

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE TAUBMAN COMPANY)	
LIMITED PARTNERSHIP,)	
)	
Plaintiff,)	
)	Civil Action No. 01-72987
v.)	
)	District Judge Zatkoff
WEBFEATS AND HENRY MISHKOFF,)	Magistrate Judge Komives
)	
Defendants.)	

**MEMORANDUM IN SUPPORT OF
DEFENDANT’S MOTION FOR SUMMARY JUDGMENT**

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In this action, the owner of a shopping mall has sued a consumer for creating a web site concerning the shopping mall, alleging that the web site – and a later critical web site created to expose plaintiff’s litigation tactics – violate the plaintiff’s trademark rights. Plaintiff claims that defendant’s sites create a likelihood of confusion about the source of the defendants’ site, in violation of the Lanham Act and the recent “cybersquatting” amendments to that Act. Although plaintiff obtained a preliminary injunction by persuading the Court that it had a good chance succeeding on its claims by obtaining discovery, the time for discovery has now expired. Far from showing the propriety of an injunction and damages, the undisputed facts demonstrate that plaintiff’s claims cannot succeed. Accordingly, summary judgment should be granted in favor of defendants.

STATEMENT

A. Facts.

1. The Parties and Plaintiff’s Shopping Mall.

The claims in this case arose after the plaintiff, a national developer of shopping malls, announced plans to develop a new shopping mall in the area of Plano, Texas known as “Willow Bend.” Statement of Material Facts About Which There is No Genuine Issue (“SMF”) ¶ 1. The name Willow Bend had been commonly used on shops and other institutions of various kinds in that area for many years. SMF ¶¶ 2-4. In fact, a separate shopping center in the area is named “Willow Bend Market.” SMF ¶ 4. Using this existing geographical designation, plaintiff secured a trademark registration for a graphical presentation of the name “The Shops at Willow Bend.” SMF ¶¶ 5-6. The registration carefully noted that plaintiff was not claiming any right to use the phrase “the shops at” except precisely as used in the registered mark. SMF ¶ 7. Throughout its advertising and promotion for the mall, plaintiff has consistently used the full phrase of its trademark, namely “The

Shops at Willow Bend.” These materials vary in the use of capitalization and typeface, but the full phrase of five words is invariably used. SMF ¶¶ 8, 9.

After he learned of plans for the mall, defendant Henry Mishkoff decided to create a web site about the mall. Mishkoff has been a computer professional since college. SMF ¶ 10. In recent years, he has helped companies to develop and promote their web sites, and to acquire domain names for their Internet activities. SMF ¶ 11. He has also engaged in a variety of public service activities on the Internet. For example, he created and maintained for several years a directory of internet service providers (“ISP”) in the Dallas metropolitan area that was cited by the *Dallas Morning News* as an invaluable guide to consumers who are in the market for a local ISP, and since 1996 he has maintained a comprehensive directory of restaurants in Addison, Texas. SMF ¶¶ 13, 14. He also created a web site for the church that was associated with the orphanage and school in Detroit where his long-time girlfriend had lived and studied. SMF ¶ 15. Mishkoff also maintains the contributions pages for the Jewish Genealogy web site, www.JewishGen.org. SMF ¶ 16. Mishkoff never solicited any advertising for any of these sites, and with one exception – a paid advertisement that an ISP asked to place for a month in 1998 – he has never accrued any income as a result of providing these community information services. SMF ¶¶ 12, 17.

The name that Mishkoff uses for all of these Internet activities is “Webfeats.” SMF ¶ 18. Mishkoff maintains a web site at webfeats.com, where he posts information about his business activities on the Internet, as well as about his community activities on the Internet; he also posts other personal materials such as photographs from trips abroad and the text of fiction that he has written. SMF ¶¶ 18, 19. Webfeats is not an incorporated entity, but is registered with the County of Dallas as Mishkoff’s DBA. SMF ¶ 20.

The mall was being built about three miles from Mishkoff's home. Mishkoff felt that members of the community could use all the information that they could get about this mall, and, by the same token, he felt that if the mall did well, it would enhance his community and, indirectly, benefit him by increasing the value of his home. SMF ¶¶ 21, 22. Mishkoff knew that plaintiff was doing its best to publicize its new mall in all available media, such as by distributing press releases and brochures with information about the mall. He assumed that plaintiff would be pleased to have another source for information about its activities. SMF ¶ 23.

2. Background – The Internet and The Role of Domain Names in Identifying Web Sites.

“The Internet is an international network of interconnected computers.” *Reno v. American Civil Liberties Union*, 521 U.S. 844, 849 (1997). The World Wide Web is the universe of hypertext servers (HTTP servers), which allow text, graphics, sound files, and the like to be mixed together into a single “web page” that can be located through the Internet. *Reno v. ACLU*, *supra*, at 852; *see also* SMF ¶ 26. The web provides enormous possibilities for persons who have information and opinions that they wish to publish. There is no limit to the sort of content that may be communicated on the web; it ranges from the web's original purpose – providing a way for the producers of scientific, technical or other intellectual work product to make their results freely available to others who might want it for further intellectual effort – to archives of historical or literary material, political opinions, and comments on government bodies, public officials, or corporations, unions and other influential institutions. Most relevant to the issues before the Court, web content includes commercial information about goods or services that a website owner may have made or that the owner may want to sell or promote; it also includes information about those same goods and services that a different website owner may desire to praise, criticize, or simply

describe. All of this+ information co-exists in a single, huge public forum.

When the Internet was founded, not only was there no commercial presence but the understanding in the Internet community was that commercial activity was forbidden. SMF ¶ 24. This prohibition was only relaxed in the early 1990's. *Id.* Although business entities have greatly increased their presence on the Internet, a report in the Wall Street Journal recently estimated that commercial web sites remain less than one-third of the total contents of the web. Kelly, "The Web Runs on Love Not Greed," Wall Street Journal, January 3, 2002, republished at <http://lists.elistx.com/archives/interesting-people/200201/msg00089.html>.

Recent studies have shown a growth in size from were 800 million discrete pages on the publicly indexable Web in 1999, *Nature*, Vol. 400, 8 July 1999, at 107-109, to 2.1 **billion** publicly available web pages in February 2001, with seven million pages added every day; *see* dc.internet.com/views/article/0%2C1934%2C2111_411381%2C00.html, to late in 2001 when Google announced that it had more than 3 billion documents just in its own searchable index of web documents. *See* <http://searchenginewatch.com/searchday/01/sd1211-google.html>.

Given the enormous size of the web, it can be quite a challenge for the individual publisher of information to bring his information to the attention of those who may be interested in it; it is a similarly staggering task for the Internet user to search the vast sea of information for the small group of sites that have information relevant to his interests. Nor is there any official index that a user can consult to find particular content. It is as if the entire contents of the Library of Congress (or hundreds of times those contents) were stored in one huge building, with neither a card catalogue, nor a Dewey Decimal System, nor any other official means to enable patrons to find what they are trying to locate.

Domain names provide one way for publishers to bring their content to the attention of Internet users. They work as follows. Every device attached to the Net has a unique Internet Protocol (“IP”) address, using four one- to three-digit numbers, separated by periods (or “dots”). SMF ¶ 25. Such devices are also called as “hosts.” For example, 216.87.135.176 is the IP address of Mishkoff’s webserver. *Id.*¹

Although IP addresses could be used to locate every webhost, a system of alphanumeric names (called “domain names”) was developed as the popularity of the Internet began to grow, to better enable Internet users to remember the locations that they might want to visit, as well as to permit the authors of web pages and web sites to denote the contents of their site. *PG Media v. Network Solutions*, 51 F. Supp.2d 389, 391-392 (S.D.N.Y. 1999), *aff’d*, 202 F.3d 573 (2d Cir. 2000). A domain name consists of three parts – working “backwards” from right to left, they are (1) a top-level domain (“TLD”), such as “com”; (2) a dot; and (3) second-level, identifying domain (which must be unique within its TLD). For example, Taubmansucks.com would be a domain name. SMF ¶ 27. Within a domain, the domain name owner can set up as many hosts as desired by adding a name and a dot (or a series of names and dots) in front of the domain name – or by using just the domain name itself. For example, each of the following is an example of a hostname: TaubmanSucks.com; www.TaubmanSucks.com; and IThinkThat.TaubmanSucks.com. SMF ¶ 28.

¹ A webserver is a kind of Internet host that has been specifically configured to respond to requests from web “clients” or browsers, such as Netscape and Internet Explorer, for web pages (in other words, the webserver “serves” web pages to web clients). SMF ¶ 26. A Web page, in turn, is a document, typically written in HyperText Markup Language (“HTML”), that resides on a webserver and which can be requested by (and served to) a web client via HTTP (HyperText Transport Protocol), the lingua franca of the Web. *Id.* A coherent collection of web pages is commonly referred to as a web site, although a site may also be a single web page. *Id.*

A Uniform Resource Locator ("URL"), is the unique address of a specific "resource" (such as a single web page) on the Internet (sometimes loosely called a "web address"). A URL begins with the protocol (such as HTTP), followed by a colon and two slashes (://), followed by the name (or IP address) of the host where the resource is located, optionally followed by a path and "file" (page) name (such as <http://www.taubmansucks.com/condensed.html>). SMF ¶ 29. Most web browsers allow the user to omit the "HTTP://" and automatically prefix it to the URL that is entered in the location window of the browser. SMF ¶ 30. Although web sites typically can be entered via any of their pages, each web site will typically have a "default" home page, which is the page that will be served to a client that requests a URL that does not include a file name. SMF ¶ 31.

In many cases, the second-level domain name may be the name of the website's owner; in other cases, the domain name reflects the topic or content of the site. So, for example, a user who wants information about apples might go to www.apples.com and find information about apples, even though Apple is also a well-known trade name. SMF ¶ 33. (Exhibit A of the attached Mishkoff Affidavit is a representative listing of such domain names.) In addition, many domain names consist of a word denoting a particular entity and one or more other words that indicate something about the trademarked word. The most well-known examples of such names are gripe sites, which combine a trademarked name with a word that denotes criticism or otherwise expresses a point of view. SMF ¶¶ 34-35. *See* Exhibit B to the attached Mishkoff affidavit.

The system for assigning domain names allows the first person to register a name to keep it, to the exclusion of everyone else. Originally, each TLD was allocated to a certain type of user: .org for non-profit groups, .net for internet service providers, .edu for schools, and .com for commercial enterprises. SMF ¶ 37. This allows several different entities to share a second-level

domain. The recent creation of new TLD's made it possible for web creators who wanted particular second level domains to obtain the domains they wanted even if they did not obtain one when the first set of TLD's were wide open for registration. SMF ¶ 38.

Members of the public locate relevant pages on the Internet in three principal ways. First, a viewer may know or guess the domain name for a web site and decide to visit that site by entering that address in the "location" window of the web browser. SMF ¶ 40. However, internet users are known to have become inured to the fact that "name guessing" is only sometimes effective; if the "name guess" does not take the user to the exact web site that they want, they will use some other technique. SMF ¶ 41. Second, a most commonly, the viewer may take advantage of one of many search engines that viewers use to search the web for pages that contain references to a specific subject in which they are interested. SMF ¶ 42. Indeed, search engines have become so pervasive and effective that they have significantly reduced the importance of domain names as a "finding" device. Gilmoor, "The Google Effect," *San Jose Mercury News*, January 13, 2002, at page 1F. Finally, a viewer who is already visiting a different location on the web may be attracted to a hypertext link that appears on that page; by clicking a mouse on the link, the viewer directs the browser to the linked page. SMF ¶ 43.

3. Mishkoff's Original Web Site.

Having decided to create his own web site about the mall, Mishkoff selected a domain name so that he would have a web address at which to display his site once it was finished. Taubman had reserved the domain name "TheShopsatWillowBend.com" for itself. Mishkoff wanted a domain name that would accurately describe his site. To this day, domain names are available for registration by the first taker that combine "TheShopsat WillowBend" with other TLD's, such as

.net and .org. SMF ¶ 46. Taubman has chosen not to register such domain names, presumably because it does not believe that it needs those names to establish its own presence on the Internet. Mishkoff selected “shopsatwillowbend.com.” SMF ¶ 47.

Mishkoff then set about developing the contents of the site. He paid several visits to the construction trailer at the site where the mall was being built, picking up brochures and other materials about the plans for the mall; he read news reports about the mall; he also visited Taubman’s own web sites to find information about the mall. SMF ¶ 49. He built a series of web pages that, when combined, would provide comprehensive information about the new mall. SMF ¶¶ 50, 51. The finished product provided information about the size of the mall, presented a map of the mall and a depiction of its interior, listed the anchor stores, listed all the smaller shops at the mall in alphabetical order, and included a hyperlink to the home page of every merchant at the mall whose sites Mishkoff was able to identify. SMF ¶ 52. Such hyperlinks to mall merchants are also found throughout the official Taubman web site for the mall. SMF ¶ 90.

Mishkoff also took several steps ensuring that his own web site would not displace Taubman’s own site as a source of information about the new mall. Although web site developers commonly use meta tags to draw the attention of viewers who use search engines to identify web pages that are relevant to their interests, SMF ¶ 55, Mishkoff did not use any meta tags on his web site. *Id.* As a result, Mishkoff’s site never showed up close to the top of any search engine results obtained when searching for The Shops at Willow Bend. SMF ¶ 56. The first group of results tended to include the official “theshopsatwillowbend.com” site, pages on the national Taubman web site devoted to the mall, and listings in various local directories and news sites relating to the mall. *Id.* Second, in order to assist any web user who visited his site but preferred to go to Taubman’s own

web site, Mishkoff included a prominent disclaimer that appeared near the top of the site's home page from the very first day that the site was posted on the web, stating that Mishkoff's was not the official mall site, providing the URL for the official site, and including a hyperlink to the official site, so that viewers could simply click on the link and be taken directly to the official site. SMF ¶ 57.

Mishkoff is not the only person whose web site has provided information about the mall. Web sites pertaining to the Dallas metropolitan area also include listings for The Shops at Willow Bend. SMF ¶ 59. Web sites providing information about shopping malls in several different areas include listings for Taubman's mall. *Id.*

As originally posted, the site contained no information about anything except the mall. SMF ¶ 62. During the spring of 2001, Mishkoff added to the site a notice for a shirt-selling business that his girlfriend Donna Hartley operated. SMF ¶ 63. This notice was similar to notices about this business that Mishkoff had placed on other personal web sites that he had constructed. SMF ¶ 64. Mishkoff was not paid for posting any of these notices; they were merely a favor for a friend. SMF ¶ 65. The notice also did not produce any business for Hartley. SMF ¶¶ 67-69. When Mishkoff learned in August 2001, that plaintiff objected to the presence of this notice on his mall site, he immediately removed it. SMF ¶ 66. Mishkoff does not intend to return that notice (or any other information about a business unrelated to the mall) to the site if the Court's injunction is lifted. SMF ¶ 70. An electronic copy of the original "mall" site as it existed at the time the Court entered its preliminary injunction against its maintenance was previously filed with the Court on a compact disk. Docket No. 53.

Mishkoff has never attempted to sell either his shopsatwillowbend.com domain name, or his

web site, to any person. SMF ¶ 71. Mishkoff has never obtained any revenue from the web site, and he has never sought to obtain revenue from the site. SMF ¶ 61.

There is no evidence that any member of the public was confused about whether Mishkoff's web site was sponsored by Taubman. SMF ¶¶ 72-74. In fact, Taubman has refused to supply any evidence or factual detail in response to Mishkoff's discovery requests inquiring into the basis for its claims of likelihood of confusion. Mishkoff Second Affidavit, Exhibit G; Levy Affidavit, ¶ 8 and Exhibit M.

4. The Creation of the "Sucks" Sites.

In May, 2001, Mishkoff received a demand letter from Taubman's counsel, Julie Greenberg, demanding that he surrender the domain name "shopsatwillowbend.com" and remove his web site from the Internet. SMF ¶ 75. Mishkoff refused to take either action. However, he offered to consider any explanations that Ms. Greenberg might provide showing how his name and site violated Taubman's rights; he promised that if she showed him that he was doing anything wrong, he would promptly close down the site and transfer the domain name to Taubman. SMF ¶ 76. Rather than provide such an explanation, Taubman filed suit against Mishkoff on August 7, 2001. SMF ¶ 77.

Following his receipt of the complaint, Mishkoff took two actions. First, he immediately removed the shirt business notice from the web site. SMF ¶ 66. Second, acting *pro se*, Mishkoff decided to defend himself by publicizing what he considered a prime example of litigation abuse. Accordingly, he registered five domain names, coupling both Taubman's name and various phrases referring to Willow Bend and Taubman's shopping mall with the word "sucks" – taubmansucks.com; shopsatwillbendsucks.com; theshopsatwillowbendsucks.com;

willowbendmall sucks.com; and willowbend sucks.com. He then warned Taubman that, if it persisted in its course of litigation against him, he would establish a web site to describe what Taubman was doing and to attempt to swing public opinion in his favor. SMF ¶¶ 78-80.

Ms. Greenberg responded with an offer to settle the litigation by paying Mishkoff \$1000 if he would surrender all of his domain names, take down the web site, and promise not to use Taubman's trademarks in the future. SMF ¶ 81. This offer was the first time that anyone mentioned the possibility of payment as a way of resolving the controversy. SMF ¶ 82. Taubman described the \$1000 payment as compensation for Mishkoff's expenditure of time and money in the creation of the web site. SMF ¶ 83. Mishkoff decided to accept the offer because he could not afford a lawyer and because he was concerned about the time and trouble it would take to defend the case in Michigan. SMF ¶ 84.

When Mishkoff received the proposed signed agreement, he found that it included new terms that he found unacceptable, including a recital that he felt implied an admission of liability and a confidentiality clause forbidding him to tell anybody about the settlement. SMF ¶ 85. He rejected these proposals. SMF ¶ 86.

Once Mishkoff received plaintiff's motion for a preliminary injunction, thus making clear that the case was not going to settle, he began work on the creation of a new web site that he intended to post on the Internet using the "sucks" domain names. SMF ¶ 87. The site reported Taubman's threats against him and the ensuing litigation. Mishkoff posted all of the written correspondence about his original web site, as well as all papers filed in this litigation, on the "sucks" site. Mishkoff has used the site to express his disgust at the waste of resources that this litigation represents, as well as to comment on what he considers to be abusive tactics employed by

plaintiff's counsel and the threats against him which, he suggests, have had the opposite of the intended effect because they have caused him to stiffen his resistance and decline to accept demands from the plaintiff to which he might otherwise have acceded. A copy of the "sucks" site as it existed at the time the Court entered its preliminary injunction against that site was filed with the Court on a compact disk at Docket No. 53. The "sucks" site is entirely non-commercial, in that there is and never had been any attempt to market any goods or services on that site. SMF ¶ 88. Mishkoff has never tried to sell either the sucks domain names, or the site itself, to any person. *Id.* Nor has Mishkoff obtained any revenue from the site. SMF ¶ 91.

B. Proceedings to Date.

On August 7, 2001, plaintiff filed a three-count complaint against Mishkoff, alleging that both the domain names and the original "shops" web site infringed "The Shops at Willow Bend" trademark in violation of section 32 of the Lanham Act, 15 U.S.C. § 1114, and constituted a false description of origin in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); the complaint also alleged that the registration and use of the "shops" domain name violated the cybersquatting amendment to the Lanham Act, 15 U.S.C. § 1125(d). The complaint sought both injunctive relief and damages. Docket No. 1.

On September 26, Taubman filed a motion for a preliminary injunction against the maintenance of the "shops" site, Docket No. 3; that motion was granted on October 11, 2001. Docket No. 7. A few days later, on October 16, Taubman moved to expand the preliminary injunction to include the "sucks" site. Docket No. 10. After defendant was directed to brief the issue of whether the "safe distance rule" applies in the circumstances of this case, Docket No. 12, Public Citizen entered the case as amicus curiae, arguing that the proposed amended preliminary

injunction would violate the First Amendment. Docket No. 14. In addition, defendant moved to dismiss the complaint for lack of personal jurisdiction. Docket No. 25.

On December 7, the Court issued an amended preliminary injunction, requiring defendant to take down his “sucks” web site and to refrain from using the “sucks” domain names. Docket No. 40. The Court explained that the Court was prepared to presume that the new site was commercial, pending plaintiff’s use of discovery to explore various theories of commercial character. *Id.* 13 n.9. The Court also rejected the motion to dismiss, holding both that defendant had waived that defense, but also that jurisdiction was present in this case because the plaintiff, as a corporation based in Michigan, would suffer injury here from a web site that was available here. *Id.* 5-6.

While the motion for a preliminary injunction was pending, the Court issued a scheduling order allowing the parties until February 15, 2002 to complete discovery. Docket No. 34. Defendant served a set of interrogatories and requests for production of documents covering the various issues in the case. However, plaintiff essentially refused to answer these discovery requests, as it objected to many on grounds of alleged vagueness or irrelevance, gave general and highly conclusory answers to requests for detailed statements of facts, Mishkoff Affidavit, Exhibit G, and produced advertisements for plaintiff’s shopping mall as all the documents in its possession with any relevance to the case. Levy Affidavit ¶ 8 and Exhibit M. Undersigned counsel, upon entering the case as defense counsel at this point, attempted to work with plaintiff’s counsel to obtain more complete answers, but plaintiff declined to provide any more information. *Id.* ¶¶ 5-7, 9 and Exhibits I-L.

The plaintiff took the deposition of defendant Mishkoff and served a subpoena duces tecum on Donna Hartley, Mishkoff’s girlfriend, seeking information about her shirt selling business and

the revenues that it produced. Hartley responded to the subpoena by providing redacted documents showing the volume of her business over a two year period; plaintiff has not contested the adequacy of this response. Hartley Affidavit, ¶ 5

Defendant now seeks summary judgment in his favor on all issues in the case.

SUMMARY OF ARGUMENT

This domain name and cybertrademark case is unlike any other reported court decision. In a large number of cases, a rival business has employed the plaintiff's trademarks to call attention to the defendant's competing goods which it hopes to sell. In several other cases, a critic of plaintiff's business has employed the plaintiff's trademarks in a patently confusing way to draw traffic to a site where the defendant could both criticize the plaintiff's business, and to try to divert revenue to its own goods or services. In those cases, the courts properly found that the defendants had abused the plaintiffs' trademark rights, and awarded appropriate relief against that misuse.

This case is different because defendant's original web site was devoted entirely to the subject of the plaintiff's site. After the defendant was sued, he created a separate web site, coupling words related to plaintiff's trademarks to the highly critical word "sucks," and then using those names for a web site that denounced plaintiff's activities in this litigation, without ever once promoting any commercial activity whatsoever. Again, his domain name accurately reflected the topic of his site, and thus was not misleading in any way. Because of the stark differences between the very unusual facts of this case and all of the other reported decisions in this area, plaintiff cannot blithely ask the Court to apply the precedent regarding domain names and trademarks without close attention to the different context here.

At the outset of the case, the Court granted a preliminary injunction despite these important

differences, but in the expectation that discovery would produce evidence in support of plaintiff's claims of trademark infringement and cybersquatting. In fact, discovery has not turned up such evidence, but has in fact confirmed that defendants are entitled to summary judgment on each of plaintiff's claims against each of defendants' web sites.

First, WebFeats is not a proper defendant. Webfeats is simply a name that defendant Mishkoff uses for all of his internet activities, whether they be commercial or non-commercial. And the law is clear that an unincorporated sole proprietorship is not a separate legal entity that can be sued separately from its owner. Consequently, the complaint against Webfeats should be dismissed; in the rest of this memorandum, defendant Mishkoff is identified as the defendant in the singular.

Second, as the Court recognized in considering the motions for a preliminary injunction, plaintiff can pursue a trademark claim only insofar as defendant has made a commercial use of plaintiff's trademarks. The Court speculated in its opinions about the ways in which evidence of commercial use might emerge from discovery, but no admissible evidence of commercial use has been produced. This fact is particularly true with respect to the "sucks" web sites, but it is also true in large part with respect to the original web site about plaintiff's shopping mall. The one fact that might have supported a finding of commercial use was the temporary inclusion on the original site of a notice for a shirt selling business run by defendant's girl friend. However, the claim for injunctive relief on that basis is moot because the notice was removed almost two months before the motion for a preliminary injunction was brought, and there is no likelihood of repetition. Although the claim for damages is not moot, as discussed later in this memorandum, defendant is entitled to partial summary judgment dismissing plaintiff's damages claims because, in order to limit its exposure to discovery concerning its finances, plaintiff confined its damages claim to seeking to

recover defendant's proceeds from the web sites, and there is no genuine issue about the fact that defendant had no such proceeds. Accordingly, there is no viable commercial use claim against the use of plaintiff's mark in the original mall site.

Third, there is no genuine issue on the questions of whether defendant's web sites or domain names are likely to cause confusion about the source of the web sites, and whether defendant has made a fair use of the mark. In this regard, the fundamental point is that a trademark use constitutes infringement only if persons seeing the trademark are likely to be led by its placement to be confused about the source or sponsor of the goods or services on which it is employed. However, the owner of a business is not entitled to use his trademark rights to prevent others from speaking about his business, whether favorably or unfavorably, or from using the mark to call attention to the fact that it is the trademarked business that is being discussed. And the original web site is no more and no less than a site devoted to describing and discussing plaintiff's shopping mall. Although it appears that plaintiff wants defendant to stop describing its mall and encouraging the general public to come there, so long as there is no confusion about source, there is no actionable misuse of the mark. Given plaintiff's adamant refusal to provide any documents or any specific factual basis for its claim of likely confusion, there is simply no genuine issue of fact supporting plaintiff's claim of infringement.

Plaintiff's claims are based in substantial part on a misunderstanding of the role that a domain name plays in identifying the web site on which it is employed. A domain name may identify either the author or the subject of a web site, and is not actionable simply because the person using the domain name is not the owner of the business. Because the original web site is devoted to describing the plaintiff's mall, the domain name which identifies the mall by its location in the

Willow Bend area of Texas, and its character as a collection of shops at that location, neither inaccurately describes the content of the web site nor misidentifies the source of the web site. Similarly, the “sucks” web site is devoted to explaining how a piece of litigation in which the plaintiff is involved “sucks” (in Mishkoff’s opinion), thus the domain names for the site accurately portray its contents. Thus, the name of plaintiff’s business has not been misused in connection with either web site, and summary judgment should be granted for this reason as well.

Fourth, partial summary judgment should also be granted dismissing plaintiff’s claim for damages. Damages may be sought in a trademark case based either on the plaintiff’s lost business or on the defendant’s profits from misuse of the mark. However, in responding to defendant’s discovery requests seeking evidence of plaintiff’s lost business, plaintiff refused to supply any such information on the ground that the only damages it was seeking were defendant’s proceeds from the alleged infringement. However, plaintiff did not obtain any evidence of such proceeds in its own discovery, and as this memorandum shows, the undisputed evidence shows that neither defendant, nor his girl friend whose site was temporarily described on the original mall site, obtained any proceeds from defendant’s use of the plaintiff’s marks.

Summary judgment should be granted against any claims that plaintiff may be pursuing based on the “sucks” web site because, despite the passage of several months since plaintiff first sought a preliminary injunction against the maintenance of that site, it has yet to amend its complaint to add those claims to this case. Relief cannot be sought based on claims not alleged in the complaint.

Finally, although counsel are reluctant to reargue an issue that the Court has already addressed adversely, albeit in a footnote, the claims against defendant’s sucks site should be

dismissed for lack of personal jurisdiction. Because the claims were not in the complaint at the time of the first motion to dismiss, the waiver that the Court applied to the motion to dismiss the original complaint does not apply to those claims. If, on the other hand, plaintiff had moved to amend the complaint to add a claim against the “sucks” web site, defendant could have filed an answer to the new allegations in that complaint, and a motion to dismiss the amended complaint, thus timely raising the defense of lack of personal jurisdiction against the new claims. Moreover, there has been a dramatic change in the law of personal jurisdiction based on Internet sites in this Circuit because of a decision handed down just last week.

ARGUMENT

I. WEBFEATS SHOULD BE DISMISSED AS A SEPARATE DEFENDANT BECAUSE IT IS NOT A SEPARATE SUABLE ENTITY.

A name cannot sue or be sued except insofar as someone is doing business under it. *In re Midwest Athletic Club*, 161 F.2d 1005, 1008 (7th Cir. 1947); *Williamsport Firemen Pension Boards v. E.F. Hutton & Co., Inc.*, 567 F. Supp. 140, 142 (M.D. Pa. 1983). Suit may be brought against the trade name or individual using it, but not both. *Bartlett v. Heibl*, 128 F.3d 497, 500 (7th Cir. 1997); *Moorer v. Hartz Seed Co.*, 120 F. Supp.2d 1283, 1288 (M.D. Ala. 2000). The actual person is the real party in interest. *Ashland-Warren v. Sanford*, 497 F. Supp. 374, 377 (M.D. Ala. 1980).

The undisputed evidence in the record is that WebFeats is a d/b/a for Mishkoff. SMF ¶ 20. It is the name that he uses for all of his various computer and internet related activities. SMF ¶ 18. Because WebFeats is not a separate suable entity, the action against it should be dismissed under Rule 17 of the Federal Rules of Civil Procedure.

II. SUMMARY JUDGMENT SHOULD BE GRANTED BECAUSE DEFENDANT HAS NOT MADE COMMERCIAL USE OF THE TRADEMARKS.

Neither of the two web sites at issue in this case uses the plaintiff's trademark in a commercial manner. Because, in the course of addressing the motion for an expanded preliminary injunction against the "sucks" sites, the Court has expressly agreed that commercial use is a precondition of trademark liability, Docket No. 40 at 12 n.7, 13 n.9; we do not repeat that legal argument here, but rather refer to the argument advanced by Public Citizen as amicus curiae on that motion. Docket No. 28, at 26-27.

In the course of the preliminary injunction proceedings, various forms of "commercial" use were put forward to meet the requirement of commercial use. Now that discovery has expired, however, not only has plaintiff not obtained any evidence to support its claims of commercial use, but the undisputed facts show that there has not been any continuing commercial use of plaintiff's marks with respect to either web site.

In responding to defendant's interrogatories about the factual and evidentiary basis for any contention that defendant had made a commercial use of plaintiff's trademarks, plaintiff responded as follows:

[A] Plaintiff states that Defendants' web site was used in commerce, as its use affected interstate commerce. [B] Moreover, the website was used in commerce in its promotion of Shirtbiz.com, [C] as well as its promotion of the mall's services, and the promotion of the various tenant stores and their featured specials. [D] Furthermore, the website served to promote Webfeats' own services, additional commercial use. [E] Additionally, Defendants' attempt to sell the domain names was further commercial use.

Levy Affidavit, Exhibit K (letters added for ease of reference).

No specific facts were set forth in support of these general contentions, and no evidence was supplied that shows the truth of plaintiff's contentions. Moreover, the undisputed evidence in the record shows that, to the extent that these are legally tenable arguments (which many are not), there

is no evidence to support plaintiff's claims on the issue of commercial use.

Notably, although the Court's opinions on the amended preliminary injunction and on the motion for a stay pending appeal suggested that the requirement of commercial content might be met because Mishkoff's criticisms had an adverse impact on the plaintiff or its business, plaintiff has apparently abandoned that contention for the purpose of this case. *See also Sodexo USA v. Hotel and Restaurant Employees*, 989 F. Supp. 169, 171-172 (C.D. Cal. 1997).

A. "Affecting Interstate Commerce" Is Insufficient to Constitute Commercial Use.

Plaintiff's first ground for alleging commercial use is insufficient as a matter of law. As amicus curiae Public Citizen has previously argued, the trademark laws require not just impact on commerce, but either "use in commerce" – a term of art defined in the statute as requiring commercial use in the normal course of trade – or "commercial use", a term which is far more narrow than mere "affecting commerce." For example, Congress expressly decided that news reports about commercial activities, and other forms of commentary on commercial activities, would be excluded from the scope of section 43 of the Lanham Act, *see* Docket No. 28, at 26-27; these exclusions would be rendered nugatory if the mere fact that they affect commerce is sufficient to sweep them within the coverage of the Lanham Act.

B. The Inclusion of the Notice for Shirtbiz.com.

Plaintiff's second ground for alleging commercial use is that, for a period of time, the original "shops" site carried a notice for a shirt business operated by defendant's girlfriend. The "sucks" site never had any such notice, and so this fact does not provide any basis for a finding that the "sucks" site used the trademarks commercially.

In addition, the existence of the notice at one time does not support a claim of commercial

use for several reasons. First, the undisputed evidence shows that the notice was removed from the Internet long before the plaintiff sought its preliminary injunction against Mishkoff. SMF ¶ 66. Indeed, Mishkoff removed it as soon as Taubman revealed that it objected to it. *Id.* Moreover, Mishkoff's affidavit makes clear that, once the injunction against his "shops" site is lifted, he will leave this notice off the site. SMF ¶ 70. Accordingly, the claim for injunctive relief against the "shops" web site based on the contention that the shirtbiz notice made Mishkoff's site "commercial" was moot at the time an injunction was first sought, and there is no likelihood of repetition. *Cf. Lyons v. City of Los Angeles*, 461 U.S. 95 (1983). Accordingly, the claim for injunctive relief against the original site cannot stand.

Second, the undisputed evidence is that the Shirtbiz notice was not an "advertisement," as plaintiff contends. Mishkoff was never paid for the notice; he put it on the site as a favor to a friend, much as Mishkoff has placed other notices about the business on other web sites that he had created. SMF ¶¶ 64, 65. Indeed, the past three years it has been Mishkoff's consistent practice not to accept paid advertising on **any** of his web sites. SMF ¶¶ 12, 17. In that sense, the ad did not make the site "commercial."

C. The Fact That the Site Expresses Its Admiration for the Mall, and Hence Makes It More Likely That Members of the Public Will Patronize the Mall, Does Not Render the Site Commercial.

Plaintiff's next ground for claiming that Mishkoff's sites are commercial is that they "promote the mall's services and . . . tenant stores and their featured specials." There was no such content on the "sucks" site, and so defendant is entitled to summary judgment on the claim against that site.

With respect to the "shops" site, the argument is wrong as a matter both of fact and of law.

The factual inaccuracy is that there was nothing on the “shops” site that gave any information about the stores’ “featured specials.” At most, the site listed the stores and provided hyperlinks to their web sites. SMF ¶¶ 52, 53. Of course, those features are not sufficient to make the site “commercial.” If it were, then any document that made any reference to a commercial enterprise would itself be rendered commercial. The trademark laws would apply even to uses that did not fit the statutory definition of “use in commerce” because they were not “in the ordinary course of trade,” 15 U.S.C. § 1127, and even to cases of consumer criticism and commentary, despite Congress’ evident intention to carve those cases out of coverage by the Lanham Act. Docket No. 28, at 26-27.² Nor does the fact that the consumer commentary in this case is favorable rather than unfavorable affect the outcome. This ground should be rejected as a basis for deeming the “shops” site commercial.

D. The Sites Do Not Promote Mishkoff’s WebFeats Business.

Plaintiff’s next theory for contending that defendant’s web sites are commercial is that they allegedly “promote WebFeats’ own services.” Defendant is at a loss to understand the factual basis for this argument. The “sucks” site does not contain even a single reference to WebFeats, except in the course of republishing documents from the litigation and the pre-litigation correspondence that use that name. And the “shops” site contains only one reference to WebFeats – in very small type at the bottom of the home page for the “shops” site, where Mishkoff acknowledges authorship of the “shops” site and provides a link to his home page.

The court in *Bally Total Fitness Holding Company v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal.

² During his deposition, Mishkoff candidly acknowledged that his original web site would make it more likely that members of the public would patronize plaintiff’s mall; when challenged about how he would react if plaintiff could show that his web site was hurting its business, he asked to be shown the evidence of such harm. He was shown nothing.

1998), made short work of a comparable argument for a finding of commercial use, on facts that were even stronger for that plaintiff than the undisputed facts in this case. In *Bally*, a web site operator named Faber who operated a pornography site for gay men and a site advertising his web site services included, within the cluster of web sites at this site, a site addressed to his complaints about what he perceived as flaws in the Bally Health Clubs. Bally argued that Faber was using his site commercially because he listed the “Bally sucks” site among others in a site listing his available services, because he had included the site within a larger domain name that included his commercial sites thus making it more likely that members of the public would visit those sites, and because he had included a variety of links to his commercial web sites on the “sucks” site. Judge Pregerson disagreed with the proposition that Faber’s bragging about the sucks site as an example of his services was commercial because it was no more than an on-line resume, 29 F. Supp.2d at 1167, and then ruled more broadly against that plaintiff as follows:

From its inception, this site was devoted to consumer commentary. Looking beyond the “Bally sucks” site to other sites within the same domain or to other linked sites would, to an extent, include the Internet in its entirety. The essence of the Internet is that sites are connected to facilitate access to information. **Including linked sites as grounds for finding commercial use or dilution would extend the statute far beyond its intended purpose . . .**

Id. at 1168 (emphasis added).

Finding commercial use based on the fact that Mishkoff acknowledges the existence of his WebFeats site would also run afoul of the Sixth Circuit’s analysis of commercial use in *Semco v. Amcast*, 52 F.3d 108, 111 (6th Cir. 1995). *Semco* was a maker of plunger tips that sued Amcast, another manufacturer of such tips, for making false statements about Semco’s products in a product review in a trade magazine. Amcast’s article, while describing a new process for manufacturing the tips, had praised its own products (allegedly making false claims in violation of section 43(a) of the

Lanham Act) and contained extensive advertising for those products. However, in distinguishing between commercial and non-commercial speech, the Sixth Circuit did not rely on the mere fact that the defendant was a commercial entity, but considered the **contents** of the speech at issue, which was “peppered with advertising for Amcast.” 52 F.2d at 113. The Court made clear that, if Amcast’s article had confined itself to the manufacturing process “without describing Amcast’s own products, history, quality standards, safety standards and commitment to customer service,” the fact that Amcast might have had some commercial motivations for publishing the article would not have made the article commercial speech that was subject to scrutiny under the Lanham Act. *Id.* Similarly, the fact that the “shops” site refers in passing to the defendant’s own web site, which contains references to all of his Internet activities, whether commercial or non-commercial, does not support an action against a web site whose **own** contents are otherwise wholly non-commercial.

E. Mishkoff Has Never Tried to Sell the Domain Names at Issue in This Case.

Finally, plaintiff’s claim that Mishkoff made an “attempt to sell the domain name” has no factual basis.³

³Before turning to the evidence that **is** in the record on this issue, it is important to note what evidence is not in the record, and the plaintiff’s effort to hide the ball with respect to this contention. Until late last month, plaintiff has never even hinted at the argument that defendant was trying to sell any of the domain names using its trademarks. The only time there has been any reference to the sale of domain names was in this Court’s opinion granting an expanded preliminary injunction, where it mentioned that the mere fact that Mishkoff’s site was not operated for a profit did not mean that there was no commercial use, citing a Ninth Circuit decision and then including a parenthetical stating that registering a domain name for the purpose of reselling for a high price it later is an example of impermissible commercial use. However, this Court did not say this hypothetical applied to this case, and in defending the preliminary injunction in the Court of Appeals, plaintiff never suggested this as a ground for finding commercial use. It was only in a letter to counsel on February 21, responding to objections based on inadequate discovery responses, that defendant first mentioned any alleged “attempt to sell ‘the domain name.’” The letter provides no evidentiary basis for contention, and it was sent after the February 15 discovery deadline when defendant would no longer have any opportunity to take further discovery to ascertain what Taubman was referring to. This is a perfect example of the sort of evasive discovery response that warrants the Court in barring

The undisputed evidence in the record is that defendant Mishkoff never offered the domain names for sale. SMF ¶ 88. He did not register any of them with the intent to offer the names for sale, but rather registered both the original name and the later “sucks” names for the purpose of using them on web sites to which they were directly relevant and of which they were accurately descriptive. SMF ¶ 47, 79.

Trying to anticipate what argument plaintiff may be planning to offer in support of the accusation of selling domain names advanced for the first time in its February 21 letter, defendant can only guess that plaintiff may be planning to argue that, by accepting the plaintiff’s offer to dismiss this case in a settlement offer made by the plaintiff, not by Mishkoff, that included a payment of \$1000, Mishkoff was trying to sell the domain names. In other words, Taubman may be arguing that, because Taubman was trying to buy the site (not Mishkoff trying to sell it), Mishkoff’s response to that offer transformed his site into a commercial use of the domain names. For several reasons, however, that argument cannot prevail.

First, all discussion entailed an effort to settle this litigation after the case began, and hence is inadmissible to prove Mishkoff’s liability under Rule 408 of the Federal Rules of Evidence. *Trans Union Credit Info. v. Associated Credit Svces.*, 805 F.2d 188, 192 (6th Cir. 1986) (alleged oral repudiation of contract properly excluded from evidence). Rule 408 excludes settlement matters from evidence but does not forbid their disclosure (such as Mishkoff’s discussion of the course of events on his “sucks” web site). Thus, Mishkoff’s decision to accept the offer of settlement is not admissible to provide his liability for the underlying alleged trademark violation.

Moreover, even if the evidence were admissible, it would not support a finding of

defendant from introducing any evidence in support of such contention.

commercial use. Although the issue rarely arises in court proceedings because of Rule 408, the treatment of settlement discussions that implicate money frequently arises when domain name disputes are being decided in arbitration under the Uniform Dispute Resolution Procedure (“UDRP”), which was established by the Internet Corporation for Assigned Names and Numbers (“ICANN”) as an alternate means to litigate such disputes. In considering allegations of “cybersquatting” by individuals who register trademarks as domain names and then offer them for sale to the trademark owners, UDRP arbitrators, who are not bound by the Federal Rules of Evidence, distinguish between defendants who demand exorbitant sums for domain names, and those who are simply willing to be paid modest amounts for their time and trouble by a trademark owner instead of taking the risks of litigation. *E.g., Deutsche Landwirtschafts-Gesellschaft EV v. Van Etten*, <http://www.eresolution.ca/services/dnd/decisions/0983.htm> (2001).⁴

In this case, the undisputed facts show that the modest amount of money that Taubman offered Mishkoff in settlement of the case was far less than the value of his time and expenses incurred in registering the domain names and designing the web site that plaintiff wanted him to take down. Nor, indeed, did Mishkoff do any more than respond to an offer of settlement, and he accepted the figure that plaintiff itself proposed as a basis for settling the litigation. Although UDRP

⁴ The issue arose in a Lanham Act and cybersquatting case in *Northland Ins. Co. v. Blaylock*, 115 F. Supp.2d 1108, 1120-1121 n.5 (D. Minn. 2000). That court appeared to distinguish between using the web site to induce the plaintiff to resolve a pre-existing financial dispute on terms favorable to the defendant, which that court deemed permissible, and an attempt to “profit” from the sale of the domain name for an exorbitant amount, which might have been impermissible. *Accord Dorset Police and Geery Coulter*, <http://www.eresolution.com/services/dnd/decisions/0942.htm> (respondent offered to give up domain name for gripe site if police department reimbursed him for costs incurred in underlying dispute). *Cf. TCPIP Holding Co. v. Haar Communications*, 244 F.3d 88, 103 (2d Cir. 2001) (in deciding whether defendant that registered sixty-six more names in various TLD’s surrounding the plaintiff’s mark with words such as “a” and “your,” thus making it impossible for the plaintiff to promote itself on line, and then demanded huge sums to give up the names, was acting in bad faith, court focused on “exorbitant demands” as sign of bad faith).

arbitrators are not bound by Rule 408, they have still expressed reluctance to find an improper attempt to sell a domain name when the respondent has done no more than respond to an unsolicited inquiry about whether the parties could resolve their differences by having the trademark holder pay the name registrant to give up the names. *Tokheim Corp v. CYBERTEX*, <http://www.arbforum.com/domains/decisions/103363.htm> (2002); *Pocatello Idaho Auditorium District v. CES Marketing Group*, <http://www.arbforum.com/domains/decisions/103186.htm> (2002).

As Judge Feikens explained in *Overseas Motors v. Import Motors Ltd.*, 375 F. Supp. 499 (E.D. Mich), *aff'd*, 519 F.2d 119 (6th Cir. 1975), the “basis for excluding offers to compromise is the public policy favoring the private resolution of disputes over resolution by litigation[, and] all acts and statements incidental to an offer to compromise must be excluded from evidence.” *Id.* at 536-537 These policy considerations are particularly significant when it is the party offering the evidence that initiated the settlement discussions. *Id.* at 537. This Court should be extremely cautious about allowing a large business entity, represented by a sophisticated intellectual property firm, to turn its own offer of settlement into a trap for the unwary pro se defendant who is so incautious as to accept that offer and thus have his otherwise non-commercial use transformed into an improper attempt to extort money for a domain name. If that strategem is allowed to succeed, nobody will be willing to discuss settlement in domain name cases, and the litigation process will be the poorer for it.

* * *

In summary, the undisputed evidence properly in the record establishes that there is no genuine issue about defendant’s assertion that his use of the trademarks was not commercial. Summary judgment should therefore be granted for defendant.

III. SUMMARY JUDGMENT SHOULD BE GRANTED BECAUSE THERE IS NO LIKELIHOOD OF CONFUSION AS A MATTER OF LAW, AND BECAUSE DEFENDANT HAS MADE A FAIR USE OF PLAINTIFF’S TRADEMARKS.

Based on the undisputed evidence in the record, there is no likelihood that any member of the public has been confused about whether Taubman is the sponsor or source of either of Mishkoff’s web sites; rather Mishkoff has made an entirely fair use of the plaintiff’s trademarks. Defendant’s argument rests on four propositions that are argued below: (A) Fundamental principles of trademark law establish that the law protects the trademark holder only against a misuse of the marks that has a tendency to confuse consumers about the source of goods or services; the principles of fair use permit the use of trademarks to speak about the trademark holder in a manner that is not confusing with respect to source. (B) The principle of construing statutes narrowly to avoid conflict with the First Amendment requires particular care in applying trademark law to a case where the defendant is trying to talk about the trademark holder. (C) Because domain names are used to identify content on the Internet, and not just to identify the source or sponsor of web pages, and because the Internet is not solely or even principally devoted to the sale of goods and services, courts and arbitrators considering domain name disputes involving parties whose web sites are devoted to the topic of discussing the trademark holder consistently rule that it is permissible to use a trademark in the domain name for that site, so long as it does not cause confusion about sponsorship of the site. (D) On the undisputed facts of this case, there is no likelihood of confusion as a matter of law.

A. The Sole Purpose of the Lanham Act’s Infringement and Deceptive Use Provisions Is to Protect Against Confusion About Source; Use of a Trademark to Describe the Trademark Holder Is Permitted.

The test for liability under both the infringement and unfair competition provisions of the Lanham Act is whether there is a likelihood of confusion between the defendant’s use of a mark and

the plaintiff's mark as used by the plaintiff. *Daddy's Junky Music v. Big Daddy's Family Music Ctr.*, 109 F. 3d 275, 280 (6th Cir. 1997). "Whether there is a likelihood of confusion is a mixed question of fact and law." *Champions Golf Club v. Champions Golf Club*, 78 F.3d 1111, 1116 (6th Cir. 1996), citing *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1186 (6th Cir. 1988). The following eight factors are to be examined and weighed in determining whether a likelihood of confusion exists: (1) strength of the plaintiff's mark; (2) relatedness of the services [or goods]; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Daddy's Junky Music Stores*, 109 F.3d at 280. The Sixth Circuit has explained how these factors are to be applied:

These factors are simply a guide to help determine whether confusion would be likely to result from simultaneous use of the two contested marks. They imply no mathematical precision, and a plaintiff need not show that all, or even most, of the factors listed are present in any particular case to be successful. As we said in *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 834 (6th Cir. 1983), "[T]he general concept underlying likelihood of confusion is that the public believe the 'the mark's owner sponsored or otherwise approved of the use of the trademark.'"

Wynn, supra, 839 F.2d at 1186 (emphasis added).

As *Wynn* makes clear, it is not just any kind of confusion against which trademark law protects, but only confusion about source: "[A]ll 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 F.2d 296, 301 (9th Cir. 1979), citing *Smith v. Chanel, Inc.*, 402 F.2d 562, 566-569 (9th Cir. 1979) (explaining how confining trademark law to this function best serves consumers' and companies' interests). The law in the Sixth Circuit clearly this principle: "**the imitated feature**

must be regarded by prospective purchasers as identifying the source of the product. . . . It is only when the feature in fact identifies source and the imitation is likely to deceive prospective purchasers who care about source that the imitator is subject to liability.” *West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F.2d 581, 590 (6th Cir. 1955)(emphasis in original).⁵

There is no violation of the trademark laws when a person other than the trademark holder uses the trademark to denote the trademark holder or the trademark holder’s goods because the user of the mark desires to speak about the trademark holder or its goods. *E.g., Calvin Klein Cosmetics Corp. v. Lenox Laboratories*, 815 F.2d 500, 503 (8th Cir. 1987). As explained by Professor Thomas McCarthy, a source cited repeatedly in plaintiff’s preliminary injunction papers,

Use of a mark in a purely communicative, non-trademark setting should be permitted or else trademark law could be used as a tool to stifle unwelcome discussion. . . . The Restatement takes the position that in cases where the trademark owner alleges injury to reputation from a non-trademark purely communicative use of its mark, trademark law, **whether in the form of traditional infringement or dilution**, should not apply. . . . “Non-trademark uses, which do not involve a use to identify another’s goods, service or business, . . . are unlikely to have [a] diluting effect. In most instances, such uses are intended to refer back to the original trademark owner and serve to confirm rather than undermine the associational significance of the mark.”

5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:148 (4th ed. 1999) (footnotes omitted, emphasis added), *quoting Restatement of Unfair Competition*.

Such principles are often discussed under the heading of “fair use,” although strictly speaking the statutory fair use defense applies to the case where the defendant uses the trademarked words “fairly and in good faith to only to describe the goods or services of such party.” Lanham Act Section 33

⁵ It follows that, to carry its burden of proof in this case, plaintiff will have to demonstrate that defendant is using his domain names and the various references to Taubman and its malls as source-denoting features; summary judgment should be granted on the issue of likelihood of confusion if there is no genuine issue about defendant’s contention that he is **not** using the trademarks in that way.

(b)(4). Consequently, the courts have developed the concept of “nominative fair use,” where the speaker uses the trademark to speak about the trademark holder or its goods and services. *Brookfield Communications v. West Coast Video*, 174 F.3d 1036, 1065-66 (9th Cir. 1999); *New Kids on the Block v. New America Pub.*, 971 F.2d 302, 306-309 (9th Cir. 1992); *see also* McCarthy § 23.11.

These principles ordinarily present themselves in cases in which the defendant is criticizing the trademark holder, or in cases in which the defendant makes a product in competition with the trademark holder and wants to tell consumers that its product is as good as the trademarked product. In both cases, the courts steadfastly protect the speaker, so long as the speaker carefully makes clear that he is not the trademark holder, and, in the case of the maker of an imitative or competing product, so long as the speaker does not make false statements about the trademarked product. The “sucks” site fits squarely within these principles.

The “shops” site is different because, rather than criticizing or competing with the trademark holder, defendant wanted to **praise** the trademarked product. Plaintiff argued in its motion for a preliminary injunction that because Mishkoff used its trademarks for the purpose of promoting its mall, the result was inherently confusing, which “obviates the necessity of analyzing the likelihood of confusion under the traditional test, [because] the confusion is uniquely self-evident.” Mem. 5.

The concept of “self-evidence” is yet another way in which plaintiff tries to escape its burden of proving a likelihood of confusion. But the principles apply with equal force when a speaker wishes to praise the trademark holder as when he wishes to criticize. For example, in *New Kids on the Block*, a newspaper ran a poll asking readers to vote for their “fave” member of a singing group called New Kids on the Block; the Ninth Circuit firmly held that the newspaper was free to use the name of this popular band for the purpose of talking favorably about the band and, at the same time

appealing to the reading public to buy its newspaper because it covered such topics.

Using a trademarked name to promote the goods of the trademark holder, without the blessing of that holder, is quite common in our society. For example, the American Automobile Association and publishers of other guidebooks are not at the mercy of trademark holders when they decide whether to include listings of popular attractions whose names may be trademarked. And not just listings – any parent who has visited such locations as Walt Disney World has considered guidebooks bearing that name as their title, purporting to explain the best and cheapest way to see the attraction. Nor must a state highway department secure the permission of the trademark holder before placing the name of such locations on a highway sign, even though the purpose of the sign is to direct drivers to the attraction at the exit of the highway department’s choosing. All of these uses are wholly favorable, all of them “promote” the trademarked entity, and some of them may even compete with guidebooks issued by the trademark holder. But the trademark holder cannot prevent the use of its name in these respects. The same principles apply to protect Mishkoff’s right to use the name of plaintiff’s mall to promote the mall and encourage members of the public to visit it.⁶

B. The First Amendment’s Protection of the Right to Speak About Trademark Holders Gives Particular Reason to Construe the Lanham Act Narrowly to Permit Defendant’s Speech in This Case.

The courts have repeatedly held that the use of trademarks constitutes speech within the

⁶In the line of cases in which Consumers Union (“CU”) has invoked the Lanham Act and copyright laws to try to prevent companies from using its favorable ratings in their own advertising, the defendant is both promoting his own products and, at the same time, implicitly promoting CU as a rating agency. Courts have received such claims tepidly, treating the invocation of CU’s trademarked name and copy without its consent as a fair use and ensuring only that the references to CU are accurate and that there is a disclaimer of CU endorsement. *E.g., Consumers’ Union v. General Signal Corp.*, 724 F.2d 1044 (2d Cir. 1983).

protection of the First Amendment. *E.g.*, *Bad Frog Brewery v. New York State Liquor Authority*, 134 F.3d 87, 94-97 (2d Cir. 1998); *ACLU of Georgia v. Miller*, 977 F. Supp. 1228, 1233 (N.D. Ga. 1997). If, for example, a trademark is used in the title of a creative work, the courts give First Amendment protection to that use because it is part of the author's expression, calling readers' attention to the fact that the work in question contains content that may interest them. *Twin Peaks Production v. Publications Int'l*, 996 F.2d 1366, 1379 (2d Cir. 1993); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). By the same token, Mishkoff's use of Taubman's trademarks on his web sites, including in his domain names, serves to communicate to web users that his site contains information about that company.⁷

Obviously, the protection of the First Amendment rights of the speaker is at its apogee when the speech is a non-commercial criticism of the trademark holder. But, even if the Court reaches the issue of likelihood of confusion because it refuses to grant summary judgment on the issue of the absence of commercial use, the First Amendment still plays a role in this case. After all, in trademark cases, First Amendment considerations routinely both receive separate discussion, and also inform statutory interpretation. Even if a trademark has been used in a commercial context, courts are required to construe the trademark laws narrowly to avoid impingement on First

⁷ Even if the only purpose of a domain name were to show the **sponsor**, and not the topic, of a web page, the proposition that the use of particular words is not speech if its only purpose is to denote the source of the speech is fallacious. In numerous cases courts have held, for example, that signs or billboards indicating the presence of a particular vendor are speech protected by the First Amendment. *E.g.*, *Metromedia v. San Diego*, 453 U.S. 490 (1981); *Wheeler v. Commissioner of Highways*, 822 F.2d 586 (6th Cir. 1987). *See also Asian American Business Group v. City of Pomona*, 716 F.Supp. 1328 (C.D. Cal. 1989) (striking down ordinance regulating signs identifying businesses in foreign language). Similarly, there are many cases where the desire of a professional or other business person to use a particular name for its operation has been treated as a First Amendment issue, although in some such cases the First Amendment rights have been overcome by other government interests. *E.g.*, *Friedman v. Rogers*, 440 U.S. 1 (1979).

Amendment rights. *E.g.*, *Cliffs Notes v. Bantam Doubleday*, 886 F.2d 490, 494 (2d Cir. 1989).

Moreover, First Amendment interests are weighed as a factor in deciding whether a trademark violation exists, *e.g.*, *Anheuser-Busch v. Balducci Publications*, 28 F.3d 769, 776 (8th Cir. 1994); and injunctions must be narrowly crafted to comply with the general and virtually absolute rule against prior restraints of speech. *Id.* at 778; *Consumers' Union v. General Signal Corp.*, 724 F.2d 1044, 1053 (2d Cir. 1983); *Better Business Bureau v. Medical Directors*, 681 F.2d 397, 404-405 (5th Cir. 1982). Indeed, the new cybersquatting law has a savings clause that expressly preserves all defenses under the First Amendment. Public Law 106-113, Section 3008, 113 STAT. 1501A-551. Thus, in deciding considering whether likelihood of confusion exists here, the Court should weigh the First Amendment right of a consumer to talk about the trademark holder, even in a positive manner, and the chilling effect that continuing this litigation may have on such speech.

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

When applying these fundamental principles of trademark law and free speech to this case, one must consider the role domain names in identifying web sites for Internet users. Courts that have performed this analysis have properly ruled that trademark law does not bar such uses. To understand why this is so, it is first necessary to consider the wide-ranging nature of information available on the Internet, the kind of information that Internet users may be seeking on the Internet, and how they use domain names to find such information (and, concomitantly, how web site hosts use domain names to call their sites to the attention of users who are looking for the information that they wish to communicate).

Taubman assumes that anybody who uses its trademarks as an Internet search term must

necessarily be looking for Taubman, as the owner of the trademark. Certainly, it is possible that Internet users want to search the Internet for the developer who owns the trademark “The Shops at Willow Bend.” But the mere fact that the user is looking for information that has some bearing on a trademarked word or phrase, such as “Taubman” or “The Shops at Willow Bend,” does not necessarily mean that the user wants only the answers to the questions, who owns this trademark and what does the owner want to tell me? The user may be looking for information **about** the trademark, or about the trademark holder. The user may be looking for historical information. The user may have a grievance about the trademarked item, and want information about other similar grievances. For example, the user might be a shopper at Willow Bend, be unhappy with the way it is operated, and be trying to find out whether others have had similar problems, whether there are lawsuits pending on such issues, or whether there is any private organization of owners who are trying to find non-litigation solutions to the same problem (such as lobbying for passage of a law, arguing for issuance of an administrative order, or conducting a boycott). Or the user may want to find archives of information about disputes in which the trademark holder has been engaged.

The rules that are developed regarding the use of trademarks in various ways on the Internet must take into account all these potential objectives of Internet users, so that in trying to prevent customer confusion about the source, the rules do not impair the ability of Internet users in general to find the information that they are seeking about the trademarked item. In this regard, it is useful to draw an analogy with ways of finding information in a library. *See Reno v. ACLU*, 521 U.S. 844, 853 (1997) (using analogy to both a library and a huge mall).

If, for example, somebody wrote an unauthorized history of The Shops at Willow Bend, he could put the words “The Shops at Willow Bend” in the title without violating Taubman’s

trademark. *See Rogers v. Grimaldi*, 875 F.2d 994, 1000 (2d Cir. 1989). And if the author were allowed to prepare the relevant entries for the card catalog, he could surely include the word “The Shops at Willow Bend” in the title and subject cards. The author card would be different – only Taubman, as the owner of the The Shops at Willow Bend trademark, could hold itself out as the author or sponsor of a book. Similarly, the rules governing the use of trademarks on the Internet must allow for these multiple uses of a single word as a target of searches for author, title and subject of each website.

The question is, then, what is a domain name? Is it an author card? Or is it a title or subject card. The undisputed evidence in this case is that a domain name can be **any of the above**. *Supra* –. The domain name denotes content, and it may denote content by subject, or title, or author. *Cf. Cello Holdings v. Lawrence-Dahl Companies*, 89 F. Supp.2d 464 (S.D.N.Y. 2000) (defendant registered domain names of several different musical instruments for purpose of selling names to persons with interest in creating sites about such items; court found no cybersquatting in suit by company holding trademark in word “cello”).

If the Internet were no more than a place for businesses to advertise their services, Taubman would have a better reason to assume that any person who entered one of its trademarks as a domain name must be trying to find Taubman’s own web site. But, in fact, the Internet’s origins are distinctly non-commercial; commercial use was originally forbidden on the Internet, SMF ¶ 24, and although the business community has plunged into the Internet with a vengeance, and although the perception that the Internet is a key means of reaching customers has surely driven the growth of the Web over the past several years, commerce remains a distinct minority online. *Supra*, page –. Consequently, it cannot be assumed without evidence that any person who searches the Web for

sites using the term the words “Shops at Willow Bend” in its domain name or otherwise must necessarily be searching for the official web site of the company that runs this business.

Although a large number of cases have held that a business was using a trademarked domain name in ways that infringed the trademark rights of some other business, those cases have little bearing here. The real issue in each of those cases was which of the two companies is entitled to use a particular name to promote its own business in the on-line environment. Typical of such cases – and typical of the problems that such cases present – is *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036, 1044-1045 (9th Cir. 1999). *Brookfield* arose from a dispute between two different companies about which of them had been the first to use the mark “moviebuff” to describe their rival services of providing a searchable internet database of information about movies available on videocassette. Brookfield sought a TRO against West Coast, claiming that it was the prior user even though West Coast had been first to register the domain name “moviebuff.com”; the district court, in denying for lack of evidence a TRO motion that was based on the barest of records, converted the TRO proceeding into a preliminary injunction hearing. Brookfield appealed, and the parties’ briefs were devoted almost exclusively to substantive trademark issues, which was not surprising since the issue between the parties was which of them was entitled to the trademark “moviebuff.” The court decided that it was the plaintiff and not the defendant that had first right to the trademark, and then consequently decided that the plaintiff was entitled to have the preliminary injunction affirmed. However, there was no evidence discussed in the briefs of either party about the nature of the Internet, about the significance of domain names, or about inferences that Internet viewers draw about the sponsorship of web sites having particular domain names. Although the court made various statements about the nature of the Internet in its opinion, the court’s

pronouncements on that issue were not based on evidence and did not bear on the main issue between the parties, that is, control of the mark.

Another sort of domain name case that has been widely litigated has been between a company that wanted to use its trademark for its domain name and an individual who registered the name first, not because he wanted to use it for a web site related to the name, but because he foresaw that the trademark owner might want the domain name for itself and might be willing to pay for it. Often such “cybersquatters” would register huge numbers of names, in the hope that one or two of them would prove to be a gold mine. In those cases, the courts had to choose between a company with a long-standing connection to the trademark and somebody who had no interest in using the mark for any legitimate purpose, but just wanted to be paid for thinking ahead. But that is not this case.

A case of this sort that also points out the limited impact that the cybersquatter cases have on a case as this one, is *Virtual Works, Inc. v. Volkswagen of America*, 238 F.3d 264 (4th Cir. 2001). In that case, a computer company registered the name “vw.net” with the hope of eventually selling it to Volkswagen.⁸ When the auto manufacturer asked for the name, Virtual Works, Inc. (“VWI”) responded that unless Volkswagen bought the name immediately, the name would be put up for auction to the highest bidder; VWI gave Volkswagen 24 hours to respond. The Court decided that this was a classic cybersquatting case, but warned of the limited nature of its holding: “The fact that a domain resembles a famous trademark . . . hardly in and of itself establishes bad faith. Moreover,

⁸The company argued that its initials were “vw”, but the evidence showed that the company had never been known by these initials, that domain names using “vwi” and “virtualworks” were readily available for registration when it reserved vw.net, and focused on the evidence that the company’s principals were hoping at the time to profit from Volkswagen’s anticipated desire for the name. 238 F.3d at 266-267, 269, 270. The courts treated VWI’s reliance on the first two letters of its initials as merely an afterthought.

domain names that are abbreviations of a company's formal name are quite common. To view the use of such names as tantamount to bad faith would chill Internet entrepreneurship with the prospect of endless litigation.” 238 F.3d at 269.

On the other hand, when the defendant has a perfectly legitimate interest in the domain name, the plaintiff does not prevail on the claim of likelihood of confusion. Typical of this line of cases is *Strick Corp. v. Strickland*, 162 F. Supp.2d 372 (E.D. Pa. 2001), where a manufacturer of transportation equipment that owned several trademarks involving “Strick” sued a computer consultant who had registered “strick.com” for his business, using this long-standing nickname of “Strick.” On defendant’s motion for summary judgment, the court found no likelihood of confusion because, once an Internet user reached the defendant’s web site, it would be crystal clear that the Strick company was not the sponsor of the strick.com site. The court explained that the claim of likely confusion rested on the doctrine of “initial interest confusion,” namely, the concern that an internet user might be misled into coming to the junior user’s site, and then either decide to buy goods from the junior user, or at least lose interest in looking harder for the trademark holder. *Id.* at 377. However, the court refused to find a trademark violation based on that concept in the Internet context, for reasons that are equally applicable here:

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

may not create such property rights-in-gross as a matter of dilution law. ... Trademark law does not support such a monopoly.

162 F. Supp.2d at 377, 380.

See also The Network Network v. CBS, 54 U.S.P.Q.2d 1150, 1155 (C.D. Cal. 2000) (there is a difference between inadvertently landing on a web site and being confused”).

Similar principles have been applied where the reason for registering a domain name including a trademark was to comment on the trademark holder. A number of those cases involved “sucks” domain names, which included some comment in the names themselves – indeed, every court decision involving a critical web site at a “sucks” domain name has been decided in favor the defendant. *Lucent Technologies v. LucentSucks.com*, 95 F. Supp.2d 528 (E.D. Va. 2000); *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp.2d 1161 (C.D. Cal. 1998). *See also Ford Motor Co. v. 2600 Enterprises*, 177 F. Supp.2d 661, 664 (E.D. Mich. 2001). But the court also found no likelihood of confusion in *Northland Ins. Co. v. Blaylock*, 115 F. Supp.2d 1108 (D. Minn. 2000), where the defendant registered the name “northlandinsurance.com” for a web site that attacked an insurance company of that name; the fact that the web site was obviously not confusing was sufficient to defeat the “initial interest confusion” argument. Moreover, a large number of cases decided in the UDRP have involved domain names, exactly matching a trademark but also registered for the purpose of creating a site to comment on the trademark holder; the arbitrators still found no violation of trademark rights.⁹ In addition, in several cases that have granted relief against

⁹*Pensacola Christian College Inc v. Gage* (12/12/2001), <http://www.arbforum.com/domains/decisions/101314.htm>; *Bosley Medical Institute v. Kremer*, http://arbiter.wipo.int/domains/decisions/html/2000/d2000_1647.html; *Mayo Foundation for Education and Research v. Briese*, <http://www.arbforum.com/domains/decisions/96765.htm> (2001); *Mayo Foundation for Education and Research v. Briese* (05/04/2001), <http://www.arbforum.com/domains/decisions/96765.htm>; *See also RMO Inc v. Burbidge*, <http://www.arbforum.com/domains/decisions/96949.htm> (2001) (“The use of domain names for non-commercial purposes is a recognized method of proving rights and

commentary sites whose domain names were identical to the trademark of the complaining mark holder, the web sites at issue were deliberately confusing and admittedly were intended to keep Internet users from reaching the mark holder's web site. *E.g.*, *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (DNJ), *aff'd mem.*, 159 F.3d 1351 (3d Cir. 1998); *Planned Parenthood v. Bucci*, 42 USPQ2d 1430 (SDNY 1997), *aff'd mem.*, 152 F.3d 920 (2d Cir. 1998).

The cases discussed above pertained to sites that were critical of the trademark holder, and so squarely support Mishkoff's motion for summary judgment on the claims based on his "sucks" sites. However, there is no reason why trademark law should protect the critic and not the admirer. The First Amendment, and the trademark principles that incorporate it, protect the right to praise just as surely as they protect the right to condemn. Thus, several UDRP decisions ruled in favor of respondents who registered domain names using the name of a person whom they admired for use on a "fan" sites. For example, in *Springsteen v. Burgar*, Case No. D2000-1532 (WIPO Arbitration Panel 1/25/01), <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1532.html>, the panel refused to take the name bruce springsteen.com away from a fan and transfer it to the well-known musician, ruling, "Users fully expect domain names incorporating the names of well known figures in any walk of life to exist independently of any connection with the figure themselves, but having been placed there by admirers or critics as the case may be." Similarly, the arbitrator in *UEFA v. Hallam*, <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0717.html> (2001), upheld the right of a soccer fan to register the name uefa2004.com for the purpose of creating a soccer fan discussion web site devoted to the soccer championship scheduled to be held in staged by UEFA

legitimate interests on the part of such user even when the use may cause some disadvantage or harm to other parties. *See Kendall v. Mayer*, D2000-0868 (WIPO Oct. 26, 2000), *TMP Worldwide, Inc. v. Potter*, D2000-0536 (WIPO Aug. 5, 2000); *See also Lockheed Martin Corp. v. Etheridge*, D2000-0906 (WIPO Sept. 24, 2000).")

(Europe's official soccer federation).

Accordingly, the mere use of a trade mark in the domain name for a web site that is devoted to a discussion of the trademark holder is not a sufficient basis for a finding of likelihood of confusion; the evidence must also suggest that there is a genuine likelihood of confusion about who is sponsoring the web site itself. As discussed below, there is no genuine issue of fact demonstrating no likelihood of confusion in this case, as a matter of law.

E. The Undisputed Evidence in the Record Demonstrates That Neither of Mishkoff's Web Sites Creates Any Likelihood of Confusion as a Matter of Law.

The record in this case points in only one direction on the issue of likelihood of confusion – no reasonable Internet user would be confused about whether either of Mishkoff's web sites was sponsored by Taubman itself.

First, with respect to the domain names that append the word "sucks" to the plaintiff's trademarks and phrases relating to parts of its "The Shops at Willow Bend" trademark, surely no reasonable person would be misled into visiting that web site by the "name guess" method – that is, by mistakenly typing the trademark into a browser window followed by the word "sucks." Similarly, although the "sucks" site shows up in a search engine list of results for the term "shops at willow bend," it comes up after literally dozens of other web pages that are either official sites for The Shops at Willow Bend or for the Taubman company, or listings in directory sites directly referencing the mall, SMF ¶ 56. Individuals who read that far down into the search listings could not be said to be confused by the listing about the sponsorship of Mishkoff's sucks site.

Nor would the web site itself be confusing. The title of the site, appearing in the upper left hand corner of the browser, says "Taubman Sucks!" SMF ¶ 89. The site is so replete with negative sentiments about Taubman and its lawyers that no reasonable Internet viewer could be confused

about whether Taubman authored or sponsors the site.

The same is true for the original “shops” site. In that regard, it is first worthy of note that Mishkoff did not use the plaintiff’s actual trademark for the site. The trademark is “The Shops at Willow Bend,” and if there is one fact that is plainly revealed by the minimal documents that the plaintiff did provide in response to written discovery requests, it is that plaintiff consistently uses the entire phrase, and not just portions of that phrase, when referring to its shopping mall. SMF ¶ 8. The references do not always use the actual typeface that appears on the trademark registration certificate, but the word “The” is consistently used, and used with an initial capital letter. SMF ¶ 9.

There is, moreover, good reason for Taubman to devote itself to the full phrase. The term “Willow Bend” by itself is not trademarkable, being a mere geographical designation that was in widespread use before the mall was even a gleam in Taubman’s eye. SMF ¶¶ 2-5; *Schafer Co. v. Innco Management Corp.*, 797 F. Supp. 477 (E.D. N.C. 1992), *aff’d mem.*, 995 F.2d 1064 (4th Cir. 1993). Moreover, the trademark certification specifically disclaims any rights in the words “The Shops at.” And, although the domain name is surely similar to the trademarked name, it is not identical, and it is plainly descriptive of the subject matter of the site – a collection of shops in the Willow Bend area. These facts are not alone sufficient to warrant a finding that there is no likelihood of confusion about source, but they surely supports defendant’s argument.

Moreover, although the web site itself is devoted to providing information about the mall, it plainly reveals, at the very top of the first page that an Internet visitor sees, that Mishkoff’s is “an unofficial site.” This disclaimer is featured prominently in an outlined box whose light green background is a different color from the white background of the rest of the page, and the words of the disclaimer are set forth in bold black type that are as large as any other type on the page except

the headline. The disclaimer is accompanied by both words and a hyperlink that points the viewer to the official mall web site, in letters that appear in a brighter color than that of the surrounding text, so that they stand out even from the remaining type in the disclaimer. Thus, an Internet viewer who came to Mishkoff's site in the mistaken belief that it might be the official site sponsored by Taubman would be able to go straight to Taubman's own official site without even resorting to a different name guess using the actual trademark, or employing a search engine, to find it. *See Consumers' Union v. General Signal Corp.*, 724 F.2d 1044, 1053 (2d Cir. 1983) (even in a commercial advertisement, "The First Amendment demands use of a disclaimer where there is a reasonable possibility that it will suffice to alleviate consumer confusion").

In light of the holdings in *Strick*, *Northland Insurance*, and similar cases that the doctrine of initial interest confusion is not sufficient to find a likelihood of confusion unless the web site itself is confusing with respect to source, there is little more that Mishkoff could have done to set any errant Internet visitor straight about the fact that a fan of the mall, and not the mall owner itself, established his web site.

The conclusion that there is no likelihood of confusion is further shown by the undisputed evidence that, throughout the time Mishkoff's site was online, not a single person communicated with Mishkoff (whose email address was linked at the bottom of the home page) that they had reached his site thinking it was the official site. SMF ¶¶ 73-74. The answer to Defendant's Interrogatory No. 2 indicates that plaintiff does not have any evidence of actual confusion either. Mishkoff Affidavit, Exhibit G. Although evidence of actual confusion is by no means **necessary** for a finding of likelihood of confusion, its absence is properly cited, especially where, as here, plaintiff has not sought further discovery. *Cadbury Beverages v. Cott Corp.*, 73 F.3d 474, 483 (2d

Cir. 1996). In light of the other undisputed evidence in the case, the absence of actual confusion supports summary judgment on this issue as well.

Finally, the fact that plaintiff has **no other evidence** to support its claim of likelihood of confusion supports the grant of summary judgment on this issue. Thus, although plaintiff stated in its response to Mishkoff's request for production of documents that documents supporting a finding of likelihood of confusion "will be produced," the only documents actually produced in this case are the handful of plaintiff's advertising materials. *See* Levy Affidavit ¶ 8 and Exhibit M. And in response to an Interrogatory asking plaintiff to state in detail the facts that supported its claim of likelihood of confusion, plaintiff simply states that it contends there is a likelihood of confusion but declines to supply any factual basis for that claim. Mishkoff Affidavit, Exhibit G at 2. The time to supply that evidence is past. Defendant is entitled to summary judgment.

* * *

In its memorandum in support of its motion for a preliminary injunction against the "shops" site, plaintiff took the position that the creation of a web site that praised its shopping mall was "inherently confusing" and so the Court did not need to consider any additional factors or evidence in order to decide this case. Docket No. 3 , at 5. In light of plaintiff's apparent lack of any evidence on the issue of likelihood of confusion, and compared to the ample evidence that confusion is not likely, the undisputed facts show that there is no likelihood of confusion as a matter of law.

III. DEFENDANT DID NOT ACT WITH A "BAD FAITH INTENT TO PROFIT."

Each of the foregoing grounds would be a sufficient basis for dismissing plaintiff's claim under the anti-cybersquatting amendments to the Lanham Act ("ACPA"), but there is a third independent ground for dismissing that claim. An ACPA claim requires the plaintiff to establish two

separate elements – confusing similarity, 29 U.S.C. § 1125(d)(1)(A)(ii), **and** “bad faith intent to profit from that mark.” 29 U.S.C. § 1125(d)(1)(A)(i). The statute specifies that bad faith cannot be found if the defendant “believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.” 29 U.S.C. § 1125(d)(1)(B)(ii).

Several of the factors set forth by Congress for deciding whether the defendant had the requisite bad faith intent demonstrate that there was no bad faith in this case. Thus, the selection of a name related to a trademark to denote the subject of one’s comments or criticism is a nominative fair use of the mark, qualifies under 29 U.S.C. § 1125(d)(a)(B)(i)(IV). Similarly, the fact that defendant chose to use the mark without the word “the” at the beginning, even though at the time of registration there were other domain names available that included the entire mark, his inclusion of a very prominent disclaimer near the very top of the “shops” page, and his non-use of meta tags that would raise his page’s ranking in search engine results, all underscore that Mishkoff did not “inten[d] to divert consumers from the mark owner’s online location to a site accessible under the domain name,” under 29 U.S.C. § 1125(d)(a)(B)(i)(V). Mishkoff’s case under that same factor is bolstered because he did not engage in any sales of goods on the site. Although he did at one point include in the site a notice of his girlfriend’s business, this notice was not a paid advertisement and thus he had no “commercial gain.” SMF ¶ 65. Moreover, as soon as plaintiff called defendant’s attention to its objection to the shirt notice he immediately removed it from the site. SMF ¶ 66. None of the other factors help the plaintiff – for example, plaintiff does not contend that its mark is “famous” as required to invoke 29 U.S.C. § 1125(d)(a)(B)(i)(IX), and defendant has no history of registering trademarks as domain names to be sold for a profit, as required for 29 U.S.C. §

1125(d)(a)(B)(i)(VI).¹⁰

Moreover, the protection against finding “bad faith intent to profit” on the part of persons who register names with a reasonable and good faith belief that what he has done is permissible, 29 U.S.C. § 1125(d)(1)(B)(ii), provides further protection for Mishkoff. Mishkoff’s affidavit explains in detail why he thought that he had selected a permissible domain name, and no evidence in the record contradicts his explanation of his actions. His belief in the lawful character of his actions was a reasonable one. Summary judgment should, therefore, be granted dismissing the ACPA claim because there is no genuine issue on the issue of “bad faith intent to profit.”

IV. IN THE ALTERNATIVE, DEFENDANT IS ENTITLED TO SUMMARY JUDGMENT ON THE TRADEMARK CLAIM BECAUSE PLAINTIFF HAS FAILED TO SHOW DAMAGES.

In section I(B) above, defendant explained that any claim for injunctive relief against the “shops” site based on the former presence on that site of a notice about Donna Hartley’s shirt business was moot because the notice was removed long before a motion for a preliminary injunction was filed, and because that controversy is not likely to recur. But the undisputed evidence in the record, coupled with plaintiff’s responses to written discovery requests, also reveals that there is no evidence supporting any damages. The trademark claims should be dismissed for this reason as well.

Two forms of damages can be sought in a trademark infringement case on two separate grounds. The plaintiff can show that it lost business because of the infringement and attempt to calculate the losses, and it can show that the defendant profited from the infringement and recover

¹⁰During his deposition, Mishkoff testified that he registered two domain names for projects that he intended to undertake, but later sold them to persons who contacted him and expressed their interest in buying the names. Tr. 40, 42-44. The names were not previously trademarked, however.

those profits that can reasonably be ascertained. In its responses to discovery, however, plaintiff foreswore any claim for harm to its business reputation, for lost profits, or for any damages to itself; plaintiff confined its claims to “defendant’s proceeds.” Answers to Document Requests Nos. 5, 6, 7; Answer to Interrogatory No. 5. In addition, plaintiff refused to supply information that would have had a significant bearing on any claim of lost business, such as the daily number of visitors to its web sites, which could have shown the amount of traffic while Mishkoff’s “shops” web site was online and whether that number changed when his web site first came on line or when it was removed. Answer to Interrogatories Nos. 15, 16; Letter supplementing answers (Levy Affidavit, Exhibit K).

Moreover, undisputed evidence shows that defendant Mishkoff did not earn any proceeds whatsoever from either of the web sites at issue here. Even if there were some basis for attributing any profits of Donna Hartley to Mishkoff – and plaintiff has offered no basis for doing so – Hartley did not earn any profits from the web site or from the notice about her business that was on the “shops” web site for a brief period of time. In fact, undisputed evidence shows that the web site notice had no impact on Hartley’s business. For the past several years, Hartley has gained the great bulk of her business from word-of-mouth reports of satisfied customers, SMF ¶ 67. The volume of Hartley’s business during the period in 2001 when the notice was on Mishkoff’s site was only one-third as great as the volume of business during the comparable period the previous year, SMF ¶ 68, and all of Hartley’s customers during that period, save one, were pre-existing customers. SMF ¶ 69.

No additional evidence will be available in this case because, although plaintiff stated in its response to document requests that documents showing damages “will be produced,” Document Request Nos. 6, 8, the only documents that plaintiff has produced are copies of its own ads. Levy

Affidavit ¶ 8 and Exhibit M. Plaintiff may not produce more documents now that discovery has expired. Summary judgment should therefore be granted against plaintiff's claim for damages or defendant's profits.¹¹

V. THE CLAIM AGAINST THE “SUCKS” SITE SHOULD BE DISMISSED BOTH BECAUSE PLAINTIFF HAS NOT AMENDED ITS COMPLAINT TO ADD THAT CLAIM AND BECAUSE THE COURT LACKS PERSONAL JURISDICTION OVER DEFENDANT; THE CLAIM AGAINST THE “SHOPS” SITE SHOULD ALSO BE DISMISSED BECAUSE OF A CHANGE IN SIXTH CIRCUIT LAW.

When a plaintiff believes that the defendant has violated its rights through actions taken subsequent to the filing of the complaint, the proper course is for the plaintiff to amend the complaint through a supplemental pleading to bring those issues before the Court. *Griffin v. Prince Edward Cy. School Board*, 377 U.S. 218, 226 (1964). Plaintiff is well aware of the proper procedure for adding a new claim, having just moved to amend the complaint to add a copyright claim.

When plaintiff first raised the issue of the “sucks” site in a motion for a preliminary injunction, it was understandable that the Court did not require an amendment to the complaint first. Indulging the assumption that there is a situation of irreparable injury, courts commonly do not require all the formalities before hearing a motion for preliminary injunction. *Studebaker Corp. v. Gittlin*, 360 F.2d 692, 694 (2d Cir. 1966); *United States v. Lynd*, 301 F.2d 818, 823 (5th Cir. 1962). But once the moment of irreparable injury was past, plaintiff was required to amend the complaint. Its failure to do so warrants the Court dismissing those claims from the case.

¹¹ Even if damages were otherwise legally permissible, the award of damages based on either defendant's profits or plaintiff's lost business is a matter of discretion given the various equitable considerations in the case. In this case, defendant removed the Hartley shirt business notice as soon as plaintiff called his attention to the fact that it based its trademark claims on that notice, SMF ¶ 66, after having previously altered his web site in response to statements by plaintiff and having indicated that he was open to considering any arguments that plaintiff might choose to make to him. SMF ¶ 58, 76. Nor is there any evidence of bad faith on the part of defendant in this case. See *Frisch's Restaurants v. Elby's Big Boy*, 849 F.2d 1012, 1015-1016 (6th Cir. 1988).

Defendant insists on his right to have an actual amendment to the complaint, not because of a mere interest in formality, but because once the complaint is amended, defendant will have the opportunity to plead in response to the complaint, and to raise all appropriate defenses to the claims that are added to the case. Most important, defendant intends to raise the defense of lack of personal jurisdiction. Defendant acknowledges that the Court has ruled that defendant waived that defense to the original complaint by filing a motion to dismiss for lack of proper service without including the defense of personal jurisdiction in that motion. However, because there had not yet been a complaint against his “sucks” site at the time of the waiver that the Court found, defendant could not have waived that defense.

We acknowledge both that it is ordinarily not appropriate to bring an issue back to a judge for reconsideration after it has been firmly decided, and that the Court ruled, in the alternative to the determination of waiver, that personal jurisdiction existed because the plaintiff was alleging a commercial use, and because the effect of the allegedly commercial use was felt in Michigan because the plaintiff is a Michigan company. Docket No. 40, at 6 n.4. However, this legal analysis was rejected by the United States Court of Appeals for the Sixth Circuit in a ruling just last week. *Neogen Corp. v. Neo Gen Screening*, 2002 WL 341028 (March 6, 2002).

Neogen was a Michigan company that sued a Pennsylvania company named Neo Gen over the use of the domain name “neogenscreening.com.” Even though the plaintiff was a Michigan company and the defendant was accused of infringing its trademark, the Sixth Circuit stated that the mere operation of a passive web site using a trademark that allegedly belonged to that Michigan company was not sufficient to subject Neo Gen to jurisdiction in Michigan. “The level of contact with a state that occurs simply from the fact of a website’s availability is therefore an ‘attenuated’

contact that falls short of purposeful availment.” *Id.* at 5. Only if the way in which the defendant uses the web site involves intentional interaction with commercial customers in Michigan is substantial enough may jurisdiction be based on the web site. In *Neogen*, the defendant provided its Michigan customers with passwords that they could use to download test information that they were buying from the defendant, and the web site provided a geographic breakdown of data that specifically listed Michigan. *Id.* The Court stated, however, that even the sufficiency of these interactive features to support jurisdiction was a close question, so close that the Court chose not to rest its holding on the web site but rather on other contacts that the defendant had with Michigan. *Id.* at 6.

In this case, although Taubman alleges that the “shops” site was commercial, the undisputed evidence is that the “sucks” site is not commercial at all. Moreover, although there is an allegation of commercial content to the “shops” site, mere commercial content is not enough under *Neogen*; there must be purposeful interactive relations with Michigan customers. Taubman neither alleges nor proves such commercial interactivity. Moreover, in responding to Mishkoff’s written discovery requests, plaintiff acknowledged that its only basis for alleging personal jurisdiction is that defendant “committed an intentional tort against a Michigan entity, with knowledge that such action will impact the Michigan entity. Additionally, the infringing website promoted the mall in Michigan.” Levy Affidavit, Exhibit K, page 2. Inasmuch as *Neogen*, too, involved an alleged intentional tort against a Michigan entity, on a website available to Michigan residents, these contentions are simply not sufficient to warrant a finding of personal jurisdiction. The claims against the “sucks” sites should be dismissed, at the very least. And, given the change in the law, the Court is urged to reconsider its waiver determination even with respect to the claim against the original “shops” site.

Reconsideration is appropriate when there has been “an intervening change in the controlling law.”

389 Orange Street Partners v. Arnold, 179 F.3d 656, 665 (9th Cir. 1999).

CONCLUSION

Defendants’ motion for summary judgment should be granted.

Respectfully submitted,

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