

EXHIBIT A

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 8

9 UNITED STATES DISTRICT COURT
 10 NORTHERN DISTRICT OF CALIFORNIA
 11 SAN FRANCISCO DIVISION
 12

13 AUTODESK, INC., a Delaware corporation,,
 14

Plaintiff,
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v.
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DASSAULT SYSTÈMES SOLIDWORKS
 CORPORATION, a Delaware corporation,
 17

Defendant.
 18
 19
 20
 21

Case No. 3:08-cv-04397-WHA

**FIRST AMENDED COMPLAINT
 FOR UNFAIR COMPETITION,
 FALSE DESIGNATION OF
 ORIGIN, FALSE ADVERTISING,
 TRADEMARK INFRINGEMENT,
 TRADEMARK CANCELLATION,
 UNFAIR BUSINESS PRACTICES,
 DECEPTIVE BUSINESS
 PRACTICES, UNLAWFUL
 BUSINESS PRACTICES,
 MISLEADING ADVERTISING**

DEMAND FOR JURY TRIAL

22 **Preliminary Statement**

23 In this lawsuit, plaintiff Autodesk, Inc. (“Autodesk”) seeks to stop acts of unfair
 24 competition by one of its rivals, defendant Dassault Systèmes SolidWorks Corporation
 25 (“DS SolidWorks”).

26 Autodesk is widely recognized as one of the world’s leading providers of design software
 27 tools. Autodesk attained its tremendous consumer recognition and goodwill through the
 28

1 development and enhancement of its pioneering AutoCAD® computer-aided design or “CAD”
2 product. Introduced in 1982, AutoCAD is now used by millions of architects, engineers,
3 manufacturers, and others around the world. Today, Autodesk offers a full range of design
4 software products for all design and modeling professions. Autodesk’s commercial success is a
5 direct result of the billions of dollars in research and development that it has invested in the
6 creation and enhancement of its software, ensuring that the products offer functional, reliable, and
7 stable solutions.

8 Autodesk’s millions of users have created billions of user data files using AutoCAD and
9 other Autodesk design software products. To store user data files, AutoCAD and many of
10 Autodesk’s other software products implement a proprietary file format called “DWG.” Because
11 AutoCAD and other Autodesk software products are so widely used, and the DWG file format
12 name is so distinctive, design software users associate DWG with Autodesk and its successful
13 software products.

14 DS SolidWorks, a wholly-owned subsidiary of Dassault Systèmes S.A., is one of the
15 many design software companies that compete with Autodesk. Autodesk and DS SolidWorks
16 compete among a similar base of users, most of whom already use and are very familiar with
17 Autodesk products and Autodesk’s DWG file format and hold favorable views about them.

18 Seeking to trade off of or undermine Autodesk’s accumulated goodwill, DS SolidWorks
19 has turned to several misleading, unethical and illegal competitive techniques. Specifically, DS
20 SolidWorks (1) improperly attracts Autodesk customers to the DS SolidWorks product offerings
21 by using the term DWG in product names, domain names, and associated websites, which
22 specifically target AutoCAD users; (2) misrepresents the compatibility of its software with
23 Autodesk and its DWG technology; (3) improperly uses and over-emphasizes Autodesk’s
24 AutoCAD registered trademark on the webpages and in the metadata of DS SolidWorks websites;
25 and (4) mimics Autodesk’s orange frame design and REAL marks.

26 These techniques constitute violations of federal and state unfair competition law.
27 Because the harm they cause is irreparable, Autodesk requests that the Court enjoin DS
28 SolidWorks from continuing to employ them.

1 **I. PARTIES**

2 1. Autodesk is a world leader in design software for the manufacturing, building and
3 construction, and media and entertainment industries. Over nine million users around the world
4 utilize Autodesk software. Since its introduction of AutoCAD® software in 1982, Autodesk has
5 developed a portfolio of state-of-the-art digital prototyping solutions to help customers experience
6 their ideas before they are real. Those solutions include the Autodesk® Inventor® and Revit®
7 model-based design programs. Autodesk products enable customers to create digital models and
8 workflows that allow visualization, simulation, and analysis of designs before implementation.
9 This, in turn, enables the continual exploration of design alternatives, allowing early
10 improvements to the way projects and products will look, perform, and be used. In 2007,
11 Autodesk was recognized as one of Fortune Magazine’s Most Admired Companies, ranking
12 second in the Computer Software category. In addition, Autodesk was recently named number 25
13 on *Fast Company's* list of "The World's 50 Most Innovative Companies." Autodesk’s web site is
14 at www.autodesk.com. Autodesk is a Delaware corporation. Its corporate headquarters are at
15 111 McInnis Parkway, San Rafael, California 94903.

16 2. On information and belief, DS SolidWorks is a Delaware corporation with offices at
17 300 Baker Avenue, Concord, Massachusetts 01742, and a wholly-owned subsidiary of Dassault
18 Systèmes, S.A., a major CAD software company that develops and markets application software
19 and services that support industrial processes. DS SolidWorks’ claims to focus on the
20 development and marketing of 3-dimensional or model-based CAD software applications. Many
21 of DS SolidWorks’ software products claim to work in conjunction with design data files such as
22 those created using Autodesk’s AutoCAD software.

23 **II. JURISDICTION AND VENUE**

24 3. This Court has jurisdiction over this action pursuant to 15 U.S.C. § 1121 (action
25 arising under the Lanham Act); 28 U.S.C. § 1331 (federal question); 28 U.S.C. § 1338(a) (any act
26 of Congress relating to trademarks); 28 U.S.C. § 1338(b) (action asserting claim of unfair
27 competition joined with a substantial and related claim under the trademark laws); and 28 U.S.C.
28 § 1367 (supplemental jurisdiction).

1 Electrical and AutoCAD Civil 3D, and model-based design programs, such as Autodesk Inventor
2 and Revit. Over the past two and a half decades, Autodesk has invested billions of dollars in
3 research and development to improve and enlarge the functionality of its software products,
4 address emerging needs in the marketplace, and provide customers with state-of-the-art design
5 technology.

6 9. Through its commitment to quality and innovation, Autodesk has established
7 tremendous consumer goodwill. Today, Autodesk does business in approximately 160 countries,
8 and its software is licensed to over nine million users, including 100 percent of *Fortune 100*
9 companies and approximately 98 percent of *Fortune 500* companies. Autodesk's AutoCAD and
10 AutoCAD LT are two of the most widely used design software tools in the world.

11 **B. Autodesk's DWG™ Technology**

12 10. Like many companies' software applications, Autodesk products, including
13 AutoCAD, implement proprietary file formats for storing user data files. A file format is a
14 particular way to encode information for storage in a computer file. Autodesk's primary
15 proprietary file format technology is known as DWG. Autodesk has been using the DWG name
16 and file format with its CAD software products since the introduction of AutoCAD late in 1982.
17 AutoCAD and other Autodesk applications create and store user files in the proprietary DWG
18 format, and the files bear the file extension ".dwg". Over the past twenty-five years, Autodesk
19 has invested substantial effort and resources to refine and enhance its DWG format and associated
20 technology in order to support the increasingly sophisticated functionality in the AutoCAD family
21 and other design software applications.

22 11. Today, as a result of Autodesk's substantial investment and innovation over more
23 than two decades to develop customer recognition and goodwill in its proprietary technology and
24 the diversification of that technology, DWG is not a generic or even a merely descriptive term.
25 Instead, DWG is recognized by design professionals as the name for Autodesk's proprietary
26 technology and file format, and is primarily associated with Autodesk and AutoCAD. Since
27 1982, Autodesk has sold billions of dollars of software products associated with the DWG name
28

1 and its proprietary DWG format worldwide. During that time, Autodesk's promotional materials,
2 software user manuals and website have prominently featured the DWG name.

3 12. In addition, Autodesk has developed a distinctive DWG logo that has been and
4 continues to be displayed on its website and product packaging:



9 (Examples of pages from the Autodesk website featuring the DWG logo are attached as
10 Exhibit A.) The DWG logo is also used as a computer file icon to help users instantly identify
11 user design data files created using Autodesk technology.

12 13. Autodesk's DWG name and technology are well-known and well-respected
13 throughout the design industry. Over the past twenty-five years, the public and the press have
14 recognized and reinforced the association between Autodesk and the DWG name and technology
15 through extensive commentary and media coverage of Autodesk and its CAD software products.

16 14. Because of the widespread popularity of Autodesk's AutoCAD products, other
17 software companies have sought to develop interoperable applications. Autodesk itself
18 recognizes the importance to its customers of achieving interoperability between AutoCAD and
19 third-party programs. For example, Autodesk offers membership in the Autodesk Developer
20 Network. This program allows and encourages others to develop software that works with those
21 Autodesk applications that use the DWG technology.

22 15. In addition, Autodesk instituted its RealDWG™ program, and similar predecessor
23 programs, under which Autodesk licenses its proprietary DWG technology. The RealDWG
24 program allows participating software companies, including competitors, to create and market
25 their own software products that are capable of reading and writing DWG files for use with
26 AutoCAD and other Autodesk programs. Under the terms of their agreements, however, such
27 third parties recognize that the RealDWG name and DWG logo and technology are proprietary to
28

1 Autodesk and agree to comply with Autodesk's guidelines for properly using and attributing the
2 RealDWG name and explaining the party's relationship to Autodesk and its DWG technology.

3 16. In particular, Autodesk has entered into RealDWG agreements with major
4 competitors, Bentley Systems, Inc. and Parametric Technology Corporation, each of whom has its
5 own proprietary file format. Under these agreements, Autodesk and the other company have
6 agreed to exchange software libraries, including Autodesk RealDWG, to improve the ability to
7 read and write the companies' respective file formats in mixed environments with greater fidelity.
8 While both of these competitors now can offer programs that are interoperable with AutoCAD
9 using DWG technology under a license from Autodesk, neither of these competitors has adopted
10 product names that incorporate the DWG name.

11 17. Over the years, some Autodesk competitors also have incorporated a reverse-
12 engineered form of Autodesk's proprietary DWG file format into their software. Typically, such
13 a competitor's program will write a design data file in the native language and file format of the
14 competitor's software, such as DS SolidWorks' .swx proprietary file format, and then convert or
15 translate the file to the reverse-engineered DWG format. At that point, the competing program
16 will assign the .dwg filename extension to the translated design data file. While this limited use
17 of ".dwg" solely as a filename extension may be necessary to achieve a level of interoperability
18 with Autodesk programs, DS SolidWorks' conduct and use of the DWG name and mark exceeds
19 that limited purpose. On information and belief, DS SolidWorks is the only company that both
20 incorporates a reverse-engineered form of Autodesk's DWG file format and engages in such
21 blatant acts of unfair competition and misleading advertising described herein.

22 **C. DS SolidWorks' Acts of Unfair Competition**

23 18. DS SolidWorks specifically markets to AutoCAD users to offer them model-based
24 software products. Through a variety of improper tactics designed to mislead consumers and
25 undermine the value of the Autodesk and DWG brand and technology, DS SolidWorks is unfairly
26 competing with Autodesk.

1 **1. DS SolidWorks' Misleading Marketing**

2 19. DS SolidWorks has engaged in a variety of misleading marketing tactics that are
3 aimed to confuse design professionals about the ability of DS SolidWorks programs to
4 interoperate with Autodesk's AutoCAD software and about the characteristics of files created or
5 saved using DS SolidWorks programs.

6 20. For example, DS SolidWorks has adopted a product naming strategy for certain of
7 its CAD software products that use the DWG name to attract the attention of its target audience,
8 specifically AutoCAD users who are familiar with Autodesk's DWG technology. Such product
9 names include DWGeditor, DWGgateway, DWGseries, DWGviewer, and DWGnavigator. The
10 inclusion of the term DWG in such product names is not necessary, and indeed, many other CAD
11 software companies, including DS SolidWorks' parent company, Dassault Systèmes S.A., market
12 similar products that do not improperly borrow or trade on the extensive consumer goodwill in
13 Autodesk's DWG technology.

14 21. In addition, DS SolidWorks operates numerous websites around the world using
15 domain names that incorporate the designations DWGseries, DWGgateway, DWGnavigator,
16 including, for example, DWGSERIES.com, DWGGATEWAY.com, and
17 DWGNAVIGATOR.com. Attached as Exhibit B to this Complaint are true and correct copies of
18 pages from DS SolidWorks' DWGSERIES.com, DWGGATEWAY.com and
19 DWGNAVIGATOR.com websites, printed as of September 17, 2008. Each of these websites is
20 targeted specifically and exclusively to Autodesk customers: "DWGseries is a set of FREE
21 software tools created for current and former AutoCAD® users to open, edit and share DWG data
22 more effectively with others"; "FREE productivity tools for AutoCAD®users"; "FREE software
23 download lets you open and edit any DWG file using any version of AutoCAD." *See, e.g.,*
24 Exhibit B, page 1.

25 22. Through these products and websites branded with DWG-based designations and
26 replete with blatant suggestions of affiliation with AutoCAD, DS SolidWorks improperly
27 suggests an association with Autodesk, AutoCAD software and Autodesk's DWG technology,
28 and represents to design professionals, specifically AutoCAD users, that DS SolidWorks can

1 provide fully interoperable tools for working with DWG files. However, DS SolidWorks is not a
2 RealDWG™ participant and has not licensed Autodesk's proprietary DWG technology. Instead,
3 it has, on information and belief, incorporated a reverse-engineered imitation of Autodesk's
4 DWG format without Autodesk's support or consent. Autodesk does not control, and indeed has
5 no way of ensuring, that design data files created using DS SolidWorks' reverse-engineered file
6 format and using the .dwg filename extension are fully interoperable with the AutoCAD program.
7 Nonetheless, through its use of numerous DWG-based product names and websites, DS
8 SolidWorks seeks to mislead design professionals, and specifically users and former users of
9 Autodesk's AutoCAD software who are familiar with Autodesk's proprietary DWG technology,
10 that the DS SolidWorks products also offer authentic DWG technology. DS SolidWorks is thus
11 intentionally trading off of Autodesk's well-established reputation for its DWG technology and
12 misrepresenting the nature, characteristics, and qualities of DS SolidWorks' products and services
13 and their relationship to Autodesk and Autodesk's AutoCAD software and DWG technology.

14 23. As further evidence of its campaign to usurp Autodesk's goodwill in the DWG
15 name, DS SolidWorks has sought federal trademark registrations for the designations
16 DWGGATEWAY and DWGEDITOR. Autodesk timely opposed DS SolidWorks'
17 DWGGATEWAY application and sought to cancel the DWGEDITOR registration (on the
18 Supplemental Register) based on Autodesk's prior ownership of the mark DWG. DS SolidWorks
19 responded by opposing Autodesk's applications to register its (Autodesk's) REALDWG and
20 DWGX marks. Those proceedings before the Trademark Trial and Appeal Board (the "TTAB")
21 have been consolidated and are pending. The only remedy available to Autodesk before the
22 TTAB, however, is refusal of DS SolidWorks' DWGGATEWAY application and cancellation of
23 the DWGEDITOR registration.

24 24. DS SolidWorks also misrepresents the quality and capabilities of its software
25 products in its marketing and advertising. DS SolidWorks makes far-reaching claims about the
26 compatibility of its products with AutoCAD products and about the integrity of files created by its
27 products and labeled DWG. DS SolidWorks claims that "DWGgateway is the first free data
28 translation plug-in that *lets AutoCAD users work easily with DWG files created by any version of*

1 *AutoCAD software.*” See Exhibit B, page 7 (emphasis added). DS SolidWorks also asserts that
2 its DWGnavigator product will “*Save DWG files to any version of AutoCAD software.*” See
3 Exhibit B, page 16 (emphasis added). Autodesk is informed and believes that these claims are
4 false. The DS SolidWorks translation product does not accurately capture or translate all of the
5 complexities and relationships stored in an authentic Autodesk DWG file. Instead, some of the
6 data is lost in translation by the DS SolidWorks program. This is because, contrary to the
7 impression DS SolidWorks seeks to create, its products do not implement the DWG format as
8 maintained and enhanced by Autodesk; DS SolidWorks is not a RealDWG licensee and is not
9 authorized by Autodesk to use the DWG name or provided with authentic Autodesk DWG
10 technology. Rather, DS SolidWorks is, on information and belief, relying on reverse engineered
11 re-creations of DWG technology. This effort at reverse engineering is evidently imperfect, and
12 can cause file corruption, malformed data and instability problems in the “.dwg”-labeled files the
13 DS SolidWorks products save when such files are re-introduced into the AutoCAD program.
14 When such file problems occur, the user may mistakenly associate his negative experience with
15 the AutoCAD software itself. By engaging in its false and misleading marketing and advertising
16 campaign, DS SolidWorks seeks to undermine the value of Autodesk DWG technology and the
17 RealDWG licensing program. Moreover, by concealing the inadequacies of its faux DWG files,
18 DS SolidWorks seeks to conceal that *it* is the source of data corruption and instability in DWG-
19 labeled files.

20 25. DS SolidWorks’ use of DWG-based designations is not necessary to achieve
21 interoperability. Moreover, those designations and its unsubstantiated statements regarding
22 compatibility, all in connection with CAD software products that are directly competitive with
23 Autodesk products, are likely to cause consumer confusion regarding the nature, characteristics
24 and qualities of DS SolidWorks’ products and services and their relationship to Autodesk and
25 Autodesk’s AutoCAD software, DWG technology and RealDWG licensing program.

2. DS SolidWorks' Misuse of the AutoCAD® Trademark in Its Websites

26. In addition to the misleading DWG-based product names and domain names outlined above, DS SolidWorks misuses and overemphasizes Autodesk's registered trademark, AutoCAD, throughout the DS SolidWorks websites.

27. For example, the DWGnavigator.com website states, "DWGnavigator, a [*sic*] AutoCAD file manager..." and "DWGgateway is a free AutoCAD® download for AutoCAD users who do not want to upgrade to the latest version of AutoCAD,..." See Exhibit B, pages 16-17. These types of statements improperly suggest that the DS SolidWorks products are a particular version of or associated with AutoCAD.

28. Moreover, on its websites DS SolidWorks uses the AutoCAD trademark far more than is reasonably necessary. The DS SolidWorks websites, as shown in Exhibit B, visibly demonstrate the repeated use of the AutoCAD mark. In addition, analyses of the DS SolidWorks websites using computer tools clearly show the degree to which DS SolidWorks uses the AutoCAD trademark. A "keyword cloud" is a visual depiction of keywords used on a website, with keywords having a higher density depicted in a larger font. For example, for the DS SolidWorks DWGnavigator.com website the following keyword cloud was generated:

Keyword Cloud

dwgnavigator free file manager autocad® users enables manage **dwg** data generated
 version **autocad** software product info files support links contact download autocad®
 management tool solidworks corporation img arimagesbutdownloaddwg.gif altautocad width height hspace vspace border easy
 charge that'squo;s intuitive windows® explorer **files** cost relationships copying renaming package including xrefs perform
 search criteria properties **upgrade** license compatible **save** eliminate licenses share work collaborate ranging latest
 format simple referenced documents understand impact add opening easily send link website colleagues time money **autodesk**
 registered trademarks usa and/or countries dwggatewaytrade. translation dwggateway continue exchange partners customers
 suppliers versions addition newer formats presents set challenges earlier encounter problems and machines programs require input
 older xchangeworks click information xchangeworks, plug mechanical desktop® ddsault syst.À des corp phone email solidworks.com
 terms privacy policy piracy prevention

1 29. Similarly, a “keyword density” analysis shows the percentage of occurrence of
2 keywords compared to the rest of the text in the website. For example, for the
3 DWGnavigator.com website, the following keyword density analysis showing the top 23
4 keywords was generated:

Keyword Density		
Keyword	Count	Density
autocad	26	9.85%
dwg	15	5.68%
files	12	4.55%
file	10	3.79%
version	10	3.79%
free	8	3.03%
users	7	2.65%
dwgnavigator	6	2.27%
save	6	2.27%
search	5	1.89%
software	5	1.89%
autodesk	5	1.89%
xrefs	4	1.52%
upgrade	4	1.52%
trademarks	4	1.52%
autocad@	3	1.14%
data	3	1.14%
format	3	1.14%
manager	3	1.14%
download	3	1.14%
properties	2	0.76%
solidworks	2	0.76%

16 30. As these analyses illustrate, DS SolidWorks’ use of Autodesk’s AutoCAD mark and
17 DWG name dominates its websites. The DWGnavigator.com website displays the AutoCAD
18 mark at least 26 times, as almost 10 percent of the relevant text on the site. Similarly, the DWG
19 name is displayed 15 times. By contrast, the DS SolidWorks product name, DWGnavigator,
20 appears only 6 times, and the SolidWorks name itself appears only twice. Other DS SolidWorks
21 websites show a similar pattern. For example, the AutoCAD mark appears 21 times on the
22 DWGgateway.com website.

23 31. DS SolidWorks also embeds the terms AutoCAD and DWG in the metadata of
24 certain of its websites. Metadata is a component of a webpage’s programming that contains
25 descriptive information about the webpage which is typically not observed when the webpage is
26 displayed in a web browser. Some internet search engines scan metadata for keywords when
27 compiling search results.
28

1 32. By over-emphasizing AutoCAD and DWG on its websites and including those
2 marks in the metadata of its websites, DS SolidWorks intentionally seeks to manipulate internet
3 search engines, which display search results on the basis of keywords found in the websites.
4 Therefore, when an internet user types "AutoCAD" into a search engine, the DS SolidWorks
5 websites will appear more prominently in the list of search results.

6 33. DS SolidWorks' repeated use and over-emphasis of Autodesk's AutoCAD
7 registered trademark also falsely suggests to customers that DS SolidWorks software products are
8 associated with Autodesk's AutoCAD program. DS SolidWorks' efforts can only be an
9 intentional effort to mislead users and to trade off of Autodesk's goodwill and reputation.

10 **3. DS SolidWorks' Wrongful Use of "Real" Logo**

11 34. In an effort to further confuse consumers and blur the line between its products and
12 Autodesk's, DS SolidWorks has adopted a logo design that improperly mimics Autodesk's
13 packaging and marketing materials and its RealDWG™ mark.

14 35. Since at least as early as March 2007, Autodesk has employed a distinctive frame
15 outline across all of its product packaging and marketing materials as part of its worldwide
16 corporate marketing campaign. In particular, Autodesk displays a distinctive orange frame
17 outline on its software DVD cases and marketing materials distributed around the world for its
18 Autodesk Inventor product, as shown below:



1 The orange frame used by Autodesk is inherently distinctive and serves to identify the source of
2 Autodesk's products. Furthermore, through its widespread use of the distinctive orange frame,
3 Autodesk has developed substantial goodwill and consumer recognition in its orange frame
4 design, which would give rise to acquired distinctiveness or secondary meaning even if the
5 orange frame were not already distinctive.

6 36. In addition, since at least as early as 2005, Autodesk has used the trademark
7 RealDWG™ to identify its program under which it licenses its DWG technology and file format
8 to third parties. Since at least as early as 2006, Autodesk has used and promoted itself with the
9 trademark slogan "Experience It Before It's Real."

10 37. Autodesk has also combined its distinctive orange frame design with the "real"
11 element of its RealDWG™ and "Experience It Before It's Real" trademarks in a video marketing
12 campaign:



21 38. Recently, DS SolidWorks has embarked on a marketing campaign featuring a logo
22 design that also combines the "real" element of Autodesk's RealDWG™ program and
23 "Experience It Before It's Real" mark with the distinctive orange frame found on the Autodesk

24 Inventor packaging:



1
2 DS SolidWorks is displaying this logo prominently on its recently re-launched website, in print
3 ads and in other marketing materials. DS SolidWorks' use of this "real" logo, with its striking
4 similarity to the competing Autodesk Inventor product packaging including the orange frame and
5 its incorporation of the "real" terminology, falsely suggests to customers that DS SolidWorks
6 software products are associated with or offered in conjunction with Autodesk's programs. DS
7 SolidWorks' adoption of this logo can only be an intentional effort to trade off of Autodesk's
8 goodwill and cause confusion regarding the Autodesk orange frame design, its RealDWG
9 program and its "Experience It Before It's Real" mark.

10 **FIRST CLAIM FOR RELIEF**

11 **(UNFAIR COMPETITION AND FALSE DESIGNATION OF ORIGIN**
12 **- FEDERAL LAW)**

13 39. Autodesk incorporates by reference paragraphs 1 through 38 above as though fully
14 set forth herein.

15 40. Autodesk's DWG name and mark is well-known in the industry as identifying and
16 distinguishing Autodesk's software products, proprietary file format and technology.

17 41. DS SolidWorks is not a RealDWG program participant and has not licensed
18 Autodesk's proprietary DWG technology. DS SolidWorks has incorporated a reverse-engineered
19 version of Autodesk's proprietary DWG file format without Autodesk's support or consent.

20 42. By using several DWG-based designations as well as the "real" logo design for its
21 software products, DS SolidWorks is misrepresenting the DS SolidWorks' products and services
22 and their relationship to Autodesk and Autodesk's AutoCAD® software, DWG technology and
23 RealDWG™ licensing program.

24 43. DS SolidWorks' conduct is likely to continue to cause confusion or mistake or
25 deception as to the origin, sponsorship, or approval of DS SolidWorks' software products by
26 Autodesk. DS SolidWorks intends to and will confuse customers as to the relationship between
27
28

1 its products identified with DWG-based designations and the “real” logo and Autodesk’s DWG
2 technology.

3 44. The acts of DS SolidWorks described above constitute unfair competition and false
4 designation of origin in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C.
5 § 1125(a)(1)(A).

6 45. DS SolidWorks’ actions are likely to injure Autodesk’s business reputation as well
7 as the reputation of AutoCAD as a premier high quality software product. This harm will likely
8 not be calculable. DS SolidWorks’ conduct threatens irreparable injury to Autodesk’s business
9 and reputation.

10 46. DS SolidWorks’ conduct is continuing and will continue unless restrained by the
11 Court. Autodesk cannot adequately be compensated by damages, and thus has no adequate
12 remedy at law. In addition, Autodesk has been damaged in an amount to be determined by the
13 Court.

14 **SECOND CLAIM FOR RELIEF**

15 **(UNFAIR COMPETITION AND FALSE ADVERTISING – FEDERAL LAW)**

16 47. Autodesk incorporates by reference paragraphs 1 through 46 above as though fully
17 set forth herein.

18 48. By using several DWG-based designations for its software products and by making
19 promises to AutoCAD users, such as DS SolidWorks’ software tools will allow them to “open,
20 edit, and share DWG data more effectively with others,” and “Save DWG files to any version of
21 AutoCAD software,” DS SolidWorks is misrepresenting the nature, quality and characteristics of
22 DS SolidWorks’ software products as being fully compatible and operational with Autodesk’s
23 AutoCAD programs.

24 49. DS SolidWorks’ conduct is intended to and is likely to continue to cause confusion
25 or mistake or deception as to the nature, quality and characteristics of DS SolidWorks’ software
26 products.

27 50. The acts of DS SolidWorks described above constitute unfair competition and false
28 advertising in violation of Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B).

1 "Experience It Before It's Real" marks, including but not limited to DS SolidWorks' use of the
2 "real" logo;

3 4. That the Court order the United States Patent and Trademark Office to cancel DS
4 SolidWorks' U.S. trademark registration for the DWGEDITOR mark (U.S. Registration
5 No. 3134536) under 15 U.S.C. § 1119;

6 5. That the Court order DS SolidWorks to abandon its U.S. trademark application for
7 the mark DWGGATEWAY;

8 6. That the Court award Autodesk the profits made by DS SolidWorks and the actual
9 compensatory damages suffered by Autodesk as a result of DS SolidWorks' unlawful conduct, in
10 an amount to be proven at trial;

11 7. That the Court award Autodesk treble damages and enhanced profits pursuant to
12 15 U.S.C. § 1117(a);

13 8. That the Court award Autodesk its costs, prejudgment interest and attorneys' fees
14 pursuant to 15 U.S.C. § 1117;

15 9. That the Court grant Autodesk any other remedy to which it may be entitled,
16 including all remedies provided for in 15 U.S.C. § 1117 and under California law;

17 10. That the Court award such other relief as it deems just and proper.

18 Dated: January 23, 2009

MICHAEL A. JACOBS
J. THOMAS MCCARTHY
LYNN M. HUMPHREYS
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20
21
22 By: /s/ Michael A. Jacobs
MICHAEL A. JACOBS

23 Attorneys for Plaintiff
24 AUTODESK, INC.
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JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure and Local Rule 3-6, Autodesk demands a trial by jury as to all issues so triable in this action.

Dated: January 23, 2009

MICHAEL A. JACOBS
J. THOMAS MCCARTHY
LYNN M. HUMPHREYS
MORRISON & FOERSTER LLP

By: /s/ Michael A. Jacobs
MICHAEL A. JACOBS

Attorneys for Plaintiff
AUTODESK, INC.

EXHIBIT A

Autodesk, Inc. v. Dassault Systèmes Solidworks

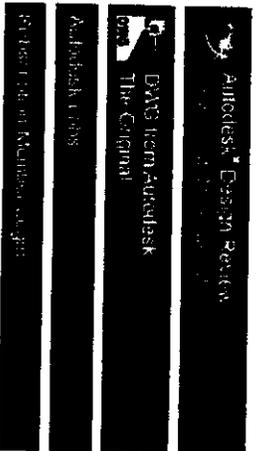
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Autodesk - Autodesk – 2D and 3D Design Software for the Architecture, Engineering, Construction, Manufacturing, and Entert... Page 2 of 2

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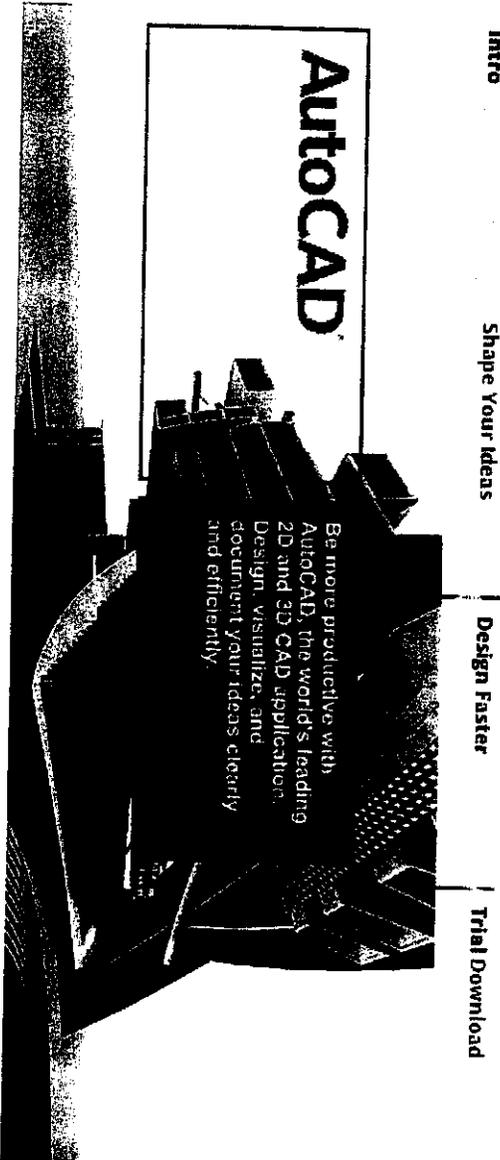
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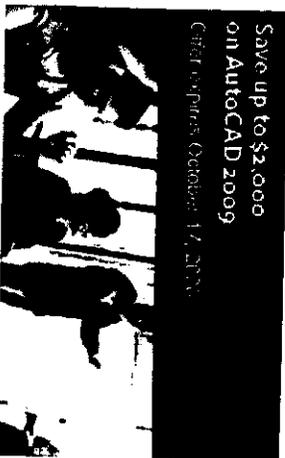
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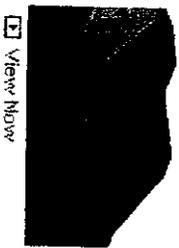
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EXHIBIT B

Autodesk, Inc. v. Dassault Systèmes Solidworks



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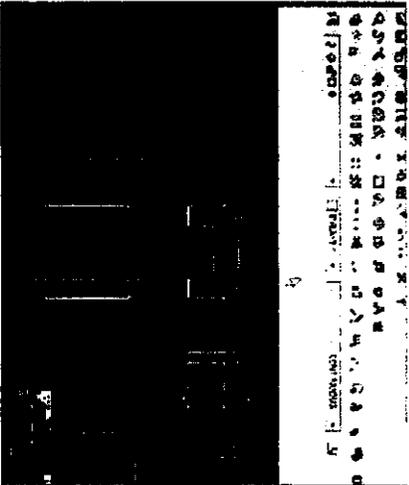
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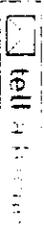
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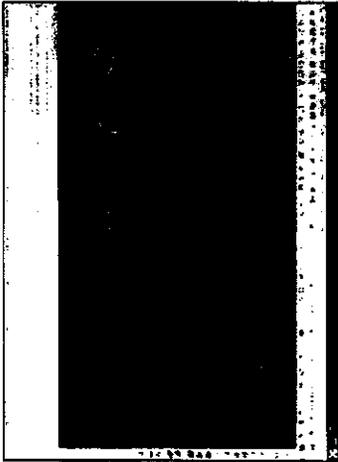
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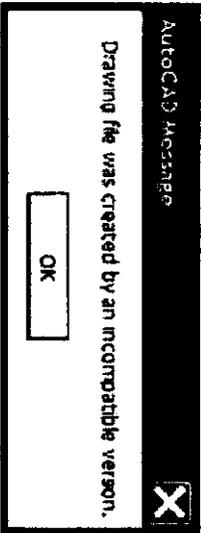
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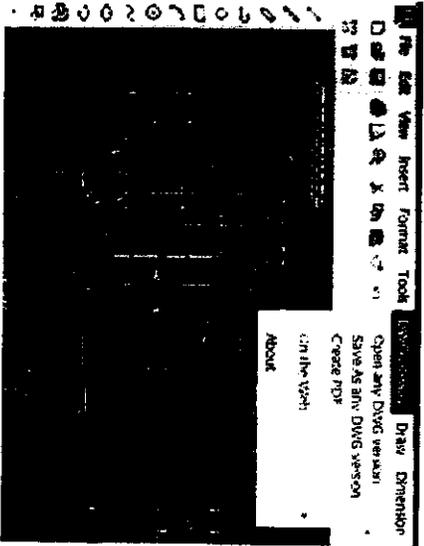
No need to upgrade to the next version of AutoCAD software
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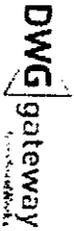
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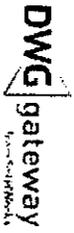
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Free AutoCAD file management tool

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Manage your AutoCAD DWG Files

- DWGnavigators helps you easily manage your DWG file library by allowing you to do all of the following in a manner that is as easy and intuitive to use as Windows Explorer:
- Search to easily find your DWG files.
 - Send your DWG files and all of their Xrefs to other AutoCAD users using the DWG Pack-and-Go functionality.
 - Add properties to your DWG files without opening them.
 - Preview and view your DWG files without the need to have AutoCAD software installed on your machine.
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8 Telephone: (650) 801-5000

9 Facsimile: (650) 801-5100

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11 SolidWorks Corporation

12 UNITED STATES DISTRICT COURT

13 NORTHERN DISTRICT OF CALIFORNIA

14 AUTODESK, INC.,

15 Plaintiff,

16 vs.

17 DASSAULT SYSTÈMES SOLIDWORKS
18 CORPORATION

19 Defendant.

CASE NO. 3:08-cv-04397-WHA

**DASSAULT SYSTÈMES
SOLIDWORKS CORPORATION'S
ANSWER AND COUNTERCLAIMS
TO AUTODESK, INC.'S FIRST
AMENDED COMPLAINT**

20 Defendant and counterclaimant Dassault Systèmes SolidWorks Corporation

21 (“SolidWorks”), answering the First Amended Complaint of plaintiff and counter-defendant
22 Autodesk, Inc. (“Autodesk”) dated January 23, 2009, pleads and avers as follows.

23 SolidWorks denies all the material allegations in the unnumbered introduction to
24 Autodesk’s First Amended Complaint, including the allegations that SolidWorks seeks to “trade
25 off or undermine Autodesk’s accumulated goodwill” through use of “several misleading,
26 unethical, and illegal techniques,” which Autodesk alleges includes “improperly attract[ing]
27 Autodesk customers to the DS SolidWorks product offerings by using the term DWG,”
28 “misrepresent[ing] the compatibility of its software with Autodesk,” “improperly us[ing] and
over-emphasiz[ing] Autodesk’s AutoCAD registered trademark,” and “mimic[ing] Autodesk’s
trade dress.” SolidWorks otherwise denies knowledge or information sufficient to constitute a

1 belief as to the truth of the remaining matters alleged in the unnumbered introduction to
2 Autodesk's First Amended Complaint. SolidWorks further responds that the unnumbered
3 introduction to the First Amended Complaint states legal conclusions to which no responsive
4 pleading is required.

5 The lawsuit is an unfounded attempt by Autodesk, an acknowledged monopolist, to
6 prevent fair and healthy competition in the CAD marketplace. Autodesk, through the claims
7 asserted in this lawsuit, seeks to disparage SolidWorks, and prevent SolidWorks, an important
8 Autodesk competitor, from offering interoperable software to customers and potential customers
9 in the CAD market. Although entirely aware that it did not develop the "DWG" file extension,
10 and did not, for a period of more than two decades, ever even attempt or claim to use "DWG" as a
11 trademark or source identifier, by attacking long-standing and pervasive use of the term "DWG"
12 by many numerous companies and CAD customers for decades to describe a file format and
13 offerings that implement or are compatible with that format, Autodesk seeks to stifle
14 interoperability, customer choice and competition that could threaten its market dominance.

15 By the same token, Autodesk has no legal or factual basis to claim that SolidWorks has
16 engaged in any form of false or deceptive advertising regarding the SolidWorks products. In fact,
17 and as Autodesk knows full well, Autodesk itself proudly and frequently advertises that its
18 products interoperate seamlessly with products such as those offered by SolidWorks. In short,
19 Autodesk wants to be able to sell its products by telling the CAD market that its products
20 interoperate with SolidWorks' products, but then in this lawsuit seeks to prevent SolidWorks from
21 making those same sorts of claims to the CAD market. Autodesk hopes that its superior market
22 and financial condition will allow it to crush healthy competition in the CAD market.

23 Finally, there is no substance to Autodesk's trade dress-based unfair competition or web-
24 based trademark infringement claim. Autodesk is well aware that it has no uniform, definitive,
25 consistently-used trade dress, either on its website or on its product packaging. Instead, Autodesk
26 uses numerous common graphical elements as part of its packaging and website designs.

27 Autodesk is no more in a position to claim that it owns or spearheaded the use of an orange frame

1 as a trade dress than it can claim it has the sole right to use the letters “DWG” in naming any of its
2 products. Autodesk, through the assertion of this unfair competition claim, again seeks to claim
3 ownership of that which is cannot and does not own. Autodesk cannot plausibly or credibly
4 contend or prove that someone visiting the SolidWorks website will think even for a moment that
5 they are on the Autodesk website, or that Autodesk is a sponsor or affiliate of SolidWorks.

6 SolidWorks will establish that Autodesk’s claims are brought without legal or factual
7 foundation, and with the intent to prevent a legitimate competitor from providing healthy
8 competition in the CAD market. SolidWorks will prevail in this case and will recover appropriate
9 fees and costs from Autodesk for assertion of the claims herein.

10 **I. PARTIES**

11 1. SolidWorks denies knowledge or information sufficient to constitute a belief as to
12 the truth of the matters alleged in this paragraph.

13 2. SolidWorks admits that SolidWorks is a Delaware corporation with offices at 300
14 Baker Avenue, Concord, Massachusetts 01742, and a wholly-owned subsidiary of Dassault
15 Systèmes, S.A. SolidWorks admits the remaining allegations of this paragraph for the purposes of
16 this lawsuit.

17 **II. JURISDICTION AND VENUE**

18 3. SolidWorks responds that this paragraph states legal conclusions to which no
19 responsive pleading is required.

20 4. SolidWorks responds that this paragraph states legal conclusions to which no
21 responsive pleading is required.

22 **III. INTRADISTRICT ASSIGNMENT**

23 5. SolidWorks responds that this paragraph states legal conclusions to which no
24 responsive pleading is required.

25 **IV. GENERAL ALLEGATIONS**

26 6. SolidWorks denies knowledge or information sufficient to constitute a belief as to
27 the truth of the matter alleged in this paragraph.

1 7. SolidWorks denies knowledge or information sufficient to constitute a belief as to
2 the truth of the matter alleged in this paragraph.

3 8. SolidWorks denies knowledge or information sufficient to constitute a belief as to
4 the truth of the matter alleged in this paragraph.

5 9. SolidWorks denies knowledge or information sufficient to constitute a belief as to
6 the truth of the matter alleged in this paragraph.

7 10. SolidWorks admits that AutoCAD and other Autodesk applications create and store
8 user files in the “DWG” format, and those files bear the file extension “.dwg”; denies that the
9 “DWG” file format is proprietary to Autodesk and avers that “.dwg” is now a standard file format
10 in the CAD software industry; denies that Autodesk has been using the “DWG” name with its
11 CAD software products since the introduction of AutoCAD late in 1982; denies knowledge or
12 information sufficient to constitute a belief as to the truth of the remaining matters alleged in this
13 paragraph.

14 11. SolidWorks denies that “DWG” is not a generic or merely descriptive term, that
15 “DWG” is recognized by design professionals as the name for Autodesk’s proprietary technology
16 and file format, that “DWG” is primarily associated with Autodesk and AutoCAD; and that since
17 1982, Autodesk’s promotional materials, software user manuals and website have prominently
18 featured the “DWG” name. SolidWorks denies knowledge or information sufficient to constitute a
19 belief as to the truth of the remaining matters alleged in this paragraph.

20 12. SolidWorks denies knowledge or information sufficient to constitute a belief as to
21 the truth of the matter alleged in this paragraph.

22 13. SolidWorks denies knowledge or information sufficient to constitute a belief as to
23 the truth of the matter alleged in this paragraph.

24 14. SolidWorks admits that other software companies have sought to develop
25 applications which are interoperable with Autodesk’s AutoCAD products. SolidWorks denies
26 knowledge or information sufficient to constitute a belief as to the truth of the remaining matters
27 alleged in this paragraph.

1 15. SolidWorks admits that Autodesk has a licensing program called RealDWG, and
2 avers that Autodesk's RealDWG program was introduced after SolidWorks began launching its
3 DWGseries products. SolidWorks avers that ".dwg" is now a standard file format in the CAD
4 software industry; denies that the RealDWG program is open to competitors. SolidWorks alleges
5 that when it sought admission into Autodesk's RealDWG program, it was denied. SolidWorks
6 denies knowledge or information sufficient to constitute a belief as to the truth of the remaining
7 matters alleged in this paragraph.

8 16. SolidWorks denies knowledge or information sufficient to constitute a belief as to
9 the truth of the matter alleged in this paragraph.

10 17. SolidWorks admits that SolidWorks writes design data files in its native file
11 formats and converts or translates the files into "DWG" format, and that the .dwg file extension is
12 assigned to the translated data file for interoperability with other CAD programs. SolidWorks
13 denies that "DWG," standing alone, is a name or mark, that SolidWorks' conduct and use of the
14 alleged "DWG" name and mark exceeds the limited purpose of achieving interoperability, and that
15 SolidWorks is engaging in "blatant acts of unfair competition and misleading advertising."
16 SolidWorks denies knowledge or information sufficient to constitute a belief as to the truth of the
17 remaining matters alleged in this paragraph. SolidWorks further responds that this paragraph
18 states legal conclusions to which no responsive pleading is required.

19 18. SolidWorks admits that it markets its software products to AutoCAD users.
20 SolidWorks denies the existence of a "DWG brand," employing "improper tactics designed to
21 mislead consumers and undermine the value of Autodesk and DWG brand and technology," and
22 "unfairly competing with Autodesk." SolidWorks denies knowledge or information sufficient to
23 constitute a belief as to the truth of the remaining matters alleged in this paragraph. SolidWorks
24 further responds that this paragraph states legal conclusions to which no responsive pleading is
25 required.

26 19. SolidWorks denies the allegations in this paragraph and responds that this
27 paragraph states a legal conclusion to which no responsive pleading is required.

1 20. SolidWorks admits to employing the names DWGeditor, DWGgateway,
2 DWGseries, DWGviewer, and DWGnavigator in certain of its CAD software products.
3 SolidWorks denies that the inclusion of the term “DWG” in such product names is not necessary
4 because SolidWorks uses the term and the nouns combined therewith to accurately describe to
5 customers and prospective customers what the products do, i.e. edit “DWG” files, navigate
6 “DWG” files, etc. SolidWorks denies that it is “improperly borrow[ing] or trad[ing] on the
7 extensive consumer goodwill in Autodesk’s DWG technology.” SolidWorks denies that other
8 CAD software companies do not use the term “DWG” in product or brand names, and cites as
9 examples for such denial such other CAD offerings as AnyDWG, AutoDWG, or DWGTool.
10 Denies knowledge or information sufficient to constitute a belief as to the truth of the remaining
11 matters alleged in this paragraph.

12 21. SolidWorks admits to operating websites that incorporated the designations
13 DWGseries, DWGgateway, and DWGnavigator, including DWGSERIES.com,
14 DWGGATEWAY.com, and DWGNAVIGATOR.com; admits that the images attached to the First
15 Amended Complaint at Exhibit B appear to include copies of pages from SolidWorks’
16 DWGSERIES.com, DWGGATEWAY.com and DWGNAVIGATOR.com websites; admits that
17 page 1 of Exhibit B to the First Amended Complaint includes the language “DWGseries is a set of
18 FREE software tools created for current and former AutoCAD® users to open, edit and share
19 DWG data more effectively with others,” “FREE productivity tools for AutoCAD® users,” and
20 “FREE software download lets you open and edit any DWG file using any version of AutoCAD”;
21 and denies knowledge or information sufficient to constitute a belief as to the truth of the
22 remaining matters alleged in this paragraph.

23 22. SolidWorks admits that it is not a RealDWG participant; denies that SolidWorks’
24 products are “replete with blatant suggestions of affiliation with AutoCAD,” that SolidWorks
25 “improperly suggests an association with Autodesk, AutoCAD software, and Autodesk’s DWG
26 technology,” denies that SolidWorks seeks to mislead design professionals; denies “intentionally
27 trading off” Autodesk’s reputation; denies “misrepresenting the nature, characteristics, and

1 qualities” of SolidWorks’ products and services and their relationship to Autodesk” and
2 Autodesk’s software; denies knowledge or information sufficient to constitute a belief as to the
3 truth of the remaining matters alleged in this paragraph. SolidWorks further responds that this
4 paragraph states legal conclusions to which no responsive pleading is required.

5 23. SolidWorks admits that SolidWorks has sought federal trademark registrations for
6 the designations DWGGATEWAY and DWGEDITOR; admits that Autodesk has opposed
7 SolidWorks’ DWGGATEWAY application and has sought to cancel the DWGEDITOR
8 registration; admits to opposing Autodesk’s applications to register the designations REALDWG
9 and DWGX; admits that these proceedings are before the Trademark Trial and Appeal Board, and
10 have been consolidated and are pending; and denies knowledge or information sufficient to
11 constitute a belief as to the truth of the remaining matters alleged in this paragraph. SolidWorks
12 further responds that this paragraph states legal conclusions to which no responsive pleading is
13 required.

14 24. SolidWorks admits that the DWGGATEWAY.com website features the language
15 “DWGgateway is the first free data translation plug-in that lets AutoCAD users work easily with
16 DWG files created by any version of AutoCAD software; admits that the
17 DWGNAVIGATOR.com website features the language “Save DWG files to any version of
18 AutoCAD software”; admits that SolidWorks is not a RealDWG licensee; denies knowledge or
19 information sufficient to constitute a belief as to the truth of the allegation that users may
20 mistakenly associate negative experiences with the AutoCAD software itself; and denies the
21 remaining allegations in this paragraph.

22 25. SolidWorks admits that product names do not impact technical interoperability;
23 and denies knowledge or information sufficient to constitute a belief as to the truth of the matter
24 alleged in this paragraph. SolidWorks further responds that this paragraph states legal conclusions
25 to which no responsive pleading is required.

26 26. SolidWorks denies the allegations in this paragraph and responds that this
27 paragraph states a legal conclusion to which no responsive pleading is required.

1 27. SolidWorks admits that the DWGnavigator.com website states that
2 “DWGnavigator [is] a AutoCAD file manager” and that “DWGgateway is a free AutoCAD®
3 download for AutoCAD users who do not want to upgrade to the latest version of AutoCAD”; and
4 denies the remaining matters alleged in this paragraph. SolidWorks further responds that this
5 paragraph states a legal conclusion to which no responsive pleading is required.

6 28. SolidWorks admits that material on SolidWorks’ website does include uses of the
7 AutoCAD trademark; and denies knowledge or information sufficient to constitute a belief as to
8 the truth of the remaining matters alleged in this paragraph. SolidWorks further responds that this
9 paragraph states legal conclusions to which no responsive pleading is required.

10 29. SolidWorks denies knowledge or information sufficient to constitute a belief as to
11 the truth of the matter alleged in this paragraph.

12 30. SolidWorks denies that the terms “AutoCAD” and “DWG” dominate SolidWorks’
13 websites; avers that the SolidWorks name appears at least 5 times on the DWGnavigator.com
14 website, not 2, as alleged in the First Amended Complaint; avers that the DWGnavigator
15 designation appears at least 7 times on the DWGnavigator.com website, not 6, as alleged in the
16 First Amended Complaint; admits that the term AutoCAD appears at least 26 times, and the term
17 DWG appears 15 times, on the DWGnavigator.com website; admits that the term AutoCAD
18 appears at least 21 times on the DWGgateway.com website; avers that Autodesk’s citation to
19 keyword lists and keyword clouds are misleading because webtools used to generate such lists do
20 not necessarily give the same results, do not necessarily capture words that are not added to the
21 webpage as part of the html text coding, but are nonetheless noticeable to a person viewing
22 content on the page, such as graphical elements incorporating words like the DWGnavigator and
23 SolidWorks logos, and may include fair uses of the terms, including disclaimers attributing the
24 AutoCAD mark to Autodesk; and denies knowledge or information sufficient to constitute a belief
25 as to the truth of the remaining matters alleged in this paragraph.

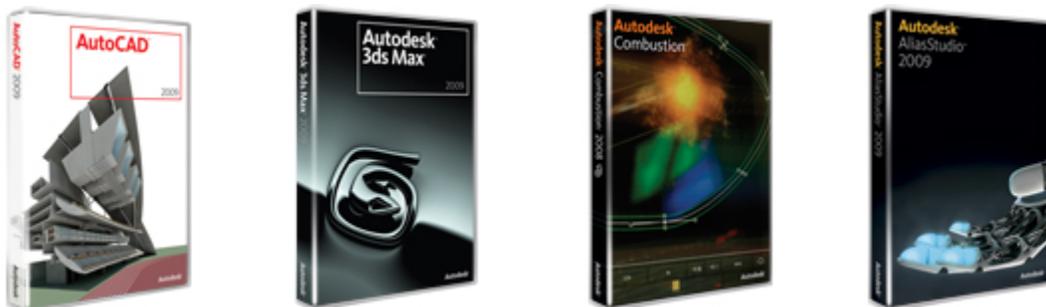
1 31. SolidWorks admits that the terms AutoCAD and “DWG” are embedded in the
2 metadata of certain of SolidWorks’ websites; and denies knowledge or information sufficient to
3 constitute a belief as to the truth of the remaining matters alleged in this paragraph.

4 32. SolidWorks denies “over-emphasizing AutoCAD and DWG on its websites” and
5 the metadata of its websites; avers that SolidWorks engages and has engaged in search engine
6 optimization—a widespread practice—of certain of its websites; avers that when an Internet user
7 types “AutoCAD” into Google’s or Yahoo’s search engine, Autodesk’s website is the first listing
8 in the organic search results (i.e. non-sponsored links); and denies knowledge or information
9 sufficient to constitute a belief as to the truth of the remaining matters alleged in this paragraph.

10 33. SolidWorks denies the allegations in this paragraph and responds that this
11 paragraph states a legal conclusion to which no responsive pleading is required.

12 34. SolidWorks denies the allegations in this paragraph and responds that this
13 paragraph states a legal conclusion to which no responsive pleading is required.

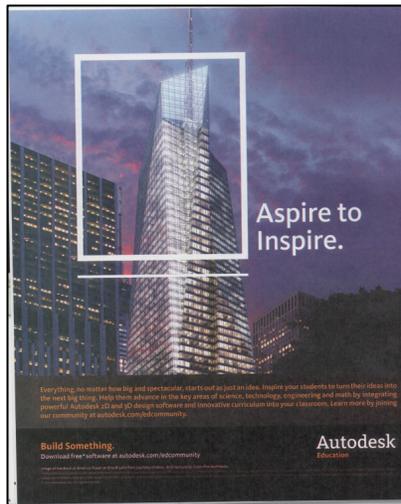
14 35. SolidWorks denies that the orange frame displayed on the packaging of Autodesk’s
15 Inventor product is “distinctive” and “serves to identify the source of Autodesk’s products;” avers
16 that Autodesk uses different colors on its product packaging, including different color frames (e.g.
17 red, white, purple), and in many cases does not include a frame at all:



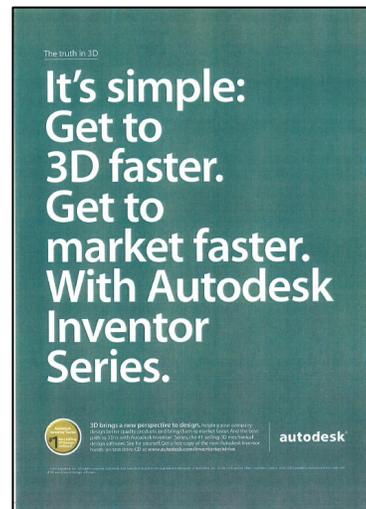
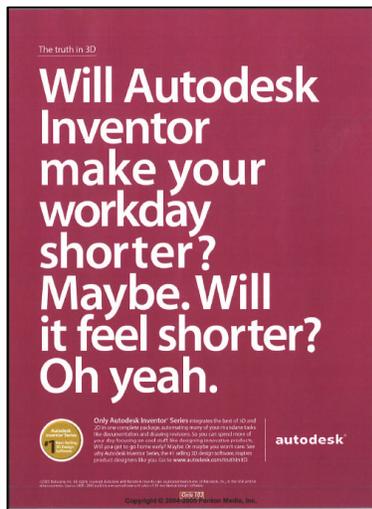
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SolidWorks avers that Autodesk has not consistently used an orange frame, or any frame at all, in advertisements either:



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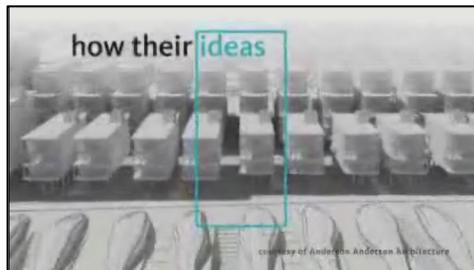
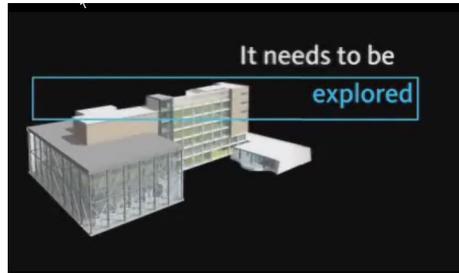


SolidWorks denies knowledge or information sufficient to constitute a belief as to the truth of the remaining matters alleged in this paragraph. SolidWorks further responds that this paragraph states legal conclusions to which no responsive pleading is required.

36. SolidWorks denies knowledge or information sufficient to constitute a belief as to the truth of the matter alleged in this paragraph.

37. SolidWorks denies knowledge or information sufficient to constitute a belief as to the truth of the matter alleged in this paragraph. SolidWorks avers that Autodesk’s allegations regarding its video marketing campaign are misleading and disingenuous because in its First Amended Complaint, Autodesk only identified a single screen shot from that purported video campaign depicting an orange rectangle around the word “real” and the phrase “before it’s real.”

1 In fact, the video campaign referenced includes rectangles and squares of different sizes and
2 dimensions, in several different colors, and framing many different words:



1 80. SolidWorks denies the allegations in this paragraph and responds that this
2 paragraph states a legal conclusion to which no responsive pleading is required.

3 81. SolidWorks denies the allegations in this paragraph and responds that this
4 paragraph states a legal conclusion to which no responsive pleading is required.

5 82. SolidWorks denies the allegations in this paragraph and responds that this
6 paragraph states a legal conclusion to which no responsive pleading is required.

7 **EIGHTH CLAIM FOR RELIEF**

8 **(UNLAWFUL BUSINESS PRACTICES—CALIFORNIA LAW)**

9 83. SolidWorks incorporates by reference all the above responses to the allegations of
10 the First Amended Complaint as if fully set forth herein.

11 84. SolidWorks denies the allegations in this paragraph and responds that this
12 paragraph states a legal conclusion to which no responsive pleading is required.

13 85. SolidWorks denies the allegations in this paragraph and responds that this
14 paragraph states a legal conclusion to which no responsive pleading is required.

15 86. SolidWorks denies the allegations in this paragraph and responds that this
16 paragraph states a legal conclusion to which no responsive pleading is required.

17 87. SolidWorks denies the allegations in this paragraph and responds that this
18 paragraph states a legal conclusion to which no responsive pleading is required.

19 **NINTH CLAIM FOR RELIEF**

20 **(DECEPTIVE, FALSE, AND MISLEADING ADVERTISING—CALIFORNIA LAW)**

21 88. SolidWorks incorporates by reference all the above responses to the allegations of
22 the First Amended Complaint as if fully set forth herein.

23 89. SolidWorks denies the allegations in this paragraph and responds that this
24 paragraph states a legal conclusion to which no responsive pleading is required.

25 90. SolidWorks denies the allegations in this paragraph and responds that this
26 paragraph states a legal conclusion to which no responsive pleading is required.

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1 91. SolidWorks denies the allegations in this paragraph and responds that this
2 paragraph states a legal conclusion to which no responsive pleading is required.

3 92. SolidWorks denies the allegations in this paragraph and responds that this
4 paragraph states a legal conclusion to which no responsive pleading is required.

5 **DEFENDANT AND COUNTERCLAIMANT’S AFFIRMATIVE DEFENSES**

6 **FIRST AFFIRMATIVE DEFENSE**

7 **(FAILURE TO STATE A CLAIM)**

8 93. The First Amended Complaint fails to state a claim upon which relief can be
9 granted.

10 **SECOND AFFIRMATIVE DEFENSE**

11 **(NOMINATIVE FAIR USE/U.S. CONSTITUTION, FIRST AMENDMENT)**

12 94. The First Amended Complaint, and each purported claim for relief alleged therein,
13 is barred by the First Amendment to the United States Constitution and the doctrine of nominative
14 fair use because SolidWorks’ use of the alleged marks claimed by Autodesk is true and not false
15 or materially misleading.

16 **THIRD AFFIRMATIVE DEFENSE**

17 **(FAIR USE)**

18 95. Accepting for purposes of this defense Autodesk’s allegations that the designations
19 AUTOCAD and “DWG” are protected marks, SolidWorks’ use of those designations constitute
20 fair, comparative use.

21 **FOURTH AFFIRMATIVE DEFENSE**

22 **(LACHES AND ESTOPPEL)**

23 96. Autodesk’s claims are barred in whole or in part by application of the doctrines of
24 laches and estoppel.

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FIFTH AFFIRMATIVE DEFENSE
(UNCLEAN HANDS)

97. Autodesk’s claims are barred in whole or in part by application of the doctrine of unclean hands.

SIXTH AFFIRMATIVE DEFENSE
(WAIVER)

98. Autodesk’s claims are barred in whole or in part by application of the doctrine of waiver.

SEVENTH AFFIRMATIVE DEFENSE
(ACQUIESCENCE)

100. Autodesk’s claims are barred by the doctrine of acquiescence.

EIGHTH AFFIRMATIVE DEFENSE
(NO IRREPARABLE HARM)

101. Autodesk’s claims for injunctive relief are barred as a matter of law because Autodesk has not suffered any irreparable harm as a result if the acts alleged in the First Amended Complaint.

NINTH AFFIRMATIVE DEFENSE
(FAILURE TO MITIGATE)

102. Autodesk’s claims are barred, in whole or in part, by Autodesk’s failure to mitigate its alleged damages.

TENTH AFFIRMATIVE DEFENSE
(ADEQUATE REMEDY AT LAW)

103. Autodesk’s claims for injunctive relief are barred as a matter of law because Autodesk has an adequate remedy at law for any damages resulting from the actions alleged in the First Amended Complaint.

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ELEVENTH AFFIRMATIVE DEFENSE
(CONTRIBUTORY AND/OR COMPARATIVE NEGLIGENCE)

104. Autodesk failed to exercise reasonable care in protecting its own alleged interests in the trademarks referenced in the First Amended Complaint and the loss or damage allegedly sustained by Autodesk was proximately caused or contributed to by Autodesk's own contributory and/or comparative negligence.

TWELFTH AFFIRMATIVE DEFENSE
(ABUSE OF PROCESS)

105. Autodesk's claims are without merit and are an attempt to harass SolidWorks and stifle free competition such that Autodesk's claims constitute an abuse of process.

THIRTEENTH AFFIRMATIVE DEFENSE
(NOT THE SENIOR USER)

106. Autodesk's claims are barred because Autodesk is the not the senior user of the alleged marks and therefore has no senior rights to them.

FOURTEENTH AFFIRMATIVE DEFENSE
(GENERIC MARK)

107. Autodesk's claims are without merit because Autodesk's alleged marks and trade dress are generic and therefore unprotectable.

FIFTEENTH AFFIRMATIVE DEFENSE
(LACKS SECONDARY MEANING)

108. Accepting for purposes of this defense that Autodesk's alleged marks or trade dress are not generic, they are descriptive, and thereby protectable only upon proof of secondary meaning, which is lacking.

SIXTEENTH AFFIRMATIVE DEFENSE
(STATEMENTS OF OPINION OR PUFFERY)

109. Autodesk's claims are barred to the extent that SolidWorks' alleged statements consist of non-actionable statements of opinion or puffery.

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SEVENTEENTH AFFIRMATIVE DEFENSE
(NO CAUSATION)

110. Autodesk’s claims are barred because Autodesk’s damages, if any, were not caused by SolidWorks.

EIGHTEENTH AFFIRMATIVE DEFENSE
(NO STANDING)

111. Autodesk’s claims of violation of California Business & Professions Code §§ 17200 and 17500 are barred because Autodesk lacks standing to sue.

NINETEENTH AFFIRMATIVE DEFENSE
(NO ANTITRUST INJURY)

112. Autodesk’s claim of unfair business practices in violation of California Business & Professions Code § 17200 is barred because Autodesk does not allege that SolidWorks has market power to commit “an incipient violation of the antitrust law.”

TWENTIETH AFFIRMATIVE DEFENSE
(NO WILLFUL CONDUCT)

113. Autodesk’s claims for enhanced damages and an award of fees and costs against SolidWorks have no basis in fact or law and should be denied.

COUNTERCLAIMS

Pursuant to Rule 13 of the Federal Rules of Civil Procedure, Defendant SolidWorks, for its counterclaim against Autodesk, alleges as follows.

I. PARTIES

1. Counterclaimant SolidWorks is a corporation organized and existing under the laws of the state of Delaware with offices at 300 Baker Avenue, Concord, Massachusetts 01742. Since 1995, SolidWorks has published a variety of software products for Computer-Aided Design (“CAD”) applications, including its flagship SolidWorks® three-dimensional design software.

1 convert existing two-dimensional CAD users to the benefits of designing in 3D. SolidWorks’
2 flagship product, SolidWorks, is one of the 3D CAD software products on the market, was one of
3 the first mid-range 3D CAD software programs on the market, and it has consistently won
4 industry praise as an intuitive, high-performing set of tools for design. SolidWorks’ software
5 enables designers to better design and assemble complex machines electronically—even allowing
6 users to virtually prototype or “test” their creations—before any parts need actually be created
7 physically. This enables designers to rapidly develop and bring to market new products at a much
8 lower cost.

9 7. However, a key hurdle for designers contemplating making the move to a three-
10 dimensional CAD product is their legacy of two-dimensional drawings. The vast majority of
11 potential three-dimensional CAD customers have, over the years, amassed individual libraries of
12 two-dimensional drawings, often saved in the .dwg format, created using the dominant AutoCAD
13 software from Autodesk or other products that also use the .dwg format. These libraries are
14 extremely valuable, and if designers cannot reliably port their two-dimensional drawings into a
15 three-dimensional CAD software environment, they are much less likely to be able to make the
16 transition to three-dimensional CAD software.

17 **SolidWorks Sells Interoperable Software**

18 8. SolidWorks, along with other CAD software companies, has developed software
19 applications to help designers manage, manipulate, translate, and share their legacy .dwg and
20 AutoCAD-produced files. These offerings make it easier for those designers to both break the
21 stranglehold imposed by Autodesk via its control of the .dwg file format it uses in its dominant
22 AutoCAD product, as well as helping ease the switch for these designers from two-dimensional to
23 three-dimensional CAD, without losing the ability to make use of their valuable legacy libraries,
24 obviously of vital interest to companies that compete with Autodesk, like SolidWorks. In fact, in
25 its 1997 Complaint against Autodesk, the Federal Trade Commission said “Among CAD engines
26 in the marketplace for use on Windows-based personal computers, Autodesk’s AutoCAD product
27 is viewed by many in the industry as the de facto standard for Windows-based CAD systems.

1 There are other CAD engines available in the market for use on personal computers, with varying
2 degrees of file compatibility and transferability with AutoCAD, **which is necessary to be an**
3 **effective competitor in this market**” (emphasis added). Additionally, upon information and
4 belief, Autodesk makes periodic changes to its implementation of the .dwg file format in its
5 dominant AutoCAD product, which create incompatibilities with drawings created in earlier
6 versions of AutoCAD, necessitating upgrades for its customers who may be using a down-level
7 version and who want to have their AutoCAD .dwg files read by others, including customers,
8 suppliers or partners, who are using later versions of AutoCAD. This has the practical effect of
9 locking these customers in to upgrades to Autodesk’s own offerings in order to achieve
10 interoperability, and is one of the key reasons that SolidWorks launched the DWGgateway product
11 referenced below. Offerings such as these open up a broader range of CAD offerings to these
12 customers, including SolidWorks’ 3D offering, helping to alleviate customer concerns that they
13 have little choice but to blindly upgrade to the latest version of Autodesk’s AutoCAD in order to
14 ensure full backwards and forwards compatibility with the dominant .dwg format used in
15 AutoCAD.

16 9. Specifically, SolidWorks has developed a group of products, known as the
17 DWGseries of products: DWGgateway (a plug-in tool for opening and saving .dwg files in
18 AutoCAD), DWGviewer (a program enabling the user to view and share through email .dwg
19 files), DWGnavigator (a file management application developed for .dwg file libraries), and
20 DWGeditor® (a simple CAD program for editing and maintaining legacy .dwg files). These
21 programs are interoperable with .dwg files created in AutoCAD. DWGgateway operates as a
22 third-party add-in with AutoCAD. With the exception of DWGeditor, all of the DWGseries
23 products are available online for free downloading; DWGeditor is included with the purchase of
24 SolidWorks software.

25 10. SolidWorks’ development of its 2D products, DWGgateway, DWGeditor,
26 DWGviewer, and DWGnavigator, which are interoperable with or otherwise work with
27 Autodesk’s AutoCAD and other 2D CAD software programs, gives CAD customers the

1 opportunity to continue using their legacy libraries of .dwg drawing files without having to use
2 software made by Autodesk. In short, SolidWorks' programs give customers within the 2D CAD
3 market a real opportunity to escape from the constraints and inherent (and imposed) limitations of
4 Autodesk's products.

5 **DWG Is In The Public Domain**

6 11. Knowing and admitting that SolidWorks is legally entitled to create and develop
7 products that are interoperable with .dwg files created in Autodesk's AutoCAD, Autodesk has
8 engaged in conduct directed at preventing SolidWorks from marketing its DWGseries products
9 and stifling competition. Autodesk does so by attempting to claim "ownership" of the character
10 string "DWG," thereby preventing competitors from conveying to potential customers the fact
11 that these legacy libraries are not shackled to Autodesk products. "DWG," however, is a long-
12 standing abbreviation for "drawing" and is a generic term for a type of file format used in the
13 CAD software industry. Standing alone, "DWG" is not "owned" by anyone.

14 12. Autodesk's efforts to claim "ownership" of "DWG," are inconsistent with its past
15 conduct. For over twenty years, Autodesk made no attempt to register "DWG" as a trademark or
16 even to use the letters "DWG" as a unique Autodesk source identifier. By way of example only,
17 in 1996, Autodesk filed applications to register as trademarks "DWG Unplugged" and "Max
18 DWG," *but specifically disclaimed the exclusive right to use "DWG" in connection with both of*
19 *those applications. **The applications were both ultimately abandoned by Autodesk.*** These were
20 the only filings from Autodesk on record with the United States Patent & Trademark Office
21 relating to the character string "DWG" at the time that SolidWorks launched its first software
22 product using the character string in its name.

23 13. Autodesk was aware of SolidWorks' DWG-named products at least as early as
24 April 2005, if not before. Autodesk, however, did not complain about SolidWorks' use of the
25 character string "DWG," or claim that Autodesk owned it. In reliance on the fact that no one in
26 the CAD market, including Autodesk, claimed ownership of the .dwg file format or any mark
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1 consisting only of the letters “DWG,” SolidWorks developed marks and brands that utilized the
2 letters “DWG.”

3 14. Autodesk’s website has long listed the terms that Autodesk claims are its
4 trademarks and guidelines for using them. It was not until July 2005—after SolidWorks launched
5 its DWGseries products—that Autodesk began providing purported “guidelines” for use of the
6 term “DWG” on its website. And, it was not until October 2006 that Autodesk began listing the
7 term “DWG,” standing alone, on its website as one of its alleged trademarks.

8 15. After SolidWorks began launching its DWGseries products, Autodesk initiated its
9 “RealDWG” licensing program, claiming—and continuing to claim—that third parties can license
10 its “DWG” technology and file format, and that .dwg files created in programs other than those
11 licensed by Autodesk have data incompatibilities. Autodesk, however, does not allow certain of
12 its competitors to join its RealDWG licensing program, having denied SolidWorks’ request for
13 admission into the program. Competitors like SolidWorks accordingly have no choice but to
14 market reverse-engineered versions of Autodesk’s .dwg files.

15 **The Patent and Trademark Office Has Rejected Autodesk’s Attempts to Own DWG.**

16 16. In April 2006, over one and a half years after SolidWorks launched its DWGseries
17 products, Autodesk filed an application to register as a trademark the term “DWG.” Despite
18 Autodesk’s claims that it has been using “DWG” since 1982, the “first use in commerce date” that
19 Autodesk provided to the United States Patent & Trademark Office (“PTO”) was “at least as early
20 as” November 28, 2005. By that time, SolidWorks had filed an application to register as a
21 trademark “DWGeditor,” claiming a first use in commerce of August 26, 2004, and the Open
22 Design Alliance had registered trademarks in the term “OpenDWG.” The PTO rejected
23 Autodesk’s application because “DWG is type [sic] of format used in CAD design software. . . .
24 As such, applicant cannot have exclusive rights to it.” The PTO also stated that the fact that
25 Autodesk had been using the term DWG since the 1980s was irrelevant because its first use of the
26 term as a trademark was not until 2005.

1 17. The PTO reached similar conclusions with respect to Autodesk's attempts to
2 register DWG EXTREME, DWG TRUECONVERT, and DWG TRUEVIEW, all of which were
3 filed after SolidWorks launched its DWGseries products. The PTO issued office actions requiring
4 Autodesk to disclaim "DWG" from those marks.

5 18. The PTO's most recent action in each of Autodesk's efforts to register "DWG" and
6 DWG-related marks was to issue a suspension letter, stating:

7 *"1. DWG is a file format.*

8 *2. [Autodesk] is not the exclusive source of files with the format name DWG.*

9 *3. [Autodesk] does not control the use of DWG by others, either as a trademark or as a*
10 *file format name.*

11 *4. The submitted survey does not reflect recognition of DWG as a trademark, since no*
12 *distinction was made between use as a trademark and use as a file format."*

13 19. Autodesk's allegations of ownership of "DWG" are inconsistent with its prior
14 conduct and the PTO's findings. Its claims that it owns the "DWG" character string are
15 contradicted by its own failure to list "DWG" as one of its trademarks on its website until 2006 --
16 after both SolidWorks and the Open Design Alliance used "DWG" as components of their
17 trademarks, and failure to object to SolidWorks' use of "DWG" in its product names when they
18 were launched. Autodesk's allegations are also inconsistent with the PTO's findings that
19 Autodesk's use of the term "DWG" since the 1980s is irrelevant because the first trademark use
20 was not until 2005, and that "DWG" is a file format and Autodesk does not control the use of
21 DWG by others as either a trademark or file format name. Autodesk's claims in this lawsuit are
22 simply an extension of its failed efforts to reclaim "DWG" from the public domain after having
23 ignored it for over twenty years.

24 **Autodesk Seeks to Stifle Competition**

25 20. Upon information and belief, Autodesk is attempting to drive SolidWorks from the
26 market, and to maintain and enhance its market power. As noted above, SolidWorks' DWGseries
27 software products allow consumers to work with their legacy .dwg libraries without having to use

1 or be locked in to upgrades to Autodesk’s dominant AutoCAD software. Through its conduct
2 alleged herein, Autodesk seeks to reclaim the character string “DWG” from the public domain,
3 which will allow it to prevent SolidWorks and other competitors from conveying to the CAD
4 market that their software products are compatible or interoperable with .dwg files. This will
5 significantly stifle competition in the marketplace because the overwhelming majority of files are
6 in the .dwg file format. If Autodesk can prevent CAD users from opening and using their legacy
7 libraries of .dwg drawing files with software made by Autodesk’s competitors, it can retain its
8 pool of customers and enhance its market power, to the exclusion of all competitors. If Autodesk
9 can prevent competitors from conveying to customers that they can use their legacy .dwg files in
10 programs other than Autodesk’s—such as, by example, having products that use the letters
11 “DWG” in the product names—Autodesk can further extend its monopoly power, and crush if not
12 eliminate competition, including by reserving to itself programs that translate its dominant
13 AutoCAD 2D .dwg files into 3D, with which no competitor can compete, or which allow forwards
14 or backwards compatibility with its .dwg files. Eliminating the ability for CAD software
15 publishers to convey such compatibility, including in product names, will both stifle competition
16 and greatly reduce meaningful consumer choice of CAD offerings, whether 2D or 3D.

17 **Autodesk Unlawfully Disparages SolidWorks With False Claims.**

18 21. Further seeking to protect and enhance its position in the CAD market, and in the
19 last year, Autodesk has engaged in a marketing program to disparage SolidWorks’ 3D software.
20 Specifically, Autodesk distributes advertisements in interstate commerce and in California to
21 potential SolidWorks customers tarnishing SolidWorks’ name and products by falsely stating that
22 SolidWorks’ products are unreliable, do not work, and have discrete failures in their ability to
23 dimension CAD drawings, and to translate data in the .dwg format.

24 22. For example, Autodesk has promulgated the “Jonnie Real” campaign. The Jonnie
25 Real campaign features drawn images of engineers using SolidWorks—referred to as
26 “Won’tWorks” software—and encountering serious problems with drawing dimensioning and
27 .dwg data translation. These advertisements are accompanied by text from Autodesk highlighting

1 the supposed problems with SolidWorks' products, and recommending that they are too risky to
2 be used.

3 23. The first Jonnie Real advertisement, the "Roller Coaster" advertisement, was
4 distributed in interstate commerce and California, and features engineers about to test a roller
5 coaster built with SolidWorks (referred to as "Won'tWorks") software. Both the name
6 "Won'tWorks" and the roller coaster are a reference to SolidWorks, as SolidWorks has run its
7 own ads featuring a roller coaster made out of popsicle sticks. The advertisement states that there
8 are dimensioning problems with "Won'tWorks" that will cause products designed by SolidWorks
9 products to actually fail and cause damages or injuries (including physical injuries), and that using
10 "Won'tWorks" is risky and potentially dangerous. The statements and suggestions in this ad are
11 false and misleading, and, on information and belief, known by Autodesk to be so.

12 24. The second Jonnie Real advertisement, "Bicycle," which has also run in the last
13 year in interstate commerce and California, is similar. This ad again plays off SolidWorks ads, in
14 which SolidWorks advertises that some of its customers design bicycles using SolidWorks
15 software. Autodesk's advertisement features engineers, this time using SolidWorks software
16 (again referred to as "Won'tWorks") to translate .dwg data to construct a prototype bicycle. The
17 advertisement falsely indicates that products designed by SolidWorks products will either fail or
18 be improperly manufactured and states falsely that SolidWorks' products are not interoperable
19 with .dwg data. The statements and suggestions in this ad are false and misleading, and, on
20 information and belief, known by Autodesk to be so.

21 25. Upon information and belief, these advertisements have had and are having a
22 damaging effect on SolidWorks' business and standing in the marketplace.

23 26. Autodesk's advertisements and public representations about SolidWorks and its
24 products are false, and on information and belief, known by Autodesk to be false, and were made
25 intentionally, willfully and fraudulently with the intention of causing injury and embarrassment to
26 SolidWorks.

1 **III. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**

3 **(FALSE ADVERTISING—FEDERAL LAW)**

4 27. SolidWorks incorporates by reference paragraphs 1 through 26 above as though
5 fully set forth herein.

6 28. By deploying an advertising campaign that includes repeated statements and
7 innuendo to the effect that SolidWorks' software will produce inoperable or poorly operating
8 products, or will produce inoperable or poorly operating products that cause damages or injury,
9 and has serious errors in the core functions of dimensioning and translating data saved in the .dwg
10 format, Autodesk is falsely representing the nature, quality and characteristics of SolidWorks'
11 software as being unreliable, risky, and dangerous to use.

12 29. Autodesk's conduct is intended to and is likely to continue to cause confusion or
13 mistake, or deception as to the nature, quality and characteristics of SolidWorks' software
14 products.

15 30. The acts of Autodesk described above constitute unfair competition and false
16 advertising in violation of Section 43(a)(1)(B) of the Lanham Act, 15. U.S.C. § 1125(a)(1)(B).

17 31. Autodesk's actions are likely to injure SolidWorks' business reputation, and this
18 harm will likely not be calculable. Autodesk's conduct threatens irreparable injury to SolidWorks'
19 business and reputation.

20 32. Autodesk's conduct is continuing and will continue unless restrained by the Court.
21 SolidWorks cannot adequately be compensated by damages, and thus has no adequate remedy at
22 law. In addition, SolidWorks has been damaged in an amount to be determined by the Court.

23 33. Autodesk's advertisements and public representations about SolidWorks and its
24 products were, on information and belief, known by Autodesk to be false when made, and were
25 made intentionally, willfully and fraudulently with the intention of causing injury and
26 embarrassment to SolidWorks. Pursuant to 15 U.S.C. sections 1114 *et seq.*, SolidWorks seeks lost
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1 profits, Autodesk's ill-gotten gain or profits, and treble damages and attorneys fees and costs
2 according to proof.

3 **SECOND CAUSE OF ACTION**
4 **(DECLARATORY JUDGMENT)**

5 34. SolidWorks incorporates by reference paragraphs 1 through 33 above as though
6 fully set forth herein.

7 35. There is a present controversy regarding Autodesk's claims of exclusive ownership
8 of the character string "DWG" and entitlement to treat "DWG" as a protectable trademark.
9 Autodesk filed an application with the United States Patent & Trademark Office to register as a
10 trademark the three-letter string "DWG." SolidWorks disputes that Autodesk has exclusive
11 ownership of "DWG" and that it is entitled to treat it as a protectable trademark, and SolidWorks
12 claims that no one has the exclusive right to the character string "DWG."

13 36. Autodesk has no ownership interest in the character string "DWG." "DWG"
14 standing alone is not protectable. It is a generic term for a type of file format used in the CAD
15 software industry, which uses the long-standing abbreviation for "drawing." It is therefore not
16 protectable. Autodesk also is not the senior user of the character string "DWG" as a source
17 identifier.

18 37. SolidWorks is entitled to a declaration that Autodesk has no ownership interest in
19 the character string "DWG," and no right to seek trademark registration or any protectable
20 trademark in the letters "DWG." SolidWorks seeks a declaration that DWG is a file format, that
21 Autodesk is not the exclusive source of files with the format name "DWG," that Autodesk does
22 not control the use of "DWG" by others, either as a trademark or as a file format name, that
23 Autodesk cannot use the character string "DWG" as a brand, and that Autodesk cannot seek to
24 register the character string "DWG" as a trademark.

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THIRD CAUSE OF ACTION
(UNFAIR COMPETITION—CALIFORNIA LAW)

38. SolidWorks incorporates by reference paragraphs 1 through 37 above as though fully set forth herein.

39. Autodesk’s acts as described above are likely to mislead the general public and therefore constitute unlawful, unfair, and/or deceptive business practices violative of California Business & Professions Code §§ 17200, *et seq.*

40. The unlawful, unfair, and/or deceptive business practices of Autodesk described above present a continuing threat to members of the public in that Autodesk intends to promote and advertise the sale of its products by making false and misleading representations regarding the nature, characteristics, or qualities of the parties’ products.

41. Autodesk has sufficient market power in the CAD software market that its conduct threatens “an incipient violation of the antitrust law.”

42. As a direct and proximate result of the above-described acts, Autodesk has created confusion in the marketplace, discouraging competition and misleading customers into purchasing Autodesk products over SolidWorks products out of a false understanding as to the relative quality and compatibility of the products, and Autodesk has received and will receive substantial sales and profits.

43. As a result of Autodesk’s unlawful, unfair, and/or deceptive business practices, SolidWorks has suffered injury in fact and lost money. SolidWorks has invested substantial funds in its 3D SolidWorks software, which is ridiculed in Autodesk’s advertisements, and therefore has standing to assert this claim. Such harm will continue unless the Court enjoins Autodesk’s acts. SolidWorks has no adequate remedy at law for Autodesk’s continuing violation of SolidWorks’ rights. SolidWorks seeks disgorgement and restitution, as well as an injunction and other equitable relief preventing further harm to itself and the public and preventing Autodesk from continuing its unlawful, unfair, and/or deceptive business practices.

1 **FOURTH CAUSE OF ACTION**

2 **(FALSE ADVERTISING—CALIFORNIA LAW)**

3 44. SolidWorks incorporates by reference paragraphs 1 through 43 above as though
4 fully set forth herein.

5 45. Autodesk's acts as described above constitute false and/or misleading advertising
6 and are likely to mislead the general public and are therefore violative of California Business &
7 Professions Code §§ 17500, *et seq.*

8 46. Autodesk publicly disseminated advertisements containing disparaging statements
9 about SolidWorks' products and comparing them to Autodesk's products, which are untrue and
10 misleading, and which Autodesk knew, or in the exercise of reasonable care should have known,
11 were untrue and misleading.

12 47. As a direct and proximate result of the above-described acts, Autodesk has created
13 confusion in the marketplace, discouraging competition and misleading customers into purchasing
14 Autodesk products over SolidWorks products out of a false understanding as to the relative quality
15 and compatibility of the products.

16 48. As a result of Autodesk's unlawful business practices, SolidWorks has suffered
17 injury in fact and lost money. SolidWorks has invested substantial funds in its 3D SolidWorks
18 software, which is ridiculed in Autodesk's advertisements, and therefore has standing to assert this
19 claim. SolidWorks has no adequate remedy at law for Autodesk's continuing violation of
20 SolidWorks' rights. SolidWorks seeks disgorgement and restitution, as well as an injunction and
21 other equitable relief preventing further harm to itself and the public and preventing Autodesk
22 from continuing its unlawful business practices.

23 **IV. PRAYER FOR RELIEF**

24 WHEREFORE, SolidWorks respectfully requests the following relief:

25 1. A judgment in favor of SolidWorks denying Autodesk all relief requested in this
26 action and dismissing Autodesk's First Amended Complaint with prejudice;

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

AUTODESK, INC., a Delaware corporation,

No. C 08-04397 WHA

Plaintiff,

v.

DASSAULT SYSTÈMES SOLIDWORKS CORPORATION, a Delaware corporation,

**ORDER GRANTING
IN PART AND DENYING
IN PART PLAINTIFF’S AND
DEFENDANT’S MOTIONS
FOR SUMMARY JUDGMENT**

Defendant.

_____ /

INTRODUCTION

In this trademark action, plaintiff Autodesk, Inc. and defendant Dassault Systèmes SolidWorks Corporation both move for summary judgment. After considering massive briefing and oral argument, plaintiff’s October 19 motion is **GRANTED** and both defendant’s and plaintiff’s October 29 motions are **GRANTED IN PART AND DENIED IN PART**.

STATEMENT

Plaintiff Autodesk, Inc. commenced this action against defendant SolidWorks for unfair competition, false designation of origin, false advertising, trademark infringement and trade-dress infringement under the Lanham Act, as well as unfair business practices, deceptive business practices, unlawful business practices, and deceptive, false, and misleading advertising under California law.

1 Plaintiff is a leader in the field of computer-aided design (“CAD”) software. This is used
2 in design applications by architects, engineers, manufacturers, and others. AutoCAD software is
3 used to create and document designs and visualize, simulate, and analyze real-world performance
4 early in the design process by creating prototypes in digital format. AutoCAD and other
5 Autodesk applications allow users to create and store user files in the DWG format, which bear a
6 “.dwg” file extension. Plaintiff introduced its AutoCAD program in 1982.

7 Apart from its use as a file extension (“.dwg”), plaintiff says has used the DWG name as a
8 *word mark* since the introduction of AutoCAD in 1982. Plaintiff has used a logo with the word
9 mark DWG on its website, product packaging and as a computer file icon. For example, plaintiff
10 says its DWG Unplugged has been available since 1995. In addition, plaintiff has created the
11 RealDWG software library, and similar predecessor tools allegedly available at least as far back
12 as 1996, that allow competitors to license the use of plaintiff’s DWG technology (*i.e.* proprietary
13 file format).

14 Since 2006, plaintiff has promoted itself with the tagline “Experience It Before It’s Real.”
15 Since March 2007, plaintiff has used an orange frame outline on its software DVD cases and
16 marketing materials for its Autodesk Inventor product.

17 * * *

18 Defendant is also a CAD software company. Defendant’s software incorporates a
19 reverse-engineered form of plaintiff’s DWG file format. According to plaintiff, defendant has
20 engaged in misleading marketing to confuse design professionals about the compatibility of
21 defendant’s programs with plaintiff’s AutoCAD software. Defendant has released products
22 named DWGeditor, DWGgateway, DWGseries, DWGviewer, and DWGnavigator. These
23 product names are also incorporated in the domain names of defendant’s websites (*e.g.*
24 www.dwgeditor.com is owned and operated by defendant). Defendant has sought federal
25 registrations for the DWGeditor and DWGgateway products. (Related proceedings are pending
26 but currently stayed before the Trademark Trial and Appeal Board in which plaintiff seeks to
27 cancel the DWGeditor registration and opposes the DWGgateway application.) Defendant also
28 uses plaintiff’s AutoCAD word mark on its own websites. Finally, defendant’s websites and

1 marketing materials feature a logo design that allegedly combines the “real” element of plaintiff’s
2 RealDWG mark and tagline with the trade dress found on the Autodesk Inventor packaging.

3 * * *

4 Earlier in this action, defendant filed a motion to dismiss the complaint or,
5 alternatively, moved to strike extraneous allegations. As to the unfair competition and
6 false-designation-of-origin claims, the motion was denied. So was the motion to dismiss
7 plaintiff’s trademark infringement claim concerning defendant’s use of the word AutoCAD. As
8 to the state law claims, they were denied to the extent that those claims were properly pled under
9 federal law. As to the false advertising claim, the motion was denied in part and granted in part.
10 A marketing statement made by defendant that its product’s “unique capability helps you
11 maintain file and design process compatibility, win business, and save time — all while avoiding
12 expensive AutoCAD upgrade costs or subscription fees” was held to be nonactionable puffery.
13 Finally, plaintiff’s claim concerning trade dress infringement was dismissed with leave to amend.

14 Plaintiff then filed a first amended complaint alleging unfair competition and false
15 designation of origin, false advertising, trademark infringement, and cancellation of a trademark,
16 all under federal law. Under state law, plaintiff alleged unfair business practices, deceptive
17 business practices, unlawful business practices, and deceptive, false, and misleading advertising.
18 Defendant responded and filed counterclaims under federal law for false advertising and for
19 declaratory judgment on the ownership of the DWG mark. Under state law, defendant filed
20 counterclaims based on unfair competition and false advertising. Defendant also raised the
21 affirmative defense of laches, among others.

22 * * *

23 Both parties have now filed motions for summary judgment. While these were pending,
24 the parties stipulated to dismiss all state law claims. Thus, plaintiff’s summary judgment motions
25 now boil down to the following: an October 13 motion for summary judgment in plaintiff’s favor
26 with regard to defendant’s counterclaim for false advertising because plaintiff alleges that the
27 advertisements in dispute, the Jonnie Real comic strips, are nonactionable puffery; and an
28 October 29 motion for summary judgment on the grounds that (1) DWG is protectable because

1 it is not functional or generic and (2) defendant's defense of laches has no merit. Defendant's
2 October 29 motion reduces to: (1) DWG is not protectable as a trademark on the grounds that it
3 is functional, generic or, in the alternative, because plaintiff is not the senior user; (2) plaintiff's
4 real/orange frame design is not protectable as trade dress; (3) defendant's use of the AutoCAD
5 and Autodesk marks qualify as nominative fair use; and (4) plaintiff's false advertising claims fail
6 as a matter of law.

7 Due to the massive number of documents submitted by the parties, the undersigned
8 requested that counsel each choose one or two claims or defenses to address at oral argument,
9 with all other issues to be submitted on the briefing. Plaintiff chose to argue that the DWG mark
10 is not generic and not functional. Defendant chose to argue that the DWG mark is generic and
11 functional. In addition, defendant chose to argue the issue of false designation of origin/trade
12 dress infringement. Both sides addressed all of these selected questions at the hearing.

13 For the following reasons, plaintiff's October 19 motion is **GRANTED** and both
14 defendant's and plaintiff's October 29 motions are **GRANTED IN PART AND DENIED IN PART**.

15 ANALYSIS

16 Summary judgment is granted under Rule 56 when "the pleadings, the discovery and
17 disclosure materials on file, and any affidavits show that there is no genuine issue as to any
18 material fact and that the movant is entitled to judgment as a matter of law." A district court must
19 determine, viewing the evidence in the light most favorable to the nonmoving party, whether
20 there is any genuine issue of material fact. *Giles v. General Motors Acceptance Corp.*, 494 F.3d
21 865, 872 (9th Cir. 2007). A genuine issue of fact is one that could reasonably be resolved, based
22 on the factual record, in favor of either party. A dispute is "material" only if it could affect the
23 outcome of the suit under the governing law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242,
24 248-49 (1986).

25 Contrary to popular belief, even a very strong case is, standing alone, insufficient to win
26 summary judgment. Seemingly overwhelmingly one-sided summary judgments have been
27 reversed by the court of appeals. *See, e.g., Rivera v. Allstate*, 100 Fed. Appx. 641 (9th Cir. 2004).

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1 To win summary judgment, counsel need not have an overwhelming case, but it must eliminate
2 any vestige of contrary material fact.

3 **1. VALIDITY OF THE DWG TRADEMARK.**

4 To successfully maintain an action for trademark infringement, false designation of origin,
5 and unfair competition under the Lanham Act, plaintiff must show that it has a valid trademark.
6 *See Thane Int'l v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002). A trademark is a word,
7 name, symbol, or device that is intended to identify and distinguish the mark holder's goods,
8 including a unique product, from those manufactured or sold by others and to indicate the source
9 of the goods. 15 U.S.C 1127. Defendant argues that DWG is not a valid trademark because it is
10 generic and/or functional, and because plaintiff is not the senior user of the mark. Thus,
11 defendant contends that it is entitled to judgment as a matter of law that DWG is not a valid
12 trademark and cannot be asserted against defendant. Plaintiff conversely contends that it is
13 entitled to judgment as a matter of law that the DWG mark is not generic or functional. Not in
14 play on these motions is the question of infringement.

15 **A. Is DWG Generic?**

16 DWG is not a registered mark in the United States. "If a supposedly valid mark is not
17 federally registered . . . the plaintiff has the burden of proving nongenericness once the defendant
18 asserts genericness as a defense." *Filipino Yellow v. Pages*, 198 F.3d 1143, 1146 (9th Cir. 1999).

19 Marks are classified as generic, descriptive, and arbitrary or fanciful. "A generic term is
20 one that refers, or has come to be understood as referring, to the genus of which the particular
21 product or service is a species. It cannot become a trademark under any circumstances." *Id.* at
22 1147 (internal citations omitted). As explained by the Ninth Circuit, "[t]he question of
23 genericness is often answered by reference to the "who-are-you/what-are-you" test: a valid
24 trademark answers the former question, whereas a generic product name or adjective answers the
25 latter. If the primary significance of the trademark is to describe the type of product rather than
26 the producer, the trademark is a generic term and cannot be a valid trademark." *Rudolph Int'l Inc.*
27 *v. Realys, Inc.*, 482 F.3d 1195, 1198 (9th Cir. 2007) (internal citations omitted). Genericness is a
28 question of fact. *Yellow Cab Co. v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 929 (9th Cir.

1 2005). Additionally, courts also consider factors such as whether competitors use the mark, use
2 by the media, and plaintiff’s own use of the mark to gauge genericness. *Vallavista Corp. v.*
3 *Amazon.com, Inc.*, No. C07-05360WHA, 2008 WL 5210949 at *3 (N.D. Cal. Dec. 11, 2008).

4 DWG is opposed herein to be generic in two ways. *First*, defendant argues that DWG was
5 generic prior to plaintiff ever adopting it inasmuch as it was a generic term referring to drawings.
6 *Second*, defendant argues that even if plaintiff ever had any rights to DWG, genericide has
7 occurred because plaintiff allegedly chose to let others use DWG without interference. *See*
8 *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 905 (9th Cir. 2007) (noting that genericide occurs
9 as a result of a trademark owner’s failure to police the mark resulting in widespread usage by
10 competitors). Defendant submits that DWG now denotes a particular file type or format and does
11 not identify or distinguish the source of a particular product. Plaintiff replies that DWG is not
12 generic. Users associate the mark with plaintiff, it counters.

13 The evidence is mixed as to whether the “primary significance of the trademark” is to
14 describe the type of product rather than the producer. There are genuine issues of material fact as
15 to whether DWG is generic. Both sides will have to try and convince a jury. Both motions are
16 **DENIED.**¹

17 **B. Is DWG Functional?**

18 Defendant moves for summary judgment on the ground that the DWG word mark is
19 functional and therefore unprotectable as a trademark. Plaintiff argues that DWG is not
20 functional and that summary judgment in its favor is appropriate.

21 The Supreme Court has explained that “[t]he functionality doctrine prevents trademark
22 law, which seeks to promote competition by protecting a firm’s reputation, from instead
23 inhibiting legitimate competition by allowing a producer to control a useful product feature.”
24 Allowing trademark protection for a functional feature that could otherwise be protected by a
25 patent would allow perpetual protection, something not obtainable with a patent. *Qualitex Co. v.*
26 *Jacobsen Prods. Co., Inc.*, 514 U.S. 159, 165 (1995) (internal citations omitted).

27 _____
28 ¹ It should be noted that at the hearing, a number of further decisions in reference to the issue of
genericness were mentioned. There is no point, however, in addressing those further decisions because so many
genuine issues of material fact exist.

1 Building upon the Supreme Court holdings in *Qualitex* and *Inwood Laboratories v. Ives*
2 *Laboratories*, 456 U.S. 822 (1982), the Ninth Circuit has adopted the following test for
3 functionality. If the alleged significant non-trademark function satisfies the *Inwood Laboratories*
4 definition of functionality — essential to the use or purpose of the article or affects its cost or
5 quality — the feature is functional and not protected. *Au-Tomotive Gold, Inc. v. Volkswagen of*
6 *America, Inc.*, 457 F.3d 1062, 1072 (9th Cir. 2006) (internal citations and quotations omitted).
7 The Ninth Circuit also considers the following factors: “(1) whether advertising touts the
8 utilitarian advantages of the design, (2) whether the particular design results from a comparatively
9 simple or inexpensive method of manufacture, (3) whether the design yields a utilitarian
10 advantage and (4) whether alternative designs are available.” *Id.* at 1072 n.8.

11 Plaintiff contends the functionality rule is generally only applied to trade dress or product
12 designs, *not to word marks*. A word mark — standing alone or as applied to product marketing
13 literature or packaging — serves no “function” as contemplated by *Qualitex* and *Au-Tomotive*
14 *Gold*, plaintiff says. Indeed, it is not apparent how a word mark could be essential to the use or
15 purpose of an article or affect its cost or quality. *See Playboy Enterprises v. Netscape Commc’n*
16 *Corp.*, 354 F.3d 1020, 1031 (9th Cir. 2004) (holding that the trademarks used to identify
17 plaintiff’s products were not functional because plaintiff could have called its magazine and its
18 models entirely different things without losing any of the product’s intended function); *Stoller v.*
19 *Sutech U.S.A., Inc.*, Opp’n No. 91117894, 2005 TTAB LEXIS 464, at *7 (Oct. 26, 2005) (stating
20 that “opposers’ allegation of functionality is completely irrelevant because the subject matter in
21 this case is a word mark shown in standard character form”). Thus, this order holds that the
22 DWG word mark, unlike cases involving trade dress or product design, cannot be deemed
23 functional for all uses.

24 Defendant stresses that the use of DWG as part of the “.dwg” file extension is a functional
25 use, and therefore unprotectable under trademark law. Plaintiff, however, expressly disavows any
26 ownership of “any even arguably functional use of DWG” (Br. 3), including the use of DWG as a
27 file extension. Put differently, anyone in the world is free to use “.dwg” as a file extension as far
28

1 as Autodesk is concerned. Thus, there is no concern that plaintiff will obtain a monopoly over the
2 “.dwg” extension and prevent its use in the industry.

3 Defendant’s trade dress decisions miss the point. For example, in *Talking Rain Beverage*
4 *Co. Inc. v. South Beach Beverage Co.*, 349 F.3d 601, 604 (9th Cir. 2003), a bottle design was held
5 to be functional because the only feature shared between the design and the alleged infringing
6 product was the grip area that was motivated by manufacturing efficiencies, that offered
7 utilitarian advantages, and that was touted in advertising as being easy to grip thereby indicating
8 functionality. By contrast, a *word* mark, unlike a physical product design, has no functionality
9 dictated by manufacturing efficiencies or utilitarian advantages.

10 To be sure, two decisions cited by defendant involved word marks, *Sega Enterprises*,
11 977 F.2d 1510 (9th Cir. 1992), and *Compaq Computer Corp. v. Procom Technology*, 908 F. Supp.
12 1409 (S.D. Tex. 1995). *Compaq* merely held that a specific use of a word mark was functional
13 because it was the *only* commercially viable way for the defendant to make its product compatible
14 with the plaintiff’s computer program. *Compaq*, 908 F. Supp. at 1423. Similarly, in *Sega*, the
15 Ninth Circuit held the use of an initialization sequence that caused plaintiff’s trademark to be
16 displayed on the screen was held to be a functional display of the trademark because using the
17 initialization sequence was the *only* feasible means for providing compatibility with plaintiff’s
18 product. *Sega*, 977 F.2d at 1532. Here, by contrast, the particular uses of the DWG mark
19 targeted by plaintiff are not essential to product compatibility, and are not essential to enabling
20 defendant’s products to function. Defendant has failed to show that preventing the asserted uses
21 of the DWG mark would affect compatibility of its products.

22 Defendant’s further argument that DWG is the actual benefit consumers wish to purchase
23 is unavailing. “Functional features of a product are features which constitute the actual benefit
24 that the consumer wishes to purchase, as distinguished from an assurance that a particular entity
25 made, sponsored, or endorsed a product.” *Leatherman Tool Group v. Cooper Industries Inc.*,
26 199 F.3d 1009, 1011–12 (9th Cir. 1999) (internal quotations omitted). Consumers, however,
27 desire interoperability from defendant’s product, and plaintiff is not attempting to prevent
28 defendant from making interoperable products. Plaintiff only wants the prevent the use of the

1 word mark DWG in a way that improperly associates defendant's products with plaintiff's.

2 Thus, consumers would not be denied any benefit of defendant's product.

3 *America Online Inc. v. AT&T Corp.*, 243 F.3d 812 (4th Cir. 2001), is inapposite.

4 Defendant argues that in *America Online*, the plaintiff's spoken phrase, "You Got Mail" was held
5 to be functional because this was an actual benefit sold to consumers, providing a notice that they
6 have mail, and this same benefit was sold by other competing entities. In that decision, however,
7 the court noted that the plaintiff only used the phrase in the functional sense, to tell a user if the
8 user had mail, and not in a way to identify the plaintiff. *America Online*, 243 F.3d at 820
9 (holding that the plaintiff's use does not describe plaintiff's service but merely employs common
10 words to express their commonly used meaning). By contrast, in this action, plaintiff has used
11 DWG in a nonfunctional way, *e.g.*, as part of *its* product names. While it is true that plaintiff has
12 also referred to DWG in some documents in its functional sense, as a file extension, this is not the
13 only way DWG has been used. Moreover, once again, the actual benefit consumers want is
14 interoperability. Defendant has failed to explain how consumers would be denied any benefit
15 of its product if plaintiff were to have exclusive nonfunctional use of DWG as a word mark.

16 Finally, defendant argues that giving plaintiff a monopoly over the term DWG would
17 forever shut down competitors' efforts to describe interoperability. This argument, however, has
18 nothing to do with the trademark doctrine of functionality. Even if plaintiff holds a lawful mark,
19 the DWG mark could still be used by competitors under the doctrine of fair use. Defendant's
20 attempt to extend the doctrine of functionality over more applicable doctrines of trademark law is
21 improper. The asserted uses that plaintiff is attempting to protect are better addressed under fair
22 use.²

23
24
25 ² It should be noted that in *Au-Tomotive Gold*, the Ninth Circuit also held that "[i]n the case of a claim
26 of aesthetic functionality, an alternative test inquires whether protection of the feature as a trademark would
27 impose a significant non-reputation-related competitive disadvantage." 457 F.3d at 1072. In this action, a claim
28 of aesthetic functionality would not make sense as aesthetic functionality is used to find visually attractive and
aesthetically pleasing designs as functional when goods are largely bought for those aesthetic values.
2 MCCARTHY, J. THOMAS, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, FOURTH EDITION, §7:79
(2009). Moreover, defendant does not appear to be making a claim of aesthetic functionality. Defendant's
entire opening brief discusses traditional utilitarian functionality, that the use of DWG affects use of its product,
inasmuch as defendant's whole argument focuses on compatibility and the need to use the ".dwg" extension for
proper computer operation. Thus, any attempt to rely on *Kendall-Jackson Winery v. E&J Gallo Winery*,

1 In sum, defendant's motion concerning functionality is **DENIED**. Plaintiff's motion
 2 concerning functionality is **GRANTED**. This, however, does not mean the mark is valid, only that
 3 it is not invalid due to functionality. Again, no questions on trademark infringement are tendered
 4 on summary judgment.

5 **C. Senior User of DWG.**

6 Defendant argues that even if DWG were protectable, plaintiff does not own the mark
 7 because it is not the senior user. Thus, defendant argues that plaintiff has no right to the mark and
 8 that summary judgment on all plaintiff's claims regarding the use of DWG should be granted.

9 "It is axiomatic in trademark law that the standard test of ownership is priority of use. To
 10 acquire ownership of a trademark it is not enough to have invented the mark first or even to have
 11 registered it first; the party claiming ownership must have been the first to actually use the mark
 12 in the sale of goods or services." *Sengoku Works Ltd. v. RMC Intern., Ltd.*, 96 F.3d 1217, 1219
 13 (9th Cir. 1996) (internal citations omitted). Both parties have submitted evidence in support of
 14 their argument that they are the senior user. There are, however, genuine issues of material fact
 15 as to whether plaintiff or defendant has first made a trademark use of DWG.

16 Defendant also raises the argument that because the Open Design Alliance, a third party,
 17 allegedly registered several trademarks for the OpenDWG mark and used it in commerce prior to
 18 plaintiff, plaintiff is not the senior user of the mark. This defense of raising a third party's rights
 19 is referred to as *jus tertii*. The Ninth Circuit has held that "a third party's prior use of a trademark
 20 is not a defense in an infringement action." *Committee for Idaho's High Desert v. Yost*, 92 F.3d
 21 814, 820 (9th Cir. 1996) (quoting a decision holding that "even if, for some purposes and in some
 22 territory, a [third party] may have a right in the trade-mark superior to that of the plaintiff, the

23
 24 _____
 25 150 F.3d 1042, (9th Cir. 1998), for the purposes of functionality, is unavailing because that decision involved
 26 aesthetic functionality of trade dress. In that decision, the Ninth Circuit affirmed a denial of summary judgment
 27 on the grounds that a jury could find that an exposed cork, rounded flange, and a neck label constitute a
 28 combination of features whose exclusive use by plaintiff would put competitors at a significant non-reputation
 based advantage because that is a look consumers expect from a California wine. By contrast, the only need
 defendant has to use DWG on its product can be addressed via fair use. Plaintiff is not attempting to prevent
 any use that would prevent defendant's product from functioning, and defendant could still advertise
 compatibility to consumers. Defendant does not present any significant non-reputation related competitive
 disadvantage.

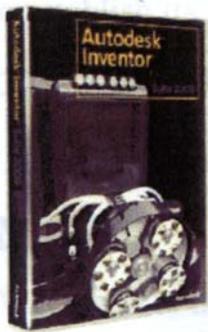
1 defendant is not thereby exonerated from responsibility for an attempt to appropriate to itself a
2 good will created by the plaintiff during a long course of business”).

3 In light of the above, defendant’s motion for summary adjudication on all of plaintiff’s
4 claims regarding DWG is **DENIED**.

5 **2. PROTECTABILITY OF PLAINTIFF’S REAL/ORANGE FRAME DESIGN.**

6 Plaintiff challenges that defendant’s use of its “real” logo design used in connection with
7 its software falsely suggests an association or affiliation with plaintiff and plaintiff’s software,
8 DWG technology, and RealDWG licensing program. Defendant responds that plaintiff’s claim
9 has no merits because plaintiff’s attempts to combine its orange frame design, corporate slogan
10 trademark “Experience It Before It’s Real,” and RealDWG trademark does not produce
11 protectable trade dress.

12
13 **Orange Frame on Plaintiff’s Packaging**



21 **Defendant’s Logo**



21 Section 43(a) of the Lanham Act creates a federal cause of action for unfair competition
22 and prohibits the sale of goods by use of:

23 [a]ny person who, on or in connection with any goods or services,
24 or any container for goods, uses in commerce any word, term,
25 name, symbol, or device, or any combination thereof, or any false
26 designation of origin, false or misleading description of fact, or
27 false or misleading representation of fact, which —

28 (A) is likely to cause confusion, or to cause mistake, or to
deceive as to the affiliation, connection, or association of such
person with another person, or as to the origin, sponsorship, or
approval of his or her goods, services, or commercial activities by
another person, or

1 (B) in commercial advertising or promotion, misrepresents
2 the nature, characteristics, qualities, or geographic origin of his or
3 her or another person's goods, services, or commercial activities,
shall be liable in a civil action by any person who believes that he
or she is or is likely to be damaged by such act.

4 15 U.S.C 1125(a). The definition of the actionable elements in Section 43(a) has been held to
5 include trade dress. *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 210 (2000) (holding that
6 trade dress constitutes a “symbol” or “device”). “Trade dress generally refers to the total image,
7 design, and appearance of a product and may include features such as size, shape, color
8 combinations, texture, or graphics.” *Clicks Billiards, Inc. v. Sixshooters Inc.*, 251 F.3d 1252,
9 1257–58 (9th Cir. 2001) (internal citations omitted). If a seller uses a trade dress that is
10 confusingly similar to a competitor’s, that conduct is actionable as unfair competition under
11 Section 43(a) of the Lanham Act. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th
12 Cir. 1989) (internal citations omitted).

13 **A. Defining the Protectable Trade Dress.**

14 Defendant first argues that plaintiff has insufficiently defined the asserted trade dress.
15 It is true that an order herein previously dismissed plaintiff’s trade dress infringement claim as
16 unclear. There was insufficient detail. Plaintiff has simply renamed its claim from trade dress
17 infringement to false designation of origin and alleged no new facts, according to defendant.
18 The amended complaint, however, provides sufficient detail. It has stated the orange frame,
19 alone, is “inherently distinctive and serves to identify the source of [plaintiff’s] products” (Opp.
20 ¶ 14; First Amd. Comp. ¶ 62). It also states that plaintiff uses a video marketing campaign which
21 combines its “distinctive orange frame design with the ‘real’ element of its RealDWG and
22 [corporate slogan] trademarks” (First Amd. Comp. ¶ 37). Furthermore, plaintiff alleges that
23 defendant’s logo, consisting of the word real enclosed in an orange frame, is allegedly an attempt
24 to “trade off of [plaintiff’s] goodwill and cause confusion regarding [plaintiff’s] orange frame
25 design, its RealDWG program, and its [corporate slogan]” (First Amd. Compl. ¶ 38). In sum, it
26 appears that plaintiff is asserting that its orange frame alone and in combination with the “real”
27 element is protectable trade dress.
28

1 **B. Trade Dress Infringement.**

2 To state a claim for trade dress infringement under Section 43(a), a plaintiff has the
3 burden to prove: (1) that its trade dress is inherently distinctive or has acquired secondary
4 meaning, (2) that its trade dress is nonfunctional, and (3) that the defendant’s product creates a
5 likelihood of consumer confusion. *Clicks Billiards.*, 251 F.3d at 1258; *Fuddruckers, Inc. v. Doc’s*
6 *B.R. Others, Inc.*, 826 F.2d 837, 842 (9th Cir. 1987).

7 (1) *Distinctiveness — Generally.*

8 Defendant argues that the asserted trade dress is not distinctive and that there is no
9 secondary meaning associated with the dress. Trade dress is distinctive when it identifies the
10 particular source of the product or distinguishes it from other products. On the other hand,
11 secondary meaning is acquired “when the purchasing public associates the mark or dress with a
12 single producer or source rather than with the product itself.” *Int’l Jensen, Inc. v. Metrosound*
13 *U.S.A., Inc.*, 4 F.3d 819, 824 (9th Cir. 1993).

14 (2) *Distinctiveness — Inherent Distinctiveness.*

15 Plaintiff contends that its orange frame is inherently distinctive. It is not apparent,
16 however, that the use of such a common place shape — a rectangle of ordinary shape — would be
17 associated only with plaintiff. “Most common geometric shapes are regarded as not being
18 inherently distinctive, in view of the common use of such shapes in all areas of advertising.
19 Thus, such ordinary shapes as circles, ovals, squares, etc., either when used alone *or as a*
20 *background for a word mark*, cannot function as a separate mark unless . . . the shape is likely to
21 create a commercial impression on the buyer separate from the word mark or any indicia . . .”
22 1 MCCARTHY, J. THOMAS, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, FOURTH
23 EDITION, §7:29 (2009). It is not apparent why the combination of an ordinary geometric shape, a
24 rectangle, and a primary color, orange, would be inherently distinctive of plaintiff. In fact, the
25 evidence submitted by plaintiff shows that plaintiff has used a rectangular frame in different
26 colors, white and orange, and different sizes and proportions (*see, e.g.*, Bradshaw Decl. in
27 Support of Opp. Exh. 14; Exh. 15; Exh. 16). Plaintiff is surely not contending that all those
28 variations are inherently distinctive of plaintiff. Moreover, the fact that plaintiff may have

1 consistently used one particular size and color on its product packaging does not convert an
2 ordinary orange rectangle from a common geometric element to one inherently indicative of
3 plaintiff. Plaintiff must prove that the trade dress has acquired secondary meaning, as analysed
4 below.

5 It is also not apparent why the addition of the “real” element in ordinary text would
6 somehow be inherently indicative of plaintiff. Plaintiff’s asserted dress is not a combination of
7 arbitrary elements but is making use of common elements. “Real” is a common place term in the
8 CAD context. It refers to a user’s ability to get a real-world visual image of a design, the whole
9 point of CAD technology. Moreover, plaintiff has only used this combination only twice, both
10 times for a few seconds in video clips (Opp. at 17). This is not enough to allow the combination
11 to be monopolized by one competitor and denied to all others. *See Brookfield Commc’n. v. West*
12 *Coast Entm’t Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999) (holding that “[t]he Lanham Act grants
13 trademark protection only to marks that are used to identify and to distinguish goods or services
14 in commerce — which typically occurs when a mark is used in conjunction with the actual sale of
15 goods or services”).

16 In sum, the asserted dress does not inherently identify the particular source of the product
17 or distinguish it from other products. “[N]o one seller should be allowed to appropriate . . .
18 commonplace shapes . . . and claim only he can use such a shape as a background for his word
19 mark.” 1 MCCARTHY at §7:29. Thus, defendant is correct that plaintiff must make a showing of
20 secondary meaning.

21 (3) ***Distinctiveness — Secondary Meaning.***

22 Defendant argues that plaintiff has put forth no evidence of secondary meaning — that the
23 purchasing public associates the mark or dress with a single producer or source rather than with
24 the product itself. Plaintiff has not presented any survey evidence or testimony. But, plaintiff
25 contends that evidence of use and advertising over a period of time and evidence of intentional
26 copying is sufficient to establish secondary meaning.

27 Concerning the sufficiency of advertising evidence, plaintiff cites to *Clamp Mfg. Co. v.*
28 *Enco Mfg. Co.*, 870 F.2d 512, 517 (9th Cir.1989), holding that evidence of use and advertising

1 over a substantial period of time is enough to establish secondary meaning. In that decision,
2 however, the asserted dress was *prominently* featured in the advertising and promotional efforts.
3 *Clamp Mfg.*, 870 F.2d at 517. Moreover, in *First Brands v. Fred Meyer, Inc.*, 809 F.2d 1378,
4 1383 (9th Cir. 1987), to which *Clamp Mfg.* cites, the earlier court elaborated that “the advertising
5 and promotional activities must involve ‘image advertising,’ that is, the ads must *feature* in some
6 way the trade dress itself.” *First Brands*, 809 F.2d at 1383. In finding no clear error with the
7 lower court’s holding that secondary meaning was not established, the *First Brand’s* court noted
8 that the lower court had found that the “advertising campaign ha[d] not *stressed* the color and
9 shape of the antifreeze jug[, the asserted trade dress,] so as to support an inference of secondary
10 meaning.” *Ibid.* The advertising must be of a “nature and extent to create an association with the
11 advertiser’s goods.” *Art Attacks Ink, LLC v. MGA Enter. Inc.*, 581 F.3d 1138, 1146 (9th Cir.
12 2009) (internal quotations omitted).

13 By contrast, plaintiff’s advertising does not stress or feature the orange frame or orange
14 frame in combination with the real element in any way that could establish secondary meaning.
15 As stated above, plaintiff can dredge up only two instances where the orange frame is used in
16 combination with the real element. Plaintiff also provides examples of various of orange frames
17 in various sizes. None of the advertising featured the consistent use of an orange frame in a
18 manner that would support an inference of secondary meaning. Plaintiff also provides no data on
19 how extensive the advertising was using these elements. Plaintiff merely cites to various
20 examples of advertising without explaining how often these advertisements were used or
21 explaining the context in which they were presented to the consuming market (Opp. at 17).
22 As presented, the orange frame simply looks like a graphical feature of the product packaging or
23 computer presentation and would not establish secondary meaning with the relevant market.
24 Especially since plaintiff has also used many different colored rectangles and many different
25 geometric designs. Plaintiff has failed to put forth evidence establishing that the nature and
26 extent of the advertising creates consumer association with its goods.

27 Concerning plaintiff’s contention that evidence of intentional copying establishes
28 secondary meaning, plaintiff has not put forth sufficient evidence. Evidence of intentional

1 copying may support an inference of secondary meaning. *Clicks Billiards*, 251 F.3d at 1264.
2 Plaintiff, however, at best, has established that defendant knew there was a similarity between
3 plaintiff's and defendant's dress. None of the cited evidence is sufficient to prove that defendant
4 intentionally copied plaintiff's design. In fact, the evidence seems to indicate the contrary, that
5 defendant examined plaintiff's trade dress and found its dress to be sufficiently different (*see*,
6 *e.g.*, Bos Decl. Exh. 37 at 145: 18–20) (wherein defendant actually states that it found its design
7 to be different from plaintiff's and thus decided to move forward with its design thereby
8 potentially showing a good faith attempt to ensure its design was not identical to plaintiff's). In
9 addition, the evidence also shows that defendant was discussing plaintiff's copying of its graphics
10 — the reverse situation (Bos Decl. Exh. 42) (stating that “we . . . are not concerned about
11 [plaintiff's] attempt to copy our graphics”). That defendant may have known about plaintiff's
12 mark is insufficient to establish intentional copying. *See One Industries, LLC v. Jim O'Neal*
13 *Distributing Inc.*, 578 F.3d 1154, 1163–64 (9th Cir. 2009) (affirming a holding that defendant's
14 knowledge of a competitor's mark when creating its own was not sufficient to establish an intent
15 to deceive consumers). At oral argument, counsel significantly overstated the record on supposed
16 “copying.” On appeal, please be more candid in presenting the record.

17 In light of the above, defendant has shown that plaintiff cannot meet its burden of proving
18 distinctiveness of the asserted trade dress. Defendant's motion for summary judgment on the
19 issue of trade dress infringement is **GRANTED**.³

20 3. FAIR USE.

21 Even if a valid trademark exists, a competitor may make “fair use” of it. There are two
22 types of fair use. The classic fair-use defense, a statutory defense, “in essence, forbids a
23 trademark registrant to appropriate a descriptive term for his exclusive use and so prevents others
24 from accurately describing a characteristic of their goods.” *New Kids on the Block v. News*
25 *America Pub., Inc.*, 971 F.2d 302, 306 (9th Cir. 1992); *see also* 15 U.S.C. § 1115(b)(4).
26 Nominative fair use, on the other hand, governs where the defendant uses a trademark to describe
27

28 ³ Since defendant has shown that plaintiff cannot meet its burden concerning distinctiveness, arguments concerning functionality and likelihood of confusion need not be addressed.

1 the plaintiff's product, rather than its own. *Id.* at 308. In explaining nominative fair use, the
2 Ninth Circuit has held:

3 [w]e may generalize a class of cases where the use of the trademark
4 does not attempt to capitalize on consumer confusion or to
5 appropriate the cachet of one product for a different one. Such
6 nominative use of a mark—where the only word reasonably available
7 to describe a particular thing is pressed into service—lies outside the
8 strictures of trademark law: Because it does not implicate the
9 source-identification function that is the purpose of trademark, it
10 does not constitute unfair competition; such use is fair because it
11 does not imply sponsorship or endorsement by the trademark
12 holder.

13 *New Kids*, 971 F.2d at 307–308.

14 Plaintiff accuses defendant of overemphasizing plaintiff's AutoCAD and Autodesk
15 trademarks in its advertising. In response, defendant has moved for summary judgment on the
16 ground that the likelihood-of-confusion test for trademark infringement is unsatisfied. *See AMF,*
17 *Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) (defining the likelihood-of-confusion test).
18 Moreover, defendant also asserts that regardless of the *Sleekcraft* analysis, plaintiff's claim fails
19 because its uses qualify as nominative fair use.

20 When a nominative fair use is raised, however, the fair-use analysis replaces the
21 likelihood-of-consumer confusion analysis set forth in *Sleekcraft*. *Playboy Enters., Inc. v. Welles*,
22 279 F.3d 796, 801 (9th Cir. 2002) (stating that “[i]n cases in which the defendant raises a
23 nominative [fair] use defense, the [nominative fair use] test should be applied instead of the test
24 for likelihood of confusion set forth in *Sleekcraft*” because it “better evaluates the likelihood of
25 confusion in nominative [fair] use cases”). Thus, as plaintiff contends, the *Sleekcraft* analysis is
26 not applicable in this context.

27 To establish a nominative fair-use defense, a defendant must prove the following three
28 elements:

[f]irst, the [plaintiff's] product or service in question must be one
not readily identifiable without use of the trademark; second, only
so much of the mark or marks may be used as is reasonably
necessary to identify the [plaintiff's] product or service; and third,
the user must do nothing that would, in conjunction with the mark,
suggest sponsorship or endorsement by the trademark holder.

1 *New Kids*, 971 F.2d at 308. This analysis involves questions of fact. *See KP Permanent*
2 *Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (9th Cir. 2005) (holding that there
3 were genuine issues of fact that are appropriate for the fact-finder to determine in order to find
4 that the defense of fair use has been established).

5 Concerning the first prong, defendant argues that there is no way to refer to plaintiff's
6 marks other than by referring to them by name. Plaintiff does not dispute this. Plaintiff only
7 states that defendant "fails to carry its burden as to at least two" of these elements of the *New*
8 *Kids* test and proceeds to dispute the second and third prongs of the fair use analysis. Concerning
9 the second and third prongs, both parties' arguments have been considered. There are genuine
10 issues of material fact as to whether defendant has used plaintiff's marks more than necessary to
11 identify plaintiff's products, and whether such use suggests sponsorship or endorsement.
12 Consequently, defendant's motion for summary judgment on its nominative fair use of plaintiff's
13 marks is **GRANTED** with regard to the first prong and **DENIED** with regard to the second and third
14 prongs.

15 **4. FALSE ADVERTISING — DEFENDANT'S MOTION.**

16 Plaintiff alleges that defendant engages in false advertising, in violation of the Lanham
17 Act, by making the following three statements: (1) "DWGgateway is the first free data translation
18 plug-in that lets AutoCAD users work easily with DWG files created by any version of AutoCAD
19 software," (2) "save DWG files to any version of AutoCAD software," and (3) "open, edit, and
20 share DWG data more effectively with others." Defendant moves for summary judgment on the
21 grounds that: (a) plaintiff has not presented evidence to support its claim that the three statements
22 are false or misleading; (b) plaintiff has failed to meet its burden to produce evidence showing
23 that the challenged statements are material; (c) plaintiff has failed to prove it was damaged by the
24 accused statements; and (d) statements one and three are non-actionable puffery.

25 **A. Non-Actionable Puffery — Statements One and Three.**

26 Are statements one and three nonactionable puffery? A prior order held that these
27 statements *seem* to describe specific characteristics of defendant's product that could be tested
28 (Dkt. No. 29 at 5). Unlike the earlier motion to dismiss, however, in this motion for summary

1 judgment, counsel, and the undersigned are no longer limited to the pleadings. A more thorough
2 analysis is now in order.

3 Statements that constitute puffery escape false advertising liability. *Cook, Perkiss &*
4 *Liehe, Inc. v. Northern Cal. Collection Serv. Inc.*, 911 F.2d 242, 245 (9th Cir. 1990). A statement
5 is puffery if the claim is extremely unlikely to induce consumer reliance. “[A] statement that is
6 quantifiable, that makes a claim as to the specific or absolute characteristics of a product, may be
7 an actionable statement of fact while a general, subjective claim about a product is non-actionable
8 puffery.” *Newcal Indus., Inc. v. Ikon Office Solution*, 513 F.3d 1038, 1053 (9th Cir. 2008)
9 (internal citation and quotation omitted). “Puffing is exaggerated advertising, blustering, and
10 boasting upon which no reasonable buyer would rely.” *Southland Sod Farms v. Stover Seed Co.*,
11 108 F.3d 1134, 1145 (9th Cir. 1997). The determination of whether an alleged misrepresentation
12 is a statement of fact or is instead mere puffery is a legal question. *Newcal Indus., Inc. v. IKON*
13 *Office Solutions*, 513 F.3d 1038, 1053 (9th Cir. 2008).

14 Statement one describes that defendant’s “free data translation plug-in for AutoCAD
15 users” can “work easily with DWG files created by *any version* of AutoCAD software.” While it
16 may well be true that the phrase “work easily” is subjective and not measurable in isolation, when
17 viewed as a whole, statement one can be viewed as referring to specific and testable
18 characteristics of a product — specifically, that a consumer can work with files produced by “*any*
19 *version*” of AutoCAD. Whether defendant’s product does in fact work with “*any version*” of
20 AutoCAD is a measurable claim that does not appear to constitute puffery. *See Southland Sod*
21 *Farms*, 108 F.3d at 1145 (holding that “[a] specific and measurable advertisement claim of
22 product superiority based on product testing is not puffery”). Indeed, there is at least some proof,
23 if credited, that defendant’s product does not work with *every* version of AutoCAD (*see Oak*
24 *Decl. in Support of Opp.* ¶¶ 19–22) (alleging compatibility issues between defendant’s product
25 and 2004 and 2007 AutoCAD DWG formats). Because such a measurable statement could
26 induce customer reliance when evaluating defendant’s product, it cannot be deemed puffery, at
27 least on summary judgment. The record is insufficient with regard to the statement, and this issue
28 will be tried.

1 *Coastal Abstract Service, Inc. v. First American Title Ins. Co.*, 173 F.3d 725 (9th Cir.
2 1999), is no help here. *Coastal Abstract* held that the defendant’s statement that the competitor’s
3 charge that a company was “too small” to handle the business of a third party was held as puffery
4 because it was not a specific and measurable claim. 173 F.3d at 731. Whether a company is “too
5 small” is not easily measurable because such a benchmark may hinge on the speed at which work
6 is completed, the number of employees, or other measures that are not apparent. That is a
7 subjective standard. By contrast, whether something works with “*any version*” of AutoCAD is a
8 measurable and testable claim upon which a reasonable consumer could rely.

9 Other decisions cited by defendant are similarly inapposite. For example, in *Smith-Victor*
10 *Corp. v. Sylvania Electric Products, Inc.*, 242 F. Supp. 302, 308–309 (N.D. Ill. 1965), the
11 statement “far brighter than any lamp ever before offered for home movies” was held to be
12 puffery. It is true that the Ninth Circuit, in *Coastal Abstracts*, agreed with that holding. That
13 statement is distinguishable from this action, however, because whether a light is “far brighter” is
14 a general claim and not a claim making allegations concerning the absolute qualities of a product.
15 Similarly, in *Oestricher v. Alienware Corp.*, 544 F.2d 964, 973 (N.D. Cal. 2008), the defendant’s
16 general claims of superiority included “superb, uncompromising quality” and “faster, more
17 powerful, and more innovative than competing machines.” In this action, however, defendant is
18 alleging that one of its products is compatible with “*any version*” of plaintiff’s AutoCAD data.
19 Despite the presence of the unmeasurable phrase “work easily,” it is possible that the claim of
20 compatibility with “*any version*” of AutoCAD would induce consumer reliance. Statement one,
21 taken as a whole, does not appear to be puffery. Again, the record is insufficient with regard to
22 the statement, and this issue will be tried.

23 Statement three, however, is too generalized and vague to be actionable. Statement three
24 claims that defendant’s “DWGseries is a set of FREE software tools created for current and
25 former AutoCAD users to open, edit, and share DWG data more effectively with others” (Compl.
26 Exh. B at 2). Plaintiff argues that this is not puffery because, in context, the statement implies to
27 consumers that they can switch to defendant’s products and “gain efficiency in opening, editing,
28 and sharing DWG data, maintaining all compatibility and ease of use while not spending any

1 money on plaintiff's products" (Opp. 30). While it may be true that the advertisement, when one
 2 looks beyond the content of statement three, may imply that effectiveness means compatibility
 3 with "any version" of AutoCAD, statement three itself makes no such claim. Rather, the heart of
 4 statement three is effectiveness, a highly subjective standard that may refer to the integrity of the
 5 data, speed of processing, or whatever a particular user deems important to effective use. Such a
 6 claim is a vague and unmeasurable claim of superiority that constitutes non-actionable puffery.

7 In light of the above, defendant's motion for summary judgment on the ground that
 8 statements one and three are non-actionable puffery is **DENIED** with respect to statement one and
 9 **GRANTED** with respect to statement three. Therefore, statement three is immune from false
 10 advertising liability and need not be addressed in that analysis. Statement two, which defendant
 11 did not assert as nonactionable puffery, and statement one are discussed under False Advertising.

12 **B. False Advertising — Statements One and Two.**

13 The elements of a Lanham Act § 43(a) false advertising claim are:

14 (1) a false statement of fact by the defendant in a commercial
 15 advertisement about its own or another's product; (2) the statement
 16 actually deceived or has the tendency to deceive a substantial
 17 segment of its audience; (3) the deception is material, in that it is
 18 likely to influence the purchasing decision; (4) the defendant caused
 its false statement to enter interstate commerce; and (5) the plaintiff
 has been or is likely to be injured as a result of the false statement,
 either by direct diversion of sales from itself to defendant or by a
 lessening of the goodwill associated with its products.

19 *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1139 (9th Cir. 1997) (internal citations
 20 omitted). Defendant challenges statements one and two by arguing that the statements are not
 21 false or material and by arguing that plaintiff has not proven any damages. Both parties'
 22 arguments have been considered. There are, however, genuine issues of material fact regarding a
 23 multitude of these issues. Consequently, defendant's motion for summary judgment is **DENIED**.

24 **5. FALSE ADVERTISING — PLAINTIFF'S MOTION.**

25 The shoe is on the other foot here. Plaintiff has a cartoon advertisement that defendant
 26 assails as false advertising. It is now plaintiff, however, that alleges "mere puffery," saying the
 27 cartoons contain only vague claims of superiority upon which no reasonable consumer would
 28 rely. Defendant, in response, contends that consumers would find that the advertisements refer to

1 SolidWorks and that the advertisements convey the message that using defendant's product will
2 produce dangerous defects. To support this argument, defendant argues that the advertisements
3 refer to a company "Won'tWorks," an alleged reference to defendant's name, and involve a roller
4 coaster and bicycle, allegedly two recent components in defendant's advertisements.

5
6 **Jonnie Real Roller Coaster Advertisement**

7 **Autodesk®**

8 **A real risk you shouldn't take**

9

10 **Jonnie Real** ... *Learns About Dimensioning Problems The Hard Way*

11 *We're finally going to test the rollercoaster we built at Won'tWorks*

12 *See, moving from 2D to 3D was epic*

13 *I told you, we should have rechecked the dimensions!*

14

15

16 **Autodesk® Inventor® can help you safely reuse DWG™ designs in a 3D environment**

17

- 18 • Reuse valuable DWG Data for future projects
- 19 • Accurately communicate using the DWG format
- 20 • Realize the benefits of Digital prototyping

21 **Watch Now >**

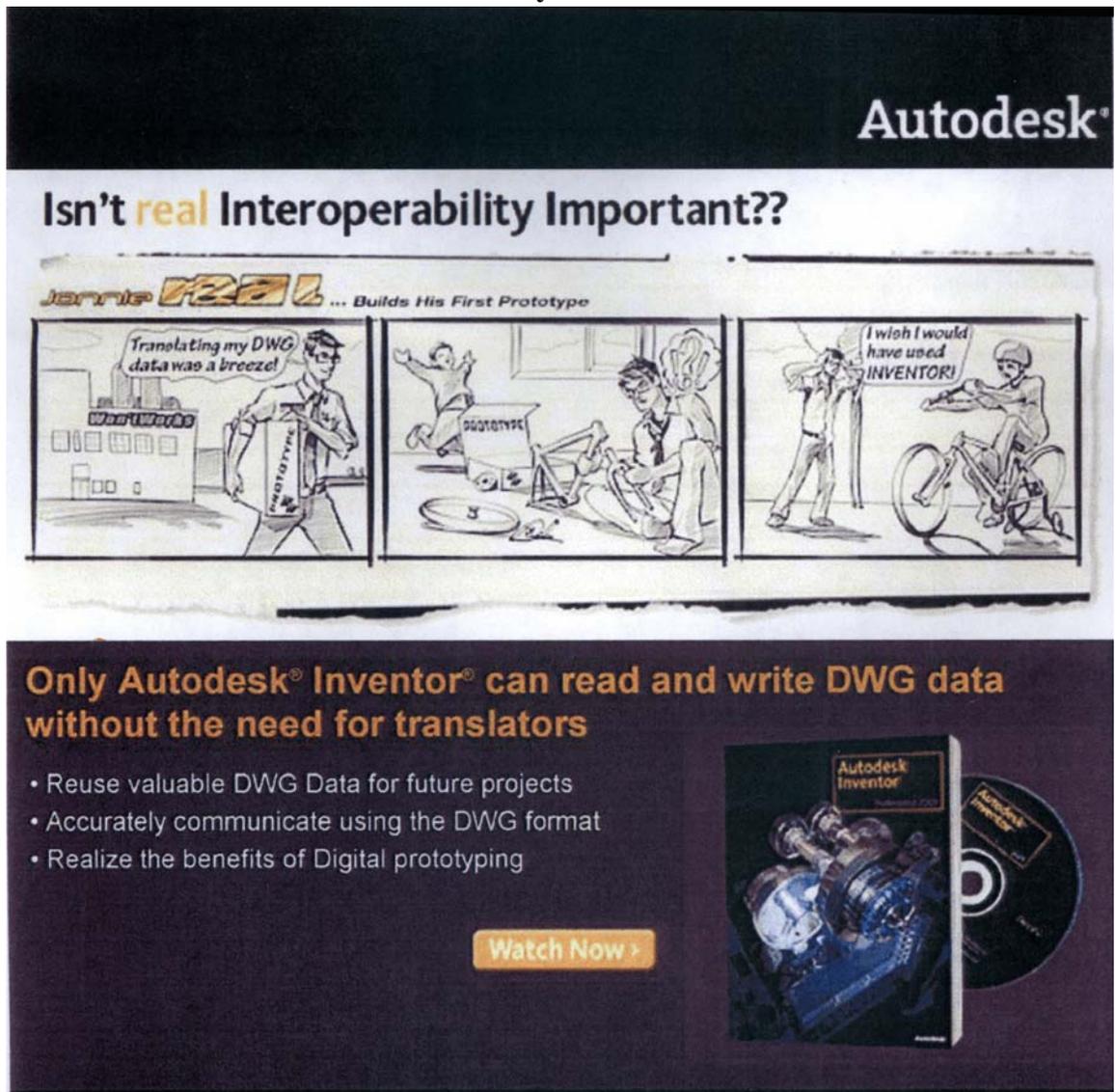
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23

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United States District Court
For the Northern District of California

Jonnie Real Bicycle Advertisement



21 The ultimate issue is whether these advertisements “make[] a claim as to the specific or
 22 absolute characteristics of a product” *Newcal Indus., Inc. v. Ikon Office Solution*, 513 F.3d
 23 1038, 1053 (9th Cir. 2008) (citation and quotation omitted). Both advertisements allegedly
 24 suggest a defect with defendant’s product. In the bicycle advertisement, the premise of the entire
 25 advertisement is: “Isn’t real Interoperability Important?” The roller coaster advertisement is
 26 headed with the statement: “A real risk you shouldn’t take.” These statements and the message
 27 from the advertisements, however, are not claims based on the absolute or specific characteristics
 28 of a product but are general claims of superiority.

1 In the advertisements, plaintiff is touting the general superiority of its dimensioning
2 capabilities. Plaintiff does not make specific verifiable allegations regarding what may occur
3 with a competitor's dimensioning. For example, plaintiff does not allege specific statistics or
4 factors that prove its product is better than a competitor's. Moreover, plaintiff does not claim to
5 have verified its allegation by any form of testing. By contrast, in *Southland Sod Farms*, 108
6 F.3d at 1145, the claim of "50% less mowing" was not held to be puffery because the
7 advertisement indicated that the claim was based on research and testing. The claim that "less is
8 more," however, was held to be generalized boasting. Similarly, the claims of generalized
9 dimensioning errors are more akin to generalized boasting than any claim based on research and
10 testing.

11 The Ninth Circuit has held that:

12 [u]ltimately, the difference between a statement of fact and mere
13 puffery rests in the specificity or generality of the claim. The
14 common theme that seems to run through cases considering puffery
15 in a variety of contexts is that consumer reliance will be induced by
16 specific rather than general assertions. Thus, a statement that is
quantifiable, that makes a claim as to the specific or absolute
characteristics of a product, may be an actionable statement of fact
while a general, subjective claim about a product is non-actionable
puffery.

17 *Newcal*, 13 F.3d at 1054 (internal quotations omitted). A claim based on "real interoperability"
18 and a "real risk" conveys a subjective rather than objective message. Whether something is a
19 "real" risk or provides "real" interoperability depends on what the consumer thinks "real" means
20 in that context. Moreover, the entire message from these cartoons is that plaintiff's product is
21 generally better and that competing products may produce defective designs. These are cartoons
22 with no quantifiable statements. In fact, the advertisements make no specific allegations
23 concerning defendant's products. Consumers would not rely on such advertisements.⁴

24
25
26 ⁴ This order need not address plaintiff's contentions with defendant's survey evidence since a decision
27 was reached without relying upon that evidence. Moreover, to the extent that plaintiff argues that defendant's
28 claims were only based on the comic strips and not the text surrounding the comic strip in the advertisement,
this order disagrees. As defendant has pointed out, the record points to defendant referring to the
advertisements and not to the comic strips. Furthermore, in its reply, plaintiff has addressed the statements
outside the comic strip in the lower part of the advertisements.

1 Defendant invokes *Western Duplicating, Inc. v. Riso Kagaku Corp.*, No. Civ. S98-208
2 FCD GGH, 2000 WL 1780288 (E.D. Cal. Nov. 21, 2000), to argue that the advertisements are
3 puffery. In that decision, the defendant had specific warnings regarding the use of generic
4 replacement ink, including plaintiff's product. For example, defendant warned that such use
5 would "create a toxic environment," "result in fire," or "cause serious damage." Those
6 statements, however, are statements of a specific consequence that were presented on a warning
7 sticker to be placed inside a machine. *Western Duplicating*, 2000 WL 1780288, at *8. Moreover,
8 there was no less than eleven specific consequences that the consumer was warned about. *Id.* at
9 *9. By contrast, the advertisements in dispute present exaggerated claims in the context of a
10 cartoon and only warn of one general problem, dimensioning problems. The way in which a
11 consumer would view a warning sticker and its message is much different from the way in which
12 a consumer would view an exaggerated cartoon. A consumer would not rely upon a cartoon with
13 an implicit message of hyperbole. The only specific statement made by plaintiff is that its
14 program is the only one that does not need to use a translator and that plaintiff's product allows
15 for accurate communication using the DWG format. These statements alone, however, are not
16 sufficient to convert what is otherwise nonactionable puffery to puffery.

17 None of the other decisions cited by defendant are binding or availing. Consequently,
18 both advertisements present specific general statements in a context that would not lead a
19 reasonable consumer to rely on plaintiff's assertions. They are nonactionable puffery under the
20 Lanham Act. Plaintiff's motion, therefore, is **GRANTED**.

21 **5. LACHES.**

22 Plaintiff contends that defendant's fourth affirmative defense — that plaintiff's claims are
23 barred by laches — should be rejected. Defendant has chosen not to oppose that portion of
24 plaintiff's motion and continues to advance its other defenses (Opp. 1 n.1). Consequently,
25 plaintiff's motion is **GRANTED**.

26 **CONCLUSION**

27 In light of the above, plaintiff's October 13 motion for summary judgment that its Jonnie
28 Real advertisements constitute nonactionable puffery is **GRANTED**. This order holds, as a matter

1 of law, that those advertisements are nonactionable puffery. With regards to the October 29
2 cross motions for summary judgment, this order holds that all motions are **DENIED** except:
3 (1) plaintiff's motion regarding the assertion that the uses of DWG it seeks to prevent are
4 nonfunctional is **GRANTED**; (2) defendant's motion regarding plaintiff's trade dress being
5 unprotectable is **GRANTED**; (3) defendant's motion concerning nominative fair use is **GRANTED**
6 with regards to the first prong of the *New Kids* test and **DENIED** with regards to the second and
7 third prong; and (4) defendant's motion that its advertisements are non-actionable puffery is
8 **GRANTED** with respect to statement three and **DENIED** with respect to statement one; and
9 (5) plaintiff's motion concerning defendant's defense of laches is **GRANTED**. All other claims
10 and allegations, excluding the state law claims that the parties stipulated to dismiss, remain for
11 trial.

12
13 **IT IS SO ORDERED.**

14
15 Dated: December 8, 2009.

16 
17 _____
18 WILLIAM ALSUP
19 UNITED STATES DISTRICT JUDGE
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EXHIBIT B

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Ricks

Mailed: January 10, 2007

Cancellation No. **92046492**

AUTODESK, INC.

v.

ORIDUS, INC.

Answer was due on November 27, 2006. A review of the record shows that an answer has not been filed.

This case now comes up for consideration of petitioner's motion, filed December 11, 2006, for default judgment against respondent for failure to file an answer. The motion is uncontested.¹

Inasmuch as respondent failed to file an answer in this case, and failed to respond to petitioner's motion in any manner, the motion for default judgment is granted. See Trademark Rule 2.127(a). Accordingly, judgment is hereby entered against respondent, the petition for cancellation is granted, and Registration No. 2540598 will be cancelled

¹ If a defendant fails to file an answer to a complaint during the time allowed therefor, the Board, on its own initiative, may issue a notice of default allowing the defendant time to show cause why default judgment should not be entered against it. The issue of whether default judgment should be entered against a defendant for failure to file an answer may also be raised by means of a motion filed by the party in the position of plaintiff. In such cases, the motion may serve as a substitute for the Board's issuance of a notice of default.

in due course. See Fed. R. Civ. P. 55 and Trademark Rule 2.127(a).

*By the Trademark Trial
and Appeal Board*

EXHIBIT C

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

Vb

Mailed: March 26, 2008

Cancellation No. 92047083

Autodesk, Inc.

v.

Softelec GmbH

On March 13, 2008, petitioner filed a withdrawal of the petition to cancel, with respondent's written consent.

In view thereof, the petition to cancel is dismissed without prejudice. See Trademark Rule 2.114(c).

***By the Trademark Trial
and Appeal Board***



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Trademark Assignment Details

Reel/Frame: [3708/0463](#)

Pages: 3

Received: 01/31/2008

Recorded: 01/31/2008

Attorney Dkt #: 5477-552

Conveyance: ASSIGNS THE ENTIRE INTEREST

Total properties: 1

1 **Serial #:** [75142838](#) **Filing Dt:** 07/31/1996 **Reg #:** [2110140](#) **Reg. Dt:** 10/28/1997
Mark: RASTERDWG

Assignor

1 [SOFTELEC GMBH](#)

Exec Dt: 01/30/2008

Entity Type: CORPORATION

Citizenship: GERMANY

Assignee

1 [AUTODESK, INC.](#)
111 MCINNIS PARKWAY
SAN RAFAEL, CALIFORNIA 94903

Entity Type: CORPORATION

Citizenship: DELAWARE

Correspondence name and address

WILSON SONSINI GOODRICH & ROSATI
650 PAGE MILL ROAD
PALO ALTO, CA 94304

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EXHIBIT D

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

am/al

Mailed: January 28, 2010

Opposition No. 91170857
Cancellation No. 92046253

Autodesk, Inc.

v.

SolidWorks Corporation

Opposition No. 91174972
Opposition No. 91175197

SolidWorks Corporation

v.

Autodesk, Inc.

Opposition No. 91170857

On January 19, 2010, applicant filed an abandonment of its application Serial No. 78651780.

Trademark Rule 2.135 provides that if, in an inter partes proceeding, the applicant files an abandonment without the written consent of every adverse party to the proceeding, judgment shall be entered against applicant.

In view thereof, and because opposer's written consent to the abandonment is not of record, judgment is hereby entered against applicant, the opposition is sustained and registration to applicant is refused.

Cancellation No. 92046253

Also on January 19, 2009, respondent filed a voluntary surrender under Section 7(e) of the Trademark Act of its Registration No. 3134536.

Trademark Rule 2.134(a) provides that if the respondent in a cancellation proceeding applies to cancel its involved registration under Section 7(e) without the written consent of every adverse party to the proceeding, judgment shall be entered against respondent.

In view thereof, and because petitioner's written consent to the voluntary surrender is not of record, judgment is hereby entered against respondent, the petition to cancel is granted, and Registration No. 3134536 will be cancelled in due course.

Opposition Nos. 91174972 and 91175197

Opposer, without the written consent of applicant, filed a withdrawal of the oppositions on January 19, 2010.

Trademark Rule 2.106(c) provides that after an answer is filed, the opposition may not be withdrawn without prejudice except with the written consent of applicant.

In view thereof, and because the withdrawal was filed after answer, the oppositions are dismissed with prejudice.

***By the Trademark Trial
and Appeal Board***

EXHIBIT E

**UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451**

vw/al

Mailed: May 28, 2010

Cancellation No. 92047002

Autodesk, Inc.

v.

Open Design Alliance

On April 7, 2010, respondent filed a voluntary surrender under Section 7(e) of the Trademark Act of its Registrations Nos. 2517750, 2563976, 2656757, 2672409, 2719529 and 2920269, with prejudice, with petitioner's written consent.

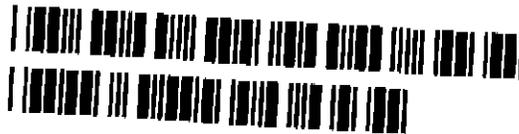
In view thereof, the petition to cancel is dismissed without prejudice in accordance with Trademark Rule 2.134(a), and the registrations will be cancelled in due course pursuant to Section 7(e) of the Trademark Act.

***By the Trademark Trial
and Appeal Board***

EXHIBIT F

Hon. Marsha J. Pechman

FILED ENTERED
LODGED RECEIVED
APR - 3 2007
AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON DEPUTY



06-CV-01637-ORD

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

AUTODESK, INC. a Delaware
corporation,

Plaintiff,

v.

OPEN DESIGN ALLIANCE, a
Washington corporation,

Defendant.

No. C06-1637-MJP

STIPULATED MOTION
AND ~~PROPOSED~~
CONSENT JUDGMENT

NOTE ON MOTION CALENDAR:

APRIL 2, 2007

In this action, plaintiff Autodesk, Inc. ("Autodesk") sued defendant Open Design Alliance ("ODA" or "Defendant") for trademark infringement and false designation of origin based on ODA's improper simulation of Autodesk's TrustedDWG™ authentication mechanism and use of the AUTODESK® trademark (U.S. Reg. No. 1,316,772). On November 22, 2006, the Court held a hearing on Autodesk's application for a temporary restraining order and order to show cause. The Court found that Autodesk had demonstrated both a strong likelihood of success on the merits and the possibility that it faced immediate, irreparable injury from ODA's conduct, and granted a temporary restraining order.

STIPULATED MOTION AND
[PROPOSED] CONSENT JUDGMENT
NO. C06-1637-MJP - Page 1

YARMUTH WILSDON CALFO PLLC
FOURTH & MADISON
825 FOURTH AVENUE, SUITE 2500
SEATTLE WASHINGTON 98104
T 206.516.3800 F 206.518.3888

1 The parties have reached a settlement of this action. Therefore, upon the agreement
2 and joint request of the parties, the Court now orders as follows:

3 1. This Court has jurisdiction over the parties and the subject matter of this action,
4 and shall retain such jurisdiction to enforce or modify the terms of the injunction in
5 paragraph 3 below of this Consent Judgment.

6 2. ODA's simulation of Autodesk's TrustedDWG technology was not necessary
7 to achieve interoperability with Autodesk software, nor was ODA's simulation of
8 Autodesk's TrustedDWG technology necessary to achieve interoperability with the
9 software product of any third party. ODA's simulation of Autodesk's TrustedDWG
10 technology infringed Autodesk's rights in its federally registered AUTODESK® mark, in
11 violation of Sections 32 and 43 of the Lanham Act. Judgment on its claim for injunctive
12 relief under the Lanham Act is entered in favor of Autodesk.

13 3. The Court hereby permanently RESTRAINS AND ENJOINS ODA, its agents,
14 servants, employees, attorneys, and all others in active concert or participation with
15 Defendant, from simulating Autodesk's TrustedDWG technology, including but not limited
16 to the Autodesk watermark and/or TrustedDWG code, without Autodesk's authorization;
17 and from distributing DWGdirect libraries or other ODA software that use or incorporate or
18 simulate Autodesk's TrustedDWG technology or that otherwise insert or mimic the
19 unauthorized Autodesk watermark and/or TrustedDWG code. For the sake of clarity, the
20 Consent Judgment neither binds nor benefits any ODA member(s) acting on its or their own
21 accord, and not in active concert or participation with the ODA.

22 4. Autodesk dismisses WITHOUT PREJUDICE all of its claims in this action
23 other than its claim for injunctive relief under the Lanham Act. ODA dismisses WITHOUT
24 PREJUDICE all of its counterclaims in this action. For the sake of clarity, the parties agree
25 that there shall be no res judicata or collateral estoppel impact from the claims dismissed
26 WITHOUT PREJUDICE.

STIPULATED MOTION AND
[PROPOSED] CONSENT JUDGMENT
NO. C06-1637-MJP - Page 2

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925 FOURTH AVENUE, SUITE 2500
SEATTLE WASHINGTON 98104
T 206.518.3800 F 206.516.3888

1 5. Each party shall bear its own costs and attorneys' fees.

2 6. The bond posted by Autodesk in conjunction with the November 22, 2006
3 Temporary Restraining Order is hereby released.

4 AGREED TO BY:

5 Dated: April 2, 2007.

6 YARMUTH WILSDON CALFO PLLC

7 By: s/Angelo J. Calfo

8 Angelo J. Calfo, WSBA #27079

9 Lyle A. Tenpenny, WSBA #34883

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25 MARKOWITZ, HERBOLD, GLADE &
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FENWICK & WEST LLP

By: s/Rodger R. Cole

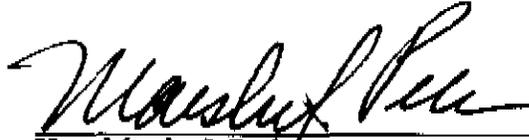
Tyler A. Baker (admitted *pro hac vice*)
Stuart P. Meyer (admitted *pro hac vice*)
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irubel@fenwick.com;
rmarton@fenwick.com

Attorneys for Defendant Open Design Alliance

ORDER

IT IS SO ORDERED.

Dated this 3 day of April, 2007.



Hon. Marsha J. Pechman
United States District Judge

CERTIFICATE OF SERVICE

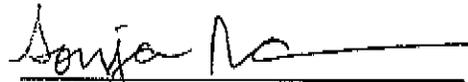
I hereby certify that on this date, I electronically filed the forgoing Consent Judgment with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to:

Tyler A. Baker	tbaker@fenwick.com
Rodger R. Cole	rcole@fenwick.com
Jeffrey M. Edelson	JeffEdelson@MHGM.com
Lynn A. Humphreys	lhumphreys@mofocom
Michael A. Jacobs	mjacobs@mofocom
Shawn M. Lindsay	shawnlindsay@mhgm.com
Ryan J. Marton	rmarton@fenwick.com
Ilana S. Rubel	irubel@fenwick.com
Stuart P. Meyer	smeyer@fenwick.com

I hereby certify that I have mailed by United States Postal Service the documents to the following non CM/ECF participants: None.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 2nd day of April, 2007 at Seattle, Washington.



 Sonja Rasmussen
 Legal Assistant