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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

C 06-1637 MJP

AUTODESK, INC. a Delaware corporation,

No.

Plaintiff,

PLAINTIFF AUTODESK, INC.'S
APPLICATION FOR TEMPORARY
RESTRAINING ORDER AND
ORDER TO SHOW CAUSE

v.

OPEN DESIGN ALLIANCE, a Washington corporation,

ORAL ARGUMENT REQUESTED

Defendant.

I. INTRODUCTION AND RELIEF REQUESTED

This is a case of trademark infringement and unfair competition. Plaintiff Autodesk, Inc. ("Autodesk") is one of the world's leading developers and suppliers of computer-aided design or "CAD" software, which is used in design applications by architects, engineers, manufacturers, and others. Autodesk's "AutoCAD" program implements a proprietary file format, known as "DWG," for storing user design data files. (This is similar to the ".doc" format of Microsoft Word files or ".pdf" for Adobe files). To allow software users to identify the source of its DWG files, Autodesk introduced the "TrustedDWG" authentication mechanism into its AutoCAD program, which adds an identifying watermark and a code string to files created using Autodesk technology.

1 The mechanism prompts the AutoCAD program to authenticate true Autodesk data files
2 and to notify the user with the following message on his screen:

3 Autodesk DWG. This file is a Trusted DWG last saved by an
4 Autodesk application or Autodesk licensed application.

5 Defendant Open Design Alliance (“Defendant” or “ODA”), an association of
6 software developers and users of CAD data, is marketing software libraries that simulate
7 this authentication process so that this *same* message is displayed when the user opens files
8 created by Defendant’s libraries, identifying to users that a design data file is an authentic
9 Autodesk file when, in fact, it is not.

10 Defendant’s conduct constitutes, *inter alia*, trademark infringement and unfair
11 competition under the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a). The AUTODESK®
12 name and mark is federally registered, and Defendant’s deceptive use of the AUTODESK
13 mark to misrepresent the source of design data files is likely to cause consumer confusion.
14 Defendant is both directly liable for its wrongful acts and contributorily liable for the
15 infringements of any licensees who incorporate Defendant’s offending programs into their
16 own software programs. Autodesk is facing immediate harm, as shown by the fact that one
17 of Defendant’s licensees has already incorporated infringing programs in its new software
18 release.

19 Autodesk has demanded in writing that Defendant stop distributing the offending
20 programs, but Defendant did not respond to Autodesk’s letter. Accordingly, under Federal
21 Rule of Civil Procedure 65 and 15 U.S.C. § 1116(a), Autodesk respectfully submits this
22 application for (1) a Temporary Restraining Order enjoining Defendant distributing
23 DWGdirect libraries that use, incorporate or simulate Autodesk’s TrustedDWG technology
24 or that otherwise insert or mimic the unauthorized Autodesk watermark and/or
25 TrustedDWG code; and (2) a Show Cause Order requiring Defendant to appear and show
26 cause why a preliminary injunction should not issue and remain in effect pending the trial

1 in this action. This application was submitted without delay, as it was filed on the first
2 court day following the deadline for Defendant's response to Autodesk's demand letter.

3 **II. STATEMENT OF FACTS**

4 **A. Autodesk Makes the AutoCAD Software Platform and Its Proprietary DWG
5 Format.**

6 Plaintiff Autodesk, based in San Rafael, California, is a well-known leader in the
7 field of CAD software. CAD software is used in design applications by architects,
8 engineers, manufacturers, and others to design detailed two- or three-dimensional models
9 of physical objects, such as buildings, bridges, machinery, and animated designs.
10 (Declaration of Abhijit Oak in Support of Plaintiff Autodesk, Inc.'s Motion for Preliminary
11 Injunction ("Oak Decl."), ¶ 3.) Autodesk's customers use its CAD software and services in
12 a wide variety of fields, including the building, manufacturing, infrastructure, and media
13 and entertainment industries. Autodesk does business in approximately 160 countries, and
14 has approximately 7 million registered users around the world. (*Id.* ¶ 4.)

15 Autodesk's flagship product is the well-known and widely used AutoCAD®
16 program, a platform for creating, editing, storing and displaying two-dimensional designs.
17 (Oak Decl. ¶ 5.) Autodesk is the owner of numerous trademark registrations in the United
18 States and around the world for its AUTODESK name and mark, including U.S.
19 Registration No. 1,316,772 for AUTODESK for "computer programs and instructional
20 manuals used therewith sold as a unit." That registration is valid, subsisting, and
21 incontestable. (Declaration Of Ruth Ann Keene In Support Of Plaintiff Autodesk, Inc.'s
22 Motion For A Temporary Restraining Order ("Keene Decl.") ¶ 2, Ex. A.)

23 Like many software applications, Autodesk's AutoCAD program implements a
24 proprietary file format for storing user data files. In Autodesk's case, the format is known
25 as "DWG" and it is used to store user design data files. Autodesk has been using the DWG
26 name and file format with its CAD software products for more than twenty years. When

1 Autodesk's AutoCAD software stores user files in the DWG format, the files will bear the
2 file extension ".dwg." In light of the increasingly sophisticated and expanded functionality
3 of the AutoCAD product, Autodesk invests significantly in developing and enhancing its
4 AutoCAD software, and over the years the company has refined and enhanced the DWG
5 format to organize information and relationships within a file. (Oak Decl. ¶ 6.)

6 Other design software developers, including Autodesk's competitors, incorporate
7 the DWG format into their products in order that their software can read and write DWG
8 files. (Oak Decl. ¶ 7.)¹ For maintenance and support reasons, it can be important to know
9 whether or not a file was created using an Autodesk program or Autodesk-licensed
10 technology, on the one hand, or unauthorized programs on the other hand. By analogy,
11 when a repair is made to a car using a replacement part from a source other than the car's
12 manufacturer, the car's manufacturer cannot provide a warranty for that part, it does not
13 necessarily know how to fix that part if it breaks, nor is it responsible if that part creates
14 other problems or malfunctions in the car. With respect to .dwg files, as explained above,
15 the DWG file format serves to organize the information and relationships within the file.
16 When a file is written using Autodesk technology, Autodesk understands the organizational
17 system applied and can better troubleshoot when a user experiences a problem with that
18 file. If a user saves a data file using a non-Autodesk (or non-Autodesk-licensed) CAD
19 program, however, Autodesk does not control those programs and it can be difficult to
20 provide technical support or maintenance for such third-party programs or the files created
21 using such programs. The file created with the non-Autodesk or non-Autodesk-licensed

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23 ¹ Autodesk has offered to license its proprietary technology for reading, writing and saving
24 files using the DWG format, either on a reciprocal basis with other vendors or under a
25 licensing program for developers, under its RealDWG program. RealDWG is used by other
26 Autodesk products like Inventor™ and Revit™ and AutoCAD itself uses RealDWG to
read, write and save DWG files. The ODA has not participated in Autodesk's RealDWG
program and has copied the DWG format without Autodesk's support or consent. (*Id.*)

1 program may also be the cause of instability within the user's AutoCAD program. (Oak
2 Decl. ¶ 8.)

3 **B. Autodesk Learned of Customer Problems Due to Non-Autodesk DWG Files**

4 These concerns were reinforced by Autodesk's actual experience. Like most
5 software companies, Autodesk provides technical support to its AutoCAD customers,
6 including a mechanism to send program-generated "Customer Error Reports" ("CER's")
7 and telephone assistance centers. Autodesk routinely logs and studies customer calls and
8 email submissions to its Help Desk, as well as CER's, in order to identify and resolve
9 potential issues or concerns with its AutoCAD program, and to develop enhancements and
10 refinements to the product.² (Oak Decl. ¶¶ 9, 12.)

11 In studying the technical support requests and CER's, as well as anecdotal evidence
12 conveyed during visits with customers, Autodesk discovered that implementations of the
13 DWG format by software developers other than Autodesk (or Autodesk licensees using
14 Autodesk technology) can in some cases introduce data corruption resulting in instability in
15 the DWG files. Autodesk's customer support personnel had noted numerous instances of
16 Autodesk customers receiving DWG files from outsiders, and then attempting to open the
17 files with AutoCAD software, only to encounter serious errors. Because the files bear the
18 extension .dwg, Autodesk's customers have had no way to know the source of the errors,
19 that is, whether they were introduced because the file was stored using a competitive
20 product or by their AutoCAD program. In some cases, the customer incorrectly would
21 blame the AutoCAD program for such problems. (Oak Decl. ¶ 12.)

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24 ² CER data that is transmitted to Autodesk is saved for use by the engineering team to
25 debug issues and understand the frequency of serious defects. In many instances, users add
26 text that includes steps of their operations before a crash occurred. (Oak Decl. ¶ 10.)

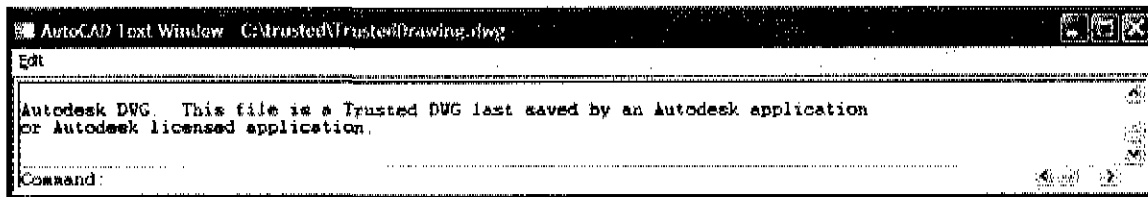
1 **C. In Response, Autodesk Developed the TrustedDWG™ Technology**

2 To address the need for users to properly identify the source of their design data
3 files, Autodesk's engineering team sought to create a mechanism by which an AutoCAD
4 user could discern whether a particular DWG file he or she is has received was originally
5 created or saved using an Autodesk product (or an Autodesk-licensed product) or using a
6 non-Autodesk product. The result: Autodesk's TrustedDWG technology introduced in its
7 recent AutoCAD 2007 release. (Oak Decl. ¶ 13, Ex. A.)

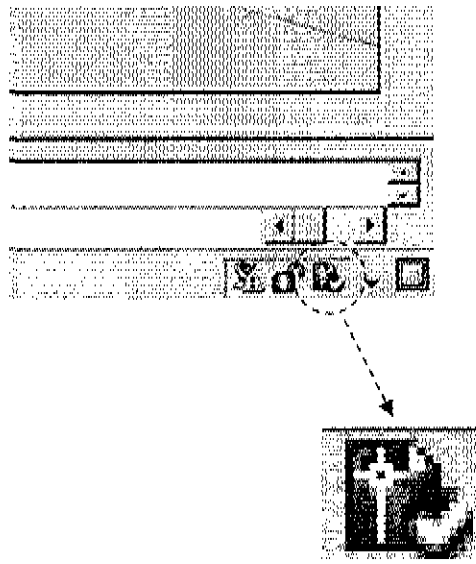
8 Autodesk's TrustedDWG function enables the AutoCAD program to notify users
9 when the DWG file they are opening has been saved by a non-Autodesk product or without
10 using technology licensed from Autodesk. The notification allows the user to decide
11 whether they want to proceed to import that file into their AutoCAD system. The
12 TrustedDWG feature is thus analogous to the notices provided by many Internet browser
13 programs that allow Internet users to choose which files they download from the Internet.
14 Likewise, TrustedDWG enables the AutoCAD customer to choose whether or not to accept
15 potential risks that may be associated with DWG files that were not last saved by an
16 Autodesk product (or by a product developed by an Autodesk licensee using Autodesk
17 technology for writing and saving DWG files). (Oak Decl. ¶ 14.)

18 Autodesk's TrustedDWG technology works as follows. When an Autodesk product
19 or an Autodesk licensed product writes and saves a DWG file, the program inserts into the
20 file an identifying watermark and proprietary code string known as the TrustedDWG code
21 to indicate that the file is a genuine Autodesk DWG file. The watermark and TrustedDWG
22 code operate as digital certificates of authenticity and thereby serve to identify a genuine
23 Autodesk DWG file to the Autodesk product that next encounters the file. When
24 AutoCAD opens a DWG file, the software looks for the watermark and the TrustedDWG
25 code in the file, and, if they are found, displays two items on the program display screen to
26 indicate the authenticity of the file:

1 (a) A text message in the command line portion of the display screen that reads
2 as follows: "Autodesk DWG. This file is a Trusted DWG last saved by an Autodesk
3 application or Autodesk licensed application." ("TrustedDWG message").³



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8 (b) A TrustedDWG icon with a green check mark on the lower right hand
9 corner of the program display screen as shown below:
10

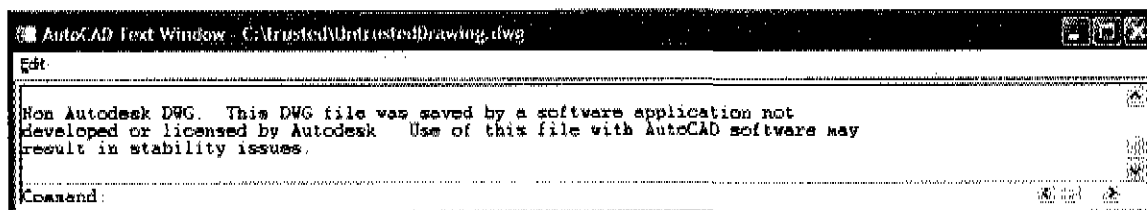


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20 The TrustedDWG message and the TrustedDWG icon ("TrustedDWG identification
21 items") thus inform the AutoCAD user that the opened DWG file is an authentic Autodesk
22 DWG file. (*Id.*)
23

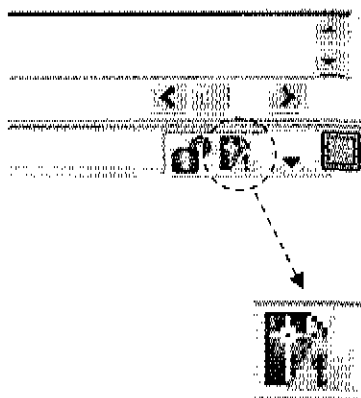
24
25 ³ This text actually appears in the code string itself. (Oak Decl. ¶ 15.)
26

1 By contrast, when the AutoCAD software encounters a non-Autodesk file and
2 therefore does not find the Autodesk watermark or TrustedDWG code, AutoCAD displays
3 three items on the program display screen:

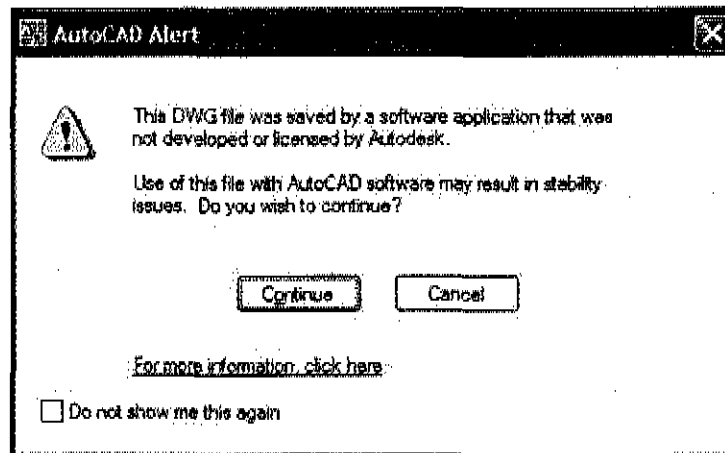
4 (a) A text message in the command line portion of the display screen that reads
5 as follows: "Non Autodesk DWG. This DWG file was saved by a software application not
6 developed or licensed by Autodesk. Use of this file with AutoCAD software may result in
7 stability issues." ("non-authentic Autodesk DWG message").



12 (b) A DWG icon with a yellow triangular sign ("non-authentic Autodesk DWG
13 icon") on the lower right hand corner of the program display screen as shown below:



1 (c) A message screen as shown below (“non-Autodesk file alert screen”):



10 The non-authentic Autodesk DWG message, the non-authentic Autodesk DWG icon, and

11 the non-Autodesk file alert screen inform the AutoCAD user that the opened DWG file is

12 not a genuine Autodesk DWG file. The Non-Autodesk file alert screen can be easily

13 disabled at the option of the AutoCAD user by checking the “Do not show me this again”

14 box on the screen shown above, but the non-authentic Autodesk DWG message and icon

15 will still remain on the user’s screen. (Oak Decl. ¶ 17.)⁴

16

17 The TrustedDWG technology helps Autodesk’s support personnel respond to

18 customer problems. Knowing whether or not a DWG file is an authentic Autodesk DWG

19 file greatly streamlines the diagnosis process and can allow the support personnel to

20 determine more quickly whether a system error is the result of a problem with a non-

21 authentic file or with the AutoCAD program itself. (Oak Decl. ¶ 19.)

22

23 ⁴ It is important to note that while the TrustedDWG technology informs users of the source

24 of DWG files and allows them to decide, based on that information, whether to import

25 those files into their computer systems, the TrustedDWG technology does not prevent users

26 from opening or using non-Autodesk files within the AutoCAD platform. Likewise, TrustedDWG does not affect interoperability or compatibility between AutoCAD and other CAD programs and files saved using such programs. (Oak Decl. ¶ 18.)

1 Likewise, Autodesk customers have told Autodesk that they like and want the
 2 TrustedDWG functionality. For example, CAD Managers, namely those individuals within
 3 a company charged with installing, maintaining, and standardizing all CAD software
 4 applications used by the company, as well as ensuring reliability, typically want to control
 5 the CAD software used within the company's system, maintain standard data file formats
 6 and restrict the introduction of non-standard data files. (Oak Decl. ¶ 20.) CAD Managers
 7 who have provided feedback to Autodesk on this issue generally liked and appreciated the
 8 TrustedDWG functionality. Their one concern: is it strong enough not to be hacked or
 9 mimicked? In other words, Autodesk customers essentially wanted to know, "Can we trust
 10 TrustedDWG?" (*Id.*)

11 **D. Defendant's Unauthorized Simulation of Autodesk's TrustedDWG Technology**

12 Defendant the ODA develops and licenses to other software developers and vendors
 13 software products, or "libraries," that support reading, writing, viewing, and editing of
 14 DWG format files. In a September 10, 2006 announcement of its latest release of its
 15 "DWGdirect" libraries, the ODA stated:

16 The new release of DWGdirect incorporates support for the
 17 new features and entity types introduced in AutoCAD 2007,
 18 including what Autodesk has been calling "TrustedDWG."...
 19 TrustedDWG is the marketing name for a series of secret
 20 codes used by AutoCAD to detect DWG files that were
 21 written by applications from companies other than Autodesk.
 22 It has nothing to do with determining if a DWG file is
 trustworthy, and serves only to unnecessarily alarm users,
 warning them that perfectly good DWG files "may result in
 stability issues" when used with AutoCAD.... The new
 version of DWGdirect writes DWG files that are
 transparently accepted by AutoCAD as "trusted."

23 (Oak Decl. ¶ 22; Ex C) (internal quotations omitted).

24 By its own public admissions, Defendant's DWGdirect program essentially tricks
 25 AutoCAD into accepting DWG files written by the DWGdirect libraries as if they were
 26 created by AutoCAD. A licensee of the Defendant's DWGdirect program will incorporate

1 the DWGdirect libraries into its CAD-related computer program. When that computer
2 program creates and/or saves a DWG file, it will simulate the TrustedDWG mechanism and
3 cause the AutoCAD software when encountering this DWG file to erroneously identify this
4 non-Autodesk file as a genuine Autodesk DWG file. The AutoCAD screen will display the
5 TrustedDWG identification items (namely the TrustedDWG message in the command line
6 and the TrustedDWG icon), even though the file is, in fact, not a genuine Autodesk file.
7 file. (Oak Decl. ¶ 24.)

8 One commentator has noted that Defendant's conduct is essentially no different
9 than that of more traditional merchandise knock-off artists, likening its DWGdirect
10 announcement to the following:

11 *Our OpenShirt manufacture group has produced an Adidas-fake*
12 *T-shirt which cannot be easily distinguished from the original!*

13 *The OpenCPU company has hacked the Pentium processor so that*
14 *our fake processors are now recognized by Windows as genuine*
Intel CPUs!

15 (Oak Decl. ¶ 25, Ex. D) (emphasis in the original).

16 **E. If Left Unchecked, Defendant's Actions Will Cause Irreparable Harm to**
17 **Autodesk and Its Customers**

18 By its unauthorized simulation of the TrustedDWG technology into its DWGdirect
19 libraries, Defendant is blatantly attempting to defeat the fundamental purpose of the
20 technology, namely the authentication of DWG files. Defendant's conduct is intended to,
21 and if allowed to continue, will deceive consumers about the source, origin or approval of
22 their DWG files.

23 The resulting harm to Autodesk and its customers is imminent. Defendant is
24 currently licensing the DWGdirect libraries including the TrustedDWG technology or
25 planning to license the libraries in the immediate future for inclusion in CAD-programs
26 created by third-party vendors. Many of these vendors' programs are widely distributed.

1 For example, one of the ODA's licensee-members, SolidWorks, has just recently
2 introduced a version of its "DWGGateway" program that implements the DWGdirect
3 libraries and includes the TrustedDWG feature, erroneously identifying non Autodesk files
4 as Autodesk files. (Oak Decl. ¶ 27.)

5 Once the offending DWGdirect libraries are incorporated into the third-party
6 products, and the third-party programs are used to create or save DWG files that
7 erroneously include the TrustedDWG functionality, AutoCAD users will no longer be able
8 to rely on the TrustedDWG feature or the TrustedDWG identification items that appear on
9 their screens. There will be no way for the AutoCAD program, the user or Autodesk's
10 support personnel to distinguish between non-authentic and authentic Autodesk DWG files.
11 Once the third-party programs are widely distributed, it will be much more difficult to trace
12 such files and correct the misleading information they convey. (*Id.*)

13 On November 3, 2006, Autodesk sent a letter to Defendant, demanding, *inter alia*,
14 an immediate stop to their wrongful conduct. Defendant did not respond. (Keene Decl. ¶
15 3, Ex. B.)

16 III. ARGUMENT

17 A. The Court's Authority to Issue a Temporary Restraining Order

18 This Court has specific authority to order injunctive relief under the Lanham Act,
19 which vests the Court with authority to "grant injunctions, according to the principles of
20 equity and upon such terms as the court may deem reasonable, to prevent the violation of
21 any right of the registrant of a mark . . ." 15 U.S.C. § 1116(a). Under the Act, a party is
22 entitled to preliminary injunctive relief, such as a temporary restraining order, when it
23 demonstrates either (1) a combination of "probable success on the merits" and "the
24 possibility of irreparable injury" or (2) the existence of "serious questions going to the
25 merits" and that "the balance of hardships tips sharply in [its] favor." *GoTo.com, Inc. v.*
26 *Walt Disney Co.*, 202 F.3d 1199, 1204-05 (9th Cir. 2000) (citation omitted). "The primary

1 focus of this analysis . . . is on the probability of success on the merits, as irreparable injury
2 is presumed once a plaintiff has established a likelihood of confusion in a trademark case.”
3 *Playmakers, LLC v. ESPN, Inc.*, 297 F. Supp. 2d 1277, 1280 (W.D. Wash. 2003), *aff'd*, 376
4 F.3d 894 (9th Cir. 2004). Here, Autodesk can demonstrate both a strong likelihood of
5 success on the merits and that it faces immediate, irreparable injury from Defendant’s
6 wrongful conduct.

7 **B. Autodesk is Likely to Succeed on the Merits of its Trademark Infringement**
8 **Claims.**

9 In its Complaint, Autodesk asserts claims under both section 32 (15 U.S.C. § 1114)
10 and section 43(a) (15 U.S.C. 1125(a)(1)) of the Lanham Act. Claims under section 32 of
11 the Lanham Act apply to registered marks, while unfair competition claims under section
12 43(a) apply to both registered and unregistered marks. *See Brookfield Commc'ns, Inc. v.*
13 *W. Coast Entm't Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999). In both cases, a plaintiff
14 must “prove [1] the existence of a trademark and [2] the subsequent use by another in a
15 manner likely to create consumer confusion.” *Comedy III Prods., Inc. v. New Line*
16 *Cinema*, 200 F.3d 593, 594 (9th Cir. 2000); *Brookfield*, 174 F.3d at 1046 (to prevail,
17 plaintiff must establish that it has a valid, protectable mark and that defendant’s use of the
18 mark is likely to cause confusion). Here, Defendant is liable for both direct and
19 contributory infringement of Autodesk’s federally registered AUTODESK trademark under
20 section 32(1) and for false designation of origin and unfair competition under section 43(a).
21 Defendant’s actions in developing and distributing the offending DWGdirect libraries
22 constitute both direct trademark infringement and the unlawful inducement of others to
23 infringe the AUTODESK name and mark.

1 **1. Autodesk Has Valid and Protectable Interests in the AUTODESK**
2 **Name and Mark.**

3 The registration of a federal trademark is “prima facie evidence of the validity of
4 the registered mark and of the registration of the mark, of the registrant’s ownership of the
5 mark, and of the registrant’s exclusive right to use the registered mark in commerce.”
6 15 U.S.C. § 1057(b). Autodesk owns several federally registered marks that include the
7 name “AUTODESK”, including U.S. Registration No. 1,316,772 for AUTODESK for
8 “computer programs and instructional manuals used therewith sold as a unit.” (Keene
9 Decl. ¶ 2; Ex. A.)

10 Moreover, Autodesk’s right to use these marks, including but not limited to that
11 identified by Registration No. 1,316,772, is incontestable. *See* 15 U.S.C. § 1065
12 (continuous use for five consecutive years subsequent to the registration date confers
13 incontestable status). Autodesk has valid and protectable interests in its AUTODESK
14 name and trademark, and thus can preclude others, such as the ODA, from using its marks
15 in a way that is likely to cause confusion as to the source and sponsorship of software
16 products, or DWG files created using such software.

17 **2. Defendant’s Activities Will Cause Confusion as to the Source and**
18 **Sponsorship of DWG Files.**

19 Likelihood of confusion, *i.e.* whether the public is likely to be deceived or confused
20 by the similarity of the marks, is the test for claims involving trademark infringement under
21 the Lanham Act. *See Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th
22 Cir. 1988). The Ninth Circuit has identified eight factors, the so-called *Sleekcraft* factors,
23 to guide the determination of likelihood of confusion: (1) the strength of the mark; (2) the
24 similarity of the marks; (3) the relatedness of the two companies’ products or services;
25 (4) the marketing channels used; (5) evidence of actual confusion; (6) the degree of care
26 likely to be exercised by purchasers; (7) the defendant’s intent in selecting the mark; and

1 (8) the likelihood of expansion into other markets. *See AMF, Inc. v. Sleekcraft Boats*,
2 599 F.2d 341, 348-49 (9th Cir. 1979). These factors are not exhaustive, and other variables
3 may be considered under the particular facts presented. *Brookfield*, 174 F.3d at 1054.

4 **a. Factor 1: The Strength and Distinctiveness of the**
5 **AUTODESK Name and Mark Are Beyond Dispute.**

6 Strong trademarks should be "afforded the widest ambit of protection from
7 infringing uses." *Sleekcraft*, 599 F.2d at 349 (citations omitted); *Acad. of Motion Picture*
8 *Arts & Scis. v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1455 (9th Cir. 1991).
9 Marks may be strengthened by extensive advertising, length of time in business, public
10 recognition, and uniqueness. *Century 21*, 846 F.2d at 1179. There can be no reasonable
11 dispute regarding the strength of the AUTODESK name and mark. The mark has been in
12 use for more than 20 years, and Autodesk has millions of registered users around the world.
13 (Keene Decl. Exh. A; Oak Decl. ¶ 4.) Consequently, the Court should afford the
14 AUTODESK mark the highest degree of protection. *See, e.g., Brookfield*, 174 F.3d at 1058
15 ("The stronger a mark--meaning the more likely it is to be remembered and associated in
16 the public mind with the mark's owner--the greater the protection it is accorded by the
17 trademark laws."). This factor weighs heavily in favor of Autodesk and supports granting
18 injunctive relief.

19 **b. Factor 2: Defendant Is Using the Same Mark As Autodesk.**

20 Defendant's DWGdirect program simulates Autodesk's TrustedDWG technology
21 into a non-Autodesk file, causing the AutoCAD program to erroneously identify the non-
22 Autodesk file as a genuine Autodesk DWG file and to mistakenly display the TrustedDWG
23 identification items, including the TrustedDWG message on the program display screen:

24 Autodesk DWG. This file is a Trusted DWG last saved by an
25 Autodesk application or Autodesk licensed application.

26 (Oak Decl. ¶ 15.)

1 By mimicking the TrustedDWG authentication mechanism, Defendant intends to,
 2 and indeed does, apply the AUTODESK name and mark to DWG files that were not, in
 3 fact, last saved by an Autodesk application or Autodesk licensed application. Defendant
 4 cannot contest the similarity between marks, and there is no question that the public is
 5 likely to be confused by Defendant's unauthorized use of the mark. *See Omega Nutrition*
 6 *U.S.A., Inc. v. Spectrum Mktg., Inc.*, 756 F. Supp. 435, 437 (N.D. Cal. 1991) (where two
 7 companies are using identical marks in the same markets, "[t]here is no doubt that the
 8 public is likely to be confused"); *Bandag, Inc. v. Al Bolser's Tire Stores, Inc.*, 750 F.2d
 9 903, 910-11 (Fed. Cir. 1984) (applying Ninth Circuit law, affirming trademark and unfair
 10 advertising liability for a tire dealer whose use of the plaintiff's mark in a telephone
 11 directory advertising was worded in such a way as to falsely suggest that the dealer was a
 12 franchisee of the plaintiff). This factor also favors granting injunctive relief for Autodesk.

13 **c. Factor 3: Defendant Is Using the AUTODESK Name and Mark**
 14 **to Mimic the TrustedDWG Authentication Function in DWG**
 15 **Files Created by Related Software Applications.**

16 The third factor—the relatedness of the goods or services—also supports a finding
 17 of likelihood of confusion. Here, by its own public statements, the ODA admits that it is
 18 marketing and distributing software that intentionally mislabels DWG design data files that
 19 will be used with (and misidentified by) Autodesk's AutoCAD software platform. (Oak
 20 Decl. ¶ 24, Ex. D.) There is no question that Defendant's infringing product, as well as any
 21 third-party applications that incorporate the infringing libraries, are closely related to
 22 Autodesk's own software products. This factor also weighs heavily in favor of granting
 23 injunctive relief.

24 **d. Factor 4: The Similarity of the Parties' Marketing Channels**
 25 **Used Also Supports A Finding Of Likelihood of Confusion.**

26 Autodesk sells its AutoCAD software platform and related applications that use the
 proprietary DWG file format to CAD users. Autodesk also licenses certain of its

1 technology for reading and writing DWG files to CAD software developers and other
2 vendors. (Oak Decl. ¶ 7.) Similarly, Defendant markets software libraries for reading and
3 writing DWG files to CAD software developers, and the resulting third-party programs
4 incorporating Defendant's libraries may be used by CAD users in conjunction with the
5 AutoCAD program. (Oak Decl. ¶ 22-27, Ex. C.) Thus, there is clearly an overlap of
6 marketing channels. Accordingly, this factor also strongly favors Autodesk and supports
7 granting injunctive relief.

8 **e. Factor 5: Evidence of Actual Confusion Is Not Necessary for**
9 **Preliminary Injunctive Relief.**

10 Actual confusion, while a *Sleekcraft* factor, need not be established to demonstrate
11 a likelihood of confusion. *See, e.g., GoTo.com*, 202 F.3d at 1208 (stating that “[w]hile
12 ‘evidence that the use of the two marks has already led to confusion is persuasive proof that
13 future confusion is likely,’ the converse is not true.”) (citation omitted). Moreover,
14 because Defendant's software libraries cause the AutoCAD program to “transparently
15 accept” the non-Autodesk files as TrustedDWG files, software users do not know whether,
16 in fact, they have been deceived. At a minimum, this factor is not dispositive.

17 **f. Factor 6: Whatever Degree of Purchaser Care Employed,**
18 **Defendant's Blatant Misrepresentations Are Likely to Cause**
19 **Confusion.**

20 As noted above, Defendant's software libraries affirmatively misrepresent to users
21 that a DWG file created using the libraries is an “Autodesk DWG.” Defendant's software
22 libraries effectively defeat Autodesk's authentication mechanism by mimicking or
23 simulating the TrustedDWG technology. As such, regardless of the degree of care
24 exercised, there is no way for the AutoCAD program, Autodesk or the user to distinguish
25 between authentic Autodesk TrustedDWG files and DWG files created using Defendant's
26 offending software. Therefore, even careful users are very likely to mistakenly believe that

1 non-Autodesk files are "Autodesk DWG's." This factor also favors Autodesk and supports
2 granting injunctive relief.

3 **g. Factor 7: Defendant's Intentional Use of the AUTODESK Mark**
4 **Creates a Presumption That Defendant Can Deceive the Public.**

5 Where an alleged infringer knowingly adopts the mark of another to obtain
6 advantage from the reputation and goodwill of another's product, the Court may infer a
7 likelihood of confusion. *See Acad. of Motion Picture Arts & Scis.*, 944 F.2d at 1456 (citing
8 *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 157-58 (9th Cir. 1963));
9 *see also Sleekcraft*, 599 F.2d at 354 (citations omitted) (stating "[w]hen the alleged
10 infringer knowingly adopts a mark similar to another's, reviewing courts presume that the
11 defendant can accomplish his purpose: that is, that the public will be deceived").
12 Although proof of intent is not required to sustain a conclusion of likelihood of confusion,
13 *New West Corp. v. NYM Co. of Cal., Inc.*, 595 F.2d 1194, 1201 (9th Cir. 1979), it appears
14 obvious from its public statements (Oak Decl. ¶¶ 22-27, Ex. C), that Defendant
15 intentionally uses the AUTODESK mark and name to mislead software users about the
16 source of their DWG files. Thus, this factor also weighs in Autodesk's favor.

17 **h. Factor 8: Autodesk's and Defendant's Markets Already**
18 **Overlap.**

19 The final *Sleekcraft* factor involves the likelihood of expansion into other markets.
20 In this case, that factor is less relevant because, as discussed above, Autodesk and
21 Defendant already operate together in the market for CAD software and services. If
22 anything, this factor favors Autodesk as well.

23 **3. Defendant Is Liable for Both Direct and Contributory Trademark**
24 **Infringement.**

25 As the above analysis demonstrates, Autodesk has valid and protectable trademark
26 rights. Nearly every relevant factor in the trademark infringement analysis weighs in its

1 favor. Accordingly, Defendant is liable for direct infringement, namely the inclusion of the
2 AUTODESK name and mark in the code strings within DWGdirect libraries, as well as for
3 contributory trademark infringement.

4 Trademark law imposes liability for conduct that assists others in direct trademark
5 infringement, and a defendant may be held liable for contributory trademark infringement
6 if he or she "(1) intentionally induces another to infringe on a trademark or (2) continues to
7 supply a product knowing that the recipient is using the product to engage in trademark
8 infringement." *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996)
9 (citation omitted). The Ninth Circuit has acknowledged that the "supplies a product"
10 requirement for contributory infringement has been expanded to include "[d]irect control
11 and monitoring of the instrumentality used by a third party to infringe the plaintiff's mark."
12 *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d 980, 984 (9th Cir. 1999).

13 Here, Defendant the ODA is supplying the licensees of its DWGdirect libraries with
14 infringing labels and the tools to apply them. By distributing the infringing DWGdirect
15 libraries, with the stated intent that its licensees incorporate the simulated TrustedDWG
16 functionality into their own CAD software programs in order to misrepresent the source of
17 DWG files created by the licensees' programs, Defendant is liable for contributory
18 trademark infringement.

19 Because Autodesk is likely to succeed on the merits of its claims, the Court should
20 issue temporary and then preliminary injunctive relief.

21 **C. Autodesk is Likely to Succeed on the Merits of its Unfair Competition and**
22 **False Designation of Origin Claims**

23 Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A), prohibits
24 Defendant's deceptive use of the AUTODESK name and mark to designate falsely the
25 source of the DWG files. Similar to claims under section 32 of the Act, the test for false
26 designation of origin under section 43(a) is whether the defendant has used another's

1 trademark in a manner likely to confuse the public about the origin of the goods or services.
2 *See Century 21*, 846 F.2d at 1178 (citing *New West Corp.*, 595 F.2d at 1201).

3 By its own admissions, Defendant intends that its DWGdirect libraries be used in its
4 licensees' computer programs to create DWG files that will be "transparently accepted by
5 AutoCAD as 'trusted.'" Defendant is willfully and knowingly contributing to the unlawful
6 creation of false and misleading representations of origin of potentially countless DWG
7 files. For all of the reasons set forth above, Autodesk is likely to prevail on this claim as
8 well. Defendant's actions must be enjoined.

9 **D. A Temporary Restraining Order Is Warranted.**

10 **1. Autodesk Faces Immediate and Irreparable harm from Defendant's**
11 **Actions.**

12 In trademark infringement or unfair competition actions such as this, once the
13 plaintiff establishes a likelihood of confusion, it is ordinarily presumed that the plaintiff
14 will suffer irreparable harm. *See Brookfield*, 174 F.3d at 1066 (stating in a trademark
15 infringement claim, "irreparable injury may be presumed from a showing of likelihood of
16 success on the merits.") (citations omitted); *Hard Rock Café Licensing Corp. v. Pac.*
17 *Graphics, Inc.*, 776 F. Supp. 1454, 1463 (W.D. Wash. 1991). Moreover, as noted above,
18 given the strength of Autodesk's claim on the merits, its required showing of harm is much
19 lower. But, in fact, Autodesk faces serious, immediate and irreparable harm from
20 Defendant's actions.

21 The unauthorized incorporation of the TrustedDWG feature into Defendant's
22 DWGdirect libraries defeats the fundamental purpose of the technology, namely the
23 authentication of DWG files, and is ultimately likely to mislead consumers as to the
24 authenticity or origin of the DWG files. Defendant's DWGdirect libraries trick the
25 AutoCAD program into erroneously identifying a non-Autodesk file as a genuine Autodesk
26 DWG file. Once the offending DWGdirect libraries are incorporated into the third-party

1 products, and the third-party programs are used to create or save DWG files, AutoCAD
2 users will no longer be able to rely on the TrustedDWG feature or the TrustedDWG
3 identification items that appear on their screens. There will be no way for the AutoCAD
4 program, the user or Autodesk's support personnel to distinguish between non-authentic
5 and authentic Autodesk DWG files. Moreover, given the pervasive use of the DWG format
6 and the vast circulation of such files among CAD users, once third party programs using
7 the offending DWGdirect libraries are widely distributed, it will be much more difficult to
8 trace such "misabeled" files later and correct the misrepresentations they convey to users.
9 Defendant's wrongful conduct must be enjoined immediately.

10 2. The Balance of Hardships from an Injunction Favors Autodesk

11 The AUTODESK name and mark is an extremely valuable asset to Autodesk. It
12 symbolizes the goodwill connected with Autodesk's longstanding and well-known design
13 software over more than two decades. That goodwill, and the company's reputation among
14 literally millions of software users, should not be jeopardized by Defendant's improper
15 attempts to mimic Autodesk's TrustedDWG authentication technology.

16 By contrast, the entry of a temporary restraining order and subsequently a
17 preliminary injunction would not cause substantial harm to the ODA. The requested
18 injunction essentially requires that Defendant remove the infringing TrustedDWG
19 functionality before distributing its software libraries, and, in the case of the preliminary
20 injunction, to take corrective action with respect to any licensees who may have already
21 received the offending libraries. Any small profits that might be lost to Defendant during
22 the "re-tooling" process do not constitute a hardship under these circumstances, where
23 Defendant has engaged in intentional wrongful conduct. *See, e.g., Helene Curtis Indus.,*
24 *Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1333 (7th Cir. 1977) (citations omitted)
25 ("Advantages built upon a deliberately plagiarized make-up do not seem to us to give the
26

1 borrower any standing to complain that his vested interests will be disturbed.”). Thus, the
2 balance of hardships tips substantially in favor of Autodesk and its request for preliminary
3 injunctive relief.

4 **E. A Minimal Bond Should Be Required.**

5 Federal Rule of Civil Procedure 65(c) requires that security be given by an
6 applicant before the Court issues a temporary restraining order. The amount of the security
7 is within the Court’s discretion and generally will be what the Court deems sufficient to
8 cover the potential incidental and consequential costs as well as the losses an unjustly
9 enjoined party will suffer during the period it is subject to the injunction.

10 The restraining order Autodesk seeks only requires that Defendant remove the
11 infringing TrustedDWG functionality before distributing its software libraries.

12 Defendant’s business should not suffer merely because it is required to stop infringing
13 Autodesk’s trademark rights. Accordingly, Autodesk submits that a bond of not more than
14 \$10,000 is sufficient. Autodesk further requests leave of Court to file proof of the bond, in
15 the amount set by the Court, within three court days of the Court’s order.

16 **F. Request for Order to Show Cause.**

17 Autodesk requests that, as part of the temporary restraining order, the Court set a
18 hearing at which Defendant must appear and show cause why the provisional relief granted
19 should not remain in effect pending the trial in this action. Because Autodesk does not
20 seek entry of the temporary restraining order without notice to Defendant (which will be
21 served with the Complaint and this application as soon as possible), the show cause hearing
22 on the preliminary injunction need not occur within 10 days. *See* Fed. R. Civ. P. 65(b).⁵

23 _____
24 ⁵ Autodesk has submitted with this application a proposed order that includes temporary
25 injunctive relief aimed at preventing further immediate irreparable harm to Autodesk. After
26 the show cause hearing, Autodesk requests leave of Court to submit a proposed order that

(Footnote continues on following page.)

IV. CONCLUSION

Having demonstrated both the likelihood of success of its claims and the irreparable harm it faces, Autodesk respectfully requests that the Court enter the proposed temporary restraining order submitted with this application.

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(Footnote continued from previous page)

both continues the existing injunction and includes additional preliminary injunctive relief, such as requiring Defendant to take corrective action as necessary to recall or otherwise replace any previously-distributed DWGdirect libraries that mimic Autodesk's TrustedDWG technology, to identify to Autodesk any recipients of the infringing DWGdirect libraries, and to correct any DWG files that wrongfully display the TrustedDWG identification items. Should the Court determine that an additional bond will be required for the preliminary injunction order, Autodesk asks that it be allowed to respond to that issue at the show cause hearing.