to be
25 encountered at the same time, on the same screen.” *GoTo.com*, 202 F.3d at 1207. However, the
26 Ninth Circuit has acknowledged that the increased use of the internet in recent years has
27 diminished the likelihood of confusion that arises from the shared use of the internet as a
28 marketing channel. In *Network Automation*, the Ninth Circuit explained that it would be the “rare

1 commercial retailer that did not advertise online, and the shared use of a ubiquitous marketing
2 channel does not shed much light on the likelihood of consumer confusion.” *Network Automation*,
3 638 F.3d at 1151. Thus, the Court finds that TPW and Yelp’s shared use of the internet bears little
4 weight in the overall likelihood of confusion analysis.

5 With respect to their non-internet based advertising, TPW focuses advertising on
6 sponsorships, brochures, and in-person connections, as well as through local television
7 commercials. (Dkt. No. 70, Carroccio Decl. ¶¶ 15–16.) Yelp, on the other hand, focuses on
8 targeting a national audience through national television and radio commercials. (Dkt. No. 86-1,
9 Osborn Decl. ¶ 8.) Yelp contends that because it, unlike TPW, targets a national audience through
10 its non-internet based advertising, there is no marketing channel convergence. However, that Yelp
11 targets a broader audience does not lead to the conclusion that the marketing channels utilized by
12 each company do not overlap. For instance, in *Pom Wonderful*, the Ninth Circuit found that the
13 marketing channels overlapped even though one company advertised its products in a “much
14 broader range of outlets.” *Pom Wonderful*, 775 F.3d at 1131. Similarly here, although Yelp
15 targets a broader area, both Yelp and TPW’s television advertisements air in overlapping regions,
16 such as southern Vermont. (Dkt. No. 70, Carroccio Decl. ¶ 52.) The problem remains though that
17 the marketing channels do not use the Tagline exclusively but in conjunction with the parties’
18 principle names, i.e., TPW or Yelp. Plaintiff has failed to show how the marketing channel has
19 been impacted by the Tagline itself. At most, the Court finds that Yelp’s and TPW’s use of
20 television advertisements as a marketing channel overlaps only with respect to the areas in the
21 northeast where TPW television ads air. Again, at most, this factor weighs slightly in favor of
22 finding a likelihood of confusion here, and only in a more narrow market.

23 **e. Factor Five: Degree of Care Likely Exercised by Consumers**

24 Generally, in assessing the likelihood of confusion with respect to this factor, the “standard
25 used by the courts is the typical buyer exercising ordinary caution.” *Network Automation*, 638
26 F.3d at 1152. “When the buyer has expertise in the field, a higher standard is proper though it will
27 not preclude a finding that confusion is likely. Similarly, when the goods are expensive, the buyer
28 can be expected to exercise greater care in his purchases.” *Id.* With respect to consumers utilizing

1 the internet, the Ninth Circuit has acknowledged that the “default degree of consumer care is
2 becoming more heightened as the novelty of the [i]nternet evaporates and online commerce
3 becomes commonplace.” *Id.* Thus, the “nature of the goods [and services] and the type of
4 consumer is highly relevant to determining the likelihood of confusion.” *Id.*

5 Here, TPW argues that the consumers that utilize its and Yelp’s services are ordinary
6 homeowners seeking home services or property maintenance referrals or ordinary consumers
7 interested in purchasing or renting lodging or vacation properties. TPW asserts that these
8 consumers are not likely to be real estate professionals. TPW, however, offers no support for its
9 conclusions about the consumers of TPW or Yelp.

10 Yelp, on the other hand, avers that its own consumers are relatively affluent, sophisticated,
11 and technologically savvy. (Dkt. No. 86-2, Curzon Decl. ¶¶ 8, 9 (indicating that 27.3% of Yelp
12 users earn between \$60,000 and \$90,000, 38.6% earn more than \$100,000, and approximately
13 80% have at least a college education).) Additionally, Yelp argues that, at least with respect to
14 TPW’s vacation home rentals and sales, its customers are likely to exercise a high degree of care
15 given that such purchases are likely to be rather expensive. *Network Automation*, 638 F.3d at
16 1153 (“We further explained that we expect consumers searching for expensive products online to
17 be even more sophisticated.”); *Adidas Am., Inc. v. Sketchers USA, Inc.*, 149 F. Supp. 3d 1222,
18 1243 (D. Oregon 2016) (“A more expensive product begets a more sophisticated customer whom
19 courts expect to exercise a higher degree of care.”).

20 In light of Yelp’s statistics regarding its users and the types of services and goods TPW
21 offers, and in light of the Ninth Circuit’s acknowledgement that the degree of care of consumers
22 utilizing the internet has become more heightened, the Court finds on this record that the
23 consumers of each company are likely to exercise a high degree of care. Accordingly, this factor
24 weighs against a finding of a likelihood of confusion.

25 **f. Factor Six: Yelp’s Intent in Selecting the Mark**

26 With respect to the factor of intent, the inquiry focuses on whether Yelp adopted the
27 Tagline with an intent to deceive the public as to the source of the services or goods that it offers.
28 *See Interstellar Starship*, 184 F.3d at 1111. “[W]here the alleged infringer adopted his mark with

1 knowledge, actual or constructive, that it was another’s trademark, resolution of this factor favors”
2 the senior user. *Survivor*, 406 F.3d at 634; *see also Sleekcraft*, 599 F.2d at 354 (holding that
3 when the “alleged infringer knowingly adopts a mark similar to another’s reviewing courts
4 presume that the defendant can accomplish” the purpose of deceiving the public).

5 Here, the parties do not dispute that Yelp was aware of TPW’s use of the Tagline prior to
6 Yelp’s use of the mark. TPW argues that this alone is sufficient to tip this factor in favor of
7 finding a likelihood of confusion. *See Survivor*, 406 F.3d at 634.

8 However, the Court’s analysis does not end once it determines that the junior user was
9 aware of the senior user’s use of the mark. The relevant inquiry is whether the junior user adopted
10 the mark “deliberately with a view to obtain some advantage from the good will, good name, and
11 good trade which another has built up.” *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314
12 F.2d 149, 158 (9th Cir. 1963). The Ninth Circuit’s decision in *M2 Software, Inc. v. Madacy*
13 *Entertainment*, 421 F.3d 1073 (9th Cir. 2005) is instructive. There, the defendant was aware of
14 the plaintiff’s use of the mark prior to adopting it for its own purposes. *Id.* at 1085. The attorney
15 for defendant believed that the company “could ‘carve out’ a non-infringing mark, even with the
16 existence of [plaintiff’s] mark.” *Id.* On that basis, the Ninth Circuit held that the district court did
17 not err in finding that the intent factor weighed in favor of defendant because there was no
18 showing of an intent to capitalize on the plaintiff’s use of the mark. *Id.*

19 Here, Yelp averred that prior to adopting the Tagline, it consulted with counsel and
20 determined that consumers were unlikely to be confused by Yelp’s use of the Tagline, despite
21 TPW’s use and registration of the phrase. (Dkt. No. 86-1, Osborn Decl. ¶3.) Thus, rather than
22 intending to deceive the public, Yelp avers that it intended to utilize the mark in a manner that was
23 unlikely to confuse consumers. Given the presumptions afforded a senior holder when balanced
24 with the lack of any evidence of intent to actually deceive the public, the Court finds this factor
25 neutral. *See M2 Software*, 421 F.3d at 1085.

26 **g. Factor Seven: Evidence of Actual Confusion**

27 The Ninth Circuit has held that a “showing of actual confusion among significant numbers
28 of consumers provides strong support for the likelihood of confusion.” *Network Automation*, 638

1 F.3d at 1151 (quoting *Playboy Enters., Inc. v. Netscape Comm'cs Corp.*, 354 F.3d 1020, 1026 (9th
2 Cir. 2004)).

3 Here, TPW concedes that it has no evidence of actual confusion.⁸ However, at this stage
4 of the proceedings, the importance of this factor is diminished given the difficulty of acquiring
5 evidence of actual confusion. *Id.*; see also *Deckers Outdoor Corp. v. Ozwear Connection Pty.*
6 *Ltd.*, No. 14-CV-2307-RSWL, 2014 WL 4679001, at *7 (C.D. Cal. Sept. 18, 2014) (noting that the
7 failure to provide instances of actual confusion is not dispositive and the factor is heavily weighed
8 “only when the particular circumstances of the case indicate that such evidence should have been
9 available and proven”).

10 Accordingly, the Court finds that this factor weighs slightly in favor of Yelp given that
11 such evidence is rarely available at this stage of the proceedings.

12 **h. Factor Eight: Likelihood of Expansion to Other Product Lines**

13 “A strong likelihood that either party may expand his business to compete with the other
14 favors a finding of infringement.” *Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1394 (9th
15 Cir. 1993). “The question is whether the parties are likely to compete with a similar product in the
16 same market.” *Id.* Where the parties “already compete to a significant degree” and “use similar
17 marketing channels, this factor is relatively unimportant to the likelihood of confusion analysis.”
18 *Fiji Water Co., LLC v. Fiji Mineral Water USA, LLC*, 741 F. Supp. 2d 1165, 1182 (C.D. Cal.
19 2010).

20 Here, neither party has submitted evidence that either TPW or Yelp is likely to expand
21 their operations. However, as discussed above, the parties already compete, at least to some
22 degree, in related fields and use similar marketing channels. Thus, the Court finds that this factor
23 is, at best, neutral in the likelihood of confusion analysis. *See id.* at 1182.

24

25

26

27

28

⁸ In its motion for preliminary injunction, TPW initially argued that this factor should weigh in its favor on the basis of its averment that one customer commented that he was confused about the association between Yelp and TPW. However, at oral argument, TPW conceded that it lacked actual evidence of confusion at this time.

1 **i. Summary of *Sleekcraft* Factors**

2 The Court does not weigh these factors mechanistically, but rather considers “what each
3 factor, and—more importantly—what the analysis as a whole, reveals about the ultimate
4 question,” i.e. “the likelihood of consumer confusion as to the origin of the product or service
5 bearing the allegedly infringing mark.” *Entrepreneur Media, Inc.*, 279 F.3d at 1141. Here, the
6 Court finds that, especially given the weakness of the mark (factor three) and in light of how the
7 mark is actually encountered by consumers in the marketplace (factor one), TPW has not
8 demonstrated a likelihood of confusion at this stage of the proceedings. The only two factors that
9 arguably weigh in favor of a likelihood of confusion bear little weight here: With regards to
10 overlaps in a related market (factor two), the significant differences between the services provided
11 by TPW and Yelp minimize the likelihood of confusion. With regards to marketing channels
12 (factor four), the shared use of the internet has little probative value and the shared use of
13 television ads is limited only to the geographical regions where TPW television ads air. Thus, the
14 Court finds that TPW has failed to carry its burden of showing a likelihood of success on the
15 merits as required for a motion for a preliminary injunction.

16 Nevertheless, because the preliminary injunction factors are weighed on a sliding scale in
17 the Ninth Circuit, the Court proceeds with a determination of whether TPW has demonstrated a
18 likelihood of irreparable harm.

19 **B. LIKELIHOOD OF IRREPARABLE HARM**

20 To obtain a preliminary injunction, TPW must “demonstrate a likelihood of irreparable
21 injury,” more than a mere possibility. *Winter*, 555 U.S. at 21. To establish a likelihood of
22 irreparable harm, conclusory or speculative allegations are not enough. *See Herb Reed Enters.,*
23 *LLC v. Florida Entertainment Mgmt., Inc.*, 736 F.3d 1239, 1251 (9th Cir. 2013) (holding that
24 pronouncements “grounded in platitudes rather than evidence” are insufficient); *Caribbean*
25 *Marine Servs. Co., Inc. v. Baldrige*, 844 F.2d 668, 674 (9th Cir. 1988) (holding that “[s]peculative
26 injury does not constitute irreparable injury sufficient to warrant granting a preliminary
27 injunction” and adding that a “plaintiff must *demonstrate* immediate threatened injury as a
28 prerequisite to preliminary injunctive relief”). Irreparable injury means an injury that is imminent,

1 and that cannot be remedied by an award of money.

2 Misidentification of goods or services poses a threat to goodwill and reputation. A
3 trademark holder is entitled to control the reputation and goodwill associated with its mark. This
4 potential loss of goodwill or loss of control over one’s reputation cannot be measured precisely
5 and “may constitute irreparable harm for purposes of preliminary injunctive relief.” *SunEarth,*
6 *Inc. v. Sun Earth Solar Power Co., Ltd.*, 846 F. Supp. 2d 1063, 1083 (N.D. Cal. 2012) (quoting
7 *Mortgage Elec. Registration Sys. v. Brosnan*, No. 09-CV-3600-SBA, 2009 WL 3647125, at *8
8 (N.D. Cal. Sept. 4, 2009)); *see also Apple Computer, Inc. v. Formula Intern. Inc.*, 725 F.2d 521,
9 525–26 (9th Cir. 1984) (finding irreparable harm where continuing infringement would “result in
10 loss of control over Apple’s reputation and loss of goodwill”); *Brooklyn Brewery*, 156 F. Supp. 3d
11 at 1185 (stating that irreparable injury may include “loss of control of reputation, loss of trade, and
12 loss of goodwill” even when the junior user “does not tarnish [the reputation]” or “divert any sales
13 by its use”).

14 TPW’s claims of irreparable harm can be broken into two categories: First, TPW claims
15 that because of its association with Yelp, it will lose “potential and existing rental customers, real
16 estate customers, and repeat customers,” who will confuse the “review and comments on the Yelp
17 site and mistake them for TPW recommendations.” (*See* Dkt. No. 70, Carroccio Decl. ¶¶ 76–82.)
18 Second, TPW claims that Yelp’s use of the Tagline has caused, and will continue to cause, TPW
19 to lose control over its trademark and its reputation. (*See id.* at ¶ 65.)

20 With regards to the first category of harms TPW claims it will suffer, TPW offers no actual
21 evidence of such harm. The only exhibits TPW attached in support of its claims are two articles
22 that are critical of Yelp. However, this is insufficient to demonstrate the “immediate threatened
23 injury,” which is a prerequisite for a preliminary injunction. *Caribbean Marine Servs.*, 844 F.2d
24 at 674. Yelp has been using the Tagline since 2013, yet TPW offers no evidence of diminished
25 revenues, actual customer confusion, or any customers lost as a result of Yelp’s use of the Tagline.
26 Such speculative allegations are insufficient to demonstrate even a threshold showing of
27 irreparable harm. *See Herb Reed Enters.*, 736 F.3d at 1251 (holding that pronouncements
28 “grounded in platitudes rather than evidence” are insufficient).

1 With regards to the second category of irreparable injury TPW may suffer, TPW argues
 2 that Carroccio’s averments in his declaration are sufficient to establish that TPW is likely to suffer
 3 a loss of control over its trademark and its reputation. TPW primarily relies on the court’s
 4 decision in *E&J Gallo Winery v. Grenade Beverage LLC*, No. 13-CV-00770-SAB, 2014 WL
 5 4073241 (E.D. Cal. Aug. 15, 2014) in support of its position. In *E&J Gallo*, the court found that
 6 the declaration of plaintiff’s director of marketing was sufficient to establish, for purposes of a
 7 summary judgment motion seeking a permanent injunction, the likelihood of irreparable injury
 8 where the declaration averred that an association with defendant’s product would be harmful to
 9 plaintiff’s reputation. *Id.* at *14.

10 At least one other court, however, has found the result in *E&J Gallo* to be irreconcilable
 11 with the Ninth Circuit’s decision in *Herb Reed Enterprises*. See *Pom Wonderful LLC v. Pur*
 12 *Beverages LLC*, No. 13-CV-6917-MMM, 2015 WL 10433693, at *16 (C.D. Cal. Aug. 6, 2015)
 13 (“*Pom II*”). Prior to *Herb Reed Enterprises*, plaintiffs enjoyed the presumption that they would
 14 suffer irreparable harm in trademark infringement actions after establishing a likelihood of
 15 confusion. *Herb Reed Enters.*, 736 F.3d at 1250–51. *Herb Reed Enterprises* specifically
 16 abrogated such presumption holding that gone “are the days when ‘[o]nce a plaintiff in an
 17 infringement action has established a likelihood of confusion, it is ordinarily presumed that the
 18 plaintiff will suffer irreparable harm if injunctive relief does not issue.’” *Id.* The Ninth Circuit
 19 further held that those “seeking injunctive relief must proffer *evidence* sufficient to establish a
 20 likelihood of irreparable harm.” *Id.* (emphasis supplied). In discussing *E&J Gallo* in light of the
 21 Ninth Circuit’s decision in *Herb Reed Enterprises*, the *Pom II* court found that adopting *E&J*
 22 *Gallo*’s approach would result in a finding of irreparable harm in any case where plaintiff was able
 23 to demonstrate a likelihood of success on the merits, the very practice *Herb Reed Enterprises* held
 24 was no longer appropriate. *Pom II*, 2015 WL 10433693, at *16. This Court agrees. Accepting
 25 Carroccio’s averments regarding TPW’s potential loss of control over the Tagline and its
 26 reputation would necessarily collapse the likelihood of confusion and the irreparable harm
 27 analyses, in direct contravention to the law in the Ninth Circuit.

28 Accordingly, the Court finds that TPW has failed to demonstrate a likelihood of irreparable

1 injury. Because TPW has failed to make threshold showings of likelihood of success and
2 likelihood of irreparable injury, the Court need not address the remaining factors for determining
3 whether a preliminary injunction should issue. *See Alliance for Wild Rockies*, 632 F.3d at 1131–
4 35; *see also Pom II*, 2015 WL 10433693, at *18 (finding no need to address remaining factors
5 because it found that plaintiff failed to adduce evidence of irreparable harm); *ET Trading, LTD v.*
6 *ClearPlex Direct, LLC*, No. 15-CV-00426-LHK, 2015 WL 913911, at *3 (N.D. Cal. Mar. 2, 2015)
7 (“The Court need not address all of the *Winter* factors because the Court finds that [p]laintiff has
8 failed to carry its burden of demonstrating that it will be irreparably harmed absent a temporary
9 restraining order.”). The Court thus **DENIES** TPW’s motion for a preliminary injunction.


10 **IV. CONCLUSION**

11 For the aforementioned reasons, the Court **DENIES** TPW’s motion for a preliminary
12 injunction. However, in light of the allegations alleged, the Court will set an early trial date by
13 separate order.

14 This Order terminates Docket Number 68.

15 **IT IS SO ORDERED.**

16 Dated: October 25, 2016

17 
18 **YVONNE GONZALEZ ROGERS**
19 **UNITED STATES DISTRICT COURT JUDGE**

20
21
22
23
24
25
26
27
28