

No. 23-

IN THE
Supreme Court of the United States

RELISH LABS LLC AND THE KROGER CO.,

Petitioners,

v.

GRUBHUB, INC. AND TAKEAWAY.COM
CENTRAL CORE B.V.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

In trademark infringement, multiple factors are weighed and balanced against the entire record to determine whether there is a likelihood of confusion. In *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138, 154 (2015), this Court held that the application of those factors must apply the same statutory legal standard for a likelihood of confusion across all circuits. Some circuit courts review each factor's analysis for clear error, as well as the final balancing. Other circuits review the final determination *de novo*. In this case, the district court analyzed only three of the Seventh Circuit's seven factors. The circuit court found errors in that analysis, added a *de novo* analysis of a fourth factor, and conducted a *de novo* balancing, all while finding no clear error in the district court's determination.

The questions presented are:

- 1) Whether the determination of a likelihood of confusion for trademark infringement is a factual finding, reviewable for clear error, or a legal conclusion, reviewable *de novo*, or a combination?
- 2) Whether a court should disclose its analysis of all the factors in a multifactor likelihood of confusion balancing determination for trademark infringement?

CORPORATE DISCLOSURE STATEMENT

Petitioner The Kroger Co. has no parent corporation and The Vanguard Group, Inc. is the only publicly held company owning ten percent or more of this Petitioner's stock. Petitioner Relish Labs LLC is wholly owned by The Kroger Co.

STATEMENT OF RELATED PROCEEDINGS

- Grubhub Inc. and Takeaway.com Central Core B.V. v. Relish Labs LLC and The Kroger Co., No. 1:21-cv-05312, U.S. District Court for the Northern District of Illinois. Report and Recommendation entered April 8, 2022. Order denying motion for preliminary injunction entered May 25, 2022.
- Grubhub Inc. and Takeaway.com Central Core B.V. v. Relish Labs LLC and The Kroger Co., No. 22-1950, U.S. Court of Appeals for the Seventh Circuit. Judgment entered Sept. 12, 2023. Denial of request for rehearing and rehearing *en banc* entered Oct. 11, 2023.

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Petitioners Relish Labs LLC and The Kroger Co. respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Seventh Circuit in this case.

OPINIONS BELOW

The Report and Recommendation is not reported. 2022 WL 1644233. Petitioner's Appendix (App.) at 60a-134a. The Order of the district court is not reported. 2022 WL 2774986. App. 39a-59a. The opinion of the United States Court of Appeals for the Seventh Circuit is reported at 80 F.4th 835 (App. 1a-38a) and the denial of rehearing is not reported. 2023 WL 6626148. App. 135a-136a.

STATEMENT OF JURISDICTION

The Court of Appeals denied Petitioners' motion for preliminary injunction for trademark infringement. App. 1a. A request for rehearing and rehearing en banc was denied on Oct. 11, 2023. App. 135a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 32 of the Lanham Act, 15 U.S.C. § 1114, provides in pertinent part:

Any person who shall ... use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause

confusion, or to cause mistake, or to deceive ...
shall be liable... .

The entire statute can be found at App. 137a-141a.

INTRODUCTION

Trademark infringement requires determining a “likelihood of confusion” by analyzing interrelated factors with relevant evidence and then balancing them. The circuit courts use similar factors to meet the same statutory legal standard, as required by this Court’s decision in *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138, 154 (2015). There is a circuit split, however, as to how this is accomplished and whether such a determination is a legal conclusion, subject to *de novo* review, or a factual finding, reviewed for clear error, or a combination of both.

This case presents an important, recurring, and outcome determinative question of federal statutory trademark law that this Court is uniquely and solely suited to address and resolve because courts are determining the likelihood of consumer confusion in starkly different, subjective ways. The analysis must analyze all relevant factors against the entire record and then weigh and balance them to determine if the statutory legal standard is met. Some circuit courts review each factor’s analysis for clear error, as well as the ultimate determination. Other circuits review the ultimate determination of likelihood of confusion *de novo*. Even when required to give great deference, courts provide incomplete, unbalanced, and unpredictable trademark infringement decisions. Such analyses and ensuing decisions avoid disclosure and,

therefore, render a subjective opinion for review. They also prevent courts and trademark owners from having a predictable body of case law - one which must meet the statutory legal standard. Certiorari is respectfully requested to resolve this long-standing problem, as evidenced by this case.

STATEMENT OF THE CASE

Petitioners moved for preliminary injunction based on trademark infringement. A magistrate judge analyzed all seven of the Seventh Circuit's likelihood of confusion factors, concluding that there was a likelihood of reverse confusion, and recommended granting Petitioners' preliminary injunction motion. The district court adopted all of the factual findings but denied the motion, choosing instead to analyze only three of the seven factors. The circuit court applied a clearly erroneous standard of review, forgiving both legal and factual errors in that which the district court had chosen to consider. The Seventh Circuit then, however, conducted a *de novo* analysis of one of the four factors which the district court had ignored, and therefore the parties had not briefed. With the *sua sponte* inclusion of a *de novo* analysis of an additional factor, the circuit court conducted an incomplete *de novo* balancing of four factors to determine the likelihood of confusion. These analyses, in a circuit with precedent requiring a clearly erroneous standard of review, evidence the timeworn challenges faced by trademark owners and, more importantly for this Court, an ongoing need to ensure a consistent process while reconciling a split between the circuits. A court cannot balance that which it does not weigh.

I. The Statutory Language

The Lanham Act statutorily protects trademark owners from a mark which is “likely to cause confusion, or to cause mistake, or to deceive ...” 15 U.S.C. § 1114 (Pub. L. No. 79-489, § 43, 60 Stat. 427, 437 (1946)) (generally referred to as the “likelihood of confusion”).

II. Factual Background

The following is taken from the R&R’s “Findings of Fact”. App. 63a-82a. The District Court’s Order “adopts and incorporates the factual findings of the R&R”. App. 40a-41a.

Petitioner Relish Labs LLC (“Home Chef”) has been using the “HC Home Mark” (pictured right) since 2014 and owns three U.S. trademark registrations for this mark by itself. App. 66a-67a. As the R&R found:



Currently, Home Chef offers hundreds of products, including meal kits, heat-and-eat meals, and ready-to-eat options. ...Home Chef’s products can be purchased through Home Chef’s website and mobile application, Kroger’s website and mobile application, and in 2,000 Kroger family stores, either for pick up or delivery. (Id. at ¶16). Since 2021, Home Chef has also partnered with meal delivery service DoorDash – a Grubhub competitor – to “promote and sell Home Chef’s meal kits and prepared meals for pickup and home delivery

throughout select Kroger family stores.” ... Customers can also order Home Chef’s meal kits, heat-and-eat, and ready-to-eat meals for pick up and home delivery from Kroger through Instacart, another grocery and meal delivery service. ... In addition, select customers can order Home Chef vouchers directly through the Grubhub mobile app for redemption on the Home Chef website.

App. 65a-66a.

“In 2020, Grubhub provided nearly \$9 billion in gross food sales to local restaurants, and it processed more than 745,000 restaurant orders per day.” App. 69a. “In addition to working with restaurants, Grubhub provides meal delivery services through other channels, including grocery stores.” *Id.*



Respondent Takeaway.com Central Core B.V. (“JET”) is a “leading global online food ordering and delivery marketplace” which used its “JET House Mark” (pictured left) with its various subsidiaries. App. 72a-73a.

On June 10, 2020, JET “reached a deal to acquire Grubhub and ‘create the world’s largest online food delivery company outside of China.” App. 74a. “Just a few weeks later, on July 1, 2020, JET filed a trademark application with the USPTO for the JET House Logo alone, with no accompanying word mark.” App. 74a. The USPTO refused JET’s trademark application “because of a likelihood of confusion with [Home Chef’s] marks.” *Id.*

(square brackets in original). On Aug. 9, 2021, JET filed a renunciation of its trademark application; the USPTO would declare it abandoned. App. 76a. Fifteen days later, on Aug. 24, 2021, Grubhub issued a press release advertising its new branding and logo (shown below) and explaining how the Grubhub and Seamless phone apps were updated overnight. App. 78a.



Petitioners Home Chef and Kroger sent a cease-and-desist letter. App. 78a. JET and Grubhub responded by filing a declaratory judgment action, to which Petitioners responded, including with a motion for preliminary injunction. App. 79a.

III. Procedural Background

The Seventh Circuit uses the following seven *Helene Curtis* factors to analyze the likelihood of confusion between marks:

1. Similarity of the marks in appearance and suggestion;
2. Similarity of the products for which the mark is used;
3. The area and manner of concurrent use;

4. The degree of care likely to be exercised by consumers;
5. The strength of the complainant's mark;
6. Existence of actual confusion; and
7. The intent of the defendant to palm off its product as that of another.

Helene Curtis Industries v. Church & Dwight Co., 560 F.2d 1325, 1330 (7th Cir. 1977) (citing *Carl Zeiss Stiftung v. VEB Carl Zeiss Jena*, 433 F.2d 686, 705 (2d Cir. 1970), cert. denied, 403 U.S. 905 (1971)).

The R&R (App. 60a-134a) recognized that a court must:

“[W]eigh the evidence pertaining to each likelihood of confusion factor and balance the seven factors against each other.” *Barbeque Marx, Inc. v. 551 Ogden, Inc.* 235 F.3d at 1044 [7th Cir. 2000]. No single factor is dispositive, “and the weight accorded to each factor will vary from case to case.” *Smith Fiberglass Prod., Inc. v. Ameron, Inc.*, 7 F.3d 1327, 1329–30 (7th Cir. 1993).

App. 86a. The R&R recommended granting Petitioners' preliminary injunction motion for reverse confusion, concluding, “[t]o recap, all seven factors ... weigh in favor of [Petitioners] with respect to its reverse confusion theory.” App. 120a.

The district court's Order (App. 39a-59a) adopted the R&R's factual findings, but rejected its recommendation and denied Petitioners' preliminary injunction motion, based solely on three factors, similarity of the marks, intent, and actual confusion, while relegating its failure to analyze the Seventh Circuit's four other important factors to a footnote:

The Court **does not presently consider** the remaining factors because Grubhub did not specifically object to the R&R's analysis of those factors, and it does not appear that the R&R's analysis of those factors is clear error. Moreover, that analysis would not change the Court's conclusion that [Petitioner] has not met its burden of showing a strong likelihood of success on the merits.

App. 54a n. 2 (emphasis added).

With the district court not completing its analysis, Petitioners appealed. The Seventh Circuit Decision (App. 1a-38a) found that the district court erred in its analysis and then took it upon itself to *de novo* analyze the strength of mark because "the strength-of-the-mark factor is so intricately connected to the similarity-of-marks factor." App. 22a. As to the remaining three factors, with no analysis or findings from either of the lower courts, the decision inaccurately states that all of the factors had been considered, but cites to only the single footnote in the district court's Order. App. 37a.

The R&R provides a thorough, reasoned analysis, dutifully weighing and balancing the evidence using

each of the factors. The district court applied a different legal standard by choosing to analyze only three of the seven factors, one of which the circuit court recognized as erroneous. To bolster its incomplete conclusion, the circuit court applies and analyzes the strength of mark factor – a factor which the district court did not consider and “[t]he parties do not separately brief” at the Seventh Circuit. App. 21a. The circuit court applied yet another legal standard. As Judge Easterbrook once wrote about another multifactor test – three different recipes for the same meal. *Reinsurance Co. v. Administratia Asigurarilor*, 902 F.2d 1275, 1283 (7th Cir. 1990) (Easterbrook, J. concurring, “I would be most reluctant to accept an approach that calls on the district judge to throw a heap of factors on a table and then slice and dice to taste. Although it is easy to identify many relevant considerations, as the ALI’s Restatement does, a court’s job is to reach judgments on the basis of rules of law rather than to use a different recipe for each meal.”).

This petition followed.

REASONS TO GRANT THE PETITION

I. The Multifactor “Likelihood of Confusion” Balancing Test

Since the Lanham Act was enacted, each of the thirteen circuits adopted a multifactor balancing test to determine a likelihood of confusion for trademark infringement. 4 *McCarthy on Trademarks and Unfair Competition* § 24:30 (5th ed.). The factors originated from the Restatement (First) of Torts § 729 (1938) and were first used in a 1961 Second Circuit case applying

“eight foundational factors to be considered and weighed before the decision-maker comes to a conclusion about the presence or absence of a likelihood of confusion.” Jerre B. Swann, *Confusion Factor Analysis--A Cognitive Update*, 101 Trademark Rep. 1223 (2011) (referring to the seminal factors of *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)). As *Polaroid* articulated:

Where the products are different, the prior owner’s chance of success is a function of many variables: the strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of defendant’s product, and the sophistication of the buyers. Even this extensive catalogue does not exhaust the possibilities—the court may have to take still other variables into account. *American Law Institute, Restatement of Torts*, §§ 729, 730, 731.

287 F.2d at 495.

A. Multifactor Tests Apply the Same Legal Standard

Following *Polaroid*, all other circuits adopted similar multifactor balancing tests to analyze a likelihood of confusion under the same statutory legal standard. *See* 4 McCarthy on Trademarks and Unfair Competition § 24:57 (5th ed.) (“Eventually all of the 13 federal circuit courts adopted a similar multi-factor analysis strongly influenced

by the Second Circuit’s *Polaroid* test.”). As this Court found in *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138, 154 (2015), the multifactor tests adopted by each circuit and the Trademark Trial and Appeal Board (“TTAB”) at the U.S. Patent and Trademark Office apply the same legal standard for determining a likelihood of confusion:

Neither does it matter that the TTAB and the Eighth Circuit use different factors to assess likelihood of confusion. For one thing, the factors are not fundamentally different, and “[m]inor variations in the application of what is in essence the same legal standard do not defeat preclusion.” [quoting *Smith v. Bayer Corp.*, 564 U.S. 299, 312 n. 9 (2011)].

The multifactor likelihood of confusion tests used nationwide must apply the same legal and statutory standard.

B. The Factors and Their Analyses Are Interrelated

The likelihood of confusion factors are interrelated because the analysis of one can affect another factor’s analysis and weight, which is why a multifactored balancing test was originally deployed. *Polaroid Corp.*, 287 F.2d at 495 (“a function of many variables”); *see also* 4 McCarthy on Trademarks and Unfair Competition § 23:19 (5th ed.) (“All of these factors are to be considered in reaching a decision on the issue of likelihood of confusion.”); *id.* at § 24:30 (“Each of the circuits has emphasized in one way or another that no one of the

foundational factors is determinative, but rather that all are to be weighed and balanced one against the other. The strength of plaintiff's case on each of these criteria is 'rated' and then the total rating is considered in total to make at least a 'rough judgment' as to liability."). Due to the factors being interrelated and each bearing on the ultimate question, courts have admonished that each factor should be considered, that all of the factors should be balanced in totality, and that no one factor is dispositive. *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987) ("All of the factors are interrelated, and no one factor is dispositive."); *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 29 (1st Cir. 1989) ("No one factor is necessarily determinative, but each must be considered.") (citing *Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1205 (1st Cir. 1983) (same quote) and *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487-492 (1st Cir. 1981)); *Plus Products v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1004 (2d Cir. 1983) ("[E]ach must be considered in the context of all of the other factors, and from a balance of these determinations, one is able to reach the ultimate conclusion, whether there is likelihood of confusion ..."); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) ("[R]esolution of this issue does not hinge on a single factor but requires a consideration of numerous factors to determine whether under all the circumstances there is a likelihood of confusion."); *Lone Star Steakhouse & Saloon v. Alpha of Virginia*, 43 F.3d 922, 933 (4th Cir. 1995) ("In order to guide courts in determining whether a likelihood of confusion exists, this Court has delineated seven factors a court must consider ..."); *Dieter v. B & H Industries of Southwest Florida*, 880 F.2d 322, 326 (11th Cir. 1989) ("Determination of likelihood of confusion

requires analysis of the following seven factors ...”); *Fisons Horticulture, Inc. v. Vigro Indus., Inc.*, 30 F.3d 466, 473 (3d Cir. 1994) (“Where the goods or services are not competing, the similarity of the marks is only one of a number of factors the court must examine to determine likelihood of confusion.”); *Piper Aircraft Corp. v. Wag-Aero, Inc.*, 741 F.2d 925, (7th Cir. 1984) (Cautioning that: “None of these factors is determinative. In fact, we have reversed lower court decisions that have placed excessive reliance on certain factors.”).

For example, the analysis of the factor regarding similarity of the marks impacts the factor regarding similarity of the goods or services at issue. The more similar the marks at issue are, the less similarity of goods is required to support finding a likelihood of confusion, and vice versa. *SquirtCo*, 628 F.2d at 1091 (“Where the products are closely related, less similarity in the trademarks is necessary to support a finding of infringement.”); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987) (citing *SquirtCo*, 628 F.2d at 1091); *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass’n*, 651 F.2d 311, 318, (5th Cir. 1981) (“With this similarity of service ..., the less similarity in the marks is needed for a finding of likelihood of confusion.”); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 925 (10th Cir. 1986) (“[A] small degree of similarity between two marks may lead to a finding that confusion is likely when the products are identical, inexpensive items...”); *Zheng Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 1372 (Fed. Cir. 2018); 4 *McCarthy* at § 23:20.50 (“The degree of similarity of the marks needed to prove likely confusion will vary with the difference in the goods and services of the parties.”) (collecting cases).

A party's evidentiary support for one or more factors can certainly be determined to be weak to non-existent, rightfully leading a court to minimize or eliminate the weight and impact of the applicable factor in the overall analysis and balancing. That is not the issue here. In the present case, the lower courts did not consider, much less analyze, and therefore did not weigh or balance four (and then three) of the seven interrelated factors, all of which had relevant evidence in the record and influence consumer perception. This lack of analysis prevents a reviewing court from determining if legal and/or factual errors were committed.

One may argue that the district court weighed and balanced all of the seven relevant factors, having adopted the magistrate judge's factual findings, analyzed three of the factors, and noted that the magistrate judge's analysis of the other four was not clear error, despite admittedly not considering or providing any analysis of the other four. As the Seventh Circuit advised in *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1180 at n.9 (7th Cir. 1989), however:

It is the district court's memorandum opinion, not the magistrate's proposed findings and recommendation, that serves as the findings of fact and conclusions of law in this case pursuant to Rule 52(a), Fed.R.Civ.P. In *United States v. Raddatz*, 447 U.S. 667, 681-82, 100 S.Ct. 2406, 2415, 65 L.Ed.2d 424, rehearing denied, 448 U.S. 916, 101 S.Ct. 36, 65 L.Ed.2d 1179 (1980), the Supreme Court explained § 636 stating: "[t]he authority — and the responsibility — to make an informed final determination ...

remains with the judge.” *Id.* (editing in original) (quoting *Mathews v. Weber*, 423 U.S. 261, 271, 96 S.Ct. 549, 554, 46 L.Ed.2d 483 (1976)).

A reviewing court is unable to adequately, reliably, or fairly give deferential review to a district court’s incomplete likelihood of confusion analysis that does not explain its factual findings and legal analysis of all relevant factors. It is a subjective, unpredictable, and untenable process. Each factor must be considered and weighed against its corresponding evidence, all of the factors must be balanced in totality on the entire record, and the court must explain how the factors were weighed and balanced against each other, allowing all to see, use, dispute, support, or opine on a complete and disclosed analysis. Rule 52(a) expects and requires this.

C. Courts Have Been Selecting Subsets of Factors to Analyze

In *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 400 (2d Cir. 1995), the Second Circuit opined:

[I]t is incumbent upon the district judge to engage in a deliberate review of each factor, and, if a factor is inapplicable to a case, to explain why.... The steady application of *Polaroid* is critical to the proper development of trademark law, for it is only when the *Polaroid* factors are applied consistently and clearly over time that the relevant distinctions between different factual configurations can emerge. Litigants are entitled to the illumination and guidance this common-law process affords, and appellate

courts depend on it for the performance of their assigned task of review The efficacy of the multi-factor approach that Judge Friendly wisely set out to address this difficult situation depends on thorough, careful, and consistent application of the doctrine by district courts.

Over time, the analyzing, weighing, and balancing of each factor has diminished despite the single standard recognized by this Court in *B & B Hardware, Inc.* 575 U.S. at 154. An empirical analysis of 331 trademark decisions (287 dispositive) in 2006 concluded “that judges employ fast and frugal heuristics to short circuit the multifactor test. Perhaps as an expression of their cognitive limitations, but more likely as an expression of their cognitive ingenuity, judges rely upon a few factors or combinations of factors to make their decisions.” Prof. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Cal. Law Rev. 1581 (2006). The lack of analysis of all of the factors was so prevalent that the author measured and named it – “judges tended to stampede the factor outcomes to favor the test outcome.” *Id.* at 1614. That was 18 years ago. To meet the statutory legal standard, underlying analyses should be consistent. Judges assessing consumer confusion from the bench should not stampede over factors which are not even considered.

Circuit courts generally state that all of their respective factors should be considered and balanced, but decisions increasingly state that not all factors must be considered. *See, e.g., PlayNation Play Systems, Inc. v. Velex Corp.*, 924 F.3d 1159, 1169 (11th Cir. 2019) (“These factors are not exclusive. Courts do not have to

consider every factor in every case.”); *Top Tobacco, L.P. v. North Atlantic Operating Co., Inc.*, 509 F.3d 380, 383 (7th Cir. 2007) (“If we know for sure that consumers are not confused about a product’s origin, there is no need to consult even a single proxy.”); *General Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405 (6th Cir. 2006) (affirming finding of likelihood of confusion on summary judgment despite the lower court failing to adequately discuss the *Frisch* factors); *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002) (defending the analysis of only a “subset” of factors in the non-internet context); *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (endorsing a “subset” of the three “most important” factors in the internet context). In *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011), the Ninth Circuit stated:

[F]actors are intended as an adaptable proxy for consumer confusion, not a rote checklist. *See, e.g., Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1030 (9th Cir. 2010) (“This eight-factor analysis is ‘pliant,’ illustrative rather than exhaustive, and best understood as simply providing helpful guideposts.”)

The gradual derogation of the equitable, interrelated, multifactor balancing test is acutely demonstrated by the Seventh Circuit. The Seventh Circuit originally adopted its multifactor balancing test in *Helene Curtis Industries v. Church & Dwight Co.*, stating “[i]n determining ‘likelihood of confusion’ several factors are important...” 560 F.2d 1325, 1330 (7th Cir. 1977) (listing the seven

factors of what would become referred to as the Seventh Circuit's "*Helene Curtis*" test, adopted from the Second Circuit). The Seventh Circuit has also repeatedly said that no single factor is dispositive and that "different factors will weigh more heavily from case to case depending on the particular facts and circumstances involved." *Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1087 (7th Cir. 1988).

Following *Helene Curtis*, in *Henri's Food Products Co., Inc. v. Kraft, Inc.*, the court, without any statutory, case law, or other support, referred to "more important factors" as the "similarity of the marks, evidence of confusion, and intent of the alleged infringer..." 717 F.2d 352, 354-55 (7th Cir. 1983) (finding the parties differed on those three factors, while the other four were not in dispute). Three years later, however, in *Ziebart Int'l Corp. v. After Market Associates, Inc.*, the court, relying on *Henri's Food Products*, analyzed only those same "three 'more important' factors in determining likelihood of confusion ..." 802 F.2d 220, 228 (7th Cir. 1986) (noting "[i]t is not necessary for us to review the findings of the district court as to the other factors affecting the issue of likelihood of confusion."). Three years later, the Seventh Circuit made the blanket assertion that "the most important factors include the similarity of the marks, the intent of the claimed infringers and the evidence of actual confusion." *G. Heileman Brewing Co. v. Anheuser-Busch, Inc.*, 873 F.2d 985, 999 (7th Cir. 1989) (citing *Ziebart Int'l Corp.*, 802 F.2d at 226). Since then, courts in the Seventh Circuit reiterate and often note those three factors as being the "most important." See, e.g., *Uncommon, LLC v. Spigen, Inc.*, 926 F.3d 409, 425 (7th Cir. 2019) ("most important"); *Ty, Inc. v. Jones Group, Inc.*, 237 F.3d 891,

898 (7th Cir. 2001) (“most important factors”) (citing *G. Heileman Brewing*, 873 F.2d at 999); *Eli Lilly & Co. v. Nat. Answers, Inc.*, 233 F.3d 456, 462 (7th Cir. 2000) (“the most important considerations”) (citing *G. Heileman Brewing*, 873 F.2d at 999).

That gradual progression from all seven factors being important, to three factors being “more important” in a particular case, to those three factors being construed as the “most important” in every case, led the district court in this case to choose to analyze only those three factors and footnote that it did not consider the Seventh Circuit’s other four factors. In doing so, however, the district court ignored other Seventh Circuit precedent holding that “there is ‘no hard and fast requirement’ that all three of these factors must weigh in the plaintiff’s favor in order to find that a likelihood of confusion exists,” and that “the district court must give appropriate weight to the factors that are particularly important based on the facts of each case.” *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 686-87 (7th Cir. 2001) (citing *Ty, Inc.*, 237 F.3d at 901-02).

Further questioning a court’s reliability on considering only a subset of factors is the fact that other circuits have stated that different sets of factors are most important, despite all circuits supposedly applying the same legal standard. *See, e.g., Maker’s Mark Distillery v. Diageo North America*, 679 F.3d 410, 424 (6th Cir. 2012) (declaring “the ‘most important *Frisch* factors’ are similarity and strength of the mark”) (citing *Gray v. Meijer, Inc.*, 295 F.3d 641, 646 (6th Cir. 2002); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000) (declaring the “three most important” factors in the Internet context

as the similarity of the mark, the relatedness of the goods and services, and the marketing channel used); *Frehling Enterprises v. Int'l Select Group*, 192 F.3d 1330, 1335 (11th Cir. 1995) (declaring “the type of mark and the evidence of actual confusion are the most important”); *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 216 (3d Cir. 2000) (declaring “[t]he single most important factor” as mark similarity); *King of the Mountain Sports v. Chrysler Corp.*, 185 F.3d 1084, 1091 (10th Cir. 1999) (declaring “the first and most important factor” as similarity of the marks). As a result, despite having to apply the same federal legal standard, courts have increasingly and mechanically placed more weight on different subsets of factors in each circuit, to the point that some courts, like the lower courts here, consider only that subset of factors and ignore the remainder.

By choosing not to consider four factors, the district court also chose to ignore their corresponding evidence, weighing, and ensuing balancing. Even if a court considered those factors internally, without having any explanation of its factual findings or application of the law to those factors, there is no way to determine if legal and/or factual errors were committed in choosing not to analyze them.

These decisions permitting consideration of only a subset of factors are simply wrong, as were the lower courts in this case. Considering and analyzing all of the relevant factors provides for a more consistent adherence to the statutory standard, ensures more objective findings, and avoids arbitrary and capricious conclusions. Allowing a court to ignore relevant factors and related evidence encourages incomplete legal analyses, enables subjective

decision-making, ensures differing and unpredictable results, strips appellate courts of their ability to review, and wastes judicial and party resources. It also weakens trademarks and the benefits afforded by the registration system.

II. Not Considering Relevant Factors and Ignoring Evidence Is Legal Error

Rule 52 requires a trial court to make clear factual findings to support its conclusions. Fed.R.Civ.P. 52; *see also* 9 Wright Miller, *Federal Practice & Procedure* § 2574, at 690. While some circuits hold that the likelihood of confusion finding is a factual question, regardless of whether it is a question of fact or law, “legal principles govern what evidence may, or must, be considered by the District Court in reaching that conclusion, and also what standards apply to its determination.” *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 182 (3rd Cir. 2010) (quoting *A & H Sportswear, Inc.*, 237 F.3d at 210). Rule 52 cannot be satisfied by a statement of the ultimate fact without the underlying factual foundations and legal conclusions. And if they were not part of the process by which the likelihood of confusion determination was made, then the determination lacks foundation and violates Rule 52.

The Third Circuit reviewed a district court’s likelihood of confusion determination *de novo*, and reversed, because the court failed to explain how it weighed and balanced all of the circuit’s relevant factors, as was said to be required by Rule 52. *Sabinsa Corp.*, 609 F.3d at 183 (citing *Kos Pharmaceuticals v. Andrx Corp.*, 369 F.3d 700, 711-12 (3d Cir. 2004) (reversing district court’s

likelihood of confusion finding where it “had erred in its analysis of mark similarity, overemphasized customer sophistication, applied the wrong standards regarding intent, and ignored several other relevant *Lapp* factors.”). In *Sabinsa*, the Third Circuit noted that “while it is true that a district court may find that ‘certain of the *Lapp* factors are inapplicable or unhelpful in a particular case,’ the court must still ‘explain its choice not to employ those factors.’” 609 F.3d at 183 (“[T]he District Court engaged in detailed analysis of only three of the relevant *Lapp* factors and failed to discuss much of the evidence presented by Sabinsa... [T]he District Court failed to explain whether it viewed these remaining factors as neutral or irrelevant or how it weighed and balanced the combined factors. Further, its reasoning concerning the three factors it chose to analyze is flawed.”) (quoting *A & H Sportswear, Inc.*, 237 F.3d at 210). Where there is relevant evidence in the record for a factor, failing to state any factual findings or provide any explanation of how the law was applied to that factor, even if given little weight, is an error of law in breach of Rule 52.

III. The Circuit Split of Likelihood of Confusion Findings: Clear Error or *De Novo*

There is a split among the circuit courts as to whether a likelihood of confusion analysis is reviewed under the “clearly erroneous” standard, as a question of fact, or *de novo*, as a legal conclusion, or a combination. Trademark owners need a predictable process to provide consistent results, one which meets the single legal standard already recognized by this Court.

On the one hand, the Second and Federal Circuits review each factor’s analysis and the ultimate finding of a

likelihood of confusion *de novo*. *Car-Freshner Corporation v. American Covers, LLC*, 980 F.3d 314, 327-328 (2d Cir. 2020) (knowingly applying *de novo* review after this Court's decision of *Hana Financial*); *Stratus Networks, Inc. v. UBTA-UBET Communications Inc.*, 955 F.3d 994, 998 (Fed. Cir. 2020) (reviewing *de novo*).

The Sixth Circuit reviews each factor's analysis under the clearly erroneous standard, but the ultimate finding of a likelihood of confusion *de novo*. *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1116 (6th Cir. 1996) (reviewing *de novo*).

Conversely, the Fourth, Seventh, and Ninth Circuits hold that the analysis of each factor and the ultimate finding are questions of fact applying a clearly erroneous standard of review. *Swatch AG v. Beehive Wholesale, LLC*, 739 F.3d 150, 154 (4th Cir. 2014); *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423 (7th Cir. 1985) (applying clearly erroneous rule "across the board" due to Rule 52(a) amendment in 1985); *Levi Strauss Co. v. Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985) (en banc).

In the past, the Seventh Circuit has taken liberties with the level of review as have others:

This court has held that likelihood of confusion is a question of fact subject to the clearly erroneous rule. *Watkins Products, Inc. v. Sunway Fruits Products, Inc.*, supra, 311 F.2d at 499. Nevertheless, to the extent the determination is predicated upon the similarity of the marks themselves, it is a mixed question of law and fact with this court being in as good a position as the trial judge to determine the

probability of confusion. *Harold F. Ritchie v. Chesebrough-Pond's, Inc.*, 281 F.2d 755 (2d Cir. 1960). See *J. B. Williams Company, Inc. v. LeConte Cosmetics, Inc.*, 523 F.2d 187 (9th Cir. 1975).

Union Carbide Corp. v. Ever-Ready Inc., 531 F.2d 366, 383 (7th Cir. 1976).

Meanwhile, the First, Third, Fifth, Eighth, Tenth, and Eleventh Circuits follow the clearly erroneous standard, but analyze the underlying legal principles *de novo*. *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 15 (1st Cir. 2008) (findings on each factor and ultimate conclusion are factual but underlying legal error is reviewed *de novo*); *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175 (3d Cir. 2010), cert. denied, 131 S. Ct. 960 (2011); *National Business Forms & Printing, Inc. v. Ford Motor Co.*, 671 F.3d 526, 532 (5th Cir. 2012) (same); *Sun Banks of Florida, Inc. v. Sun Federal Savings & Loan Ass'n*, 651 F.2d 311, 314-315 (5th Cir. 1981) (applying “clearly erroneous” standard); *Select Comfort Corp. v. Baxter*, 996 F.3d 925, 934 (8th Cir. 2021) (same); *General Motors Corp. v. Urban Gorilla, LLC*, 500 F.3d 1222 (10th Cir. 2007) (affirmed denial of preliminary injunction under the clearly erroneous standard).

The Third Circuit is similar to the foregoing, but remands if the relevant factors are not “weighed and balanced one against the other.” Compare *A & H Sportswear, Inc.*, 237 F.3d at 210 (“We review the District Court’s factual determinations for clear error, but we give plenary review to its legal conclusions.”) with *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 182-83 (3d Cir. 2010) (“None of these factors is determinative in

the likelihood of confusion analysis and each factor must be weighed and balanced one against the other.”) (quoting and citing *Checkpoint Sys. v. Check Point Software Tech.*, 269 F.3d 270, 280 (3d Cir. 2001)).

This Court has stated that a “Court of Appeals was bound by the ‘clearly erroneous standard of Rule 52(a)’” in a trademark analysis, but noted that “a mistaken impression of applicable legal principals” does not bind a reviewing court to the clearly erroneous standard. *Inwood Laboratories v. Ives Laboratories*, 456 U.S. 844, 855 (1982).

However, this Court has previously declined to resolve the split of authority as to whether the likelihood of confusion finding is a question of fact or a legal conclusion. *See, e.g., Elby’s Big Boy v. Frisch’s Restaurants*, 459 U.S. 916, 916-17 (1982) (White, J., dissenting, citing examples of conflicting circuit court decisions and noting he wanted the conflict resolved); *Euroquilt, Inc. v. Scandia Down Corp.*, 475 U.S. 1147 (1986) (same); *Enco Mfg. Co. v. Clamp Mfg. Co.*, 493 U.S. 872 (1989) (same); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993), cert. denied, 510 U.S. 908 (1993).

In *Hana Financial, Inc. v. Hana Bank*, this Court did not confront the issue directly, but indicated that consumer perception is a factual issue.

Application of a test that relies upon an ordinary consumer’s understanding of the impression that a mark conveys falls comfortably within the ken of a jury... *See, e.g., United States v. Gaudin*, 515 U.S. 506, 512 [] (1995) (recognizing that “‘delicate assessments of the inferences

a “reasonable [decisionmaker]” would draw ... [are] peculiarly one[s] for the trier of fact” (quoting *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 450 [] (1976); first alteration in original)); *id.*, at 450, n. 12 [] (observing that the jury has a “unique competence in applying the ‘reasonable man’ standard”); *Hamling v. United States*, 418 U.S. 87, 104–105 [] (1974) (emphasizing “the ability of the juror to ascertain the sense of the ‘average person’ ” by drawing upon “his own knowledge of the views of the average person in the community or vicinage from which he comes” and his “knowledge of the propensities of a ‘reasonable’ person”); *Railroad Co. v. Stout*, 17 Wall. 657, 664 [] (1874) (“It is assumed that twelve men know more of the common affairs of life than does one man, [and] that they can draw wiser and safer conclusions from admitted facts thus occurring than can a single judge”).

574 U.S. 418, 422-23 (2015).

Separating factual from legal questions is difficult but required by Rule 52(a). There is a split as to whether the factor analyses and the ultimate finding of a likelihood of confusion is a factual finding or legal conclusion. *See also, cf. Teva Pharma. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318, 326 (2015) (“A conclusion that an issue is for the judge does not indicate that Rule 52(a) is inapplicable.”). This Court is uniquely and solely able to address and resolve this, and thereby provide courts, practitioners, and, most importantly, trademark owners a predictable process to provide consistent results, one which meets the single federal legal standard.

CONCLUSION

In this trademark case, three sequential decisions analyzed differing combinations of factors and evidence, applying different legal standards. Three different applications of the law to the facts resulted in three different likelihood of confusion analyses. Courts cannot meet the same statutory legal standard if they can choose which factors support their opinion, many knowing that their factor analyses and ultimate finding of a likelihood of confusion will be given great deference and reviewed only for clear error – errors which can include no analysis. As evidenced by the inconsistent analyses in this case, the problem has worsened since this Court was asked to reconcile this long ago. Trademark decisions should explain each factor’s analysis (or why a factor requires no analysis) and the balancing of those factors. That way, reviewing courts and practitioners can understand the reasoning. This is the only court which can correct these timeworn inconsistencies. For these reasons, it is respectfully requested that certiorari be granted.

Respectfully submitted,

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APPENDIX

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**APPENDIX A — OPINION OF THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT,
FILED SEPTEMBER 12, 2023**

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 22-1950

GRUBHUB INC. and TAKEAWAY.COM
CENTRAL CORE B.V.,

Plaintiffs-Appellees,

v.

RELISH LABS LLC and THE KROGER CO.,

Defendants-Appellants.

Appeal from the United States District Court for the
Northern District of Illinois, Eastern Division.
No. 1:21-cv-5312 — Charles R. Norgle, *Judge.*

Argued November 30, 2022 – Decided September 12, 2023

Before WOOD, JACKSON-AKIWUMI, and LEE, *Circuit
Judges.*

LEE, *Circuit Judge.* Grubhub Inc. and Takeaway.com
Central Core B.V. (collectively, “Grubhub”) brought this
suit seeking a declaratory judgment that their logo does
not infringe the trademarks of Relish Labs LLC and The

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Kroger Company (collectively, “Home Chef”). Roughly one month later, Home Chef sought a preliminary injunction to enjoin Grubhub from using the logo. A magistrate judge recommended granting the injunction, but, upon review of Grubhub’s objections, the district court rejected that recommendation and denied the injunction. Because we cannot say on this record that the district court clearly erred in concluding that Home Chef failed to show that consumers are likely to confuse its marks with Grubhub’s logo when purchasing Home Chef’s products, we affirm.

I. BACKGROUND**A. Home Chef**

Since its inception in the basement of a Chicago apartment in 2013, Home Chef has curated meals and food products for its customers. According to its owner, Home Chef’s business has been “creating and delivering meal kits for customers, including fresh, pre-portioned ingredients and easy-to-follow recipes, to help customers prepare and enjoy meals anyone can cook.” In 2018, Home Chef merged with The Kroger Co. (“Kroger”). Kroger operates over 2,700 supermarkets under at least two dozen store names throughout the United States. The merger with Kroger allowed Home Chef to expand the availability of its meal kits and products nationwide. It delivers them directly to customers and offers them for sale in Kroger stores, through Kroger’s website and mobile app, as well as through food delivery services such as DoorDash and Instacart. Today, Home Chef offers more than 500 products across a variety of categories including

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meal kits, heat-and-eat meals, ready-to-eat products, and seasonal meals.

In 2014, Home Chef began using its “HC Home Mark,” which is protected by five federal trademark registrations: three for the HC Home Mark, alone, and two for the HC Home Mark accompanied with the “HOME CHEF” trade name (the “Home Chef Home Logo”). None of Home Chef’s marks are limited as to color.



HC Home Mark



Home Chef Home Logo

Home Chef has spent more than \$450 million on marketing and advertising using its marks to promote its products as convenient, low-cost alternatives to restaurant takeout. In October 2021, Home Chef reached \$1 billion in annual sales.

B. Grubhub

Grubhub is a leading online food-ordering and delivery marketplace. Founded in 2004, Grubhub has connected more than 32 million diners with food from over 300,000 restaurants across the United States. In 2020 alone, Grubhub provided nearly \$9 billion in gross food sales to these restaurants, processing more than 745,000 daily

Appendix A

orders through its website and mobile app. Its services include, for example, on-demand order management and dispatching, procurement and development of restaurant-dedicated products, and onboarding delivery couriers. Grubhub owns numerous trademark registrations covering the GRUBHUB name and stylized variations.

On June 15, 2021, Grubhub was acquired by Netherlands-based Just Eat Takeaway.com (“JET”). JET owns many food-delivery brands worldwide and combines its “JET House Mark” with local brand names when conducting business in various countries. JET has used the JET House Mark in connection with its business since 2014.



In July 2020, roughly one year prior to finalizing its acquisition of Grubhub, JET filed an international trademark application for the JET House Mark, designating the United States as a country where it sought protection. In early 2021, the USPTO trademark examiner preliminarily rejected JET’s application in a non-final office action, finding, among other things, that the JET House Mark is “highly similar” and “confusingly similar” to the HC Home Mark and Home Chef Home Logo. JET did not respond to the merits of the non-final office action, and in August 2021, affirmatively withdrew

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its U.S. trademark application. The application was deemed abandoned.

As part of its acquisition of Grubhub, JET adopted the “Grubhub House Logo,” which combines the well-known GRUBHUB word mark with the JET House Mark. Grubhub also began using the “Seamless House Logo,” which combines the JET House Mark with the SEAMLESS and GRUBHUB word marks.¹



Grubhub House Logo



Seamless House Logo

Like Home Chef, Grubhub has made significant investments in its branding. Grubhub first introduced the Grubhub House Logo at Chicago’s Lollapalooza music festival in July 2021, with a broader rollout one month later. Grubhub has invested millions of dollars in rebranding its print and electronic materials across its entire business platform, and tens of thousands of its restaurant partners use the Grubhub House Logo. In the time between the July 2021 launch of the logo and Home Chef’s motion for preliminary injunction, Grubhub processed over 72 million orders under its new logo.

1. Seamless is a subsidiary of Grubhub. According to Grubhub, the Seamless brand is being phased out, but as of today, it still exists.

*Appendix A***C. District Court Proceedings**

After receiving a cease-and-desist letter from Home Chef demanding that Grubhub stop using any form of the JET House Mark, Grubhub brought suit for a declaratory judgment that the Grubhub House Logo did not infringe any of Home Chef's marks. Roughly one month later, in early November 2021, Home Chef responded with a motion for a preliminary injunction. The case was referred to a magistrate judge who held a telephonic hearing on Home Chef's motion. Although no live testimony was taken, the judge questioned the parties and heard arguments for nearly three hours. The magistrate judge subsequently issued his Report and Recommendation (the "R&R"), recommending that the district court grant Home Chef preliminary injunctive relief.

Grubhub timely filed its objections to the R&R. After reviewing the contested portions of the R&R *de novo*, see 28 U.S.C. § 636(b)(1), the district court sustained each of Grubhub's objections, rejected the magistrate judge's recommendation, and denied Home Chef's preliminary injunction motion. Home Chef appeals.

II. LEGAL STANDARD

A preliminary injunction may be granted where a movant shows that it is likely to succeed on the merits of its claims and that traditional legal remedies would be inadequate, such that it would suffer irreparable harm without injunctive relief. *Life Spine, Inc. v. Aegis Spine, Inc.*, 8 F.4th 531, 539 (7th Cir. 2021). A likelihood

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of success on the merits must exceed “a mere possibility of success.” *Id.* at 540 (quoting *Ill. Republican Party v. Pritzker*, 973 F.3d 760, 762 (7th Cir. 2020)). As we made clear in *Pritzker*, “an applicant for preliminary relief bears a significant burden, even though the Court recognizes that, at such a preliminary stage, the applicant need not show that it definitely will win the case.” 973 F.3d at 763. Thus, while a movant need not prove its claims at this stage by a preponderance of the evidence, it must demonstrate at a minimum how it proposes to prove the key elements of its case. *Id.* In the context of trademark law, once the movant establishes a likelihood of success on the merits, it is statutorily entitled to a rebuttable presumption of irreparable harm. 15 U.S.C. § 1116(a).

Upon a showing of these threshold issues, the court weighs the harm of denying an injunction to the movant against the harm of granting an injunction to the nonmovant. This is done using a sliding scale—the greater the movant’s likelihood of success on the merits, the less the harms need be in its favor. *Life Spine*, 8 F.4th at 539. The court also considers the public interest. *Id.*

On appeal, we review a district court’s decision to grant or deny a preliminary injunction for abuse of discretion. *Id.* Its legal conclusions are reviewed *de novo*, and its factual findings for clear error. *Id.* Absent any such errors, the district court’s decision is afforded “great deference.” *Id.* (quoting *Speech First, Inc. v. Killeen*, 968 F.3d 628, 638 (7th Cir. 2020)).

*Appendix A***III. DISCUSSION****A. Trademark Infringement Generally**

The purpose of trademark law is twofold. Most fundamentally, it protects consumers, ensuring they can be confident in making purchasing decisions based on marks they know and trust. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782 n.15, 112 S. Ct. 2753, 120 L. Ed. 2d 615 (1992) (Stevens, J., concurring). But trademark law also protects trademark owners who have spent the time, energy, and resources in presenting a product or service, ensuring that those investments are protected from misappropriation by “pirates and cheats.” *Id.*; *see Ameritech, Inc. v. Am. Info. Techs. Corp.*, 811 F.2d 960, 964 (6th Cir. 1987).

The ultimate question underlying trademark infringement is whether consumers are likely to be confused about the *origin* of products or services based on the promotion of those products or services using a particular mark. *See Hesmer Foods, Inc. v. Campbell Soup Co.*, 346 F.2d 356, 359 (7th Cir. 1965); *see also New W. Corp. v. NYM Co. of Cal.*, 595 F.2d 1194, 1201 (9th Cir. 1979). Accordingly, to succeed on a trademark infringement claim, the claimant must show that it owns a valid, protectable trademark and that there is a likelihood of confusion caused by the alleged infringer’s use of the disputed mark. *SportFuel, Inc. v. PepsiCo, Inc.*, 932 F.3d 589, 595 (7th Cir. 2019); *see* 15 U.S.C. § 1114(1).

We recognize two theories of confusion: forward confusion and reverse confusion. Forward confusion—

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long recognized in trademark law—occurs when consumers mistakenly believe that a junior (or newer) user’s products or services are from the same source or somehow connected to a senior (or prior) user’s products or services. *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 957 (7th Cir. 1992) (“*Quaker Oats*”). A classic example of forward confusion lies where a consumer mistakenly believes that a counterfeit purse she buys is from her favorite Parisian fashion house because the fabric or buckle of the purse features the well-known mark of that fashion house. In such a scenario, the senior user (the Parisian fashion house) is injured because the junior user (the counterfeiter) capitalizes on the good will and established reputation of the fashion house to palm off a cheap and inauthentic product.

Reverse confusion is a newer theory that we first recognized in *Quaker Oats*. 978 F.2d at 957-58; *contra Westward Coach Mfg. Co. v. Ford Motor Co.*, 388 F.2d 627, 634-35 (7th Cir. 1968) (holding reverse confusion not actionable under Indiana law). Under this theory, confusion occurs when “a large junior user saturates the market with a trademark similar or identical to that of a smaller, senior user,” thereby overwhelming the senior user. *Quaker Oats*, 978 F.2d at 957. As a result, consumers mistakenly believe that the products or services of the senior user are actually those of the junior user. *Id.* Going back to our earlier hypothetical, consider the following: a local fashion boutique sells purses and other accessories, featuring the initials of the store owner, Lewis Vaughn. The boutique sells the bags for many years, and the local clientele understands the mark to be associated with the boutique. But then, a dominant, well-known Parisian

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fashion house adopts a confusingly similar logo using the same initials and begins advertising and selling bags under this mark, inundating the local market. Even though the Parisian fashion house is not intentionally capitalizing on the good will and established reputation of the local boutique, the boutique is nevertheless harmed because its customers now mistakenly believe it has somehow become connected to or affiliated with the fashion house. As a result, the boutique (the senior user) “loses the value of its trademark—its product identity, corporate identity, control over its goodwill and reputation, and ability to move into new markets.” *Id.* (quoting *Ameritech, Inc.*, 811 F.2d at 964).

Home Chef argues that there is a likelihood of confusion between its marks and Grubhub’s logo under both theories. The magistrate judge recommended granting the injunction based on reverse confusion, acknowledging that the results were mixed with respect to Home Chef’s forward confusion theory. But the district court determined that there was an insufficient showing of a likelihood of confusion under both theories and denied the injunction.

Whether consumers are likely to be confused about the origin of an alleged infringer’s products or services is a question of fact. *Rust Env’t & Infrastructure, Inc. v. Teunissen*, 131 F.3d 1210, 1216 (7th Cir. 1997). Accordingly, our review is deferential, evaluating the district court’s conclusions for clear error. *Id.*; see *Ty, Inc. v. Jones Grp., Inc.*, 237 F.3d 891, 898 (7th Cir. 2001). A finding of fact is clearly erroneous only if, based on the evidence as a

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whole, we are “left with the definite and firm conviction that a mistake has been committed.” *Rust*, 131 F.3d at 1216 (quotation marks and citation omitted). If the district court’s “account of the evidence is plausible in light of the record viewed in its entirety, the court of appeals may not reverse it even though convinced that had it been sitting as the trier of fact, it would have weighed the evidence differently.” *Id.* (quotation marks and citation omitted).

With this framework in mind, we move to the merits.

B. Accused Mark

There is no dispute that Home Chef owns valid, protectable trademarks in the HC Home Mark and Home Chef Home Logo—the first element of a claim for trademark infringement. Accordingly, the likelihood of success of Home Chef’s infringement claims depends entirely on whether there is a likelihood of confusion between its marks and the accused mark.

But before we can reach the likelihood of confusion analysis, we must resolve a fundamental dispute between the parties: which of Grubhub’s marks is *the* accused mark. Home Chef purports to accuse the JET House Mark. But Grubhub submits that, because its use of the JET House Mark is always in combination with the GRUBHUB brand name, the accused mark is the Grubhub House Logo.

The district court agreed with Grubhub, and it did not commit clear error in doing so. Although Home Chef focuses its analysis on the JET House Mark, Grubhub has

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not used this mark absent the GRUBHUB brand name within the United States.² Home Chef’s arguments to the contrary are unconvincing. For example, Home Chef points to tailored screenshots of Grubhub’s website and mobile app where the JET House Mark appears to be used alone. But Home Chef fails to acknowledge that, even if the mark does not appear with the GRUBHUB brand name in these instances, GRUBHUB is nevertheless prominently displayed elsewhere on the website and mobile app’s landing page. Trademark law does not protect “those buyers who do not buy on the basis of marks and who choose to buy the goods or services at issue on the basis of some other criteria.” 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:94 (5th ed. 2023) (“McCarthy”).³ Accordingly, in the instances Home Chef cites, where a consumer has sought out Grubhub’s services by visiting www.grubhub.com or

2. We acknowledge a single instance in the record where Grubhub used the JET House Mark without connection to the GRUBHUB brand name: a November 1, 2021, screenshot of the Seamless mobile app icon, which combined the JET House Mark with only the SEAMLESS brand name (*i.e.*, it did not include the “Powered by GRUBHUB” tag as used in the Seamless House Logo). But there is insufficient evidence in the record to support a likelihood of confusion finding for this use. And Home Chef does not meaningfully engage with this use other than bringing it to the Court’s attention. Accordingly, as the party charging infringement, Home Chef did not meet its burden as to this mark. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117-18, 125 S. Ct. 542, 160 L. Ed. 2d 440 (2004).

3. Because McCarthy uses consecutive section numbering across volumes, subsequent citations to McCarthy herein are designated by section number only.

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by tapping the mobile app icon marked as “GRUBHUB,” it is difficult to see how, in this context, she could be confused into thinking that she was purchasing Home Chef-affiliated products solely based on the appearance of the JET House Mark on the platform. That consumer is not choosing Grubhub’s services based on its mark, rather her decision to use Grubhub was already made before visiting the website or app. Thus, we are not convinced that this evidence supports a finding that the accused mark is the JET House Mark and agree with the district court’s determination that the accused mark at issue is the Grubhub House Logo.⁴ And so, we are left with:

**C. Likelihood of Confusion**

Proceeding to the likelihood of confusion analysis, “we ask whether consumers who might use either product [or service] would likely attribute them to a single source.”

4. The Seamless House Logo is subject to the same likelihood of confusion analysis because that mark also includes the GRUBHUB brand name.

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Uncommon, LLC v. Spigen, Inc., 926 F.3d 409, 425 (7th Cir. 2019). To answer this question, we consider seven factors, none of which is dispositive:

- (1) similarity of the marks in appearance and suggestion;
- (2) similarity of the products;
- (3) the area and manner of concurrent use;
- (4) the degree of care likely to be exercised by consumers;
- (5) the strength of the senior user's mark;
- (6) existence of actual confusion; and
- (7) the intent of the defendant to "palm off" its product as that of another.

See id. "Courts may assign varying weight to each of the factors depending on the facts presented, though usually the similarity of the marks, the defendant's intent, and actual confusion are particularly important." *AutoZone, Inc. v. Strick*, 543 F.3d 923, 929 (7th Cir. 2008). Home Chef disputes the district court's determination as to these three "particularly important" factors, each of which the district court found to weigh against a finding of a likelihood of confusion. *See id.*

Although Home Chef has advanced both forward and reverse theories of confusion, we focus our attention on

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the latter. Not only is reverse confusion the dominant theory the parties present to us, but we agree with the district court that Home Chef did not make a particularly strong showing that its forward confusion theory would prevail. Based on the current record, we do not see how a consumer interacting with the Grubhub House Logo could reasonably believe that she was engaging with Home Chef, particularly where the accused mark prominently features Grubhub’s own brand name.⁵ *Sullivan v. CBS Corp.*, 385 F.3d 772, 778 (7th Cir. 2004) (“Although the marks are similar, the prominent display of different names on the marks reduces any likelihood of confusion.”); *Packman v. Chi. Trib. Co.*, 267 F.3d 628, 645 (7th Cir. 2001) (“All of [accused infringer’s] products ... prominently display the well-known [mark], providing a strong indication that there is no likelihood of confusion.”); *Ziebart International Corp. v. After Market Associates, Inc. Inc.*, 802 F.2d 220, 227 (7th Cir. 1986) (collecting cases holding that the “[p]rominent display of different names on the marks ... reduce[s] the likelihood of confusion”); *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981) (same).

1. Similarity of the Marks

Focusing then on Home Chef’s claim of reverse confusion, the first factor in the likelihood of confusion

5. We emphasize that this conclusion is based on the record before us at this preliminary stage. We do not intend to suggest that Home Chef’s forward confusion theory is necessarily futile to the extent that it can be supported with sufficient evidence if and when the case proceeds.

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analysis looks at the similarity between the marks. When evaluating a mark, we must keep in mind that “[t]he commercial impression of a trade-mark is derived from it as a whole, not from its elements separated and considered in detail.” *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 545-46, 40 S. Ct. 414, 64 L. Ed. 705, 1920 Dec. Comm’r Pat. 471 (1920). Accordingly, to determine whether two marks are similar in appearance and suggestion, we “compare the marks in light of what happens in the marketplace and not merely by looking at the two marks side-by-side.” *AutoZone*, 543 F.3d at 930 (quotation marks and citations omitted); see *Meridian Mut. Ins. Co. v. Meridian Ins. Grp., Inc.*, 128 F.3d 1111, 1115 (7th Cir. 1997) (“it is inappropriate to focus on minor stylistic differences to determine if confusion is likely” when the marks are not usually encountered together). To that end, “the test is not whether the public would confuse the *marks*, but whether the viewer of [a] mark would be likely to associate the product or service with which it is connected with the source of products or services with which [another] mark is connected.” *James Burrough Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 275 (7th Cir. 1976) (emphasis added).

The district court gave little weight to the USPTO’s determination and found that the marks were not sufficiently similar, concluding that this factor did not support a likelihood of confusion finding. Home Chef argues that the district court only reached this conclusion after “painstakingly dissect[ing] the marks” in a side-by-side comparison, which is contrary to the applicable law. This argument, however, suffers from several flaws.

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First, Home Chef is correct that a court must do more than merely compare the competing marks side-by-side; rather, it must consider how a potential consumer would view them in the marketplace. *See Ty*, 237 F.3d at 898. But the district court did this. In addition to comparing the various attributes of the two marks, the court also examined how consumers would consider them as a whole, finding that because the Grubhub House Logo combined the house design with the strong GRUBHUB word mark, the word mark became the more salient portion of the logo, thereby differentiating the accused mark from Home Chef's marks. *See Ty, Inc.*, 237 F.3d at 898 (“[I]f one word or feature of a composite trademark is the salient portion of the mark, it may be given greater weight than the surrounding elements.”) (citation omitted). In other words, it found Grubhub's use of its brand name in the Grubhub House Logo more likely to mitigate reverse confusion than to aggravate it, particularly where both parties have well-established, highly recognizable brands.

Nevertheless, Home Chef contends that the district court, when assessing its reverse confusion theory, placed too much weight on the presence of the GRUBHUB word mark in the Grubhub House Logo. Generally, the analysis of the similarity factor is no different under reverse or forward confusion; under either theory a court may assess the similarity of the sound, sight, or meaning of the marks. *See Henri's Food Prods. Co., Inc. v. Kraft, Inc.*, 717 F.2d 352, 356 (7th Cir. 1983); *see generally* McCarthy § 23:10. But, as the Third Circuit has recognized, “in the reverse confusion context, the presence of [brand names] must obviously be treated differently than in the [forward]

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confusion context.” *A & H Sportswear*, 237 F.3d at 229-30. This makes sense. Home Chef’s reverse confusion theory is that, when consumers come across products or services bearing its HC Home Mark (which, as you may recall, does not include the Home Chef brand name), they will mistakenly believe that the products or services belong to Grubhub due to the strength of the GRUBHUB word mark. Thus, while the presence of the Grubhub name might alleviate forward confusion (that is, believing a Grubhub product is one made by Home Chef), it plays a lesser role in reverse confusion when the consumer would not see Grubhub’s name when encountering a Home Chef product.

This is not the first time that we have encountered an argument by a trademark claimant that the appearance of an accused infringer’s well-known brand name does not allay the confusion caused by otherwise similar marks. But, in those cases, the junior user’s accused marks and products were “virtually identical” to those of the senior user. *Quaker Oats*, 978 F.2d at 959. For example, in *Quaker Oats*, the large, junior user began selling an isotonic beverage with the tagline “Gatorade is Thirst Aid.” *Id.* at 949-51. The senior user—a small, Vermont-based company—had three federal trademark registrations for “THIRST-AID,” which it had also used to market an isotonic beverage. *Id.* Under those circumstances, we concluded that it was “precisely the strong association between Gatorade and ‘Thirst Aid’ created by Quaker’s [Gatorade] ads that [was] likely to create confusion.” *Id.* at 960.

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Similarly, in *International Kennel Club of Chicago v. Mighty Star, Inc.*, 846 F.2d 1079 (7th Cir. 1988), we held that the accused infringer's use of its brand name, "24K Polar Puff," along with the phrase "International Kennel Club" was a "smoke screen" because the phrase was indistinguishable from the senior user's name, "International Kennel Club of Chicago." *Id.* at 1088. And, in *A.J. Canfield Co. v. Vess Beverages, Inc.*, we affirmed the district court's entry of a preliminary injunction against an accused infringer that used its brand name "VESS" in conjunction with "Chocolate Fudge" to sell carbonated diet chocolate sodas. 612 F. Supp. 1081, 1091 (N.D. Ill. 1985), *aff'd*, 796 F.2d 903 (7th Cir. 1986). There, the senior user had trademark protection for the use of "Chocolate Fudge," which it too used to market chocolate-flavored soft drinks. *Id.* at 1083. The district court determined that the infringer's use of its brand name was not a defense because "the use of another's trademark constitutes infringement with or without the use of the infringer's housemark." *Id.* at 1091.

On the other end of the spectrum sits *Ziebart*, where we determined that there was no likelihood of confusion between the marks of two competitors who both sold vehicular rustproofing compounds under marks each featuring a depiction of a knight's helmet. 802 F.2d at 224. In reaching this conclusion, we observed that the marks used different colors, but focused principally on the "[p]rominent display" of each party's brand name on its respective mark. *Id.*, 802 F.2d at 226-27.

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This case falls somewhere in the middle. On the one hand, unlike *Quaker Oats*, *Mighty Star*, and *A.J. Canfield*, this case involves more than mere word marks, and the house design in the Grubhub House Logo is neither “virtually identical” to the Home Chef house design nor used to promote “virtually identical” products and services. That is, Grubhub did not take the exact HC Home Mark and simply add “GRUBHUB” underneath it, and it does not use its mark to sell meal kits, heat-and-eat meals, ready-to-eat products, and seasonal meals, like Home Chef. But this case is not directly analogous to *Ziebart* either, because the two marks—though not identical—are conceptually similar, and Home Chef does not always use the Home Chef brand name with its mark. The magistrate judge found this case to be closer to *Quaker Oats*, while the district court found it to be closer to *Ziebart*. Short of attorney argument, evidence in the record that Grubhub has or will so overwhelm the market such that consumers will begin associating the HC Home Mark with Grubhub is sparse, at best. Because the available facts are in rough equipoise, we cannot say that the district court clearly erred in determining that Home Chef failed to show that the similarity of the marks favored a finding of a likelihood of confusion.

Second, Home Chef also faults the district court for not giving substantial weight to the USPTO’s determination. But the district court did not clearly err in according it little weight. The non-final office action was only a preliminary determination as to the registrability of the JET House Mark. It says little about the similarity of the Grubhub House Logo and Home Chef’s marks. Moreover, there was no conclusive determination as to the registrability

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of the mark. JET chose to abandon its application shortly after the USPTO issued its office action. Home Chef points to no case law, and we are aware of none, that imposes an adverse inference or presumption of similarity where a party voluntarily abandons its trademark application following an unfavorable preliminary USPTO determination. And, as several of our sister circuits have noted, USPTO determinations are often of limited value in the infringement analysis when they lack the benefit of the fuller record developed before the district court, such as evidence about the way marks are actually used in the marketplace. *See Progressive Distrib. Servs., Inc. v. United Parcel Serv., Inc.*, 856 F.3d 416, 427 (6th Cir. 2017); *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 220-21 (3d Cir. 2000); *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970). This is not to say that USPTO preliminary determinations are never useful, but the district court's decision to accord it little weight in this case was not clearly erroneous.

2. Strength of Grubhub's Mark

The parties do not separately brief the strength of Grubhub's mark on appeal because Grubhub did not object to the magistrate judge's conclusion that the strength-of-the-mark factor supported a likelihood of reverse confusion. As a general rule, in such a case, we typically would not review that conclusion on appeal. *See Johnson v. Zema Sys. Corp.*, 170 F.3d 734, 739 (7th Cir. 1999) ("If a party objects [to an R&R] in the district court on some issues and not others, he waives appellate review of the issues to which he has not objected."). But because Home Chef has discussed the strength of the GRUBHUB word

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mark at all levels of review—albeit not expressly in connection with this particular factor—we conclude that addressing the issue “cause[s] no one ... any harm of which the law ought to take note.” *Allen v. City of Chicago*, 865 F.3d 936, 944 (7th Cir. 2017) (citation omitted). This is especially true given that the strength-of-the-mark factor is so intricately connected to the similarity-of-marks factor, as noted above.

This factor requires consideration of both the commercial and conceptual strength of the mark. *See* McCarthy § 11:80.⁶ In *Quaker Oats*, we stated that, in a reverse confusion case, “it may make more sense to consider the strength of the mark in terms of its association with the junior user’s goods.” 978 F.2d at 959. Put another way, we do not consider the strength of the junior user’s mark in isolation, but in its ability to *overpower* the senior user’s mark. *See* McCarthy § 23:10. Indeed, implicit in Home Chef’s arguments is that the Grubhub House Logo—which uses the GRUBHUB word mark—is *stronger* than its marks; that Grubhub’s saturation of (or ability to saturate) the market with its logo is likely to lead consumers to believe the HC Home Mark connotes a Grubhub service.

Because a consumer who first encounters a particular mark used in connection with a set of goods is likely to continue associating that mark with those goods, *see A &*

6. Because the parties focused on the economic and marketing strength of the marks—*i.e.*, the commercial strength—when briefing this factor in the district court, so will we. *See AutoZone*, 543 F.3d at 933 (7th Cir. 2008) (“The strength of a mark usually corresponds to its economic and marketing strength.”) (citation omitted).

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H Sportswear, 237 F.3d at 230, the relative prevalence of those marks in the marketplace typically will determine whether the confusion a consumer experiences is forward or reverse. *Id.* As the Third Circuit aptly explained:

[I]f one manufacturer—junior or senior—expends tremendous sums in advertising while the other does not, consumers will be more likely to encounter the heavily advertised mark first. Where the greater advertising originates from the senior user, we are more likely to see a case of direct confusion; if the greater advertising originates from the junior user, reverse confusion is more likely.

Id. In a prototypical reverse confusion case, a senior user with a commercially weaker mark is pitted against a junior user with a far stronger mark. Accordingly, instead of considering the commercial strength of the junior’s mark in isolation, we look to its *relative* strength as compared to that of the senior, “because it is the strength of the larger, junior user’s mark which results in reverse confusion.” *Id.* at 231 (quoting *Com. Nat’l Ins. Servs., Inc. v. Com. Ins. Agency, Inc.*, 214 F.3d 432, 444 (3d Cir. 2000)).

This is not such a prototypical case. Home Chef has spent over \$450 million on advertising and has sold billions of dollars of products under its marks, which it has used to market products to millions of customers nationwide since 2014. It has received significant press coverage and accolades for its top customer service, and in 2021, Home Chef reached \$1 billion in annual sales. It is hard to see how the HC Home Mark (let alone the HC Home Logo

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which prominently features the HOME CHEF brand name) is at risk of being so overwhelmed by Grubhub's use of the Grubhub House Logo that consumers are likely to begin associating Home Chef's products with Grubhub. Home Chef's own arguments as to the notable strength of its marks to support its forward confusion theory only underscore this point.

To be sure, Grubhub is not a weak junior user. Grubhub too has invested millions of dollars in its Grubhub House Logo and reached \$1.8 billion in sales revenue in 2020. As such, Grubhub is in a position where it *could* overwhelm a senior user's mark. But it is not our role to weigh the evidence anew. Based on this record, we are not convinced that the district court clearly erred when finding that Home Chef failed to present sufficient evidence that consumers do or will believe that products sold using a mark in which Home Chef has invested hundreds of millions of advertising dollars are associated with Grubhub. *See, e.g., Procter & Gamble Co. v. Colgate-Palmolive Co.*, No. 96 Civ. 9123 (RPP), 1998 U.S. Dist. LEXIS 17773, 1998 WL 788802, at *65 (S.D.N.Y. Nov. 9, 1998), *aff'd*, 199 F.3d 74 (2d Cir. 1999) ("Given the size, financial strength and presence of P & G in the region, the relative spending levels for CREST and COLGATE advertising in China, the high consumer awareness of the CREST brand and of P & G generally, and the minimal evidence of direct confusion between CREST and COLGATE, reverse confusion also is not found.").⁷

7. Home Chef argues that this conclusion will encourage large junior users to expropriate small senior users' lesser known trademarks. While this is a reasonable point, evaluation of such an

*Appendix A***3. Actual Confusion**

Evidence of actual confusion, which can be presented as either direct or survey evidence, is not essential to a finding of a likelihood of confusion, but where present it “is entitled to substantial weight.” *CAE, Inc. v. Clean Air Eng’g, Inc.*, 267 F.3d 660, 685 (7th Cir. 2001). That said, depending on the factual circumstances, isolated incidents of actual confusion may be disregarded as *de minimis*. *Packman*, 267 F.3d at 645 (7th Cir. 2001) (collecting cases). As the factfinder at the preliminary injunction stage, it is within the district court’s purview to weigh the evidence submitted by the parties on this issue. We may not reverse so long as “the district court’s account of the evidence is plausible in light of the record viewed in its entirety.” *Rust*, 131 F.3d at 1216.

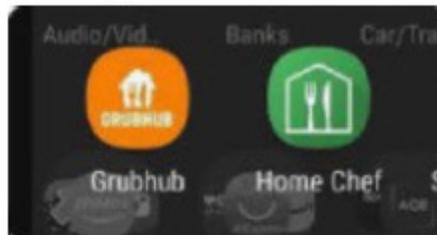
Home Chef relies on two instances of actual confusion. First, it points to an anonymous tweet featuring a side-by-side screenshot of the parties’ mobile app icons that reads: “So uh why did grubhub make their app icon look like a stylized orange version of home chef..? Even the utensils are almost exactly the same..” We agree with the district court that this evidence carries little, if any, weight. As an initial matter, Home Chef does not allege that the author was a Home Chef or Grubhub customer.

argument is more appropriately addressed when considering the intent factor in the likelihood of confusion analysis. And, as we will see below, there is little evidence that Grubhub sought to divert any business from Home Chef or otherwise overwhelm Home Chef’s position in the marketplace through its adoption of the Grubhub House Logo.

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See Packman, 267 F.3d at 645 (instances of confusion that are not attributable to the applicable consumer group are entitled to less weight); *CAE, Inc.*, 267 F.3d at 686 (same). But more fundamentally, as the district court observed, the author of the tweet was not actually confused by the marks. Recognizing that the corporations were distinct, the author merely noted the bare similarities between the two marks. This does little to demonstrate actual confusion.

Home Chef also cites to a Facebook message it received from one of its customers. The customer asked: “Did you and Grub Hub merge or come to some sort of mutual deal, because I had to take a double take today when my Grub Hub app updated,” sharing a screenshot of the Grubhub and Home Chef mobile apps:



This message certainly warrants more scrutiny than the previous tweet. But the district court’s decision not to give it significant weight was not unreasonable.

First, as the district court noted, the Facebook message represented just one of millions of customers who would have been exposed to Grubhub’s new logo

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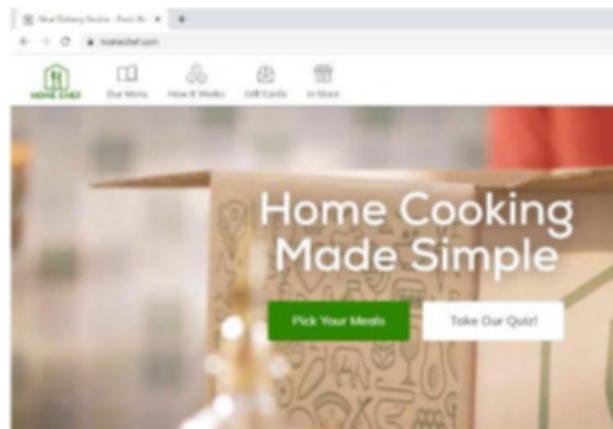
following its expansive rebranding in 2021. Second, a customer inquiry is markedly different from evidence that a customer had ordered a meal from Home Chef thinking it was Grubhub and, on its own, falls short of proving actual confusion. *See* McCarthy § 23:16 (“[W]hile enquiry evidence is admissible and relevant, standing alone with no other evidence it is insufficient proof of actual confusion.”); *see also* Restatement (Third) of Unfair Competition § 23 (1995) (“Evidence of inquiries by customers as to whether the plaintiff and the defendant are associated ... may not establish the existence of actual confusion if the nature of the inquiries indicates that consumers perceive a difference between the designations and are skeptical of the existence of a connection between the users.”).

On the other side of the ledger, the district court had Grubhub’s two consumer surveys. Employing the *Eveready* format,⁸ one survey evaluated the risk of forward confusion, and the other of reverse confusion. Relevant for our purposes, the reverse confusion survey exposed 300 actual or prospective consumers of home-delivered meal kits or ready-to-eat meals to Home Chef’s marks as they appeared on its mobile app or its website

8. Named after the survey used in *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366 (7th Cir. 1976), the survey format tests the association consumers have with the trademarks in question without showing them the trademarks side-by-side. “In cases involving strong marks, the Eveready test should be considered the gold standard for fundamental cognitive and marketing reasons.” McCarthy § 32:174 (quoting J.B. Swann, *Likelihood of Confusion Studies and the Straightened Scope of Squirt*, 98 Trademark Rep. 739, 746 (2008)).

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for a minimum of ten and thirty seconds, respectively. Respondents viewing either platform were exposed to both the Home Chef Home Logo and the HC Home Mark, although the latter was in close proximity to the “Home Chef” word mark, as shown in the example images below.



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None of the images used in the survey exhibited the Home Chef Home Logo or the HC Home Mark in isolation without the context of the other content on the platform. *See* McCarthy § 32:163 (“The closer the survey methods mirror the situation in which the ordinary person would encounter the trademark, the greater the evidentiary weight of the survey results.”).

Following exposure to the images, the respondents were asked an open-ended question: “What company do you think offers the app/service we just showed you, if you have an opinion?” Of the 300 respondents, 204 (or 68%) responded, “Home Chef.” Zero respondents answered with “Grubhub.”⁹ Respondents then were asked the open-ended question: “Do you think the app/service we showed you is affiliated with, or sponsored or approved by, any other company?” Of the 300 respondents, 53 (or 18%) answered in the affirmative, but zero identified Grubhub as the affiliated company.¹⁰ Based on these data, Grubhub’s expert concluded that “[t]he fact that no respondents out of 300 identified Grubhub in response to any question powerfully demonstrates that Grubhub’s use of the allegedly infringing logo does not create a likelihood of reverse confusion.” The district court agreed, finding

9. The remaining 96 respondents answered with variations of the term “Home Chef” (*e.g.*, “Green Chef,” “Home Fresh,” other “Chef,” etc.), with other meal delivery companies (*e.g.*, Hello Fresh, Blue Apron, etc.), or stated that they did not know.

10. The companies the respondents identified included, for example, Amazon, Blue Apron, “Green Chef,” Hello Fresh, Apple, Google, Kroger, Meijer, etc. Of those 53 respondents, 27 stated that they did not know.

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that Home Chef had failed to meet its burden to show actual confusion.

Home Chef argues that this finding was clearly erroneous for three reasons. First, according to Home Chef, the district court mistook the time period during which the two marks coexisted in the marketplace, which tainted the weight the court assigned to its evidence. Second, Home Chef challenges the substance of the survey, characterizing it as a memory test, nothing more. And third, Home Chef believes that the district court improperly applied an adverse inference against Home Chef because it did not produce its own survey evidence.¹¹ None are sufficient to show clear error.

First, we acknowledge that the district court misunderstood the amount of time both marks were in the marketplace by the time Home Chef had filed its preliminary injunction motion. The district court believed it was a year, when in actuality it was only a few months. But the period of mutual market presence in an actual confusion analysis generally serves as a proxy for the relative number of consumers who were exposed to the marks; the assumption is that the longer two marks coexist in the market, the more consumers encounter them. Such

11. Home Chef also argues that the surveys (1) did not use the proper universe of consumers; (2) failed to accurately reflect the marketplace conditions; and (3) failed to use a control group. Despite raising these purported methodological flaws, Home Chef does not meaningfully engage with them and asks us merely to adopt the findings of the magistrate judge. Given the sparsity of its argument, we decline to do so.

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an inference, however, has limited utility here, where both parties are national, billion-dollar corporations that have each expended millions (if not hundreds of millions) of dollars advertising under their respective marks to the public. Under these circumstances, we cannot conclude that the district court's decision to attribute little weight to Home Chef's isolated examples of actual confusion was clearly erroneous.

Next, Home Chef complains that the survey amounted to nothing more than a memory test that failed to account for the potential risk of confusion between the HC Home Mark and the Grubhub House Logo. For example, Home Chef points out that it is difficult to see how a respondent, who looks at Home Chef's website or mobile app, could answer the first question (*i.e.*, what company offers the app/service shown in the photos?) with an answer other than "Home Chef." But remember that the relevant audience for the survey is Home Chef's current or prospective customers—not just any person selected at random. *See* McCarthy § 32:174; *see also Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733, 741 (2d Cir. 1994) ("Where, as here, the relevant issue is whether consumers mistakenly believe that the senior user's products actually originate with the junior user, it is appropriate to survey the senior user's customers."). And Grubhub's reverse confusion survey was properly limited to that audience.

Moreover, contrary to Home Chef's contention, the district court *did* acknowledge the survey's failure to assess whether consumers would be confused based on use of the HC Home Mark alone, noting that the magistrate

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judge’s criticism of the survey on this basis was “not erroneous.” *Grubhub Inc. v. Kroger Co.*, 2022 U.S. Dist. LEXIS 130009, 2022 WL 2774986, at *3. But the district court was not convinced that this error warranted discounting the survey *in toto*, given that a consumer will rarely encounter the HC Home Mark without also encountering the “Home Chef” brand name in some form, be it on the mobile app, the website, or in a grocery store. *Id.* And, while Home Chef has submitted instances of its use of the HC Home Mark alone, it has not presented any evidence of actual confusion based on those instances. Thus, we cannot conclude the district court clearly erred in its assessment of the survey results at this nascent stage of the case.

We easily dispatch Home Chef’s final argument that the district court drew an adverse inference against it because it did not present its own survey evidence. Of course, Home Chef is correct that it need not perform a survey to prevail on its claim at this, or any other, stage of litigation.¹² *See Sullivan*, 385 F.3d at 779 (noting, on appeal from summary judgment, that the senior user “was not required to conduct his own survey”). But it

12. We note, however, that the cases on which Home Chef relies for this proposition, *e.g.*, *Meridian*, 128 F.3d at 1119; *Int’l Kennel Club*, 846 F.2d at 1086; and *A.J. Canfield*, 796 F.2d at 908, were decided under our since-abrogated preliminary injunction standard wherein a party seeking the injunction need only show a “better than negligible chance” of succeeding on the merits. It is undisputed that, after *Pritzker*, an applicant for preliminary relief bears a “significant burden” and must establish more than a mere possibility of success. 973 F.3d at 762-63.

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still must provide enough evidence from which a district court can find that it is likely to succeed on its claim. Here, the district court did not impose an adverse inference against Home Chef, but only weighed what evidence it had presented against the evidence produced by Grubhub. While Grubhub's survey is not without its weaknesses, the district court's weighing of the competing evidence was plausible. In sum, the district court did not clearly err in finding that the actual confusion factor does not support a likelihood of confusion finding.

4. Grubhub's Intent

Turning to the final factor, intent. We have stated previously that, in a reverse confusion case, intent is "largely irrelevant" because the alleged infringer is *not* palming off or otherwise attempting to create confusion as to the source of its products or services. *SportFuel, Inc.*, 932 F.3d at 602; *Quaker Oats*, 978 F.2d at 961 (intent is "essentially irrelevant in a reverse confusion case"). While this is correct, we use this opportunity to further explain the role of intent in reverse confusion cases.

At the outset, we note that "[a] finding of fraudulent intent or bad faith is not essential to prove infringement where likelihood of confusion already exists." *Henri's Food Prods.*, 717 F.2d at 359. This is true in both forward and reverse confusion contexts. That said, a junior user's intent may support a finding of likelihood of confusion where there is evidence that it adopted its mark to confuse consumers into thinking its own products were those of the senior user. Therefore, in a typical forward confusion case,

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we evaluate whether there is any evidence from which a factfinder could reasonably infer that the junior user purposefully adopted its mark to “palm off” its products or services as those of the senior. *See, e.g., AutoZone*, 543 F.3d at 934. Where such evidence exists, this factor favors the senior user because it tends to show that a consumer would be likely to confuse the source of the goods. *See Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr.*, 109 F.3d 275, 286 (6th Cir. 1997) (“Intent is relevant because purposeful copying indicates that the alleged infringer, who has at least as much knowledge as the trier of fact regarding the likelihood of confusion, believes that his copying may divert some business from the senior user.”).¹³

But in a reverse confusion case, by definition, the junior user is not attempting to capitalize on the senior user’s good will and reputation; thus, it makes less sense to inquire whether the junior user adopted its mark with the intent to “palm off” its product as that of another. *See Quaker Oats*, 978 F.2d at 961. In this regard, we have remarked that the junior user’s intent (to palm off) in a reverse confusion case is “essentially irrelevant.”

13. By contrast, while a junior user’s intent to infringe can support a likelihood of confusion finding, the reverse is not true. A junior user’s innocent adoption of a mark does little to further its defense, because innocent infringement is still infringement. *See* Thomas L. Casagrande, *A Verdict for Your Thoughts? Why an Accused Trademark Infringer’s Intent Has No Place in Likelihood of Confusion Analysis*, 101 Trademark Rep. 1447, 1460 n.58 (2011) (collecting cases); *id.* at 1470 (“intent provides a one-way ratchet that helps trademark plaintiffs *only*”).

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Id. That said, where it can be shown that the junior user culpably disregarded the known rights of the senior user when adopting its own mark, such evidence can support an inference of consumer confusion. *See Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1168 (9th Cir. 2021) (“Intent can be shown ... by evidence that, for example, the junior knew of the mark, should have known of the mark, intended to copy the senior, failed to conduct a reasonably adequate trademark search, or otherwise culpably disregarded the risk of reverse confusion.”) (cleaned up). And of course, where there is evidence that the junior user “deliberate[ly] inten[ded] to push the senior user out of the market,” that too would support a finding of a likelihood of confusion. *Freedom Card, Inc. v. JPMorgan Chase & Co.*, 432 F.3d 463, 479 (3d Cir. 2005) (citation omitted); *see also Humanly Possible, Inc. v. Manpower, Inc.*, No. 11 C 4977, 2013 U.S. Dist. LEXIS 23249, 2013 WL 633332, at *7 (N.D. Ill. Feb. 19, 2013) (inquiring whether there was evidence that the junior user “acted intentionally to overwhelm [the senior user]’s mark”).

Here, we see no evidence that Grubhub adopted the Grubhub House Logo with any culpable or deliberate disregard for Home Chef’s marks. Grubhub created the Grubhub House Logo—combining its long-recognized GRUBHUB word mark with the JET House Mark—as part of its acquisition by JET. And JET had been using its JET House Mark internationally since approximately June 2014. Admittedly, the USPTO non-final office action put Grubhub on notice of Home Chef’s rights in the HC Home Mark and the Home Chef Home Logo. But Grubhub did not disregard those rights. Instead, it agreed to

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only use the JET House Mark in connection with the GRUBHUB brand name in an attempt to strike a balance between the two parties' commercial interests.

Because this factor can only bolster a likelihood of confusion finding or be neutral, we agree with Home Chef that the district court erred in determining that this factor weighed *against* a likelihood of confusion. However, even so, this factor is at best neutral and, therefore, of minimal value in the likelihood of confusion analysis.

5. Weighing the Likelihood of Confusion Factors

Taking stock, we conclude that the district court did not clearly err in determining that neither the similarity-of-the-mark factor nor the actual-confusion factor supports a likelihood of confusion. Furthermore, based on this preliminary record, the strength of Grubhub's mark does not pose a significant threat of overwhelming the undisputed strength of Home Chef's marks. Finally, the intent factor is, at best, neutral and provides little value in the analysis. As for the remaining three factors—the similarity of the products, the area and manner of concurrent use, and the degree of care likely to be exercised by consumers—the parties do not dispute that they weigh in favor of a finding of a likelihood of confusion. Given this, we turn to the district court's determination that Home Chef failed to make a strong showing of a likelihood of success on the merits.

Home Chef argues that, because all seven factors are “interconnected,” the district court clearly erred by focusing only on the factors in dispute without addressing

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the undisputed factors. To the contrary, the district court *did* address the undisputed factors, concluding that the magistrate judge's determinations as to these factors were not clearly erroneous. *Grubhub*, 2022 U.S. Dist. LEXIS 130009, 2022 WL 2774986, at *6 n.2. This was a correct application of law. *Johnson*, 170 F.3d at 739 (“If no objection or only partial objection [to an R&R] is made, the district court judge reviews those unobjected portions for clear error.”). Furthermore, the district court held that, even if there had been any error, the weight assigned to those factors would not have affected its conclusion that Home Chef failed to meet its burden of showing a strong likelihood of success on the merits.

Home Chef's argument boils down to mere disagreement with the district court's weighing of the factors. As Home Chef correctly recognized, there is “no hard and fast requirement” that any particular factor or factors be decisive of a likelihood of confusion analysis. *See Ty, Inc.*, 237 F.3d at 902. Here, the district court, faced with competing evidence, reviewed the record and used its discretion to give weight to the factors it found most salient and significant. *See id.* at 901-02. And given our own analysis of these factors, we cannot say on this record that the district court's determination that Home Chef did not satisfy its burden to establish a likelihood of success on the merits was clearly erroneous.¹⁴

14. None of our conclusions should be interpreted to apply to the JET House Mark alone. Because we understand that Grubhub only uses the JET House Mark locked up with or in close proximity to the GRUBHUB brand name, our conclusions are limited to such uses. Any use of the JET House Mark alone is a separate inquiry not presently before us.

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IV. CONCLUSION

Because the district court did not clearly err in finding that Home Chef failed to meet its burden to show a likelihood of success on the merits of its trademark infringement claim, it did not abuse its discretion in denying Home Chef's motion for a preliminary injunction. We therefore AFFIRM the district court's decision.

**APPENDIX B — ORDER AND MEMORANDUM
OPINION OF THE UNITED STATES DISTRICT
COURT FOR THE NORTHERN DISTRICT
OF ILLINOIS, EASTERN DIVISION,
FILED MAY 25, 2022**

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT
OF ILLINOIS EASTERN DIVISION

CASE NO.: 1:21-cv-05312

Judge Charles R. Norgle

GRUBHUB INC., and TAKEAWAY.COM
CENTRAL CORE B.V.,

Plaintiffs,

v.

THE KROGER CO. AND RELISH LABS LLC,

Defendants.

ORDER

Plaintiffs' objections [72] to the Report and Recommendation of the Magistrate Judge are sustained; the Report and Recommendation [57] is rejected; and Defendants' motion for preliminary injunction [17] is denied. Considering these rulings Plaintiffs' motion for leave to file reply [74] is denied because it is moot.

*Appendix B***MEMORANDUM OPINION**

Before this Court is Plaintiffs', Grubhub Inc., and Takeaway.com Central Core B.V ("JET") (collectively, "Grubhub"), objections to the Magistrate Judge's Report and Recommendation (Dkt. 57) ("the R&R") to grant Defendants', Relish Labs LLC and The Kroger Co.'s (collectively "Home Chef"), motion for preliminary injunction. This matter was referred to the Magistrate Judge who issued the R&R, specifically recommending this Court grant the motion for preliminary injunction. Dkt. 57. In response, Grubhub issued written objections. Dkt. 72. Having reviewed the R&R, Grubhub's objections, and the extensive briefing on this motion, this Court is unpersuaded that Home Chef met its burden in establishing the need for a preliminary injunction, and therefore rejects the Magistrate Judge's recommendation and denies the motion for preliminary injunction.

I. MARKS IN QUESTION

The Court adopts and incorporates the factual findings of the R&R; however, the Court refers to the marks in question as follows:



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Grubhub has also combined the JET House Mark with the Seamless brand name to create the following logo:



Dkt. 40 ¶19. Use of the Seamless House Logo will discontinue. Dkt. 56 at 9:14-16.

II. DISCUSSION

a. Review of Grubhub’s Objections to The Report and Recommendation.

Pursuant to 28 U.S.C. § 636(b)(1), the Court must conduct a *de novo* determination of those portions or recommendations of the R&R to which Grubhub objects. The Court may accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate judge. *Id.* Thus, the Court begins with addressing Grubhub’s objections.

Grubhub objects to the recommendation to grant Home Chef’s motion for preliminary injunction raising four specific objections. First, the R&R erroneously rejects Grubhub’s consumer perception surveys. Second, the R&R improperly relies upon a non-final USPTO decision that considered the JET House Mark and not the Grubhub House Logo. Third, the R&R fails to recognize that the use of the well-known GRUBHUB name in the Grubhub House Logo distinguishes that mark from the

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Home Chef Home Logo and makes confusion unlikely. Fourth, the R&R erroneously credits, as evidence of actual confusion, two anonymous social media posts inquiring about similarities between the Grubhub House Logo and the Home Chef Home Logo. The Court sustains each objection.

i. Objection 1 — Erroneous Disregard of Consumer Perception Surveys.

Grubhub retained survey researcher Hal Poret to conduct surveys to assess whether Grubhub’s use of the Grubhub House Logo causes consumer confusion between Grubhub and Home Chef under reverse and forward theories of confusion.¹ Dkt. 46-3. Both studies were in the standard “Eveready” survey format, “in which respondents are shown the trademarks at issue and questioned to determine if they make a mistaken mental connection to the other party’s mark.” Dkt. 46-3 ¶17; *see 6 McCarthy on Trademarks and Unfair Competition* § 32:173.50-174 (4th ed. 1999) (noting Eveready surveys are the “gold standard” in cases involving strong marks and are a “widely accepted” format to prove the likelihood or non-likelihood of confusion.) Poret opines that his survey results “powerfully demonstrate” that Grubhub’s use of the Grubhub House Logo does not create a likelihood of confusion with Home Chef or its mark under either the reverse or forward confusion theory. Dkt. 46-3 ¶¶12, 14.

1. Trademark confusion is often discussed in terms of two different theories of confusion: “forward confusion” and “reverse confusion.” *See Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947 (7th Cir. 1992)

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The R&R found that Poret's surveys, though admissible, were entitled to little weight for five reasons, concluding (1) the reverse confusion survey did not use the proper universe of consumers; (2) the surveys failed to accurately reflect the actual marketplace conditions; (3) the methodology used to question the survey respondents amounted to a "memory test;" (4) the surveys failed to use control groups; and (5) due to the limited time for which the parties' logos coexisted, the lack of actual confusion is "less salient" or even "irrelevant" when determining whether there is a likelihood of confusion. Dkt. 57 at 41-45.

Grubhub has objected to that weighing of the survey evidence. Dkt. 72 at 2; 4-9. The Court sustains that objection. The survey evidence produced by Grubhub (and, to a lesser extent, the failure of Home Chef to produce survey evidence to the contrary) is entitled to much more weight than was afforded it. In both the forward confusion and reverse confusion surveys, *none* of the hundreds of respondents were confused, demonstrating that confusion is unlikely. Dkt. 46 at 3 ¶¶11, 13. Survey evidence showing confusion of less than 10% weighs strongly against a finding of infringement. *Henri's Food Prod. Co., Inc. v. Kraft Inc.*, 717 F.2d 352, 358-59 (7th Cir. 1983). The Court does not, as some courts have, draw the negative inference that Home Chef failed to offer survey evidence because such evidence would have been unfavorable to its claim. *See e.g. Planet Hollywood (Region IV), Inc. v. Hollywood Casino Corp.*, 80 F. Supp. 2d 815, 884 (N.D. Ill. 1999), opinion clarified, No. 96 C 4660, 1999 U.S. Dist. LEXIS 19185, 1999 WL 1186802 (N.D. Ill. Dec. 9, 1999). However, Home Chef's failure to offer any significant evidence of

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actual confusion (as discussed in more detail below) — either directly or through surveys — demonstrates a lack of proof by Home Chef on the important element of actual confusion. *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145, 1153 (7th Cir. 1994) (noting while failure to prove any actual consumer confusion militates against a finding of the likelihood of such confusion, it is ultimately a question for the finder of fact.) The absence of sufficient proof of any actual confusion when coupled with marks that are not dead-on similar is a blow to Home Chef’s infringement claim.

The R&R unduly criticized the universe of survey respondents in the reverse confusion survey. Respondents for a reverse confusion study should be drawn from a universe consisting of the customer base of Home Chef. *See, e.g., Citizens Fin. Grp., Inc. v. Citizens Nat. Bank of Evans City*, 383 F.3d 110, 120-21 (3d Cir. 2004). Here, the universe of respondents questioned was a subset of the entire Home Chef customer base universe. The survey didn’t question any respondents outside Home Chef’s customer base universe; the set of Home Chef customers “who used, or planned to use, an online or in-app service for delivery of home meal preparation kits or ready-to-eat meals” may also include Home Chef customers “who make in-store purchases or who purchase heat-and-eat meals would;” and Home Chef customers “who make in-store purchases or who purchase heat-and-eat meals” may not be any more (or less) susceptible to confusion. In other words, nothing suggests the survey asked the wrong people, that the survey did not ask the people who the R&R said it should have, or that the results would be

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any different if it did. While the survey is not perfect, it captured a sufficiently broad swath of Home Chef's customers, and therefore is a probative measure of the effect of the Grubhub House Logo on consumer behavior. *Am. Nat'l Ins. Co. v. Am. Nat'l Inv. Advisors, LLC*, No. 11-cv-4016, 2014 U.S. Dist. LEXIS 163294, 2014 WL 6613342, at *16 (N.D. Ill. Nov. 21, 2014) (survey evidence "need not be perfect" to be admissible and considered).

The R&R's criticism of the surveys' simulation of marketplace conditions is not erroneous because it is correct that the surveys did not account for how consumers react to: (1) Home Chef's use of the HC Home Mark without the Home Chef brand name; (2) Home Chef's sales of its products in Kroger grocery stores; and (3) Grubhub's use of the Seamless House Logo. However, "the closer the survey methods mirror the situation in which the ordinary person would encounter the trademark, the greater the evidentiary weight of the survey results." *Bobak Sausage Co. v. A & J Seven Bridges, Inc.*, No. 07 C 4718, 2010 U.S. Dist. LEXIS 40737, 2010 WL 1687883, at *5 (N.D. Ill. Apr. 26, 2010). Marketplace realities are such that consumers will rarely encounter the HC Home Mark without the Home Chef trade name appearing in some form, whether at the point of sale or otherwise. Also, any confusion in the context of grocery stores is unlikely because Grubhub does not sell any products, in grocery stores or otherwise; it provides delivery services. Finally, the Seamless brand and logo are being phased out, and so consumers will not encounter the Seamless House Logo. Dkt. 1 ¶20; Dkt. 56 at 9:14-16. Thus, while the surveys did not account for these three conditions, the survey methods

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nevertheless closely mirror the situation in which the ordinary person would encounter the trademark and are due a proportionate evidentiary weight.

It is a mischaracterization to call the surveys a “memory test” because the surveys tested more than the “memory” of survey respondents; the surveys questioned whether *and why* respondents associated marks with companies not shown. R&R at 43-44. Discounting the survey evidence for being a “memory test” is unwarranted. Furthermore, the absence of a “control group” in the surveys has no significant impact on the results because the purpose of a control group is “to eliminate general background noise from the results” and there is no such “noise” data here. *Chattanooga Mfg., Inc. v. Nike, Inc.*, 140 F. Supp. 2d 917, 928-29 (N.D. Ill. 2001). The lack (or existence) of a control group makes the survey results no less (or more) reliable in this instance because there is no need for a control group here.

The Court disagrees with the R&R’s conclusion that, because the parties’ logos have only coexisted for several months, the lack of actual confusion is “less salient” or even “irrelevant” when determining whether there is a likelihood of confusion. Dkt. 57 at 45. To the contrary, while the logos themselves only coexisted for a short period of time, the brands and their products have existed for years — Home Chef since 2013 and Grubhub since 2004. *See Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 121 (1st Cir. 2006) (attaching substantial weight to a trademark holder’s failure to prove actual confusion only in instances in which the relevant *products*

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have coexisted on the market for a long period of time) (emphasis added); *Aktiebolaget Electrolux v. Armatron Int'l, Inc.*, 999 F.2d 1, 4 (1st Cir. 1993) (finding lack of evidence of actual confusion significant because products had coexisted in the same market for roughly six years). Home Chef's products and Grubhub's services have coexisted for going-on-nine years and the competing logos have coexisted for nearly a year, yet there is no substantial evidence of actual confusion. Dkt. #46-4 at ¶16. For these reasons, the Court sustains Grubhub's first objection and affords the survey evidence its due weight in assessing the likelihood of confusion.

ii. Objection 2 — Improper Reliance on a Non-Final USPTO Decision.

Home Chef asserts the marks in question are “virtually identical,” both comprised of a single fork and a single knife in the same positioning and orientation within a house design. Dkt. 18 at 12. The R&R concludes that the parties' respective marks share common elements and that the minor stylistic differences are of far less significance and do not defeat the similarity created by the marks' common elements. Dkt. 57 at 22. In coming to this conclusion, Home Chef and the R&R rely, at least in part, on the USPTO's findings that the marks are confusingly similar. Dkt. 18-8, Ex. 11. For its part, Grubhub objects to the R&R's reliance upon a non-final USPTO decision that considered the JET House Mark (not the Grubhub House Logo), on an evidentiary record different from the record before this Court. Dkt. 72 at 2, 9-11. Home Chef and the USPTO's “Nonfinal Office Action” both compare

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the JET House Mark absent any accompanying context or brand name with the HC Home Mark and the Home Chef Home Logo. But Grubhub does not use the JET House Mark independently. Thus, any findings by the USPTO examiner are devoid of appropriate marketplace context and consider different evidence than what is before this Court, including the survey evidence, and therefore are entitled to little, if any, deference under these circumstances. *See Progressive Distribution Servs., Inc. v. United Parcel Serv., Inc.*, 856 F.3d 416, 426-27, 433 (6th Cir. 2017). That is not to say, of course, that a district court cannot look to the USPTO opinion to inform its conclusions on trademark analysis, but rather that it is inappropriate here. *Id.* The Court sustains Grubhub's objection and agrees that reliance on the USPTO's initial refusal of Grubhub's application to register the JET House Mark to assess the likelihood of confusion is erroneous. R&R at 22-24, 46-47.

iii. Objection 3 — Erroneous Disregard of Inclusion of Brand Names.

Grubhub asserts that the JET House Logo is always accompanied by the brand name “Grubhub.” Dkt. 72 at 1. Home Chef claims this is untrue. Dkt. 73 at 3. There is no evidence before the Court that Grubhub has used the JET House Mark absent the brand names “Grubhub” or “Seamless” within the United States. Also, the Seamless brand and logo are being phased out, and so consumers will not encounter the Seamless House Logo. Dkt. 1 ¶20; Dkt. 56 at 9:14-16. Thus, the Grubhub House Logo, not the JET House Mark, is the true “accused mark.”

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Grubhub asserts that any confusion that might be created by the similarity between the HC Home Mark and the JET House Mark is neutralized because only the Grubhub House Logo is used and the use of the well-known “Grubhub” brand name distinguishes the Grubhub House Logo from the Home Chef Home Logo. Dkt. 72 at 12. The R&R disagrees, concluding “Grubhub’s use of its brand name with the JET House [Mark] does not neutralize — and may actually aggravate — any confusion,” reasoning that brand names help avoid confusion only in cases where forward confusion is alleged. R&R at 24-25. Grubhub’s objection regarding this conclusion is sustained; nothing suggests inclusion of the distinctive “Grubhub” name aggravates confusion. It is well established that prominent display of different brand names with marks reduces the likelihood of confusion, “even where . . . the marks are otherwise similar.” *Ziebart Int’l Corp. v. After Mkt. Assocs.*, 802 F.2d 220, 227 (7th Cir. 1986). Use of brand marks is “more likely to mitigate” reverse confusion than exacerbate confusion where, as here, both parties have well-established, highly-recognizable brand marks. *Allstate Ins. Co. v. Kia Motors Am., Inc.*, CV 16-6108, 2017 U.S. Dist. LEXIS 211399, 2017 WL 6550669, at *11 (C.D. Cal. Dec. 22, 2017), *aff’d*, 784 Fed. Appx. 507 (9th Cir. 2019). No evidence suggests that inclusion of the name “Grubhub” aggravates, rather than alleviates, potential confusion. The R&R’s conclusion to the contrary is unfounded.

*Appendix B***iv. Objection 4 — Erroneous Reliance on Evidence of Actual Confusion.**

Home Chef offers two instances which it claims are evidence of actual confusion. First, on September 8, 2021, a Home Chef customer sent Home Chef’s Facebook account a message which read: “Did you and Grub Hub merge or come to some sort of mutual deal, because I had to take a double take today when my Grub hub app updated” (sic). Dkt. 57 at 36. Second, a Twitter user posted on August 25, 2021, “so uh why did grubhub make their app icon look like a stylized orange version of home chef...? Even the utensils look exactly the same” (sic). Dkt. 57 at 37.

Home Chef is not required to present proof of actual confusion to meet its burden or to otherwise prove that a likelihood of confusion exists. *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 685-86 (7th Cir. 2001). While situations where consumers raise questions about whether a senior user and a junior user are affiliated after viewing their respective marks are afforded some weight in assessing actual confusion, that weight is minimal. *CAE, Inc.*, 267 F.3d at 686 (noting that the “one instance of actual confusion in the record” occurred when one of the plaintiff’s suppliers asked whether there was a connection between the defendant and the plaintiff’s subsidiary, but that instance was “not entitled to great weight”); *Unity Health Plans Ins. Co. v. Iowa Health Sys.*, 995 F. Supp. 2d 874, 894 (W.D.Wis. 2014) (finding that a call where consumer asked “whether Unity Health and UnityPoint are affiliated in some way” constituted “somewhat more persuasive” evidence of actual confusion than calls which “the court discount[ed] entirely.”)

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The instances which Home Chef cites as evidence of actual confusion are, at best, situations where consumers raise questions about whether a senior user and a junior user are affiliated. On their face, however, the consumers in these instances show they recognize a distinction between Grubhub and Home Chef. Comparison is not confusion, and these posts only compare the marks. That these are the only two incidents alleged of actual confusion after nearly a year of coexistence and millions of customers being exposed to both companies' logos weighs against a finding of a likelihood of confusion. This is compounded by the fact that Home Chef offers no survey evidence of actual confusion. Courts have recognized that, in the absence of proof of actual instances of confusion, it can be difficult to prove likelihood of confusion without survey evidence. *See, e.g., Hubbard Feeds, Inc. v. Animal Feed Supplement, Inc.*, 182 F.3d 598, 603 (8th Cir. 1999) (the plaintiff's "failure to present evidence of consumer confusion owing to [the defendant's] allegedly infringing conduct is telling.") For these reasons, the Court sustains Grubhub's objection that the R&R erroneously credits as evidence of actual confusion the two anonymous social media posts. The social media posts offer minimal evidence of actual confusion and are only "somewhat more persuasive" than no evidence at all. The absence of any other evidence of confusion, as well as survey evidence to the contrary, further diminishes the posts' probative value.

b. Preliminary Injunction.

Having sustained Grubhub's objections, the Court now considers whether a preliminary injunction is

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warranted. A preliminary injunction is a drastic remedy which is “never to be indulged in except in a case clearly demanding it.” *Barbecue Marx, Inc. v. 551 Ogden, Inc.*, 235 F.3d 1041, 1044 (7th Cir. 2000) (cleaned up). To decide whether a preliminary injunction is warranted, courts engage in a two-step inquiry involving a threshold phase and a balancing phase. *See, e.g. Vendavo, Inc. v. Long*, 397 F. Supp. 3d 1115, 1128 (N.D. Ill. 2019). First, Home Chef must satisfy its burden first at the “threshold phase” by establishing: (1) it is likely to succeed on the merits; (2) traditional legal remedies would be inadequate; and (3) it will suffer irreparable harm absent a preliminary injunction. *Life Spine, Inc. v. Aegis Spine, Inc.*, 8 F.4th 531, 539 (7th Cir. 2021). Then, if Home Chef makes this showing, the court balances the harm of denying an injunction to the plaintiff against the harm to the defendant of granting one. *Id.* The ultimate decision in weighing and balancing these factors requires a high degree of discretion on the part of the district judge. *Storck USA, L.P. v. Farley Candy Co.*, 14 F.3d 311, 314 (7th Cir.1994). The Court has expressed that “[a] preliminary injunction is an extraordinary remedy and should only be granted in a case where the movant has clearly carried his burden of persuasion as to all the prerequisites.” *Heinz v. Frank Lloyd Wright Found.*, 762 F. Supp. 804, 806 (N.D. Ill.1991) (Norgle, J.). Here, Home Chef has not carried its burden of persuasion as to the prerequisite that it is likely to succeed on the merits, and so the Court exercises its discretion to deny the extraordinary relief of a preliminary injunction.

Regarding the likelihood of success on the merits, the moving party “need not show by a preponderance

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of the evidence that [it] will win [its] suit.” *Protect Our Parks, Inc. v. Buttigieg*, 10 F.4th 758, 763 (7th Cir. 2021). Nonetheless, “the mere possibility of success is not enough” and the movant must instead make a “strong” showing on the merits. *Id.* To establish trademark infringement under the Lanham Act, Home Chef must establish that: (1) it owns a valid, protectable trademark; and (2) there is a likelihood of confusion as to the origin of the defendant’s product. *Ty, Inc. v. Jones Grp. Inc.*, 237 F.3d 891, 897 (7th Cir. 2001). Here, there is no dispute that Home Chef owns a valid, protectable trademark. “The linchpin of both common law and federal statutory trademark infringement claims is whether consumers in the relevant market confuse the alleged infringer’s mark with the complainant’s mark.” *AHP Subsidiary Holding Co. v. Stawrt Hale Co.*, 1 F.3d 611, 615 (7th Cir.1993). Thus, the inquiry is whether consumers in the relevant market confuse the Grubhub House Logo with either the HC Home Mark or the Home Chef Home Logo; the answer is that it does not appear so.

The Seventh Circuit looks to seven factors when evaluating the potential for consumer confusion:

- (1) the similarity between the marks in appearance and suggestion;
- (2) the similarity of the products;
- (3) the area and manner of concurrent use;
- (4) the degree and care likely to be exercised by consumers;

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- (5) the strength of the plaintiff's mark;
- (6) any actual confusion; and
- (7) the intent of the defendant to "palm off" his product as that of another.

Autozone, Inc. v. Strick, 543 F.3d 923, 929 (7th Cir. 2008). While no single factor is dispositive, the three most important factors are "the similarity of the marks, the intent of the defendant, and evidence of actual confusion." *Eli Lilly & Co. v. Nat. Answers, Inc.*, 233 F.3d 456, 462 (7th Cir. 2000). Here, these most important factors — similarity, intent, and actual confusion — all favor Grubhub, and therefore, Home Chef has not met its burden of making a strong showing of a likelihood of success on the merits.²

i. The Similarity Between the Marks in Appearance and Suggestion.

In an infringement action, a comparison of the marks at issue should be made "in light of what happens in the marketplace, and not merely by looking at the two marks side-by-side." *AutoZone*, 543 F.3d at 931. The test is not whether the public would confuse the marks, but whether

2. The Court does not presently consider the remaining factors because Grubhub did not specifically object to the R&R's analysis of those factors, and it does not appear that the R&R's analysis of those factors is clear error. Moreover, that analysis would not change the Court's conclusion that Home Chef has not met its burden of showing a strong likelihood of success on the merits.

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the viewer of an accused mark would be likely to associate the product or service with which it is connected with the source of products or services with which an earlier mark is connected, *i.e.* whether a viewer of the Grubhub House Logo would be likely to associate Grubhub's services with Home Chef's products. *Id.*

The Court relies not on the USPTO's determination, but on its own examination of the marks in question. Similarities between the marks are limited to a single fork and a single knife in the same positioning and orientation within a house or home design. Differences include the shape of the design — in the HC Home Mark, the design is a pentagon more resemblant of a baseball home plate than a house with eaves and a chimney, as is the case in the JET House Mark. Also, the HC Home Mark utilizes straight lines with pointed edges where the JET House Mark has rounded, cartoon-like edges. Finally, the knife and fork are recessed in the JET House Mark where they are integrated with the edges in the HC Home Mark. These differences are significant enough to differentiate the JET House Mark from the HC Home Mark. The Seventh Circuit adheres to the rule that “if one word or feature of a composite trademark is the salient portion of the mark, it may be given greater weight than the surrounding elements.” *Ty, Inc. v. Jones Grp., Inc.*, 237 F.3d 891, 898 (7th Cir. 2001). When the JET House Mark is combined with the brand names “Grubhub” or “Seamless,” the brand names become the more salient portion of the logo, further differentiating the Grubhub House Logo from the HC Home Mark and the Home Chef Home Logo.

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Grubhub maintains that its brand names always accompany the JET House Mark. Grubhub objects to the R&R's discounting of the significance of this layout of the Grubhub House Logo. As noted above, the Court sustains that objection. The JET House Mark is but one portion of the Grubhub House Logo, which is the true "accused mark." Thus, while the HC Home Mark may at times stand alone, there is nothing to indicate that when it does, it will be associated with Grubhub, since the JET House Mark never stands alone. While the JET House Mark shares similar features with the HC Home Mark, it is the less salient and obvious portion of the Grubhub House Logo. Thus, there is no indication that a viewer of the Grubhub House Logo would be likely to associate Grubhub's services with Home Chef or its products. The prominent display of different brand names on products otherwise containing similar marks reduces the likelihood of confusion. *Ziebart Int'l Corp. v. After Mkt. Assocs.*, 802 F.2d 220, 227 (7th Cir. 1986); *See also Ye Old Tavern Cheese Products, Inc. v. Planters Peanuts Division*, 261 F.Supp. 200, 206 (N.D. Ill. 1966) (in some circumstances, "where the brand name is prominently stressed in the label, there is not likely to be any confusion as to the source, which is the essence of trademark infringement"), *aff'd mem.*, 394 F.2d 833 (7th Cir. 1967) (per curiam). This factor weighs in Grubhub's favor given that Grubhub's use of its brand names with the JET House Mark minimizes any similarity between, and any potential confusion of, the competing marks.

*Appendix B***ii. The Intent of Grubhub to “Palm Off” Its Product as That of Another.**

Grubhub asserts that it adopted the Grubhub House Logo in good faith to align its branding with the branding of its new parent company, which began using the JET House Logo overseas in 2014, and that it had no intent to pass off its services as originating from Home Chef. (Dkt. 46 at 23). Home Chef does not dispute this. Instead, Home Chef asserts that Grubhub ignored its rights by using the JET House Logo after the USPTO rejected JET’s attempt to register the mark.

When evaluating whether a defendant acted in good or bad faith when adopting a mark, courts consider whether the alleged infringer is trying to steal “sales from a competitor by making consumers think they are dealing with that competitor, when actually they are buying from the passer off.” *Uncommon v. Spigen, Inc.*, 305 F. Supp. 3d 825, 863 (N.D. Ill. 2018). Since passing off is a type of fraud, the movant must show some evidence of the defendant’s bad faith, as “the mere similarity of names” or “copying” are insufficient to satisfy bad intent. *Id.* (internal citations omitted). A defendant’s use of its brand name to promote that it is the source of its services or a “clearly stated designation of origin” weigh against a finding of an intent to palm off. *Id.* In a forward confusion case, the junior user’s intent is relevant to the issue of likelihood of confusion if the junior user intended to palm off its products as those of the senior user. *Sands*, 978 F.2d at 961. In a reverse confusion case, where the junior user typically has no desire to capitalize on the senior user’s

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good will, courts consider whether “the more well-known junior user ignored the senior user’s rights” or otherwise “culpably disregarded the risk of reverse confusion.” *Imperial Toy Corp. v. Ty, Inc.*, No. 97 C 8895, 1998 U.S. Dist. LEXIS 14418, 1998 WL 601875, at *6 (N.D. Ill. Sept. 9, 1998).

There is no evidence Grubhub intended to capitalize on Home Chef’s good will or to palm-off its products as Home Chef’s. In fact, JET began using the JET House Mark as early as June 2014, at or around the same time Home Chef publicized the HC Home Mark. Dkt. #46-5 ¶6; Dkt. #18-1 ¶19. Thus, beyond the USPTO report (which is entitled to little, if any, weight because it only compared the JET House Mark with the HC Home Mark), there is little evidence Grubhub ignored Home Chef’s rights by utilizing the Grubhub House Logo, especially where JET began using that mark internationally at or around the time Home Chef began its use of the HC Home Mark. No evidence suggests Grubhub culpably disregarded the risk of reverse confusion. As such, this factor weighs in Grubhub’s favor whether under a forward or reverse confusion theory.

iii. Evidence of Any Actual Confusion.

The Court has examined this factor in its discussion of Grubhub’s objections. To reiterate, the social media posts which Home Chef offers as evidence of actual confusion are of little probative value in establishing whether there is confusion between the Grubhub House Logo and the HC Home Mark or the Home Chef Home Logo. Furthermore,

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there is sufficiently strong survey evidence which suggests there is zero confusion between the competing marks. As such this factor also weighs in Grubhub's favor.

III. CONCLUSION

In light of the sustained objections, the most important factors in the likelihood of confusion analysis — similarity, intent, and actual confusion — all favor Grubhub. Home Chef has not made a sufficiently strong showing of a likelihood of success on the merits. This is not a case clearly demanding of the extraordinary remedy of a preliminary injunction. The Court rejects the R&R and denies Home Chef's motion for preliminary injunction.

IT IS SO ORDERED:

ENTER:

/s/ Charles Ronald Norgle
CHARLES RONALD NORGLER, Judge
United States District Court

DATE: May 25, 2022

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**APPENDIX C — REPORT AND
RECOMMENDATION OF THE UNITED STATES
DISTRICT COURT FOR THE NORTHERN
DISTRICT OF ILLINOIS, EASTERN DIVISION,
FILED APRIL 8, 2022**

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

No. 21 CV 5312

GRUBHUB INC. AND TAKEAWAY.COM
CENTRAL CORE B.V.,

Plaintiffs,

v.

THE KROGER CO. AND RELISH LABS LLC,

Defendants.

April 8, 2022, Decided
April 8, 2022, Filed

Jeffrey I. Cummings, United States Magistrate Judge.

To: The Honorable Charles R. Norgle, Sr. United States
District Judge

*Appendix C***REPORT AND RECOMMENDATION**

On July 29, 2021, plaintiff Grubhub Inc. unveiled its new branding mark at a concert in Chicago. Grubhub's new mark consists of a house symbol with a fork and a knife inside combined as follows: . Defendant Relish

Labs LLC d/b/a Home Chef ("Home Chef") first learned of Grubhub's new mark on August 25, 2021, the day after Grubhub issued a press release announcing its changed branding to its customers and the general public. Home Chef concluded that Grubhub's new mark impermissibly infringes on its own marks, which were previously registered with the United States Patent and Trademark Office and appear as follows:



Home Chef sent Grubhub a cease-and-desist letter on September 7, 2021. The parties thereafter attempted, albeit unsuccessfully, to resolve their dispute regarding the competing marks.

On October 7, 2021, Grubhub and co-plaintiff Takeaway.com Central Core (collectively "Grubhub" unless otherwise specified) initiated this declaratory judgment action pursuant to 28 U.S.C. §2201 against Home Chef and its co-defendant The Kroger Co. (collectively "Home Chef" unless otherwise specified). Grubhub seeks a declaration that its continued use of its new branding mark neither infringes nor dilutes any of Home Chef's rights under the Lanham Act, 15 U.S.C.

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§1051 *et. seq.*, nor constitutes unfair competition and/or a false designation of origin under the Lanham Act and state common law. (Dckt. #40). In response, Home Chef filed an answer and asserted counterclaims alleging that Grubhub unlawfully infringed and diluted its trademarks in violation of the Lanham Act and Illinois statutory and common law, and that Grubhub's actions constituted unfair competition and deceptive trade practices in violation of Illinois law. (Dckt. #16).

On November 3, 2021, Home Chef also filed a motion for a preliminary injunction, which was subsequently referred to this Court by the District Court. (Dckt. #17, 34). In its motion, Home Chef seeks an order enjoining Grubhub from using the following mark:  and any

similar variation thereof, in any and all advertising, promotions, and marketing. The parties briefed the motion and submitted evidence in the way of affidavits and documents, after which the Court held a hearing and heard argument from counsel. (*See* Dckt. #56 - 1/6/22 Hr'g Transcript). The following represents this Court's recommended proposed findings of fact and conclusions of law pursuant to Federal Rule of Civil Procedure 72(b)(1). For the reasons discussed in detail below, this Court respectfully recommends that the District Court grant Home Chef's motion for preliminary injunction.

I. FINDINGS OF FACT

The facts pertinent to the resolution of this motion are largely undisputed. The Court relies on the parties'

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submissions, their pleadings,¹ and any other source from which it is appropriate to take judicial notice.

A. The Parties**1. Home Chef****a. History, Scope of Operations, and Current Product Offerings**

Home Chef was founded in 2013 by current CEO Patrick Vihtelic. It currently offers its customers more than 500 products including meal kits, heat-and-eat meals, ready-to-eat products, and seasonal meals. (Dckt. #18-1 at ¶¶1-2, 15 - Decl. of CEO Patrick Vihtelic). Vihtelic, who started Home Chef in his Chicago apartment with his personal savings, set out “to provide everything needed to bring more delicious, healthy and varied meals” to families throughout the United States, “as a convenient and low-cost alternative to grocery shopping.” (Dckt. #18-1 at ¶2). To do so, Vihtelic partnered with a local executive chef to design recipes for at-home meal preparation. (*Id.* at ¶4). Home Chef first launched its meal kit delivery service — which provided the delivery of “fresh, pre-portioned ingredients and easy-to-follow recipes” – in 2014. (*Id.* at ¶5). It opened its first distribution center in Chicago in October 2015 and by June 2015, Home Chef was delivering 10,000 boxes of meal kits per month. (*Id.* at ¶¶5-6).

1. See, e.g., *Prudential Insurance, Co. v. Newman*, No. 17 C 8732, 2019 U.S. Dist. LEXIS 169104, 2019 WL 4750014, at *9 n.13 (N.D.Ill. Sept. 30, 2019) (citing cases and noting that a court has the right to take notice of pleadings within its own files).

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Home Chef’s meal kit business continued to grow significantly over the next few years. By February 2017, Home Chef had opened two additional distribution centers, was delivering 2.5 million meals per month to over 97% of the country, and employed more than 800 employees. (Dckt. #18-1 at ¶8; Dckt. #18-2 at p. 32).² Home Chef grew 150% in 2017, bringing in \$250 million in revenue. (Dckt. #18-1 at ¶10; Dckt. #18-2 at p. 35). Since at least 2018, Home Chef has enjoyed the highest rate of customer satisfaction amongst companies who sell meal kits. (Dckt. #18-1 at ¶30).

In June 2018, Home Chef finalized a merger with grocery retailer the Kroger Co. (“Kroger”), which has 2,800 retail food stores nationwide under a variety of banner names, including Mariano’s in Illinois. (Dckt. #18-1 at ¶¶10, 16; Dckt. #18-2 at pp. 35-36, 43). Home Chef decided to pursue the merger to “further expand the company’s availability and trade channels by making its products available through Kroger family retail grocery stores nationwide.” (Dckt. #18-1 at ¶10; Dckt. #18-2 at p. 35). Home Chef also decided to expand its range of product offerings beyond meal kits. Specifically, in October 2018, Home Chef started providing a new line of in-store “Home Chef *Express*” products “featuring quick-cook meal kits ready to eat in 15 minutes,” to “address a major customer need — faster meals.” (Dckt. #18-1 at ¶11; Dckt. #18-2 at p. 44). By 2019, Home Chef was offering its “Ready-to-Cook” and “Ready-to-Eat” meal options in more than

2. Throughout this Report and Recommendation, citations to specific page numbers refer to the CM/ECF page numbers indicated at the top of each page.

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2,100 Kroger family stores nationwide with double digit growth in the fresh meal category. (Dckt. #18-1 at ¶12; Dckt. #18-2 at p. 64).

Currently, Home Chef offers hundreds of products, including meal kits, heat-and-eat meals, and ready-to-eat options. (Dckt. #18-1 at ¶15). Representative samples of the heat-and-eat and ready-to-eat meals include Home Chef's heat-and-eat soups (listed for \$5.99 and under), heat-and-eat pasta dishes (listed for \$7.99), and varieties of Home Chef's ready-to-eat rotisserie and fried chicken, available "hot" (listed for \$7.99 and under). (Dckt. #18-7 at pp. 162-65 – Printout from Kroger's website dated 10/29/21; Dckt. #18-8 at pp. 134-36 – Printout from Instacart's website dated 11/1/21).

Home Chef's products can be purchased through Home Chef's website and mobile application, Kroger's website and mobile application, and in 2,000 Kroger family stores, either for pick up or delivery. (*Id.* at ¶16). Since 2021, Home Chef has also partnered with meal delivery service DoorDash — a Grubhub competitor — to "promote and sell Home Chef's meal kits and prepared meals for pickup and home delivery throughout select Kroger family stores." (Dckt. #18-3 at ¶34 – Decl. of Senior Director of Brand Marketing Shira Schwarz; Dckt. #18-5 at p. 140 (advertisement promoting delivery of Home Chef's prepared chicken by Door Dash)). Customers can also order Home Chef's meal kits, heat-and-eat, and ready-to-eat meals for pick up and home delivery from Kroger through Instacart, another grocery and meal delivery service. (*Id.* at ¶35; Dckt. #18-8 at pp. 134-36). In addition, select customers can order Home Chef vouchers directly

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through the Grubhub mobile app for redemption on the Home Chef website. (Dckt. #18-8 at pp. 173, 183-86, 190 (Auburn University articles advising students how to order Home Chef vouchers through the Grubhub app);³ Dckt. #39 at ¶¶72-73 (Grubhub’s answer to Home Chef’s counterclaims)).

Home Chef’s annual sales, which were \$250 million at the time of its merger with Kroger in 2018, have now reached \$1 billion as of October 25, 2021. (Dckt. #18-1 at ¶¶10, 13; Dckt. #18-2 at pp. 35-36, 121).

b. Home Chef’s Branding

To strengthen Home Chef’s brand identity and to distinguish it from its competitors, Vihtelic commissioned a design company to develop a design suggestive of and consistent with the HOME CHEF name and word mark. (Dckt. #18-1 at ¶19). In 2014, Home Chef selected the following design (hereinafter, the “HC House Mark”):



3. One college student reported that she first learned of Home Chef from the Grubhub app. (Dckt. #18-8 at p. 184); *see Mechling v. Operator of Website Muaythaiactory.com*, No. 21-CV-01538, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *1 (N.D.Ill. Sept. 1, 2021) (noting that courts can consider hearsay at the preliminary injunction stage).

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(Dckt. #18-1 at ¶¶19-20). Home Chef owns federal registrations with the United States Patent and Trademark Office (“USPTO”) for the HOME CHEF word mark (Registration Nos. 5609384, 5811449, and 5362224), the HC House Mark alone (Registration Nos. 5241586, 5294674, and 5786784), and the HC House Mark with the HOME CHEF word mark (Registration Nos. 5609448 and 5598365). (Dckt. #18-1 at ¶¶18, 22; Dckt. #18-2 at pp. 137-152).

Home Chef publicized the HC House Mark in 2014 and thereafter used the mark — both with and without its registered HOME CHEF word mark — on its website, on its various social media pages, and to advertise its products and services — including its meal kits, heat-and-eat meals, and ready-to-eat products — through a wide array of marketing channels. (Dckt. #18-1 at ¶¶20-21, 23; Dckt. #18-3 at ¶¶2-3). The HC House Mark combined with the HOME CHEF word mark appears as follows:



(Dckt. #18-1 at ¶¶23, 30). Though often used in green (as shown above), Home Chef uses the HC House Mark in a wide variety of colors, including orange. (Dckt. #18-1 at ¶21; Dckt. #18-3 at ¶¶15-16; Dckt. #18-4 and #18-5 (including hundreds of examples of Home Chef’s use of the HC House Mark, both alone and with the word mark, in many different colors)).

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Home Chef also uses its HC House Mark in numerous partnerships and co-branding efforts with celebrity chefs (*e.g.*, Gina Homolka and her brand Skinny Taste), popular influencers (*e.g.*, Olympic gymnast Shawn Johnson), charities (*e.g.*, Feeding America), businesses (*e.g.*, Heinz, Impossible Burger), and other well-known brands. (Dckt. #18-3 at ¶¶17-29; Dckt. #18-4 and #18-5 (showing extensive use of the HC House Mark in partnership advertisements)). Moreover, according to Home Chef’s Senior Director of Marketing, “Home Chef often promotes its products and services as a convenient, low-cost alternative to restaurant takeout, including by comparing its services with restaurant delivery.” (Dckt. #18-3 at ¶33; Dckt. #18-5 at pp. 132-38).

Since its launch in 2014, Home Chef has spent more than \$450 million on marketing and advertising to promote its products and services. (Dckt. #18-3 at ¶4). Home Chef’s advertising reaches a nationwide audience of many millions of customers each day and it regularly airs commercials through television and cable broadcasting networks (including ABC, NBC, FOX, A&E, AMC, BBC America, Bravo, Cooking, Discovery, E!, and Food Network, amongst others) and various online video streaming platforms. (Dckt. #18-3 at ¶¶5, 12-13). Home Chef has accumulated hundreds of thousands of followers on social media sites, including Facebook (more than a half million followers), Instagram (218,000 followers), Pinterest (23,000 followers), and Twitter (12,000 followers). (Dckt. #18-3 at ¶¶7-9, 11). In addition, Home Chef’s YouTube channel has had more than 84 million views since July 7, 2014. (Dckt. #18-3 at ¶10).

*Appendix C***2. Grubhub****a. History and Scope of Operations**

Founded in 2004, Grubhub — which proclaims itself to be one of the “most well-known brands in the United States” – is a “leading online food-ordering and delivery marketplace” dedicated to providing its customers with food from local restaurants. (Dckt. #40 at ¶7; Dckt. #46-4 at ¶¶ 3-4 – Decl. of Grubhub’s Senior VP of Growth Ariella Kurshan). Grubhub’s marketplace includes more than 300,000 restaurant partners in over 4,000 U.S. cities and provides food to Grubhub’s 32 million active diners.⁴ (Dckt. #46-4 at ¶¶5-6). In 2020, Grubhub provided nearly \$9 billion in gross food sales to local restaurants, and it processed more than 745,000 restaurant orders per day. (Dckt. #46-4 at ¶ 6). Grubhub also provides tools and services to restaurants aimed at growing their digital presence and increasing their business. (Dckt. #46-4 at ¶ 7). In addition to working with restaurants, Grubhub provides meal delivery services through other channels, including grocery stores. (Dckt. #39 at ¶ 58; Dckt. #46-4 at pp. 95-98).

Since its inception, Grubhub has expanded by acquiring a number of different food delivery brands, many of which operate under Grubhub’s “portfolio of brands.” (Dckt. #18-9 at p. 115 and at pp. 76-106 (press releases

4. “Active diners” are those diners who have used the Grubhub platform within the past twelve months. *See Azar v. Grubhub, Inc.*, No. 1:19-cv-07665, 2020 U.S. Dist. LEXIS 258187, 2021 WL 4077327, at *2 n.4 (N.D.Ill. Sept. 7, 2021).

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describing Grubhub’s various acquisitions)). One of those brands is Grubhub’s “well-known” Seamless brand, which is primarily focused in the greater New York City area but serves a number of other major U.S. cities including Chicago, Los Angeles, Washington DC, Houston, Seattle, and Miami, and offers delivery services similar to those provided by Grubhub. (Dckt. #40 at ¶9; Dckt. #56 at pp. 11, 13; Dckt. #18-9 at p. 84). Although it was acquired by Grubhub in 2013, Seamless still maintains its own online platform and mobile app via which customers can order food from restaurants for delivery and pickup. (Dckt. #40 at ¶9; Dckt. #56 at pp. 11, 13; Dckt. #18-9 at p. 37 (characterizing Seamless as “Grubhub’s sister app”). Nonetheless, Grubhub does not separately track the business generated by Seamless and it views its overall business as a single business. (Dckt. #56 at p. 13).

In 2019, Grubhub generated revenues of \$1.312 billion and had gross assets of \$2.375 billion. (Dckt. #18-9 at p. 115). Grubhub’s revenue, per its 2020 Annual Report, increased by more than \$500 million to \$1.8 billion for the year ending December 31, 2020.⁵

5. Grubhub’s 2020 Annual Report is accessible through its website, to which the parties have cited. (See https://s2.q4cdn.com/772508021/files/doc_financials/2020/ar/2020-Annual-Report.pdf). Where, as here, the parties refer to a party’s website in their briefing, “the district court may take judicial notice of the entire contents of that website.” *James v. City of Evanston*, No. 20-CV-00551, 2021 U.S. Dist. LEXIS 186804, 2021 WL 4459508, at *7 n.3 (N.D.Ill. Sept. 29, 2021) (citing *Goplin v. WeConnect, Inc.*, 893 F.3d 488, 491 (7th Cir. 2018); *Cassell v. Snyders*, 458 F.Supp.3d 981, 990 (N.D.Ill. 2020), *aff’d*, 990 F.3d 539 (7th Cir. 2021) (same);

*Appendix C***b. Branding Prior to August 2021**

Through its subsidiary, Grubhub owns numerous registrations for its GRUBHUB and SEAMLESS trademarks with the USPTO. (Dekt. #46-4 at ¶11 and pp. 13-22; Dekt. #40 at ¶12). Prior to August 2021, Grubhub had “long-used” the following “famous, and well-known” logo format and color:



(Dekt. #46-4 at ¶10; Dekt. #40 at ¶¶1, 10). For its Seamless brand, Grubhub used the following logo and color scheme:



(Dekt. #40 at ¶11).

3. Takeaway.com Central Core B.V. (JET)**a. History and Scope of Operations**

Plaintiff Takeaway.com Central Core B.V. (“JET”) was founded in 2000 and is based in the Netherlands. (Dekt. #46-5 at ¶4 – Decl. of JET’s Chief Marketing Officer

see also In re Am. Apparel, Inc. S’holder Derivative Litig., No. CV 10-06576 MMM RCX, 2012 U.S. Dist. LEXIS 146970, 2012 WL 9506072, at *18 (C.D.Cal. July 31, 2012) (taking judicial notice of party’s annual reports and other documents publicly filed with the SEC).

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Maurine Alma); Dckt. #1 at ¶13). JET, along with its group companies (the “JET Group”),⁶ is a “leading global online food ordering and delivery marketplace” that connects consumers and restaurants through its platform in twenty-five countries throughout Europe and South America, as well as in Canada, Australia, New Zealand, and Israel. (Dckt. #46-5 at ¶¶3, 5). JET has also expanded its delivery operations to include grocery stores and it identifies Kroger as one of its “current partner[s]” within its network. (Dckt. #46-4 at pp. 96-97, 98, 99; Dckt. #56 at pp. 51-52).

b. Global Branding

As early as June 2014, JET has used the following logo (hereinafter, the “JET House Logo”) in connection with its food ordering and delivery services:



(Dckt. #46-5 at ¶16). JET has “displayed the mark prominently in all of its publicly-facing marketing and advertising materials, including its publicly available websites at www.takeaway.com, on the various country-specific websites through which it conducts business, through its various social media accounts, and together with its specific business names more generally throughout

6. For simplicity, the Court will hereafter refer to JET and the JET Group as “JET.”

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the 25 countries in which it provides its services.” (*Id.*). Moreover, JET uses the JET House Logo in each country in which it operates by “combining the [JET House Logo] with a word mark that is specifically known in the particular country,” *e.g.* “Just Eat” or “Takeaway.com.” (*Id.* at ¶17). JET’s “single-brand identity is efficient because JET is able to concentrate its marketing efforts around a single brand.” (Dckt. #40 at ¶15). The following graphic demonstrates JET’s use of the JET House Logo across the various countries in which it does business:



(Dckt. 46-5 at ¶17). JET owns at least eight International Trademark Registrations with the World Intellectual Property Office for the JET House Logo alone and for trademarks that include the logo, in addition to owning

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trademark registrations in other regions and countries outside the United States. (*Id.* at ¶18).

B. Timeline of Relevant Events**1. JET Announces its Acquisition of Grubhub and Files a USPTO Application for the JET House Logo Alone**

In a press release dated June 10, 2020, JET announced that it had reached a deal to acquire Grubhub and “create the world’s largest online food delivery company outside of China.” (Dckt. #18-9 at p. 109). Just a few weeks later, on July 1, 2020, JET filed a trademark application with the USPTO for the JET House Logo alone, with no accompanying word mark. (Dckt. #18-7 at pp. 223-25; Dckt. #46-5 at ¶15; Dckt. #39 at ¶5).

On January 6, 2021, the USPTO issued a nonfinal notice of provisional refusal which refused JET’s application for the JET House Logo, stating: “Registration of the applied-for mark is refused because of a likelihood of confusion with [Home Chef’s] marks in U.S. Registration Nos. 5241586, 5294674, 5598365, 5609448.” (Dckt. #18-8 at p. 3; Dckt. #39 at ¶7). In short, the USPTO found a likelihood of confusion between: (1) the JET House Logo and Home Chef’s registered marks for the HC House Mark standing alone (Registration Nos. 5241586 and 5294674); *and* (2) the JET House Logo and the HC House Mark combined with the Home Chef word mark (Registration Nos. 5598365 and 5609448). Specifically, the

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USPTO examiner compared the JET House Logo to the HC House Mark and noted that the marks are:

comprised of a single fork and a single knife within the inside of a house design. In addition, the positioning of the fork and knife are both the same with both the fork and knife facing in the same direction and with the fork being on the left and the knife on the right.

(Dckt. #18-8 at p. 5). Furthermore, when comparing the JET House Logo to the HC House Mark *with* the accompanying Home Chef word mark, the USPTO examiner found that the JET House Logo “is likely to appear to prospective purchasers as a shortened form of registrant’s mark.” (*Id.*). Accordingly, the examiner concluded that the JET House logo and Home Chef’s registered marks (both with and without the accompanying Home Chef word mark) were “confusingly similar.” (*Id.*). The examiner also compared the goods and services offered by the parties — as described in the application and registrations at issue and as evidenced by various internet findings — and found them to be related. (Dckt. #18-8 at pp. 5-6).

Ultimately, the USPTO examiner concluded as follows:

In total, the marks create the same commercial impression and the evidence shows that the goods and/or services are commercially related and likely to be encountered together in the marketplace by consumers. Upon encountering

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applicant's mark and the registered marks, consumers are likely to be confused and mistakenly believe that the respective goods and/or services emanate from a common source. Therefore, registration must be refused based upon Trademark Act Section 2(d).

(Dckt. #18-8 at p. 6). In issuing the notice of provisional refusal, the USPTO informed JET that it must provide its response within six months, or the application would be considered abandoned. (*Id.* at 2). On August 9, 2021, JET filed with the USPTO a “renunciation” (*i.e.*, withdrawal) of its application for the JET House Logo. (Dckt. #39 at ¶11). On August 29, 2021, the USPTO acknowledged JET's August 9, 2021 renunciation of its application for the JET House Logo and declared it abandoned. (Dckt. #39 at ¶14).

2. JET Completes its Acquisition of Grubhub and Rolls Out New Branding in the United States.

On June 15, 2021, JET completed its acquisition of Grubhub. (Dckt. #46-4 at ¶12; Dckt. #18-9 at p. 122). In a press release about the acquisition, JET proclaimed that the “new company is the market leader in Europe, Canada and Australia, with very strong positions in the most important markets in the United States.” (Dckt. #18-9 at p. 122). In an effort to combine the “brand identities of JET and Grubhub into a single trademark for use in the United States,” Grubhub combined the JET House Logo and the GRUBHUB trademark (now in orange instead of red) to create the following two versions of its new U.S. logo (hereinafter, “the Grubhub Lock-up Logo”):

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(Dekt. #46-4 at ¶¶13-14). According to Grubhub’s VP of Growth, the Grubhub Lock-up Logo is “a cornerstone aspect of Grubhub and the JET Group’s business strategy” because it “aligns the look and feel of the GRUBHUB brand with the JET Group’s global branding to create consistency and streamline global marketing efforts.” (Dekt. #46-4 at ¶25; Dekt. #46-5 at ¶11). Similarly, for Seamless, Grubhub combined the JET House Logo with the Seamless word mark to create the following mark (hereinafter, the “Seamless Lock-up Logo”):



(Dekt. #40 at ¶19). Although Grubhub announced following its merger with JET that it planned to “phas[e] out its use of any trademarks containing the SEAMLESS trademark as part of a single brand strategy for the United States,” Seamless continues to use the Seamless Lock-up Logo to the present day. (Dekt. #40 at ¶20; Dekt. #46-4 at pp. 27-28; Dekt. #56 at p. 11).

Grubhub unveiled its new Grubhub Lock-up Logo at a large music festival in Chicago on July 29, 2021. (Dekt. #46-4 at ¶16). On August 24, 2021, Grubhub rolled out its new branding on a broader scale, including updating its mobile application and website with the Grubhub Lock-up Logo, and issuing press releases to update its

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customers. (Dckt. #46-4 at ¶17; Dckt. #39 at ¶13). In its August 24, 2021 press release, which is titled “Grubhub Goes Orange,” Grubhub states:

Don’t get caught doing a double take when you reach for the Grubhub app today. It’s not your eyes — we’ve officially jumped in feet first to our new orange branding and logo! As we announced last month, we’re joining the Just Eat Takeaway.com (JET) family with our new look, and today’s the day you’ll see a lot more of our new citrus-colored branding throughout our app, website, and most anywhere else you find the Grubhub logo.

(Dckt. #46-4 at p. 29).

3. Home Chef Issues a Cease-And-Desist Letter to Grubhub

Home Chef learned of the rollout of the Grubhub Lock-up Logo on August 25, 2021, after its Senior Director of Brand Marketing read Grubhub’s August 24, 2021 press release. (Dckt. #18-3 at ¶38). Two weeks later, on September 7, 2021, Home Chef sent Grubhub a cease-and-desist letter asserting that Grubhub’s use of the JET House Logo in the United States infringed on Home Chef’s trademark rights in violation of the Lanham Act. (Dckt. #40-1). In its letter, Home Chef described its business activities to Grubhub as follows:

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Home Chef offers a full scope of services to support at-home meal preparation, including providing chef-inspired recipes, meal preparation instructions and direct to consumer delivery of the necessary meal kit ingredients. The home delivery services are available throughout the United States. In addition to its meal kit preparation and delivery service, Home Chef sells pre-made, pre-packaged food kits, ready to eat or for at-home cooking or assembly as a meal, through Kroger stores throughout the country.

(*Id.* at p. 1). Home Chef then informed Grubhub of its belief that the Jet House Logo was “virtually identical and confusingly similar” to Home Chef’s mark and that Grubhub was using the JET House Logo “for services that are closely related to Home Chef’s services - both involving meal ordering and delivery services” (Dckt. #40-1 at p. 4). Home Chef demanded that Grubhub immediately cease its use of the JET House Logo.

Following Grubhub’s receipt of the cease-and-desist letter, the parties briefly engaged in settlement discussions, with Grubhub offering to only use the JET House Logo with the GRUBHUB word mark and never alone. (Dckt. #40-2). Home Chef declined this proposal and Grubhub initiated this declaratory judgment action on October 6, 2021. On November 3, 2021, Home Chef answered the complaint, filed its own counterclaims, and filed its motion for preliminary injunction (Dckt. #17) seeking an order barring Grubhub’s use of the JET

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House Logo. The parties have fully briefed the motion and participated in an extended oral argument on January 6, 2022.

II. STANDARD FOR PRELIMINARY INJUNCTION

“A preliminary injunction is a very serious remedy, ‘never to be indulged in except in a case clearly demanding it.’” *Barbecue Marx, Inc. v. 551 Ogden, Inc.*, 235 F.3d 1041, 1044 (7th Cir. 2000), *quoting Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1184 (7th Cir. 1989). To decide whether a preliminary injunction is warranted, courts in the Seventh Circuit engage in a two-step inquiry involving a threshold phase and a balancing phase. *See Vendavo, Inc. v. Long*, 397 F. Supp. 3d 1115, 1128 (N.D.Ill. 2019). First, the moving party (Home Chef) has the burden of making a threshold showing that (1) it is likely to succeed on the merits; (2) traditional legal remedies would be inadequate; and (3) it will suffer irreparable harm absent a preliminary injunction. *Life Spine, Inc. v. Aegis Spine, Inc.*, 8 F.4th 531, 539 (7th Cir. 2021).

With respect to the likelihood of success on the merits, the Seventh Circuit has made clear that the moving party “need not show by a preponderance of the evidence that [it] will win [its] suit.” *Protect Our Parks, Inc. v. Buttigieg*, 10 F.4th 758, 763 (7th Cir. 2021) (citing *Ill. Republican Party v. Pritzker*, 973 F.3d 760, 762-63 (7th Cir. 2020), *cert. denied*, 141 S. Ct. 1754 (2021)). Nonetheless, “the mere possibility of success is not enough” and the movant must instead “make a ‘strong’ showing on the merits.” *Id.*; *see also Life Spine, Inc.*, 8 F.4th at 539 (“We recently

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clarified that a plaintiff must demonstrate that its claim has some likelihood of success on the merits, not merely a better than negligible chance.” (internal quotation marks omitted). “The precise showing necessary ‘depends on the facts of the case at hand because of the [Seventh Circuit’s] sliding scale approach.’” *Life Spine, Inc.*, 8 F.4th at 540, quoting *Mays v. Dart*, 974 F.3d 810, 822 (7th Cir. 2020).

If the moving party makes the threshold showing, the court moves to the balancing phase where the court “weighs the harm of denying an injunction to the [movant] against the harm to the [opposing party] of granting one.” *Life Spine, Inc.*, 8 F.4th at 549 (citing *Speech First, Inc. v. Killeen*, 968 F.3d 628, 637 (7th Cir. 2020)). “The Seventh Circuit has described this balancing test as a sliding scale: if a plaintiff is more likely to win, the balance of harms can weigh less heavily in its favor, but the less likely a plaintiff is to win, the more that balance would need to weigh in its favor.” *Mechling v. Operator of Website Muaythaiactory.com*, No. 21-CV-01538, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *2-3 (N.D.Ill. Sept. 1, 2021) (internal quotation and citation omitted). The sliding scale approach “is not mathematical in nature, rather it is more properly characterized as subjective and intuitive, one which permits district courts to weigh the competing considerations and mold appropriate relief.” *SFG, Inc. v. Musk*, No. 19-CV-02198, 2019 U.S. Dist. LEXIS 176145, 2019 WL 5085716, at *15 (N.D.Ill. Oct. 10, 2019), quoting *Ty, Inc. v. Jones Grp., Inc.*, 237 F.3d 891, 896 (7th Cir. 2001). In balancing the harms, the court also considers the public interest in granting or denying the injunction. *Life Spine, Inc.*, 8 F.4th at 539; *Ty*, 237 F.3d at 895. In doing so the “question is not whether the public interest will be

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served, but whether the public interest will be *disserved*” if the injunction is granted. *Wesley-Jessen Div. of Schering Corp. v. Bausch & Lomb Inc.*, 698 F.2d 862, 866-68 (7th Cir. 1983) (emphasis in original).

From a procedural standpoint, “a preliminary injunction is customarily granted on the basis of procedures that are less formal and evidence that is less complete than in a trial on the merits.” *Meridian Mut. Ins. Co. v. Meridian Ins. Grp., Inc.*, 128 F.3d 1111, 1119 (7th Cir. 1997) (citation omitted); *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *1. Furthermore, courts can consider hearsay at the preliminary injunction stage and Federal Rule of Civil Procedure 65(a) does not require an evidentiary hearing, particularly where (as here) the response to a motion for preliminary injunction fails to create a genuine issue of material fact. *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *1 (citing *In re Aimster Copyright Litig.*, 334 F.3d 643, 653-54 (7th Cir. 2003)).

With this standard in mind, the Court turns to its analysis, beginning with whether Home Chef has shown a likelihood of success on the merits.

III. ANALYSIS

A. Home Chef Has Demonstrated That It Is Likely to Succeed on the Merits of a Claim for Trademark Infringement

Home Chef’s claims for trademark infringement arise under the Lanham Act, 15 U.S.C. §1051 *et. seq.* The

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Lanham Act provides in relevant part that a plaintiff may bring a civil action against:

[a]ny person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin . . . which is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activity by another person.

15 U.S.C. §1125(a)(1). “The Lanham Act extends to ‘the use of trademarks which are likely to cause confusion, mistake, or deception of any kind, not merely of purchasers nor simply as to source of origin.’” *Arrowpoint Cap. Corp. v. Arrowpoint Asset Mgmt., LLC*, 793 F.3d 313, 322 (3d Cir. 2015), *quoting Kos Pharms., Inc. v. Andrx Corp.*, 369 F.3d 700, 711 (3d Cir. 2004).

As the parties agree, in order to succeed on its claim for trademark infringement, Home Chef must show (1) that it owns a valid, protectable trademark; and (2) a likelihood of confusion caused by Grubhub’s use of its mark. *Barbecue Marx, Inc.*, 235 F.3d at 1043; *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *3. Here, the parties do not dispute that Home Chef’s HC House Mark is valid and protectable under the Act. Accordingly, the Court turns to the disputed issue of whether Home Chef has established a likelihood of confusion.

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“Likelihood of confusion exists when consumers viewing a mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark.” *Sanofi-Aventis v. Advancis Pharm. Corp.*, 453 F.Supp.2d 834, 847 (D. Del. 2006). Consumer confusion, “need not be restricted to a mistake regarding the source of the goods; the court should also consider whether the customer would believe that the trademark owner sponsored, endorsed or was otherwise affiliated with the product.” *Nike, Inc. v. Just Did It Enterprises*, 6 F.3d 1225, 1228-29 (7th Cir. 1993).

Trademark confusion is often discussed in terms of two different theories of confusion: “forward confusion” and “reverse confusion.” *See, e.g., Johnny Blastoff, Inc. v. Los Angeles Rams Football Co.*, 188 F.3d 427, 436-37 (7th Cir. 1999); *Dorpan, S.L. v. Hotel Melia, Inc.*, 728 F.3d 55, 64-65 (1st Cir. 2013). Forward confusion occurs:

when customers mistakenly think the junior user’s goods or services are from the same source or are connected with the senior user’s goods or services. In such a case, the junior user attempts to capitalize on the senior user’s good will and established reputation by suggesting that his product comes from the same source as does the senior user’s product.

Johnny Blastoff, Inc., 188 F.3d at 436 (internal quotation marks omitted); *Dorpan*, 728 F.3d at 64-65. Reverse confusion, on the other hand, occurs:

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when a large junior user saturates the market with a trademark similar or identical to that of a smaller, senior user. In such a case, the junior user does not seek to profit from the good will associated with the senior user's mark. Nonetheless, the senior user is injured because [t]he public comes to assume that the senior user's products are really the junior user's or that the former has become somehow connected with the latter. The result is that the senior user loses the value of the trademark — its product identity, corporate identity, control over its good will and reputation, and ability to move into new markets.

Johnny Blastoff, Inc., 188 F.3d at 436-37 (internal quotation marks omitted); *Libman Co. v. Vining Indus., Inc.*, 69 F.3d 1360, 1363 (7th Cir. 1995); *Dorpan*, 728 F.3d at 65. Allegations of forward confusion and reverse confusion “do not form distinct claims”; rather, “they are alternative theories that can be used separately or together in a trademark infringement claim under the Lanham Act.” *Uber Promotions, Inc. v. Uber Techs., Inc.*, 162 F.Supp.3d 1253, 1265 n.6 (N.D.Fla. 2016) (internal quotation marks omitted). Here, Home Chef asserts that Grubhub's use of the Grubhub Lock-up Logo has resulted in both forward and reverse confusion.

In the Seventh Circuit, courts consider the following seven factors when determining whether a likelihood of confusion exists: (1) the similarity between the marks in appearance and suggestion; (2) the similarity of the

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products; (3) the area and manner of concurrent use; (4) the degree of care likely to be exercised by consumers; (5) the strength of the plaintiff's mark; (6) any evidence of actual confusion; and (7) the intent of the defendant to pass his product off as that of another. *Sorensen v. WD-40 Co.*, 792 F.3d 712, 726 (7th Cir. 2015); *Barbecue Marx, Inc.*, 235 F.3d at 1043-44. Likelihood of confusion is a question of fact, *Dorpan*, 728 F.3d at 64, and the court must “weigh the evidence pertaining to each likelihood of confusion factor and balance the seven factors against each other.” *Barbecue Marx, Inc.*, 235 F.3d at 1044. No single factor is dispositive, “and the weight accorded to each factor will vary from case to case.” *Smith Fiberglass Prod., Inc. v. Ameron, Inc.*, 7 F.3d 1327, 1329-30 (7th Cir. 1993).

1. The Similarity Between the Parties' Marks

Home Chef asserts that the parties' marks are confusingly similar based on a comparison of the marks and the USPTO's finding to the same effect. (Dckt. #18 at pp. 12-13; Dckt. #47 at pp. 8-12). Grubhub, for its part, denies that there is any similarity between the marks because there are certain stylistic differences between them. (Dckt. #46 at p. 22). Grubhub further asserts that “the well-known and famous GRUBHUB brand *always* appears with the **JET House logo**, precluding *any* confusion that might arise between the respective marks.” (*Id.*) (emphasis in original) (citing cases).

The Court, as the parties agree, must compare the parties' “marks in light of what happens in the marketplace

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and not merely by looking at the two marks side-by-side.” *AutoZone, Inc. v. Strick*, 543 F.3d 923, 931 (7th Cir. 2008) (internal quotation marks omitted). The parties further agree that their marks are not encountered side-by-side in the marketplace. (Dckt. #18 at p. 12; Dckt. #46 at pp. 20-21). “To determine whether two marks are similar, [courts] view the marks as a whole” without dissecting them into their component parts and do not “‘focus on minor stylistic differences to determine if confusion is likely’ when the marks are not usually encountered together.” *AutoZone*, 543 F.3d at 930, quoting *Meridian Mut. Ins. Co.*, 128 F.3d at 1115; *Bobak Sausage Co. v. A & J Seven Bridges, Inc.*, 805 F.Supp.2d 503, 515 (N.D.Ill. 2011). Indeed, “the inability to compare the [marks] side-by-side and observe the precise difference in appearance may *increase* the likelihood of confusion.” *Easton v. Primal Wear, Inc.*, No. 17-CV-06081, 2019 U.S. Dist. LEXIS 53907, 2019 WL 1430985, at *6 (N.D.Ill. Mar. 29, 2019), quoting *Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1088 (7th Cir. 1988) (emphasis added in *Easton*).

Ultimately, “[t]he test is not whether the public would confuse the *marks*, but whether the viewer of the accused mark would be likely to associate the product or service with which it is connected with the source of the products or services with which an earlier mark is connected.” *AutoZone*, 543 F.3d at 930, quoting *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 275 (7th Cir. 1976) (emphasis in original). The Court “should therefore ‘consider whether the customer would believe that the trademark owner sponsored, endorsed or was otherwise affiliated with the product’” of the assertedly

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infringing party. *Id.*, quoting *Nike, Inc.*, 6 F.3d at 1228-29; *Allison Transmission, Inc. v. Fleetpride, Inc.*, No. 116CV02455LJMMJD, 2017 U.S. Dist. LEXIS 51766, 2017 WL 1282994, at *3 (S.D.Ind. Apr. 5, 2017) (same).

In this case, the parties’ respective marks (namely, the HC House Mark  and the JET House Logo )

share common elements: in particular, both feature a fork on the left with tines facing up and a knife on the right with the edge facing left. Moreover, given the fact that the marks are not encountered side-by-side in the marketplace, the minor stylistic differences in the shape of the house figures and the fact that the marks often — but not always — appear in different colors⁷ are of far less significance and do not defeat the similarity created by the marks’ common elements. *See, e.g., AutoZone*, 543 F.3d at 930; *Facebook, Inc. v. Teachbook.com LLC*, 819 F.Supp.2d 764, 780-81 (N.D.Ill. 2011); *see also Meridian Mut. Ins.*, 128 F.3d at 115 (noting it is “inappropriate” to focus on “minor stylistic differences” when marks are not encountered together).

In reaching this conclusion, the Court also relies on the findings of the USPTO Examiner, who likewise determined that: (1) the design of the Jet House Logo and the HC House Mark are “highly similar”; and (2) that Jet’s

7. Home Chef has registered the HC House Mark without claiming color and it uses the mark in a variety of colors, including orange — the color which Grubhub uses with the JET House Logo. (Dckt. #18-3 at ¶16 (showing examples of Home Chef’s use of orange with the HC House Mark); Dckt. #1 at ¶21).

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proposed mark (the Jet House Logo) was “confusingly similar” to Home Chef’s registered marks (both the HC House Mark *and* the HC House Mark combined with the Home Chef word mark). (Dkt. #18-8 at p. 5). Although the USPTO Examiner’s findings do not represent a final determination of the USPTO, courts have recognized that the USPTO “has expertise on the issue of likelihood of confusion”⁸ and they “accord weight to the initial conclusions of the USPTO, in light of the expertise of the trademark examiners.” *Limited. v. Macy’s Merch. Grp. Inc.*, No. 15-CV-3645 KMW, 2016 U.S. Dist. LEXIS 101151, 2016 WL 4094913, at *12 n.4 (S.D.N.Y. Aug. 2, 2016), *aff’d*, 695 Fed.Appx. 633 (2d Cir. 2017) (internal quotation marks omitted); *Genesee Brewing Co., Inc. v. Stroh Brewing Co.*, 124 F.3d 137, 148 n.11 (2d Cir. 1997) (giving weight to the initial conclusions of the USPTO) (citing cases); *D.M. & Antique Imp. Corp. v. Royal Saxe Corp.*, 311 F.Supp. 1261, 1274 (S.D.N.Y. 1969) (citing to the USPTO examiner’s finding that the mark in question was “likely to cause confusion” in support of the court’s conclusion that there was a likelihood of confusion between the competing marks).

Finally, for three reasons, the Court rejects Grubhub’s assertion that any confusion that might be created by the similarity between the HC House Mark and the JET House Logo is neutralized because the GRUBHUB brand name “*always* appears with the **JET House Logo.**” (Dkt. #46 at p. 22) (emphasis in original).

8. *Vickery Design, Inc. v. Aspen Bay Co., Inc.*, No. CV 96-25 JP/DJS, 1998 U.S. Dist. LEXIS 24386, 1998 WL 36030577, at *8 (D.N.M. July 16, 1998), *aff’d*, 185 F.3d 876 (10th Cir. 1999).

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First, even if it were accurate to say that the GRUBHUB brand name “always” appears with the JET House Logo (which it is not, as explained below), it is undisputed that Home Chef makes frequent use of the HC House Mark *without* the HOME CHEF word mark in advertising and marketing materials. (Dckt. #18-3 at ¶15; Dckt. #18-4 at pp. 23-26, 28-30, 32-48, 50, 53-56, 58-64, 66-67, 72-74, 76-79, 81-85, 87-93, 96-98; Dckt. #56 at p. 39). When the USPTO examiner compared the JET House Logo (which had yet to be combined with the GRUBHUB word mark) to the HC House Mark *with* the Home Chef word mark, the examiner found that the JET House Logo “is likely to appear to prospective purchasers as a shortened form of [Home Chef]’s mark.” (Dckt. #18-8 at p. 5). Home Chef asserts that it will be unable to use its HC House Mark standing alone without running the risk that consumers will associate the mark with Grubhub. (Dckt. #56 at pp. 46-47). Based on the similarity between the HC House Mark and the JET House Logo, the USPTO examiner’s finding, and the relative strength of GRUBHUB word mark (*infra*, at Section III(A)(5)), the Court finds that Home Chef’s fears are warranted.

Second, the proposition that the prominent display of the parties’ brand names on their marks reduces the likelihood of confusion even when the marks are otherwise similar extends only to cases where *forward* confusion is alleged. By contrast, where reverse confusion is alleged, the Seventh Circuit has recognized that the junior user’s use of its well-known brand name with a mark that is similar to the senior user’s mark can aggravate, not mitigate, the confusion that arises from the parties’ use of similar marks. *See, e.g., Sands, Taylor & Wood Co.*

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v. Quaker Oats Co., 978 F.2d 947, 960 (7th Cir. 1992);⁹ *Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1164 (9th Cir. 2021) (“in a reverse confusion case the junior user’s use of a house mark can also aggravate confusion by reinforcing the association between the [senior user’s] mark and the junior user”); *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1288 (9th Cir. 1992) (“[T]he prominence of Russ’s housemark may serve to create reverse confusion that Russ, and not Amtra, is the source of Amtra’s ‘Wedding bears.’ Russ’s housemark therefore does not, as a matter of law, render its use of ‘Wedding Bear’ non-similar to Amtra’s trademark.”); *Breuer Elec. Mfg. Co. v. Hoover Co.*, No. 97 C 7443, 1998 U.S. Dist. LEXIS 11613, 1998 WL 427595, at *6 (N.D.Ill. July 23, 1998) (citing *Sands*); *TV Land, L.P. v. Viacom Int’l, Inc.*, 908 F.Supp. 543, 550-51 (N.D.Ill. 1995) (citing *Sands*). Thus, because Home Chef alleges reverse confusion, Grubhub’s use of its brand name with the JET House Logo does not neutralize — and may actually aggravate — any confusion that arises from the similarity between that mark and the HC House Mark.

9. In *Sands*, a reverse confusion case, the plaintiff Sands, Taylor & Wood brought a trademark infringement action against The Quaker Oats Company alleging that Quaker’s use of the words “Thirst Aid” in its advertising slogan “Gatorade is Thirst Aid” infringed on its registered trademark for THIRST-AID. *Sands*, 978 F.2d at 949, 957. Quaker argued that its use of the well-known brand name “Gatorade” with its “Thirst Aid” ads eliminated any similarity that might have otherwise existed. *Id.*, at 960. The Seventh Circuit rejected this argument and held that “it is precisely the strong association between Gatorade and ‘Thirst Aid’ created by Quaker’s ads that is likely to create confusion in this case.” *Id.*

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Finally, it is not accurate to say that Grubhub *always* uses its brand name GRUBHUB with the JET House Logo because it has also combined the brand name Seamless with the JET House Logo to create the Seamless Lock-up Logo. (Dckt. #40 at ¶19).¹⁰ The Seamless Lock-up Logo, which on its face  indicates that

Seamless is affiliated with Grubhub, illustrates that Grubhub uses more than one brand name with the JET House Logo. Consumers who are aware of this fact could view the HC House Mark combined with the Home Chef word mark and mistakenly believe that Home Chef (like Seamless) is affiliated with Grubhub. The Seventh Circuit's decision in *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145 (7th Cir. 1994), is instructive. In that case, the alleged infringer (Hersey) was known to have sold water meters made by another manufacturer under its own private label. *Id.*, at 1152. The Seventh Circuit recognized that Hersey's use of its trademark on a water meter that was almost identical to the water meter of Badger (the plaintiff) would not prevent purchasers from inferring that Hersey and Badger were involved in a similar private label deal. *Id.*

In sum: this factor weighs in favor of Home Chef.

10. Home Chef has also argued that Grubhub, on occasion, uses the JET House Logo without the Grubhub brand name. (Dckt. #47 at p. 10). During oral argument, however, Grubhub explained that those materials were presented to overseas investors or are images taken from Grubhub's website. (Dckt. #56 at pp. 8-9).

*Appendix C***2. The Similarity of the Products**

As the Seventh Circuit has recognized, “[m]odern trademark law prohibits use of a senior user’s mark not only on products that are in direct competition with those of the senior user but also on products that are considered to be ‘closely related’ to the senior user’s. . . [and] [a] ‘closely related’ product is one which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner.” *Sands*, 978 F.2d at 958 (internal quotation marks and citations omitted); *Ty, Inc.*, 237 F.3d at 900 (quoting *Sands*). Accordingly, “[a] likelihood of confusion may exist even if the parties are not in direct competition . . . , or their products and services are not identical.” *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 679 (7th Cir. 2001) (citation omitted).

Grubhub argues that the parties’ products and services are sufficiently dissimilar because “Home Chef offers at-home meal kits requiring home cooking through subscription services or through grocery store sales, while Grubhub offers restaurant ordering (delivery, takeout, and catering) services.” (Dckt. #46 at p. 26). However, Grubhub’s description of Home Chef’s products and services is unduly myopic. As explained above in Section I(A)(1)(a), Home Chef offers over 500 products in addition to meal kits, including ready-to-eat products, heat-and-eat meals, and seasonal meals. Home Chef’s products can be purchased in store or for same-day, home delivery from more than 2,000 Kroger grocery stores, including through Instacart and DoorDash (both competitors of Grubhub).

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Moreover, Grubhub offers meal delivery services from grocery stores, Grubhub has identified Kroger as one of its “current partners,” and select Grubhub customers can even order Home Chef vouchers through Grubhub’s app. Finally, Home Chef markets itself to consumers as an alternative to restaurant takeout/delivery provided by DoorDash and other restaurant delivery services and the public considers the parties’ meal delivery services to be competing services. (Dckt. #18-3 at ¶33; Dckt. #18-5 at pp. 58-71, 74-102 (articles dated September 27, 2021, and October 4, 2021, which compare and contrast the food delivery services offered by Grubhub, Seamless, Home Chef, and twenty-five other companies)).¹¹

11. Grubhub also relies on two factually distinguishable cases. (Dckt. #46 at p. 27 (citing *Barbeque Marx, Inc. v. 551 Ogden, Inc.*, *supra*, and *Bobak Sausage Co. v. A&J Seven Bridges, Inc.*, *supra*). In *Barbeque Marx*, the Court declined to find that the district court’s determination that two barbeque restaurants offered the same product (barbeque) was clearly erroneous, but it did note that the “differences in the restaurants’ ambience and themes . . . certainly weaken[ed] this factor’s strength in favor of [plaintiff].” *Barbeque Marx*, 235 F.3d at 1044-45. In *Bobak*, the court — which found that this factor favored defendant — recognized that although both parties provided food, “the manner in which the food [wa]s provided and the type of food that is offered differ[ed] substantially” because one business sold sausage and deli products for pick up or delivery while the other business hosted banquets, wedding receptions, and conferences for up to 1,200 people and served “fancier” and “more expensive offerings” (such as chicken cordon blue, stuffed beef tenderloin, and chicken saltimbocca with sun-dried tomato au jus). *Bobak*, 805 F.Supp.2d at 516.

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Based on this evidence, the Court finds that the parties' respective products and services are "closely related" within the meaning of Seventh Circuit precedent.¹² *Ty, Inc.*, 237 F.3d at 900; *Sands*, 978 F.2d at 958; *Int'l Kennel Club of Chi., Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1089 (7th Cir. 1988) (finding that plaintiff's service of promoting and sponsoring dog shows was sufficiently related to defendant's toy-dog products to cause confusion); *Brithric Enterprises, LLC v. Bay Equity LLC*, No. 20-CV-04696, 2021 U.S. Dist. LEXIS 61752, 2021 WL 1208957, at *6 (N.D.Ill. Mar. 31, 2021) (even though the parties were not direct competitors, their products were related given the overlap in services where consumers could conceivably use both firms' services in a single transaction). This factor weighs in favor of Home Chef.

3. The Area and Manner of Concurrent Use

In considering the area and manner of concurrent use factor, courts "have to assess whether 'there is a relationship in use, promotion, distribution, or sales between the goods or services of the parties.'" *Ty, Inc.*, 237 F.3d at 900, quoting *Forum Corp. of North America v. Forum*, 903 F.2d 434, 442 (7th Cir. 1990); *CAE, Inc.*, 267 F.3d at 681. Courts also consider "whether the parties use the same channels of commerce, target the same general audience, or use similar marketing procedures." *Sorenson v. WD-40 Co.*, 792 F.3d 712, 730 (7th Cir. 2015). Where the

12. The USPTO examiner also compared the goods and services offered by the parties — as described in the application and registrations at issue and as evidenced by various internet postings — and found them to be related. (Dckt. #18-8 at pp. 5-6).

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parties make extensive use of the internet to market and advertise their products and services, that is “a factor that courts have consistently recognized as exacerbating the likelihood of confusion.” *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1057 (9th Cir. 1999); *RDK Corp. v. Larsen Bakery, Inc.*, No. 02-C-0675, 2006 U.S. Dist. LEXIS 53298, 2006 WL 2168797, at *19 (E.D.Wis. July 31, 2006).

Here, the record shows that: (1) the parties’ meal delivery services are both advertised and sold nationwide via the internet; (2) the parties offer their services and/or products in grocery stores; (3) the parties advertise their products and services through the same online marketing channels to compete for the same customers (namely, the 49% of dinners that are up for grabs every day with customers making decisions about where to get their meals that same day);¹³ and (4) Grubhub sells Home Chef vouchers on its app. In light of this evidence, the Court finds that there is a relationship in the use, promotion, and sales between the goods and services of the parties. This factor weighs in favor of Home Chef.

4. The Degree of Care Likely to be Exercised by Consumers

“The degree of care likely to be exercised by consumers is determined by considering several factors, including the expense of the product and the sophistication of the purchasers.” *Bobak Sausage*, 805 F.Supp.2d at 517

13. (See Dckt. #18-3 at ¶30; Dckt. #18-8 at p. 38).

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(citing cases). Furthermore, “[t]he more widely accessible and inexpensive the products and services, the more likely that consumers will exercise a lesser degree of care and discrimination in their purchases.” *CAE, Inc.*, 267 F.3d at 683 (citing *Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 638 (5th Cir. 1985) (stating that the simplicity and negligible cost of Fuji’s goods and its extensive advertising increased the likelihood of confusion about the source of the goods)); *Uncommon, LLC v. Spigen, Inc.*, 926 F.3d 409, 426 (7th Cir. 2019) (same). In assessing this factor, the Court must consider “both parties’ potential customers,” *CAE, Inc.*, 267 F.3d at 682, and it “stand[s] in the shoes of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods.” *Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754, 769 (8th Cir. 2010) (internal quotation marks omitted). “When consumers use a lesser degree of care, this supports a finding that there is a likelihood of confusion.” *Sorenson*, 792 F.3d at 730.

Home Chef, whose products can be purchased for as little as \$6.99 per serving, (Dckt. #18-1 at ¶15), asserts that the products and services offered by both parties are inexpensive and widely available for purchase through the internet, subscription services,¹⁴ and grocery stores

14. Grubhub has a subscription service known as Grubhub+ which enables its customers to receive free delivery and other perks in exchange for a \$9.99 monthly membership. (Dckt. #18-9 at pp. 19-22, 34-35). In contrast to Home Chef’s subscription service, however, the price of Grubhub’s subscription service does not include the provision of any meals.

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nationwide. (Dckt. #18 at pp. 15-16; Dckt. #47 at pp. 14-15). Home Chef has also provided evidence that 49% of diners make decisions about where to get their meals for dinner earlier that same day. (Dckt. #18-3 at ¶30; Dckt. #18-8 at p. 38). The relatively inexpensive meal prices combined with spur-of-the-moment decision-making suggests that many meal purchases are impulse purchases. See *Sorenson*, 792 F.3d at 730 (“Both Sorensen’s and WD-40’s products are quite inexpensive (under \$12), and could even be characterized as impulse purchases.”); *Frisch’s Restaurant, Inc. v. Elby’s Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982) (“The ‘fast food’ products promoted by Elby’s are not likely to be the object of intensive consumer research, but rather subject to ‘impulse buying.’”); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941 (10th Cir. 1983) (“Buyers typically exercise little care in the selection of inexpensive items that may be purchased on impulse.”); *Pilot Corp. of Am. v. Fisher-Price, Inc.*, 501 F.supp.2d 292, 309 (D.Conn. 2007) (products in the range of \$7.99 to \$14.99 are “relatively low-priced”).

Grubhub does not deny that its services are relatively inexpensive and are available nationwide through the above outlets. Nor does Grubhub claim that its own customers exercise a high degree of care and discretion in their purchases. Instead, Grubhub asserts that this factor weighs in its favor because Home Chef’s customers are likely to exercise a reasonable degree of care when selecting Home Chef’s at-home meal kits because meal kit subscriptions — which start at \$50 per week — are more expensive. (Dckt. #46 at p. 28 (citing *Duluth News-Trib.*

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v. Mesabi Pub. Co., 84 F.3d 1093 (8th Cir. 1996)). While the Court agrees that a consumer's degree of care does not depend solely on price, *Nike, Inc.*, 6 F.3d at 1230, and that a subscription-based manner of purchase typically implies a higher degree of care by the subscribers, the facts in *Duluth News-Trib.* are distinguishable from the record here.

In *Duluth News-Trib.*, the court concluded the evidence was insufficient to create a genuine issue of material fact regarding the likelihood that an appreciable number of consumers would be confused where approximately 92% of defendants' newspapers were sold through home subscriptions and only 6% of their papers were sold in a way where the buyers could potentially be confused. *Duluth News-Trib.*, 84 F.3d at 1099. In this case, there is no clear evidence regarding what percentage of Home Chef's current revenues is attributable to subscription meal-kit sales. See *Metropcs Wireless, Inc. v. Virgin Mobile, L.P.*, No. CIV.A. 3:08-CV-1658, 2009 U.S. Dist. LEXIS 88527, 2009 WL 3075205, at *11 n.13 (N.D.Tex. Sept. 25, 2009) (distinguishing *Duluth News-Trib.* on the ground that there was no clear evidence of the percentage of potential consumers who would be confused about the product in question).

Home Chef, which began as a subscription-based meal kit service, argues that the dramatic increase in its revenue and in the number of meals it sold per month between 2018 and 2021 is due to its sales of a diversified array of products in Kroger stores nationwide. (Dekt. #56 at pp. 30, 46). The record provides support for this

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conclusion. In particular, Home Chef had \$250 million in revenue in 2017, prior to its 2018 merger with Kroger, the expansion of its product line beyond meal kits to include heat-and-eat and ready-to-eat products, and the introduction of Home Chef products into more than 2,200 Kroger stores nationwide. (Dckt. #18-1 at ¶¶10-12, 16). By October 2021, Home Chef's annual sales had reached \$1 billion. (*Id.*, at ¶13). Given that Home Chef's revenue quadrupled after it expanded its product line beyond subscription meal kits and began selling its products in Kroger stores nationwide, it is reasonable to infer that the majority of Home Chef's customers are not subscribers to its meal kit service but instead are purchasers of Home Chef's relatively inexpensive products on an a la carte basis. Grubhub's customers likewise utilize Grubhub's relatively inexpensive services¹⁵ on an ad hoc, a la carte basis.

For these reasons, this factor weighs in favor of Home Chef.

5. The Strength of Home Chef's Mark

The "strength" of a trademark refers to the mark's distinctiveness, meaning its propensity to identify the products and services sold as emanating from a particular source. *CAE, Inc.*, 267 F.3d at 684. "The stronger a mark, the more one is likely to associate similar marks and products with it." *Am. Soc'y of Plumbing Engineers v. TMB, Pub., Inc.*, 109 Fed.Appx. 781, 789 (7th Cir. 2004);

15. Grubhub's delivery fees per order are between \$1.00 and \$10.00 but most typically range between \$2.50 to \$7.50. (Dckt. #18-9 at p.33).

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AutoZone, 543 F.3d at 933. Accordingly, a strong mark receives broader protection than a weak mark. *TMB, Pub.*, 109 Fed.Appx. at 789; *CAE, Inc.*, 267 F.3d at 684. In assessing the strength of a mark, courts consider: (1) its type (namely, whether it is generic, descriptive, suggestive, arbitrary, or fanciful in ascending order of distinctiveness/strength); (2) whether it has been subject to wide and extensive advertising or use by the holder; or (3) a combination of both. *Id.* In addition, the commercial strength of the mark of Grubhub (the junior user) must be considered since reverse confusion is alleged here. See *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 231 (3d Cir. 2000). “Also of value in this analysis is the extent of third-party use and registration of the term or similar terms,” as “the more use and promotion of similar marks by third parties, the weaker the mark and the less protection afforded.” *TMB, Pub.*, 109 Fed. Appx. at 789 (citing *CAE, Inc.*, 267 F.3d at 685); *McGraw-Edison Co. v. Walt Disney Prods.*, 787 F.2d 1163, 1171 (7th Cir. 1986).

Grubhub does not dispute that the USPTO has issued registrations for the HC House Mark (both with and without the HOME CHEF word mark), and it does not attempt to characterize the “type” of marks that Home Chef possesses. Accordingly, the Court will presume that Home Chef’s marks are “at least suggestive and not ‘merely descriptive.’” See *Uncommon*, 926 F.3d at 420.

Moreover, Home Chef asserts — and Grubhub does not dispute (Dckt. #46 at p. 26) — that both Home Chef and Grubhub have commercially strong marks given

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the “millions of dollars” that each company has spent in promoting their products and services. (Dckt. #46 at p. 24). Indeed, Grubhub asserts that Home Chef’s commercial success eliminates the possibility that any reverse confusion has occurred. (Dckt. #46 at p. 26). In particular, Grubhub’s counsel stated the following at the oral argument:

And I will add that [Home Chef’s] theory of reverse confusion is ludicrous, your Honor, and I would not use that word lightly. Home Chef argues on the one hand that they’re a growing, dominant, billion dollar-plus company, yet they’re arguing that Grubhub, which is slightly larger, will overwhelm them with their marketing effort. You simply cannot have it both ways. You can’t say that you’re extremely well known and that your mark is strong and widely recognized and then argue reverse confusion, it just doesn’t work.

(Dckt. #56 at p. 28).

The Court disagrees. To begin, Grubhub’s sales revenues (\$1.8 billion in 2020) are not “slightly larger” than Home Chef’s (\$1 billion in 2021); rather, they are at least 80% higher.¹⁶ Moreover, Grubhub asserts without

16. Although the magnitude of Grubhub’s sales revenues for 2021 is not readily available, it is reasonable to presume that Grubhub’s sales revenues in 2021 exceeded its revenues in 2020 given the \$500 million rise in Grubhub’s revenues between 2019 and 2020 and the persistence of the Covid-19 pandemic.

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dispute that it has one of the “most well-known brands in the United States” – a claim that Home Chef does not make — and Grubhub has more than 32 million active diners in its portfolio.¹⁷ (Dckt. #40 at ¶7; Dckt. #46-4 at ¶4). Grubhub has cited no authority in support of its argument that the commercial size of a registered mark holder, standing alone, immunizes it from experiencing reverse confusion and there is no logical reason why this would be the rule. After all, “there’s always a bigger fish”¹⁸ and it is the disparity between the commercial size and marketing power of the junior user on the one hand and the senior user on the other, that is the relevant consideration for reverse confusion. *Dorpan*, 728 F.3d at 65 (reverse confusion occurs when a senior user is “overwhelmed by a more commercially powerful junior user”); *A & H Sportswear, Inc.*, 237 F.3d at 231 (with reverse confusion, courts consider “(1) the commercial strength of the junior user as compared to the senior user; and (2) any advertising or marketing campaign by the junior user that has resulted in a saturation in the public awareness of the junior user’s mark”).

Grubhub also asserts that Home Chef’s HC House Mark “is not entitled to a broad scope of protection”

17. By comparison, Home Chef has less than 800,000 followers on Facebook, Instagram, Pinterest, and Twitter combined. (Dckt. #18-3 at ¶¶7-9, 11).

18. This phrase, famously uttered by Jedi Master Qui-Gon Jinn in *Star Wars: Episode I — The Phantom Menace*, calls to mind an old proverb: “no matter how large or intimidating a person or thing is, there is likely to be an even larger or more intimidating person or thing somewhere.”

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because it “combines widely used elements for services in the dining field, which . . . are also used in many other third-party marks.” (Dckt. #46 at p. 25). However, Grubhub — which engaged a leading trademark search vendor to perform trademark searches regarding logos that consist of house and/or cutlery designs used with meal kits, meal preparation, dining, and/or restaurant services (Dckt. #46-2 at pp. 2-3) – was unable to find any other images showing a house figure with a fork on the left side and a knife on the right side as depicted in the HC House Mark and the Jet House Logo. (Dckt. #56 at p. 16). Moreover, the two marks that Grubhub suggests are similar to the HC House Mark are, in fact, not similar because they contain additional elements that are configured in significantly different ways. In particular, both marks contain a spoon (in addition to a fork and a knife), one mark uses a spoon, knife, and fork as elements of a house image itself and not inside the house image, and the other mark does not include a house image at all:



(Dckt. #46 at p. 20). Finally, the sole case Grubhub cites in support of its argument on this point is factually distinguishable because the asserted trademarked phrase was in common use in the relevant industry. (*Id.* (citing *Eastland Music Grp., LLC v. Lionsgate Ent., Inc.*, 707 F.3d 869 (7th Cir. 2013)).¹⁹

19. In *Eastland*, the plaintiff claimed a trademark in the

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This factor favors Home Chef.

6. Actual Confusion

As Grubhub acknowledges, Home Chef is not required to present proof of actual confusion to establish a preliminary injunction or to otherwise prove that a likelihood of confusion exists. *CAE, Inc.*, 267 F.3d at 685-86; *Int'l Kennel Club*, 846 F.2d at 1090; (Dckt. #53 at pp. 23-24). Nonetheless, “there can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion,” and evidence of actual confusion is entitled to “substantial weight.” *Int'l Kennel Club*, 846 F.2d at 1089-90 (internal quotation marks omitted); *CAE, Inc.*, 267 F.3d at 685; *Dorpan, S.L. v. Hotel Melia, Inc.*, 728 F.3d 55, 69 (1st Cir. 2013) (internal quotation marks omitted) (“[P]ast confusion is frequently a strong indicator of future confusion.”). Indeed, the Seventh Circuit has recognized that even “[o]ne instance of actual confusion has been deemed sufficient to weigh in favor of finding a likelihood of confusion.” *CAE, Inc.*, 267 F.3d at 686; *Wesley-Jessen*, 698 F.2d at 867; *Varian Assocs. v.*

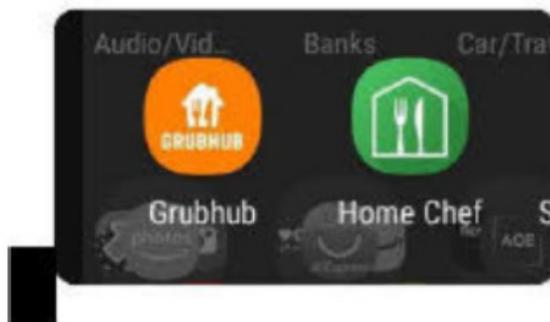
phrase “50/50” and brought suit against defendants, alleging that they infringed on its rights by using “50/50” as the title of a movie. *Eastland*, 707 F.3d at 870. The Seventh Circuit recognized that “[t]he phrase 50/50 or a sound-alike variant (50-50, fifty-fifty, fifty/fifty) has been in use as a title of intellectual property” and that at least eight other films, three TV shows, and three songs incorporated the phrase in their titles. *Id.*, at 871. In view of this, the court opined that “[i]f there is any prospect of intellectual property in [the] phrase 50/50,” plaintiff’s “rights are correspondingly weak and narrow.” *Id.*

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IMAC Corp., No. 66 C 1446, 1968 U.S. Dist. LEXIS 8845, 1968 WL 8436, at *5 (N.D.Ill. Nov. 8, 1968) (finding that plaintiff’s proof of a single incident of actual confusion was “additional persuasive evidence of the likelihood of confusion.”). Furthermore, “while very little proof of actual confusion [is] necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.” *Int’l Kennel Club*, 846 F.2d at 1089 (internal quotation marks omitted); *Dorpan*, 728 F.3d at 69.

a. Home Chef’s Evidence of Actual Confusion

Home Chef offers evidence of two instances of actual confusion. First, on September 8, 2021, a Home Chef customer sent Home Chef’s Facebook account a message which read, “Did you and Grub Hub merge or come to some sort of mutual deal, because I had to take a double take today when my Grub hub app updated.” (Dckt. #18-3 at ¶41; Dckt. #18-5 at p. 146). The customer included the following screen shot with the message:



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(Dckt. #18-3 at ¶ 41; Dckt. #18-5 at p. 147).²⁰ Evidence of actual confusion includes such situations where consumers raise questions about whether a senior user and a junior user are affiliated after viewing their respective marks. *See, e.g., CAE, Inc.*, 267 F.3d at 686 (noting that the “one instance of actual confusion in the record” occurred when one of plaintiff’s suppliers asked whether “there [wa]s a connection between” defendant and plaintiff’s subsidiary); *Unity Health Plans Ins. Co. v. Iowa Health Sys.*, 995 F.Supp.2d 874, 894 (W.D.Wis. 2014) (finding that a call during which a consumer asked “whether Unity Health and UnityPoint are affiliated in some way” constituted “somewhat more persuasive” evidence of actual confusion).

Second, according to Home Chef’s Marketing Director (whose duties include managing Home Chef’s social media accounts), a Twitter user posted the following “tweet” on August 25, 2021:



20. Home Chef knows the identity of this customer but redacted it to preserve the customer’s privacy. (Dckt. #56 at p. 69).

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(Dckt. #18-3 at ¶ 40). “The most relevant evidence of actual confusion is the testimony of a reasonably prudent purchaser who was in fact confused by defendant’s trademark,”²¹ and courts can rely on such consumer inquiries to a moving party when assessing the likelihood of confusion. *See, e.g., Unity Health*, 995 F.Supp.2d at 893, *quoting Int’l Kennel Club*, 846 F.2d at 1090 (“The Seventh Circuit has upheld a finding of consumer confusion based on ‘letters, phone calls, and inquiries received by the plaintiff.’”); *Boathouse Grp., Inc. v. TigerLogic Corp.*, 777 F.Supp.2d 243, 253 (D.Mass. 2011) (finding that party’s “evidence of several instances of actual confusion in posts on Twitter and other websites” provided “persuasive evidence of future confusion”).

According to Grubhub, the above evidence should be disregarded or given little weight for three reasons.

First, Grubhub asserts the above evidence does not reflect actual confusion because the consumer who communicated by Twitter recognized that Grubhub and Home Chef are separate customers and “the absence of actual confusion is highly persuasive evidence that confusion is not likely.” (Dckt. #46 at p. 24, *quoting Ohio Art Co. v. Lewis Galoob Toys, Inc.*, 799 F.Supp. 870, 884 (N.D.Ill. 1992)). However, as explained above, the concept of actual confusion is not limited to circumstances where consumers mistakenly believe that the senior and junior users are the same company, but instead extends to

21. *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 104 F.Supp.2d 427, 464 (D.N.J. 2000), *aff’d*, 269 F.3d 270 (3d Cir. 2001) (internal quotation marks omitted).

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situations where customers question whether there is an affiliation or connection between the two users.

Furthermore, even if Home Chef had offered no evidence of actual confusion, the high degree of significance that the *Ohio Art* court accorded to the lack of such evidence is inconsistent with later Seventh Circuit precedent, which holds that “the most that the absence of evidence of actual confusion can be said to indicate is that the record does not contain any evidence of actual confusion known to the parties.” *CAE, Inc.*, 267 F.3d at 686 (finding that even where there was a twenty-five-year history without any reported incidents of actual confusion, the district court “properly treated this factor as weighing only slightly in favor of a conclusion that no likelihood of confusion exists”). This is so because “instance of actual confusion may be difficult to discover,” particularly where — as here — the products and services involved are relatively inexpensive. *Id.*; *Video Pipeline, Inc. v. Buena Vista Home Ent., Inc.*, 275 F.Supp.2d 543, 752 (D.N.J. 2003) (“The law recognizes that random instances of confusion often go unreported or unrecorded.”); *see also Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 383 (7th Cir. 1976) (“The value of evidence of actual confusion is greater when the products involved are low value items because purchasers are unlikely to complain when dissatisfied, which would bring to light confusion.”).

Second, Grubhub asserts that Home Chef’s evidence of actual confusion should be excluded because it is hearsay. (Dekt. #46 at p. 24). However, Home Chef’s evidence is not hearsay because it is not offered for the truth of the

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matter asserted but rather to show “that consumers are indeed confused.” *Sarkis’ Café, Inc. v. Sarkis in the Park, LLC*, No. 12 C 9686, 2016 U.S. Dist. LEXIS 22566, 2016 WL 723135 at *8 n.15 (N.D.Ill. Feb. 24, 2016); *Vacation Rental Partners, LLC v. VacayStay Connect, LLC*, No. 15 CV 10656, 2017 U.S. Dist. LEXIS 45753, 2017 WL 1150806, at *10 (N.D.Ill. Mar. 28, 2017) (same). In any event, courts may consider hearsay on preliminary injunction proceedings. *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *1.

Third, Grubhub asserts that *de minimis* evidence of actual confusion is insufficient to support a finding of actual confusion. (Dkt. #46 at p. 24 (citing cases)). However, all of the cases that Grubhub cites in support of this proposition are distinguishable because they involved summary judgment motions and *not* preliminary injunction proceedings. The procedural posture of a case makes a difference in terms of how evidence of actual confusion is weighed. *See, e.g., Weber-Stephen Prod. LLC v. Sears Holding Corp.*, 145 F.Supp.3d 793, 802 n.6 (N.D.Ill. 2015) (finding that the Seventh Circuit’s holding in *CAE* that one instance of actual confusion is sufficient to weigh in favor of finding a likelihood of confusion “is not the same as the Seventh Circuit holding that *one* instance of actual confusion alone would be sufficient to deny summary judgment”) (emphasis in original).

b. Grubhub’s Survey Evidence

In addition to the type of anecdotal evidence cited by Home Chef, consumer survey evidence can be — but

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need not be — introduced during preliminary injunction proceedings to prove (or disprove) the existence of actual confusion regarding the parties' respective marks. *See Meridian Mut. Ins.*, 128 F.3d at 1119 (rejecting defendant's argument that plaintiff's failure to produce a consumer survey showing a likelihood of confusion negated plaintiff's anecdotal evidence of actual confusion at the preliminary injunction stage). In this case, Grubhub retained survey researcher Hal Poret to conduct surveys to assess whether Grubhub's use of the Grubhub Lock-up Logo causes consumer confusion between Grubhub and Home Chef under reverse and forward theories of confusion. (*See* Dckt. #46-3 – Decl. of Hal Poret).

Poret used the standard “Eveready” survey format, “in which respondents are shown the trademarks at issue and questioned to determine if they make a mistaken mental connection to the other party's mark,” for both of his studies. (Dckt. #46-3 at ¶7); *Nail All., LLC v. Poly-Gel L.L.C.*, No. 17-CV-01026-FJG, 2019 WL 5295501, at *4 (W.D.Mo. June 27, 2019) (noting that the Eveready format is standard and widely accepted). For the reverse confusion study, Poret selected 300 respondents from a universe of “U.S. consumers age[d] 18 and older who have used an online or in-app service for home delivery of meal prep kits or ready-to-eat meals in the past six months, or are likely to consider using such a service in the next six months.” (Dckt. #46-3 at p. 41). Poret exposed the respondents to Home Chef's HC House Mark and then asked the respondents a series of questions to determine whether they mistakenly associated Home Chef's mark and/or its products and services with Grubhub. (Dckt.

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#46-3 at ¶18). None of the 300 respondents answered that “Home Chef’s application/website or service is offered by, or affiliated with, or sponsored or approved by, Grubhub.” (Dckt. #46-3 at ¶11).

For the forward confusion study, Poret selected 300 respondents from a universe of “U.S. consumers, age[d] 15 and older who have used an online service for food delivery from local restaurants or stores in the past six months, or [are] likely to consider using such a service in the next six months.” (Dckt. #46-3 at p. 44). Poret exposed these respondents to Grubhub’s Lockup Logo and then asked the respondents a series of questions to determine whether they mistakenly associated Grubhub’s mark or services with Home Chef. (Dckt. #46-3 at ¶9). None of the 300 respondents answered that the “Grubhub application/website or service is offered by, or affiliated with, or sponsored or approved by, Home Chef (or Kroger).” (Dckt. #46-3 at ¶13).

In sum, Poret opines that his survey results “powerfully demonstrate” that Grubhub’s use of the Grubhub Lock-up Logo does not create a likelihood of confusion with Home Chef or the HC House Mark under either the reverse or forward confusion theory. (Dckt. #46-3 at ¶¶12, 14). Grubhub goes even further and asserts that Poret “***definitively establishes that no confusion is occurring between the marks.***” (Dckt. #46 at p. 23 (emphasis in original)). Home Chef, on the other hand, argues that Poret’s surveys should be deemed inadmissible or, at a minimum, given little weight for a number of reasons. (See Dckt. #47 at pp. 18-20). The Court

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finds that Poret's surveys (though admissible for purposes of these proceedings) are entitled to little weight for the following five reasons.

First, Poret did not use the proper universe of consumers when selecting respondents for his reverse confusion survey. Respondents for a reverse confusion study should be drawn from a universe consisting of the customer base of the senior user (here, Home Chef). *See, e.g., Citizens Fin. Grp., Inc. v. Citizens Nat. Bank of Evans City*, 383 F.3d 110, 120-21 (3d Cir. 2004); *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733, 741 (2d Cir. 1994). Here, although Poret evidently intended to draw from Home Chef's customer base, he selected his respondents exclusively from consumers who purchased (or would consider purchasing) meal prep kits or ready-to-eat meals either "online" or through an "in-app service." (Dckt. #46-3 at p. 41). This universe of consumers *excludes* actual and prospective Home Chef customers who make *in-store* purchases of Home Chef products at the Kroger stores nationwide as well as Home Chef customers who purchase heat-and-eat products (as opposed to meal kits and ready-to-eat meals). "Selection of the proper universe is a crucial step, for even if the proper questions are asked in a proper manner, if the wrong persons are asked, the results are likely to be irrelevant." 6 McCarthy on Trademarks and Unfair Competition §32.159 (5th ed. 2022).

Second, Poret's surveys failed to accurately reflect the actual marketplace conditions. *See, e.g., Maui Jim, Inc. v. SmartBuy Guru Enterprises*, No. 1:16 CV 9788, 2019 U.S. Dist. LEXIS 186723, 2019 WL 5577165, at *4

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(N.D.Ill. Oct. 29, 2019) (“[S]urveys should replicate the marketplace conditions as well as possible.”). In particular, the surveys did not account for how consumers react to: (1) Home Chef’s use of the HC House Mark *without* the Home Chef trade name, including in advertisements;²² (2) Home Chef’s sales of its products in Kroger grocery stores; and (3) Grubhub’s use of the Seamless Lock-up Logo. The failure to mirror marketplace conditions is significant because “the closer the survey methods mirror the situation in which the ordinary person would encounter the trademark, the greater the evidentiary weight of the survey results.” *Bobak Sausage Co. v. A & J Seven Bridges, Inc.*, No. 07 C 4718, 2010 U.S. Dist. LEXIS 40737, 2010 WL 1687883, at *5 (N.D.Ill. Apr. 26, 2010), *quoting* 5 McCarthy on Trademarks §32:163 at 32-237 (4th ed. 1999); *BDO Remit (USA), Inc. v. Stichting BDO*, No. CV1104054MMMCWX, 2012 U.S. Dist. LEXIS 207470, 2012 WL 12895658, at *10 (C.D.Cal. Sept. 19, 2012), *quoting* *THOIP v. Walt Disney Co.*, 788 F.Supp.2d 168, 180 (S.D.N.Y. 2011) (“[T]he court is particularly concerned about Ostberg’s failure ‘to replicate actual marketplace condition,’ which would seem to be a critical factor in assessing likelihood of confusion.”).

Third, the methodology Poret used to question the survey respondents amounted to what some courts have described as a “memory test.” *See, e.g., Starter Corp. v. Converse, Inc.*, 170 F.3d 286, 297 (2d Cir. 1999) (district court properly excluded a study that “was little more

22. At oral argument, Grubhub’s counsel confirmed that Poret used prompts which had the HC House Mark right above or right alongside the Home Chef word mark. (Dckt. #56 at pp. 35-36).

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than a memory test, testing the ability of the participants to remember the names of the shoes they had just been shown”). In particular, Poret showed the respondents images from Home Chef’s website and mobile app (for the reverse confusion survey) and images from Grubhub’s website and mobile app (for the forward confusion survey) and then asked the respondents what company they thought offered the app/service they were shown and whether they thought the app/service is affiliated with, sponsored by, or approved by any other company. (Dekt. #46-3 at pp. 17-18, 23-24, 32-33, 37-38).

Surveys that do nothing more than test the memory of survey respondents are given little, if any, weight in the likelihood of confusion analysis. *See, e.g., Starter Corp.*, 170 F.3d at 297 (“memory test” study “gave no indication of whether there was a likelihood of confusion in the marketplace”); *Instant Media, Inc. v. Microsoft Corp.*, No. C 07-02639 SBA, 2007 U.S. Dist. LEXIS 61443, 2007 WL 2318948, at *14-15 (N.D.Cal. Aug. 13, 2007) (“Microsoft’s survey is little more than a ‘memory test,’ measuring how many respondents who had just read the source indicators ‘Instant Media’ and ‘I’M’ on a website could accurately recall them. Such a survey is useless in the Court’s analysis of likelihood of confusion.”); *Franklin Resources, Inc. v. Franklin Credit Mgmt. Corp.*, 988 F.Supp. 322, 334-35 (S.D.N.Y. 1987) (“Surveys which do nothing more than demonstrate the respondents’ ability to read are not probative on the issue of likelihood of consumer confusion.”); 6 McCarthy on Trademarks and Unfair Competition §32.171 (5th ed. 2022).

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Fourth, Poret failed to use control groups with his surveys of reverse and forward confusion. (Dekt. #56 at p. 31). A leading treatise and some courts have held that a properly constructed survey designed to estimate likelihood of confusion *must* include a proper control group because “[w]ithout a proper control, there is no benchmark for determining whether a likelihood of confusion estimate is significant or merely reflects flaws in the survey methodology.” *Saxon Glass Tech., Inc. v. Apple Inc.*, 393 F.Supp.3d 270, 287 (W.D.N.Y. 2019), *aff’d*, 824 Fed.Appx. 75 (2d Cir. 2020) (internal quotation marks omitted; citing cases); 6 McCarthy on Trademarks and Unfair Competition §32.187 (5th ed. 2022). Other courts have found that the lack of a control group goes to the weight, and not the admissibility, of a survey. *See, e.g., Bobak Sausage Co.*, 2010 U.S. Dist. LEXIS 40737, 2010 WL 1687883, at *20. The Court’s Westlaw search involving cases in which Poret has served as an expert witness confirms that he typically (but not always) uses a control group with his consumer surveys and that he has even criticized at least three other experts for *their* failure to use a proper/reliable control group or any control group at all. *See Superior Consulting Services, Inc. v. Shaklee Corp.*, No. 19-10771, 2021 U.S. App. LEXIS 29284, 2021 WL 4435818, at *12 (11th Cir. Sept. 28, 2021) (citing to Poret’s criticisms); *Waterloo Sparkling Water Corp. v. Treaty Oak Brewing and Distilling Co., LLC*, 1:21-CV-161-RP, 2021 U.S. Dist. LEXIS 227700, 2021 WL 5568159, at *9 (W.D.Tex. Nov. 28, 2021) (same); *Zetor North America, Inc. v. Rozeboom*, No. 3:15-cv-03035, 2018 U.S. Dist. LEXIS 137042, 2018 WL 3865411, at *17-18 (W.D.Ark. Aug. 14, 2018) (same).

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Finally, even setting the above methodological issues aside, there is yet another reason why the results of Poret's surveys are entitled to little weight. Poret interviewed the survey respondents between November 10 and November 15, 2021, (Dekt. #46-3 at p. 53), which was less than three months after Grubhub issued the August 24, 2021 press releases and changed its app to feature the Grubhub Lock-up Logo. Where — as here — the parties' respective "logos ha[ve] only coexisted for several months," courts have treated the lack of actual confusion as "less salient" or even "irrelevant" when determining whether there is a likelihood of confusion. *See Boathouse Grp.*, 777 F.Supp.2d at 253; *TriMark, USA, Inc. v. Performance Food Grp., LLC*, 667 F.Supp.2d 155, 167 (D.Mass. 2009); *see also Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 120-21 (1st Cir. 2006) (noting that "we have attached substantial weight to a trademark holder's failure to prove actual confusion only in instances in which the relevant products have coexisted on the markets on a long period of time" and finding that two years of product coexistence is not long enough to expect actual confusion).

In sum: for the multiple reasons detailed above, the Court gives little weight to Grubhub's survey evidence and finds that it is insufficient to refute Home Chef's evidence of actual confusion. *See Int'l Kennel Club*, 846 F.2d at 1089; *Dorpan*, 728 F.3d at 69 ("[O]nce the party alleging infringement has put forward evidence of actual confusion, the alleged infringer is left fighting an uphill battle in arguing that no reasonable fact finder could find a substantial likelihood of confusion.") (internal quotation marks omitted). Consequently, this factor weighs strongly in favor of Home Chef.

*Appendix C***7. Evidence Regarding Grubhub's Intent**

In a forward confusion case, the junior user's intent is relevant to the issue of likelihood of confusion if the junior user intended to palm off its products as those of the senior user. *Sands*, 978 F.2d at 961. In a reverse confusion case, where the junior user typically has no desire to capitalize on the senior user's good will, courts consider whether "the more well-known junior user ignored the senior user's rights" or otherwise "culpably disregarded the risk of reverse confusion." *Imperial Toy Corp. v. Ty, Inc.*, No. 97 C 8895, 1998 U.S. Dist. LEXIS 14418, 1998 WL 601875, at *6 (N.D.Ill. Sept. 9, 1998) (citing cases); *JL Beverage Co., LLC v. Beam, Inc.*, 318 F.Supp.3d 1188, 1210 (D.Nev. 2018), *aff'd*, 815 Fed.Appx. 110 (9th Cir. 2020) (internal quotation marks omitted). While proof of intent is an important factor in the likelihood of confusion analysis, such evidence is not necessary to prove trademark infringement where a likelihood of confusion otherwise exists. *Sands*, 978 F.2d at 961; *Am. Eagle Outfitters, Inc. v. Am. Eagle Furniture, Inc.*, No. 11 C 02242, 2013 U.S. Dist. LEXIS 180912, 2013 WL 6839815, at *8 (N.D.Ill. Dec. 27, 2013).

Grubhub asserts that it adopted the Grubhub Lock-up Logo in good faith to align its branding with the branding of its new parent company (JET), which began using the JET House Logo overseas in 2014, and that it had no intent to pass off its services as originating from Home Chef. (Dekt. #46 at p. 23). Home Chef does not dispute that JET initially adopted the JET House Logo in good faith or that Grubhub had no intent to capitalize on Home Chef's good will.

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Instead, Home Chef asserts that Grubhub ignored its rights by using the JET House Logo *after* the USPTO rejected JET’s attempt to register the mark.²³ The Court agrees that this evidence supports Home Chef’s theory of reverse confusion. *See, e.g., Keystone Consol. Indus., Inc. v. Mid-States Distrib. Co.*, 235 F.Supp.2d 901, 913 (C.D.Ill. 2002) (the intent factor weighed in favor of finding a likelihood of confusion where the junior user continued to use a mark that was rejected by the USPTO as being likely to cause consumer confusion); *Varian Assocs.*, 1968 U.S. Dist. LEXIS 8845, 1968 WL 8436, at *5-6 (same); *Nat’l Customer Eng’g Inc. v. Lockheed Martin Corp.*, No. CV 96-8938 DDP (ANX), 1997 U.S. Dist. LEXIS 10757, 1997 WL 363970, at *5 (C.D.Cal. Feb. 14, 1997) (finding that defendants were “not innocent users” where they used trademark with knowledge that the USPTO had found that their mark was likely to be confused with plaintiff’s mark). As the Seventh Circuit has recognized, Grubhub had “a duty to select a trade dress that avoids a ‘likelihood of confusion’” with Home Chef’s protectible trade dress. *Badger Meter*, 13 F.3d at 1155; *Ty, Inc.*, 237 F.3d at 903 (same); *see also Bridgestone Americas Tire Operations, LLC v. Federal Corp.*, 673 F.3d 1330, 1333 (Fed. Cir. 2012) (“This court resolves doubts about the likelihood of confusion against the newcomer because the newcomer has the opportunity and obligation to avoid confusion with existing marks.”) (internal quotation marks omitted).

23. As the Court explained above in Section III(A)(1), the fact that Grubhub used the JET House Logo with the GRUBHUB trade name to create the Grubhub Lock-up Logo did *not* dispel the likelihood of reverse confusion that is created by Grubhub’s use of the JET House Logo.

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In sum: this factor, which weighs in favor of Grubhub on forward confusion and in favor of Home Chef on reverse confusion, is neutral.

8. Consideration of the factors as a whole

To recap, all seven factors (the similarity between the marks in appearance and suggestion; the similarity of the products; the area and manner of concurrent use; the degree of care likely to be exercised by consumers; the strength of Home Chef's mark; the evidence of actual confusion; and Grubhub's intent) weigh in favor of Home Chef with respect to its reverse confusion theory.²⁴ As

24. The picture is mixed with respect to Home Chef's forward confusion theory. Although a number of factors continue to weigh in favor of Home Chef when forward confusion is analyzed, two of the more important factors do not. In particular, the factor concerning Grubhub's intent (namely, did Grubhub intend to pass off its services as those of Home Chef's) weighs strongly in favor of Grubhub. The factor involving the similarity between the marks is neutral under a forward confusion theory given Grubhub's consistent use of the Grubhub Lock-up Logo (which features the JET House Logo *and* the GRUBHUB brand name). Indeed, this factor would favor Grubhub but for the evidence that Home Chef does not always use its brand name with the HC House Mark and the fact that Grubhub continues its use of the Seamless Lock-up Logo (which pairs the JET House Logo and the Seamless brand name). Given its finding regarding the strength of Home Chef's reverse confusion theory, the Court does not reach the question of whether Home Chef has a sufficiently strong showing under its forward confusion theory to establish a likelihood of confusion because Home Chef need not make the required showing under both theories to establish its entitlement to injunctive relief. *See, e.g., Uber Promotions*, 162 F.Supp.2d at 1265, 1282 (preliminary

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such, Home Chef has made a sufficiently strong showing to demonstrate that it is likely to succeed on the merits of its trademark infringement claim under the Lanham Act.

B. Home Chef Has Demonstrated Sufficient Risk of Irreparable Harm

Home Chef asserts that it will suffer irreparable harm if it is denied injunctive relief. In particular, Home Chef asserts that it will experience a loss of good will and potential new customers due to the confusion created by Grubhub's use of the JET House Logo and the possibility that consumers will associate Home Chef with Grubhub. (Dckt. #46 at p. 14). According to Home Chef, being associated with Grubhub will damage Home Chef on account of Grubhub's "unsavory and negative reviews," bad press, and the class action lawsuits which allege that Grubhub engages in serious misconduct (*e.g.*, false advertising, deceptive and unfair business practices, and charging excessive fees) that harms the general public and the very restaurants with which Grubhub claims to partner. (Dckt. #56 at pp. 46-49; Dckt. #46 at p. 14; Dckt. #18-3 at ¶¶gg-ii; Dckt. #18-10 at pp. 8-72). Home Chef further asserts that it will have to change its co-branding and co-sponsorship strategy if it does not obtain injunctive relief in order to mitigate the damage caused by being associated with Grubhub.²⁵ (Dckt. #56 at pp. 47-49).

injunction warranted under reverse confusion theory even though only "scant evidence" supported plaintiff's forward confusion theory).

25. Potential limitations on Home Chef's ability to co-brand

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The parties agree that the Trademark Modernization Act of 2020, 15 U.S.C. §1116(a), provides that Home Chef, as a party seeking a preliminary injunction, is entitled to a rebuttable presumption of irreparable harm upon this Court’s finding that it has a likelihood of success on its trademark infringement claim. (Dckt. #56 at pp. 56, 60). Moreover, it is well-settled that damage to a trademark holder’s good will and harm to its business reputation by being mistakenly associated with a junior user constitutes irreparable harm even if the trademark owner offers no evidence that it has lost sales or market share. *See, e.g., Re/Max N. Cent., Inc. v. Cook*, 272 F.3d 424, 432 (7th Cir. 2001); *Wesley-Jessen*, 698 F.2d at 867; *A.J. Canfield Co. v. Vess Beverages, Inc.*, 796 F.3d 903, 908-09 (7th Cir. 1986); *Ideal Indus., Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1025-26 (7th Cir. 1979); *Keystone*, 235 F.Supp.2d at 914-15; *Uber Promotions*, 162 F.Supp.3d at 1276-77 (finding irreparable harm in a reverse confusion case after noting that a senior user’s reputation and good will could be damaged by the “negative press attention” that the junior user was receiving); *TV Land*, 908 F.Supp. at 554.

Grubhub asserts that Home Chef’s delay of “more than **three months**” in seeking injunctive relief weighs against a finding of irreparable harm. (Dckt. #46 at p. 29 (emphasis in original)). While it is true that “[a] lengthy, unexplained delay in seeking relief calls into question how urgent the

with other businesses and individuals is significant because “[t]he Lanham Act aims to protect ‘the trademark owner’s interest in capitalizing on the good will associated with its mark by moving into new markets.’” *CAE, Inc.*, 267 F.3d at 681, quoting *Sands*, 978 F.2d at 958.

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need for [preliminary] equitable relief really is,”²⁶ Home Chef’s delay in filing its motion for a preliminary injunction was neither lengthy nor unexplained. In particular, Home Chef learned of Grubhub’s rollout of the Grubhub Lock-up Logo on August 25, 2021, and filed its motion for a preliminary injunction on November 3, 2021 – exactly ten weeks (and not more than three months) later. No case cited by Grubhub (or located by the Court, for that matter) has held that a delay of ten weeks between learning of infringement and filing for injunctive relief is sufficient to rebut the presumption of irreparable harm arising from a likelihood of success on an infringement claim.

In any event, “the length of the delay, on its own, is not dispositive,” *Life After Hate, Inc. v. Free Radicals Project, Inc.*, 410 F.Supp.3d 891, 910 (N.D.Ill. 2019), and “delay is only relevant to the extent that [the movant] lulled the [non-movant] into a false sense of security.” *Aon PLC v. Infinite Equity, Inc.*, No. 19 C 7504, 2021 U.S. Dist. LEXIS 175378, 2021 WL 4192072, at *26 (N.D.Ill. Sept. 15, 2021) (internal quotation marks omitted); *Gardner Bender*, 612 F.2d at 1025 (“delay is only one among several factors to be considered”). There was no such lulling here because Home Chef placed Grubhub on notice that it intended to enforce its rights when it served Grubhub with a cease-and-desist letter on September 7, 2021, a mere two weeks after it learned of the Grubhub Lock-up Logo. *See, e.g., Life After Hate*, 410 F.Supp.2d at 910; *SFG, Inc. v. Musk*, No. 19-CV-02198, 2019 U.S. Dist. LEXIS 176145, 2019 WL

26. *Redbox Automated Retail, LLC v. Xpress Retail LLC*, 310 F.Supp.3d 949, 953 (N.D.Ill. 2018).

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5085716, at *14 (N.D.Ill. Oct. 10, 2019); *Nat'l Customer Eng'g Inc.*, 1997 U.S. Dist. LEXIS 10757, 1997 WL 363970, at *6 (finding that plaintiff did not unduly delay bringing its lawsuit when it first sent a cease-and-desist letter and filed suit within three months after it learned of the alleged infringement).

For these reasons, Home Chef's alleged delay in seeking injunctive relief does not serve to rebut the presumption of irreparable harm in its favor that is created by the Trademark Modernization Act and the factual circumstances of this case.

C. The Balance of Harms Favors Home Chef.

Even when irreparable harm to the senior trademark holder has been shown, courts must consider the harm to the junior user and balance that against the harm that the trademark holder will suffer if the injunction does not issue. *Ty, Inc.*, 237 F.3d at 902-03; *A.J. Canfield*, 796 F.2d at 908. In this case, Grubhub does not claim that it will lose any sales or market share, that its good will and brand name will be damaged, or that any of its thousands of restaurant and grocery store partners will cease doing business with it if it is enjoined from using the JET House Logo.²⁷ Cf. *Johnson Pub. Co. v. Willitts Design Int'l, Inc.*, No. 98 C 2853, 1998 U.S. Dist. LEXIS 9264, 1998 WL 341618, at *9 (N.D.Ill. June 22, 1998) (balance

27. This is not surprising since Grubhub built up its multi-billion-dollar, nationwide business long before it began using the JET House Logo in the fall of 2021.

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of harms weighed in defendant's favor where it would lose 75 to 80% of its sales and the substantial sums spent marketing and promoting the products in question, and the injunction would have a "significant negative impact" on its relationships with retail stores, customers, and manufacturers); *SFG, Inc.*, 2019 U.S. Dist. LEXIS 176145, 2019 WL 5085716, at *15 (balance of harms weighed in defendant's favor where defendant would experience damage to its good will and the "catastrophic" harm of being forced to close its restaurant, terminate forty-four employees, deprive multiple vendors and suppliers of considerable business during rebranding, and abandon its plan of establishing a nationwide chain).

Instead, Grubhub asserts that if it were required to discontinue its use of the JET House Logo (which, in turn, would require it to abandon the Grubhub Lock-up Logo, which incorporates the JET House Logo):

[it] could be forced to spend millions of dollars along with countless company resources (including time spent by hundreds of employees across all Grubhub departments, including without limitation, engineering, product, marketing, sales, and customer care) to remove the Grubhub Lock-up Logo, generate alternate branding, and implement the alternate branding through its digital properties and thousands of marketing and other company assets nationwide.

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(Dckt. #46-4 at ¶28).²⁸ Grubhub further asserts that there is no justification for subjecting it to this burden and that the facts here are remarkably similar to the circumstances in *Stokely-Van Camp, Inc. v. Coca-Cola Co.*, No. 86 C 6159, 1987 U.S. Dist. LEXIS 781, 1987 WL 6300 (N.D.Ill. Jan. 30, 1987), where the parties vied for the exclusive right to use the mark REFRESH to market and sell their respective beverages.

The decision in *Stokely-Van Camp*, however, is distinguishable for several reasons which help illustrate why the balance of harms weighs in favor of Home Chef in this case.

First, the parties began to use the mark REFRESH to market and sell their beverages during roughly the same time period (late 1985 through May 1986) and

28. Grubhub also asserts that “tens of thousands of restaurants that work with Grubhub could be directly burdened and forced to change their customer-facing marketing materials that feature the Grubhub Lockup Logo and consumers may be forced to download a new mobile application.” (Dckt. #46-4 at ¶30). However, Grubhub does not claim that the restaurants will incur any costs in connection with changing their marketing materials as the restaurateurs might just have to throw the old marketing materials away. (Dckt. #56 at p. 81).

Moreover, Grubhub does not explain why its customers would have to download a new application when Grubhub — according to its August 24, 2021 press release — rolled out the Grubhub Lockup Logo by including it on Grubhub’s *existing* app. (Dckt. #46-4 at p. 29 (“Don’t get caught doing a double take when you reach for the Grubhub app today. It’s not your eyes — we’ve officially jumped in feet first to our new orange branding and logo!”)).

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plaintiff failed to show that it was “fairly clear cut that it was the first to use the mark in a manner which establishes superior rights in a mark.” *Stokely-Van Camp*, 1987 U.S. Dist. LEXIS 781, 1987 WL 6300 at *1, 3. Moreover, the plaintiff had undertaken a “much less extensive” marketing program than defendant Coke and had placed its future plans regarding the mark and its beverage “on hold” at the time the preliminary injunction proceedings were conducted. *Id.*, at *2. In this case, by contrast, Home Chef had federal registrations for the HC House Mark and, since 2014, it has spent over \$450 million on marketing and advertising featuring the HC House Mark. Furthermore, Grubhub — which tried and failed to get a federal registration for the JET House Logo — incorporated the JET House Logo into the Grubhub Lock-up Logo as part of its marketing and advertising seven years later, in the fall of 2021.

Second, the plaintiff in *Stokely-Van Camp* knew beforehand that Coke was about to launch a product with the same name as its own beverage, yet it took *no* action to notify Coke of its potentially infringing actions for three months. *Stokely-Van Camp*, 1987 U.S. Dist. LEXIS 781, 1987 WL 6300, at *3. In the meantime, Coke was spending substantial amounts to market its product. *Id.* In this case, Home Chef knew that the USPTO had rejected JET’s effort to register the JET House Logo, but had no idea that Grubhub nonetheless intended to use the JET House Logo as part of its new marketing and branding strategy until it received Grubhub’s August 2021 press release announcing the roll out of the Grubhub Lock-up Logo. Home Chef researched the issue and sent Grubhub a cease-and-desist letter two weeks later. In sum:

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the plaintiff in *Stokely-Van Camp* had the opportunity to both possibly stop the alleged infringement *before* it actually occurred and to stop Coke from incurring the marketing and advertising expenses that helped swing the balance of harms in Coke's favor. Home Chef had no such opportunities here.

Third, Coke did not know that the plaintiff had begun to market and sell a REFRESH beverage at the time it began to market and sell its own REFRESH beverage. By contrast, Grubhub knew before it launched the Grubhub Lock-up Logo that the USPTO had rejected JET's effort to register the JET House Logo after finding a likelihood of confusion between that mark and the HC House Mark (both with and without the HOME CHEF brand name). Nonetheless, rather than appealing the USPTO's finding or attempting to register the Grubhub Lock-up Logo with the USPTO, Grubhub went ahead and rolled out its Lock-up Logo.

The Seventh Circuit and courts from this District have repeatedly discounted the alleged harm that alleged infringers claim where — as here — they had “full knowledge” of a senior user's trademark and still chose to “proceed[] in the face of a known risk.” *Ty, Inc.*, 237 F.3d at 903; *Wesley-Jessen*, 698 F.2d at 867 (having failed to comply with its duty to select a trademark that will avoid confusion, defendant “cannot now complain that having to mend its ways will be too expensive”) (internal quotation marks omitted); *Lettuce Entertain You Enterprises, Inc. v. Leila Sophia AR, LLC*, 703 F.Supp.2d 777, 791 (N.D.Ill. 2010) (“[W]hen assessing the harm to

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the alleged infringer, the court excludes the burden it voluntarily assumed by proceeding in the face of known risk.”) (internal quotation marks omitted); *TV Land*, 908 F.Supp. at 554 (“We consider that the Defendants knew of the Plaintiffs’ stores as early as February 1992, and they knew of Plaintiffs’ mark as early as June 1995, so they knowingly risked many of the harms they now face. On balance, we find that the Plaintiffs face greater harms.”).

Finally, if Coke had been enjoined in *Stokely-Van Camp*, it would have been forced to suspend all sales of its beverage while changing the names on all existing products, advertisements, promotionals, and programs and lost good will as a consequence. *Stokely-Van Camp*, 1987 U.S. Dist. LEXIS 781, 1987 WL 6300, at *2. In this case, Grubhub does not claim that an injunction forcing it to remove the JET House Logo from its advertising and marketing materials will shut down its business or otherwise interrupt its operations. Instead, Grubhub claims that it will incur unspecified “millions of dollars” of expenses to rebrand after removing the Grubhub Lock-up Logo from its digital properties, marketing, and other company assets. (Dckt. #46-4 at ¶8). While such rebranding costs are a consideration,²⁹ it is clear that Grubhub’s multi-billion-dollar operation won’t skip a beat if the injunction Home Chef seeks is entered. *See A.J. Canfield*, 796 F.2d at 909 (finding that balance of harms favored the mark holder where an injunction forcing the alleged infringer to stop using the contested mark “will

29. *See Polar Corp. v. PepsiCo., Inc.*, 789 F.Supp.2d 219, 240 (D.Mass. 2011) (“Rebranding costs should be balanced against the harm to plaintiff if an injunction does not issue”).

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not affect the continued success of the company”).

Because Home Chef has made a “strong showing” that it is likely to prevail on the merits of its trademark infringement claim, the balance of harms would need to lean toward Grubhub to warrant denial of injunctive relief under the Seventh Circuit’s “sliding scale” approach. *See, e.g., Cassell v. Synders*, 990 F.3d 539, 545 (7th Cir. 2021); *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *8. In consideration of the circumstances and the precedent cited above, the Court finds that the harm that Home Chef will suffer if injunctive relief is denied outweighs the harm Grubhub will suffer if injunctive relief is granted and it is required to incur the alleged rebranding costs.

D. The Public Interest Favors the Grant of Injunctive Relief.

Courts also consider the public interest when determining whether to grant injunctive relief. *Life Spine, Inc.*, 8 F.4th at 539. “Enforcement of trademark law serves the public interest by reducing consumer confusion.” *SFG, Inc.*, 2019 U.S. Dist. LEXIS 176145, 2019 WL 5085716, at *16; *Mechling*, 2021 U.S. Dist. LEXIS 165876, 2021 WL 3910752, at *8. “Thus, in trademark cases, the public interest almost always favors granting otherwise appropriate injunctions.” *Polar Corp.*, 789 F.Supp.2d at 240. Home Chef has made a strong showing of a likelihood of consumer confusion and that is enough to demonstrate that the public interest weighs in favor of the entry of an injunction. *Id.*; *Mechling*, 2021 U.S. Dist. LEXIS 165876,

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2021 WL 3910752, at *8; *H-D, U.S.A., LLC v. Partnerships & Unincorporated Ass'ns Identified on Schedule A*, No. 21 C 3581, 2021 U.S. Dist. LEXIS 187253, 2021 WL 4459472, at *4 (N.D.Ill. Sept. 24, 2021).

E. Bond

Federal Rule of Civil Procedure 65, provides in relevant part:

(c) Security. The court may issue a preliminary injunction or a temporary restraining order *only if* the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.

Fed.R.Civ.P. 65(c) (emphasis added); *USA-Halal Chamber of Com., Inc. v. Best Choice Meats, Inc.*, 402 F.Supp.3d 427, 441 (N.D.Ill. 2019) (“Because USA Halal is entitled to preliminary relief, we must consider the appropriate security that USA Halal should be required to post.”).

The burden of establishing the bond amount rests with Grubhub, the party to be restrained, who is in the best position to determine the harm it will suffer from a wrongful restraint, and the district court sets the bond in its discretion. *Monster Energy Co. v. Wensheng*, 136 F.Supp.3d 897, 910-11 (N.D.Ill. 2015) (citing Fed. R. Civ. P. 65(c); *Gateway E. Ry. Co. v. Terminal R.R. Ass'n of St. Louis*, 35 F.3d 1134, 1141 (7th Cir. 1994). The Seventh Circuit has cautioned district courts to “err on the high

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side” because “the damages for an erroneous preliminary injunction cannot exceed the amount of the bond.” *Johnson & Johnson v. Advanced Inventory Mgmt., Inc.*, No. 20-CV-3471, 2020 U.S. Dist. LEXIS 192313, 2020 WL 6119516, at *18 (N.D.Ill. Oct. 16, 2020), quoting *Mead Johnson & Co. v. Abbott Labs.*, 201 F.3d 883, 888 (7th Cir. 2000); see also *Ty, Inc.*, 292 F.3d at 516 (“The purpose of an injunction bond is to compensate the defendant, in the event he prevails on the merits.”).

Unfortunately, neither party has addressed the question of what would be an appropriate bond if the District Court adopts this Court’s recommendation and enters a preliminary injunction. Moreover, Grubhub’s evidence as to the rebranding costs that it would incur if an injunction were granted is too vague to provide this Court with a sufficient basis to make a bond recommendation. Cf. *Nat’l Fin. Partners Corp. v. Paycom Software, Inc.*, No. 14 C 7424, 2015 U.S. Dist. LEXIS 74700, 2015 WL 3633987, at *15-16 (N.D.Ill. June 10, 2015) (setting bond after consideration of alleged infringer’s evidence regarding its rebranding costs). If the District Court agrees that the issuance of a preliminary injunction is warranted, this Court recommends that the parties be permitted to submit supplemental briefing as to the appropriate bond. See *Scholle Corp. v. Rapak LLC*, No. 13 C 3976, 2014 U.S. Dist. LEXIS 100830, 2014 WL 3687734, at *2 (N.D.Ill. July 24, 2014) (ordering parties to submit position papers concerning the appropriate bond where neither party had addressed the issue of bond in their filings leading up to or at the preliminary injunction hearing).

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CONCLUSION

For the foregoing reasons, this Court respectfully recommends that the District Court grant defendants' motion for preliminary injunction (Dekt. #17), and enter the following order enjoining:

Plaintiffs Grubhub Inc. and Takeaway.com Central Core B.V., their officers, agents, servants, employees, subsidiaries, parents, affiliates, related entities, suppliers, customers, successors, assigns and attorneys, and those acting in concert with, by or

through them, from using in the United States, the trademark  and any similar variation

thereof, with or without any accompanying or allegedly distinguishing wording, on or in connection with any and all goods and services, and in any and all advertising, promotions, and marketing thereof.

Specific written objections to this Report and Recommendation shall be served and filed within 14 days from the date that this order is served. Fed.R.Civ.P. 72. Failure to file objections with the District Court within the specified time will result in a waiver of the right to appeal all findings, factual and legal, made by this Court in the Report and Recommendation. *Lorentzen v. Anderson Pest Control*, 64 F.3d 327, 330 (7th Cir. 1995).

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DATED: April 8, 2022

/s/ Jeffrey I. Cummings

Jeffrey I. Cummings

United States Magistrate Judge

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**APPENDIX D — ORDER OF THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT,
FILED OCTOBER 11, 2023**

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
CHICAGO, ILLINOIS 60604

October 11, 2023

Before

DIANE P. WOOD, *Circuit Judge*

CANDACE JACKSON-AKIWUMI,
Circuit Judge

JOHN Z. LEE, *Circuit Judge*

No. 22-1950

GRUBHUB INC. AND TAKEAWAY.COM
CENTRAL CORE B.V.,

Plaintiffs-Appellees,

v.

RELISH LABS LLC AND THE KROGER CO.,

Defendants-Appellants.

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Appendix D

Appeal from the United States District Court for the
Northern District of Illinois, Eastern Division.

No. 1:21-cv-5312

Charles R. Norgle,
Judge.

ORDER

Defendants-appellants filed a petition for rehearing and rehearing *en banc* on September 26, 2023. No judge¹ in regular active service has requested a vote on the petition for rehearing *en banc*, and all members of the original panel have voted to deny panel rehearing. The petition for rehearing and rehearing *en banc* is therefore DENIED.

1. Judge Ilana Diamond Rovner did not participate in the consideration of this matter.

APPENDIX E — 15 U.S.C. § 1114

**TITLE 15 - COMMERCE AND TRADE CHAPTER
22 - TRADEMARKS SUBCHAPTER III -
GENERAL PROVISIONS**

**I. 15 U.S.C. § 1114. Remedies; infringement; innocent
infringement by printers and publishers**

- (1) Any person who shall, without the consent of the registrant—
 - (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
 - (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

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shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term “any person” includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(2) Notwithstanding any other provision of this chapter, the remedies given to the owner of a right infringed under this chapter or to a person bringing an action under section 1125(a) or (d) of this title shall be limited as follows:

- (A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes

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that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under section 1125(a) of this title shall be entitled as against such infringer or violator only to an injunction against future printing.

- (B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of title 18, the remedies of the owner of the right infringed or person bringing the action under section 1125(a) of this title as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.
- (C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 1125(a) of this title with respect to an issue of a newspaper, magazine, or other similar

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periodical or an electronic communication containing infringing matter or violating matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue or transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.

- (D)(i)(I) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief or, except as provided in subclause (II), for injunctive relief, to any person for such action, regardless of whether the domain name is finally determined to infringe or dilute the mark.

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- (II) A domain name registrar, domain name registry, or other domain name registration authority described in subclause (I) may be subject to injunctive relief only if such registrar, registry, or other registration authority has—
 - (aa) not expeditiously deposited with a court, in which an action has been filed regarding the disposition of the domain name, documents sufficient for the court to establish the court's control and authority regarding the disposition of the registration and use of the domain name;
 - (bb) transferred, suspended, or otherwise modified the domain name during the pendency of the action, except upon order of the court; or
 - (cc) willfully failed to comply with any such court order.
- (ii) An action referred to under clause (i)(I) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—
 - (I) in compliance with a court order under section 1125(d) of this title; or

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- (II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark.

- (iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

- (iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

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(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

(E) As used in this paragraph—

- (i) the term “violator” means a person who violates section 1125(a) of this title; and
- (ii) the term “violating matter” means matter that is the subject of a violation under section 1125(a) of this title.

(3)(A) Any person who engages in the conduct described in paragraph (11) of section 110 of title 17 and who complies with the requirements set forth in that paragraph is not liable on account of such conduct for a violation of any right under this chapter. This subparagraph does not preclude liability, nor shall it be construed to restrict the defenses or limitations on rights granted under this chapter, of a person for conduct not described in paragraph (11) of section 110 of title 17, even if that person also engages in conduct described in paragraph (11) of section 110 of such title.

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- (B) A manufacturer, licensee, or licensor of technology that enables the making of limited portions of audio or video content of a motion picture imperceptible as described in subparagraph (A) is not liable on account of such manufacture or license for a violation of any right under this chapter, if such manufacturer, licensee, or licensor ensures that the technology provides a clear and conspicuous notice at the beginning of each performance that the performance of the motion picture is altered from the performance intended by the director or copyright holder of the motion picture. The limitations on liability in subparagraph (A) and this subparagraph shall not apply to a manufacturer, licensee, or licensor of technology that fails to comply with this paragraph.
- (C) The requirement under subparagraph (B) to provide notice shall apply only with respect to technology manufactured after the end of the 180-day period beginning on April 27, 2005.
- (D) Any failure by a manufacturer, licensee, or licensor of technology to qualify for the exemption under subparagraphs (A) and (B) shall not be construed to create an inference that any such party that engages in conduct described in paragraph (11) of section 110 of title 17 is liable for trademark infringement by reason of such conduct.

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(July 5, 1946, ch. 540, title VI, §32, 60 Stat. 437; Pub. L. 87–772, §17, Oct. 9, 1962, 76 Stat. 773; Pub. L. 100–667, title I, §127, Nov. 16, 1988, 102 Stat. 3943; Pub. L. 102–542, §3(a), Oct. 27, 1992, 106 Stat. 3567; Pub. L. 105–330, title II, §201(a)(8), Oct. 30, 1998, 112 Stat. 3070; Pub. L. 106–43, §4(a), Aug. 5, 1999, 113 Stat. 219; Pub. L. 106–113, div. B, §1000(a)(9) [title III, §3004], Nov. 29, 1999, 113 Stat. 1536, 1501A–549; Pub. L. 109–9, title II, §202(b), Apr. 27, 2005, 119 Stat. 223.)

II. PRIOR PROVISIONS

Acts Feb. 20, 1905, ch. 592, §16, 33 Stat. 728; Mar. 19, 1920, ch. 104, §4, 41 Stat. 534.

III. AMENDMENTS

2005—Par. (3). Pub. L. 109–9 added par. (3).

1999—Par. (1). Pub. L. 106–43, in undesignated par., inserted after “includes” in first sentence “the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and” and, in second sentence, substituted “The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any” for “Any”.

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Par. (2). Pub. L. 106–113, §1000(a)(9) [title III, §3004(1)], in introductory provisions, substituted “under section 1125(a) or (d) of this title” for “under section 1125(a) of this title”.

Par. (2)(D), (E). Pub. L. 106–113, §1000(a)(9) [title III, §3004(2)], added subpar. (D) and redesignated former subpar. (D) as (E).

1998—Par. (1). Pub. L. 105–330 substituted “As used in this paragraph” for “As used in this subsection” in last paragraph.

1992—Par. (1). Pub. L. 102–542 inserted at end “As used in this subsection, the term ‘any person’ includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.”

1988—Par. (2). Pub. L. 100–667 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Notwithstanding any other provision of this chapter, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing; (b) where the infringement complained of is contained

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in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: *Provided*, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter.”

1962—Par. (1). Pub. L. 87-772 amended provisions generally, and among other changes, inserted “distribution”, and struck out “purchasers as to the source of origin of such goods or services” after “or to deceive” in subsec. (a), inserted provisions regarding the likelihood of such use causing confusion, mistake, or deception, in subsec. (b), and struck out the limitation on recovery under subsec. (b) to acts committed with knowledge that such acts would deceive purchasers.

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Par. (2)(b). Pub. L. 87–772 substituted “publisher” for “published”.

IV. EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106–113 applicable to all domain names registered before, on, or after Nov. 29, 1999, see section 1000(a)(9) [title III, §3010] of Pub. L. 106–113, set out as a note under section 1117 of this title.

V. EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105–330 effective Oct. 30, 1998, and applicable only to any civil action filed or proceeding before the United States Patent and Trademark Office commenced on or after such date relating to the registration of a mark, see section 201(b) of Pub. L. 105–330, set out as a note under section 1051 of this title.

VI. EFFECTIVE DATE OF 1992 AMENDMENT

Section 4 of Pub. L. 102–542 provided that: “The amendments made by this Act [enacting section 1122 of this title and amending this section and sections 1125 and 1127 of this title] shall take effect with respect to violations that occur on or after the date of the enactment of this Act [Oct. 27, 1992].”

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VII. EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100–667 effective one year after Nov. 16, 1988, see section 136 of Pub. L. 100–667, set out as a note under section 1051 of this title.

**VIII. REPEAL AND EFFECT
ON EXISTING RIGHTS**

Repeal of inconsistent provisions, effect of this chapter on pending proceedings and existing registrations and rights under prior acts, see notes set out under section 1051 of this title.