

No. 10-1010

In the Supreme Court of the United States

October Term, 2010

RUNAWAY SCRAPE, L.P.,
PETITIONER,

v.

CHATNOIR, INC.,
RESPONDENT.

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

BRIEF FOR RESPONDENT

TEAM 79
Attorneys for Respondent

QUESTIONS PRESENTED

- 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 TRADEMARK AARDVARKS.COM, REGISTERED BY RUNAWAY SCRAPE, L.P., IS LIKELY TO DILUTE CHATNOIR, INC.'S AARDVARK TRADEMARKS BY BLURRING IN VIOLATION OF THE TRADEMARK DILUTION REVISION ACT, 15 U.S.C. § 1125(C).

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OPINIONS BELOW

The Opinion of the United States District Court for the Northern District of Texas is unreported. The Opinion of the Fourteenth Circuit is pending publication in the Federal Reporter at Runaway Scrape, L.P. v. Chatnoir, Inc., ___ F.3d ___ (14th Cir. 2010). The Opinion appears in the Record at pages 3-20.

JURISDICTION

The United States Court of Appeals for the Fourteenth Circuit entered its judgment on October 1, 2010. The petition for writ of certiorari was timely filed and subsequently granted by this Court. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

This brief discusses 35 U.S.C. § 271(b), which provides, "Whoever actively induces infringement of a patent shall be liable as an infringer."

This brief also discusses 15 U.S.C. §§ 1125(c)(1)-(2), which is attached hereto as Appendix A.

STATEMENT OF THE CASE

The respondent, Chatnoir, Inc. ("Chatnoir"), is a leading electronics and communications company specializing in teleconferencing (R. 3). Chatnoir introduced an internet-based videoconferencing program that allows users to communicate via live audio and video over the internet, under the federally registered trademark "Aardvark Media" (R. 3). Aardvark Media became one of Chatnoir's most well-known and profitable products, receiving acclaim from U.S. businesses for its quality, affordability, and ability to connect users (R. 4). In response to customer feedback, Chatnoir

developed a new feature for the Aardvark Media software, which would allow users in low-bandwidth areas to isolate and archive streaming audio from videoconferences (R. 4).

To further develop the Aardvark family of products, Chatnoir incorporated these features into a new version of their software under the trademark "Aardvark Pro" (R. 4). Before launching Aardvark Pro, Chatnoir tested these new features through a temporary promotion that allowed users to download a limited version of the software for free under the name "Aardvark Lite" (R. 4). Aardvark Lite only functioned for six months from the date of downloaded, after which users must purchase Aardvark Pro (R. 4). Aardvark Lite would be available for a limited time until Aardvark Pro was ready to launch, at which point Chatnoir planned to discontinue Aardvark Lite (R. 5).

VuToob is a media company, unaffiliated with Chatnoir, that operates a website where users can upload and view videos (R. 5). Many established artists upload official videos onto VuToob to promote their music or movies (R. 5). However, some users of VuToob use the site to upload copyright-infringing material (R. 5). VuToob regulates what material is uploaded onto its site by using filtering software that searches and disallows potentially infringing material; however, some infringing material still gets posted (R. 5). VuToob has a policy and a reputation for removing offending videos when contacted by copyright holders (R. 5).

Chatnoir marketed Aardvark Lite to current customers describing the software upgrades and linking to the appropriate website from which to download Aardvark Lite (R. 5). These emails suggested that

the technological advances of Aardvark Lite could be used to isolate and store audio from Vutoob videos (R. 5-6).

Chatnoir advertised on various business web-pages with links to the Aardvark Lite download webpage (R. 6). In addition, the company advertised through internet search engines (R. 6). The search terms "VuToob," "downloads" and "music" were among the terms linking to the Aardvark Lite download webpage (R. 6).

Chatnoir included three statements on its website where Aardvark Lite was available for download, including: 1) a warning that disclaimed uses of Aardvark Lite for illegal or unethical purposes, 2) possible applications of the software, which included a reference to VuToob, and 3) instructions for using Aardvark Lite (R. 5).

The petitioner, Runaway Scrape, L.P. ("Runaway Scrape"), is one of many musical artists whose work is on VuToob in both licensed and unlicensed forms (R. 6). Aardvark Lite is a communications utility, however, people have used Aardvark Lite to facilitate unauthorized copies of Runaway Scrape's music (R. 3, 8). A majority of these third-party uses, approximately seventy percent, were infringing (R. 8). Such uses violate Chatnoir's use statement and disclaimer (R. 5).

Runaway Scrape sent letters to Chatnoir out of concern for the potential for copyright infringement after hearing about the upcoming release of Aardvark Lite (R. 6). In the letters, Runaway Scrape requested that Chatnoir make continuous efforts to police the usage of Aardvark Lite to prevent any and all copyright infringement (R. 7).

After the release of Aardvark Lite, Runaway Scrape sent two cease and desist letters to Chatnoir, demanding that Chatnoir stop offering its Aardvark Lite product for download to all potential clients,

alleging that third-party users were using the software for infringing purposes on VuToob (R. 6-7).

Despite already having an official band website, and aware of the upcoming release of Aardvark Lite, Runaway Scrape started a new website and registered the domain name "www.aardvarks.com" (R. 6-7). The new website offered for download Runaway Scrape's song entitled "Aardvarks." The song "Aardvarks" had never appeared on any of Runaway Scrape's albums during the band's eleven-year career (R. 6-7). It is unclear whether Runaway Scrape has ever affirmatively promoted the song prior to the creation of the new website. The website contains a link directing users to "Get it the right way," where users can purchase Runaway Scrape music and merchandise from Runaway Scrape's official band website (R. 7).

Survey evidence concluded that approximately one in twelve people thought of Chatnoir's trademarks, Aardvark Media, Aardvark Pro, or Aardvark Lite when asked about the phrase "www.aardvarks.com." Further, two percent of the general public made the same associations (R. 8).

Chatnoir's President and CEO, Stanley Rucker, was pleasantly surprised with the positive response to the release of Aardvark Lite. The number of downloads of Aardvark Lite exceeded projections (R. 8). Mr. Rucker and his former executive secretary, Kacey Stinger, had a discussion about the potential for added publicity and market expansion of the Aardvark product family (R. 8-9). During a conversation, Mr. Rucker and Ms. Stinger also discussed the Runaway Scrape cease and desist letters and potential impacts of defending a

suit against Runaway Scrape, including the possibility of reaching a new demographic of consumers because of the suit (R. 9).

Chatnoir sent two cease and desist letters to Runaway Scrape, demanding Runaway Scrape disable "www.aardrvarks.com" or transfer the domain name to Chatnoir (R. 7).

Runaway Scrape filed suit against Chatnoir for contributory copyright infringement alleging that Chatnoir intentionally encouraged copyright infringement by promoting and distributing Aardvark Lite. Chatnoir countersued alleging Runaway Scrape's use of the domain name mark, "Aardvarks.com", diluted Chatnoir's trademarks by blurring. The district court found that Chatnoir did not contributorily infringe Runaway Scrape's copyrights and that Runway Scrape's use of the website domain name diluted Chatnoir's trademarks by blurring.

On October 1, 2010, the Fourteenth Circuit affirmed the district court's decision. This Court granted petition for writ of certiorari and Runaway Scrape now appeals.

SUMMARY OF THE ARGUMENT

The Grokster Court created a new cause of action in secondary copyright infringement when it held that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties. The Grokster Court made clear that liability should be fault-based when considering intentional inducement of copyright infringement. This inducement standard requires purposeful intent to hold a party liable. Therefore, Runaway Scrape must show specific intent on behalf of Chatnoir, to induce infringement through

purposeful, culpable actions, not merely knowledge with substantial certainty that someone will eventually use the technology for infringement. To hold a party liable under such a broad general intent standard would be contrary to this Court's concern for balancing protection of artistic expression with technological progress, while holding those with a culpable state of mind liable for their actions. Runaway Scrape points to no clear expression or affirmative acts with any purposeful intent to induce infringement.

Chatnoir's advertising does not encourage illegal use of Aardvark Lite and it did not target known infringers. Furthermore, Chatnoir considered filtering tools, but because VuToob uses filtering technology to block infringing material, Chatnoir found implementation unnecessary. There is no evidence that without infringing use, Aardvark Pro would not be successful because the software is marketed for business use. Therefore, the Fourteenth Circuit correctly ruled that Chatnoir did not intentionally induce copyright infringement.

Trademark anti-dilution law prevents the deterioration of a famous mark's ability to serve as a distinctive source identifier and prohibits third parties from using similar marks that free-ride on another's fame and goodwill to sell unrelated products. The circuit court properly affirmed the district court's injunction of Runaway Scrape's use of the Aardvarks.com mark because that use is likely to cause dilution by blurring of Chatnoir's Aardvark marks.

Such injunctive relief is appropriate when the use of a mark in commerce is likely to create an association between that mark and another's famous mark, which impairs the distinctiveness of the famous mark. When assessing the likelihood of dilution, courts consider the

degrees of similarity, distinctiveness, recognition, and any third-party use of marks similar to the famous mark. Courts also consider whether there was any intent to form an association with the famous mark and any actual association between the marks. Injunctive relief is appropriate even where only some of these factors favor the owner of the famous mark.

The Aardvark.com mark used by Runaway Scrape is very similar to the Chatnoir Aardvark marks. Runaway Scrape concedes that Chatnoir's Aardvark marks are distinctive and that they are famous. Runaway Scrape failed to demonstrate any third-party use of any similar marks, and Runaway Scrape's actions show its intent to create an association with Chatnoir's Aardvark marks. Further, Chatnoir has shown uncontested evidence of actual association between the marks at issue. Therefore, Runaway Scrape's use of the Aardvarks.com mark is likely to cause dilution by blurring of Chatnoir's Aardvark marks.

ARGUMENT

I. THE FAULT-BASED "INTENTIONAL INDUCEMENT" STANDARD OF GROKSTER REQUIRES PURPOSEFUL INTENT TO INDUCE INFRINGEMENT AND UNDER THAT STANDARD, CHATNOIR DID NOT INTENTIONALLY INDUCE COPYRIGHT INFRINGEMENT.

In Metro-Goldwyn-Mayer v. Grokster, this Court created a new cause of action for secondary copyright infringement by holding that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by *clear expression* or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties," 545 U.S. 913, 919 (2005) (emphasis added). This standard represented a shift in copyright law toward fault-based liability. See Id. at 934. Fault-based liability is

preferred because it protects the balance between protection of copyright holders and fostering technological innovation. In light of these factors, intentional inducement in secondary copyright liability must be interpreted as requiring culpable, purposeful intent to induce infringement, rather than merely requiring knowledge with substantial certainty that infringement will occur. Liability is predicated on actively encouraging or inducing infringement through specific acts. Id. at 942 (Breyer, J. concurring).

- A. Inducement is a new cause of action for secondary copyright infringement that developed from this Court's belief that culpable intent better balances the interests in secondary copyright infringement.

Federal courts have consistently held the intentional inducement standard to be separate and distinct from vicarious and contributory liability. See e.g. Arista Records, LLC v. Lime Group, LLC, 2010 WL 2291485, *15 (S.D.N.Y. 2010). Some courts have interpreted the doctrine to be a different form of contributory liability, however still separate and distinct from the other form of contributory liability, known as "material contribution." See Perfect 10, Inc. v. Visa Int'l Service, Assoc., 494 F.3d 788, 795 (9th Cir. 2007).

Regardless of whether inducement is completely new or just an alternate theory of contributory liability, Grokster made clear that it was a unique cause of action. Grokster adopted the inducement rule as a "different basis of liability," and repeatedly referred to inducement without ever suggesting that it is part of the contributory infringement doctrine, 545 U.S. at 935-941.

The inducement standard filled a gap in existing secondary copyright infringement jurisprudence. With innovation, the law must

be re-formulated to balance artistic expression with technological innovation. See Grokster, 545 U.S. at 928. Achieving this balance has long been a central issue in copyright law. See Sony Corp. v. Universal Studios, 464 U.S. 417, 442 (1984).

When Grokster was decided, there were opposing precedents in secondary copyright law. The aggressive approach held individuals liable where they had knowledge of infringement by others and either "induced, caused or materially contributed to the infringing conduct." Gershwin Pub. Corp. v. Columbia Artists Mgmt., Inc., 443 F.2d 1159, 1162 (2d Cir. 1971). Alternatively, the Sony safe harbor provided that if a device had "substantial non-infringing uses" the manufacturer would not be liable for the infringement of others solely for distributing the device. Sony, 464 U.S. at 442. Sony limited secondary liability in such a way that a malicious infringer could potentially avoid secondary liability by designing a product that had "substantial non-infringing uses," while still intending it be used to infringe; whereas, the Gershwin rule would hold innocent developers, whose devices were used to infringe, liable without regard to whether or not they possessed any culpable intent. This chasm led to the adoption of fault-based liability in Grokster.

The Grokster inducement rule allows courts to better balance copyright protection and innovation by holding those with culpable intent liable for the infringement of others, thus protecting copyright holders from malicious infringers, while not over-broadening the inducement rule to encompass innocent developers and chilling technological innovation.

- B. Under the common law, fault-based liability necessitates that a party have purposeful intent to induce infringement before being held liable for secondary infringement.

Secondary copyright infringement liability is not specifically provided for in the Copyright Act. Rather, it emerged from common law principles and is now well established. Sony, 464 U.S. at 486 (Blackmun, J., dissenting); see Grokster, 545 U.S. at 934; Gershwin, 443 F.2d at 1162; Shapiro, Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 307 (2d Cir. 1963).

- i. *Common law requires the distributor purposefully intend to induce infringement by another.*

In order to interpret "intentional inducement" in this context, it is necessary to consider how the common law of torts treats intentional torts. See Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259,264 (9th Cir. 1996) (recognizing contributory infringement developed from tort law). Dual definitions of the requisite intent for an intentional tort provides that "a person acts with the intent to produce a consequence if: (1) the person acts with the purpose of producing that consequence, or (2) the person acts knowing that consequence is substantially certain to result." RESTATEMENT (THIRD) OF TORTS: LIABILITY FOR PHYSICAL AND EMOTIONAL HARM § 1 (2010).

The dissent below applies the second method of showing intent and holds a larger group of individuals liable under the intentional inducement standard. See Perfect 10 v. Amazon, 508 F.3d 1146, 1170-71 (9th Cir. 2007). This is incorrect in light of this Court's preference for fault-based liability, which premises liability on acting with the express purpose of inducing infringement. Grokster, 545 U.S. at 937.

The first form of intent is present when someone acts with the express purpose of producing a harmful result, representing a specific culpability. The second form imputes intent when a person has knowledge that a harmful consequence will occur with "substantial certainty." Both forms of intent are capable of establishing intentional torts, and this dichotomy forces courts to distinguish between "purposeful intent" and "knowing intent."

When acting with "knowing intent" the actor lacks the desire for any harmful result to occur while engaging in an activity that, although potentially a generally acceptable practice, nevertheless results in an unavoidable and intended harm. Thus, "knowing intent" has carefully delineated limits. It is applied in cases where a person has knowledge to a substantial certainty that the conduct will bring about harm to a particular victim, or to someone within a small class of potential victims.

Tort law liability does not extend liability on the basis of a defendant's substantial certainty that comes from the repetitive creation of risk associated with the manufacture and distribution of products. See RESTATEMENT (THIRD) OF TORTS: LIABILITY FOR PHYSICAL AND EMOTIONAL HARM § 1, cmt. e (2010). If the law were to impose such a broad standard, then manufacturers of items such as cigarettes, guns, and alcohol could be held liable simply because they could know with substantial certainty that their products will eventually harm someone. Shaw v. Brown & Williamson Tobacco Corp., 973 F.Supp. 539 (D. Md. 1997).

Considering the dual nature of intent in torts, this Court stated that intentional inducement requires "purposeful, culpable

expression and conduct intended to induce infringement," and that "mere knowledge" was not sufficient. Grokster, 545 U.S. at 942. Thus, for Chatnoir to be liable, Runaway Scrape must show specific purposeful intent to induce infringement, not that Chatnoir knowingly took steps that were substantially certain to result in direct infringement.

- ii. *The plain language of the Grokster inducement standard implies purposeful specific intent.*

The plain language of the Grokster inducement rule shows this Court's desire that a culpable purpose to induce infringement be present. The rule requires a showing of "affirmative steps taken to foster infringement," as opposed to affirmative steps that result in infringement. Id. The former requires that the party have purposeful intent to induce others to infringe, and thereby has the culpability deserving of sanction. Whereas the latter, has no intent on the part of the party, rather only requires that the "steps" taken did in fact result in infringement. See Sverker K. Hogberg, The Search for Intent-Based Doctrines of Secondary Liability in Copyright Law, 106 Colum. L. Rev. 909, 950-951 (2006). The latter would lead to holding many innocent manufacturers liable merely because they unknowingly did something that induced infringement by another party. If the standard were construed broadly it would lead to precisely the sort of mass liability that concerned this Court in Grokster, 545 U.S. at 937.

- iii. *Copyright law should mirror the patent law requirement of specific intent to induce infringement because these two areas of law are closely related.*

Courts have long recognized a close correlation between patent law and copyright law. E.g. United States v. Paramount Pictures,

Inc., 334 U.S. 131, 158 (1948); Fox Film Corp. v. Doyal, 286 U.S. 123, 131 (1932). This connection has led courts to look to either copyright or patent law when the other's precedent is silent on a particular subject. See e.g. Sony, 464 U.S. at 442 (adopting patent law's staple article of commerce doctrine into copyright law).

The distinction when defining intent has become important in patent law for purposes of interpreting patent infringement under 35 U.S.C. § 271(b) (2010) ("whoever actively induces infringement of a patent shall be liable as an infringer"). It "must be established that the defendant possessed specific intent to encourage another's infringement and not merely that the defendant had knowledge of the acts alleged to constitute inducement." Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544,553 (Fed. Cir. 1990) (en banc).

That court held that the "alleged infringer must be shown . . . to have *knowingly* induced infringement, not merely knowingly induced the acts that constitute direct infringement." DSU Med. Corp. v. JMS Co., LTD, 417 F.3d 1293, 1306 (Fed. Cir. 2006) (internal citation omitted).¹ Under this correct application, "inducement requires that 'the alleged infringer knowingly induced infringement and possessed specific intent to encourage another's infringement.'" Id. (quoting MEMC Elec. Materials Inc. v. Mitsubishi Materials Silicon Corp., 420 F.3d 1369, 1378 (Fed. Cir. 2005)).

This reasoning is directly analogous to manufacturers of technology. If technology developers are held liable merely because

¹ While this is a patent law case, this Court implicitly approved this interpretation for intentional inducement in copyright when it cited to Water Tech. Corp. v. Calco, Ltd., 850 F.2d 660, 668 (Fed. Cir. 1988). See Grokster, 545 U.S. at 936.

they might “know with substantial certainty” that someone will eventually use the technology for infringement, then third parties will be held liable even where technology has substantial non-infringing uses and there is no culpable intent. This distinction would make no sense because it would be impossible to distinguish between culpable defendants who manufacture technology with no legitimate uses, from innocent manufacturers who produce technology with legitimate uses, and was the impetus for Grokster’s adoption of fault-based liability in the first place.

The imputation of intent to induce put forth by the Fourteenth Circuit dissent, which merely requires an actor to knowingly take steps that are “substantially certain” to result in direct infringement is not in harmony with the reasoning in Grokster for instituting fault-based liability, thus much too broad to protect the balance and therefore must be rejected (R. 16) (citing Amazon, 508 F.3d at 1170–71). Therefore, in order to hold Chatnoir liable for intentional inducement of copyright infringement, Runaway Scrape must show intent to induce infringement through purposeful, culpable actions.

C. Chatnoir did not intentionally induce copyright infringement because there is no evidence of clear expression through affirmative acts with the requisite purposeful intent required to determine liability.

This Court noted three discrete and manageable categories of evidence that should be analyzed when determining the requisite unlawful intent. Id. at 939. First, advertising to and targeting a known demographic of copyright infringers is direct evidence of unlawful objectives to foster infringing uses. Id. Second, failure to

develop and implement filtering tools that limit infringement bolsters any direct evidence that may be lacking or weak. Id. However, failure to filter material cannot establish liability alone. Id. at 937, 939. Third, a company's business model is probative of an unlawful objective as well. Id. at 939. For instance, reliance on infringing uses of a product for profit and advertising revenue will bolster direct evidence of an unlawful objective, but is not enough to unilaterally establish liability. Id.

i. *Chatnoir did not target known infringers with inducing messages or advertisements.*

To establish unlawful intent it is necessary to show direct evidence of intentional inducement. This Court has found direct evidence of intent to induce through "advertisement or solicitation that broadcast[s] a message designed to stimulate others to commit violations." Id. at 937. Plaintiffs must show affirmative promotion of infringing use by defendants with a purposeful intent to foster infringing use. Id. at 939. Merely showing that a company intends a specific action that in turn induces infringement is insufficient. Rather, the company must specifically intend to induce another's infringement. Promotional efforts, internal communications, and advertisements are probative of the requisite unlawful intent. Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 454 F.Supp.2d 966, 986 (C.D. Cal. 2006).

Purposeful intent to foster infringing use demonstrates the requisite intent required to assign liability when advertising is targeted at users with known infringing capabilities. Lime Group, 2010 WL 2291485 at *18 (rebuked use of banner advertisements for Lime

Wire that read "Join Millions of Morpheus users and download the best P2P file-sharing application for free. Free music downloads"); see also Grokster, 545 U.S. at 939 (defendants distributed an electronic newsletter containing links to articles promoting the software's ability to access popular copyrighted music to users of Napster); Arista Records v. Usenet.com, Inc., 633 F.Supp.2d 124, 152 (S.D.N.Y. 2009) (defendants openly and affirmatively sought to attract former users of other notorious file-sharing services).

In Grokster, defendants targeted users of Napster through directed advertising, which urged the adoption of their software. Napster, at the time, was under attack in the courts for facilitating massive infringement, and defendant Grokster was working to meet a demand for copyright infringement. Id at 939. Additionally, in Usenet.com, the court reproached the defendant for pursuing infringement minded users by strategically using "meta tags"² in the source code of their website, 633 F.Supp. 2d at 152. The calculated nature of these advertisements indicated that it was the objective of these defendants to promote infringing use.

Chatnoir's advertising campaign is highly distinguishable from those utilized by Grokster and other culpable infringers. Unlike Grokster, Chatnoir's advertising did not encourage illegal use of Aardvark Lite to known infringers. Historically, the software had been used for internet-based videoconferencing in a business setting (R. 3). Chatnoir only solicited its current customers by email,

² Usenet.com embedded words such as 'warez' (a technological term for pirated material) and 'kazaa' in the meta tags of their website to ensure that a search engine result for illegal content would return their website as a result. Meta tags are used to direct search engines to websites when certain words are used in a search.

listing upgrades to the software and providing links to the appropriate webpage from which users could download Aardvark Lite (R.3). While the list of upgrades included the ability to isolate audio from VuToob videos, it was not the only upgrade or use advertised. Furthermore, Chatnoir's targeted audience is highly distinguishable from that in Grokster, which focused on users known to engage in direct copyright infringement. Advertisement of the ability to isolate audio from VuToob videos to a professional audience does not implicate the same culpable intent found by the Court in Grokster where former Napster users blatantly disregarded copyright law.

Additionally, Chatnoir purchased advertising space on business web pages that only contained links to Aardvark Lite's download page (R. 6). Advertising on business websites, not likely a space frequented by individuals engaged in copyright infringement, is distinguishable from the conduct condemned by the Court in which peer-to-peer software companies advertised infringing uses of their software to other popular peer-to-peer networks.

Chatnoir purchased advertising space through search engines, whereby certain user searches resulted in advertisement for Aardvark Lite (R. 6). "VuToob", "downloads", and "music" were among these search terms that produced the advertisement (R. 6). These general terms are different from those in the Usenet.com campaign because they do not target a specific infringing audience. In addition, the advertisements that were generated here merely contained a link to the Aardvark Lite website (R. 6). Moreover, Chatnoir's website contains a warning and disclaimer against using Aardvark Lite for illegal or unethical purposes (R. 5).

Taken together, Chatnoir's advertising and marketing campaign does not demonstrate the same type of unlawful objective that was clear in Grokster. Chatnoir's advertisements were designed to promote the Aardvark software generally, and not with the goal of specifically promoting infringement or attracting infringement-minded users. Therefore, the advertising by Chatnoir does not exhibit the culpable behavior that was of such concern to the Court in Grokster. Furthermore, the lack of purposeful intent here cannot be belied by any additional facts.

- ii. *Chatnoir reasonably relied on VuToob's filtering mechanisms to prevent infringement, as VuToob was the source of any infringing material.*

This Court held that a defendant's failure to prevent infringing use may indicate intent to facilitate infringement. Grokster, 545 U.S. at 939. Liability may not be premised on failure to prevent infringement alone, however, it may be considered along with other circumstances. Id. at 939 n.12. Actual implementation of filtering is not the focus of the inquiry into these factual circumstances; rather, the ultimate inquiry is into the defendant's expressed attitude toward filtering. Grokster, 545 U.S. at 990. Defendants are not required to prevent all harm that is facilitated by the technology, but at least a good faith attempt to mitigate infringement is necessary. See e.g., Lime Group, 2010 WL 2291485 at *21 (defendant's self-serving filtering technology did not convince the court of meaningful efforts to mitigate infringement). For instance, in Grokster, the defendants were adamantly resistant to the possibility of filtering infringing material, 545 U.S. at 990. According to testimony in that case, the possibility of copyright filtering software was discussed and

rejected, and the company never researched the viability of said software. Id. at 991. Further, in Usenet.com, the defendants had filtering tools and mechanisms that could be used to block access to infringing material, but never employed them, 633 F.Supp.2d at 153.

Chatnoir considered filtering tools that would allow Aardvark Lite to filter out potentially infringing material (R. 11). However, Chatnoir did not determine this to be a necessary expense due to the short-lived nature of the software and because the source of the potentially infringing material, VuToob, already used complex filters to block infringing material (R. 11). VuToob's filtering policies were well-known and highly-regarded (R. 5). The rationale behind the decision of Chatnoir not to use filters was based on the existence of other safeguards, rather than a disregard for possible infringement that may result, as was the case in Lime Group and Usenet.com.

iii. The Aardvark software did not rely on infringing use for success.

The business model of a defendant will be scrutinized when determining secondary liability. The software systems in Grokster, Lime Group, and Usenet.com were engineered, disseminated, and promoted explicitly for the purpose of facilitating piracy of copyrighted music and reducing legitimate sales of such music to that extent. Visa, 494 F.3d at 801. "From the moment Grokster began to distribute their free software, the company clearly voiced the objective that recipients use it to download copyrighted works" demonstrating an obvious intent to foster infringement as the foundation of their business model. Grokster, 545 U.S. at 923-24.

Additionally, the business models of companies like Grokster, Lime Wire and other peer-to-peer networks create an incentive for them to encourage infringement. For example, Grokster received no revenue from users, but generated income from paid advertising. Id. at 926. They depended on massive user populations generated by infringement-enabling features. They continued to develop their user base by promoting the programs' infringing capabilities and marketing to those known to commit infringement. Lime Group, 2010 WL 2291485 at *19.

These companies generated income in direct relation to the frequency with which their sites were used to download content because the software streamed paid advertisements to users while they were using the product. See Grokster, 545 U.S. at 926 (evidence showed that the volume was a function of free access to copyrighted work).

Although successful testing of Aardvark Lite was important to the future development and success of the full version of Aardvark Pro, the correlation between success and copyright infringement is attenuated. Aardvark Pro is intended to assist businesses with archiving audio data from videoconferences (R. 4, 11). There is no evidence that, without infringing use, the full version of Aardvark Pro would not be a success. To the contrary, the original Aardvark Media was a successful business venture, and developed a strong client base for Chatnoir products entirely independent from any infringing uses. Additionally, there is no profit from advertising Aardvark Lite on Chatnoir's website or from other marketing campaigns as was the case in Grokster and similar cases.

Considering these facts, Chatnoir did not intentionally induce or encourage copyright infringement.

II. THE CIRCUIT COURT PROPERLY ENJOINED RUNAWAY SCRAPE FROM USING THE AARDVARKS.COM MARK BECAUSE THAT USE IS LIKELY TO CAUSE TRADEMARK DILUTION BY BLURRING OF CHATNOIR'S FAMOUS AARDVARK MARKS.

Chatnoir's trademarks "Aardvark Media," "Aardvark Pro," and "Aardvark Lite" (hereinafter referred to collectively as the "Aardvark marks") are likely to be diluted by Runaway Scrape's use of the Aardvarks.com mark. Federal trademark anti-dilution law provides that the owner of a (1) famous and distinctive mark is entitled to an injunction against another person who (2) uses a mark or trade name in commerce that is (3) likely to cause dilution by blurring of the famous mark. 15 U.S.C. § 1125(c)(1). Runaway Scrape concedes that Chatnoir's Aardvark marks are famous and distinctive and that Runaway Scrape's use of Aardvarks.com is the use of a mark in commerce (R. 13). Accordingly, the only trademark issue here is whether the use of Aardvarks.com is likely to cause dilution by blurring of Chatnoir's Aardvark marks.

Dilution by blurring occurs as the result of 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). While courts may evaluate all factors relevant to a likelihood of dilution, Congress has specifically enumerated six factors for consideration: (1) the degree of similarity between the marks; (2) the degree of distinctiveness of the famous mark; (3) the extent to which the owner of a famous mark uses that mark exclusively; (4) the degree of recognition of the famous mark; (5) intent to create an association with the famous mark; and, (6) any actual association between the marks. 15 U.S.C. §§ 1125(c)(2)(B)(i)-(vi).

Each of the trademark dilution factors enumerated by Congress favors Chatnoir. There is a high degree of similarity between Chatnoir's Aardvark marks and the Aardvarks.com mark. Chatnoir's Aardvark marks are inherently distinctive, thereby entitling them to the greatest level of trademark protection. Runaway Scrape failed to present any evidence of third-party use of the Aardvark marks or any similar marks demonstrating that Chatnoir is the exclusive user of its Aardvark marks. It is undisputed that Chatnoir's Aardvark marks are famous throughout the United States. Runaway Scrape intended to associate the Aardvark.com mark with Chatnoir's Aardvark marks. Lastly, customers have actually associated and blurred the Aardvarks.com mark with Chatnoir's Aardvark marks.

Though satisfying all factors is not even required for the finding of a likelihood of dilution to be proper, application of the facts of this case to Congress' factors firmly supports the findings of the circuit court and the district court: that Runaway Scrape's use of the Aardvarks.com mark is likely to cause dilution of Chatnoir's Aardvark marks by blurring. Accordingly, Runaway Scrape should be enjoined from using the Aardvarks.com mark and the ruling of the circuit court should be affirmed.

A. There is a high degree of similarity between Chatnoir's Aardvark marks and the Aardvarks.com mark.

Chatnoir's Aardvark marks possess a high degree of similarity to the Aardvarks.com mark used by Runaway Scrape. When assessing the "degree of similarity between the mark or trade name and the famous mark," 15 U.S.C. § 1125(c)(2)(B)(i), "courts must view marks in their entirety and focus on their overall impressions, not individual features."

Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center, 109 F.3d 275, 283 (6th Cir. 1997). Marks that differ by only a few letters or a generic word are not dissimilar. See Shields v. Zuccarini, 254 F.3d 476 (3d Cir. 2001); Induct-o-matic Corp. v. Inductotherm Corp., 747 F.2d 358 (6th Cir. 1984).

Similarity should also be assessed in the context of what occurs in the marketplace. How the marks are presented to and perceived by the consumer is an important consideration. Star Indus., Inc. v. Bacardi & Co. Ltd., 412 F.3d 373, 386 (2d Cir. 2005); James Burrough, Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266, 275 (7th Cir. 1976).

i. *The overall impressions of the marks are similar.*

Similarities do not need to be overwhelming for injunctive relief to be proper. Rather, a moderate degree of similarity is sufficient to support a likelihood of dilution. Starbucks Corp. v. Wolfe's Borough Coffee, LLC, 588 F.3d 97, 108 (2d Cir. 2009) ("requirement of substantial similarity is at odds with the federal dilution statute"). Courts may also weigh similarities heavier than differences. GoTo.com v. Walt Disney Co., 202 F.3d 1199, 1206 (9th Cir. 2000). Many courts have found that marks incorporating the same words leave overall impressions that are highly similar, even though those marks are not identical. In Jada Toys, Inc. v. Mattel, Inc., the Ninth Circuit evaluated the similarity of the overall impressions of the marks "HOT RIGZ" and "HOT WHEELS," 518 F.3d 628 (9th Cir. 2008). There, the Ninth Circuit concluded that those marks are "nearly identical" because they both incorporated the word "hot" and appeared with a similar graphic scheme. Id. at 635. See also Daddy's Junky Music Stores, 109 F.3d at 283 (the marks "Big Daddy's Music," "Big Daddy's,"

and "Big Daddy" could be confusingly similar to the mark "Daddy's"); Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1188 (6th Cir. 1988) (the marks "CLASSIC CAR WASH" and "CLASSIC CAR WASH SYSTEMS" were similar to the mark "CLASSIC"). As illustrated by Jada Toys, Daddy's Junky Music Stores, and Wynn Oil, when marks in question share a common term the overall impressions of those marks are viewed as highly similar. This case is no different. Chatnoir's Aardvark marks and the Aardvarks.com mark all incorporate the word "aardvark" in its entirety.

Minor changes to trademarked terms, such as making them plural, adding a prefix, or rearranging the order of the words, do not make terms dissimilar. In Shields, the Third Circuit considered the similarity of numerous domain name marks that closely resembled the famous mark "joecartoon.com," 254 F.3d at 479-83. The diluting marks at issue in Shields differed from the famous mark by only a few additional or deleted letters, or, in one instance, by rearranging the order of the words. These marks included "joescartoon.com," "joecarton.com," "joescartons.com," "josecartoons.com" and "cartoonjoe.com." Id. The Shields court stated that all of those domain names "closely resemble[d]" the famous mark "joecartoon.com," and found a "strong similarity" between them all. Id. at 483. Similarly, the addition of a single letter prefix to a mark will not make the mark dissimilar. See Visa Int'l Serv. Ass'n v. JSL Corp., 610 F.3d 1088, 1090 (9th Cir. 2010) (the marks "Visa" and "eVisa" are "effectively identical"). Accordingly, although Runway Scrape claims that pluralizing the term "aardvark" creates an entirely new trademark, simply adding the letter "s" to a preexisting mark has no practical distinguishing effect.

The presence of generic modifying terms such as, "Media," "Pro," or "Lite," is also not enough to diminish the high degree of similarity between the marks at issue here. For example, in Induct-o-matic, the Sixth Circuit considered the similarity of the marks "INDUCTO" and "INDUCT-O-MATIC." 747 F.2d at 360-61. There, the generic term "MATIC" was found to be "weak and nondistinctive." Id. The court supported the finding of a "high degree of similarity between 'INDUCTO' and 'INDUCT-O-MATIC.'" Id. at 361. Similarly, the terms "Media," "Pro," and "Lite" in Chatnoir's Aardvark marks are weak and nondistinctive. These terms serve a practical function that identifies the software version in the Aardvark family of products. The addition of these generic terms to "Aardvark" does not alter the overall impressions of Chatnoir's Aardvark marks, just as the addition of "MATIC" had no impact on the mark in Induct-o-matic.

Collectively, "Aardvarks," "Aardvark Media," "Aardvark Pro," and "Aardvark Lite," all fully incorporate the word "aardvark" leaving nearly identical overall impressions. The addition of a single letter or the absence of a generic term is not enough to distinguish the marks in order to overcome such highly similar overall impressions.

ii. *Consumers perceive the marks as nearly identical.*

Courts also consider the context in which marks are presented to consumers when assessing the degree of similarity of marks. In Starbucks, the Second Circuit compared Black Bear Micro Roastery's ("Black Bear") marks "Mister Charbucks" and "Charbucks Blend," to the famous mark, "Starbucks." 588 F.3d at 102-103. The court found those marks to be dissimilar from the famous mark because, although the

terms "Charbucks" and "Starbucks" sounded familiar, the marks, as presented to consumers were "minimally similar." Id. at 106.

The Charbucks line of products was always presented as either "Mister Charbucks" or "Charbucks Blend," never as "Charbucks" alone. All Charbucks products were displayed in packaging that conspicuously exhibited the Black Bear name and was "different in imagery, color, and format from Starbucks' logo." Id. at 106. Dissimilarity was also apparent to consumers because the Charbucks marks were presented through the self-identifying domain name "blackbearcoffee.com." Id.

The dissimilarities that existed between the marks in Starbucks do not exist between the marks at issue here. First, there were numerous visual elements, including coloration and graphic design features that made the marks in Starbucks obviously dissimilar to the consumer upon presentation. However, there is no imagery associated with the marks between Chatnoir and Runaway Scrape. Here, the marks are words alone and consumers cannot distinguish them through visual elements. Second, as discussed above, Chatnoir's Aardvark marks and Runaway Scrape's domain name share the word "aardvark" in its entirety. By contrast, the marks in Starbucks do not share any common term. Finally, Black Bear's domain name "blackbearcoffee.com" immediately identified Black Bear as the source of the Charbucks products to the consumer. Such self-identification reduces the likelihood of consumers ever associating the Charbucks marks with anyone other than Black Bear. The opposite is true of Runaway Scrape who is less forthcoming and initially conceals itself from consumers as the source of the product. Runaway Scrape presents the Aardvarks.com mark to consumers, but does not indicate any association

to Runaway Scrape and therefore consumers must make assumptions as to the source of the mark. This increases the likelihood that the Aardvarks.com mark will become wrongfully associated with Chatnoir and erroneously blurred with Chatnoir's Aardvark marks, thereby increasing the likelihood of dilution of Chatnoir's Aardvark marks.

Therefore, based upon comparable overall impressions and the misleading presentation to consumers, which further blurs rather than distinguishes the similarities between the marks, Chatnoir's Aardvark marks and the Aardvarks.com mark share a high degree of similarity.

B. Chatnoir's Aardvark marks are highly and inherently distinctive.

Chatnoir's Aardvark marks are entitled to the greatest degree of trademark protection because they possess a high degree of distinctiveness. Dilution by blurring is defined as impairment to the famous mark's distinctiveness. 15 U.S.C. § 1125(c)(2)(B); see Louis Vitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 266 (4th Cir. 2007). "In the context of blurring, distinctiveness refers to the ability of the famous mark uniquely to identify a single source and thus maintain its power." Id. at 265. See H.R. Rep. No. 109-23, at 4-5 (2005). Naturally, the "degree of inherent or acquired distinctiveness of the famous mark," 15 U.S.C. § 1125(c)(2)(B)(ii), is an important consideration as to the likelihood of dilution.

"The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used." Frank A. Schechter, The Rational Basis of Trademark Protection, 40 Harv. L.

Rev. 813, 825 (1927). When a common word is applied as a trademark in an unusual way, that trademark is inherently distinctive and referred to as "arbitrary." "Arbitrary" marks are accorded the highest degree of trademark protection. Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976). See Nutri/System, Inc. v. Con-Stan Indus., Inc., 809 F.2d 601, 605 (9th Cir. 1987). Applied to common words, the "'significant factor is not whether the word itself is common, but whether the way the word is used in a particular context is unique enough to warrant trademark protection.'" Visa Int'l., 610 F.3d at 1091 (quoting Wynn Oil, 839 F.2d at 1190). In Visa Int'l., the Ninth Circuit evaluated the degree of distinctiveness for the mark "Visa." Id. at 1090. The Visa Int'l court noted that while "visa" is a common word it has strong trademark significance because it "draws on positive mental associations with travel visas, which make potentially difficult transactions relatively simple . . . [but] those associations are sufficiently remote that *the word visa wouldn't make people think of credit cards if it weren't for the Visa brand.*" Id. (emphasis added). Thus, using the mark "eVisa" was prohibited because doing so would have allowed the misappropriation of the good will of the "Visa" brand, which would then have resulted in impairment to the distinctiveness of that brand.

Consistent with Visa Int'l, allowing Runaway Scrape to use the Aardvarks.com mark permits the very harm that Congress seeks to protect through anti-dilution law: "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark." Schechter, supra, at 825. See H.R. Rep. No. 104-374, 3 (1995). Two products competing for association with the same word is the

"quintessential harm addressed by anti-dilution law." Visa Int'l., 610 F.3d at 1091. "The concept of dilution recognizes the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who appropriate the mark for their own gain." H.R. Rep. No. 104-374, at 3 (1995). Like the word "visa" for credit cards, Chatnoir's Aardvark marks do not describe or suggest any association with telecommunications software. Rather, consumers think positively when they think of the word "aardvark" because of Chatnoir's Aardvark marks and the good will and reputation that follows from Chatnoir's widely acclaimed products being associated with those marks. Moreover, Runaway Scrape concedes that Chatnoir's Aardvark marks are distinctive (R. 13). Chatnoir's Aardvark marks are arbitrary and entitled to the greatest level of trademark protection. Therefore, both case law and legislative intent support that the inherent degree of distinctiveness of Chatnoir's Aardvark marks favors the finding of a likelihood of dilution.

C. There is no third-party use of Chatnoir's Aardvark marks or any other similar marks.

Chatnoir's exclusive use of its Aardvark marks favors the finding of a likelihood of dilution. The likelihood that another's use of a mark will dilute a famous mark is dependant upon the "extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark." 15 U.S.C. § 1125(c)(2)(B)(iii). Any claim of distinctiveness for dilution purposes is "seriously undermined by third party use of the same or similar marks." Columbia Univ. v. Columbia/HCA Healthcare Corp., 964 F.Supp. 733, 750 (S.D.N.Y. 1997). See Sports Auth., Inc. v. Abercrombie & Fitch, Inc., 965 F.Supp. 925,

941 (E.D. Mich. 1997). When many similar marks are associated with different products, use of another similar mark in the marketplace will not be likely to dilute the distinctiveness of any particular preexisting mark. The public already associates multiple similar marks with different products and sources without issue.

In Michael Caruso & Co, Inc. v. Estefan Enter., Inc., third-party use was shown by evidence of over seventy-five other examples of marks that incorporated similar terms, 994 F.Supp. 1454, 1460 (S.D. Fla. 1998). There, extensive third-party use of similar marks weakened the trademark significance of the mark at issue. Id. at 1459-60.

Here, there is not even one example that a mark including the word "aardvark" or any other similar marks are being used by any third-party. Chatnoir's exclusive use of its Aardvark marks is also shown by its diligent and timely efforts to enjoin third-party uses of similar marks. Chatnoir issued a cease and desist letter to Runaway Scrape within just 5 days of the launch of Aardvarks.com (R. 7). Runaway Scrape has failed to undermine, to any degree, the fact that Chatnoir engages in substantially exclusive use of its Aardvark marks or that dilution is less likely to occur due to preexisting third-party use. Therefore, this factor favors a finding of a likelihood of dilution by blurring.

D. Chatnoir's Aardvark marks are famous and widely recognized.

Chatnoir's Aardvark marks are recognizable by consumers throughout the United States. Courts may consider the "degree of recognition of the famous mark" when assessing the likelihood of dilution. 15 U.S.C. § 1125(c)(2)(B)(iv). A mark's level of recognition is inexorably tied to whether or not the mark is "famous."

Congress recently limited the types of marks that qualify as "famous" for the purposes of trademark dilution protection. H.R. Rep. No. 109-23, at 7-8 (2005). Trademarks that are "famous" are "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." 15 U.S.C. § 1125(c)(2)(A).

Runaway Scrape concedes that Chatnoir's Aardvark marks are "famous" for the purposes of trademark dilution (R. 13). Accordingly, Runaway Scrape must also concede that Chatnoir's Aardvark marks are "widely recognized by the general consuming public of the United States," and that they meet Congress' heightened threshold for the requisite degree of fame. Moreover, Chatnoir is a telecommunications software giant acclaimed by businesses across the country. Its nationwide recognition is not challenged here (R. 13). Therefore, Chatnoir's Aardvark marks possess a high degree of recognition.

E. Runaway Scrape intended to associate the Aardvarks.com mark with Chatnoir's Aardvark marks.

Runaway Scrape intended to create an association with Chatnoir's Aardvark marks (R. 15). When courts examine "[w]hether the user of the mark or trade name intended to create an association with the famous mark," 15 U.S.C. § 1125(c)(2)(B)(v), any intention to associate with the famous mark supports a finding of a likelihood dilution. Starbucks, 588 F.3d at 109.

Runaway Scrape had been marketing its music for over eleven years, however, it wasn't until after Chatnoir declined to respond to Runaway Scrape's cease and desist letters that Runaway Scrape launched Aardvarks.com (R. 6). Further, Runaway Scrape already had an official

band website that it used to promote and sell its music and merchandise when it started the new website (R. 7). Rather than utilize the most logical and effective place where Runaway Scrape's fans would seek band updates and new music, through its already well-established official band website, Runaway Scrape instead marketed only one song, "Aardvarks," on a new website. Runaway Scrape has never established a new website just to promote a single song before. Instead, Runaway Scrape attempts to justify its use of Aardvarks.com by insisting that the song "Aardvarks" has been part of the band's live performance rotation (R. 7 n.3), and even that one of the band members once owned an aardvark (R. 19 n.6). However, the song has never appeared on any of the band's albums released throughout its career than spans over a decade (R. 6-7).

The "Get it the right way" link on Aardvarks.com is also indicative of Runaway Scrape's intent to associate with Chatnoir's Aardvark marks. The statement, "Get it the right way," suggests that Runaway Scrape is dissatisfied with Chatnoir's position as it relates to this case; a position that both the circuit court and the district court have supported (R. 3).

The dissent below expressed skepticism about the level of intent and sought "something more" to find this factor in favor of Chatnoir (R. 19). However, there is no requirement for "something more" when performing a likelihood of dilution analysis. Rather, where intent to associate is found, this factor must be weighed so as to favor a finding of a likelihood of dilution. Starbucks, 588 F.3d at 109. Accordingly, Runaway Scrape's intent to associate its website with the Chatnoir Aardvark marks favors a finding of a likelihood of dilution.

F. Consumers associate the Aardvarks.com mark with Chatnoir's Aardvark marks.

Chatnoir has shown through undisputed survey evidence that consumers already associate the Aardvark.com mark with Chatnoir's Aardvark marks. "Dilution works its harm . . . by creating an association in consumers' minds between a mark and a different good or service." Playboy Enters., Inc. v. Welles, 279 F.3d 796, 805 (9th Cir. 2002) (citing 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 24:70 (4th ed. 2001)). Nevertheless, when recently revising anti-dilution law, Congress explicitly stated that, "actual harm is not a prerequisite to injunctive relief." H.R. Rep. No. 109-23, at 7-8 (2005) (responding to the standard of harm discussed in Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003)). This is so because, "by the time measurable, provable damage to the mark has occurred much time has passed, the damage has been done, and the remedy, which is injunctive relief, is far less effective." H.R. Rep. No. 109-23, at 5-6 (2005) (internal quotation omitted). Provided that dilution stems from an association between marks "[a]ny actual association between the mark or trade name and the famous mark," 15 U.S.C. § 1125(c)(2)(B)(vi), is particularly illustrative as to whether dilution is likely to occur.

Once actual association has been demonstrated, the degree to which there is any actual association becomes unimportant. "[D]ilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark." H.R. Rep. No. 104-374, at 3 (1995). It follows, that once there is evidence of actual association, the threat of the likelihood of dilution has taken

hold and an injunction is the necessary and appropriate remedial measure to protect the famous mark's distinctive quality before that uniqueness is inevitably destroyed. See Schechter, supra, at 825.

In Starbucks, a survey was conducted that revealed evidence of actual association between the marks at issue, 588 F.3d at 109. The survey showed that 3.1% of respondents thought that Starbucks was the possible source of Charbucks. The survey also showed that 30.5% of respondents first thought of "Starbucks" when presented with the term "Charbucks." Id. The Starbucks court found that these survey results favored the likelihood of dilution. Id.

Chatnoir has shown through the survey evidence that 2% of the general public associate the Aardvarks.com mark with one or more of Chatnoir's Aardvark marks (R. 8). In addition, 8% of Chatnoir's customers, one in every twelve customers, make the same association (R. 8). Although it seems that the survey in Starbucks yielded results that indicated a higher percentage of association between the terms than in the survey here, there is a critical distinction between the surveys' points of comparison such that the impact of the association in the Chatnoir survey is greater.

The Starbucks survey evidence broadly focused on any association between the mark "Starbucks" and the term "Charbucks." However, "Charbucks" was only a segment of the diluting marks in Starbucks. The survey did not consider any association between the actual Charbucks marks, "Mister Charbucks" and "Charbucks Blend" with the famous "Starbucks" mark. Still, the association between the famous mark and just a term contained within the diluting marks was enough to favor a finding of a likelihood of dilution in Starbucks. Id. Here,

however, consumers have made actual associations between the Aardvarks.com mark and Chatnoir's Aardvark marks, in their entirety. Even if the percentage of consumers who make the association may seem low, the threat of dilution could not be greater. Protecting Chatnoir's Aardvark marks when there is any degree of actual association is consistent with the intent of Congress. Congress' revision of the law to allow for injunctive relief, even in the absence of actual dilution or harm, highlights that an injunction against Runaway Scrape is proper, for there is no other way to ensure adequate and timely protection of Chatnoir's Aardvark marks. Therefore, survey evidence showing actual consumer association between Chatnoir's Aardvark marks and the Aardvarks.com mark favors a likelihood of dilution.

CONCLUSION

For the foregoing reasons, this Court should affirm the judgment of the United States Court of Appeals for the Fourteenth Circuit, dismissing Runaway Scrape's copyright infringement claim and enjoining Runaway Scrape's use of the Aardvarks.com mark.

APPENDIX A

15 U.S.C. § 1125(c)(1)-(2)

(c) Dilution by blurring; dilution by tarnishment.

(1) Injunctive relief. Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) Definitions.

(A) For purposes of paragraph (1), a mark is famous 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. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

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

(B) For purposes of paragraph (1), "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. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.