

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Park Ridge Sports, Inc.,)	
An Illinois Not for Profit Corporation,)	
)	
Plaintiff and Counterclaim)	
Defendant,)	
)	
v.)	CIVIL ACTION NO.: 20-cv-2244
)	
Park Ridge Travel Falcons,)	Hon. Ronald A. Guzman
an Illinois Not For Profit Corporation, and)	U.S. District Judge
Timothy Walbert, James Purcell,)	
Jeffery Kilburg and Lou Karnezis,)	Referred to
individuals,)	Hon. Jeffrey Cole
)	U.S. Magistrate Judge
Defendants and Counterclaim)	
Plaintiffs.)	

**PLAINTIFF'S OBJECTION TO REPORT AND RECOMMENDATION
REGARDING MOTION FOR PRELIMINARY INJUNCTION**

I. INTRODUCTION

Even small not-for-profit community organizations have brands and reputations worthy of the protection of the law. The Report and Recommendation regarding Plaintiff's Motion for Preliminary Injunction (Dkt. No. 58) ("R & R") minimizes the dispute between Park Ridge's oldest and most well-known private youth sports program and four of its former associates by calling it "a bit of a scrimmage in a teacup." R & R at 24. Trademark law, however, is at its heart a consumer protection act, and it protects *all* consumers, even "the youth football fathers of the Chicago suburb of Park Ridge." *Id.* at 1.

The parents of Park Ridge youth athletes have for more than 50 years entrusted their children to Plaintiff's non-profit youth cheerleading and football programs. The Defendants, who began their program just this year, are using Plaintiff's trademark to lure parents away from Plaintiff's program precisely because Defendants have yet to build their own reputation. Worse, the Defendants have begun holding their games out of state in direct violation of state mandated COVID-19 related safety rules (<https://dceocovid19resources.com/restore-illinois/restore-illinois-phase-4/youth-and-adult-sports-guidelines/>) by which Plaintiff is abiding. Consumers who mistakenly believe Defendants' program to be run by Plaintiff (and the record includes significant evidence of this) will attribute Defendants' unsafe actions to Plaintiff, thereby irreparably damaging the reputation that Plaintiff has spent half a century building. This is precisely what the Lanham Act was designed to prevent.

Aside from minimizing the dispute, the denial of Plaintiff's motion for preliminary injunction includes numerous mistakes of fact and trademark law to which Plaintiff objects. Among other mistakes, the R & R applies the wrong legal standard in determining whether Plaintiff owns protectable trademark rights, ignores dispositive evidence of actual confusion among the residents of Park Ridge, and fails to apply the proper legal standard for determining likelihood of irreparable harm. Plaintiff respectfully requests that this Court decline to follow the R & R, and enter a preliminary injunction protecting the consumers of Park Ridge from further confusion.

II. Argument

A. Legal Standard

“Federal Rule of Civil Procedure 72(a) instructs the Court to make a de novo determination of those portions of the R & R to which plaintiff objects.” *K.P. v. City of Chicago SD #299*, 2015 WL 832355, at *2 (Case No. 14-cv-07296, N.D. Ill., February 25, 2015) (Guzman, J.). In so doing, “the Court may ‘accept, reject, or modify’ the R & R, ‘receive further evidence or recommit the matter to the magistrate judge with instructions.’” *Id.*; 28 U.S.C. § 636(b)(1).

The Plaintiff’s objections to the R & R are as follows.

B. The R & R Uses the Wrong Legal Standard to Determine Ownership

In order to establish a claim for trademark infringement of a registered or common law trademark, a plaintiff must establish “(1) that it has a protectible trademark, and (2) a ‘likelihood of confusion’ as to the origin of the defendant’s product [or service].” *Int’l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079, 1084 (7th Cir. 1988). Inherent in the question of whether Plaintiff “has a protectible mark” is the conclusion that Plaintiff owns the mark in question. *Long Grove Investments, LLC v. Baldi Candy Co.*, 397 F.Supp.3d 1190, 1195 (ND Ill. 2019) (“[t]o prevail on this claim, Plaintiff must prove that: (1) there exists a protectable mark; (2) Plaintiff owns the mark; and (3) Defendant’s use of the mark is likely to cause consumer confusion.”), citing, *Johnny Blastoff, Inc. v. Los Angeles Ram Football Co.*, 188 F.3d at 436 (7th Cir. 1999) (“party who first appropriates the mark through use, and for whom the mark serves as a designation of source, acquires superior rights to it”). However, the R & R appears to conflate ownership and protectability by requiring Plaintiff to establish secondary meaning as a proxy for ownership of the mark itself.

In this case, Plaintiff is asserting rights to the unregistered mark PARK RIDGE FALCONS under Section 43(a) of the Lanham Act. A plaintiff in such cases can demonstrate ownership of a mark by showing that it has used a “qualified” mark in commerce prior to the time defendant began its use. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); R & R at 13.

Judge Cole did not make a finding as to whether Plaintiff owns a “qualified” mark, but implied that the mark at issue is not *protectible* when he wrote that “it does not seem that ‘Falcons’ identifies much of anything – it’s Park Ridge that is the name of the programs.” R & R at 14. This finding rests on a fundamental misunderstanding of trademark law.

On Page 14 of the R & R, the Court finds the “Falcons” portion of the Plaintiff’s PARK RIDGE FALCONS mark is arbitrary and therefore inherently distinctive. This is true “because it does not describe or convey the nature of the services of organizing and conducting a youth football program.” *Id.* Thus, to establish that it owns trademark rights in connection with the PARK RIDGE FALCONS mark, Plaintiff need only establish that it used the mark in commerce before Defendants did. *Hana Financial, Inc. v. Hana Bank*, 574 U.S. 418, 419 (2015) (“Rights in a trademark are determined by the date of the mark’s first use in commerce. The party who first uses a mark in commerce is said to have priority over other users.”) Plaintiff did so via a declaration from the President of its Board of Directors, a person who is legally qualified to verify such facts before the United States Patent and Trademark Office (“USPTO”), stating that Plaintiff has used the PARK RIDGE FALCONS mark in commerce in connection with operating a youth football program for more than 50 years. Declaration of James Toulon (“Toulon Decl.”), ¶ 4; 37 C.F.R. § 2.193(e)(1)(i) (“A person who is properly authorized to verify facts on behalf of an owner is: (i) A person with legal authority to bind the owner (e.g., a corporate officer or general partner of a partnership)”).

In response, Defendants argued that Plaintiff’s use began sometime in 2015, but do not dispute that they did not begin using their mark until 2020. Opposition Brief at 9-11. Judge Cole examined the affidavits and determined that he believed the Defendants’ claim that Plaintiff’s priority date is 2015 and not 1967. R & R at 14. This determination misses the point entirely.

Plaintiff disputes Defendants’ claim that Plaintiff’s use of the PARK RIDGE FALCONS trademark did not begin until 2015, but this issue is not relevant to the ownership dispute before the Court. The only relevant issue is whether Plaintiff has established trademark rights superior

to the Defendants' by virtue of use, as Plaintiff has done. Whether the Court finds that Plaintiff started use in 2015 or 1967 matters not; Plaintiff has still established that its use of the PARK RIDGE FALCONS trademark has priority over the Defendants' use because Plaintiff began using the mark years before the Defendants did.

The Court erred because it required that Plaintiff establish secondary meaning for an *inherently distinctive* mark that Plaintiff has used in commerce since long prior to Defendants' first use in 2020. Section 43(a) of the Lanham Act allows Plaintiff to protect a "qualifying" mark, even if it is unregistered. *Two Pesos*, 505 U.S. at 768. An unregistered mark "is distinctive and capable of protection if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning." Report and Recommendation at 14 (emphasis added) (citing *Two Pesos*, 505 U.S. at 769). The "either" referenced in the R & R is both correct and important: a Plaintiff asserting an inherently distinctive mark need only show that it has used the mark in commerce to establish ownership of the mark; it need not establish that consumers have come to associate the mark with Plaintiff, also known as secondary meaning. *Two Pesos*, 505 U.S. at 776 ("proof of secondary meaning is not required to prevail on a claim under § 43(a) of the Lanham Act[.]"); *see, also*, McCarthy, J.T. (2017) *McCarthy on Trademarks and Unfair Competition*, Fifth Ed. §16:3 ("Immediately upon first use, inherently distinctive marks are legally protectable without the need for proof of secondary meaning and can be registered immediately."); *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 700 (2d Cir. 1961) ("A technical trademark, consisting of a counted or fanciful expression, comes into being as soon as it is affixed to the goods and the goods are sold. . . . Priority of user alone is controlling The presumption that a fanciful word or mark becomes distinctive and identifies the source of goods in which it is used immediately after adoption and bona fide first use is basic in trademark law.").

Plaintiff's use of this inherently distinctive mark years before the Defendants' renders Plaintiff the owner of a "qualifying" mark under Section 43(a). Judge Cole's finding on this subject is simply wrong.

C. Plaintiff Objects to the R & R's Application of the Likelihood of Confusion Factors

Trademark cases turn on multifactor likelihood of confusion tests, no single one of which is dispositive. *Barbeque Marx, Inc. v. 551 Ogden, Inc.*, 235 F.3d 1041, 1043-44 (7th Cir. 2000). Three of these factors are particularly important: the similarity of the marks, the defendant's intent, and any evidence of actual confusion. *Id.* at 1044. Evaluating each factor requires some guesswork by the reviewing judge, but there is fortunately plenty of guidance from other Courts and the USPTO in how those factors should be applied. The Court found that five of the seven likelihood of confusion factors favored Defendants, and that two factors were neutral. As discussed in greater detail, below, the Court either used the wrong legal standard or failed to consider important evidence in its evaluation of each factor.

1. The R & R Improperly Disregarded Plaintiff's Evidence of Actual Confusion

Evidence of actual confusion is generally difficult to come by in trademark cases, but where it exists, even a small amount of actual confusion is generally dispositive. *Int'l Kennel Club of Chicago*, 846 F.2d at 1089 (“Although the evidence of actual confusion introduced at the hearing was, as the district court put it ‘hardly overwhelming’, there can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion. Moreover, reason tells us that while very little proof of actual confusion would be necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.”) (citations omitted)). Plaintiff provided Judge Cole with far more evidence than is usually available in trademark cases, namely, that a sophisticated national youth football league (Pop Warner) was confused between Plaintiff's and Defendants' programs, that numerous parents have inquired expressing confusion between the two Park Ridge Falcons programs, that at least one parent signed her son up for the wrong Falcons program because she was confused between the two names, and that one of Defendants' coaches believed that the Defendants' program was operated by Plaintiff until Plaintiff corrected this misunderstanding. Judge Cole summarily dismissed this evidence by reasoning that “the parents don't care if the program is called Falcons, Eagles, Lions, Tigers, or Bears.” But that is not the question to

be answered in determining whether there is evidence of actual confusion.

The Lanham Act is concerned with the concurrent use of marks that are “likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person[.]” 15 U.S.C. §1125(a)(1)(A). Pop Warner’s use of a link to Plaintiff’s PARK RIDGE FALCONS program in its listing for Defendants’ PARK RIDGE TRAVEL FALCONS program (Declaration of Jeffrey T. Norberg (“Norberg Decl.”), ¶ 7, Ex. F) is strong evidence that the use of similar marks “cause[d] mistake” as that term is used in the statute. When Ted Vasilakopoulos wrote to Plaintiff’s Board Member Roy Hoffman on July 17 (Declaration of Roy Hoffman (“Hoffman Decl.”), Ex. CC) that he registered his son for the Defendants’ “falcons travel football 7-8th grade” and “I’m confused at what league we registered for[.]” that is strong evidence of confusion. And when Bob Newton wrote to Mr. Hoffman in early August (Hoffman Decl., Ex. EE) and said “I understand you are coaching the PR travel team[.]”asked whether Plaintiff is playing tackle in Crown Point this year, and then asked Mr. Hoffman to take a look at his son for possible tackle paly, that is strong evidence that Mr. Newton believed that the team coached by Mr. Hoffman, Plaintiff’s PARK RIDGE FALCONS, is the same PARK RIDGE TRAVEL FALCONS team offered by the Defendants.

The Court completely dismisses this unequivocal evidence of actual confusion by stating “There is no evidence of confusion stemming from anyone using the name, ‘Falcons.’ None!” Report at 18. This is simply not accurate: in a July 18, 2020 e-mail from a parent who signed her son up for Plaintiff’s program and requested a refund, Tina Arvanitis writes: “I believe I signed up my son [redacted] for the wrong Falcons teams. He was interested in pop warner falcons(I’m confused) with this, it’s my first year.” Hoffman Decl., Ex. DD.

The Court also writes that the confusion between the parties’ marks is due to the use of “Park Ridge” rather than “Falcons,” but once again, this ignores one of the basics of trademark law: when examining similar marks for potential confusion, Courts give greater weight to shared terms that are

more distinctive and less weight to descriptive terms. *Henri's Food Prod. Co. v. Kraft, Inc.*, 717 F.2d 352, 356 (7th Cir. 1983); *In re Nat'l Data Corp.*, 753 F.2d 1056, 1058–59 (Fed. Cir. 1985); *Dranoff-Perlstein Assocs. v. Sklar*, 967 F.2d 852, 861 (3d Cir. 1992) (citing, *Keebler Co. v. Murray Bakery Prods.*, 866 F.2d 1386 (Fed.Cir.1989); *see, also*, McCarthy, J.T. (2017) *McCarthy on Trademarks and Unfair Competition*, Fifth Ed. § 23:49 (“As a preliminary to comparing marks in their entireties, it is proper to discount the similarity of generic parts of conflicting marks.”); *see. e.g., Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d at 1088. (Greater weight was given to the shared term ‘International Kennel Club’ rather than the geographic distinction ‘of Chicago’). By contrast, the “Park Ridge” portion of the parties’ marks merely describes the city where the parties’ and the parties’ youth participants are located. The finding that it is the “Park Ridge” portion of the parties’ marks that is likely to lead to confusion is erroneous because it ignores this fundamental rule of trademark comparison. This factor favors Plaintiff.

2. The R & R Used the Wrong Legal Standard in Analyzing Similarity of the Marks

The Court found the similarity factor to be neutral because the Defendants’ mark includes the informational word “travel.” This is contrary to well established trademark law.

As discussed, above, in comparing marks for similarity, shared inherently distinctive features are more likely to dominate consumer perception. *See Meridian Mut. Ins. Co. v. Meridian Ins. Group, Inc.*, 128 F.3d 1111, 1115-16 (7th Cir. 1997). By contrast, consumers are unlikely to differentiate between marks where the only difference between the marks is informational, conveying a message about the nature of the goods or services offered under the mark. *Int'l Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d at 1078-88 (adding geographic description “of Chicago” to INTERNATIONAL KENNEL CLUB not distinguishing); *see, also, Morningside Group Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 140 (2d Cir. 1999) (“Only one word stands out as dominant in the two names, and that – the only arbitrary word – is ‘Morningside.’”).

Here, the Defendants use and have applied for a variety of marks, including a mark identical to Plaintiff’s PARK RIDGE FALCONS mark. The Court found the TRAVEL portion of one of the

Plaintiff's marks to be distinguishing. This is incorrect because, as Judge Cole found, it describes what the Defendants offer: "a traveling tackle football team." R & R at 15. Indeed, the USPTO has required Defendants to disclaim the "travel" portion of the mark for precisely this reason. Norberg Decl., Ex. G. Rather than being neutral, this factor favors Plaintiff.

3. The R & R Failed to Consider Evidence of Intent

The intent factor presents the question as to whether the defendant intended to confuse consumers as to the source of the product or service. *Meridian Mut. Ins. Co.*, 128 F.3d at 1120. The R & R does not answer that question, but instead answers a different one: whether the Defendants intend for their program to be confused with a program that, due to COVID-19 restrictions, is temporarily not offering a travel tackle football program. Setting aside the fact that Plaintiff *is* offering a travel tackle football program this year, albeit with heavy restrictions as required by the Illinois COVID-19 guidelines, the Court failed to consider any of the evidence of Defendants' intent offered by Plaintiff.

Prior to this season, the Defendants never offered any youth football under the trademark PARK RIDGE TRAVEL FALCONS, which means, of course, that no photographs of Defendants' team exist. Rather than using other content to attempt to sell their new offering to the residents of Park Ridge, Defendants repeatedly used photographs of the Plaintiff's PARK RIDGE FALCONS team from 2019 and prior, along with text that suggested that the Plaintiff's 2019 PARK RIDGE FALCONS are the same team that the Defendants are offering under their PARK RIDGE TRAVEL FALCONS mark. Norberg Decl., Exs. A-D & Toulon Decl., ¶¶ 14-17. The Defendants offered no explanation as to why they used photographs of Plaintiff's team on their website. The strong implication of all of this is obvious: the Defendants used photographs of Plaintiff's team, and claimed Plaintiff's 2019 team as their own, to mislead Park Ridge parents into believing that their Falcons offering is the same offering Plaintiff has provided for years. The Court does not address this evidence, nor the Defendants' failure to respond to it, which is error.

The photographs and social media posts are not the only evidence that the Defendants intended

to deceive Park Ridge parents. Each of the individual defendants was affiliated with Plaintiff's program until earlier this year, and each was involved in the Plaintiff's Park Ridge Falcons program. They were clearly aware of the Plaintiff's use of the mark, yet chose to use it anyway. As the Court noted on the second page of the R & R, "more recently, no slouches in the lack of creativity and originality department, the defendants copied [the Falcons name] from the plaintiffs [sic]." Again, this factor favors Plaintiff.

4. The R & R Applied the Wrong Legal Standard in Determining Strength

Strength of a trademark is measured in a number of ways, including whether the mark is inherently distinctive, and the degree and extent to which the public becomes aware of the Plaintiff's mark via advertising, marketing, and press coverage. *Sorensen v. WD-40 Co.*, 792 F.3d 712, 731 (7th Cir. 2015). As Plaintiff states in the briefing, the PARK RIDGE FALCONS mark is a strong mark because, as the Court found, it is an inherently distinctive arbitrary mark. Plaintiff also submitted evidence that it has used the mark for 52 years, has received widespread recognition for the PARK RIDGE FALCONS team, and Plaintiff's team has been heavily covered in the press, including the Chicago Tribune. Toulon Decl., ¶¶ 4-8, 21-23 & Exs. 2-4. In response, the Defendants argue that Plaintiff has only used the mark since 2015, and that the PARK RIDGE portion of Plaintiff's mark is not strong because it is descriptive.

The Court dismisses all of Plaintiff's evidence of strength and holds, once again, that Plaintiff has failed to satisfy its burden of showing secondary meaning – a burden that is not imposed on users of an inherently distinctive mark: "There is no evidence that parents associate 'Falcons' with anything in particular, as opposed to, perhaps, Park Ridge football." R & R at 17. Of course, there is such evidence in the record: Judge Cole found "Falcons" to be inherently distinctive when used in connection with Plaintiff's services, and trademark law establishes that trademark rights accrue upon first use of such marks. *See* Section II.B., above. The Court's failure to consider evidence of inherent distinctiveness in connection with the analysis of the mark's strength is error, and this factor also favors Plaintiff.

5. The R & R's Finding Regarding Consumer Sophistication Uses the Wrong Legal Standard

The Court defined the pool of consumers too narrowly in determining that the consumer sophistication factor favors the Defendants. Consumer sophistication is generally measured by looking at “reasonable and prudent consumers” rather than a limited subset. *Platinum Home Mortg. Corp. v. Platinum Financial Group, Inc.*, 149 F.3d 722, 729 (7th Cir. 1998). While there can be no doubt that *some* parents who place their children in youth football leagues want their children to participate in a tackle program regardless of the State of Illinois’ COVID-19 guidelines, it is quite cynical to suggest that these are *all* of the consumers of the parties’ two programs. This is precisely what Judge Cole did.

The e-mail from Tina Arvanitis requesting a refund for signing her son up for the wrong Falcons team (Hoffman Decl., Ex. DD) illustrates this point. While some parents will engage in extensive research in an effort to place their child in the preferred program, others may do so based on little more than a request from their children. Indeed, based on the Plaintiff’s lengthy and well known operation of a safe program for more than 50 years, it is certainly plausible that parents who played for Plaintiff’s Park Ridge Falcons program when they were children would rely on the name “Falcons” alone when determining whether to trust a program with their child’s safety. The Court’s finding that this factor favors Defendants is error; this factor favors Plaintiff.

6. The R & R Defines the Services Offered by the Parties Too Narrowly

Both the Plaintiff and Defendants offer the same service: organizing youth football programs for the youth of Park Ridge. Despite this, the Court found the parties’ services to be different because Defendants offer a program for “parents who want their boys to play a highly competitive tackle on a traveling team (a program defendants offer but plaintiff no longer does).” This is simply not supported by the record.

It is undisputed that the Plaintiff offered a travel tackle football program through the 2019 season. The COVID-19 guidelines issued by Illinois have prohibited Plaintiff from offering *any* touch football program for the time being, but that does not mean Plaintiff is not offering a travel football program or that its teams cannot travel once those guidelines are lifted. Plaintiff’s rights in the PARK

RIDGE TRAVEL mark are defined by how Plaintiff has used that mark in the past, and those rights include offering a travel tackle football program. The Defendants have presented no evidence that Plaintiff has abandoned its rights, nor could they. The Defendants' decision to ignore COVID-19 rules with which Plaintiff is complying does not give them a license to use Plaintiff's mark, nor should it. This factor favors Plaintiff.

7. Both Parties Use their Marks in Park Ridge, Illinois

The Court determined that the area of concurrent use factor favors Defendants because the Defendants use their mark in some areas where Plaintiff does not, such as Crown Point, Indiana. This ignores the evidence that both Plaintiff's and Defendants' use of their marks occurs in overlapping geographic areas. It is undisputed that the parties' programs are targeted to the community of Park Ridge, from which they draw their players, representing a significant overlap in the area of concurrent use. This factor therefore favors Plaintiff.

D. Plaintiff Objects to the R & R's Irreparable Harm Analysis and Findings

The Seventh Circuit applies a presumption of irreparable harm in trademark cases when a Plaintiff shows a likelihood of success on the merits. *Abbott Labs v. Mead Johnson & Co.*, 971 F.2d 6, 16 (7th Cir. 1992). While there has been some speculation as to whether the Seventh Circuit would continue to apply this presumption in light of the Supreme Court's *eBay* patent ruling, the Seventh Circuit has not yet considered the issue, and the presumption remains as a matter of *stare decisis*. It is likely due to this fact that many Judges in this District still apply the presumption even after the Supreme Court's *eBay* decision. *See, e.g., Life After Hate, Inc. v. Free Radicals Project, Inc.*, 410 F. Supp. 3d 891, 909 (N.D. Ill. 2019) (Judge Kendall applying presumption); *Redbox Automated Retail, LLC v. Xpress Retail LLC*, 310 F. Supp. 3d 949, 952 (N.D. Ill. 2018) (Judge Feinerman applying presumption); *Checker Car Club of Am., Inc. v. Fay*, 262 F. Supp. 3d 621, 629 (N.D. Ill. 2017) (Judge Bucklo applying presumption); *MetroPCS v. Devor*, 215 F. Supp. 3d 626, 639 (N.D. Ill. 2016) (Judge Shadur applying presumption); *Wm. Wrigley Jr. Co. v. Swerve IP, LLC*, 900 F. Supp. 2d 794, 803 (N.D. Ill. 2012) (Judge Leinenweber applying presumption); *Lettuce Entertain You Enterprises, Inc.*

v. Leila Sophia AR, LLC, 703 F. Supp. 2d 777, 790 (N.D. Ill. 2010) (Judge Lefkow applying presumption.”).

The Court did not apply the presumption of irreparable harm in this case. Instead, *in a footnote*, Judge Cole declared the presumption dead without any analysis. R & R at n. 2. This on its own is error.

After disregarding the binding precedent of the Seventh Circuit, Judge Cole then disregarded the Plaintiff’s showing of irreparable harm and found it lacking based solely on the time that had passed between the filing of the complaint and the filing of the motion, just under three months. Judge Cole then took this error a step further, writing in a footnote: “a decision to refer [a motion for preliminary injunction] under Rule 72(b) is tantamount to a finding that there will be no irreparable harm or, at least, an indication that the district court judge does not think much of the movant’s case for irreparable harm.” The law, however is as follows: an unexplained delay in filing can, in certain circumstances, negate a showing of irreparable harm, but it does not automatically mean that there is no irreparable harm. *Nat’l Financial Partners Corp. v. Paycom Software, Inc.*, 2015 WL 3633987, at *13 (No. 14-C-7424 N.D. Ill., June 10, 2015) (three-month delay in decision to file suit is not unreasonable delay because plaintiff believed they could work out a solution).

In this case, Plaintiff presented very good reasons as to why it waited to file its motion: settlement discussions and a worldwide pandemic that called into question whether *any* sporting activities, professional or otherwise, would even happen in 2020. When the Plaintiff filed its Complaint in early April, 2020, the State of Illinois was still in a state of lockdown, without any indication of when or if youth football would be allowed to proceed in 2020. The Plaintiff was also engaged in settlement discussions with the Defendants, in the hope of ending this dispute without the need for further judicial intervention. It would have been absurdly wasteful for Plaintiff to seek a preliminary injunction (or, as suggested by Judge Cole, a temporary restraining order) under such circumstances. Instead, Plaintiff waited until it was clear that settlement talks had failed and that the Defendants did intend to begin registration for the 2020 football season. Toulon Decl., ¶¶ 12-13.

Plaintiff should not be punished for trying to resolve this case and waiting until it was clear that there was an imminent threat before filing its motion.

Judge Cole's report also improperly disregards the reputational damage that Plaintiff is likely to suffer as a result of the loss of control of its PARK RIDGE FALCONS mark. As Judge Posner wrote in the post *eBay* decision *Kraft Foods Group Brands, LLC v. Cracker Barrel Old Country*, 735 F.3d 735, 740 (7th Cir. 2013), "irreparable harm is especially likely in a trademark case because of the difficulty of quantifying the likely effect on a brand of a nontrivial period of consumer confusion (and the interval between the filing of a trademark infringement complaint and final judgment is sure not to be trivial)." Judge Posner illustrates this point well:

The particular danger for Kraft of CBOCS's being allowed to sell food products through the same outlets under a trade name confusingly similar to Kraft's "Cracker Barrel" trade name is that if CBOCS's products are inferior in any respect to what the consumer expects- if a consumer has a bad experience with a CBOCS product and blames Kraft, thinking it is the producer – Kraft's sales of Cracker Barrel cheeses are likely to decline, for a consumer who thinks Kraft makes bad hams may decide it probably makes bad cheeses as well.

Id. at 739. Judge Kennelly, in one of his decisions declining to apply the presumption of irreparable harm, agrees: "The most corrosive and irreparable harm attributable to trademark infringement is the inability of the victim to control the nature and quality of the defendant's goods." *Nat'l Financial Partners Corp.*, 2015 WL 3633987, at *12-13 (internal quotation omitted).

In this case, it takes little imagination to see how the Defendants' uncontrolled use of the Plaintiff's mark is causing and will continue to cause reputational harm to the Plaintiff. The Defendants have elected to ignore the state's COVID-19 rules and take their practices and games out of state, whereas the Plaintiff has elected to comply with the rules and has limited its season to no-contact practices. While it may be that some parents will know the difference between the two programs and elect to place their children in the Defendant's program nonetheless, what about those parents who do not know the difference between the two programs? What if the child of a parent who believes he or she signed up for the Plaintiff's program is injured while playing in the Defendant's program? What if the parent of a potential participant in one of Plaintiff's other programs, such as flag football or

cheerleading, sees on the Defendants' website that they are not complying with COVID-19 rules and the parent decides that he or she would rather not entrust their child to any of Plaintiff's programs? What if a child, or group of children, whose parents believed they signed up for the Plaintiff's program contract COVID-19 while playing football in contravention of the restrictions required by the Illinois COVID-19 guidelines? We already know that at least one parent has signed her child up for the wrong Falcons program. Hoffman Decl., Ex. DD. If even one of these scenarios were to come true, the reputational damage to Plaintiff's 52-year-old program would be severe and irreparable.

E. Plaintiff Objects to the R & R's Finding that the Balance of the Harms Favors Neither Plaintiff nor Defendants

Judge Cole spills little ink discussing the balance of the harms in light of his decision that Plaintiff does not have a very strong chance of success on the merits. In the minimal analysis he does provide, he concludes that Plaintiff would not be harmed if the injunction is denied for the same incorrect reasons he found there to be no likelihood of irreparable harm: he could not fathom how the Defendants' uncontrolled use of Plaintiff's mark could cause reputational harm to the Plaintiff. As stated, above, Judge Cole's finding on irreparable harm is erroneous. His finding on this factor is therefore also erroneous, and this Court should find that the balance of harms tips in favor of the Plaintiff.

III. CONCLUSION

For the foregoing reasons, and for the reasons set forth in Plaintiff's briefing on this Motion, Plaintiff respectfully requests that this Court decline to adopt the R & R and preliminarily enjoin Defendants as reflected in Plaintiff's [Proposed] Order.

Dated: September 3, 2020

Respectfully submitted,

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