

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

TIMELINES, INC.)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.: 11 CV 6867
)	
FACEBOOK, INC.)	HONORABLE JOHN W. DARRAH
)	
Defendant.)	

**DEFENDANT FACEBOOK, INC.’S OPPOSITION TO PLAINTIFF’S EMERGENCY
MOTION *IN LIMINE* NO. 9 TO EXCLUDE EVIDENCE OF PLAINTIFF’S MOST
RECENT TRADEMARK APPLICATION**

I. INTRODUCTION

In its ongoing efforts to preclude Facebook, Inc. (“Facebook”) from presenting a fair and just defense in the case, Plaintiff filed its motion *in limine* seeking to deprive the jury access to highly probative evidence – the fact that four days after Facebook’s Timeline feature launched, Plaintiff filed a fourth application to register once again the **exact same** “timelines” term for use in connection with a new description of services that by its own admission mirrored the services offered by Facebook.

Plaintiff’s claims that resolution of this issue constitutes an “emergency” are disingenuous at best. Facebook has raised the issue of the U.S. Patent & Trademark Office’s (“PTO”) rejection of Plaintiff’s trademark application throughout the course of this proceeding, including in responses to Plaintiff’s written discovery nearly a year ago, during the deposition of Plaintiff’s CEO, and also on Facebook’s proposed exhibit lists exchanged over a week ago. To burden the Court and Facebook with this issue days before trial and after all motions *in limine* have previously been addressed by the Court is unwarranted.

This motion, if granted by the Court, would unfairly prejudice Facebook. Evidence of the PTO's rejection of Plaintiff's trademark application for the same alleged mark that is at issue is directly probative of the central issues in the case (thus easily satisfying Fed. R. Evid. 401) and involves the statements, admissions, and conduct of the only employee remaining at Plaintiff – its CEO, Mr. Brian Hand. And while the truth about the PTO's recent rejection of “timelines” as a trademark is unfavorable to Plaintiff's unfounded claim of trademark infringement, it is not *unfairly* prejudicial pursuant under the terms of Federal Fed. R. Evid. 403 and therefore should not be excluded.

II. ARGUMENT

A. Evidence of Plaintiff's Rejected Trademark Application for “Timelines” Is Relevant and Admissible.

Fed. R. Evid. 401 provides that evidence is relevant when it has “any tendency to make the existence of *any* fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.” *Thompson v. City of Chicago*, 472 F.3d 444, 453-54 (7th Cir. 2006) (citing FED. R. EVID. 401) (emphasis added). “A party faces a significant obstacle in arguing that evidence should be barred because it is not relevant, given that the Supreme Court has stated that there is a ‘low threshold’ for establishing that evidence is relevant.” *U.S. v. Boros*, 668 F.3d 901, 907 (7th Cir. 2012) (citing *Tennard v. Dretke*, 542 U.S. 274 (2004)).

Plaintiff seeks to preclude evidence that in rejecting its fourth application for the term “Timelines,” the PTO cited numerous instances of third party descriptive or generic usage of the term. (See Declaration of Lori F. Mayall in Support of Facebook's Opposition (“Mayall Decl.”), Ex. A.) This evidence comprises a critical component of the total mix of information that Facebook intends to introduce at trial regarding the validity of Plaintiff's purported trademark

and is highly relevant to Facebook's showing the genericness, or at most the merely descriptive nature, of the term. Specifically, the PTO found that "[w]hile there are existing registered marks that use this wording [(i.e., the term timeline(s))], a term that was once arbitrary or suggestive may lose its distinguishing and origin-denoting characteristics through use in a descriptive sense over a period of time, and may come to be regarded by the purchasing public as nothing more than a descriptive designation." (*Id.*, Ex. A, pp. 2-3.) Plaintiff conducted no investigation or inquiry into these third party uses of the word "timeline" and ultimately abandoned the application. Plaintiff chose not to respond the PTO's rejection of the application by providing evidence of secondary meaning, evidence that it was undoubtedly lacking.

As noted above, four days after Facebook's launched its timeline feature, Plaintiff filed for a fourth application to register the purported "Timelines" mark. Plaintiff already owned registrations for "Timelines," "Timelines.com," and a stylized version of "Timelines" for a narrower description of services. (Mayall Decl., Ex. B.)

Plaintiff's new application used a different (and much broader) description of services for use in connection with the term "timelines." (see page FB_TL_00002584, Mayall Decl., Ex. A.) The new description of services is material to the case – indeed, Plaintiff's CEO testified during his deposition that he got the new description **by paraphrasing what Facebook had identified in its trademark registrations for the FACEBOOK mark.** This constitutes a party admission under Fed. R. Evid. 801(2)(A) because it demonstrates that Plaintiff's CEO realized that the prior description of services for the existing "Timelines" registrations did not cover the same services covered by the FACEBOOK mark. And this statement is directly on point in terms of relevance under Fed. R. Evid. 401 because it reflects (among other things) Plaintiff's belief that its existing registrations did not cover the same services offered by Facebook, including its newly released

timeline feature. In short, Plaintiff deliberately attempted to ensnare Facebook's timeline feature in the description of services in its fourth application for the very same alleged "Timelines" mark.

Plaintiff's CEO testified:

Q: So portions of this description that you prepared were based upon descriptions of services covered by Facebook trademark filings?

A. Yeah, I used – I read through the way they [Facebook] described it, which more fully described the services we [Timelines, Inc.] were providing, and used that to add our identification.

(Mayall Decl., Ex. C (Hand Depo.) at p 200:13-19.)

On November 12, 2011, the PTO issued an office action refusing to register the term for the identified services on the ground that the term was merely descriptive and could not function as a trademark, citing numerous examples of third party use of the words "timeline" or "timelines." (*See* Mayall Decl., Ex. A (Defendant's Ex. 109 (starting at page FB_TL_00002591 et seq.)). The certified copy of the PTO's office action is admissible under Fed. R. Evid. 803(8)(A)(i), among numerous other evidence rules, as a record of its activities, not to mention that the certified copy of the office action is subject to the rules of admission under judicial notice principles as not being reasonably questioned. *See, e.g.* Fed. R. Evid. 201(b)(2), 904(2); *GE Capital Corp. v. Lease Resolution Corp.*, 128 F.3d 1074, 1080–81 (7th Cir. 1997) (stating that a district court is permitted to take judicial notice of matters of public record); *Patten v. Northern Trust Co.*, 703 F.Supp.2d 799, 803 n. 2 (N.D. Ill. 2010) (stating that the court can take "judicial notice of matters of public record, such as ... SEC filings"); *Telebrands Corp. v. Del Labs., Inc.*, 719 F.Supp.2d 283, 287 n. 3 (S.D.N.Y. 2010) ("The Court may properly take judicial notice of official records of the United States Patent and Trademark Office and the United States Copyright Office").

Moreover, the PTO's citation to the extensive examples of third party users of the purported mark at issue in this case – "timelines" – is directly and highly probative (Fed. R. Evid. 401) of one of the key factors in determining the genericness, or at most descriptiveness, of the term. In making that determination, courts routinely accept the following types of evidence in support of a finding that a term is generic: (1) dictionary definitions; (2) the plaintiff's own generic use of the term; (3) **competitors' generic uses of the term**; (4) media usage of the term; (5) testimony of persons in the trade; and (6) survey evidence. *See e.g., Liquid Controls*, 802 F.2d at 936 (court relied on dictionary definitions and absence of alternative generic names in affirming a finding that "liquid controls" was generic); *Hickory Farms, Inc. v. Snackmasters, Inc.*, 500 F.Supp. 2d 789 (N.D. Ill. 2007) (court found that the term "beef stick" was generic after reviewing competitors' use of the term and several newspaper articles); *see also* 2 McCarthy on Trademarks and Unfair Competition § 12:13 (4th Ed. 2013).

The PTO's citation of widespread use of the term "timeline(s)" by Plaintiff's competitors is clearly probative to the issue of the genericness of the term. "The more members of the public see a term used by competitors in the field, the less likely they will be to identify the term with one particular producer." *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 19 (1st Cir. 2008) (citations omitted) (relying on widespread generic use of "duck" and "duck tours" by other companies that provide amphibious sight-seeing services to find "duck tours" generic for such services); *see also Mil-Mar Shoe Co., Inc. v. Shonac Corp.*, 75 F.3d 1153, 1159 (7th Cir. 1996). The extensive evidence of other users of the term cited by the PTO is thus highly relevant.

When questioned about the basis for the rejection of the fourth and most recent application, Plaintiff's CEO testified that he did nothing to investigate or check on the numerous

third party users of the term cited by the PTO, thereby providing highly relevant admissions against interest that are squarely admissible and usable as impeachment under the strictures of Federal Rules of Evidence 801 and 803. As Mr. Hand testified:

Q. If you'll look at the pages [of Defendant's Ex. 109] starting with 2596 on the bottom.

A. Okay.

Q. And from 2596 through, let's see how far it goes, all the way to 2640, have you seen those pages?

A. Only when they first came in, before I forwarded everything on to our counsel.

Q. And what's your understanding of what these pages are?

A. These are other services cited by the trademark examiner.

Q. And are they uses of the term timeline?

A. I, quite honestly, didn't spend any time at all, other than just breezing through it, and then forwarded it on.

Q. Did you investigate any of the entities that are referenced in this string of pages?

A. No.

Q. Were you concerned at all that any of them might be infringing your trademark?

A. I didn't spend any time looking at those, because at that point in time I had counsel that was handling things related to this.

Q. Did the company as a whole conduct any investigation into what these entities were doing with respect to the term timeline or timelines?

A. No.

Q. Do you have any reason to believe that the entities that are referenced in this string of pages from 2596 through 2640 are no longer using the term timeline?

A. I don't know.

(Mayall Decl., Ex. C (Hand Depo.) at p 205:24-25, 206:1-24 (emphasis added)).

This testimony and Plaintiff's response, or lack thereof, to the PTO's office action are admissible and relevant to show knowledge and awareness that the term was generic or merely descriptive without secondary meaning. Indeed, Mr. Hand admitted that Plaintiff has never "accused anyone else of trademark infringement or unfair competition with respect to the use of the term timeline" and "timelines." (*Id.* (Hand Depo.) at p 201:15-22.) And, knowing that "[the PTO] denied the request for – for the trademark" (*Id.* (Hand Depo.) at 203:12-13), the company never responded at all to the office action (*Id.* (Hand Depo.) at 204:16-22). As a result, Plaintiff abandoned its fourth application for the purported "timelines" mark.

Thus, the PTO office action is relevant to a core issue in the case – whether the word "timeline" is generic or merely descriptive without secondary meaning. In response to the office action, Plaintiff could have, but chose not to, challenge the action by providing evidence of the alleged mark's secondary meaning. That would have gone to the questions raised by the PTO that the word "timelines" was merely descriptive of a feature offered by Plaintiff. Plaintiff's failure to respond to the PTO, however, is conduct that reveals that Plaintiff could not make such a showing – an admission against interest that affects all of the registrations at issue in this case. Additionally, it demonstrates that Plaintiff's blatant effort to capture Facebook's services in this fourth application for the term "timelines" was unsuccessful for the very reasons that Facebook alleges Plaintiff's other three registrations for the term "timeline" are invalid.

In its belated and last-ditch effort to keep the jury from hearing evidence of its unsuccessful trademark application, Plaintiff would have the jury hear only half of the story. In sum, Plaintiff's dealings and affirmative statements and representations to the U.S. government about the very word that is the alleged trademark in the case are highly probative of the issues of genericness and descriptiveness, are usable for impeachment, constitute party admissions, and require, as such, the use of the unquestionably admissible PTO office actions and file history.

In other words, Plaintiff wants the jury to believe that it has three valid registrations for the generic term "timelines" (and "timelines.com") without allowing the jury to know that it tried and failed (in the face of substantial evidence of third party use of the same word) to get perhaps the most relevant registration on the word "timelines" for services specifically aimed at those offered by Facebook. In the process, Plaintiff's statements to the US government and its conduct in response to the government's rejection of its most recent trademark application show that it knows the term sought to be registered is generic and/or descriptive without secondary meaning.

B. This Evidence Is Not Unfairly Prejudicial and Should Not Be Excluded Under Rule 403.

Plaintiff initiated this case and should not be permitted to preclude the jury from hearing evidence that it deems prejudicial to its own case. "After all, all evidence is prejudicial." *Common v. City of Chicago*, 661 F.3d 940, 947 (7th Cir. 2011). Rule 403 does not permit the court to exclude Facebook's evidence simply because it is not favorable to Plaintiff. *See Old Chief v. U.S.*, 519 U.S. 172, 193 (1997). "[E]vidence is excludable only if it is 'unfairly' prejudicial, in that it has 'an undue tendency to suggest decision on an improper basis.'" *Id.* (quoting Advisory Committee's Notes on Fed. R. Evid. 403; other citations omitted).

The Court should not inhibit Facebook's defense in this case by precluding the jury from hearing this evidence. There is no reason to believe that this evidence will unduly

influence the jury into making a decision on an improper basis. Facebook is entitled to put on a full case, a fair case, and this motion is designed to importune the Court, yet again, to prevent Facebook from being able to defend itself against a damage claim that ranks among the largest in the history of the U.S. in a trademark case where there is zero injury or harm to the Plaintiff. In short, Plaintiff's motion must be denied.

III. CONCLUSION

Based on the foregoing, Facebook's respectfully requests that the Court deny Plaintiff's emergency motion *in limine* to exclude evidence of its rejected trademark application for "timelines."

Dated: April 19, 2013

Respectfully submitted,

COOLEY LLP

By: /s/ Peter J. Willsey
Peter J. Willsey (*pro hac vice*)
Brendan J. Hughes (*pro hac vice*)
COOLEY LLP
1299 Pennsylvania Ave., NW, Ste 700
Washington, DC 20004-2400
Tel: (202) 842-7800
Fax: (202) 842-7899
Email: pwillsey@cooley.com
bhughes@cooley.com

Michael G. Rhodes (*pro hac vice*)
101 California Street, 5th Floor
San Francisco, CA 94111-5800
Tel: (415) 693-2000
Fax: (415) 693-2222
Email: rhodesmg@cooley.com

Steven D. McCormick (#1824260)
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, IL 60654-3406
Tel: (312) 862-2000
Fax: (312) 862-2200
Email: smccormick@kirkland.com

Counsel for Facebook, Inc.

CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that he served the foregoing **DEFENDANT FACEBOOK, INC.'S OPPOSITION TO PLAINTIFF'S EMERGENCY MOTION *IN LIMINE* NO. 9 TO EXCLUDE EVIDENCE OF PLAINTIFF'S MOST RECENT TRADEMARK APPLICATION** by means of the Court's CM/ECF System, which causes a true and correct copy of the same to be served electronically on all CM/ECF registered counsel of record, on April 19, 2013.

Dated: April 19, 2013

/s/ Brendan J. Hughes
Brendan J. Hughes (*pro hac vice*)
COOLEY LLP
1299 Pennsylvania Ave., NW, Ste 700
Washington, DC 20004-2400
Tel: (202) 842-7800
Fax: (202) 842-7899
Email: bhughes@cooley.com

1117921 HN