

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 /TRJ)

**DEFENDANT GOOGLE INC.'S BRIEF IN SUPPORT OF  
OMNIBUS MOTION *IN LIMINE***

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Rosetta Stone must offer only relevant, non-prejudicial evidence. The documents and testimony discussed below fail to meet that standard, particularly when considered in light of recent precedent. Accordingly, they should be excluded. Excluding this evidence now will both streamline the parties' current process of "updating" their discovery and assist the parties in identifying what, if any, material issues of fact remain for trial.

### **LEGAL STANDARD**

Trial courts have broad discretion to exclude evidence that is not relevant or that is unfairly prejudicial, confusing, misleading, or likely to waste time. *Sprint/United Mgmt. Co. v. Mendelsohn*, 552 U.S. 379, 384 (2008); Fed. R. Evid. 402; Fed R. Evid. 403. Evidence should be excluded as confusing or misleading when it will confuse the jury "as to the issues to be decided" or require "an exhaustive case within a case" to determine collateral matters. *United States v. Hill*, 322 F.3d 301, 306 (4th Cir. 2003); *see also United States v. Bullock*, 94 F.3d 896, 899 (4th Cir. 1996) (affirming exclusion of evidence when district court "astutely recognized the danger of enmeshing the court in mini-trials" regarding "collateral matters"). Decisions on motions in limine are reviewed under the abuse of discretion standard. *Dotson v. Pfizer, Inc.*, 558 F.3d 284, 299 (4th Cir. 2009).

### **ARGUMENT**

#### **I. THE COURT SHOULD EXCLUDE EVIDENCE AND ARGUMENTS THAT DO NOT DEMONSTRATE LEGALLY COGNIZABLE "CONFUSION"**

##### **A. The Court Should Exclude Evidence That Google Employees Could Not Discern From Search Results Pages Whether Advertisements Linked to Webpages That Offered Allegedly Counterfeit Goods**

Rosetta Stone will attempt to introduce evidence that two Google employees, Rose Hagan and Terri Chen, could not tell by looking at a printout of a Google.com search results page alone which alleged advertisements for Rosetta Stone goods linked to websites that offered products that Rosetta Stone alleges were for counterfeit products. (Dkt. No. 109, Declaration of Jennifer L.



Spaziano in Support of Rosetta Stone’s Motion for Partial Summary Judgment, Tab A, 02/23/2010 Chen Dep. at 189:23-190:19 & 194:1-195:15; Chen Ex. 12; *Id.* Tab A, 03/05/2010 Hagan Dep. at 159:21-163:11; Hagan Ex. 7.) The testimony of these employees does not reflect actionable trademark confusion; it reflects that they expressed uncertainty about the relationship between the good advertised and Rosetta Stone. “Inquiries about the relationship between an owner of a mark and an alleged infringer do not amount to actual confusion. Indeed, such inquiries are arguably premised upon a lack of confusion between the products such as to inspire the inquiry itself.” *Medici Classics Productions, LLC v. Medici Group, LLC*, 683 F. Supp. 2d 304, 312 (S.D.N.Y. 2010) (quoting *Nora Beverages, Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 124 (2d Cir. 2001)).

“Confusion” is a legal term with a specific meaning: that the “defendant’s actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question.” *George & Co. LLC v. Imagination Ent. Ltd.*, 575 F.3d 383, 392-400 (4th Cir. 2009). Confusion cannot reasonably be assessed by looking at a printout of search results page. Indeed, of the nine factors the Fourth Circuit examines to discern confusion, this evidence could only conceivably relate to two – actual confusion and the sophistication of the consuming public. *Id.* At 393 (listing nine confusion factors). But both of these factors are targeted at consumers and prospective purchasers, *not* employees of the alleged infringer. “In essence, the test for likelihood of confusion is whether a reasonably prudent consumer *in the marketplace* is likely to be confused as to the origin of the good or service bearing one of the marks.” *M2 Software, Inc. v. Madacy Entertainment*, 421 F.3d 1073, 1080 (9th Cir. 2005) (citation omitted, emphasis added); *see also Bracco Diagnostics, Inc. v. Amersham Health Inc.*, 627 F.Supp.2d 384, 452 (D. N.J. 2009) (finding no probative value in survey results that withheld portions of disputed advertisements from respondents); *Pilot Corp. of Am. v. Fisher-Price, Inc.*, 501 F.Supp. 2d 292, 308 (D. Conn. 2007)

(criticizing survey design for failing to show disputed trademarks on the products as they appear in the marketplace); *Skechers U.S.A., Inc., v. Vans, Inc.*, 2007 WL 4181677, at \*9 (C.D. Cal. Nov. 20, 2007) (criticizing expert’s finding of no likelihood of post- sale confusion when study failed to show the product “as it would be naturally encountered after sale”); *CR License, LLC v. Spa Club Seattle, LLC*, 2005 WL 1111221, at \*6 (W.D. Wa. 2005) (giving little weight to a survey that failed to show participants the parties’ actual websites).

Moreover, the Fourth Circuit’s opinion did not account for helpful guidance of recent trademark decisions (issued after the summary judgment briefing in this case) that explain the nature of internet searches. *Rosetta Stone, Ltd. V. Google, Inc.*, 676 F.3d 144, 158-59 (4th Cir. 2012). Internet users may well be unsure about their search results, and will often search for other options before making a decision about what to buy, and from whom:

[R]easonable, prudent and experienced internet consumers are accustomed to such exploration [of website links from a search page] by trial and error. They skip from site to site, ready to hit the back button whenever they’re not satisfied with a site’s contents. They fully expect to find some sites that aren’t what they imagine based on a glance at the domain name or search engine summary. Outside the special case of trademark.com, or domains that actively claim affiliation with the trademark holder, consumers don’t form any firm expectations about the sponsorship of a website until they’ve seen the landing page—if then. *This is sensible agnosticism, not consumer confusion.*

*Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1179 (9th Cir. 2010) (citation omitted) (emphasis added). Like the reasonable consumers discussed in *Toyota*, these two Google employees’ recognition that they could not tell from ad text alone whether or not the linked-to website offered genuine goods displayed “sensible agnosticism, not consumer confusion.”

Moreover, the relevant population for a confusion inquiry is prospective purchasers—not employees of a party. *George & Co. LLC v. Imagination Entm’t Ltd.*, 575 F.3d 383, 396 (4th Cir. 2009) (mark strength and confusion is determined by looking to prospective purchasers); *Petro Stopping Centers, L.P. v. James River Petroleum, Inc.*, 130 F.3d 88, 93 (4th Cir. 1997) (same); *MGE*

*UPS Sys., Inc. v. Fakouri Elec. Eng'g, Inc.*, 422 F. Supp. 2d 724, 738 (N.D. Tex. 2006) (citing *Society of Fin. Exam'rs v. Nat'l Assoc. of Certified Fraud Exam'rs, Inc.*, 41 F.3d 223, 228 (5th Cir. 1995)) (alleged confusion of private investigator hired by the plaintiff in anticipation of litigation was insufficient to demonstrate confusion among prospective purchasers). Rosetta Stone laid no foundation for the premise that either of these two Google employees were in the market for Rosetta Stone products (i.e., neither Google employee was seeking to purchase Rosetta Stone goods either before or during their depositions, nor did they on this record). Accordingly, any alleged confusion here is completely irrelevant to whether prospective purchasers are likely to be actually confused. Any slight relevance this testimony could have would be far outweighed by the undue prejudice to Google if Rosetta Stone were permitted to argue, counter-factually, that Google's own employees were "actually confused" by ads.

**B. Google's "Sponsored Link" Experiments Are Irrelevant and Unduly Prejudicial.**

Google's "sponsored link" experiments from six and eight years ago, which in no way pertain to any of Rosetta Stone's trademarks, are irrelevant to the question of trademark infringement because they obviously do not measure any form of consumer confusion associated with the use of trademarks. Google's 2006 "EPCOT" experiments investigated, among other things, general consumer perceptions regarding paid advertisements and organic search results. These studies included other search engines and were not limited to Google, and the results themselves cannot be segregated by which search engine the users employed. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Whether customers understand the difference between an ad labeled as a sponsored link and an organic search result, or how and why an ad appears in response to a search, is entirely separate from the question of trademark confusion. As the Fourth Circuit explained, infringement depends, in part, on a showing of the defendant's "intent in adopting the mark." *George & Co., LLC*, 575 F.3d at 393, 397. These experiments not only fail to show any intent, they fail even to show that Google ever adopted Rosetta Stone's mark. All the experiments do is demonstrate how web users interact with advertisements. This case is not about whether consumers have difficulty distinguishing between organic search results and paid ads; it is about whether consumers are likely to be confused as to the source or origin of Rosetta Stone's products as the result of the "use" of Rosetta Stone's marks. For the same reason, Google's sponsored link experiments are also irrelevant to the question of willfulness. Rosetta Stone cannot argue that Google was somehow "on notice" of likelihood of trademark confusion (as to Rosetta Stone or any other mark) on the basis of studies that did not measure consumer confusion *caused by* any use of trademarks. *Cf.* 15 U.S.C. 1114(1).

Consumer confusion about what a sponsored link is, how it appears, or who pays for it is not trademark confusion and is irrelevant. Studies by Google that identify distinct types of confusion that cannot support liability should be excluded so as not to confound the jury on an essential element of the case. *U.S. v. Wellons*, 32 F.3d 117 (4th Cir. 1994) (upholding district court's exclusion of testimony "given likelihood that this extrinsic evidence...would confuse the jury").

**C. Evidence Of Google's 2004 Trademark Experiments Is Irrelevant and Unduly Prejudicial.**

In 2009, after gaining through experience a good understanding of customers' interest in more targeted advertising, and having developed an automated system to check whether certain aspects of its trademark policies were being adhered to by advertisers (technology unavailable to

Google in 2004), Google decided to permit trademarks to appear in a limited set of advertisements consistent with nominative fair use—*i.e.*, lawful uses in which advertisers: (1) actually resell legitimate products or services bearing the trademark (e.g., Amazon.com); (2) sell components, replacement parts or compatible products corresponding to the trademark (e.g., iPod compatible headphones); or (3) provide non-competitive information about the goods or services corresponding to the trademark term to use the term in ads (e.g., Edmunds.com). (Dkt. No. 188, Oblak Decl., Ex. 11, 26, 80:10-81:5, 84:21-85:10, 88:22-89:12; Ex. 27, 161:4-162:12, 165:1-166:24, 218:1-15.)

Years earlier – in 2004, well before Google had developed its fair use technology – Google had conducted experiments to measure the potential for consumer confusion if trademark terms were permitted in ad text without restriction. The studies showed users advertisements that had misleading titles, such as including the name of a company that was a competitor to the advertiser with no comparative reference. (See [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Those

studies found varying degrees of potential confusion, in some instances a “high” likelihood of confusion. (Dkt. No. 188, Oblak Decl., Ex. 18; Ex. 19.) But none of the studies included fair-use examples, such as advertisements where resellers who sold the good used the trademark in the ad text (e.g., ads by Amazon.com for Rosetta Stone products), or advertisements where advertisers sold a product that had a similar name to a trademark but that had no relationship to the trademark (such as “Chinese stone.”). Thus, any confusion from the surveys has no probative value in the fair-use context.

Rosetta Stone apparently intends to use Google’s 2004 trademark experiments to argue that Google’s 2009 trademark policy creates a likelihood of confusion with respect to the Rosetta Stone marks, and that some of the conclusions drawn from those experiments demonstrate that the 2009 change constitutes “willful” infringement. There is no basis for such conclusions. First, as to willfulness, the Fourth Circuit specifically found “absolutely no evidence that Google intentionally copied or adopted Rosetta Stone’s mark in an effort to pass off its own goods or services.” *Rosetta Stone*, 676 F.3d at 150 n.5. Moreover, these experiments were based on an approach to trademarks that Google never implemented. Rosetta Stone cannot prove a likelihood of confusion based on elements of a policy that Google *refused to adopt*. Further, it is also undisputed that the 2009 trademark policy change permitted lawful use of trademarks in ad text *only* if the advertiser was a reseller, seller of component parts, or information site related to the trademarked product. The experiments, however, only tested users’ reactions to what *competitors* would do with a change in trademark policy that Google has never even adopted. Google’s change in policy in 2009 *rejected* the proposed model used in the 2004 experiments. These tests have no relevance in this case whatsoever.

In addition, none of the Google trademark experiments measured consumer response to Rosetta Stone’s trademarks, which were not utilized in the experiments in any respect—not even nominatively to refer to genuine Rosetta Stone products. As noted above, “determining the likelihood of confusion is an ‘inherently factual’ issue that depends on the facts and circumstances in each case.” *Lone Star*, 43 F.3d at 933. On that ground alone, the experiments should be excluded. Where a party does not offer a properly constructed consumer confusion survey concerning an allegedly infringed trademark, exclusion is the proper remedy. (*See supra*, Part I.A) The broad ranging authority supporting exclusion of flawed consumer studies has even greater application here.

The Google experiments do not measure market conditions – or anything else – relating to use of the Rosetta Stone trademarks during the relevant (or for that matter any other) period.

The 2004 trademark experiments are also not probative of willfulness as to Rosetta Stone. In addition to the fact that the experiments do not test Rosetta Stone’s marks, the conclusions of the studies are varied. (Dkt. No. 188, Oblak Decl., Ex. 18; Ex. 19.) The experiments have different designs and methodologies, test different trademarks, and prompted Google itself to identify flaws in the surveys and question whether the methodology produced skewed results. (*Id.* Ex. 19 (expressing “need to run additional experiments with more realistic setup” and noting that complicated wording of questions may have contributed to confusion).) Whatever conclusions were drawn from each experiment, there was simply no experiment that tests anything resembling what became Google’s 2009 trademark policy. The most that can be said of the 2004 experiments is that *unrestricted* use of trademark terms in ad text may cause confusion. But that, of course, is not and never has been Google’s policy.

Moreover, for Rosetta Stone’s theory of relevance to have any basis, these trademark experiments would have to be predictive of consumer confusion regardless of the trademarks tested, context, trademark policy or time period. Such a “one size fits all” approach is antithetical to the well recognized principle that consumer confusion is a trademark-specific inquiry. *See Lone Star*, 43 F.3d at 933; *Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316, 318 (4th Cir. 1992) (noting that “likelihood of consumer confusion is an ‘inherently factual’ issue that depends on the unique facts and circumstances of each case”) (citing *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1356 n. 5 (9th Cir. 1985) (same)); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 667 (5th Cir. 2000) (noting that “trademark law is concerned with the level of actual confusion in the *current* marketplace.”) (emphasis supplied). It is also belied by Rosetta Stone’s

own survey in this action, which shows that respondents assess ads differently depending on their specific content. (*See* Dkt. No. 115 (Declaration of Edward A. Blair, hereinafter “Blair Decl.”), at 3-5 (outlining the flaws in the Van Liere report and the different way that survey participants respond to ads).)

Google will be unduly prejudiced if Rosetta Stone is permitted to offer irrelevant trademark experiments that have no bearing on consumers’ responses to the challenged use of the Rosetta Stone marks under the policy in place today. That courts exclude flawed trademark studies *relating to the actual trademark at issue in the litigation*, makes it all the more appropriate to exclude the Google trademark experiments that do not relate to Rosetta Stone’s trademark and that do not test the current trademark policy (or anything close).

**D. The Court Should Exclude the Irrelevant Opinion of Dr. Van Liere**

Dr. Kent Van Liere conducted a survey on “confusion” before Rosetta Stone filed its original Complaint (and before Google adopted its current trademark policy). Dr. Van Liere’s survey inquired whether respondents understood sponsored links on a purported screen shot of a Google search results page either to be a Rosetta Stone “company website” or “endorsed by” Rosetta Stone. But the survey should not be admitted as evidence of likely confusion. *First*, Rosetta Stone concedes that Dr. Van Liere’s survey tested only for initial interest confusion—a theory of liability not recognized in this Circuit. Dr. Van Liere’s survey is therefore irrelevant. *Second*, and more importantly, Dr. Van Liere improperly counted as *confused* the respondents who answered that Amazon.com’s and Coupon Cactus’s advertisements were endorsed by Rosetta Stone—even though both Amazon.com and Coupon Cactus were in fact authorized by Rosetta Stone to use Rosetta Stone’s trademarks in their advertisements when Google displayed the ads that Dr. Van Liere used. When those respondents are properly counted as not confused, simple math shows that Dr. Van Liere’s survey merely establishes that no respondents were confused. For this additional reason,



Dr. Van Liere's survey is irrelevant.

**1. Dr. Van Liere's Survey Is Irrelevant Because Initial Interest Confusion Is Not A Proper Basis For Liability In This Circuit**

Rosetta Stone admits that Dr. Van Liere focused on testing initial interest confusion and did not permit users to click actual links or even simulated links that would give consumers more information about the advertiser and the advertised products. (Dkt. No. 148 (Rosetta Stone's Opposition to Google's Motion to Exclude Expert Report and Opinion of Dr. Kent Van Liere, hereinafter "Van Liere Opposition") at 18-19.) Rosetta Stone conceded that Dr. Van Liere's survey was intended to test only initial interest confusion: "As to the substance of Google's criticism that the search-results page did not have 'clickable links,' Dr. Van Liere's survey was properly designed to test 'initial interest' confusion caused by Google's Sponsored Links." (*Id.* (underling added).) But the Fourth Circuit has expressly rejected the initial interest confusion theory. In *Lamparello v. Falwell*, 420 F.3d 309, 316 (4th Cir. 2005), the Fourth Circuit explained that it has "never adopted the initial interest confusion theory" and instead has "followed a very different mode of analysis." The Fourth Circuit has since declined to revisit *Lamparello's* rejection of the initial interest confusion theory: "[Plaintiff] next concedes that the district court was correct to dismiss his Lanham Act and state law trademark claims because this court has rejected the "initial interest confusion" doctrine in trademark cases. *See Lamparello v. Falwell*, 420 F.3d 309, 316 (4th Cir. 2005). [Plaintiff] argues, though, that we should revisit that decision. The merits of this request aside, a panel of this court cannot overrule the decision of a prior panel. *United States v. Simms*, 441 F.3d 313, 318 (4th Cir. 2006)." *Carl v. BernardJcarl.Com*, 409 F. App'x 628, 630 (4th Cir. Dec. 3, 2010). Thus, Dr. Van Liere's survey and testimony are irrelevant and inadmissible because Dr. Van Liere tested only for initial interest confusion, which is not recognized in this Circuit. *See, e.g., Sherman v. Westinghouse Savannah River Co.*, 263 Fed. App'x 357, 368-69 (4th Cir. 2008)

(excluding expert who did not address the issue presented); *United States v. Iskander*, 407 F.3d 232, 238 (4th Cir. 2005) (same); *Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 278-80 (4th Cir. 2002) (same).

**2. Dr. Van Liere Improperly Counted As Confused Respondents Who Answered That Amazon.com’s And Coupon Cactus’s Ads Were Endorsed By Rosetta Stone**

Some participants in Dr. Van Liere’s study believed that the Sponsored Links of Amazon.com and Coupon Cactus were endorsed by Rosetta Stone. Rosetta Stone has argued that Dr. Van Liere properly counted those respondents as “confused,” because, it contends, those advertisers were not authorized to use Rosetta Stone’s trademarks in their ads. (Dkt. No. 148, Van Liere Opposition at 27-29.) But that is demonstrably wrong. Both Amazon.com and Coupon Cactus were indeed authorized to use Rosetta Stone’s trademarks in their ads on February 21, 2008, when Google displayed the search results page that Dr. Van Liere used to create the test and control conditions. (Dkt. No. 116 (Caruso Declaration in Support of Google’s Motion for Partial Summary Judgment, hereinafter “Caruso Summary Judgment Decl.”) [REDACTED])

[REDACTED] Dkt. No. 116, Caruso Summary Judgment Decl., Exs. 19, [REDACTED], 66 at 166:14-24, 176:2-14; Dkt. No. 123 (Declaration of Cheryl A. Galvin in Support of Google’s Motion for Partial Summary Judgment, hereinafter “Galvin Decl.”), Ex. 3 at 166:19-24 (testifying that Coupon Cactus was an affiliate in 2008); Dkt. No. 116, Caruso Summary Judgment Decl., ¶ 48.) Rosetta Stone cannot dispute this fact. Even if Rosetta Stone had not expressly authorized this use, these two ads are nonetheless non-infringing as endorsed by Rosetta Stone as a result of Rosetta Stone’s actual commercial and contractual relationships with Amazon.com as an authorized reseller and Coupon Cactus as a premier affiliate of Rosetta Stone. Indeed Amazon.com is an authorized reseller of Rosetta Stone and is considered a “select retailer,” according to Rosetta Stone’s SEC filings. (*See* RS-005-005920 (Rosetta Stone Inc. Form S-1); Dkt.

No. 123, Galvin Decl., Ex. 4 96:12-97:9.) Thus, respondents who correctly identified those links as endorsed cannot have been counted as confused.

When those respondents who identified the ads of Amazon.com or Coupon Cactus as endorsed are properly counted as not confused, Dr. Van Liere's survey data reflects that no respondents were confused as a result of Sponsored Links appearing on Google. Indeed, the "net confusion" rate drops to -3%; in other words, "confusion" was higher among those who did *not* see the Sponsored Links. This correction alone requires preclusion of any mention of Dr. Van Liere's survey as evidence of cognizable confusion.

**(a) Amazon.com Lawfully Used Rosetta Stone's Trademarks.**

It is well established that a reseller may use a trademark to refer to a product originating from the trademark owner. *See, e.g., Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 130 (1947) (noting that a "second-hand dealer gets some advantage from the trade mark" but that this is "wholly permissible"); *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 107 (4th Cir. 1991) (noting that "trademark 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" (emphasis added)); *Tiffany (NJ) Inc. v. eBay Inc.*, 2010 WL 1236315, at \*7 (2d Cir. Apr. 1, 2010) (holding that "eBay's use of Tiffany's mark [to describe genuine goods] on its website and in sponsored links was lawful"); *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) ("Resale by the first purchaser of the original article under the producer's trademark is neither trademark infringement nor unfair competition."). Here, it is undisputed that Amazon.com is a Rosetta Stone reseller. (Dkt. No. 148, Van Liere Opposition at 28 (noting that "Amazon.com is an authorized reseller of Rosetta Stone software").) Thus, Amazon.com's use of Rosetta Stone's trademarks to refer to genuine Rosetta Stone products is authorized by law, even if not by Rosetta Stone. Where, as here, there is no affirmative suggestion of sponsorship or endorsement, use of a mark is nominative and entirely proper. *Rosetta Stone*,

676 F.3d at 169-70 (describing nominative use as the use of a “famous mark to identify or compare the trademark owner’s product”) (emphasis in original); *Toyota Motor Sales*, 610 F.3d at 1179 (explaining that nominative fair use covers use of a mark where the user directs consumers to genuine goods, and does not “affirmatively suggest sponsorship or endorsement”). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Because Amazon.com’s use of Rosetta Stone’s trademarks was authorized, respondents who identified Amazon.com’s ad as endorsed should not have been counted as confused. Contrary to Rosetta Stone’s position, a reseller’s right to use a trademark “is not rendered inapplicable merely because consumers erroneously believe the reseller is affiliated with or authorized by the producer.” *Sebastian Int’l, Inc.*, 53 F.3d at 1076 (reversing a grant of a preliminary injunction based on the first sale doctrine, despite evidence of consumer confusion). That is true because a reseller’s use of a trademark “does not create a likelihood of confusion within the meaning of the [Lanham Act] statute.” *Ballet Makers, Inc. v. U.S. Shoe Corp.*, 633 F. Supp. 1328, 1335 (S.D.N.Y. 1986); see *Brilliance Audio, Inc. v. Hights Cross Commc’ns, Inc.*, 474 F.3d 365, 369 (6th Cir. 2007) (noting that “trademark law is designed to prevent sellers from confusing or deceiving consumers about the origin or make of a product, which confusion ordinarily does not exist when a genuine article bearing a true mark is sold” (citation and quotation marks omitted)); *McCoy v. Mitsubishi Cutlery, Inc.*, 67 F.3d 917, 924 (Fed. Cir. 1995) (holding that “the sale of genuine goods, even if unauthorized, cannot cause confusion and consequently cannot constitute trademark infringement”). Confusion caused by a reseller’s use of a trademark is “legally irrelevant” and should be excluded as it “might confuse the jury.” *Mary Kay, Inc. v. Weber*, 601 F. Supp. 2d 839, 849 (N.D. Tex. 2009).

Thus, it was improper for Dr. Van Liere to count as confused those respondents who indicated that Amazon.com's ad was endorsed by Rosetta Stone.

**(b) Coupon Cactus Lawfully Used Rosetta Stone's Trademarks.**

Rosetta Stone has argued that Coupon Cactus was not authorized to use the Rosetta Stone trademarks when Dr. Van Liere's survey was conducted in April and May 2009. (Dkt. No. 148, Van Liere Opposition at 28-29.) Like Amazon, Coupon Cactus's ad directed consumers to genuine Rosetta Stone products -- an undisputed point -- and so Coupon Cactus's use of Rosetta Stone's trademarks was, like Amazon.com's use, permissible under trademark law. Here, as with Amazon's use, Coupon Cactus's use involved no affirmative suggestion of sponsorship or endorsement, and so its use of the mark is nominative and entirely proper. *Rosetta Stone*, 676 F.3d at 169-70 (describing nominative use as the use of a "famous mark to identify or compare *the trademark owner's* product") (emphasis in original); *Toyota Motor Sales*, 610 F.3d at 1179 (explaining that nominative fair use covers use of a mark where the user directs consumers to genuine goods, and does not "affirmatively suggest sponsorship or endorsement").

Thus, even if Rosetta Stone did not expressly "authorize" these uses, they still could not be a basis for finding confusion as long as the products were genuine and there is no evidence that they were not. But here, the record unequivocally shows that Rosetta Stone actually *did* have an affiliation with these two companies. The actual screenshot used in the Van Liere survey was created from Google.com on February 21, 2008. (Dkt. No. 116, Caruso Summary Judgment Decl., ¶ 48 (showing that the filename of screenshot indicates that it was created on February 21, 2008).) At that time, Coupon Cactus was a premiere Rosetta Stone affiliate, under contract with Rosetta Stone, and *was* expressly authorized to use Rosetta Stone's marks in keyword bidding and in the text of ads. (Dkt. No. 148 Van Liere Opposition at 28 ("Rosetta Stone has not authorized Coupon Cactus to bid on or use Rosetta Stone's mark in its Sponsored Links since September 2008."); Dkt. No. 116,

Caruso Summary Judgment Decl., Exs. 19, [REDACTED], 66 at 166:14-24, 176:2-14; Dkt. No. 123, Galvin Decl., Ex. 3, 166:19-24 (testifying that Coupon Cactus was an affiliate in 2008).)

[REDACTED]

[REDACTED] It was therefore improper for Dr. Van Liere to count as confused those respondents who identified Coupon Cactus's ad as endorsed by Rosetta Stone when it was expressly authorized by Rosetta Stone to do so. Dr. Van Liere's decision to count as "confused," those respondents who indicated that Coupon Cactus's ad was endorsed by Rosetta Stone is counterfactual. As such, it would be improper to allow Rosetta Stone to present his testimony about "confusion" to the jury. *Simon Prop. Group L.P. v. mySimon Inc.*, 104 F. Supp. 2d 1033, 1039 n.3 (S.D. Ind. 2000) ("The court has a responsibility to the jurors not to waste their time or to make their task unduly difficult by admitting evidence that is likely to be complex and time-consuming, as this survey evidence would be, when it offers essentially nothing of real probative value. Rule 403 was written for just this sort of case.").

\* \* \*

Had Dr. Van Liere properly counted the respondents who stated that Amazon.com's and Coupon Cactus's ads were endorsed by Rosetta Stone, his survey would have demonstrated that *no consumers* (i.e., -3%) were confused. (Dkt. No. 115, Blair Decl., ¶ 18.) Dr. Van Liere's survey is therefore irrelevant and should be excluded. *See, e.g., Sherman v. Westinghouse Savannah River Co.*, 263 Fed. App'x 357, 368-69 (4th Cir. 2008) (excluding expert who did not address the issue presented); *United States v. Iskander*, 407 F.3d 232, 238 (4th Cir. 2005) (same); *Scotts Co. v. United Indus. Corp.*, 315 F.3d 264, 278-80 (4th Cir. 2002) (same).

**E. The Court Should Exclude Irrelevant and Hearsay Evidence Regarding Purported Confusion**

Rosetta Stone has identified several categories of purported “confusion” evidence that not only fail to demonstrate consumer confusion as understood in this Circuit, but also constitute highly prejudicial hearsay. These anecdotal reports of confusion include statements such as:

- Rosetta Stone “is aware of confusion caused by Google sponsored links through reports it has received from Rosetta Stone kiosk employees.” (*See* Dkt. No. 188, Oblak Decl., Ex. 4 at 1-6; Ex. 9 at ¶¶ 9-11.)
- Rosetta Stone’s kiosk employees have reported that customers have (a) requested that Rosetta Stone kiosks “match the prices set forth in a web printout from a pirate/counterfeit site” and (b) attempted to return counterfeit software. (*See id.*, Ex. 4 at 3.)
- Customers contact its call center with questions about pricing information “gathered through the internet” and attempt to return software purchased from Amazon.com to Rosetta Stone under a six-month guarantee only available directly from Rosetta Stone. *Id.*

None of this evidence satisfies Federal Rules of Evidence 401 through 403, which require that only relevant evidence be admitted, and evidence that is predominantly prejudicial be excluded. Anecdotes from kiosk workers fail to tie Google to any alleged trademark infringement or dilution. Nor do they even relate to Google. Such evidence is plainly irrelevant, and has no tendency to make Rosetta Stone’s case more likely. Instead, it merely serves to prejudice Google by implying that because these individuals purchased from websites selling counterfeit goods, they must have found those websites via Google. This conclusion is not only unsupported but flies in the face of substantial evidence that the source of these purchases is not Google.com searches, but actually direct mail, Craigslist, eBay, and other digital portals. *CDX Liquidating Tr. v. Venrock Associates*, 411 B.R. 591, 606 (N.D. Ill. 2009) (excluding evidence of contracts unrelated to the matter under

litigation as irrelevant); *New York v. Microsoft Corp.*, 224 F. Supp. 2d 76, 104 (D.D.C. 2002), *aff'd*, 373 F.3d 1199 (D.C. Cir. 2004) (typically, courts conclude “rather swiftly” that evidence unrelated to the matter at hand is not fit for consideration or discussion by the court).

Rosetta Stone also should not be permitted to introduce the “spreadsheet” kept by Jason Calhoun (or any of the specific instances listed in that spreadsheet) that purports to show “the dates upon which Rosetta Stone found a pirate/counterfeit Sponsored Link advertisement on Google, the date upon which Rosetta Stone advised Google that the Sponsored Link advertisement was fraudulent, the domain names associated with each such Sponsored Link advertisement, the text of each such Sponsored Link advertisement, and the date and substance of Google’s response.” (Dkt. No. 106, Declaration of Jason Calhoun (hereinafter “Calhoun Declaration), at 5.) This evidence is a collection of documents from two databases (“Parature” and “Quickbase”) which were Bates labeled RS-014-009601 (the Parature data), and documents Bates labeled RS-014-000038 to RS-014-009600 (the Quickbase data). Although allegedly evidence of consumer complaints tied to counterfeit purchases from Google, these materials are almost entirely irrelevant to this case. As explained in the April 14, 2010 Declaration of Thai Le (Dkt. No. 167, Ex. 1, hereinafter “Le Declaration”), *none* of the Parature database data references Google as a website that was visited as part of the purchase of an allegedly counterfeit product or mentions “Google,” “search,” or “sponsored link.” (Dkt. No. 167, Le Declaration at ¶ 3.) Similarly, *none* of the 2,146 Quickbase data records references the use of Google’s Sponsored Links to purchase a product, and only three of the total of 2407 entries in the Parature and Quickbase data combined appear to contain any reference at all to Google.com as a website that was visited prior to purchase. (*Id.*) Of these three, only one states that the user actually used Google to find their product – the other two state that they used “Internet/google” or fail to directly mention Google at all. (*Id.*)



This spreadsheet establishes no meaningful connection between Google and counterfeit sales, but it would create a false impression of such a connection in the mind of the jury. As the Le Declaration makes clear, the Calhoun spreadsheet fails to create even a tenuous link between the counterfeit sales Rosetta Stone seeks to tie to Google and any actual consumer use of Google. Such evidence has no meaningful relationship to this case, and would simply confuse the jury and prejudice Google. Evidence about unrelated matters or third parties is irrelevant and is properly excluded. *Garraghty v. Jordan*, 830 F.2d 1295, 1298 (4th Cir. 1987). Rosetta Stone's anecdotal reports of confusion should also be excluded because in many instances they do not mention Google at all. For example, that customers attempt to return Rosetta Stone software from Amazon directly to Rosetta Stone, hoping to utilize Rosetta Stone's exclusive six month guarantee, Dkt. No. 188, Oblak Decl., Ex. 4 at 3, is not probative of whether Google's sponsored links caused some form of consumer confusion. Google is not responsible for any confusion caused by different warranty policies offered by sellers of Rosetta Stone, or Rosetta Stone's business decision to honor a six month guarantee only for its own, premium-priced direct sales. Nor can Google be held responsible for all Rosetta Stone-related activity on the Internet. Evidence of purported confusion that does not have a clear connection to Google's sponsored link advertisements should not be admitted.

Incredibly, Rosetta Stone does not even have evidence that the products these consumers returned or attempted to return were actually infringing or counterfeit. As explained by Rosetta Stone's own director of enforcement for its anti-counterfeiting efforts, Jason Calhoun, whether a product is counterfeit can only be determined by physical inspection by a knowledgeable person. (See Dkt. No. 116, Caruso Summary Judgment Declaration, Ex. 53 (March 8, 2010 Deposition of Jason Calhoun), at 124:2-125:7.) Without proof that these complaints were about product that was actually counterfeit— as opposed to excuses by consumers who changed their minds about wanting

very expensive language software or who received legitimate but defective products—these complaints are irrelevant.

Finally, all of this evidence is excludable hearsay. Fed. R. Evid. 801(c); *Maryland Highway Contractors Ass’n v. Maryland*, 933 F.2d 1246, 1251-52 (4th Cir. 1991) (affirming exclusion of complaint letter to plaintiff from third party as inadmissible hearsay); *Duluth News-Tribune v. Mesabi Publ’g Co.*, 84 F.3d 1093, 1098 (8th Cir. 1996) (“[T]he vague evidence of misdirected phone calls and mail is hearsay of a particularly unreliable nature given the lack of an opportunity for cross-examination of the caller or sender regarding the reason for the ‘confusion.’”) (citations omitted). Here, Google would not have the ability to cross-examine the source of the complaint, assess if and how the customer actually used Google, or determine the precise source of any alleged confusion.

Admission of third-hand anecdotal hearsay evidence would be highly prejudicial. Any such evidence that does not link consumer confusion to Google’s sponsored links would improperly suggest to the jury that Google had some role in counterfeiting or other activity despite no such link being established. See *Lifshitz*, 806 F.2d at 1431-32 (in action alleging unfair competition and trademark infringement, district court properly excluded certain evidence because it would confuse and mislead jury by raising questions not in issue); *Westmont Tractor Co.*, 1988 WL 126273, at \*2 (district court properly excluded evidence of collateral misconduct which would have invited rebuttal and confused the issues); *Coursen*, 764 F.2d at 1335 (“The district court did not abuse its discretion in concluding, under Rule 403, that prejudice and confusion would be generated by innuendoes of collateral misconduct.”)

Accordingly, the Court should exclude all of the above evidence.<sup>1</sup>

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<sup>1</sup> In addition to the reports of counterfeiting that do not mention Google, evidence from one of Rosetta Stone’s purported confusion witnesses, Steve Dubow, should be excluded because he did not purchase his allegedly counterfeit Rosetta Stone software through a sponsored link

## **II. THE COURT SHOULD EXCLUDE EVIDENCE THAT DOES NOT TEND TO SHOW INFRINGEMENT OR DILUTION FOR SPECIFIC, DISTINCT USES OF THE TRADEMARK**

This case is about whether Google has infringed or diluted the Rosetta Stone's trademarks, and not other marks. Evidence that does not tend to show either that a particular alleged use of Rosetta Stone's marks was infringing or diluting, or, conversely, that Google's use was itself infringing, is irrelevant. Admission of such material will waste time, confuse the jury, and cause undue delay by requiring argument on matters not even tangentially related to the case.

### **A. The Court Should Exclude Unrelated Prior Deposition Testimony of Current and Former Google Employees.**

Rosetta Stone's original trial witness list included designations of deposition testimony from Google co-founder Larry Page and former employees Rose Hagan and Prashant Fuloria that was given in previous, unrelated lawsuits. (Dkt. No. 188, Oblak Decl., Ex. 3.) This testimony should be excluded, as it is irrelevant, dated, and has no bearing on any alleged infringing use of Rosetta Stone's trademark.

#### **1. Prior Testimony from Google Co-Founder Larry Page Should Be Excluded.**

The testimony by Google's co-founder Larry Page that Rosetta Stone hopes to introduce is from a deposition in another case taken more than five years ago, some two years before the policy which Rosetta Stone is complaining about was in effect. It should be excluded as irrelevant,

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advertisement. Instead, Mr. Dubow testified unequivocally that he purchased the software through an "organic link" – one of the unpaid search results generated by Google. (Dkt. No. 188, Oblak Decl., Ex. 33, 79:11-81:11 ("...I scrolled down. It was on the first page.... It was not on the right side.")) Rosetta Stone does not (and could not) claim trademark infringement based solely upon the organic search results generated by Google, and admission of evidence regarding Mr. Dubow's purchase would be highly prejudicial because it could lead the jury to conclude that Google has some liability for what appears in its organic search results. In addition, given that four other confusion witnesses are slated to testify, Mr. Dubow's testimony would be cumulative and should be excluded on that basis as well.

cumulative and prejudicial. Rosetta Stone offers only three excerpts of testimony by Mr. Page, and they have no bearing on its claims. These consist of testimony that:

- (a) Mr. Page “doesn’t know what you mean” in response to a question (objected to by Google’s counsel) on keyword bidding by competitors;
- (b) a search engine named “Oogle” with a URL of [www.Oogle.com](http://www.Oogle.com) would likely be confused with “Google”; and
- (c) Google’s policy “probably does not allow” someone to use a competitor’s trademark in the text of the ad, and that he “assumes there’s a variety of reasons for that,” including that “it might cause confusion.”

(Dkt. No. 188, Oblak Decl. Ex. 3; Ex. 24.)

Mr. Page’s testimony that he did not understand a question (that was not rephrased) and his views about confusion between “Oogle” and Google have no probative value and might confuse the jury. His testimony that it may be confusing if someone uses a *competitor’s* trademark in an advertisement has even more potential for misleading the jury. That testimony could be misconstrued as a statement about Google’s current trademark policy, when in fact there is no dispute that Google’s policies *have always* prohibited advertisers from using their competitors’ trademark in ad text. Thus, Mr. Page’s testimony, which Rosetta Stone apparently wants to sensationalize in this action as a prescient criticism of Google’s current policy provides evidence of no such thing. Neither this nor anything else in Mr. Page’s deposition transcript is properly admissible in this action. Judge Buchanan, having considered Mr. Page’s testimony, granted Google’s motion for a protective order. (*See* Dkt. No. 188, Oblak Decl. Ex. 6 (order granting Google’s Motion for Protective Order); *compare* Ex. 5 at 15 (Rosetta Stone’s Motion in Opposition to Google’s Motion for Protective Order contending that Mr. Page is “uniquely qualified to provide Rosetta Stone with discoverable information”).) Mr. Page’s testimony has no relevant, non-cumulative evidence to offer, and accordingly his designated testimony should be ruled inadmissible.

**2. Prior Testimony from Unrelated Lawsuits is Not Relevant and is Unduly Prejudicial.**

The Court should exclude the testimony that Rosetta Stone seeks to introduce from prior lawsuits because Google should not have to re-defend itself in this action against unsuccessful claims by prior litigants in other actions, address factual issues not developed by Rosetta Stone in the record, or spend precious trial time responding to collateral matters from other lawsuits. Rosetta Stone could have subpoenaed Mr. Fuloria, who was a product management director at Google, but is no longer a Google employee. It did not. Rosetta Stone could have questioned Ms. Hagan during her deposition about any topics it was interested in exploring. It did not. As discussed above, Rosetta Stone was unable to demonstrate a basis to depose Mr. Page and the testimony it has designated is irrelevant. Rosetta Stone should not be permitted to attempt to patch holes in this action with deposition testimony pulled out of context from other actions involving different trademarks, products or services, and market conditions.

Additionally, during depositions conducted in 2004, 2006, and 2007, these witnesses were obviously unable to testify about the 2009 trademark policy or other potentially relevant developments that have taken place in the intervening years. To put these witnesses' testimony in context, including the context of how Google's experiences and significant improvements in technology contributed to subsequent trademark policy changes, Google would have to call the witnesses to testify live. That would cause pointless delay, and, as to Mr. Fuloria and Ms. Rose, would not even be possible because Google cannot compel their appearance at trial – neither are current Google employees, nor are they within the trial subpoena of the Court, and Google has no current belief that either will attend the trial. As to Mr. Page, requiring him to testify to put his prior testimony in context (or asking Google to submit his prior deposition testimony at trial) would effectively deprive Google of the protective order it already obtained.

Finally, introduction of this prior testimony may cause prejudice by making an issue of the fact that Google has been sued previously for trademark infringement in connection with its sponsored link advertisements. Because references to prior lawsuits should be excluded, *supra* at I.A, so too should the designation of testimony from those lawsuits. And even if the Court will not exclude this material altogether, it should limit the admissibility of this evidence to calculation of damages for the alleged harm *at the time the policies existed*. Rosetta Stone’s request for injunctive relief can be based solely on Google’s *current* conduct.

**B. References to Third Parties’ Trademark Complaints and Prior Litigation Should Be Excluded.**

Rosetta Stone’s exhibit list includes a number of complaints to Google from third-party trademark owners, along with related documents. (Dkt. No. 188, Oblak Decl., Ex. 3; Ex. 10.) Rosetta Stone’s witnesses state that Google has been sued previously by other trademark holders. (*Id.*, Ex. 29, 93:3-18.) Evidence and argument regarding these third-party trademark disputes should be excluded, as none of them demonstrate that Google’s nominative fair use of the Rosetta Stone mark was an infringing use, or that any particular use of the Rosetta Stone mark *in this case* infringed.

**1. Third Party Trademark Complaints and Prior Trademark Lawsuits are Irrelevant.**

Trademark infringement actions depend on the likelihood of confusion, which is an ‘inherently factual’ issue that depends on the facts and circumstances in each case.” *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 933 (4th Cir. 1995) (citations omitted). Third-party trademark complaints in which the “facts and circumstances” of alleged trademark infringement are different than the current case – different trademarks, different advertisements, different products, different types and identities of advertisers, different consumer expectations, and

different levels of trademark strength – have no bearing on whether Google infringed Rosetta Stone’s trademarks.

Courts routinely exclude these types of collateral allegations of wrongdoing. *See, e.g., Vukadinovich v. Zentz*, 995 F.2d 750, 755-56 (7th Cir. 1993) (affirming exclusion of evidence of prior complaints and lawsuits arising from “dissimilar events”); *Palmer v. Bd. of Regents of Univ. Sys. of Ga.*, 208 F.3d 969, 973 (11th Cir. 2000) (affirming exclusion of evidence involving “different decision-makers” and “different departments”); *Westmont Tractor Co. v. Touche Ross & Co.*, 1988 WL 126273, at \*2 (9th Cir. Nov. 10, 1988) (district court properly excluded evidence of collateral misconduct which would have invited rebuttal and confused the issues); *Lifshitz v. Walter Drake & Sons, Inc.*, 806 F.2d 1426, 1431-32 (9th Cir. 1986) (in action alleging unfair competition and trademark infringement, district court properly excluded certain evidence because it would confuse and mislead jury by raising questions not in issue); *Coursen v. A.H. Robins Co.*, 764 F.2d 1329, 1335 (9th Cir. 1985) (“The district court did not abuse its discretion in concluding, under Rule 403, that prejudice and confusion would be generated by innuendoes of collateral misconduct.”) (citation omitted). That other trademark owners have lodged complaints against or sued Google has no relevance to whether Google infringed Rosetta Stone’s trademarks.

Nor is this evidence is probative of willfulness. As this Court has previously held, even when a defendant continues to use a plaintiff’s trademark after receiving a cease and desist letter *from the plaintiff*, that fact does not show bad faith required to establish willful infringement. *Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc.*, 405 F. Supp. 2d 680, 697 (E.D. Va. 2005); *see also SecuraComm Consulting Inc. v. Securacom Inc.*, 166 F.3d 182, 189 (3d Cir. 1999), *superseded on other grounds by*, 15 U.S.C. § 1117(a), 1999 amendment (failure to stop use of a mark after receiving a cease and desist letter “does not demonstrate willful infringement”); *Lindy*

*Pen Co. v. Bic Pen Corp.*, 982 F.2d 1400, 1406 (9th Cir. 1993), *superseded on other grounds by*, 15 U.S.C. § 1117(a), 1999 amendment (“[A] knowing use in the belief that there is no confusion is not bad faith”) (citations omitted); *see also, e.g. O’Keefe v. Ogilvy & Mather Worldwide, Inc.*, 590 F. Supp. 2d 500, 525 (S.D.N.Y. 2008) (failing to abandon use of a trademark after receiving a cease and desist letter is insufficient to support an allegation of bad faith); *Matrix Motor Co. v. Toyota Jidosha Kabushiki Kaisha*, 290 F. Supp. 2d 1083, 1096 (C.D. Cal. 2003) (“[T]he failure to stop using a mark after receiving a cease and desist letter does not show willful infringement”); 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:120 (4th ed. 2010) (“[A] defendant may well have considered that plaintiff’s contention was legally wrong and continued use until a court stated otherwise.”).

Third-party trademark complaints are also inadmissible hearsay. Rosetta Stone seeks to offer the complaints to try to show either that Google engaged in other acts of infringement or caused confusion as to other trademarks. Out-of-court statements about non-Rosetta Stone marks offered for such purposes are plainly hearsay and should be excluded. *U.S. v. Gray*, 2009 WL 1991209, at \*1 (4th Cir. Jul. 10, 2009) (“letter was clearly inadmissible hearsay as it was being offered for the truth of the assertion”); *United States v. Hernandez*, 1998 WL 841504, at \*2 (4th Cir. Dec. 7, 1998) (finding that a witness’ testimony was inadmissible hearsay because it was “an out-of-court statement offered to prove the truth of the matter asserted”).

## **2. Evidence And Argument Regarding Third Party Trademark Complaints And Prior Trademark Lawsuits Are Unduly Prejudicial.**

Evidence regarding third-party trademark complaints or a handful of prior lawsuits against Google is unduly prejudicial, confusing, and would exponentially expand the scope of trial. Rosetta Stone would try to use these cases to create the impression that *something* improper must be taking place if other parties have complained to Google. But such inferences are not only improper and



prejudicial, they still fail to support any theory that Google's conduct *in this case* is infringing. *Fiberglass Insulators, Inc. v. Dupuy*, 856 F.2d 652, 655 (4th Cir. 1988) (holding that it was not error for district court to exclude evidence of settlement negotiations in prior lawsuits arising *out of the same transaction*); *McLeod v. Parsons Corp.*, 2003 WL 22097841, at \*7 (6th Cir. 2003) (exclusion of evidence concerning other lawsuits against defendant proper because other lawsuits were not clearly related, "the potential for prejudice that would have accompanied this evidence would have substantially outweighed its probative value, and this evidence would have misled the jury"); *Hallett v. Richmond*, 2009 WL 5125628, at \*5 (N.D. Ill. May 15, 2009) (excluding prior lawsuits because of "the potential for unfair prejudice in the form of the risk that the jury will believe it is more likely that [defendant] engaged in wrong doing in this case just because he had been accused of wrongdoing in the past").

Google's AdWords program has been in place for approximately ten years, and has shown *trillions* of ads in response to user searches. (Dkt. No. 188, Oblak Decl., Ex. 7 at ¶ 10.) Evidence that other trademark holders have disagreed with Google's trademark policies (or filed complaints seeking enforcement of those policies) may unduly bolster Rosetta Stone's claims by suggesting "strength in numbers" or that "where there's smoke, there's fire." *Adams v. Cooper Indus. Inc.*, 2006 WL 3759619, at \*3 (E.D. Ky. Dec. 19, 2006) (excluding testimony and evidence because potential prejudice outweighed probative value); *Hott v. VDO Yazaki Corp.*, 1996 WL 650966, at \*2 (W.D. Va. Nov. 6, 1996) (excluding evidence under Rule 403 because "[t]he jurors might easily be tempted to succumb to the notion that where there is smoke, there is fire.") (internal quotation omitted). As a practical matter, there will not be sufficient opportunity for Google to address the merits (or lack of merits) of each prior complaint and lawsuit. Instead, the introduction of such evidence will serve only to prejudice Google with the stigma of having been accused of wrongdoing

that it cannot fully and fairly rebut. Exclusion of this collateral evidence is necessary to avoid prejudice to Google and sub-trials regarding the prior complains. *See, e.g., Vukadinovich*, 995 F.2d at 755-56 (affirming exclusion of evidence of prior complaints and lawsuits); *United Healthcare Corp. v. Am. Trade Ins. Co.*, 88 F.3d 563, 573 (8th Cir. 1996) (same); *Palmer*, 208 F.3d at 973 (same); *Hill*, 322 F.3d at 306 (affirming district court exclusion of evidence that “would have necessitated an exhaustive case within a case”); *Bullock*, 94 F.3d at 899 (affirming exclusion of evidence that would have “enmesh[ed] the court in mini-trials”); *Lifshitz*, 806 F.2d at 1431-32 (same).

### **III. THE COURT SHOULD EXCLUDE ALL SUBSTANTIVELY IMPROPER EVIDENCE AND ARGUMENT.**

Rosetta Stone may attempt introduce materials that serve no function other than to prejudice Google There is no basis for this evidence, and it should be excluded.

#### **A. Evidence or Argument About Rosetta Stone “Torrent” in Google Suggest is Purely Prejudicial and Not Probative**

Any references to “torrent” searches are entirely irrelevant and prejudicial. As a Google user inputs a search query, a drop down box appears suggesting possible searches that may complete or refine the user’s query. This function is referred to as “Google Suggest.” The search terms that appear are based on algorithms used by Google to predict what users most likely want to see. (*See* Dkt. No. 188, Oblak Decl., Ex. 21; Ex. 22; Ex. 23.) Overall search popularity is the driving force in determining what search refinements are offered to users. (*Id.*) Although Google may filter some words that offend a large audience of users, hateful or violent terms, or words that lead to pornographic sites, it does not censor terms suggested to users upon request of companies. *Id.* Rosetta Stone’s witnesses have argued that, because Google takes steps to block certain search terms associated with child pornography, Google’s failure to censor “torrent” when appearing in Google Suggest shows that Google encourages software piracy. (Dkt. No. 188, Oblak Decl., Ex. 31, 154:7-

155:1; Ex. 29, 266:22-267:7; Ex. 30, 144:20-145:16; Ex. 32, 154:1-155:17.) Rosetta Stone's analogy is absurd and its conclusion unfounded. Google spends significant resources fighting counterfeiting activities, and suffers substantial costs every year as a result of fraudulent and counterfeiting activities. (*Id.*, Ex. 8.) The argument that Google encourages or turns a blind eye towards counterfeiting would create precisely the type of undue prejudice foreclosed by Rule 403. *Lifshitz*, 806 F.2d at 1431-32 (in action alleging unfair competition and trademark infringement, district court properly excluded certain evidence because it would confuse and mislead jury by raising questions not in issue).

**B. The Court Should Exclude Reference to Google's Trademark Policies for Foreign Jurisdictions**

Rosetta Stone's witnesses have noted, and its counsel has inquired about, the distinctions between Google's U.S. trademark policy and its trademark policies for foreign jurisdictions. (Dkt. No. 188, Oblak Decl., Ex. 27, 85:21-86:2, 97:22-98:19, 153:24-154:3, 174:15-175:10, 177:11-179-8; Ex. 26, 26:20-24.) Google's trademark policies in foreign jurisdictions are not relevant to its compliance with U.S. trademark law. *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 599-600 (5th Cir. 1985) (finding it "error to admit evidence of the parties' foreign trademark practices"); 5 *McCarthy*, *supra*, § 29:2 (noting that "the foreign activities of a party are not relevant evidence in a trademark dispute concerning U.S. rights"); Fed. R. Evid. 402.

**CONCLUSION**

For the foregoing reasons, Google respectfully requests that the Court grant its Motion *in Limine* in its entirety.

Dated: August 15, 2012

Respectfully Submitted,

GOOGLE INC.  
By counsel

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/s/

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 15th day of August, 2012, 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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