

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)

ROSETTA STONE LTD.

Plaintiff,

v.

GOOGLE INC.

Defendant.

CIVIL ACTION NO. 1:09cv736  
(GBL / TCB)

**DEFENDANT GOOGLE INC.’S PROPOSED JURY INSTRUCTIONS**

Pursuant to Federal Rule of Civil Procedure 51, defendant Google Inc. (“Google”) respectfully requests that the Court address to the jury the following jury instructions. Google reserves the right to submit additional instructions or withdraw instructions in response to any instructions that may be submitted by plaintiff Rosetta Stone Ltd. (“Rosetta Stone”).

# **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 1**

## **Opening Instructions**

Members of the jury, we are about to begin the trial of the case about which you have heard some details during the process of jury selection. Before the trial begins, however, there are certain instructions you should have in order to better understand what will be presented before you and how you should conduct yourself during the trial.

The plaintiff in this case is Rosetta Stone LTD. The defendant is Google Inc.

By your verdict you, and you alone, will decide disputed issues of fact. I will decide all questions of law that arise during the trial, and before you retire to deliberate at the close of the case, I will instruct you on the law that you must follow and apply in deciding upon your verdict.

Since you will be called upon to decide the facts of this case, you should give careful attention to the testimony and evidence presented for your consideration, bearing in mind that I will instruct you at the end of the trial concerning the manner in which you should determine the credibility or "believability" of each witness and the weight to be given to his testimony. During the trial, however, you should keep an open mind and should not form or express any opinion about the case one way or the other until you have heard all of the testimony and evidence, the closing arguments of the lawyers, and my instructions to you on the applicable law.

While the trial is in progress you must not discuss the case in any manner among yourselves or with anyone else, nor should you permit anyone to discuss it in your presence. You should avoid reading any newspaper articles that might be published about the case, and should also avoid seeing or hearing any television or radio comments about the trial. Lastly, the lawyers representing the parties in this case are not allowed to speak with you during the course of the trial. When you see them at a recess or pass them in the halls and they do not speak to you, they are not being rude or unfriendly; they are simply following the law.

From time to time during the trial I may be called upon to make rulings of law on objections or motions made by the lawyers. It is the duty of the attorney on each side of a case to object when the other side offers testimony or other evidence which the attorney believes is not properly admissible. You should not show prejudice against an attorney or his client because the attorney has made objections. You should not infer or conclude from any ruling or other comments I may make that I have any opinions on the merits of the case favoring one side or the other. And if I sustain an objection to a question that goes unanswered by the witness, you should not draw any inferences or conclusions from the question itself.

During the trial it may be necessary for me to confer with the lawyers out of your hearing with regard to questions of law or procedure that require consideration by the court alone. On some occasions you may be excused from the courtroom for the same reason. I will try to limit these interruptions as much as possible, but you should remember the importance of the matter you are here to determine and should be patient even though the case may seem to go slowly.

**AUTHORITY:** 3 Kevin F. O'Malley, et al., Federal Jury Practice and Instructions – Civil § 101.01 (5th ed. 2000).

## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 2**

### **Order of Trial**

The trial will proceed in the following order:

First, Rosetta Stone will make an opening statement outlining its case. Google will then make an opening statement. What is said in opening statements is not evidence, but is simply an outline to help you understand what each party expects the evidence to show.

Second, after opening statements, Rosetta Stone will present evidence in support of its claims, and the Google's attorneys may cross-examine Rosetta Stone's witnesses. At the conclusion of Rosetta Stone's case in chief, Google will have the opportunity to introduce evidence; Rosetta Stone may cross-examine any witnesses called by Google. Rosetta Stone may then present rebuttal evidence.

Third, after all of the evidence is presented, the parties' lawyers may make closing arguments explaining what they believe the evidence has shown. What is said in closing argument is not evidence.

Finally, I will instruct you on the law that you are to apply in reaching your verdict. You will then decide the case.

**AUTHORITY:** 3 Kevin F. O'Malley, et al., Federal Jury Practice and Instructions – Civil § 101.02 (5th ed. 2000) (modified).

**GOOGLE'S REQUESTED JURY INSTRUCTION NO. 3**

**Corporations as Parties**

In this case, the parties are corporations. The fact that the parties are corporate entities does not mean that they are entitled to any lesser consideration by you. All litigants are equal before the law, and companies, big or small, are entitled to the same fair consideration as you would give any other individual party.

**AUTHORITY:** 4 Leonard B. Sand, et al., Modern Federal Jury Instructions – Civil II 72.01, Instruction 72-1 (2007).

## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 4**

### **Jury Conduct**

To insure fairness, you must obey the following rules:

- a. Do not talk to each other about this case or about anyone involved with this case until the end of the trial when you go to the jury room to decide on your verdict.
- b. Do not talk with anyone else about this case or about anyone involved with this case until the trial has ended and you have been discharged as jurors.” Anyone else” includes members of your family and your friends. You may tell people you are a juror, but do not tell them anything else about the case.
- c. Outside the courtroom, do not let anyone tell you anything about the case, or about anyone involved with it until the trial has ended. If someone should try to talk to you about the case during the trial, please report it to me immediately.
- d. During the trial you should not talk with or speak to any of the parties, lawyers or witnesses involved in this case—you should not even pass the time of day with any of them. It is important not only that you do justice in this case, but that you also give the appearance of doing justice.
- e. Do not read any news stories or articles about the case, or about anyone involved with it, or listen to any radio or television reports about the case or about anyone involved with it.
- f. Do not do any research, such as conducting internet searches, checking dictionaries or make any investigation about the case on your own.
- g. Do not make up your mind during the trial about what the verdict should be. Keep an open mind until after you have gone to the jury room to decide the case and you and the other jurors have discussed all the evidence.
- h. If you need to tell me something, simply give a signed note to the bailiff to give to me.

**AUTHORITY:** 3 Kevin F. O'Malley, et al., Federal Jury Practice and Instruction – Civil § 101.11 (5th ed. 2000) (modified).

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 5**

**Evidence in the Case**

The evidence in this case will consist of the following:

1. The sworn testimony of the witnesses, regardless of which party called the witness;
2. All exhibits received in evidence, regardless of which party may have produced the exhibits; and
3. All facts that may have been judicially noticed and that you must take as true for purposes of this case.

Depositions also may be received in evidence. In some cases, a deposition may be played for you by video. Depositions contain testimony taken under oath before a court stenographer before trial, with the lawyers for each party being entitled to ask questions. This is part of the pre-trial discovery process, and all parties are entitled to take depositions. You may consider the testimony of a witness given at a deposition according to the same standards you would use to evaluate the testimony of a witness given at trial.

Statements and arguments of the lawyers are not evidence in the case, unless made as an admission or stipulation of fact. A “stipulation” is an agreement among the parties that certain facts are true or that a person would have given certain testimony. When the lawyers stipulate or agree to the existence of a fact, you must, unless otherwise instructed, accept the stipulation as evidence, and regard that fact as proved.

I may take judicial notice of certain facts or events. When I declare that I will take judicial notice of some fact or event, you must accept that fact as true.

If I sustain an objection to any evidence, or if I order evidence stricken, that evidence must be entirely ignored.

Some evidence is admitted for a limited purpose only. When I instruct you that an item of evidence has been admitted for a limited purpose, you must consider it only for that limited purpose and for no other purpose.

You are to consider only the evidence in the case. But in your consideration of the evidence you are not limited to the statements of the witness. In other words, you are not limited solely to what you see and hear as the witnesses testified. You may draw from the facts that you find have been proved, such reasonable inferences or conclusions as you feel are justified in light of your experience.

At the end of the trial you will have to make your decision based on what you recall of the evidence. You will not have a written transcript to consult, and it is difficult and time consuming for the reporter to read back lengthy testimony. I urge you to pay close attention to the testimony as it is given.

**AUTHORITY:** 3 Kevin F. O'Malley, et al., Federal Jury Practice and Instructions – Civil § 101.40 (5th ed. 2000); 4 Leonard B. Sand, et al., Modern Federal Jury Instructions – Civil, ¶ 74.07, Instruction 74-14 (2007).



## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 6**

### **Direct and Circumstantial Evidence**

There are two types of evidence which you may properly use in reaching your verdict.

One type of evidence is direct evidence. Direct evidence is when a witness testifies about something he knows by virtue of his own senses – something he has seen, felt, touched or heard. Direct evidence may also be in the form of an exhibit where the fact to be proved is its present existence or condition.

Circumstantial evidence is evidence which tends to prove a disputed fact by proof of other facts. There is a simple example that helps explain what circumstantial evidence is. Assume that when you came into the courthouse this morning the sun was shining and it was a nice day. Assume that the courtroom blinds were drawn and you could not look outside. As you were sitting here, someone walked in with an umbrella that was dripping wet. Then a few minutes later another person also entered with a wet umbrella. You cannot look outside of the courtroom and you cannot see whether or not it is raining, so you have no direct evidence of that fact. But on the combination of facts which I have asked you to assume, it would be reasonable and logical for you to conclude that it had been raining.

That is all there is to circumstantial evidence. You infer on the basis of reason, experience and common sense from one established fact the existence or non-existence of some other fact.

Circumstantial evidence is of no less value than direct evidence; for, it is a general rule that the law makes no distinction between direct evidence and circumstantial evidence but simply requires that your verdict must be based on all of the evidence presented.

**AUTHORITY:** 4 Leonard B. Sand, et al., Modern Federal Jury Instructions – Civil 74.01, Instruction 74-2 (2007).

## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 7**

### **Witness Credibility**

In deciding the facts, you, as jurors, may have to decide which testimony to believe and which testimony not to believe. You may believe everything a witness says, part of it, or none of it. In considering the testimony of any witness, you may take into account many factors, including the witness's opportunity and ability to see or hear or know the things the witness testified about; the quality of the witness's memory; the witness's appearance and manner while testifying; the witness's interest in the outcome of the case; any bias or prejudice the witness may have; other evidence that may have contradicted the witness's testimony; and the reasonableness of the witness's testimony in light of all the evidence. If you believe any witness testified falsely as to any material issue in the case, then you must reject that which you believe to be false, and you may reject the whole or any part of the testimony of such witness.

**AUTHORITY:** 3 Kevin F. O'Malley, et al., Federal Jury Practice and Instructions – Civil § 101.43 (5th ed. 2000).

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 8**

**Impeachment – Inconsistent Statement or Conduct**

A witness may be discredited or impeached by contradictory evidence; or by evidence that at some other time the witness has said or done something, or has failed to say or do something which is inconsistent with the witness’s present testimony.

If you believe any witness has been impeached and thus discredited, it is your exclusive province to give the testimony of that witness such credibility, if any, as you may think it deserves.

If a witness is shown knowingly to have testified falsely concerning any material matter, you have a right to distrust such witness’s testimony in other particulars and you may reject all the testimony of that witness or give it such credibility as you may think it deserves.

An act or omission is “knowingly” done, if voluntarily and intentionally, and not because of mistake or accident or other innocent reason.

**AUTHORITY:** 3 Kevin F. O’Malley, et al., Federal Jury Practice and Instructions – Civil § 105.04 (5th ed. 2000).

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 9**

**General Post-Trial Instruction**

Now that you have heard the evidence and the argument, it is my duty to instruct you about the applicable law. It is your duty to follow the law as I will state it and to apply it to the facts as you find them from the evidence in the case. Do not single out one instruction as stating the law, but consider the instructions as a whole. You are not to be concerned about the wisdom of any rule of law stated by me. You must follow and apply the law.

Nothing I say in these instructions indicates that I have any opinion about the facts. You, not I, have the duty to determine the facts.

You must perform your duties as jurors without bias or prejudice as to any party. The law does not permit you to be controlled by sympathy, prejudice, or public opinion. All parties expect that you will carefully and impartially consider all the evidence, follow the law as it is now being given to you, and reach a just verdict, regardless of the consequences.

**AUTHORITY:** 3 Kevin F. O’Malley, et al., Federal Jury Practice and Instructions – Civil § 103.01 (5th ed. 2000).

## **GOOGLE’S REQUESTED JURY INSTRUCTION NO. 10**

### **Statement of the Case**

The plaintiff, Rosetta Stone, seeks damages and an injunction against the defendant, Google to stop Google from allowing any advertiser other than Rosetta Stone from bidding on keywords that include Rosetta Stone’s trademarks and from using those trademarks in the text of advertisements. Rosetta Stone contends that Google’s action constitute trademark infringement, contributory trademark infringement, vicarious trademark infringement, trademark dilution, unfair competition, and unjust enrichment. Google denies that is liable to Rosetta Stone.

### **Burden of Proof**

Rosetta Stone has the burden of proving its claims by a preponderance of the evidence.

Google has raised several affirmative defenses to Rosetta Stone’s claims. If you find Google to be liable for any of the claims asserted by Rosetta Stone, you must then consider Google’s affirmative defenses. An affirmative defense may excuse liability for part of or all of a claim. Google bears the burden of proving its affirmative defenses by a preponderance of the evidence.

Preponderance of the evidence means that you must be persuaded by the evidence that a claim or defense is more probably true than not true.

### **Trademarks in Issue**

Rosetta Stone asserts infringement as to four different marks. They are: ROSETTA STONE, ROSETTA STONE LANGUAGE AND LEARNING SUCCESS, ROSETASTONE.COM, and ROSETTA WORLD. You will be asked to determine whether Google has infringed each mark. However, for purposes of these instructions, the marks will be collectively referred to as “the ROSETTA STONE marks.”

### **Trademark Law and Policy**

A trademark is any word, name, symbol, device used by a person to identify and distinguish that person’s goods from those of others and to indicate the source of the goods; it does not convey an absolute right to the exclusive use of a word or words. Trademark laws balance three often-conflicting goals: 1) protecting the public from being misled about the nature and source of goods and services, so that the consumer is not confused or misled in the market; 2) protecting the rights of a business to identify itself to the public and its reputation in offering goods and services to the public; and 3) protecting the public interest in fair competition in the market.

**AUTHORITY:** Ninth Circuit Civil Jury Instructions 1.3, 1.4, 15.0, 15.1, 15.4 (2007) (modified); 15 U.S.C. §§ 1114(1), 1125(a), 1127; *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296, 300-01 (9th Cir.1979) (trademarks are designed to protect consumers from

being misled, not to “further or perpetuate product monopolies”) (cited approvingly by *Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316, 320 (4th Cir. 1992))

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 11**

**Trademark Infringement—Elements and Burden of Proof**

On Rosetta Stone’s claim for trademark infringement, Rosetta Stone has the burden of proving each of the following elements by a preponderance of the evidence:

1. Rosetta Stone owns the ROSETTA STONE marks, which are valid, protectable trademarks;
2. Google used the ROSETTA STONE marks in commerce without Rosetta Stone’s consent in a manner that is likely to cause confusion among ordinary purchasers in the marketplace as to the source of goods advertised or their affiliation with Rosetta Stone.

There is no dispute about whether the ROSETTA STONE marks are valid and protectable or about whether Rosetta Stone owns the trademarks. Accordingly, you must find that Rosetta Stone owns the ROSETTA STONE marks and that the trademarks are valid and protectable.

If you find that each of the other elements on which Rosetta Stone has the burden of proof has been proved, and that Google has failed to prove its affirmative defenses, your verdict should be for Rosetta Stone. If, on the other hand, Rosetta Stone has failed to prove any of these elements, your verdict should be for Google.

**AUTHORITY:** Ninth Circuit Civil Jury Instructions 15.5, 15.17 (2007) (modified); 15 U.S.C. §§ 1114, 1115, 1057, and 1065; *Synergistic Intern., LLC v. Korman*, 470 F.3d 162, 170 (4th Cir. 2006); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 124 (4th Cir.1990); *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 930 (4th Cir.1995).

## GOOGLE’S REQUESTED JURY INSTRUCTION NO. 12

### Trademark Infringement—Likelihood of Confusion When Referring to Genuine Rosetta Stone Product

You must consider whether Google’s use of the trademark is likely to cause confusion about the source of goods advertised through Google.

When the ROSETTA STONE marks are used to refer to genuine Rosetta Stone products, Google cannot be held liable for infringement unless that use of the ROSETTA STONE marks is accompanied by a false affirmative representation of affiliation with Rosetta Stone. The use of the ROSETTA STONE marks to refer to genuine Rosetta Stone product, without more, cannot constitute infringement.

**AUTHORITY:** *Tiffany Inc. v. eBay Inc.*, 2010 WL 1236315, at \*15 (2d Cir. 2010) (holding that “eBay’s use of Tiffany’s mark on its website and in sponsored links was lawful [because] eBay used the mark to describe accurately the genuine Tiffany goods offered for sale on its website [a]nd none of eBay’s uses of the mark suggested that Tiffany affiliated itself with eBay or endorsed the sale of its products through eBay’s website.”); *See also Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947); *Prestonettes, Inc. v. Coty*, 264 U.S. 359 (1924); *Saxlehner v. Wagner*, 216 U.S. 375, 380-81 (1910); *Polymer Tech. Corp., v. Mimran*, 975 F.2d 58, 62 (2d Cir. 1992); *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 107 (4th Cir. 1991); *WCVB-TV v. Boston Athletic Association*, 926 F.2d 42 (1st Cir. 1991); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968); *S&L Vitamins, Inc. v. Australian Gold, Inc.*, 2007 U.S. Dist. LEXIS 74712 (E.D.N.Y. Sept. 30, 2007); *National Federation For the Blind v. Loompanics Enters., Inc.*, 936 F. Supp. 1232, 1241 (D. Md. 1996); *Cuisinarts, Inc. v. Robot-Coupe Int’l Corp.*, 509 F. Supp. 1036, 1042 (S.D.N.Y. 1981); *Universal City Studios, Inc. v. Ideal Publ’g Corp.*, 195 U.S.P.Q. 761 (S.D.N.Y. 1977); *Forstmann Woolen Co. v. Murray Sices Corp.*, 144 F. Supp. 283, 290 (S.D.N.Y. 1956).



## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 13

### Trademark Infringement—Likelihood of Confusion When Referring to Non-Genuine Rosetta Stone Product, Including Non-Language Learning Product

For those uses of the ROSETTA STONE marks that are used to refer to something other than the plaintiff Rosetta Stone or its products, I will suggest some factors you should consider in deciding whether the use is likely to cause confusion as to the source of the goods offered for sale. The presence or absence of any particular factor that I suggest should not necessarily resolve whether there was a likelihood of confusion, because you must consider all relevant evidence in determining this. As you consider the likelihood of confusion you should examine the following:

- 1. Google's Intent.** If you find that Google intended to use the ROSETTA STONE marks to suggest, improperly, that advertisements were for products originating from or affiliated with Rosetta Stone, this factor may weigh in favor of a likelihood of confusion. On the other hand, if you find that Google intended to use the ROSETTA STONE marks for some purpose other than to suggest, improperly, that advertisements were for products originating from or affiliated with Rosetta Stone, this factor may weigh against a likelihood of confusion.
- 2. Actual Confusion.** If Google's use of the ROSETTA STONE marks has led to a significant number of instances of actual confusion, this strongly suggests a likelihood of confusion. As you consider whether the trademark used by Google creates for consumers a likelihood of confusion with the ROSETTA STONE marks, you should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there has been a very large number of opportunities for confusion, but only a few isolated instances of actual confusion, you may find that there has not been substantial actual confusion. A *de minimis* amount of actual confusion—that is, an insignificant amount of actual confusion relative to the opportunities for confusion—creates a presumption against likelihood of confusion in the future. For example, proof of seven instances of confusion among 4,000 transactions has been considered *de minimis*.
- 3. Sophistication of the Consumer.** The more sophisticated the potential buyers of the goods or the more costly the goods in question, the more careful and discriminating the reasonably prudent purchaser exercising ordinary caution may be. To the extent Rosetta Stone's potential consumers are more sophisticated than average or Rosetta Stone's goods are costly, the reasonably prudent purchaser of Rosetta Stone's product may be less likely to be confused by the allegedly infringe uses of the ROSETTA STONE marks.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 15.16 (2007) (modified). *See also Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4<sup>th</sup> Cir. 1984), Comments to Ninth Circuit Civil Jury

Instruction 15.16 (Not all factors are included in this instruction because “[t]he committee recommends that the judge instruct only on the factors that are relevant in the particular case presented to the jury.”). When the mark is used in paid search ads, “the traditional factors are not really applicable” because Google is not attempting “to sell its own products.” *GEICO v. Google Inc.*, 2005 U.S. Dist. LEXIS 18642, at \*14 (E.D. Va. Aug. 8, 2005); *see also Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 933 (4th Cir. 1995) (“Importantly, not all these factors are of equal relevance in every case.”); *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 224-25 (3d Cir. 2005) (Traditional likelihood-of-confusion factors are not designed to address such uses because they do not involve passing off.); *Petro Stopping Centers, L.P. v. James River Petroleum, Inc.*, 130 F.3d 88, 95 (4th Cir. 1997) (“failure to uncover more than a few instances of actual confusion creates a presumption against likelihood of confusion in the future”); *George & Co. LLC v. Imagination Entm’t Ltd.*, 575 F.3d 383 (4th Cir. 2009) (“actual consumer confusion was de minimis based on owner’s huge sales volume of 500,000 LCR games per year with only four confused consumers”); *Worsham Sprinkler Co., Inc. v. Wes Worsham Fire Protection, LLC*, 419 F. Supp. 2d 861, 881 (E.D.V a. 2006) (“Seven isolated instances of actual confusion do not establish the existence of actual confusion as a factor that weighs in Plaintiff’s favor where, as here, the Plaintiff is working on more than 1,000 jobs and is bidding on some 3,000 jobs.”); *Miguel Torres, S.A. v. Cantine Mezzacorona, S.C.A.R.L.* 108 Fed.Appx. 816, 820, 2004 WL 2126869, 3 (4<sup>th</sup> Cir. 2004) (analysis of the sophistication of consumers is an appropriate factor to consider in a trademark infringement analysis even though it is not part of the 4th Circuit’s multi factor test).

## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 14**

### **Trademark Infringement—Likelihood of Confusion When Referring to Genuine Rosetta Stone Product Where Secondary Liability Alleged**

When you are considering whether Google is liable for the trademark infringement of third party pursuant to Rosetta Stone's theories of contributory or vicarious liability, you must consider whether the third party's use of the trademark is likely to cause confusion about the source of goods advertised by those third parties through Google.

When the ROSETTA STONE marks are used by a third party to refer to genuine Rosetta Stone products, Google cannot be held liable for infringement unless that third party's use of the ROSETTA STONE marks is accompanied by a false affirmative representation of affiliation with Rosetta Stone. The use of the ROSETTA STONE marks by a third party to refer to genuine Rosetta Stone product, without more, cannot constitute infringement.

**AUTHORITY:** *Tiffany Inc. v. eBay Inc.*, 2010 WL 1236315, at \*15 (2d Cir. 2010); *See also* *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947); *Prestonettes, Inc. v. Coty*, 264 U.S. 359 (1924); *Saxlehner v. Wagner*, 216 U.S. 375, 380-81 (1910); *Polymer Tech. Corp., v. Mimran*, 975 F.2d 58, 62 (2d Cir. 1992); *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 107 (4th Cir. 1991); *WCVB-TV v. Boston Athletic Association*, 926 F.2d 42 (1st Cir. 1991); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968); *S&L Vitamins, Inc. v. Australian Gold, Inc.*, 2007 U.S. Dist. LEXIS 74712 (E.D.N.Y. Sept. 30, 2007); *National Federation For the Blind v. Loompanics Enters., Inc.*, 936 F. Supp. 1232, 1241 (D. Md. 1996); *Cuisinarts, Inc. v. Robot-Coupe Int'l Corp.*, 509 F. Supp. 1036, 1042 (S.D.N.Y. 1981); *Universal City Studios, Inc. v. Ideal Publ'g Corp.*, 195 U.S.P.Q. 761 (S.D.N.Y. 1977); *Forstmann Woolen Co. v. Murray Sices Corp.*, 144 F. Supp. 283, 290 (S.D.N.Y. 1956).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 15

### Trademark Infringement—Likelihood of Confusion When Referring to Non-Genuine Rosetta Stone Product, Including Non-Language Learning Product, Where Secondary Liability Alleged

When you are considering whether Google is liable for the trademark infringement of third party pursuant to Rosetta Stone's theories of contributory or vicarious liability, and the third party's use of the ROSETTA STONE marks refer to something other than the plaintiff Rosetta Stone or its products, you should consider certain factors in deciding whether the use is likely to cause confusion as to the source of the goods offered for sale by the third party. The presence or absence of any particular factor that I suggest should not necessarily resolve whether there was a likelihood of confusion, because you must consider all relevant evidence in determining this. As you consider the likelihood of confusion you should examine the following:

1. **The Third Party's Intent.** If you find that a third-party intended to use the ROSETTA STONE marks to suggest, improperly, that its products originated from or were affiliated with Rosetta Stone, this factor may weigh in favor of a likelihood of confusion. To the extent Rosetta Stone proves that a third party used the ROSETTA STONE marks to offer counterfeit goods, this is evidence of bad faith, which weighs in favor of finding a likelihood of confusion. However, Rosetta Stone must prove by a preponderance of the evidence that each claimed instance of counterfeiting actually involved counterfeit product, and not merely genuine product obtained from a source other than Rosetta Stone directly. On the other hand, if you find that the third party intended to use the ROSETTA STONE marks for some purpose other than to suggest, improperly, that its products originated from or were affiliated with Rosetta Stone, this factor may weigh against a likelihood of confusion.
2. **Actual Confusion.** If a third party's use of the ROSETTA STONE marks has led to a significant number of instances of actual confusion, this strongly suggests a likelihood of confusion. As you consider whether the trademark used by a third party creates for consumers a likelihood of confusion with the ROSETTA STONE marks, you should weigh any instances of actual confusion against the opportunities for such confusion. If the instances of actual confusion have been relatively frequent, you may find that there has been substantial actual confusion. If, by contrast, there has been a very large number of opportunities for confusion, but only a few isolated instances of actual confusion, you may find that there has not been substantial actual confusion. *A de minimis* amount of actual confusion—that is, an insignificant amount of actual confusion relative to the opportunities for confusion—creates a presumption against likelihood of confusion in the future. For example, proof of seven instances of confusion among 4,000 transactions has been considered *de minimis*.

3. **Sophistication of the Consumer.** The more sophisticated the potential buyers of the goods or the more costly the goods in question, the more careful and discriminating the reasonably prudent purchaser exercising ordinary caution may be. To the extent Rosetta Stone's potential consumers are more sophisticated than average or Rosetta Stone's goods are costly, the reasonably prudent purchaser of Rosetta Stone's product may be less likely to be confused by the allegedly infringe uses of the ROSETTA STONE marks.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 15.16 (2007) (modified). *See also Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4<sup>th</sup> Cir. 1984), Comments to Ninth Circuit Civil Jury Instruction 15.16 (Not all factors are included in this instruction because “[t]he committee recommends that the judge instruct only on the factors that are relevant in the particular case presented to the jury.”). When the mark is used in paid search ads, “the traditional factors are not really applicable” because Google is not attempting “to sell its own products.” *GEICO v. Google Inc.*, 2005 U.S. Dist. LEXIS 18642, at \*14 (E.D. Va. Aug. 8, 2005); *see also Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 933 (4<sup>th</sup> Cir. 1995) (“Importantly, not all these factors are of equal relevance in every case.”); *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 224-25 (3<sup>d</sup> Cir. 2005) (Traditional likelihood-of-confusion factors are not designed to address such uses because they do not involve passing off.); *Petro Stopping Centers, L.P. v. James River Petroleum, Inc.*, 130 F.3d 88, 95 (4<sup>th</sup> Cir. 1997) (“failure to uncover more than a few instances of actual confusion creates a presumption against likelihood of confusion in the future); *George & Co. LLC v. Imagination Entm’t Ltd.*, 575 F.3d 383 (4<sup>th</sup> Cir. 2009) (“actual consumer confusion was de minimis based on owner’s huge sales volume of 500,000 LCR games per year with only four confused consumers”); *Worsham Sprinkler Co., Inc. v. Wes Worsham Fire Protection, LLC*, 419 F. Supp. 2d 861, 881 (E.D.V a. 2006) (“Seven isolated instances of actual confusion do not establish the existence of actual confusion as a factor that weighs in Plaintiff’s favor where, as here, the Plaintiff is working on more than 1,000 jobs and is bidding on some 3,000 jobs.”); *Miguel Torres, S.A. v. Cantine Mezzacorona, S.C.A.R.L.* 108 Fed.Appx. 816, 820, 2004 WL 2126869, 3 (4<sup>th</sup> Cir. 2004) (analysis of the sophistication of consumers is an appropriate factor to consider in a trademark infringement analysis even though it is not part of the 4<sup>th</sup> Circuit’s multi factor test).

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 16**

**Trademark Infringement—Direct Versus Contributory Infringement**

In addition to considering whether Google is directly liable for infringing the ROSETTA STONE marks, you must also consider whether Google can be held liable for acts of infringement committed by others. There are three legal standards that you will be asked to apply: contributory infringement by inducement, contributory infringement by continuing to supply a service to a known infringer, and vicarious infringement. The following instructions will explain each of these standards in more detail.

To find that Google is liable under any of these theories, you must first find that an advertiser has engaged in direct trademark infringement.

## GOOGLE’S REQUESTED JURY INSTRUCTION NO. 17

### Trademark Infringement—Contributory Infringement

A defendant is liable for trademark infringement by another if the defendant induces the infringement or sells goods or provides services to another knowing or having reason to know that the other person will use the goods or services to infringe the plaintiff’s trademark.

To prevail on its contributory infringement claim, Rosetta Stone has the burden of proving each of the following by a preponderance of the evidence:

1. A Third-party directly infringed a ROSETTA STONE mark; and
2. (a) Google intentionally induced another party to infringe the ROSETTA STONE marks; or  
  
(b) Google continued to make its services available to one whom it knew or had reason to know was engaging in trademark infringement; and
3. Rosetta Stone was damaged by the infringement.

Theory (a), inducement, means that Google intended for the trademark infringement to occur and it was done with its encouragement or at its request.

Under theory (b), Rosetta Stone must prove that Google either knew that an advertiser to whom it made its services available was engaging in trademark infringement or that Google suspected wrongdoing by that advertiser and deliberately failed to investigate. Generalized knowledge that infringement might or did occur on its website is not enough. Google must have some contemporary knowledge of particular ads infringed. Google is not liable if it takes appropriate steps to cut off the supply of its product or services to the infringer. However, Google does not have an affirmative duty to monitor its website for infringing activity.

If you find that each of the elements on which Rosetta Stone has the burden of proof has been proved, and that Google has failed to prove its affirmative defenses, your verdict should be for Rosetta Stone. If, on the other hand, Rosetta Stone has failed to prove any of these elements, your verdict should be for Google.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 15.19 (2007) (modified); *Tiffany Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463, 469 (S.D.N.Y. 2008) (“For contributory trademark infringement liability to lie, a service provider must have more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of which particular listings are infringing or will infringe in the future is necessary.”), *aff’d*, *Tiffany Inc. v. eBay Inc.*, 2010 WL 1236315 (2d Cir. 2010); ; *see also Procter & Gamble v. Haugen*, 317 F.3d 1121, 1129-30 (10th Cir. 2003); *Hendrickson v. eBay Inc.*, 165 F. Supp. 2d 1082, 1095 (C.D. Cal. 2001) (eBay does not have an affirmative duty to monitor its website for potential trademark violations); *Hard Rock Cafe Licensing Corp. v. Concession Servs.*, 955 F.2d 1143, 1148 (7th Cir.1992) ((no affirmative duty to take precautions against the sale of counterfeit goods));

*Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 854 (1982) (White, J. concurring) (“The mere fact that a [defendant] can anticipate that some illegal substitution will occur to some unspecified extent, and by some unknown [party], should not by itself be a predicate for contributory liability.”); *Size, Inc. v. Network Solutions*, 255 F. Supp. 2d 568, 572 (E.D. Va. 2003); *Sony Corp. of America v. Universal City Studios*, 464 U.S. 417, 439 n.19 (1984) (in finding that sale of technology in commerce, “does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes,” court noted that contributory infringement in trademark context is much narrower than copyright).



## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 18**

### **Trademark Infringement—Vicarious Infringement**

If Rosetta Stone establishes by a preponderance of the evidence that a person or persons engaged in direct infringement of the ROSETTA STONE marks, Google is liable for vicarious trademark infringement by that person or persons if Rosetta Stone proves by a preponderance of the evidence that:

1. Google has an apparent or actual partnership with direct infringers of the ROSETTA STONE marks; or
2. Google and the infringer each have the authority to bind one another in transactions with third parties; or
3. Google and the infringer exercise joint ownership or control over the infringing product.

**AUTHORITY:** *Perfect 10, Inc. v. Visa Int'l Serv. Assoc.*, 494 F.3d 788, 807 (9th Cir. 2007) (quoting *Hard Rock Café Licensing Corp. v. Concession Servs., Inc.*, 955 F.2d 1143, 1150 (7th Cir. 1992)).

## **GOOGLE'S REQUESTED JURY INSTRUCTION NO. 19**

### **Dilution—Elements and Burden of Proof**

To prevail on its dilution claim, Rosetta Stone has the burden of proving each of the following by a preponderance of the evidence as to each of the ROSETTA STONE marks:

1. the ROSETTA STONE mark is famous;
2. the ROSETTA STONE mark is distinctive, either inherently or acquired through use;
3. Google commenced use in commerce of a mark different than the Rosetta Stone mark on its own goods after the ROSETTA STONE mark became famous; and
4. Google's use of its mark is likely to cause dilution of the ROSETTA STONE mark by blurring or tarnishment.

In evaluating the elements of dilution, you should only consider Google's use of a ROSETTA STONE mark or marks. Rosetta Stone's claim of dilution is not based on the conduct of advertisers; rather Rosetta Stone seeks to hold Google directly liable for the alleged dilution. Thus, you should not consider the acts of any advertisers in considering whether Google has caused dilution.

**AUTHORITY:** 11 U.S.C. § 1125(c); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264-65 (4th Cir. 2007); *see Tiffany Inc. v. eBay Inc.*, 2010 WL 1236315, at \*15 (2d Cir. 2010) (in order to sustain a claim for dilution, defendant must 1) use a different mark than that of plaintiff and 2) sell the goods itself)

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 20

### Dilution—Fame

To prevail on its claim for dilution, Rosetta Stone must prove as to each one of the ROSETTA STONE marks that it was famous and distinctive prior to April 2004, when Google's allegedly dilution-causing activity began. A famous mark is one that is widely recognized by the general consuming public of the United States. Generally, to be considered widely recognized a trademark should have at least 75% awareness in a survey of the general consuming public.

**AUTHORITY:** 11 U.S.C. § 1125(c); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264-65 (4th Cir. 2007); *Network v. CBS, Inc.*, 2000 WL 362016, at \*3 (C.D. Cal. Jan. 18, 2000) (granting summary judgment when the defendant's allegedly dilution-causing activity began before the plaintiff's mark became famous); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, §24:106 (2007) (suggesting that for a mark to be famous it must have at least 75% awareness in a survey of the general consuming public); *see also Toro Co. v. ToroHead Inc.*, 2001 WL 1734485, \*18 (T.T.A.B. 2001) (while the mark had achieved "public recognition and renown" it did not fall under "select class of marks - those with such powerful consumer associations that even non-competing uses can impinge on their value."); *TCPIP Holding Co., Inc. v. Haar Commc'ns, Inc.*, 244 F.3d 88, 98-99 (2nd Cir. 2001) (requiring mark to have a "substantial degree" of fame like DUPONT, KODAK, AND BUICK); *Bd. of Regents, Univ. of Tex. Sys. ex rel. Univ. of Tex. at Austin v. KST Elec., Ltd.*, 550 F. Supp. 2d 657, 678 (W.D. Tex. 2008) (summary judgment denying protection of the longhorn logo because while it may be recognizable to college football fans, it is not famous among the entire population of the United States).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 21

### Dilution—Blurring

To prove dilution by blurring, Rosetta Stone must show by a preponderance of the evidence that the association arising from the similarity between a trademark used by Google and the ROSETTA STONE marks likely impairs the distinctiveness of the ROSETTA STONE marks. Factors you can consider in determining whether dilution by blurring has occurred include:

1. The degree of similarity between the mark or trade name and the famous mark;
2. The degree of inherent or acquired distinctiveness of the famous mark;
3. The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark;
4. The degree of recognition of the famous mark;
5. Whether the user of the mark or trade name intended to create an association with the famous mark; and
6. Any actual association between the mark or trade name and the famous mark.

**AUTHORITY:** 15 U.S.C. § 1125(c)(2)(B)(i-vi); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007); *Jada toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 636 (9th Cir. 2008)

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 22

### Dilution—Tarnishment

To prove dilution by tarnishment, Rosetta Stone must show by a preponderance of the evidence that there is likely to be an association arising from the similarity between Google's mark and a famous ROSETTA STONE mark that harms the reputation of the famous ROSETTA STONE mark by associating it with something unsavory or degrading.

**AUTHORITY:** 15 U.S.C. § 1125(c)(2)(C); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003) (tarnishment refers to the use of a mark that causes an “injury to business reputation”); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 268 (4th Cir. 2007); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 24:89 at 24-225 (2007) (“The Ninth Circuit stated that tarnishment cases are restricted to a linking of plaintiff’s mark ‘with something unsavory or degrading’” (citing *Toho Company, Ltd. v. Sears, Roebuck & Co.*, 645 F.2d 788, 793 (9th Cir. 1981).).

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 23**

**Unjust Enrichment under Virginia Law**

To succeed on its claim for unjust enrichment, Rosetta Stone must prove:

1. Rosetta Stone conferred a benefit on Google,
2. Google knew that Rosetta Stone conferred this benefit, and
3. Google accepted or retained the benefit under circumstances that render it inequitable for Google to retain the benefit without paying for its value.

Rosetta Stone cannot recover on a claim for unjust enrichment relating to payments made between the parties that are governed by an enforceable contract between the parties.

Additionally, Rosetta Stone may not recover for unjust enrichment merely by showing that Google received some benefit from Rosetta Stone. Rosetta Stone must show by a preponderance of the evidence that Google impliedly promised to pay Rosetta Stone for this benefit.

**AUTHORITY:** *In re Bay Vista of Va., Inc.*, 2009 WL 2900040, at \*5 (E.D. Va. 2009); *Nedrich v. Jones*, 245 Va. 465, 476 (1993) *see also, e.g.,* *Appleton v. Bondurant & Appleton, P.C.* 2005 WL 517491, at \*5 (Va. Cir. Ct. Feb. 28, 2005)

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 24

### Defense – First Sale Doctrine

In response to Rosetta Stone's trademark infringement, contributory trademark infringement, vicarious trademark infringement and unfair competition claims, Google has raised, on behalf of certain advertisers, the affirmative defense of the First Sale Doctrine. Under the First Sale Doctrine, resale by the purchaser of the original article under the producer's trademark is neither infringement nor unfair competition. In other words, the right of Rosetta Stone to control distribution of its trademarked product does not extend beyond the first sale of the product, and use of the ROSETTA STONE marks in conjunction with the sale of genuine Rosetta Stone goods does not infringe the ROSETTA STONE marks.

If Google proves by a preponderance of the evidence that any instances of alleged infringing and unfair use of the ROSETTA STONE marks were promoting the sale of genuine Rosetta Stone goods bearing the true ROSETTA STONE marks, then you must find for Google even if the sale or advertising of these goods was not authorized by Rosetta Stone.

The First Sale Doctrine can also be a partial defense. If some but not all instances of Google's alleged infringement and alleged unfair competition are protected under the First Sale Doctrine, you may not consider these instances in calculating damages, if any, that may arise from other uses of the ROSETTA STONE marks.

**AUTHORITY:** *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 107 (4th Cir. 1991) (“[T]rademark law does not apply to the sale of genuine goods bearing a true mark, even if the sale is without the mark owner's consent.”); *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) (affirming dismissal of plaintiff's Lanham Act claim pursuant to first sale doctrine); *Kelly v. Thomas Aaron Billiards, Inc.*, 2007 U.S. Dist. LEXIS 45533, at \*9-10 (D. Md. 2007) (summary judgment of non-infringement where goods genuine).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 25

### Defense – Functionality

In response to Rosetta Stone's claim that Google's allowance of third party bidding on the words "Rosetta Stone," "Rosetta Stone Language and Learning Success," "rosettastone.com," and "Rosetta World" as keywords, Google has raised the affirmative defense of functionality. Trademark law does not protect essentially functional or utilitarian product features. A product feature is functional or utilitarian if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.

**AUTHORITY:** *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1531 (9th Cir. 1992); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001) (citation and quotation marks omitted); *see also Qualitix Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164-65 (1995); *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1277 (Fed. Cir. 2002); *Compaq Computer Corp. v. Procom Tech., Inc.*, 908 F. Supp. 1409, 1423 (S.D. Tex. 1995).



**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 26**

**Defense – “Classic” Fair Use**

The owner of a trademark cannot exclude others from making a fair use of the words that make up a trademark. A defendant makes fair use of a mark when the defendant uses any of those words other than as a trademark to accurately describe the defendant’s own product.

Google contends that Google and/or advertisers displaying ads on Google.com fairly used the ROSETTA STONE marks to describe Rosetta Stone’s products. Google has the burden of proving its or its advertisers’ fair use of any ROSETTA STONE mark by a preponderance of the evidence.

Google and Google’s advertisers made a fair use of the ROSETTA STONE marks if they:

1. Used the marks other than as a trademark;
2. Used the marks fairly and in good faith; and
3. Used the marks only to describe their own goods or services.

**AUTHORITY:** 15 U.S.C. § 1115(b)(4); Ninth Circuit Civil Jury Instruction 15.22 (2007) (modified).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 27

### Defense – Statute of Limitations

In response to all of Rosetta Stone's claims, Google has raised the affirmative defense that Rosetta Stone's claims are time barred based upon Rosetta Stone's failure to file a cause of action within the statute of limitations. The statute of limitations for Rosetta Stone's claims is two years.

If Google proves that sufficient facts were known to, or should have been known to, Rosetta Stone to establish a likelihood of confusion prior to July 10, 2007, then Rosetta Stone is barred from recovering any damages that accrued before that date.

**AUTHORITY:** *CACI Int'l, Inc. v. Pentagen Technologies Int'l, Ltd.*, 1995 WL 679952, at \*3 (4th Cir. 1995) (upholding declaratory judgment in favor of defendant "because trademark infringement claims have a two-year statute of limitations and all of the alleged infringing activities took place over two years before [plaintiff] filed suit for trademark infringement."); *Synergistic Int'll, L.L.C. v. Korman*, 2007 WL 517677, at \*9 (E.D. Va. Feb. 8, 2007) ("Therefore, claims for relief under 15 U.S.C. § 1117(a) accrue when the cause of action is discovered, or reasonably should have been discovered, and are subject to a two-year statute of limitations in Virginia."); *Teaching Co. Ltd. P'ship v. Unapix Entm't, Inc.*, 87 F. Supp. 2d 567, 585 (E.D.Va. 2000) (two year statute of limitations in Lanham Act case); *Unlimited Screw Prods., Inc. v. Malm*, 781 F.Supp. 1121, 1125 (E.D. Va. 1991) (stating that claims under the Lanham Act are analogous to fraud claims and Virginia's two-year statute of limitations applies); *Lyons P'ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 796-97 (4th Cir. 2001) (holding that plaintiff could not recover for act occurred outside the limitations period).

**GOOGLE'S REQUESTED JURY INSTRUCTION NO. 28**

**Damages—Proof**

It is the duty of the Court to instruct you about the measure of damages. By instructing you on damages, the Court does not mean to suggest for which party your verdict should be rendered. If you find for Rosetta Stone, you must determine Rosetta Stone's damages. Rosetta Stone has the burden of proving damages by a preponderance of the evidence. Damages means the amount of money that will reasonably and fairly compensate Rosetta Stone for any injury you find was caused by Google. In determining whether to award damages, you should consider the factors that I will set out below. Also, a damages award must be based upon evidence; you may not base a damages award on speculation, guesswork, or conjecture.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 5.1 (2007) (modified).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 29

### Trademark Damages – Innocent Infringement

In response to Rosetta Stone's trademark infringement, contributory trademark infringement, vicarious trademark infringement, and unfair competition claims, Google contends that if its actions were infringing, it was innocent in its intent. When the infringement complained of is made by an innocent infringer, and is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication, the plaintiff's remedies are limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications.

Google is an innocent infringer if it can show that it neither displayed an advertisement knowing that the advertisement was infringing, nor recklessly disregarded a high probability that the ads infringed the Rosetta Stone's rights.

If you find that Google is an innocent infringer then you may not assign any financial liability for the claims of trademark infringement, contributory trademark infringement, vicarious trademark infringement or unfair competition.

**AUTHORITY:** 15 U.S.C.A. § 1114(2)(B); *Hendrickson v. eBay, Inc.* 165 F. Supp. 2d 1082, 1095 (C.D. Cal. 2001) (finding eBay an innocent infringer and accordingly that the plaintiff's remedy was "limited to an injunction against the future publication or transmission of the infringing advertisements on eBay's website"); *World Wrestling Fed'n v. Posters, Inc.*, 2000 U.S. Dist. LEXIS 20357, at \*3, \*8-9 (N.D. Ill. Sept. 26, 2000); *NBA Props. v. Entertainment Records LLC*, 1999 WL 335147, at \*15 (S.D.N.Y. 1999); Restatement Third, Unfair Competition § 26, comment a (1995) ("The relief available under the Lanham Act against an 'innocent' printer is limited to an injunction against future printing of the infringing mark. Relief against an 'innocent' publisher is limited to an injunction against inclusion of the infringing advertisement in future issues or transmissions.").

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 30**

**Trademark Damages—Actual or Statutory Notice**

In order for Rosetta Stone to recover damages, Rosetta Stone has the burden of proving by a preponderance of the evidence that Google had either statutory or actual notice that the ROSETTA STONE marks were registered.

Google had statutory notice if:

1. Rosetta Stone displayed with the ROSETTA STONE marks the words “Registered in U.S. Patent and Trademark Office”; or
2. Rosetta Stone displayed with the ROSETTA STONE marks the words “Reg. U.S. Pat. & Tm. Off.”; or
3. Rosetta Stone displayed the ROSETTA STONE marks with the letter R enclosed within a circle, thus ®.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 15.24 (2007) (modified); 15 U.S.C. § 1111.

**GOOGLE’S REQUESTED JURY INSTRUCTION NO. 31**

**Trademark Damages—Plaintiff’s Actual Damages**

If you find for Rosetta Stone on its infringement or unfair competition claim, you determine that Google was not an innocent infringer, and find that Google had statutory notice or actual notice of the ROSETTA STONE marks, you must determine Rosetta Stone’s actual damages.

Rosetta Stone has the burden of proving actual damages by a preponderance of the evidence. Damages means the amount of money which will reasonably and fairly compensate Rosetta Stone for any injury you find was caused by Google’s infringement of the ROSETTA STONE marks. Damages must be shown with reasonable certainty and cannot be based on speculation.

You should consider the following:

1. The injury to Rosetta Stone’s reputation;
2. The injury to loss of Rosetta Stone’s goodwill, including injury to the Rosetta Stone’s general business reputation; and
3. The lost profits that Rosetta Stone would have earned but for Google’s infringement. Profit is determined by deducting all expenses from gross revenue.

Rosetta Stone has a duty to use reasonable efforts to mitigate damages. To mitigate means to avoid or reduce damages.

Google has the burden of proving by a preponderance of the evidence:

1. That Rosetta Stone failed to use reasonable efforts to mitigate damages; and
2. The amount by which damages would have been mitigated.

**AUTHORITY:** Ninth Circuit Civil Jury Instructions 5.3, 15.25 (2007) (modified); 15 U.S.C. § 1117(a); *Life Indus. v. Ocean Bio-Chem, Inc.*, 827 F.Supp. 926, 933 (E.D.N.Y. 1993) (damage award only awarded if both causation and amount is sufficiently shown).

## GOOGLE'S REQUESTED JURY INSTRUCTION NO. 32

### Trademark Damages—Defendant's Profits

In addition to actual damages, Rosetta Stone is entitled to any profits earned by Google that are attributable to the infringement that Rosetta Stone proves by a preponderance of the evidence. You may not, however, include in any award of profits any amount that you took into account in determining actual damages. Damages must be shown with reasonable certainty and cannot be based on speculation.

Furthermore, in considering whether to award any profits earned by Google that are attributable to the alleged infringement, you must consider the following factors:

- (1) whether Google has engaged in willful infringement or acted in bad faith;
- (2) whether sales have been diverted;
- (3) the adequacy of other remedies;
- (4) any unreasonable delay by Rosetta Stone in asserting its rights; and
- (5) the public interest in making the misconduct unprofitable.

To constitute willfulness, Rosetta Stone must show by a preponderance of the evidence that Google's infringement was voluntary and intentional, but not necessarily malicious. In order to constitute bad faith, Rosetta Stone must show by a preponderance of the evidence that Google's infringement must have involved malicious conduct or a knowing violation of Rosetta Stone's rights.

Profit is determined by deducting all expenses from gross revenue.

Gross revenue is all of Google's receipts from using the trademark in the bidding of a keyword. Rosetta Stone has the burden of proving a Google's gross revenue by a preponderance of the evidence.

Expenses are all operating, overhead and production costs incurred in producing the gross revenue. Google has the burden of proving the expenses and the portion of the profit attributable to factors other than use of the infringed trademark by a preponderance of the evidence.

Unless you find that a portion of the profit from the sale of the keyword using the trademark is attributable to factors other than use of the trademark, you shall find that the total profit is attributable to the infringement.

**AUTHORITY:** Ninth Circuit Civil Jury Instruction 15.26 (2007) (modified); 15 U.S.C. § 1117(a); *See Synergistic Int'l, LLC v. Korman*, 470 F.3d 162, 175 (4th Cir. 2006) ((applying factors for determining award of lost profit damages under Lanham Act); *Toolchex, Inc. v. Trainor*, 2009 WL 2244486 (E.D.Va. July 24, 2009) (stating standards for willfulness and bad

faith); *Life Indus. v. Ocean Bio-Chem, Inc.*, 827 F.Supp. 926, 933 (E.D.N.Y. 1993) (damage award only awarded if both causation and amount is sufficiently shown).



Respectfully Submitted,

GOOGLE INC.

By counsel

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 26th day of April, 2010, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing (NEF) to the following:

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