

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE/OPELOUSAS DIVISION

FIREFLY DIGITAL, INC.,

Plaintiff,

VERSUS

GOOGLE, INC.

Defendant.

NO. 6:10cv00133-TLM-PJH

JUDGE MELANCON

MAGISTRATE JUDGE HANNA

**ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS OF DEFENDANT
GOOGLE INC.**

Defendant Google Inc. (hereinafter “Google”) submits its Answer and affirmative defenses to Plaintiff Firefly Digital, Inc.’s Complaint, and asserts counterclaims as follows:

NATURE OF THE CASE

1. Paragraph 1 purports to summarize Plaintiff’s claims and relief sought and does not require a response.

THE PARTIES

2. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

3. For purposes of this litigation, Google stipulates that it is transacting and doing

business in this judicial district. Google admits all other allegations.

JURISDICTION AND VENUE

4. Admitted, though Google reserves all rights to seek to have the Court decline jurisdiction over state-law claims.

5. Admitted.

FACTUAL BACKGROUND AND GENERAL ALLEGATIONS

6. Admitted.

7. Admitted.

8. Google admits that the generic, descriptive term “widget” or “gadget” may be used to describe mini-applications that can be implemented in HTML and embedded into third-party websites by a website administrator or web page author. Google admits that “widgets” or “gadgets” may take the form of on-screen tools such as clocks, daily weather information, calendars, or flight information. Other than as expressly admitted, Google denies all other allegations.

9. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

10. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

11. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

12. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

13. Google admits that a U.S. Trademark and Service Mark, bearing registration no. 3,730,874, was issued for the mark WEBSITE GADGET on December 29, 2009, to Firefly

Digital, Inc. Other than as expressly admitted, Google lacks knowledge or information sufficient to form a belief as to the truth of all other allegations and on that basis denies them.

14. Google admits that a U.S. Trademark and Service Mark, bearing registration no. 3,711,998 was issued for the mark GADGET on November 17, 2009, to Firefly Digital, Inc. Other than as expressly admitted, Google lacks knowledge or information sufficient to form a belief as to the truth of all other allegations and on that basis denies them.

15. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

16. Paragraph 16 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations.

17. Denied.

18. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

19. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

ACTS OF DEFENDANT

20. Google admits that it operates the Internet search engine www.google.com. Other than as expressly admitted, Google denies all remaining allegations.

21. Google admits that it markets and sells access to online applications through its “Google Apps” platform, and that one of the applications available through “Google Apps” is “Google Sites,” which enables the creation and design of websites. Other than as expressly admitted, Google denies all remaining allegations.

22. Admitted.

23. Google admits that it makes available a program called “Google Desktop,” which,

among other features, enables users to search their computer by keyword for emails, computer files, music, photos, chats, and Web pages viewed. Other than as expressly admitted, Google denies all remaining allegations.

24. Google admits that it operates a program called “Google Gadgets,” and that Google provides a directory of gadgets, also known as widgets, that users can add to a web page, to an iGoogle webpage, or to a user’s Google Desktop. Other than as expressly admitted, Google denies all remaining allegations.

25. Google admits that it created some of the gadgets available through the Google Gadgets, that other gadgets were created and uploaded by third parties, and that Google makes tools including “Google Gadgets Editor” and “Gadgets API” available to third parties to assist with their creation of gadgets. Other than as expressly admitted, Google denies all remaining allegations.

26. Google admits that it operates programs called Google AdWords and Google AdSense, that these programs match advertisers (AdWords customers) and website “publishers” selling ad space (AdSense partners), that advertisers using AdWords can create ads, select associated keywords and publish their ads for display in Google’s advertising platform, and that based on the advertiser’s inputs, Google’s advertising platform can generate and display ad placements alongside Google search results, on one of Google’s other properties, or throughout its network of participating publishers. Google admits that it receives revenue from the AdWords program. Other than as expressly admitted, Google denies all remaining allegations.

27. Admitted.

28. Google admits that users of Google Sites are able to embed gadgets into their websites, and that gadgets available through the Google Gadgets directory can be embedded in websites created using Google Sites. Google denies that “Google’s use of ‘Gadgets’ is an

integral part of Google's product strategy particularly in Google Sites." Google further denies that Google provides a product that competes directly with Firefly's website builder and content management system products. Other than as expressly admitted or denied, Google lacks knowledge or information sufficient to form a belief as to the truth of all remaining allegations, and on that basis denies them.

29. Google lacks knowledge or information sufficient to form a belief as to the truth of all allegations and on that basis denies the allegations.

30. This paragraph is predicated on the false premise that Google needs Plaintiff's permission before using the listed terms. Google admits that it did not seek such unnecessary permission before using the terms.

31. Denied.

32. Denied.

33. Denied.

34. Denied.

35. Denied.

36. Denied.

37. Denied.

COUNT I

FEDERAL SERVICE MARK INFRINGEMENT

38. Google adopts and incorporates by reference its responses to paragraphs 1-37, above, as if set forth in full herein.

39. Paragraph 39 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations

COUNT II

FEDERAL UNFAIR COMPETITION

40. Google adopts and incorporates by reference its responses to paragraphs 1-39, above, as if set forth in full herein.

41. Paragraph 41 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations.

COUNT III

FEDERAL DILUTION OF MARKS

42. Google adopts and incorporates by reference its responses to paragraphs 1-41, above, as if set forth in full herein.

43. Paragraph 43 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations

COUNT IV

STATE SERVICE MARK INFRINGEMENT

44. Google adopts and incorporates by reference its responses to paragraphs 1-43, above, as if set forth in full herein.

45. Paragraph 45 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations

COUNT V

STATE DILUTION

46. Google adopts and incorporates by reference its responses to paragraphs 1-45, above, as if set forth in full herein.

47. Paragraph 47 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations.

COUNT VI

STATE UNFAIR TRADE PRACTICES

48. Google adopts and incorporates by reference its responses to paragraphs 1-47, above, as if set forth in full herein.

49. Paragraph 49 sets forth a legal conclusion to which no response is required. In any case, Google disagrees with the legal conclusion and on that basis denies the allegations

JURY DEMAND

50. Paragraph 50 includes no factual allegations and thus requires no response.

PRAYER FOR RELIEF

This section includes no factual allegations and thus requires no response.

AFFIRMATIVE DEFENSES

Google asserts the following affirmative defenses. To the extent any of the defenses, in whole or in part, serve merely to negate an element of Plaintiff's claims, Google in no way seeks to relieve Plaintiff of its burden of proof or persuasion on that element.

First Affirmative Defense

(Fair Use)

51. Google's use of the term "gadgets" in association with various products and services it makes available describes Google's products and services, was not used as a trademark, and was used in good faith. As such, Google's use is subject to the fair use exception of 15 U.S.C. § 1115(b)(4).

Second Affirmative Defense

(Innocent Use of Mark)

52. Google began using the term "gadgets" in association with various products and services Google makes available without knowledge of Plaintiff's use, and years prior to

Plaintiff's filing of an application with the United States Patent and Trademark Office. Google has used the term "gadgets" in association with various products and services on a continuous and nationwide basis since at least 2006. As such, Google's use of the term "gadgets" is subject to the innocent use exception of 15 U.S.C. § 1115(b)(5).

Third Affirmative Defense

(Laches)

53. Plaintiff's claims are barred by the doctrine of laches because Plaintiff unreasonably delayed the commencement of this action, causing prejudice to Google.

Fourth Affirmative Defense

(Statute of Limitations)

54. Plaintiff did not bring an action under the Louisiana Unfair Trade Practices Act, La. R.S. § 51.1405 et seq., within one year of actual or constructive knowledge of Google's alleged unfair practices, as required by law. Plaintiff's Count VI is preempted and/or barred by the statute of limitations.

Fifth Affirmative Defense

(Generic Mark)

55. The terms "gadget" and "website gadget" are common, generic terms widely used in the industry to describe mini-applications or content modules that may be added to a website or desktop interface.

Sixth Affirmative Defense

(Lack of Secondary Meaning)

56. The marks "gadget" and "website gadget" are descriptive and have not attained secondary meaning.

Seventh Affirmative Defense

(No Likelihood of Confusion)

57. Google's use of the term "gadgets" in association with various products and services Google makes available does not result in confusion with Plaintiff's marks.

Eighth Affirmative Defense

(Good Faith)

58. Google's use of the term "gadgets" in association with various products and services Google makes available was in good faith and without intent to infringe on Plaintiff's marks, to dilute Plaintiff's marks, or to unfairly compete with Plaintiff.

Ninth Affirmative Defense

(Marks Not Famous and Distinctive)

59. Plaintiff's marks "gadget" and "website gadget" are not famous and distinctive, as required by 15 U.S.C. § 1125 and La. R.S. § 51:223.1.

Tenth Affirmative Defense

(Abandonment)

60. Plaintiff's course of action and inaction, over a number of years in which the terms "gadget" and "website gadget" became generic through their widespread use by a variety of companies, constitutes an abandonment of plaintiff's Louisiana trademarks.

Eleventh Affirmative Defense

(Unclean Hands)

61. Plaintiff intentionally and improperly used the ® trademark registration symbol in association with the term "website gadget" and "gadget" in marketing and promotional materials prior to applying for federal registration of either mark.

Twelfth Affirmative Defense
(Failure to Mitigate Damages)

62. Plaintiff failed to take reasonable and appropriate steps to mitigate the damages it claims to have incurred.

COUNTERCLAIMS

General Allegations

63. Google repeats and re-alleges its answers set forth in paragraphs 1-62 above to the allegations of the Complaint.

64. Since at least 2005, the term “gadget” has been used widely as a generic, descriptive term for mini-applications or content modules that can be added to a website or desktop. Far from being unique to a particular company, “gadget” is a term of general meaning, used interchangeably with “widget.” As the online dictionary Webopedia explained in 2007: “Adding to the confusion is the fact that widgets used on the desktop or Web are also called gadgets.”

65. Upon information and belief, numerous companies sell or make available content modules or mini-applications that they describe as “gadgets,” “web gadgets” or “website gadgets,” from large companies like Microsoft and Texas Instruments to smaller companies like SmartWebGadgets, BuildAGadget and Gadget/Widget.

66. Upon information and belief, the terms “gadget” and “website gadget” are not associated by the public with any particular source, much less with Plaintiff.

67. These counterclaims arise under the Trademark Act of 1946, as amended, 15 U.S.C. § 1051 *et seq.*, and Louisiana’s trademark laws, La. R.S. 51:211 *et seq.* This Court has jurisdiction over the subject matter of the federal counterclaim under 28 U.S.C. §§ 1331 and 1338, and 15 U.S.C. § 1121. This Court has jurisdiction over the state law counterclaim

pursuant to 28 U.S.C. § 1367, as that claim is so related to the federal claim that they form part of the same case or controversy.

68. Defendant/Counterclaimant Google is a Delaware corporation with its principal place of business in Mountain View, California. Upon information and belief, Plaintiff/Counterdefendant Firefly Digital, Inc. is a Louisiana corporation with its principal place of business in Lafayette, Louisiana.

FIRST COUNTERCLAIM

(Declaratory Judgment of Federal Trademark Invalidity)

69. Google repeats and re-alleges its answers and allegations set forth in paragraphs 1-68 above.

70. A real and actual controversy exists between Firefly Digital, Inc. (“Firefly”) and Google as to whether or not Google is infringing valid trademarks of Firefly. The controversy is of sufficient immediacy and reality to warrant declaratory relief. Given Firefly’s recent conduct, Google is faced with the choice of abandoning its long-standing use of the term “gadget” in association with various products and services made available by Google, or risking liability for damages.

71. Firefly’s federal marks “gadget” and “website gadget” are invalid and subject to cancellation.

72. Pursuant to 15 U.S.C. § 1119, Google seeks a declaration that Firefly’s federal marks are invalid and an order that Firefly’s registrations are cancelled, so that there will be no controversy clouding Google’s right to use the term “gadget” in association with products and services it makes available.

SECOND COUNTERCLAIM

(Declaratory Judgment of Non-Infringement of Federal Marks)

73. Google repeats and re-alleges its answers and allegations set forth in paragraphs 1-72 above.

74. To the extent Firefly's federal marks are valid, Google is not liable for infringement. Among other statutory and equitable defenses, Google's use of the term "gadget" in connection with goods and services made available by Google is protected under the doctrines of fair use, good faith, abandonment, and laches.

75. Google seeks a declaration of non-infringement so that there will be no controversy clouding Google's right to use the term "gadget" in association with products and services it makes available.

THIRD COUNTERCLAIM

(Declaratory Judgment of State Trademark Invalidity)

76. Google repeats and re-alleges its answers and allegations set forth in paragraphs 1-75 above.

77. A real and actual controversy exists between Firefly and Google as to whether or not Google is infringing valid Louisiana trademarks of Firefly. The controversy is of sufficient immediacy and reality to warrant declaratory relief. Given Firefly's recent conduct, Google is faced with the choice of abandoning its long-standing use of the term "gadget" in association with various products and services made available by Google, or risking liability for damages.

78. Firefly's Louisiana state marks "gadget" and "website gadget" are invalid and subject to cancellation.

79. Pursuant to 15 U.S.C. § 1119 and La. R.S. 51:219, Google seeks a declaration that

Firefly’s state marks are invalid and subject to cancellation by the Secretary of State, so that there will be no controversy clouding Google’s right to use the term “gadget” in association with products and services it makes available in Louisiana.

FOURTH COUNTERCLAIM

(Declaratory Judgment of Non-Infringement of State Marks)

80. Google repeats and re-alleges its answers and allegations set forth in paragraphs 1-79 above.

81. To the extent Firefly’s federal state marks are valid, Google is not liable for infringement. Among other statutory and equitable defenses, Google’s use of the term “gadget” in connection with goods and services made available by Google is protected under the doctrines of fair use, good faith, abandonment, and laches.

82. Google seeks a declaration of non-infringement so that there will be no controversy clouding Google’s right to use the term “gadget” in association with products and services it makes available in Louisiana.

PRAYER FOR RELIEF

WHEREFORE, Google prays for judgment as follows:

(a) That Firefly Digital, Inc. take nothing by its Complaint and the Court dismiss the Complaint with prejudice;

(b) That the Court enter a judgment declaring that Google has not and does not infringe Firefly’s federal or state trademarks “website gadget” and “gadget”;

(c) That the Court enter a judgment, pursuant to 15 U.S.C. § 1119, declaring that Firefly’s federal trademarks Reg No. 3,730,874 and Reg No. 3,711,998 are invalid and subject to

cancellation;

- (d) That the Court enter a judgment declaring that Firefly's Louisiana state trademarks for WEBSITE GADGET and GADGET are invalid and subject to cancellation;
- (e) That the Court award Google reasonable attorney's fees under 15 U.S.C. § 1117;
- (f) That the Court award Google all costs and expenses it incurs in this action;
- (g) That the Court award Google such other and further relief that it deems just and proper.

DEMAND FOR JURY

Google hereby demands a trial by jury for all of its counterclaims.

Dated: March 10, 2010

/s/ Ashok Ramani
Ashok Ramani, T.A., *Pro Hac Vice*
Michael Kwun, *Pro Hac Vice*
Warren A. Braunig, *Pro Hac Vice*
KEKER & VAN NEST LLP
710 Sansome Street
San Francisco, CA 94111
Telephone: (415) 391-5400
Facsimile: (415) 397-7188

COUNSEL FOR GOOGLE INC.,.

Dated: March 10, 2010

/s/ Andrew D. Mendez
Andrew D. Mendez, 26686
STONE PIGMAN WALTHER
WITTMANN L.L.C.
546 Carondelet Street
New Orleans, Louisiana 70130-3588
Telephone: (504) 581-3200
Facsimile: (504) 581-3361

COUNSEL FOR GOOGLE INC.,.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading as been filed electronically using the CM/ECF system, which will send a Notice of Electronic Filing to all counsel of record, this 10th day of March, 2010.

/s/ Ashok Ramani

Ashok Ramani