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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

*Porta-Fab Corporation,*

Plaintiff,

vs.

*Allied Modular Building Systems, Inc.,*

Defendant.

CASE NO. 8:20-cv-01778-JLS-JDE

**ORDER DENYING DEFENDANT  
ALLIED MODULAR BUILDING  
SYSTEMS, INC.'S MOTION FOR  
SUMMARY JUDGMENT (Doc. 35)**

1 Before the Court is a Motion for Summary Judgment filed by Defendant Allied  
2 Modular Building Systems, Inc. (“Allied”). (Mot., Doc. 35; Mem., 35-1.) Plaintiff Porta-  
3 Fab Corporation (“Porta-Fab”) opposed, and Allied did not reply. (Opp., Doc. 39.)  
4 Having considered the parties’ briefs and held oral argument, the Court now DENIES  
5 Allied’s Motion for the reasons stated below.

## 6 7 **I. BACKGROUND**

8 This action arises from Allied’s alleged use of a Porta-Fab trademark. (First  
9 Amended Complaint (“FAC”), Doc. 29.) Allied and Porta-Fab both manufacture and sell  
10 modular buildings. The products manufactured by the parties are valued at tens of  
11 thousands of dollars. (Porta-Fab’s Statement of Genuine Disputes of Material Facts in  
12 Response to Allied Modular Building Systems, Inc.’s Statement of Alleged  
13 Uncontroverted Facts (“Porta-Fab’s Statement of Genuine Disputes”) ¶ 2, Doc. 40.)  
14 Indeed, Wayne McGee, the president of Porta-Fab, testified that the dollar value of an  
15 average sale of a modular product was \$32,000. (Ex. D (McGee Depo.) at 19:17-19, Doc.  
16 40.) It can also take weeks or months to complete a sale of a modular product once a  
17 consumer expresses interest. (Porta-Fab’s Statement of Genuine Disputes ¶ 3, Doc. 40.)

18 Since 1990, Porta-Fab has had the mark “Porta-Fab” registered with the United  
19 States Patent and Trademark Office. (Ex. C (Declaration of Wayne McGee (“McGee  
20 Decl.”)) ¶¶ 5-6, Doc. 40.) On May 27, 2020, Allied added the phrase “PortaFab” as a  
21 broad keyword match for its Google Ads. (Ex. F (Declaration of Matthew Solomon ¶ 8  
22 (“Solomon Decl.”) at PDF Page 8, Doc. 40.) A broad match keyword is a keyword that  
23 may trigger advertisements when Google users search for terms related to the keyword—  
24 even if the keyword itself does not appear in the search terms. (*Id.*) Examples of Allied’s  
25 use of the PortaFab phrase in its Google Ads consisted of the phrase “Buy Portafab Today  
26 – We Manufacture/Install Direct,” which appeared near the top half of the search results  
27

1 page on Google.com. (See Exs. A-B, Doc. 40.) An example of Allied’s use of the  
 2 PortaFab phrase is provided below:

3 About 61,696 results (0.83 seconds)

4 Ad · www.portafab.com/ ▾  
**PortaFab Modular Systems - Construction Made Easy**  
 Interior Construction Made Easy. Identify Your Needs & We'll Walk You Through the Rest. Our  
 Pre-Engineered Building Solutions Will Save You Time, Money, & More. Easy to Modify.

5 **Quick Ship Offices**  
 5-day quick ship. 32 standard  
 modular offices.

6 **Contact Us**  
 Need design assistance or have  
 questions? Contact us.

7 Ad · www.portaking.com/ ▾ (888) 545-3958  
**Modular Rooms & Enclosures | Porta-King**  
 Porta-King offers the highest quality construction materials at the lowest price.

8 Ad · www.panelbuilt.com/ ▾ (888) 681-7144  
**Modular Inplant Offices - 5 Day Shipping Available**  
 Easily Solve Your Space Needs. Get Your Free Quote Today! Top Quality & Affordable.

9 Ad · www.alliedmodular.com/modularoffices ▾ (800) 639-4857  
**Buy Portafab Today - We Manufacture/Install Direct**  
 Use the modular system major Fortune 500 companies are using-Allied Modular. We...

10 www.portafab.com ▾  
**PortaFab Modular Building Systems | Inplant Modular Office ...**  
 Airborne Infection Isolation Rooms. To aid in the efforts to contain the spread of the coronavirus  
 (Covid-19), PortaFab offers solutions that can help with the ...

11 **Offices & Buildings**  
 Modular Offices & Inplant  
 Buildings, Home»Offices &  
 Buildings ...

12 **Contact Us**  
 CONTACT US. For information on  
 a specific product you may fill ...

13 **Cleanrooms**  
 PortaFab designs and  
 manufactures modular ...

14 **Installation**  
 Download installation instructions  
 for PortaFab's modular products ...

15 **Photo Galleries**  
 View photos of PortaFab's modular  
 building including modular ...

16 **Inspection Rooms**  
 Modular buildings create controlled  
 environments directly ...

17 **More results from portafab.com »**

18 **See portafab room** Sponsored

 *2-Wall Modular Office, 8 x 10 x 8... \$4,825.00 FS Industries	 Global Industrial Modular Wellness... \$4,663.00 Global Industrial	 *3-Wall Modular Office, 8 x 20 x 8,... \$7,938.00 FS Industries
 Quick-Ship Modular Office CV1232-3... \$12,487.00 FS Industries	 Porta-king Modular In-Plant Office, 2-... \$3,768.00 Grainger Industri... Free shipping	 Cleanroom Passthrough: Wal... \$9,118.00 Terra Universal Free shipping
 *Modular Building, 8 x 8... \$10,135.00 FS Industries	 Turnkey Inplant Offices - Options ... \$2,381.44 A Plus Warehou...	 Porta-fab Modular In-Plant Office, 2-... \$4,158.00 Grainger Industri...

19 → More on Google

17 (Id. Ex. B.) There were 2,494 Allied Google ad impressions with the term “Portafab.”  
 18 (Id. at PDF Page 3, Doc. 40.) Of these 2,494 impressions, there were approximately 85 to  
 19 102 clicks. (Id.) None of the clicks led to sales. (Id.)

20 Upon learning of Allied’s use of the term, Porta-Fab did not contact Allied, but  
 21 instead immediately filed this lawsuit asserting a Federal Trademark Infringement claim  
 22 and a Federal Unfair Competition claim against Allied. (Compl., Doc. 1.) Porta-Fab  
 23 acknowledged that when Allied received the complaint in this action, Allied immediately  
 24 removed the term PortaFab from its Google Ads. (Ex. B (Deposition of Wayne Reed  
 25 McGee) at 14:23-15:1, Doc. 35-2.) Allied contends that it did not know that Porta-Fab  
 26 was a registered trademark or who from Allied added the term PortaFab to its Google Ads.  
 27 (Porta-Fab’s Statement of Genuine Disputes at PDF Page 5, Doc. 40.) However, a Legal  
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1 Assistant of Products & Agreements, at Google LLC attested that “[a]s a Google Ads  
2 customer, Allied Modular is responsible for determining the names of ad groups and  
3 advertising campaigns,” including for the advertisements at issue here. (Solomon Decl.  
4 ¶ 6, Doc. 40.) Moreover, Porta-Fab attests that Allied and Porta-Fab have been  
5 competitors for many years, which Allied has not contested. (Ex. C (McGee Decl. ¶ 9),  
6 Doc. 41.)

## 8 II. LEGAL STANDARD

9  
10 Summary judgment shall be granted “if the movant shows that there is no genuine  
11 dispute as to any material fact and the movant is entitled to judgment as a matter of law.”  
12 Fed. R. Civ. P. 56(a); *see also Fortyune v. American Multi-Cinema, Inc.*, 364 F.3d 1075,  
13 1079-80 (9th Cir. 2004) (“Summary judgment is appropriate ‘if the pleadings, depositions,  
14 answers to interrogatories, and admissions on file, together with the affidavits, if any, show  
15 that there is no genuine issue as to any material fact and that the moving party is entitled to  
16 a judgment as a matter of law.” (quoting Fed. R. Civ. P. 56(c))). “A dispute about a  
17 material fact is genuine ‘if the evidence is such that a reasonable jury could return a verdict  
18 for the nonmoving party.’” *Freecycle Sunnyvale v. Freecycle Network*, 626 F.3d 509, 514  
19 (9th Cir. 2010). A fact is “material” when its resolution “‘might affect the outcome of the  
20 suit under the governing law.’” *George v. Morris*, 736 F.3d 829, 834 (9th Cir. 2013).

21 “Where the party moving for summary judgment would bear the burden of proof at  
22 trial, that party ‘has the initial burden of establishing the absence of a genuine issue of fact  
23 on each issue material to its case.’” *Bernstein v. Virgin Am., Inc.*, 365 F. Supp. 3d 980,  
24 984 (N.D. Cal. 2019) (quoting *C.A.R. Transp. Brokerage Co. v. Darden Rests., Inc.*, 213  
25 F.3d 474, 480 (9th Cir. 2000)). By contrast, when the moving party would not bear the  
26 burden of proof at trial, that party “must either produce evidence negating an essential  
27 element of the nonmoving party’s claim or defense or show that the nonmoving party does  
28 not have enough evidence of an essential element to carry its ultimate burden of persuasion

1 at trial.” *Nissan Fire & Marine Ins. Co. v. Fritz Companies, Inc.*, 210 F.3d 1099, 1102  
2 (9th Cir. 2000).

3 “If the moving party satisfies its initial burden of production, the nonmoving party  
4 must produce admissible evidence to show that a genuine issue of material fact exists.”  
5 *Bernstein*, 365 F. Supp. 3d at 984 (citing *Nissan Fire*, 210 F.3d at 1102). “If the  
6 nonmoving party fails to make this showing, the moving party is entitled to summary  
7 judgment.” *Bernstein*, 365 F. Supp. 3d at 984 (citing *Celotex Corp. v. Catrett*, 477 U.S.  
8 317, 322-23 (1986)). The non-moving party does not meet this burden by showing “some  
9 metaphysical doubt as to the material facts.” *Matsushita Elec. Indus. Co., Ltd. v. Zenith*  
10 *Radio Corp.*, 475 U.S. 574, 586 (1986). Indeed, the United States Supreme Court has held  
11 that “[t]he mere existence of a scintilla of evidence in support of the non-moving party’s  
12 position is not sufficient.” *Anderson*, 477 U.S. at 252. Genuine factual issues must exist  
13 that “can be resolved only by a finder of fact because they may reasonably be resolved in  
14 favor of either party.” *Id.* at 250.

15 When ruling on a summary judgment motion, the Court must examine all the  
16 evidence in the light most favorable to the non-moving party. *Celotex*, 477 U.S. at 325.  
17 Lastly, the Court cannot engage in credibility determinations, weighing of evidence, or  
18 drawing of legitimate inferences from the facts; these functions are for the jury. *Anderson*,  
19 477 U.S. at 255. Without specific facts to support the conclusion, a bald assertion of the  
20 “ultimate fact” is insufficient. *See Schneider v. TRW, Inc.*, 938 F.2d 986, 990-91 (9th Cir.  
21 1991).

22 **III. DISCUSSION**

23 **A. Whether Plaintiff Is Unable to Show a Likelihood of**  
24 **Consumer Confusion**

25  
26 In its Motion, Allied argues that this Court should grant summary judgment in its  
27 favor because Plaintiff “is unable to show a likelihood of consumer confusion.” (Mem. at  
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1 10, Doc. 35-1.) “To prevail on a claim of trademark infringement under the Lanham Act, a  
2 trademark holder must show that the defendant’s use of its trademark is likely to cause  
3 confusion.” *Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930, 935 (9th Cir.  
4 2015) (internal quotation marks omitted). “The test for likelihood of confusion is whether  
5 a reasonably prudent consumer in the marketplace is likely to be confused as to the origin  
6 of the good or service bearing one of the marks.” *Id.* (internal quotation marks omitted).

7 In analyzing likelihood of confusion, courts in the Ninth Circuit employ the  
8 *Sleekcraft* eight-factor test. *Id.* The eight factors are: “(1) the similarity of the marks; (2)  
9 the strength of the plaintiff’s mark; (3) the proximity or relatedness of the goods or  
10 services; (4) the defendant’s intent in selecting the mark; (5) evidence of actual confusion;  
11 (6) the marketing channels used; (7) the likelihood of expansion into other markets; and (8)  
12 the degree of care likely to be exercised by purchasers of the defendant’s products.”  
13 *Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1030  
14 (9th Cir. 2010). The Ninth Circuit has cautioned, however, that the *Sleekcraft* factors are  
15 not exhaustive and should be applied flexibly, especially in the internet commerce context.  
16 *Multi Time Mach., Inc.*, 804 F.3d at 935; *Network Automation, Inc. v. Advanced Sys.*  
17 *Concepts, Inc.*, 638 F.3d 1137, 1149 (9th Cir. 2011). Porta-Fab, as the party alleging  
18 infringement, “must show sufficient evidence to permit a rational trier of fact to find that  
19 confusion is probable, not merely possible.” *M2 Software, Inc. v. Madacy Ent.*, 421 F.3d  
20 1073, 1085 (9th Cir. 2005) (internal quotation marks omitted).

21 In its Opposition, Porta-Fab argues that Allied’s use of the term PortaFab in its  
22 Google advertisement campaign creates a triable issue of fact as to the likelihood of  
23 confusion; the Court agrees. As an initial matter, the Court notes that this case involves  
24 allegations of initial interest confusion. “Initial interest confusion is customer confusion  
25 that creates initial interest in a competitor’s product.” *Playboy Enterprises, Inc. v.*  
26 *Netscape Commc’ns Corp.*, 354 F.3d 1020, 1025 (9th Cir. 2004). Courts have found initial  
27 interest confusion “actionable trademark infringement” because “[a]lthough dispelled  
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1 before an actual sale occurs, initial interest confusion impermissibly capitalizes on the  
2 goodwill associated with a mark.” *Id.* In evaluating cases involving initial interest  
3 confusion and Internet search engines, like the case here, the Ninth Circuit has found  
4 “particularly important an additional factor that is outside of the eight-factor *Sleekcraft*  
5 test: labeling and appearance of the advertisements and the surrounding context on the  
6 screen displaying the results page.” *Multi Time Mach., Inc.*, 804 F.3d at 936 (internal  
7 quotation marks omitted). In such cases, the Ninth Circuit has noted that the case “will  
8 turn on the answers to the following two questions: (1) Who is the relevant reasonable  
9 consumer?; and (2) What would he reasonably believe based on what he saw on the  
10 screen?” *Id.*

11 Here, after considering the additional factor described in *Multi Time Machine, Inc.*  
12 and the eight *Sleekcraft* factors, the Court finds that there are triable issues of fact that  
13 preclude summary judgment. The Court acknowledges that the record illustrates that  
14 consumers exercise care and precision when buying the products at issue in this case.  
15 *Multi Time Mach., Inc.*, 804 F.3d at 937. The modular products are worth tens of  
16 thousands of dollars, and the sales cycle for the products can take weeks or months.  
17 (Porta-Fab’s Statement of Genuine Disputes ¶¶ 2-3 at PDF Page 2, Doc. 40.) However,  
18 the most important factor in this case centers on the labeling and appearance of Allied’s  
19 Google Ads using the PortaFab phrase. Unlike in other keyword search cases where  
20 likelihood of confusion was not found, this case involves a competitor who did not just  
21 incorporate a competitor’s trademarked name as a search term, but rather used a phrase in  
22 its Google Ad that essentially told consumers it sold PortaFab products.<sup>1</sup> Specifically, the

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23  
24 <sup>1</sup> See, e.g., *Multi Time Mach., Inc.*, 804 F.3d at 939 (“In light of the clear labeling  
25 Amazon uses on its search results page, no reasonable trier of fact could conclude that  
26 Amazon’s search results page would likely confuse a reasonably prudent consumer  
27 accustomed to shopping online as to the source of the goods being offered.”); *1-800*  
28 *Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1237 (10th Cir. 2013) (affirming grant of  
summary judgment “on all claims of infringement based on keyword use that did not result  
in ads displaying 1-800’s mark in their text”).

1 phrase on Allied’s Google Ads clearly stated: “Buy Portafab Today – We  
2 Manufacture/Install Direct.” (Ex. A, Doc. 40.) A reasonable jury could find that Allied’s  
3 use of the Porta-Fab mark here sought to capitalize on Porta-Fab’s goodwill by advertising  
4 Allied as a manufacturer of Porta-Fab’s products. *Multi Time Mach., Inc.*, 804 F.3d at 936.  
5 And accordingly, a reasonable jury could find that Allied’s advertisements are likely to  
6 confuse a reasonably prudent consumer as to whether Allied sells Porta-Fab products.

7 Other *Sleekcraft* factors also militate against granting summary judgment in favor  
8 of Porta-Fab. As to the similarity of the marks, it is undisputed that both advertising  
9 phrases at issue use the term “Porta-Fab,” with Allied’s use merely omitting the hyphen.  
10 *Playboy Enterprises, Inc.*, 354 F.3d at 1028. The parties in this case are also direct  
11 competitors and sell similar modular products. *Fortune Dynamic, Inc.*, 618 F.3d at 1030  
12 (noting that the third factor looks at “the proximity or relatedness of the goods or  
13 services”). In addition, the record evidence illustrates that Porta-Fab and Allied both use  
14 the internet to advertise their modular products. (See Ex. A, Doc. 40); *Fortune Dynamic,*  
15 *Inc.*, 618 F.3d at 1030 (noting that the sixth factor looks at “the marketing channels used”).  
16 And lastly, as to the defendant’s intent in selecting the mark, Allied does not dispute that  
17 the parties have been direct competitors for many years, that it used nearly an identical  
18 phrase trademarked by Porta-Fab, and that the parties sell similar products. A jury could  
19 reasonably conclude that Allied’s use of a similar mark as Port-Fab was intentional. Based  
20 on this record, the Court concludes that Porta-Fab could show likelihood of consumer  
21 confusion.

22 **B. Whether Summary Judgment Should Be Granted in Allied’s**  
23 **Favor Because Porta-Fab Cannot Show Actual Damages**

24 Allied next argues that Porta-Fab’s action should be dismissed because Porta-Fab  
25 cannot show damages. (Mem. at 12, Doc. 35-1.) However, even if Porta-Fab cannot show  
26 actual damages, Porta-Fab may still obtain an injunction to protect against further  
27 trademark infringement. See, e.g., *Sprint Sols., Inc. v. Cell Wholesale, Inc.*, 2016 WL  
28




1 875384, at \*2 (C.D. Cal. Mar. 7, 2016) (Staton, J.) (“The Lanham Act vests the district  
2 court with the ‘power to grant injunctions according to principles of equity and upon such  
3 terms as the court may deem reasonable, to prevent the violation of any right of the  
4 trademark owner.’” (quoting *Reno Air Racing Ass’n v. McCord*, 452 F.3d 1126, 1137 (9th  
5 Cir. 2006)). Allied further makes the argument that Porta-Fab cannot recovery statutory  
6 damages under 15 U.S.C. § 1117(c) and therefore the Court should grant summary  
7 judgment in its favor. Yet, as the Court noted above, Porta-Fab’s alleged inability to  
8 demonstrate entitlement to statutory damages does not warrant summary judgment in favor  
9 of Allied.<sup>2</sup>

10  
11 **IV. CONCLUSION**

12 For the foregoing reasons, the Court DENIES Allied’s Motion.

13  
14 DATED: July 24, 2022

15 

16 \_\_\_\_\_  
17 HON. JOSEPHINE L. STATON  
18 UNITED STATES DISTRICT JUDGE

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25 <sup>2</sup> Given the Court’s denial of summary judgment, the Court declines to address, at this  
26 stage, Allied’s claim that Porta-Fab cannot recover attorneys’ fees because the case is not  
27 “exceptional” under the Lanham Act. (Mem. at 15-16, Doc. 35-1.) The Court further declines to  
28 address, at this stage, whether Port-Fab can show entitlement to statutory damages under 15  
U.S.C. § 1117 which are matters within the province of the Court, not a jury. *See Tobinick v. Scripps Clinic Med. Grp., Inc.*, 81 F. App’x 677, 679 (9th Cir. 2003).