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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT COURT OF OREGON

EDGE WIRELESS, LLC,)
)
Plaintiff,) Civ. No. 03-1362-AA
)
v.)
)
U.S. CELLULAR CORPORATION,) OPINION AND ORDER
)
Defendant.)
_____)

Robert A. Shlachter
Steve D. Larson
Christina Beatty-Walters
Stoll Stoll Berne Lokting & Shlachter, P.C.
209 S.W. Oak Street, Fifth Floor
Portland, OR 97204
Attorneys for plaintiff

Steven T. Lovett
David L. Silverman
Sarah J. Adams Lien
Stoel Rives, LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, OR 97204

Richard J. O'Brien
Tara C. Norgard
Sidney Austin Brown & Wood, LLP
Bank One Plaza
10 North Dearborn Street
Chicago, IL 60603
Attorneys for defendant

Aiken, Judge:

Plaintiff Edge Wireless, LLC filed suit against defendant U.S. Cellular Corporation, alleging trademark infringement arising from

1 defendant's introduction of its new wireless data service "**easyedge**SM."
2 Plaintiff alleges that defendant's **easyedge**SM mark looks, sounds, and
3 functions like plaintiff's house mark, edgeWIRELESS®, and other related
4 marks. Plaintiff moves for a preliminary injunction enjoining defendant
5 from using the **easyedge**SM mark in connection with its wireless services.

6 On December 8, 2003, the court received testimony and heard oral
7 argument on plaintiff's motion. On December 16, 2003, at the court's
8 suggestion, the parties participated in a judicial settlement conference
9 with Magistrate Judge Coffin in an effort to resolve this matter. Their
10 efforts were not successful, but the parties agreed to an accelerated
11 trial date. On December 18, 2003, the court held a status conference
12 and scheduled trial to commence on March 2, 2004. While the new trial
13 date mitigates the need for preliminary relief to some degree, the court
14 issues the following ruling to preserve the status quo pending trial.

15 I. BACKGROUND

16 Plaintiff is an Oregon wireless telecommunications company founded
17 in 1999 and headquartered in Bend, Oregon. Plaintiff provides wireless
18 telecommunications services in rural areas of southern Oregon, Central
19 and Eastern Idaho, Northwest Wyoming, and Northern California.

20 On October 2, 2000, plaintiff applied to register the edgeWIRELESS®
21 house mark, and on June 4, 2002, the mark was federally registered.
22 Since January 2001, plaintiff has used the edgeWIRELESS® logo in
23 connection with its business. Plaintiff offers several different rate
24 plans, including NationalEdge, WesternEdge, LocalEdge, SharedEdge, and
25 AccessEdge.¹

26 _____
27 ¹NationalEdge provides wireless voice service nationwide in all
28 50 states, WesternEdge provides service to 10 western states,
LocalEdge provides local services, SharedEdge is a plan for multiple
cellular phone customers, and AccessEdge is plaintiff's prepaid

1 Plaintiff maintains that it has spent millions of dollars to begin
2 and expand its business, including \$6 million for media promotions.
3 Plaintiff also has established a physical presence by opening 16 retail
4 stores and approximately 43 independent dealer outlets to sell its
5 services and products.

6 Defendant U.S. Cellular has been in the telecommunications business
7 since 1985. Defendant provides wireless services to most of the state
8 of Oregon, southern Washington, northern California, and a portion of
9 Idaho, in addition to several other markets nationwide. Thus, since
10 2001, plaintiff and defendant have provided wireless voice services in
11 the same markets in southern Oregon, northern California, and central
12 and eastern Idaho.

13 In May 1999, defendant introduced its U.S. Cellular house mark and
14 star logo. See, e.g., Defendant's Memorandum in Opposition to Motion
15 for Preliminary Injunction, p. 2. Since that time, defendant has spent
16 over \$375 million in promoting the mark to insure that it is easily and
17 immediately recognized by consumers. Defendant maintains that it is
18 critical that each of its services and products are identified with its
19 house mark and star logo.

20 Both parties are in the process of updating their wireless networks
21 and rolling out wireless data services such as polyphonic ringtones,
22 email capability, music downloads, games, web-browsing, and the ability
23 to send and receive photographs.

24 On June 28, 2002, plaintiff announced the expansion and enhancement
25 of its network to provide advanced voice and data wireless services
26 called "edge+" services. Plaintiff claims it has spent millions of

27 _____
28 wireless services plan.

1 dollars on this venture over the last 18 months and intends to introduce
2 the new service sometime late this year or early next year. The new
3 rate plans for the advanced services will be called NationalEdge+ and
4 LocalEdge+. Likewise, in December 2002, defendant decided to upgrade
5 its networks and offer an optional data feature available to its
6 wireless voice customers, later branded as **easyedge**SM. Defendant claims
7 it has invested \$11.5 million the **easyedge**SM mark.

8 On September 22, 2003, defendant formally introduced the **easyedge**SM
9 mark and logo. Defendant first made **easyedge**SM available in Illinois,
10 Tennessee, Iowa, and Wisconsin. Defendant plans to introduce **easyedge**SM
11 in the markets in which it directly competes with plaintiff by the
12 spring of 2004. Thus, defendant's introduction of its **easyedge**SM
13 expanded wireless service may coincide with plaintiff's introduction of
14 its expanded wireless "+" services.

15 II. DISCUSSION

16 Plaintiff moves for a preliminary injunction prohibiting defendant
17 from using the **easyedge**SM mark in connection with its wireless services.
18 Plaintiff asserts that since 1999, it has spent tens of millions of
19 dollars in its rural markets to build its business and achieve customer
20 recognition and commercial success. Plaintiff alleges that defendant -
21 by its use of the **easyedge**SM mark and logo - is attempting to usurp the
22 edgeWIRELESS® service marks and confuse current and potential customers
23 about the affiliation and source of the **easyedge**SM service.
24 Specifically, plaintiff requests that the court issue a preliminary
25 injunction enjoining defendant from advertising, marketing, or selling
26 **easyedge**SM services in order to maintain the status quo and prevent
27 irreparable harm to plaintiff's goodwill and reputation.

28 Defendant responds that plaintiff cannot establish a likelihood of

1 confusion, because **easyedge**SM is always identified as a U.S. Cellular
2 service and consumers will associate **easyedge**SM exclusively with
3 defendant. Further, defendant argues that it would suffer severe and
4 irreparable harm if prohibited from using the **easyedge**SM mark.

5 A. Standard for Preliminary Injunction

6 "A preliminary injunction is not a preliminary adjudication on the
7 merits, but a device for preserving the status quo and preventing the
8 irreparable loss of rights before judgment." Textile Unlimited, Inc. v.
9 A..BMH and Co., Inc., 240 F.3d 781, 786 (9th Cir. 2001). Accordingly,
10 the party seeking a temporary restraining order or preliminary
11 injunction must show either "(1) a combination of probable success on
12 the merits and the possibility of irreparable injury; or (2) that
13 serious questions are raised and the balance of hardships tips sharply
14 in its favor." Big Country Foods v. Bd. of Educ. of Anchorage School
15 Dist., 868 F.2d 1085, 1088 (9th Cir. 1989).

16 While stated as alternatives, "[t]hese formulations are not
17 different tests but represent two points on a sliding scale in which the
18 degree of irreparable harm increases as the probability of success on
19 the merits decreases." Id. In cases alleging trademark infringement,
20 irreparable injury generally may be presumed upon a showing of
21 likelihood of consumer confusion. See Brookfield Communications, Inc.
22 v. West Coast Entertainment Corp., 174 F.3d 1036, 1066 (9th Cir. 1999).

23 B. Likelihood of Success on the Merits

24 Plaintiff alleges two claims of trademark infringement in violation
25 of §§ 32 and 43(a) of the Lanham Act. 15 U.S.C. §§ 1114 and 1125(a).
26 "The Lanham Act provides national protection of trademarks in order to
27 secure to the owner of the mark the goodwill of his business and to
28 protect the ability of consumers to distinguish among competing

1 producers." Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S.
2 189, 198 (1985). To establish a claim for trademark infringement under
3 the Lanham Act, plaintiff must establish that defendant "is using a mark
4 confusingly similar to a valid, protectable trademark" of plaintiff's.
5 Brookfield, 174 F.3d at 1046. "The core element of trademark
6 infringement is whether the similarity of the marks is likely to confuse
7 customers about the source of the products." Interstellar Starship
8 Servs. Ltd. v. Epix, Inc., 304 F.3d 936, 941 (9th Cir. 2002).

9 Defendant does not contest that plaintiff possesses valid and
10 protectable marks; rather, defendant argues that there is no similarity
11 between the marks that would cause consumer confusion. Defendant
12 maintains that the **easyedge**SM mark - as it appears in the marketplace -
13 is always identified with the U.S. Cellular house mark and star logo,
14 thus negating the probability of consumer confusion. Therefore, the
15 sole issue is whether defendant's use of the **easyedge**SM mark is likely
16 to create consumer confusion as to the source or affiliation of the
17 **easyedge**SM service.

18 "The test for likelihood of confusion is whether a 'reasonably
19 prudent consumer' in the marketplace is likely to be confused as to the
20 origin of the good or service bearing one of the marks." Dreamwerks
21 Production Group, Inc. v. SKG Studio, 142 F.3d 1127, 1129 (9th Cir.
22 1998). To evaluate the likelihood of confusion, courts generally apply
23 the so-called Sleekcraft factors. See AMF Inc. v. Sleekcraft Boats, 599
24 F.2d 341 (9th Cir. 1979). These factors include: 1) the similarity of
25 the marks; 2) the relatedness or proximity of the two companies'
26 products or services; 3) the strength of the registered mark; 4) the
27 marketing channels used; 5) the degree of care likely to be exercised by
28 a consumer in selecting goods; 6) the accused infringers' intent in

1 selecting its mark; 7) evidence of actual confusion; and 8) the
2 likelihood of expansion in product lines. Sleekcraft, 599 F.2d at 348-
3 49.²

4 The Sleekcraft factors are intended to provide guidance rather than
5 dictate a particular result, and the "relative importance of each factor
6 is case-specific." Brookfield, 174 F.3d at 1054; see Entrepreneur
7 Media, Inc. v. Smith, 279 F.3d 1135, 1140-41 (9th Cir. 2002). While
8 "the Sleekcraft test plays an important role in the analysis of whether
9 a likelihood of confusion exists, '[i]t is the totality of facts in a
10 given case that is dispositive.'" Entrepreneur Media, 279 F.3d at 1140
11 (quoting Rodeo Collection, Ltd. v. West Seventh, 812 F.2d 1215, 1217
12 (9th Cir. 1987)). For this reason, "it is often possible to reach a
13 conclusion with respect to likelihood of confusion after considering
14 only a subset of the factors," though factors such as the similarity of
15 the marks and whether the parties directly compete are always important.
16 Brookfield, 174 F.3d at 1054. Finally, a finding of a likelihood of
17 confusion requires that such confusion be probable and "not simply a
18 possibility." Rodeo Collection, 812 F.2d at 1217.

19 With these principles in mind, I find four factors particularly
20 relevant to the question of whether a likelihood of confusion is created
21 by defendant's introduction of the **easyedge**SM service: the similarity of
22 the marks, the relatedness of the services offered, the marketing
23

24 ²While identified as the Sleekcraft factors in the Ninth Circuit,
25 courts in other circuits also apply the same or similar factors when
26 evaluating the likelihood of confusion in trademark infringement
27 cases. See e.g., Therma-Scan, Inc. v. Thermoscan, Inc., 295 F.3d 623,
28 630 (6th Cir. 2002); Alliance Metals, Inc. v. Hinely Indus., Inc.,
222 F.3d 895, 907 (11th Cir. 2000); Nabisco, Inc. v. Warner-Lambert
Co., 220 F.3d 43, 46 (2d Cir. 2000); Co-Rect Products, Inc. v. Marvy!
Advertising Photography, Inc., 780 F.2d 1324, 1330 (8th Cir. 1985);
Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983).

1 channels utilized by the parties, and the degree of care exercised by
2 consumers when choosing a wireless service.

3 1. Similarity of Marks

4 When determining the similarity of the marks, three axioms apply:
5 1) marks should be considered in their entirety and as they appear in
6 the marketplace; 2) similarity is best adjudged by appearance, sound,
7 and meaning; and 3) similarities weigh more heavily than differences.
8 GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1206 (9th Cir. 2000).

9 Upon review of the submissions, I agree with plaintiff that the
10 parties' marks bear similarities in appearance, sound, and meaning.
11 Both the edgeWIRELESS® and **easyedge**SM marks distinguish the term "edge"
12 by using lower case letters in bold or different color type.
13 Plaintiff's rate plan marks - SharedEdge, NationalEdge, LocalEdge, and
14 AccessEdge - use "edge" as a suffix, one with lower case letters, as
15 does defendant's **easyedge**SM mark. In particular, defendant's **easyedge**SM
16 mark and logo is very similar to plaintiff's logo for its AccessEdge
17 service. See Plaintiff's Memorandum in Support of Motion for
18 Preliminary Injunction, p. 11. Further, defendant also uses a color
19 scheme similar to that used by plaintiff for **easyedge**SM brochures and
20 advertisements. See generally plaintiff's Hearing Exhibit Nos. 50-67.
21 The marks are also similar in terms of sound. Defendant's **easyedge**SM
22 mark has a similar cadence when compared to plaintiff's marks, again
23 being most similar to AccessEdge and plaintiff's other rate plan marks.
24 Finally, the marks are similar in meaning, because they both identify
25 wireless services, and **easyedge**SM creates an impression similar to that
26 created by edgeWIRELESS® marks, i.e. the cutting "edge" of technology.

27 Defendant argues that its font and exclusive use of lower case
28 letters distinguishes **easyedge**SM from plaintiff's marks, and that the

1 only similarity is the use of the work "edge." Likewise, defendant
2 argues that the marks do not sound alike, because plaintiff's marks do
3 not share the same alliteration of **easyedge**SM. Defendant argues the
4 functions and meanings are different, because defendant emphasizes the
5 "easy" element of **easyedge**SM rather than "edge." I do not necessarily
6 find defendant's argument persuasive. The marks and logo share similar
7 fonts, words, and colors, and they sound similar or at least related.
8 Further, the term "edge" in both parties' marks creates similar
9 impressions, even if defendant's mark also gives the impression of ease.

10 Defendant's better argument is that plaintiff analyzes the marks in
11 isolation rather than how they appear in the marketplace. Defendant
12 argues that **easyedge**SM is always displayed in conjunction with the U.S.
13 Cellular house mark and star logo, thereby distinguishing **easyedge**SM from
14 plaintiff's marks when viewed in their entirety. Further, defendant
15 emphasizes that edgeWIRELESS® is most often displayed along with the
16 distinctive and prominent AT&T Wireless mark, logo, and phrase, "A
17 Member of the AT&T Wireless Network." See Universal Money Centers, Inc.
18 v. American Telephone & Telegraph Co., 22 F.3d 1527, 1531 (9th Cir.
19 1994) (defendant's mark as a whole was not "confusingly similar" to
20 plaintiff's mark in light of "distinctive" house mark "prominently
21 displayed"); EA Engineering v. Environmental Audit, Inc., 703 F. Supp.
22 853, 857-58 (C.D. Cal. 1989) (defendant's use of "EA" with full
23 corporate name rendered similarity with plaintiff's mark minimal).
24 Therefore, defendant argues that the use of these well-known and easily-
25 identified house marks dispels any possibility, much less probability,
26 of confusion. See generally, defendant's Hearing Exhibit No. 101;
27 Declaration of Julie A. Brown, Exhibit E (transcripts from video and
28 radio advertisements identifying **easyedge**SM as a U.S. Cellular product).

1 Plaintiff responds that it is merely a member of the AT&T wireless
2 network, and that the AT&T phrase and logo are intended to inform
3 consumers that they can travel outside plaintiff's service areas and
4 still have compatible service.³ Plaintiff emphasizes that it does not
5 mention the AT&T network connection in radio advertisements and does not
6 display the AT&T logo on its storefront signs or accessories.

7 Plaintiff's relationship with AT&T Wireless notwithstanding, I
8 agree with defendant that the similarities and the likelihood of
9 confusion between the marks lessen considerably when viewed in their
10 entirety as they usually appear in the marketplace. See Cohn v.
11 Petsmart, 281 F.3d 837, 842 (9th Cir. 2002) (no confusion where
12 distinctive house mark displayed and accused mark used as "tagline");
13 Walter v. Mattel, Inc., 210 F.3d 1108, 1109 (9th Cir. 2000) (no
14 confusion in light of dissimilarity between products and defendant
15 prominently displayed house mark). This is especially true when
16 consumers of wireless voice and data services generally cannot purchase
17 the service without entering into a contract with the service provider.
18 Thus, a consumer who purchases the **easyedge**SM service would understand
19 that its service provider is defendant and not plaintiff.

20 Nevertheless, even if defendant's house mark makes clear that
21 **easyedge**SM is a product of U.S. Cellular, it does not necessary dispel
22 confusion that the **easyedge**SM service is somehow affiliated with
23 **edgeWIRELESS**®. See Rodeo Collection, 812 F.2d at 1217 (a likelihood of
24 _____

25 ³Given plaintiff's argument that the court should evaluate the
26 likelihood of confusion from the perspective of the least
27 sophisticated consumer, see infra pp. 12-13, it is surprising that
28 plaintiff suggests that unsophisticated consumers will understand
plaintiff is merely a member AT&T Wireless network rather than a
subsidiary. See Deposition of Donald F. Castleman, President and CEO
of Edge Wireless, pp. 127-28 (attached to Declaration of Steven T.
Lovett).

1 confusion also exists "when the consumer would be likely to assume that
2 the identified services are in some way associated with another
3 service-provider."). Given the similarities, defendant's use of the
4 **easyedge**SM mark may nevertheless cause confusion for potential consumers,
5 because they may associate **easyedge**SM with edgeWIRELESS®. In that case,
6 defendant could capitalize on plaintiff's goodwill by attracting
7 consumers who became interested in the **easyedge**SM service due to their
8 familiarity with the edgeWIRELESS® mark and related services.

9 Thus, while I agree that the use of defendant's house mark and star
10 logo lessens the similarities between the marks, it does not negate the
11 fact that the many similarities between the **easyedge**SM and edgeWIRELESS®
12 marks in terms of sound, meaning, and function weigh more heavily than
13 the differences.

14 2. Relatedness and Proximity of Service of Services

15 "Where goods are related or complementary, the danger of consumer
16 confusion is heightened." E. & J. Gallo Winery v. Gallo Cattle Co., 967
17 F.2d 1280, 1291 (9th Cir. 1992). Plaintiff maintains that the voice and
18 data service defendant introduced as **easyedge**SM is virtually identical
19 to the edgeWIRELESS® advanced voice and data wireless services.
20 Defendant responds that the services are not closely related, because
21 the **easyedge**SM service is primarily an add-on feature for existing
22 customers, while plaintiff's marks designate various calling plans.
23 Therefore, defendants argue that the goods designated by the parties'
24 respective marks are not competing or comparable services.⁴

26 ⁴Plaintiff disputes that **easyedge**SM is merely an add-on service,
27 given the upgrade in defendant's network and the fact that consumers
28 must purchase a new phone to receive the upgraded service. I do not
find this latter argument particularly significant given the clear
relatedness of the services.

1 Defendant's argument reflects a far too narrow approach to this
2 factor. Both **easyedge**SM and the edgeWIRELESS[®] marks designate wireless
3 voice and data telecommunication services. Thus, the services are
4 closely related if not the same, and this factor weighs in favor of
5 finding the probability of a likelihood of confusion.

6 3. Marketing Channels

7 Plaintiff alleges that it has spent \$6 million on marketing and
8 advertising since January 2001, including 15 different television
9 advertisements aired 51,000 times in 15 markets, 29 different radio
10 advertisements aired 100,000 times in 15 markets, 122 different
11 newspaper ads run 3900 times in 42 newspapers, millions of brochures and
12 flyers, and a website currently averaging over 2,000,000 hit per month.
13 Plaintiff has also created promotional materials exhibiting the
14 edgeWIRELESS[®] mark.

15 Plaintiff maintains that defendant, too, promotes **easyedge**SM on
16 television and radio, in newspapers, on its website, in retail stores
17 and independent distributors, and through direct mailings. Plaintiff
18 emphasizes that defendant has created promotional materials similar to
19 those of edgeWIRELESS[®], including pens, hats, notepads, coffee mugs, and
20 T-shirts with the **easyedge**SM logo.

21 Defendant admits that it promotes **easyedge**SM through a variety of
22 media outlets, including newspapers, radio, and its web site. However,
23 defendant argues that it primarily sells its wireless service through
24 stores operated by U.S. Cellular or its agents, and that each store is
25 required to have a prominent signage displaying the U.S. Cellular house
26 mark and star logo. Given that the parties are direct competitors and
27 both utilize the same forms of media in advertising and promoting their
28 services, I find that the marketing channels of the parties overlap

1 significantly. Therefore, this factor weighs in favor of finding a
2 likelihood of confusion.

3 4. Degree of Care by Consumers

4 It is generally assumed that consumers with expertise or who are
5 buying expensive products or services exercise a greater degree of care
6 when doing so and are thus less easily confused. See Brookfield, 174
7 F.3d at 1060. I find this factor particularly relevant in light of the
8 highly technological nature of the parties' services.

9 In evaluating this factor, plaintiff argues that the court should
10 apply the "least sophisticated consumer" standard rather than the
11 "reasonably prudent consumer" standard. See id. (citing Ford Motor Co.
12 v. Summit Motor Prods., Inc., 930 F.2d 277, 293 (3d Cir. 1991)).
13 Plaintiff contends that the parties' services are offered to different
14 categories of users, and that some users will be more sophisticated than
15 others, rendering the "least sophisticated consumer" standard more
16 applicable. Id. Defendant responds that consumers willing to pay for
17 the latest technological advances in wireless access will be highly
18 sophisticated consumers who will exercise a corresponding degree of care
19 when choosing a wireless service.

20 In this case, I do not find the particular standard the court
21 employs to be of great significance. Given the technologically-advanced
22 nature of wireless data services and the fact that a typical plan costs
23 approximately \$600 per year, see Deposition of Donald F. Castleman,
24 President and CEO of Edge Wireless, p. 95 (attached to Declaration of
25 Steven T. Lovett), even an unsophisticated consumer will likely know the
26 type of service being selected and the provider from whom she is
27 purchasing it. In fact, defendant presented deposition testimony from
28 Donald Castleman, President and CEO of Edge Wireless, that consumers

1 exercise a great deal of care when selecting a wireless service
2 provider, comparing plan rates and services and reading all of the
3 relevant information from the service provider before choosing a
4 carrier. Castleman Deposition, pp. 70-71. Therefore, a consumer is
5 less likely to be confused when purchasing a wireless service,
6 particularly where, as here, the services are clearly identified with
7 the house mark or affiliated wireless network. This factor thus weighs
8 against finding a likelihood of confusion.

9 5. Other Factors

10 Although afforded lesser weight, I also consider the strength of
11 plaintiff's marks, defendant's intent, evidence of actual confusion, and
12 the likelihood of market expansion.

13 Marks that are strong or distinctive receive greater protection
14 than weaker ones. See Brookfield, 174 F.3d at 1058. "Marks are often
15 classified in one of five categories of increasing distinctiveness: (1)
16 generic, (2) descriptive, (3) suggestive, (4) arbitrary, or (5)
17 fanciful." Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery, 150
18 F.3d 1042, 1047 (9th Cir. 1998). Defendant argues that plaintiff's
19 marks are weak and deserving of lesser protection, because "edge" merely
20 suggests "innovative, high-tech, or technologically advanced," i.e.
21 "cutting edge," and "wireless" is descriptive. While I agree that the
22 term "wireless" is descriptive, plaintiff's edgeWIRELESS® marks are
23 suggestive, as defendant implicitly concedes, "and thus strong enough to
24 warrant trademark protection - because [they] require a mental leap from
25 the mark[s] to the [services]." Brookfield, 174 F.3d at 1058.

26 Defendant also argues that plaintiff's marks are weak because they
27 are in a "crowded field" of similar marks in the wireless
28 telecommunications industry, including several wireless communication

1 companies and numerous trademark registrations with the term "edge."
2 See Exhibits attached to Affidavit of Wendy Riggs. However, in
3 determining the strength of a mark, a court "must consider the specific
4 associations that the composite mark triggers in the minds of consumers
5 when it is used to identify [the] services" rather than mere frequency
6 of use. Rodeo Collection, 812 F.2d at 1218. Thus, I do not find that
7 the use of "edge" by a handful of telecommunications companies renders
8 the term common or descriptive within the telecommunications industry.⁵

9 Finally, defendant argues that term "EDGE" - a term for Enhanced
10 Data rates for GSM Environment - is becoming a generic term in the
11 telecommunications industry. See Declaration of Nathanael G. Barnes,
12 Exhibits 7-9. Regardless of whether those in the telecommunication
13 field are familiar with the new EDGE technology, defendant does not
14 present evidence that the term "EDGE" has become generic to consumers in
15 the marketplace. Thus, even if edgewireless® "falls within the weak side
16 of the strength spectrum, the mark is not so flabby as to compel a
17 finding of no likelihood of confusion" in light of the other Sleekcraft
18 factors. Brookfield, 174 F.3d at 1058.

19 Next, I do not find significant defendant's admitted knowledge of
20 the edgewireless® mark or plaintiff's lack of evidence of actual
21 confusion. Based on the evidence before the court at this time, I do
22 not find it likely that defendant intended to deceive or confuse
23 consumers when selecting the **easyedge**SM mark. See Interstellar, 304 F.3d
24

25 ⁵Plaintiff sent a cease and desist letter to Edge-Wireless, a
26 Maryland company, and they have agreed to stop using the name "Edge-
27 Wireless." Affidavit of Christina Beatty-Walters, Exhibit 9. None of
28 the other companies provides wireless services or compete in the same
markets as plaintiff. Further, defendant offers no evidence that the
additional trademark registrations with the term "edge" are actually
in use.

1 at 947; Declaration of Kathryn Volpi. Defendant has a presence in
2 larger metropolitan markets across the country, and it defies common
3 sense that defendant chose the mark to confuse or deceive customers in
4 small, rural markets in southern Oregon, northern California, and
5 eastern Idaho. At most, defendant knew of plaintiff's mark but
6 nevertheless took a calculated risk to proceed with the **easyedge**SM mark.
7 Regardless of the wisdom of this action or the sufficiency of
8 defendant's investigation into the uses of "edge," it does not rise to
9 the level of an intent to deceive or an intent to derive a benefit from
10 plaintiff's mark or associated goodwill.

11 Similarly, I do not find actual confusion relevant here, because
12 defendant has yet to launch **easyedge**SM in plaintiff's markets. Thus
13 plaintiff has had little, if any, opportunity to collect information on
14 actual confusion. Brookfield, 174 F.3d at 1060. Defendant nevertheless
15 argues that plaintiff had ample time and money to conduct its own survey
16 and should have done so to assess the likelihood of confusion before
17 moving for "extraordinary" injunctive relief. See Playboy Enterprises,
18 Inc. v. Netscape communications Corp., 55 F. Supp. 2d 1070, 1084 (C.D.
19 Cal.), aff'd, 202 F.3d 278 (9th Cir. 1999). However, given that
20 defendant introduced **easyedge**SM in September 2003, and plaintiff filed
21 suit and moved for preliminary injunctive relief in October 2003, I
22 decline to presume that survey results, had they been provided, would
23 have been unfavorable to plaintiff.

24 Finally, I find the likelihood of expansion unimportant where, as
25 here, the parties already compete directly in a number of markets.
26 Brookfield, 174 F.3d at 1060.

27 In sum, upon consideration of the totality of the facts presented,
28 I find that plaintiff raises serious questions as to whether a

1 likelihood of confusion exists between **easyedge**SM and plaintiff's
2 protected marks. I recognize and appreciate defendant's argument that
3 consumers in the marketplace would not be confused by defendant's
4 **easyedge**SM mark, because plaintiff is explicitly affiliated with the AT&T
5 Wireless network and **easyedge**SM is clearly identified as a product of
6 U.S. Cellular. Further, I question whether consumers in the marketplace
7 select wireless services based on marks, logos, and the like. Although
8 the court must look at the marks as they appear in the marketplace, that
9 task proves difficult when evidence is presented out of context in a
10 federal courtroom. As aptly observed by the Seventh Circuit, review of
11 evidence in such a vacuum is akin to wearing "figurative blinders" when
12 comparing the similarity of the marks. AM General Corp. v.
13 DaimlerChrysler Corp., 311 F.3d 796, 825 (7th Cir. 2002). That said, I
14 cannot ignore the visual, auditory, and functional similarities between
15 the marks, and for that reason I find that plaintiff meets its burden of
16 establishing serious questions as to the merits of its claims.

17 C. Irreparable Injury and Balance of Hardships

18 Plaintiff relies upon the well-established presumption that
19 injuries arising from trademark violations are irreparable, regardless
20 of actual damages. See, e.g., Brookfield, 174 F.3d at 1066. This
21 presumption is based upon the rationale that "it is virtually impossible
22 to ascertain the precise economic consequences of intangible harms, such
23 as damage to reputation and loss of goodwill, caused by such
24 violations." Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 902 (7th Cir.
25 2001) (quoting Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 16 (7th
26 Cir. 1992)).

27 It is true that a likelihood of confusion supports a presumption
28 that plaintiff will suffer irreparable harm. Despite this presumption,

1 however, defendant argues that the balance of hardships weighs against
2 granting the broad injunction sought by plaintiff in the absence of any
3 evidence of actual confusion, defendant's intent to infringe, or actual
4 harm. I agree.

5 Defendant claims that it has spent over \$11.1 million promoting
6 **easyedge**SM, not including public relations, regional marketing efforts,
7 employee education, or infrastructure development, which would be lost
8 if enjoined from using the **easyedge**SM mark. Defendant also asserts that
9 an injunction prohibiting it from using **easyedge**SM would have a
10 "crippling effect" on its business, given that many phones in its
11 inventory display the **easyedge**SM mark and could not be furnished to
12 customers or practicably retrofitted. Thus, defendant claims it would
13 suffer great costs from having inventory returned from its retail
14 outlets. Plaintiff disputes this fact, noting that no phone in a U.S.
15 Cellular Illinois retail store displayed the **easyedge**SM mark.

16 Regardless of this factual issue, I find that defendant would
17 suffer severe harm from an injunction prohibiting all uses of **easyedge**SM.
18 Given the amount of resources expended by defendant in developing and
19 promoting the **easyedge**SM mark, and the fact that **easyedge**SM is already
20 available in a number of other markets, such hardship is not warranted
21 when defendant competes with plaintiff in relatively small markets and
22 has not yet launched **easyedge**SM in those markets. Although several
23 Sleekcraft factors weigh in plaintiff's favor, they do not do so
24 overwhelmingly. Further, the likelihood of confusion is an intensely
25 factual question, one that ultimately cannot be determined by this
26 court.

27 Balancing the parties' competing interests, plaintiff's motion is
28 granted, in part. Defendant is enjoined from promoting or advertising

1 the **easyedge**SM mark or offering the **easyedge**SM service in the markets in
2 which it directly competes with plaintiff. This injunction does not
3 affect defendant's sale of products, such as cellular telephones,
4 bearing the **easyedge**SM mark. The circumstances under which a consumer
5 would be able to view the mark on a U.S. Cellular phone negates the risk
6 of confusion with plaintiff, particularly when the service is not yet
7 offered. The court enters its ruling with the assumption that trial on
8 the merits will proceed prior to the anticipated launch date for
9 **easyedge**SM in plaintiff's markets.

10 D. Bond

11 Finally, the court must consider setting bond.⁶ The district court
12 is afforded wide discretion in setting the amount of the bond, Walczak
13 v. EPL Prolong, Inc., 198 F.3d 725, 733 (9th Cir. 1999), and the bond
14 amount may be zero if there is no evidence the party will suffer damages
15 from the injunction. See Gorbach v. Reno, 219 F.3d 1087, 1092 (9th Cir.
16 2000).

17 Given the limited nature of the injunction coupled with the facts
18 that defendant does not intend to offer **easyedge**SM in the affected
19 markets until spring 2004 and trial is scheduled for March 2004, the
20 court is not inclined to require a bond at this time. If trial is
21 continued beyond April 2004 or if defendant presents evidence of actual
22 harm during the pendency of the proceedings, the court will revisit the
23 issue of bond.

25 ⁶Federal Rule of Civil Procedure 65(c) provides that:

26 No restraining order or preliminary injunction shall issue
27 except upon the giving of security by the applicant, in such
28 sum as the court deems proper, for the payment of such costs
and damages as may be incurred or suffered by any party who
is found to be wrongfully enjoined or restrained.

1 CONCLUSION

2 Accordingly, plaintiff's Motion for Preliminary Injunction (doc.
3 12) is GRANTED in part. Defendant is hereby enjoined from advertising,
4 promoting, or offering its **easyedge** wireless data service in the markets
5 in which it directly competes with plaintiff pending resolution of this
6 action on the merits. No other action of defendant is enjoined, and
7 plaintiff's motion is DENIED in all other respects.

8 IT IS SO ORDERED.

9 Dated this _____ day of December, 2003.

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12 _____
13 Ann Aiken
14 United States District Judge
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