FOR PUBLICATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

IRONHAWK TECHNOLOGIES, INC., a Delaware corporation, *Plaintiff-Appellant*, v. DROPBOX, INC., a Delaware corporation, *Defendant-Appellee.*	No. 19-56347 D.C. No. 2:18-cv-01481-DDP-JEM OPINION

Appeal from the United States District Court
for the Central District of California
Dean D. Pregerson, District Judge, Presiding

Argued and Submitted February 8, 2021
Pasadena, California

Filed April 20, 2021

Before: A. WALLACE TASHIMA, MILAN D. SMITH, JR., and MARY H. MURGUIA, Circuit Judges.

Opinion by Judge Milan D. Smith, Jr.;
Dissent by Judge A. Wallace Tashima

SUMMARY*

Lanham Act

The panel reversed the district court's grant of summary judgment in favor of defendant Dropbox, Inc., vacated the judgment, and remanded for trial in an action brought under the Lanham Act by Ironhawk Technologies, Inc.

Ironhawk developed computer software that uses compression and replication to transfer data efficiently in "bandwidth-challenged environments." It markets this software under the name "SmartSync," and it obtained a trademark registration for SmartSync in 2007. Dropbox's "Smart Sync," launched in 2017, is a feature of Dropbox's software suite that allows users to see and access files in their Dropbox cloud storage accounts from a desktop computer without taking up the computer's hard drive space. Ironhawk sued Dropbox for trademark infringement.

The panel held that there was a genuine dispute of material fact as to the likelihood of consumer confusion under a reverse confusion theory of infringement, which occurs when a person who knows only of the well-known junior user comes into contact with the lesser-known senior user, and because of the similarity of the marks, thinks that the senior user is the same as or is affiliated with the junior user. Specifically, a reasonable jury could conclude that consumers would believe Dropbox is a source of, or a sponsor of, Ironhawk's Smart Sync. The panel concluded

* This summary constitutes no part of the opinion of the court. It has been prepared by court staff for the convenience of the reader.

that, based on competing evidence, a genuine dispute of fact remained as to the relevant consuming public. Applying the *Sleekcraft* factors, the panel concluded that a reasonable trier of fact could find a likelihood of confusion.

Dissenting, Judge Tashima wrote that he agreed with the general trademark principles articulated by the majority, but he was not persuaded that a reasonable jury could find a likelihood of consumer confusion. Judge Tashima agreed with the majority's conclusion that the relevant consumer class included not only Ironhawk's existing military customers, but also potential commercial customers to whom Ironhawk said it marketed its SmartSync software. Judge Tashima wrote that the majority erred, however, in failing to consider that these potential customers were large, sophisticated commercial enterprises, and any sale would be subject to a prolonged sales effort and careful customer decision making.

COUNSEL

Keith J. Wesley (argued), Lori Sambol Brody, and Matthew L. Venezia, Brown George Ross LLP, Los Angeles, California; Alex Kozinski, Law Office of Alex Kozinski, Rancho Palos Verdes, California; for Plaintiff-Appellant.

Beth S. Brinkmann (argued), Covington & Burling LLP, Washington, D.C.; Clara J. Shin, Jeffrey M. Davidson, and Matthew Q. Verdin, Covington & Burling LLP, San Francisco, California; for Defendant-Appellee.

OPINION

M. SMITH, Circuit Judge:

Ironhawk Technologies, Inc. (Ironhawk) sued Dropbox, Inc. (Dropbox) for trademark infringement and unfair competition. The district court granted summary judgment, concluding that Ironhawk could not prevail because a reasonable trier of fact could not find a likelihood of consumer confusion. Ironhawk appeals based on a theory of reverse confusion. Because genuine issues of material fact remain as to a likelihood of reverse confusion, we reverse, vacate the judgment, and remand for trial.

FACTUAL AND PROCEDURAL BACKGROUND

I.

Ironhawk developed computer software that uses compression and replication to transfer data efficiently in "bandwidth-challenged environments." Since 2004, Ironhawk has marketed this software under the name "SmartSync." Ironhawk obtained a trademark registration for SmartSync in 2007, which makes it the senior mark holder and user in this case.

Dropbox produces cloud storage software that millions of individuals and businesses use worldwide. "Smart Sync" is a feature of Dropbox's software suite that allows a user to see and access files in his or her Dropbox cloud account from a desktop computer without taking up the computer's hard drive space. Smart Sync is a feature of certain paid subscription plans, not a stand-alone Dropbox product. Dropbox launched Smart Sync in 2017, while it was aware of Ironhawk's senior SmartSync mark.

II.

Ironhawk asserts claims against Dropbox for violations of the Lanham Act, 15 U.S.C. § 1051 *et seq.*, and California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq*. Ironhawk alleges that Dropbox's use of the name Smart Sync intentionally infringes upon Ironhawk's SmartSync trademark and is likely to cause confusion among consumers as to the affiliation of Ironhawk's product with Dropbox.

The district court granted summary judgment to Dropbox, concluding that "[t]he overwhelming balance of the *Sleekcraft* factors weighs against a likelihood of confusion" such that "a reasonable trier of fact could not conclude that Dropbox's use of Smart Sync is likely to cause consumer confusion." The district court entered judgment, and Ironhawk appeals.

JURISDICTION AND STANDARD OF REVIEW

We have jurisdiction pursuant to 28 U.S.C. § 1291. "The decision to grant summary judgment in a trademark infringement claim is reviewed *de novo*, and all reasonable inferences are to be drawn in favor of the non-moving party." *Surfvivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 630 (9th Cir. 2005). "Although disfavored in trademark infringement cases, summary judgment may be entered when no genuine issue of material fact exists." *Id.* "[O]n a defendant's motion for summary judgment, not only does the movant carry the burden of establishing that no genuine dispute of material fact exists, but the court also views the evidence in the light most favorable to the non-moving party." *JL Beverage Co., LLC v. Jim Beam Brands Co.*, 828 F.3d 1098, 1105 (9th Cir. 2016). To prevail at summary judgment, "[t]he defendant-movant must demonstrate that,

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.