

UNITED STATES DISTRICT COURT
 FOR THE WESTERN DISTRICT OF TENNESSEE
 WESTERN DIVISION AT MEMPHIS

THE SERVICEMASTER COMPANY, THE)	
TERMINIX INTERNATIONAL COMPANY,)	
L.P., TRUGREEN LIMITED PARTNERSHIP,)	
AMERICAN HOME SHIELD CORPORATION,)	
AND AMERISPEC, INC.,)	
)	
Plaintiffs,)	Civil Action No.99-2866-TUV
)	
v.)	
)	
CARLA VIRGA,)	
)	
Defendant.)	

**DEFENDANT'S MEMORANDUM
 IN OPPOSITION TO THE MOTION FOR A PRELIMINARY INJUNCTION
 AND IN SUPPORT OF HER MOTION TO DISMISS**

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GLOSSARY OF ABBREVIATIONS

HTML	Hypertext Markup Language
McCarthy	<i>McCarthy on Trademarks and Unfair Competition</i>
P. Mem.	Plaintiffs' Memorandum of Law in Support of Motion for a Preliminary Injunction
SLAPP	Strategic Lawsuit Against Public Participation
TCPA	Tennessee Consumer Protection Act
Terminix	plaintiffs generally (unless specified as meaning Terminix International Company)
URL	Uniform Resource Locator

Introduction

This is a free speech case. Since September 1997, the defendant – California resident Carla Virga – has maintained a site on the world wide web that criticizes Terminix and its affiliated companies. The site is wholly non-commercial – it sells no products or services; Virga derives no financial benefits from it; and Virga is unconnected to any of the competitors of the companies she criticizes. In March 1998, Terminix sued Virga in California state court to enjoin her from maintaining the site, claiming that she was using its names as "key words" to draw persons interested in Terminix to her web site, where she was allegedly defaming Terminix. In April 1998, the California court held that Terminix's action was a "SLAPP suit," dismissed it for lack of merit, and awarded Virga her attorney fees.

Now Terminix and its affiliated companies have sued Virga again, this time invoking their trademark rights which, they say, are violated every time their names appear on her web site, especially in the hidden keywords. Virga asks the Court to deny the requested injunction and dismiss the claims on numerous grounds, including the First Amendment, res judicata, lack of personal jurisdiction, lack of merit under the trademark and other laws that plaintiffs have invoked, and other equitable grounds. In addition to awarding defendant her attorney fees, Virga asks the Court to conclude that plaintiffs will not respond to simple economic incentives as a reason to refrain from filing frivolous litigation against her. Accordingly, she asks the Court to enjoin plaintiffs from pursuing similar litigation against her in the future.

STATEMENT

A. Facts.

1. Virga's Web Site.

Carla Virga is a fifty-year-old woman who lives with her family in Yuba City, a small

California town north of Sacramento. She has worked both as a full-time housewife and as a clerical worker; currently, she works as a secretary for a small manufacturing concern in Yuba City. Virga Affidavit ¶¶ 2-3. She and her husband have assets enough to live on, but little more. *Id.* ¶ 2.

Virga has never been to Tennessee, or even close to Tennessee. *Id.* ¶ 4. She owns no property there, and what little her family has in the way of investments is not invested in Tennessee companies. *Id.* ¶ 5. Nor does Virga (or any of her relatives, for that matter) have any financial connection to any of the plaintiffs or to any of their competitors. *Id.* ¶ 6.

In 1991, the Virga family purchased a new home in Yuba City, and relied on a report in which plaintiff Terminix reported that the dwelling was free of damage. It turned out that the house had suffered severe damage, and the Virgas eventually sued the sellers, the realtors, and Terminix. The sellers were judgment-proof, and Terminix won the litigation when the expert witness whom the Virgas had subpoenaed (who was employed by the California Structural Pest Control Board and was a former Terminix employee) failed to appear at trial and the judge refused either to continue the trial or to compel the witness' appearance. *Id.* ¶ 7. As a result of this experience, Virga understandably formed adverse opinions about the system of state regulation of pest control companies and of realtors, about the ability of consumers to enforce their rights, and about the operation of the legal system itself. *Id.* ¶¶ 8-9.

After an experience recounted in her affidavit, at ¶¶ 10-11, and on her web site, <http://www.syix.com/emu/html/reflections.html>, Exhibit 1,¹ Virga created a web site to inform

¹ The exhibits attached to affidavits bear sequential letters beginning with Exhibit A in the Virga Affidavit and Exhibit N in the Cunniffe Affidavit. The exhibits containing cited matter (such as cases not reported in the West system, and web pages) bear sequential numbers, in the order appearing in this memorandum.

consumers about her experience and about ways that they could avoid being caught in the same situation. The web site advises readers to be careful about what they sign, not to put too much faith in the promises of companies just because they are well-known, and to be aware of the possibility that state agencies that purportedly protect the consumer may be captives of the very private companies that they are supposed to be regulating. In addition, the web site provides a detailed account of Virga's own experience, as well as a compendium of critical information about Terminix and its corporate affiliates, and about every state's regulation of pest control companies. Virga Affidavit ¶¶ 12-14.

Virga's web site also features a "guestbook," a common web site feature that allows persons who visit a web site to note their comments about the site in a location where future visitors to the site can see them. Except for minor proofreading and the elimination of obscenities, Virga does not "censor" her guestbook, but allows any person who is willing to shed anonymity by including her their e-mail address to place comments on her guestbook, regardless of whether those comments are favorable or unfavorable to herself or to Terminix. *Id.* ¶¶ 15-19. From time to time, Virga transfers comments about Terminix from the guestbook to the pages of the site itself, so that, by now, the guestbook contains five separate pages filled with comments by other persons about Terminix. *Id.* ¶ 16; see <http://www.syix.com/emu/html/complaints1.html> *et seq.* Exhibit 2. However, Virga does not include accounts from persons who ask her to keep their comments confidential. This commonly occurs either because the commenter is currently or prospectively in litigation with Terminix, or because the commenter is worried about retaliation by Terminix. Virga Affidavit ¶ 20.

As first placed on the web, Virga's site was devoted primarily to recounting her own experiences with Terminix and various other entities. It then expanded to include the experiences

that other persons had with Terminix. When she first published the site, she paid little attention to the fact that ServiceMaster was Terminix's parent. *Id.* ¶ 29. Eventually, however, she decided that the abuses directed at her by Terminix should be laid at the feet of Terminix's owner, and that other cases of misconduct, not only by ServiceMaster itself, but also by ServiceMaster's other subsidiaries, were related enough to the concerns expressed on her site to warrant inclusion. Accordingly, in June 1998 (after the conclusion of the lawsuit brought by Terminix against her earlier that year, *see infra* at 10-11), Virga added a page devoted to ServiceMaster and its various other subsidiaries. Virga Affidavit ¶ 30. The page listed ServiceMaster's various affiliates (the plaintiffs here) and contrasted the laudatory comments on its web site with several civil actions and a criminal investigation against ServiceMaster, to which she provided links. *Id.* and Exhibit C.

2. Meta Tags and Search Engines.

As described in the Affidavit of Charlene Cunniffe, a web page consists of various forms of computer code, including Hypertext Markup Language ("HTML"). Most parts of the code affect the way the page is viewed on a web browser (such as the text, graphics and layout). Cunniffe Affidavit ¶ 8. Some of a web page's code, however, is not designed to be seen on the page itself. For example, most web pages are created with a title, contained in the "title tag," which appears on the top of the browser in the title section. Stellin, *Can You Trust Your Search Engine*, <http://www.cnet.com/Content/Features/Dlife/Search/ss03.html>. Exhibit 3. In addition, a web page may contain "meta tags," which are necessary for authors of pages containing only graphics to provide a text summary of the content of the page; however, meta tags have evolved as a method for the designers of text as well as graphical pages to provide a handy summary of the topics of a page. Cunniffe Affidavit ¶ 11. Meta tags are a form of HTML code that permits some (but not all) search

engines both to identify web pages in which particular viewers may be interested, and to determine how close to the beginning of the list of web pages to place each particular page selected. Cunniffe Affidavit, ¶ 12. Although some search engines do not give weight to meta tag content when ranking query results (that is, determining how close to the beginning of the list they will appear), Cunniffe Affidavit ¶ 20, the operators of many search engines encourage web site designers to include meta tags in their web pages. *Id.* ¶ 12; *see, e.g.*, <http://www.altavista.com/cgi-bin/query?pg=addurl#meta;> [http://www.hotbot.com/help/addurl/;](http://www.hotbot.com/help/addurl/) <http://www.go.com/AddUrl?pg=SubmitTips.html>. Exhibits 4-6. Meta tags can be viewed by examining the “page source” feature that is available on the more current versions of browsers. Cunniffe Affidavit ¶ 12.

Search engines are part of the way in which Internet users decide which web pages to visit. *See generally* <http://www.searchenginewatch.com>. There are three principal ways in which the owner of a web page can bring the page to the attention of possible viewers. Cunniffe Affidavit ¶ 13. First, a viewer may know the domain name for a particular company, and decide to visit that company’s page by entering that name as a web address (“uniform resource locator” or “URL”) in the “location” window of the web browser. *Id.* For example, each of the plaintiffs has a web site with a domain name in the form www.COMPANYNAME.com (for example, www.amerispec.com). *Id.*; *see also* Colber Affidavit ¶ 13. Second, when viewing a given web page, a viewer may be attracted to a hypertext link that appears on that page; by clicking the left button of his mouse on the link, the viewer directs his browser to move directly to the page to which the sending page provides a link (that is, the web users “surfs” from one page to another). Cunniffe Affidavit, ¶¶ 9, 13. Third, the viewer may take advantage of one of many “search engines” which search the entire web for pages that contain references to a specific subject in which she is interested. *Id.*

Every search engine uses its own protocol, often unique or proprietary, to identify pages in response to a user's search. *Id.* ¶ 14. Some search engines use human beings to look for web pages and enter code into the engine to identify particular pages in response to searches. Other search engines use largely mechanical devices, known as "spiders," which continually prowl the web seeking and recording new pages, by viewing all or a certain number of words at the beginning of each web page (for example, the first 250), or by viewing the title of the web page. Still another method used by search engine spiders is to examine the meta tags of a given page. The meta tags, in turn, consist of several component parts. The basic parts of the meta tags are the description (a sentence summarizing the site), and the keywords (a list of terms describing the topic of the page). *Id.*; see also <http://www.searchenginewatch.internet.com/webmasters/meta.html>. Exhibit 7. A variety of other meta tags can also be included. *Id.*

When a person searching on the web for sites discussing a certain topic enters a relevant term or terms, the search engine will deliver a list of potentially relevant sites. In most cases, the number of sites returned by the search engine may be quite large, numbering in the hundreds if not thousands. *Id.* ¶¶ 10, 15. The list is typically viewed in segments – the first ten or twenty sites are listed by the search engine, then the next grouping, and so forth until the list is exhausted. Some search engines impose a limit on the number of sites that can be viewed in the course of a particular search. Each search engine has its own means of ranking the sites it has found in response to a particular search; for some engines, meta tags play a role in the ranking as well as the listing process. *Id.* ¶ 15.

The contents of the lists produced by the search engines are also significant. Each list segment includes at least one clickable "link" for each page identified in the search. For each page,

there is commonly a title (in which a “link” is embedded that can be followed by clicking a mouse button on the title), a brief description for the page, and the URL. The “page title” will commonly be whatever title the web site designer has specifically given to that particular page; and, in engines using meta tags, the brief description will often be the “description” meta tag for that page. If a viewer follows such a link, but decides that the page is not what she wanted, it is quite simple to return to the list – she simply clicks the “back” button on the browser, and decides what link to follow next. *Id.* ¶ 16.

In summary, then, to take advantage of the way in which search engines work and to bring one’s page to the attention of those who might find its contents interesting, a web site designer not only may but should include meta tags that include terms of greatest interest to the designer’s target audience.

3. The Use of Meta Tags on Virga’s Web Site.

From the very beginning of her web site, Virga has incorporated meta tags into its structure. As first published on the web, the key words for her page included such terms as pest, pest control, and Terminix. Virga Affidavit ¶ 23 and Exhibit A (including the page source for the main page as originally published in 1997, including meta tags). Similarly, when Virga expanded the focus of her web site to include ServiceMaster and other affiliated companies in 1998, Virga included the meta tags for those companies on the ServiceMaster page as well. *Id.* ¶ 30 and Exhibit C (including the page source as of June 1998, including meta tags). In sum, the meta tags have been included on her pages continuously from 1997 (in the case of Terminix) and 1998, in the case of ServiceMaster and the other affiliated companies.

In light of plaintiffs’ claims that Virga’s use of these meta tags is somehow deceptive, it is

important to note what meta tags do **not** do. First, although plaintiffs are asking the Court to bar defendant from using their trademarks in the text of her web site, they also assert at some points, *e.g.*, Plaintiffs' Memorandum ("P. Mem.") at 29, that the trademarks appear only in Virga's meta tags, and not on the page itself. Although this is the heart of their claim of deception, the assertion is patently not the case. The original posted pages and "page source" print-outs provided by Virga with her affidavit show that each of the company names in her meta tags also appears in the page posted under those meta tags. And Virga's ServiceMaster page, over which this suit was brought, and which is attached to the Complaint as Exhibit 1, includes directly under the ServiceMaster banner each and every one of the company names that appears in the meta tags portion of the "page source" printout (which is also included in Exhibit 1).

Nor is there any danger that the existence of meta tags in Virga's web site will draw viewers who mistakenly believe that her site is published by Terminix or one of the other companies that her web site criticizes. Because Plaintiffs' Exhibits 241, 242 and 243 constitute their **only** concrete evidence of how Internet viewers may reach defendant's web site, they bear particular scrutiny. These search results are discussed in greater detail in the argument section of the brief, *infra* at pages 39 to 41. For present purposes, it suffices to say that each shows a search conducted on one of the popular search engines for the word "Terminix." In each search, an official Terminix web page showed up several times among the top ten or twenty sites listed, along with Virga's web site. In each search, both the title and the description of Virga's page clearly reveal not only that it is not an official site, but that it is critical of Terminix and indeed that Terminix is opposed to the web site. It is hard to imagine a consumer or investor clicking on any of these links and visiting Virga's site out of confusion that she was an official Terminix representative.

Even more important, one of the searches – the one in which Virga’s web site is listed the most prominently – was conducted on the search engine called Excite. But Excite’s own web site specifically states that it does not pay attention to meta tags either in selecting web pages to be included on search lists or in ranking the lists to decide which are shown first. *See* http://www.excite.com/info/getting_listed/meta_tags. Exhibit 8. Thus, it is only by removing Terminix’s name from the **body** of Virga’s web site that plaintiffs can achieve their objective of preventing her web pages from appearing near the top of search engine lists. It is perfectly apparent that the problem here is that Terminix wants to suppress adverse comment, not prevent customer confusion.²

Although plaintiffs have offered no evidence of how likely it is that a person searching for “ServiceMaster” on a search engine would reach Virga’s ServiceMaster page, there is no danger that a person who followed a search engine link to that page would confuse it with the latter’s official page. The current ServiceMaster page is attached to the Virga Affidavit as Exhibit D. Viewers who come to the page see at the top of their browsers the page title, "ServiceMaster -- Consumer and Investor Alert!" (When a web page is printed, the title is reproduced in the upper left hand corner, the location of the file is reproduced in the upper right hand corner, and the date and time of printing is reproduced in the lower right hand corner; none of this matter appears in the copy of the web page that is attached to the complaint). Then, right below the banner with the ServiceMaster name (in

²Defendant’s Internet expert checked eight different three search engines on November 29 and 30, including but not limited to the three reflected in Plaintiffs’ Exhibits 241, 242 and 243, to find not just “ServiceMaster” but **all** the marks that plaintiffs purport to be enforcing in this case. Defendant’s web site was not listed among the top twenty sites in any of them *except* when the search term was “Terminix.” Anti-ServiceMaster pages do come up on some of these searches, but none of them belong to defendant. Cunniffe Affidavit ¶ 25 and Exhibits O through V.

plain block letters similar to the banners for the other pages on the web site, but very different from the distinctive combination of fonts that the company uses for its trademark and logo), appears the statement, "I couldn't very well do this web site justice without including information, lawsuits, and complaints about the parent company." As if that weren't enough to bring to the viewer's immediate attention the critical nature of her un-official ServiceMaster page, there is a series of "buttons" down the left-hand side of the page bearing such labels as "Consumer Complaints 1" and "Employee Complaints." Next to some of the names of ServiceMaster's subsidiaries are links to other sites critical of those companies, bearing such labels as "Complaints" and "pending Class Action Suit." Nobody who comes to this page could possibly believe that its source was Terminix or ServiceMaster.

4. Terminix's First Lawsuit Against Virga's Web Site.

Before Virga published her site on the web, she sent a letter to ServiceMaster describing her plans. Terminix responded by threatening litigation. In a letter from Terminix's general counsel W.B. Mallory, Terminix warned Virga, among other things, that its name was a trademark and that, if she used its name on her web page as planned, Terminix would immediately enforce its trademark rights against her. In addition, Terminix threatened to sue her for defamation. Virga Affidavit ¶ 34 and Exhibit F. Virga nevertheless proceeded to publish her pages on the web in September 1997. *Id.* Exhibit G ¶ 6.

On March 16, 1998, Terminix brought suit against Virga in California state court, alleging that her web site defamed Terminix. Contrary to Mr. Mallory's warning, the complaint did not expressly invoke any federal or state trademark laws. However, both the theory of the complaint, and the claimed need for an ex parte restraining order requiring Virga to remove her material from

the world wide web pending completion of the litigation, were that Virga was successfully using Terminix's name in the "key words" of her web site – that is to say, in the meta tags – to draw thousands of viewers to her site where they would see the supposedly defamatory material posted there. Virga Affidavit ¶¶ 35, 36 and 41, and Exhibits G, H and M.

Terminix's suit was unsuccessful because California has a statute designed to discourage "Strategic Lawsuits Against Public Participation," known by the acronym "SLAPP." The California SLAPP statute permits the defendant in a SLAPP suit to file a motion to strike the complaint under which the court makes an early "hard look" at the merits, requiring the defendant to demonstrate a probability of success on the merits. California Code of Civil Procedure, Section 425.16(b). Following that procedure, the trial judge found that Terminix's action was, in fact, a SLAPP suit, and he went on to examine the merits of the action and held that none of Virga's supposedly defamatory statements about which Terminix complained constituted a false statement of fact for which she could be held liable. Accordingly, the action was dismissed and Terminix was compelled to pay Virga's attorney fees. Virga Affidavit, Exhibit I.

B. Proceedings to Date.

This action was commenced by the filing of a complaint on October 4, 1999. Late in the afternoon of October 5, Virga (who had not yet learned that the case had been filed), received a letter from Terminix, demanding that she immediately remove the names of ServiceMaster and all of its affiliates from the meta tags, page titles, and body of her web site, and agree to a consent judgment barring such use of company names in the future. Virga Affidavit ¶ 40 and Exhibit L. The letter warned, that unless she did all of this by 3 PM the following day, plaintiffs would file a motion for a preliminary injunction against her. Despite the pretense of seeking a response, the letterhead bore

only Terminix's name, but no address or telephone number.

On October 12, Virga received service of the complaint and motion papers. The complaint alleges that Virga violated federal and state trademark laws by using the plaintiffs' company names, not only in her meta tags, Complaint ¶¶ 29, but also in headings and in the body of the text of her web site. *Id.* ¶¶ 30, 32. The motion seeks entry of a preliminary injunction barring defendant from using plaintiffs' names in any "links, banners, keywords, titles and/or meta tags," or "otherwise to identify [her] web site and/or home page." Proposed Order Submitted with Plaintiffs' Motion, at 2.

Defendant obtained counsel to represent her and, over plaintiffs' objections, the Court granted an extension of time until December 1, 1999, for defendant to respond both to the Complaint and to the motion for a preliminary injunction. Defendant now moves to dismiss the complaint, and this memorandum both supports that motion and explains why the motion for a preliminary injunction should be denied.

SUMMARY OF ARGUMENT

Plaintiffs' claims suffer from several fundamental flaws that prevent them from receiving any relief.

The first is that plaintiffs fail to come to grips with the wholly non-commercial character of Virga's web site and of the speech that the site contains. The web site promotes no goods or services that Virga (or anybody else) offers for sale; it raises no revenue for Virga (or anybody else) by advertisements or other means. Consequently, not only does the web site fall outside the federal and state trademark and other similar laws asserted in the complaint, but Virga's communications must be deemed non-commercial speech under the First Amendment, which bars both the prior restraint that plaintiffs ask the Court to impose and any award of damages. In short, the free speech interests

at stake preclude the granting of any relief on plaintiffs' claims.

Second, plaintiffs' arguments all assume that the only reason why members of the public might want to look for web sites using the terms "Terminix," "ServiceMaster," or plaintiffs' other names is that they want to find one of the plaintiffs in order to buy its products or services. In fact, that is but one of many reasons why somebody may search the Internet for web sites using plaintiffs' names. Some people may want news reports about plaintiffs; others may feel aggrieved and hope to find others who share their grievances; some may be doing general research on one of the companies; and some may even be interested in contracting with the plaintiffs, but also be wary and hoping to find objective information about them. If plaintiffs' assumption were correct, perhaps one could speak of web users being "deceived" or "confused," as trademark law uses those terms. But, because their assumption is wrong, their claim of a right to prevent others from using their names in meta tags would have the untoward result of vastly decreasing the utility of the Internet for most users and, indeed, for most web designers. Moreover, users who want no more than to find Terminix or ServiceMaster can very easily do so by the simple device of typing "www.," plus the company's name, plus ".com," as the URL; such viewers do not need to use any search engine at all, not to speak of those that rely on meta tags.

Third, plaintiffs apparently assume that they are entitled to force Virga to defend herself in their own backyard, but there are no allegations in the complaint that support the assertion of personal jurisdiction over Virga in Tennessee. To the contrary, it would violate Virga's due process rights to force her to litigate here, and in any event, venue is proper only in California.

Fourth, plaintiffs' papers completely ignore the fact that Virga has been using some of their names in her meta tags since 1997, and using all of them since 1998. Plaintiffs' failure to sue on

their trademark claims until now precludes a preliminary injunction under the doctrine of laches. Similarly, the claim under the Tennessee Consumer Protection Act is barred by the statute of limitations, and plaintiffs' failure to bring these claims the first time Terminix sued Virga over her web site bars their present claims under the doctrine of res judicata.

Fifth, although the motion for a preliminary injunction focuses on the issue of meta tags and allegations of so-called "spamdexing," trying to piggyback on some recent cases and a law review article (which they misrepresent), addressing cases where a company made commercial use of a competitor's trademarks in order to divert traffic to sites promoting its own products or services, the complaint and the proposed preliminary injunction sweep far more broadly. The complaint alleges that **any** use of plaintiffs' names on Virga's web site is a trademark violation, and the preliminary injunction seeks to prevent Virga from using the plaintiffs' names in any links, banners, key words, titles, meta tags, or "otherwise." What is at stake in this case, therefore, is the freedom of Internet users to publish and/or read criticisms of companies, and is not limited to the use of meta tags to call viewers' attention to those criticisms.

In sum, all of plaintiffs' claims are unsupported, and in most cases for several reasons. Plaintiffs presumably hoped that the burden of defending herself a second time, thousands of miles from home, would force Virga to take down her web site, or at least change it such in a way that fewer consumers would notice it. This is an "exceptional" case warranting an award of attorney fees against plaintiffs (for which Virga will move if she prevails). Moreover, because plaintiffs have brought a second meritless claim over the same web site, Virga asks the Court to issue an injunction forbidding plaintiffs from bringing more nuisance suits against Virga over her web site.

ARGUMENT

Plaintiffs acknowledge in their memorandum, at 13, that in order to obtain a preliminary injunction, they must meet all four of the preliminary injunction requirements, including likelihood of success on the merits, irreparable injury on their part if the injunction does not issue, lack of irreparable injury on the part of defendant if she is enjoined, and service of the public interest. The movants have the burden of showing their entitlement to preliminary injunctive relief. *Garlock v. United Seal*, 404 F.2d 256, 257 (6th Cir. 1968). *See also Fox Valley Harvestore v. A.O. Smith Harvestore Prod*, 545 F.2d 1096, 1097 (7th Cir. 1976), *citing Sierra Club v. Hickel*, 433 F.2d 24, 33 (9th Cir. 1970), *aff'd on other grounds*, 405 U.S. 727 (1972). In a case such as this one, where the proposed preliminary injunction seeks to compel Virga to take affirmative action (removing references to plaintiffs that have been on her web site for years, precisely the final relief demanded in the complaint), the burden on movants is particularly high. *Dunn v. Retail Clerks*, 299 F.2d 873, 874 (6th Cir. 1962). The general rule is that such mandatory injunctions are “warranted only in the most extraordinary circumstances.” *Taylor v. Freeman*, 34 F.3d 266, 270 n.2 (4th Cir. 1994). And, as we argue below, the preliminary injunction would constitute a prior restraint directed against Virga’s protected speech, which is another reason requiring extreme caution concerning the relief that plaintiffs request.

I. ENFORCEMENT OF PLAINTIFFS’ CLAIMS WOULD VIOLATE THE FIRST AMENDMENT.

Enforcement of any of Terminix’s claims would violate the First Amendment.³ In trademark cases, unlike copyright cases where the fair use defense is generally co-extensive with the First Amendment, *e.g., Harper & Row v. Nation Enterprises*, 471 U.S. 539, 560 (1985), First Amendment

³ In this memorandum, “Terminix” refers to all the plaintiffs unless otherwise specified.

considerations routinely receive separate discussion, although they also inform consideration of statutory interpretation issues. Thus, even if a trademark has been used in a commercial context, courts are required to construe the trademark laws narrowly to avoid undue impingements on First Amendment rights, *e.g.*, *Cliffs Notes v. Bantam Doubleday*, 886 F.2d 490, 494 (2d Cir. 1989); First Amendment interests are weighed as a factor in deciding whether a trademark violation should be found, *e.g.*, *Anheuser-Busch v. Balducci Publications*, 28 F.3d 769, 776 (8th Cir. 1994); and injunctions must be narrowly crafted to comply with the general and virtually absolute rule against prior restraints of speech. *Id.* at 778; *Better Business Bureau v. Medical Directors*, 681 F.2d 397, 404-405 (5th Cir. 1982). And where, as is true here, the defendant is engaged in non-commercial speech, the mere application of trademark law may violate the First Amendment altogether, *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 32-33 (1st Cir. 1987). Finally, the rule against prior restraints is at its apogee with respect to non-commercial speech. *See* Lemley & Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147, 223-224 (1998). Thus, despite the general principle that requires a court to consider statutory issues first, thus avoiding the need to decide constitutional issues, in this case we begin with the First Amendment.

A. Virga's Non-Commercial Speech Enjoys Full Protection Under the First Amendment.

The First Amendment bars each of plaintiffs' claims. It is beyond peradventure that plaintiffs' action to enforce their trademarks implicates the First Amendment even though plaintiffs are not government actors. An injunction sought by private parties is still government action by a court, *Shelley v. Kraemer*, 334 U.S. 1, 14-15 (1948), which is therefore subject to scrutiny under the First Amendment. *Organization for a Better Austin v. Keefe*, 402 U.S. 415, 418 (1971); *see also Procter*

& Gamble Co. v. Bankers Trust Co., 78 F.3d 219, 224-225 (6th Cir. 1996). Similarly, an award of damages or other monetary relief is government action that must comply with the First Amendment. *New York Times v. Sullivan*, 376 U.S. 254 (1964).

Nor can it be disputed that the contents of Virga's web site are protected by the First Amendment. Numerous cases hold that consumer commentary is core speech protected by the First Amendment. In *Bose Corp. v. Consumers Union*, 466 U.S. 485 (1984), the Supreme Court applied the *New York Times* standard to a libel action brought by a manufacturer claiming that a consumer group had maligned its product. Many other cases have similarly treated criticisms of a company's products or business practices as speech protected by the First Amendment. *E.g.*, *Semco v. Amcast*, 52 F.3d 108, 111-114 (6th Cir. 1995); *Porous Media Corp. v. Pall Corp.*, 173 F.3d 1109, 1119-1121 (8th Cir. 1999); *U.S. Healthcare v. Blue Cross of Greater Philadelphia*, 898 F.2d 914, 927-939 (3d Cir. 1990); *Mattel v. MCA Records*, 28 F. Supp. 2d 1120, 1144-1145 (C.D. Cal. 1998). Virga's web site has already been held to be a matter of public interest that is fully protected by the First Amendment. *Terminix Int'l Co. v. Virga*, No. CVCS 98-0647 (Cal. Super. Sutter County, April 23, 1998) (copy attached to Virga Affidavit as Exhibit I).

These principles do not apply any differently when trademarks are used in the course of speech on the Internet, simply because the trademarks appear in HTML code. Virga's use of plaintiffs' names in the HTML code for her web site – even if treated as a trademark use, as alleged by plaintiffs – is just the sort of consumer commentary that courts fastidiously protect. Indeed, Virga's criticisms would be wholly mysterious — indeed, they would be pointless — if she had to omit from her web pages the names of the companies she is criticizing. This is core speech that is be fully protected by the First Amendment.

Furthermore, it is not just the web site generally, but Virga's use of plaintiffs' trademarks in her meta tags, that constitute protected speech. The courts have repeatedly held that the use of trademarks constitutes speech within the protection of the First Amendment. *E.g.*, *Bad Frog Brewery v. New York State Liquor Authority*, 134 F.3d 87, 94-97 (2d Cir. 1998); *ACLU of Georgia v. Miller*, 977 F. Supp. 1228, 1233 (N.D. Ga. 1997). When used in a web site's meta tags, courts have considered deployment of a trademark analogous to a sign posted by the road-side, informing drivers that a site in which they are interested is nearby. *Brookfield Communications v. West Coast Video*, 174 F.3d 1036, 1064 (9th Cir. 1999). Just as the use of a trademark in the title of a creative work deserves First Amendment protection, because it is part of the author's expression, calling attention to the fact that the work in question contains content that may interest them, *e.g.*, *Twin Peaks Production v. Publications Int'l*, 996 F.2d 1366, 1379 (2d Cir. 1993); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989), so Virga's use of the ServiceMaster companies' names in her meta tags serves to communicate to web users that hers is a site that contains information about those companies. *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1165 (C.D. Cal. 1998) (upholding use of Bally trademark in meta tags of site criticizing Bally); *see also Playboy Enterprises v. Netscape Communications*, 55 F. Supp. 2d 1070, 1083 (C.D. Cal. 1999) (citing "First Amendment interests at stake" in case where defendants used plaintiffs' trademarks in machine-readable code to decide which advertisements to show users of search engine who included word "playboy" in their search for sites); *Playboy Enterprises v. Welles*, 7 F. Supp. 2d 1098, 1103 (S.D. Cal. 1998) (upholding right of former "Playmate" to use Playboy trademarks in meta tags for her

self-promotional commercial web site, with no mention of First Amendment).⁴

In many cases, the courts have struggled with the question of whether a particular use of trademarks constituted commercial or non-commercial speech. This question is significant not only because Congress limited the application of the Lanham Act's false advertising cause of action to cases of non-commercial speech, section 43(a)(1)(B), 15 U.S.C. § 1115(a)(1)(B), but also because commercial speech, although protected by the First Amendment, enjoys a lesser status than non-commercial speech, and thus does not benefit from all of the doctrines developed to protect non-commercial speech. *Dun & Bradstreet v. Greenmoss Bldrs*, 472 U.S. 749, 762-763 (1985). Indeed, recognition that the First Amendment would bar claims for false statements in non-commercial speech underlay Congress' establishment of the "commercial" requirement in section 43(a). *Semco v. Amcast*, 52 F.3d 108, 111-112 (6th Cir. 1995) (quoting extensively from the legislative history).

Thus, when one company has, in the course of an advertising campaign, made statements about another company's products, the courts in cases like *Semco* have hammered out a multi-factor test to determine when the statements are non-commercial, and thus entitled to full First Amendment protection, or commercial, and thus entitled only to have their First Amendment interests weighed as part of a fair use or fair commentary defense. Similarly, when a seller of T-shirts or some other commercial product spoofing a trademark or using a trademark to denounce a political position, the

⁴ Some courts have declined to afford First Amendment protection for the use of other persons' trademarks in domain names, on the ground that they are simply an address devoid of communicative content, e.g., *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 286-287 n.1 (D.N.J. 1998); *Planned Parenthood Fed'n of America v. Bucci*, 1997 U.S. Dist. LEXIS 3338, at 36-37 (S.D.N.Y. 1997), *aff'd*, 1998 U.S. App. LEXIS 22179 (2d Cir. 1998) (Exhibits 9-10). Those cases are inapposite because here the trademarks are used in the body of the web site or as sign posts for search engines to denote the substantive content of the site. Plaintiffs cite *Bucci* as a case pertaining to meta tags, P.Mem. 17-18, an issue that was not even mentioned in that case.

courts have had to decide whether the alleged infringer or diluter is predominantly engaged in commentary, thus obtaining greater protection under the First Amendment, or mainly making a use of a trademark to sell its own product. *E.g.*, *Cardtoons v. Major League Baseball Players Ass'n*, 95 F.3d 959, 968-970 (10th Cir. 1996); *Rogers v. Grimaldi*, 875 F.2d 994, 997-999 (2d Cir. 1989); *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402-403 (8th Cir. 1987).

But when an action is brought against a plainly non-commercial use of a trademark for either political or consumer commentary, the courts have not hesitated to afford full First Amendment protection against the trademark holder's claim, either by holding that First Amendment principles bar application of the federal statute, *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 1161, 1167 (C.D. Cal. 1998); *Lighthawk v. Robertson*, 812 F. Supp. 1095, 1097-1101 (W.D. Wash. 1993); *Stop the Olympic Prison v. United States Olympic Comm.*, 489 F. Supp. 1112, 1124-1125 (S.D.N.Y. 1980); *see also Lucasfilm v. High Frontier*, 622 F. Supp. 931 (D.D.C. 1985) (ruling on nonconstitutional grounds), or by holding that the state law in question is unconstitutional on its face or as applied to the particular case. *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 33 (1st Cir. 1987); *ACLU of Georgia v. Miller*, 977 F. Supp. 1228, 1233 (N.D. Ga. 1997).

A review of Virga's web site, and of the record in this case, plainly demonstrates her site's non-commercial character. The web site is dedicated to the expression of opinions about Terminix, ServiceMaster, and other affiliated companies, along with the other entities and individuals who were involved in Virga's home purchase in 1991. The web site contains no advertisements (which is the main way for web sites to produce revenues for their operators), and is not directed to selling or promoting any goods or services. In short, because it is plainly non-commercial, the speech on the web site is entitled to full constitutional protection.

In addition, as Virga's affidavit shows, she derives no financial benefit from the web site, and she has no financial connection either to the ServiceMaster group of companies that are criticized on her site, or to any competitor of those corporations. Virga Affidavit ¶¶ 6, 14. Accordingly, whatever rule might apply in another case to a commercial entity (such as a competitor of plaintiffs) that published a web site criticizing the ServiceMaster group of companies and using their names in meta tags to draw attention to that web site, this is plainly a case of non-commercial speech, and defendant is entitled to the full measure of protection under the First Amendment.

B. The First Amendment Requires Denial of the Preliminary Injunction and Dismissal of the Complaint.

Given the non-commercial character of Virga's web site, there cannot be any doubt that the motion for a preliminary injunction must be denied on the ground that it is a prior restraint. But the law in the Sixth Circuit is clear and unequivocal – prior restraints are not permitted except in the most exceptional of circumstances, involving “such a grave threat to a critical government interest or to a constitutional right.” *Procter & Gamble Co. v. Bankers Trust Co.*, 78 F.3d 219, 225 (6th Cir. 1996); *Ford Motor Co. v. Lane*, No. 99-74205 (E.D. Mich. 1999), published at <http://www.mied.uscourts.gov/finalla0.pdf>. Exhibit 11.

Whether the complaint may be dismissed based on the First Amendment might seem to be a closer question, because it is not clear whether plaintiffs in this case are alleging that Virga's speech is commercial. Their complaint and affidavits consistently use phrases such as “web site and/or commercial activities,” Complaint ¶29; Hanks Affidavit ¶7, or “commercial activities and/or services,” Complaint ¶¶ 41, 43, when characterizing her web site, an apparent attempt to imply commercial use without actually resting on any such assertion. Plaintiffs also complain that Virga's

web site will have an adverse impact on **their** commercial activities, P. Mem. at 20; but this is not, of course, sufficient to make her speech “commercial speech” for First Amendment purposes.

But regardless of whether the complaint can be understood as alleging that Virga’s web site is “commercial” for the purposes of trademark law, the complaint cannot be understood as alleging that the **content** of Virga’s web site constitutes commercial speech in First Amendment terms. The latter turns not on whether the purpose of Virga’s web site is to sell goods or services, but on the content of the speech itself. And in light of plaintiffs’ attaching a copy of one of Virga’s web pages, and their inclusion of the URL for plaintiffs’ web site in their complaint, the web site itself must be considered in deciding whether it constitutes non-commercial speech for the purpose of defendant’s motion to dismiss under Rule 12(b)(6). *Werner v. Klais and Co.*, 108 F.3d 86, 89 (6th Cir. 1997) (considering documents referenced in complaint); *Song v. City of Elyria*, 985 F.2d 840, 842 (6th Cir. 1993) (considering documents attached to complaint); *Day v. Moscow*, 955 F.2d 807, 811 (2d Cir. 1992) (considering documents on the public record, including court files); *Fudge v. Penthouse Int’l*, 840 F.2d 1012, 1015 (1st Cir. 1988) (considering documents referenced in complaint). Combined with plaintiffs’ failure to rest their complaint squarely on any allegation that Virga’s web site constitutes a commercial activity under trademark law, the Court should rule that the claims stated in the complaint fail on First Amendment grounds because Virga is engaged in non-commercial speech, without any need to consider Virga’s affidavits and thus convert her motion to dismiss into a motion for summary judgment. If, however, plaintiffs argue in their responsive papers that the web site is commercial, and the Court decides that the complaint cannot be dismissed without considering Virga’s affidavit, counsel are prepared to present a Statement of Material Facts About Which There

Is No Genuine Issue as required by the Local Rules.⁵

II. PLAINTIFFS' ACTION IS BARRED BY RES JUDICATA.

In March 1998, Terminix, a member of the ServiceMaster family of companies, filed suit in California state court against Carla Virga for defamation based on statements appearing on her web site. The California court terminated that litigation by striking Terminix's complaint pursuant to California's anti-SLAPP statute. Terminix's suit was subsequently dismissed. In dismissing the suit, the California court determined that the statements on Virga's web site were not defamatory. *See* April 23, 1998 Ruling on Special Motion to Strike by Virga (attached to Virga Affidavit as Exhibit I). Although plaintiffs have attempted to state claims in this subsequent litigation other than defamation, the doctrine of claim preclusion necessitates that plaintiffs' suit be dismissed.

“Under the doctrine of claim preclusion, ‘[a] final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were **or could have been raised in that action.**’” *Rivet v. Regions Bank*, 522 U.S. 470, 476 (1998), *quoting Federated Dep't Stores v. Moitie*, 452 U.S. 394, 398 (1981) (emphasis added). Although only Terminix was a plaintiff in the initial suit, its parent company, ServiceMaster, and its affiliated companies can be and should be bound by that judgment as privies. *See, e.g., EEOC v. Frank's Nursery & Crafts*, 177 F.3d 448, 463 (6th Cir. 1999) (nonparty can be bound as privy where there was a legal entitlement to stand in judgment or adequate representation by party with same interests). For example, Terminix's original threat of litigation in response to her web site, Virga Affidavit, Exhibit F, was written in response to a letter from Virga to ServiceMaster. Plaintiffs' Exhibit 3.

⁵ Paragraph 42 of the Complaint alleges that defendant has used plaintiffs' marks “in commercial advertising and/or promotion.” It is not clear whether the adjective “commercial” modifies the word “promotion.”

In determining what preclusive effect to give a prior state court judgment, the federal court must give the preclusive effect that would be given under the law of the state in which the prior judgment was entered. *See Migra v. Warren City Sch. Dist.*, 465 U.S. 75, 81 (1984). Under California law, claim preclusion “prevents litigation of all grounds for, or defenses to, recovery that were previously available to the parties, regardless of whether they were asserted or determined in the prior proceeding.” *State Bd. of Equalization v. Superior Court*, 703 P.2d 1131, 1136 (Cal. 1985), quoting *Brown v. Felsen*, 442 U.S. 127, 131 (1979).

It is evident from the materials filed in conjunction with Terminix’s prior suit that the causes of action now asserted by plaintiffs could have (and should have) been raised in the California litigation. For example, Terminix alleged in the prior suit that “defendants, Carla Virga, and Does 1 through 25, and each of them, have identified various key words which will take Internet viewers to her site, among them are ‘Terminix,’ . . .” Complaint ¶ 6, Exhibit G. Clearly, plaintiffs knew then (in March 1998) that Virga was using its marks in her “meta-tags” or “key words” on her site, but Terminix limited its claim to defamation. Even though plaintiffs’ claims with regard to trademark infringement based on the use of these “key words” were not actually asserted in the prior litigation, the doctrine of claim preclusion still bars assertion of these claims in subsequent litigation.

III. THE ACTION SHOULD BE DISMISSED FOR LACK OF PERSONAL JURISDICTION.

Having shopped for their forum, it is plaintiffs’ burden to establish the propriety of jurisdiction in the Western District of Tennessee. *See Theunissen v. Matthews*, 935 F.2d 1454, 1458 (6th Cir. 1991). Terminix must therefore establish: (1) that defendant Virga has performed one of the acts enumerated in the Tennessee long-arm statute, Tenn. Code Ann. § 20-2-214 (1998); and (2)

that she has minimum contacts with Tennessee sufficient to comport with due process requirements. See *Reynolds v. International Amateur Athletic Fed'n*, 23 F.3d 1110, 1115 (6th Cir. 1994). Although the Tennessee long-arm statute permits suit on any basis permitted by due process, Tenn. Code Ann. § 20-2-214(a)(6), it is clear that Virga does not have the requisite minimum contacts with Tennessee supporting personal jurisdiction over her. The complaint should therefore be dismissed under Fed. R. Civ. P. 12(b)(2) for lack of personal jurisdiction.

Terminix has alleged several claims which, if valid, could constitute tortious activity such as trademark infringement, false advertising, deceptive trade practices, and unfair competition. However, a major flaw in Terminix's reasoning is that Virga's allegedly tortious acts were committed in California, not Tennessee. Terminix's complaint is devoid of any allegation that personal jurisdiction in the Western District of Tennessee is proper. Personal jurisdiction under the long-arm statute flowing from a tort "is not assumed as punishment for the commission of a tort . . . Its assumption is not based on the fault of defendant but on the interest of the state." *Southern Mach. Co. v. Mohasco Indus.*, 401 F.2d 374, 384 (6th Cir. 1968).

A. Virga Does Not Have "Minimum Contacts" with Tennessee.

To be subject to in personam jurisdiction, Virga must have "certain minimum contacts with [Tennessee] such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.'" *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (citations omitted); *Third Nat'l Bank v. Wedge Group*, 882 F.2d 1087, 1089 (6th Cir. 1989). The minimum contacts test requires "in each case that there be some act by which the defendant purposely avails itself of the privilege of conducting activities within the forum state, thus invoking the benefits and protection of its laws." *Hanson v. Denckla*, 357 U.S. 235, 253 (1958). A defendant's connection

with the state must be such that “it should reasonably anticipate being haled into court” in the state in the event of a dispute. *Worldwide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 295-96 (1980).

The minimum contacts analysis generally requires assessment of whether the court is exercising “general” or “specific” jurisdiction. *See Third Nat’l Bank*, 882 F.2d at 1089. Terminix can not sustain its burden of proving either general or specific jurisdiction because the only conduct at issue — Virga’s creation in California of a web site where she can express her unfavorable opinions as to Terminix and seek to inform others as to the hazards of purchasing real estate in California — occurred outside Tennessee and entailed no contact by Virga with that state. Virga Affidavit ¶¶ 2, 4.

B. General Jurisdiction Is Lacking.

The exercise of general jurisdiction requires that a defendant’s contacts with the forum be “continuous and systematic.” *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 416 (1984); *see also Third Nat’l Bank*, 882 F.2d at 1089. Even “continuous activity of some sorts within a state is not enough to support [general jurisdiction].” *International Shoe*, 326 U.S. at 318. Rather, for Tennessee to assert general jurisdiction over a non-resident defendant, its contacts with Tennessee must be of such a “continuous and systematic” nature that personal jurisdiction over the defendant is proper “even if the action is unrelated to the defendant’s contacts with the state.” *Third Nat’l Bank*, 882 F.2d at 1089. Where a defendant is not licensed to do business in the forum state, does not maintain offices or employees there, and owns no property in the forum, “the facts do not support the argument” that there is general jurisdiction. *Conti v. Pneumatic Prods. Corp.*, 977 F.2d 978, 981 (6th Cir. 1992).

Carla Virga does not live in Tennessee; she has never been to Tennessee, or indeed any place

close to Tennessee; she owns no property in Tennessee, does not do business in Tennessee, and has, in short, never done anything in Tennessee. Virga Affidavit ¶¶ 2, 4-5. Virga is a salaried employee of a California company that does not compete with Terminix, and in any event her web site is unrelated to her employment. The web site is something she maintains in her spare time, and she gains no monetary benefit from its operation. Virga Affidavit ¶¶ 3, 14. Nor does the complaint allege any facts supporting the exercise of general jurisdiction. Clearly, Virga does not have “systematic and continuous” contacts with the State of Tennessee so as to support the exercise of general jurisdiction.

C. Specific Jurisdiction Is Lacking.

Specific jurisdiction is proper when the defendant’s contacts with the forum are related to the controversy underlying the litigation. *See Helicopteros*, 466 U.S. at 414 n.8; *Conti*, 977 F.2d at 981. To maintain specific personal jurisdiction, Terminix must show that: (1) Virga has purposely availed herself of the privilege of conducting business or causing consequences in Tennessee; (2) the cause of action arises from her activities in Tennessee; and (3) her conduct has a substantial enough connection with Tennessee to make the exercise of jurisdiction reasonable. *See Conti*, 977 F.2d at 981.

Because Terminix’s complaint does not in any way address the propriety of personal jurisdiction in this matter, it does not specify on what basis minimum contacts to support specific personal jurisdiction could be found. The implication is that specific jurisdiction is available because Tennessee residents can visit Virga’s web site. However, courts faced with such claims have **consistently** ruled that contact limited to viewing a non-resident defendant’s non-commercial web site (or a commercial but merely passive web site) in the forum, is simply insufficient to warrant

the assertion of personal jurisdiction.⁶

Carla Virga's web site is not only passive, but entirely non-commercial. Virga Affidavit ¶ 14. Virga's message is not in any way targeted at reaching Tennessee residents. *See IMO Indus., Inc. v. Kiekert AG*, 155 F.3d 254, 265 (3d Cir. 1998) (affirming dismissal based on lack of personal jurisdiction because tortious conduct was not expressly aimed at the forum). Virga is not selling anything, nor are there any advertisements for the sale of products and services on her web site. Virga Affidavit ¶ 14. Accordingly, there is no basis for personal jurisdiction over Virga in Tennessee.

In *Bensusan Rest. Corp. v. King*, 937 F. Supp. 295 (S.D.N.Y. 1996), *aff'd*, 126 F.2d 25 (2d Cir. 1997), a St. Louis jazz club published a web site using its name, the Blue Note, which was the same as the world-famous club in New York City. The New York club sued for trademark

⁶ *See, e.g., Cybersell v. Cybersell*, 130 F.3d 414, 419 (9th Cir. 1997) (finding that Florida corporation's use of Arizona corporation's mark on web site did not support exercise of personal jurisdiction); *Bensusan Rest. Corp. v. King*, 937 F. Supp. 295 (S.D.N.Y. 1996), *aff'd*, 126 F.3d 25, 29 (2d Cir. 1997) (finding that establishment of web site accessible to New York residents was insufficient to confer specific jurisdiction arising from use of trademark in web site); *Coastal Video Comms. Corp. v. Staywell Corp.*, No. 2:99:cv198, 1999 U.S. Dist. LEXIS 11827, at *26 (E.D. Va. Aug. 2, 1999) (finding that interactive web site alone did not confer personal jurisdiction) (Exhibit 12); *Nicosia v. De Rooy*, No. C98-3029, 1999 U.S. Dist. LEXIS 17451, at *8-9 (N.D. Cal. July 7, 1999) (finding that mere creation of a web site accessible by forum residents does not amount to purposeful availment) (Exhibit 13); *Patriot Sys., v. C-Cubed Corp.*, 21 F. Supp. 2d 1318, 1324 (D. Utah 1998) (finding no jurisdiction over company based merely on passive web site that provided information to those interested in it); *Edberg v. Neogen Corp.*, 17 F. Supp. 2d 104, 113-115 (D. Conn. 1998) (finding no jurisdiction for web site which provided no way to order items advertised thereon); *Santana Prods. v. Bobrick Washroom Equip.*, 14 F. Supp. 2d 710, 714 (M.D. Pa. 1998) (finding jurisdiction insufficient based on web site through which no business was transacted); *Blackburn v. Walker Oriental Rug Galleries*, 999 F. Supp. 636, 639 (E.D. Pa. 1998) (finding contacts insufficient to support jurisdiction when web site in question provided the ability to receive e-mail messages from viewers but was otherwise passive); *Mallinckrodt Med. v. Sonus Pharms.*, 989 F. Supp. 265, 272-273 (D.D.C. 1998) (finding no jurisdiction based merely on posting of allegedly defamatory statements on America On Line). *Cf. Carver v. H.R. Plus*, 992 F. Supp. 1293, 1295 (D. Utah 1998) (finding no personal jurisdiction based simply on computer access to forum state).

violations, but the district court refused to exercise jurisdiction, because, as here, defendant had no presence of any kind in the forum “other than the Web site that can be accessed worldwide.” 937 F. Supp. at 301. The court found that to permit jurisdiction in New York would have violated due process because the defendant did not actively seek to encourage residents of the forum to access the site and conducted no business in the forum. As the court stated, “[c]reating a [web] site, like placing a product into the stream of commerce, may be felt nationwide -- or even worldwide -- but, without more, it is not an act purposefully directed toward the forum state.” *Id.*, citing *Asahi Metal Indus. Co. v. Superior Court*, 480 U.S. 102, 112 (1992). The basis for asserting personal jurisdiction over Virga is even weaker because her web site conducts no business of any kind whatsoever. Virga Affidavit ¶ 14.

Boiled down to its essence, Terminix’s implicit assertion is that jurisdiction over Virga is proper in Tennessee because some of the entities allegedly harmed by Virga’s California web site are located in Tennessee – in effect, that the tort was committed in Tennessee. Even if this argument were sound, it would not be a basis for permitting all of the plaintiffs to sue here (because ServiceMaster is based in Downers Grove, Illinois, according to its own web site), and the fact remains that the mere inclusion of a trademark in a non-commercial Internet site does not subject a defendant to personal jurisdiction in the home state of the trademark holder. We have found no case authorizing personal jurisdiction solely on that basis, and cases like *Mid City Bowling Lanes and Sports Palace v. Ivercrest*, 35 F. Supp. 2d 507, 511-512 (E.D. La. 1999) (holding that, even in a commercial context, the inclusion of a trademark is insufficient to support personal jurisdiction), are squarely to the contrary. If any tort was committed, it was in California, where the HTML code was loaded onto the Syix company’s server. See *Compuserve v. Patterson*, 89 F.3d 1257, 1268 (6th

Cir. 1996) (jurisdiction could be exercised in Ohio over a defendant who had loaded his software onto the plaintiff's server in Ohio, but Court pointedly declined to extend its holding to any Internet user who happened to use the software on a computer in a different state). In sum, Tennessee's interest in protecting Terminix from one California woman's exercise of her First Amendment rights is slim and should not trigger exercise of personal jurisdiction based upon the Tennessee long-arm statute.

Indeed, a finding of jurisdiction here would have chilling implications for the right of citizens to speak freely about corporations and state officials that they believe have wronged them. This is not, after all, a case of a manufacturer or entrepreneur who has placed a product in the stream of commerce in the hopes of making profits, an expectancy which can be balanced against the danger of being sued in some location where the product came to rest and caused injury. Every person who posts an opinion on the Internet knows that persons sitting at computers not just in their own country, but in foreign lands half way around the globe, may gain access to their views by the simple act of "clicking on their link" or finding them through a search engine. If citizens knew that they could be forced to defend themselves against litigation in every such forum, they would surely be chilled in the exercise of their First Amendment rights.

This danger is amply shown by the case before the Court. Carla Virga is an individual living and working in California who feels compelled to speak as a result of her dealings with Terminix. She sought redress through her local courts for wrongs she believed to have been committed by that subsidiary, but her lawsuit was not successful. Virga Affidavit ¶ 7. Subsequently, Virga developed a web site where she could express her opinion that justice was not done. *Id.* ¶¶ 12-21. Virga is not a competitor of Terminix or any of its affiliates, nor does she derive any financial benefit from her

non-commercial web site. *Id.* ¶ 14. Virga merely created a forum where she can express her opinions about the plaintiffs’ business practices and where others can send her their thoughts, whether they be pro-Terminix or anti-Terminix. *Id.* ¶¶ 13, 15-16. And yet she has been haled into court more than half way across the country, where she knows nobody and where she has never even visited. Virga has done nothing to purposefully avail herself of the privilege of conducting activities within Tennessee. Her creation of a non-commercial web site from her home in Yuba City, California, certainly has not given her reason to “reasonably anticipate being haled into court” in Tennessee. Consequently, Terminix’s action should be dismissed for lack of personal jurisdiction.

IV. THE ACTION SHOULD BE DISMISSED FOR IMPROPER VENUE.

Because the Lanham Act does not have a special venue provision, the general venue statute is applicable to actions brought pursuant to the Act. *Woodke v. Dahm*, 70 F.3d 983, 985 (8th Cir. 1995). In order to justify venue in the Western District of Tennessee, plaintiffs must show either that Virga resides in the Western District of Tennessee or that “a substantial part of the events or omissions giving rise to the claim occurred” in the Western District of Tennessee. 28 U.S.C. § 1391(b). Virga resides in Yuba City, California. Virga Affidavit ¶ 2. Thus, the only basis for venue in this action would have to be that a substantial part of the actions giving rise to Terminix’s claim occurred in the Western District of Tennessee.

Plaintiffs bases their venue claim on a pro forma reassertion of the standard set forth in section 1391(b). Complaint ¶ 9. Even a cursory inspection of the facts of this case, however, clearly shows that the only acts giving rise to Terminix’s claims occurred in California.

Terminix itself implicitly recognized that the courts of California provided the proper venue for its claims about Virga’s web site when it first sought relief against her. Only long after its initial

complaint in the proper venue was stricken pursuant to the California anti-SLAPP statute did ServiceMaster seek to have its grievance heard (or reheard, as discussed above) in the Western District of Tennessee.

The purpose of the general federal venue requirement is to protect the defendant against plaintiffs who may select an unfair or inconvenient place of trial. *See Leroy v. Great Western United Corp.*, 443 U.S. 173, 183-184 (1979). Virga has never set foot in Tennessee. Virga Affidavit ¶ 4. In fact, only once since reaching adulthood has she ventured as far east as the Mountain Time Zone. *Id.* Although her web site can be visited from a computer in Tennessee, as it can from computers in the other 49 states and the rest of the world, the web site was created in California. The site is uploaded to the world wide web via a computer host in Yuba City, California, from her home computer in the same town, and any insertion of plaintiffs' marks in her site's meta tags occurred there. *Id.* ¶ 14. Thus, if any infringement upon plaintiffs' marks occurred, it was at the time Virga inserted plaintiffs' marks into her meta-tags. *Cf. Nine Point Mesa v. Nine Point Mesa*, 769 F. Supp. 259, 261 (M.D. Tenn. 1991) (determining that proper venue inquiry is where infringing activity occurred).

Even if the court finds it to be significant that Virga's web site can be viewed by individuals in Tennessee, it certainly cannot be said that a "substantial part" of the acts creating a basis for ServiceMaster's claim occurred in the Western District. *See, e.g., Eastman v. Initial Inv.*, 827 F. Supp. 336, 338 (E.D. Pa. 1993) (undertaking to "weigh" the contacts to determine whether venue should be had in one forum or another). Thus, if the Court were unwilling to dismiss this matter for lack of personal jurisdiction, plaintiffs' complaint should be dismissed for lack of venue.

V. TERMINIX HAS NOT STATED A CLAIM UNDER TRADEMARK LAW.

Plaintiffs' argument on the likelihood of success on the merits factor of the preliminary injunction inquiry is based upon alleged trademark and service mark infringement and dilution under Sections 32(a)(1) and 43(a) of the Lanham Act, 15 U.S.C. §§ 1114(1)(a), 1125(a) and (c). *See* P. Mem. at 14-22. Specifically, plaintiffs claim that Virga's use of nine of their marks in the meta tags of her web site is actionable because that use is likely to cause confusion, deception or mistake on the part of the relevant purchasing public and that Virga's unauthorized use of such marks is likely to dilute or blur the distinctive quality of such marks, which the plaintiffs assert are strong or "famous." *Id.* at 14.

As the following discussion demonstrates, plaintiffs' trademark claims are without substance, represent an abuse of the Lanham Act, and are a sham designed solely to provide a means by which Virga's constitutionally protected consumer activism and protected speech may be squelched. The real impetus for this trademark action is not a concern for any harm flowing from Virga's meta tag use; rather, plaintiffs are trying to use this theory to avoid the adverse preclusive effect of the dismissal of their defamation action by the Superior Court of California. Although certainly a creative legal maneuver, which might well have been successful had Virga not secured counsel, plaintiffs' trademark claims fail on every analytic and factual front. The arguments addressed below compel not only the denial of plaintiffs' motion, but also the outright dismissal of this action for failure to state a claim upon which relief can be granted.

A. Trademark Law Is Inapplicable to Defendant's Non-commercial Criticism of Plaintiffs

Although closely related to the First Amendment and prior restraint issues addressed above, which alone, under established case law, compels this Court to deny the preliminary injunction

sought by the plaintiffs, similar policies protecting the freedom of speech are part of the fabric of trademark law. There are many cases to this effect, but Professor McCarthy, the leading trademark commentator, aptly summarizes the ways in which speech that criticizes from a consumer's perspective differs from traditional infringement:

Criticism of a company or product

In terms of traditional free speech policy, use of a mark in a purely communicative, non-trademark setting should be permitted or else trademark law could be used as a tool to stifle unwelcome discussion. For example, a newsmagazine article which criticizes a firm's policies should be permitted to use the firm's logo as a familiar symbol of that firm. A political cartoonist should be allowed some room to use a caricature of a character or design mark in order to make a social point about the firm that owns the mark. If the trademark is "tarnished" in such commentary, it is the result of the content of the ideas being conveyed. The main remedy of the trademark owner is not an injunction to suppress the message. As Justice Brandeis long ago stated, "If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the process of education, the remedy to be applied is more speech, not enforced silence."

The Restatement [of Unfair Competition] takes the position that in cases where the trademark owner alleges injury to reputation from a non-trademark purely communicative use of its mark, trademark law, whether in the form of traditional infringement or dilution, should not apply. Speaking in the context of anti-dilution law, the Restatement remarks that:

The commercial value of a highly distinctive trade symbol results from the strong association of the symbol with the goods, services or business of a particular user. When that symbol is used by others to identify a different source, the power of the mark to evoke its original association is diluted. Non-trademark uses, which do not involve a use to identify another's goods, service or business, however, are unlikely to have this diluting effect. In most instances such uses are intended to refer back to the original trademark owner and serve to confirm rather than undermine the associational significance of the mark.

The Restatement recognizes the tarnishment impact that can flow from an unfavorable communicative statement about a product or its maker, using the trademark as an identifier of the product or company. But it cautions against use of

an anti-dilution law to squelch such “tarnishment,” for this raises “significant free speech concerns and duplicates existing remedies better suited to balance the relevant interests.”

5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:148 (4th ed. 1999) (footnotes omitted) (“McCarthy”).

Virga’s use of the plaintiffs’ marks in her web site’s meta tags is purely a communicative use in a non-trademark setting. As Professor McCarthy makes clear, trademark law does not in any way proscribe this use.

B. There Is No Trademark Infringement Since There Is No Likelihood of Confusion.

The test for liability under both the infringement and unfair competition provisions of the Lanham Act is whether there is a likelihood of confusion between the defendant’s use of a mark and the plaintiff’s mark as used by the plaintiff. *Daddy’s Junky Music v. Big Daddy’s Family Music Ctr.*, 109 F. 3d 275, 280 (6th Cir. 1997). “Whether there is a likelihood of confusion is a mixed question of fact and law.” *Champions Golf Club v. Champions Golf Club*, 78 F.3d 1111, 1116 (6th Cir. 1996), *citing Wynn Oil Co. v. Thomas* (“*Wynn I*”), 839 F.2d 1183, 1186 (6th Cir. 1988). The following eight factors are to be examined and weighed in determining whether a likelihood of confusion exists: (1) strength of the plaintiff’s mark; (2) relatedness of the services [or goods]; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant’s intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Daddy’s Junky Music Stores, supra*, 109 F.3d at 280 (6th Cir. 1997).

The Sixth Circuit has explained how these factors are to be applied:

These factors are simply a guide to help determine whether confusion would be likely to result from simultaneous use of the two contested marks. They imply no mathematical precision, and a plaintiff need not show that all, or even most, of the

factors listed are present in any particular case to be successful. As we said in *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 834 (6th Cir. 1983), “[T]he general concept underlying likelihood of confusion is that the public believe the ‘the mark’s owner sponsored or otherwise approved of the use of the trademark.’” (citations omitted).

Wynn I, supra, 839 F.2d at 1186.

Assessing the eight likelihood of confusion factors (a necessary undertaking that plaintiffs for good reason avoid), it is clear that, in the context of this action, there is no likelihood of confusion whatsoever. This case does not involve the traditional trademark infringement claim that the defendant is passing off her goods and services as those of the plaintiffs. Rather, plaintiffs claim that potential customers are likely to be confused when they use the Internet to find information about plaintiffs. Not only is such a claim absurd in light of the content of Virga’s web site, it is without precedent.

Notably, all of the meta tag trademark infringement cases relied upon by plaintiffs involve actions between competitors or ventures found to be commercial in some significant respect. *See Brookfield Communications v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999); *Playboy Enterprises v. Welles*, 7 F. Supp. 2d 1098 (S.D. Cal. 1998), *aff’d*, 162 F.3d 1169 (9th Cir. 1999); *Planned Parenthood Fed’n of America v. Bucci*, 42 U.S.P.Q.2d 1430 (S.D.N.Y. 1997), *aff’d*, 153 F.3d 920 (2d Cir.), *cert. denied*, 119 S. Ct. 90 (1998); *SNA, Inc. v. Array*, 51 F. Supp. 2d 554 (E.D. Pa. 1999); *Niton Corp. v. Radiation Monitoring Devices*, 27 F. Supp. 2d 102 (D. Mass. 1998); *Playboy Enterprises v. Asiafocus Int’l*, US Dist. LEXIS 10460 (E.D. Va. 1998) (Exhibit 14); *Playboy Enterprises v. Calvin Designer Label*, 985 F. Supp. 1220 (N.D. Cal. 1997); *Green Products v. Independence Corn By-Products*, 992 F. Supp. 1070 (N.D. Iowa 1997).

Here, by contrast, Virga’s site is in no way commercial. She has no product or service to

sell, she charges nothing to visitors to her site, she solicits no funds, and she advertises nothing. Virga Affidavit ¶ 14. Nor does Virga compete with Terminix, ServiceMaster or any of their affiliated companies. She simply provides consumer information.

As to the other likelihood of confusion factors, even assuming that plaintiffs' marks are strong, this does not end the inquiry. (Moreover, as noted below, plaintiffs confuse the notion of a strong mark with the concept of a "famous" mark under dilution law.) Regarding the relatedness of the parties' products or services, even if Virga's web site is deemed a form of "services" under trademark law (the service of providing information), such services are not related to plaintiffs' services or goods, which are providing pest control, cleaning, lawn care, home inspection, plumbing and other services. On the issue of evidence of actual confusion, plaintiffs have advanced none. With respect to marketing channels used, by contrast to plaintiffs' professed saturation marketing and advertising campaigns, Virga does no marketing for her site. And the factor of the likely degree of purchaser care favors Virga as well, inasmuch as she offers nothing for purchasers to acquire and anyone who conducts a search engine query will see immediately from the search engine list, even before visiting her site, that her site is not affiliated with plaintiffs in any way. Even careless Internet surfers would see immediately upon clicking through the search engine query results page that Virga's site is not affiliated with plaintiffs. And in any event, the law does not protect against careless consumers.⁷

⁷The test for confusion is whether an appreciable number of reasonably prudent potential purchasers are likely to be confused, *see, e.g., John H. Harland Co. v. Clarke Checks*, 711 F.2d 966, 979 n.22 (11th Cir. 1983) ("The rule courts usually apply is that infringement occurs when 'there is a likelihood of confusion in the mind[s] of an appreciable number of "reasonably prudent" buyers.'"), *quoting* McCarthy treatise. Short-lived confusion or confusion of individuals casually acquainted with a business is worthy of little weight. *See Mushroom Makers v. R. G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978); *Lever Bros. Co. v. American Bakeries Co.*, 693 F.2d 251 (2d Cir.

Turning next to Virga's intent in selecting plaintiffs' marks for inclusion in her meta tags, her intent was simply to enable persons looking for information regarding plaintiffs to be able to find her site, not to divert traffic from the plaintiffs' sites. Virga Affidavit ¶¶ 22-25. The final likelihood of confusion factor, the likelihood of expansion of the product lines, does not apply, because Virga has no product lines.

Furthermore, "the appearance of the marks side by side in the courtroom [as urged by the plaintiffs here in noting that Virga's meta tags are identical to plaintiffs' marks] does not accurately portray market conditions." *Homeowners Group v. Home Mktg. Specialists*, 931 F.2d 1100, 1106 (6th Cir. 1991). Indeed, there is a significant discontinuity in plaintiffs' likelihood of confusion argument. Plaintiffs argue that Virga's misuse of meta tags may mislead viewers to her web site (by way of the search engine lists), where they may initially believe, because of the content of the page, that they are at the web page of ServiceMaster itself or one of its subsidiaries. All of their evidence of the results of web searches pertain to uses of the name "Terminix," which take viewers to openly

1982). The law seeks to prevent consumer confusion that enables a seller to pass off goods or services as the goods or services of another, and the relevant confusion is that which affects the purchasing and selling of the goods or services in question. Trademark infringement protects only against mistaken purchasing decisions, not against confusion generally. *See Lang v. Retirement Living Pub. Co.*, 949 F.2d 576, 582-83 (2d Cir. 1991); *Astra Pharm. Prod. v. Beckman Instruments*, 718 F.2d 1201, 1206 (1st Cir. 1983); *Fisher Stoves v. All Niter Stove Works*, 626 F.2d 193 (1st Cir. 1980). There is also a distinction between carelessness and confusion. Temporary carelessness is not probative of actual confusion. Harmless confusion by the inattentive is to be expected, and probable confusion cannot be shown simply because at some place at some time someone made a false identification. *See Allstate Ins. Co. v. Allstate Inv. Co.*, 210 F. Supp. 25, 29 (W.D. La. 1962); *Woodsmith Pub. Co. v. Meredith Corp.*, 904 F.2d 1244, 1246 (8th Cir. 1990); *McGraw-Hill v. Comstock Partners*, 743 F. Supp. 1029, 1035 (S.D.N.Y. 1990); *Times Newspapers v. Times Pub. Co.*, 25 U.S.P.Q.2d 1835, 1841 (M.D. Fla. 1993). In light of these fundamental precepts of trademark law, it is obvious that plaintiffs have failed to prove anything, much less properly supported their assertion that there is a strong likelihood of success on the merits of their trademark infringement/likelihood of confusion and dilution claims.

critical pages such as her home page, which, in turn, begins with a recitation that Terminix has sued Virga to make her take the web page down. Surely this language prevents any confusion about Terminix being the source of the page.

But the arguments advanced by plaintiffs about possible confusion with actual web pages all pertain, not to Virga's home page, but rather to her ServiceMaster page (the page put up in June 1998). Plaintiffs present **no** evidence that this page comes up anywhere close to the top of any search engine's list. Indeed, the thorough searches conducted by Charlene Cunniffe, summarized in the table in paragraph 25 of her affidavit, and shown in Exhibits O through V, show that none of Virga's web pages came up as high on a search list as item 20 when the search term was any of plaintiffs' names **other** than Terminix .

And even if members of the public could find Virga's ServiceMaster page through search engines, and even indulging plaintiffs' hypothesis that consumers are familiar with the mutually-linked web pages of ServiceMaster and its other subsidiaries, P. Mem. 23, Virga's ServiceMaster page could not possibly be confused with them. Those pages have uniform patterns for linking to ServiceMaster's page, using a series of buttons across the bottom of the page, and they all make heavy use of photographs and other colorful graphics. Virga's page, by contrast, uses few graphics (other than borders) and no photographs, and her links to ServiceMaster's page are all from words or phrases in her text. The buttons along the bottom of **her** ServiceMaster page do not resemble the buttons on the ServiceMaster companies' official pages, and they bear labels such as "Terminix Complaints" and "My Terminix Nightmare." Virga's page is littered with references to "complaints" against plaintiffs and to their suit against her. It is difficult to believe that any sensible consumer could think that Virga's page was related in any way to any official company web pages.

The discussion above illustrates the extremely poor fit between trademark law and plaintiffs' grievances, which have everything to do with the content of Virga's web site speech and nothing to do with trademark law. Indeed, Virga has not used plaintiffs' marks in a trademark sense at all; they are simply used as means to index, much like a library card catalog, a particular site that is devoted to information regarding plaintiffs. Plaintiffs also fail to recognize that there is no principled analytic distinction between a search engine which examines all the words of a given web site and one which searches only a site's meta tags (and no search engine operates this way), or a combination of "full text" and meta tags.

To be sure, in their October 4 demand letter, plaintiffs' counsel asserted that Virga was required to take every use of their trademarks out of the body of her web site text, and their complaint appears to allege that even use of their marks as means of identifying information, without more, about them constitutes improper trademark usage. *See* Complaint ¶ 30 ("prominently listed and displayed on this page are the remainder of Plaintiffs' Marks"); ¶ 32 ("marks used by Defendant Virga . . . in her web site"). On that theory, a word-searchable database such as Lexis-Nexis or any of a number of other resources would violate the plaintiffs' trademark rights.

Such a claim is preposterous. That certain search engines, but by no means all (as plaintiffs seem to imply), factor meta tag use into their search algorithms does nothing to change the fact that the mark is serving no other purpose than to tell the potential viewer (or more accurately, the operative software program) that the page contains or may contain information about the product or service which goes by that name.

Moreover, the plaintiffs assume that all Internet users are potential customers and that the Internet's only purpose is to serve as a proprietary marketing and advertising medium for them. *See*

P. Mem. at 22 (“Virga’s deceptive and illicit use of Plaintiffs’ Marks will divert Internet traffic intended for Plaintiffs’ respective web sites, businesses and services, to the Defendant’s web site.”). Obviously, this is not so, and it is just as plausible (if not more so) that a search engine user is using the Internet to learn information about plaintiffs, not only self-serving advertising and promotional information, but also information that reflects less positively on plaintiffs. The crux of plaintiffs’ argument is a false premise: that a search engine user is only looking for information regarding plaintiffs which is published by plaintiffs. Any novice Internet user knows the convention for web site and domain names: “www.”, followed by the company’s name, followed by “.com.” See Cunniffe Affidavit ¶ 13. Using this common convention, all nine marks complained of by plaintiffs will take the user directly to the plaintiffs’ web sites. *Id.* ¶ 25.

Because Plaintiffs Exhibits 241, 242 and 243 constitute their only evidence of how Internet viewers may reach defendant's web site, they bear particular scrutiny. Exhibit 242 is a search conducted on the AltaVista search engine on an unspecified date (when web pages are printed, they normally show the time and date at the page bottom by default; it appears that this information has been deliberately omitted). There is no information about what the first ten web sites found in the search were; items 11-16 and 19-20 appear to be official Terminix web sites; item 18 is a web page on the Lake Tahoe Business Guide for what is presumably a local Terminix franchise; and item 17 is Virga's web site. The title shown is "Terminix - Consumer Alert!" (this title is "linked" to Virga's site), followed by the description, "Terminix sued to have this web site removed -- and lost in court. Decide for yourself if Terminix or its parent company, ServiceMaster, is the... " It is hard to imagine that a web viewer who desires only to contact Terminix itself or to receive one-sided praise of Terminix will go to Virga's site based on this appearance on the search engine.

Plaintiffs' Exhibit 241 is an undated search on the HotBot search engine. Items 1-3, 5, and 9-10 appear to be official Terminix web sites; item 4 is the official ServiceMaster web site; and items 6 and 7 are local Terminix franchises. Item 8 is a page from Virga's site. The linked title is "Terminix's Re-Inspection," and the description reads as follows: "Terminix verified their first report was completely inaccurate, ignored offer to settle out of court for almost one-third the amount of damages they had failed to report and ." Again, it is hard to imagine a consumer or investor following this link to visit Virga's site out of confusion that Virga is an official Terminix representative.

Particular insight into the real import of this lawsuit may be drawn from Plaintiffs' Exhibit 243, which shows the results of a search performed by one of plaintiffs' agents using the Excite search engine. Three of Virga's web pages came up fourth, sixth and ninth in this search, listed among seven of Terminix's own official pages. The linked title shown on the search engine's list for item 4 is "Ohio- Complaints Against Terminix," and the description reads, "How many complaints against Terminix have been filed in Ohio? How does the State of Ohio rate as a public agency in providing information to the public and/or in their own knowledge of pest control companies that spray toxic chemicals in their homes?" Items 6 and 9 are worded identically, except that they pertain to complaints in Oklahoma and Arkansas, respectively. Surely, no consumer could have seen this search result and have been confused about whether site numbers 4, 6 and 9 were an official Terminix page.

But even more important, Excite's own web site specifically states that it does not pay attention to meta tags either in selecting web pages to be included on search lists or in ranking the lists to decide which are shown first. See http://www.excite.com/info/getting_listing/metatags/ ,

Exhibit 8; Cunniffe Affidavit ¶ 20. Thus, it is only by removing Terminix's name from the body of Virga's web site that plaintiffs can achieve their objective of preventing her expression from appearing near the top of search engine lists. It is perfectly apparent that the problem here is that Terminix wants to suppress adverse comment, not prevent customer confusion.

Even the law review article cited by plaintiffs points out that trademark infringement is poorly suited to deal with so-called “spamdexing,” a term which typically refers to using repetitive meta tags unrelated to a site’s content to drive traffic to that web site in an effort to sell competing (or unrelated) products or services, a circumstance not present here. *See* Nathanson, *Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 Harv. J.L. & Tech. 43, 46 (1998). The author of this article argues as follows under the self-explanatory heading “Trademark Infringement: Conceptually Inapposite”:

Conceptually, it is difficult to apply trademark infringement to spamdexing because of the difficulty of demonstrating a likelihood of confusion stemming from it. For example, search engine output for a search using “Disney” might include spamdexed references to unrelated Web pages, but will also contain additional information that, in most cases, makes it clear that the supposedly infringing pages are not sponsored, endorsed by, or affiliated with Disney. In most cases this information will be sufficient to preclude or dispel confusion. If the additional information itself creates a likelihood of confusion, then it would amount to an independent act of infringement, and should not bootstrap infringement onto the initial act of spamdexing. Any confusion arising from meta tags is that of the search engines themselves, because they lack the sophistication to cull the relevant from the irrelevant. Further, reasonable consumers should be expected to engage in practices to narrow their queries to increase precision. . . . [E]ven consumers who use targeted, information-rich terms or phrases . . . must reasonably expect noisy output from queries that are not combined with other terms.

One might intuitively object to this argument due to the willful misbehavior of those who engage in blatant irrelevant spamdexing. However, this is not to say that spamdexing does not merit liability, but rather that the “likelihood of confusion” standard provides a poor conceptual basis for spamdexing liability. After all, a major rationale for trademark rights is the protection of consumers’ expectations. This

rational has no application, however, when consumers have no reasonable expectations to protect. To blindly apply trademark infringement may itself be anti-competitive, by overprotecting trademarks where no reasonable expectations exist.

Id. at 112-13 (footnotes omitted).

(The article also goes on to criticize another argument advanced by plaintiffs, the use of so-called “initial interest confusion” as supporting the invocation of trademark infringement. *Id.* at 114.) The author of this article, inexplicably relied upon by plaintiffs, is not alone in the view that trademark infringement is not an appropriate cause of action for so-called “spamdexing.” See O’Rourke, *Defining the Limits of Free-Riding in Cyber space: Trademark Liability for Metatagging*, 33 *Gonz. L. Rev.* 277, 294-96 (1998) (noting the difficulties in applying traditional trademark infringement to manipulative metatagging claims); Aoki, *How the World Dreams Itself to Be American: Reflections of the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 *Loy. L.A. Ent. L.J.* 523, 546-47 (1997) (arguing that overly broad protection of trademarks violates the First Amendment by leaving “Corporate America” as the only institution that is allowed to impregnate text with meaning).⁸

Nonetheless, inasmuch as plaintiffs wish to push the envelope with their inapposite trademark infringement argument, analogous Sixth Circuit precedent rejects the view that confusion

⁸ Spamdexing actually involves the **repetitious** use of a single keyword that is intended to trick a mechanical search engine rating system into treating a web site as more relevant to a search query, thus placing it at the beginning of a listing of search results. *Ask P.E.G.: Plain English Glossary*, <http://www.newbie-u.com/peg/terms/su.html>, Exhibit 16; *Internet and HTML Glossary*, <http://www.smus.bc.ca/depts/compstud/ds/glossary/glossary.htm>, Exhibit 17. An example of a site that spamdexes Chemlawn is a webpage entitled *How to Grow It Project: Special Chemlawn Warning*, <http://www.dontveter.com/howtogrow/chemlawn.html>, Exhibit 16. The recitation of the series of plaintiffs’ names is not spamdexing; it would raise the ranking of Virga’s web site by a search engine only in response to a search for the list of names. It is difficult to imagine a consumer conducting such a search in the real world.

in the mind of consumers resulting from their own mistakes is actionable. *See Holiday Inns v. 800 Reservation*, 86 F.3d 619, 625-26 (6th Cir. 1996). In *Holiday Inns*, the Sixth Circuit found that, because the operator of a telephone reservation service that took advantage of persons who misdialed a 1-800 number for Holiday Inns did nothing to cause the confusion, it was not actionable. In the case at bar, even if a search engine includes one of Virga's web pages in response to a query regarding one of plaintiffs' names, that shows, at best, that the search engine was confused. Even a web viewer's clicking on a web page of Virga's, which is identified as a complaint or "consumer alert" site clearly not associated with plaintiffs, does not show any intent to cause confusion by Virga, since the viewer may well be looking for information critical of plaintiffs. Each of these situations is analogous to the telephone misdialing in *Holiday Inns*. *See Nathanson, Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 Harv. J.L. & Tech. 43, 118 (1998) ("In the case of spamdexing, the search engine is confused, while the public is generally savvy enough to realize what is going on. If information-poor terms are used, then the consumer does not have a reasonable expectation of finding much of anything with narrowing the search. This is analogous to misdialing, where the confusion preexists in the mind of the consumer."). Here, even if a consumer were to find a Virga web page solely because the search engine only considered her use of a trademark of plaintiffs in the page's meta tags (which plaintiffs have not proven), it would not be reasonable for the consumer to expect only to find the plaintiffs' web sites, because there are many other legitimate reasons for indexing sites to their subject matter, such as the consumer comment at issue in this action.

C. Plaintiffs Confuse the Issue of the Strength of Their Marks with the Dilution Concept of "Famous" Marks.

In discussing their marks, plaintiffs confuse the concept of the strength of a mark, which is one of eight likelihood of confusion factors considered by courts in the Sixth Circuit, *see Daddy's Junky Music Stores v. Big Daddy's Family Music Center*, 109 F.3d 275, 280 (6th Cir. 1997), with the concept of a "famous" mark, which is a prerequisite to a finding of dilution under the Lanham Act. Simply put, a strong mark is not necessarily a famous mark, and it would not be appropriate for this Court to find that any of the plaintiffs' marks are famous at this juncture of this proceeding.

Section 43(c) of the Lanham Act provides a list of the following nonexclusive factors that the finder of fact may consider in determining whether a mark is famous:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c)(1).

Significantly, plaintiffs have advanced no arguments as to a number of these factors, including the degree of recognition of the mark in the trading areas and channels of trade used by the owner and the nature and extent of use of the same or similar marks by third parties. In this regard, since plaintiffs apparently take the position that meta tag use is trademark use, then the use of plaintiffs' marks in third parties' meta tags is important and should be considered by the Court. As evidenced by the Affidavit of Charlene Cunniffe, ¶ 24, even admittedly brief searches revealed that third parties

use plaintiffs' meta tags, a fact that plaintiffs did not provide to the Court. Such use obviously compromises plaintiffs' position that meta tag use is trademark use (and correspondingly weakens the strength of their marks), for if this were so, plaintiffs' would not allow such third parties to use their marks as meta tags. That they permit such use demonstrates what is painfully obvious: plaintiffs have singled out Virga because they do not like the content of her non-commercial speech.

Dilution is defined under the Lanham Act as a "lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of — (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." 15 U.S.C. § 1127. Apart from conclusory and self-serving affidavit testimony, much of it rank hearsay, plaintiffs have offered no proof of any lessening of the capacity of their marks (which they have not proven are "famous") to identify and distinguish their goods or services.

D. Because Virga's Use of Plaintiffs' Marks Is Noncommercial, She Has a Complete Defense to Plaintiffs' Trademark Infringement and Dilution Claims.

Although this argument is closely related to Virga's First Amendment defenses, the plaintiffs' are also unlikely to succeed because Virga's use of the plaintiffs' marks in her web site's meta tags is not a commercial use.

There can be no infringement where there is no commercial use. Under Section 32 of the Lanham Act, 15 U.S.C. § 1114, a finding of infringement specifically requires "use in commerce . . . of a registered mark in connection with the sale, offering for sale, distribution or advertising of any goods or services . . ." "Use in commerce" is specifically defined by Section 45 of the Lanham Act, 15 U.S.C. § 1127, as meaning "bona fide use of a mark in the ordinary course of

trade . . .” Virga engages in none of these activities. “The act’s purpose, as defined in Section 45, is exclusively to protect the interests of a purely commercial class against unscrupulous commercial conduct.” *Colligan v. Activities Club of New York, Ltd.*, 442 F.2d 686, 692 (2d Cir. 1971). *See also* S. Rep. 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 U.S. Code Cong. Ad. News 5577, 5607 (“Amendment of the definition of ‘use in commerce’ [in section 45 of the Lanham Act] is one of the most far-reaching changes the legislation contains. . . . The committee intends that the revised definition of ‘use in commerce’ be interpreted to mean **commercial use** which is typical in a particular industry.”) (emphasis added).

This fundamental point also has been observed in connection with the amendments to Section 43 of the Lanham Act: “[T]he proposed change in Section 43(a) should not be read in any way to limit political speech, **consumer** or editorial **comment**, parodies, satires, or other constitutionally protected material. . . . The section is narrowly drafted to encompass only clearly false and misleading commercial speech.” 135 Cong. Rec. H1207, H1217 (daily ed., April 13, 1989) (emphasis added). Virga’s speech is not commercial and this is an absolute defense to plaintiffs’ trademark infringement and disparagement claims.

Plaintiffs’ dilution claims also fail because of Virga’s noncommercial use of plaintiffs’ marks. Even if the Court were to find that plaintiffs have proven that all of their marks are “famous,” there is an explicit defense to the plaintiffs’ action under the Lanham Act’s dilution provisions. Section 43(c)(4)(B) of the Lanham Act provides that “noncommercial use of a mark” is not actionable, nor are “[a]ll forms of news reporting and news commentary.” 15 U.S.C. § 1125(c)(4)(B), (C). Virga’s use of plaintiffs’ marks is plainly noncommercial, and her web site is also in the nature of news reporting. Accordingly, there is no actionable dilution claim to be asserted

by plaintiffs. The purpose of the statute's noncommercial use exception was not to exempt not-for-profit corporations, but to protect "parody, satire, editorial and other forms of expression that are not part of a commercial transaction." *Dr. Seuss Enterprises v. Penguin Books USA*, 924 F. Supp. 1559, 1574 (S.D. Cal. 1996), *aff'd*, 109 F.3d 1394 (9th Cir. 1997), *quoting* statement of Senator Hatch from the Congressional Record.

E. Virga's Use of Plaintiff's Marks as Meta Tags Is a Fair Use.

The Lanham Act codifies a "fair use" defense at Section 33(b)(4): "the use of the name, term or device charged to be an infringement is a use, otherwise than as a mark, of . . . a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party...." 15 U.S.C. § 1115(b)(4). Numerous courts have recognized the applicability of this defense in the context of mark use as meta tags. *Bally Total Fitness Holdings Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998); *Playboy Enterprises v. Welles*, 7 F. Supp. 2d 1098 (S.D. Cal. 1998), *aff'd*, 162 F.3d 1169 (9th Cir. 1999); *Patmont Motor Werks v. Gateway Marine*, 1997 US Dist. LEXIS 10877 (N.D. Cal. 1997), Exhibit 18. Notably, even the case on which plaintiffs rely most heavily recognizes that the fair use doctrine allows for the nominative and good faith use of another's mark in meta tags to attempt to index the content of a web site. *Brookfield Communications v. West Coast Video*, 174 F.3d 1036, 1065-66 (9th Cir. 1999); *see also* McCarthy § 23.11, discussing non-confusing "nominative use" where a trademark is used simply to name a commercial entity that is under discussion. Virga does nothing more than this – the subject matter of her web site is the plaintiffs, and she uses their names (which are trademarked) to identify them as the subjects of criticism. This in no way constitutes use of such marks in a trademark sense. Rather, Virga has used plaintiffs' marks in a "non-trademark sense," that is, simply to identify **their** goods, services or

business, and not her own. *See Restatement (Third) of Unfair Competition* § 28, comment c (1995).

As Judge Patterson of the Southern District of New York stated earlier this year,

Simply put, the use of search engines to navigate the World Wide Web multiplies the possible associations between words and goods or services that consumers might take advantage of when they go about locating particular sources . . .

Granting too much credit to the associative possibilities of the Internet would present an intractable problem for trademark law, however. Notwithstanding the fact that any word can be keyed into a search engine to locate a web site, the operator of a web site surely should not be held responsible for having used every word on its page in a source-identifying manner. The intent of the alleged infringer, and not the associations actually formed by the consuming public, must remain the touchstone for evaluating whether words have been used in good faith in their descriptive sense.

Radio Channel Networks v. Broadcast.com, 1999 US Dist. LEXIS 2577, 19-20 (S.D.N.Y. March 8, 1999), Exhibit 19.

Virga's web pages use plaintiffs' marks as meta tags not to identify plaintiffs as the source of Virga's First Amendment-protected consumer speech, but only to index such pages in accordance with their subject matter (that is, in their descriptive sense, and not their trademark sense), in recognition of how the web works. Although plaintiffs would prefer to silence Virga, having failed to do so in their earlier suit against her, her use of plaintiffs' names on her web site clearly falls under the fair use doctrine, in addition to the other defenses discussed above.

F. Laches Bars Relief to Plaintiffs.

If not a complete defense to plaintiffs' action, laches certainly operates to deny plaintiffs the preliminary injunctive relief they seek. As Professor McCarthy has observed,

In certain situations, a delay by plaintiff in bringing suit or in seeking a preliminary injunction may be sufficient to defeat its claim for a preliminary injunction. This is because delay in seeking a preliminary injunction 'tends to neutralize any presumption that infringement alone will cause irreparable harm pending trial' [and

‘tends to indicate at least a reduced need for such drastic, speedy action]’”

5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 30:49, 31:32 (4th ed. 1999), quoting *Citibank, N.A. v. Citytrust*, 756 F.2d 273 (2d Cir. 1985).

As the court stated more fully in *Citibank*:

Preliminary injunctions are generally granted under the theory that there is an urgent need for speedy action to protect the plaintiffs’ rights. Delay in seeking enforcement of those rights, however, tends to indicate at least a reduced need for such drastic, speedy, action. Significant delay in applying for injunctive relief in a trademark case tends to neutralize any presumption that infringement alone will cause irreparable harm pending trial, and such delay alone may justify denial of a preliminary injunction.

Id. at 276.

See also *GTE Corp. v. Williams*, 731 F.2d 676, 678-79 (10th Cir. 1984), quoting *Gillette Co. v. Ed Pinaud, Inc.*, 178 F. Supp. 618, 622 (S.D.N.Y. 1959) (“A preliminary injunction is sought upon the theory that there is an urgent need for speedy action to protect the plaintiff’s rights. By sleeping on its rights, a plaintiff demonstrates the lack of need for speedy action and cannot complain of the delay involved pending any final relief to which it may be entitled after a trial of all the issues.”); *Tough Traveler Ltd. v. Outbound Prod.*, 60 F.3d 964, 968 (2d Cir. 1995); *Ivy Mar Co. v. C.R. Seasons Ltd.*, 907 F. Supp. 547, 564 (E.D.N.Y. 1995); *Business Trends Analysts v. Freedomia Group*, 650 F. Supp. 1452, 1459 (S.D.N.Y. 1987); *Kingsford Prod. Co. v. Kingsford*, 674 F. Supp. 1428, 1430 (D. Kan. 1987).

The *Citibank* case involved a delay of only nine months, whereas the case at bar involves a delay of more than 26 months: from the time that Terminix’s general counsel wrote his August 14, 1997 letter to Virga, in which he stated that her “unauthorized use of the Terminix name, registered trademark and business records infringes upon Terminix’s legal rights,” Virga Affidavit ¶ 34 and

Exhibit E, to the filing of this suit in October 1999. As indicated above, Virga's site has always included at least certain of the plaintiffs' marks, both in its overt text and in its meta tags, from its inception in September 1997. *Id.* ¶ 23 and Exhibit A. Plaintiffs' sudden professed need for a preliminary injunction after years of silence, even after litigating this issue (albeit under a slightly different theory) in a California state court, is wholly inconsistent with the presence of any irreparable harm, and laches should operate to deny the relief sought by plaintiffs.

VI. TERMINIX'S COMPLAINT FAILS TO STATE A CLAIM FOR RELIEF UNDER THE TENNESSEE CONSUMER PROTECTION ACT.

Terminix's complaint alleges that Virga has committed trademark infringement, dilution, deceptive trade practices, false advertising, and unfair competition in violation of the Tennessee Consumer Protection Act ("TCPA"), Tenn. Code Ann. § 47-18-101 to -121. However, plaintiffs have failed to state a claim for relief under this statute.

Although more than 30 different types of unfair or deceptive acts are made unlawful under the TCPA, *see* Tenn. Code Ann. § 47-18-104, Terminix does not specify which particular TCPA provisions it is invoking. However, the Court need not tarry long undertaking an analysis of the viability of Terminix's TCPA claims because the statute simply does not apply to Virga's activities. The Tennessee Legislature "has directed that the provisions of the [TCPA] be liberally construed to protect consumers and legitimate business enterprises from those who engage in 'unfair or deceptive acts or practices **in the conduct of any trade or commerce.**'" *Pursell v. First Am. Nat'l Bank*, 937 S.W.2d 838, 841 (Tenn. 1996), *quoting* Tenn. Code Ann. § 47-18-102(2) (emphasis added). Simply put, the TCPA is not applicable because Virga does not conduct any trade or commerce on her web site. *See New Life Corp. v. Thomas Nelson*, 932 S.W.2d 921, 928 (Tenn. Ct. App. 1996)

(finding that willful or malicious damage to a business is not within the scope of the TCPA unless “in connection with any ‘sale, lease, or rental, or distribution of any goods, services, or property . . .”). Virga’s web site neither offers any goods or services for sale nor advertises any goods or services offered by others for sale. Virga Affidavit ¶ 4.⁹

It is also clear that any claim for relief that would otherwise be available under the TCPA is barred by the one-year statute of limitations set forth in Tenn. Code Ann. § 47-18-110. ServiceMaster was aware at the time that it filed its initial suit in California federal court that Carla Virga was using its Terminix marks in her meta-tags and/or key words on her web site. See Virga Affidavit ¶¶ 34, 36. Moreover, the ServiceMaster page, with the marks of all of the plaintiffs, first appeared on the Internet in June, 1998. *Id.* ¶ 30 and Exhibit C. ServiceMaster, however, did not bring this action under the TCPA until October 1999.

VII. DEFENDANT SHOULD BE AWARDED HER ATTORNEY FEES AND SHOULD BE PROTECTED AGAINST FURTHER LITIGATION BY ANY OF THE PLAINTIFFS INVOLVING HER WEB SITE THROUGH AN INJUNCTION BARRING FUTURE NUISANCE LITIGATION.

A. Virga Is Entitled to Her Attorney Fees Under the Lanham Act.

Section 35 of the Lanham Act provides that “[t]he Court in exceptional cases may award reasonable attorney’s fees to the prevailing party.” 15 U.S.C. § 1117(a). A party is a prevailing

⁹The inapplicability of the TCPA to the operation of Virga’s web site is further underscored by the language of the TCPA statute of repose. Tenn. Code Ann. § 47-18-110 states that “in no event shall an action under § 47-18-109 be brought more than four (4) years after the date of the consumer transaction giving rise to the claim for relief.” Tenn. Code Ann. § 47-18-110. “Consumer transaction” is defined within the TCPA as “the advertising, offering for sale, lease or rental, or distribution of any goods, services, or property, tangible or intangible, real, personal, or mixed, and other articles, commodities, or things of value wherever situated.” Tenn. Code Ann. § 47-18-103(11). There is no consumer transaction as between Terminix and Virga that could give rise to Terminix’s claim for relief under the TCPA.

party not only if a final judgment is rendered in her favor, but also if she obtains a dismissal of the plaintiff's case on procedural grounds. *See Noxell Corp. v. Firehouse No.1 Bar-B-Que Restaurant*, 771 F.2d 521, 524-26 (D.C. Cir. 1985) (dismissal for improper venue, plaintiff having filed suit in clearly improper venue to harass defendant). This result is consistent with Congress' purpose to provide "protection against unfounded suits brought by trademark owners for harassment and the like." S. Rep. No. 93-1400, 93rd Cong., 2d Sess., reprinted in 1974 U.S. Code, Cong. and Ad. News 7132, 7136. A prevailing defendant need only show "[s]omething less than 'bad faith'" to recover its fees. *Noxell*, 771 F.2d at 526; *accord Scotch Whiskey Ass'n v. Majestic Distilling Co.*, 958 F.2d 594, 599 (4th Cir. 1992). *See also* McCarthy § 30:101.

Even in the absence of the dismissal of the plaintiffs' prior action against Virga, this would be an appropriate case for the award of attorney fees. However, that prior dismissal by the Superior Court of California, coupled with the plaintiffs' delay in bringing this suit and motion for a preliminary injunction against Virga, notwithstanding their reliance on facts and events (including most importantly Virga's use of meta tags) of which they have known for approximately two years, plus the oppressive tactic of suing Virga in a state in which she has never set foot, for actions plainly protected by the First Amendment, and just as plainly not actionable under the Lanham Act, compels an award of attorney fees to Virga. It is obvious that the plaintiffs hoped to intimidate Virga into stopping her criticism of them despite their prior failure to achieve this result in state court in California. This type of harassment is an improper use of the courts and should be corrected in part by an award of Virga's fees.

B. The Court Should Enjoin Further Litigation Against Virga Without Prior Justification.

Although any award of attorney fees and expenses would compensate defendant and her counsel for having to defend this frivolous case, that is not sufficient protection for Virga against plaintiffs' litigiousness. Plaintiffs' track record in this matter demonstrates the need for an order prohibiting it and any of its affiliated companies from filing any further suits against her involving her web site absent leave of court.

Most courts of appeals have recognized that in certain circumstances extraordinary precautions can be taken to enjoin or otherwise limit an overly litigious party from filing further suit. *E.g., Feathers v. Chevron USA*, 141 F.3d 264, 269-70 (6th Cir. 1998); *Sassower v. Carlson*, 930 F.2d 583, 584 (8th Cir. 1991); *Filipas v. Lemons*, 835 F.2d 1145, 1146 (6th Cir. 1987); *Wood v. Santa Barbara Chamber of Commerce*, 705 F.2d 1515, 1524 (9th Cir. 1983). "The general pattern of litigation in a particular case may be vexatious enough to warrant an injunction in anticipation of future attempts to relitigate old claims." *Wood*, 705 F.2d at 1524; *see also Feathers*, 141 F.3d at 269-70 (upholding a decree that had been entered precluding the court clerk from filing any more suits by heirs absent leave of court in an effort "to stanch the ongoing flow of meritless and repetitive 'Humphries heirs' cases").

Virga fears that, unless protected by this Court from further suit, plaintiffs will continue their apparent vendetta against her and improperly continue their efforts to use the judicial system in an attempt to silence one of their critics. Previously, Terminix, a ServiceMaster subsidiary, filed suit against Virga in California federal court claiming defamation. Virga Affidavit ¶ 37. Even though it waited for six months after the web site was first published, Terminix rushed into court seeking an ex parte temporary restraining order requiring Virga to remove her web site pending litigation of the suit. *Id.* ¶ 41. That suit was terminated when Terminix's complaint was stricken pursuant to the

California anti-SLAPP statute. In striking the plaintiffs' complaint, the California court expressly stated that there was no evidence that anything posted on Virga's web site was false or actionable. *Id.* ¶ 37 and Exhibit I.

Having failed in its initial attempt to silence Virga's voice of dissent, Terminix regrouped, selected a forum in its own backyard, and filed a second lawsuit by re-characterizing its complaint against Virga under the Lanham Act and the TCPA. Again, despite having waited more than two years after Virga's web site first appeared, and fifteen months after her ServiceMaster page was first published, plaintiffs have proceeded by motion for a preliminary injunction, accompanied by a two-inch stack of paper and a large carton of exhibits. Despite the impressive veneer of their papers, it is apparent on closer examination that in addition to its First Amendment, jurisdictional, and res judicata defects, the filing suffers from several fatal flaws under trademark law alone.

Under the Federal Rules of Civil Procedure, "[a] party asserting a claim to relief as an original claim, counterclaim, cross-claim, or third-party claim, may join, either as independent or as alternate claims, as many claims, legal, equitable, or maritime, as the party has against an opposing party." Fed. R. Civ. P. 18(a). Accordingly, there is no non-strategic reason for bringing litigation against a party in a piecemeal fashion. Although Terminix is currently alleging that it only recently became aware of Virga's use of plaintiffs' marks in her meta-tags, the facts belie such a position. Prior to filing its first lawsuit against Virga, Terminix (whose CEO was also the CEO of ServiceMaster) sent a demand letter to Virga asserting that Virga's posting on her web site was in violation of trademark laws. Virga Affidavit ¶ 34. Further, in its pleadings during the initial litigation, Terminix alleged that Virga was using its marks in certain "keywords" on her site. *Id.* ¶ 36. Nevertheless, Terminix did not assert its trademark claims in the California action. Instead, it

has chosen to bring its litigation in piecemeal fashion, thereby attempting to avail itself of a second bite at the apple. Understandably, Virga is worried that Terminix intends to take even more bites should this attempt at silencing her fail as well.

Terminix's refusal to assert all of its claims in one lawsuit has unnecessarily multiplied the number of actions between these parties and violates the spirit, if not the letter, of the Federal Rules of Civil Procedure. Further, Terminix's filing of a second lawsuit, this time in its own backyard, should be seen for what it is – a tactical effort by a Fortune 500 company (*see* Affidavit of Douglas Colber ¶ 2) to wear down an individual who lacks the resources to defend multiple lawsuits. Taking prior behavior into account, there is no reason for this Court to believe that Terminix, if rebuffed at this turn, will not choose another forum and file another suit against Virga in an attempt to silence her expression. Although the doctrines of claim and issue preclusion certainly provide Virga with some protection from further suit in the form of a defense to the re-litigation of old issues and claims, such doctrines provide no guarantee that Terminix will not continue to harass her with lawsuits.

Requiring plaintiffs to seek leave of Court prior to filing any further litigation involving Virga's web site will protect her from further harassment, while simultaneously assuring that, if a substantial change in circumstances warrants it, plaintiffs can protect their rights against Virga. In seeking such leave of court, plaintiffs should be required both to provide the court in that case with copies of the orders dismissing this case and the previous suit against Virga, and to explain to the court (1) why another suit is justified, (2) why the claims could not have been brought in this case, and (3) if the case is not filed in California, why suit in some different forum is justified. Plaintiffs should further be enjoined from serving Virga unless the court grants explicit permission to proceed.

Based on what she has already had to endure from these plaintiffs, merely having to find

qualified legal counsel and defend yet another Terminix lawsuit, potentially filed in yet another distant forum, will cause irreparable harm to Virga. Virga has already paid an enormous price for exercising her First Amendment rights and defending the First Amendment rights of the rest of the American citizenry. Her account should be marked paid in full.

CONCLUSION

The motion for a preliminary injunction should be denied, the complaint should be dismissed, defendant should be awarded her attorney fees, and plaintiffs should be enjoined from filing further litigation over Virga's web site without specific leave of court.

Respectfully submitted,

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