

**IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO
CIVIL DIVISION**

**ROYAL TIGER PUBLISHING LIMITED,]
DBA C THE COLUMBUS MAGAZINE,]**

Plaintiff,]

v.]

**206 PUBLISHING LLC, DBA]
C-BUS MAGAZINE,]**

Defendant.]

CASE NO. 06CVH-11-14976

JUDGE SHEWARD

MAGISTRATE McPHILLIPS

**MAGISTRATE'S DECISION DENYING PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION, FILED ON NOVEMBER 16, 2006**

The Trial Judge referred this matter for a hearing on Plaintiff's motion for a preliminary injunction, filed on November 16, 2006. Plaintiff also filed a motion for a temporary restraining order. Judge Reece, as duty judge, denied Plaintiff's motion for a temporary restraining order on November 21, 2006.

In the motion, Plaintiff asks the Court to enjoin Defendant from developing, marketing, selling or using "C-BUS" and other trade dress, trade marks, or trade names that are confusingly similar to Plaintiff's in connection with the Defendant's arts and entertainment magazine.

A hearing was held on December 4, 2006. Plaintiff called as its witnesses Roopan Dey, CEO of Plaintiff Royal Tiger Publishing Limited; Jason Ohlson, executive editor of C The Columbus Magazine; and Shawn Ruble, advertising director for C The Columbus Magazine. Defendant called Derek

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Grosso, president of Defendant 206 Publishing LLC, and co-publisher and CEO of C-BUS Magazine, as its only witness.

Upon review of Plaintiff's motion for a preliminary injunction, Plaintiffs verified complaint for injunctive relief, Defendant's preliminary injunction hearing trial brief, the parties' proposed findings of fact and conclusions of law, other legal memoranda submitted by the parties, and evidence presented at the hearing, this magistrate makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. In 2001, Roopan Dey ("Mr. Dey"), current CEO of Royal Tiger Publishing Limited ("Royal Tiger"), developed plans to begin publishing an arts and entertainment magazine for the markets of Columbus, Cleveland, and Cincinnati, Ohio.

2. Consistent with his plans to publish an arts and entertainment magazine for Columbus, Cleveland, and Cincinnati, Ohio, and listing first use at January 20, 2001, Mr. Dey registered the following mark in the State of Ohio on November 13, 2001: "C Entertainment Magazine Columbus Cleveland Cincinnati."

3. Mr. Dey published "C Entertainment Magazine Columbus Cleveland Cincinnati" ("C Entertainment Magazine") from March 2002 to August 2003 in the cities of Columbus, Cleveland, and Cincinnati, Ohio.

4. In 2002 or 2003, Plaintiff registered the World-Wide Web address, known as a Uniform Resource Locator, or URL, for "cbusmag.com."

This was before Plaintiff's principals knew of the existence of C-BUS Magazine.

5. After C Entertainment Magazine stopped publishing, Mr. Dey decided to publish three separate magazines specific to each of the three cities where C Entertainment Magazine had been marketed, beginning with "C The Columbus Magazine" for Columbus, Ohio.

6. Royal Tiger is an Ohio limited liability company that currently publishes C The Columbus Magazine.

7. C The Columbus Magazine is an arts and entertainment magazine directed at young professionals in Columbus, Ohio and advertisers seeking to reach that demographic.

8. C The Columbus Magazine is marketed through such channels as subscriptions, restaurants, bars, entertainment venues, doctor's offices, hair salons, and bookstores, and through sponsorship of events for charity and social networking.

9. Royal Tiger applied for federal registration of the following trademarks in January 2006: "C BUS," "C The Columbus Magazine," and "C Magazine." These applications for federal registration are currently pending. Plaintiff did not establish that it applied for the "C BUS" mark prior to Mr. Dey's first becoming aware of Defendant's plan to publish a magazine called C-BUS.

10. Royal Tiger has owned several URLs, either as a home page for C The Columbus Magazine (CEMMAG.COM), or as referring web URLs, including INCBUS.COM, CBUSMAG.COM, COLUMBUSMAG.COM, and

CBUSONLINE.COM. The evidence did not establish the extent to which Plaintiff has used, if at all, the URLs INCBUS.COM, CBUSMAG.COM, and CBUSONLINE.COM.

11. C Entertainment Magazine had similar content, readership, advertisers, and marketing channels as C The Columbus Magazine.

12. C The Columbus Magazine is distributed free to consumers.

13. Defendant 206 Publishing currently publishes C-BUS Magazine and began publishing C-BUS Magazine in February 2006.

14. Derek Grosso ("Mr. Grosso") is president of Defendant 206 Publishing LLC, and co-publisher and CEO of C-BUS Magazine.

15. In mid 2005, Mr. Grosso contacted C The Columbus Magazine and requested Royal Tiger's media kit. A media kit is a package of information for advertisers and the media, including demographics and circulation.

16. Like C The Columbus Magazine, C-BUS Magazine is distributed free to consumers and at a nominal cost to subscribers.

17. C-BUS Magazine is published in the same geographical area, Columbus, Ohio, as C The Columbus Magazine.

18. Like C The Columbus Magazine, C-BUS Magazine is an arts and entertainment magazine directed primarily at a young professional readership demographic and advertisers seeking to reach that demographic.

19. Like C The Columbus Magazine, C-BUS Magazine is marketed through such channels as subscriptions, restaurants, bars, entertainment

venues, doctor's offices, hair salons, and bookstores, and through sponsorship of events for charity and social networking.

20. The home page URL for C-BUS Magazine is CBUSMAGAZINE.COM.

21. In January 2006, when Mr. Dey learned that 206 Publishing would begin publishing C-BUS Magazine, he contacted 206 Publishing and discussed a potential trademark infringement issue regarding the use of the name "C-BUS" Magazine. Mr. Grosso responded that he did not believe that there was such a problem.

22. The parties exchanged letters through counsel in January and February 2006 regarding potential trademark infringement issues. The parties did not resolve any trademark infringement issues through these letters.

23. In the months following the parties' aforementioned exchange of letters through counsel, Royal Tiger hoped to avoid the cost of litigation.

24. The cover of each issue of C The Columbus Magazine has had a large, white letter "C" inside a red rectangular box in the upper left corner.

In contrast, the color scheme for the title on the cover of each C-BUS issue has been as follows: white lettering on the Spring 2006 and Summer 2006 issues, blue lettering on the September/October 2006 issue, and red lettering on the November/December 2006 issue. The title, C-BUS, is centered across the top of the cover, as compared with C The Columbus Magazine, which has the entire title on the left side. The letter "C" inside the red box is upright, whereas the title C-BUS is slightly angled. The "C" in C-

BUS is not inside a box, but rather is written in the same style as the other letters in C-BUS.

25. Above the titles on the covers of each issue of both C The Columbus Magazine and C-BUS are descriptions, in white lettering and separated by vertical lines, of categories of articles that can be found inside the issue. On each issue of C The Columbus Magazine, the descriptions in upper case letters read "WHAT TO WEAR / WHERE TO GO / WHERE TO BE IN COLUMBUS." For each issue of C-BUS, the descriptions read in lower case lettering "careers / culture / dating / dining / people / places / sports / style."

26. The dominant colors on the cover of each issue of C The Columbus Magazine have been red and white. The dominant colors of the covers of C-BUS have varied from issue to issue.

27. Examples from the June 2004, July 2005, April 2006, and November 2006 issues of C The Columbus Magazine indicate that a regular feature in the front pages of the magazine is "Suitless." "Suitless" at times has been subtitled "Capital Movers and Shakers" or "Capital Movers." It is a full-page feature containing a large or full-page color photograph of an individual business person, with adjacent text discussing him or her.

As of December 2006, each of the four issues of C-BUS included a feature near the front pages of the magazine called "Up-and-Comers." The format of Up-and-Comers has changed since its inception. In the Spring 2006 issue, it featured a single page with black and white photographs of three individuals accompanied by text profiling them. In the Summer 2006 issue, Up-and-Comers included two pages with two color photos and two

profiles on each page. In each of the two most recent issues of C-BUS, Up-and-Comers has had full-page color photographs of one individual with accompanying text, very similar in appearance to the "Suitless" feature.

28. During the past eleven months when both C-BUS and C The Columbus Magazine have been published, there have been instances in which advertisers questioned what the difference was between the magazines, potential advertisers and other readers believed articles in one magazine had been published in the other magazine, and consumers mistakenly believed that events sponsored by one magazine were sponsored by the other magazine.

29. On October 31, 2006, Royal Tiger sent a cease and desist letter to Mr. Grosso explicitly raising the issue of confusion.

30. Royal Tiger filed this action on November 15, 2006.

CONCLUSIONS OF LAW

I. THRESHOLD LEGAL ISSUES.

A. Use of Affidavits and Hearsay

1. Testimony and affidavits produced in Royal Tiger's Motion for Temporary Restraining Order and Preliminary Injunction and at the Preliminary Injunction hearing held December 4, 2006 regarding marketplace confusion of the parties' respective magazines are admissible over Defendant's hearsay objections. In *National City Bank v. National City Window Cleaning Company* (1963), 174 Ohio St. 510, the Supreme Court of Ohio stated in the syllabus that affidavits are admissible and proper when a

provisional remedy such as a preliminary injunction is sought. Moreover, other evidence, including hearsay, that otherwise would be inadmissible at trial, may be submitted by the parties and considered by the Court for whatever value it might add to the preliminary injunction proceedings. *Toledo Area AFL-CIO Council v. Pizza* (N.D. Ohio 1995), 898 F. Supp. 554, judgment amended (N.D. Ohio 1995), 907 F. Supp. 263, judgment aff'd in part, rev'd in part on other grounds (C.A.6 1998), 154 F.3d 307.

B. Laches.

2. This magistrate rejects Defendant's argument that Plaintiff's claims are barred by laches. An action is barred by laches when the plaintiff knows or should know of wrongful conduct but, without excuse, unreasonably delays taking an action against the alleged wrongdoer, to the prejudice of the other party. *United States Playing Card Co. v. Bicycle Club* (1997), 119 Ohio App.3d 597, 603. The statute of limitations to analogous actions is used as a presumption for or against laches. *Id.* at 604; see also *Tandy Corp. v. Malone & Hyde, Inc.* (C.A.6 1985), 769 F.2d 362.

In the present case, Ohio's two-year statute of limitations for personal injury claims is the analogous law used for trademark infringement claims. *Bicycle Club*, supra, at 604. Accordingly, Plaintiff is entitled to a legal presumption that the approximately ten-month delay between its first becoming aware of C-BUS magazine and the filing of the present lawsuit was not unreasonable. Moreover, Defendant's evidence did not rebut the presumption that Plaintiff's delay was not unreasonable.

II. STANDARD FOR PRELIMINARY INJUNCTION

3. In deciding whether to grant a preliminary injunction, a court must look at whether (1) there is a substantial likelihood that plaintiff will prevail on the merits, (2) the plaintiff will suffer irreparable injury if the injunction is not granted, (3) third parties will be unjustifiably harmed if the injunction is granted, and (4) the public interest will be served by the injunction. *Vanguard Transp. Sys., Inc. v. Edwards Transfer & Storage Co.* (1996), 109 Ohio App.3d 786, 790-793.

4. The party seeking a preliminary injunction must establish a right to the preliminary injunction by showing clear and convincing evidence of each element of the claim. *Vanguard Transp. Sys., Inc.*, supra.

5. Clear and convincing evidence is a measure or degree of proof more than a mere "preponderance of the evidence," but less than "beyond a reasonable doubt" required in criminal cases, and which will provide in the mind of the trier of facts a firm belief or conviction as to the facts sought to be established. *Cincinnati Bar Ass'n v. Massengale* (1991), 58 Ohio St.3d 121, 122.

A. Likelihood of Success on the Merits.

6. To be successful in a lawsuit for trademark infringement, a plaintiff must show that: 1) it has a protectable trademark; 2) its mark has priority; and 3) the defendant's mark is likely to cause consumer confusion. *Frisch's Restaurants, Inc. v Elby's Big Boy* (C.A.6 1983), 670 F. 2d 642, 648.

7. Plaintiff does not have a protectable trademark for the name C-BUS. One acquires the right to a trademark by appropriation and actual use. The use must be "deliberate and continuous, not sporadic, casual or transitory." *Circuit City Stores, Inc. v. CarMax, Inc.* (C.A.6 1999), 165 F.3d 1047, 1055. Plaintiff presented no evidence that it actually used the name C-BUS in the publication of its magazine. The mere fact that Plaintiff owned the URLs for INCBUS.COM, CBUSMAG.COM, and CBUSONLINE.COM does not grant it protection of those names or variations of them. There was no evidence that any of Plaintiff's readers or advertisers associated the C-BUS name with Plaintiff's magazine.

8. This magistrate rejects the argument that what Plaintiff refers to as its "C Marks" -- the name "C The Columbus Magazine" coupled with the overall impression it conveys-- are entitled to protection. Plaintiff is correct that trademark principles apply to a product's "trade dress," which is the total image of a product including its "size, shape, color or color combinations, texture and graphics." *Two Pesos, Inc. v. Taco Cabana, Inc.* (1992), 505 U.S. 763, 764, n.1. Plaintiff also established that prior to the Defendant's first publication of C-BUS magazine, Plaintiff had used "C" in its name, and had established the colors, graphics, layout, and other style features of its magazines. However, as described in detail below, Plaintiff did not prove that Defendant's use of any similar features is likely to cause consumer confusion.

9. In claims of trademark infringement, unfair competition, and deceptive trade practices, an eight-part test is used to determine whether there is a likelihood of consumer confusion:

"The touchstone of liability *** is whether the defendant's use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties. In determining whether a likelihood of confusion exists, we examine eight factors: (1) strength of the plaintiff's mark; (2) relatedness of the goods or services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) intent of the defendant in selecting the mark; and (8) likelihood of expansion of the product lines. These factors imply no mathematical precision, and a plaintiff need not show that all, or even most, of the factors listed are present in any particular case to be successful. The ultimate question remains whether relevant consumers are likely to believe that the products or services offered by the parties are affiliated in some way." (Internal citations and quotations omitted.) *PACCAR, Inc. v. Telescan Technologies, LLC* (C.A.6 2003), 319 F.3d 243, 249-250, overruled on other grounds, *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* (2004), 543 U.S. 111.

Strength of the Plaintiff's Mark

10. When assessing the strength of a trademark, a court will first place the mark into one of four categories: fanciful or arbitrary, suggestive, descriptive, or generic. Fanciful or arbitrary marks are the strongest and most distinctive. Suggestive marks are distinctive, but not as strong as arbitrary or fanciful marks. Descriptive marks are not inherently distinctive and can only be protected with a showing of secondary meaning. Generic marks have no trademark significance.

11. Plaintiff initially chose the letter "C" because it's the common first letter of its target geographic markets Columbus, Cleveland, and Cincinnati. Thus, the use of "C" is either suggestive or descriptive. Whether suggestive or descriptive, as a mere letter of the alphabet, it is a weak mark. This magistrate finds this factor weighs in Defendant's favor.

Relatedness of Goods or Services

12. C The Columbus Magazine and C-BUS Magazine are nearly identical goods – arts and entertainment magazines marketed to young professionals. The magazines compete with each other for readers and advertisers. Thus, this factor weighs in Plaintiff's favor.

Similarity of the Marks

13. "Similarity of marks is a factor of considerable weight. When analyzing similarity, courts should examine the pronunciation, appearance, and verbal translation of conflicting marks. A side-by-side comparison is not the test; rather, the marks must be viewed in their entirety and in context [and a] court must determine, in light of what occurs in the marketplace, whether the mark will be confusing to the public when singly presented." *PACCAR, Inc.*, supra, 319 F.3d at 252 (Internal citations and quotations omitted.)

14. Plaintiff's and Defendant's marks and trade dress are not similar, other than the fact that both begin with the letter C. "C The Columbus Magazine" and "C-BUS" appear differently in print. Different colors and fonts are used on each magazine's covers. The pronunciation of the magazines' names is not similar. With the exception of C-BUS's Up-and-

Comers feature in its two most recent issues compared with the "Suitless" feature in C The Columbus Magazine, each of the magazines has a unique content and layout. This magistrate rejects as insignificant the other alleged similarities argued by Plaintiff, including the fact that both magazines had a Food/Dining issue, and each magazine recently featured the same Columbus restaurant. This factor weighs in favor of Defendant.

Evidence of Actual Confusion

15. Plaintiff presented evidence of several incidents of alleged confusion concerning the two magazines, all of it through hearsay testimony. Because of its hearsay nature, this magistrate does not attribute significant value to the testimony. Moreover, several of the comments regarding alleged confusion were merely comparisons of the magazines and comments about their similarities. Such comments are inevitable whenever a competing magazine enters the market. The evidence presented regarding confusion did not convince this magistrate that the individuals' confusion was caused by the name "C-BUS" or by any commonalities in the magazines' size, shape, color combinations, texture or graphics.

Marketing Channels Used

16. The marketing channels of the parties' respective magazines are substantially the same, as both are marketed through subscriptions, restaurants, bars, entertainment venues, doctor's offices, hair salons, bookstores, and through sponsorship of events for charity and social networking. This factor weighs in Plaintiff's favor.

Likely Degree of Purchaser Care

17. Generally, in assessing the likelihood of confusion to the public, the standard used by the court is the typical buyer exercising ordinary caution. However, when a buyer has expertise or is otherwise more sophisticated with respect to the purchase of the services at issue, a higher standard is proper. Similarly, when services are expensive or unusual, the buyer can be expected to exercise greater care in her purchases. When services are sold to such buyers, other things being equal, there is less likelihood of confusion. *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music* (C.A.6 1997), 109 F.3d 275, 285.

With respect to potential advertisers in the two magazines, the degree of purchaser care is high. Thus, there is less likelihood of confusion with respect to advertisers.

As for readers, both Plaintiff's and Defendant's publications are free or inexpensive. Thus, individuals do not have incentive to distinguish the parties' respective magazines, and the degree of purchaser care for readers is low.

Intent of the Defendant in Selecting the Mark

18. Plaintiff did not present any significant probative evidence that any similarities between the names C The Columbus Magazine and C-BUS, or similarities between the trade dress of the magazines, were intentional on Defendant's part. This factor weighs in Defendants favor.

Likelihood of Expansion of Product Lines

19. Plaintiff did not present significant evidence regarding the likelihood of its increasing the types of products it offers expanding geographically. The apparent lack of any imminent expansion of product lines neither increases nor decreases the likelihood of confusion.

20. In summary, applying the eight factors regarding likelihood of confusion, this magistrate concludes that Defendant's trademarks and trade dress are not likely to cause confusion.

21. The same eight-part test discussed in the preceding paragraphs is used for claims of statutory trademark infringement, common law trademark infringement, unfair competition, and deceptive trade practices. Thus, for reasons discussed above, Plaintiff is not likely to succeed on the merits of any such claims.

B. Other Injunction Factors.

22. A plaintiff seeking an injunction in a trademark case may prove irreparable harm by way of a strong showing of likelihood of confusion caused by infringement:

"[G]rounds for irreparable injury include loss of control of reputation, loss of trade, and loss of goodwill. Irreparable injury can also be based upon the possibility of confusion. The most corrosive and irreparable harm attributable to trademark infringement is the inability of the victim to control the nature and quality of the defendants' goods. Even if the infringer's products are of high quality, the plaintiff can properly insist that its reputation should not be imperiled by the acts of another. A plaintiff need not show that the infringer acted in such a way as to damage the reputation of the plaintiff. It is the loss of control of one's reputation by the adoption of a confusingly similar mark that

supplies the substantial threat of irreparable harm." *Ferrellgas Partners v Barrow* (July 26, 2005), U.S. Court of Appeals for 11th Cir. Case No. 04-12548, 143 Fed. Appx. 180, 190-191. (Internal citations and quotations omitted.)

23. Plaintiff did not prove there would be a likelihood of confusion caused by an infringement. Therefore, Plaintiff did not prove the clear and convincing evidence that it would suffer an irreparable injury if the injunction is not granted.

24. If an injunction were granted, third parties would be affected, including C-BUS readers and advertisers in C-BUS. This magistrate finds that such readers and advertisers would be unjustifiably harmed by a preliminary injunction. C-BUS readers would lose a source for information about the young professionals scene. C-BUS advertisers would lose an outlet to market their products and services.

25. For the purposes of a preliminary injunction, the prevention of unfair competition has traditionally been in the public interest. *Mike McGarry & Sons, Inc. v. Gross*, Cuyahoga App. No. 86603, 2006-Ohio-1759, at ¶ 24. Trademark law serves the public interest by avoiding confusion in the marketplace. *Ferrellgas*, supra. Insofar as Defendant has not been unfairly competing with Plaintiff and has not infringed Plaintiff's trademarks, this magistrate finds that an injunction would not advance these public interests.

CONCLUSION

In conclusion, this magistrate finds that that Defendant's use of the name C-BUS and Defendant's other trade dress, trademarks and trade names are not confusingly similar to those of Plaintiff. Therefore, Plaintiff did

not prove by clear and convincing evidence that it is likely to succeed on the merits of its trademark infringement, deceptive trade practices, and unfair competition claims. Plaintiff also has not satisfied the other required elements for a preliminary injunction. Accordingly, Plaintiff's motion for a preliminary injunction is DENIED.

Any objections to this Decision shall be made pursuant to Civ.R. 53. No party shall assign as an error on appeal the Court's adoption of any finding of fact or conclusion of law in this Decision unless the party timely and specifically objects to the finding or conclusion as required by Civ.R. 53 .

If no timely objections to this decision are filed, counsel for the Defendant shall prepare, circulate, and submit an appropriate judgment entry for the Trial Judge's consideration pursuant to Local Rule 25.



MICHAEL C. McPHILLIPS, MAGISTRATE

Copies to:

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