

NOTTING

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss

SUPERIOR COURT
CIVIL ACTION
NO. 07-2075-H

NOTICE SENT
10-17-13
D.C.+G.
T.C.D.
B.M.
L.T.S. JR.
J.M.D.
E.S.C.+M.
L.R.K.
D.C.+G.
M.W.K.
D.T.K.
P.A.L.

JENZABAR, INC., and others¹

vs.

LONG BOW GROUP, INC.

MEMORANDUM OF DECISION AND ORDER
ON DEFENDANT'S MOTION FOR ATTORNEYS' FEES

(LAT) Having obtained summary judgment against trademark claims, and successfully defended that judgment on appeal, defendant Long Bow Group, Inc., moves for attorneys' fees and costs under the Lanham Act, 15 U.S.C. § 1051 *et seq.*² For the reasons that will be explained, the motion will be allowed.

BACKGROUND

The Court draws the factual and procedural background from the decision of the Appeals Court, *Jenzabar, Inc. v. Long Bow Group, Inc.*, 82 Mass. App. Ct. 648 (2012), along with the pleadings and other materials that were before this Court in connection with the motion for summary judgment and earlier motions. Jenzabar is a Boston-based software company that designs complex software systems for use by colleges and universities. *Id.* at 650. The company holds a federal registration in the word mark JENZABAR for use in connection with the sale of

¹ Ling Chai and Robert A. Maginn, Jr.

²Such a motion would normally be decided by the judge who had issued the judgment, since that judge would have the advantage of familiarity with at least some of the prior proceedings. In this instance that judge retired while the case was on appeal.

computer software and various related functions. *Id.* Among Jenzabar's founders and principals are the plaintiffs Ling Chai (Chai) and her husband, Robert Maginn. *Id.* Chai is an immigrant from China who was a student dissident leader during the Tiananmen Square protests of 1989. *Id.* at 651.

Long Bow is a Massachusetts non-profit corporation that produces educational films and documentaries about Chinese history and culture. Long Bow does not sell its films directly to the public; they are available only through a network of independent distributors. *Id.* at 650. Among the films Long Bow has produced is "Gate of Heavenly Peace," about the Tiananmen Square protests. *Id.* at 650-51.

In 1996, in connection with the broadcast of a version of the film on public television, Long Bow created a website to provide background information about the film and the Tiananmen Square protests. *Id.* at 650. Long Bow has periodically updated the site since then, so that at the time in issue here it included over 2,000 pages of text in English and Chinese, along with photographs, music, and video clips. Long Bow's website has been recognized by news media organizations and educational institutions as a valuable educational resource on the topic. *Id.* Long Bow's website provides biographies of certain individuals who were involved in Tiananmen Square, including Chai. The biography of Chai indicates that she declined to be interviewed for the film, and includes excerpts from her criticism of the film and of her portrayal in it. *Id.* at 651. After learning that Chai had founded a software company, Long Bow added a link from its biography of Chai to a new page providing information about Jenzabar. Long Bow titled that page "Jenzabar."

From at least 2006 until 2010, a Google user searching for "Jenzabar" would find the

following listing for Long Bow's Jenzabar page:

Jenzabar

The information on these pages about Chai Ling and **Jenzabar**, the software company she runs with her husband, Robert Maginn, contains excerpts from and links

www.tsquare.tv/film/jenzabar.html – Cached – Similar

The listing would appear on the first page of results, but not first on the page.

The order of Google's listings results from application of its proprietary algorithms to the computer code of a web page. Evidence Jenzabar offered would support a finding that a website's creator's selection of so-called "keyword meta-tags," which are not visible to the user, can influence a page's ranking in Google search results.³ Among the meta-tags Long Bow used for its Jenzabar page, and for several pages linked to it, was "Jenzabar." *Id.* at 652. The title of Long Bow's page ("film/jenzabar") came from a "title tag" selected by Long Bow. *Id.* at 651-652. Long Bow also selected the "uniform resource locator" (URL) for the page ("www.tsquare.tv"). *Id.* at 652. Long Bow did not initially insert a "description meta-tag" to control the description that would appear in a search listing; as a result, the description that appeared in the Google listing was drawn from the opening text on the page. *Id.* Later, after this dispute arose, Long Bow added a description meta-tag, so that the description now reads, "Jenzabar has tried to censor this web page because it carries critical information about the software company that Chai Ling started with her husband." *Id.* at 662 n. 16.

As of February, 2007, Long Bow's Jenzabar page included excerpts from and links to

³Long Bow offered evidence to the contrary, indicating that meta-tags have no role in Google search rankings.

news media accounts of lawsuits against Jenzabar. Jenzabar contacted Long Bow to complain, asserting that some of the statements on the page were false, and also objecting to the use of the JENZABAR mark in the URL, in the title of the page, and in meta-tags. *Id.* at 653. Long Bow did not accede to Jenzabar's demand that it remove the mark, but it did make certain changes in its site. Long Bow added to the page an indication that Jenzabar disputed some of the statements, and also added to all pages that mentioned Jenzabar a disclaimer stating that the pages were "the sole responsibility of the Long Bow Group, and are in no way affiliated with or sponsored by Jenzabar, Inc." *Id.* at 653.

Unsatisfied, Jenzabar, Chai and Maginn (collectively, Jenzabar) brought this action on May 14, 2007. Jenzabar asserted eight counts, including defamation, trade libel, trademark infringement, trademark dilution, and unfair competition under both state and federal law. *Id.* at 653. A judge of this Court dismissed the defamation counts at an early stage, but allowed the other claims to stand despite expressing the view that Jenzabar seemed unlikely to prevail.⁴

The parties proceeded to conduct extensive discovery, in the course of which numerous disputes arose. Among the conduct that brought counsel before the Court was extensive questioning of Long Bow personnel at depositions regarding their personal and political histories.⁵ At a hearing on July 30, 2009, a judge of this Court imposed firm limitations on the

⁴It may be of some significance that the Court ruled on the motion to dismiss only weeks after the Supreme Judicial Court decided *Iannacchino v. Ford Motor Co.*, 451 Mass. 623, 636 (2008), adopting the heightened pleading standard established in *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555, 557 (2007). Courts and counsel have become considerably more conversant with the new standard in the five years since *Iannacchino*.

⁵The following series of questions and answers at one deposition is illustrative:
Q. Did you go to school with other students who were children of leaders of the [Chinese] government?

scope of future depositions, and established procedures to prevent future abuses, but declined to award sanctions. (Joint App. at 2645, 2658-2660). Ultimately, after completion of discovery, another judge of this Court granted Long Bow's motion for summary judgment, ruling that the evidence would not support a finding that Long Bow's use of the JENZABAR mark created any likelihood of confusion. After judgment entered, Long Bow moved for attorneys fees pursuant to § 35 of the Lanham Act, 15 U. S. C. § 1117(a) (2006). The judge denied the motion without prejudice to renewal after completion of Jenzabar's appeal.

On appeal Jenzabar pursued a theory of trademark infringement based on the doctrine of "initial interest confusion" – that is, that Google users might click on the listing for Long Bow's page under the mistaken impression that Jenzabar sponsored that page, although that impression would be dispelled immediately upon viewing the page. *Jenzabar, supra*, 82 Mass. App. Ct. at 656. Such confusion, the theory goes, reflects a misappropriation by the infringer on the good

A. Among my classmates there were children of many different backgrounds.

Q. And were some of them from backgrounds where they were children of leaders of the government?

A. Some of them were.

Q. And have you stayed in touch with any of those students who were children of leaders of the government?

A. I have stayed in touch with many of my old classmates.

Q. Which classmates have you stayed in touch with whose parents were government leaders?

* * *

Q. Are there students who you went to school with who now hold positions in the Communist Party in China?

* * *

Q. Are they members of the Communist Party?

A. I believe so.

* * *

Q. Have you spoken with them since the making of the film Gate of Heavenly Peace? (Joint App. at 738-739) (objections of defense counsel have been omitted).

will of the trademark. *Id.*

The majority of the Appeals Court panel evaluated that claim based on the six factors recognized in case law regarding initial interest confusion: (1) the relatedness of the parties' goods or services; (2) the level of care exercised by the relevant consumers; (3) the strength of the plaintiff's mark; (4) the defendant's intent in using the plaintiff's mark; (5) evidence of actual consumer confusion; and (6) the visual appearance of the link. *Id.* at 657. The majority opinion noted that the cases have given particular attention to the first two factors, which bear most strongly on the likelihood of actual confusion resulting in a benefit to the infringer at the expense of the owner. *Id.* Those two factors, the majority reasoned, weighed strongly against the claim; the evidence indicated no similarity between any goods or services offered by the parties, and Jenzabar's customers were large, sophisticated institutions likely to engage in extensive due diligence before making any purchase. *Id.* at 658-59.

The third factor, the strength of the mark, favored Jenzabar, but its significance was diminished, the majority observed, by the fact that Long Bow's site actually provided information about Jenzabar, since a user searching for that name might be seeking information about Jenzabar rather than seeking Jenzabar's own site. "A search result leading to a third-party Web site that contains such information thus may not be confusing at all." *Id.* at 660. The last three factors, like the first two, weighed against the claim. Jenzabar had no direct evidence that Long Bow intended to confuse consumers, and the majority perceived no basis to infer any such intent from Long Bow's use of the mark in its meta-tags. The Court reasoned: "Given that Long Bow's site actually contains information about Jenzabar and does not sell goods that compete with Jenzabar, the most natural inference arising from Long Bow's use of the word 'Jenzabar' is

not of intent to confuse but rather of intent to accurately describe the page's contents and to bring it to the attention of Internet users searching for information about Jenzabar, who would find it relevant to their search." *Id.* at 661. Jenzabar also had no evidence of any actual confusion among any consumers, *Id.* at 662, and the appearance of the link was not such as would tend to confuse. *Id.* at 663-664. The majority noted in this regard that Jenzabar's own website appeared first in the Google listing; that the description of Long Bow's Jenzabar page did not suggest sponsorship by Jenzabar; and that the URL, particularly the domain name ("tsquare.tv"), was visibly different from those of the official Jenzabar listings. Each of those facts, the majority reasoned, tended to prevent consumer confusion. *Id.* at 664-665. The majority concluded that "no rational trier of fact could find that Long Bow's use of the JENZABAR mark trades on that mark's good will in such a way as to create a likelihood of initial interest confusion actionable under the trademark laws." *Id.* at 665.⁶

The majority reached the same conclusion with respect to Jenzabar's theory of trademark dilution. Because Long Bow had used the mark only to refer to Jenzabar itself, the only possible injury to Jenzabar's reputation, the majority reasoned, arose from the critical content of Long Bow's site, which would not constitute a trademark violation. *Id.* As to Jenzabar's claim under

⁶In its opposition to the present motion, Jenzabar asserts that the majority viewed the issue as close. In support of this assertion, Jenzabar points to the majority's reference to the possibility that "a user searching for Jenzabar's products who came across the listing for Long Bow's Web site might be uncertain about this additional site's relationship to Jenzabar." 82 Mass. App. Ct. at 664. Jenzabar takes this language out of context; the next sentence points out that "Jenzabar has not shown how Long Bow would capitalize on any such uncertainty in a way that trades on Jenzabar's good will." *Id.* This Court perceives nothing in the majority opinion to suggest that the case was close; to the contrary, the majority opinion identifies only one of six factors as favoring Jenzabar's claim of initial interest confusion, and explains why that factor has diminished significant in the circumstances of the case.

G. L. c. 93A, the majority concluded that the claim could not stand in the absence of viable defamation or trademark claims. Based on those rulings, the majority did not reach Long Bow's alternative grounds for summary judgment, including that its use of the mark was protected by the First Amendment. *Id.*

One member of the panel dissented. The dissenter expressed the view that Long Bow's use of the Jenzabar mark, together with its omission of any identifying Long Bow title, indicated an intention to confuse, and was likely to confuse. *Id.* at 670-672. The dissenter did not discuss the question of whether users who sought information about Jenzabar, rather than a link to its site, could fairly be said to be confused.⁷ The dissenter also did not address Long Bow's alternative grounds for summary judgment.

The Appeals Court affirmed the grant of summary judgment to Long Bow, and remanded the matter to this Court to address the issue of attorney's fees. Jenzabar applied for further appellate review, which the Supreme Judicial Court denied. 464 Mass 1102 (2013). Long Bow filed the present motion on July 25, 2013. It seeks attorney's fees of \$491,956.42, plus expenses of \$19,986.70, for a total of \$511,943.12. Jenzabar argues strenuously that attorney's fees should not be granted, but it does not take issue with the amount claimed.⁸

⁷Jenzabar asserts that the dissenter would have granted summary judgment to it. In support of that assertion, Jenzabar points to the dissenter's statement that "the visual appearance of the Internet listing is obviously likely to confuse as a matter of law." The Court does not interpret that statement as Jenzabar does. The dissenter, like the majority, considered the evidence in the light most favorable to Jenzabar, as the party opposing summary judgment, taking as true its version of all disputed facts, and drawing in its favor all inferences the dissenter considered reasonable. The difference between the majority and the dissent, at least on this point, appears to be what inferences they considered reasonable.

⁸At argument on the present motion, Jenzabar acknowledged that, if the Court does award fees and expenses, the amount Long Bow claims is reasonable.

DISCUSSION

The Lanham Act, 15 U.S.C. § 1117(a)(3), provides that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” Long Bow contends that this case is exceptional, in that Jenzabar, a large and well-funded company, sued a small non-profit organization not to recover for any actual commercial harm, but to suppress criticism. The evidence of that purpose, Long Bow contends, is in the weakness and shifting character of Jenzabar’s claims; the absence of any competitive relationship between the parties; Jenzabar’s abusive and harassing tactics in discovery; and its use of litigation tactics that tended to exacerbate the cost to Long Bow. Jenzabar’s response, in substance, is that its claims had merit, as evidenced by the dissent of one member of the Appeals Court panel and the support of one amicus curiae⁹; that an award of attorney’s fees would discourage potential plaintiffs from litigating novel issues; that the Court should not consider the relative economic positions of the parties; and that the judge who heard the discovery disputes declined to award sanctions.

The Supreme Court has not construed the attorney’s fees provision of the Lanham Act, and the circuit courts have given widely varying meaning to the phrase “exceptional cases.”¹⁰

The Seventh Circuit’s decision in *Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC*,

⁹Jenzabar characterizes the member of the Appeals Court panel who joined but did not author the majority opinion as “silent,” as if the absence of a separate opinion somehow suggested less than complete concurrence. The Court is unaware of any appellate rule or practice that would support such an interpretation. To the contrary, when a member of an appellate panel joins an opinion without writing separately, that normally indicates full agreement.

¹⁰Although a few courts have required proof of exceptional circumstances by clear and convincing evidence, e.g. *Empire Today, LLC v. Nat’l Floors Direct, Inc.*, 788 F. Supp. 2d 7, 31 (D. Mass. 2011), the statute does not impose such a requirement. See *Eagles, Ltd. v. American Eagle Foundation*, 356 F. 3d 724, 729 (6th Cir. 2004).

626 F.3d 958 (7th Cir. 2010), provides a comprehensive overview of the cases.

As that Court explained, the Fourth, Sixth, Tenth, and D.C. Circuits have all adopted a party-sensitive standard, such that a prevailing plaintiff must show bad faith, while a prevailing defendant may obtain an award on a showing of something “less than bad faith.” *Id.* at 960, citing *Retail Services Inc. v. Freebies Publishing*, 364 F.3d 535, 550 (4th Cir. 2004); *Eagles, Ltd. v. American Eagle Foundation*, 356 F.3d 724, 728 (6th Cir. 2004); *National Ass’n of Professional Baseball Leagues, Inc. v. Very Minor Leagues, Inc.*, 223 F.3d 1143, 1147 (10th Cir. 2000); *Reader’s Digest Ass’n, Inc. v. Conservative Digest, Inc.*, 821 F.2d 800, 808-809 (D.C. Cir. 1987). The Second, Fifth and Eleventh Circuits require both prevailing plaintiffs and prevailing defendants to demonstrate bad faith. *Nightingale, supra*, 626 F.3d at 961, citing *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 221-222 (2d Cir. 2003); *Proctor & Gamble Co. v. Amway Corp.*, 280 F.3d 519, 527, 528 (5th Cir. 2002); *Lipscher v. LRP Publications, Inc.*, 266 F.3d 1305, 1320 (11th Cir. 2001). The First, Third, Eighth, and Ninth Circuits do not distinguish between prevailing plaintiffs and prevailing defendants, nor do they require a full showing of bad faith. *Nightingale, supra*, 626 F.3d at 961-962, citing *Love v. Associated Newspapers, Ltd.*, 611 F.3d 601, 615 (9th Cir. 2010); *Tamko Roofing Products, Inc. v. Ideal Roofing Co.*, 282 F.3d 23, 32 (1st Cir. 2002); *Securacomm Consulting, Inc. v. Securacom Inc.*, 224 F.3d 273, 280 (3d Cir. 2000); *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 123 (8th Cir. 1987).

The Seventh Circuit resolved these varying interpretations by adopting a standard based on the “elements of abuse of process.” *Nightingale, supra*, 626 F.3d at 963-964. Under that standard, a court may award attorneys’ fees “if the losing party was the plaintiff and was guilty of

abuse of process in suing or, if the losing party was the defendant and had no defense yet persisted . . . in order to impose costs on his opponent.” *Id.* However, “elaborate inquiry into the state of mind of the party from whom reimbursement of attorneys’ fees is sought should be avoided It should be enough to justify the award [of attorneys’ fees] if the party seeking it can show that his opponent’s claim or defense was . . . extortionate in character if not necessarily provable in intention.” *Nightingale*, 626 F.3d 965. Under this standard, disparity in size between the parties is a relevant consideration, because it is unlikely that a small business would seek to run up litigation costs against a much larger company. *Id.*¹¹ This standard, the Seventh Circuit observed, gives judges discretion to award attorneys’ fees where equitable considerations so require, but does not lower the “exceptional case” threshold so as to make such an award commonplace. See *Id.* at 963-964.

This Court fully recognizes that it has discretion. The Court recognizes also that the First Circuit favors consideration of the totality of the circumstances in the exercise of discretion, so as to achieve an equitable result. *Tamko*, 282 F.3d at 33. Having carefully reviewed the entire record of this case, the Court concludes that the standard articulated by the Seventh Circuit is particularly appropriate to the circumstances of this case, and that under that standard, an award of attorneys fees is warranted.

The central element of abuse of process is the use of litigation for an ulterior purpose – that is, a purpose other than to achieve relief for the wrong alleged. See *Adams v. Whitman*, 62 Mass. App. Ct. 850, 853 (2005). The overall record of this case leaves no doubt that that is

¹¹ The First Circuit’s emphasis on considering the totality of the circumstances suggests a similar view. *Tamko*, 282 F.3d at 33.

exactly what Jenzabar did; it subjected Long Bow to protracted and costly litigation not to protect the good will of its trademark from misappropriation, but to suppress criticism of Jenzabar's principals and its corporate practices.

The weakness of Jenzabar's claims, as articulated in the majority opinion of the Appeals Court, is the strongest evidence of ulterior purpose. In this regard, this Court has not ignored the dissenting opinion. As noted *supra*, the dissenter did not discuss the question of whether users who sought information about Jenzabar, rather than a link to its site, could fairly be said to be confused, nor did the dissenter address Long Bow's alternative grounds for summary judgment. Without discussion of those topics, the dissenting opinion cannot be read to indicate that the claims had merit; it reveals only that the dissenter disagreed with the grant of summary judgment on the ground decided by the majority. Nor would the dissenter have had any occasion to consider Jenzabar's ulterior motive for pressing its claims. This Court does not consider the dissent as precluding an award of attorneys fees.

Equally indicative of Jenzabar's ulterior purpose is its conduct of discovery, particularly its pursuit of lines of inquiry in depositions that had no conceivable relevance to its claims. The exercise of discretion by the judge who heard discovery motions not to award sanctions at that time does not preclude this Court's consideration of Jenzabar's conduct at depositions as part of the totality of the circumstances of the case.¹²

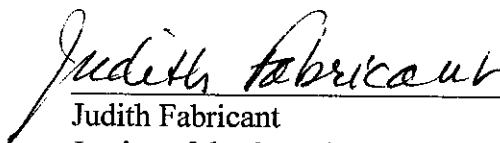
Similarly instructive as to Jenzabar's ulterior purpose is its statement of facts in

¹²The Court rejects Jenzabar's suggestion that such questions might bear on Long Bow's intent for purposes of the trademark and c. 93A claims. The only intent that would be relevant to any of the claims would be intent to confuse internet users regarding sponsorship of Long Bow's Jenzabar page. The deposition inquiries as to personal and political histories of individuals were patently irrelevant to any such intent.

opposition to summary judgment, in which it set forth a series of assertions to the effect that statements by Long Bow on its Jenzabar page and elsewhere were harmful to Jenzabar's reputation and its "standing in the academic community." Clearly, Jenzabar's concern was not user confusion as to sponsorship or source, but harm to its reputation arising from the content of Long Bow's statements. Jenzabar's multiple and shifting legal and factual theories, asserted at the various stages of the case, support the same conclusion,¹³ as does its objection to *pro hac vice* admission of the lawyer who assumed Long Bow's defense after it had exhausted its resources. In this regard, the differences in economic power between the parties is one of many circumstances that tends to confirm the conclusion that Jenzabar engaged in extortionate conduct, making this case exceptional.

ORDER

For the reasons stated, defendant Long Bow Group, Inc.'s motion for attorneys' fees is **ALLOWED** in the total amount of \$511,943.12.


Judith Fabricant
Justice of the Superior Court

October 16, 2013

¹³See e.g., 82 Mass. App. Ct. at 658 n. 13.