

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW HAMPSHIRE**

STURM, RUGER & CO., INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No.
	)	1:19-cv-00801-JL
AMERICAN OUTDOOR BRANDS CORP.,	)	
	)	
SMITH & WESSON CORP., and	)	
	)	
THOMPSON/CENTER ARMS CO., LLC,	)	
	)	
Defendants.	)	
	)	

**MEMORANDUM IN SUPPORT OF DEFENDANTS' OBJECTION AND OPPOSITION  
TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION**

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Defendants American Outdoor Brands Corp., Smith & Wesson Corp., and Thompson/Center Arms Co., LLC (collectively, “Defendants”), by and through their undersigned attorneys, respectfully submit the following Objection and Opposition to the Motion for Preliminary Injunction of Plaintiff Sturm, Ruger & Co., Inc. (“Ruger”).<sup>1</sup>

## **I. INTRODUCTION**

Though Ruger asserts a claim under the Lanham Act, this case is not about preventing consumer confusion as to affiliation, association, or sponsorship. This case is about squelching lawful competition that benefits consumers. Defendants’ T/CR22 rifle is a direct competitor to the Ruger 10/22 with enhanced features that is compatible with the many third-party aftermarket accessories originally created for use with the Ruger 10/22. Notably, the T/CR22 is not the first competing product on the market that is compatible with third-party accessories for the Ruger 10/22. It is, however, the first such product at a price point that Ruger has deemed to pose a competitive threat to the 10/22.<sup>2</sup> And that is the true gravamen of Ruger’s complaint — Defendants are making and selling a directly competing product to the 10/22 with more desirable features, at a price competitive for the features offered, and which provides consumers with access to the panoply of third-party aftermarket accessories coveted by

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<sup>1</sup> Defendants previously advised Ruger that Defendants American Outdoor Brands Corporation and Thompson/Center Arms, Company, LLC are not involved in the design, development, advertising or sale of the T/CR22. Rather, the proper Defendant to Ruger’s claims is Smith & Wesson Inc. (and not the named Smith & Wesson entity, Smith & Wesson Corp.). To date, Ruger has taken no action to correct the Parties to this litigation. Since the proper legal entity is not yet a party, Defendants use the collective “Defendants” for the Court’s convenience in reviewing the following submission.

<sup>2</sup> As discussed *infra*, the T/CR22 is not the first firearm that is compatible with third-party aftermarket accessories originally created for the 10/22. Ruger has taken no action against these other manufacturers. Instead, and further reflective of Ruger’s anti-competitive intent underlying this litigation, Ruger believes the T/CR22 is merely the first .22 rimfire that is priced in a manner that will cause Ruger to lose sales.

purchasers of .22 rimfire rifles. The proof of Ruger's intent in this matter is borne out by the deposition testimony of its sole factual witness at the preliminary injunction hearing, Mark Gurney, Ruger's Director of Product Management. Mr. Gurney testified that up until a month ago, he did not even consider potential consumer confusion arising from Defendants' T/CR22 rifle: "So when we start talking about confusion, I didn't – I never even thought of that." Ex. A at 81:23-82:7.

The telltale sign that the overall appearance of the T/CR22 will not cause confusion is a glaring omission in Ruger's lengthy papers. Despite filling its papers with a multitude of images of different Ruger 10/22 rifles and product components, nowhere does Ruger display a side-by-side comparison of the overall appearance of the T/CR22 and the Ruger 10/22. There is good reason for that omission. The products do not look alike. A picture is worth a thousand words.

**Ruger 10/22:**



**T/CR22:**





No consumer viewing these two visually disparate products could conceivably believe that the T/CR22 is affiliated or associated with, or sponsored by, Ruger. While the products are facially distinct, the actual marketplace conditions under which a consumer would encounter either party's product provide numerous other contextual signs that the products do not emanate from the same source. For example, the T/CR22 physical object, its packaging, and its advertisements prominently display the Thompson/Center marks in multiple locations. By contrast, the Ruger 10/22 physical object, its packaging, and its advertisements prominently display the Ruger marks in multiple locations. It is because of these unmistakable indicia of source, and other reasons set forth herein, that Ruger cannot identify a single instance of actual confusion despite the T/CR22 and Ruger 10/22 co-existing in the market for nineteen months.

Ultimately, this case is about competition – namely, Ruger's effort to stamp out lawful competition to grant itself a monopoly over the functional design of a .22 caliber long rifle. In short, Ruger cannot demonstrate that: (1) it possesses distinctive, non-functional trade dress; (2) that consumers are likely to be confused as to an affiliation between the T/CR22 and Ruger; or (3) that it will suffer imminent irreparable injury. As a result, Ruger provides no basis on which to grant its Motion for Preliminary Injunction, which should be denied in its entirety.

## **II. RELEVANT FACTUAL BACKGROUND**

Since 1964, Ruger has offered “various configurations” of a .22 caliber long rifle under its 10/22 trademark. Ex. A at 107:3-7. These “various configurations” have featured “different stocks, different barrels, different sights, different sight rails, [and] things like that.” *Id.* Thus, the few elements that have remained relatively, though not universally, consistent throughout these “various configurations” are the receiver, the magazine well, and the fact that the entire fire control unit is contained in one integrated subassembly. One of the reasons for the popularity of the Ruger 10/22 is the plethora of aftermarket accessories offered by third-parties.

*Id.* at 57:21-58:1. In other words, much of the 10/22's current popularity is due to its ability to serve as a base on which consumers can apply a vast array of third-party aftermarket accessories to customize their 10/22 into an infinite number of unique and personalized configurations.

In 2017, Defendants sought to provide consumers with a competitive alternative for a .22 caliber long rifle that would be compatible with third-party aftermarket accessories originally created for the 10/22. Specifically, the T/CR22 was designed to not only be compatible with many of the popular aftermarket accessories but to also address the most common complaint about the 10/22 – the lack of a last shot bolt hold-open feature. *Id.* at 74:20-23. Likewise, the T/CR22 is manufactured to include, already installed, many of the most popular aftermarket modifications that consumers make after buying a 10/22. For example, rather than requiring a consumer to purchase a 10/22 and then to separately purchase a third-party stock, add an integral optic rail, and improve the sights, the T/CR22 includes all of these features, including a stock from Magpul Industries Corp. ("Magpul") (a third-party purveyor of highly desirable aftermarket stocks) direct from the manufacturer. Defendants' T/CR22 is also priced more economically than if a consumer purchased a 10/22 and then individually purchased each of the T/CR22's upgraded accessories.

Other than ensuring compatibility with most aftermarket accessories, Defendants strove to create a .22 caliber long rifle that was as visually distinct from the 10/22 as possible. Ruger acknowledges that third-party aftermarket accessories must "exactly fit" the original design because otherwise the component will not operate. *Id.* at 151:3-152:3. As a result, the T/CR22 imitates certain specific elements of the 10/22 (the dimensions of the receiver, the opening of the magazine well, and the fire control unit integrated subassembly) because it is required for the T/CR22 to be compatible with aftermarket accessories (namely, aftermarket

stocks, magazines, and upgraded fire control units) that fit the 10/22.<sup>3</sup> Thus, for example, the receiver of the T/CR22 has similar dimensions to the 10/22 receiver because the receiver would otherwise not fit with third-party aftermarket stocks. Likewise, the T/CR22 had to replicate the fact that the receiver could accept a fire control unit contained in an integrated subassembly because it would otherwise not be compatible with aftermarket fire control units designed by third-parties.

On May 3, 2018, Defendants introduced the T/CR22 rifle at the National Rifle Association's ("NRA") Annual Meeting, which was attended by over 87,000 individuals. *See* Dkt. No. 1 ("Compl.") at ¶36; <https://thehill.com/blogs/blog-briefing-room/386522-nra-annual-meeting-sets-attendance-record>. Upon seeing the TCR/22 at the 2018 NRA meeting, Ruger was immediately "quite taken aback." Ex. A at 65:13-17. The T/CR22 was instantly a topic of conversation among the Ruger employees that attended the NRA Show. *Id.* at 73:10-13. Ruger's initial concern related to the technological advancements that the T/CR22 offered over the 10/22 and not a concern over potential consumer confusion. *Id.* at 77:23-78:5. Despite forming the opinion in May of 2018 that the T/CR22 "was a complete knockoff of our gun," *id.* at 65:18-23, Ruger did not file a complaint in May of 2018. In fact, Mr. Gurney does not know why Ruger did not file this lawsuit until July 31, 2019, almost fifteen months later. *Id.* at 89:12-90:3.

Expedited discovery has only confirmed the accuracy of the timeline of Ruger's inaction set forth in Defendants' Informational Memorandum, Dkt. No. 14, which is incorporated herein by reference. As a result, it is now undisputed that: (1) Ruger believed the T/CR22

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<sup>3</sup> As explained *infra*, this "imitation" is not only lawful but encouraged under the law as it furthers the law's goal of promoting pro-competitive conduct.

infringed its claimed 10/22 trade dress in May of 2018; (2) Ruger did not take any action to enforce its alleged intellectual property rights until July of 2019; and (3) notwithstanding this passage of time, Ruger cannot identify a single consumer who was actually confused into believing that the T/CR22 is affiliated or associated with, or sponsored by, Ruger.

### **III. STANDARD OF REVIEW**

Preliminary injunctive relief requires a showing of likelihood of success on the merits; likely (not merely “possible”) irreparable harm in the absence of an injunction; a balance of equities favoring the movant; and that an injunction is in the public interest. *Winter v. NRDC, Inc.*, 555 U.S. 7, 21-22 (2008). “A preliminary injunction is an extraordinary and drastic remedy.” *Voice of the Arab World, Inc. v. MDTV Med. News Now, Inc.*, 645 F.3d 26, 32 (1st Cir. 2011) (internal quotation omitted). Therefore, the party moving for preliminary injunctive relief bears a heavy burden to show that it is entitled to “clear and unequivocal” relief. *See Canadian Nat’l Ry. Co. v. Montreal, Me. & Atl. Ry.*, 786 F. Supp. 2d 398, 417 (D. Me. 2011). “The court must bear constantly in mind that an [i]njunction is an equitable remedy which should not be lightly indulged in, but used sparingly and only in a clear and plain case.” *Baldwin v. Bader*, 2008 U.S. Dist. LEXIS 15346, at \*2 (D. Me. Feb. 28, 2008) (internal quotation omitted). Therefore, “an injunction should issue only where the intervention of a court of equity is essential in order effectually to protect property rights against injuries otherwise irreparable.” *Voice of the Arab World*, 645 F.3d at 32.

### **IV. ARGUMENT**

#### **A. Ruger Will Not Succeed on the Merits of its Claim**

##### **1. Ruger Cannot Demonstrate That it Possesses Protectable Trade Dress**

Trade dress product configuration designs, like trademarks, are eligible for registration with the United States Patent and Trademark Office (“PTO”). A party who seeks,

and is able to obtain, a “certification of registration of trade dress on the principal register of trademarks is [entitled to] prima facie evidence of the validity of the registered trade dress.” *Z-Man Fishing Prods. v. Renosky*, 790 F. Supp. 2d 418, 430 (D.S.C. May 10, 2011) (citing 15 U.S.C. § 1057). Despite alleging that the “appearance of the Ruger 10/22 rifle is instantly recognizable by those familiar with rifles,” Dkt. 3-1 at 4, Ruger has never sought, and has certainly never obtained, a certificate of registration for its allegedly protectable trade dress.<sup>4</sup> As a result, Ruger must prove that the trade dress is: (i) used in commerce; (ii) distinctive; and (iii) non-functional. *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 38 (1st Cir. 2001); *Colt Def. LLC v. Bushmaster Firearms, Inc.*, 2005 U.S. Dist. LEXIS 20874, at \*126, n. 117 (D. Me. Sept. 20, 2005) (“Colt’s M4 trade dress is unregistered; hence there is no presumption of its validity.”). While Defendants do not contest that Ruger has used its trade dress in commerce, Ruger cannot, for the reasons set forth below, satisfy its burden as to either of the remaining two elements.

(a) *Ruger Cannot Demonstrate That the 10/22 Has Acquired  
Secondary Meaning*

“Product-design trade dress can never be ‘inherently’ distinctive; hence, in such cases the proponent must always make a showing of the acquisition of secondary meaning.” *Colt*, 2005 U.S. Dist. LEXIS 20874, at \*126. In support of its assertion that the 10/22 possesses secondary meaning in its claimed trade dress, Ruger relies on three arguments: (1) “length and

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<sup>4</sup> Ruger’s allegation that the trade dress of the 10/22 is recognizable “by those familiar with rifles,” is a misperception of the law. To demonstrate secondary meaning, Ruger must prove that the non-functional elements of the 10/22 trade dress serve as an indication of source to the relevant consumer group and not merely “those familiar with rifles.” As will be discussed in greater detail in Defendants’ motion to exclude Dr. Ericksen’s testimony, the relevant consumer group in this case is not synonymous with “those familiar with rifles.”

manner of mark's use, advertising and market dominance;" (2) Defendants' alleged "intent to copy;" and (3) the secondary meaning survey conducted by Dr. Eugene E. Ericksen. Whether considered individually or collectively, none of these arguments demonstrate that Ruger possesses protectable trade dress in the 10/22.

(i) Ruger's Historical Use of the 10/22 is Insufficient to Demonstrate Secondary Meaning

In asserting that the amount of sales and advertising supports the conclusion that the 10/22 trade dress has acquired distinctiveness, Ruger misunderstands the nature of its burden. Though Ruger cites repeatedly to the First Circuit's decision in *Yankee Candle*, it overlooks the very portions of that precedent that demonstrate the insufficiency of Ruger's evidence. Specifically, Ruger asserts only that it has "sold millions 10/22 [sic] rifle's [sic] since 1964" and that "Ruger has spent millions of dollars advertising and marketing the 10/22 rifle." Dkt. 3-1 at 20.<sup>5</sup> In *Yankee Candle*, however, the First Circuit explained that while "evidence of the pervasiveness of the trade dress may support the conclusion that a mark has acquired secondary meaning, it cannot stand alone. To find otherwise would provide trade dress protection for any successful product, or for the packaging of any successful product." 259 F.3d at 44 ("Such an open standard hardly comports with the 'vigorous' evidentiary standard required by this Court").

Extensive sales and advertising in isolation are not relevant evidence of secondary meaning either. *Id.* Importantly, the First Circuit requires a factual nexus between the sales and

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<sup>5</sup> Ruger is unable to offer any admissible evidence at the hearing regarding its alleged advertising spend for the 10/22. Ruger produced no documents reflecting the amount that it spent advertising the 10/22 and Mr. Gurney testified that he did not "really know what we spend on advertising the 10/22" and could not identify the amount Ruger devoted to advertising the 10/22 in any particular year. *See* Ex. A at 144:20-145:5. More fundamentally, Ruger's advertisements for the 10/22 are irrelevant to demonstrating secondary meaning because none of the advertisements specifically addresses the non-functional trade elements alleged in this case.

advertising and the claimed trade dress. For example, with respect to advertisements, the *Yankee Candle* court explained that relevant evidence “is advertising that specifically directs a consumer’s attention to a particular aspect of the product. To be probative of secondary meaning, the advertising must direct the consumer to those features claimed as trade dress.” *Id.* (emphasis added). Here, Ruger does not, because it cannot, identify any advertisement that directs a consumer’s attention to any particular aspect of the claimed trade dress asserted in this litigation other than its functional qualities discussed in more detail *infra*.

In the instances where Ruger has engaged in “look for” advertising directing consumers to particular features of the 10/22 trade dress, the advertisements specifically call out features of the 10/22 trade dress that are not at issue here. For example, one Ruger advertisement for the 10/22 informed potential consumers that “They can count on the rotary magazine, high-speed action and V-block barrel system that are distinguishing features of the 10/22.” See Ex. B; Ex. A at 131:14-17 (“That is what is called out in the advertisement, yes”). None of the “distinguishing features” that Ruger instructed consumers to “look for” are elements of the trade dress asserted here. Compare Ex. B with Dkt. No. 3-1 at 5 (alleging eighteen different “features” of the 10/22 trade dress).<sup>6</sup> Indeed, Mr. Gurney has already testified that he is not aware of any “look for” advertisements related to the elements of trade dress at issue here. For example, when asked whether Ruger had ever advertised that the receiver is flat-sided where the top edges taper downward, Mr. Gurney responded that “I’m not aware, nor would I allow one to go out. That would be a really boring ad, wouldn’t it?” Ex. A at 131:18-132:6; *see also id.* at 132:22-133:9 (confirming no advertisements regarding the receiver having rounded corners); *id.*

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<sup>6</sup> The fact that some of the trade dress elements may be visible in some of the product photographs in advertisements is of no import as the First Circuit rejected that precise argument. *Yankee Candle*, 259 F.3d at 44.

at 134:18-135:2 (confirming no advertisements regarding the shape of the magazine well); *id.* at 136:16-19 (confirming no advertisements regarding the shape of the stock around the ejection port). As in *Yankee Candle*, advertising that does “not emphasize any particular elements of [the] trade dress” cannot be “probative of secondary meaning.” 259 F.3d at 44 (“Merely ‘featuring’ the relevant aspect of the product in advertising is no more probative of secondary meaning than are strong sales”); *Bern Unlimited, Inc. v. Burton Corp.*, 95 F. Supp. 3d 184, 209 (D. Mass. 2015) (quotation omitted) (“Although Bern’s market success is notable, absent evidence connecting it to the desirability of the alleged Bern trade dress, that evidence is not particularly probative of secondary meaning.”).

(ii) Ruger Possesses no Evidence that Defendants Intended to Confuse as to Affiliation, Association, or Sponsorship

Ruger also cites to *Yankee Candle* for the proposition that evidence of direct copying is probative of secondary meaning while again overlooking the specific discussion in *Yankee Candle* that renders Ruger’s argument inapt. Ruger admits that Defendants are permitted to produce a product that is compatible with third-party aftermarket accessories. Ex. A at 187:16-19. Defendants admit that they, like other manufacturers, have designed their .22 caliber long rifle to be compatible with third-party aftermarket accessories originally designed for compatibility with the Ruger 10/22.<sup>7</sup> Indeed, the ability to utilize these popular third-party products with the T/CR22 is one of the central features of Defendants’ advertising. *See, e.g.*, Ex. C (“Compatible with most aftermarket 10/22<sup>®</sup> parts and accessories”). The fact that Defendants

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<sup>7</sup> Mr. Gurney identified at least four other manufacturers that have created .22 caliber firearms that are compatible with third-party aftermarket accessories originally designed for the Ruger 10/22. Ex. A at 61:16-62:2. Ruger has not asserted any claims against those manufacturers – Volquartsen, Kidd, Tactical Solutions, or Magnum Research – because it did not believe the “quantity” of sales by those entities necessitate action. *Id.* at 79:23-80:13.



intended to replicate specific aspects of the Ruger 10/22 that were necessary for compatibility with third-party products is not the “intent” relevant to establishing secondary meaning.

In *Yankee Candle*, the First Circuit explained that the “relevant intent is not just the intent to copy, but to ‘pass off’ one’s goods as those of another. Given that [defendant] prominently displayed its trade name on its candles, we do not think that the evidence of copying was sufficiently probative of secondary meaning.” 259 F.3d at 45. Here, Ruger does not possess any evidence that Defendants intended to “pass off” the T/CR22 as a Ruger product. To the contrary, and as more fully discussed below, the T/CR22 itself, its packaging, and its accompanying advertisements all “prominently display” Defendants’ trade names and trademarks while engaging in comparative advertising that highlight the differences between the parties’ products. *Bern Unlimited, Inc.*, 95 F. Supp. 3d at 210 (quotation omitted) (“The inference of unfair competition will be even weaker where the copier takes conspicuous steps – whether in packaging, trademark, marketing techniques, or otherwise - to distinguish its product from its competitor’s.”).

(iii) Dr. Ericksen’s Survey, at Most, Demonstrates Secondary Meaning in the Original Wood-Stock Configuration of the 10/22

Finally, Ruger relies on the secondary meaning survey conducted by Dr. Ericksen in support of its assertion that it possesses protectable trade dress rights in the 10/22. While the significant and fundamental errors in Dr. Ericksen’s methodology will be set forth in Defendants’ motion to exclude his testimony, Dr. Ericksen’s survey, at the absolute most, provides evidence of secondary meaning in one specific version of the 10/22 – the original wood stock variety.<sup>8</sup>

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<sup>8</sup> While Defendants’ *Daubert* motion will principally focus on the lack of scientific reliability of Dr. Ericksen’s likelihood of confusion opinion, certain of those flaws such

“The trade dress of a product is essentially its total image and overall appearance.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764, n. 1 (1992) (quotation omitted). In Paragraph 14 of the Complaint, Dkt. No. 1, Ruger sets forth images of seven different “varieties” of its 10/22 rifle. None of these “varieties” share a similar image and overall appearance with any other. Rather each features a unique stock (the individual component that, by far, most dictates the overall image and appearance) along with other significant visual differences such as the location and type of sight or the inclusion or non-inclusion of a barrel band.<sup>9</sup> Critically, Dr. Ericksen did not conduct a survey to establish whether Ruger possessed secondary meaning in the alleged trade dress of these different “varieties.” Rather Dr. Ericksen surveyed consumer recognition of only one version of the 10/22 and his opinion, to the extent admissible at all, relates only to that specific product configuration.

Importantly, the Ericksen secondary meaning survey was designed and conducted for use in a different case filed by Ruger against different and unrelated parties, Armscor Precision International, Inc., Rock Island, Armory Exports, Inc., and Arms Corporation of the Philippines (the “Armscor Case”). Dkt. No. 3-11 at ¶7. Although that case also concerned infringement of

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as the sampling of an improper universe, highly suggestive photograph displays, and the use of an improper control, apply equally to his secondary meaning survey.

<sup>9</sup> In Paragraph 51 of the Complaint, Ruger identifies elements of its alleged trade dress that are components of the stock. *See, e.g.*, Dkt. No. 1 at ¶51(c) (“The stock on the left-hand side of both rifles are flush with the tapered rear section of the receiver and (progressing towards the front of the rifle) both step downward to form a straight line of the receiver.”). As set forth below, the photographs that Ruger provides to suggest alleged similarity with the T/CR22 are not the wood-stock version that Dr. Ericksen used in his survey. More fundamentally, the stock for the T/CR22 was designed by, and is purchased from, Magpul. While Ruger has introduced versions of the 10/22 that feature Magpul aftermarket stocks, Ruger does not claim any ownership interest in the Magpul stocks or contend that the stocks Magpul designed to fit Ruger 10/22 rifles look the same as the stock Magpul designed for the T/CR22. Ex. A at 100:12-20; *id.* at 104:3-5.

the 10/22 trade dress, it articulated a different list of elements comprising Ruger's alleged trade dress, including:

- “[t]he bolt (or cocking) handle is configured in a smooth shallow u-shape toward the front of the ejection port” (Page 6, Paragraph k);
- “[t]he top of the stock towards the butt has a square shape (Page 6, Paragraph l);
- “[t]he stock is carved to create a smaller diameter towards the end of the barrel where Ruger has installed a decorative barrel band. The smaller diameter section of the stock, together with the barrel band, forms a distinctive and unique look. Both of these features are ornamental and non-functional” (Page 6, Paragraph o);
- “[t]he butt of the stock (the part that rests on the shooter's shoulder) is carved in a semi-curved pattern” (Page 7, Paragraph p);
- “[t]he butt of the stock does not have a rubber recoil pad” (Page 7, Paragraph q); and
- [t]he butt of the stock has a semi-curved butt plate that wraps around the top corner of the rear of the stock into a carved notch” (Page 7, Paragraph r).

Dr. Ericksen, by his own admission, designed the secondary meaning survey that Ruger offers in this case, based on the alleged trade dress elements asserted in the Armstrong case. Dkt. No. 3-11 at ¶7. Ruger cannot claim that the Ericksen secondary meaning survey is probative of acquired distinctiveness for any version of the 10/22 other than the version that Dr. Ericksen used in his survey because many of the elements of the alleged trade dress are unique to that specific version. In other words, Ruger is unable to demonstrate what percentage of participants that correctly identified the product as a Ruger did so because, for example, the version they saw featured a stock “carved to create a smaller diameter towards the end of the barrel where Ruger has installed a decorative barrel band” (which is a feature not alleged in this case).

The problem for Ruger, however, is that the overall appearance of the wood stock version of the 10/22 does not bear any resemblance to the T/CR22 whatsoever. In the

Complaint, Ruger includes over thirty different images of the products in question. *See generally*, Dkt. No. 1. Tellingly, none of those images include a side-by-side photograph demonstrating the total image and overall appearance of the trade dress of the two products at issue. As shown *infra* Section IV.A.3.(b), the products clearly do not look alike.<sup>10</sup>

Ruger itself acknowledges the differences between versions of the 10/22 that it offers. “We have various configurations. We have different stocks, different barrels, different sights, different sight rails, things like that, but that core is pretty consistent.” Ex. A at 107:3-7. Ruger does not cite any authority for the proposition that where a party is alleging trade dress rights for its product configuration, a demonstration of secondary meaning in one product configuration extends to all other “various configurations.” *See also id.* at 107:16-18 (admitting that the stock is “very different in different versions”). While Ruger apparently alleges that the T/CR22 infringes the “core” of the 10/22, Dr. Ericksen did not conduct a survey assessing whether the “core” alone possesses secondary meaning.<sup>11</sup> Ruger, for its part, also does not possess any evidence that the “core” possesses independent secondary meaning. *Id.* at 85:7-86:6; *id.* at 109:9-110:12. As a result, to the extent Ruger possesses evidence of secondary meaning at all, it is in the overall look and appearance of the original wood-stock version of the

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<sup>10</sup> Given the readily apparent *dissimilarity* in the overall appearance of the two products, Ruger engages in a slight of hand. While it uses the original wood-stock version of the 10/22 in its effort to establish secondary meaning, it uses an entirely different configuration of the 10/22 in demonstrating alleged similarities with the T/CR22. Specifically, in Paragraphs 50-51 of the Complaint, Ruger uses close-up images of specific portions of the T/CR22 and an unidentified version of the 10/22 to demonstrate alleged similarities. Dkt. No. 1. While Ruger does not identify which version of the 10/22 is used in these photographs, it is clearly not the wood-stock version on which Dr. Ericksen conducted his survey.

<sup>11</sup> As used by Mr. Gurney, the “core” refers to the portion of the firearm “between the end of the receiver and the forward portion of the stock.” *Id.* at 107:8-12.

10/22 and Ruger must prove that a consumer is likely to be confused as to an affiliation, association, and sponsorship between the T/CR22 and that specific product. For the reasons set forth in the remainder of this Opposition, it is a burden that Ruger will be unable to carry.

2. *Ruger Cannot Demonstrate that the 10/22 Trade Dress is Non-Functional*

The elements comprising the “core” section of the 10/22 are predominantly functional and, therefore, ineligible for trade dress protection. “The Lanham Act [] does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a particular functional feature with a single manufacturer or seller.” *Traffix Devices v. Mktg. Displays*, 532 U.S. 23, 34-35 (2001). Ruger bears the burden of proving that its trade dress is non-functional. *I.P. Lund Trading Aps & Kroin v. Kohler Co.* 163 F.3d 27, 37 (1st Cir. 1988). Furthermore, while the Lanham Act protects distinctive trade dress that serves as a source of origin, “[t]rade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products.” *Traffix Devices*, 532 U.S. at 29 (explaining that “unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying.”). Because allowing competitors to copy and improve upon functional designs promotes competition and scientific advancement, the “Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.” *Id.* at 34.

A “product feature is functional, and cannot serve as a trademark, if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *Colt Def. LLC*, 2005 U.S. Dist. LEXIS 20874, at \*128 (internal quotation omitted). Though non-exhaustive, “*McCarthy* offers that ‘functional features or designs should be defined as those that are driven by practical, engineering-type considerations such as making the product work more efficiently, with fewer parts and longer life, or with less danger to operators, or be shaped so as

to reduce expenses of delivery or damage in shipping.” *I.P. Lund*, 163 F.3d at 37, n. 5 (quoting in part 1 *McCarthy* §7:64). “The legal principle that the nonfunctionality requirement protects competition even at the cost of potential consumer confusion is even more critical in a product configuration case rather than a packaging case because a monopoly right in the design of the product itself is more likely to preclude competition.” *Schutte Bagclosures, Inc. v. Kwik Lok Corp.*, 193 F. Supp. 3d 245, 261 (S.D.N.Y. 2016) (partial quotations omitted). “Consequently, ‘rigorous application’ of the requirement of nonfunctionality is necessary ‘to avoid undermining the carefully circumscribed statutory regimes for the protection of useful and ornamental designs under federal patent and copyright law.’” *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 116 (2d Cir. 2001) (quoting *Restatement (Third) of Unfair Competition*, § 16 cmt. b at 158). Here, Ruger cannot carry its burden of proving that its claimed trade dress is non-functional for at least three independently sufficient reasons: (1) Ruger possesses no admissible evidence that its alleged trade dress is non-functional; (2) Ruger’s contemporaneous advertisements tout the functional benefits of its 10/22 design; and (3) Ruger admits that many of the specific elements that comprise its alleged trade dress are, in fact, functional. We consider each in turn.

(a) *Ruger Possesses no Evidence to Prove the Non-Functionality of the 10/22 Trade Dress Configuration*

Ruger must come forward with evidence, and not merely conclusory statements, in order to prove that the 10/22 trade dress is non-functional, and thus protectable. *Compare Global Mfr. Group v. Gadget Universe.com*, 417 F. Supp. 2d 1161, 1169 (S.D. Cal. 2006) (holding plaintiff presented sufficient evidence to survive summary judgment by introducing testimony from the inventor, advertisements that did not tout the design’s functionality, and the existence of design patents) *with Groneveld Transp. Efficiency, Inc. v. Lubecore Int’l, Inc.*, 730 F.3d 494, 507 (6th Cir. 2013) (affirming dismissal where testimony “was entirely conclusory”

and “did not explain *why* the chosen design was nonfunctional”). Here, Ruger cannot, as a matter of law, carry this burden because it possesses no evidence that even a single aspect of the 10/22 was designed to be an ornamental indication of source. Ruger does not possess the original drawings or specifications for the 10/22. Ex. A at 48:19-21. With respect to the specific design elements at issue, Ruger does not possess any information as to whether Bill Ruger, the creator of the 10/22, designed such elements for a functional or purely aesthetic reason. *Id.* at 165:1-7; *id.* at 44:5-45:13; *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193, 195 (1st Cir. 1980) (affirming district court finding of functionality where “there is no evidence that any item of the design configuration of plaintiff’s stove is nonfunctional in nature”). While Ruger can offer only inadmissible speculation as to the purpose behind its claimed 10/22 trade dress elements, its advertisements and admissions are unambiguous: every specification of the 10/22 was designed towards achieving the functional goals of manufacturing efficiency, safety, longevity, and smooth and reliable operation.

(b) *Ruger’s Contemporaneous Advertisements Tout the Utilitarian Functions of the 10/22 Trade Dress Configuration*

Ruger has repeatedly emphasized the functional benefits of the 10/22 design in advertising the advantages of the 10/22 to the public. Where a party advertises the utilitarian advantages of its product configuration, such “advertisement constitutes strong evidence of functionality.” *Schutte*, 193 F. Supp. 3d at 271. “It is not necessary that the advertising explicitly point to the utility of the claimed trade dress feature. It is sufficient if the utilitarian advantages of the feature are implicit in the advertising.” *Id.* (quoting *McCarthy*, § 7:74); *Apple, Inc. v. Samsung Elecs. Co.*, 2012 U.S. Dist. LEXIS 90889, at \*21 (N.D. Cal. June 30, 2012) (“Advertising that touts the utility of the product design provides evidence of functionality.”).

Ruger’s advertisements consistently highlight the utilitarian benefits of the 10/22 product configuration. For example, Ruger’s advertisements state that “Ruger .22 rimfire sporting firearms have distinguished themselves worldwide as the bellwether of perfection in design, construction, and reliability.” Ex. D (emphasis added). To reinforce the foregoing general statement of the utilitarian benefits of the 10/22 design, the advertisement continues: All Ruger firearms are the product of American invention and skilled craftsmanship wedded to super-efficient Ruger manufacturing methods, all of which give you world-class quality at rock-bottom prices.” *Id.* (emphasis added); *Talking Rain Bev. Co. v. S. Beach Bev. Co.*, 349 F.3d 601, 605 (9th Cir. 2003) (affirming district court finding of functionality where “Talking Rain’s advertising emphasizes functionality, the bottle’s shape is motivated by manufacturing efficiencies”).

As Ruger possesses no information regarding the design process of the 10/22 itself, *see supra*, the best evidence as to the design of the 10/22 is found in the contemporaneous advertisements describing the newly introduced product. Here, Ruger unequivocally touted the utilitarian benefits of the 10/22 design:

The substantial construction of the 10/22 assures the owner of virtually unlimited service life. This is literally a design without compromises – every specification reflects quality engineering for accuracy, smooth operation, safety and convenience.

Ex. E. Having admitted that “every specification” was designed with functional utility in mind – namely, to ensure “accuracy, smooth operation, safety, and convenience” – Ruger cannot now assert that these functional elements can combine to form a non-functional whole. To the contrary, “[w]here the whole is nothing other than the assemblage of functional parts, and where even the arrangement and combination of the parts is designed to result in superior performance, it is semantic trickery to say that there is still some sort of overall appearance which is non-



functional.” *Colt Def.*, 2005 U.S. Dist. LEXIS 20874, at \*129-130 (quoting *Leatherman Tool Group, Inc. v. Cooper Indus.*, 199 F.3d 1009, 1013 (9th Cir. 1999)).

(c) *Ruger Admits the Majority of the Trade Dress Elements are Functional*

Ultimately, Ruger’s statement that “every specification reflects quality engineering for accuracy, smooth operation, safety and convenience” is borne out in many of the specific trade dress elements alleged in this case. As set forth below, Ruger admits that the vast majority of the trade dress elements serve the functional purpose of either making the 10/22 safer to operate, making the 10/22 easier and more efficient (and consequently cheaper) to manufacture, or improving the overall performance of the firearm. *Disc Golf Ass’n v. Champion Discs, Inc.*, 158 F.3d 1002, 1009 (9th Cir. 1998) (“A functional benefit may arise if the design achieves economies in manufacture or use.”) (partial quotation omitted).<sup>12</sup>

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<sup>12</sup> The following chart discusses only the trade dress elements for which Ruger has unambiguously admitted functionality. Even absent a direct admission from Ruger, many of the other elements of its allegedly protectable trade dress are also clearly functional. For example, Ruger alleges that the fact that the “branding for the rifle is located on the side of the receiver opposite the bolt” and that the firearm is stamped “RUGER, NEWPORT, NH, USA” comprise elements of the trade dress. *See* Dkt. No. 1 at ¶51(p)-(q). As an initial matter, the T/CR22 is not embossed with the words “Ruger, Newport, NH, USA,” but rather identifies Smith & Wesson as the manufacturer (providing yet another reason why consumers are not likely to be confused). More importantly, identifying the manufacturer and place of manufacture is not an aesthetic design choice but serves a function – namely, to comply with Federal law. *See* 27 C.F.R. 178.92(a)(1)(ii) (requiring, *inter alia*, that for a domestically manufactured firearm, the name and place of business of the manufacturer be “engraved, cast, stamped (impressed) or placed on the frame, receiver, or barrel”).

<b><u>Claimed Element</u></b>	<b><u>Functionality</u></b>	<b><u>Ruger Admission</u></b>
Both rifles have a bolt lock which is a small metal plate inset below the bottom surface of the stock and adjacent to the magazine release and at the front of the trigger guard	Less Danger to Operators	“[I]t’s the way it is for a reason, for safety.” Ex. A at 40:18-42:3.
The receivers on both rifles are flat-sided and both taper downward towards the rear	Ease and Efficiency of Manufacture	“A single machine cutter can make a pass over it.” <i>Id.</i> at 44:19-45:5.
At the junction where the barrel and receiver meet on both rifles, the front corners are rounded	Ease and Efficiency of Manufacture	A “sharp corner on an outside must meet with a sharp corner on something on the inside, let’s say, a wood stock. That’s a very difficult feature to make, so it’s probably matching complimentary features.” <i>Id.</i> at 45:14-47:5.
The magazine for both rifles is flush with the bottom of the stock and is nearly as wide as it is long	Improved Operation of the Product	The magazine well is a function of the magazine itself. <i>Id.</i> at 50:14-20.
The stock on both rifles rise up in a decorative fashion as it progresses towards the rear of the receiver	Improved Operation of the Product	The stock rising up to envelope the receiver secures the receiver in place. <i>Id.</i> at 106:6-11.
There is a notch in the bottom of the stock just forward of the magazine well	Improved Operation of the Product	“It allows you get a finger in,” which assists in removing the magazine. <i>Id.</i> at 143:14-20.
There is a cylindrical cross-button safety on both rifles that is located on the trigger guard forward of the trigger	Less Danger to Operators and Improved Operation of the Product	Admitting that the location of the safety improves accessibility, convenience, and security. <i>Id.</i> at 149:6-19.
The magazine release on both rifles are inset below the bottom surface of the stock	Less Danger to Operators and Improved Operation of the Product	By locating the magazine release immediately next to the magazine, the firearm user is able to remove the magazine with just two fingers. <i>Id.</i> at 155:4-17.

Given that Ruger possesses no admissible evidence that any element of its alleged trade dress is non-functional, that its advertisements repeatedly tout the functionality of the design, and that Ruger admits that the majority of the alleged trade dress elements are, in fact, functional, Ruger cannot satisfy its burden to demonstrate that the trade dress it seeks to protect is non-functional. This failure is an independent basis on which to deny Ruger's requested relief.

3. *There is No Likelihood of Consumer Confusion Between the Parties' Products*

Assuming, *arguendo*, that Ruger could demonstrate that the 10/22 trade dress is both non-functional and possesses secondary meaning, Ruger remains incapable of demonstrating that a significant percentage of consumers (or to date, any consumer) is likely to be confused as to an affiliation, association, or sponsorship between the Defendants' T/CR22 firearm and Ruger.

(a) *Ruger's Reliance on Dr. Ericksen's Likelihood of Confusion Survey is Misplaced*

While Ruger contends that the likelihood of confusion survey conducted by Dr. Ericksen provides support for its contention that consumers are likely to be confused, surveys are not evidence of actual confusion but rather serve only as a predictive tool in assessing the likelihood of confusion. However, surveys only reliably perform this function when they are conducted in accordance with established scientific protocols and procedures. A survey that fails to accurately replicate the marketplace conditions, while providing the wrong stimuli to the wrong group of consumers, loses its predictive value in assessing a likelihood of confusion. *MasterCard Int'l, Inc. v. First Nat'l Bank of Omaha, Inc.*, 2004 U.S. Dist. LEXIS 2485, at \*27 (S.D.N.Y. Feb. 23, 2004) ("defects in the Survey severely undermine its reliability as a predictor of actual confusion").

As will be set forth in detail in Defendants’ *Daubert* motion, Dr. Ericksen’s survey suffers from multiple fundamental flaws that render it an entirely unreliable predictor of likelihood of confusion in this case. For example, Dr. Ericksen not only failed to survey the proper universe of consumers (potential purchasers of the T/CR22) but specifically sought to create a survey universe of participants that were most likely to be familiar with Ruger’s 10/22 product. Dr. Ericksen then compounded his errors by providing highly suggestive photographs of the products that in no way replicated how potential consumers would encounter the T/CR22 in the marketplace all while selecting an entirely inappropriate control product. While these errors will be expanded upon in Defendants’ *Daubert* motion, what is undisputed is that Dr. Ericksen’s opinion that the T/CR22 will lead to consumer confusion has yet to bear out in reality during the nineteen months in which the T/CR22 has been on the market.

(b) *Consumers Are Unlikely to Confuse, and Have Not Confused, the Parties’ Visually Distinct Rifles*

“Likelihood of confusion as to the source of the product is the gravamen of trademark and trade dress infringement.” *Butcher Co. v. Bouthot*, 124 F. Supp. 2d 750, 755 (D. Me. 2001). “The ‘trade dress’ of a product is essentially its total image and overall appearance.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992) (quoting *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1118 (5th Cir. 1991)). The distinctiveness of an alleged trade dress “turns on the total appearance of the product, not on individual elements.” *I.P. Lund.*, 163 F.3d at 39. As discussed *supra*, Ruger eschews the legally required analysis of the overall appearance to focus instead on individual elements for good reason – no consumer could be confused as to source based on the overall appearance of the products and Ruger, despite nineteen months to find one, has yet to identify a single such consumer:

**Ruger 10/22:**



**T/CR22:**



The visual differences are both numerous and significant. Most prominent is that the stock of the two firearms differs drastically both in appearance and material. While the 10/22 features a relatively level wood stock, the T/CR22's stock is made of composite materials with a substantially different curvature and color. Likewise, the T/CR22 features an integrated Picatinny rail atop the receiver and a rear sight at the back of the receiver, none of which are present in the 10/22. Conversely, the 10/22 features a barrel band around the forend of the stock (a distinguishing ornamental feature often highlighted in its advertisements), a different sight at the front of the barrel and a rear sight located in front of the receiver – design elements entirely absent from the T/CR22. In short, no consumer presented with such visually dissimilar products would believe that one was necessarily affiliated with the other and indicative of why Mr. Gurney “never even thought of” potential confusion until after Ruger’s initiation of this litigation. Ex. A at 81:23-82:7.

(c) *Any Likelihood of Confusion is Dispelled by the T/CR22's Source Indicia*

Apart from the clear visual similarities, the T/CR22 includes many independent indicia of source that the First Circuit has repeatedly recognized mitigates any potential for confusion. The T/CR22 itself contains no fewer than five displays of Defendants' trademarks on the physical object itself.<sup>13</sup>



<sup>13</sup> The mark T/CR22<sup>®</sup> is the subject of United States Trademark Registrations Nos. 5,571,965 and 5,571,964. The THOMPSON/CENTER<sup>®</sup> mark is the subject of United States Trademark Registration No. 4,613,897. The T/C<sup>®</sup> circular logo mark is the subject of United States Trademark Registration Nos. 4,257,794 and 4,841,538. The SMITH & WESSON<sup>®</sup> mark, which appears on the receiver of the T/CR22, is the subject of numerous United States Trademark Registrations including, for example, Registration Nos. 3,966,501; 4,232,135; 4,711,291; and 5,082,381.







Where, as here, the defendant prominently displays its own trade name and trademarks on the accused product, any likelihood of confusion is significantly reduced, if not altogether precluded. “In the case of a relatively high-priced, single-purchase article . . . ‘there is hardly likelihood of confusion or palming off when the name of the manufacturer is clearly displayed.’” *Fisher Stoves*, 626 F.2d at 194-95 (quoting in part *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 310 (2d Cir. 1972)) (affirming denial of injunctive relief where stoves prominently featured respective companies’ names and logos, indicting origin); *see also Annalee Mobilitree Dolls v. Caldor Corp.*, 1995 U.S. Dist. LEXIS 8512, at \*5-6 (D.N.H. April 14, 1995) (denying request for temporary restraining order where consumer confusion “would likely be eliminated by the clear source disclosures made on, and the nature of, defendant’s packaging,” and where consumers “consist mainly of sophisticated buyers . . . who can be expected to look for and recognize distinguishing characteristics of” the products).<sup>14</sup> Even apart

<sup>14</sup> Apart from the source indicia on the T/CR22 discussed above, there are numerous other contextual signs to a consumer that the T/CR22 is manufactured by Defendants and not Ruger. Those indications of origin will be addressed in the *Daubert* motion as Dr.



from these source indicia, every single T/CR22 is shipped by Defendants with a wrap around its forend that not only includes multiple other indicia of source but engages in direct comparative advertising between the T/CR22 and the 10/22. *See* Exhibit C. No consumer, upon seeing a product blanketed in the Thompson/Center marks and wrapped in an advertisement touting why it is better than Ruger's 10/22 could possibly conclude that Ruger is the source of origin of the T/CR22.

(d) *The Degree of Care That Consumers Use in Purchasing Firearms Also Renders Confusion Unlikely*

The absence of actual, and lack of likely, consumer confusion between the parties' products is also a result of the degree of care exercised in purchasing these products. Each of the parties' rifles retails for several hundred dollars. *See* Ex. F (showing MSRP of T/CR22 on Thompson/Center website); Ex. G (showing MSRP of Ruger 10/22 Carbine on Ruger website). Firearm purchases are made with care, and indeed, consumers are likely to put effort into researching these products and at the very least closely inspecting the products themselves and their packaging. Both parties' rifles are "a single-purchase article, and not a product subject to impulse buying." *Fisher Stoves*, 626 F.2d at 194. Consumers of both "face[] an investment of several hundred dollars." *Id.* It is therefore highly likely that consumers will not only inspect these products carefully before purchase but will closely inspect the products rendering it inconceivable that a consumer would not notice the source indicia discussed above.

(e) *Ruger Cannot Identify One Instance of Actual Confusion*

Ultimately, the best evidence that the T/CR22 is not likely to lead to confusion as to source is that it has not, in fact, led to confusion as to source. The T/CR22 has been available

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Ericksen's failure to account for such information is one of the principle flaws of his survey design.

for purchase since May of 2018. Again, despite the passage of nineteen months, Ruger cannot identify a single consumer that: (1) purchased the T/CR22 believing it to be a Ruger product; (2) believes the T/CR22 is sponsored by Ruger; (3) believes the T/CR22 is affiliated with Ruger, (4) believes the T/CR22 is associated with Ruger; or (5) that Ruger gave permission to Defendants to sell the T/CR22. Ex. A at 189:13-190:9.

Given the complete lack of actual confusion, Ruger instead cites articles from *Shooting Illustrated* and *The Truth About Guns* to support its proposition that the T/CR22 “is confusingly similar to the Ruger 10/22 rifle and infringes upon Ruger’s intellectual property rights.” Dkt. No. 3-1 at 9-10. However, these articles clearly discuss the T/CR22 in the context of a new product from Smith & Wesson. While the authors compare the T/CR22 to the Ruger 10/22, they most certainly do not express confusion as to the *source* of the T/CR22. *See* Dkt. No. 3-7 at 2 (“Offering its first-ever semi-automatic rifle is Thompson/Center Arms”); Dkt. No. 3-8 at 2 (“Review: Thompson/Center T/CR22”); Dkt. No. 3-9 at 2 (“Gun Review: Thompson/Center T/CR22 Rifle”). “A primary purpose of trade dress or trademark protection is to protect that which identifies a product’s source,” *I.P. Lund*, 163 F.3d at 35, and the “evidence” alleged by Ruger to show consumer confusion does quite the opposite – it demonstrates that consumers recognize Defendants as the source of the T/CR22 and not Ruger.

The dissimilarities of the parties’ rifles in their entirety, the degree of care exercised by consumers, and the lack of actual confusion all point to one conclusion – consumers are not likely to be confused as to the source of the T/CR22.

**B. Ruger Has Not Demonstrated That Irreparable Harm is Likely**

Ruger has failed to demonstrate – and is not entitled to a presumption of – the irreparable harm required for this Court to grant the extraordinary remedy of injunctive relief. Indeed, Ruger’s contention that it is entitled to a presumption of irreparable harm (Dkt. No. 3-1

at 27) is without factual or legal basis, and cannot be reconciled with the Supreme Court's holdings in *eBay, Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006) and *Winter v. NRDC, Inc.*, 555 U.S. 7 (2008). Even assuming that a presumption of irreparable harm is not expressly precluded by *eBay* and *Winter* or as a result of Ruger's fifteen-month delay in seeking injunctive relief, Ruger possesses no factual evidence to support its claim of imminent irreparable injury.

1. *Irreparable Harm Cannot be Presumed in This Case*

As explained in Defendants' Informational Memorandum, Dkt. No.14, which is incorporated herein by reference, the Supreme Court's holdings in *eBay*, and *Winter* collectively hold that any standard that relieves a movant from demonstrating that imminent irreparable harm is likely to occur is legal error. As a result, appellate courts along with district courts within this Circuit have consistently held that a presumption of irreparable harm is contrary to *eBay*'s prohibition on categorical rules and irreconcilable with *Winter*'s reiteration that a plaintiff must show that it is likely to suffer irreparable harm absent an injunction before being entitled to such relief. *See* Dkt. No. 14 at 6-9 (collecting cases).

Alternatively, this Court need not ultimately determine the full impact of *eBay* and *Winter* for principally the same reason as the First Circuit in *Voice of the Arab World, Inc. v. MDTV Med. News Now, Inc.*: "because – even if we assume without deciding that said presumption is good law . . . such presumption has been held inapplicable in cases where the party seeking injunctive relief excessively delays in seeking such relief." 645 F.3d 26, 34 (1st Cir. 2011) (holding that the "district court abused its discretion in applying the presumption here"); *see also Health New Eng., Inc. v. Trinity Health-New Eng., Inc.*, 2016 U.S. Dist. LEXIS 124946, at \*15 (D. Mass. Sept. 14, 2016) (refusing to apply a presumption of irreparable harm based on *Voice of the Arab World* and citing collected cases). Whether due to the Supreme Court's decisions in *eBay* and *Winter* or as a result of Ruger's unjustifiable delay in seeking

injunctive relief, it is clear that Ruger cannot rely on a presumption of irreparable harm but must instead prove, with factual support, that it is likely to suffer irreparable harm absent an injunction.

2. *Ruger's Lack of Factual Support Precludes a Finding of Irreparable Harm*

Without the benefit of a presumption, Ruger must carry its burden to demonstrate that imminent irreparable injury is likely to occur absent an injunction. *See, e.g., Winter*, 555 U.S. at 22. Apart from a misplaced reliance on a non-existent presumption, Ruger's only contention in support of its allegation that it is likely to suffer irreparable harm is: "The risk of irreparable harm to Ruger is quite high." Dkt. No. 3-1 at 27. This factually unadorned allegation is far from sufficient to support the need for the extraordinary relief of a preliminary injunction. *See, e.g., Charlesbank Equity Fund II, Ltd. P'ship v. Blinds To Go, Inc.*, 370 F.3d 151, 162 (1st Cir. 2004) ("A finding of irreparable harm must be grounded on something more than conjecture, surmise, or a party's unsubstantiated fears of what the future may have in store.").

Moreover, Mr. Gurney does not have any factual knowledge regarding alleged irreparable harm that Ruger is likely to suffer. Ex. A at 185:17-21. Ruger does not possess any evidence that a single person's opinion of Ruger was diminished due to the T/CR22. *Id.* at 189:2-12. As a result, Ruger's assertion that it is likely to suffer irreparable harm absent an injunction is, at most, the type of speculative and unsubstantiated fears that are insufficient as a matter of law. *Biogen Idec MA, Inc. v. Trs. of Columbia Univ.*, 332 F. Supp. 2d 286, 299 (D. Mass. 2004) ("[T]he required finding of irreparable harm cannot be based on tenuous speculation or unsubstantiated fears.") (finding insufficient factual basis for showing of irreparable harm); *True Fit Corp. v. True & Co.*, 2013 U.S. Dist. LEXIS 28866, at \*19 (D. Mass. Mar. 4, 2013)

(denying preliminary injunction in part because “True Fit has not alleged sufficient facts to show irreparable harm.”).

C. The Balance of Hardships Tips in Defendants’ Favor

While Ruger’s unreasonable delay in seeking injunctive relief precludes a finding of irreparable harm, it also demonstrates that the balance of the hardships weighs against injunctive relief. Defendants introduced the original version of the T/CR22 in May of 2018. Ruger, despite already believing that the T/CR22 infringed its 10/22 trade dress rights in May of 2018, took no action nor even advised Defendants of its objection in any way. Given Ruger’s inaction and silence, Defendants concluded that Ruger did not object to Defendants’ introduction of a product that was compatible with aftermarket 10/22 accessories just as Ruger did not object to similar offerings from multiple other manufacturers. As a result, Defendants devoted substantial time and resources to expanding the T/CR22 product line. For example, after nine months of silence from Ruger, Defendants introduced new versions of the T/CR22 featuring camouflage finishes from Realtree and Mossy Oak in January of 2019.

<https://www.americanrifleman.org/articles/2019/1/17/thompsoncenter-arms-adds-new-camouflage-patterns-to-tcr22-rifles/>. Defendants continued to rely upon Ruger’s inaction by further expanding the T/CR22 product line including the introduction of a hardwood stock variety and a version featuring a black grit finish in April of 2019, almost a year after the introduction of the original T/CR22. <https://www.deeranddeerhunting.com/articles/deer-hunting-gear/new-stock-options-for-thompson-center-rimfire-rifles>. Most recently, on or about July 19, 2019 – over fourteen months after introducing the T/CR22 and just two weeks before Ruger filed the Complaint – Defendants introduced yet another expansion of the T/CR22 product line to include a version featuring the popular TrueTimber Strata camouflage pattern.

<https://www.odumagazine.com/thompson-center-arms-adds-t-cr22-with-truetimber-camouflage-pattern-2/>.

Ruger now asks this Court to enjoin Defendants from “manufacturing, marketing and/or selling the T/CR22,” including all of the versions that Defendants devoted substantial efforts to developing, manufacturing, and marketing because of Ruger’s still unexplained fifteen month slumber. Dkt. No. 3-13. Ruger likewise requests that the Court order Defendants to “recall all T/CR22’s from distributors and retailers,” *id.*, a hardship exponentially greater than it would be if Ruger timely sought injunctive relief as the law requires. “Equity aids the vigilant, not those who slumber on their rights.” *Elmendorf Support Servs. Joint Venture v. U.S.*, 105 Fed. Cl. 203, 210 (Ct. Fed. Cl. 2002); *cf. Aircraft Charter Solutions, Inc. v. U.S.*, 109 Fed. Cl. 398, 417 (Ct. Fed. Cl. 2013) (“This court has repeatedly held that a protestor’s delay in bringing a protest must be accounted for in the balance of hardships inquiry.”).

While Ruger’s inaction significantly increased the hardship Defendants would face if the injunction were granted, Ruger fails to identify any specific hardship it would face if the injunction were denied. Instead, Ruger provides a single citation in support of its contention that the balance of hardships tips in its favor – “A victim of infringement is entitled to as much protection as is required to stop the infringement.” *Annheuser-Busch, Inc. v. Caught-on-Bleu, Inc.*, 288 F.Supp.2d 105, 126 (D.N.H. 2003) (quoting *Aktiebolaget Electrolux v. Armatron Int’l, Inc.*, 999 F.2d 1, 5 (1st Cir. 1993)). Ruger offers no other explanation – factual or legal – for why this Court should determine that the balance of equities favor Ruger. While Ruger fails to articulate the hardship it would face absent an injunction in any way, what is clear is that whatever hypothetical or theoretical hardship Ruger would face without an injunction is

precisely the same hardship that Ruger saw no need to remedy for over fifteen months. As a result, the balance of hardships weighs heavily against granting a preliminary injunction.

D. Lawful Competition Between the Parties Weighs in Favor of the Public Interest

Ruger did not initiate this Action to protect consumers from confusion or to advance the public interest but solely to advance its own interest. As set forth above, Ruger must demonstrate that the product configuration of the 10/22 is distinctive and non-functional while simultaneously proving that consumers are likely to be confused into believing that the T/CR22 is affiliated with Ruger. Though Ruger must satisfy each and every one of these elements, it is unable to carry its burden on a single one. Ruger's insistence on prosecuting a claim for which it cannot satisfy any element reveals the true purpose of this litigation – to prevent fair and lawful competition. Defendants developed the T/CR22 to provide consumers with another alternative for a .22 caliber rimfire rifle while maintaining compatibility with popular third-party aftermarket accessories for the Ruger 10/22. This constitutes lawful, pro-competitive conduct that serves the public interest. *Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th Cir. 1968) (“Appellees are not entitled to monopolize the public’s desire for the unpatented product”); *Alltell Corp. v. Actel Integrated Communs., Inc.*, 42 F. Supp. 2d. 1265, 1274 (S.D. Ala. 1999) (risk of potential confusion must be balanced against the “countervailing public interest in free competition, low prices, and avoiding monopolies.”); *ASICS Corp. v. Target Corp.*, 282 F. Supp. 2d 1020, 1032 (D. Minn. 2003) (noting the “strong public interest in the lowest possible prices, avoiding monopolies, and encouraging, not stifling, competition”).

Indeed, many of the legal principles discussed throughout this submission derive from the notion that the ability of manufacturers to build upon competitor products furthers competition, which is decidedly in the public interest. *See, e.g., Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 785 (9th Cir. 2002) (“The requirement of nonfunctionality is based on the

judicial theory that *there exists a fundamental right to compete through imitation of a competitor's product*, which right can only be *temporarily* denied by the patent and copyright laws.”); *Traffix Devices*, 532 U.S. at 29 (noting that “[r]everse engineering of chemical and mechanical articles in the public domain often leads to significant advances in technology.”) (quotation omitted).

While the Lanham Act is a consumer protection statute at heart, Ruger, by its own admission, is not seeking to use the Act to protect consumers from confusion:

Q: So even if the person thinks it looks like a Ruger 10/22, knows it's compatible with Ruger – with aftermarket compatible accessories for the Ruger 10/22, but knows it is not a Ruger product, does that still unfairly harm Ruger?

A: Yes.

Q: Why?

A: Because T/C is cashing in on our legacy. You have 55 years of goodness there.

Ex. A at 188:16-189:2. The Lanham Act exists to prevent consumer confusion and not to grant monopolies that a business is unable to obtain under the patent and copyright laws. As explained by the First Circuit in *Fisher*:

Plaintiff designed a stove with several functional innovations. These were enthusiastically received in the marketplace. Defendant, in imitating them, is doubtless sharing in the market formerly captured by the plaintiff's skill and judgment. While we sympathize with plaintiff's disappointment at losing sales to an imitator, this is a fact of business life.

*Fisher*, 626 F.2d at 196. While Ruger may have enjoyed fifty-five years of “goodness,” the public interest is not in extending Ruger's extra-judicial monopoly but by encouraging the lawful competition that the T/CR22 embodies.



**V. CONCLUSION**

For the foregoing reasons, Defendants respectfully request that the Court deny Ruger's request for a preliminary injunction in its entirety.

Respectfully submitted,

**American Outdoor Brands Corporation,  
Smith & Wesson Corporation, and  
Thompson/Center Arms Co., LLC**

By Their Attorneys.

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**CERTIFICATE OF SERVICE**

I, Christopher Cole, hereby certify that a true and correct copy of the foregoing Memorandum in Support of Defendants' Objection and Opposition to Plaintiff's Motion for a Preliminary Injunction was served this day on all Counsel of Record by filing the foregoing with the Court's ECF system.

Dated: November 1, 2019

/s/ Christopher Cole  
Christopher Cole