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In this action, the owner of a Texas shopping mall has sued a Texan for creating a website concerning the shopping mall. Plaintiff alleges that that original website – and a second website created to criticize plaintiff’s litigation tactics – infringe plaintiff’s trademark rights by creating a likelihood of confusion about the source of defendant’s sites. Plaintiff sued in Michigan on the ground that its headquarters is located there. Plaintiff then persuaded the court that a preliminary injunction would not harm the defendant and that, once the original site was enjoined, defendant was a “proven infringer” who could be required by a second preliminary injunction to keep a “safe distance” from plaintiffs’ marks even if there was no likelihood that anybody would be confused about whether critical statements directed at the mark were sponsored by the owner of that trademark.

As we show below, the record does not support the exercise of personal jurisdiction in Michigan. In any event, the non-commercial character of the websites, coupled with the impossibility that any viewer could be confused about whether the mall owner sponsored either site, requires that both preliminary injunctions be vacated.

JURISDICTION

Plaintiff asserted federal jurisdiction under 15 U.S.C. § 1121 and 28 U.S.C. § 1331. The appeal from the preliminary injunction dated October 11, 2001 was filed on November 13, 2001. The appeal from the preliminary injunction dated December

7, 2001 was filed on December 13, 2001. This Court has jurisdiction under 28 U.S.C. § 1292(a)(1).

QUESTIONS PRESENTED

1. Did a Michigan court have personal jurisdiction of a Texas resident who was sued for using a trademark on passive websites discussing a Texas shopping mall operated by a Michigan company?

2. Are appellant's non-commercial websites subject to scrutiny under the trademark laws?

3. Did appellant's websites, which describe appellee's shopping mall and criticize this lawsuit, pose any likelihood of confusion about the source of the websites, or were appellee's trademarks used fairly to denote the subjects of the websites?

4. Are the preliminary injunctions against the maintenance of appellant's websites impermissible prior restraints?

STATEMENT

A. Facts

1. Mishkoff's Original Website.

This case arose after plaintiff-appellee Taubman, a national developer of shopping malls, announced plans to develop a new mall in the area of Plano, Texas

known as “Willow Bend.” The name Willow Bend had been commonly used on shops and other institutions of various kinds in that area for many years. Record Entry Number 18 (“REN18”), Exhibit B. Using this existing geographical designation, plaintiff secured a trademark registration for a graphical presentation of the name “The Shops at Willow Bend.” REN1, Exhibit A. The registration carefully noted that plaintiff claimed no right to the phrase “the shops at” except precisely as used in the registered mark. *Id.*

The mall was being built about three miles from defendant-appellant Henry Mishkoff’s home.¹ Mishkoff felt that members of the community could use all the information that they could get about this mall, and, by the same token, he felt that if the mall did well, it would enhance his community. He assumed that plaintiff would be pleased to have another source for information about the mall. REN6, Exhibit F. Accordingly, Mishkoff decided to create a “fan” site about it. REN25, Affidavit ¶¶ 7. The site was similar to other community service websites that he had created, such as a directory of internet service providers in the Dallas area and a directory of restaurants in Addison, Texas. REN6, Exhibits C-D.

Having decided to create his own website about the mall, Mishkoff selected a

¹Because “Webfeats” is not an incorporated entity, but only a DBA, REN25, Affidavit ¶4, this brief refers simply to “Mishkoff” or “appellant.”

domain name at which to display the site. Taubman had taken the domain name “TheShopsatWillowBend.com” for itself. Because Mishkoff wanted a domain name that would accurately describe his site, he selected “shopsatwillowbend.com.” REN6, 1-2.

Mishkoff then built a series of web pages that provided comprehensive information about the new mall. (The complete website, as it appeared when the preliminary injunction was granted, appears in electronic form on a CD at REN53.) The finished product provided information about the size of the mall, presented a map of the mall and a depiction of its interior, listed all the anchor stores and shops at the mall, and included a hyperlink to the home page of every mall tenant whose site Mishkoff was able to identify.

To assist any web user who visited his site but preferred to go to Taubman’s own website, Mishkoff placed a prominent disclaimer near the top of the site’s home page stating that Mishkoff’s was not the official mall site, providing the URL for the official site, and including a hyperlink to the official site. Thus, viewers could click on the link and go directly to the official site. REN53.

During the spring of 2001, Mishkoff added to the site a notice for a shirt-selling business that his girlfriend operated. REN1, Exhibit B (the date in the lower left corner shows when the page was printed). This notice was similar to notices about

this business that Mishkoff had placed on other personal websites. REN6, Exhibits C-D. Mishkoff was not paid for posting any of these notices; they were merely a favor for a friend. REN25, Affidavit ¶6. Indeed, Mishkoff has never obtained any revenue from the website. *Id.* When Mishkoff learned in August 2001 that plaintiff objected to this notice, he immediately removed it. REN6, Exhibit K. The notice had been deleted before plaintiff moved for the preliminary injunction that is under appeal. REN 3, Exhibit C (printed 9/10/01).

3. The Creation of the “Sucks” Site.

In May, 2001, Taubman demanded that Mishkoff surrender the domain name “shopsatwillowbend.com” and remove his website from the Internet. REN6, Exhibit E. Mishkoff refused, but he offered to consider any explanations that Taubman might provide and promised to promptly close down the site and transfer the domain name if Taubman could show that he was violating Taubman’s rights. *Id.* Exhibit F. Rather than provide such an explanation, Taubman filed suit against Mishkoff on August 7, 2001. *Id.* Exhibits G-H.

After receiving the complaint, Mishkoff took two actions. First, he immediately removed the shirt business notice from the website. *Id.* Exhibit K. Second, Mishkoff decided to defend himself *pro se* while publicizing what he considered a prime example of litigation abuse. Accordingly, he registered five domain names, coupling

both Taubman's name and various phrases about the mall with the word "sucks" – taubmansucks.com; shopsatwillbendsucks.com; theshopsatwillowbendsucks.com; willowbendmallssucks.com; and willowbendsucks.com. He warned Taubman that, if it persisted in suing him, he would establish a website to describe what Taubman was doing and to swing public opinion in his favor. *Id.*

After an attempt to settle the litigation failed when plaintiff added terms to a proposal initially accepted by both sides, plaintiff moved for a preliminary injunction against the original "shops" website, and Mishkoff created a new website using the "sucks" domain names. This website is currently posted online; an electronic copy of the site as it existed when the preliminary injunction was granted is on the CD at REN53. The site reported Taubman's threats against Mishkoff and the ensuing litigation. Mishkoff posted on the "sucks" site all correspondence with Taubman's lawyers about his original website and all papers filed in this litigation. Mishkoff has used the site to express his disgust at the waste of resources that this litigation represents, as well as to comment on what he considers to be abusive tactics employed by plaintiff's counsel and the threats against him which, he suggests, have had the opposite of the intended effect because they have caused him to stiffen his resistance and decline to accept demands from Taubman to which he might otherwise have acceded. The "sucks" site is entirely non-commercial – it has never marketed any

goods or services. REN25, Affidavit ¶7.

B. Proceedings to Date.

On August 7, 2001, plaintiff filed a three-count complaint against Mishkoff, alleging that both the original “shops” website and its domain name infringed “The Shops at Willow Bend” trademark in violation of section 32 of the Lanham Act, 15 U.S.C. § 1114, and constituted a false description of origin in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); the complaint also alleged that the “shops” domain name violated the cybersquatting amendment to the Lanham Act, 15 U.S.C. § 1125(d). REN1.

On September 26, Taubman moved for a preliminary injunction against the maintenance of the “shops” site. REN3. The motion was not supported by any affidavits, but only by the mark registration and printed copies of several web pages. Mishkoff, appearing *pro se*, defended his website on the grounds that nobody was likely to be confused about whether whether Taubman was its sponsor, REN6, Memorandum 15-20; that the domain name accurately described the subject of the site and was a name that Taubman had deliberately not selected, *id.* 1-2; and that the site was a completely non-commercial attempt to provide information as a service to the community. He pointed to the fact that he had never sought or posted paid advertising, or tried to sell the domain names, as further support for his

characterization of the site as completely non-commercial. *Id.* 2, 11, 15.

The district court granted the preliminary injunction on October 11, 2001. REN7. Despite the express requirements of Rules 65(d) and 52(a), the terse opinion contained no findings of facts or conclusions of law; it said nothing about the likelihood of confusion. In a single sentence, the order seized on Mishkoff's defense that he was operating the site as a non-commercial community service, as follows: "Because Defendants are not operating their website for profit, they are less likely to be harmed by a preliminary injunction." The order, by its terms, required only that the "shopsatwillowbend" domain name be removed from the Internet; however, in every subsequent order the court characterized its order as requiring that the website itself be taken offline. REN12, at 1; REN40, at 2. Plaintiff's preliminary injunction brief had likewise sought to "divest Defendants of their ring of websites . . ." REN3, Memorandum 14.

A few days later, on October 16, Taubman moved to expand the preliminary injunction to include the "sucks" site. REN10. Taubman did not argue that there was any likelihood of confusion, but only that, having won a preliminary injunction, it was entitled to keep Mishkoff a "safe distance" away from its trademarks. After Mishkoff was directed to brief the "safe distance" issue, REN12, Public Citizen entered the case as amicus curiae, arguing that the proposed amended preliminary injunction would

violate the First Amendment. REN14. This brief explained that the trademark laws require a finding that the trademarks were being “used in commerce,” which the “sucks” sites plainly were not, inasmuch as their only purpose was to describe and criticize this litigation. In addition, in response to plaintiff’s request for entry of default for Mishkoff’s failure to file a timely answer, REN8, Mishkoff filed an answer that denied plaintiff’s allegations of personal jurisdiction, REN15, ¶¶2-3, and moved to dismiss the complaint for lack of personal jurisdiction. REN25. In his motion to dismiss for lack of personal jurisdiction, Mishkoff asked in the alternative that his previous motion to dismiss be amended to include the additional ground of lack of personal jurisdiction.²

On December 7, the court denied the motions to dismiss or change venue, but issued a second preliminary injunction, requiring defendant to take down his “sucks” website and to refrain from using the “sucks” domain names. REN40. The court began with a long footnote that revisited the issue of the original preliminary injunction, reciting that it had considered the eight factors bearing on likelihood of

² Mishkoff had previously moved to dismiss for inadequate service, REN13, and for a change of venue. REN23. However, at a scheduling conference, Judge Zatkoff had told Mishkoff that the service and venue motions could not be considered because there had not been a separate brief and motion, and directed him to refile both motions in proper form. *See* REN40 at 4 n.3; REN29, REN33 at 1. Not until after the personal jurisdiction motion was filed were these two motions re-filed in proper form. REN29, REN33.

confusion and decided that the marks were similar and that the two parties were using similar channels to attract the same set of customers. *Id.* 11 n6. The court invoked the existence of the notice for the shirt business, *id.* 11-12, ignoring the fact that this notice was not mentioned in plaintiff’s preliminary injunction papers because it had been removed from the site before that motion was filed. The court also hypothesized that the hyperlinks to the mall tenants’ own websites, coupled with the subsequent registration of the “sucks” names, suggested that Mishkoff’s purpose was to lure customers away from Taubman’s own mall. *Id.* 11, 13 n8.³ The court acknowledged that “commercial use” was a requirement for a finding of trademark infringement, but said that it was prepared to presume that the new site was commercial, pending plaintiff’s use of discovery to explore various theories of commercial character. *Id.* 13 n9. It denied that the original preliminary injunction had including any finding that the “shops” site was noncommercial; that finding, said the court, was simply a recitation of defendants’ position on which the court was not taking any position. *Id.* 12 n7. Finally, the court said, it had balanced the equities between the parties, and said that because Mishkoff was likely infringing, less harm would be done to him, thus warranting a preliminary injunction. *Id.* 12-13.

³Taubman had not complained about the hyperlinks; the official mall website, www.theshopsatwillowbend.com, also links to the tenants’ own sites.

Turning next to the “sucks” site, the court found the necessary commercial use in its “assumption that Defendants are trying to inflict economic harm upon Plaintiff”; from this “assumption,” the court inferred that intent to hurt the Plaintiff was also the purpose of the “sucks” site, and therefore the site was commercial. *Id.* 13. This form of commercial use was sufficient not only to warrant jurisdiction under the Lanham Act, but also enough to deprive Mishkoff of First Amendment protection for his criticisms. *Id.* 13 n9. Finally, the “safe distance” rule entitled Taubman to an expanded preliminary injunction because “using websites that incorporate Plaintiff’s mark to disparage Plaintiff would likely be an unfair commercial use within the scope of the Lanham Act’s protection.” *Id.* 14. Accordingly, the court ordered Mishkoff both to stop using the “sucks” domain names and to remove the “sucks” website from the Internet.

The court also denied the motions to dismiss and to change venue. It held that, by filing an answer and a motion to dismiss that did not raise the defense of lack of personal jurisdiction, Mishkoff waived that defense. *Id.* 5. The court added that, in any event, a defendant who made commercial use of the trademarks of a Michigan company thereby engaged in actions with an impact in Michigan, and hence was subject to personal jurisdiction in Michigan. *Id.* 6 n5. The court acknowledged Mishkoff’s request for lenient treatment because he was a *pro se* defendant; however,

the court said that this Court’s precedents gave it no discretion to be lenient. *Id.* 6. At the same time, the court denied Mishkoff’s motion to dismiss for improper service because, although plaintiff’s lawyers had not obtained a waiver of service of process in writing, as required by Rule 4(d)(2), their procedural misstep should be excused because “legal procedure should [not] be a game of skill in which one misstep may be decisive.” *Id.* 5.

On March 11, this Court stayed the second preliminary injunction pending appeal and expedited both appeals.

SUMMARY OF ARGUMENT

I. The court below lacked jurisdiction over Mishkoff because his operation of a passive website that did not provide a means for commercial interactivity with Michigan customers did not constitute actions in Michigan. An allegation that a defendant infringed the trademarks of a Michigan company does not confer personal jurisdiction over the defendant.

II. The injunction against the “shops” site did not contain any findings of fact or provide an explanation of the reasons for the injunction. Even if the Court chooses to review the first injunction based on the partial explanation of the first injunction contained in the order granting the later injunction against the “sucks” site, both injunctions should be reversed because they constitute impermissible prior restraints

against Mishkoff's non-commercial speech about Taubman's shopping mall and about this litigation, in violation of the First Amendment.

III. The injunctions also fail to pass muster under the trademark laws, both because there is no "use in commerce" of Taubman's trademarks, and because no Internet viewer could possibly think that the websites are sponsored by Taubman. There is no plausible claim of confusion here, and the record before the Court clearly refutes the district court's contrary suggestion. Instead, the websites simply make fair use of words describing Taubman and its shopping mall to denote the content of the websites.

IV. Finally, the injunction against the "sucks" site cannot be sustained under the "safe distance" rule, both because the rule does not apply on the facts of this case, and because the First Amendment does not permit a broad injunction against the use of a trademark unless the court finds that the use is false, misleading or confusing – a finding that could not be made and has not been made about the "sucks" site.

ARGUMENT

I. THE MICHIGAN COURT LACKED PERSONAL JURISDICTION OVER MISHKOFF.

The preliminary injunctions must be reversed because the court that entered them lacked personal jurisdiction over defendant Mishkoff. Although a refusal to

dismiss is not immediately appealable, the issue may be raised on appeal from an injunction. *Land-o-Nod v. Bassett Furniture*, 708 F2d 1338, 1340 (CA8 1983).

This Court's recent decision in *Neogen Corp. v. Neo Gen Screening*, 282 F3d 883 (2002), is dispositive on the issue of personal jurisdiction. Neogen was a Michigan company that sued a Pennsylvania company named Neo Gen over the use of the domain name "neogenscreening.com." Although the plaintiff was a Michigan company and the defendant was accused of infringing its trademark, this Court followed the rule in other circuits and held that the operation of a passive website using a trademark that allegedly belonged to a Michigan company was not sufficient to subject Neo Gen to jurisdiction in Michigan. "The level of contact with a state that occurs simply from the fact of a website's availability is therefore an 'attenuated' contact that falls short of purposeful availment." *Id.* at 890. Jurisdiction may be based on the website only if the defendant uses the website interactively to conduct a substantial amount of business with commercial customers in Michigan, and not just to advertise to such customers. In *Neogen*, the defendant provided its Michigan customers with passwords that they could use to download test information that they were buying from the defendant, and the website provided a geographic breakdown of data that specifically listed Michigan. *Id.* at 890-891. The Court stated, however, that even the sufficiency of these interactive features to support jurisdiction was a

close question. Therefore, although the Court found jurisdiction over that defendant, it rested its holding not on the website but on other contacts that defendant had with Michigan. *Id.* at 891.

Accordingly, even if the court below were correct in assuming that Mishkoff's websites are commercial, commercial content is not enough for jurisdiction under *Neogen*; rather, a defendant must have purposeful interactive relations with Michigan customers. Taubman neither alleged nor proved such commercial interactivity; Mishkoff has denied it. REN25, Affidavit ¶¶ 6-7. The absence of commercial interactivity is apparent from the websites themselves. REN53.

Here, the record establishes that Mishkoff had none of the traditional indicia of purposeful availment – he has never lived in Michigan, he has no property there, he has no investments in Michigan companies, he has no customers there, he does not conduct any business there. RN25, Affidavit ¶¶2-4. Moreover, the original website pertains to a Texas shopping mall that would have been patronized by and thus would be of interest to Texans, not Michiganders. Because the website is not a proper basis for exercising jurisdiction over Mishkoff, and because he did not otherwise have substantial contacts with Michigan, the court below lacked personal jurisdiction.

Finally, the personal jurisdiction defense was not waived. The district court based its waiver holding on an erroneous factual premise – that Mishkoff had filed an

answer and other documents without opposing personal jurisdiction. In fact, Mishkoff's answer specifically denied the complaint's allegations in paragraphs 2-3 that there was personal jurisdiction because Mishkoff and WebFeats had engaged in tortious actions in Michigan. REN15. Although a skilled lawyer might have included a separate paragraph asserting lack of personal jurisdiction as an affirmative defense, construing the denial of the jurisdictional allegations as raising a defense is required by the principle that a pro se party's papers must be construed liberally. *Haines v. Kerner*, 404 US 519 (1972); *Williams v. Browman*, 981 F2d 901, 903 (CA6 1992) (pro se letter construed as motion, preserving time to appeal). This Court has applied this principle to preserve defenses as well as claims. *United States v. Landham*, 251 F3d 1072, 1079 (CA6 2001). Moreover, although Mishkoff did submit a motion to dismiss and a motion to change venue before he filed his motion to dismiss for lack of personal jurisdiction, the district judge required them to be re-filed because Mishkoff had not filed them properly; by the time Mishkoff filed them properly, the personal jurisdiction motion had already been filed.

Even if a finding of waiver might otherwise be appropriate, that waiver should be excused on three grounds. First, as a pro se defendant, Mishkoff's procedural lapses should be excused where failure to do so would work a substantial injustice. The court below rejected this contention on the ground that *Rauch v. Day & Night*

Mfg. Corp., 576 F2d 697 (CA6 1978), left it with no discretion in the matter. In that case, however, the defendant was not proceeding pro se.

Second, Mishkoff specifically moved, in the alternative, that his motion to dismiss for lack of personal jurisdiction be construed as a motion to amend the previous motion to dismiss (which had not yet been addressed by the court below) to include the defense of personal jurisdiction, an approach specifically approved by 5A Wright and Miller, *Federal Practice & Procedure: Civil 2d* §1389, at 739-740 (1990); the district court ignored this request. Additionally, like the defense of lack of personal jurisdiction, the defenses of lack of venue and failure to effect personal service contest the propriety of the manner of bringing the particular defendant before the particular court. For the court to refuse to employ the standard mechanism of amending the first motion to allow the pro se defendant to raise a kindred defense instead of deeming it waived was, therefore, especially unjust.

Finally, the fact that in *Neo Gen* this Court subsequently declared the law of personal jurisdiction based on websites using a plaintiff's trademark to be exactly the opposite of the law applied below provides a proper basis for allowing the waiver question to be revisited. *389 Orange Street Partners v. Arnold*, 179 F3d 656, 665 (CA9 1999).

Accordingly, Mishkoff properly raised the defense of personal jurisdiction, and

because jurisdiction was lacking, the preliminary injunctions should be reversed.

II. THE PRELIMINARY INJUNCTIONS SHOULD BE REVERSED AS IMPERMISSIBLE PRIOR RESTRAINTS AGAINST SPEECH PROTECTED BY THE FIRST AMENDMENT.

Both preliminary injunctions violate the First Amendment. In trademark cases, unlike copyright cases where fair use is largely co-extensive with the First Amendment, *Harper & Row Publishers v. Nation Enterprises*, 471 US 539, 560 (1985), First Amendment considerations routinely receive separate discussion, although they also inform statutory interpretation. Where, as is true here, the defendant is engaged in non-commercial speech, the mere application of trademark law may violate the First Amendment. *L.L. Bean v. Drake Publishers*, 811 F2d 26, 32-33 (CA1 1987). Even if a trademark has been used in a commercial context, courts are required to construe the trademark laws narrowly to avoid impingement on First Amendment rights. *Cliffs Notes v. Bantam Doubleday*, 886 F2d 490, 494 (CA2 1989).

Moreover, First Amendment interests are weighed as a factor in deciding whether a trademark violation should be found. *Anheuser-Busch v. Balducci Publications*, 28 F3d 769, 776 (CA8 1994). Injunctions must be narrowly crafted to comply with the general rule against prior restraints of speech. *Id.* at 778; *Consumers' Union v. General Signal Corp.*, 724 F2d 1044, 1053 (CA2 1983); *Better Business Bureau v. Medical Directors*, 681 F2d 397, 404-405 (CA5 1982). “Restrictions

imposed on deceptive commercial speech can be no broader than reasonably necessary to prevent the deception.” *FTC v. Brown & Williamson Tobacco Corp.*, 778 F2d 35, 43-44 (CA DC 1985), *citing In re RMJ*, 455 U.S. 191, 203 (1982); *see also Castrol v. Pennzoil*, 987 F2d 939, 949 (CA3 1993).

The application of the First Amendment is also significant because it affects the standard of review. The normal standard of review of a preliminary injunction is for abuse of discretion, although errors of law are reviewed de novo. However, because First Amendment rights are at stake in this case, any factual findings about the nature of the speech are subject to “an independent examination of the whole record in order to make sure that the [injunction] does not constitute a forbidden intrusion on the field of free expression.” *Bose Corp. v. Consumers Union*, 466 US 485, 499 (1984); *Hurley v. Irish-American Gay Group*, 515 US 557, 567 (1995). *Accord Bressler v. Fortune Magazine*, 971 F2d 1226, 1229 (CA6 1992) (“the reviewing court must examine for [itself] the statements in issue and the circumstances under which they were made to see whether they are of a character which the principles of the First Amendment protect”).

A. The First Amendment Protects Mishkoff’s Websites.

An injunction obtained by a private party constitutes government action by a court, subject to scrutiny under the First Amendment. *Organization for a Better*

Austin v. Keefe, 402 US 415, 418 (1971); *see also Procter & Gamble Co. v. Bankers Trust Co.*, 78 F3d 219, 224-225 (CA6 1996). It cannot be disputed that Mishkoff's website is protected by the First Amendment. Many cases hold that consumer commentary is core speech protected by the First Amendment. For example, in *Bose Corp. v. Consumers Union*, *supra*, 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 discussions of a company's products as speech protected by the First Amendment. *Semco v. Amcast*, 52 F3d 108, 111-114 (CA6 1995); *Porous Media Corp. v. Pall Corp.*, 173 F.3d 1109, 1119-1121 (CA8 1999).

Mishkoff's use of domain names that incorporate Taubman's trademarks are just the sort of commentary that courts scrupulously protect. Mishkoff's commentary would be wholly mysterious if he had to omit the name of the company and the shopping mall to which his website is devoted. This speech is fully protected by the First Amendment.

Furthermore, it is not just the website generally, but Mishkoff's use of plaintiff's trademark in his domain name, that constitutes 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 F3d 87, 94-97 (CA2 1998); *ACLU of Georgia v. Miller*, 977 FSupp 1228, 1233 (NDGa 1997). Use of a trademark in a domain name is analogous to the use of a trademark in the title of a creative work, to which the courts give First Amendment protection because it is part of the author's expression, calling attention to the content of the work in question. *E.g.*, *Twin Peaks Production v. Publications Int'l*, 996 F2d 1366, 1379 (CA2 1993); *Rogers v. Grimaldi*, 875 F2d 994, 999 (CA2 1989). Similarly, Mishkoff's use of Taubman's trademarks in his domain names serves to communicate to web users that his site contains information about Taubman and its shopping mall located at Willow Bend.

B. The Injunctions Are Impermissible Prior Restraints.

The preliminary injunctions should be reversed because they are prior restraints. The Supreme Court has repeatedly held that injunctions barring defendants from speaking, printing, or broadcasting statements about topics of public concern are prior restraints that require the most extraordinary justifications before they may be approved. *New York Times v. United States*, 403 US 713 (1971); *Near v. Minnesota*, 283 US 697 (1931). When an injunction is entered based on a finding of likelihood of success in establishing illegal speech, instead of a final adjudication, it is a prior restraint subject to strict First Amendment scrutiny. *Auburn Police Union v. Carpenter*, 8 F3d 886, 903 (CA1 1993). *See also Carroll v. Commissioners of*

Princess Anne, 393 US 175 (1968). The law is clear and unequivocal – prior restraints are not permitted except in the most exceptional circumstances, involving “a grave threat to a critical government interest or to a constitutional right.” *Procter & Gamble Co. v. Bankers Trust Co.*, 78 F3d 219, 225 (CA6 1996). No such circumstance is present here, and thus the preliminary injunctions should be reversed.

After Public Citizen, participating as amicus curiae, called the district court’s attention to the applicability of prior restraint doctrine to the case, the court abandoned its prior rationale for the preliminary injunction – namely, that Mishkoff derived no profit from the “shops” website – and speculated about a variety of ways in which the “shops” site, and consequently the “sucks” site as well, “might” prove to contain commercial speech that might be outside the doctrine of prior restraint. However, none of the reasons offered was supported by evidence or by precedent.

Only one fact might arguably provide a basis for deeming the “shops” site commercial – the inclusion of a notice for the shirt business of Mishkoff’s girlfriend. Although it was undisputed that Mishkoff was not paid for this notice, the argument might be made that a solicitation of business for a friend’s business constitutes commercial speech. However, Mishkoff removed that notice from the website several weeks before the motion for a preliminary injunction had been brought, and he had assured Taubman that he would not place any other such notices on his site. REN6,

Exhibit K. Accordingly, even if the notice provided a basis for a finding of liability for a damages claim based on the “shops” site (an issue that is pending below), it did not support issuance of a preliminary injunction. Moreover, there was never any advertising on the “sucks” site.

The principal ground on which the district court rested its speculations about ways in which two sites might prove to be commercial speech unprotected by the doctrine of prior restraint was its concern that Mishkoff’s two sites were intended to inflict injury on Taubman’s commercial interests. The “sucks” site certainly expressed hostility to Taubman’s lawyers, and perhaps may have discouraged patronage of Taubman’s malls. But there is no evidentiary support for the proposition that the “shops” site was intended to cause injury to Taubman. Even if there were such evidence, reliance on such injury as a basis for treating websites as commercial speech that could be subject to prior restraint was error. After all, the leaflets disseminated about the realtor in *Organization for a Better Austin v. Keefe, supra*, were directed at hurting the plaintiff’s business, but the Supreme Court nevertheless held that the injunction was an impermissible prior restraint: “No prior decisions support the claim that the interest of an individual in being free from public criticism of his business practices in pamphlets or leaflets warrants the use of the injunctive power of a court.” 402 U.S. at 419. *Cf. NAACP v. Claiborne Hardware Co.*, 458 U.S.

886 (1982) (advocacy of economic boycott of local merchants fully protected by First Amendment). Similarly, in the *Bankers Trust* case, this Court squarely rejected “private litigants’ . . . commercial self-interest” as a basis for a prior restraint, thus overturning a preliminary injunction that had been issued in favor of a company whose private documents had been discussed in a news publication. 78 F.3d at 225.

In sum, both of the preliminary injunctions in this case run afoul of the prior restraint doctrine, and should therefore be reversed.

C. Because the District Court Improperly Discounted Mishkoff’s First Amendment Rights, Its Balancing of the Equities Was Incorrect as a Matter of Law.

Given the district court’s erroneous conclusion that Mishkoff had no First Amendment rights because his speech was “commercial,” its balancing of the irreparable injuries to the two sides was incorrect as a matter of law. The denial of First Amendment rights, even for a moment, constitutes irreparable harm. *Elrod v. Burns*, 427 U.S. 347, 373 (1976). When First Amendment rights are violated by the entry of a preliminary injunction against protected speech, the irreparable injury to the enjoined party cannot be outweighed unless the threatened injury to the plaintiff is overwhelming. Here, Taubman showed no injury; instead, it relied only on the presumption that once likelihood of confusion is shown, irreparable injury necessarily follows, DN3, Memorandum at 13-14, coupled with the concern that members of the

public might see Mishkoff's criticisms on his "sucks" site. *Id.* 14. Moreover, even in the opinion accompanying the "sucks" injunction, the court below made no specific findings about irreparable injury to Taubman; it just recited that it had balanced the potential harm to both sides. DN40, at 12-13. Because the showing of likelihood of confusion was quite weak (as discussed below), and because the preferred remedy for a company that is displeased about public statements is to offer responsive statements in the marketplace of ideas instead of suppressing the discussion, the balance of hardships tips decidedly in Mishkoff's favor, and the preliminary injunctions should be reversed.⁴

⁴ In apparent violation of both Rule 65(d) ("Every order granting an injunction shall set forth the reasons for its issuance") and Rule 52(a) ("in granting . . . interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action,"), the preliminary injunction against the "shops" site contained no discussion of Taubman's likelihood of success on the merits and only the barest discussion of the balancing of the equities. This Court has vacated an injunction for failure to provide such findings and conclusions. *Ford Motor Co. v. M.L. Cottingham*, 228 F2d 911 (CA6 1955). Other courts do likewise. *Horphag Research v. Consac Indus.*, 116 F3d 1450 (CA Fed 1997); *Weitzman v. Stein*, 897 F2d 653, 658 (CA2 1990). Particularly in light of the fact that the court below was enjoining an exercise of the right of free speech, the failure to provide a detailed explanation for its decision was a serious error that should not be encouraged.

However, in the course of discussing plaintiff's motion for an expanded injunction against the "sucks" site, and despite the fact that the first injunction was already on appeal, the district court provided a summary discussion of its reasons for issuing the first injunction. We assume that this Court will review the first injunction based on the reasons presented in the second order, although, as indicated in the

III. PLAINTIFF IS NOT LIKELY TO SUCCEED IN SHOWING THAT MISHKOFF’S DOMAIN NAMES AND WEBSITES INFRINGE TAUBMAN’S TRADEMARKS.

The preliminary injunctions should also be reversed because neither the domain names nor the websites infringe Taubman’s trademarks in the name “Taubman” or the mall’s name, “The Shops at Willow Bend.” Neither website “uses [Taubman’s] trademarks in commerce” as required for a claim under section 32 of the Lanham Act. There is no likelihood of confusion about whether Taubman is the sponsor of Mishkoff’s websites, and Mishkoff has made fair and nominative use of the marks on websites that are about Taubman and its mall.⁵

A. Mishkoff Did Not “Use [the Trademarks] in Commerce.”

Taubman’s trademarks were not infringed because Mishkoff did not make a “use in commerce” of those trademarks. When the Lanham Act was passed in 1946, it created a civil action against “any person who shall, in commerce,” commit any infringing act. 15 U.S.C. § 1114(1). The statutory phrase “in commerce” was

course of the argument below, even those findings and conclusions are not sufficient to sustain the first order. *See, e.g.*, page 45 *infra* (second order fails to make findings on the eight *Wynn* factors).

⁵ Although both the complaint and the first motion for a preliminary injunction sought relief based on sections 43(a) and (d) of the Lanham Act, prohibiting unfair competition and cybersquatting, the district court rested its injunctions only on infringement under section 32 of the Act. Accordingly, this brief only discusses infringement.

understood to extend to the full reach of Congress' commerce power, so that, for example, suit could be brought based on infringing goods manufactured abroad and then sold in the United States. *Steele v. Bulova Watch Co.*, 344 US 280, 283 (1952). However, as the Supreme Court emphasized in *Circuit City Stores v. Adams*, 121 S. Ct. 1302 (2001), statutory provisions that include the word "commerce" do not necessarily reach to the full breadth of the commerce power, but must be construed as commanded by each particular statute. *Id.* at 1308-1310 (holding that term "involving commerce" extended to full reach of Commerce Clause, but "engaged in commerce" did not).

The 1962 amendments to the Lanham Act, 76 Stat. 773, changed the structure of the claim for trademark infringement, to require that the defendant made a "use in commerce" of the plaintiff's trademark. 15 USC § 1114(1)(a). In 1988, Congress defined the phrase "use in commerce" with the express purpose of **limiting** its scope to use in the ordinary course of trade. "The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark." Section 45(a) of the Act, 15 U.S.C. § 1127(a). As Congress explained, "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.” SRep 100-515, 100th Cong., 2d Sess. 44 (1988), *reprinted in* 1988 US Code Cong. Ad. News 5577, 5607 (emphasis added). Thus, “[t]he 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 F2d 686, 692 (CA2 1971); *accord Chance v. Pac-Tel Teletrac*, 242 F3d 1151, 1157 (CA9 2001). Without “use in commerce,” there is no violation of section 32 of the Lanham Act. *Endoscopy-America v. Fiber Tech Medical*, 4 Fed. Appx. 128, 2001 WL 94739 (CA4 2001). In each of these and similar cases, the courts found no Lanham Act violation because, even though the “commerce” invoked by the plaintiffs was within Congress’ commerce power, the particular use was not within the narrower statutory language. So, here, the fact that Mishkoff’s website might be “in commerce” in the constitutional sense does not support a finding plaintiff’s trademarks were “used in commerce.”

Although the requirement of “commercial” activity in the “ordinary course of trade” does not preclude application of the Lanham Act to the activities of non-profit organizations that use trademarks to raise money or sell goods or services, those are not the facts here. For example, in *United We Stand America v. United We Stand America New York*, 128 F3d 86 (CA2 1997), a national political party brought an

infringement action against a former state affiliate that was using the “United We Stand” name to solicit political contributions; the court held that this use was sufficiently “use in commerce” to support application of the Lanham Act. *Id.* 92-93. But repeated solicitation of funds for the use of a defendant, using the plaintiff’s trademarked name, is a far cry from this case, where nothing on the website solicited funds or business for Mishkoff. Even if the shirt business notice that was temporarily on the “shops” site were considered commercial, the notice was gone long before the motion for a preliminary injunction was brought. Even more remote from “commercial use” is the “sucks” website, which never contained any links to any businesses and never promoted any business; its only function was to criticize Taubman’s litigation tactics.

Similarly, in *Planned Parenthood v. Bucci*, 42 USPQ2d 1430 (SDNY 1997), *aff’d mem*, 152 F3d 920 (CA2 1998), Bucci was an anti-abortion activist who registered the name www.plannedparenthood.com, and used it for a website whose opening page read, “Welcome to the PLANNED PARENTHOOD HOME PAGE!”, and then showed the scanned image of a book, “The Cost of Abortion,” which viewers were urged to purchase throughout the website. *Id.* 1432-1433. The website also promoted speaking engagements featuring the author of the book. *Id.* 1432. The court repeatedly relied on the sales effort for the book, as well as the defendant’s other

fund-raising activities in opposition to Planned Parenthood, in finding the requisite “use in commerce.” Again, these facts are poles apart from defendant’s “shops” website, which provided identifying information and hyperlinks for plaintiff’s own websites and for plaintiff’s various tenants. Thus, unless any discussion of a commercial trademark holder is sufficient to make the underlying discussion commercial, there is no sound analogy to *Planned Parenthood* in this case.

Moreover, although the opinions in both *United We Stand* and *Planned Parenthood* suggest that use in commerce ranges to the full expanse of congressional power under the Commerce Clause, neither decision pays any attention to the statutory definition of “use in commerce” or to Congress’s stated purpose in adopting that limitation. Neither decision takes note of the fact that Congress amended the definitional section of the Lanham Act to limit its scope to truly commercial uses. Accordingly, both preliminary injunctions under appeal should be reversed because neither website makes a use in commerce of Taubman’s marks.

B. There Is No Likelihood of Confusion About Whether Taubman is the Source of Mishkoff’s Websites.

1. The Relevant Confusion Is About Source; Nominative Fair Use Permits Use of the Trademark by Others to Describe the Trademarked Goods.

“[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.’” *Wynn Oil Co. v. Thomas*, 839 F2d 1183, 1186 (CA6 1988). Thus, trademark law does not protect against just any kind of confusion, but only confusion about source. The Sixth Circuit has long followed this principle: “the imitated feature must be regarded by prospective purchasers as identifying the source of the product. . . . It is **only when the feature in fact identifies source and the imitation is likely to deceive prospective purchasers who care about source** that the imitator is subject to liability.” *West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F2d 581, 590 (CA6 1955) (emphasis added). Other courts agree: “All of [the] legitimate trademark purposes derive ultimately from the mark’s representation of a single fact: the product’s source. It is the source denoting function which trademark laws protect, and nothing more.” *Anti-Monopoly v. General Mills Fun Group*, 611 F2d 296, 301 (CA9 1979); *Smith v. Chanel*, 402 F2d 562, 566-569 (CA9 1968) (explaining how confining trademark law to this function best serves consumers’ and companies’ interests).

There is no violation of the trademark laws when a person other than the trademark holder uses the trademark to denote the trademark holder or the trademark holder’s goods because the user of the mark desires to speak about the trademark holder or its goods. *E.g.*, *Calvin Klein Cosmetics Corp. v. Lenox Laboratories*, 815 F2d 500, 503 (CA8 1987). As explained by Professor Thomas McCarthy, a source

cited repeatedly by plaintiff below,

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. . . . The Restatement 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. . . . Non-trademark uses, which do not involve a use to identify another's goods, service or business, . . . are unlikely to have [a] 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.

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

Use of a trademark to speak about the trademark holder or its goods and services is regarded as “nominative fair use.” *Brookfield Communications v. West Coast Entertainment*, 174 F3d 1036, 1065-66 (CA9 1999); *New Kids on the Block v. New America Pub.*, 971 F2d 302, 306-309 (CA9 1992); *see also* McCarthy § 23.11. This principle ordinarily presents itself in cases where the defendant is criticizing the trademark holder, or in cases in which the defendant makes a product in competition with the trademark holder and wants to tell consumers that its product is at least as good as the trademarked product, if not better. In both cases, the courts steadfastly protect the speaker, so long as the speaker makes clear that he is not the trademark holder and, in the case of the maker of an imitative or competing product, so long as

the speaker does not make false statements about the trademarked product. The “sucks” site fits squarely within these principles.

The “shops” site is different because, rather than criticizing or competing with the trademark holder, defendant wanted to **promote** the trademarked product. Plaintiff argued below that because Mishkoff used its trademarks for the purpose of promoting its mall, the result was inherently confusing, which “obviates the necessity of analyzing the likelihood of confusion under the traditional test, [because] the confusion is uniquely self-evident.” REN3, Memorandum at 5. But fair use principles apply with equal force when a speaker wishes to praise the trademark holder as when he wishes to criticize. For example, in *New Kids on the Block*, a newspaper ran a poll asking readers to vote for their “fave” member of a singing group called New Kids on the Block; the Ninth Circuit held that the newspaper was free to use the name of this popular band for the purpose of talking favorably about the band and appealing to the reading public to buy its newspaper because it covered such topics.

Justice Holmes articulated the same principle in *Prestonettes v. Coty*, 264 U.S. 359, 368 (1924), which upheld the right of an unauthorized reseller of trademarked goods to accurately describe his goods as having been made by the trademark owner: “When the mark is used in a way that does not deceive the public, we see no such

sanctity in the word as to prevent its being used to tell the truth. It is not taboo.” Just as a reseller of trademarked goods may use the mark to describe truthfully the product that he is selling, so Mishkoff may use some of the words that comprise the name of plaintiff’s mall to describe the subject of his website.

Using a trademarked name to promote the goods of the trademark holder, without the blessing of that holder, is quite common in our society. For example, the American Automobile Association and publishers of other guidebooks are not at the mercy of trademark holders when they decide whether to include listings of popular attractions whose names may be trademarked. And not just listings – any parent who has visited such locations as Walt Disney World has considered guidebooks bearing that name as their title, purporting to explain the best and cheapest way to see the attraction. Nor must a state highway department secure the permission of the trademark holder before placing the name of such locations on a highway sign, even though the purpose of the sign is to direct drivers to the attraction at the exit of the highway department’s choosing. All of these uses are wholly favorable, all of them “promote” the trademarked entity, and some of them may even compete with guidebooks issued by the trademark holder. But the trademark holder cannot prevent the use of its name in these respects. The same principles apply to protect Mishkoff’s right to use the name of plaintiff’s mall to promote the mall and encourage members

of the public to visit it.⁶

2. Because Domain Names Denote Content Generally, and Not Just Source, Trademarks May Be Used in Internet Domain Names for Sites That Speak Favorably or Unfavorably About the Trademark Holder or Its Goods, So Long as the Site Is Not Confusing About Source.

Another fundamental flaw in the decision below is that the court failed to consider carefully the role played by domain names in identifying websites for Internet users. Courts that have analyzed the role of domain names have properly ruled that trademark law does not bar such uses. To understand why this is so, it is first necessary to consider the wide-ranging nature of information available on the Internet, the kind of information that Internet users may be seeking on the Internet, and how they use domain names to find such information (and, concomitantly, how website hosts use domain names to call their sites to the attention of users who are looking for the information that the hosts wish to communicate).

Taubman assumes that anybody who uses its trademarks as an Internet search term must necessarily be looking for Taubman, as the owner of the trademark.

⁶Accord, *Consumers' Union v. General Signal Corp.*, 724 F2d 1044 (CA2 1983) (company may cite favorable ratings from Consumers' Union ("CU") over CU's objections, even though the advertising both promotes its own products and, at the same time, implicitly promoted CU as a rating agency; use of CU's trademarked name is fair use so long as references to CU are accurate and company includes a disclaimer of CU endorsement).

Certainly, it is possible that some Internet users want to search the Internet for the developer who owns the trademark “The Shops at Willow Bend.” But the fact that the user is looking for information that has some bearing on a trademarked word or phrase, such as “Taubman” or “The Shops at Willow Bend,” does not necessarily mean that the user wants only to know who owns this trademark and what the owner wants to tell the public. It is much more likely that the user will be looking for information **about** the trademarked product, or about the trademark holder, without caring about whether the information comes from the trademark holder – indeed, the user might prefer information from a different source in the hope of finding more impartial information. The user might also be looking for historical information; or the user might have a grievance about the trademarked item, and want information about other similar grievances. For example, the user might be a shopper at Willow Bend, be unhappy with the way it is operated, and be trying to find out whether others have had similar problems, whether there are lawsuits pending on such issues, or whether any private organization is trying to find non-litigation solutions to the same problem (such as lobbying for passage of a law, arguing for issuance of an administrative order, or conducting a boycott).

The rules that are developed regarding the use of trademarks in various ways on the Internet must take into account all these potential objectives of Internet users,

so that in trying to prevent customer confusion about source, the rules do not impair the ability of Internet users in general to find the information that they are seeking about the trademarked item.

For example, just as an unauthorized history of The Shops at Willow Bend could be entitled “The Shops at Willow Bend” without violating Taubman’s trademark, *see Rogers v. Grimaldi*, 875 F2d 994, 1000 (CA2 1989), the subject and title cards in a library card catalog could use “The Shops at Willow Bend,” but the author card could not use that phrase. *See Reno v. ACLU*, 521 US 844, 853 (1997) (using analogy to a library). Similarly, the rules governing the use of trademarks on the Internet must allow for these multiple uses of a single word as a target of searches for author, title and subject of each website.

The question is, then, what is a domain name? Is it an author card? Or is it a title or subject card? A domain name can be **any of the above**. The domain name denotes content. Although, in many cases, the domain name may be the name of the website’s owner, in other cases, the domain name reflects the title or subject of the site. So, for example, a user who wants information about apples might go to www.apples.com and find information about apples, even though Apple is also a well-known trade name. *Cf. Cello Holdings v. Lawrence-Dahl Companies*, 89 FSupp2d 464 (SDNY 2000) (defendant sought domain names of several different musical

instruments for purpose of selling names to persons with interest in creating sites about such items; court found no cybersquatting in suit by company holding trademark in word “cello”).

If the Internet were no more than a place for businesses to advertise their services, Taubman would have a better reason to assume that any person who entered one of its trademarks as a domain name must be trying to find Taubman’s own website. Although the business community has plunged into the Internet, and although the perception that the Internet is a key means of reaching customers has surely driven the growth of the Web over the past several years, commerce remains a distinct minority online. Kelly, “The Web Runs on Love Not Greed,” Wall Street Journal, January 3, 2002 (estimating that commercial websites comprise less than one-third of the web’s content). Consequently, it cannot be assumed that any person who searches the Web for sites using the words “Shops at Willow Bend” in their domain names or otherwise must necessarily be searching for the official website of The Shops at Willow Bend mall, and no evidence was introduced below to suggest that that is the case.

A number of cases have held that businesses used trademarked domain names in ways that infringed the trademark rights of other businesses, but those cases have little bearing here. The real issue in those cases was which of the two companies was

entitled to use a particular name to promote its own business on-line. Typical of such cases – and typical of the problems that such cases present – is *Brookfield Communications v. West Coast Entertainment*, 174 F3d 1036, 1044-1045 (CA9 1999). *Brookfield* arose from a dispute between two companies about which of them had been the first to use the mark “moviebuff” to describe their rival services of providing searchable internet databases about movies available on videocassette. Brookfield sought a TRO against West Coast, claiming that it was the prior user even though West Coast had been first to register the domain name “moviebuff.com.” The district court denied the motion but treated its ruling as the denial of a preliminary injunction. Brookfield appealed, and the parties’ briefs were devoted almost exclusively to substantive trademark issues, which was not surprising since the issue between the parties was which of them was entitled to the trademark “moviebuff.” The court decided that it was the plaintiff and not the defendant that had first right to the trademark, *id.* 1053 and consequently decided that the plaintiff was entitled to the preliminary injunction that had been denied below. *Id.* 1061. However, because the appeal had arisen from a TRO proceeding, there was no evidence discussed in the briefs of either party about the nature of the Internet, the significance of domain names, or inferences that Internet viewers draw about the sponsorship of websites having particular domain names. Although the court made various statements about

the nature of the Internet in its opinion (which are frequently cited in subsequent cases), the court's pronouncements on that issue were not based on evidence and did not bear on the main issue between the parties – that is, control of the mark.⁷ *See also Data Concepts v. Digital Consulting*, 150 F3d 620, 627 (CA6 1998) (parties simply assumed that a domain name was a trademark use; Judge Merritt's concurring opinion expressed grave doubt about the validity of that assumption).

Another sort of domain name case that has been widely litigated has been between a company that wanted to use its trademark for its domain name and an individual who registered the name first, not because he wanted to use it for a website related to the name, but because he foresaw that the trademark owner might want the domain name for itself and might be willing to pay for it. In those cases, the courts must choose between a company with a longstanding connection to the trademark and somebody who had no legitimate interest in using the mark, but just wanted to be paid for thinking ahead.

For example, in *Virtual Works, Inc. v. Volkswagen of America*, 238 F3d 264 (CA4 2001), Virtual Works, Inc. ("VWI") registered the name "vw.net" with the hope of eventually selling it to Volkswagen. *Id.* at 266-267, 269, 270. When the auto

⁷The appellate briefs in *Brookfield* have been lodged with the Clerk in Case No. No. 00-2183.

manufacturer asked for the name, VWI responded that unless Volkswagen bought the name immediately, the name would be put up for auction to the highest bidder; VWI gave Volkswagen 24 hours to respond. The Court decided that this was a classic cybersquatting case, but warned of the limited nature of its holding: “The fact that a domain resembles a famous trademark . . . hardly in and of itself establishes bad faith. Moreover, domain names that are abbreviations of a company’s formal name are quite common. To view the use of such names as tantamount to bad faith would chill Internet entrepreneurship with the prospect of endless litigation.” *Id.* at 269.

On the other hand, when the defendant has a perfectly legitimate interest in the domain name, the plaintiff does not prevail on the claim of likelihood of confusion. Typical of this line of cases is *Strick Corp. v. Strickland*, 162 FSupp2d 372 (EDPa 2001), where a manufacturer of transportation equipment that owned several trademarks involving “Strick” sued a computer consultant who had registered “strick.com” for his business, using his long-standing nickname of “Strick.” The court found no likelihood of confusion because, once an Internet user reached the defendant’s website, it would be clear that the Strick company was not the sponsor of the strick.com site. The court explained that the claim of likely confusion rested on the doctrine of “initial interest confusion,” namely, the concern that an internet user might be misled into coming to the junior user’s site, and then either decide to buy

goods from the junior user, or, at least, lose interest in looking harder for the trademark holder. *Id.* 377. However, the court refused to find a trademark violation based on that concept in the Internet context, for reasons that are equally applicable here:

[A]ny initial confusion that arises from Defendant's use of his strick.com domain site, specifically, that consumers will realize that they are at the wrong site and will go to an Internet search engine to find the right one, is not enough to be legally significant. . . . It is clear that Internet surfers are inured to the false starts and excursions awaiting them and are unlikely to be dissuaded, or unnerved, when, after taking a stab at what they think is the most likely domain name for particular web site [they] guess wrong and bring up another's webpage. [Going on to reject plaintiff's dilution claim:] It is clear that nothing in trademark law requires that title to domain names that incorporate trademarks or portions of trademarks be provided to trademark holders. To hold otherwise would create an immediate and indefinite monopoly to all famous mark holders on the Internet, by which they could lay claim to all .com domain names which are arguably "the same" as their mark. The Court may not create such property rights-in-gross as a matter of dilution law. . . . Trademark law does not support such a monopoly.

162 FSupp2d at 377, 380 (quotation marks and citations omitted).

See also The Network Network v. CBS, 54 USPQ2d 1150, 1155 (CDCal 2000) ("there is a difference between inadvertently landing on a website and being confused").

Similar principles have been applied where the reason for registering a domain name including a trademark was to comment on the trademark holder. A number of those cases involved "sucks" domain names, which included some comment in the

names themselves. Every court decision involving a critical website using a “sucks” internet address has been decided in favor the defendant. *Lucent Technologies v. LucentSucks.com*, 95 FSupp2d 528, 535 (EDVa 2000); *Bally Total Fitness Holding Corp. v. Faber*, 29 FSupp2d 1161, 1165 and n3 (CDCal. 1998). See also *Ford Motor Co. v. 2600 Enterprises*, 177 FSupp2d 661, 664 (EDMich 2001). But the court also found no likelihood of confusion in *Northland Ins. Co. v. Blaylock*, 115 FSupp2d 1108 (DMinn 2000), where the defendant registered the name “northlandinsurance.com” for a website that attacked an insurance company of that name. The fact that the website was obviously not confusing was sufficient to defeat the “initial interest confusion” argument. Although several courts have granted relief against commentary sites whose domain names were identical to the trademark of the complaining mark holder, the websites at issue were deliberately confusing and admittedly were intended to keep Internet users from reaching the mark holder’s website. E.g., *Jews for Jesus v. Brodsky*, 993 FSupp 282 (DNJ 1998), *aff’d mem.*, 159 F3d 1351 (CA3); *Planned Parenthood v. Bucci*, 42 USPQ2d 1430 (SDNY 1997), *aff’d mem.*, 152 F3d 920 (CA2 1998).

The cases discussed above pertained to sites that were critical of the trademark holder, and so squarely support Mishkoff’s appeal from the injunction against his “sucks” site. However, there is no reason why trademark law should protect the critic

and not the admirer. The First Amendment, and the trademark principles that incorporate it, protect the right to praise just as surely as they protect the right to condemn.⁸

Accordingly, the mere use of a trademark in the domain name for a website that is devoted to a discussion of the trademark holder is not a sufficient basis for a finding of likelihood of confusion; the evidence must also show a genuine likelihood of confusion about who is sponsoring the website itself. As discussed below, consideration of the standard eight factors governing likelihood of confusion shows that there is no likelihood of confusion in this case.

3. The Eight-Factor Test Shows the Absence of Any Likelihood of Confusion

The following eight factors are to be examined and weighed in determining

⁸Even in proceedings before the World Intellectual Property Organization, which is notoriously favorable to the interests of trademark owners, many arbitrators have upheld the right to register domain names for the purpose of creating a site to comment on the trademark owner, whether negatively, *Bosley Medical Institute v. Kremer*, http://arbiter.wipo.int/domains/decisions/html/2000/d2000_1647.html; *Mayo Found. v. Briese*, <http://www.arbforum.com/domains/decisions/96765.htm>; *A h m a n s o n L a n d C o . v . C u r t i s*, <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0859.html>, or positively in the form of a “fan” site. *Springsteen v. Burgar*, Case No. D2000-1532 (WIPO Arbitration Panel 1/25/01), <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1532.html>. In the *Springsteen* case, the panel stated, “Users fully expect domain names incorporating the names of well known figures in any walk of life to exist independently of any connection with the figure themselves, but having been placed there by admirers or critics as the case may be.”

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 v. Big Daddy's Family Music*, 109 F3d 275, 280 (CA6 1997). As the Court explained in *Wynn Oil Co. v. Thomas*, 839 F2d 1183, 1186 (CA6 1988), these factors "imply no mathematical precision"; their application is not simply a matter of counting up how many factors point in each direction. The factors only provide a guide in making the underlying determination of whether, taken as a whole, the use of the mark is "likely" to create confusion about the source of the goods or services.

The district court ignored these factors in its order enjoining the "shops" site. Even the opinion enjoining the "sucks" sites, which recited some reasons that allegedly supported the original injunction, paid only cursory heed to some of the eight factors, and then only in a footnote. *But see Data Concepts v. Digital Consulting*, 150 F3d 620, 624 (CA6 1998) (if factors are contested, trial court must address all of them). However, the eight factors show that there is no likelihood of confusion.

Strength of Taubman's Mark. The mark at issue is registered, but the

registration document points up how weak that mark is. REN1, Exhibit A. The mark combines a phrase on which Taubman makes no claim, “the shops at,” with a pre-existing geographical designation that not only cannot be trademarked, *Schafer Co. v. Innco Management Corp.*, 797 FSupp 477 (EDNC 1992), *aff’d mem.*, 995 F2d 1064 (CA4 1993), but has been in common use by merchants, institutions, and even another shopping center. REN18, Exhibit B. Moreover, when this controversy began, Taubman had not even opened its shopping mall, and so there was no general public recognition accorded to the mark.⁹ Thus, although the mark is valid, and fairly describes the mall and its location, this factor provides little support for Taubman’s claim of likelihood of confusion in light of the inherent limitations of the mark.

Relatedness of Goods/Services. Both Taubman and Mishkoff use their domain names to describe the same mall; but the services are not identical in a way that favors plaintiff on the issue of likelihood of confusion **about source**. The reason why similarities or differences between the parties’ goods or services has an impact on the likelihood of confusion is that if the plaintiff is selling a particular kind of goods (such as watches) by using a particular brand-name (such as Timex), but the defendant is selling real estate time shares using that name, by and large consumers

⁹Plaintiff has not alleged that the mark is “famous,” which is a statutory requirement for a dilution claim. Section 43(c), 15 U.S.C. § 1125(c).

are not likely to assume that the defendant's real property is associated with the plaintiff. If, by contrast, the defendant is selling grandfather clocks, the relative similarity of the two products has some tendency to cause confusion about whether the plaintiff is the maker or at least the source or sponsor of the defendant's product. *Cf. Quality Inns Int'l v. McDonald's Corp.*, 695 FSupp. 198, 210 (DMd 1988) (noting that "Bulova" may be used to sell shoes). Here, by contrast, all Mishkoff is doing is spreading information about Taubman's own shopping mall, and if members of the public assume that Mishkoff's site is about Taubman's mall, it does not mean that they are confused, but rather that they correctly understand the subject of the site. It is only if the use of the name misleads members of the public into believing that the website itself is sponsored by plaintiff that the fact supports an inference of actionable infringement. However, the website is quite clear about its unofficial character. This factor is even clearer with respect to the "sucks" site.

Similarity of the Marks. The district court erred in treating the marks as "very similar." REN40, at 11 n6. In this regard, it is crucial to consider the stringent limitations that Taubman had to accept to secure the registration of its mark. Taubman has no monopoly on the term "willow bend," and it has no claim on the phrase "the shops at." Its only mark is in the complete phrase, "The Shops at Willow Bend." Throughout its own website, that is the mark Taubman consistently encourages

the public to identify with its mall. The domain name is different from that mark; it is similar only in ways that are needed to identify a collection of shops in the Willow Bend area, which is what defendant wants to talk about, and which trademark law allows him to talk about so long as he does not create confusion about sponsorship.

Every decision cited by Taubman in the court below, REN3, Memorandum at 7, in support of its argument about domain names that create a likelihood of confusion about source is distinguishable from this case because the trademarks and domain names were identical, down to the punctuation; the only difference between the mark and the domain name in those cases was the omission of spaces, which are not permissible in a domain name. “In the Internet context, consumers are aware that domain names for different Web sites are often quite similar, . . . and that very small differences matter.” *Entrepreneur Media v. Smith*, 279 F3d 1135, 1147 (CA9 2002). The cases are also inapposite because the defendants in those cases were using the domain names for sites devoted to their own rival businesses, not for websites devoted to describing the services of the trademark holder. The difference between the marks is even clearer for the “sucks” domain names.

Actual Confusion. Taubman presented no evidence of actual confusion, and implicitly acknowledged below that there was no such evidence. REN3, Memorandum at 8. Given that the parties’ websites coexisted for over a year before

plaintiff sought its preliminary injunction, REN6, Memorandum at 2, Taubman's inability to produce **any** evidence of confusion should receive weight favoring a finding of no likely confusion. *See Oreck Corp. v. US Floor Systems*, 803 F2d 166, 173 (CA5 1986) (absence of evidence of actual confusion when two uses co-existed for only seventeen months is "highly significant").

Marketing Channels Used. Although both Taubman and Mishkoff have websites related to the mall, Mishkoff's is not an attempt to "market" anything.

Likely Degree of Purchaser Care. The district court ignored this factor. Taubman argued below that potential mall shoppers are just looking for good deals from their favorite stores, and thus are unlikely to pay much attention to source; consequently, it argued that this factor supported a finding of likely confusion. There are, however, two flaws in this argument. First, it assumes the existence of a danger that shoppers will be led to some other mall, which is preposterous because the only information about malls on Mishkoff's site is about Taubman's own mall. Thus, persons who visit Mishkoff's site when they are looking for the official site will not be misled in any way concerning their ultimate purchasing decisions. Second, there is no evidence that persons who are looking for information about The Shops at Willow Bend, or about the stores located there, care at all about the source of that information. Presumably they want accurate information, but Taubman produced no

evidence that information on Mishkoff's site was inaccurate.

Defendant's Intent in Selecting the Mark. The district court made no findings on this factor, and there is no evidence contradicting Mishkoff's assertion that he selected his original domain name to accurately identify the "fan site" that he created about Taubman's mall, REN6, Memorandum at 1-2, or that he selected his "sucks" domain names to denounce Taubman's conduct in this litigation. *Id.* at 6-7.

In the court below, Taubman argued that the mere selection of a domain name using words that are part of its mark warranted an inference of a bad faith intent to profit improperly from its mark, but it presented no evidence in support of that contention. To be sure, if Mishkoff were the operator of a business rival of Taubman's, and had selected a mark similar to Taubman's trademark as the name of that business, despite his knowledge of the potential for confusion, it might have been a fair inference that defendant's intent was to confuse Internet users about whether Taubman was somehow the sponsor of defendant's own business. But what Mishkoff has done here is very different – he has created a website about plaintiff's mall, and chosen a domain name for that website that fairly identified its subject, without using Taubman's actual trademark.¹⁰

¹⁰The complaint alleged that Mishkoff selected the domain names "for commercial gain," REN1 ¶9, and its preliminary injunction memorandum repeatedly asserted that Mishkoff sought to "profit" from his "shops" site. REN3 at 9, 10.

Further support for Mishkoff's intent not to cause confusion is the strong disclaimer that is prominently displayed, in an outlined, bright green box, at the top of the first page of his "shops" website. The disclaimer tells viewers as soon as they reach the site that his is not an official website; the disclaimer also gives the address of Taubman's own website and includes a hyperlink to Taubman's site. The presence of this disclaimer supports Mishkoff's contention that the reason he created the website and selected the domain name was to promote Taubman's mall, not to take Internet traffic away from it.

Expansion of Product Lines. Taubman introduced no evidence in support of its claim under this factor, and the district court did not address it.

The Prominent Disclaimer. The district court also erred by ignoring the disclaimer on the "shops" site. The Second Circuit has held that the First Amendment requires courts to consider the use of disclaimers when they can dispel such confusion as may exist. *Consumers' Union v. General Signal Corp.*, 724 F2d 1044, 1053 (CA2 1983). Especially when, as here, the trademark claim is relatively weak, a prominent disclaimer may provide all the protection against confusion that the mark holder deserves. *Soltex Polymer Corp. v. Fortex Indus.*, 832 F2d 1325, 1329-1330 (CA2

However, Taubman introduced no evidence supporting this contention, and the initial preliminary injunction order stated that Mishkoff would **not** profit from the site. REN7.

1987); *Westchester Media v. PRL USA Holdings*, 214 F3d 658, 673 (CA5 2000) (reversing because district court refused to consider disclaimers).

Summary of Factors. Almost every one of the factors favors the finding that there is no likelihood of confusion. Accordingly, reversal is appropriate on this ground as well as Taubman's failure to show that Mishkoff's websites represent a "use in commerce" of its marks.

IV. THE SAFE DISTANCE RULE DOES NOT SUPPORT THE INJUNCTION AGAINST THE "SUCKS" SITE.

In issuing his injunction against the "sucks" site, the district judge made no finding that the site created a likelihood of confusion. Nor could he have, given the site's criticism of plaintiff and his lawyers. Instead, the district court decided only that Taubman was entitled to an injunction against that site under the "safe distance" rule. The district court provided scant explanation for its decision to apply that rule. It cited *Planned Parenthood v. Bucci, supra*, for the proposition that using a trademark to disparage plaintiff could be enjoined even though the message was otherwise political, and then stated that, "based on its current assumption" that Mishkoff's aim was "to inflict economic harm" on Taubman, the injunction against both the domain names and the website should be granted. REN40 at 13-14. This ruling was error.

The "safe distance" rule does not apply to this case. Congress has repeatedly

sought to shield non-commercial and consumer criticism from the coverage of the Lanham Act because it recognized that the purposes of the trademark laws were not served by preventing the use of trademarks to identify the subjects of criticism. Section 43(c)(4) of the Lanham Act, 15 U.S.C. § 1125(c), provides, “The following shall **not** be actionable under this section: . . . (B) Noncommercial use of the mark (C) All forms of news reporting and news commentary.” (emphasis added). The purpose of the statute’s noncommercial use exception was 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 (SDCal. 1996), *aff’d*, 109 F.3d 1394 (CA9 1997), quoting Congressional Record statement of Senator Hatch. Similarly, when section 43(a) was rewritten, the House sponsor, Representative Kastenmeier, took care to caution that the statute

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, 1989 WL 191679 (daily ed., April 13, 1989).

Every case cited below by Taubman as invoking the safe distance rule involved a commercial competitor who, after being held liable for infringement in a final judgment, attempted to make minor changes in its otherwise infringing goods to evade

the purpose of the court's judgment. None of the cases involved defendants who, in reaction to being sued, announced that the trademark owners "suck" and coupled those plaintiffs' trademarks with derogatory words to express their hostile opinions. Nor was there any finding of trademark infringement or likelihood of confusion in the order granting the original preliminary injunction; even in the second opinion, enjoining the "sucks" site, the district court repeatedly made references to its "assumptions" about what "might" eventually be proved through discovery. Moreover, the "Taubmansucks" website did not represent a merely minor modification of the old site; it was a completely new site that contained overt criticism of plaintiff, and no rational viewer could be confused about whether Taubman was the sponsor of that site. Indeed, the court made no finding, not even on a preliminary basis, of infringement of the "Taubman" mark.

Finally, application of the safe distance rule to the "sucks" site would violate the First Amendment. The First Amendment tolerates injunctions against false, misleading and confusing statements by commercial competitors because false commercial speech enjoys no protection under the First Amendment. Absent a finding that the use of the trademarks on the "sucks" site is confusing, this exception to the First Amendment does not apply. Winning a preliminary injunction against an infringer may confer many benefits on a trademark owner, but immunity from non-

confusing criticism on the Internet is not one of them. Accordingly, the preliminary injunction against the “sucks” site cannot be justified by the “safe distance” rule.

CONCLUSION

The preliminary injunctions should be vacated.

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May 1, 2002

CERTIFICATION PURSUANT TO RULE 37(a)(7)(C)

According to the count performed by my word processing program, Word Perfect 2000, the foregoing brief contains 13154 words, exclusive of cover, tables, certifications, and statement regarding oral argument.

Paul Alan Levy

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

THE TAUBMAN COMPANY)	
LIMITED PARTNERSHIP,)	
)	
Plaintiff-Appellee,)	
)	
v.)	Nos. 01-2264 and 01-2725
)	
HENRY MISHKOFF and WEBFEATS,)	
)	
Defendants-Appellants.)	

APPELLANT’S DESIGNATION OF APPENDIX CONTENTS

Pursuant to Sixth Circuit Rule 30(b), appellant hereby designates the following filings in the district court’s record as items to be included in the Joint Appendix:

DESCRIPTION OF ENTRY	DATE	RECORD ENTRY NO.
Docket Entries		
Complaint with attachments	August 7, 2001	1
Motion for Preliminary Injunction, with brief and Exhibits A through D	September 26, 2001	3
Memorandum in Opposition to Preliminary Injunction, with attachments A through K	October 5, 2001	6
Order granting preliminary injunction	October 11, 2001	7
Expedited motion to amend preliminary injunction, with brief and exhibits A-C	October 16, 2001	10
Order to show cause	October 22, 2001	12
Expedited motion to dismiss	October 23, 2001	13
Answer	October 23, 2001	15
Memorandum in opposition to motion to amend preliminary injunction, exhibits A-B	October 29, 2001	18

Motion to change venue	November 13, 2001	23
Motion to dismiss for lack of personal jurisdiction, with affidavit attached	November 13, 2001	25
Motion to change venue	November 16, 2001	29
Notice of Appeal (date is shown by delivery receipt)	November 13, 2001	30
Expedited motion to dismiss	November 16, 2001	33
Memorandum opinion and order	December 7, 2001	40
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CD's attached to motion to supplement the record	February 11, 2002	53
Order granting in part motion to supplement record	April 2, 2002	76

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