

No. C10-0116-1

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IN THE

**Supreme Court of the United States**

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

v.

CHATNOIR, INC.,  
*Respondents.*

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ON WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FOURTEENTH CIRCUIT

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**BRIEF FOR PETITIONERS**

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Team 37  
*Counsel for Petitioners*

## **QUESTIONS PRESENTED**

- I. Whether Chatnoir, Inc., had knowledge of the infringement of Runaway Scrape's copyrighted music and is liable, through material contribution and inducement, for contributory infringement.
  
- II. Whether the domain name "www.aardvarks.com," currently in use by Runaway Scrape, is likely to dilute Chatnoir's trademarks by blurring, when public recognition of Chatnoir's marks is low, the domain name refers to the title of a song about aardvarks rather than to Chatnoir's software, and Chatnoir does not have trademark rights for the term "aardvark" standing alone.

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## **OPINIONS BELOW**

The decision of the United States Court of Appeal for the Fourteenth Circuit (No. 10-1174) is unreported.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED**

This case raises issues concerning authors' constitutionally guaranteed right to control use of their creations, U.S. Const. art. I, §8. The case also centers on issues related to the scope and application of provisions of the Trademark Dilution Revision Act, 15 U.S.C. § 1125(c).

## **STATEMENT OF THE CASE**

Runaway Scrape is a rock band founded by a group of friends in 1999. (R. at 6.) Having recorded several albums, the band has been increasingly popular across the country. (*Id.*) Runaway Scrape is not affiliated with any record label and owns copyright to all of its songs and videos. (*Id.*)

Runaway Scrape entered into a licensing agreement with media company VuToob; under this agreement VuToob was granted the right to display Runaway Scrape's songs, accompanied by copyrighted videos or art works. (R. at 6.) VuToob is a popular website that displays media content ranging from home videos to licensed material. At the website users can upload videos as well as view videos uploaded by others. (R. at 5.) Although VuToob attempts to limit uploads of copyrighted material, it does not have universal success in doing so. (R. at 5.) VuToob does, however, remove any infringing material when alerted to its presence by copyright holders. (*Id.*)

In late 2006, Runaway Scrape became aware of the upcoming release of a program that could be used to infringe upon the band's copyright. (R. at 6.) The program, Aardvark Lite, was developed by the company Chatnoir. (R. at 4.) Chatnoir provided the Aardvark Lite program for free at its website with the hope that free distribution would promote use of Chatnoir's product Aardvark Media. (*Id.*) Aardvark Media streams live video and audio feeds over the internet and is meant to facilitate online video conferencing for businesses. (R. at 3-4.) In addition it allows users to save video and audio from those conferences on their own computers. (R. at 4.) Recently, the Aardvark Media program was updated to allow the user to discard video and record only the audio portion of an exchange. (*Id.*)

Though the Aardvark Media software was not capable of stripping audio from VuToob recordings, the Aardvark Lite program was capable of doing so and Chatnoir repeatedly advertised this capability. (R. at 17.) Chatnoir's webpage suggested that Aardvark Lite software be used to "make audio recordings of [a user's] favorite VuToob Videos." (R. at 5.) Though Chatnoir disclaimed use of the software for illegal purposes (R. at 5), the company also sent mass mailings inviting customers to use the program to strip and store sound from VuToob videos. (R. at 5-6.) Runaway Scrape notified Chatnoir of the software's infringing possibilities, but Chatnoir ignored the repeated warnings. (R. at 6-7.) Internal e-mails suggested that the Chatnoir did not seek to prevent the threat of infringing behavior because it considered VuToob to be responsible for policing copyright infringement. (*Id.*)



After the release of the program in February, 2007, Runaway Scrape sent Chatnoir a cease-and-desist letter, notifying Chatnoir that its users were overwhelmingly using the software for infringing purposes. (*Id.*)

In addition to promoting the songs on VuToob, the band engaged in its own online promotion. Runaway Scrape made its song "Aardvarks" available for download at "www.aardvarks.com" in April, 2007. (R. at 7.) The site also contained a link with the text "Get it the right way" that led users to an online store for the band's songs and merchandise. (*Id.*) The song "Aardvarks" contained lyrics about aardvarks and anthills; band members explained that the idea originated with one of the band's members who had a pet aardvark as a child. (R. at 19.)

Chatnoir then responded with its own cease-and-desist letter, demanding that the aardvarks.com website be taken down or transferred. (R. at 7.) Runaway Scrape's refusal then brought about two actions. (R. at 7-8.) Runaway Scrape brought suit against Chatnoir for contributory copyright infringement for intentionally encouraging copyright infringement. (*Id.*) Chatnoir then filed a countersuit, claiming that the band's use of the aardvark.com website diluted the company's trademark through blurring.

At trial it was shown that approximately 70% of Aardvark Lite uses resulted in copyright infringement. (R. at 8.) It was also revealed that the high number of users of Aardvark Lite far exceeded the anticipated users of the cost-based Aardvark Media software. (*Id.*) A recording of a statement by the President and CEO of the company indicated that the company was aware of the potential that the company would be sued, but that a "successful release" of the Aardvark Lite program would recoup costs associated with any lawsuit because litigation would bring "great publicity"

to the company and provide it with a new demographic of users. (R. at 9.) Around the same time, Chatnoir conducted a survey indicating that the domain name "www.aardvarks.com" brought to mind Chatnoir's marks for only eight percent of its own customers, and a mere two percent of the general public. (R. at 8.)

In review of the District Court's ruling in favor of Chatnoir on both issues, the Fourteenth Circuit affirmed that Chatnoir was not contributorily liable for infringement, but reversed the trademark ruling, finding that there was no dilution by blurring. (R. at 12.) This Court granted Runaway Scrape's Petition for Certiorari. (R. at 2.)

### **SUMMARY OF THE ARGUMENT**

Chatnoir is liable for contributory infringement of Runaway Scrape's copyright because substantial direct infringement was committed using Chatnoir's program Aardvark Lite. An entity is liable for contributory infringement when it has knowledge of infringing activity and induces or materially contributes to that infringement. Chatnoir had knowledge of both the potential for infringement and of the actual infringement. With this knowledge, Chatnoir materially contributed to the infringement by distributing a program that contained no safeguards against infringement and whose primary purpose was an infringing use. Additionally, through solicitations, advertisements, and other clear statements, Chatnoir actively encouraged users to download copyrighted music with the program. Not only was this use a recognized feature of Chatnoir's software, but Chatnoir's business model heavily depended on such uses. With the contributions and inducements of Chatnoir, the program Aardvark Lite was used to infringe upon

the copyrights of Runaway Scrape's music. Thus, Chatnoir is liable as a contributory infringer.

Concerning the second question before the Court, Chatnoir possesses the famous marks "Aardvark Media," "Aardvark Lite," and "Aardvark Pro", and claims that Runaway's Scrape's website at "www.aardvarks.com" dilutes these marks by blurring. However, the words "aardvark" and "aardvarks," standing alone, are not famous marks as defined in 15 U.S.C. § 1125(c)(2)(A). Without a famous mark to protect, a claim for dilution by blurring of a famous mark necessarily fails. However, even if Chatnoir's existing famous marks were to sufficiently implicate the word "aardvarks," Chatnoir has still failed to prove factors necessary to establish dilution by blurring.

Chatnoir's action for dilution by blurring would fail under the six factor test outlined in the Trademark Dilution Revision Act ("TDRA"), 15 U.S.C. § 1125(c)(2)(B). Application of the test to Runaway Scrape's domain name, "www.aardvarks.com," demonstrates that Chatnoir has not proven the existence of any of the TDRA's six factors; as result, Chatnoir certainly has not proven enough to counter Runaway Scrape's arguments for its use of the domain name. Finally, even if Runaway Scrape had intended to use its website as a vehicle for critical commentary on Chatnoir's inducement of copyright infringement, such a use of Chatnoir's marks would fall under the TDRA's "fair use" exception.

## **ARGUMENT**

### I. CHATNOIR IS LIABLE AS A CONTRIBUTORY INFRINGER OF RUNAWAY SCRAPE'S COPYRIGHT.

Chatnoir committed contributory infringement through the Aardvark Lite music downloading program. Contributory liability is a necessary aspect of copyright protection. In the current copyright environment, where millions of direct infringements can occur at the inducement of a larger entity, contributory liability is especially important as the only practical alternative for copyright protection. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 929-30 (2005). Companies that facilitate the infringement of copyright, even if not direct infringers themselves, are liable to the owners of copyright for contributory infringement. *In re Aimster Copyright Litig.*, 334 F.3d 643, 645 (7th Cir. 2003).

The protections of the rights of the artist are embedded within the Constitution itself: Congress has the power to secure copyrights—an author's "exclusive right" to his writing—in order to "promote the progress of science." *Eldred v. Ashcroft*, 537 U.S. 186, 192-93 (2003) (citing U.S. Const., art. I, §8, cl. 8). Congress has a long and consistent practice of extending the terms of copyrights in order to protect authors' rights. See, e.g., *id.* at 213-14. Courts have been especially concerned with the potential magnification of the effects of infringing uses through products that facilitate exchanges on the internet. See *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1172 (9th Cir. 2007).

Contributory infringement is the liability of a third party for its relationship to another who commits a direct infringement. The classic enumeration of the doctrine comes from the Second Circuit; "One who, with

knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer." *Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d, 1159, 1162 (2nd Cir. 1971).

For an entity to be liable for contributory infringement, there first must be a direct infringement. *Grokster*, 545 U.S. at 940. An infringement can occur against any number of the exclusive rights belonging to the holder of a sound recording copyright. See 17 U.S.C. §§ 106, 114. One of these rights is the exclusive right to duplicate a sound recording. *Id.* §114(b). For example, when an individual downloads unlicensed songs from the internet without paying for them, he has infringed the rights of the copyright holder. See *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001)

In this case, it is undisputed that Runaway Scrape held the exclusive right to make digital copies of their music. (R. at 6 & n.1.) A violation of this right occurred when the individual users made unauthorized copies of Runaway Scrape's songs from the VuToob videos. (R. at 7.)

Contributory liability is a common law extension of copyright, a doctrine imported to copyright from both tort principles and patent law. *Grokster*, 545 U.S. at 930; see also *Aimster*, 334 F.3d at 646; *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 261 (9th Cir. 1996). Contributory infringement requires 1) knowledge of the principle infringement, and 2) intentional inducement or material contribution for the principle infringement. *Grokster*, 545 U.S. at 936-37. Mere passing knowledge of the potential for infringement alone is not enough to establish liability; there must be knowledge coupled with "purposeful, culpable expression." *Id.* at

937. Thus, knowledge of potential infringements is not sufficient to create liability, the company must also indicate an intent to contribute to infringement. *Id.*

The controlling Supreme Court precedent regarding contributory infringement is *MGM v. Grokster*. In *Grokster*, the Supreme Court examined a case where the defendant was accused of contributory copyright infringement for distributing a free software product that allowed individuals to download files from each other (peer-to-peer networks). *Id.* at 919-21. The Supreme Court held that the company could have contributorily infringed upon copyright holders' rights by inducing its users to infringe. *Id.* at 941; see also *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 454 F.Supp.2d 966, 985-92 (C.D. Cal. 2006) (applying the Supreme Court's decision in *Grokster* on remand and finding an intent to induce infringement).

A. Chatnoir knowingly contributed to copyright infringement.

Chatnoir knowingly contributed to the copyright infringement of Runaway Scrape's songs. Knowledge of the direct infringement can be actual or constructive. *Aimster*, 334 F.3d at 650 ("[W]illful blindness is knowledge."). In *Grokster*, notification from the copyright holders that their work was being downloaded illegally, specific questions from users on how to download copyrighted works, and a general awareness that the software was primarily being used to download copyrighted works were considered sufficient factors to impute knowledge. *Grokster*, 545 U.S. at 923; see also *Arista Records LLC v. Usenet.com Inc.*, 633 F.Supp.2d 124 (S.D.N.Y. 2009) (applying the *Grokster* factors to find knowledge).

Here, Chatnoir had knowledge of the infringing use of Aardvark Lite. The suggestion by the company that the product be used to download songs from VuToob, coupled with the fact that copyrighted material is often uploaded onto VuToob (a similar situation to the facts in *Grokster*), shows that Chatnoir had knowledge of the infringement. (R. at 5.) Chatnoir was notified by Runaway Scrape of the potential for infringement in numerous letters sent before the release of the program. (R. at 6-7.) In a manner almost identical to the implicating comments noted in *Grokster*, 545 U.S. at 925, statements by Chatnoir's CEO indicate that Chatnoir knew of the infringing possibilities of the program and even welcomed such uses. (R. at 9.) After the issuance of the program, even more evidence demonstrated that the company should have known of the infringement. Around 70% of users were infringing (R. at 8), a substantial number of infringing uses similar to those in *Grokster*. *Grokster*, 545 U.S. at 922 (noting that 90% of files available to be downloaded were protected by copyright). Additionally, the "surprise" at the unexpectedly high number of users should have prompted investigation. (R. at 8.) Common sense sound business practices would assume that Chatnoir would have inquired as to the increase in users and they would have found that such users were only interested in the infringing purposes of the program. (*Id.*) All of this evidence demonstrates that Chatnoir knew or should have known of the copyright infringement committed with Aardvark Lite.

B. Chatnoir intended to contribute to copyright infringement.

Chatnoir intended to contribute to violations of Runaway Scrape's copyrights. Once knowledge of the primary violation is established, courts

must examine the intent of the distributor. *Grokster*, 545 U.S. at 936. The Supreme Court has expressly adopted the "inducement rule," holding that a company that distributes a device with the intent to promote its use for copyright infringement is liable for contributory infringement.<sup>1</sup> *Id.* at 936-37. Thus, intent is demonstrated first through material contribution to the infringement, and second by inducement to commit the infringement. *Columbia Pictures Indus., Inc. v. Fung*, No. CV 06-5578 SVW(JCx), 2007 U.S. Dist. LEXIS 97576 at \*7 (C.D. Cal. Dec. 21, 2009).

Here, Chatnoir intended to contributorily infringe Runaway Scrape's copyrighted music by both material contribution and inducement.

1. Chatnoir's software materially contributes to primary copyright infringement and evinces Chatnoir's intent to infringe on Runaway Scrape's copyright.

Chatnoir facilitated unauthorized downloads of music; consequently, it is contributorily liable for copyright infringement. Material contribution is the first factor to demonstrate intent to commit contributory infringement. Material contribution is the provision of the system substantively used to commit the infringement. 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, 12-79 (2004). The material contribution must be substantial. *Arista*, 633 F. Supp. at 155. Mere distribution of the system does not establish liability, it must be coupled with "purposeful and culpable expression and conduct" (essentially, actions that indicate

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<sup>1</sup> This element of intent is what makes the Court's ruling in *Sony Corporation of America v. Universal City Studios*, 464 U.S. 417 (1984), inapposite to the present case. As noted by the Court in *Grokster*, *Sony* does not foreclose the possibility of contributory infringement if a distributor actually intends to cause infringement. *Grokster*, 545 U.S. at 934-35. As is shown below, in this case Chatnoir demonstrated a clear intent to promote infringement.



intent). *Grokster*, 545 U.S. at 937. However, knowledge of infringement coupled with inaction in the failure to remove the infringing material can prove this intent. See *Religious Tech. Ctr. V. Netcom On-Line Commc'n Servs., Inc.*, 907 F. Supp. 1361, 1374 (N.D. Cal. 1995) (failing to take down material that the company has been informed infringes copyright constitutes substantial material contribution to infringement).

Chatnoir materially contributed to the infringement. In providing the Aardvark Lite program, particularly doing so free of charge (R. at 4), Chatnoir provided not only means, but easily accessible and unregulated means for others to download music illegally. The program unarguably was the substantial medium used to download Runaway Scrape's copyrighted works. (R. at 8.) Additionally, when made aware of infringements both prior to and after the release of the program, Chatnoir made no attempts to mitigate the infringing uses of the program. (R. at 7.) Chatnoir's material contribution and failure to attempt to prevent misuse make Chatnoir a material contributor to and liable for the direct infringement.

2. Chatnoir induced users of its software to commit primary infringement; this inducement demonstrates Chatnoir's intent to contributorily infringe on Runaway Scrape's copyright.

Chatnoir clearly induced customers to use the Aardvark Lite program for infringing purposes. The Supreme Court has identified various factors that demonstrate a party's intent to contributorily infringe, including evidence of express promotion, marketing and advertisements; an infringing use as the software's principal objective; and a business model dependent on customers using a product for infringing purposes. *Grokster*, 545 U.S. at 926.

Here, as found in *Grokster* and *Aimster*, multiple factors reveal Chatnoir's intent to induce infringement. First, Chatnoir promoted the program as one to be used for infringing purposes. Second, Chatnoir employees stated that the program was designed to bring about infringement. Third, the business model of the program required that it be used for infringing purposes. Fourth, there was a complete lack of filtering tools within the program.

i. Chatnoir created and promoted a program to be used for infringing purposes.

First, the Aardvark Lite program was advertised as a program to be used for infringing purposes. The classic instance of inducement is through advertising or solicitation. *Grokster*, 545 U.S. at 937. Solicitation can be through an e-mail or invitation to use programs that perform services similar to infringing programs. *Id.* at 937-38. The Court in *Grokster* held that the defendant software companies were liable participants since the record showed a clearly voiced objective that the software be used to download copyrighted works. *Id.* at 923-24. In *Aimster*, the court found dispositive the tutorial on the program's use that only gave examples of file sharing as a way to use the program. *Aimster*, 334 F.3d at 651. This tutorial constituted an "invitation" to infringe. *Id.*

Here, there is clear evidence of the company's intent to induce Aardvark Lite users to infringe copyrights. The webpage where the program was added entices owners to use the program to "make audio recordings of your favorite VuToob videos." (R. at 5.) Directly paralleling the facts in *Grokster*, Chatnoir sent out e-mails suggesting that the program be used for downloading music. (R. at 5-6.) Additionally, defendant's products were

linked to search terms that indicated potential infringing intent on behalf of the searcher. (R. at 6.) All of these facts show the lengths Chatnoir went to in advertising the infringing uses of Aardvark Lite.

ii. Statements by Chatnoir's employees reveal intent to induce infringement.

Second, direct statements by company employees of the infringing use of the program prove intent to induce infringement. *Grokster*, 545 U.S. 938-39. Specifically, the "defendant's own statements of his unlawful purpose" are direct proof of inducement. *Id.* at 938. This purpose is clearly demonstrated through the statements by the company's CEO that the "successful release" of the program may lead to an infringing lawsuit, but would be worth the expanded use of their product. (R. at 9.) Coupled with the clear knowledge that the company was aiding users in engaging in copyright infringement by downloading songs, the CEO's statement can clearly be understood to reveal that the purpose of the program would be infringement, indicating inducement and intent. The Supreme Court has characterized such statements as a plan to "flaunt" the infringing uses of the software. *Grokster*, 545 U.S. at 925.

iii. Chatnoir's business model depended on customers using the program for infringing purposes.

Third, Chatnoir's business model depended on the use of Aardvark Lite for infringing purposes. Where revenue depends on the volume of use and a high volume of use is infringing, the court can infer intent. *Grokster*, 545 U.S. at 940. Additionally, when a program is provided for free and all income is generated through the selling of advertisement space, the model relies on the frequent and infringing actions of its users. *Id.* at 926. In

*A & M Records v. Napster*, this Court highlighted the fact that a program used for infringing purposes which was used to generate clients for the other software sold by the company indicates intent by the company to promote copyright infringement. *See Id.* at 924. Courts have found the business model dependent upon infringement when only 42% of subscribers were solely interested in the product for its infringement uses. *Arista*, 633 F. Supp. at 153.

Here, the company created a business model dependent on Aardvark Lite being used for infringing purposes. The company depended on the use of Aardvark Lite to generate users for its main products. (R. at 4.) Importantly, the primary software package that Aardvark Lite was supposedly promoting lacked the ability to strip music from VuToob. (R. at 17.) Therefore, Chatnoir could not have been using Aardvark Lite only to generate interest in the non-infringing primary software package, since users would not have purchased a final program that lacked the abilities to perform the advertised functions present in the free version. This strategy makes sense, however, if the Aardvark Lite program served as an end in itself. The company promoted the Aardvark Lite program for the "great publicity" that would come from an infringement lawsuit and since the infringing use would provide the company with access to a new demographic of users. (R. at 9.) The fact that the number of users for the test program greatly outnumbered the expected users for the primary program supports this conclusion. (R. at 8.) The promotion of the Aardvark Lite program depended on the new customers being interested in the program for its infringing capabilities and then using the program to infringe.

iv. A lack of filtering technology to prevent infringement within the program reveals Chatnoir's intent to induce infringement.

Fourth, the complete absence of filters within the program shows intent to induce infringement. A lack of effort to filter copyrighted material can constitute intent to contributorily infringe. *Grokster*, 545 U.S. at 926. When a company learns of an infringement and takes no steps to block it, there is intent to promote infringement. *Id.* at 926-27; see also *Perfect 10*, 508 F.3d at 1172.

Here, the company made no effort to incorporate any safeguards into the program. (R. at 7.) They were aware of possible infringements before the program was released, but took no steps to protect against such abuses. (R. at 6-7.) The company's internal communications that indicate Chatnoir intended to rely on VuToob's infringement policy (R. at 7), were so obviously misplaced that Chatnoir could not reasonably rely upon them. The warning of infringement possibilities followed by a complete failure to implement even the most minimal protections against infringement demonstrates Chatnoir's intent to induce infringement. (*Id.*)

Through advertisements and solicitations, statements by the company's CEO, a business model dependent on infringement, and a complete lack of safeguards, the Court can deduct clear intent by the company to induce copyright infringement.

II. RUNAWAY SCRAPE HAS NOT DILUTED CHATNOIR'S TRADEMARK BY BLURRING.

Since the word "aardvarks," standing alone, is not a famous mark, Runaway Scrape did not dilute a famous mark. However, even if the band's website had implicated Chatnoir's marks ("Aardvark Media," "Aardvark Lite,"

and Aardvark Pro"), Chatnoir has failed to prove its trademark dilution claim against Runaway Scrape because Chatnoir's claim fails the six factor test outlined in the Trademark Dilution Revision Act ("TDRA"), 15 U.S.C. § 1125(c)(2)(B). In the alternative, even if Runaway Scrape had created its website intending to implicate Chatnoir's marks in critical commentary about Chatnoir's inducement of copyright infringement, that would fall under the TDRA's "fair use" exception.

A. Neither "aardvark" nor "aardvarks," standing alone, is a famous mark capable of being diluted.

While Runaway Scrape has conceded that "Aardvark Media," "Aardvark Lite," and "Aardvark Pro" are famous marks (R. at 15), neither "aardvark" nor "aardvarks," standing alone, are famous marks. Consequently, Chatnoir's claim for trademark dilution by blurring of famous marks, as applied to either of these two words, is lacking. See 15 U.S.C. § 1125(c)(2)(A).

The word "aardvark," or the word "aardvarks," standing alone, is a famous mark under applicable trademark law only "if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner." *Id.* To be considered a famous mark, a mark must "possess the requisite degree of recognition demonstrated by" the extent of actual recognition of the mark. *Id.*; see also *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 635 (9th Cir. 2008).<sup>2</sup>

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<sup>2</sup> Factors addressing a mark's duration, extent, geographic reach or whether it had been registered prior to subsequently enacted legislation may also be considered. However, the latter of these factors does not apply in the current matter, and the record does not contain sufficient information to allow analysis of the former factors.

This factor weighs heavily against Chatnoir's claim. Chatnoir's own survey data indicate that only two percent of the general public is even reminded of Chatnoir's software products by the word "aardvarks". (R. at 15.) This suggests that actual recognition of the mark "aardvarks," standing alone, is very low among the general public. However, unless a mark is famous enough among "a large portion of the general public" to constitute a "household name," it is not famous enough to fall under the protection of the TDRA. See *Bd. of Regents v. KST Elec., Ltd.*, 550 F. Supp. 2d 657, 674 (W.D. Tex. 2008). In the absence of public fame, the word "aardvarks" standing alone is not famous. Thus, "www.aardvarks.com" does not implicate a famous mark.

B. Chatnoir's marks were not diluted by Runaway Scrape.

Under the TDRA, "'dilution by blurring' is 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). The TDRA provides a list of six factors to be considered when assessing a claim for dilution by blurring: (i) degree of similarity; (ii) distinctiveness; (iii) whether the owner of the famous mark is engaging in substantially exclusive use of the mark; (iv) degree of recognition; (v) whether the user of the mark intended to create an association; and (vi) actual association between the mark and the famous mark. *Id.*; see also *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 266 (4th Cir. 2007).

Each of the TDRA factors weighs against Chatnoir's claim: (1) Runaway Scrape' domain name, "www.aardvarks.com," is not sufficiently similar to Chatnoir's marks to support a dilution claim; (2) while Chatnoir's marks

have inherent and acquired distinctiveness, the terms "aardvark" and "aardvarks," standing alone, lack either inherent or acquired distinctiveness; (3) though Chatnoir is engaged in substantially exclusive use of its marks, it has never engaged in any use of the terms "aardvark" or "aardvarks" standing alone; (4) Chatnoir's own survey data suggest that public recognition of its marks is minimal; (5) There is no evidence that Runaway Scrape intended for its domain name to be associated with Chatnoir's software; (6) Chatnoir's own survey data indicates that only 2% of the general public is even reminded of Chatnoir's product by Runaway Scrape' domain name. (R. at 7.)

While all six TDRA factors weigh against Chatnoir's claim, it should be noted that even when more than half of the factors weigh in favor of the party bringing a claim for dilution by blurring, there is no dilution. *Cf. Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 106 (2d Cir. 2009). Chatnoir's claim certainly fails here, where all six factors weigh against it.

1. Runaway Scrape's mark is not similar enough to Chatnoir's mark to cause dilution.

The TDRA does not explicitly define what "degree of similarity," must exist between a defendant's "mark . . . and the famous mark" for blurring to occur. 15 U.S.C. § 1125(c)(2)(B)(i). However, courts have observed an "anti-dissection" rule that counsels against exclusive focus on a prominent word within a mark rather than the mark as a whole. *Little Caesar Enters., Inc. v. Pizza Caesar, Inc.*, 834 F.2d 568, 571 (6th Cir. 1987). In *Little Caesar*, the court held that defendant's mark, "Pizza Caesar USA," was not sufficiently similar to plaintiff's famous mark,



"Little Caesars" to support a claim for trademark dilution by blurring. *Id.* Here, where "Aardvark" is a prominent feature of Chatnoir's marks, it is not famous absent the words Media, Pro, or Lite. The prominent word "aardvark" cannot be "dissected" from the rest of the famous marks. And "Aardvark Media," "Aardvark Pro," and "Aardvark Lite" are no more similar to "Aardvarks" than "Pizza Caesar USA" is to "Little Caesars."

Also, claims of blurring of words used for their "literal dictionary definition" are less likely to prevail under the TDRA. *Cf. Visa Int'l Serv. Ass'n v. JSL Corp.*, 610 F.3d 1088, 1092 (9th Cir. 2010). Here, Runaway Scrape is using the word "aardvarks" for its common denotation. They wrote a song about aardvarks. (See R. at 19.) Unlike in *Visa*, where the defendant had "created a novel meaning for [a] word," *Visa*, 610 F.3d. at 1092, Runaway Scrape has not attempted to create any novel meaning for the word "aardvarks"; it merely wrote a song about an animal.

The Fourteenth Circuit acknowledged below that the court in *Visa* held that a "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. (R. at 14.) Runaway Scrape's mark, however, was not identical to any of Chatnoir's marks. Also, there is no evidence that Chatnoir's marks are "very strong [or] distinctive," much less any evidence that Chatnoir's marks begin to approach the strength and distinctiveness of a Visa credit card. As for the "strong associations" in the public mind with Visa's mark, it may suffice to note here that, according to Chatnoir's own survey data, the domain name "aardvarks.com" brought to mind Chatnoir's marks for a mere eight percent of

its own customers, and a negligible two percent of the general public. (See R. at 8.)

The opinion below further asserted that the "overall impression and context" (R. at 14), in which Runaway Scrape registered its domain name to market its song, should be understood as part of "the public dispute between Runaway Scrape and Chatnoir." (*Id.*) But only eight percent of Chatnoir's customers, and two percent of the general public, associated "www.aardvarks.com" with Chatnoir's marks at all (R. at 8); it is doubtful that Chatnoir's legal troubles would have come to the attention of a public that has barely heard of Chatnoir. Since the dispute was presumably not widely recognized by the public at large, the court below was wrong to emphasize the disagreement in its portrayal of the domain name's "overall impression and context." (*Id.*) Instead, the court should have adhered to a common sense reading of the domain name's literal context: Runaway Scrape wrote a song about aardvarks, which they titled "Aardvarks," and then offered for download at "www.aardvarks.com." (*Id.*)

2. Chatnoir's mark, as the name of a common animal applied to a niche software product, has neither inherent nor acquired distinctiveness and cannot be diluted.

Chatnoir must show that its mark is famous and distinctive in order to be able to invoke the sanctions of the TDRA. See *Visa*, 610 F.3d at 1089-90 (citing *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 (9th Cir. 2008)). While Runaway Scrape has conceded that "Chatnoir's marks 'Aardvark Media,' 'Aardvark Pro,' and 'Aardvark Lite' are both famous and distinctive" (R. at 13.), Chatnoir's use of the words "aardvark" or "aardvarks," standing alone, is neither famous nor distinctive. *Bd. of Regents*, 550 F. Supp. 2d at 674 (citing *Thane Intern., Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 911 (9th

Cir. 2002) ("[F]or purposes of [the TDRA,] a mark usually will achieve broad-based fame only if a large portion of the general consuming public recognizes that mark. In other words, the mark must be a household name.")) Here, where the word "aardvarks" calls to mind Chatnoir's software in the minds of a mere two percent of the "general consuming public," such a mark is far from being "a household name." See *id.* The TDRA was intended to protect extremely well-known marks like Visa's, not weak marks like Chatnoir's. See *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 703 F. Supp. 2d 671, 698 (W.D. Ky. 2010) ("Congress intended for dilution to apply only to a small category of extremely strong marks.").

Even if Chatnoir had acquired a famous mark in the words "aardvark" or "aardvarks" standing alone, Chatnoir would not be able to trademark the literal meaning of "aardvark." See *Visa*, 610 F.3d at 1092 ("Conferring anti-dilution rights to common English words would otherwise be untenable, as whole swaths of the dictionary could be taken out of circulation."). The literal use of a word does "not create a new association for the word with a product; it would merely evoke the word's existing dictionary meaning, as to which no one may claim exclusivity." *Id.* Runaway Scrape wrote a song that was literally about aardvarks. The song's complete lyrics are: "'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.'" (R. at 19.) The song merely evokes a term's existing dictionary meaning. The domain name, by evoking the song, also refers to the same dictionary definition.

The court in *Visa* stated that a "multiplication of meanings is the essence of dilution by blurring. Use of the word 'visa' to refer to travel

visas is permissible because it does not have this effect; the word elicits only the standard dictionary definition." *Visa*, 610 F.3d at 1092. Here, use of the word "aardvarks" to refer to the actual animals called aardvarks is also an employment of the word's pre-existing, non-copyrightable dictionary meaning, and thus does not cause any "multiplication of meanings." *Id.* In the absence of a "multiplication of meanings," the "essence of dilution by blurring" is also absent from this case.

3. Chatnoir has not engaged in substantially exclusive use of its marks.

The holder of a famous mark must engage in "substantially exclusive use" of that mark to merit the protection of the TDRA. *See Miss Universe, L.P., v. Villegas*, 672 F. Supp. 2d 575, 592 (S.D.N.Y. 2009). However, substantially exclusive use of a mark, in the absence of actual dilution by confusion of that mark, is not enough to support a TDRA claim for dilution by blurring. *Cf. Univ. of Kansas v. Sinks*, 565 F. Supp. 2d 1216, 1259-60 (D. Kan. 2008).

Chatnoir has federally registered the trademark "Aardvark Media." (See R. at 3.) However, Chatnoir has not registered either "aardvark," or "aardvarks" standing alone. The domain name at which Chatnoir chose to make available its "Aardvark Lite" software was "www.chatnoir.com." (R. at 5.) Chatnoir thus voluntarily refrained from the use of aardvark.com, aardvarklite.com, or any other domain containing the word "aardvark," either standing alone or in combination with words like "lite," "pro," or "media."

4. Chatnoir's marks do not enjoy wide public recognition.

In a survey conducted by Chatnoir, only two percent of the general public associated the term "aardvarks" with Chatnoir's products (R. at 15), indicating that neither Chatnoir's marks (Aardvark Media, Aardvark Pro, and Aardvark Lite) nor the word "aardvarks" standing alone (which is not one of Chatnoir's marks) has penetrated the public consciousness enough to form any association with Chatnoir's software. *Cf. Starbucks*, 588 F.3d at 117. This contrasts with the mark in *Starbucks*, where the Second Circuit held that even where a full 30.5% of the public "immediately thought" of plaintiff's famous mark upon hearing defendant's mark, that this was insufficient to maintain a claim for dilution by blurring. *Id.* Thus, the fourth factor of the TDRA's test also weighs against Chatnoir's claim.

5. Runaway Scrape never intended to create an association with Chatnoir's marks.

The fifth TDRA factor cuts against Chatnoir's claim for dilution by blurring because Runaway Scrape never intended for the lyrics or title of their song "Aardvarks" to refer to Chatnoir's famous marks, and Runaway Scrape only intended the domain name "www.aardvarks.com" to refer to anything other than the song "Aardvarks."

Runaway Scrape has consistently stated that the song "Aardvarks" was "part of the band's performance line-up prior to the creation of www.aardvarks.com." (R. at 7 n.3.) Chatnoir's rejoinder to this testimony is that "Aardvarks" was not "promoted" (*id.*) prior to the creation of the website. However, even if true, this fact would be immaterial as the question here is not whether the song was "promoted" either online or by inclusion in one of Runaway Scrape's albums, but merely whether its existence, even if only as part of the band's live act, predated the

creation of the website. As to this question, the band's testimony as to the content of its own live act is the only evidence in the record. (See *id.*)

The opinion below asserts that the song's title, "Aardvarks," "suggests the band intended to create an association between the marks." (R. at 15.) Whatever the title of the song "Aardvarks" suggests to the court below, its lyrics are plainly about literal animal aardvarks. As mentioned above, the lyrics discuss a "love [that] runs deep, like Aardvarks huntin' for an ant" and suggest that listeners "open [their] soul hill to the Aardvarks." (R. at 15.)

If the song were intended as a commentary on Runaway Scrape's concerns about Chatnoir's inducement of copyright infringement with its "Aardvark Lite" software, it would be surprising for the song's lyrics to use the word "Aardvarks" in a positive light by associating aardvarks hunting for ants with deep love. (See *id.*) If Runaway Scrape were inspired to write the lyrics of the song "Aardvarks" by a concern that their fans might be illegally using Chatnoir's "Aardvark Lite" software to strip an MP3 file of the band's music from VuToob clips, then it would be surprising for them to encourage listeners to "open [their] soul hills" (*id.*), to something written as a metaphor for a product the band opposes. Since a natural reading of the lyrics of "Aardvarks" presents aardvarks (whatever their metaphorical significance) as positively associated with love, and something that listeners should adopt into their "soul hill[s]" (*id.*), it strains credulity to imagine that Runaway Scrape would have intended "Aardvarks" to refer to the copyright-infringing software about which they had complained to Chatnoir for over a year. (See R. at 6.)

Rather than being about Chatnoir's inducement of copyright infringement, the song "Aardvarks" was inspired by the circumstance that a member of Runaway Scrape "had a pet aardvark as a child." (R. at 19 n.6) In the absence of evidence, mere speculation as to the band's intent should not weigh against them in this Court's consideration of the fifth factor of the TDRA. *AstraZeneca Pharms. LP v. Teva Pharms. USA, Inc.*, 583 F.3d 766 (Fed. Cir. 2009) ("[S]heer speculation cannot give rise to an inference of intent to deceive.")

The opinion below also mentions that the link on the aardvarks.com website for downloading the song "Aardvarks" bore the text "Get it the right way," and asserts that the link's text "could be viewed as a reference to the band's dispute with Chatnoir". (*Id.*) However, while it "could" be viewed that way, the link's text "could" be viewed as expressive of a generalized concern about Runaway Scrape's copyright—a common concern for musicians—or it "could" be viewed in myriad other ways. In the absence of any evidence in the record as to what Runaway Scrape was referring to in the link's text, mere speculation must again be rejected as a substitute for evidence.

6. The general public does not associate Runaway Scrape's website with Chatnoir's products.

The sixth TDRA factor weighs "[a]ny actual association between the mark or trade name and the famous mark." 15 U.S.C. § 1125(c)(2)(B)(vi). Here, only two percent of the general public—and only eight percent of Chatnoir's own customers—associate "www.aardvarks.com" with Chatnoir's software. (R. at 8.) This is according to Chatnoir's own survey data. (*Id.*) This low degree of public recognition demonstrates that Chatnoir's mark is insufficiently famous to support a claim under the TDRA for dilution

by blurring. *Cf. Starbucks*, 588 F.3d at 117 (2d Cir. 2009) (holding that even where a survey showed that 30.5% of the public associated plaintiff's marks with defendants, "the survey was insufficient to make the actual confusion factor weigh in [plaintiff's] favor to any significant degree").

C. Even if Runaway Scrape had intended to create an association between its website and Chatnoir's marks, that association would be protected under the Trademark Dilution Revision Act's criticism and comment exceptions.

Under the TDRA, "fair use" of a mark for "identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner," 15 U.S.C. § 1125(c)(3)(A)(2), "shall not be actionable as dilution by blurring or dilution by tarnishment . . . ." 15 U.S.C. § 1125(c)(3). Even if the song "Aardvarks" had been meant to criticize or comment on Chatnoir's inducement of copyright infringement with its software, then both the TDRA's "fair use" exception and the First Amendment would protect Runaway Scrape's expression.<sup>3</sup>

The TDRA's sanctions "should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression." *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989); *see also Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003) ("[T]he public interest in free and artistic expression greatly outweighs its interest in potential consumer confusion about [plaintiff's] sponsorship of [defendant's] works."). *Rogers* held that

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<sup>3</sup> As for the domain name used by Runaway Scrape, it merely refers to the protected title and lyrics of the song "Aardvarks," not to any product of Chatnoir's.



"[i]n the context of allegedly misleading [song] titles [the] balance [between free expression and trademark protection] will normally not support application of the Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work."

*Rogers*, 875 F.2d at 999. Here, the title "Aardvarks" is relevant to the work: it is a song about aardvarks. Also, whatever theories may be entertained about the implicit suggestion of Chatnoir's marks by the title, the title does not "explicitly mislead[]." *Id.*

### **CONCLUSION**

Chatnoir demonstrated knowledge of the infringement and both material contribution and a clear intent to induce infringement of Runaway Scrape's copyright protected music. In addition, Chatnoir failed to prove its claim of trademark dilution by blurring. This Court should reverse the lower court's grant of summary judgment for Chatnoir and remand the case for further consideration.