

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

CIVIL ACTION No. 1:12cv1016

MARKET STREET PRESS, INC.,

Plaintiff,

v.

GOOGLE, INC.,

Defendant.

COMPLAINT

(JURY TRIAL DEMANDED)

NOW COMES Plaintiff Market Street Press, Inc. (“Market Street”), by and through its undersigned counsel, and for its complaint against Defendant Google, Inc. (“Google”), alleges and states as follows:

1. This is an action for trademark infringement and unfair competition.
2. Market Street has been using the mark THE PLAYGROUND IS OPEN in connection with its wide variety of offerings for over four (4) years. Notwithstanding Market Street’s prior trademark rights, and in violation of Market Street’s rights, Google embarked upon a massive advertising campaign utilizing, and otherwise adopted, the identical mark THE PLAYGROUND IS OPEN for its newly introduced Nexus 7 tablet, resulting in unfair competition, likely confusion, and likely reverse confusion.
3. Herein, the “Mark” refers to the phrase THE PLAYGROUND IS OPEN.

4. Plaintiff Market Street is a corporation duly organized and existing under the laws of the State of North Carolina and having its principal place of business in this judicial district.

5. Upon information and belief, Defendant Google is a corporation duly organized under the laws of the State of Delaware and having its principal place of business in Mountain View, California.

6. This court has original subject matter jurisdiction over the claims in this case pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a) and (b). This Court has supplemental jurisdiction over the claims arising out of state law pursuant to 28 U.S.C. § 1337.

7. This Court has personal jurisdiction over Google. Among other facts in support of personal jurisdiction, Google has a server farm or data center in North Carolina. Google also does substantial business in North Carolina and in this judicial district in that Google markets, advertises, offers for sale and sells the infringing products complained of and under the Mark in this State and District. Google's infringing products have been sold and continue to be sold in the Middle District of North Carolina.

8. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and (c). Google is subject to personal jurisdiction in this district. Google regularly does business in this judicial district and actively advertises and seeks business from customers in this judicial district, including in connection with its infringing use of the Mark. A substantial part of the events giving rise to the claim occurred in this district, including

Google's acts of infringement and other wrongful conduct, which took place at least in part in this judicial district.

Market Street's Business and Mark

9. Incorporated in 2000, Market Street designs, prints and sells a wide variety of promotional, marketing, office and creative products.

10. Market Street's offerings are wide and varied. Without limitation, the offerings range from those which are more office-related, such as marketing banners, pens, deskpads and paper cubes, to the more creative, such as ping pong balls and puzzle cubes, to computer peripherals and accessories, such as USB flash drives, USB key chains, mouse pads and kiosks for tablets, computer screens and other display screens.

11. Market Street sells its services and products throughout the United States, and to a wide variety of types of customers, including individuals, small companies and large companies.

12. Market Street adopted THE PLAYGROUND IS OPEN as a mark and indicator of source for all of its services and products at least as early as January 2008. Since then, Market Street has been using the Mark nationwide in connection with all of its services and products.

13. Market Street has displayed the Mark on its catalogs, website, proposal materials, display banners, business cards, envelopes, invoices, email communications, shipping labels and documents and in other ways. Attached as Exhibits A - K are examples showing some of Market Street's uses of the Mark.

14. Market Street has expended substantial time, effort and monies in connection with the development and use of the Mark.

15. Due to its use of the Mark, which has been widespread across the United States and substantially continuous, Market Street has established significant goodwill and valuable rights in and ownership of the Mark in connection with its goods and services.

16. Such rights of Market Street in the Mark existed prior to June 27, 2012, and upon information and belief, prior to Google's adoption of the Mark.

17. The Mark, as used by Market Street, is inherently distinctive. In the alternative, the Mark, as used by Market Street, has acquired distinctiveness and/or secondary meaning as an indicator of source or origin of Market Street's products within the understanding of the trade industry and consumers.

18. In addition to its common law and unregistered trademark rights, Market Street has filed a federal trademark application for THE PLAYGROUND IS OPEN, and that application is pending.

19. Prior to learning of Google's activities described below, Market Street was hired to provide services and products for Google by an agent advertising or marketing company for Google. Market Street's materials provided in connection with such work and products, including its invoice, prominently display the Mark used by Market Street.

Google's Business and Infringement of the Mark

20. Google was incorporated in September 1998, and has become one of the world's largest and most renowned companies. In addition to the company's well-known Internet search engine and online activities, Google also develops, markets and sells a variety of computer and electronic products including its Android-based mobile phone and Nexus tablet computers.

21. Upon information and belief, Google recently selected, adopted and began using the Mark in connection with its new Nexus 7 tablet.

22. On or about June 27, 2012 at its Google I/O developer conference in San Francisco, Google unveiled the highly anticipated Nexus 7 tablet for release by mid-July 2012 and, upon information and belief, immediately began accepting pre-orders of the product through its website. A copy of the June 27, 2012 Google Blog announcement and screenshot from the Google I/O conference announcement are attached hereto as Exhibits L and M, respectively.

23. Upon information and belief, Google launched a multi-million dollar nationwide promotional campaign advertising its Nexus 7 tablet under the Mark, THE PLAYGROUND IS OPEN, which campaign has saturated and is continuing to saturate the national market.

24. Upon information and belief, the Nexus 7 tablets sold under Google's infringing use of the Mark are widely sold and advertised throughout the United States and are generating millions of dollars in sales.

25. Google has, since the June 27, 2012 announcement, widely promoted its tablet in connection with the Mark across numerous marketing channels, including in print and electronic media, television, and on its website, www.google.com. Attached as Exhibits N and O are two examples showing some of Google's uses of the Mark in connection with the promotion of its tablet.

26. For example, Google used the Mark prominently for its tablet in television advertising airing during the widely watched television coverage of the 2012 Summer Olympics.

27. Google's homepage, www.google.com, is the start to millions of consumer's activities on the Internet. Between August 28, 2012 and September 2, 2012, Google took the extraordinary and rare step of advertising the Nexus 7 tablet in connection with the Mark on its usually pristine homepage. The Mark was prominently featured in connection with the Nexus 7 on its homepage. The highlighted text next to the Mark comprised a link taking potential consumers to Google's webpage allowing the consumer to purchase the Nexus 7 tablet. A screenshot of the Google homepage displaying said advertisement is attached hereto as Exhibit P.

28. Upon information and belief, Google did not use the Mark prior to its launch of the Nexus 7 promotional campaign on June 27, 2012.

29. Market Street's use of the Mark and its priority date of January 31, 2008, identified in Market Street's federal trademark application, predate Google's use of the identical mark.

30. Google's mark THE PLAYGROUND IS OPEN is identical to Market Street's mark THE PLAYGROUND IS OPEN.

31. The goods and services with which Google uses the Mark are similar to, complementary and/or closely related to some or all of Market Street's services and products.

32. Google and Market Street use the Mark in connection with highly similar or complementary and closely related products targeted to the same or similar classes of consumers or buyers and the same or similar channels of trade, and are marketed and sold through the same or similar trade channels and media, including the Internet.

33. Google's use of the Mark is likely to cause confusion, mistake and deception among consumers and the trade about whether the parties or their respective services and products designated by Google's and Market Street's uses of the Mark are the same or somehow authorized, sponsored or approved by, or associated or affiliated with each other.

34. Notwithstanding Market Street's prior rights, due to the worldwide media coverage given to and generated by Google's announcement of its Nexus 7 tablet, Google's extensive advertising campaign and the highly unusual placement of its advertisement on its homepage, all featuring the Mark, the media and general public have quickly come to associate the phrase THE PLAYGROUND IS OPEN with Google, rather than Market Street.

35. Notwithstanding Market Street's prior rights, because of Google's disproportionately larger size, advertising budget, resources, promotional campaign and dominance on the Internet, Google's use of the Mark is likely to cause confusion, reverse confusion, mistake and/or deception among consumers and the trade industry, in that they are likely to believe that Market Street or its products marketed under the Mark emanate from, are approved or sponsored by, or are in some way associated or connected with Google or its products or that Market Street has inferior rights in the Mark, is an unauthorized user of and is infringing Google's trademark rights and is seeking to capitalize on Google's reputation and superior resources.

36. Additionally, notwithstanding Market Street's prior rights, because of Google's disproportionately larger size, advertising budget, resources, promotional campaign and dominance on the Internet, Google's use of the Mark has and will continue to overwhelm and swamp Market Street's use of its Mark, to cause Market Street to lose the value of and goodwill in the Mark, and to hinder Market Street's ability to move into additional markets and/or to further exploit the marks in which it already conducts commerce.

37. Google committed and continues to commit acts of trademark infringement and unfair and deceptive trade practices within the United States and the Middle District of North Carolina by virtue of its use of the Mark in connection with the offering to sell, advertising and selling of its tablet.

38. Google's conduct has caused immediate and irreparable harm to Market Street and Market Street's reputation and goodwill and will continue to do so. Indeed, the damage to Market Street's reputation and goodwill and confusion among consumers is likely to continue—and in fact intensify—unless Google is enjoined from its use of the Mark by this Court.

39. Google's infringement and unfair competition, to the extent committed with actual or constructive knowledge of Market Street's rights, was done intentionally and willfully.

40. Market Street is entitled to an accounting of Google's relevant revenues and profits.

41. Market Street's damages include, without limitation, harm to the recognition and goodwill of its Mark, any lost sales and other harm to Market Street which may be established at trial, Google's relevant profits, the royalty Google otherwise should have paid Market Street for the right to use the Mark, and the cost of corrective advertising.

42. Market Street is entitle to recover its damages due to Google's wrongful conduct.

43. Monetary relief alone is inadequate to fully address the irreparable injury that Google's actions have caused and will continue to cause Market Street if the Court does not enjoin Google's use of the Mark. Market Street is, therefore, entitled to

preliminary and permanent injunctive relief to stop Google's wrongful actions, including its unfair competition and trademark infringement.

FIRST CLAIM FOR RELIEF

(Violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a))

44. Market Street repeats and realleges the allegations set forth in Paragraphs 1 through 43, as if fully set forth herein.

45. Market Street has used the Mark in connection with its services and products from a time prior to Google's adoption of the Mark for its Nexus 7 tablet.

46. Market Street owns and has rights in and to the Mark by virtue of its use of the Mark, and its rights have legal seniority to Google's use of the Mark.

47. Google's unauthorized use of the Mark through the distribution, advertising, offering for sale and sale of its products in connection with the Mark is likely to cause confusion, to cause reverse confusion, to cause mistake or to deceive consumers as to the affiliation, connection or association of Google with Market Street or the origin, sponsorship or approval of their respective goods, services or commercial activities.

48. Google's actions described above constitute unfair competition and infringement of Market Street's rights in its Mark in violation of § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

49. As a direct and proximate result of Google's trademark infringement, Google has derived unlawful gains, profited, benefited and been otherwise unjustly enriched in the marketplace, at the expense of and injury to Market Street.

50. Market Street is entitled to recover its damages caused by the conduct of Google, including without limitation harm to the recognition and goodwill of its Mark, any lost sales, a disgorgement of the profits of Google, the royalty that Google otherwise should have paid to Market Street for the right to use the Mark, the cost of corrective advertising, and a recovery of other damages to Market Street which may be established at trial, including costs and interest.

51. Market Street is entitled to trebling and the recovery of attorneys' fees and costs as permitted by 15 U.S.C. § 1117(a) and 1125(a).

52. Monetary relief alone is inadequate to fully address the irreparable injury that Google's actions have caused and will continue to cause Market Street if the Court does not enjoin Google's use of the Mark. Market Street is, therefore, entitled to preliminary and permanent injunctive relief to stop Google's unfair competition and trademark infringement.

SECOND CLAIM FOR RELIEF

(Common Law Trademark Infringement and Unfair Competition)

53. Market Street repeats and realleges the allegations set forth in Paragraphs 1 through 52, as if fully set forth herein.

54. Market Street has built up valuable goodwill in the Mark as a result of its long and extensive investments in providing and promoting its goods and services. The Mark has come to be associated with Market Street's products and has come to symbolize the reputation of Market Street's high quality and innovative products.

55. Market Street has used the Mark since a time before Google adopted the use of the Mark for its Nexus 7 tablet.

56. Google's use of the Mark in locations which are the same as or overlapping with Market Street's use of the Mark constitutes unfair competition in the form of common law trademark infringement.

57. Google's conduct described above is likely to and does cause confusion as to the affiliation, connection or association of Google with Market Street or the origin, sponsorship or approval of their respective goods, services or commercial activities.

58. Google's acts in using the Mark has deceived, misled and confused the public generally, and specifically Market Street's customers and potential customers, and will continue to do so if such use continues.

59. Market Street has suffered irreparable harm to its goodwill and reputation as a result of Google's infringement.

60. As a direct and proximate result of Google's trademark infringement, Google has derived unlawful gains, profited, benefited and been otherwise unjustly enriched in the marketplace, at the expense of and injury to Market Street.

61. Market Street is entitled to recover its damages caused by the conduct of Google, including without limitation harm to the recognition and goodwill of its Mark, any lost sales, a disgorgement of the profits of Google, the royalty that Google otherwise should have paid to Market Street for the right to use the Mark, the cost of corrective

advertising, and a recovery of other damages to Market Street which may be established at trial, including costs and interest.

62. Monetary relief alone is inadequate to fully address the irreparable injury that Google's actions have caused and will continue to cause Market Street if the Court does not enjoin Google's use of the Mark. Market Street is, therefore, entitled to preliminary and permanent injunctive relief to stop Google's unfair competition and trademark infringement.

THIRD CLAIM FOR RELIEF

(Unfair Competition in Violation of N.C. Gen. Stat. § 75-1.1, *et seq.*)

63. Market Street repeats and realleges the allegations set forth in Paragraphs 1 through 62, as if fully set forth herein.

64. Google's conduct alleged above constitutes unfair or deceptive trade practices under North Carolina law, including N.C. Gen. Stat. § 75-1.1 *et seq.*

65. The conduct of Google was taken in or has been affecting commerce.

66. As a direct and proximate result of Google's unfair or deceptive trade practices, Market Street has suffered injury, including without limitation damage to Market Street's valuable trademark, reputation and goodwill, any lost sales, the absence of the royalty that Google otherwise should have paid to Market Street for the right to use the Mark, and the cost of corrective advertising in amounts to be ascertained at trial.

67. As a result of Google's unfair or deceptive trade practices, Market Street is entitled to an award of its damages, trebling of such damages, costs, interest, and attorneys' fees.

JURY DEMAND

68. Market Street requests a jury trial of all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Market Street prays the Court:

1. Enter judgment in favor of Market Street on its claims against Google set forth herein and award Market Street damages against Google in an amount to be determined at trial;
2. Enter preliminary and permanent injunctive relief barring Google, its agents and those acting in concert with Google, from selling, offering to sell, making, distributing, importing, using, or assisting others in the use of any product or service under the Mark and any other marks that are likely to cause confusion with the Mark;
3. Require Google to account for its sales and profits of products sold under the Mark;
4. Award to Market Street all of Market Street's damages, which may include Market Street's losses, Google's profits attributable to its unlawful actions, or a reasonable royalty;
5. Award to Market Street corrective advertising damages;
6. As appropriate under applicable law, award to Market Street trebled damages, as well as its attorneys' fees from this action;
7. Award to Market Street all applicable interest;
8. Grant a trial by jury of all issues so triable;

9. Tax the costs and expenses of this action to Google; and
10. Grant Market Street such other and further relief as the Court deems just and proper.

This is the 12th day of September, 2012.

/s/ Rebecca L. Cage
David W. Sar
N.C. State Bar No. 23533
Email: dsar@brookspierce.com
Rebecca Cage
N.C. State Bar No. 41144
Email: rcage@brookspierce.com
Attorneys for Plaintiff Market Street Press, Inc.

OF COUNSEL:

BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.
Post Office Box 26000
Greensboro, North Carolina 27420-6000
Telephone: (336) 373-8850
Facsimile: (336) 378-1001