

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Nos. 07-15662 and 07-15663

ANLIN INDUSTRIES, INC.

Plaintiff-Appellee,

v.

PAUL W. BURGESS,

Defendant-Appellant.

On Appeal from a Judgment and Injunction
of the United States District Court
for the Eastern District of California
Honorable Dennis L. Beck, Magistrate Judge
Case No. 1:05-cv-01317-DLB

REPLY BRIEF FOR DEFENDANT-APPELLANT

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In *Bosley Medical v. Kremer*, 403 F.3d 972 (9th Cir. 2005), this Court upheld a summary judgment dismissing the plaintiff's claims for trademark infringement and dilution based on the use of its trademark in the defendant's domain name, but reversed summary judgment under the Anticybersquatting Consumer Protection Act ("ACPA"). The court held that victory on infringement does not necessarily require the same result under the ACPA, because the ACPA prohibits different conduct, and the language of the ACPA implicates different elements than the other parts of the Lanham Act. The Court faulted the trial court for its failure to pay close attention to the statutory language, and remanded the case to determine whether the evidence revealed a "bad faith intent to profit."

In his opening brief, appellant Paul Burgess argued, based both on the language of the ACPA and on the legislative history revealing its purpose, that at the very least there was conflicting evidence below about whether he had registered and used domain names using the Anlin trademark with a "bad faith intent to profit," hence requiring a trial on the merits.

Anlin's brief, however, is focused on the very issue that is irrelevant under *Bosley* – whether Burgess' domain names constituted infringement or unfair competition under sections 32 or 43(a) of the Lanham Act. This reply brief will not engage with those issues because they are irrelevant. In his opening brief, Burgess did not argue about whether his domain names infringed Anlin's trademark, because

although Anlin originally filed infringement claims, it dismissed the infringement claims after prevailing on its ACPA claims. The ACPA-based judgment cannot be upheld on the alternate ground that Burgess infringed Anlin's marks – Anlin's main argument for affirmance – not only because the infringement claims have now been dismissed, but also because Anlin did not move for summary judgment on those claims. Indeed, as the district court recognized, there were genuine issues of material fact that would have precluded summary judgment for either party on the issue of infringement.

Anlin argues that the issue of infringement is relevant because Burgess does rely on a claim of fair use, which is relevant to both one of the “bad faith intent to profit” factors, and to Burgess’ “safe harbor” defense which is based, in part, on the good faith and reasonableness of his belief that his use of the names was lawful fair use. Anlin repeatedly asserts in its brief, albeit without any citation, that a finding of infringement would necessarily negate fair use. Br. at 20, 47. In fact, that is not the law. The Supreme Court has held that because fair use is a **defense** to infringement, a defendant may argue fair use without negating either infringement or likelihood of confusion. *KP Permanent Make-Up v. Lasting Impression I*, 543 U.S. 111 (2004).

When, on page 29 of its brief, Anlin finally deigns to address the ACPA, it tries to rebut Burgess’ argument about the ACPA’s bad faith intent to profit factors and his

reliance on the doctrine of fair use. In this reply brief, we demonstrate that Anlin's arguments in both respects lack merit, and hence that the judgment of the district court should be reversed.

I. THERE WAS NO BAD FAITH INTENT TO PROFIT.

In his opening brief, Burgess argued that the district court erred in three separate ways by granting summary judgment in favor of Anlin on the ground that it was indisputable that Burgess had a bad faith intent to profit. First, the court erred because the statutory "bad faith intent to profit" factors are either favorable to Burgess or inapplicable to the facts of the case. Second, the court erred by disregarding the bad faith intent to profit factors entirely without focusing on whether Burgess' registration and use of his Anlin domain names was the sort of conduct at which the statute was aimed. Third, even if the court disagrees with some of Burgess' arguments about the factors, there was at the very least a genuine dispute about whether Burgess' had a bad faith intent to profit, hence summary judgment against him was improper.

Anlin's reply brief fails to respond adequately to any of these three arguments.

A. The Bad Faith Intent to Profit Factors So Plainly Favor Burgess That Summary Judgment Should Have Been Granted in His Favor.

Burgess' opening brief, at 18-19, explained that the presence of any of the first four statutory factors listed in 15 U.S.C. §§ 1125(d)(1)(B)(i)(I) to (IX) tends to negate the existence of a bad faith intent to profit ("negating factors"), while the presence of any of the next four factors tends to suggest the presence of bad faith intent to profit ("suggesting factors"). Burgess showed that at least two of the "negating factors" support him, Br. 19-22, and that none of the "suggesting factors" support Anlin. *Id.* 22-31. In responding to these arguments, Anlin errs both because it ignores the language and meaning of the statutory factors, and because it moves mechanically through the factors without any references to how they relate to each other.

1. Two Negating Factors Show There is No Bad Faith Intent to Profit.

Although Burgess argued in his opening brief that negating factors (III) and (V) both support his position, Anlin begins the ACPA section of its brief, at 32-34, by arguing that neither factor (I) nor factor (II) supports Burgess; Anlin includes these factors in its later count of eight of nine factors supposedly favoring it. *Id.* at 42. The problem with this approach to the factors is that, by their very nature, many of the four negating factors are incompatible with each other. For example, in the

classic case of a true non-commercial gripe site – which even Anlin acknowledges is outside the intended scope of the ACPA – the defendant will not have intellectual property rights in the name (Factor I), the domain name will not reflect the defendant’s own name (Factor II), and the site will not have been used in connection with bona fide offerings of goods (Factor III). But, under Anlin’s approach, the negating factors in such a case would weigh three to one against the defendant. Similarly, the person with a domain name that reflects his own name will often not have “intellectual property rights” in the domain name, and may be neither using the site to sell goods under the mark nor engaged in non-commercial or fair use of the mark (for example, perhaps he sells ads on his site) (Factor IV). Yet on Anlin’s theory the negating factors would be counted 3-1 against such a defendant. With respect, that approach make no sense. Instead, it should be enough that a **single** negating factor favors the defendant.

Turning now to factor (III), we argued that the term “prior use” in the phrase “prior use, if any, of the domain name in connection with bona fide offering of any goods or services” refers to the use that the accused cybersquatter made of the mark before he was challenged. Br. 20. Anlin argues (Br. 34) that “prior use” should be understood to have the same meaning as the term “prior use” in the context of determining which of two companies should have priority with respect to registering

a given mark – in that context, “prior use” refers to any use that precedes the plaintiff’s use of the underlying trademark. But that definition makes no sense in light of the rest of the language of the factor – what is at issue is not prior use “of the mark” but rather prior use of the domain name. As the Senate Committee stated, “this factor recognizes that legitimate use of the domain name in online commerce may be a good indicator of the intent of the person registering that name. *Anticybersquatting Consumer Protection Act*, S. Rep. 106-140, 106th Cong. 1st Sess. (1999) (“*Senate Report*”), at 13. Many different persons may have different yet still legitimate bases for using the same domain name, even if not all of them have priority of use and hence the right to **exclusive** use in the trademark sense.

With respect to Factor (IV), Burgess argued in his opening brief (at 20-23) that the statutory language makes fair use of the marks in the web site accessible under the domain name at issue exculpatory of bad faith intent to profit. In response, Anlin simply ignores both that language Burgess’s argument – indeed, Anlin **concedes** (at 35) that it has no objection to Burgess’ use of its marks in the body of his web site but objects only that use in the domain name is not fair use. That concession is conclusive on this factor.

2. None of the Suggesting Factors Support Anlin.

Turning now to the four “suggesting” factors, each of whose presence can

support the claim of bad faith intent to profit, Burgess’ opening brief argued (at 23) that factor (V) has three prongs, each of which must be met to establish this factor; he conceded that prong 2 applies because his use was commercial, but denied prongs 1 (“intent to divert consumers **from the mark owner’s online location**”) and 3 (“by creating a likelihood of confusion”). As it does throughout its brief, Anlin’s argument about factor (V) ignores the inconvenient language of the statute and relies, instead, on broad principle (for which it cites no authority). With respect to prong 1 (whose existence as a prong Anlin does not acknowledge), Anlin argues that its concern is the diversion of business from one dealer to another. However, the dealers are not the mark owners, and Anlin never explains why such diversion is relevant under this factor (or indeed elsewhere in the ACPA). This point may be relevant in an infringement analysis, but even if that is true, it does not matter in this case because Anlin has dismissed its infringement claims and is defending an ACPA judgment (which awards remedies available only under the ACPA).

Elsewhere in its brief, at 20, Anlin does argue that the domain name created a likelihood of confusion, but it never discusses the *Sleekcraft* factors or proves a likelihood of confusion. Moreover, Anlin ignores the fact that it argued below, and the district court held, that there were factual disputes barring summary judgment on the issue of likelihood of confusion. Indeed, the court went on to state, “**neither**

party has produced sufficient evidence on summary judgment to compel a judgment that there is no genuine issue.” ER 22 (emphasis added). Anlin claims that the court was addressing the time period before Anlin’s consent was withdrawn, at 37, but the opinion draws no such distinction.

Turning to factor (VI), Burgess’ opening brief argued (Br. 24-29) that, under the statutory language, an offer to sell domain names does not imply a bad faith intent to profit if the defendant has **either** (a) used or (b) had an intent to use the names in connection with a bona fide offering of goods or services. Anlin never discusses this language, but argues that, once consent to use its mark in a domain name was withdrawn, the offering of Anlin Windows (the product) or the offering of installing those windows (the service) was no longer bona fide. Br. 37. This argument is wrong for two reasons. First, the issue under this factor is not whether the use of the **domain name** was bona fide, but whether the offering of goods and services was bona fide. In this regard, it is undisputed that Burgess was still selling and installing Anlin Windows – thus the offering of such goods and services was bona fide. Second, even if Burgess’ business of selling and installing Anlin Windows had ended with the withdrawal of consent, the fact remains that he “had used” the first domain name for that purpose, and that is all that the statute requires.

Instead of addressing these concerns, Anlin instead trumpets the four Anlin-

related domain names under which Burgess never placed web sites, arguing that the offer to sell **those** names is barred by this factor. Br. 40. But Anlin neither acknowledges the statutory language “having an intent to use,” nor denies what Burgess noted in his opening brief, that this intent was **undisputed**. Burgess Br. 8, 25-26. Indeed, although as noted above it is the offering that must be bona fide under this factor and not the domain names, it is worth noting that Burgess registered the four additional names **after** he received Anlin’s express consent to the first name. ER 50, 52.¹

Having qualified under this factor by either “having used” or “having the intent to use” each of the domain names in the bona fide offering of goods or services, Burgess was not required to respond to the withdrawal of consent by abjectly surrendering the names on demand, for several reasons.² First, even if the withdrawal

¹Anlin’s brief, at 11, 12, tries to hedge its concession below that it initially gave consent to the domain name by referring to “alleged consent,” and quibbles about some of the documentary evidence submitted to support consent. However, as Burgess showed in his opening brief, at 7, he averred that Anlin consented, and Anlin did not introduce any evidence contradicting this testimony. The fact was thus undisputed for Rule 56 purposes, and remains undisputed on appeal. Indeed, Anlin still cites no evidence disputing consent. An appellate brief’s adjectives do not create any dispute.

²Similarly, Anlin’s assumption that a refusal to cease a challenged use of a trademark immediately upon receipt of a demand constitutes bad faith or wilfulness is incorrect, at least in the case where there is a reasonable basis for believing that the use is lawful. *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 962 (7th

of consent to use the domain names meant that any further use by Burgess constituted infringement – a point that Anlin failed to establish below, because the court ruled that genuine issues of material fact remained – Burgess was still using the names in connection with “a bona fide offering of goods and services” (Anlin Windows and their installation), and that is the focus of this factor. Like any other trademark user who decides that compromise is a wiser choice than litigation, Burgess was entitled to try to **negotiate** his way out. The Senate Report, at 15, reflects that this is precisely why the “without having used” clause is in the statute. Indeed, it is only an effort to sell domain names for “exorbitant amounts” that the Senate Committee treated as evidence of bad faith. *Id.* As noted in Burgess’ opening brief, at 10, the **undisputed** testimony was that this offer was calculated to fairly reflect the impact that the sudden withdrawal of consent had on his business as well as being “well below” the fair market value of the names.³ Burgess also pointed to *Interstellar Starship* as finding no bad faith when the negotiating offer was to sell a single name for \$25,000. Anlin acknowledges the point but insists that \$100,000 for five names is exorbitant and

Cir. 1992), *cited in SecuraComm Consulting v. Securacom Inc.*, 166 F.3d 182, 189 (3d Cir. 1999).

³Anlin’s brief, as originally filed (at 11), stated that the document supporting this statement was not in the record below. Anlin’s counsel has indicated that he will withdraw this statement, as the ECF filing line at the top of the document requires that he do.

hence extortionate, Br. 39, even though the price per name is **less** than \$25,000.

The fact that Burgess named a price in response to a threat of litigation, and to a request to name his price, is also highly significant. It is significant not only because of Rule 408 of the Federal Rules of Evidence (forbidding admission of settlement negotiations to show validity of claim), but because of the strong federal policy favoring settlement of disputed claims. Anlin has no response to the argument that, if discussion of the financial value of a settlement is routinely treated as evidence of bad faith, then intelligent litigants or prospective litigants will simply refuse to talk settlement. Instead, Anlin suggests the opposite danger – that would-be cybersquatters will phrase extortionate offers in settlement terms. But the solution to that problem is to consider the specific facts of the case. Where, as here, the original purpose of registration was legitimate, as even Anlin concedes on this appeal, and where money is raised as a point of compromise in response to both a threat of suit by the markholder **and** a request that the defendant name his price, the solicited response by someone who is still trying to sell the trademarked product through his web site simply is not probative of a bad faith intent to profit.

Anlin concedes that factor (VII) supports Burgess, but argues that Burgess' registration of five different domain names supports its charge of cybersquatting under factor (VIII). But instead of responding to Burgess' opening brief, which

pointed out that the language of factor (VIII) is plural – “the marks of others” – Anlin just says that the word others “clearly” means singular, and hence it is sufficient that Burgess has registered domain names that resemble a single markholder’s intellectual property. As is typical throughout the briefs, Burgess’ contention here is that the statute should be read literally, but Anlin’s plea is that the literal language should be ignored in light of supposed considerations of statutory purpose. But when it comes to arguing purpose, Anlin has no response to the argument in Burgess’ opening brief that the **purpose** of factor (VIII), like the purpose of the other factors, is to point to the courts toward reliance on the sort of conduct shown by the prototypical cybersquatters at whom the statute was aimed – in this case, the practice of warehousing domain names mimicking the marks of hundreds of famous markholders. This “purpose” – the purpose articulated by Congress instead of by lawyers several years later whose only objective is to get statutory damage awards for their clients – is consistent with taking seriously the use of the plural “others.” Particularly where the additional names were registered only after consent was received for the first domain name using Anlin’s mark, the registration of four more domain names using the trademark of the same, consenting mark holder does not imply a bad faith intent to profit.

Finally, with respect to factor (IX), Anlin makes no argument but simply says

that Burgess has “conceded” the distinctiveness of its mark. But as Burgess argued in his opening brief, the language of the factor requires consideration of the “extent” to which the mark to which the domain name is similar is “distinctive **and** famous.” Although Anlin may be distinctive, it is not even well-known, not to speak of “famous” under section 43(c) of the Lanham Act. This factor is, therefore, at best equivocal, and adding up the factors, it is apparent that they overwhelmingly favor Burgess. It is Burgess’ motion for summary judgment that should have been granted; the grant of Anlin’s motion should be reversed.

B. Enough Factors Point in the Direction of No Bad Faith Intent to Profit That Burgess Was Entitled to a Trial on the Merits on that Issue.

Even if the Court rejects Burgess’ argument that the bad faith intent to profit factors overwhelmingly favor his position, at the very least there are enough factors in his favor that Burgess was entitled to present his claim that he lacked bad faith intent to profit to a jury. In his opening brief, Burgess noted that this Court has frequently held that state of mind is generally not an appropriate fact to be resolved on summary judgment, particularly when it is argued that there is no genuine issue about whether bad faith is **present**. Anlin’s response is cursory at best – in a few lines, it contends that Burgess has not identified the “fact” that is in genuine issue. But the fact is whether Burgess had a “bad faith intent to profit.” This is, at most, a

mixed question of fact and law that should not have been resolved in this case on summary judgment.

In ordinary Lanham Act cases, this Court has held that “likelihood of confusion” is a “mixed question of law and fact that is predominantly factual in nature.” *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir. 1992). “Because of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in the trademark arena.” *Jada Toys, Inc. v. Mattel*, 496 F.3d 974, 978 (9th Cir. 2007). *See also* SER 243 (same point advanced by Anlin’s counsel at oral argument below). And likelihood of confusion is an **objective** question, unlike bad faith intent to profit which is subjective. Where, as here, at least some of the factors favor Burgess, Anlin simply cannot prevail without a trial. Accordingly, summary judgment against Burgess must be vacated.

C. Burgess’ Conduct Cannot Be Deemed Cybersquatting on the Theory That, Without Regard to the Bad Faith Intent to Profit Factors, It Is the Conduct at Which the Statute Was Aimed.

In his opening brief, Burgess argued that the district court erred by finding bad faith intent to profit without considering the nine statutory factors because the court did not pay any heed to whether what Burgess did was plainly the sort of conduct at which the ACPA was directed. Anlin does not defend the district court’s reasoning,

or its failure to address the question whether Burgess' conduct was the sort at which the ACPA was aimed. Instead, it puts forward an argument not adopted by the district court, contending that Burgess' continued use of the domain names after the "consent" that supposedly made his use of the names permissible is exactly the sort of conduct at which the ACPA was aimed. Specifically, Anlin argues that the law is clear that when a license to use a trademark is terminated, the right to use the licensed mark and to distribute goods under that mark also terminates. Hence, Burgess must be treated as a wilful infringer and hence is guilty of bad faith intent to profit.

However, what Anlin never does is point to a single fragment of legislative history showing that, just as Congress focused on genuine gripe site operators (who were to be protected from ACPA liability) and on extortionate registrants (who were to be liable under the ACPA), Congress focused explicitly on the problem of licensees who exceeded the time of their license, and expressed a desire to have such former licensees held liable for cybersquatting. That omission is not surprising, because that concern appears nowhere in the legislative history of the ACPA.

At best, Anlin has shown that it could have prevailed on its infringement claims had it moved for summary judgment on those claims instead of dismissing them. Having failed to move for summary judgment on this ground, however, thus giving notice to Burgess that he faced summary judgment on this basis, Anlin has forfeited

the right even to argue for affirmance on this alternate ground. *Smurfit Newsprint Corp. v. Southeast Paper Mfg.*, 368 F.3d 944, 954 (7th Cir. 2004); *Peters v. Jenney*, 327 F.3d 307, 320 (4th Cir. 2003); *FDIC v. Laguarda*, 939 F.2d 1231, 1240 (5th Cir. 1991).⁴

II. THE JUDGMENT SHOULD BE REVERSED BECAUSE BURGESS QUALIFIED FOR PROTECTION UNDER THE ACPA'S SAFE HARBOR PROVISION.

Burgess' opening brief showed that, even apart from Burgess entitlement to reversal because the district court erred in finding no genuine issue about Burgess' supposed bad faith intent to profit, the judgment should be reversed because the

⁴ Moreover, it is far from certain that Anlin would prevail on this ground even in any infringement case. Anlin provides a string citation of cases supposedly standing for the proposition that continued use of a mark after termination of a license is sufficient to establish infringement, Br. at 23, 46-47, citing *Ryan v. Volpone Stamp Co.*, 107 F. Supp.2d 369 (S.D.N.Y. 2000), and several other cases, and refers back to these cases throughout its brief as standing from the proposition that use after expiration constitutes infringement "as a matter of law." Br. 20, 32, 43, 45. In fact, *Ryan v Volpone* states, "post-termination use of a mark alone does not make out a claim for trademark infringement without first creating the likelihood of consumer confusion." *Id.* at 381. Here, the district court, at Anlin's urging, expressly held that there were genuine issues of fact about the likelihood of confusion. Moreover, every one of Anlin's license expiration cases pertains to the expiration of a license to manufacture goods under a license from a designer or creator of a product (or, in *Ryan*, under the name of a famous baseball player). In that sort of case, the license is unquestionably what was needed to obtain authority to use the trademark. Not one of the cases involves the fact pattern presented here, where the seller or installer of trademarked goods manufactured by the trademark holder itself is simply "telling the truth" about who made the goods that he was selling or installing. Calling a product by its correct name is fair use, as explained in the next section.

district court erred by failing even to consider whether Burgess had a reasonable and good faith belief that his use was fair use or otherwise lawful. The court considered only whether Burgess' belief was correct without considering whether his belief was reasonable. In addition, Burgess argued in his opening brief that he was **correct** to consider his use of the Anlin trademark in domain names registered as the address for web sites about the sale and installation of Anlin Windows to be a fair use.⁵

Anlin's brief does not defend the trial court's reasoning, and implicitly acknowledges that the statutory question is whether "Burgess [had] a reasonable ground for believing his actions were lawful." Its analysis is as follows. First, invoking once again its string citation of cases involving the termination of licenses, it attempts to take fair use out of the picture entirely by contending that once consent was terminated, Burgess' use of the marks in his domain names became infringement and "infringement and fair use can never be a fair use." Br. 46-47. Second, Anlin also argues that the use of a trademark in a domain name does not satisfy the test for nominative fair use. Br. 16-20. Third, although Anlin does not defend the trial court's reasons for distinguishing *Ty v. Perryman*, 306 F.3d 509 (7th Cir. 2002), he argues that the case should be distinguished because Perryman was reseller and the first sale"

⁵Anlin faults Burgess' reliance on *Interstellar Starship Svces. v. Epix*, 304 F.3d 936, 946 (9th Cir. 2002) to establish fair use. Br. at 35-36. Burgess cited *Interstellar* four times in his opening brief, but none of the citations related to fair use.

doctrine does not apply here. Br. 47. None of these arguments is sound.

Anlin's first point suffers from several flaws. Having failed to move for summary judgment on infringement and likelihood of confusion, Anlin cannot defend the safe harbor aspect of the judgment below on an alternate ground that rests on the reasoning that infringement and likelihood of confusion are present here. (Indeed, as previously noted, the court below ruled that there were genuine issues of material fact in that regard). Moreover, although at one time the law in this Circuit was that proof of infringement and likelihood of confusion automatically negated fair use, that position was overruled in *KP Permanent Makeup v. Lasting Impression I*, 543 U.S. 111 (2004), which held that because fair use is a **defense**, it must necessarily be able to be invoked in the presence of infringement. Yet the same canard – that once there is infringement there can never be fair use – appears repeatedly in Anlin's brief. Br. 20, 35, 47. It follows that Anlin's argument – that Burgess' belief must have been unreasonable because his use of the trademark in his domain names “was illegal under the above authority,” Br. 47, must also fail.

Second, Anlin's argument about the nominative fair use factors from *Brother Records v. Jardine*, 318 F.3d 900 (9th Cir. 2003), is fundamentally flawed. It argues that Burgess cannot show that his “product” cannot be readily identifiable without use of the trademark because, according to Anlin, that product was the service of

installing windows. Anlin concludes that this service could have been described by a more general domain name such as “replacementwindows.com.” Burgess, however, was not selling and installing all kinds of windows. To the contrary, he agreed with Anlin that its product was superior and hence focused his efforts on selling and installing Anlin’s windows. Also because of his belief in Anlin’s product, he wanted to call consumers’ attention to the fact that it was **Anlin** windows that he could sell and install. Anlin’s mark was just as necessary for that purpose as, for example, the use of the term “Volkswagen” is needed for a shop that specializes in repair of Volkswagen automobiles. *See Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969). And Burgess used the entire mark “Anlin Windows” because that is what was needed to identify the product that he was trying to sell.

Anlin argues that Burgess does not meet the third prong of the nominative fair use standard, that he “do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.” Br. 17. Anlin argues that domain names **necessarily** suggest sponsorship; but as Burgess showed in his opening brief, many cases have upheld the use of trademarks in domain names for web sites about the trademark holders, either “gripe sites” as in *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005), or “fan sites” as in *Taubman v. WebFeats*, 309 F.3d 770 (6th Cir. 2003). Anlin takes Burgess to task for invoking those cases

because, supposedly, they both turned on the fact that the sites were non-commercial.

Br. 27. This distinction fails for two reasons. First, Anlin's characterization of the cases is **wrong**. Lamparello's undersigned counsel did argue that Falwell's trademark claims should be rejected because Lamparello's use was non-commercial, but the court refused to rest its holding on that ground, 420 F.3d at 314, ruling instead that there was no infringement as a matter of law because the website was about Falwell. *Id.* And *Taubman* rejected the trademark holder's infringement claim on two independent grounds – lack of commercial use and no infringement because the web site was about Taubman's shopping mall, just as the title of a brochure about the mall could use the mall's name. 319 F.3d at 776-777. And wholly apart from what these cases **held**, the very existence of these cases (among others) shows that although in the early years of the Internet, domain names were thought to reflect sponsorship, more recently domain names can represent subject matter of the web site and not necessarily sponsorship. Indeed, although courts were once concerned that unless a company could control the domain name for web sites about their products, Internet users could not find them online because "name-guessing" was the principal means of finding web sites of interest, currently Internet users recognize that search engines are the main way of finding web sites, and if they do not find what they want the first time, they will just go back to the search engine to find the desired web site.

E.g., Interstellar Starship Svces. v. Epix, 304 F.3d 936, 946 (9th Cir. 2002). See also *Strick Corp. v. Strickland*, 162 F.Supp.2d 372, 377 (E.D. Pa. 2001) (“Internet surfers are inured to the false starts and excursions awaiting them” and are “unlikely to be dissuaded, or unnerved” when, after “tak[ing] a stab at what they think is the most likely domain name for a particular web site” guess wrong and bring up another’s webpage”). This Court has recognized the increasing sophistication of Internet users about even small differences in domain names. *Entrepreneur Media v. Smith*, 279 F.3d 1135, 1147 (9th Cir. 2002).

Anlin also argues that, at one point in 2004, Burgess’ web site had a banner stating “Welcome to AnlinWindows.com,” which it says created a likelihood of confusion. Br. 19.⁶ That banner, however, appeared only during the period when Anlin consented to the domain name, and when, Anlin admits, there was no bad faith intent to profit. The judgment in this case cannot be upheld based on what the web site looking like in 2004. In response to Anlin’s complaint, Burgess removed this heading and substituted the banner “Better Quality Homes,” ER 88, the name of the dealership with which he was working.

⁶In its brief, at 8, Anlin misstates this evidence, saying that the banner said “Welcome to Anlin Windows.” Inspection of the evidence cited at SER 82, page 73 of Burgess’ deposition, ER 88, reveals the error. Even when there was a banner reading “Welcome to AnlinWindows.com,” there was a disclaimer above the banner explaining that the site was sponsored by a dealer in Anlin windows. *Id.*

Anlin also argues that Burgess' fair use defense, because it harks back to *Prestonettes v. Coty*, 264 U.S. 359 (1924), is really a "first-sale" case, because in *Prestonettes*, when Chief Justice Holmes said that trademark law cannot prevent someone other than the trademark holder from "telling the truth" about what he is selling, the Court was addressing the case of a junior user who was reselling perfume that had been previously sold by the holder of the "Coty" trademark. But even though the "first sale" doctrine rests on the assumption that the product in question has already been sold by the trademark holder, there is no reason why the right to "tell the truth" about what product one is selling should be confined to those who are reselling products that have already been sold by the trademark holder. Somebody like Burgess, who is helping one of Anlin's first-line sellers – a dealer – is also entitled to "tell the truth" about the product he is selling. None of the cases cited by Anlin as supposedly **confining** the *Prestonettes* doctrine to resellers addresses the issue that would have been presented here if Anlin had not dismissed its infringement claims – does an independent contractor working with a retailer commit infringement by using the trademarked name in a way not countenanced by the trademark holder. Because Anlin has cited no cases so holding, it follows that Burgess would have been "reasonable" in believing that he was not an infringer. But Burgess' safe harbor defense rests on fair use, and this court had already extended the doctrine of

nominative fair use cases far beyond resellers. For example, when this Court held in *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002), that a company that sold plates bearing the image of Princess Diana could invoke the doctrine of nominative fair use, the company was not selling images that had previously been sold to it by the trademark holder. Similarly, in this Court's original nominative fair use case, *New Kids on the Block v. News America Pub.*, 971 F.2d 302 (9th Cir. 1992), the newspaper was not running a poll about products that it had already purchased from the eponymous pop band. Hence, although the doctrine of nominative fair use grew, in part, out of the Holmes "tell the truth" language in *Prestonettes*, 971 F.2d at 308, a case that also spawned the trademark "first sale" doctrine, Anlin's lengthy argument about the limits of the "first sale" doctrine are simply irrelevant to this case.

Finally, Anlin tries distinguish *Ty v. Perryman* on the ground that the defendant there was a reseller, not an independent contractor working with a first-seller. Br. 47. As explained above, however, the right to "tell the truth" is not limited to persons who sell goods that the trademark holder has already sold, but can include anybody who has a valid reason to want to describe his web site as being about the trademarked product.

In sum, Burgess had a reasonable ground for believing that his use and intended use of the domain names that he registered was fair use or otherwise lawful.

Accordingly, Anlin's motion for summary judgment should not have been granted; rather, Burgess' motion should have been granted.

CONCLUSION

The judgment of the district court should be reversed.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing brief was prepared in Word Perfect, Times Roman 14 point font, and the Word Perfect has counted 6105 words in the brief.

Paul Alan Levy

October 15, 2007

CERTIFICATE OF SERVICE

I hereby certify that, on this date, I am causing two copies of this Reply Brief for Appellant to be served by first-class mail, postage prepaid, on counsel for plaintiff-appellee as follows:

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