



DATE DOWNLOADED: Sat Sep 5 14:41:18 2020

SOURCE: Content Downloaded from [HeinOnline](#)

Citations:

Bluebook 21st ed.

Noah S. Johnson, *NetJets Inc. v. IntelliJet Group*, LLC 2:12-cv-00059 (S.D. Ohio Dec. 19, 2013), 18 INTELL. PROP. L. BULL. 239 (2014).

ALWD 6th ed.

Johnson, N. S., *Netjets inc. v. intellijet group*, llc 2:12-cv-00059 (s.d. ohio dec. 19, 2013), 18(2) Intell. Prop. L. Bull. 239 (2014).

APA 7th ed.

Johnson, N. S. (2014). *Netjets inc. v. intellijet group*, llc 2:12-cv-00059 (s.d. ohio dec. 19, 2013). *Intellectual Property Law Bulletin*, 18(2), 239-242.

Chicago 7th ed.

Noah S. Johnson, "*NetJets Inc. v. IntelliJet Group*, LLC 2:12-cv-00059 (S.D. Ohio Dec. 19, 2013)," *Intellectual Property Law Bulletin* 18, no. 2 (Spring 2014): 239-242

McGill Guide 9th ed.

Noah S Johnson, "*NetJets Inc. v. IntelliJet Group*, LLC 2:12-cv-00059 (S.D. Ohio Dec. 19, 2013)" (2014) 18:2 *Intellectual Property L Bull* 239.

MLA 8th ed.

Johnson, Noah S. "*NetJets Inc. v. IntelliJet Group*, LLC 2:12-cv-00059 (S.D. Ohio Dec. 19, 2013)." *Intellectual Property Law Bulletin*, vol. 18, no. 2, Spring 2014, p. 239-242. HeinOnline.

OSCOLA 4th ed.

Noah S Johnson, "*NetJets Inc. v. IntelliJet Group*, LLC 2:12-cv-00059 (S.D. Ohio Dec. 19, 2013)" (2014) 18 *Intell Prop L Bull* 239

-- Your use of this HeinOnline PDF indicates your acceptance of HeinOnline's Terms and Conditions of the license agreement available at

<https://heinonline.org/HOL/License>

-- The search text of this PDF is generated from uncorrected OCR text.

-- To obtain permission to use this article beyond the scope of your license, please use:

[Copyright Information](#)

# **NetJets Inc. v. IntelliJet Group, LLC**

## **2:12-cv-00059 (S.D. Ohio Dec. 19, 2013)**

NOAH S. JOHNSON\*

### BACKGROUND

Plaintiff NetJets Inc. (“NetJets”) is an Ohio-based company that primarily offers business travelers the ability to lease private jets without the burden of jet ownership. For example, NetJets’ clients can lease a 1/16th “share” of a jet, which allows them to use an aircraft for fifty hours annually.

Defendant IntelliJet Group (“IntelliJet”) is a limited liability company based in Florida. IntelliJet Group provides aircraft brokerage services by helping clients buy and sell jet aircraft. The company also leases aircraft.

NetJets developed its own proprietary software, “IntelliJet,” in the 1990s to streamline operations. The company initially used the software to handle internal issues such as reservations, billing, and account management. Third parties expressed interest in NetJets’ software, but NetJets chose not to license it out to maintain a competitive advantage. Between 1995 and 2000, only employees of NetJets and NetJets’ affiliated companies had access to the IntelliJet software. Approximately 220 employees of NetJets were the primary users of the software until 2013, when NetJets introduced a new feature that allowed its customers to access certain features of the software.

In 1995, NetJets applied for federal registration of the trademark “INTELLIJET” for “computer software for managing aircraft leasing and sales.”<sup>1</sup> The United States Patent and Trademark Office (“USPTO”) granted registration in 1996. In September 2002, NetJets filed a Combined Declaration of Use and Incontestability with the USPTO, and the mark was subsequently granted incontestability status. In 2003, NetJets sold the INTELLIJET mark to Columbia Insurance Company, who licensed the mark back to NetJets.

In January 2012, NetJets brought suit against Defendant IntelliJet for allegedly infringing the INTELLIJET mark. IntelliJet filed a counterclaim for cancellation of NetJets’ mark, arguing that NetJets’ registration was void because the mark was never used in commerce, as required under the Lanham Act, 15 U.S.C. § 1127. IntelliJet moved for summary judgment on NetJets’ claim of trademark infringement and on its own counterclaim to cancel NetJets’ registration of INTELLIJET.

---

\* Noah S. Johnson is a 2015 J.D. Candidate at the University of San Francisco School of Law.

1. NetJets Inc. v. IntelliJet Grp., LLC, 2:12-CV-00059, 2013 WL 6799426, at \*3 (S.D. Ohio Oct. 17, 2013) (internal quotation marks omitted).

## ISSUE

The focus of the court's analysis was whether NetJets' use of the INTELLIJET mark in association with its own proprietary software constituted use in commerce, as required for federal trademark registration under the Lanham Act.

## DECISION

The district court granted summary judgment in favor of IntelliJet, finding that NetJets did not use its IntelliJet software containing the INTELLIJET mark as a good in commerce.

## REASONING

The court, relying on the statutory language of the Lanham Act, found the Federal Circuit's recent decision in *Lens.com v. 1-800 Contacts*<sup>2</sup> persuasive. In *1-800 Contacts*, the Federal Circuit evaluated the validity of Lens.com's mark, "LENS," which it used in connection with software for the electronic ordering of contact lenses.<sup>3</sup> 1-800 Contacts, a competitor of Lens.com, brought a cancellation petition to invalidate the LENS trademark. 1-800 Contacts argued that Lens.com had never used the mark in commerce, as required under the Lanham Act. The court invalidated the mark after analyzing three factors: (1) whether the software was "the conduit or necessary tool" to obtain the company's services, (2) whether the software was "so inextricably tied to and associated with the service as to have no viable existence" apart from the service, and (3) whether the software was sold separately from or had any "independent value from the services" rendered under the mark.<sup>4</sup>

The district court used the Federal Circuit's three factors to analyze IntelliJet's counterclaim. In analyzing the first factor, the court found that NetJets' promotional efforts—namely, its marketing materials, employee functionality demonstrations, and customer interface platform—suggested the software was the conduit or a necessary tool for obtaining the company's services. NetJets stated that it advertised the IntelliJet software in brochures and marketing materials to potential customers. Additionally, NetJets employees would demonstrate the software's functionality to potential customers in an effort to convince them to sign up for leasing services. In 2013, NetJets also created a customer interface for the IntelliJet software that displayed the INTELLIJET mark on each screen of the software; however, this portal was only accessible to existing customers and not the public. The court focused on the theme of NetJets' use as enticing customers to obtain NetJets' jet leasing services, not as marketing the software on its own. The court determined the software was a tool to

---

2. 686 F.3d 1376 (Fed. Cir. 2012).

3. *Id.* at 1378.

4. *Id.* at 1382.

provide enhanced service to Netjets' aircraft leasing customers.

The court also found that the second factor weighed against NetJets because the software was inextricably intertwined with the underlying service NetJets provided. Evidence showed that NetJets considered the IntelliJet software a trade secret that provided a competitive advantage over its rivals in the aircraft industry. In addition, the court found that the software was integral in providing NetJets' core aviation services to customers because, in the court's estimation, the IntelliJet software only existed to enhance NetJets' primary business goal of offering efficient scheduling services to its customers.

Lastly, the court found that the third factor weighed against NetJets because NetJets had elected not to license its software to third parties. Because NetJets had never packaged or sold the IntelliJet software as a good in commerce, the court determined NetJets could not provide sufficient proof of the software's independent economic value.

Finding the three factors weighed against NetJets, the court held that NetJets had not used the INTELLIJET mark in connection with a good in commerce within the meaning of the Lanham Act, and that the mark was therefore invalid. The court thus granted IntelliJet's petition to cancel the INTELLIJET mark.

