

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

Nos. 04-2011 and 04-2122

CHRISTOPHER LAMPARELLO,

Plaintiff-Appellant/Cross-Appellee,

v.

JERRY FALWELL and JERRY FALWELL MINISTRIES,

Defendants-Appellees/Cross-Appellants.

Appeal from a Judgment of the
United States District Court
for the Eastern District of Virginia

BRIEF FOR APPELLANT CHRISTOPHER LAMPARELLO

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28 U.S.C. §1331	1
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Markle Foundation, *Toward a Framework for Internet Accountability* (July 2001)
http://www.markle.org/downloadable_assets/accountabilitych1.pdf 40

Patent and Trademark Office, Examination Guide No. 2-99, Marks Composed, in
Whole or in Part, of Domain Names (September 29, 1999) 39

GLOSSARY OF ABBREVIATIONS

ACPA	Anti-Cyberpiracy Consumer Protection Act
DEN	Docket Entry Number
JA	Joint Appendix

In 1999, appellant Christopher Lamparello posted a website critical of Jerry Falwell, using the parodic domain name www.fallwell.com. The website is noncommercial, and is addressed solely to a discussion of Falwell's religious views, not his business activities. The district court thought that this case was controlled by *PETA v. Doughney*, 263 F3d 359 (CA4 2001) and forbade Lamparello from making any use of Falwell's name or other trademarks on the Internet. Amici curiae will argue that *PETA's* reasoning should be reconsidered, but the decision below can be reversed without disturbing *PETA*. The facts here differ dramatically from *PETA* because Lamparello is not trying to shake down Falwell to "sell" the domain name, his website is about Falwell, and his site is entirely noncommercial. Equally important, major developments in the law governing the use of trademarks in domain names for gripe sites, based largely on arguments not put forward in *PETA*, coupled with judicial recognition of significant developments concerning search technology and common public practices concerning the Internet, require that Lamparello be allowed to keep his anti-Falwell website at the domain name that he has chosen.

JURISDICTION

The district court had jurisdiction under 15 U.S.C. §§ 1114(1), 1114(2)(D)(v) and 1121, and 28 U.S.C. §§1331, 1337 and 1338. Judgment was entered, disposing of all issues in the case, on August 5, 2004, JA246; Lamparello appealed on August 12, 2004. JA247. This court has jurisdiction under 28 USC §1291.

QUESTIONS PRESENTED

1. Does the Lanham Act bar a domain name similar to the surname of a major religious figure, where the domain name accurately identifies the subject of a noncommercial website that criticizes the religious figure's noncommercial views and that is unambiguously a critical site?

2. Is such a website rendered impermissibly commercial because (1) the markholder also engages in commercial activities, and the website might adversely affect the markholder's business, or (2) temporarily, the website praised a book and provided an unpaid link to a bookstore website?

3. Did the markholder's failure to establish damage bar its claims under section 43 of the Lanham Act?

4. Did the markholder fail to show bad faith intent to profit as required for its cybersquatting claim?

5. Are the markholder's claims untimely?

STATUTES INVOLVED

Relevant statutory and constitutional provisions are set forth in a Statutory Addendum.

STATEMENT

A. Facts¹

Lamparello was offended by statements that Falwell made about gay people, and concerned that Falwell causes needless anguish to gay people and their families. JA92. He decided to create a website about Falwell's views on this subject. *Id.* Because the subject of the website was Falwell, Lamparello wanted a domain name that described that subject. *Id.* By February 1999, when Lamparello initiated this project, the domain name falwell.com was already taken – Falwell has used that name for his own website since 1998. *Id.* Fallwell.com remained available, and Lamparello selected that name because it was the closest available to the subject of his site, while providing a mild parody, suggesting that appellee should “fall well.” JA92-93. Lamparello has never, including in this case, registered a domain name for the purpose of selling it, and has never sold or tried to sell a domain name. JA94. Nor, other than fallwell.com, has Lamparello ever registered a domain name that contains or is similar to a trademark. JA94

¹The facts in this case were undisputed. Appellant's statement is drawn from a stipulation of facts submitted by the parties, Joint Appendix (“JA”) at 120-126, appellant's “Statement of Undisputed Facts,” JA115-119, which was undisputed by appellees, JA203, and affidavits and exhibits submitted below. Under Eastern District of Virginia Local Rule 56(B), because Falwell did not contest Lamparello's Statement of Undisputed Facts, those facts are deemed admitted. *Withers v. Eveland*, 988 FSupp 942, 945 &n2 (EDVa 1997).

The website, which appears on a CD at JA98, is addressed solely to disputing Falwell's views about homosexuality and his interpretation of the Bible on that subject, and to the hurtful effects of his anti-gay crusading on gay people and their families. JA92, 95, 98. The website makes apparent, from the very top of its homepage, that it is critical of Falwell and not sponsored by him. The very first words on the homepage disclaim affiliation with Falwell, explain how to reach Falwell's own website, and provide a hyperlink to falwell.com. A prominent headline in red states, "The Reverend Jerry Falwell is completely wrong when he says that gay and lesbian people are sinning and can change. Please take a moment to read why" JA98.

The website is completely noncommercial. It is completely unrelated to any of Falwell's business or commercial activities, and does not sell goods or services. JA93-94. For a period of time between 1999 and 2001, a page deep within the website discussed a book about the interpretation of biblical verses relating to homosexuality, recommended the book to readers, and hyperlinked to amazon.com where, for part of that period, the book was available for purchase. JA95-96. However, Lamparello did not know the author and derived no financial benefit either from sales of the book or from the website's reference to the book. *Id.* He simply expressed his favorable opinion about the book's parsing of biblical verse. *Id.*

In addition, neither Lamparello's website nor his domain name had any effect

on the amount of business that Falwell or appellee Jerry Falwell Ministries (“JFM”) did through their website, falwell.com. Indeed, the parties stipulated, “Lamparello's domain name and website at www.falwell.com had no measurable impact on the quantity of visits to defendants’ website at www.falwell.com.” JA190.

B. Proceedings Below.

After Falwell and his Liberty Alliance won an administrative proceeding under the Uniform Domain-Name Dispute-Resolution Policy, JA37-46, Lamparello filed this declaratory judgment proceeding in the Eastern District of Virginia to keep his domain name. JA10-21. By consent, JFM substituted for Liberty Alliance (this brief refers to both parties as “Falwell”), and Falwell counterclaimed under Sections 32 and 43 of the Lanham Act, 15 USC §§ 1114, 1125(a), for infringement of their registered trademark, LISTEN AMERICA WITH JERRY FALWELL, and their common law trademarks, JERRY FALWELL and FALWELL. They also alleged a violation of the Anticyberpiracy Consumer Protection Act (“ACPA”), enacted as Lanham Act Section 43(d), 15 USC § 1125(d), and state trademark law. JA26-36. The parties exchanged discovery, entered 35 stipulations of fact, JA120-126, and cross-moved for summary judgment. The parties expressly agreed that there were no genuine issues of material fact and that summary judgment was appropriate on the record presented. JA126.

In moving for summary judgment, Lamparello argued both that the Constitution

constrains the application of the trademark laws to apply only to commercial uses, and that several provisions of the Lanham Act, including the term “use in commerce,” the statutory definition of that phrase in section 45, and the “noncommercial use” exception in section 43, expressly limited Falwell’s causes of action to commercial uses. He also argued that his domain name accurately depicted the subject of his website, that one proper function of domain names is to denominate the subject of the site, and that, so long as a website is not confusing about its sponsorship and the domain name is not registered for financial gain, use of a trademark to denominate accurately the subject of a website constitutes neither infringement nor cybersquatting. Lamparello also argued that the multi-factor test established by *Pizzeria Uno Corp. v. Temple*, 747 F2d 1522 (CA4 1984), showed no likelihood of confusion, and that the ACPA’s statutory factors showed that Lamparello lacked any bad faith intent to profit. Finally, Lamparello argued that Falwell’s claims are barred by the statutes of limitations.

Falwell’s response ignored the constitutional arguments and the arguments about how domain names identify the subjects of websites, and it referred only in the most conclusory manner to the *Pizzeria Uno* factors. Falwell argued instead that neither the statutory definition of “use in commerce” nor the noncommercial use exception applied to his causes of action, and in any event that the temporary presence

of praise for a commercially available book made Lamparello's website "in commerce" which, he argued, was all that was required by the Lanham Act. He also argued that his claims were timely. Finally, Falwell sought an award of \$1,000,000 in statutory damages plus attorney fees.

The district court granted Falwell's motion for summary judgment. Like Falwell, the district judge ignored Lamparello's constitutional arguments and his arguments about the function of domain names. The court also ignored the issues of statutory construction of "use in commerce" or "noncommercial use." Instead, the court decided that this court's decision in *PETA* made it sufficient to find that Lamparello "used [Falwell's] mark," that the use of the mark was "in commerce", and that the website used Falwell's marks "in connection with the sale, offering for sale, distribution or advertising of goods and services." JA235-236. The phrase "in commerce," the judge concluded, as satisfied because the "nature of the internet is such that [the] website is available 'in commerce.'" JA236-237. And the "in connection with the sale of goods and services" standard was met because of the one-time reference to a book for sale, and because although "the majority" or Lamparello's activities were not for profit, the provision of viewpoints was a "service." JA237. The court did not cite any evidence to show that any of Lamparello's website activities were for profit, because the undisputed evidence was to the contrary.

Finally, the court found likelihood of confusion, without a general discussion of the *Pizzeria Uno* factors, because the domain name was similar to Falwell's trademarks, because Falwell supposedly presented evidence that "individuals have specifically confused [Lamparello]'s website with [Falwell's] website," and because a survey showed that three percent of Falwell's supporters misspelling his name as "Fallwell." JA238-239. The court also rejected Lamparello's statute of limitations argument on the ground that trademarks are property and the Virginia limitations period for property claims is five years. Filed on February 5, 2004, the counterclaim came less than five years after the initial registration of fallwell.com on February 11, 1999. JA244.

Accordingly, the court enjoined any further use of the fallwell.com website, and ordered Lamparello to transfer the domain name to Falwell. JA246. The court also ordered Lamparello to "cease any further use of [Falwell's] trademarks." *Id.* However, the court rejected Falwell's claims for statutory damages and attorney fees on the ground that "[f]inancial profit was a minor motive in the use of the website at issue. The primary motive was to put forth opinions on issues" JA245. Again, the court did not cite **any** evidence showing that Lamparello made any profit or had any profit motive.

SUMMARY OF ARGUMENT

Consistent with the decision of every court of appeals to consider a similar case, the judgment should be reversed because a noncommercial speaker is entitled to use the name of a person he is criticizing as the domain name that identifies a nonconfusing website about that person.

First, the trademark laws do not apply to Lamparello's speech about Falwell. Those laws are construed to avoid conflict with the First Amendment, whose protections are at their apogee with respect to noncommercial speech. Moreover, the Lanham Act's language limits its application to commercially misleading uses of trademarks. This limitation applies equally to Falwell's infringement and ACPA claims; the ACPA also requires proof that Lamparello had a bad faith intent to profit. The district court's ruling on commercial use was based both on a failure to address the relevant statutory language, and on assertions about Lamparello's "sale" of a book that fly in the face of the undisputed evidence.

The Court should also reverse because there is no likelihood of confusion. The court below simply ignored the developing consensus among the federal courts, that trademarks may properly be used as domain names for websites about trademark holders, so long as the websites themselves do not imply affiliation with the markholders. The Court also ignored the many *Pizzeria Uno* factors that favored Lamparello. The one factor it discussed, actual confusion, favors Lamparello because,

under this Court's decisions, a few instances of actual confusion in the three years of the website's existence supports the determination that confusion is unlikely.

The claim for infringement of Falwell's unregistered trademarks should also have been dismissed. Having stipulated that fallwell.com had no measurable impact on the quantity of visits to Falwell's own website, Falwell could not show damage as required by section 43(a).

The statutory factors for cybersquatting, both considered individually and in light of the purpose of the ACPA to prevent extortionate registration of domain names, show that Lamparello did not register his domain names with a bad faith intent to profit.

Finally, all trademark claims should have been dismissed as untimely.

STANDARD OF REVIEW

Summary judgment rulings are reviewed de novo. *Hooven-Lewis v. Caldera*, 249 F3d 259 (CA4 2001).

ARGUMENT

I. THE TRADEMARK CLAIMS INFRINGE LAMPARELLO'S FREE SPEECH RIGHT TO DESCRIBE THE SUBJECT OF HIS CRITICISM.

Ordinarily, courts consider statutory issues first to avoid constitutional issues. However, trademark statutes are customarily construed in light of First Amendment concerns, particularly insofar as they distinguish between commercial and noncommercial speech. Accordingly, we begin our analysis with the First Amendment.

Lamparello's speech is indisputably protected by the First Amendment. Falwell's trademark claims seek government action by a court, which is subject to First Amendment scrutiny. *Organization for a Better Austin v. Keefe*, 402 US 415, 418 (1971). Unlike copyright cases where fair use is co-extensive with the First Amendment, *e.g.*, *Harper & Row v. Nation Enterprises*, 471 US 539, 560 (1985), in trademark cases, First Amendment considerations routinely receive separate discussion, although they also inform statutory interpretation. Where a defendant is engaged in noncommercial speech, mere application of trademark law may violate the First Amendment. *L.L. Bean v. Drake Publishers*, 811 F2d 26, 32-33 (CA1 1987). Even when trademarks have been used in a commercial context, courts still construe the trademark laws narrowly to avoid impingement on First Amendment rights. *E.g.*,

Cliffs Notes v. Bantam Doubleday, 886 F2d 490, 494 (CA2 1989). First Amendment interests are weighed as a factor in deciding whether a trademark violation should be found, e.g., *Anheuser-Busch v. Balducci Pubs.* 28 F3d 769, 776 (CA8 1994), and injunctions must be narrowly crafted to comply with the rule against prior restraints on speech. *Id.* at 778; *U-Haul Int'l v. Jartran*, 793 F2d 1034, 1042 (CA9 1986); *Better Business Bureau v. Medical Directors*, 681 F2d 397, 404-405 (CA5 1982).

In many cases, courts have struggled to decide whether a particular use of trademarks constituted commercial or noncommercial speech. *Porous Media Corp. v. Pall Corp.*, 173 F3d 1109, 1119-1121 (CA8 1999); *Semco v. Amcast*, 52 F3d 108, 111-114 (CA6 1995); *U.S. Healthcare v. Blue Cross of Greater Philadelphia*, 898 F2d 914, 927-939 (CA3 1990). This question is significant not only because, as discussed below, Congress has limited the application of the Lanham Act to commercial speech, but also because commercial speech receives less protection under the First Amendment than does noncommercial speech. Indeed, recognition that the First Amendment would bar claims for misleading statements in noncommercial speech underlay Congress' establishment of the "commercial" requirement in section 43. *Semco v. Amcast*, 52 F3d 108, 111-112 (CA6 1995).

Thus, when, as in *Semco*, *Porous Media*, and *U.S. Healthcare*, one company makes statements about a competitor during an advertising campaign, courts apply

multi-factor tests to determine when the statements are noncommercial, and thus entitled to full First Amendment protection, or commercial, and thus entitled only to have their First Amendment interests weighed as part of a fair use or fair commentary defense. *Id.* Similarly, when sellers of T-shirts or other commercial products spoof trademarks or use trademarks to denounce political positions, courts decide whether the alleged infringers or diluters are predominantly engaging in commentary, or are using trademarks mainly to sell their own products. *E.g.*, *Cardtoons v. Major League Baseball Players Ass’n*, 95 F3d 959, 968-970 (CA10 1996); *Mutual of Omaha Ins. Co. v. Novak*, 836 F2d 397, 402-403 (CA8 1987). However, when an action is brought against plainly noncommercial uses of trademarks for political commentary, courts have not hesitated to afford full First Amendment protection against the trademark holder’s claim, either by holding that First Amendment principles bar application of the statute, or by holding that a state law is unconstitutional on its face or as applied in the particular case.²

Lamparello’s website is just the sort of social and religious commentary that courts assiduously protect. Lamparello’s criticisms would be pointless if he had to

² *L.L. Bean v. Drake Publishers*, 811 F2d 26, 33 (CA1 1987); *Bally Total Fitness Holding Corp. v. Faber*, 29 FSupp2d 1161, 1167 (CDCal 1998); *ACLU of Georgia v. Miller*, 977 FSupp 1228, 1233 (NDGa 1997); *Lighthawk v. Robertson*, 812 FSupp 1095, 1097-1101 (WDWash 1993); *Stop the Olympic Prison v. United States Olympic Comm.*, 489 FSupp 1112, 1124-1125 (SDNY 1980).

omit Falwell's name, yet the district court's injunction forbids the use of Falwell's marks **anywhere** on Lamparello's website.

Furthermore, it is not just the websites generally, but Lamparello's use of Falwell's trademark in his domain name, that constitutes protected speech. Courts have repeatedly held that the use of trademarks constitutes speech protected by the First Amendment, even when used **only** to designate source. *E.g.*, *Bad Frog Brewery v. New York Liquor Auth.*, 134 F3d 87, 94-97 (CA2 1998); *Sambo's Restaurants v. Ann Arbor*, 663 F2d 686, 694 (CA6 1981).

Using trademarks in domain names is analogous to using trademarks in book titles, to which the courts give First Amendment protection because they are part of the authors' expression, and call attention to the fact that the works in question contain content on those topics. *E.g.*, *Twin Peaks Production v. Publications Int'l*, 996 F2d 1366, 1379 (CA2 1993); *Rogers v. Grimaldi*, 875 F2d 994, 999 (CA2 1989). *Accord Mattel v. Walking Mountain Prods.*, 353 F3d 792, 807 (CA9 2003).

Although Falwell argues that fallwell.com is not speech, it is precisely because of its expressive content that Falwell objects to the domain name. If Internet addresses were simply IP numbers, it could plausibly be contended that they were not speech. However, domain names exist to provide memorable identifiers to help Internet users identify websites in which they are interested. JA83. By the same

token, Lamparello's use of Falwell's surname in his domain name communicates to web users that his site contains information about that individual. Therefore, the domain name is "speech" to which the First Amendment applies.

II. LAMPARELLO WAS ENTITLED TO SUMMARY JUDGMENT DISMISSING ALL CLAIMS FOR LACK OF COMMERCIAL USE.

A. The Trademark Laws Apply Only to Commercial Uses of Trademarks.

Trademark law creates a commercial tort. The limitation of trademark law to commercial uses appears in the statutory language and caselaw, and its existence follows both from the limitations that the First Amendment places on the exercise of government authority restricting free speech, *Taubman v. WebFeats*, 319 F3d 770, 774 (CA6 2003), and because the Commerce Clause empowers Congress to regulate only matters with a nexus to economic activity. *United States v. Lopez*, 514 US 549 (1995).

The First Amendment does not authorize regulating noncommercial speech simply because it is misleading. For example, a political flyer or a newspaper article about a public figure could not be enjoined, or made the basis for an award of damages, simply because some readers would likely find it confusing. The concept of regulating speech that has the potential to be misleading, even though it is not strictly speaking false, has developed over the thirty years since the Supreme Court

first extended First Amendment protection to commercial speech. *Thompson v. Western States Med. Ctr.*, 535 US 357, 367 (2002); *Lorillard Tobacco Co. v. Reilly*, 533 US 525, 554 (2001). Unlike noncommercial speech, commercial speech can be regulated even if it is “not provably false, or even wholly false, but only deceptive or misleading.” *Friedman v. Rogers*, 440 US 1, 9 (1979). Thus, although “[a] company has the full panoply of protections available to its direct comments on public issues, . . . there is no reason for providing similar constitutional protection when such statements are made in the context of commercial transactions.” *Bolger v. Youngs Drug Prods. Corp.*, 463 US 60 (1983). *Accord Bates v. State Bar of Arizona*, 433 US 350, 383 (1977) (“the leeway for untruthful or misleading expression that has been allowed in other contexts has little force in the commercial arena”); *Smith v. United States*, 431 US 291, 318 (1977) (“Although . . . misleading statements in a political oration cannot be censored, . . . misleading representations in a securities prospectus may surely be regulated.”); *Young v American Mini Theatres*, 427 US 50, 68 and n31 (1976) (“regulatory commissions may prohibit businessmen from making statements which, though literally true, are potentially deceptive”); *Mattel v. MCA Records*, 296 F3d 894, 905 (CA9 2002) (“consumer protection rationale [for trademark relief] averting what is essentially a fraud on the consuming public is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud”).

Thus, in *CPC Int'l v. Skippy Inc.*, 214 F3d 456 (CA4 2000), this Court implicitly recognized that trademark law is limited to commercial uses to be consistent with the First Amendment. The issue there was whether a trademark injunction forbade criticism of the maker of Skippy peanut butter at the domain name *skippy.com*. The Court began by noting that the purposes of the trademark laws all related to giving consumers accurate information about commercial products, *id.* 461, and that the trademark laws do not prevent critics from commenting on commercial products. *Id.* 462. The Court further held that criticism of the markholder was not commercial speech simply because it might impair the markholder's commercial interests. Although the Court's analysis was rooted in the First Amendment, the case surely stands for the proposition that the trademark laws cannot be applied to forbid such noncommercial speech.³

The limitation of trademark law to commercial situations follows from the distinctions that First Amendment law draws between commercial and noncommercial speech. The fundamental precept of trademark law is that it prevents uses of trademarks that are misleading, in that they are "likely" to be "confusing" to

³*See also White v. Samsung Electronics America*, 971 F2d 1395, 1401 (CA9 1992) (rules against exploitation of personality permissible under First Amendment because of commercial speech context); *E&J Gallo Winery v. Gallo Cattle Co.*, 967 F2d 1280, 1297 (CA9 1992) (trademark injunction permissible because it limits commercial speech).

consumers. *Moseley v. V Secret Catalogue*, 537 US 418, 429-430 (2003). To constitute infringement, use of the trademark need not be deliberately confusing, and it need not actually constitute a “false” statement of origin. Because these standards do not meet the First Amendment’s requirements for prohibiting **noncommercial** speech, the First Amendment provides an important reason to construe the trademark laws to apply only to **commercial** goods and speech.

Limiting the trademark laws to the commercial context also finds support in caselaw applying the Commerce Clause. The courts’ discussion of “commerce” consistently equates that term with “commercial” or “economic” activity. *E.g.*, *U.S. v. Buculei*, 262 F3d 322, 328-329 (CA4 2001). Thus, the Commerce Clause allows Congress to regulate activities because they have a substantial effect on commerce, but only when the regulated activity “has been some sort of economic endeavor.” *U.S. v. Morrison*, 529 US 598, 511 (2000). Moreover, the activity substantially **affected** must be an “economic enterprise or transaction.” *Hoffman v. Hunt*, 126 F3d 575, 585-588 (CA4 1997); *Gibbs v. Babbitt*, 214 F3d 483, 491-492 (CA4 2000).

The district judge opined that the mere expression of opinions is a “service” under the trademark laws, arguing that, if Lamparello’s argument were correct, “anyone would be entirely free to distribute . . . statements . . . in the name of [Falwell] so long as they did not profit.” JA237. Lamparello did not purport to speak

in Falwell's name; had Lamparello deliberately made false statements to viewers about his identity, the First Amendment's standards for regulation of noncommercial speech might well be met. That does not, however, mean that a federal statute could forbid such conduct. Simply because a given form of activity is undesirable does not mean that Congress is empowered to prevent it, any more than, for example, Congress can enact a general rule against rape or bringing guns into schoolyards. *See Morrison and Lopez, supra*. In our federal scheme, Congress has been allocated limited powers, and if expression has no nexus to commerce, the Commerce Clause is not authority for Congress to regulate it. The expression of religious opinions, even under a false name, is not "commerce."

Accordingly, each of the statutory provisions at issue here is limited to commercial speech. Falwell's infringement claims arise under Sections 32 and 43(a) of the Lanham Act, 15 USC §§1114, 1125(a), which require "use in commerce" of plaintiff's marks. That language did not appear in the Lanham Act as originally adopted. Originally, the cause of action was against "any person who shall, in commerce" commit any infringing act. 15 USC §1114(1). As construed at that time, the statutory phrase "in commerce" reached to the full extent of Congress' commerce power. *Steele v. Bulova Watch Co.*, 344 US 280, 283 (1952).

The 1962 amendments, however, changed the structure of the claim to require

that the defendant “use[d] in commerce” plaintiff’s trademark. Statutory terms that include the word “commerce” do not necessarily reach to the full breadth of the commerce power; rather, they must be construed as commanded by each particular statute. *Circuit City Stores v. Adams*, 532 US 105, 113-119 (2001) (unlike term “involving commerce,” term “engaged in commerce” does not reach to full extent of Commerce Clause, but covers only workers in transportation industries).

In 1988, Congress limited the phrase “use in commerce” to include only commercial uses, defining it to mean “bona fide use of a mark in the ordinary course of trade” Section 45, 15 USC §1127. Although this definition of “use in commerce” was adopted to define the uses that would qualify a trademark for registration, Congress employed the same language, “use in commerce,” both in the statutory provisions for registration **and** in the provisions that determine what uses are actionable for infringement. Under standard principles of statutory construction, “identical words used in different parts of the same act are intended to have the same meaning.” *Commissioner v. Keystone Consol. Indus.*, 508 U.S. 152, 159 (1993).

“The act’s purpose, as defined in Section 45, is exclusively to protect the interests of a purely commercial class against unscrupulous commercial conduct.” *Made in the USA Found. v Phillips*, 365 F3d 278, 280 (CA4 2004); *Colligan v. Activities Club of New York*, 442 F2d 686, 692 (CA2 1971). Without “use in

commerce,” there is no violation of sections 32 and 43(a). *Endoscopy-America v. Fiber Tech Medical*, 4 FedAppx 128, 2001 WL 94739 (CA4 2001). In *Endoscopy-America*, this Court employed “use in commerce” to determine whether actionable infringement occurred.

Below, Falwell attempted to evade the statute’s plain meaning by arguing that the word “use” appears in sections 32 and 43 as a verb, but the definition applies only to “use” as a noun. This argument suffers from several flaws. To begin with, it would leave verbal uses of “use in commerce” undefined. But more significant, the statutory provisions that discuss the registration of trademarks employ the word “use” both as verbs and as nouns, thus implying that the same definition applies to each. For example, 15 USC §1051(a)(1) provides, “The owner of a trademark **used in commerce** may request registration of its trademark”; and 15 USC §1051(b)(1), entitled “(b) Application for bona fide intention **to use** trademark,” provides that “(1) A person who has a bona fide intention, under circumstances showing the good faith of such person, **to use** a trademark **in commerce** may request registration of its trademark” by filing a certain document. That document must verify, among other things, an entitlement “**to use** the mark **in commerce**,” *Id.* §1051(b)(3)(A), an “intention **to use** the mark **in commerce**,” *id.* §1051(b)(3)(B), and “that, to the best of the verifier’s knowledge and belief, no other person has the right **to use** such mark

in commerce.” *Id.* §1051(b)(3)(D). Section 1051(d), entitled “Verified statement that trademark **is used in commerce,**” switches back and forth between “use” as a noun and as a verb without any hint that the meaning is different depending on the part of speech. The statutory definition would thus not carry out what Falwell portrays as its sole purpose if “use in commerce” were being defined only as a noun.

Moreover, giving the statute its plain meaning has the additional benefit of avoiding the constitutional issues that would arise were the “likelihood of confusion” standard, that allows speech to be enjoined and punished without any finding of actual or intentional falsehood, applied to purely noncommercial speech. One cannot review the corpus of trademark decisions in this Circuit (and elsewhere), and their articulation of the likelihood of confusion factors, without being struck by the pervasiveness of the assumption that trademark is a **commercial** tort that applies to unfair conduct by **commercial** competitors. Indeed, in the one Fourth Circuit case where the winner of a trademark injunction tried to apply it to limit noncommercial criticism, the Court was quick to say that the injunction had strayed beyond the boundaries of trademark law and into impermissible prior restraint. *CPC Int’l v. Skippy Inc.*, 214 F3d 456, 461 (CA4 2000). *Accord Nissan Motor v. Nissan Computer*, 378 F3d 1002, 1016-1017 (CA9 2004).

Falwell’s claims for unfair competition and cybersquatting all arise under

Section 43 of the Lanham Act, 15 USC §§1125(a) and (d), which are likewise limited to commercial uses: “The following shall not be actionable under **this section**: . . . (B) Noncommercial use of the mark.” Section 43(c)(4), 15 USC §1125(c)(4) (emphasis added). When adding cybersquatting provisions to section 43, Congress expressly preserved the noncommercial use defense, explicitly disclaiming any intent to override either the First Amendment or section 43(c)(4). Public Law 106-113, Section 3008, 113 Stat 1501A-551. In fact, the sponsors of the cybersquatting law specifically disclaimed any intention to provide a cause of action against persons who register domain names for the purpose of delivering comment or criticisms of trademark owners by identifying the owners with their marks. *See* House Report No. 106-412 (1999), at 10.

Falwell argued below that, because the “noncommercial use” proviso appears in the dilution subsection of section 43, 15 USC §1125(c), it should only apply to that subsection. The words of the provision, do not confine its application to any one subsection – rather, it applies generally to “this section.” Other paragraphs of subsection (c), by contrast, refer specifically to actions brought “under this subsection.” §§43(c)(1) (“to obtain such other relief as is provided in this subsection”); 43(c)(2) (“In an action brought under this subsection”). *See also* §43(d)(2)(A)(i) (ACPA in rem action can be brought over marks that are “registered

. . . , or protected under subsection (a) and (c) of this section”). Accordingly, when Congress meant all of section 43, it said “section,” and when it meant only section 43(c), it referred to “subsection.”

Moreover, in repeatedly limiting the Lanham Act to commercial communications, Congress evinced its awareness of the constitutional problems that it sought to avoid. Thus, for example, the House Judiciary Committee explained that the 1989 Lanham Act amendments would not affect noncommercial speech:

[T]he proposed change in Section 43(a) should not be read in any way to limit political speech, **consumer** or editorial **comment**, parodies, satires, or other constitutionally protected material. . . . The section is narrowly drafted to encompass only clearly false and misleading commercial speech.

135 Cong. Rec. H1207, H1217 (April 13, 1989) (emphasis added).

Similarly, in adopting the 1996 amendments, Senator Hatch explained that 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) (quoting legislative history), *aff’d*, 109 F3d 1394 (CA9 1997).

B. Lamparello’s Website Is Noncommercial.

Review of Lamparello’s website shows his site’s noncommercial character. The website is dedicated to the communication of opinions and information about

Falwell. The website contains no advertisements (which is how many websites produce revenues for their operators). Indeed, although Falwell engages in commercial activity, Lamparello's website completely ignores Falwell's commercial activities.

The district court relied on the fact that, for a time, fallwell.com contained a page that praised a book about certain Bible verses, and linked to another website, amazon.com. where the book was sometimes available for sale. JA237. However, the mere fact that Lamparello's website linked to other pages which are themselves commercial did not make **his** use of Falwell's name commercial. *TMI v. Maxwell*, 368 F3d 433, 435, 438 (CA5 2004); *Bosley Med. Inst. v. Kremer*, 2004 WL 964163 (S.D. Cal.). In *Bosley*, for example, a consumer provided links to discussion sites which contained advertising, but those links did not make his website criticizing a hair replacement company commercial. Likewise, in *TMI*, the fact that Maxwell's website included a section on good neighborhood businesses and praised a home improvement business in which Maxwell had no financial interest did not make his site commercial. Similarly, here, the undisputed evidence is that Lamparello's website has **never** sold any good or services. JA73. Lamparello has no relationship to the author or the publisher of the book, JA95, and Lamparello has **never** received any revenue of any kind for the content of his website. JA93. Although the opinion below hints that part

of Lamparello's purpose was to make a profit or garner revenue, JA237, 243, the district judge cited no evidence to support that implication, and the undisputed evidence was to the contrary.

Although cited by the court below, *PETA v Doughney* does not support its decision. The defendant in *PETA* had registered many domain names, some using marks owned by others, and made statements to the press suggesting that the domain name www.peta.org was for sale and urging that PETA "make me an offer." 263 F3d at 363. Moreover, that defendant had linked from the homepage to a large number of commercial operations that dealt in animal products, not only in an effort to encourage commercial dealings in such products, but to increase the pressure on PETA to buy his domain name because the links were to businesses that were anathema to PETA. *Id.* Equally important, the court did not hold that the requirements of "use in commerce" or commercial use were met, because the defendant conceded that his use was "in commerce" and argued only that his use was not "in connection with . . . goods or services." *Id.* at 365.

An additional factor that distinguishes this case from almost every other case involving the trademark implications of domain names is that, not only is Lamparello not engaged in commercial speech, but he is not **criticizing** a commercial product or a commercial company. Lamparello's website is devoted to a discussion of social and

religious issues, with **no** nexus to commerce or economic activity. Although Falwell solicits donations and sells merchandise, Lamparello says nothing about that side of Falwell’s activities. JA94. And Falwell’s stipulation that Lamparello’s domain name and website did not have “any measurable impact” on the quantity of visits to his own website, JA190, negates any claim that Lamparello impaired his business activities.

Accordingly, it is highly questionable whether either the First Amendment or the Commerce Clause would allow the trademark laws to apply to this case.⁴

III. SUMMARY JUDGMENT SHOULD BE REVERSED BECAUSE VIEWERS ARE UNLIKELY TO BE CONFUSED ABOUT WHETHER FALWELL SPONSORS LAMPARELLO’S WEBSITE, AND BECAUSE LAMPARELLO MADE FAIR USE OF FALWELL’S NAME.

Lamparello sought summary judgment largely based on a proposition of law that the district court’s opinion ignored. Domain names may designate the subject of websites, not just their source. Consequently, numerous federal courts have held that trademarks and may be used as domain names for websites that are **about** markholders or about trademarked goods or services, even sites that are operated by

⁴Even if an injunction were appropriate, the cardinal principle under the Lanham Act is that the least intrusive remedy should be selected, even in the commercial context, but especially where otherwise protected speech is involved. *CPC v. Skippy*, 214 F3d 456, 461 (CA4 2000); *Anheuser-Busch v. Balducci Pubs.*, 28 F3d 769, 778 (CA8 1994); *Better Business Bureau v. Medical Directors*, 681 F2d 397, 404-405 (CA5 1982). Under this principle, if there were to be any injunction at all, it would only prohibit Lamparello from placing further links to commercial sites on his fallwell.com website.

persons other than the markholders, because the names do not occasion confusion about source.

“The limited purpose of trademark protections set forth in the Lanham . . . Act is to avoid confusion in the marketplace by allowing a trademark owner to prevent others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner. Trademark law aims to protect trademark owners from a false perception that they are associated with or endorse a product.” *Mattel v. Walking Mt. Prods.*, 353 F3d 792, 806 (CA9 2003). “The trademark laws exist not to ‘protect’ trademarks, but . . . to protect the consuming public from confusion, concomitantly protecting the trademark owner’s right to a non-confused public.” *James Burrough Ltd. v. Sign of Beefeater*, 540 F2d 266, 276 (CA7 1976); *Communications Sat. Corp. v. Comcet*, 429 F2d 1245, 1252 (CA4 1970). “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). *See also West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F2d 581, 590 (CA6 1955) (“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”).

A. Trademarks May Be Used in Domain Names for Nonconfusing Websites About the Markholder.

As applied to domain names, the concern about confusion is that a member of the public, wanting to find a particular website but not knowing its Internet address, may simply “name-guess” – type a trademarked name into his browser and be led to the wrong location. If the user thus reaches the website of a competitor of the trademark holder, the trademark holder may lose business because the user does not realize, until it is too late, that he is doing business not with the trademark holder but with somebody else.

Courts have decided several cases where competitors disputed which of them is entitled to use particular trademarks to denominate their products, and therefore the websites about those products. *E.g., Brookfield Communications v. West Coast Video*, 174 F3d 1036 (CA9 1999). However, those cases have no application here, because Lamparello is not Falwell’s competitor, and is not using Falwell’s trademark for a website about Lamparello’s own products; his website is about Falwell.

Cases involving critical websites fall under the rubric of “nominative fair use,” where the speaker uses the trademark to speak about the trademark holder or its goods and services. *Id.* at 1065-66; *New Kids on the Block v. New America Pub.*, 971 F2d 302, 306-309 (CA9 1992). For example, the courts consistently hold that fair use, construed consistently with the First Amendment, allows publishers or authors of

books or other expressive works about famous persons to use such persons' names in the titles of the books. *Twin Peaks Prod. v. Publications Int'l*, 996 F2d 1366, 1379 (CA2 1993); *Rogers v. Grimaldi*, 875 F2d 994, 999 (CA2 1989); *Mattel v. MCA Records*, 296 F3d 894, 902 (CA9 2002).

Domain names can play the same role as book titles in denominating the subject of underlying websites. JA92. For example, "apples.com" is the domain name of a website about apples, not the website of Apple computer company. Just as the title of a book may use a trademark truthfully to describe the content of the book, so may Lamparello use a trademark as a domain name truthfully to describe the contents of his website. As Justice Holmes said in *Prestonettes v. Coty*, 264 US 359, 368 (1924), "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."

If the Web's sole function were to serve as a commercial marketplace, and the only reason Internet users might be searching for websites were to find the vendors of goods, then a rule that only the owner of a trademark could use that mark as the domain name to denominate its website might be sensible. But the Web is not exclusively a marketplace – to the contrary, it has been estimated that **most** websites are eleemosynary ones that provide information, and only a third are operated by businesses. Kelly, *The Web Runs on Love Not Greed*, Wall Street Journal, January 3,

2002. And a report by the Markle Foundation reveals that the predominant public perception of the Internet is of a library, or source of information, rather than as a shopping mall, or a place to obtain goods and services from their vendors. http://www.markle.org/downloadable_assets/accountabilitych1.pdf, at 20-25. Thus, there is no reason to assume that persons looking for websites bearing the title “Falwell” are necessarily looking for Falwell’s ministry – they may just as well be looking for information that will help them evaluate Falwell’s views, or for information about how to take action if they disapprove of him. The rules governing uses of domain names must accommodate all of these disparate reasons for seeking Falwell-related information, and concomitantly all of the ways in which website operators may want to speak about Falwell, either positively or negatively.

Although this Court has not yet had occasion to apply trademark law to a pure criticism site, every other appellate court and almost every district court to consider the use of a domain name incorporating a trademark for a facially nonconfusing website about the trademark holder has found the use permissible. The leading case involved a consumer who established a website at shopsatwillowbend.com about a neighboring shopping mall, and placed a clear and unequivocal disclaimer of affiliation along with a hyperlink to the official site established by the mall’s developer. The court found no violation of the trademark laws. *Taubman v.*

WebFeats, 319 F3d 770 (CA6 2003). Similarly, when a dissatisfied customer created northlandinsurance.com to publicize his grievances about the small amount that Northland Insurance had paid on a claim, the court found a legitimate use of the domain name for the expression of opinions about the company. *Northland Ins. Co. v. Blaylock*, 115 FSupp2d 1108 (DMinn 2000). In *Bosley Med. Inst. v. Kremer*, 2004 WL 964163 (SDCal), the website was erected by a dissatisfied customer of a “hair restoration company” at www.bosleymedical.com and www.bosleymedicalviolations.com. As in this case, the website included a disclaimer along with a hyperlink to the official bosley.com website. The district court granted summary judgment, finding no likelihood that Internet visitors would be confused about the sponsorship of the website. *Id.* at *10. See also *TMI v Maxwell*, 368 F3d 433 (CA5 2004); *Lucas Nursery and Landscaping v. Grosse*, 359 F3d 806 (CA6 2004); *Ficker v. Tuohy*, 305 FSupp2d 569, 572 (DMd 2004); *Crown Pontiac v. Ballock*, 287 FSupp2d 1256 (NDA1a 2003).

The Seventh Circuit reached a similar result even in the commercial context in *Ty v. Prettyman*, 306 F3d 509 (2002). The decision overturned an injunction issued against an unauthorized reseller of Beanie babies who used the name “bargainbeanies.com” for her marketing website. Because Prettyman was entitled under trademark law to tell the consuming public that she sold Beanie babies through

her website, Judge Posner held that trademark law could not be used to deprive Prettyman of the right to truthfully identify the content of her website by placing the trademark “Beanie” in her domain name.⁵

Lamparello’s website falls squarely within these holdings. Falwell is the subject of his site, and the site’s content makes plain that it is a criticism site, not Falwell’s own site. Indeed, the top of Lamparello’s site has a prominent disclaimer, and a hyperlink to Falwell’s site to ensure that any person who wants to hear Falwell’s side of the story can do so easily. The First Amendment requires courts to consider the use of disclaimers when they can dispel any confusion. *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 markholder deserves. *Westchester Media v. PRL USA Holdings*, 214 F3d 658, 673 (CA5 2000); *Soltex Polymer Corp. v. Fortex Indus.*, 832 F2d 1325, 1329-1330 (CA2 1987).

This Court’s decision in *PETA* is not to the contrary. The defendant there did not claim that his website was about PETA. Quite the opposite, to register the domain name, he claimed that he had established a competing organization named People

⁵This analysis is not inconsistent with *Coca-Cola v. Purdy*, 382 F3d 774, 785-786 (CA8 2004). That defendant used Coca-Cola and Washington Post as domain names for websites about abortion, not about the markholders.

Eating Tasty Animals. Then, when challenged, he both tried to sell the domain name to PETA and switched legal theories, claiming that he was operating a parody site. He also failed to include a prominent disclosure that his site was not affiliated with PETA or to include a prominent link to PETA's official website, *id.* at 363; the site did not even state that it was an attempt to parody PETA. *Id.* at 366. Doughney attempted to intercept PETA's web traffic and use the website to discuss an entirely fictional organization.⁶

Finally, unlike the arbitrary mark "PETA," Falwell and Fallwell are surnames shared by nearly 1500 living individuals. JA 117, 120, 126. Many of those individuals use their surnames commercially, JA112, 117, and hence each of them has at least a common law trademark in the surname. Whether or not each person with that last name uses their name commercially, each has a plausible interest in having a domain name that incorporates their last name, just as any person who wants to say something about them has an interest in such a domain name. Trademark law provides no reason why any one Falwell or Fallwell should have a pre-eminent interest in obtaining the domain name fallwell.com. Moreover, trademark law has

⁶*PETA* rejected the parody defense on the ground that the parody was not reflected in the domain name itself. 113 FSupp2d at 921, *aff'd*, 263 F3d at 366-367. In this case, however, the domain name fallwell.com is a parody on the Falwell surname, playing on the pronunciation of the name "fall - well," and expressing the wish that Falwell should "fall."

long been cautious about extending exclusive rights to personal names, precisely because the result would be to prevent legitimate uses of that name by the many persons who were not granted trademark rights. *Peaceable Planet v. Ty, Inc.*, 362 F3d 986 (CA7 2004). To be sure, Falwell's name has acquired secondary meaning within the religious world, but that does not mean that Jerry Falwell should be given a supervening right to use the domain name "fallwell.com" over children's book author Cathryn Falwell, fashion photographer Tony Falwell, appraiser and family genealogist Marshall Fallwell, or pornographic film-maker Terrence Fallwell, JA117, not to speak of members of the public who might want to use the name to discuss any of those individuals.

Some early district court decisions disallow trademarked names for criticism websites. *E.g., Planned Parenthood v. Bucci*, 1997 WL 133313 (SDNY), and *Jews for Jesus v. Brodsky*, 993 FSupp 282 (DNJ 1998). These cases can be distinguished, however, both because the websites at issue were intentionally confusing, and because the cases were decided at a time when search engines were in their infancy and, therefore, courts worried that individuals looking for a particular site would give up after they found defendants' sites instead. More recent cases take a more sanguine view because "there is a difference between inadvertently landing on a web site and being confused," *The Network Network v. CBS*, 54 USPQ2d 1150, 1155 (CDCal

2000), and Internet users “are inured to the false starts and excursions awaiting them in this evolving medium.” *Chatam v. Bodum*, 157 FSupp2d 549, 558-559 (EDPa 2001). If they do not find what they are seeking with their first guess about how to find it, they will try another approach, such as by using a search engine. *Strick Corp. v. Strickland*, 162 FSupp2d 372 (EDPa 2001). Indeed, recent reports suggest that few Internet users still rely primarily on name-guessing to find sites that interest them. JA84-86. That analysis is consistent with recent decisions recognizing Internet users’ sophistication about domain names. *Entrepreneur Media v. Smith*, 279 F3d 1135, 1147 (CA9 2002).

B. The *Pizzeria Uno* Factors Also Show No Likelihood of Confusion.

This Circuit’s multi-factor test, adopted in *Pizzeria Uno Corp. v. Temple*, 747 F2d 1522 (CA4 1984), also shows that the domain name and website pose no likelihood of confusion. “The ultimate question is ‘whether there exists a likelihood that an appreciable number of ordinarily prudent purchasers will be misled, or indeed simply confused, as to the source of the goods in question.’” *Perini Corp. v. Perini Constr.*, 915 F2d 121, 127 (CA4 1990). *Pizzeria Uno* directs courts to consider (1) the strength or distinctiveness of the plaintiff’s mark, (2) the similarity of the two parties’ marks, (3) the similarity of the goods and services the marks identify, (4) the similarity of the facilities the two parties use in their businesses, (5) the similarity of

advertising used by the two parties, (6) the defendant's intent, and (7) actual confusion. *Petro Stopping Ctrs. v. James River Petroleum*, 130 F3d 88, 91 (CA4 1997). *Perini* introduced yet another factor, the sophistication of the buyers. 915 F2d at 127-128. The undisputed evidence on these factors provides an independent basis for reversal and entry of judgment for Lamparello.

The strength of Falwell's mark. The stipulated fact that Falwell's surname is distinctive says little about the relative strength of the mark, because Jerry Falwell shares that surname, and the similar Fallwell surname, with nearly 1500 other people. JA120, 126. Many of these other people (and one corporation) use their names in connection with commercial activities, JA112-113, 117, 120, and hence have common-law trademarks in their names. And although Jerry Falwell is more notorious than other similarly named persons, the search engine results attached to the summary judgment motions of both sides reveal that the notoriety stems more from the firestorm of criticism that he attracts than from his self-promotion. Surely, the fact that the surname has become so well identified with Jerry Falwell because of the extent of public criticism should not be a reason to forbid critics from using his surname to identify a website that criticizes him.

The district court asserted that the Falwell name was "famous," even though Falwell did not make that claim. In fact, many other Falwells and Fallwells make

commercial use of the name, JA111-112, 120, and Falwell and JFM disclaimed any dilution theories below. JA105. Even in the limited “industry” of using religious proselytizing to make money, at least one person with the surname Fallwell solicits donations on the Internet. JA120. In sum, the distinctiveness of Falwell’s last name does not make his mark particularly strong under the first factor.

Similarity of marks. Lamparello’s domain name fallwell.com is similar to defendants’ common law Falwell mark, but it is not similar to the registered mark “Listen America With Jerry Falwell.” In any event, this factor is not very helpful to Falwell because Lamparello uses “fallwell.com” for a website that is **about** Falwell, which is fair use. The reason why “similarity of marks” is often a factor that weighs in favor of likelihood of confusion is that rival manufacturers have a wide range of names they can pick for their own products. Therefore, if a rival picks a name for its own product that is highly similar to the markholder’s name, it is taking advantage of the chance of confusion. But when the mark is used for purposes of identifying the subject of criticism, similarity is not so helpful to the markholder because there is an alternate explanation for the use of the name – to identify the target of criticism. Indeed, similarity of marks will always be present when defendants are engaged in fair use. “Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference

to a person, company or product by using its trademark.” *CPC v. Skippy*, 214 F3d at 462. A factor that will always be present when fair use is claimed should not weigh in favor of a finding of likely confusion, lest the very presence of fair use be sufficient to show likely confusion. *See also Anheuser-Busch v. L&L Wings*, 962 F2d 316, 321 (CA4 1992) (similarity does not favor markholder when parody is at issue).

Relatedness of Goods and Services. This factor does not support Falwell because it was stipulated that the Lamparello’s website does not sell goods or services. JA120. Falwell argued below that this factor supports him because the parties operate in the same “relevant market, i.e., the Internet.” Docket Entry No. (“DEN”) 22, at 22. However, in the examination guide that explains why attempts to register domain names as trademarks must generally be rejected, the Patent and Trademark Office refused to countenance such an analysis, explaining “Advertising one’s own products or services is not a service. [citation omitted]. Therefore, businesses that create a website for the sole purpose of advertising their own products or services cannot register a domain name used to identify that activity.” Examination Guide No. 2-99, *Marks Composed, in Whole or in Part, of Domain Names* (September 29, 1999).⁷

Similarity of Facilities Used in Business and Similarity of Advertising.

⁷Contrary to the district court’s assertion, JA240, Lamparello did not agree below that Falwell had a common law trademark in falwell.com; rather, he argued that domain names can generally not be trademarked. DEN24, at 13.

These factors similarly favor Lamparello because Lamparello does not use the website for business and he does not advertise the website.

Lamparello's intent. *Pizzeria Uno* makes clear that the only intent that is relevant is "intent to confuse the buying public." 747 F2d at 1535. *Accord Shakespeare Co. v. Silstar Corp.*, 110 F3d 234, 241 (CA4 1997); *Anheuser-Busch v. L&L Wings*, 962 F2d 316, 321 (CA4 1992). No such intent is present here. To be sure, when the seller of a rival product deliberately chooses a domain name for a website for its own products using a name known to be another person's trademark, as in *Brookfield Communications v. West Coast Entertainment*, 174 F3d 1036, 1059 (CA9 1999), an inference of bad intent is appropriate. But when the trademarked name is used for the domain name of a website that is about the trademarked product, quite the opposite intent should be inferred. Otherwise, any fair use would support a finding of bad intent. In this case, the undisputed evidence is that Lamparello's purpose in choosing his domain name was to denominate accurately the topic of his website. JA92-93.

Further supporting Lamparello on the "intent" factor are the facts that his website includes a strong disclaimer and a hyperlink to Falwell's own website, at both the top and bottom of the homepage. The disclaimers negate any inference that Lamparello was trying to confuse Internet viewers or to keep them from finding

Falwell's own site. Indeed, the First Amendment requires courts to consider the use of disclaimers when they can dispel any confusion that 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 markholder deserves. *Westchester Media v. PRL USA Holdings*, 214 F3d 658, 673 (CA5 2000) (reversing because district court refused to consider disclaimers); *Soltex Polymer Corp. v. Fortex Indus.*, 832 F2d 1325, 1329-1330 (CA2 1987). Indeed, the Sixth Circuit expressly relied on the use of a disclaimer and a hyperlink on a consumer site as a reason to reject a trademark infringement claim. *Taubman v. WebFeats*, 319 F3d 770, 776-777 (2003). See also *Bosley and Ficker, supra*.

Actual Confusion. The district court stated that Falwell had "shown actual confusion." In fact, this factor weighs very heavily in Lamparello's favor, for several reasons. Even if this Court agrees that Falwell's evidence on actual confusion was admissible, that evidence consisted of a survey of Falwell's written mail showing that between 3% and 5.5 % of his correspondents spell his name "Fallwell," JA142, and the contention that over the period of the last two and one half years, Falwell has received "2 or 3 e-mails and at least 5 telephonic communications" from people who complained about Lamparello's website and/or expressed concern that Falwell's

website had been hacked. JA141.⁸

However, the fact that a survey of mail shows that up to 5.5% of his supporters use a misspelling that might lead them to find fallwell.com does not help Falwell. Rather, as this Court has stated, survey evidence showing less than 10% confusion favors the defendant. *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F3d 455 (CA4 1996). Moreover, it is questionable whether the seven or eight calls and emails are evidence of actual confusion. These individuals apparently recognized that the website was not sponsored by Falwell, and they contacted Falwell's own webmaster precisely because they were **not** confused about the source of the material they found at fallwell.com. At best, these seven or eight individuals might be examples of initial interest confusion (an issue discussed *infra*), although without knowing how they happened upon fallwell.com, even that is not certain, and surely it has not been proved. Because Falwell neither saved the email communications nor logged the telephone calls, but instead asks the Court to accept the testimonial recollection of his webmaster sworn

⁸Most of Falwell's evidence below was inadmissible. It consisted of conclusory affidavits that were not self-contained, but simply referred to accompanying briefs and attested to facts in that brief that were, in turn, attributed to the affidavit. JA145-146, 209, 232. It was often unclear exactly what facts were being attested; there was nothing offered to show that the affiants had personal knowledge; and, in fact, the affidavits were sworn in the alternative on personal knowledge or on "belief." They do not, therefore, meet the "personal knowledge" requirement of Rule 56(e).

months or years later, even this paltry evidence should be taken with a grain of salt.⁹

Moreover, the small number of cases of supposed actual confusion strongly supports Lamparello's position because, to paraphrase *Petro Stopping Centers*, 130 F3d at 95, "[Falwell's] failure to uncover more than a few instances of actual confusion creates a presumption against likelihood of confusion in the future." Numerous other circuits agree that when two uses exist side by side for several years and there are only a few instances of confusion, that fact weighs **against** a finding of likely confusion. *See also A&H Sportswear v. Victoria's Secret Stores*, 237 F3d 198, 227 (CA3 2000); *Kendall-Jackson Winery v. E&J Gallo Winery*, 150 F3d 1042, 1052 (CA9 1998); *Elvis Presley Enters. v. Capece*, 141 F3d 188, 204 (CA5 1998).

Lamparello received a daily average of 200 hits on his website, JA121, or more than 180,000 hits over 30 months. By contrast, Falwell's web traffic received an average of 9000 hits per day, which would mean 8,100,000 over 30 months. *Id.* Moreover, Lamparello's website had coexisted with Falwell's website for more than five years (since February 1999). Eight instances of purported actual confusion are so minute by comparison that they weigh very heavily against finding likelihood of confusion.

⁹Because Falwell began threatening Lamparello with trademark litigation in October 2001, JA56, the entire period of 2½ years during which the emails were discarded and the phone calls were not logged occurred when Falwell knew that litigation was a possibility and that the evidence was potentially relevant.

Other undisputed facts further support Lamparello on the issue of actual confusion. The parties have stipulated that Lamparello's website had "no measurable impact" on the quantity of traffic to Falwell's website. JA190. Falwell waived any claim of actual damages based on lost sales or donations on his website, and he refused in discovery to produce evidence of sales from which any trends might have been determined. JA100-101, 105-106. These facts further negate any implication that whatever initial interest confusion might have been suffered by persons reaching fallwell.com when they were looking for Falwell's own site ripened into actual confusion that diverted them from Falwell's site.

Sophistication of the Buying Public. There is no evidence directly on this point. However, Falwell's views about homosexuality are notorious, and it is difficult to believe that – even without the prominent disclaimer on fallwell.com – any of his supporters or target audience would believe that he was the sponsor of a website that defends gay and lesbian people and criticizes Falwell for his positions. Moreover, courts recognize the increasing sophistication of Internet users and their ability to find what they want when a first web visit does not meet their expectations. *Entrepreneur Media v. Smith*, 279 F3d 1135, 1147 (CA9 2002) ("consumers are aware that domain names for different Web sites are often quite similar . . . and that very small differences matter"); *Strick Corp. v. Strickland*, 162 FSupp2d 372, 377 (EDPa 2001).

See generally JA81-91.

The Relevance of Initial Interest Confusion. Although the district court did not mention initial interest confusion, Falwell relied on that concept below. In the Internet context, some courts say that initial interest confusion occurs when a consumer looking for a trademark holder is drawn by use of the mark in a domain name, meta tags, or keyword advertising, to a website that is **not**, once viewed, confusing about source. Nonetheless, the consumer may decide that he is interested in the goods or services marketed there, and thus stay and look further **despite** the lack of confusion. *Brookfield Communications v. West Coast Entertainment*, 174 F3d 1036, 1062 (CA9 1999). The hypothetical user decides not to continue to look for the trademark holder, not because of any illusions about who sponsors the website he or she is viewing, but because the website provides other attractive inducements. For example, the consumer may perceive that the current website offers good comparative information, or cheaper prices for functionally equivalent goods, or higher quality goods.

This Court has never recognized this doctrine, however, and it should not do so here. In any event, for three critical reasons, initial interest confusion cannot help Falwell here.

First, initial interest confusion has its most important application when two

commercial competitors are selling similar goods to the same set of consumers, *Nissan Motor v. Nissan Computer*, 378 F3d 1002, 1019 (CA9 2004); *Checkpoint Sys. v. Check Point Software Tech.*, 269 F3d 270, 296-297 (CA3 2001), and has less force when customers are likely to exercise care in making their final purchasing decisions. *Id.* Here, Lamparello is not selling rival goods but is simply expressing his views about Falwell, and people who support Falwell are likely to be fully cognizant of Falwell's hostility toward homosexuality and hence quite able to distinguish between Lamparello's views and Falwell's. In these circumstances, the possibility of initial interest confusion is virtually non-existent.¹⁰

Second, developments in both law and technology call into question the applicability of initial interest confusion to websites that accurately use domain names to denote websites' subjects. The early domain name cases spoke with assurance of the supposed lack of sophistication of Internet viewers and the absence of a reliable index of websites. *E.g.*, *Panavison v. Toeppen*, 141 F3d 1316, 1327 (CA9 1998); *Jews for Jesus v. Brodsky*, 993 FSupp 282, 303 (DNJ 1998). Courts assumed that a customer who got to the wrong website would just give up "due to anger, frustration or the assumption that plaintiff's homepage does not exist." *Id.* at 307. On this theory, when a customer was confused into visiting another person's website by a

¹⁰Such recognition was manifest in the three emails Falwell submitted below. JA200-202.

misleading domain name, even though confusion was dispelled as soon as the customer reached the rival site, the customer would find it too hard to find the site that he was really seeking. In this context, the doctrine of initial interest confusion protected the consumer against unduly high search costs that would have been incurred as a consequence of the temporarily confusing use of the mark.

This analysis has become outdated through both changes in the sophistication of Internet viewers and developments in search technology. Although it authored *Brookfield*, the Ninth Circuit has repudiated the view that Internet viewers are naive or unsophisticated. *Entrepreneur Media v. Smith*, 279 F3d 1135, 1147 (CA9 2002). Next, in *Interstellar Starship Serv. v. Epix*, 304 F3d 936, 942 (CA9 2002), that court retreated from the suggestion that initial interest confusion was an independent violation that could be found without reference to other factors. And numerous courts, not to speak of the expert report of Milton Mueller, JA85, have recognized that search engines now **do** provide an excellent index for the World Wide Web, or at least large portions of it, and have acknowledged the diminution of the consequences of landing at the “wrong” website as a result of initial interest confusion. *E.g.*, *Strick Corp. v. Strickland*, 162 FSupp2d 372 (EDPa. 2001); *Bihari v. Gross*, 119 FSupp2d 309, 320 n15 (SDNY 2000). As *Strick* stated:

[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.

162 FSupp2d at 377 (quotation marks and citations omitted).¹¹

Here, of course, Lamparello's hyperlink to Falwell's own website means that viewers who suffer from initial interest confusion need not even press the "back" button or go to a search engine; they need only click on the hyperlink to go straight to Falwell's site.

Third, an injunction against noncommercial use of the trademark pursuant to the doctrine of initial interest confusion, or an award of damages based on profits lost because the critic was too persuasive, would be inconsistent with the First Amendment. Even if a compelling government interest were served by forbidding mere "likelihood of confusion," and there were thus a constitutionally permissible basis for issuing an injunction against noncommercial speech, the constitutional basis for the injunction is even more problematic if the confusion caused by the trademark is merely ephemeral. If, for example, the confusion caused by use of the trademark

¹¹David Bernstein, a prominent trademark enforcement lawyer, stated that "99 times out of 100, consumers are able to find the site they are looking for." Loomis, *Domain Name Disputes Decline as Internet Matures*, <http://www.law.com/jsp/article.jsp?id=1044059430652>.

in a domain name is dispelled as soon as the viewer begins to read the homepage and recognizes that the site is critical of the markholder and does not promote the markholder's viewpoint, there is no "compelling government interest" served by enjoining the domain name. *Cf. Northland Ins. Co. v. Blaylock*, 115 FSupp2d 1108, 1119-1121 (DMinn 2000) (declining as a matter of trademark law to apply initial interest confusion absent proof of commercial motive).

In sum, the *Pizzeria Uno* factors weigh heavily in favor of a finding of no likelihood of confusion, and judgment should be reversed for this additional reason.

IV. FALWELL HAS NOT SHOWN DAMAGE AS REQUIRED FOR LIABILITY UNDER SECTION 43 OF THE LANHAM ACT.

For a reason the district court ignored, Falwell cannot establish a violation of section 43 of the Lanham Act, which provides that the cause of action can be pursued only by "any person who believes that he or she is or is likely to be damaged by such act." Despite the language "who believes," Falwell acknowledged below that standing to sue under section 43(a) requires evidence that the plaintiff was damaged, or is likely to have been damaged, by the violation. JA143; *Servicetrends v. Siemens Med. Sys.*, 870 FSupp 1042, 1067-1068 (NDGa 1994). "The likelihood of injury and causation will not be presumed, but must be demonstrated." *Havana Club Holding v. Galleon SA*, 203 F3d 116 (CA2 2000); *Frisch's Rest. v. Elby's Big Boy*, 670 F2d 642, 649 (CA6 1982). *See also Perini Corp. v. Perini Constr.*, 915 F2d at 128 (basis for

predicting damage must be explained). Such proof is absent here.

Falwell's purported evidence on damage was two-fold. He argued that between three and five-and-a-half percent of the people who send him mail misspell his name "Fallwell," JA142, and that those who find Lamparello's site instead of his own and are misled into accepting Lamparello's idea that homosexuality is acceptable will go to Hell. JA143-144. He also speculated that some people might not reach his own website, and that he might therefore lose sales or donations. *Id.*

Falwell's claim to standing based on the spiritual consequences that others will suffer if they agree with Lamparello's views is dubious at best, as is his unstated premise that the Establishment Clause allows the Court to consider this form of "damage." In any event, both arguments fail because of Falwell's contrary admissions. First, Falwell conceded that Lamparello's website had no measurable impact on the quantity of traffic reaching the Falwell website. JA190. Second, Falwell agreed in discovery not to claim actual damages, based on lost sales and donations, and consequently refused to produce evidence of his sales or revenues. JA101-103, 105-106. Third, when asked to describe each "injury . . . suffered as a result of Lamparello's use of the marks at issue," Falwell complained only of the harm from criticism, with no mention of harms from lost visitors. JA105. Fourth, the relatively small number of hits that Lamparello's website received, JA121, makes any

speculation about lost revenue extremely dubious. In this context, such speculation simply does not show any probability that Falwell will suffer damage, and for this reason, as well as the lack of commercial conduct and no likelihood of confusion, summary judgment should be granted dismissing Falwell's section 43 claim.¹²

V. THE CYBERSQUATTING CLAIM SHOULD HAVE BEEN DISMISSED BECAUSE LAMPARELLO DID NOT HAVE A BAD FAITH INTENT TO PROFIT AND BECAUSE HE IS PROTECTED BY THE SAFE HARBOR PROVISION.

Falwell's ACPA claims should have been dismissed on other grounds: Lamparello did not have "a bad faith intent to profit," and he is protected by the ACPA's safe harbor provision.

"The ACPA was enacted in 1999 in response to concerns over the proliferation of cybersquatting – the Internet version of a land grab. . . . Cybersquatting is the practice of registering well-known brand names as Internet domain names in order to force the rightful owners of the marks to pay for the right to engage in electronic commerce under their own brand name." *Virtual Works v. Volkswagen of America*,

¹²In June 2003, Falwell prominently displayed his complaints against his Internet critics' domain names on his homepage, JA197-199, presumably because he felt that the activity would inflame his supporters and hence spur them to greater devotion and financial support. In an analogous situation, the Sixth Circuit refused to assume that alleged copyright infringements harmed the plaintiff financially, but took the more practical view that plaintiff was using the "infringement" quite profitably. *See NRA v. Handgun Control Fed'n*, 15 F3d 559, 562 (CA6 1994).

238 F3d 264, 267 (CA4 2001); accord *Interstellar Starship Serv. v. Epix*, 304 F3d 936, 946 (CA9 2002). Cybersquatters either extort payments for names from the markholder themselves, or employ the marks to make money by advertising at a site likely to be visited by consumers seeking the websites of popular companies. *E.g.*, *E&J Gallo Winery v. Spider Webs*, 286 F3d 270 (2002); *Shields v. Zuccarini*, 254 F3d 476, 485-486 (CA3 2001).

The statutory factors set forth in 15 USC §§1125(d)(1)(B)(i)(I) to (IX) are intended as a guide to help courts determine the defendant's objective, particularly in cases where the defendant has registered a domain name but not yet created a website.

But the factors are not of equal weight. When it is apparent that defendants have registered domain names to call the public's attention to complaints about the markholder, the ACPA is not violated. *Lucas Nursery* put it this way:

The role of the reviewing court is not simply to add factors and place them in particular categories, without making some sense of what motivates the conduct at issue. The factors are given to courts as a guide, not as a substitute for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit. Perhaps most important to our conclusion are, Grosse's actions, which seem to have been undertaken in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard. One of the ACPA's main objectives is the protection of consumers from slick internet peddlers who trade on the names and reputations of established brands. The practice of informing fellow consumers of one's experience with a particular service provider is surely not inconsistent with this ideal.

359 F3d at 811.

Accord TMI v. Maxwell, 368 F3d at 439-440; *Mayflower Transit v. Prince*, 314 FSupp2d 362, 369-371 (DNJ 2004). In this case, the undisputed evidence is that Lamparello's sole purpose for registering the domain names was to criticize Falwell's views on a noncommercial matter, JA93, 116, and that Lamparello has never tried to sell his domain name. JA94, 116. These facts alone should require judgment for Lamparello under the ACPA.

The same result follows from consideration of the individual statutory factors regarding "bad faith intent to profit." The statute enumerates nine separate factors; the presence of one of more of the first four factors tends to suggest the absence of bad faith, while presence of one of more of the remaining five factors tends to suggest the presence of bad faith. In Lamparello's case, he has none of the "negative" factors. For example, he has not registered many trademarks as domain names, 15 U.S.C. §1125(d)(1)(B)(i)(VIII), and he has never offered **any** domain names for sale, not to speak of selling them at exorbitant prices, 15 U.S.C. §1125(d)(1)(B)(i)(VI), JA94. On the other hand, Lamparello fits squarely within "positive" factor (IV), 15 U.S.C. §1125(d)(1)(B)(i)(IV). Although the district court recited in this part of his opinion that Lamparello "used www.falwell.com to sell a book," the undisputed evidence was that Lamparello was neither selling the book, nor connected with the author, nor

profiting in any way from the hyperlink or from any sales that could have occurred at Amazon.com.¹³

The district court stated that Lamparello used the name of a fictive organization, “Lamparello International,” in registering the domain name. Assuming that the judge intended to invoke Factor VII, 15 U.S.C. §1125(d)(1)(B)(i)(VII), he failed to apply the statutory language, which requires “provision of material and misleading false **contact** information” (emphasis added). As the House Committee made clear, this factor was aimed at persons who give false contact information to make it harder to serve process and thus to attempt to frustrate the legal enforcement of mark holders’ rights. House Report 106-412, at 12-13. But as JA188 and 194 show, Lamparello listed as “administrative contact” his name, street and email addresses, and telephone number, and Falwell had no difficulty contacting Lamparello or serving him with process.

Finally, the undisputed evidence is that Lamparello registered the domain name

¹³The district court woodenly recited each of the first four factors, as if to suggest that if Lamparello fit one of them but not the other three, that would weigh in favor of bad faith intent to profit. If such was the district court’s intention, it was error. Unlike the *Pizzeria Uno* factors, which can be considered in every case, a mark holder cannot simply run through the four “pro-registrant” factors and argue that the absence of some of them outweighs others. Each of the first four factors addresses separate situations, some of which are mutually exclusive. For example, one who uses a mark for noncommercial criticism of the markholder (Factor IV) will not have the mark as his legal name (Factor II) and will not have used it to sell goods or services (Factor III).

because he wanted the name of the site to identify its subject. JA92-93. The ACPA provides that “Bad faith intent . . . shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.” 15 U.S.C. §1125(d)(1)(B)(ii). Given the extensive use of domain names in the same format as Lamparello’s and given the caselaw on the subject, the Court should find an absence of bad faith intent to profit under this provision alone.

VI. FALWELL’S TRADEMARK CLAIMS SHOULD BE DISMISSED AS UNTIMELY.

The judgment should also be reversed because Falwell’s claims are barred by the statute of limitations and by the doctrine of laches. Lamparello registered his domain name and posted his website in February, 1999, nearly five years before Falwell filed his trademark counterclaim against Lamparello. This belated filing violates the statute of limitations and the doctrine of laches.

Neither the Lanham Act generally nor the ACPA contains an express limitations provision. Because the ACPA created a new cause of action, and was enacted after December 1, 1990, its statute of limitations is four years. 28 U.S.C. §1658; *Jones v. R.R. Donnelley & Sons*, 124 SCt 1836 (2004). Falwell’s ACPA counterclaim, brought more than four years after Lamparello registered the domain name and created his website, is plainly untimely.

Because Congress enacted the other Lanham Act causes of action before 1990, section 1658 does not apply to them; rather, a limitations period must be borrowed from state law. *CM ex rel. JM. v. Board of Educ.*, 241 F3d 374, 379 (CA4 2001). The court below erroneously applied the five-year limitations period for property claims. We have found no cases from the Virginia courts establishing a limitations period for trademark claims, but this Court has held, albeit in an unreported decision, that Virginia's two-year limitations period for personal injuries applies to trademark claims. *CACI Int'l v. Pentagen Technol*, 1995 WL 679952 (CA4 1995), *affirming* 1994 WL 1752376 (EDVa), at *5. Indeed, although federal judges in Virginia have been divided on this issue, the clear majority rule has been two years. *Teaching Co. v. Unapix Entm't*, 87 FSupp2d 567, 585 (EDVa 2000); *Unlimited Screw Prods. v. Malm*, 781 FSupp 1121, 1125-1126 (EDVa 1991). These courts have reasoned that Virginia courts construed very strictly the requirement of direct injury to property, rather than simply to personal interests in reputation or a stronger business, which makes the "property" period inapplicable to Lanham Act claims. *Id.* at 1126 n5, 1127, *citing Brown v. ABC*, 704 F2d 1296 (CA4 1983), and *Pigott v. Moran*, 231 Va 76, 341 SE2d 179 (1986). Indeed, most federal courts avoid facile applications of property concepts to trademark law because a "trademark is not property in the ordinary sense but only a word or symbol indicating the origin of a commercial

product.” *LL Bean v. Drake Publishers*, 811 F2d 26, 29 (CA1 1987).¹⁴

Finally, the judgment should be reversed on laches grounds. Lamparello showed that, in the five years since he registered his domain names, he has built up a substantial amount of Internet traffic from visitors who come to the site either through search engines, or through links to his website, or simply because they know the web addresses of many of the pages within his website. JA79-80, 96-97. If Lamparello were to be deprived of his domain name, all these sources of web traffic would be lost to him. Had Falwell brought this action back in 1999, when the website was first created, Lamparello would have had the opportunity to choose a different domain name and build up traffic to his website at that address. Lamparello’s reliance interest in the consequences of Falwell’s inexcusable delay in filing suit should be protected here by the application of the doctrine of laches to dismiss this action.

Falwell argued that the equitable defense of laches has no application to “prospective injunctive relief.” *Lyons Partnership v. Morris Costumes*, 243 F3d 789, 797 (CA4 2001). Because all injunctions are prospective, taken literally this language would mean that laches is never applicable in actions for an injunction. However,

¹⁴Given the imprecise fit between trademarks and injury to property, if the limitations period for personal injuries does not apply, the "catch-all" provision, §8.01-248, which also provides a two year limitations period, would be appropriate. This is the period that Virginia applies to false advertising claims. *Parker-Smith v. Sto Corp.*, 262 Va 432, 440, 551 SE2d 615 (2001).

what the cases actually hold is that laches are inapplicable if the likelihood of confusion is particularly clear. For example, *Lyons* states, “laches may not be invoked to deny injunctive relief if it is **apparent** that the infringing use is likely to cause confusion.” *Id.* at 799 (emphasis added). That language comes from an earlier case, where the court explained the point as follows: “Because laches is an equitable doctrine, its application is inextricably bound up with the nature and quality of the plaintiff’s claim on the merits relevant to a prospective injunction.” *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F3d 455, 461 & n8 (CA4 1996) (quoting *University of Pittsburgh v. Champion Prods.*, 686 F2d 1040, 1044 (CA3 1982), and stating that a good case for laches is presented where proof of likely confusion is weak). *See also Resorts of Pinehurst v. Pinehurst Nat. Corp.*, 148 F3d 417, 424 (CA4 1998) (“strong showing of likelihood of confusion” overcomes laches defense, justifies injunction). Here, even if infringement is found, it is a close question at best, there is no evidence of actual damages, and Falwell has stipulated that the alleged infringement had no measurable impact on the quantity of his Internet traffic. Accordingly, the doctrine of laches should be applied given the serious prejudice that the injunction would cause to Lamparello’s protected speech.

CONCLUSION

The judgment should be reversed, and the case remanded with instructions to

enter judgment for Lamparello.

ORAL ARGUMENT

Oral argument is requested because the case turns on complex legal issues in a rapidly developing area of the law.

Respectfully submitted,

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November 17, 2004

CERTIFICATE OF COMPLIANCE WITH RULE 32(a)(7)

I hereby certify that my word processing program, Word Perfect 12, counted 13942 words in the foregoing brief, exclusive of the certificates and tables, all in 14 point, proportionally spaced type.

November 17, 2004

Paul Alan Levy

STATUTORY ADDENDUM

UNITED STATES CONSTITUTION

Article I, Section 8

The Congress shall have Power

* * * *

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

First Amendment

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

TITLE 15, COMMERCE AND TRADE

Lanham Act Section 1, 15 USC §1051. Application for registration; verification

(a) Application for use of trademark

(1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the date of the applicant's first use of the mark, the date of the applicant's first use of the mark in commerce, the goods in connection with which the mark is used, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify that -

(A) the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be the owner of the mark sought to be registered;

(B) to the best of the verifier's knowledge and belief, the facts recited in the application are accurate;

(C) the mark is in use in commerce; and

(D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, except that, in the case of every application claiming concurrent use, the applicant shall -

- (i) state exceptions to the claim of exclusive use; and
- (ii) shall specify, to the extent of the verifier's knowledge -

- (I) any concurrent use by others;
- (II) the goods on or in connection with which and the areas in which each concurrent use exists;
- (III) the periods of each use; and
- (IV) the goods and area for which the applicant desires registration.

(4) The applicant shall comply with such rules or regulations as may be prescribed by the Director. The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein.

(b) Application for bona fide intention to use trademark

(1) A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director.

(2) The application shall include specification of the applicant's domicile and citizenship, the goods in connection with which the applicant has a bona fide intention to use the mark, and a drawing of the mark.

(3) The statement shall be verified by the applicant and specify -

(A) that the person making the verification believes that he or she, or the juristic person in whose behalf he or she makes the verification, to be entitled to use the mark in commerce;

(B) the applicant's bona fide intention to use the mark in commerce;

(C) that, to the best of the verifier's knowledge and belief, the facts recited in the application are accurate; and

(D) that, to the best of the verifier's knowledge and belief, no other

person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.

Except for applications filed pursuant to section 1126 of this title, no mark shall be registered until the applicant has met the requirements of subsections (c) and (d) of this section.

(4) The applicant shall comply with such rules or regulations as may be prescribed by the Director. The Director shall promulgate rules prescribing the requirements for the application and for obtaining a filing date herein.

(c) Amendment of application under subsection (b) to conform to requirements of subsection (a)

At any time during examination of an application filed under subsection (b) of this section, an applicant who has made use of the mark in commerce may claim the benefits of such use for purposes of this chapter, by amending his or her application to bring it into conformity with the requirements of subsection (a) of this section.

(d) Verified statement that trademark is used in commerce

(1) Within six months after the date on which the notice of allowance with respect to a mark is issued under section 1063(b)(2) of this title to an applicant under subsection (b) of this section, the applicant shall file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Director and payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of the applicant's first use of the mark in commerce and those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. Such examination may include an examination of the factors set forth in subsections (a) through (e) of section 1052 of this title. The notice of registration shall specify the goods or services for which the mark is registered.

(2) The Director shall extend, for one additional 6-month period, the time for filing the statement of use under paragraph (1), upon written request of the applicant before the expiration of the 6-month period provided in paragraph (1). In addition to an extension under the preceding sentence, the Director may, upon a showing of good cause by the applicant, further extend the time for filing the statement of use under paragraph (1) for periods aggregating not more than 24 months, pursuant to written request of the applicant made before the expiration of the last extension granted under this paragraph. Any request for an extension under this paragraph shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee. The Director shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph.

(3) The Director shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if the statement of use is refused, the reasons for the refusal. An applicant may amend the statement of use.

(4) The failure to timely file a verified statement of use under paragraph (1) or an extension request under paragraph (2) shall result in abandonment of the application, unless it can be shown to the satisfaction of the Director that the delay in responding was unintentional, in which case the time for filing may be extended, but for a period not to exceed the period specified in paragraphs (1) and (2) for filing a statement of use.

(e) Designation of resident for service of process and notices

If the applicant is not domiciled in the United States the applicant may designate, by a document filed in the United States Patent and Trademark Office, the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with that person or mailing to that person a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, or if the registrant does not designate by a document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, such notices or process may be served on the Director.

Lanham Act Section 32, 15 U.S.C §1114. Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant -

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term "any person" includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

[Subsection 2 is omitted]

Section 1125. False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or

services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which -

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

(b) Importation

Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this chapter in cases involving goods refused entry or seized.

(c) Remedies for dilution of famous marks

(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce

of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to -

(A) the degree of inherent or acquired distinctiveness of the mark;

(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

(C) the duration and extent of advertising and publicity of the mark;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;

(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief as set forth in section 1116 of this title unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity.

(3) The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register shall be a complete bar to an action against that person, with respect to that mark, that is brought by another person under the common law or a statute of a State and that seeks to prevent dilution of the

distinctiveness of a mark, label, or form of advertisement.

(4) The following shall not be actionable under this section:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary.

(d) Cyberpiracy prevention

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person -

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section;

and

(ii) registers, traffics in, or uses a domain name that

-

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.

(B)(i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to -

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name

that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties;

and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section.

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2)(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if -

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c) of this section; and

(ii) the court finds that the owner -

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by -

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address

provided by the registrant to the registrar; and
(bb) publishing notice of the action as
the court may direct promptly after filing the
action.

(B) The actions under subparagraph (A)(ii) shall constitute service
of process.

(C) In an in rem action under this paragraph, a domain name shall
be deemed to have its situs in the judicial district in which -

(i) the domain name registrar, registry, or other
domain name authority that registered or assigned the
domain name is located;

or

(ii) documents sufficient to establish control and
authority regarding the disposition of the registration and
use of the domain name are deposited with the court.

(D)(i) The remedies in an in rem action under this
paragraph shall be limited to a court order for the forfeiture
or cancellation of the domain name or the transfer of the
domain name to the owner of the mark. Upon receipt of
written notification of a filed, stamped copy of a complaint
filed by the owner of a mark in a United States district court
under this paragraph, the domain name registrar, domain
name registry, or other domain name authority shall -

(I) expeditiously deposit with the court
documents sufficient to establish the court's control
and authority regarding the disposition of the
registration and use of the domain name to the court;
and

(II) not transfer, suspend, or otherwise modify
the domain name during the pendency of the action,
except upon order of the court.

(ii) The domain name registrar or registry or other
domain name authority shall not be liable for injunctive or
monetary relief under this paragraph except in the case of
bad faith or reckless disregard, which includes a willful
failure to comply with any such court order.

(3) The civil action established under paragraph (1) and the in rem
action established under paragraph (2), and any remedy available under

either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

Section 1127. Construction and definitions; intent of chapter

* * *

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The terms "trade name" and "commercial name" mean any name used by a person to identify his or her business or vocation.

The term "trademark" includes any word, name, symbol, or device, or any combination thereof -

- (1) used by a person, or
- (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

The term "service mark" means any word, name, symbol, or device, or any combination thereof -

- (1) used by a person, or
- (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

* * * *

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. For purposes of this chapter, a mark shall be deemed to be in use in commerce -

(1) on goods when -

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

* * * *

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

TITLE 28, JUDICIARY AND JUDICIAL PROCEDURE

Section 1658. Time limitations on the commencement of civil actions arising under Acts of Congress

Except as otherwise provided by law, a civil action arising under an Act of Congress enacted after the date of the enactment of this section may not be commenced later than 4 years after the cause of action accrues.

VIRGINIA CODE

8.01-243. Personal action for injury to person or property generally; extension in actions for malpractice against health care provider.

A. Unless otherwise provided in this section or by other statute, every action for personal injuries, whatever the theory of recovery, and every action for damages resulting from fraud, shall be brought within two years after the cause of action accrues.

B. Every action for injury to property, including actions by a parent or guardian of an infant against a tort-feasor for expenses of curing or attempting to cure such infant from the result of a personal injury or loss of services of such infant, shall be brought within five years after the cause of action accrues.

8.01-248. Personal actions for which no other limitation is specified.

Every personal action accruing on or after July 1, 1995, for which no limitation is otherwise prescribed, shall be brought within two years after the right to bring such action has accrued.

**ADDENDUM OF UNPUBLISHED
FOURTH CIRCUIT DECISIONS**

CERTIFICATE OF SERVICE

I hereby certify that on this date, I am causing two copies of the foregoing Brief and one copy of the Joint Appendix on counsel for appellees by first class mail, postage prepaid, as follows:

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