

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**THE RODNEY A. HAMILTON LIVING
TRUST and JOHN BECK AMAZING
PROFITS, LLC, Individually and on Behalf of
All Others Similarly Situated,**

Plaintiffs,

v.

**(1) GOOGLE, INC.; AND
(2) AOL, LLC;**

Defendants.

Civil Action No. 2:09-cv-00151

OPPOSED MOTION FOR CLASS CERTIFICATION

Come now the Plaintiffs The Rodney Hamilton Living Trust and John Beck Amazing Profits, LLC¹ (“Plaintiffs”), who move the court to certify this case as a class action, name Plaintiffs The Rodney Hamilton Living Trust and John Beck Amazing Profits, LLC as class representatives, and appoint counsel Marc Fenster of Russ, August & Kabat, David Whittlesey of Andrews Kurth LLP, Andrew W. Spangler and David M. Pridham jointly as class counsel.

I. INTRODUCTION

Google, the largest search engine in the world, has adopted a shocking policy with respect to the registered trademarks of everyone other than Google. It is Google’s policy and practice to sell the right to use registered trademarks to third parties without the registered markholder’s permission. Further, it is Google’s policy that it will not provide any remedy for

¹ FPX, LLC has concurrently moved to certify a nearly identical class in the discovery-consolidated related case, FPX, LLC v. Google, Inc. et al., Case No 2:09-cv-00142. Apart from the plaintiff name and the class identity, these class certification motions are substantially identical.

the registered markholder to complain or challenge what they believe to be an infringing use of their mark. This lawsuit seeks to challenge that policy. A class action is the only mechanism available to challenge Google's policy. Actions by individual markholders (those few that have the resources and conviction to spend the millions of dollars necessary to sue Google for trademark infringement) can only affect Google's sale of that particular markholder's mark, without any change to Google's policy.² By this Motion, Plaintiffs seek certification of a class which reflects the only mechanism to effect a change to Google's policy such that it will afford a mechanism to protect registered trademarks from improper use by competitors.

For the past five years, Google and the other defendants in this case have made billions of dollars by selling the right to use other people's registered trademarks to competitors and other parties who wish to take advantage of the goodwill associated with the sold marks. How this is done is simple. Defendants sell "keywords" for so-called "sponsored links," which are actually advertisements. The keywords often consist of registered trademarks, and the advertisements – the sponsored links – often are advertisements by third parties who are not sponsored by, or related in any way to, the owner of the registered trademark that was used as a keyword to trigger the placement of the ad.

When a consumer types a plaintiff's trademark or trade name into a search engine, a competitor's site or a site containing a competitor's products (but not the mark holder's) may appear. For example, a Google search for "Southwest Airlines" may reveal a sponsored link for "Smartfares.net," which does not sell Southwest tickets, but does sell tickets for competing airlines. A Google search for "Firepond" may reveal a sponsored link for "bigmachines.com," a competitor of Firepond.

² As but one example, American Airlines sued Google for Google's use and sale of its "American Airlines" marks. *See, American Airlines, Inc. v. Google*, 07-cv-487 (N.D.Tex. 2008). After surviving a motion to dismiss and motion for summary judgment (and, at a minimum, spending hundreds of thousands in litigation costs), American Airlines reached a confidential settlement with Google pursuant to which Google no longer sells American Airlines as a keyword, but which left Google's policy and practice of profiting off the sale of other registered trademarks unchanged.

The theory of liability of this case is initial interest confusion. Plaintiffs will demonstrate at trial that Defendants' practices have caused and continue to cause consumers to be initially confused as to the source of sponsored links. Many consumers expect that "sponsored links" will be sponsored by (i.e. affiliated, related or authorized by) the owner of the mark when they perform a specific search for a specific brand of product or service by typing in the specific trademark of a company they are familiar with. For example, if a consumer has a flat tire and performs a search specifically for Michelin tires, he or she will expect that a sponsored link that appears during the course of this search will have something to do with Michelin tires. If the sponsored link, "Adam's Tires" comes up, the consumer may click on the sponsored link for Adam's Tires expecting to find Michelin tires. Even if it is clear once the consumer clicks that Adam's Tires does not sell Michelin tires, the consumer was tricked into clicking on the ad, and Google got paid for that deception. Significantly, Google's revenue model is to profit directly from the initial interest confusion because it gets paid based on the clickthrough to the ad.

Because mark by mark litigation is impractical and ineffective at challenging the policy as a whole, the only way to challenge Google's policy and put a stop to these business practices is through a class action, on behalf of all of the Texas and United States trademark holders. Plaintiffs therefore seek certification of a Rule 23(b)(2) class, namely those Texas and United States trademark holders whose rights have been infringed by Defendants' selling those marks to competitors.

Of crucial importance in this matter is the fact that Plaintiffs are not seeking damages related to the infringement of the individual marks. Rather, Plaintiffs primarily seek only injunctive relief and, secondarily, such equitable disgorgement, if any, as the Court deems appropriate under equitable principles. Plaintiffs recognize that it would not be possible to prosecute this matter by way of a class action if the individual damage suffered by each class member were in issue. Here, the harm suffered by each class member – having their trademark subject to sale and use by unauthorized parties – is the same. Because the issue in this matter is

so important on a broad scale, a class action to bring this matter to trial is the only way that broad injunctive relief will be available.

Class certification is proper and necessary because the sole question for liability as to all class members is a legal one: Assuming that Defendants' policy and practice of selling ad words or key words to persons other than the trademark owner results in more than a *de minimus* number of instances of the diversion of consumers to competitors' of trademark owners, due to initial interest confusion, is such policy lawful under the Lanham Act? This issue is the same for all class members, and no class member participation is necessary.

Plaintiffs and their counsel can adequately represent the class. The class is far too numerous for individual lawsuits to be a realistic option, Plaintiffs are typical of the class, and Plaintiffs' counsel are qualified class counsel. The failure to certify this class will violate the intent of Congress and, as Judge Ward wrote in *Barnett v. Experian Information Solutions*, 2004 WL 4032909, at *5 (E.D. Tex. 2004), "leave many consumers with no practical alternative to enforce their rights under the statute."

The above-named Plaintiffs in this case move the Court for a determination that this case may proceed as a class action pursuant to Rules 23(a) and (b) of the Federal Rules of Civil Procedure. Plaintiffs seek to represent the Class defined as follows:

Any and all individuals and/or entities (excluding governmental entities Defendants, and Defendants' parents, predecessors, subsidiaries, affiliates, and agents) domiciled in the United States that own a mark that has been registered with the United States Patent and Trademark Office ("USPTO") that has been sold by defendant Google as a keyword and/or an Adword during the period May 14, 2005 through the present.

These classes overlap heavily, and present identical questions of law and fact (the two class actions have already been consolidated). Because Defendants have caused and

continue to cause ongoing harm to the class in a manner amenable only to a class action, class certification is proper.

II. FACTUAL BACKGROUND

The facts of this case are simple and consistent. Defendants have for five years sold the classes' registered trademark in a manner that caused consumers to be confused as to the source and sponsorship of search results. Defendants' practices and the results thereof are consistent across Defendants and across marks.

A. Defendants' Practice of Selling Keywords or Adwords as Search Terms

Throughout the period from May 14, 2005 through the present, Google³ has maintained a practice of selling registered trademarks as a keyword and/or an Adword to persons or entities that are not the owners of such marks to be used as search terms. In broad strokes, the process works as follows. Merchants have the ability to bid on keywords, including, without limitation, the trademarks of the class. If a merchant buys a term as a keyword, when a consumer types the keyword into a search engine, then a small box containing the merchant's advertisement will appear either above or to the side of the "organic" links.⁴

Defendants have a policy against ceasing to utilize trademarks as keywords. In response to discovery, Defendants have produced documents showing that they utilize registered trademarks as keywords, that companies not affiliated with a trademark holder may buy a mark as a keyword, and that Defendants will not cease to offer specific marks upon demand from the trademark holder. Fenster Decl. Exh. A.

³ All other Defendants have analogous adwords systems. The policies of these different Defendants do not differ meaningfully from Google's, and survey evidence has shown that consumer beliefs are consistent across Defendants. Maronick Report at 7-14 and 18-20.

⁴ This is easier shown than told. See Fenster Decl. Exhs. D and E for screenshot examples.

B. Defendants' Behavior Causes Confusion Across Marks and Defendants

As a consequence of the Defendants' policy, Plaintiffs and other members of the Classes have suffered diversion of business, consumer confusion, loss of revenue, loss of goodwill, and other such related injury and damage.

In an effort to quantify this effect on a preliminary basis, Plaintiffs have conducted a survey which addresses the question of whether (1) consumers' beliefs about sponsored links are consistent across search engines; (2) such beliefs are consistent across marks, (3) whether consumers believe sponsored links by unrelated companies are associated with the keyword entered by the consumer, and (4) if such a belief existed, whether consumers were likely to click through to those links. This survey, conducted by Dr. Thomas Maronick of Towson University, answered all four questions in the affirmative.

Dr. Maronick conducted an internet survey of approximately one thousand individuals, in five 200-person cells. The first three cells asked consumers generic questions regarding three search engines, Google, Yahoo! and Ask.com, such as whether they expected to be able to buy the mark holder's goods and services when they clicked on sponsored links resulting from a search for the mark holder. These cells were also asked whether they expected to buy iPads from certain hypothetical sponsored links. This survey generally indicated that consumers expected the sponsored links to be affiliated with the mark holder and/or offer the mark holder's goods and services. See Maronick Report⁵ at 7-13.

Dr. Maronick also conducted surveys of two additional cells, this time regarding two specific marks, Trek (a bicycle manufacturer) and Southwest Airlines. In this survey, consumers (after filtering for likely purchasers) were shown an actual screenshot of a search result for Southwest or Trek, and asked their views about sponsored links that did not, in fact, permit a consumer to purchase the mark holders goods or services. Consumers responded that they

⁵ Fenster Declaration Exhibit C.

believed the links would permit them to buy the mark holders' goods or services, and that they would click through in an effort to buy those goods or services. Maronick Report at 14-18.

Although the Plaintiffs have not yet conducted a comprehensive survey of such practices (which will be completed after the certification stage), they have completed a representative sample survey demonstrating the initial interest confusion caused by Defendants' practice. This survey suggests that initial interest confusion is (1) a very real factor of adwords sales; (2) consistent across marks; and (3) consistent across Defendants. See Report of Tom Maronick.

By way of example, in the Maronick survey, and as of September 14, 2010,⁶ a Google search for "Trek" or "Trek [space]" yielded bikesdirect.com as the first sponsored link. Only after clicking on bikesdirect.com does it become apparent that Trek bicycles are not, in fact, sold by BikesDirect. Likewise, in the Maronick survey, and as of September 14, 2010, a Google search for "Southwest" yielded "smartfares.com/southwest" as one of the sponsored links. However, and as becomes apparent only after entering flight information into the SmartFares engine, SmartFares does not, in fact, sell Southwest Airlines tickets.⁷ In both of these situations, a consumer could easily be confused into clicking on the unaffiliated sponsored link, expecting to be able to buy Trek bicycles or Southwest Airlines tickets. And even though the consumer may not be confused by the time of the actual purchase, the initial confusion in both of these situations would be very likely to lead to lost sales.

The survey demonstrates that across various classes of trademarks and Defendants, there is a high degree of initial interest confusion regarding the types of goods and the affiliation of the Sponsored Links with the trademark owners. Thus, this survey serves as proof of the concept; after class certification, Plaintiffs contemplate conducting a far more comprehensive expert survey demonstrating the widespread initial interest confusion caused by Defendants' practice of selling keywords or adwords consisting of trademarks belonging to Plaintiffs and Class Members.

⁶ See Fenster Decl. ¶ 5 and Exh. D.

⁷ *Id.* at ¶ 6 and Exh. E.

The only reasonable means by which Plaintiffs can redress such harm is through a class action. The cost to any one trademark owner of pursuing Google to achieve an end to this harmful practice is simply too great for all but the largest and wealthiest trademark owners to afford. Class certification is the only means to accomplishing the desired injunctive relief to end Google's damaging, but apparently lucrative, practice.

Due to Google's and the other Defendants' refusal to alter its practice and policy of selling keywords and/or adwords for profit, it is only through a class action that the individual trademark holders can hope to achieve the prayed for result of injunctive relief to put an end to this practice.

III. LEGAL ANALYSIS RE: THEORY OF THE CASE: DEFENDANTS' PRACTICE OF SELLING ADWORDS COMPRISING REGISTERED TRADEMARKS OF OTHERS CAUSES INITIAL INTEREST CONFUSION WHICH MAY BE ENJOINED BY THIS COURT

Although the merits of the underlying case itself is beyond the scope of this class certification issue, the theory of the case here bears mentioning, as Defendants will no doubt bring it up in their opposition. The liability theory underlying this action is that by virtue of the sponsored links themselves, initial interest confusion results. The issue of whether initial interest confusion is appropriate for class certification is an issue of first impression, but in light of the facts here, it is plainly appropriate, particularly because there is no meaningful method of assessing the propriety of Defendants' behavior outside of the class context.

Initial interest confusion results when a consumer is initially confused, even if no sale (or confusion-based sale) results. For example, if a consumer walked into a "Sawbucks" coffee shop, believing it to be a "Starbucks," that would be initial interest confusion even if, prior to the consummation of the sale, the consumer realized the store was not, in fact, a Starbucks. *Simonson Depo. excerpt (Fenster Decl. Exh. F)*. As discussed below, this conduct has been found specifically actionable in the adwords context. *Rescuecom Corp. v. Google, Inc*, 562 F.3d 123 (2nd Cir. 2009).

Initial interest confusion is an uncontroversial aspect of the Lanham Act, and has been applied in internet cases. For example, in *Pet Silk, Inc. v. Jackson*, 481 F.Supp.2d 824 (S.D.Tex. 2007), the Southern District held that “Even if [plaintiff] had not shown actual confusion, the fact that [defendant] adopted the mark as part of its domain name creates initial interest confusion as to the source or sponsor of the web site and this is recognized as infringement under the Lanham Act.” 481 F.Supp.2d at 829-930 (citing *PACCAR, Inc. v TeleScan Technologies, L.L.C.*, 319 F.3d 243, 250 (6th Cir. 2003), *overruled on other grounds* by *KP Perm. Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004)) (“An infringing domain name has the potential to misdirect consumers as they search for web sites associated with the owner of a trademark.”).

Initial interest confusion has been applied specifically to the keyword context:

“Initial interest confusion ‘occurs when a customer is lured to a product by the similarity of the mark, even if the customer realizes the true source of the goods before the sale is consummated.’ . . . the mere use of trademarked keywords has been found to create a likelihood of initial interest confusion.”

Kinetic Concepts, Inc. v. BlueSky Med. Group, 2005 U.S. Dist LEXIS 32353, 2005-2 Trade Cas. (CCH) P75,058 (W.D. Tex. 2005) (denying defendants motion for summary judgment).

Most importantly, initial interest confusion has been applied specifically to the acts at issue in this case. In *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2nd Cir. 2009), Google had used rescuecom as an adword (in the exact same way as it does to the class plaintiffs), and rescuecom sued, alleging initial interest confusion. Google moved to dismiss, the trial court granted the motion, and the Second Circuit reversed, stating as follows:

“What Rescuecom alleges is that by the manner of Google's display of sponsored links of competing brands in response to a search for Rescuecom's brand name (which fails adequately to identify the sponsored link as an advertisement, rather than a relevant search result), Google creates a likelihood of consumer confusion

as to trademarks. If the searcher sees a different brand name as the top entry in response to the search for "Rescuecom," the searcher is likely to believe mistakenly that the different name which appears is affiliated with the brand name sought in the search and will not suspect, because the fact is not adequately signaled by Google's presentation, that this is not the most relevant response to the search. Whether Google's actual practice is in fact benign or confusing is not for us to judge at this time [motion to dismiss stage].”

Id. at 131.

Under *Rescuecom*, then, the use of registered trademarks as adwords may be actionable as causing initial interest confusion. The only difference between this case and *Rescuecom* is that this is a class action.⁸ Under *Rescuecom*, Google’s conduct (selling keywords) was found to be a use in commerce for the purposes of the Lanham Act.

Indeed, Defendants’ counsel in this case have previously filed a lawsuit based on this very same theory arising from similar facts. In *The Scooter Store v. Spinlife.com*, W.D.Tex SA-09-CA-0033, Jackson Walker (counsel for Defendants here) filed their own lawsuit alleging essentially the same type of initial interest confusion against a competitor (e.g. bidding on adwords). The class action here is essentially the Scooter Store case, writ large.

The only question, and the question that Plaintiffs seek to resolve with some finality in this action, is whether or not Google’s conduct is, on a general level, benign or confusing. As discussed above and in Dr. Maronick’s report, the answer to that question will be consistent across marks and Defendants. The only efficient path to that answer is certification of the class.

⁸ This theory has little in common with the cybersquatting analysis raised in *Vulcan Golf, LLC v. Google, Inc.*, 254 F.R.D. 521 (N.D. Ill. 2009). In that case, Vulcan Golf attempted class certification based under an anti-cybersquatting that required mark-by-mark distinctiveness analysis not at issue here. The question of whether the *Rescuecom* initial interest confusion analysis can be applied as a class is one of first impression nationwide.

IV. LEGAL ANALYSIS: CERTIFICATION OF THE CLASS IS APPROPRIATE

Plaintiffs have the burden to prove all the requirements of Rule 23(a), as well as the requirements of one of the subsections of Rule 23(b). *Mullen v. Treasure Chest Casino, LLC*, 186 F.3d 620, 62-624 (5th Cir. 1999) (citing *Montelongo v. Meese*, 803 F.2d 1341, 1351 (5th Cir. 1986)) (“A class may be certified under *Rule 23* if it meets four prerequisites of *Rule 23(a)* and one of two additional requirements of *Rule 23(b)*.”)

This case presents purely legal issues that when resolved for the named Plaintiffs will be resolved for all class members. Thus, it is an appropriate class action.

Although the strength of a Plaintiff's claim should not affect the certification decision, it is necessary for the court to go beyond the pleadings to determine whether the requirements of Rule 23 have been met. A court must understand the claims, defenses, relevant facts, and applicable substantive law in order to make a meaningful determination of the certification issues. *McManus v. Fleetwood Enters., Inc.*, 320 F.3d 545, 548 (5th Cir. 2003). As shown in more detail later in this brief, the claim, defenses, facts, and substantive law are the same for the proposed class members as they are for the class representative, so certification is appropriate.

A. Standard for Class Certification Under Fed. R. Civ. P. 23

Federal Rule of Civil Procedure 23 provides, in relevant part:

(a) Prerequisites to a Class Action. One or more members of a class may sue or be sued as representative parties on behalf of all only if (1) the class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (4) the representative parties will fairly and adequately protect the interests of the class.

(b) Class Actions Maintainable. An action may be maintained as a class action if the prerequisites of subdivision (a) are satisfied, and in addition:

(3) the court finds that the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy. The matters pertinent to the findings include: (A) the interest of members of the class in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; (D) the difficulties likely to be encountered in the management of a class action.

Fed. R. Civ. P. 23.

Class certification is proper if the four requirements of Rule 23(a) and the requirements of any one of the three prongs of Rule 23(b) are satisfied. *See Corley v. Entergy Corp.*, 222 F.R.D. 316, 319, 2004 U.S. Dist. LEXIS 117835, at *7-8 (E.D.Tex. 2004); *McManus v. Fleetwood Enters.*, 320 F.3d 545, 548 (5th Cir. 2003).

A District Court enjoys wide discretion in deciding whether to certify a proposed class. *Allison v. Citgo Petroleum Corp.*, 151 F.3d 402, 408 (5th Cir. 1998). Plaintiffs have the burden of establishing that a class certification is appropriate for their case. *See Castano v. Am. Tobacco Co.*, 84 F.3d 734, 740 (5th Cir. 1996). The four prerequisites for certifying a class that Plaintiffs must satisfy include: (1) numerosity (a class so large that joinder of all members is impracticable); (2) commonality (questions of law or fact common to the class); (3) typicality (named parties' claims or defenses are typical of the class); and (4) adequacy of representation (representatives will fairly and adequately protect the interests of the class).” *Cope v. Duggins*, 2000 U.S. Dist. LEXIS 5081, at *4-5 (E.D. La. 2000); Fed. R. Civ. P. 23(a).

The question of class certification is a procedural one distinct from the merits of the action. *Garcia v. Gloor*, 618 F.2d 264 (5th Cir. 1980). Therefore, plaintiffs need not establish

their own case on the merits before a determination of class certification is made by the court. *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 177, 40 L. Ed. 2d 732, 94 S.Ct. 2140 (1974).

1. The Proposed Class Is So Numerous That Joinder of All Members Is Impracticable

Rule 23(a) requires that a class be “so numerous that joinder of all members is impracticable.” Fed. R. Civ. P. 23(a)(1). “To fulfill the numerosity requirement of Rule 23(a), Plaintiffs must demonstrate that joinder of all members of the class is impracticable due to the sheer size of the class or other relevant factors.” *See Madison v. Chalmette Ref., LLC*, 2010 U.S. Dist. LEXIS 65708 (D. La., June 8, 2010) (citing *James v. City of Dallas*, 254 F.3d 551, 570 (5th Cir. 2001); *Zeidman v. J. Ray McDermott & Co.*, 651 F.2d 1030, 1038 (5th Cir. 1981). Although the practicability of joinder generally depends on the number of class members, other factors including geographic dispersion and the difficulty of identifying potential class members are also relevant in determining whether the numerosity requirement is met. *Murillo v. Musegades*, 809 F.Supp. 487, 502 (W.D. Tex. 1992). In *Mullen v. Treasure Chest Casino, LLC*, 186 F.3d 620, 624 (5th Cir. 1999), the Fifth Circuit affirmed the District Court's finding of numerosity when the estimated size of the proposed class was 100 to 150 members. “While there is no magic number for the number of plaintiffs that makes class certification appropriate, a class of more than forty members raises a presumption of numerosity and a class of more than 100 generally satisfies the numerosity requirement.” *Cope v. Duggins*, 2000 U.S. Dist. LEXIS 5081, at *6 (E.D. La. April 14, 2000).

More than 100 persons or companies (indeed, thousands) own a mark that has been registered with the United States Patent and Trademark Office that have been sold by Defendants as a keyword and/or an Adword during the period May 11, 2005 through the present. In light of the fact that the proposed Class in this case is so numerous that joinder of all members would be impracticable, Rule 23(a)(1) has been easily satisfied.

2. The Commonality Requirement Has Been Satisfied

The commonality requirement of Rule 23(a)(2) “is satisfied even though members of the proposed class present different factual or legal bases for their claims, so long as there are “questions of law or fact common to the class.” *Boos v. AT&T, Inc.*, 252 F.R.D. 319, 322 (W.D. Tex. Aug. 18, 2008); Rule 23(a)(2). The threshold of "commonality" is not high. *Forbush v. J.C. Penney Co.*, 994 F.2d 1101, 1106 (5th Cir. 1993). The commonality requirement is met if there exists a single legal question which “affect[s] all or a significant number of the putative class members.” *See Mullen*, 186 F.3d at 625, citing *Lightbourn v. County of El Paso*, 118 F.3d 421, 426 (5th Cir. 1997). “It is not necessary that all questions of law and fact be common, only that “resolution of the common questions affect all or a substantial number of the class members.” *Jenkins v. Raymark Indus. Inc.*, 782 F.2d 468, 472 (5th Cir. 1986).

In this case, all Plaintiffs are relying upon a single theory, and predicate their claim upon the same essential nucleus of underlying facts. Each of the Plaintiffs is the owner of a trademark, each such trademark has been sold by Defendants to third parties as a search term, each Plaintiff has sustained damage in the form of diverted business and/or initial interest confusion as to the source goods or services sold by such third parties, and each seeks the identical relief in the form of an injunction and/or a declaration as to its rights. The practices of the individual Defendants are identical across Plaintiffs, and as such, the commonality prong is satisfied.

3. Plaintiffs’ Claims Are Typical of the Claims of the Class

Closely related to the necessity of commonality is the third requirement of Rule 23(a) that the claims of the representative parties are typical of the claims of the class. The typicality threshold is also not high. *McManus v. Fleetwood Enters, Inc.*, 320 F.3d 545, 548 (5th Cir. 2003).

Rule 23(a)(3) requires that “the claims or defenses of the representative parties [be] typical of the claims or defenses of the class . . .” A single question of either law or fact that is common to members of the class is sufficient to fulfill this requirement. *James v. City of Dallas*,

254 F.3d 551, 570 (5th Cir. 2001). The requirement is satisfied if there is “similarity between the named plaintiffs’ legal and remedial theories and the theories of those whom they purport to represent.” *Mullen*, 186 F.3d at 625; *Lightbourn v. County of El Paso*, 118 F.3d 421, 426 (5th Cir. 1997) (Typicality requires that the named plaintiffs advance similar or identical legal and remedial theories as those that would be advanced by the absent members of the class if they were to proceed in a parallel action.).

Thus, in *Mullen*, the legal questions were identical for all class members – whether the telephone concession for retirees constituted a pension plan under ERISA, and all class members were required to prove the same set of underlying facts – that they received a telephone concession from defendants in the form of a monthly cash payment. 252 F.R.D. at 322-323. In *Cope*, 2000 U.S. Dist. LEXIS 5081, at *7, plaintiffs claims were typical of the class because all potential class members received the same letter. “A plaintiff’s claim is typical if it arises from the same event or practice giving rise to the claims of other class members and is based on the same legal theory as the class members.” *Id.* at *7; accord *Klein v. O’Neal, Inc.*, 222 F.R.D. 564, 567 (N.D. Tex. 2004).

The "typicality" requirement focuses less on the relative strengths of the named and unnamed plaintiffs' cases than on the similarity of the legal and remedial theories behind their claims. *Jenkins*, 782 F.2d at 472. That is the case here.

Plaintiffs' claim for relief here is identical to the claim made on behalf of all class members. The claims are based upon identical legal theories for the identical conduct. It is the same course of conduct – the sale of trademarks as keywords or Adwords - that serves as the gravamen of the claims against Defendants. Plaintiffs’ claims centers on the initial interest confusion that arises when persons searching for Plaintiffs’ goods are diverted to another’s website, at least initially, because the Adwords purchased by a competitor as a search term result in a display of the competing entity’s goods. Some purchasers may select the competitor’s goods instead of those of a Plaintiff, believing them to originate with that Plaintiff. This results in a loss of business and loss of goodwill to the Plaintiff. But, more importantly, Plaintiffs herein

have no other means to effectively put an end to Google's practice of selling the use of their registered marks as search terms other than by a class action.

More specifically, Plaintiffs Beck is typical of the class. There is ample evidence that a variant of Beck's mark have been sold by Defendants.⁹ Thus, the typicality requirement has been satisfied.

B. Plaintiffs Will Adequately Protect the Interests of the Class

The "adequacy" requirement looks at both the class representatives and their counsel. Under Rule 23(g)(1)(C), the court must consider the following in determining whether Plaintiff's counsel is adequate:

- the work counsel has done in identifying or investigating potential claims in the action,
- counsel's experience in handling class actions, other complex litigation, and claims of the type asserted in the action,
- counsel's knowledge of the applicable law, and
- the resources counsel will commit to representing the class.

"Rule 23(a)'s adequacy requirement encompasses class representatives, their counsel, and the relationship between the two." *Berger v. Compaq Computer Corp.*, 257 F.3d 475, 479 (5th Cir. 2001). The adequacy of class representation required under Rule 23(a)(4) mandates an inquiry not only into (1) the "zeal and competence of the representatives' counsel," but also into (2) "the willingness and ability of the representatives to take an active role in and control the litigation and to protect the interests of absentees." *See Eatmon v. Palisades Collection, LLC*, 2010 U.S. Dist. LEXIS 28106 at *21 (E.D. Tex. March 5, 2010) (citing *Berger*, 257 F.3d at 479).

The standard of Rule 23(a)(4) is met if it appears that (1) the representative plaintiffs' interests are not antagonistic to or in conflict with other members of the class and (2) the plaintiffs' attorneys are qualified, experienced, and will competently and vigorously prosecute the suit. *See Gonzales v. Cassidy*, 474 F.2d 67, 72 (5th Cir. 1973).

⁹ Beck's mark is "John Beck's." Although Defendants have denied selling this exact mark, there is ample evidence that a variant on that mark "John Beck," has been sold as a keyword.

In examining whether class representatives share common interests with the proposed class members, the Fifth Circuit has held that as long as the proposed representatives have sufficient stake in the outcome of the litigation and are united in asserting a common right, then the class members' interests are aligned. *Boos*, 252 F.R.D. at 323, citing *Mullen*, 186 F.3d at 625-626. That element is satisfied in this case, because all are united in their attempt to end the practice of the Defendants that harms the Plaintiffs, and none of the Plaintiffs' can alone expend the resources required to attain this goal.

Plaintiffs here can demonstrate that they may fairly and adequately protect the interests of the class "because they are knowledgeable, have no conflicting interest with other class members and are represented by qualified and competent counsel." *Cope*, 2000 U.S. Dist. LEXIS 5081, at *8. "[S]o long as all class members are united and asserting a common right, such as achieving the maximum possible recovery for the class, the class interests are not antagonistic for representation purposes." *In re Corrugated Container Antitrust Litig.*, 643 F.2d 195, 208 (5th Cir. 1981).

The representative Plaintiffs in this case seek the very relief for the class that they seek for themselves. There is no conflict between their individual objectives and the objectives of the proposed class.

As well, in regard to the adequacy of representation requirement, the Fifth Circuit has held that it "mandates an inquiry into the zeal and competence of the representatives' counsel and into the willingness and ability of the representative to take an active role in and control the litigation and to protect the interests of the absentees." *Horton v. Goose Creek Ind. Sch. Dist.*, 690 F.2d 470, 484 (5th Cir. 1982).

As for the second prong of this requirement, the declarations of Marc Fenster and David Whittlesey demonstrate that Plaintiffs' counsel have sufficient experience to serve as class counsel. Plaintiffs' counsel are experienced in certifying, litigating, settling and administering class actions.

Thus, for the reasons discussed above, all of the requirements of Rule 23(a) are easily met.

V. Because Defendants' Behavior Is Identical As to All Class Members, Certification of the Class under Rule 23(b)(2) is Appropriate

“If the prerequisites of *Rule 23(a)* are satisfied, then a court will allow a class action to be maintained if it falls within one or more of the three categories provided in *Rule 23(b)*. One such category is provided in *rule 23(b)(2)*, which allows a class action if the opposing party has acted similarly towards all members of the class and injunctive or declaratory relief is appropriate for the class as a whole.” *Madison v. Chalmette Refining LLC*, 2010 U.S. Dist. LEXIS 65708, at 11-12 (E.D. La. June 8, 2010) (*citing* Fed. R Civ. Proc. 23(b)). The primary limitation on this type of class action is that injunctive or declaratory relief must be the predominant form of relief. 222 F.R.D. at 322; *Boos v. AT&T, Inc.*, 252 F.R.D. 319, 325, 2008 U.S. Dist. LEXIS. 83137, at *16 (W.D. Tex. 2008). Although class actions for monetary damages are generally not certifiable under *Rule 23(b)(2)* there is an exception when monetary damages are incidental to injunctive or declaratory relief. *Parker v. United Steelworkers of Am.*, 642 F.2d 104, 107 (5th Cir. 1981). Monetary damages are incidental as long as they can be calculated using objective criteria and are not dependent on individual determinations of each class member's case. *Allison v. Citgo Petroleum Corp.*, 151 F.3d 402, 415 (5th Cir. 1998).

Such is the case here. Defendants have acted in the same way towards all Plaintiffs and the Class. Defendants have refused to alter their policy of selling trademarked terms owned by Plaintiffs and the Class to third parties for use as search terms on their search engine. The result is that consumers are diverted to Sponsored Links, believing them, at least initially, to originate with or be affiliated with the trademark owners.

As discussed above, the legal and factual issues as to all class members are substantially identical. The only remaining issue for certification, then, is the question of relief. Certification under 23(b)(2) is appropriate where the relief sought is broad, because these actions involve “uniform, group remedies.” *Boos*, 252 F.R.D. at 325, *citing Allison*, 151 F.3d at 414. Here,

because simple injunctive relief is all that is sought, this final prong of Rule 26(b)(2) is easily met.

“District courts may certify a class under Rule 23(b)(2) if "the party opposing the class has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole." Fed. R. Civ. P. 23(b)(2). The primary limitation on this type of class action is that injunctive or declaratory relief must be the predominant form of relief. *Allison*, 151 F.3d at 411. The relief sought by Plaintiffs herein fits this characterization. The Plaintiffs seek injunctive relief or declaratory relief as their predominate remedy.

VI. CONCLUSION

Class certification is appropriate in this case. The class representatives are well-qualified to represent the class, the class counsel is well-qualified to serve in that capacity.

Dated: September 17, 2010

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the counsel of record who are deemed to have consented to electronic service are being served on September 17, 2010 with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

Dated: September 17, 2010

/s/ Marc A. Fenster
Marc A. Fenster

CERTIFICATE OF CONFERENCE

The undersigned counsel for Plaintiffs in the above captioned and numbered cause, states that counsel has complied with the meet and confer requirement in Local Rule CV-7(h) and the foregoing motion is opposed.

Dated: September 17, 2010

/s/ Marc A. Fenster
Marc A. Fenster