

## Dropbox Defeats LA Software Co.'s 'SmartSync' TM Suit

By **Lauren Berg**

*Law360 (October 29, 2019, 5:15 PM EDT)* -- Dropbox Inc. has escaped claims that its "Smart Sync" file storage feature infringes a Los Angeles-based software company's product with a similar name after a California federal judge ruled that the rival trademark was not entitled to protection.

U.S. District Judge Dean D. Pregerson granted Dropbox's motion for summary judgment after finding that Ironhawk Technologies Inc.'s "SmartSync" mark appears to be a straightforward description of the qualities or characteristics of the software product, meaning Ironhawk's mark is not entitled to trademark protection, according to the judge's opinion filed on Thursday.

The judge also said a reasonable finder of fact, such as a jury, could not conclude that Ironhawk's "SmartSync" is recognized in the marketplace of U.S. military software and rejected the software company's argument that the mark is not weak because of its supposed commercial strength.

Ironhawk said it developed software that uses compression and replication to transfer data in "bandwidth-challenged environments," and has marketed the software as "SmartSync" since 2004, according to the judge's opinion. The company obtained a trademark registration for SmartSync in 2007, the opinion states.

Dropbox provides cloud-based file storage and synchronization services that let users access files from anywhere on any device, the opinion states, and in 2017, the company launched a feature called "Smart Sync," which allows users to choose whether files are stored locally or online only.

In its suit filed in February 2018, Ironhawk alleged that Dropbox's use of the name "Smart Sync" intentionally infringes upon Ironhawk's "SmartSync" trademark, is likely to cause confusion among consumers and has already confused Ironhawk's customers as to the relationship between Ironhawk's product and Dropbox's feature.

In his order last week, Judge Pregerson found that Dropbox produced evidence that its "Smart Sync" product is designed to help people conserve computer hard drive space by allowing files to be stored online, while Ironhawk's product "SmartSync" allows for efficient data transfer by using compression and replication, and that the U.S. Navy is the only user of Ironhawk's product.

The judge rejected Ironhawk's argument that the products are similar and will cause confusion, because they "facilitate access to files by multiple users in multiple locations."

"ZIP files, USB drives, e-mail attachments, and a plethora of other products 'facilitate access to files by multiple users in multiple locations,' but are hardly similar to either product at issue here," the judge said. "The mere fact that both products deal in some manner with the transfer of electronic data is not enough to render the products similar for purposes of a trademark analysis."

And even though the names are almost identical, Judge Pregerson said it's important to look at the similarity in light of the way the marks are encountered in the marketplace. He found that, although the trademarked term is not a slogan or tagline, the names of the parties accompany the marks, according to the order.

"Dropbox's Smart Sync is not a freestanding offering, and the term is only encountered in the marketplace in conjunction with the Dropbox products of which it is a component part," the judge said.

Judge Pregerson also said that it is undisputed that Dropbox was unaware of Ironhawk when it chose the name "Smart Sync" and that, even though Dropbox was aware of Ironhawk and its "SmartSync" product by the time it launched its own feature, there is no evidence Dropbox had any intention of capitalizing on Ironhawk's goodwill.

"Dropbox was pleased to see Judge Pregerson's well-reasoned summary judgment opinion, which vindicated Dropbox's position that it did not infringe Ironhawk's intellectual property and rejected Ironhawk's \$100 million damages claim," the company's counsel at Covington & Burling LLP said in a statement to Law360 on Tuesday.

Counsel for Ironhawk did not immediately respond to a request for comment.

Ironhawk is represented by Keith J. Wesley, Lori Sambol Brody and Matthew L. Venezia of Browne George Ross LLP.

Dropbox is represented by in-house counsel Teresa Burlison, Elena DiMuzio, Anita Kalra and Wendy Weber, and Clara J. Shin, Jeffrey M. Davidson, Laura Brookover, Rebecca Ariel Jacobs, Matthew Q. Verdin, Isaac Chaput and Diane Ramirez of Covington & Burling LLP.

The case is Ironhawk Technologies Inc. v. Dropbox Inc., case number 2:18-cv-01481, in U.S. District Court for the Central District of California.

--Editing by Nicole Bleier.