

Behind the case: How Latham rocketed to victory in \$14bn ‘Comet’ TM dispute

Brett Sandford acted for **Perplexity AI**, which fended off the threat of a preliminary injunction to launch an AI-powered web browser

Artificial intelligence company Perplexity AI partially fended off the threat of a preliminary injunction in a trademark dispute, enabling it to launch an AI-powered web browser called Comet.

Latham & Watkins partner Brett Sandford argued against the PI at the District Court for the Northern District of California.

The court’s decision, handed down on June 30, allowed Perplexity AI to launch its new web browser and use the Comet name in connection with the service. The service was subsequently launched on July 9.

However, the PI was still partially granted. Although Perplexity can use ‘Comet’ in connection with its web browser, it cannot use the term for marketing certain goods and services until at least the end of the trial.

New York-based software company Comet ML had filed a complaint at the California court alleging that Perplexity’s agentic search browser infringed its trademark for its name.

There has been significant media and press coverage surrounding the release of Perplexity’s browser. The company was recently valued as high as \$14 billion.

Comet ML first sought a PI in May 2025. The motion was originally denied without prejudice because the browser had not been launched at that time. However,



after Perplexity subsequently released beta testing for the browser, Comet ML filed a renewed motion.

The infringement trial is set for February 2026.

Managing IP sat down with Sandford to discuss the hearing, how he set up his team, and the next steps.

How did you come to work with Perplexity as a client?

Perplexity is an innovative technology company known for developing cutting-edge AI-driven products, including its answer engine. Perplexity’s most recent product, named Comet, is a web browser for agentic search.

Perplexity was a client of the firm before this case. When the plaintiff filed a PI and temporary restraining order, Jen Barry (a partner in Latham’s San Diego office

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with extensive experience in trademark cases) brought me on to help handle the hearing and case.

How did you prepare for the evidentiary hearing?

The preparation was an intensive process, similar to trial preparation but on a much quicker schedule. The preparation was even more intense and complicated than the typical PI schedule, because I was concurrently preparing for a second, separate PI hearing in a patent case.

The schedule in the Perplexity case was extremely compressed because the evidentiary hearing needed to be held before Perplexity planned to launch its Comet browser in early July. The Latham team had to work intensively over a two to three-week period to prepare for the full-day evidentiary hearing, which included preparing fact and expert declarations, conducting four depositions, filing various pre-hearing motions, preparing demonstrative slides, and conducting mock examinations to ensure our witnesses were fully prepared.

How did you put together the team that would work on this case, and how did you decide who would argue a case in court?

Initially, the team was composed of Jen's trusted team of trademark lawyers, including counsel Patrick Justman, and associates Melanie Grindle, Dennis Benschoter, Adam Herrera, Tayler Woelcke, and Ryan Owen.

Shortly thereafter, Jen added me to leverage my trial experience. We made strategic decisions about who would argue and present witnesses in court, and added individuals with significant trial experience and technical knowledge, such as partner Amit Makker, to ensure that the technical issues were conveyed through the witnesses in a clear, concise, and persuasive manner.

I was ultimately tasked with cross-examining the plaintiff's CEO and sole witness, while Amit conducted the direct examination of our technical expert. This strategic composition enabled us to effectively manage the technical aspects of the case and present compelling arguments.

What is the significance of this judgment?

The court denied the vast majority of the relief that the plaintiff sought, an order that is pivotal for Perplexity

because it allowed it to launch the Comet browser on July 9, as planned.

Had the PI been granted, the browser launch would have been delayed. The case, as well as the PI order, also carries a broader significance in the legal landscape as a whole, particularly in how courts will address AI-related products in IP disputes. The court's decision underscored that, given the widespread use of AI in various industries and markets, the mere use of AI does not automatically imply product similarity or consumer confusion.

It is a very interesting intersection of AI and traditional IP issues, setting a precedent for how courts may handle similar cases in the future.

How do wins like this help the firm gain new clients/prove its credentials in these types of disputes?

Successfully representing a cutting-edge AI company like Perplexity in high-stakes proceedings such as the PI hearing enhances Latham's reputation as a leader in this space and confirms the IP group's unique ability to handle complex technology cases in front of judges and juries.

Our IP group's brand is built on representing high-profile, pioneering companies such as Perplexity, and this win reinforces our credentials in the industry and exemplifies our ability to navigate novel legal issues surrounding important technology such as AI.

What were the greatest challenges during this case? How did you overcome them?

One of the greatest challenges occurred outside of the courtroom.

I faced the unique challenge of handling two PI hearings within a three-day period, which involved flying across the country to handle both hearings. The hearing for Perplexity on June 25 extended late into the day, and I had to take a red-eye flight to Washington, DC, for the second PI hearing in the patent case, where I argued that PI on June 27. It made for a very long and busy 36-hour stretch, but was very rewarding because of the successful results for both clients.

These successes were a direct result of the tremendous team efforts and exceptional support from the paralegals and fellow attorneys. They were instrumental in helping

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ensure that the presentations were smooth and effective, and that our witnesses were well-prepared. The ability to successfully handle two PI hearings in three days, each of which involved very different technology sectors, highlights the depth and strength of Latham's IP group.

Did anything go wrong, or is there anything you would have done differently?

At the Perplexity PI hearing, each side was limited to three hours to present their case, which meant we had to manage our time closely. This required us to make real-time decisions on how to allocate our time based on the judge's questions and presentation of the evidence.

While we ultimately did run out of time, that reflected the strategic decisions we made in real time during the

hearing, which we believed were necessary to focus on the most critical aspects of the case. In hindsight, while there are always small adjustments that could be made, our overall approach and execution were effective given the circumstances, and the judge's decision to allow the browser to launch was a testament to the strength of the evidence we presented and strategic choices we made.

What are the next steps (if any)?

The court's decision to allow Perplexity's browser to launch was an important first step, but now we are proceeding with litigating the rest of the case.

The court recently set a schedule with a trial date in February 2026, and we will continue to leverage our expertise and dedication to deliver another win for Perplexity.