

1 IAN K. BOYD (SBN 191434)
iboyd@harveysiskind.com
2 MATTHEW A. STRATTON (SBN 254080)
mstratton@harveysiskind.com
3 HARVEY SISKIND LLP
4 Four Embarcadero Center, 39th Floor
San Francisco, CA 94111
5 Telephone: (415) 354-0100
Facsimile: (415) 391-7124
6

7 Attorneys for Plaintiff
INTEL CORPORATION
8

9 **IN THE UNITED STATES DISTRICT COURT**
10 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**
12
13

14 INTEL CORPORATION, a Delaware
corporation,

15 Plaintiff,

16 vs.
17

18 AMERICAS NEWS INTEL PUBLISHING,
LLC, a Florida limited liability company,

19 Defendant.
20

Case No. C 09-5085 CRB

**PLAINTIFF INTEL CORPORATION'S
OPPOSITION TO DEFENDANT'S MOTION
TO DISMISS THE AMENDED
COMPLAINT**

Date: July 2, 2010

Time: 10:00 a.m.

Courtroom: Hon. Charles R. Breyer

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TREATISES

J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*
§ 12:3 (4th ed. 2007)4, 8, 10

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SUMMARY OF ARGUMENT

At the April 2, 2010 hearing the Court granted Defendant's Motion to Dismiss but provided Intel Corporation ("Intel") leave to amend the original complaint. The Court assessed Intel's original infringement claim as lacking enough specificity to demonstrate confusion. The Court also questioned whether the parties addressed the same markets and the existence of any customer overlap.

Accordingly, in its amended complaint Intel has expressly pled that:

- The parties each utilize INTEL-formative marks (e.g. INTEL v. LATIN INTEL) and Intel uses a large family of INTEL-formative marks;
- To offer related (if not competitive) products and services (e.g., newsletters that address business and economic developments in Latin America, among other regions);
- To a specifically identified and significantly overlapping customer base (e.g., executives of the majority of U.S. Fortune 500 companies); and
- Such conduct is likely to cause confusion amongst Defendant's actual and prospective customers.

Regarding Intel's dilution claims, the Court asked only if Intel had "to show that one mark impairs that distinctiveness of the other mark?" Accordingly, in its amended complaint, Intel has expressly pled that:

- An astounding 86% of consumers who associate the term "intel" with any word, definition or mark (not just a trademark) associate the term with Intel Corporation; and
- Intel will make the requisite showing of the likelihood of the loss of such distinctiveness "through the submission of survey evidence," which is the standard method to establish an actionable likelihood of dilution.

Defendant's response to the Amended Complaint is another Motion to Dismiss. It devotes most of its brief to arguing its view that neither confusion nor dilution is likely among its customers and therefore Intel will not be able to substantiate its allegations. Yet Defendant's own views are not the applicable standard for whether Intel properly states a claim, nor is any evidence required at this stage. It is the perceptions of Defendant's actual and likely customers which are the crux of this case. The Ninth Circuit does not permit Defendant (or the Court) to assume what these customers perceive

1 in the face of Intel’s well-pled amended complaint asserting similar marks used to offer related (if not
2 competitive) goods and services to many of the same customers.

3 Defendant’s brief merely alleges Defendant’s doubts as to whether Intel will ultimately
4 substantiate its claims with supporting evidence. Defendant is free to allege such doubts, but such
5 allegations do not trump Intel’s claims on a Motion to Dismiss, especially where it is Intel’s
6 allegations (not Defendant’s) that are presumed true.

7 The Court should deny the Motion.

8 ARGUMENT

9 **I. Motions to Dismiss under Rule 12(b)(6) Are Disfavored and Rarely Granted**

10 Courts are to view requests for dismissal under 12(b)(6) as extraordinary relief which is
11 disfavored and proper only in “extraordinary” cases. *United States v. Redwood City*, 640 F.2d 963,
12 966 (9th Cir. 1981). A complaint that generally satisfies the minimal notice pleading requirements of
13 Rule 8 should not be dismissed. Specific facts are unnecessary, as the complaint need only give the
14 defendant “fair notice of the claim and the grounds upon which it rests.” *Erickson v. Pardus*, 551 U.S.
15 89, 93 (2007) (citing *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)).

16 In reviewing a Rule 12(b)(6) motion, the Court must evaluate the complaint on the assumption
17 that all of the allegations are true, even if doubtful in fact. *Twombly*, 550 U.S. at 555. The Court must
18 further accept as true all reasonable inferences drawn from such allegations. *Pareto v. FDIC*, 139
19 F.3d 696, 699 (9th Cir. 1998).

20 Whether Intel will be able to prove its claims should not be at issue now. Courts may not
21 dismiss a complaint simply because they doubt whether the plaintiff will substantiate its claims with
22 evidence. “[W]hen a complaint adequately states a claim, it may not be dismissed based on a district
23 court’s assessment that the plaintiff will fail to find evidentiary support for his allegations or prove his
24 claim to the satisfaction of the factfinder.” *Twombly*, 550 U.S. at 563 (emphasis added).
25 Accordingly, a well pleaded complaint may proceed even if it appears that “recovery is very remote
26 and unlikely.” *Id.*, citing *Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974); *United States ex rel. Serrano*
27 *v. Oaks Diagnostics, Inc.*, 568 F. Supp. 2d 1136, 1138 (C.D. 2008) (“The question presented by a
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1 motion to dismiss is not whether the plaintiff will prevail in the action, but whether the plaintiff is
2 entitled to offer some evidence in support of his claim.”).

3 **II. Defendant Attempts to Evade the Proper Rule 12(b)(6) Analysis and Distract the Court**
4 **with Irrelevant and Incorrect Arguments**

5 On a 12(b)(6) Motion, the Court’s “[r]eview is limited to the contents of the complaint.”
6 *Allarcom Pay Television, Ltd. v. Gen. Instrument Corp.*, 69 F.3d 381, 385 (9th Cir. 1995). Yet in an
7 attempt to distract the Court from the substance of Intel’s pleading, Defendant’s Motion to Dismiss is
8 rife with irrelevant and inflammatory arguments, focused outside of the pleading and that
9 conveniently ignore the substance of the Amended Complaint.

10 For example, Defendant makes the incendiary claim that Intel “destroyed its business by its
11 legal threats.” (Mot., 10-16.) Defendant fails to explain how Intel “destroyed” its business through
12 attempting to engage in a two-year settlement dialogue. Rather, Defendant’s website concedes that
13 “[u]nfortunately, during the 2008-2009 financial crisis, corporate subscription budgets dried up, a
14 cash-flow shortage gripped Americas News Intelligence, and doors to credit slammed shut. In August
15 2009, publication of the Mexico Watch Intelligence Service was suspended.”
16 <http://intel4intelligence.blogspot.com/>. Intel did not file suit until October 2009, two months after
17 Defendant allegedly suspended its service due to the economic environment. Defendant’s website
18 also trumpets the fact that its counsel is representing it pro bono (while it curiously solicits donations
19 for its lawsuit with Intel). A sensational claim by Defendant, yet one that is not only irrelevant but
20 untrue.

21 Defendant also makes the false and irrelevant charge that Intel “not only wants to own the
22 trademark INTEL, but the English language use of the word ‘intel’ as well.” (Mot., 3:8-9.) Another
23 sensational claim, which is again untrue.

24 Similarly, Defendant attempts to distort the case into a question of “Why should the law
25 prevent the defendant from using an English word – ‘intel,’ meaning intelligence or information
26 reporting – which is unrelated to the plaintiff or any trademark Intel Corp. may own, to describe its
27 utterly unrelated services?” (Mot., 1:7-10.) The answer of course is that the applicable law here does
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1 not prevent anyone from use of a word, but it does preclude use of a trademark that is likely to dilute
2 or confuse, regardless of a defendant’s intent in selecting a mark.¹

3 Ad hominem attacks aside, the thrust of Defendant’s motion is its fervent belief that its
4 customers will not be confused because Defendant is confident that likely purchasers of its product
5 will know that the “INTEL” portion of its trademarks refers to “intelligence” as opposed to Intel
6 Corporation. How is Defendant able to read the minds of its likely customers? It wants the Court to
7 take Defendant’s word for it and make such a finding of fact, which the Court can do only if it
8 disregards its obligation to presume that Intel’s allegations are true.

9 Defendant further claims its use of INTEL “is understood in a way that does not at all impinge
10 on Intel Corp.’s goodwill.” (Mot., 2:9-10.) But the issue at this stage is not what Defendant (or the
11 Court) understands. Instead, the issue is the perception of Defendant’s likely customers (who are
12 often also Intel’s customers) who encounter the parties’ related goods and services which each
13 prominently feature INTEL-formative marks. Irrelevant here (and largely nonsensical) are
14 Defendant’s own allegations that it used the identical “unrelated English word ‘intel’” for the INTEL
15 component of its trademarks, that it “never used” the identical “INTEL trademark owned by Intel
16 Corp.” (Mot., 5:12-13) or that the word “intel” may have a “dictionary definition” (Mot., 4:2.),
17 because they all convey nothing about actual customer perception in the face of Intel’s allegations.²

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19
20 ¹ Defendant also argues that “government officials, journalists and pundits” freely use the term “intel”
21 to refer to military intelligence. (Mot., 7:27-28.) Again, this assertion is not relevant to whether Intel
has properly pled its claim.

22 ² Fundamental trademark law and common sense dictate that even words found in the dictionary can
23 function as trademarks. See J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition
24 § 12:3 (4th ed. 2007). Consumers widely recognize such brands as JAGUAR®, SHELL®, APPLE®,
25 COACH®, ORACLE®, CAMEL®, and COLT®, to name a few. This does not mean that third
26 parties are precluded from using these “plain English” words. Nor does this mean that when these
27 trademark owners police their trademarks—as required by law—they attempt to control “language and
28 culture.” Nonetheless, this does not grant third parties *carte blanche* to use these words as trademarks,
in whole or in part, without challenge from a famous trademark holder that invested billions of dollars
to establish a broad scope of trademark rights.

1 Even assuming that Defendant proceeded in the utmost good faith in selecting its INTEL-
 2 formative marks, it is not immunized from liability if its targeted customers perceive an association or
 3 affiliation with Intel.³ *Fuddrucker, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 846 (9th Cir. 1987)
 4 (“intent is largely irrelevant in determining if consumers likely will be confused as to source”) (citing
 5 *Lois Sportswear, USA, Inc. v. Levi-Strauss & Co.*, 799 F.2d at 867, 875 (2d Cir. 1986)); *see also J.B.*
 6 *Williams Co. v. Le Conte Cosmetics*, 523 F.2d 187, 191 n.5, 6 (9th Cir. 1975), *cert. denied*, 424 U.S.
 7 913 (1976) (“Neither actual confusion nor intent is necessary to a finding of likelihood of confusion”).

8 Intel’s pleading asserts similar marks used for similar goods and services to an overlapping
 9 customer base. Intel’s Amended Complaint surpasses the bar of pleading “plausible” facts in
 10 furtherance of its claim and is more than sufficient to permit Intel to proceed with discovery. It is
 11 therefore improper for the Court, at this preliminary stage, to bypass this inquiry by substituting its
 12 judgment or that of Defendant for that of the relevant marketplace. *See Neitzke v. Williams*, 490 U.S.
 13 319, 327 (1989) (“Rule 12(b)(6) does not countenance ... dismissals based on a judge’s disbelief of a
 14 complaint’s factual allegations”).

15 **III. The Amended Complaint Properly States Its Claims**

16 Rule 8(a) establishes the concept of notice pleading. It requires only “that the complaint make
 17 a ‘short and plain statement of the claim showing that the pleader is entitled to relief.’” *Sagana v.*
 18 *Tenorio*, 384 F.3d 731, 736 (9th Cir. 2004). Such a statement is to contain sufficient allegations to
 19 “raise a right to relief above the speculative level.” *Twombly*, 550 U.S. at 555. Intel’s claims far
 20 exceed these liberal pleading requirements.

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 24 _____
 25 ³ For example, Defendant argues that “Intel Corp. has again failed to allege that ANIP used the
 26 INTEL trademark when it used the unrelated English word ‘intel’”. (Mot., 4:15-17.) This argument
 27 is pure sophistry. Putting aside that 86% of consumers associate the word “intel” with Intel
 28 Corporation, Intel has alleged Defendant’s use of INTEL-formative trademarks. That is all it is
 required to do here.

1 **A. Intel Properly Pleads Its Claims for Trademark Infringement**

2 As noted above, a motion to dismiss for failure to state a claim only tests the sufficiency of the
3 complaint—not its ultimate likelihood of success. *See Scheuer v. Rhodes, supra*, at 236.

4 In the Ninth Circuit, trademark infringement is evaluated under a multifactor analysis that tests
5 the likelihood of consumer confusion. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).
6 Among those factors most relevant here are the proximity of the goods, marketing channels used,
7 strength of the mark, and similarity of the marks. *Id.* at 348.

8 The Amended Complaint alleges significant additional facts that further bolster Intel’s
9 trademark infringement claims. Yet, with virtually no analysis, Defendant’s response is either to
10 ignore the numerous, *plausible* factual allegations in their entirety or offer its own contrary self-
11 serving allegation, in disregard of the Rule 12(b)(6) standard by which Intel’s allegations are
12 presumed true. *Twombly*, 550 U.S. at 555.

13 **1. The parties’ goods and services are related, if not overlapping**

14 Intel alleges, and Defendant does not dispute, that Defendant “offers consulting services and
15 newsletter subscriptions to customers in the U.S. on business, economics, travel and politics in
16 Mexico.”

17 The Amended Complaint further alleges that Intel offers, “under its INTEL family of
18 trademarks,” related “newsletters focusing on technology and business forecasting” covering a variety
19 of subjects and that the “intended audience for such publications includes individuals in the U.S. who
20 are interested in technological business developments, trends and forecasts, both domestic and
21 abroad.” (Am. Complaint ¶ 9, 14.) Intel further confirms that its “operations in Latin America are a
22 prominent part of its business” such that it is responsible for “20% of Costa Rica’s total exports” and
23 that it maintains field offices throughout Latin America. (Am. Complaint ¶15.) Intel further alleges
24 that it “has made and continues to make substantial business investments in Mexico and other Latin
25 American nations” including a \$177 million investment in Guadalajara, Mexico, and that “[t]hese
26 actions are precisely some of the newsworthy economic developments that Defendant is likely to
27 cover with its newsletter.” (Am. Complaint ¶ 16.) Intel further alleges that it “owns approximately
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1 880 active or pending trademark registrations for INTEL-formative trademarks throughout Latin
 2 America and the Caribbean, with many of these registrations “in International Class 16 (i.e. printed
 3 materials, such as newsletters),” in addition to numerous country code top-level domain names to
 4 promote Intel in Latin America. (Am. Complaint ¶¶ 17, 18.)

5 Despite Intel’s above allegations of the relatedness of the parties’ products (e.g. newsletters
 6 which focus in whole or in part on business and economic developments in Latin America), and
 7 Intel’s overwhelming business and economic presence and impact in Latin America, Defendant
 8 alleges “there is no plausible relation between the goods and services.” (Am. Complaint ¶ 14; Mot.,
 9 8:12-13.)⁴ Yet even a cursory read of the pleading confirms that this statement is false, and more
 10 importantly for purposes of this motion, it is Intel’s allegations which are presumed to be true.

11 Indeed, notwithstanding detailed allegations concerning Intel’s newsletters and related
 12 information services, Defendant myopically refuses to acknowledge that Intel does anything other
 13 than manufacture computer microprocessors.⁵ Apparently in the hope of a gullible Court, Defendant
 14 attempts to re-frame the case into something it is not, arguing (incorrectly) that this is a matter of
 15 computer chips vs. newsletters.⁶ As the very first paragraph of the Amended Complaint confirms,
 16 Intel is far, far more than just a computer chip company.⁷ What is alleged here is the offering of
 17 related (if not competitive) goods and services covering similar subject matter to overlapping
 18

19 ⁴ Defendant is further ready to declare, without any evidentiary showing, that it is in a better position
 20 than Intel to know what goods or services Intel offers, arguing that Intel’s claim of offering such
 21 newsletters to be “preposterous.” (Mot., 10:20.) Again, it is Intel’s allegations, not those of
 22 Defendant, which are presumed to be true.

23 ⁵ Am. Complaint ¶ 1; Mot., 12:27.

24 ⁶ Defendant cites the “Intel trademark associated with computer chips.” (Mot., 11:14.)

25 ⁷ “While Intel originally gained prominence as a semiconductor chip manufacturer, its fame now
 26 extends to goods and services far beyond microprocessors. Among its myriad products and services,
 27 Intel offers newsletters and information services under its INTEL mark covering diverse subjects
 28 including, but not limited to, business forecasting, consumer trends, and business analysis. Intel and
 Defendant each prominently utilize INTEL-formative marks to offer their respective newsletters
 featuring similar subject matter to many of the same customers.” (Am. Complaint ¶ 1.)

1 customers through identical marketing channels—all under Intel’s family of INTEL-formative marks.
 2 That Defendant disagrees with Intel’s allegations is not a sufficient ground to sustain its Motion under
 3 Rule 12(b)(6).

4 Defendant goes on to bizarrely state that “Intel does not – and cannot – allege that it uses its
 5 trademarks, intends to use those marks, or is likely to use said marks in connection with consulting
 6 services and subscriptions that are specifically focused on developments in Latin American [sic] and
 7 Mexico.” (Mot., 1:23-25.) However, Intel has in fact alleged it offers newsletters under its family of
 8 INTEL-formative marks covering “technological business developments, trends and forecasts, both
 9 domestic and abroad.”

10 It is true that Intel has not alleged that its newsletters focus “specifically” on Latin America to
 11 the exclusion of other countries, but it is also true that Intel need not allege such facts to proceed with
 12 its case. Applying Defendant’s twisted logic, a plaintiff can never prevail in a trademark case unless it
 13 offers “specifically” (presumably Defendant means “exclusively”) the exact same goods and services
 14 as the defendant.⁸ Such a fallacy is not supported by the law. *Eclipse Ass’n, Ltd. v. Data General*
 15 *Corp.*, 894 F.2d 1114 (9th Cir. 1990) (junior user’s use of mark for specialized software sold only to a
 16 limited market segment infringed senior user’s use of mark for software sold to a broad market that
 17 included the junior user’s specialized market).

18 **2. The parties target many of the same customers through similar marketing**
 19 **channels**

20 In response to the Court’s inquiry as to whether the parties “address the same markets” and
 21 whether there is any “customer overlap,” Intel alleged: “Defendant’s website states in connection
 22 _____

23 ⁸ Misleadingly, Defendant maintains that the alleged lack of direct competition between the parties
 24 makes Intel’s infringement claims implausible. (Mot., 10:19-20.) Not so. Although portions of the
 25 parties’ goods and services may well prove competitive upon discovery, even in the absence of direct
 26 competition, it is well established that “there can be ‘unfair competition’ without competition.”
 27 McCarthy, § 24:14 at 24-39; see also McCarthy, § 24:13 at 24-36 (“The vast majority of modern
 28 decisions have adopted the rule that competition is not necessary between the parties for there to be a
 likelihood of confusion.”).

1 with its newsletter subscription service that ‘executives from more than half of the Fortune 500 are
2 among our readers.’ Intel similarly provides its goods and services to the vast majority of Fortune 500
3 companies, among its many other customers.” (Am. Complaint ¶ 10.) As a result, Intel further
4 alleges that “Defendant targets many of the same customers as Intel and Defendant’s actual customers
5 substantially overlap with Intel’s actual customers.” (Am. Complaint ¶ 28.)

6 What is Defendant’s response to this allegation? It completely ignores it, apparently in the
7 hope that the Court will as well – even though the Court raised this issue at the prior hearing.

8 Intel also served timely discovery requests to, among other things, better identify Defendant’s
9 former and existing customers and its marketing channels. To date Defendant has refused to provide
10 substantive responses.

11 After Intel alleges that the parties use similar marketing channels, Defendant somehow
12 declares “the marketing channels for these goods are entirely disparate.” (Am. Complaint ¶ 10; Mot.,
13 8:17-19.) Again, this is neither correct, nor what is pled in the Amended Complaint.

14 **3. Defendant concedes the strength and distinctiveness of the INTEL trademark**

15 While Defendant disputes (as it must) whether its likely customers will believe that Intel is
16 associated or affiliated with Defendant’s offering of similar goods under an INTEL-formative mark,
17 Defendant does not dispute the strength of the INTEL mark, conceding its fame and distinctiveness.⁹
18 Moreover, the Amended Complaint notably alleges a recent survey of the public’s significant
19 association between the term “intel” and Intel Corporation. Specifically, “over 86% of the general
20 public who associate the term ‘intel’ with any word, definition, or trademark associate it with Intel
21 Corporation.” (Am. Complaint ¶ 52.)

22 **4. The marks are similar**

23 Intel alleges that Defendant’s marks are similar to Intel’s marks (e.g., LATIN INTEL vs.
24 INTEL). Defendant concludes in circular fashion that its marks “are not confusingly similar to the
25 INTEL trademarks because they are not similar to the INTEL trademarks.” (Am. Complaint ¶ 35;

26 _____
27 ⁹ Mot., 13:11-12.

1 Mot., 8:15-16.) Yet it is certainly plausible, if not probable, that the same customer receiving similar
2 products under INTEL-formative marks would be confused as to whether a mark such as LATIN
3 INTEL has any association or affiliation with Intel’s family of famous INTEL marks. This is
4 especially true in light of Intel’s substantial operations in Latin America where, for example, Intel
5 launched its “Defasio Intel® America Latina” program for entrepreneurs in Argentina.

6 **5. Actual confusion or bad faith is already present**

7 Defendant contends that there is “[n]o allegation of actual confusion.” (Mot., 8:17.) First,
8 despite the Court’s concern that Intel did not allege originally “that there was confusion,” Intel need
9 not allege evidence of actual confusion to prevail in this action. *Plough, Inc. v. Kreis Laboratories*,
10 314 F.2d 635, 648 (9th Cir. 1963) (“That such proof of specific instances of confusion is wholly
11 unnecessary in cases involving the question of confusing similarity has long been settled.”); see also J.
12 McCarthy, § 23:12 (“The test of infringement is the *likelihood* of confusion, not the proof of *actual*
13 confusion. To prove liability, the plaintiff is not required to prove any instances of actual
14 confusion.”).

15 Second, Defendant is more likely than Intel to have evidence of such actual confusion, so any
16 contention by Defendant that actual confusion is absent is premature. Finally, Intel has alleged that
17 Defendant’s website containing an INTEL-formative mark “prominently used Intel’s trademarks
18 without authorization to promote Intel’s goods and services. . . . Defendant either willfully placed
19 Intel’s products on its website or, alternatively, its domain name registrar determined that the best way
20 to monetize a website featuring an INTEL-formative domain name was to use it to advertise Intel’s
21 products. Either scenario confirms the substantial overlap between the parties’ customers and the
22 likelihood of confusion.” (Am. Complaint ¶ 30.)

23 Defendant’s response to this allegation in its motion? It again ignores it.

24 These facts are more than plausible, as required by *Twombly*, are to be presumed true, and
25 confirm that Intel is entitled to prove its claim for trademark infringement. See *Twombly*, 550 U.S. at
26 555.

1 **B. Intel Properly Pleads Its Claims for Trademark Dilution**

2 Intel is also entitled to show that Defendant’s uses of LATIN INTEL and similar marks are
3 likely to dilute Intel’s family of INTEL trademarks. “[I]nfringement is designed to protect against
4 consumer confusion about the source of a product that may arise, inter alia, because a company uses a
5 similar mark. Dilution, on the other hand, protects the distinctiveness of a particular mark *whether or*
6 *not the products compete or consumer confusion exists.*” *Thane Int’l v. Trek Bicycle Corp.*, 305 F.3d
7 894, 906 (9th Cir. 2002) (emphasis added).

8 Under federal dilution law, an owner of a “famous, distinctive mark” is entitled to an
9 “injunction against the user of a mark that is ‘likely to cause dilution’ of the famous mark.” *Starbucks*
10 *Corp. v. Wolfe’s Borough Coffee, Inc.*, 477 F.3d 765, 766 (2d Cir. 2007) (per curiam) (quoting 15
11 U.S.C. § 1125(c)(1)).

12 Dilution by blurring is likely when a non-famous mark, such as LATIN INTEL, wholly
13 incorporates as an element a famous mark, such as INTEL. *See, e.g., Perfumebay.com Inc. v. eBay*
14 *Inc.*, 506 F.3d 1165 (9th Cir. 2007) (PERFUMEBAY likely to dilute EBAY); *Visa International*
15 *Service Ass’n v. Jsl Corp.*, 533 F. Supp. 2d 1089 (D. Nev. 2007) (EVISA likely to dilute VISA); *Nike,*
16 *Inc. v. Nikepal Int’l, Inc.*, 2007 U.S. Dist. LEXIS 66686 (E.D. Cal. Sept. 7, 2007) (NIKE diluted by
17 NIKEPAL).

18 In order to prove dilution, “a plaintiff must show that (1) the mark is famous and distinctive;
19 (2) the defendant is making use of the mark in commerce; (3) the defendant’s use began after the mark
20 became famous; and (4) the defendant’s use of the mark is likely to cause dilution by blurring or
21 dilution by tarnishment.” *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 (9th Cir. 2008).

22 Defendant concedes that the INTEL mark is famous.¹⁰

23 Defendant concedes that the INTEL mark “is distinctive, either inherently or through acquired
24 distinctiveness” and that Defendant’s “use of the INTEL mark began after it was famous.”¹¹

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26 _____
26 ¹⁰ Mot., 13:11-12.

27 ¹¹ Mot., 13:11-12.

1 Defendant then repeats its prior (and still nonsensical) argument that it does not “use” the
 2 INTEL mark because it simply uses the (identical) “English word ‘intel’ in” its INTEL-formative
 3 marks. *Id.* It similarly (and improbably) maintains that even though it incorporates INTEL into its
 4 INTEL-formative trademarks, it nevertheless does not make “trademark use” of INTEL. (Mot., 4:21-
 5 22.) It suggests that because Defendant intends “intel” to be an abbreviation of “intelligence”
 6 (regardless of how it is perceived by its customers), it merely uses the term in its descriptive or
 7 generic sense. As noted above, these arguments do not carry Defendant’s extraordinary burden,
 8 because they are all allegations regarding customer perception (and Defendant’s intent, which is
 9 irrelevant) in response to Intel’s allegation of customer perception. It is Intel’s claims which must be
 10 presumed true here.¹²

11 Intel has not only properly pled the facts necessary to establish its trademark dilution cause of
 12 action under 15 U.S.C. § 1125(c), it has alleged additional facts that make its dilution claims stronger
 13 still. The Amended Complaint notably discloses a recent survey of the public’s overwhelming
 14 association between the term “intel” and Intel Corporation. Specifically, “over 86% of the general
 15 public who associate the term ‘intel’ with any word, definition, or trademark associate it with Intel
 16 Corporation.” (Am. Complaint ¶ 52.)¹³

17 Even assuming that Defendant is correct that the word ‘intel’ is understood to connote a
 18 certain term in certain parlance, Defendant concedes that “[t]he meaning of a familiar, basic word in
 19 the English vocabulary can depend on associations the word brings to consumers as a result of
 20 advertising.” (Mot., 6:18-19.) The Amended Complaint establishes the profound fame and value of
 21 the INTEL mark arising from such promotion and advertising and why 86% of all consumers
 22

23
 24 ¹² Counsel for Defendant appears confused by the term “INTEL-formative.” (Mot., 2:7.) For
 clarification, an “INTEL-formative” trademark is a trademark that incorporates an “INTEL” element.

25 ¹³ Defendant makes its own contrary allegation that “while the INTEL mark remains distinctive in
 26 its own right, the word ‘intel’ has its own meaning, is in widespread – indeed, nearly universal – use
 27 that has no connection to Intel Corp. or its business.” (Mot, 13:18-20.) Again, Defendant’s claim is
 directly refuted by Intel’s allegation, and it is Intel’s allegation which is presumed to be true (and
 has the virtue of being true).

1 associate the term “intel” with Intel Corporation: “In 2009 alone, Intel sold over \$35 billion of
 2 INTEL-branded products and services” and “In 2009, Interbrand’s Best Global Brands survey ranked
 3 the INTEL brand ninth in the world, with an estimated value of \$30.6 billion.” (Am. Complaint ¶¶
 4 12, 13.) Although Intel’s own name derives from a combination of “integrated + electronics,” the
 5 survey cited by Intel in its Amended Complaint confirms how the vast majority of consumers now
 6 associate the term “intel” in any context with Intel Corporation.¹⁴

7 Defendant contends (incorrectly) that Intel’s survey information “ignores the question of how
 8 many consumers in the relevant market here would associate the term “intel” with Intel Corp. in the
 9 context of” Defendant’s trademark use. (Mot., 2:14-17.) But Intel has already answered that question
 10 – its Amended Complaint alleges that Intel “will establish” evidence of such a likelihood of dilution
 11 “through the submission of survey evidence.” (Am. Complaint ¶ 52.)

12 Finally, Defendant asserts that its uses of INTEL-formative marks are “embedded in longer,
 13 multi-word phrases of which ‘intel’ is only a component of the phrase.” (Mot., 8:16-17.) Yet
 14 slapping a common word such as “LATIN” onto a mark does not preclude a finding of dilution. *See,*
 15 *e.g., Perfumebay.com Inc.*, 506 F.3d 1165 (PERFUMEBAY likely to dilute EBAY); *Visa*
 16 *International Service Ass’n*, 533 F. Supp. 2d 1089 (EVISA likely to dilute VISA); *Nike, Inc.*, 2007
 17 U.S. Dist. LEXIS 66686 (NIKE diluted by NIKEPAL). That many of Intel’s family of famous marks
 18 contain the famous INTEL mark and another commonly-understood word (e.g., INTEL INSIDE®,
 19 INTEL CORE®, or INTEL ATOM®) only exacerbates the likelihood of confusion here.

20 **C. Intel Properly Pleads Its Claims for Cybersquatting**

21 Aside from a succession of block quotes, Defendant makes virtually no effort to dispute Intel’s
 22 claim under the Anticybersquatting Consumer Protection Act (“ACPA”). With no analysis, it
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24 _____
 25 ¹⁴ Defendant’s confusion with the proper standard on a Motion to Dismiss is apparent by its taking
 26 issue with “Intel’s suspect survey evidence” (Mot., 2:17.) This is the pleading stage. Intel is making
 27 an allegation, not submitting evidence. Yet Defendant, without even the benefit of reviewing the
 28 survey, has already declared its sufficiency “suspect.” Why? Again, because Defendant just wishes it
 to be so.

1 suggests that its domain names (latinintel.com and latinintel-tc.com) are not confusingly similar to the
2 INTEL mark and seemingly asks the court to “take its word for it” that it registered the domains in
3 good faith. This is not enough.

4 In the Ninth Circuit, as elsewhere, a “trademark owner asserting a claim under the ACPA
5 must establish the following: (1) it has a valid trademark entitled to protection; (2) its mark is
6 distinctive or famous; (3) the defendant’s domain name is identical or confusingly similar to, or in the
7 case of famous marks, dilutive of, the owner’s mark; and (4) the defendant used, registered, or
8 trafficked in the domain name (5) with a bad faith intent to profit.” *Bosley Med. Inst., Inc. v. Kremer*,
9 403 F.3d 672, 681 (9th Cir. 2005) (citing *DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 204 (6th Cir.
10 2004)).

11 The Amended Complaint more than adequately alleges facts addressing each of the ACPA
12 elements. Specifically, Intel pled: (1) “Intel is also the owner of numerous U.S. trademark
13 registrations for the mark INTEL, including the following ...” (Am. Complaint ¶ 19); (2) “Plaintiff’s
14 INTEL mark is among the most famous and distinctive in the world” (Am. Complaint ¶ 1); (3) “[t]he
15 LATIN INTEL trademark, utilized at the latinintel.com and latinintel-tc.com domain names, is
16 confusingly similar to Intel’s INTEL trademark, and/or dilutive of Intel’s INTEL trademark” (Am.
17 Complaint ¶ 74); (4) Defendant “Defendant registered and used the latinintel.com and latinintel-
18 tc.com domain names ” (Am. Complaint ¶ 73), (5) “with the bad-faith intent to profit from Intel’s
19 INTEL trademark” (Am. Complaint ¶ 73). Intel has thus properly pled its federal cybersquatting
20 cause of action under 15 U.S.C. § 1125(d).

21 Still, Intel alleges additional facts that take its cybersquatting claim well beyond the pleading
22 requirements of Rule 8. The Amended Complaint alleges evidence of Defendant’s bad faith intent to
23 profit from the INTEL family of marks, including “the fact that Defendant’s website has prominently
24 featured unauthorized uses of Intel’s trademarks and products, in an effort to capitalize on, and profit
25 in bad faith from, consumer confusion arising from Defendant’s use of the INTEL trademark.” (Am.
26 Complaint ¶ 73.) Further, Intel notes that it already owns numerous INTEL-formative, top-level
27
28

1 domains names, such as intel.com in the U.S. and intel.mx and intel.com.mx in Mexico, in addition to
2 some twenty other domains in various Latin American countries. (Am. Complaint ¶ 18.)

3 Intel's many allegations support the plausibility of its cybersquatting claim.

4 **D. Intel Properly Pleads Its Remaining Federal and State Claims**

5 Defendant does not specifically dispute Intel's remaining causes of action, namely, False
6 Designation of Origin under Section 43(a) of the Lanham Act, Injury to Business Reputation and
7 Dilution under Cal. Bus. & Prof. Code §14247, Unfair Competition under Cal. Bus & Prof. Code §
8 17200, Infringement under Cal. Bus. & Prof. Code § 14245, and Common Law Passing Off and
9 Unfair Competition. If the Court deems Defendant's Motion to implicitly seek to dismiss these
10 claims, Intel hereby incorporates by reference the applicable likelihood of confusion and trademark
11 dilution analyses detailed above.

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CONCLUSION

Intel has pled the necessary and plausible facts regarding its infringement claim. This includes relevant factors supporting a likelihood of confusion, such as that the parties offer:

- Related, if not competitive goods and services;
- To overlapping customers;
- Through similar marketing channels; while
- Utilizing similar marks (where Defendant concedes that Intel’s mark is famous and distinctive).

Intel has also pled the necessary and plausible facts regarding its dilution claim, including that:

- 86% of consumers associate the term “intel” in any context with Intel Corporation; and
- That Intel will establish the likelihood of dilution through survey evidence.

Intel is entitled to an opportunity to submit evidence in support of its claims. Accordingly, the Court should deny Defendant’s Motion.

Dated: June 11, 2010

Respectfully submitted,

HARVEY SISKIND LLP
IAN K. BOYD
MATTHEW A. STRATTON

By: _____
 /s/
 Ian K. Boyd

Attorneys for Plaintiff
INTEL CORPORATION