

litigation. And yet, Google's briefs in this case are filled with feigned expressions of surprise and outrage at what it calls Plaintiffs' "frivolous" lawsuit. Less credible still is Google's complaint that Plaintiffs -- whose resources are indescribably small in comparison to Google's -- have set out to unnecessarily "increase the cost and burden of this litigation." (Resp. 1.)¹ These unrelenting attacks by Google are consistent with its "punch first, ask questions later" approach that made this case inevitable in the first place, and that Google has consistently adhered to since.

Google's propensity to attack is only encouraged by the fact that, for Google, this is a one issue lawsuit. Plaintiffs' infringement case is so strong (as the USPTO observed) that Google is compelled to focus exclusively on the defense of abandonment. Intent on making the most of this issue, Google has now dressed up its abandonment defense with an elaborate tale of fraud by a nefarious band of trademark trolls intent on shaking down Google for a settlement. Hyperbole and unpleasant rhetoric aside, Google cannot shirk the fact that it could have called its product anything, but it chose to use Plaintiff's mark and brought this litigation on itself.

As will be shown on summary judgment and/or at trial, Google's elaborate tale is factually unfounded. Among other things, Plaintiffs never abandoned the Android Data mark; Plaintiffs never had any relationship with Kenneth Robblee, and certainly were never "working with" him (see CCl. ¶30); the trademark assignment to ADI is authentic and valid; and ADI acted in a timely and lawful manner to protect its trademark registration.

The only legitimate issue presented in this case concerns the merits of Google's abandonment defense (Count III of the Counterclaim) -- the rest is simply a distraction. As explained below, and in Plaintiffs' Opening Brief, Counts I, II, IV, VI and VII fail to state a claim on which relief may be granted, and Count V is redundant and should be stricken.

¹ Google's Opposition To Plaintiffs' Motion To Strike And Dismiss Counterclaims [Docket No. 158] is referred to herein as the "Response" and cited as "Resp. ___."

ARGUMENT

The Response kicks up a lot of dust, making several arguments that are irrelevant to the issues raised by Plaintiffs' Motion. Ultimately, each of Google's arguments fails, as will now be shown.

I. COUNT V IS REDUNDANT MATTER AND SHOULD BE STRICKEN UNDER RULE 12(f)

As Plaintiffs' Opening Brief explains (at 2), Count V asks the Court to decide the same infringement claim presented by Plaintiffs in this case, but to the opposite effect. Rule 12(f) gives the Court discretion to strike this redundant count.²

The Response argues (at 3) that Count V must be preserved as a means for Google to recover its attorneys' fees and costs in the event that the Court finds this to be an "exceptional case" under 15 U.S.C. §1117(a). Wrong. For starters, Google does not even seek such relief in Count V. And, even if it did, a prevailing defendant in a trademark infringement does not need to file a counterclaim to obtain attorneys' fees in an "extraordinary case" under 15 U.S.C. §1117(a). A simple motion will suffice. See, e.g., Vito & Nick's, Inc. v. Barraco, No. 05 C 2764, 2008 WL 4594347, *2 (N.D. Ill. Oct. 10, 2008) (ruling on motion for fees under Section 1117 without a counterclaim); Bretford Mfg. Inc. v. Smith Sys. Mfg., Co., 421 F. Supp. 2d 1117, 1129 (N.D. Ill. 2006) (same).

Next, the Response (at 3-4) argues that, even if Count V is redundant, it still should not be stricken unless it causes prejudice to Plaintiffs. Google relies on two cases: Hoffman v. Sumner, 478 F. Supp. 2d 1024, 1028 (N.D. Ill. 2007); and Nucor Corp. v. Aceros y Maquilas de Occidente, 28 F.3d 572, 577 (7th Cir. 1994). Nucor is irrelevant, as the case has nothing to do

² The Memorandum In Support Of Plaintiffs' Motion To Strike And Dismiss Counterclaims is referred to herein as the "Opening Brief" and cited as "Op. Br. ___."

with any motion to strike affirmative matter. In Hoffman, the court denied a motion to strike because it found that the claim at issue was not redundant -- not because the court found an absence of prejudice to the movant. 478 F. Supp. 2d at 1029. Plaintiffs do not deny that the decision to strike a claim under Rule 12(f) is within the Court's discretion, and in making that decision the Court may consider, among other things, prejudice to the movant. However, the case law also amply demonstrates that where, as here, a claim is so wholly redundant and pointless, the Court may strike it without making any finding concerning prejudice. See, e.g., United States v. Zanfei, 353 F. Supp. 2d 962, 964-65 (N.D. Ill. 2005) (granting motion to strike redundant matter without considering prejudice); Green Bay Packaging, Inc. v. Hoganson Assocs., Inc., 362 F. Supp. 78, 82 (N.D. Ill. 1973) (same).

The Response concludes with the facially absurd argument (at 4-5) that Count V should remain in the case because it will enable Google to "obtain a finding of non-infringement" in the event that Plaintiffs "abandon their claims against Google." (Resp. 5.) First, notwithstanding Google's musings about "dartboards" and "shakedowns" (id.), there is no reason to think that Plaintiffs will abandon any claim against Google. In any event, the issue is a red herring because Plaintiffs cannot voluntarily dismiss any claim in this case without a Court order or Google's agreement. Fed. R. Civ. P. 41(a).

Google's argument, although baseless, is nevertheless revealing. By acknowledging its own desire to independently litigate the infringement issues raised by Plaintiffs' claims -- i.e., even assuming that Plaintiffs were to inexplicably dismiss the suit -- Google admits that the claims raise legitimate infringement issues that ought to be decided by this Court. This tacit admission exposes the insincerity of Google's argument that the mere filing of this suit was an act of statutory unfair competition by Plaintiffs. (Resp. 12.) However, while it is now clear that

both Plaintiffs and Google are determined to get a binding decision from this Court on the infringement issue, the presence of Count V will not facilitate that. Count V is redundant matter that should be stricken under Rule 12(f).

**II. COUNTS I, II AND IV FAIL TO STATE A CLAIM
THAT PLAINTIFFS COMMITTED FRAUD ON THE USPTO**

As explained in the Opening Brief (at 3-4), Counts I, II and IV of the Counterclaim (although seeking different remedies) all assert the same claim -- i.e., that ADI defrauded the USPTO by submitting a knowingly false “Section 8 Declaration.” And all three claims fail because Google has not alleged the first essential element of fraud: a false representation of a material fact. (Id.)

Having no answer to this point, the Response instead addresses several irrelevant points that are not raised by Plaintiffs’ Motion. The Response begins (at 6) by erroneously attributing to Plaintiffs the argument that the Section 8 Declaration statement that the Android Data mark was “in use in commerce” was “merely a statement of ‘opinion.’” Plaintiffs make no such contention. The point that is lost on Google is that Megan Specht’s sworn statement that the mark was “in use in commerce” was factually correct, as conceded by the allegations of Paragraph 33 of Google’s Counterclaim. It is Google’s position -- not Plaintiffs’ -- that this statement is nevertheless actionable as fraud because it is legally wrong. (E.g., CCl. ¶¶33, 54, 77.) And Google continues to make this argument in its Response. (See, e.g., Resp. 8 (the Court must determine whether Plaintiffs’ admitted use of the mark “was a *bona fide* use in commerce or merely a token use”).)

As Plaintiffs have explained (Op. Br. 4), this claim fails because the question of whether an admitted use of a mark -- here, Plaintiffs’ domain name registration and website launch (CCl. ¶33) -- constitutes “use in commerce” under the Lanham Act, 15 U.S.C. §1127 (defining “use in

commerce”), is a legal conclusion. Indeed, Google has already admitted this in its response to Plaintiffs’ Interrogatory No. 5. There, when asked to “[i]dentify each and every product, license, service, application, or other item bearing the Android mark which Google has knowledge of being used in commerce,” Google responded as follows:

Google further objects to this interrogatory as calling for a legal conclusion as to what constitutes “use in commerce.”

Accordingly, Counts I, II and IV fail because a legal conclusion, whether correct or incorrect, cannot be the basis for an actionable fraud claim. (Op. Br. 3-4.)

The Response then argues that, in order to determine whether Specht’s statement that Android Data “was in use in commerce” was true, “the Court would have to engage in fact finding.” (Resp. 8.) Not so. Google eliminated the need for that when it alleged in its Counterclaim that, as of the date of the Section 8 Declaration, Plaintiffs had “registered the domain name <andoid-data.com>, and posted a new website.” (CCl. ¶33.) This allegation, although it is harmful to Google’s own claim, is still assumed to be true under Rule 12(b)(6) for purposes of this Motion. See GMP Techs., LLC v. Zicam, LLC, No. 08 C 7077, 2009 WL 5064762, *2 (N.D. Ill. 2009) (a party can “plead itself out of court”).

Finally, the Response argues that Plaintiffs are asking the Court to make fact findings regarding whether Plaintiffs acted “with intent to mislead the USPTO.” (Resp. 7.) Here, again, Google is arguing a point that is not raised by the Motion. Plaintiffs move to dismiss Counts I, II and IV on the grounds that Google failed to allege the first essential element of fraud on the USPTO: a false statement of fact. (Op. Br. 3.) Whether Plaintiffs acted “with intent to mislead the USPTO” is the third element of that claim. E.g., Isp.net, LLC v. Qwest Comm. Int’l, Inc., No. IP 01-0480, 2003 WL 21254430, *3 (S.D. Ind. May 7, 2003). Plaintiffs do not contend that

Google has failed to allege that element. Accordingly, whether Plaintiffs had the requisite intent to commit fraud is irrelevant.

III. COUNT I FAILS TO STATE A CLAIM FOR CANCELLATION BASED ON AN “INVALID ASSIGNMENT”

Count I also fails to state a claim that the trademark assignment from ADC to ADI was invalid on the grounds that it was an “assignment in gross” or was unaccompanied by consideration. (Op. Br. 5-6.) As explained (*id.* 5), Count I’s “in gross” claim is deficient because Google has alleged only the bare legal conclusion that the assignment was “unaccompanied by any assets or goodwill associated with the Android Data mark,” without alleging any factual support. Courts “are not bound to accept as true a legal conclusion couched as a factual allegation.” Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007). The Response fails to address this point at all, and its silence should be deemed a concession that the pleading is fatally defective in this respect.

The Opening Brief also explained (at 5-6) that Google’s assignment “in gross” allegation is defeated by the plain terms of the Software Ownership Transfer Agreement between ADC and ADI dated December 26, 2002 (the “Assignment”), which plainly states that the transfer of the trademark was accompanied by goodwill and other assets. The Assignment is authentic and dispositive of Google’s claim. However, backed into a corner on this point, Google is now demanding that Plaintiffs produce evidence to prove the authenticity of the Assignment. (Resp. 9-10.) Accordingly, in the event that the Court does not dismiss Count I on the other grounds asserted herein and in the Opening Brief, Plaintiffs hereby reserve the right to renew their challenge to Google’s assignment in gross claim at any appropriate time following fact discovery by filing a motion for summary judgment under Rule 56.

The Response also argues that, even if the Assignment was accompanied by goodwill and other assets, the assignment can be invalid “if the assignee had no intention of actually using the subject trademark in commerce.” (Resp. 10.) Yet, there is no such allegation in the Counterclaim. Google has alleged only that the Assignment was: (i) in gross; and (ii) unaccompanied by consideration. (CCL ¶¶38, 49, 58.) Accordingly, the Court need not decide here whether Google has stated a claim that the Assignment is invalid on the grounds that the assignee had no intent to use the transferred mark. Moreover, Google gets no help from the two cases it cites -- Archer Daniels Midland Co. v. Narula, No. 99 C 6997, 2001 WL 804025 (N.D. Ill. Jul. 12, 2001), and R & R Partners, Inc. v. Tovar, 447 F. Supp. 2d 1141 (D. Nev. 2006). (Resp. 10) Those cases are rulings on summary judgment motions that say nothing at all about what is required under Rule 12(b)(6) to plead an invalid assignment in gross.

As for Google’s claim that the Assignment is invalid because it lacked consideration, it fails as a matter of law because a trademark can be assigned without consideration. (Op. Br. 6, and cases cited therein.) Although Google argues in the Response that consideration is necessary, it does not cite a single case concerning assignment of a trademark. (Resp. 11.) On the other hand, Shima American Corp. v. S.M. Arnold, Inc., which Plaintiffs cite (Op. Br. 6), is directly on point, and expressly holds that a trademark assignment is enforceable without regard to whether it is supported by consideration. 1989 WL 65014, *2 (N.D. Ill. June 7, 1989). Shima is good law, it has never been criticized by any court and it is fatal to Google’s “no consideration” claim.

Finally, Google’s complaint that the Opening Brief cites “unpublished” cases (Resp. 11, 14) is another irrelevant point that should be disregarded. The referenced cases are published on Westlaw’s online database. Citation to such cases is permitted and appropriate. Kingvision Pay

Per View, Ltd. v. Boom Town Saloon, Inc., 98 F. Supp. 2d 958, 959 n.1 (N.D. Ill. 2000). Google's criticism is rendered even more puzzling by the fact that it, too, cites several such cases in the Response. (E.g., Resp. 3, 5, 8, 10, 11, 15.)

IV. COUNT VI FAILS TO STATE A CLAIM FOR UNFAIR COMPETITION UNDER THE LANHAM ACT

As the Opening Brief explains (at 7-8), Google's unfair competition claim in Count VI fails because ADI, as the recognized owner of the "Android Data" mark on the USPTO Principal Register, holds enforceable rights under the Lanham Act, and it cannot incur Lanham Act unfair competition liability merely for making "representations to the marketplace, including through the media and elsewhere" (CCL ¶93) that it holds such rights.

Curiously, the Response defends Count VI by reciting a laundry list of allegations -- e.g., concerning the assignment, the Section 8 Declaration and this lawsuit -- that Google argues demonstrate "bad faith" by Plaintiffs. (Resp. 12.) Yet, the recited allegations are irrelevant to the issue of whether Google has stated a claim in Count VI, which does not allege that these referenced "bad faith" acts constituted unfair competition. Count VI is based only on Google's allegation that Plaintiffs publicly made false representations "that they enjoy exclusive trademark rights in the ANDROID DATA mark." (CCL ¶93.) As the Opening Brief explains (at 7-8), it is not unlawful for the holder of a registered trademark to publicly state that it has trademark rights. The Response (at 13) cites three cases -- Conditioned Ocular Enhancement, Inc. v. Bonaventura, 458 F.Supp. 2d 704 (N.D. Ill. 2006), DCI Marketing, Inc. v. Justrite Mfg. Co., 213 F. Supp. 2d 971 (E.D. Wis. 2002), and Am. Broadcasting Co. v. Malfack Productions, Inc., 34 F. Supp. 2d 665 (N.D. Ill. 1998) -- but each concerns an allegedly false cease-and-desist letter, and does not lend support to Count VI's claim that Plaintiffs' mere public declaration of their rights violates the Lanham Act.

Moreover, Google’s insistence that Plaintiffs’ alleged statements should be deemed “false” under the Lanham Act, 15 U.S.C. §1125(a), on the grounds that Plaintiffs “knew” they had abandoned the Android Data mark (Resp. 12; CCl. ¶¶27, 32, 93) is a fallacy. Abandonment is an affirmative defense to an infringement claim under the Lanham Act, 15 U.S.C. §1127. The Act sets forth a two part test to determine whether a mark has been abandoned: (i) discontinuance of use of the mark; and (ii) intent not to resume use of the mark. Id. Whether Plaintiffs may be deemed to have “abandoned” their trademarks -- as that term is defined under the Lanham Act -- as a consequence of their collective actions over a span of several years, is not a fact that can be “known.” It is a legal conclusion, and one of the ultimate issues to be decided in this case. Thus, Plaintiffs’ alleged statements “that they enjoy trademark rights” may be correct or incorrect, as will be determined in this case, but they cannot be “false statements” actionable under 15 U.S.C. §1125(a).

For all of these reasons, Count VI fails to state a claim.

V. COUNT VII FAILS TO STATE A CLAIM

As Plaintiffs have explained (Op. Br. 8-9), if Count VI fails, Count VII (common law unfair competition) fails too, and this is true regardless of which state’s law is applied to that claim. The Response does not dispute that point. Accordingly, Count VII should be dismissed on the same grounds as Count VI.

CONCLUSION

For the foregoing reasons, and the reasons set forth in Plaintiffs’ Opening Brief, Count V of the Counterclaim should be stricken, and Counts I, II, IV, VI and VII of the Counterclaim should be dismissed.

Respectfully submitted,

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