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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

RAWLINGS SPORTING GOODS
COMPANY, INC.,

Plaintiff,

v.

UNDER ARMOUR, INC.,

Defendant.

CASE NO. C10-00933

ORDER GRANTING IN PART AND
DENYING IN PART PLAINTIFF'S
MOTION FOR PRELIMINARY
INJUNCTION

This comes before the Court on Plaintiff's motion for a preliminary injunction (Dkt. No. 14.) Plaintiff Rawlings Sporting Goods ("Rawlings") seeks a preliminary injunction that: (a) enjoins Defendant Under Armour ("UA") from using Rawlings's helmet in advertisements or promotional activities, (b) imposes a two-year "cooling off" period during which UA is barred from selling competing batting helmets, (c) mandates UA send corrective notices to customers explaining the Court's injunction, and (d) enjoins UA from infringing Rawlings's '225 patent.

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Background

Rawlings alleges UA violated trademark and patent law in using Rawlings's helmet in its promotional materials. In 2003, Rawlings introduced its COOLFLO batting helmet. (Dkt. No. 14.) During elite high school exhibition games in 2008 and 2009, this helmet was used by UA to equip its "Under Armour All-America Team." (Clark Decl. ¶ 5-8.) During the games, UA placed its own logo on the center-front of Rawlings's helmet. (Id.) Photos from the games, which display Rawlings's helmet with UA's logo, are available on the internet. In Fall 2009, UA's Brand Manager again placed its logo on Rawlings's helmet for a photo shoot of UA's endorsed Major League Baseball players. (Id. at ¶ 11.) As with other sporting goods companies, UA uses professional athletes to use, promote and endorse their product. (Id.) The photos were later used in a catalogue advertisement, a magazine article, point-of-purchase signage, UA's own catalogue and several websites. (Id. at ¶ 15.)

At approximately the same time, in Fall 2009, UA entered into discussions with its third-party supplier, Ampac, about designing and producing its own baseball helmet for the consumer market. (Culley Decl. ¶ 3-5.) While Ampac had made helmets for other companies, UA was largely a sporting-apparel company and had not yet entered the hard goods market. (Id.) UA produced its first helmet for sale in August 2010. (Jurga Decl. ¶ 11.)

Rawlings claims UA violated trademark law in order to pave the way for its introduction of a patent-infringing helmet. (Dkt. No. 27, Pg. 10.) UA argues its new helmet does not infringe on Rawlings's patent and was not based on Rawlings's design. (Jurga Decl., ¶ 11.) UA also contends its promotional activities and its helmet design activities were unknown to each other. (Dkt. No. 19, Pg. 5.) Since this lawsuit was filed, UA has taken some steps to remove promotional materials that include UA's logo on Rawlings's helmet. Specifically, UA has

1 requested certain websites remove the images where UA's logo may be seen on Rawlings's
2 helmet and stopped distributing one of its catalogues. (Id. at ¶ 15, Exhibits 5-8).

3 **Analysis**

4 I. Standard

5 To obtain a preliminary injunction, Rawlings "must establish that [it] is likely to succeed
6 on the merits, that [it] is likely to suffer irreparable harm in the absence of preliminary relief, that
7 the balance of equities tips in [its] favor, and that an injunction is in the public interest." Winter
8 v. Natural Res. Def. Council, Inc., 129 S.Ct. 365, 374 (2008). UA argues that Rawlings will not
9 succeed on the merits of either the Lanham Act or the patent claim.

10 a. Likelihood of Success

11 a. Lanham Act

12 The Lanham Act proscribes "any false designation of origin . . . which is likely to cause
13 confusion, or to cause mistake, or to deceive . . . as to [their] origin." 15 U.S.C. § 1125(a).
14 "Reverse passing off" is a violation of the Lanham Act and occurs when "one party purchases . .
15 . a second party's goods, removes the second party's name, and then markets the product under
16 its own name." Summit Mach. Tool Mfg. v. Victor CNC Sys., 7 F.3d 1434, 1437 (9th Cir. 1993).

17 UA concedes it put its logo on Rawlings's helmet during two exhibition games and in
18 promotional materials. (Clark Decl., ¶ 5-8.) However, UA contends this did not engage in
19 reverse passing off because UA did not use Rawlings's helmet to actually sell its own baseball
20 helmet. (Dkt. No. 19, Pg. 20-21.) UA argues a Lanham Act violation only occurs when a
21 defendant "uses the misbranded product as a sample to solicit sales." J. Thomas McCarthy, 5
22 McCarthy on Trademarks and Unfair Competition, § 27:74, at 27-170 (5th ed. 2010). To the

1 extent Rawlings's helmet was used in UA's promotional materials, it was limited to materials
2 selling baseball gloves and other equipment, not baseball helmets. (Clark. Decl., ¶ 15.)

3 The Court does not find UA's argument persuasive. While courts have interchangeably
4 referred to "reverse passing off" as either "selling" or "misrepresenting" another party's goods as
5 one's own, the language of the Lanham Act is that "any person who . . . uses in commerce" any
6 false designation of origin shall be liable. 15 U.S.C. § 1125(a); see also Dastar Corp. v.
7 Twentieth Century Fox Film, 539 U.S. 23, 28 n.1 (2003)(defining reverse passing off as
8 "misrepresent[ing] someone else's goods or services as his own").

9 In Smith v. Montoro, the court rejected a similar argument that Lanham Act protections
10 reach only "sales of goods." 648 F.2d 602, 607 (9th Cir. 1981). In that case, plaintiff was an
11 actor who sued because his name was left off the movie credits and another actor's name was
12 substituted. Id. In its reasoning the court stated, "[T]he Lanham Act explicitly condemns false
13 designations or representations in connection with 'any goods or services.'" See also Universal
14 Furniture Intern., Inc. v. Collezione Europe USA, Inc., 618 F.3d 417 (4th Cir. 2010)(finding
15 defendant violated the Lanham Act by using plaintiff's furniture as a sample in a showroom and
16 in advertising even though defendant did not sell plaintiff's furniture).

17 Here, UA admits it misrepresented Rawlings's helmet by placing its logo on the helmet
18 in its promotional materials. Even though UA was not selling its own helmet at the time, the
19 misrepresentation is sufficient for a finding of reverse passing off because Rawlings was
20 "involuntarily deprived of the advertising value of its name." Id. at 439. UA's own willingness
21 to refrain from using Rawlings's helmet in the future and the steps it has taken to remove the
22 images with Rawlings's helmet belies UA's argument that a Lanham Act violation requires a
23 sale. (Clark ¶ 11-15.) In addition, UA admits to using the offending images to sell its own
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1 | baseball gloves, a product closely-related to helmets. As UA states, using a misbranded product
2 | to solicit sales is certainly an example of a violation; however, a defendant also violates the Act
3 | when it uses plaintiff's product to sell the defendant's different product. McCarthy, supra §
4 | 27:74.

5 | The Court finds Rawlings is likely to succeed on the merits of its Lanham Act claim and,
6 | therefore, GRANTS the motion to enjoin UA from using Rawlings's helmet in its advertisements
7 | or promotional activities.

8 | b. Patent Claim

9 | Under patent law, a design patent is infringed when "an ordinary observer, giving such
10 | attention as a purchaser normally gives," is induced into purchasing one product supposing it to
11 | be the other. Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 670 (Fed. Cir. 2008)(en banc).
12 | Under this test, an ordinary observer is "deemed to view the differences between the accused
13 | design and the claimed design in the context of the prior art." Id. at 677.

14 | Here, UA claims its helmet materially differs from Rawlings's '225 patent in fit, surface
15 | geometry, vent location, and visor design. (Jurga Decl. ¶ 11.) UA argues that its helmet design
16 | was based on an image of a songbird and by the grill, lines, and headlights of a sports car and
17 | any design elements UA's helmet shares with the '225 patent is likely a reflection of prior art
18 | and widely-prevalent in the helmet-making industry. (Dkt. No. 19, Exhibit D.) These are
19 | legitimate arguments to be developed in litigation.

20 | For these reasons, the Court cannot make a finding that Rawlings will likely succeed on
21 | the merits. The Court DENIES Rawlings's motion to enjoin UA from infringing its '225 patent.
22 | To the extent Rawlings concedes the weakness of its patent claim and instead argues UA's
23 | trademark violation is "colored by patent infringement," Rawlings's argument fails. (Dkt. No.
24 |

1 27, Pg. 8.) Since Rawlings has not shown it is likely to succeed on the merits of the patent claim,
2 it cannot then “compound” the trademark violation to trigger the broader injunctions Rawlings
3 seeks.

4 b. Irreparable Harm

5 Rawlings claims it will suffer irreparable harm because it will lose control of its own
6 reputation which is akin to an individual losing her own identity. UA argues that (1) Rawlings
7 has not demonstrated irreparable harm, (2) UA has already promised not to use Rawlings’s
8 helmet in the future and (3) Rawlings’s delay in bringing this action precludes assertions of
9 irreparable harm. None of UA’s arguments preclude a finding that Rawlings will suffer
10 irreparable harm.

11 The standard for considering irreparable harm differs for trademark claims and patent
12 claims. Since the Court finds Rawlings is likely to succeed on the trademark claim only, the
13 trademark standard is the focus of this discussion. For trademark claims, “[o]nce the plaintiff in
14 an infringement action has established a likelihood of confusion, it is ordinarily presumed that
15 the plaintiff will suffer irreparable harm if injunctive relief does not issue.” Rodeo Collection,
16 Ltd. v. West Seventh, 812 F.2d 1214, 1220 (9th Cir. 1987); see also El Pollo Loco, Inc. v.
17 Hashim, 316 F.3d 1032, 1038 (9th Cir. 2003). Here, Rawlings is likely to succeed on the merits
18 of the trademark claim, which is enough to presume irreparable harm. Although UA states
19 Rawlings has not quantified its harm as required in a patent claim, such a showing is not
20 necessary for trademark infringement. Id.

21 With respect to UA’s promise not to use Rawlings’s helmet in the future, voluntary
22 cessation of infringing activities is not a ground for denial of a preliminary injunction. See
23 Sierra On-Line, Inc. v. Phoenix Software, Inc., 739 F.2d 1415 (9th Cir. 1984)(preliminary
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1 injunction granted even though defendant voluntarily stopped use of the mark); Polo Fashions,
2 Inc. v. Dick Brush, Inc., 793 F.2d 1132, 230 (9th Cir. 1986)(“If the defendants sincerely intend
3 not to infringe, the injunction harms them little; if they do, it gives [plaintiff] substantial
4 protection of its trademark.”); H.O. Sports, Inc. v. Earth & Ocean Sports, Inc., 2001 WL 322175
5 (W.D.Wash. 2001)(imposing an injunction even though defendant had voluntarily reprinted the
6 product catalogue and notified recipients of the trademark infringement). Here, the fact that UA
7 has stopped using its logo on Rawlings’s helmet and has offered to stipulate to an injunction on
8 this specific discontinued use does not bar the Court from issuing a preliminary injunction.

9 Finally, there is no evidence that Rawlings delayed in filing suit which would preclude
10 Rawlings from claiming irreparable harm. A delay occurs when the plaintiff waits to file suit
11 after learning of defendant’s infringing activities. Hansen Bev. Co. v. N2G Distrib., 2008 WL
12 5427602, at *6 (involving a delay of two months). The reasoning is that a delay tends to
13 neutralize any presumption that infringement will cause irreparable harm pending trial. See 5 J.
14 McCarthy § 30.49, at 30-121. Here, even though Rawlings did not file this action until two years
15 after the first infringement, UA has not demonstrated Rawlings was in fact aware of the
16 infringement when it failed to act. See also H.O. Sports, 2001 WL 322175 at *5. From oral
17 arguments, it appears Rawlings did not know UA had outfitted high school players in its helmets
18 in 2008 and only learned of UA’s infringement after promotional materials using Rawlings
19 helmet on professional baseball players were released. (Dkt. No. 39.)

20 Since irreparable harm is presumed when there is a likelihood of trademark infringement,
21 the Court finds Rawlings will suffer irreparable harm if injunctive relief is not granted.

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23 c. Balance of Hardships
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1 In considering the balance of hardships, both parties focus on Rawlings's request that the
2 Court enjoin UA from selling baseball helmets for a "two-year cooling off period."

3 UA argues a two-year cooling off period would require UA cancel helmet orders already
4 placed by retailers, would damage UA's reputation, and would cause loss of expected sales.
5 (Dkt. No. 19, Page 9.) Specifically, UA observes it has already invested in the development and
6 production of its own helmet. (Jurga Decl. ¶ 13; Culley Decl. ¶ 12.) In response, Rawlings
7 argues UA's hardship would be minimal because its helmet has only been ordered by retailers
8 and has not been offered for sale or sold to the public. (Jurga Decl. ¶ 12.) Rawlings notes courts
9 routinely issue injunctions where a defendant has not yet entered the market. See, e.g., Apple
10 Computer, Inc. v. Formula Int'l Inc., 725 F.2d 521, 526 (9th Cir. 1984).

11 The Court finds the balance of hardships weigh against imposing a two-year cooling off
12 period on UA. "The law requires that courts closely tailor injunctions to the harm that they
13 address." ALPO Petfoods, Inc. v. Ralston Purina Co., 913 F.2d 958 (D.C. Cir. 1990)(quoting
14 Gulf Oil Corp. v. Brock, 778 F.2d 834, 842 (D.C. Cir. 1985)). Here, a two-year cooling-off
15 period would impose hardships on UA that outweigh, and are unrelated to, the harm Rawlings
16 faces from the trademark infringement. Since it is unlikely the helmet that Rawlings seeks to bar
17 from the marketplace infringes on Rawlings's patent, the ban is not narrowly tailored to
18 proscribe the infringing acts Rawlings is likely to succeed on—the trademark claim.

19 For these reasons, the Court DENIES Rawlings's motion to exclude UA from the
20 baseball helmet market for two years. Instead, the Court limits the injunction to address the
21 likely consumer confusion that resulted from UA placing its logo on Rawlings's helmet. The
22 Court enjoins UA from selling its helmet with the removable logo in the center-front of the
23 helmet as it appeared in the offending promotional materials.

1 d. Public Interest

2 In the context of the Lanham Act, courts have considered the public interest to be “a
3 synonym for the right of the public not to be deceived or confused.” Pappan Enter., Inc. v.
4 Hardee’s Food Sys., Inc., 143 F.3d 800, 807 (3d. Cir. 1998). In other circuits, courts consider it
5 to be “the value placed on free competition must be weighed against any individual’s property
6 interest in that trademark.” Calvin Klein Cosmetics Corp. v. Lenox Laboratories, Inc., 815 F.2d
7 500 (9th Cir. 1987).

8 Here, Rawlings seeks an injunction requiring UA send corrective notices to all customers.
9 A “mandatory” injunction, such as corrective notices, requires a stronger showing of a clear
10 entitlement to a preliminary injunction. McCarthy § 30:30, at 30-75. In the Ninth Circuit,
11 mandatory injunctions are generally disfavored and “the district court should deny such relief
12 ‘unless the facts and law clearly favor the moving party.’” Stanley v. Univ. of S. Cal., 13 F.3d
13 1313, 1320 (9th Cir. 1994). Since UA has conceded it used its logo on Rawlings’s helmet the,
14 the facts and law clearly favor Rawlings and a mandatory injunction is permissible.

15 The issuance of corrective notices is necessary given the egregiousness of UA’s
16 trademark infringement and the confusion caused to customers. However, in balancing the
17 public interest with UA’s hardships, the Court limits UA’s obligation to send corrective notices.
18 UA is required to send notices only to those retailers and customers who have already ordered
19 UA’s helmet as of entry of this Order. These limited retailers and customers are more likely to
20 have confused Rawlings’s helmet with UA’s helmet based on the UA’s promotional materials.
21 Because the infringing promotional materials are over a year old, however, it is less likely
22 retailers, distributors, and consumers who order UA’s helmet in the future will rely on them and
23 be deceived or confused.

1 For these reasons, the Court GRANTS in part Rawlings's motion to mandate UA issue
2 corrective notices. UA is ORDERED to send corrective notices on a limited basis to those
3 customers who have already ordered Defendant's helmet as of the date of entry of this Order.
4 The corrective notices shall include the following paragraph, so as to preclude biased versions of
5 the Court's ruling:

6 "Under Armour Inc. has likely infringed on the trademark of Rawlings Sporting Goods
7 Company, Inc. In 2008 and 2009, Under Armour placed its logo on Rawlings's
8 COOLFLO helmet at several promotional events and advertising materials. This likely
9 confused consumers as to the true producer of the COOLFLO helmet. Therefore, the
10 United States District Court for the Western District of Washington has barred Under
11 Armour from using Rawlings's COOLFLO helmet in future promotional materials and
12 from selling its own Under Armour helmet with its logo on its helmet's center-front area.
13 The Court has directed Under Armour issue this notice to all retailers and consumers who
14 have already submitted orders for Under Armour helmets as they may have been
15 confused by Under Armour's promotional and advertising materials."

16 **Conclusion**

17 Rawlings Sporting Goods Company, Inc. filed this motion for a preliminary injunction
18 against Under Armour, Inc. based on trademark and patent infringement. Having reviewed the
19 record, the Court finds Rawlings is likely to succeed on the merits of its trademark claim.
20 Specifically, in 2008 and 2009, Under Armour placed its own logo on the center-front of
21 Rawlings's helmet during high school exhibition games and advertising materials used in an
22 Eastbay catalogue, a magazine article, point-of-purchase signage and several websites. The
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1 Court finds there is a likelihood of consumer confusion given that Under Armour has now
2 introduced of its own baseball helmet for the marketplace. IT IS HEREBY ORDERED THAT:

- 3 1. Under Armour is enjoined from placing its logo on Rawlings's helmet in its advertising
4 and promotional materials. To the extent trademark-infringing images remain available
5 on the internet, Under Armour must continue to make efforts requesting their removal
6 from the websites and reports its corrective action to the opposing counsel in thirty (30)
7 day intervals.
- 8 2. Under Armour is enjoined from placing its logo on the center-front of the Under Armour
9 helmet when offering the helmet for sale.
- 10 3. Under Armour shall send corrective notices to retailers who have submitted orders for the
11 Under Armour helmet as of entry of this Order. The corrective notices shall inform
12 recipients of this Court's preliminary injunction.

13 The Court is unable to find at this stage of the proceedings likelihood of success on the
14 patent claim. Therefore, the Court DENIES Rawlings's request to exclude UA from the baseball
15 helmet market for two-years and DENIES Rawlings's request to enjoin UA from infringing on
16 its patent.

17 The clerk is ordered to provide copies of this order to all counsel.

18 Dated this 27th day of October, 2010.

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22 Marsha J. Pechman
23 United States District Judge
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