IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

BERINGER COMMERCE, INC., d/b/a BLUE ACORN, iCi, Plaintiff, vs. FIN CAP, INC., d/b/a "BLUEACORN.CO," BLUE ACORN PPP, LLC, BLUE OAK FOREST, LLC, MICHAEL S. COTA, JAMES FLORES, STEPHANIE HOCKRIDGE REIS, and NATHAN REIS, Defendants.	Civil Action No. 5:21-cv-251-BO

MEMORANDUM IN OPPOSITION TO PLAINTIFF'S MOTION FOR A PRELIMINARY INJUNCTION

Defendants Fin Cap, Inc., Blueacorn PPP, LLC and Blue Oak Forest, LLC (collectively, "Blueacorn PPP"), pursuant to Local Rule 7.2, hereby file their Memorandum in Opposition to Plaintiff's Motion for a Temporary Restraining Order and Preliminary Injunctive Relief. (Dkt. #8).

NATURE OF THE CASE

Blueacorn PPP is a lender service provider helping small business customers prepare and submit loan application paperwork for Paycheck Protection Program ("PPP") loans. Plaintiff Beringer Commerce, Inc. d/b/a Blue Acorn iCi ("BCI") focuses on assisting large company clients to plan and develop online digital consumer experiences. Due to perceived misdirected and careless contacts intended for Blueacorn PPP, BCI has moved for broad injunctive relief that would, among other things, deactivate company websites (which inform Blueacorn PPP's customers and answers frequently asked questions), as well as force an immediate and catastrophic company name change.

Importantly, the Court should note that: (a) BCI did not own a registered trademark when Blueacorn PPP adopted its name and there is no evidence of ill intent in its selection; (b) the parties' services and target markets are substantially different such that no reasonable consumer would be likely to be confused as alleged by BCI; (c) there is no evidence that Blueacorn PPP is receiving customers believing that they are BCI (*i.e.*, traditional forward confusion of customers); and (d) the alleged misdirected telephone contacts are not evidence of reverse confusion – they are simply careless mistakes. Not only would deactivating websites and forcing a corporate name change create more mistakes, but such a remedy is an inequitably balanced hardship on Blueacorn PPP and the public when compared to BCI's weak trademark claims for protection of "blue acorn", which are not likely to succeed.

STATEMENT OF FACTS

A. Formation of Blueacorn PPP

Blueacorn PPP was formed in response to the problem small business owners were experiencing at the start of the Covid-19 pandemic accessing PPP loan funds through a bank (Declaration of Noah Spirakus, ¶ 2). Blueacorn PPP is not a lender; it is a service provider utilizing technology to work with community lenders as their online processing and support platform. (*Id*.) As of June 9, 2021, Blueacorn PPP had processed over $15 billion in loans for 966,000 small businesses (such as barbers, hair stylists, and Uber drivers). (*Id*.). These customers have an average annual gross income of $41,000, an average PPP loan amount of approximately $16,000, and approximately 86% of them are non-caucasian owned businesses or contractors, who historically have had limited access to traditional banking. (*Id*. ¶ 3).

As the lending phase of the PPP program has wound down recently, the volume of contacts received by Blueacorn PPP has receded. (*Id*. ¶ 17). At one point, there were 27,000 customer inquiry tickets submitted to Blueacorn PPP on a daily basis. (*Id*.). That has decreased by more than 75% as the PPP loan program has approached an initial June 30 deadline for Federal Reserve funding of approved loans. (*Id*.).

The newly extended cutoff date for Federal Reserve funding of approved PPP loans is now July 30, 2021. (*Id*. ¶ 15). Except for 1,000 borrowers that Blueacorn will continue to work with up to the July 30, 2021 deadline, Blueacorn PPP has transitioned into the into the loan forgiveness stage, during which Blueacorn PPP will work exclusively with current customers in assisting them in applying for loan forgiveness, and will not be seeking any new PPP loan customers. (*Id.* ¶ 16). Blueacorn PPP intends to set up an outbound phone program to contact the borrowers personally – as well as continue to accept loan forgiveness applications through their existing customer support team which now exceeds 400 people. (*Id*.).

B. Explanation of Name and "blueacorn" Mark

In April 2020, the "Blueacorn" name was chosen by Noah Spirakus, the Chief Technology Officer of Blueacorn PPP. (*Id.* ¶ 6). At that time, as Blueacorn PPP was starting the platform to assist potential customers with the PPP loan program, Mr. Spirakus was a subscriber of a meal delivery service called "Blue Apron" and was impressed with the catchiness of that name. In seeking to identify names for a domain name we could use in connection with the PPP loan program, and based on his familiarity with "Blue Apron" and popular contemporary names, Mr. Spirakus looked for a name that paired a color and an object, animal, or thing and randomly came upon the word "acorn" and determined that the domain name "blueacorn.co" was available for registration. Mr. Spirakus personally registered that domain name in April 2020. (*Id.*).

Regarding the Blueacorn PPP logo design, the clor blue in the Blueacorn PPP logo design was selected because it was similar to what Mr. Spirakus used for several years at his prior company.

(*Id.* ¶ 7). The choice to use all lowercase letters in the Blueacorn PPP logo design is based in part on the current fad of startups, as well as established companies changing their names in branding, to us all lowercase. Additionally, while working for a previous company, Mr. Spirakus came to learn and witness significant confusion associated with a mix of lowercase and capital letters in the name. Blueacorn PPP's choice to use all lowert case letters is in line with what companies like Amazon, Facebook, Flickr, Intel, Citibank, Macy's, BP, Vitamin Water, and Xerox all have done in their branding. (*Id.* ¶ 8). Mr. Spirakus had no intention of copying the BCI logo and design, and was not even aware of BCI's logo and design at the time the format for the Blueacorn PPP logo design was selected. Blueacorn PPP had no intention of selecting its logo and design to trade off of the BCI logo design, as Blueacorn PPP was targeting an entirely different customer market and was in a completely different line of business. (*Id.* ¶ 9). Moreover, the combination "blue acorn" is not unique as a business name; a search of the registered businesses in Arizona alone shows that at least 8 other businesses not associated with Blueacorn PPP bear the name "blue acorn."[1]

Blueacorn PPP has used "affiliates" to market its services. (*Id.* ¶ 11). Affiliates are independent third-party companies that advertise to generate customer leads to Blueacorn PPP and then receive a small commission based on a successful transaction. (*Id.*). These affiliates were required to have Blueacorn PPP review their marketing messages; however, in the midst of rush to process thousands of applications, some advertisements were not reviewed and authorized. (*Id.*). The "blue acorn" logo design referenced in the Complaint was from a YouTube video created by an affiliate, without the input of Blueacorn PPP. (*Id.* ¶ 12). Blueacorn PPP has directed that contractor to remove the logo, and that one YouTube video is the only instance of the "blue acorn" logo being associated with Blueacorn PPP. (*Id.* ¶¶ 12, 14). Indeed, the BCI "blue acorn" logo does not appear

[1] *See* https://ecorp.azcc.gov/EntitySearch/Index, last visited June 22, 2021 (showing 8 other Blue

on the Blueacorn PPP website or on any other marketing or promotional materials whatsoever. (*Id.* ¶ 12).

C. Accelerated Growth and Security Management

Blueacorn PPP determined early on that fraud protection would be a paramount concern for its lending partners and its clients. (*Id.* ¶ 22). Due to the security concerns of having so much personal and financial information, Blueacorn PPP determined it would be better to communicate with clients securely through text and verified emails rather than phone calls, which can be spoofed by individuals engaging in identity theft. (*Id.*). Following Blueacorn PPP's corporate reorganization and installation of a new management team in October 2020, Blueacorn PPP implemented new fraud prevention programs beginning in March 2021 in an effort to bolster protection of taxpayer funds over the remaining life of the PPP loan program. (*Id.* ¶ 19). As a result of these new fraud protection programs, an increased number of customers of the Blueacorn PPP have expressed frustration as individual PPP loan applications have been reviewed, and in some cases rejected, to ensure they meet the PPP loan program regulations. (*Id.*). Blueacorn PPP acknowledges frustration and concerns expressed by loan applicants, particularly those whose loan applications have been rejected, but Blueacorn PPP has worked diligently to respond quickly and appropriately while adding more customer service resources. (*Id.*).

ARGUMENT

I. LEGAL STANDARD FOR PRELIMINARY INJUNCTION

To be awarded a preliminary injunction, a plaintiff must establish the following four criteria: (1) it is likely to succeed on the merits of its claims, (2) it is likely to suffer irreparable harm in the absence of preliminary relief, (3) the balance of the equities tips in its favor, and (4) injunctive relief

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Acorn entities in Arizona, where Fin Cap, Inc. is incorporated.

is in the public interest. *Winter v. Nat'l Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008). "Although no single factor is dispositive as to the issuance of a preliminary injunction, a movant cannot be granted a preliminary injunction unless it establishes *both* of the first two factors, *i.e.*, likelihood of success on the merits and irreparable harm." *Edge-Works Mfg. Co. v. HSG, LLC*, 285 F. Supp. 3d 883, 891 (E.D.N.C. 2018). Moreover, each factor is considered independently. *Pashby v. Delia*, 709 F.3d 307, 321 (4th Cir. 2013). Therefore, even if a plaintiff has shown likelihood of success on the merits and irreparable harm, the balance of equities and the public interest can still weigh in favor of denying a preliminary injunction. *See Winter*, 555 U.S. at 23-24, 31 n.5.

Granting a preliminary injunction is "an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief" and is "never awarded as of right." *Winter*, 555 U.S. at 22, 24 (internal citations omitted); *see also Dewhurst v. Century Aluminum Co.*, 649 F.3d 287, 290 (4th Cir. 2011). "The [Supreme Court's] *Winter* requirement that the plaintiff clearly demonstrate that it will *likely succeed* on the merits is far stricter than the *Blackwelder* requirement that the plaintiff demonstrate only a grave or serious *question* for litigation." *Real Truth About Obama, Inc. v. Fed. Election Comm'n*, 575 F.3d 342, 346-47 (2009) (citation to *Blackwelder Furniture Co. of Statesville v. Seilig Mfg. Co.*, 550 F.2d 189 (4th Cir. 1977) (emphasis in original)). In evaluating a motion for preliminary injunction, courts "must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief." *Winter*, 555 U.S. at 24. "In exercising their sound discretion, courts of equity should pay particular regard for the public consequences in employing the extraordinary remedy of injunction." *Id*.

II. THE BALANCE OF HARDSHIPS WEIGHS STRONGLY AGAINST THE OVERLY BROAD REQUESTED INJUNCTION

"An injunction should not be granted if its impact on the enjoined party would be more severe than the injury the moving party would suffer if it is not granted." *Integra Lifesciences Corp. v. Hyperbranch Medical Technology, Inc.*, No. 15-819-LPS-CJB, 2016 WL 4770244 at *25 (D. Del. Aug. 12, 2016). As an initial matter, Blueacorn PPP voluntarily complied with BCI's requests 2, 3, 5, and part of 4 in the motion for injunctive relief, (Dkt. #8). However, the requested injunction seeks to stop Blueacorn PPP from using the words "acorn", "blue acorn," or "blueacorn" in any manner and in every website or media. (Dkt. #8, p.1.) This is an impermissible overreach because BCI has admitted that it does not have nationwide priority in the BLUE ACORN ICI mark.

BCI admits that it did not apply for registration of its BLUE ACORN ICI mark until July 16, 2020. Complaint, ¶ 33. On the other hand, BCI alleges that Blueacorn PPP "began operating a web-based business under the tradename "blueacorn.co" as early as May 2020. *Id*. at ¶ 57. Thus there is a period of at least three 3-4 months where BCI possessed only common law trademark rights. At common law, the exclusive right to use a mark is "limited to areas where [the mark] had been used and the claimant of the mark had carried on business." *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 268 (4th Cir. 2003), *citing Armand's Subway, Inc. v. Doctor's Assocs., Inc.*, 604 F.2d 849, 849 (4th Cir. 1979). BCI has presented no evidence of the geographic market in which its services were known by customer and potential customers earlier than April 2020, when Blueacorn PPP began its business.

Although BCI may try to rely upon its federal registration for BLUE ACORN ICI to support a nationwide constructive use date, Section 7(c) to the Lanham Act provides that such date is only as of the filing date of its application, which is more than 3 months after the Blueacorn PPP began their use. 15 U.S.C. § 1157(c). Moreover, BCI was required to come forward with evidence as to where BCI conducted business. For instance, BCI has come forward with no evidence that it used the mark BLUE ACORN at all in the state of Arizona. *See Emergency One, Inc* , 332 F.3d at 269

(District court abused its discretion in entering a nationwide injunction with no factual basis from which to conclude that plaintiff's use of the mark was nationwide. Even the owner of a registered mark, who enjoys a presumption of nationwide priority to which AFE is not entitled, is not automatically entitled to national injunctive relief.). Because of this flaw, paragraph 1 of the relief BCI seeks through the entry of a preliminary injunction, is impermissibly overbroad.

Finally, an order implementing this overly broad injuunction request would be an undue hardship and substantial burden on Blueacorn PPP and their customers because removing the "Blueacorn" name from websites and other platforms will create a scenario where customers will no longer know how to contact Blueacorn PPP with inquiries concerning their loans and loan applications. (Spirakus Dec. ¶ 20). Instead, immediate removal of the "Blueacorn" name will result in a significant increase in the volume of unwanted communications received by BCI – the exact opposite of the result that BCI is seeking to achieve. (*Id*. ¶ 21).

III. BCI IS NOT LIKELY TO SUCCEED ON THE MERITS OF ITS TRADEMARK INFRINGEMENT OR UNFAIR COMPETITION CLAIMS

A. Legal Standards for Trademark Infringement and Unfair Competition

A plaintiff asserting trademark infringement must prove: (i) that it owns a valid and protectable trademark; and (ii) that the defendant's use of a "reproduction, counterfeit, copy, or colorable imitation" of that mark creates a likelihood to cause confusion among consumers as to the source or origin of the goods or services in question. *George & Co. LLC v. Imagination Entm'tLtd.*, 575 F.3d 383, 393 (4th Cir. 2009). "In assessing whether such confusion exists, … [courts] look to how the two parties actually use their marks in the marketplace to determine whether the defendant's use is likely to cause confusion.'" *Id.* (citing *CareFirst of Maryland v. First Care, P.C.*, 434 F.3d 263, 267 (4th Cir. 2006)). At this time, Blueacorn PPP do not contest that BCI's "BLUE ACORN ICI" mark is registered and is valid and protectable. However, validity and protectability of the

"BLUE ACORN ICI" mark is a different question than the question of its strength or lack thereof. As for the second element of establishing trademark infringement, the Fourth Circuit uses the following nine factors in the "likelihood of confusion" inquiry:

> (1) the strength or distinctiveness of the plaintiff's mark as actually used in the marketplace;
> (2) the similarity of the two marks to consumers;
> (3) the similarity of the goods or services that the marks identify;
> (4) the similarity of the facilities used by the markholders;
> (5) the similarity of advertising used by the markholders;
> (6) the defendant's intent;
> (7) actual confusion;
> (8) the quality of the defendant's product; and
> (9) the sophistication of the consuming public.

See George & Co. LLC v. Imagination Entm'tLtd., 575 F.3d at 393 (citing *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984)). "Not all of these factors are of equal importance, 'nor are they always relevant in any given case.'" *Id.* (*citing Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 320 (4th Cir.1992).

B. The BLUE ACORN ICI Mark is Not Strong

It is important to note that BCI has ceased use of the mark "Blue Acorn" and has re-branded itself as BLUE ACORN **ICI**, a mark representing the 2019 merger of iCiDIGITAL and Blue Acorn. (*See* Press Release, Exhibit 01). Upon information and belief, BCI currently only uses the mark BLUE ACORN ICI. In fact, the only evidence of use of the mark BLUE ACORN submitted by BCI in support of its motion for a preliminary injunction are unverified printouts from the Archive.org. Wayback Machine (Dkt. 1-3, Ex. B) showing past use, which has been ceased by the original Blue Acorn entity that BCI acquired.

Legally, BCI can only claim trademark rights based upon prior use of the now-abandoned "Blue Acorn" mark if it can meet the exacting standard for "tacking." Use of an earlier mark can be tacked onto the use of a subsequent mark only if the previously used mark is "the legal equivalent of the mark in question or indistinguishable therefrom" such that consumers "consider both as the same mark." *George & Co., LLC v. Imagination Entm't Ltd*., 575 F.3d 383, 402 (4th Cir. 2009), citing *Van Dyne-Crotty, Inc. v. Wear-Guard Corp*., 926 F.2d 1156, 1159 (Fed. Cir. 1991). Furthermore, tacking is permitted "only in rare instances." *Id*. at 1160 (citation and internal quotation marks omitted). Here, the addition of the mark ICI from iCiDIGITAL creates a markedly different commercial impression and was intended to communicate to consumers that Blue Acorn had merged with iCiDIGITAL creating a "new breed of company that is purpose-built to solve the unique challenges of brands seeking to win in a digital customer experience-first world." (*See* Exhibit 01, Press Release); *Quiksilver, Inc. v. Kymsta Corp*., 466 F.3d 749, 760 (9th Cir. 2005) (finding that the addition of the corporate name QUICKSILVER to form QUICKSILVER ROXY did not create the same commercial impression for tacking purposes). As compared to the original Blue Acorn entity, the BLUE ACORN ICI mark creates a different commercial impression not only in its commercial appearance, but also in the services offered to those customers. This results in resetting BCI's priority to the date that this mark was adopted, which is March 31, 2019 according to BCI's trademark application filed on July 16, 2020. BCI only has two years of use of this mark, and most importantly, has submitted no other evidence to support the distinctiveness of its mark other than a vague allegation of advertising expenditures, which includes funds for other "associated services."

Where a plaintiff's trademark that is alleged to be infringed is registered, it does not legally mean that the mark is strong or that the mark is entitled to a greater scope of protection. Even in case of a registered trademark, a plaintiff must still establish the existence of a likelihood of confusion to prove trademark infringement. *See Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc*., 43 F.3d 922, 935 (4th Cir. 1995) ("We agree with the above reasoning that incontestability affects the validity of the trademark but does not establish the likelihood of confusion necessary to warrant protection from infringement."). Similarly, in *Medici Classics*, even though the plaintiff's mark was registered and deemed inherently distinctive, the district court found that it was a weak mark that was entitled to a narrow scope of protection for purposes of the likelihood of confusion analysis. *Medici Classics Prods. LLC v. Medici Grp. LLC,* 683 F. Supp.2d 304, 309 (S.D.N.Y. 2010) (citing *Lang v. Retirement Living Pub. Co., Inc.* 949 F.2d 576, 581 (2d Cir. 1991).

The strength of a trademark is measured in terms of its conceptual strength and commercial strength. *See CareFirst*, 434 F.3d at 269. "Measuring a mark's conceptual or inherent strength focuses on the linguistic or graphical 'peculiarity' of the mark . . . considered in relation to the product, service, or collective organization to which the mark attaches." *Id.* (citing *U.S. Search, LLC v. U.S. Search.com Inc.*, 300 F.3d 517, 524 (4th Cir. 2000). "The commercial-strength inquiry, by contrast, looks at the marketplace and asks 'if in fact a substantial number of present or prospective customers understand the designation to refer to a particular person or business enterprise.'" *Id.*; *see also Carefirst,* 434 F.3d at 270 ("'[T]he frequency of prior use of [a mark's text] in other marks, particularly in the same field of merchandise or service,' illustrates the mark's lack of conceptual strength."); *Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co.*, 22 F.3d 1527, 1533 (10th Cir. 1994) ("A strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties").

Here, use of the business name "Blue Acorn" is not unique to BCI. There are numerous other "Blue Acorn" businesses, including sme in fields directly competitive to BCI, including, the following:

- Blue Acorn – a home technology company located in Durham, Connecticut. *See* www.blueacornllc.com, last visited June 23, 2021.

- Blue Acorn Media – a website design and development and media design business located in Texas. *See* www.blueacornmedia.com, last visited June 23, 2021.

- Blue Acorn Graphics – a branding, digital presence and website design business located in Marietta, Georgia. *See* www.blueacorngraphics.com, last visited June 23, 2021.

- Blue Acorn Consulting – a career consultancy located in Michigan. *See* www.blueacornmi.com, last visited June 23, 2021.

- Blue Acorn Solutions – an executive coaching, training and organizational development consulting firm located in the United Kingdom. *See* www.blueacornsolutions.com, last visited June 23, 2021.

- Blue Acorn Properties – a full-service real estate firm located in Ohio. *See* www.blueacornproperties.com, last visited June 23, 2021.

- Blue Acorn Studio – an jewelry store located in Avon, Connecticut. (See screen capture, as Exhibit 02, www.facebook.com/Blue-Acorn-Studio- 113275798690516.)

- Blue Acorn Press – a website promoting a publishers' books. *See* www.blueacornpress.com, last visited June 23, 2021.

- Blue Acorn Marketing – a fully integrated advertising agency located in Chicago, Illinois. (*See* screen capture, as Exhibit 03, www.blueacornmarketing.com.)

- Blue Acorn Consulting – a professional software consultancy with over 10 years commercial software development experience. *See* www.blueacorn.co.uk, last visited June 23, 2021.

- Blue Acorn – a spiritual counseling website based in Portland, Oregon. *See* www.blueacorn.org, last visited June 23, 2021.

While BCI complains of Defendants' use of "Blueacorn", BCI apparently has no concerns with direct competitors using "Blue Acorn" including "Blue Acorn Media", a directly competitive website and digital transformation business, and "Blue Acorn Graphics", a competing website development business. All of the above uses severely undercut the distinctiveness and strength of BCI's BLUE ACORN ICI mark. Moreover, as the Court will notice in a review of these screen captures, many of these businesses use the design or graphic of an acorn in the color blue.

C. The Parties' Respective Services are Substantially Different.

BCI contends that both it and Blueacorn PPP operate "web-based businesses." This is factually false. BCI is not a web-based business. It is a business that has a website. BCI's Blue Acorn iCi business offers digital transformation service, including consulting, website development, and e-commerce analytics. (*See* BCI website, https://www.blueacornici.com/, last visited June 23, 2021.) BCI's customers are mainly large corporations, such as SAS, Gerber, Charter Communications, Campbells, Fidelity Investments, Sea World, and Ahold Delhaize. (*Id.*). In fact, BCI has only 169 clients which generate $64 million dollars in annual revenue, meaning that each client spends an average of $378,000 annually with BCI. (Dkt. #1, Complaint at ¶ 17.)

On the other hand, Blueacorn PPP was created specifically to assist small businesses apply for and receive PPP loans. (Spirakus Dec. ¶ 2). These small business customers served by Blueacorn PPP are independent contractors (barbers, hair stylists, Uber drivers, independent consultants and realtors) that have an average annual gross income of $41,000, average PPP loans of $16,000, and are overwhelmingly non-Caucasian. (*Id.* ¶ 3). Blueacorn PPP is simply not in the same market for the services provided by BCI.

Even if some portion of the parties' marks are identical, this does not automatically mean that the marks are confusingly similar. *See e.g., Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, (Fed. Cir. 1992) (No likelihood of confusion found between EDS for computer services and EDS for power supplies); *Dynamics Research Corp. v. Langenau Mfg. Co.*, 704 F.2d 1575, 217 U.S.P.Q. 649 (Fed. Cir. 1983) (No likelihood of confusion found DRC used for press brakes for the machine tool industry and DRC for corrugated sheet metal). In fact, where the two companies provide markedly different services, courts have been reluctant to find a likelihood of confusion for the purposes of a motion for a preliminary injunction. *See Yellowbrix, Inc. v.*

Yellowbrick Sol., Inc., 181 F. Supp. 2d 575, 580 (E.D.N.C. 2001) (denying preliminary injunction where services offered in connection with YELLOWBRICKS were different from the services offered with YELLOWBRIX and finding the "likelihood of confusion" is thus mitigated by the fact that plaintiff and defendant offer distinct products to very different markets); *NVST.com Inc. v. NVEST, LLP*, 32 F. App'x 207, 212 (9th Cir 2002) (denying preliminary injunction finding no likelihood of confusion between NVEST and NVST when services were different).

As to BCI's argument that both businesses are "web-based", this Court found in the *Yellowbrix* case that just because "both [plaintiff and defendant] have websites that describe their services and products and are used as a marketing tool to attract customers… the probativeness of this factor is somewhat diminished in determining whether there is a 'likelihood of confusion' amongst consumers of the parties' products." *Yellowbrix*, 181 F.Supp 2d at 579. In the last 20 years, the prevalence of websites for business has grown tremendously. As this is the only barely probative similarity, and the parties' respective services are vastly different, this factor weighs heavily in favor of Blueacorn PPP.

D. The Facilities and Advertising Used by the Parties Are Dissimilar

Differences between the facilities and advertising the parties use to market, sell, distribute, and reach the customers are relevant in the likelihood of confusion analysis. *See CareFirst*, 434 F.3d at 272-73.To compare advertising, the Fourth Circuit looks to "the media used, the geographic areas in which advertising occurs, the appearance of the advertisements, and the content of the advertisements." *CareFirst*, 434 F.3d at 273. With respect to advertising, BCI argues only that both BCI and Blue Acorn PPP's websites appear in a Google search. Although BCI cites one 2013 case in support with scant discussion on search engine results, other cases offering a greater depth of analysis have found the opposite. In *Rebel Debutante LLC v. Forsythe Cosmetic Group, Ltd.*, 799

F. Supp. 2d 558 (E.D.N.C. 2011), the plaintiff argued that that she advertised over the Internet and that an Internet search using the term "Rebel Debutante" produced a search engine result also referencing defendant. In finding that the this factor did not weigh in favor of the plaintiff, the court held that the fact that both plaintiff and defendant both "employ the Internet to market their products, as do probably the majority of sellers today, does not resolve whether the products are targeted to the same market." *Id.* at 574; *see also, Valador,* 241 F. Supp.3d at 667 ("It is well-settled that the parties' mere use of the internet does not create a similarity in advertising"), *citing Network Automation, Inc. v. Adv. Sys. Concepts, Inc*., 638 F.3d 1137, 1151 (9th Cir. 2011) ("Today, it would be the rare commercial retailer that did not advertise online, and the shared use of a ubiquitous marketing channel does not shed much light on the likelihood of consumer confusion."). *Yellowbrix, Inc. v. Yellowbrick Sol., Inc*., 181 F. Supp. 2d 575, 579 (E.D.N.C. 2001) (same holding)

Here, consumers viewing the Google search results would not be confused because they are viewing different marks, "Blue Acorn iCi – Home" versus "Blueacorn PPP Application"; different text "Blue Acorn iCi is an insights driven strategic consultancy that delivers expertise at the intersection of data science, development, strategy and design" versus "Funds are limited and may not be available at this time. If funds are available, qualified applications will be submitted to the SBA"; and different domain names <bluecornici.com> versus <getblueacorn.com>. (See Dkt. #1, Compl. at ¶ 100); *see, e.g, Codename Enters. v. Fremantlemedia N. Am., Inc.*, 2018 U.S. Dist. LEXIS 110284, at *24 (S.D.N.Y. Jan. 12, 2018) (finding that this factor weighed in favor of defendant because "the Google search engine results are not identical because each parties' web address is displayed with a different description"). Moreover, by providing evidence only of Google search engine results, BCI is asking this court to find a likelihood of *initial interest* confusion, which the Fourth Circuit has not adopted. *Passport Health, LLC v. Avance Health Sys*., 823 F. App'x 141, 151 (4th Cir. 2020) (requesting this court to consider "only the search results page would amount to adopting the initial interest confusion doctrine"). In sum, BCI has presented no relevant evidence of similar advertising demonstrating similar media, similar geographic areas, and similar content because there is none. Blueacorn PPP markets its services primarily through its own website, YouTube and other social media accounts, including accounts operated by third-party marketing affiliates (and have presently ceased marketing). (Spirakus Dec. ¶¶ 11, 15). There is no question that the *content* of parties' websites, search engine results and other marketing materials are different because the parties' services and customers are very different. Blueacorn PPP's marketing materials focuses on letting consumers know about the availability of PPP loans and how to apply for such loans. On the other hand, BCI's marketing focuses on the explaining the services BCI offers "at the intersection of data science, development, strategy, and design", and as discussed herein, with only 169 customers each paying hundreds of thousands of dollars a year for BCI's services, it is simply not believable for BCI to allege that its marketing targets the same potential market as Blueacorn PPP.

The parties have vastly different facilities from which they render services. With respect to this factor, BCI argues, without any support,[2] that "both parties market to small businesses and self-employed individuals." BCI's own website belies any truth to this statement. As discussed above, BCI's clients consist of Fortune 500® businesses such as Fidelity Investments and Charter Communications. (*See* BCI website, https://www.blueacornici.com/, last visited June 23, 2021.) In fact, with an average yearly revenue of more than $350,000 per client, the facilities that BCI's uses

[2] BCI's sole support for this assertion is Complaint paragraph 14, which states "Plaintiff Blue Acorn iCi is a leading digital technology consulting company that uses analytics, digital commerce, e-commerce, customer experience, and Experience Drive Commerce (XDC) to assist businesses with planning and developing online experiences for its clients." There is no mention in this paragraph concerning the types of BCI's customers.

for its services are either its eight (8) brick-and-mortar locations or the client's headquarters. "The relevant inquiry under this factor is whether the goods are sold to the same class of consumers in the same context." *Renaissance Greeting Cards, Inc. v. Dollar Tree Stores, Inc.*, 405 F. Supp. 2d 680, 696 (E.D. Va. 2005). This is true because consumers are less likely to be confused if there are "significant differences between how consumers encounter the parties' respective marks in [distribution] facilities[.]"' *CareFirst*, 434 F.3d at 273. Here, the parties' means of delivering their respective services to their consumers are markedly different. On one hand, Blueacorn PPP utilizes web-based forms, emails and texts to provide their services. On the other hand, BCI does not render any services online, and its revenues are generated from sophisticated consulting services offered at prices that no customer of Blueacorn PPP could afford. Thus, these two factors, weigh significantly in Blueacorn PPP's favor and against a finding of likelihood of confusion.

E. The Existence of the ICI House Mark in the BLUE ACORN ICI Mark Creates a Substantially Different Commercial Impression.

This factor compares the marks in question and "focuses on whether there exists a similarity in sight, sound, and meaning which would result in confusion." *See CareFirst*, 434 F.3d at 271. The relevant mark in this matter is BLUE ACORN ICI because there is no current evidence in the record that the BLUE ACORN trademark is still in use by BCI. Given the weak nature of the BLUE ACORN mark, the fact that marks are used for wholly different services and marketed to different consumers, the addition of the mark "iCi" is sufficient to distinguish the respective marks in the minds of consumers. Here, the addition of the "iCi" was accomplished to communicate to the public the merger of the two companies, Blue Acorn and iCiDigital. This is enough to create a substantially different commercial impression. *Rebel Debutante Ltd. Liab. Co. v. Forsythe Cosmetic Grp., Ltd.*, 799 F. Supp. 2d 558, 573 n.7 (M.D.N.C. 2011) (addition of the junior user's addition of a house mark to a possibly infringing mark of the senior user has the potential to reduce or eliminate likelihood of confusion). In addition, Blueacorn PPP spells "blueacorn" as one word and include the term PPP in the mark.

F. Blueacorn PPP's Intent in Adopting its Mark was Innocent

"The intent of a junior user is relevant only if the junior user intended to capitalize on the goodwill associated with the senior user of the mark." *See CareFirst*, 434 F.3d at 273. Here, there is no evidence that Blueacorn PPP intended to improperly benefit from any recognition or goodwill associated with BCI's trademark. Blueacorn PPP was formed in response to small businesses needing greater access to PPP loans. (Spirakus Dec. ¶ 2). Loan servicing is not something BCI provides; therefore, it cannot be known for its loan servicing expertise. Moreover, the Blueacorn PPP name and websites grew out of the Chief Technology Officer's desire to pair another word with the word "blue" to create a catchy name. (*Id.* ¶ 6). There was simply no intent to select or copy BCI's mark to deceive any person into believing they were dealing with BCI. *Cf. Sara Lee Corp.*, 81 F.3d at 466 ("[W]e presume that the person who sets out to infringe on another's trademark has more brains than scruples, and will likely succeed.").

Even general knowledge of a senior user's trademark, or the constructive notice of another's federal trademark registration, are not in and of itself evidence of intent or bad faith on the part of a junior user in selecting and adopting its own mark. *See Rebel Debutante LLC v. Forsythe Cosmetic Grp. Ltd.*, 799 F. Supp.2d 558, 575 (M.D.N.C. 2011) (citing to 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (4th ed.) and "noting that every trademark registration is constructive notice to all of the registrant's rights but 'the existence of constructive notice is not evidence that a later user necessarily intended to confuse.")). As such, based on the indisputable record, this factor weights in favor of Blueacorn PPP.

G. Misdirected Contacts are not Evidence of Actual Confusion

For purposes of the Lanham Act, actual confusion means "consumer confusion that enables a seller to pass off his goods as the goods of another." *Sports Auth., Inc. v. Prime Hosp. Corp.*, 89 F.3d 955, 963 (2d Cir. 1996). To show actual confusion, the plaintiff must demonstrate that defendant's use of a confusingly similar mark "could inflict commercial injury in the form of either a diversion of sales, damage to goodwill, or loss of control over reputation." *Id*. In support of its claims relating to alleged instances of such "actual confusion," BCI does not present any evidence of forward confusion, when customers seeking the senior user's (here, BCI) services mistakenly buy the junior user's (Blueacorn PPP) services. 4 *J. Thomas McCarthy, supra*, § 23:10. In other words, there is no evidence that BCI customers contacted Blueacorn PPP instead of BCI. Instead, BCI argues reverse confusion. However, reverse confusion is when customers are confused into thinking that the senior user's (BCI) services are those of the junior user (Blueacorn PPP). *Id*; *see also Valador, Inc. v. HTC Corp.,* 242 F. Supp. 3d 448, 453 n.4 (E.D. Va. 2017).

To establish actual confusion in a reverse confusion case, the **<u>only relevant</u>** confusion is a belief by the senior user's purchasers or prospective purchasers that the senior user's product was produced by or affiliated with the junior user. *Dream Team Collectibles, Inc. v. NBA Props., Inc.*, 958 F. Supp. 1401, 1415 (E.D. Mo. 1997) [emphasis added], *citing Lang v. Retirement Living Pub. Co., Inc*., 949 F.2d 576, 583 (2d Cir. 1991). The relevant confusion that the court must focus on is that "which affects purchasing decisions, not confusion generally." *Id*.; *see also W.W.W. Pharmaceutical Co., Inc. v. Gillette Co*., 984 F.2d 567, 574 (2d Cir. 1993); *MNI Mgmt., Inc. v. Wine King, LLC*, 542 F. Supp. 2d 389, 409 (D.N.J. 2008) (evidence of actual confusion in a reverse confusion is evidence that the public thought the junior user was the source of the senior user's product); *M & B Bev. Corp. v. N.Y. N.Y. Hotel, LLC*, 1997 U.S. Dist. LEXIS 24258, at *30 (S.D. Fla.

Oct. 22, 1997) ("the test for actual confusion in a reverse confusion case is not the same as in a forward confusion case").

In a similar case, *Lang v. Retirement Living Publishing*, the Second Circuit explained why the type of confusion was significant in the context of a reverse confusion claim. In this case, the court found no confusion where the plaintiff had received "approximately four hundred phone calls and several letters" that were intended for the defendant, stating

> even if we infer in Lang's favor that [the calls] reflect consumer confusion, those consumers erroneously believed that the *senior user* (Lang) was the source of the *junior user's* (Retirement Living) magazine. Evidence of actual reverse confusion that might support Lang's claim would involve purchasers or prospective purchasers of Lang's products who believed that they were produced by or affiliated with Retirement Living's magazine.

Lang, 949 F.2d at 583.

Similarly, here, there is no evidence of reverse confusion that would support the hypothesis that **<u>BCI's customers</u>** thought that BCI's services were related to Blueacorn PPP's financial services. For example, it is quite likely that in one of BCI's alleged instances the individual was not confused and "states it appears that this company stole the identity of your company". Complaint at Ex. F. This erroneous legal opinion is not evidence of actual confusion as the writer knew exactly who the respective parties were and the services that they offered. In another letter, a person wrote to BCI inquiring about the status of their loan application. This too is not confusion where the individual thought that BCI's services were those of Blueacorn PPP. Complaint Ex. F.

Such examples do not constitute evidence of actual reverse confusion because they do not involve confusion about purchasing decisions or any confusion about the source or affiliation of the products. *Codename Enters. v. Fremantlemedia N. Am., Inc.*, 2018 U.S. Dist. LEXIS 110284, at *30-32 (S.D.N.Y. Jan. 12, 2018). Instead, it appears that Blueacorn PPP's customers are being careless and reaching the wrong email address, phone number, or social media account. *See Therma-Scan, Inc. v. Thermoscan, Inc*., 295 F.3d 623, 634-36 (6th Cir. 2002) (discounting misdirected email communications where they reflected that that the consumers were "inattentive or careless, as opposed to being actually confused."); *Duluth News-Tribune, a Div. of Nw. Publ'ns, Inc. v. Mesabi Publ'g Co*., 84 F.3d 1093, 1098 (8th Cir. 1996) (finding that "vague evidence of misdirected phone calls and mail. . . show[s] inattentiveness on the part of the caller or sender rather than actual confusion.") Although BCI alleges actual instances of reverse confusion, given the vast differences in the respective parties' services and advertising, such confusion must be due to consumer error. "Sometimes what appears at first glance to be evidence of confusion is merely evidence of consumer error not related to name confusion." 4 *J. Thomas McCarthy*, *supra*, § 23:13. In sum, the evidence submitted by BCI does not show actual confusion, it is hearsay evidence that BCI is attempting to allege shows reverse confusion, when it does not.

As to the amount of calls or contacts that BCI has received, given that fact that Blueacorn PPP has 966,000 customers that have received PPP loan, and at one point was receiving 27,000 individual customer inquiry tickets on a daily basis (Spirakus Dec. ¶¶ 2, 17), there is bound to be some consumer error and misdirected calls, emails or social media engagement. For instance, BCI is claiming that has received approximately 3,300 calls in excess of BCI's normal call volume in May 2021, which represents ***only .3%*** of Blueacorn PPP's total number of PPP loan customers. As such, even if the Court provides some weight to this evidence it is *de minimis* when compared to the significant amount of communications between Blueacorn PPP and its customers and potential customers.

H. Both Parties' Customers are Reasonably Sophisticated.

Buyer sophistication looks not necessarily at the education level or career of the customer, but is "intended to measure, based on the nature and circumstances of the purchasing decision, how careful a purchaser is likely to be in determining the source of the goods prior to making the purchase." *True Homes LLC v. Clayton Homes, Inc.*, No. 3:18-CV-00345-KDB-DCK, 2020 U.S. Dist. LEXIS 207535, at *26 (W.D.N.C. Nov. 4, 2020). Since BCI has invoked the reverse confusion theory only its customer base is relevant to this analysis. *Valador, Inc. v. HTC Corp.*, 241 F. Supp. 3d 650, 670 (E.D. Va. 2017). As discussed herein, BCI's customers are not the general public; in fact they are large national and multi-national corporations, who might be seeking BCI's services to manage a robust digital presence. (See https://www.blueacornici.com/ , last visited June 23, 2021). BCI's customers are sophisticated purveyors of a host of digital transformation consulting services who likely select vendors on a proposal basis. BCI's customers average yearly spend is more than $350,000.

On the other hand, Blueacorn PPP's customers are not relevant to this analysis, but regardless they are distinct and careful purchasers. Here, Blueacorn PPP was not servicing general consumer loans for household expenses; rather, they were offering specific loan application assistance for the PPP loan program. Business owners and the self-employed are potentially more sophisticated seekers of PPP loan information than the general public. *See Grayson O Co. v. Agadir Int'l LLC*, No. 3:13-CV-00687-MOC, 2015 WL 7149935, at *11 (W.D.N.C. Nov. 13, 2015) ("[T]he fact that the consumers of the products at issue are likely somewhat more knowledgeable about hair care products than the average consumer indicates that this factor weighs slightly against a risk of confusion."), *aff'd*, 856 F.3d 307 (4th Cir. 2017). The sophistication of the parties here cuts against a likelihood of success on the merits of a trademark infringement claim.

I. Blueacorn PPP's Services Are of High Quality

"This factor is typically important in cases involving cheap copies and 'knockoffs' of a competitor's trademark-protected goods." *See Rebel Debutante*, 799 F.Supp.2d at 799 (citing *Sara Lee v. Kayser-Roth Corp*., 81 F.3d, 455, 467 (4th Cir. 1996)). Although BCI admits in its brief that "this case does not involve knockoffs," it attempts to create an impression that Blueacorn PPP services are of inferior quality, efficacy, and/or safety, all without reliable evidence and based on BCI's own conjecture. In fact, Blueacorn PPP has successfully processed over $15 billion in PPP loans for 966,000 small business customers. (Spirakus Dec. ¶ 2).

IV. BCI IS NOT LIKELY TO SUCCEED ON THE MERITS OF ITS ACPA CLAIM.

BCI requested in its proposed Order for a Temporary Restraining Order certain relief relating to the domain names <blueacorn.co>, <getblueacorn.com> and any other domain name containing the term blueacorn" (the "Disputed Domains") (Dkt. #13). The court rejected these requests in the now-dissolved TRO. (Dkt. #14). To the extent that such a request is renewed by BCI, the facts do not support a finding of bad faith intent as BCI alleges.

The Lanham Act § 43(d)(1)(B), provides a list of nine non-exhaustive factors relevant to determining whether a defendant acted in bad faith. The nine factors are: (1) The defendant's good faith claims to use the mark so as to coexist with plaintiff's mark in a different and unrelated field; (2) the defendant's good faith claims to use of his or her personal name; (3) the defendant's prior use of the domain name for a bona fide offering of goods or services; (4) the defendant's bona fide non-commercial or fair use of the mark; (5) the defendant's intent to divert web users from plaintiff's web site to defendant's web site by creating a likelihood of confusion; (6) the defendant's offer to sell the domain name to plaintiff or another for financial gain without a bona fide use of the domain name; (7) the defendant's obtaining the domain name using misleading false contact information; (8) the defendant's knowingly obtaining multiple domain names similar to famous marks; and (9) the amount of strength of plaintiff's mark. 15 U.S.C.A. § 1125(d)(1)(B) . BCI alleges that Factors 1, 2, 3, 4, 5, 8, and 9 support a finding that Blueacorn PPP acted in bad faith. However, the facts alleged by BCI actually relate to and demonstrate an absence of bad faith. As will be established below, Factors 1, 2, and 3 support a finding of good faith and Factors 4, 8, and 9 are irrelevant and/or not applicable under the present circumstances.

The first factor takes account of the fact that the same or similar marks can peacefully coexist in the marketplace without a likelihood of confusion when used in widely differing product or service lines or in remote geographic markets. 5 *J. Thomas McCarthy* § 25A:54 (5th ed.). The House Report gave the example of the use of DELTA as a mark by both an airlines and a maker of faucets. ***Id***. The first of those two companies to register the domain name delta.com is the legitimate owner of the domain name and is certainly not a cybersquatter. ***Id***. Such proof of legitimate trademark or service mark use by the domain name holder takes it out of the category of "cybersquatter" and into the category of being legitimate owner of the domain name. ***Id***. Thus, the issue is not that Blueacorn PPP trademark rights in BLUEACORN PPP are not longstanding or that they have not yet to apply for trademark registration; rather, the is whether Blueacorn PPP trademark and trade name infringes upon BCI's BLUE ACORN ICI trademark or whether said use is akin to the DELTA example discussed above. As discussed above, Blueacorn PPP's use of its mark is not infringing. Accordingly, this weighs in favor of finding an absence of bad faith.

Factor 2 directs determination of whether, and to what extent, the domain names at issue consist of "the legal name of the person **or** a name that is otherwise commonly used to identify that person." *Harrods Ltd. v. Sixty Internet Domain Names*, 157 F. Supp. 2d 658, 670 (E.D. Va. 2001) (emphasis added). Furthermore, Factor 2 permits a court to consider a "commonly used" name. *Id*. Here, BCI conveniently ignores the fact that consideration of this factor is not limited to consideration of solely the defendant's legal name but rather, this factor also recognizes and looks at names that are also a trade name/fictious name. It has been previously held in the Fourth Circuit that where a defendant's trade name/fictious name constitutes a "commonly used" name to identify the defendant such use is sufficient to establish good faith, or put differently, an absence of bad faith. *See e.g. Hartog & Co. v. SWIX.com*, 136 F.Supp.2d 531, 540 (E.D.Va.2001) (no bad faith found in swix.com, which was part of defendant's Swiss trade name: SwiX Internet Dienote). As such, similar to the *Hartog & Co.* case above, Blueacorn PPP is commonly known by the name "Blue Acorn", demonstrating that they have acted in good faith.

Factors 3 and 4 are mutually exclusive factors and only one or the other can be considered at a time: a domain name is either being used commercially or it is a non-commercial or fair use. Accordingly, regarding BCI's allegations with respect to Factor 3, BCI is incorrect that Blueacorn PPP's use of the Disputed Domains is not in connection with a *bona fide* offering of goods or services. Similar to Factor 1, it recognizes that the "legitimate use of the domain name in commerce is a good indicator of a good faith intent." 5 *McCarthy on Trademarks and Unfair Competition* § 25A:56 (5th ed.). The reference to "prior use" means that this "good faith factor cannot be founded upon a purported good faith use of the domain name undertaken only after the dispute arose and motivated by a desire to fabricate a good faith defense." *Id*. Here, as established in the previous sections, the Disputed Domains reflect the legitimate intellectual property rights and the commonly used name of Blueacorn PPP and the Disputed Domains have been used in connection with loan processing services. Such non-infringing, legitimate business use of the BLUE ACORN trademark and trade name by Blueacorn PPP unquestionably constitutes use of the Disputed Domains for a *bona fide* offering of goods or services. Furthermore, it is irrelevant that BCI's domain names were registered before Blueacorn PPP began doing business and registered the disputed domain names. As established above, BCI and Blueacorn PPP each operate legitimate, non-infringing businesses..

Regarding Factors 8 and 9, courts have previously held that Factors 8 and 9 "really play no part in an ACPA analysis when both parties, as here, have trademark rights to some portion of the offending domain names." *See Omega S.A. v. Omega Eng'g, Inc.*, 228 F. Supp. 2d 112, 135–36 (D. Conn. 2002). That is no different here. It has been established throughout that both BCI and Blueacorn PPP have legitimate, coexisting rights in trademarks and trade names that contain "Blue Acorn" as an element of the trademark and trade name. As such, Factor 8 and 9 are not relevant to the court's bad faith consideration in the subject matter.

Regarding BCI's final arguments as they pertain to Factors 5, BCI contends that Blueacorn PPP knew of BCI and intentionally targeted BCI when Blueacorn PPP adopted Disputed Domains solely for the purpose of diverting traffic from BCI's website and to Blueacorn PPP's website and that this bad faith intent is evidenced by a single YouTube advertisement that incorporated BCI's acorn logo. However, the fact of the matter is the YouTube advertisement in question was created by a Blueacorn PPP's third-party marketing affiliates and the use of the acorn design was not authorized.

To the extent that BCI alleges that bad faith is evidenced by the fact that Blueacorn PPP did not cease any and all use of "Blue Acorn" in response to receipt of BCI's cease and desist letters, such allegations are not supported by the law as courts have explicitly held that a failure to stop use of a designation upon receiving a cease and desist letter is not evidence of "bad faith" and is not evidence of an intent to confuse. 4 *J. Thomas McCarthy on Trademarks and Unfair Competition* § 23:120 (5th ed.); *see also Wonder Labs, Inc. v. Procter & Gamble Co.*, 728 F. Supp. 1058, 1064, 14 U.S.P.Q.2d 1645 (S.D. N.Y. 1990) (Failure to abort advertising campaign upon receipt of cease and desist letter "is absolutely no proof that the defendant acted in bad faith to capitalize on the plaintiff's trademark").

Importantly, the Lanham Act, also provides defendants with the "reasonable belief" defense to an ACPA claim. 15 U.S.C.A. § 1125 (d)(1)(B)(ii)(A). The defense is applicable where the court determines that the defendant "believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." If both parties are using the same designation as a mark but in very different product lines, then the defendant may have an objectively reasonable belief that it has a legitimate claim to using that designation as its domain name to sell its products. *See Chatam Intern., Inc. v. Bodum, Inc.*, 157 F. Supp. 2d 549, 183 A.L.R. Fed. 799 (E.D. Pa. 2001), *aff'd without opinion*, 40 Fed. App'x 685 (3d Cir. 2002) (summary judgment for defendant, who had a legitimate claim to using chambord.com as a domain name for a site to sell its CHAMBORD coffee makers and which did not infringe CHAMBORD for liqueur and fruit preserves); *see also Hartog & Co. AS v. SWIX.com*, 136 F. Supp. 2d 531, 63 U.S.P.Q.2d 1086 (E.D. Va. 2001) (No conflict existed between a Norwegian plaintiff's SWIX mark for ski wax and the accused domain name swix.com used for a long time by a Swiss Internet service provider to identify its Web site). In the present case, the "reasonable belief" defense is effectively confirmation and validation of the Blueacorn PPP arguments set forth above.

V. THERE IS NO IRREPARBLE HARM.

BCI has failed to make a clear showing that it is likely to succeed on the merits of any of its claims, and the Court would not even need to go further to rule against BCI's motion for preliminary injunction. Even if the Court were to find that BCI is likely to succeed on the merits, BCI has not shown that it will be irreparably harmed, and its conclusory allegations to that effect are not sufficient. *See Maaco*, 2015 WL 4557382 ("Maaco fails to make a clear showing of irreparable harm beyond those conclusory statements.").

Furthermore, BCI has an adequate remedy at law in the absence of the requested injunction.

This is not a case where there are competitive products. Any harm to BCI can be quantified. When the purported injury or harm suffered by a plaintiff can be rectified by money damages, there is a presumption that a preliminary injunction should not be granted. *See Di Biase v. SPX Corp.*, 872 F.3d 224, 230 (4th Cir. 2017) ("A plaintiff must overcome the presumption that a preliminary injunction will not issue when the harm suffered can be remedied by money damages at the time of judgment."). This Court stated in *Nutramax Labs.*, 2017 WL 2772485, at *4: "To demonstrate a need for injunctive relief, a plaintiff must show how the harm suffered is such that other forms of damages available in the normal course of litigation are not enough." "Mere injuries, however, substantial, . . . are not enough," [because of] "the possibility that adequate compensatory or other corrective relief will be available at a later date." *Id.* (quoting *Hughes Network Sys. v. Interdigital Comm'ns Corp.*, 17 F.3d 691, 694 (4th Cir. 1994)). "A preliminary injunction is not normally available where the harm at issue can be remedied by money damages." *Id.* (quoting *Bethesda Softworks, LLC v. Interplay Entm't Corp.*, 452 F. App'x 351, 353 (4th Cir. 2011).

VI. THE PUBLIC INTEREST WEIGHS AGAINST PRELIMINARY RELIEF

As BCI has failed to establish a likelihood of success on the merits of its claims and it has also failed to show that it would be irreparably harmed in the absence of a preliminary injunction, the public interest would not be served by granting BCI such extraordinary remedy where it has not met its burden of proof on so many aspects of its claims. Indeed, the extraordinary remedy that BCI is seeking would harm Blueacorn PPP's existing clients who are now relying on assistance in applying for PPP loan forgiveness, by making it more difficult to identify and confer with the company that helped with the initial application.

CONCLUSION

In view of the foregoing, BCI has not clearly established that it is likely to succeed on the merits of its claim, it has not shown that it would be irreparably harmed absent preliminary relief, the balance of hardships tips decidedly in Blueacorn PPP's favor, and the public interest is best served by not issuing an injunction. Therefore, Blueacorn PPP submits that BCI's motion for preliminary injunction should be denied in its entirety.

Respectfully submitted, this the 2nd day of July 2021.

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CERTIFICATE OF SERVICE

I hereby certify that on July 2, 2021, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record.

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