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IN THE
SUPREME COURT
OF THE UNITED STATES

No. C10-0116-1

OCTOBER TERM 2010

***RUNAWAY SCRAPE, L.P.*, Petitioners**

v.

***CHATNOIR, INC.*, Respondents**

ORDER GRANTING WRIT OF CERTIORARI

PER CURIAM:

The petition for a writ of certiorari to the United States Court of Appeals for the Fourteenth Circuit is hereby granted.

IT IS ORDERED that the above-captioned matter be set down for argument in the 2010 Term of this Court, said argument to be limited to the following issues:

I. Whether Chatnoir, Inc. intentionally induced or encouraged the infringement of Runaway Scrape, L.P.'s copyright under the standard announced in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

II. Whether the domain name "www.aardvarks.com," registered by Runaway Scrape, L.P., is likely to dilute Chatnoir, Inc.'s trademarks by blurring in violation of the Trademark Dilution Revision Act, 15 U.S.C. § 1125(c).

UNITED STATES COURT OF APPEALS
FOR THE FOURTEENTH CIRCUIT

***RUNAWAY SCRAPE, L.P.*, Petitioners**	
v.	Case No. 10-1174
***CHATNOIR, INC.*, Respondents**	

Decided October 1, 2010

Before Judges Wintermute, Armitage, and Case.

Case, Circuit Judge, for the Court.

Appellants Runaway Scrape, L.P. ("Runaway Scrape") appeal from a judgment entered in the United States District Court for the Northern District of Tejas, following a bench trial, in favor of Chatnoir, Inc. ("Chatnoir"). The district court found that Chatnoir, by advertising and distributing its videoconferencing and archiving software, did not contributorily infringe Runaway Scrape's copyright, and that Runaway Scrape's website domain name diluted Chatnoir's trademark by blurring. We affirm the judgment of the district court.

I. FACTS

Chatnoir is an electronics and communications company based in New Jack City, Tejas. Founded in 1997, Chatnoir has continued to grow as a leader in communications software and hardware, particularly in the area of teleconferencing. In 2003, Chatnoir introduced an internet-based videoconferencing software with the federally registered trademark "Aardvark Media." Aardvark Media streams live video and audio over the internet and allows any user with a camera and microphone to communicate visually and aurally over the internet. Aardvark Media

proved to be one of Chatnoir's biggest sellers, gaining acclaim from U.S. businesses for its quality, affordability, and ability to connect users.

In 2006, Chatnoir developed a new feature for its Aardvark Media software in response to customer feedback. Specifically, customers reported that while Aardvark Media worked well in areas with ample bandwidth, it slowed down or otherwise malfunctioned in more remote areas. Accordingly, Chatnoir developed a method that would allow users in low-bandwidth locations to strip a videoconference of its video feature while still streaming the audio live. This would allow users to hear and take part in the conversation as they would a normal teleconference, while others could make use of both the video and audio features offered by Aardvark Media.

In further response to customer comments, Chatnoir developed an additional new feature to be able to archive a videoconference. The archiving feature allowed a user to store the video and audio from a videoconference on the user's computer for future use. It also allowed the users to strip the video portion from the conference and record the audio only, which would then be stored as an MP3 file on the user's computer.

Chatnoir planned to incorporate these features into a new version of their software with the mark "Aardvark Pro." However, before launching Aardvark Pro, Chatnoir decided to test the new features through a temporary promotion that allowed users to download a limited version of the software for free under the name "Aardvark Lite." Specifically, Aardvark Lite stripped the video portion of a videoconference and stored the audio portion on the user's computer. Once downloaded, Aardvark Lite only functioned for a six month time period, after which the user could only use the video stripping and archiving functions by purchasing Aardvark Pro.

In February of 2007, Chatnoir made Aardvark Lite universally available for any user to download from its company website at www.chatnoir.com. Chatnoir memos and emails indicated that Aardvark Lite would be available for a limited time until the company was ready to launch Aardvark Pro. At that time, Chatnoir planned to discontinue Aardvark Lite upon launch of Aardvark Pro.

On the webpage where users could download Aardvark Lite, Chatnoir included three statements: (1) instructions for using the software, (2) a disclaimer stating "please don't use our product for illegal or unethical purposes," and (3) suggested uses of the software. The suggested uses included the phrase "make audio recordings of your favorite VuToob videos."

VuToob, owned by Poodle Corporation, is a media company that operates a website where users can upload videos that can then be viewed by anyone on the internet. VuToob is a very popular site, and users upload anything from home videos to commentary to their own artistic videos. Some established musical and video artists even upload official videos onto VuToob to promote their music or movies. Unfortunately, many users also upload copyright-infringing material. Although VuToob does its best to regulate uploaded material on its website, including the use of filtering software that searches for and disallows potentially infringing material, some material that violates copyright inevitably gets through. Despite these regulatory difficulties, VuToob has a policy and a reputation for removing offending videos when contacted by copyright holders.

Chatnoir promoted Aardvark Lite in several ways. First, Chatnoir sent e-mails to its current customers that described the upgrades to its software and links to the appropriate webpage from which to download Aardvark Lite. These emails also suggested that the technology advances of Aardvark Lite could be used to strip video and store sound from VuToob

videos. Second, the company purchased advertising space on various business webpages that contained links to the Aardvark Lite download webpage. Finally, Chatnoir purchased advertising through internet search engines, whereby certain user searches resulted in an advertisement for Aardvark Lite. "VuToob", "downloads" and, "music" were among these search terms.

The rock band Runaway Scrape is among the many artists whose work has been featured on VuToob in both licensed form (to promote the band) and improperly by unlicensed users. Runaway Scrape was founded in 1999 by four college roommates and one art student who later married the lead singer. Since then, they have recorded several albums and enjoyed considerable and still growing success as one of the most popular independent bands in the country.[1] Among their methods for marketing their music, Runaway Scrape occasionally uploads music videos for their songs on VuToob including professional productions and home videos of live performances. These uploads are licensed strictly for use by VuToob. However, these official versions are not the only Runaway Scrape videos available on VuToob Users occasionally upload pirated copies of copyright protected Runaway Scrape music videos, concert videos, or a user's own version of videos (which may simply consist of the "avant-garde psychedelic"[2] images that appear on the Runaway Scrape albums while the album version of the song plays).

When Runaway Scrape heard about Chatnoir's upcoming release of Aardvark Lite, they were worried about users potentially using it to infringe on the band's copyright. Runaway Scrape sent letters to Chatnoir on November 3, 2006, December 14, 2006, and January 3, 2007, asking them to police the use of Aardvark Lite to prevent all copyright infringement. Chatnoir

[1] As an independent band, the members are unattached to any major record label. The members formed Runaway Scrape, L.P., to record, license, and distribute their music. Runaway Scrape, L.P., owns the copyright in all of the band's songs, videos, and merchandise. All copyright protected expression of Runaway Scrape that is relevant to this case is registered with the U.S. Copyright Office.

[2] Drawn by the art student member of the band.

did not respond to the letters. Chatnoir internal e-mails indicated that, while aware of the potential for infringement, Chatnoir did not consider infringement a problem as it was not the primary purpose of the software and because Aardvark Lite would cease to function after a limited time. Chatnoir also did not consider potentially infringing videos from VuToob a problem because it was aware of VuToob's policy of policing its website for copyright infringement.

Runaway Scrape sent Chatnoir a cease and desist letter on February 24, 2007, demanding that they stop offering Aardvark Lite for download, alleging that its users were overwhelmingly using the software for infringing purposes, among other things, by making multiple unauthorized MP3 copies of Runaway Scrape's material appearing on VuToob. Again, after no response from Chatnoir, Runaway Scrape sent Chatnoir a second cease and desist letter on March 24, 2007.

When Runaway Scrape did not hear a response from Chatnoir after multiple letters, including its cease and desist letters, Runaway Scrape started a new website with the registered domain name www.aardvarks.com on April 10, 2007. The web page allowed viewers of the webpage to download one of Runaway Scrape's songs titled "Aardvarks."[3] The website also contained a link reading "Get it the right way," which directed the user to the band's official website where the user could purchase the band's music and merchandise.

Chatnoir immediately sent Runaway Scrape cease and desist letters on April 15, 2007, and May 1, 2007, demanding that the band take down the website or transfer the domain name to Chatnoir. In response, Runaway Scrape sued Chatnoir for contributory copyright infringement, alleging that Chatnoir intentionally encouraged copyright infringement by promoting and

[3] The actual creation and promotion of the song was unclear from the record. Runaway Scrape insists that the song has been part of the band's performance line-up prior to the creation of www.aardvarks.com. However, Chatnoir insists that the song was not promoted until the creation of www.aardvarks.com. The song does not appear on any previous albums released by Runaway Scrape.

distributing Aardvark Lite. Chatnoir filed a countersuit, alleging Runaway Scrape's use of the domain name www.aardvarks.com diluted Chatnoir's trademark by blurring.[4]

During the underlying bench trial, Runaway Scrape presented uncontested evidence that third parties were using Aardvark Lite to make unauthorized copies of its music. Experts from both parties concluded that roughly seventy percent of the uses were infringing. Also, Chatnoir presented uncontested evidence of a survey in which two percent of the general public stated that the name "www.aardvarks.com" brought to mind Chatnoir's marks of Aardvark Media, Aardvark Pro, and Aardvark Lite. Eight percent of Chatnoir's current customers responded that www.aardvarks.com brings to mind Chatnoir's marks.

Additionally, Stanley Rocker, President and CEO of Chatnoir, testified that in the short time since Chatnoir made Aardvark Lite available for download, Chatnoir was surprised by the number of users downloading it. Indeed, Mr. Rocker admitted that the number of downloads far exceeded the number of its anticipated future users of the full Aardvark Pro software package. Runaway Scrape insisted this was because the majority of Aardvark Lite users were drawn to Chatnoir's website to download the software with the intent to use it to make infringing copies of audio extracted from VuToob videos.

Also during the underlying bench trial, Runaway Scrape presented testimony from former Chatnoir employee Kasey Stinger. Ms. Stinger testified that she acted as the Executive Secretary for Mr. Rocker for five years. During Ms. Stinger's fourth year of employment with Chatnoir, she entered into an extramarital affair with Mr. Rocker. The affair started during Chatnoir's infamous 2005 Christmas party. The affair remained quiet, until one month before the underlying lawsuit was filed, when an anonymous uploaded VuToob video clearly showed Ms.

[4] Chatnoir also initially brought suit under the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d). However, this action was eventually removed from the lawsuit upon the filing of an amended petition. Only the dilution action is at issue in this appeal.

Stinger and Mr. Rocker enjoying Christmas cheer under the mistletoe – for five minutes. Ms. Stinger stated Chatnoir fired her immediately following the incriminating VuToob video. Importantly, Ms. Stinger also testified that Mr. Rocker frequently confided in her regarding confidential Chatnoir business. She explained that one night during a "business meeting" between herself and Mr. Rocker, Mr. Rocker learned of the Runaway Scrape cease and desist letter. Mr. Rocker laughed and stated:

> Ha! Those fools. A successful release of Aardvark Lite will more than pay for a copyright infringement lawsuit. Heck, a lawsuit brought by a popular band would be great publicity for the success of all the Aardvark products. Aardvark Lite is going to provide us with a demographic we never would have reached otherwise!

This conversation was also uploaded and played for the trial court. Ms. Stinger referred to the video as her "insurance policy." Runaway Scrape only provided the trial court with the audio file, as Ms. Rocker used her free download of Aardvark Lite to strip the file of all video for privacy reasons.

After the trial, the district court issued an opinion and order ruling in favor of Chatnoir on both the copyright infringement claim and the trademark dilution claim, and entered judgment for Chatnoir, enjoining Runaway Scrape from using the www.aardvarks.com domain name. This appeal followed.

II. DISCUSSION

A. Copyright Infringement

A party can be held secondarily liable for a third party's copyright infringement. Among other theories of secondary liability, a party can be held liable for contributory infringement by their intentional encouragement or inducement of copyright infringement. This theory of liability was articulated by the United States Supreme Court in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005). The *Grokster* Court held that a party distributing a

device with the intent to promote its use to infringe a copyright is liable for the resulting acts of infringement by third parties. Liability is premised on purposeful, culpable expression and conduct, with a clear expression or other affirmative steps taken to foster infringement. *Id.* at 936-37.

Direct evidence of intent to encourage or induce infringement includes an advertisement or solicitation that broadcasts a message designed to stimulate others to commit violations. However, that is not the exclusive method of proving such intent. The *Grokster* Court considered three factors in evaluating a defendant's intent to encourage or induce infringement: (1) the defendants' internal communications and advertising efforts, (2) the defendants' failure to develop and implement filtering tools or other means of limiting infringement, and (3) the defendants' reliance on infringing activity for the success of their business. *See id.* at 937. We consider each in turn in this case.

First, Runaway Scrape claims that Chatnoir's advertising of Aardvark Lite is an affirmative step to foster infringement. Runaway Scrape points to the promotional e-mails that suggest the use of Aardvark Lite to strip video and store sound from VuToob videos, as well as the advertising of this use through keyword searches on internet search engines, as evidence that Chatnoir was promoting the use of its product to infringe on copyrights in the works on VuToob. We disagree. While it is true that making MP3 copies of many of the works on VuToob would infringe a copyright, neither party disputes that copying many other VuToob videos would not constitute infringement. Additionally, Chatnoir's advertising in no way encourages the illegal use of Aardvark Lite. In fact, Chatnoir's website even contains a warning against using Aardvark Lite for "illegal or unethical purposes." The advertised and suggested uses of Aardvark Lite include many other uses besides stripping VuToob videos of their picture.

Furthermore, unlike the defendants in *Grokster*, there is no evidence that Chatnoir intentionally targeted known infringers in its advertising.

Second, Runaway Scrape points to the lack of filtering tools utilized by Aardvark Lite to reduce infringement as evidence of intent to encourage infringement. The *Grokster* Court noted that the lack of filtering tools in a device that could be used for copyright infringement, absent any other evidence, is not enough to find inducement. *Id.* at 939, n.12. But even if such evidence alone were enough to find inducement, Runaway Scrape still failed to demonstrate it here. While Chatnoir was aware that some filtering tools would allow Aardvark Lite to filter out potentially infringing material, it is clear from internal e-mails that this was considered and dismissed. It was dismissed not to encourage infringement, but because the potential source of infringing material, VuToob, already uses filters in an attempt to block infringing material. Such consideration by Chatnoir combined with the fact that its rationale behind not using filters related to the existence of other safeguards rather than disregard for possible infringement suggests that Chatnoir did not intentionally encourage infringement.

Thirdly, Runaway Scrape claims that Chatnoir relied on Aardvark Lite's infringing uses for business success, arguing that the successful testing of Aardvark Lite was integral to the future development and success of the full version of Aardvark Pro. This connection seems too attenuated. In the *Grokster* case, the defendants' entire business model was built around attracting infringing users to the product. In this case, even though a substantial portion of the use of Aardvark Lite was infringing, there is no evidence that without such infringement the full version of Aardvark Pro would not be a success. Indeed, the purpose of Aardvark Lite was both to test the new feature and to promote the new, full version of the software, Aardvark Pro. Ardvark Pro was being marketed to businesses for use in videoconferencing, and there is no

reason to believe that the infringing uses by private individuals were necessary to ensure the success of the future product with those businesses.

The factors considered in *Grokster* were not exhaustive. Rather, the evidence in each case is to be examined in context. Looking at any other considerations, this court finds little to implicate a desire by Chatnoir to foster infringement. The short-lived nature of Aardvark Lite, and the eventual launch of Aardvark Pro which would work only with videoconferencing over the internet, both cut in favor of Chatnoir's position. It is also noteworthy that *Grokster* and its progeny deal largely with peer-to-peer networks, a technology wholly different from the videoconferencing software here. In those cases, the peer to peer networks were used almost exclusively to promote piracy. *See, e.g.*, *Arista Records, LLC v. Lime Group LLC*, No. 06 CV 5936 (KMW), 2010 WL 2291485 (S.D.N.Y. May 25, 2010); *Columbia Pictures Indus., Inc. v. Fung*, No. CV 06-5578 SVW(JCX), 2009 WL 6355911 (C.D.Cal. Dec. 21, 2009).

Considering these facts, we agree with the district court that Chatnoir did not intentionally induce or encourage copyright infringement.

B. Trademark Dilution

Trademark law provides a cause of action against a person whose use of a mark in commerce is likely to dilute another's famous mark. The elements of a trademark dilution cause of action are (1) the plaintiff owns a mark that is both famous and distinctive, and (2) after the plaintiff's mark became famous, the defendant commenced use of a mark or trade name in commerce that is likely to cause dilution of the famous mark either by blurring or by tarnishment. 15 U.S.C. § 1125(c)(1). Dilution by blurring is defined as an association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. 15 U.S.C. § 1125(c)(2)(B). Put simply, blurring occurs when a mark previously associated with one product also becomes associated with a second.

Visa Int'l Serv. Ass'n v. JSL Corp., 610 F.3d 1088 (9th Cir. 2010). Classic examples of blurring include such hypothetical anomalies as Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns, and so forth.

We consider all relevant factors in determining whether a defendant's use of a mark is likely to dilute the plaintiff's mark by blurring. The Trademark Dilution Revision Act (TDRA) provides six non-exhaustive factors courts may consider in analyzing blurring cases: (1) the degree of similarity between the mark or trade name and the famous mark, (2) the degree of inherent or acquired distinctiveness of the famous mark, (3) the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, (4) the degree of recognition of the famous mark, (5) whether the user of the mark or trade name intended to create an association with the famous mark, and (6) any actual association between the mark or trade name and the famous mark. 15 U.S.C. § 1125(c)(2)(B).

In this case, Runaway Scrape concedes that Chatnoir's marks "Aardvark Media," "Aardvark Pro," and "Aardvark Lite" are both famous and distinctive, and that Runaway Scrape's domain name "www.aardvarks.com" is the use of a mark in commerce. Thus, all that is left to determine is whether the band's use of the mark "Aardvarks" in its domain name is likely to dilute Chatnoir's marks by blurring.

A few courts have considered dilution by blurring in the context of domain names since the passage of the TDRA. For example, the Ninth Circuit in *Visa Int'l Serv. Ass'n v. JSL Corp.*, 610 F.3d 1088 (9th Cir. 2010), considered a dilution by blurring claim brought by Visa International Service Association against a multilingual education and information business that had registered the domain name www.evisa.com. That Court held that the domain name was likely to cause dilution by blurring because the two names were effectively identical in the online

context and because the Visa mark was very strong and distinctive, with strong associations. *Id.* at 1090-91.

In this case, Runaway Scrape's registered domain name of www.aardvarks.com has a high degree of similarity with Chatnoir's marks of "Aardvark Media," "Aardvark Pro," and "Aardvark Lite." Indeed, the only differences between the two are that Runaway Scrape's use of the mark is the plural version of Chatnoir's Aardvark marks and that the domain name does not include "Media," "Pro," or "Lite." Runaway Scrape argues that these differences are enough to establish a proper degree of difference, pointing out that many courts have held that dilution by blurring exists only when the diluting marks are essentially the same as the original mark.

The band also argues that part of the court's reasoning in *Visa Int'l* involved the context of the "evisa" mark. For example, Runaway Scrape argues that in *Visa Int'l*, the Court explained that the addition of the letter "e" to the beginning of the word "visa" did not do enough to distinguish the two marks, noting that the "e" prefix is commonly used to refer to an electronic or online brand. *Id.* at 1090. Contrary to the facts of *Visa Int'l*, Runaway Scrape argues that in this case there is no such inference to be made – a plural version of the word does not connote an electronic version. We disagree with Runaway Scrapes logic– the simple addition of an "s" to the end of the word "aardvark" is not enough to distinguish the marks.

Also, the similarity-of-marks analysis in determining likelihood of confusion for trademark infringement is useful here, though likelihood of confusion is not the standard for a dilution action. Under that analysis, courts look to the overall impression created by the marks and the context in which they are found. *See Star Indus., Inc. v. Baccardi & Co., Ltd.*, 412 F.3d 373, 386 (2d Cir. 2005). Given the public dispute between Runaway Scrape and Chatnoir, the overall impression and context of the marks indicate a high degree of similarity.

Runaway Scrape next argues that there is not adequate association between the marks to likely cause dilution by blurring. We are skeptical of this assertion regarding the fifth factor courts may consider. For instance, though the band denies it intended to associate the domain name with Chatnoir's marks, the link on its website reading "Get it the right way" could be viewed as a reference to the band's dispute with Chatnoir related to copyright infringement. Furthermore, the title of the song that could be downloaded on the Runaway Scrapes's website ("Aardvarks") suggests the band intended to create an association between the marks.

As to the sixth factor – any actual association between Runaway Scrape's mark and Chatnoir's marks – evidence showed that Chatnoir created and conducted surveys to ascertain how much the public and Chatnoir's customers associated the marks. The results showed that people did associate the two marks. For example, two percent of the general public and eight percent of Chatnoir's customers responded that the software by Chatnoir came to mind when asked for first thing thought of when hearing "Aardvarks". Combined with the other factors, we find enough evidence to hold that Runaway Scrape's domain name is likely to cause dilution by blurring.

III. CONCLUSION

The judgment of the district court is AFFIRMED.

Armitage, Circuit Judge, dissenting:

For the reasons discussed below, I respectfully dissent.

I. DISCUSSION

A. Copyright infringement

The majority holds that Chatnoir is not liable for contributory copyright infringement under the *Grokster* opinion. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913

(2005). In so doing, the majority misapplies *Grokster* and fails to take into account the full extent of its rule.

This court needs to follow the Ninth Circuit's application of *Grokster*. Specifically, courts must analyze contributory liability for copyright infringement in light of fault-based liability derived from the common law. *Id.* at 934-35; *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1170-71 (9th Cir. 2007). As the Ninth Circuit correctly pointed out, intent can be imputed under the common law and an actor may be contributorily liable for intentionally encouraging direct infringement if the actor knowingly takes steps that are substantially certain to result in such direct infringement. *Perfect 10*, 508 F.3d at 1170-71. The Ninth Circuit concluded that a computer system operator can be held contributorily liable if he/she (1) has actual knowledge that specific infringing material is available using its system (2) he/she can take simple measures to prevent further damage to copyrighted works, and (3) the operator continues to provide access to infringing works. *Id.* at 1172.

The correct application of this standard to the facts at hand yields a quite different result than the majority reaches. Chatnoir is plainly aware of acts of infringement by third parties, as demonstrated by Runaway Scrape's repeated notifications of both the potential for infringement and actual infringement by third parties using its Aardvark Lite. Even so, Chatnoir completely and utterly disregarded any possible measures to prevent further infringement by its users. Instead, Chatnoir relied on the anti-infringement measures of VuToob (measures known by Chatnoir to be inadequate to prevent a significant amount of infringing materials).

Furthermore, the majority ignores the aftermath of the *Grokster* opinion. On remand, the district court found ample evidence of an intent to encourage inducement, taking into account (1) the overwhelming use of the defendant's software for infringement, (2) the defendant's

deliberate measures to ensure that its software had infringing capabilities, (3) the dependence of the defendant's business model on infringing use, and (4) the defendant's failure to take affirmative steps to prevent infringement. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 454 F. Supp.2d 966, 985-992 (C.D.Cal. 2006).

In this case, it is undisputed that the overwhelming majority of Aardvark Lite users used the application for infringing purposes. In fact, roughly seventy percent of the uses were infringing. Chatnoir also ensured that the software had infringing capabilities, as evidenced by the advertised VuToob capabilities. It is unclear why Chatnoir even found it necessary to include the VuToob feature on its Aardvark Lite software if not to attract infringing parties – the VuToob feature will not be a part of the final product, and is not necessary to demonstrate the capabilities of the final product.[5] Instead, Chatnoir's references to VuToob appear to be solely for the purpose of attracting more users and promoting a product, even if such promotion includes contributing to copyright infringement. Contrary to the majority's reasoning, this method of promotion also makes Chatnoir's business model dependent on infringing use, as Chatnoir seeks to draw in new users from a pool of infringers.

Finally, Chatnoir has taken no affirmative steps to prevent infringement. Even when faced with the fact that Aardvark Lite users were infringing copyrights, and even considering that simple steps could prevent or limit such infringement, Chatnoir instead decided to do nothing.

By including the VuToob feature in its software, and prominently advertising that feature, Chatnoir encouraged an infringing use. Under such facts, an intent to encourage infringing

[5] The record from the lower court reflects that Chatnoir's website contained advertising coming from and maintained by VuToob's parent company. Chatnoir received a fraction of a cent each time their website received a view by a user where the user clicked into the advertising content. The funds from these transactions went to the general operating account of Chatnoir. Incidentally, Runaway Scrape had the same type of advertising arrangement with VuToob's parent company at Runaway Scrape's site on www.aardvarks.com.

behavior can be imputed to Chatnoir. I would reverse the judgment of the trial court and find in favor of Runaway Scrape on its contributory copyright infringement claim.

B. Trademark Dilution

The majority also misapplies the Trademark Dilution Revision Act (TDRA) factors. 15 U.S.C. § 1125(c)(2)(B). First, the majority cites *Visa Int'l Serv. Ass'n v. JSL Corp.*, 610 F.3d 1088 (9th Cir. 2010), in declaring Runaway Scrape's domain name of www.aardvarks.com to possess a high degree of similarity with Chatnoir's mark. However, *Visa Int'l* is distinguishable from this case. The domain name in question in *Visa Int'l* was www.evisa.com. The Ninth Circuit made much of the fact that the addition of the letter "e" to a mark does little to distinguish it in the context of the internet, because "e" is generally understood to mean "electronic." In the context of this case, however, no such issue exists, as Runaway Scrape's use of the word in question is plural, not the same word with a prefix. Also, all of Chatnoir's marks pair the word "aardvark" with another term: Media, Pro, or Lite.

The Second Circuit considered context as an important element in determining the degree of similarity in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009). In that case, Starbucks sued Wolfe's Borough Coffee because of Wolfe's use of the mark "Charbucks" on one of the coffee blends it offered for sale. The Second Circuit considered the context in which "Charbucks" appeared in Wolfe's Burough Coffee's merchandise, noting that the name of the coffee was actually "Mister Charbucks" or "Charbucks Blend," that the packaging featuring that mark in no way resembled Starbucks' trademarks, and that it was highly unlikely that a consumer would ever see "Charbucks" outside of this context. The court pointed out that the differences in the ways the marks are presented, the overall impression created by the marks, and the context in which they are found should be considered in determining the degree

of similarity of the marks. The Second Circuit ultimately held that it was not error for the district court to find that the contested mark was only minimally similar to Starbucks' mark.

In this case, when the word "aardvark" is divorced from any of the other terms Chatnoir uses (Media, Pro, and Lite), and is further altered by pluralizing it, the mark's resemblance to Chatnoir's mark is also minimal. In *Starbucks*, "Starbucks" and "Charbucks" had a passing similarity in sound but were only minimally similar in context. Here, "Aardvark Media," "Aardvark Pro," and "Aardvark Lite," are passingly similar to "www.aardvarks.com" in that both contain the animal name, but are only minimally similar when considered in the context of a domain name.[6]

The majority next finds that Runaway Scrape intended to create an association with Chatnoir's marks. The support for this assertion is dubious at best. In support of its conclusion, the majority points to the link entitled "Get it the right way," which directed users to the band's official website. Given that copyright infringement has been a growing problem for music artists in recent years, it seems presumptuous to assert that this link must refer only to the well-publicized dispute between Runaway Scrape and Chatnoir. Regardless, such a fact is irrelevant, without something more, as to any alleged association between the actual domain name and Chatnoir's marks. For further proof, the majority points to the song "Aardvarks" that could be downloaded at the www.aardvarks.com website. However, nothing in the song's lyrics suggests it has anything to do with the band's dispute with Chatnoir. Indeed, the only lyrics to the song are as follows: "My love runs deep, like Aardvarks huntin' for an ant. Oh yeah, yeah, yeah. Darlin' open your soul hill to the Aardvarks. Oh yeah, yeah, yeah." The rest of the 17-minute song consisted of extremely long instrumental solos with the above lyrics repeating a total of five

[6] There is some evidence in the record that the word "Aardvark" was decided to be used by each party independently due to the unique property of the word when in a list that was sorted alphabetically. Also, one of the band members had a pet aardvark as a child.

times. While hardly Shakespeare, this is not indicative of an attempt to associate the domain name with Chatnoir's marks.

Finally, the majority examines the actual association of the domain name with Chatnoir's marks. Evidence introduced by Chatnoir showed that only two percent of the general public called to mind Chatnoir's products when told the domain name "www.aardvarks.com." A mere eight percent of Chatnoir's own customers associated the marks with each other. While these abysmally low association numbers cause us to question whether Chatnoir received any benefit from its ad campaign developed by Powers Floyd Foster Lawrence & Aiken, the low association numbers hardly provide a justification for the majority to conclude an association between Runaway Scrapes' www.aardvarks.com and Chatnoir's Aardvark Media, Aardvark Pro, and Aardvark Lite. While the factor provided by the TDRA does say "*any* association," such low levels show that there is no real, actual association occurring. Such a conclusion is clear by contrasting these survey results in this case with those in the *Starbucks* opinion, in which a full thirty percent of the respondents said the word "Charbucks" brought to mind "Starbucks."

Because the application of the TDRA factors to the facts of this case do not lead to a conclusion that Runaway Scrape's domain name diluted Chatnoir's marks by blurring, I would reverse the judgment of the district court on the trademark dilution issue.

II. CONCLUSION

Because Runaway Scrape has proven its contributory copyright infringement claim, and Chatnoir has failed to prove their trademark dilution claim, I would reverse the judgment of the trial court and render as such.