IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TIMELINES, INC.	)	
	)	
Plaintiff/Counter-Defendant	)	Civil Action No.: 11 CV 6867
	)	
v.	)	HONORABLE JOHN W. DARRAH
	)	
FACEBOOK, INC.	)	Jury Trial Demanded
	)	
Defendant/Counter-Plaintiff.	)	

TIMELINES' RESPONSE BRIEF IN OPPOSITION TO FACEBOOK'S MOTION *IN LIMINE* NO. 4: TO EXCLUDE EVIDENCE, ARGUMENT, AND TESTIMONY REGARDING NON-ACTIONABLE ALLEGED CONFUSION

Plaintiff/Counter-Defendant Timelines, Inc. ("Timelines"), through its attorneys, Reed Smith LLP, hereby submits this response brief in opposition to Defendant/Counter-Plaintiff Facebook, Inc.'s ("Facebook") Motion *In Limine* No. 4: To Exclude Evidence, Argument, and Testimony Regarding Non-Actionable Alleged Confusion (the "Motion") and responds as follows:

INTRODUCTION

Evidence of actual confusion is admissible evidence of likelihood of confusion—an element of trademark infringement. Facebook does not dispute that the witnesses at issue—Randy Cassidy, Keith Koeneman, Don Jenkins, and Pam Cole—were confused as to the source, sponsorship, or affiliation of Facebook "Timeline." As this Court found, all were confused by Facebook's announcement of "Timeline" and either wrote or called Timelines believing that it had done a deal, or otherwise made an agreement, with Facebook. That is quintessential actual confusion.

Instead, Facebook disputes, first, that such confusion is actionable because "inquires and/or congratulatory communications regarding what they believed to be Facebook's purchase

of Plaintiff or its services do not constitute actionable consumer confusion," and, second, that these witnesses were "consumers" because of their familial, social, or business affiliation with Plaintiff. However, as explained herein, this Court has held that confusion expressed in the form of such inquires *is* evidence of action confusion. Further, the case law Facebook cites does not stand for the general proposition that the witnesses' familial, social, or business affiliations with Plaintiff make their testimony inadmissible. Finally, all but one[1] of the witnesses visited both www.timelines.com and www.facebook.com, and, thus, were consumers or, at the very least, potential consumers of the services at issue. As a result, this Court should deny Facebook's Motion.

LEGAL STANDARD

Timelines must offer relevant evidence—that is, evidence that "has any tendency to make a fact more or less probable than it would be without the evidence" and "the fact is of consequence in determining the action." FED. R. EVID. 401. Relevant evidence cannot be excluded merely because it is "prejudicial" to Facebook's position. It *may* be excluded only "if its probative value is substantially outweighed by a danger of … unfair prejudice …." FED. R. EVID. 403. Whether evidence is "probative" is a similar question to whether it is "relevant." *Compare* BLACK'S LAW DICTIONARY 1323 (9th ed. 2009) (defining "probative" as "[t]ending to prove or disprove"), *with id.* at 1404 (defining "relevant" as "[l]ogically connected and tending to prove or disprove a matter in issue."). "Because all probative evidence is to some extent prejudicial, we have consistently emphasized that Rule 403 balancing turns on whether the prejudice is unfair." *United States v. McKibbins*, 656 F.3d 707, 712 (7th Cir. 2011). Evidence is unfairly prejudicial if it would cause the jury to decide the case on an improper or irrational

[1] Thomas Fallon testified that he has not visited www.facebook.com or www.timelines.com. Plaintiff does not intend to introduce either evidence, argument, or testimony as to the confusion Thomas Fallon expressed in his deposition.

basis, such as by appealing to the jury's emotions. *United States v. Miller*, 688 F.3d 322, 327 (7th Cir. 2012). When determining the admissibility of evidence under Rule 403, the Seventh Circuit "employ[s] a sliding scale approach: as the probative value increases, so does our tolerance of the risk of prejudice." *Whitehead v. Bond*, 680 F.3d 919, 930 (7th Cir. 2012). For the reasons stated below, Timelines' evidence of actual confusion is both highly probative and *not* prejudicial.

ARGUMENT

I. Timelines' Evidence of Consumer Confusion Is Admissible Evidence of Likelihood of Confusion.

The testimony of the witnesses at issue is relevant and, thus, probative, because it is evidence that Facebook's use of the TIMELINES Marks resulted in confusion as to the source, sponsorship, or affiliation of Facebook's "Timeline" when it was launched. Evidence of actual confusion is one of the ways Timelines can establish likelihood of confusion—an element of Timelines' trademark infringement claim. *Ty, Inc. v. Jones Group, Inc.*, 237 F.3d 891, 897 (7th Cir. 2001); *see also Tisch Hotels, Inc. v. Americana Inn, Inc.*, 350 F.2d 609, 611-612 (7th Cir. 1965) (noting any evidence of actual confusion is strong proof of the fact of a likelihood of confusion). Facebook does not dispute that the witnesses were confused as to the source, sponsorship, or affiliation of Facebook "Timeline." (*See* Memorandum in Support of Facebook, Inc.'s Motion *In Limine* No. 4: To Exclude Evidence, Argument, and Testimony Regarding Non-Actionable Alleged "Confusion" ("Mem.") at p. 1.) Indeed, as this Court noted, all of the witnesses were confused by Facebook's announcement of "Timeline" and wrote or called Timelines believe that it had done a deal, or otherwise made an agreement, with Facebook. (*See* Mem. Opin. and Order at p.12, Dkt. No. 116 ("When Defendant announced its "Timeline" feature, people familiar with Plaintiff were confused by the announcement and believed Plaintiff

had made an agreement with Defendant."); *see also* Cassidy Depo. (Exhibit A) at 41:19-24, 50:11-13; Koenman Depo. (Exhibit B) at 90:20-91:14; Jenkins Depo. (Exhibit C) at 21:19-22:2; Cole Depo. (Exhibit D) at 30:5-13.)

Instead, Facebook argues "inquires and/or congratulatory comments regarding what they believed to be Facebook's purchase of Plaintiff or its services do not constitute actionable consumer confusion." (Mem. at p. 1.) This is wrong. This Court, as well as other courts, has held the opposite. *See Pride Communications Ltd. Partnership v. WCKG, Inc.*, 851 F.Supp. 895, 902 (N.D. Ill. 1994) ("Here, Plaintiff introduced some minimal evidence of actual listener confusion: After hearing Defendants' broadcast and use of the "Star" name, Bob Karraker, a student who worked for Plaintiff briefly, called Plaintiff's business manager and asked whether Plaintiff had purchased another station. Since reliable evidence of confusion is difficult to obtain in trademark cases, any such evidence is deemed "substantial evidence" that confusion is likely."); *Quill Natural Spring Water, Ltd. v. Quill Corp.*, No. 91 C 8071, 1994 WL 559237, at *8 (N.D. Ill. Oct. 7, 1994) (holding where employees of Quill Corp.'s attorneys' office observed Quill Natural Spring Water, Ltd.'s bottled water and concluded Quill Corp. had entered into water business, it was evidence of actual confusion as to source, sponsorship or affiliation of the products); *see also Champions Golf Club v. Champions Golf Club*, 78 F.3d 1111 (6th Cir. 1996) (noting in case of alleged confusion between two golf courses, both named CHAMPIONS, the issue is not whether golfers are confused about which course they are playing on, but rather, whether the courses are affiliated); *Heritage Community Bank v. Heritage Bank, N.A.*, No. 08-4322, 2008 WL 5170190, at *9 (D. N.J. Dec. 9, 2008) ("The Third Circuit has indicated that inquiries regarding the relationship between two companies carrying similar trademark names are indicative of actual confusion …."); *Happy Sumo Sushi, Inc. v. Yapona, Inc.*, 2008 WL

3539628, at *2 (D. Utah Aug. 11, 2008) (treating inquiries about possible relationship between competing restaurants as evidence of actual confusion); 3A CALLMANN ON UNFAIR COMP., TR. & MONO. ("CALLMANN") § 22:8 (4th ed.) ("Confusion of sponsorship exists not only when consumers are likely to misperceive *defendants* business to be owned or franchised by the *plaintiff*, but also the other way around" (emphasis in original).). Facebook cites no case law to support its argument that such evidence in the form of "inquires and/or congratulatory communications" is irrelevant.

II. The Alleged Connection of the Confusion Witnesses to Plaintiff Does Not Bar Their Testimony.

Facebook also argues that the deponents' familial, social, or business affiliations with Plaintiff make their testimony irrelevant and, thus, inadmissible. (*See* Mem. at pp. 5–7.) Again, this is wrong. To support this proposition, Facebook selectively quotes the Seventh Circuit's decision in *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 645 (7th Cir. 2001). Facebook correctly states that in *Packman*, the district court excluded the plaintiff's evidence of actual confusion in the form of "phone calls she received from two friends, her father, and [her] former co-worker who had seen the Tribune's front page [with the plaintiff's THE JOY OF SIX Mark as a headline] and called to congratulate her on her 'deal' with the Tribune." *Id.* at 645. But this was not, as Facebook implies, (*See* Mem. at pp. 5–6.), because they were familial, social, or business associates. As the district made clear, such evidence was irrelevant because it related to the Tribune's *headline* using the plaintiff's THE JOY OF SIX mark and not its subsequent sale of *merchandise* bearing the same. *Id.* at 634-35 ("Importantly, though, these callers referred to the Tribune *headline*, not to the memorabilia at issue" (emphasis in original).). In fact, the plaintiff "did not protest the use of the phrase they had trademarked, but instead sent a letter, hat and t-shirt to the Tribune's writers, encouraging them to use the phrase," and the plaintiff

admitted, based on these letters, that "he would not have objected to the writers' using the phrase in a column headline." *Id.* at 634. As a result, the Seventh Circuit concluded that "[t]he district court correctly rejected this evidence as irrelevant to the question of confusion over the source of defendants' *championship memorabilia*." *Id.* (emphasis added). The Seventh Circuit's affirmation in *Packman* is, therefore, inapposite.[2] Facebook is free to elicit any biases it believes the witnesses at issue have on cross examination. This, however, would go to the weight of the testimony, not its admissibility. As such, Facebook cites no case law where such testimony is barred from trial.

III. Timelines' Confusion Witnesses Are All Relevant Consumers Because They Are Internet Users.

Facebook argues that none of the deponents at issue "experienced point-of-sale confusion," used Plaintiff's product instead of Defendant's product, or were lured to Facebook's product. (Mem. at pp. 7.) This, however, is not the standard. Actual confusion is confusion as to the source, sponsorship, or affiliation of the product on the part of actual or potential

[2] Facebook also cites three out-of-circuit cases: *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 910 (9th Cir. 1995); *Walter v. Mattle, Inc.*, 210 F.3d 1108, 1112 (9th Cir. 2000), and *Gameologist Group, LLC v. Scientific Games Intern., Inc.*, 838 F. Supp. 2d 141, 162 (S.D.N.Y. 2011). These cases, like *Packman*, do not stand for the proposition that the deponents' familial, social, or business association with Plaintiff makes their testimony irrelevant. First, *Self-Realization Fellowship Church* addressed secondary meaning, not likelihood of confusion. Further, the Court found that the church's employees and wholesalers had "too close an affiliation," and, thus, their declarations were of "little value," *not* inadmissible. *Self-Realization Fellowship Church*, 59 F.3d at 910. Second, in *Walter*, the "acquaintances, friends, and family members thought that Plaintiff might be 'in some way associated' with [the defendant] upon hearing of the [alleged infringing product] (usually when shown or told of the [product] by Plaintiff)" and "Plaintiff and her representative admit that they are not aware of anyone who thought that Plaintiff's illustration services were produced, sponsored, or approved by [the defendant]." *Walter*, 210 F.3d at 1112. Here, the unsolicited calls and emails show that the deponents clearly thought Facebook had done a deal, or otherwise reached an agreement, with Timelines. (*See* Mem. at p. 1.) Finally, in *Gameologist Group, LLC*, the Court stated: "The plaintiff has presented no evidence of actual confusion, other than anecdotal, hearsay evidence of confusion on the part of friends and family members of [the plaintiff's] current or former members." *Gameologist Group, LLC*, 838 F. Supp. 2d at 162. Here, such direct testimony is not hearsay. Further, the court noted such evidence was not enough to withstand summary judgment, *not* that such evidence was inadmissible. Here, Timelines has produced additional evidence of actual confusion. (*See* Mem. Op. and Order at p. 12-13, Dkt. No. 116 ("Other individuals, under the impression that Plaintiff was related to Defendant's website, Facebook, personally contacted Plaintiff to change their settings on Facebook."); *see also* Timelines, Inc.'s Local Rule 56.1 Response to Facebook, Inc.'s Local Rule 56.1(a)(3) Statement of Material Facts, and Timelines Local Rule 56.1(b)(3)(C) Statement of Additional Material Facts That Require the Denial of Summary Judgment at pp. 43-44, at Grp. Ex. 32.)

consumers. CALLMANN § 21:82 ("Relevant confusion is not limited to completed transactions."); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION ("MCCARTHY") § 23:5 (4th ed.) ("At issue in most cases is the likely confusion of members of the relevant class of customers and potential customers.").

For customers to be confused, they do not have to be induced to purchase Plaintiff's product. *See Pride Communications Ltd. Partnership v. WCKG, Inc.*, 851 F.Supp. 895, 902 (N.D. Ill. 1994) ("Here, Plaintiff introduced some minimal evidence of actual listener confusion: After hearing Defendants' broadcast and use of the "Star" name, Bob Karraker, a student who worked for Plaintiff briefly, called Plaintiff's business manager and asked whether Plaintiff had purchased another station. Since reliable evidence of confusion is difficult to obtain in trademark cases, any such evidence is deemed "substantial evidence" that confusion is likely."); *Quill Natural Spring Water, Ltd. v. Quill Corp.*, No. 91 C 8071, 1994 WL 559237, at *8 (N.D. Ill. Oct. 7, 1994) (holding where employees of Quill Corp.'s attorneys' office observed Quill Natural Spring Water, Ltd.'s bottled water and concluded Quill Corp. had entered into water business, it was evidence of actual confusion as to source, sponsorship or affiliation of the products); *see also Heritage Community Bank v. Heritage Bank, N.A.*, No. 08-4322, 2008 WL 5170190, at *9 (D. N.J. Dec. 9, 2008) ("Defendant argues, however, that evidence of actual confusion 'has to be something that affects a purchasing decision.' This Court finds no support for this proposition in Third Circuit case law nor does Defendant."); *First Int'l Services Corp. v. Chuckles Inc.*, 5 U.S.P.Q.2d (BNA) 1628, 1634 (T.T.A.B. 1988) ("While the individuals may not have been induced to purchase the products, … the fact that they were initially confused is certainly relevant."); MCCARTHY § 23:5 ("[P]oint of sale confusion *does not* mark the outer boundaries of trademark infringement" (emphasis added).).

Randy Cassidy, Keith Koeneman, Don Jenkins, and Pam Cole, the witnesses at issue, testified that they visited both www.timelines.com and www.facebook.com. (*See* Cassidy Depo. 13:25-14:1; 33:16-34:22, Koeneman Depo. at 26:7-8; 29:21-22; 34:17-18; 36:5-6; 40:9-11, Jenkins Depo. at 9:16; 21:19-20; 35:20; 36:3-4; 38:12-14, Cole Depo. at 11:15; 19:18.) Esther Barron also testified that she visited both www.timelines.com and www.facebook.com, but Plaintiff does not intend to introduce evidence, argument, or testimony related to Barron's confusion. Further, Thomas Fallon did not visit either www.timelines.com or www.facebook.com, but Plaintiff does not intend to introduce evidence, argument, or testimony related to Fallon's confusion.

Visitors of www.timelines.com and www.facebook.com are consumers of Plaintiff's and Defendant's services. Plaintiff and Defendant do not charge their users for their services. (Mem. and Order at pp. 4, 9, Dkt. No. 116.). Instead, both Plaintiff and Defendant generate revenue from advertising, which is naturally driven by the number visitors to their respective websites. Thus, Plaintiff's and Defendant's consumers are those that visit their respective websites. Here, those consumers include the deponents at issue. Further, Plaintiff's and Defendant's potential consumers are all internet users, and all of the deponents have testified that they are internet users. As such, all are, at the very least, a part of the target market of potential consumers for both Facebook and Timelines. (*See* Seggev Depo. at 178:25-179:7, attached hereto as Exhibit E.)

IV. Facebook Has Not Identified Any Unfair Prejudice It Would Suffer From This Evidence.

Facebook argues that the admission of the deponents' testimony would be unfairly prejudicial because their testimony is not evidence of actual confusion. (Mem. at p. 7.) As explained above, however, the case law is clear that the witnesses' testimony *is* evidence of

actual confusion. Further, Facebook has not identified any unfair prejudice. The Seventh Circuit has previously found evidence unfairly prejudicial, for example, where it was significantly more inflammatory than other evidentiary alternatives, *see United States v. Loughry*, 660 F.3d 965, 973–74 (7th Cir.2011) (finding that the introduction of "hard core" pornography shortly before the trial's conclusion caused unfair prejudice to a defendant who stood accused of distributing only "lascivious exhibition" pornography, when introducing the latter type would have equally served the government's purposes), or where the contested evidence conveyed a false or misleading impression to the jury, *cf. United States v. Hanna*, 630 F.3d 505, 512 (7th Cir.2010) (finding that a defendant was not unfairly prejudiced when he was "prosecuted for exactly what the evidence depict[ed]" (internal brackets omitted).). Indeed, no such unfair prejudice exists. Finally, even if this Court found that the witnesses' testimony was unfairly prejudicial, that does not make it inadmissible. Relevant evidence *may* be excluded only "if its probative value is *substantially outweighed* by a danger of … unfair prejudice …." FED. R. EVID. 403 (emphasis added). As Facebook has identified no unfair prejudice, this cannot "substantially outweigh" its probative value.

CONCLUSION

WHEREFORE, Plaintiff/Counter-Defendant Timelines, Inc., respectfully requests that this Court deny Defendant/Counter-Plaintiff Facebook, Inc.'s Motion *In Limine* No. 4: To Exclude Evidence, Argument, and Testimony Regarding Non-Actionable Alleged Confusion, as well as grant any such other and further relief that this honorable Court deems to be just and proper.

DATED: April 15, 2013

Respectfully submitted,

TIMELINES, INC.,
Plaintiff/Counter-Defendant

By: /s/ Douglas A. Albritton

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CERTIFICATE OF SERVICE

I, the undersigned attorney, certify that I electronically filed foregoing document. Pursuant to Rule 5(b)(3) of the Federal Rules of Civil Procedure and Local Rule 5.9, I have thereby electronically served all Filing Users.

DATED: April 15, 2013

Respectfully submitted,

TIMELINES, INC.,
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