

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 04-55962

BOSLEY MEDICAL INSTITUTE, INC.

Plaintiff-Appellant,

v.

MICHAEL STEVEN KREMER,

Defendant-Appellee.

On Appeal from a Judgment of the
United States District Court
for the Southern District of California
Honorable William Q. Hayes
No. 01-CV-1752-WQH

APPELLEE'S BRIEF

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October 27, 2004

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GLOSSARY OF ABBREVIATIONS

ACPA	Anti-Cyberpiracy Consumer Protection Act
Bosley	Bosley Medical Institute
BosBr	Opening Appellate Brief of Bosley Medical Institute
BosEOR	Excerpt of Record Submitted by Bosley
DEN	Docket Entry Number
KremEOR	Excerpt of Record Submitted by Kremer
UDRP	Uniform Dispute Resolution Procedure

Appellant Bosley Medical Institute, a company that lures men and women into painful and expensive cosmetic surgery to avoid the appearance of baldness, sued appellee, consumer Michael Kremer, to suppress criticism of its sales and medical practices. On non-commercial Internet websites, Kremer posted damning findings by California law-enforcement officials, which were later embodied in a Maryland consent order and confirmed by NBC News. Nevertheless, the company sued to ban the use of the name “Bosley” anywhere on the website, although it had lost in arbitration on its central claim. The arbitrator labeled that claim “cyber-bullying,” an effort to hide behind trademark law “to squelch Respondent’s criticism of Complainants.” Likewise, the district court granted summary judgment dismissing Bosley’s claims, expressing concern about the suit’s chilling effect. As this brief explains, because the websites are both non-commercial and patently non-confusing, the trademark laws, the First Amendment, and California’s SLAPP statute require affirmance.

JURISDICTION

Appellant’s statement of jurisdiction is adequate.

QUESTIONS PRESENTED

1. Does the Lanham Act bar a consumer from using a company’s trademarks as domain names that accurately identify the subject of noncommercial websites that criticize the company and are not themselves confusing about being critical?

2. Do such websites become commercial (1) because they might adversely affect the markholder's business, (2) because one of them contains unpaid links to other sites where consumers discuss the company and its competitors, but which also contain advertising, or (3) because the consumer previously warned the company about planned criticisms?

3. Were Bosley's state claims properly stricken under California's anti-SLAPP law?

STATEMENT

A. Facts

Appellant Bosley performs surgery of the hair and scalp, and attracts patients throughout the world through extensive and "aggressive" marketing. Bosley Excerpt of Record (BosEOR) 27, 61. Despite its marketing efforts – indeed, because of them – Bosley also attracts much unfavorable attention. Its practices have repeatedly been condemned by state medical boards and other law enforcement agencies, and Bosley's medical practice has repeatedly been placed on probation. BosEOR115-116. Indeed, Bosley has been disciplined by nearly half of the fifty states. *Id.* Disgruntled patients won a class action lawsuit against Bosley, and several major media outlets have reported unfavorably on Bosley's activities. BosEOR35, 115-116.

Appellee Kremer is a dissatisfied Bosley patient. He was attracted by false

assurances of a clean disciplinary history and an absence of patient complaints. BosEOR113-114, 116. Kremer sued in 1994 to recover damages from Bosley, but his complaint was dismissed because he could not find a physician willing to testify against Bosley. BosEOR115. In 1999, Kremer learned of California's medical disciplinary action against Bosley, for several of the same unlawful business practices that Kremer had alleged in his malpractice suit. BosEOR116. Kremer felt that if he had had this information earlier, he would never have become a Bosley patient, or might have prevailed in his lawsuit against Bosley. *Id.* He decided to create an Internet site to call the public's attention to Bosley's style of medical practice, recognizing that consumers could then weigh his warnings against Bosley's self-promotional information and make an informed choice. *Id.*

To create this site, Kremer first registered a "domain name," the Internet address where he would publish his criticisms. The domain name that he chose, on January 7, 2000, was "bosleymedical.com," which aptly denominated the target of his criticisms. BosEOR116. Kremer then notified Bosley of his plans for an Internet site (as well as other possible means of communication), thus giving Bosley the opportunity to raise any objections that it might have. BosEOR86-87, 117. The communication did not seek any funds from Bosley, and did not offer to refrain from publishing the website or from using the domain name for any reason – in fact, the

communication did not even mention the domain name. BosEOR87. Kremer has never offered to sell a domain name (to Bosley or anybody else), never offered to yield a name in exchange for anything, never even hinted at a willingness to do so, and never registered any other domain names incorporating trademarks. BosEOR117, 120. Nor did Kremer register domain names in the hope of receiving anything in consideration for giving them up. *Id.*

In November 2000, Bosley invoked the Uniform Dispute Resolution Policy (“UDRP”), alleging the domain name “bosleymedical.com” violated its rights in the trademark “Bosley Medical.” BosEOR37-52. The arbitrator ruled against Bosley, finding that Kremer “has legitimate rights or interests in the Domain Name – namely, to make information about Bosley more widely available,” and that Kremer had not acted in bad faith. BosEOR53-57. He noted several previous UDRP decisions that had held that the registration of a domain name for the purpose of consumer criticism constitutes protected fair use, and thus is a legitimate use of the trademark. BosEOR55-56. Finally, the arbitrator concluded:

The Panel therefore reluctantly concludes that the purpose of this proceeding is less to protect the Complainants’ trademark rights than to squelch Respondent’s criticism of Complainants – a practice sometimes called “cyber-bullying.”

BosEOR56-57.

While he was waiting for the “hold” on his use of bosleymedical.com to be removed,

Kremer registered a second name, “bosleymedicalviolations.com,” on March 29, 2001. BosEOR153.

Kremer’s websites are straightforward. The “bosleymedical.com” site contains a home page that summarizes the Los Angeles District Attorney’s 1996 summary of investigative findings about Bosley, and includes the verbatim document. BosEOR118, Kremer Excerpt of Record (“KremEOR”) 100-113. The second site, “bosleymedicalviolations.com,” contains verbatim quotes and summaries of the conclusions of several major investigations of Bosley, as well as an entire 2002 proceeding instituted to revoke Bosley’s probation. KremEOR 126-204 . The second page of bosleymedicalviolations.com concludes with a series of links to other sites from which viewers can obtain other information about hair transplantation issues, about medical discipline, and about Bosley in particular. KremEOR131-132.^{1/}

Each site is non-commercial. Kremer does not earn any revenue from any aspect of the sites, and they contain no advertising. BosEOR119, KremEOR79-204. No goods or services are sold on the sites. KremEOR79-204, 213. Kremer has no investments or other interests in any competitor of Bosley’s. BosEOR119. Kremer pays the costs of the sites from his own pocket and receives no financial support for

^{1/} [Http://www.bosleymedicalviolations.com/lawsuit.htm](http://www.bosleymedicalviolations.com/lawsuit.htm) describes this litigation. KremEOR133-136.

them from any other person. *Id.*

The sites are direct in their criticisms of Bosley. On each site, the criticisms begin at the very top of the home page. KremEOR79, 126. No person viewing either site could suffer a moment's uncertainty about whether Bosley as opposed to one of its critics is the sponsor of the site. Near the top of the home page of each website is banner heading denouncing Bosley along with a prominent disclaimer of affiliation with Bosley. BosEOR122, 132. Each disclaimer identifies the URL of Bosley's own official site, and contains a hyperlink that can be "clicked" with a mouse to take the viewer directly to Bosley's website. BosEOR120. Moreover, the title and metatags on both sites make clear their critical attitudes toward Bosley, so that any person who finds Kremer's site through a search engine that supports metatags, as many major search engines do, will learn as soon as they see the listing of search results that this page contains consumer criticism and is not a site maintained by Bosley. BosEOR121.

B. Proceedings Below.

Undeterred by the adverse UDRP ruling, Bosley sued Kremer in federal court in Chicago, raising the same trademark claim that it lost in the UDRP. BosEOR194-218. Bosley alleged that the domain names "bosleymedical.com" and "bosleymedicalviolations.com" violate the Lanham Act, including cybersquatting,

infringement, dilution, and false designation of origin. However, the complaint never alleged that the domain names or websites were “used in commerce” or were “commercial,” as these provisions require. Moreover, although the infringement claim incorporated by reference the cybersquatting claim that Kremer’s names were “confusingly similar” to Bosley’s mark, it never alleged that Kremer’s names or websites were likely to cause confusion with respect to the ownership or source of the websites. The complaint also alleged that Kremer’s websites libeled Bosley, without identifying any defamatory words.

Kremer moved to dismiss on numerous grounds. Docket Entry Number (“DEN”) 1. First, he argued that the Illinois court lacked both personal and in rem jurisdiction. Second, he argued that the failure to allege use in commerce, and the obviously non-commercial character of the websites themselves – which could be considered on a motion to dismiss because plaintiff had incorporated them into its complaint – stood as a fatal bar to proceeding under the trademark laws. Likewise, the failure to allege likelihood of confusion, coupled with the sites’ transparent character as criticism sites, required dismissal of the infringement claim. Third, Kremer showed that the state-law claims should be dismissed for failure to state a claim, and should be stricken under California’s anti-SLAPP statute. To support his personal jurisdiction and anti-SLAPP motions, Kremer attached an affidavit with

exhibits. BosEOR26-36.

After Bosley consented to change the venue, Kremer renewed his motions, relying on the same affidavit. DEN5-6. Bosley sought leave to take discovery to develop both the libel claims and the trademark claims. DEN7-8. Kremer opposed any discovery, arguing that his motion to dismiss could be decided first, on the face of the complaint. The magistrate allowed discovery, and asked the parties to negotiate or litigate the precise discovery to be pursued. KremEOR1-7. Bosley proposed numerous discovery requests, some to pursue the libel issues, some to pursue whether Kremer had used the trademark commercially, and some on the issue of likely confusion. KremEOR8-19. The magistrate judge authorized only the libel-related discovery, and directed Bosley to specify the allegedly defamatory statements so that Kremer could identify his sources for those statements. KremEOR55-57. The district court rejected objections from both sides to the magistrate's decision. DEN31, 36.

After several months, Bosley specified the statements on which it had sued for defamation. KremEOR66-69. In response, Kremer answered 19 written discovery requests and 18 deposition topics. KremEOR20-54, 210. Kremer voluntarily responded to every discovery request and deposition topic that Bosley had justified to the magistrate as necessary to argue commercial use, KremEOR210, even though the court had denied Bosley's motion for that discovery. Indeed, at his five-hour

deposition, Kremer answered every question posed, including questions related to likelihood of confusion. His counsel, although expressing reservations about some inquiries, never instructed Kremer to withhold answers to any question, *see generally* DEN71, Exhibit A (counsel did refuse to allow an impromptu, filmed Rule 35 inspection of Kremer's scalp, *id.* 96-100).

Following discovery, Bosley dismissed the libel claims with prejudice, DEN60, and Kremer withdrew his motion to dismiss the libel claims (but not his motion to strike). DEN59. Bosley then amended the complaint, dropping its assertion of in rem jurisdiction but adding allegations that sought to meet Kremer's criticisms of the federal claims, and parallel state trademark claims. DEN61.

The amended complaint contained several allegations that sought to bring the case within the "commercial" scope of the trademark laws. Although the defamation claims had been dismissed with prejudice, Bosley now alleged that Kremer had initiated a "smear campaign" designed to extort funds from Bosley through the creation of websites. BosEOR62-63. Bosley attached a supposed letter from Kremer to the doctor who had operated on him, demanding payment of \$400,000, BosEOR84, and another letter to Bosley warning of a plan to engage in a range of critical activities, including the creation of websites. BosEOR87. Bosley alleged that these communications showed that Kremer's motive for registering bosleymedical.com and

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evidence of commercial use.” KremEOR207. Bosley also argued that potential adverse impact on its business, and links from Kremer’s websites to other sites that carried advertising for Bosley’s competitors, were sufficient to render Kremer’s use “commercial.” On the confusion issue, Bosley ignored Kremer’s argument about boselymedicalviolations.com and argued solely that the sites’ content was irrelevant if the domain name matched its trademark. Bosley also argued that evidence from Kremer’s deposition, supposedly showing a few instances of “actual confusion,” was enough to outweigh the website’s content.

Once briefing on Kremer’s summary judgment motion was complete, Bosley filed its own cross-motions for summary judgment on both infringement and dilution. DEN78-83. Its arguments largely mirrored its opposition to Kremer’s summary judgment motion. On the issue of commercial use, Bosley again acknowledged that “commercial use is a jurisdictional prerequisite for trademark claims,” KremEOR212, and relied on links from Kremer’s websites, but added the claim that Kremer’s linking to his counsel’s website was another example of commercial use. Bosley also made the “smear campaign” argument but, instead of introducing evidence to show the basis for this claim, Bosley relied on a statement of “undisputed facts,” which contained no citations to the record but simply repeated allegations in the complaint. Moreover, Bosley conceded that “Kremer is not offering goods and services for sale on his own

website.” KremEOR213.^{2/} Bosley suggested that it needed further discovery on issues pertaining to summary judgment only in a footnote to Bosley’s reply in support of summary judgment, KremEOR228, but did not specify the discovery that it might seek or file any affidavit under Rule 56(f).

Kremer initially responded to Bosley’s motion for summary judgment, in part, with a Rule 56(f) affidavit explaining the discovery he needed to respond to Bosley’s claims. BosEOR142-151. However, once Bosley’s reply brief made clear how thin Bosley’s evidence was, Kremer agreed, in a supplemental memorandum, that summary judgment was proper on likelihood of confusion as well as lack of commercial use. DEN114. Bosley still submitted no Rule 56(f) affidavit.

The district court granted summary judgment for Kremer and struck the state-law claims under California’s SLAPP statute. BosEOR6-22. It accepted Bosley’s concession that it needed to show commercial use, held that impact on Bosley’s business was insufficient, and found inadequate evidence of commercial use on Kremer’s part to warrant denial of summary judgment on that issue. BosEOR15-19. The court also decided that, because the websites themselves were not confusing, Bosley could not prevail on a claim that the domain names were likely to cause

^{2/}Bosley later filed a new memorandum omitting this language, but the initial memorandum remains a judicial admission. *United States v. Davis*, 332 F3d 1163, 1168 (CA9 2003).

confusion. BosEOR19-20. Finally, the court agreed that the SLAPP statute applied because Bosley's suit sought to hold Kremer liable for exercise of his free speech rights. BosEOR19-22.

SUMMARY OF ARGUMENT

Consistent with the decision of every court of appeals to consider a similar case, summary judgment was properly granted because non-commercial speakers are entitled to use the names of companies they are criticizing as the domain names that identify their nonconfusing websites.

First, this Court should affirm because the trademark laws do not apply to Kremer's speech about Bosley. Those laws are construed to avoid conflict with the First Amendment, whose protections are at their apogee with respect to noncommercial speech. Moreover, the Lanham Act's language limits its application to commercially misleading uses of trademarks. This limitation applies equally to Bosley's infringement and dilution claims, as well as its cybersquatting claims, which require proof that Kremer had a bad faith intent **to profit**. Although Bosley alleged commercial use, its evidence about links from the bosleymedicalviolations.com website to other sites which themselves carry advertisements does not show that Kremer used its marks commercially, and Bosley failed to produce **evidence** to support its claim that Kremer was seeking to extort payment for the domain names.

Bosley's opening brief claims that it needed discovery to prove commercial use, but it already pursued discovery on that issue. Moreover, it failed to invoke Rule 56(f) before summary judgment was granted, thus dooming any claim based on lack of discovery.

The Court should also affirm on the infringement claims because there is no likelihood of confusion. This ground is clearest for the domain name *bosleymedicalviolations.com*, but is also proper for *bosleymedical.com*, because the developing consensus among the federal courts is that trademarks may properly be used as domain names for websites about trademark holders, so long as the websites themselves do not imply affiliation with the markholders. Although Bosley argues that its discovery revealed evidence of actual confusion, a few instances of actual confusion in the three years of the websites' existence actually supports the determination that confusion is unlikely. In any event, Bosley cannot prevail by citing one factor out of the eight *Sleekcraft* factors. Moreover, having failed to argue the other *Sleekcraft* factors in its opening brief, Bosley has waived any appeal on those grounds.

Finally, the district court properly granted the motion to strike Bosley's state trademark claims. The SLAPP statute applies because Bosley's complaint about

Kremer's domain names is based on their expressive content, and Kremer has used them to promote his noncommercial speech about Bosley. Bosley failed to prove a probability of success on the state claims for the same reasons that the court below entered summary judgment against it on the federal claims.

ARGUMENT

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

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

Plaintiff's suit to enforce its trademark seeks government action by a court, which is subject to scrutiny under the First Amendment. *Organization for a Better Austin v. Keefe*, 402 US 415, 418 (1971). In trademark cases, unlike copyright cases where fair use is co-extensive with the First Amendment, *e.g.*, *Harper & Row v. Nation Enterprises*, 471 US 539, 560 (1985), First Amendment considerations routinely receive separate discussion, although they also inform statutory interpretation. Where defendant is engaged in non-commercial speech, mere application of trademark law may violate the First Amendment. *L.L. Bean v. Drake Publishers*, 811 F2d 26, 32-33 (CA1 1987). Indeed, when trademarks have been used in a commercial context, courts still construe the trademark laws narrowly to avoid impingement on First Amendment rights. *E.g.*, *Cliffs Notes v. Bantam Doubleday*, 886 F2d 490, 494 (CA2 1989). First Amendment interests are weighed as a factor in deciding whether a

trademark violation should be found, *e.g.*, *Anheuser-Busch v. Balducci Publications*, 28 F3d 769, 776 (CA8 1994), and injunctions must be narrowly crafted to comply with the rule against prior restraints on speech. *Id.* at 778; *U-Haul Int'l. v. Jartran*, 793 F.2d 1034, 1042 (CA9 1986); *Better Business Bureau v. Medical Directors*, 681 F2d 397, 404-405 (CA5 1982).

Kremer's speech is indisputably protected by the First Amendment. Numerous cases treat consumer commentary as core speech protected by the First Amendment. *See, e.g.*, *Bose Corp. v. Consumers Union*, 466 US 485, 504-505 & n22 (1984); *Suzuki Motor Corp. v. Consumers Union*, 330 F3d 1110, 1132 (CA9 2003). Many other cases have similarly treated criticisms of a company's products or business practices as speech protected by the First Amendment, although commercial speech principles are often applied to criticism by competitors. *E.g.*, *Semco v. Amcast*, 52 F3d 108, 111-114 (CA6 1995); *Porous Media Corp. v. Pall Corp.*, 173 F3d 1109, 1119-1121 (CA8 1999); *U.S. Healthcare v. Blue Cross of Greater Philadelphia*, 898 F2d 914, 927-939 (CA3 1990).

In many cases, courts have struggled to decide whether a particular use of trademarks constituted commercial or non-commercial speech. This question is significant not only because, as discussed below, Congress has limited the application of the Lanham Act to commercial speech, but also because commercial speech

receives less protection under the First Amendment. Indeed, recognition that the First Amendment would bar claims for misleading statements in non-commercial speech underlay Congress' establishment of the "commercial" requirement in section 43. *Semco v. Amcast*, 52 F3d 108, 111-112 (CA6 1995).

Thus, when one company, in the course of an advertising campaign, makes statements about a competitor's products, courts apply multi-factor tests to determine when the statements are non-commercial, and thus entitled to full First Amendment protection, or commercial, and thus entitled only to have their First Amendment interests weighed as part of a fair use or fair commentary defense. *Id.* Similarly, when sellers of T-shirts or other commercial products spoof trademarks or use trademarks to denounce political positions, courts decide whether the alleged infringers or diluters are predominantly engaged in commentary, thus obtaining greater protection under the First Amendment, or mainly making use of trademarks to sell their own products. *E.g.*, *Cardtoons v. Major League Baseball Players Ass'n*, 95 F3d 959, 968-970 (CA10 1996); *Rogers v. Grimaldi*, 875 F2d 994, 997-999 (CA2 1989); *Mutual of Omaha Ins. Co. v. Novak*, 836 F2d 397, 402-403 (CA8 1987). However, when an action is brought against a plainly non-commercial use of a trademark for either political or consumer commentary, courts have not hesitated to afford full First Amendment protection against the trademark holder's claim, either

by holding that First Amendment principles bar application of the statute, or by holding that the state law in question is unconstitutional on its face or as applied to the particular case.^{3/}

Kremer's websites are just the sort of consumer commentary that courts assiduously protect. Kremer's criticisms would be pointless if he had to omit the name of the company he is criticizing, yet Bosley sued to block the use of its name **anywhere** on Kremer's websites. Furthermore, it is not just the websites generally, but Kremer's use of plaintiff's trademark in his domain name, that constitutes protected speech. Courts have repeatedly held that the use of trademarks constitutes speech protected by the First Amendment, even when used **only** to designate source. *E.g., Bad Frog Brewery v. New York Liquor Authority*, 134 F3d 87, 94-97 (CA2 1998); *Sambo's Restaurants v. Ann Arbor*, 663 F2d 686, 694 (CA6 1981).

Using trademarks in domain names is analogous to using trademarks in the titles of books, to which the courts give First Amendment protection because they are part of the authors' expression, and call attention to the fact that the works in question

^{3/} *L.L. Bean v. Drake Publishers*, 811 F2d 26, 33 (CA1 1987); *ACLU of Georgia v. Miller*, 977 FSupp 1228, 1233 (NDGa 1997); *Bally Total Fitness Holding Corp. v. Faber*, 29 FSupp2d 1161, 1167 (CDCal 1998); *Lighthawk v. Robertson*, 812 FSupp 1095, 1097-1101 (WDWash 1993); *Stop the Olympic Prison v. United States Olympic Comm.*, 489 FSupp 1112, 1124-1125 (SDNY 1980).

contain content on those topics. *E.g.*, *Twin Peaks Production v. Publications Int'l*, 996 F.2d 1366, 1379 (CA2 1993); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (CA2 1989). *Accord Mattel v. Walking Mountain Productions*, 353 F3d 792, 807 (CA9 2003).

Although Bosley argues that domain names are not speech, it is precisely because of their expressive content that Bosley objects to them. If an Internet address were simply IP numbers, it could plausibly be contended that they were not speech. However, domain names exist to provide “memorable identifiers” to help Internet users identify websites in which they are interested. Mueller, *Expert Report*, <http://dcc.syr.edu/miscarticles/mishkoff.pdf>, at 3. By the same token, Kremer’s use of Bosley’s name in his domain names serves to communicate to web users that his sites contain information about that company, and hence enjoys First Amendment protection.

II. SUMMARY JUDGMENT WAS PROPERLY GRANTED DISMISSING ALL CLAIMS FOR LACK OF COMMERCIAL USE.

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

Trademark law creates a commercial tort. The limitation of trademark law to commercial uses appears in the statutory language and caselaw, and its existence follows from the limitations that the First Amendment places on the exercise of government authority restricting free speech. *Taubman v. WebFeats*, 319 F3d 770,

774 (CA6 2003). Bosley conceded below that no trademark violation can be found in the absence of commercial use, KremEOR215 (“commercial use is a jurisdictional requirement for trademark claims”). Nonetheless, we begin by explaining the sources of that requirement, because they inform its proper construction.

The First Amendment does not authorize regulating non-commercial speech simply because it is misleading. For example, a political flyer or a newspaper article about a public figure could not be enjoined, or made the basis for an award of damages, simply because some readers would likely find it confusing. *O’Connor v. Superior Court*, 177 CalApp3d 1013, 1019, 223 CalRptr 357, 361 (1986). The concept of regulating speech that has the potential to be misleading, even though it is not strictly speaking false, has developed over the thirty years since the Supreme Court first extended First Amendment protection to commercial speech. *Thompson v. Western States Medical Center*, 535 US 357, 367 (2002); *Lorillard Tobacco Co. v. Reilly*, 533 US 525, 554 (2001). Unlike non-commercial speech, commercial speech can be regulated even if it is “not provably false, or even wholly false, but only deceptive or misleading.” *Friedman v. Rogers*, 440 US 1, 9 (1979). Thus, although “[a] company has the full panoply of protections available to its direct comments on public issues, . . . there is no reason for providing similar constitutional protection when such statements are made in the context of commercial transactions.” *Bolger*

v. Youngs Drug Products Corp., 463 US 60 (1983). *Accord Bates v. State Bar of Arizona*, 433 US 350, 383 (1977) (“the leeway for untruthful or misleading expression that has been allowed in other contexts has little force in the commercial arena”); *Smith v. United States*, 431 US 291, 318 (1977) (“Although . . . misleading statements in a political oration cannot be censored, . . . misleading representations in a securities prospectus may surely be regulated.”); *Young v American Mini Theatres*, 427 US 50, 68 and n31 (1976) (“regulatory commissions may prohibit businessmen from making statements which, though literally true, are potentially deceptive”); *People v. Superior Court (Olson)*, 96 CalApp3d 181, 157 CalRptr 628 (1979) (upholding Cal. Bus. & Prof. Code, Section 17200, under which Bosley sues here, because commercial speech receives less constitutional protection).

Reconciling trademark law with the First Amendment, this Court has noted that the “consumer protection rationale [for trademark relief] averting what is essentially a fraud on the consuming public is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud.” *Mattel v. MCA Records*, 296 F3d 894, 905 (CA9 2002). *See also White v. Samsung Electronics America*, 971 F2d 1395, 1401 (CA9 1992) (rules against exploitation of personality permissible under First Amendment because of commercial speech context); *E&J Gallo Winery v. Gallo Cattle Co.*, 967 F2d 1280, 1297 (CA9 1992) (trademark injunction permissible

because it limits commercial speech).

The limitation of trademark law to commercial situations follows from the distinctions that First Amendment law draws between commercial and non-commercial speech. The fundamental precept of trademark law is that it prevents uses of trademarks that are misleading, in that they are “likely” to be “confusing” to consumers. To constitute infringement, use of the trademark need not be deliberately confusing (that is just one of eight *Sleekcraft* factors), and it need not actually constitute a “false” statement of origin. Because these standards do not meet the First Amendment’s requirements for prohibiting noncommercial speech, the First Amendment provides an important reason to construe the trademark laws to apply only to commercial goods and speech.

Cognizant of these constitutional limitations, Congress has limited each of the statutory provisions at issue here to commercial speech. Bosley’s first claim is for infringement under Sections 32 and 43(a) of the Lanham Act, 15 USC §§1114, 1125(a), which require “use in commerce” of plaintiff’s marks. That language did not appear in the Lanham Act as originally adopted. Originally, the cause of action was against “any person who shall, in commerce” commit any infringing act. 15 USC §1114(1). As construed at that time, the statutory phrase “in commerce” reached to the full extent of Congress’ commerce power. *Steele v. Bulova Watch*, 344 US 280,

283 (1952).

The 1962 amendments, however, changed the structure of the claim to require that the defendant “use[d] in commerce” plaintiff’s trademark. Statutory terms that include the word “commerce” do not necessarily reach to the full breadth of the commerce power, but must be construed as commanded by each particular statute. *Circuit City Stores v. Adams*, 532 US 105, 113-119 (2001) (unlike term “involving commerce,” term “engaged in commerce” does not reach to full extent of commerce clause, but covers only workers in transportation industries).

In 1988, Congress deliberately limited the phrase “use in commerce” to include only commercial uses, defining it to mean “bona fide use of a mark in the ordinary course of trade . . .” 15 USC §1127. Although this definition of “use in commerce” was adopted to define the uses that would qualify a trademark for registration, Congress employed the same language, “use in commerce,” both in the statutory provisions for registration **and** in the provisions that determine what uses are actionable for infringement. Under standard principles of statutory construction, “identical words used in different parts of the same act are intended to have the same meaning.” *Commissioner v. Keystone Consol. Industries*, 508 U.S. 152, 159 (1993). The Court should enforce the language that Congress enacted. *See Connecticut Nat’l Bank v. Germain*, 503 US 249, 254 (1992).

Today, therefore, “The act’s purpose, as defined in Section 45, is exclusively to protect the interests of a purely commercial class against unscrupulous commercial conduct.” *Made in the USA Foundation v Phillips*, 365 F3d 278, 280 (CA4 2004) *Colligan v. Activities Club of New York*, 442 F2d 686, 692 (CA2 1971); *accord*, *Chance v. Pac-Tel Teletrac*, 242 F3d 1151, 1157 (CA9 2001). Without “use in commerce,” there is no violation of sections 32 and 43(a). *Endoscopy-America v. Fiber Tech Medical*, 4 FedAppx 128, 2001 WL 94739 (CA4 2001). This Court has previously employed §1127’s “use in commerce” definition to determine whether actionable infringement occurred. *Karl Storz Endoscopy America v. Surgical Technologies*, 285 F3d 848, 855 (CA9 2002).^{4/}

Bosley’s causes of action for unfair competition, dilution and cybersquatting all arise under Section 43 of the Lanham Act, 15 USC §§1125(a), (c) and (d), which are likewise limited to commercial uses: “The following shall not be actionable under **this section**: . . . (B) Noncommercial use of the mark.” Section 43(c)(4), 15 USC

^{4/}Instead of discussing the statutory definition of “use in commerce,” as the district court did, Bosley focuses on the statutory language, “in connection with goods and services.” Bosley falsely accuses the district court of making that language the linchpin of its commercial use analysis, BosBr27-28, but in fact, the district court did not even mention it. Cases discussing the “in connection with goods and services” language, such as *PETA v. Doughney*, 263 F3d 359, 365 (CA4 2001), and *United We Stand America v. United We Stand New York*, 128 F3d 86, 90 (CA2 1997), do not contradict the decision below.

§1125(c)(4) (emphasis added). When adding the cyberquatting provisions to section 43, Congress expressly preserved the noncommercial use defense, explicitly disclaiming any intent to override either the First Amendment or section 43(c)(4). Public Law 106-113, Section 3008, 113 Stat 1501A-551. In fact, the sponsors of the cybersquatting law specifically disclaimed any intention to provide a cause of action against persons who register domain names for the purpose of delivering comment or criticisms of trademark owners by identifying the owners with their marks. *See* House Report No. 106-412 (1999), at 10.

Although the “noncommercial use” proviso appears in §43(c), the dilution subsection of section 43, it is not limited to that subsection, but applies generally to “this section.” Other paragraphs of subsection (c), by contrast, refer specifically to actions brought “under this subsection.” §§ 43(c)(1) (“to obtain such other relief as is provided in this subsection”); 43(c)(2) (“In an action brought under this subsection”). *See also* §43(d)(2)(A)(i) (ACPA in rem action can be brought over marks that are “registered . . . , or protected under subsection (a) and (c) of this section”). Accordingly, when Congress meant section 43, it said “section,” and when it meant only section 43(c), it referred to “subsection.”

Moreover, in repeatedly limiting the Lanham Act to commercial communications, Congress evinced its awareness of the constitutional problems that

it needed to avoid. Thus, for example, the House Judiciary Committee explained that the 1989 Lanham Act amendments would not affect non-commercial speech:

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

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

Similarly, in adopting the 1996 amendments, Senator Hatch explained that the purpose of the statute's noncommercial use exception was to protect "parody, satire, editorial and other forms of expression that are not part of a commercial transaction." *Dr. Seuss Enterprises v. Penguin Books USA*, 924 F.Supp. 1559, 1574 (SDCal 1996) (quoting legislative history), *aff'd*, 109 F3d 1394 (CA9 1997).

B. Kremer's Use of Bosley's Trademarks Was Noncommercial.

In the court below, Bosley never denied that it had to show that Kremer made commercial use of its trademarks. Instead, it argued that it had shown commercial use in three ways: adverse impact on its own business, links from Kremer's websites to other sites containing advertisements, and purported attempts to extort money. The district court properly rejected these contentions as legally or factually insufficient.

First, Bosley's contention that the potential for adverse impact on its business was alone sufficient to render Kremer's use commercial was properly rejected as a

matter of law, for several reasons. To begin with, the objective of the noncommercial use exception is to carve out from the Lanham Act's coverage forms of speech that are critical of businesses, but are also fully protected by the First Amendment. The exception would be meaningless if any critical speech that had its desired impact (to harm the business) was, ipso facto, deemed commercial. Commercial speech is speech that proposes a commercial transaction. *Nissan Motor v. Nissan Computer*, 378 F3d 1002, 1017-1018 (CA9 2004). Moreover, Bosley's proposed expansion of commercial speech would be inconsistent with numerous cases holding that speech cannot be regulated or enjoined as commercial simply because it criticizes a business. *NAACP v. Claiborne Hardware*, 458 US 886 (1982); *Organization for a Better Austin v. Keefe*, 402 US 415, 418 (1971); *CPC Int'l v. Skippy*, 214 F3d 456, 461 (CA4 2000). Indeed, in *Nissan*, this Court expressly rejected the contention that an otherwise noncommercial website becomes impermissibly commercial simply because it criticizes a trademark holder. 378 F3d at 1016-1017.

Second, Bosley's theory that Kremer's websites became commercial because they contained links to other websites that contained advertising is also incorrect both factually and legally. The undisputed evidence below was that, on the bosleymedicalviolations.com website, at the end of the second page, Kremer provided hyperlinks to "discussion sites" where readers could find debate among customers of

hair restoration services, including but not limited to Bosley, about the pros and cons of various treatments and providers.^{5/} Importantly, none of these links was found on the bosleymedical.com website. Bosley's only argument on this point about bosleymedical.com was that Kremer had boasted there that Public Citizen was representing him. This distinction is important because there is no possibility that consumers would be confused about the source or origin of a website appearing at the domain name bosleymedicalviolations.com, *infra* 47; yet only that site contained the allegedly commercial links.

Bosley relies on several cases where websites were designed to promote commercial activities to which the sites were linked. For example, in *Taubman v. WebFeats*, 319 F3d 770, 772, 775-776 (CA6 2003), the court stated that links to defendant's own business, or to his girlfriend's business, could make a website commercial. By contrast, in *TMI v. Maxwell*, 368 F3d 433, 435, 438 (CA5 2004), the fact that Maxwell's website included a section on good neighborhood businesses, and praised a home improvement business in which Maxwell had no financial interest, did not make his site commercial.

^{5/}Bosley's partial copy of the site, BosEOR 132-135, does not make clear that viewers reach this second page only by clicking a link called "next" or "page two" from the home page of bosleymedicalviolations.com. The entire site is reproduced in KremEOR126-204.

In *Coca-Cola v. Purdy*, 382 F3d 774, 779 (CA8 2004), the defendant’s antiabortion site hyperlinked the phrase “what can I do” to other antiabortion sites that solicited donations and marketed paraphernalia.^{6f} In *Planned Parenthood v. Bucci*, 1997 WL 133313 (SDNY), the website was deliberately designed in a misleading way to lead supporters of abortion to a page that sold a book promoting the defendant’s own anti-abortion views. In *Jews for Jesus v. Brodksy*, 993 FSupp 282, 308 (DNJ 1998), defendant’s website was deliberately designed as “a conduit” to an organization that sold Judaica, and in *OBH v. Spotlight Magazine*, 86 FSupp2d 176, 186 (WDNY 2000), defendant linked to his own advertising business. Although Bosley miscites *Nissan* as standing for the proposition that links to automobile advertising rendered that site commercial, it was not just the links but the advertising that appeared on defendant’s website, and the advertising was **sold** to produce revenue for **defendant**. 378 F3d at 1007-1008, 1019.^{7f}

In contrast, Kremer’s websites do not promote other businesses or commercial activities. Kremer’s undisputed deposition testimony was that the reason for the links

^{6f}Purdy also sought to be compensated for his domain names, not in cash, but with space on the newspaper plaintiff’s editorial page. *Id.* at 786.

^{7f}The *Nissan* discussion cited at BosBr28-29 appears in a discussion of initial interest confusion, not commercial use. It was unnecessary to discuss commercial use in *Nissan* because the core function of defendant’s website was to advertise his computer business.

was to provide access to useful information such as patient discussions. KremEOR209e-209f. Moreover, the undisputed evidence is that Kremer's sites contain no advertising, that Kremer has no financial interest in the hair industry, and that he derives no revenue from his web pages. BosEOR119, 137-138. Bosleymedicalviolations.com's second page links to a Google collection of hair restoration newsgroup posts, which, in turn, currently contains advertising (it did not contain advertising when Kremer placed the link on bosleymedicalviolations.com, BosEOR138); however, that link is very different from a linked advertisement for a business on the defendant's own website, for the purpose of promoting sales. Although advertising on linked sites might make **those** websites commercial for purposes of the Lanham Act, the links do not make Kremer's own site commercial.^{8/}

Bosley also objects to the fact that, after Kremer was sued, he added a page to his bosleymedicalviolations.com website that discussed Public Citizen's defense of

^{8/}The evidence introduced to show that bosleymedicalviolations.com linked to "hair industry sites" that contained advertising is highly misleading. Kremer testified that he linked to internal pages of certain websites on which consumers debated, BosEOR137-138, KremEOR209d, and the "href" links that are highlighted in the source code attached to the Oppe Affidavit, KremEOR229, show that he linked to such internal pages. But the supposedly linked pages that Bosley filed below were the **home pages** of those sites, as shown by the URL's that appear at the bottom of the pages. KremEOR217-219. One attached page has the URL and date deliberately omitted, making comparison with the "href" link impossible. KremEOR230. Moreover, as indicated at the summary judgment hearing, Kremer responded to Bosley's linking argument by removing all links to which Bosley objected.

his free speech rights, and linked from that page to Public Citizen's own website. It is the worst sort of bootstrapping to argue that Kremer's website became commercial after he was sued because he praised his lawyers for defending him. In any event, the actual links to Public Citizen were only from the bosleymedicalviolations.com website and the undisputed evidence is that Kremer received no consideration – “never received any revenue or anything else” – for placing anything on his website, including hyperlinks. BosEOR137-138.^{2/}

Third, Bosley's argument that Kremer created his website to enable an extortion scheme to sell the domain names rests on firmer legal footing in that, **if** there were a genuine issue about such material facts, they might provide a sound basis for denying summary judgment on commercial use. Bosley's failing here is one of evidence. Bosley does not claim Kremer actually demanded payment for his domain names.

^{2/}Bosley argues, based on evidence submitted for the first time on appeal with a request for judicial notice, that there is a pattern of Public Citizen clients linking to its website, characterizing the evidence as suggesting a quid pro quo. This evidence does not contradict the undisputed evidence that Kremer received nothing for the content or links on his websites. Moreover, as a non-profit public interest law firm, Public Citizen is forbidden from taking compensation from its clients, including in-kind consideration. Many clients never link to our website; whether they do or not is their choice, and they are never asked to do so. Because Kremer's link to Public Citizen's website, and the links from some other clients' websites, existed during discovery on the issue of commercial use as well as when the summary judgment motions were briefed, Bosley has no excuse for waiting for the appeal to make this new argument and demanding reversal to take discovery.

Instead, it points to a series of events that, according to Bosley, create an inference that Kremer's reason for registering the names was to extort a payment: Kremer sued for malpractice and lost; Kremer allegedly delivered a note to the home of his former doctor, asking for payment of \$400,000; Kremer delivered a note to Bosley's office that allegedly threatened to use the domain names to smear Bosley. BosBr36-37. However, one of these letters Bosley simply made up, and it mischaracterizes the other. The chain of inference alleging extortion to sell domain names was therefore insufficient to bar summary judgment.

The undisputed evidence in the record, to which Kremer testified at his deposition and which he reaffirmed in his affidavit, is that he did not write or deliver the supposed letter to his former doctor. The letter's misspelling of Kremer's own name undermined the claim that the letter was authentic. Furthermore, Bosley introduced no evidence to authenticate the document, not even an affidavit from the doctor, its own employee. This bogus document, attached to an unverified complaint, is entitled to no consideration.

Bosley also points to a letter that Kremer delivered to Bosley's office, outlining thirteen steps that he was going to take to bring the company's wrongdoing to the attention of the public, press, courts, and law enforcement authorities. One step was the creation of Internet sites. BosBr36, citing BosEOR87. Kremer explained that he

wanted to put the substance of his objections before Bosley (just as he later provided it with draft text of his sites) to provoke Bosley to discuss his accusations and provide any factual corrections. BosEOR117. Indeed, the undisputed evidence is that Kremer repeatedly revised the sites as new facts came to his attention. BosEOR35. Bosley skims over the facts that this letter neither asked for money, nor even identified any domain names. Instead, Bosley refers blithely to “Kremer’s previous demand for money,” BosBr37, *i.e.*, the bogus, unauthenticated 1999 letter. The district court properly concluded that the January letter did not support any inference that Kremer was seeking to be paid for his domain names.

Moreover, if the mere fact that a Web protestor is angry at his target and gave it advance notice of his planned complaints is sufficient ground to embroil the critic in litigation alleging extortion, despite the absence of any demand for payment for domain names, the threat of litigation will have a severe chilling effect on the right to dissent online. The courts recognize the danger that such suits may wear down a defendant with expensive litigation so that, even if he can prevail in the end, the cost of “free speech” becomes so high that he gives up his rights; at the same time, others who see what the company does to critics may censor themselves. *E.g.*, *Franchise Realty Interstate Corp. v. Culinary Workers Jt. Bd.*, 542 F2d 1076, 1083 (CA9 1976); *see also Wilcox v. Superior Court*, 27 CalApp4th 809, 816 (1994). Thus, “when a

plaintiff seeks damages . . . for conduct which is prima facie protected by the First Amendment, the danger that the mere pendency of the action will chill the exercise of First Amendment rights requires more specific allegations than would otherwise be required.” *Kottle v. Northwest Kidney Centers*, 146 F.3d 1056, 1063 (CA9 1998); *Barry v. Time*, 584 F.Supp 1110, 1121-1122 (NDCal 1984). Because trademark cases are notoriously expensive, Horwitz, *Cost of Action vs. Damages in Trademark Infringement Actions*, <http://www.ficpi.org/ficpi/library/montecarlo99/damages.html>, the Supreme Court has noted the need to construe the Lanham Act in ways that do not encourage anticompetitive “strike suits” by trademark holders. *Wal-Mart Stores v. Samara Bros.*, 529 US 205, 214-215 (2000).

The same principles apply in the context of litigation about the use of trademarks on critical websites, particularly where, as here, the website has not been created by a serial cybersquatter but by an individual who criticizes the trademark holder. Because the website itself is plainly protected speech, the Court should require the trademark holder to offer more than a conclusory allegation that the critic has an inchoate desire to be paid to be quiet. To avoid summary judgment, Bosley had to offer concrete evidence that the person who registered or used the domain name actually offered to sell the name or exchange it for valuable consideration. There was no such evidence here.

Bosley's last-gasp argument is that it was unfairly denied the opportunity to pursue discovery on commercial use. However, although the Magistrate initially denied Bosley's request for discovery in response to Kremer's motion to dismiss its trademark claim, Bosley identified to the Magistrate twenty interrogatories, document requests and deposition topics that it needed on that issue. Once discovery began on the libel issues, Kremer voluntarily responded to the commercial use discovery as well. Then, in opposing Kremer's motion for summary judgment for lack of commercial use (including summary judgment on cybersquatting), Bosley did **not** object to a lack of further discovery, but simply responded on the merits. Indeed, Bosley itself moved for summary judgment on the ground that the facts relevant to commercial use were undisputed. Most of its "undisputed facts," however, were supported only by citations to the complaint. Only in a footnote in its reply brief supporting **its** motion for summary judgment did Bosley complain about limited discovery. KremEOR228. Even then, it ignored the procedure for postponing summary judgment pending discovery – it neither moved for leave to take specified discovery, nor filed a Rule 56(f) affidavit. The district court did not abuse its discretion by disregarding this footnote and granting summary judgment against all

claims for lack of commercial use without further discovery.^{10/}

III. SUMMARY JUDGMENT WAS PROPERLY GRANTED BECAUSE VIEWERS ARE UNLIKELY TO BE CONFUSED ABOUT WHETHER BOSLEY SPONSORS KREMER'S WEBSITES .

Summary judgment in this case was largely based on a proposition of law that Bosley ignores in its opening brief. Domain names may designate the subject of websites, not just their source. Consequently, numerous federal courts have held that trademarks and may be used as domain names for websites that are **about** markholders or about trademarked goods or services, even sites that are operated by persons other than the markholders, because the names do not occasion confusion about source.

“The limited purpose of trademark protections set forth in the Lanham . . . Act is to avoid confusion in the marketplace by allowing a trademark owner to prevent others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner. Trademark law aims to protect trademark owners from a false perception that they are associated with or endorse a product.” *Mattel v. Walking Mt. Prod.*, 353 F3d 792, 806 (CA9 2003); *International Order of Job's*

^{10/}*Ashton-Gate v. Ross*, 916 F2d 516, 519 (CA9 1990) (stating abuse of discretion standard). Bosley’s counsel described at the summary judgment hearing some discovery he wanted. Apart from the fact that no affidavit was presented, Rule 56(f) must be invoked no later than the day before the hearing. *Id.* 519-520.

Daughters v. Lindeberg & Co., 633 F.2d 912, 918-919 (CA9 1980). “The trademark laws exist not to ‘protect’ trademarks, but . . . to protect the consuming public from confusion, concomitantly protecting the trademark owner’s right to a non-confused public.” *James Burrough Ltd. v. Sign of Beefeater*, 540 F2d 266, 276 (CA7 1976). “All of [the] legitimate trademark purposes derive ultimately from the mark’s representation of a single fact: the product’s source. It is the source denoting function which trademark laws protect, and nothing more.” *Anti-Monopoly v. General Mills Fun Group*, 611 F2d 296, 301 (CA9 1979); *Smith v. Chanel*, 402 F2d 562, 566-569 (CA9 1968). *See also West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F.2d 581, 590 (CA6 1955) (“it is only when the feature in fact identifies source and the imitation is likely to deceive prospective purchasers who care about source that the imitator is subject to liability”).^{11/}

A. Summary Judgment Was Properly Granted on Bosleymedical.com.

As applied to domain names, the concern about confusion is that a member of

^{11/} Although Kremer did not originally seek summary judgment on likelihood of confusion, Bosley exposed itself to summary judgment on that issue as well by moving for summary judgment, filing affidavits, and claiming an absence of genuine issues. *Pumphrey v. KW Thompson Tool Co.*, 62 F3d 1128, 1131 n1 (CA9 1995), *citing United States v. Grayson*, 879 F2d 620, 625 (CA9 1989); *Cool Fuel Co. v. Connett*, 685 F2d 309, 311 (CA9 1982). Summary judgment is particularly appropriate against a moving party that itself sought summary judgment on that issue. *Gospel Missions of America v. Los Angeles*, 328 F3d 548, 553 (CA9 2003).

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

This Court has decided several cases where competitors disputed which of them is entitled to use particular trademarks to denominate their products, and therefore the websites about those products. *E.g.*, *Brookfield Communications v. West Coast Video*, 174 F.3d 1036 (CA9 1999). However, those cases have no application here, because Kremer is not Bosley’s competitor, and he is not using its trademark for a website about his own products; his website is about Bosley.

Cases involving critical websites fall under the rubric of “nominative fair use,” where the speaker uses the trademark to speak about the trademark holder or its goods and services. *Brookfield Communications v. West Coast Video*, 174 F3d 1036, 1065-66 (CA9 1999); *New Kids on the Block v. New America Pub.*, 971 F2d 302, 306-309 (CA9 1992); *Playboy Enterprises v. Welles*, 78 FSupp2d 1066, 1073-1075 (SDCal 1999), *aff’d*, 279 F3d 796 (CA9 2002). For example, the courts consistently hold that fair use, construed consistently with the First Amendment, allows publishers or

authors of books or other expressive works about famous persons to use such persons' names in the titles of the books. *Twin Peaks Production v. Publications Int'l*, 996 F2d 1366, 1379 (CA2 1993); *Rogers v. Grimaldi*, 875 F2d 994, 999 (CA2 1989); *Mattel v. MCA Records*, 296 F3d 894, 902 (CA9 2002). In this regard, *Brookfield* discussed *Welles*' treatment of fair use defenses with apparent approval, 174 F.3d at 1065-1066; and in affirming *Welles*, this Court made clear that nominative fair use applies to criticisms as well as favorable references. 279 F3d 796 at 804.

Domain names can play the same role as book titles in denominating the subject of underlying websites. BosEOR30-31. For example, "apples.com" is the domain name of a website about apples, not the website of Apple computer company. Just as the title of a book may use a trademark truthfully to describe the content of the book, so may Kremer use a trademark as a domain name truthfully to describe the contents of his website. As Justice Holmes said in *Prestonettes v. Coty*, 264 US 359, 368 (1924), "When the mark is used in a way that does not deceive the public, we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo."

If the Web's sole function were to serve as a commercial marketplace, and the only reason Internet users might be searching for websites were to find the vendors of goods, then a rule that only the owner of a trademark could use that mark as the domain name to denominate its website might be sensible. But the Web is not

exclusively a marketplace – to the contrary, it has been estimated that **most** websites are eleemosynary ones that provide information, and only a third are operated by businesses. Kelly, *The Web Runs on Love Not Greed*, Wall Street Journal, January 3, 2002. And a report by the Markle Foundation reveals that the predominant public perception of the Internet is of a library, or source of information, rather than as a shopping mall, or a place to obtain goods and services from their vendors. http://www.markle.org/downloadable_assets/accountabilitych1.pdf, at 20-25. Thus, there is no reason to assume that persons looking for websites bearing the title “Bosley” are necessarily looking for the Bosley company – they may just as well be looking for information that will help them evaluate Bosley, or for information about how to take action if they are dissatisfied with Bosley. The rules governing uses of domain names must accommodate all of these disparate reasons for seeking Bosley-related information, and concomitantly all of the ways in which website operators may want to speak about Bosley, either positively or negatively.

Although this Court has not yet had occasion to apply *Brookfield* to a criticism site, every other appellate court and almost every district court to consider the use of a domain name incorporating a trademark for a facially nonconfusing website about the trademark holder has found the use permissible. The leading case involved a consumer who established a website at shopsatwillowbend.com about a neighboring

shopping mall, and placed a clear and unequivocal disclaimer of affiliation along with a hyperlink to the official site established by the mall's developer. The court found no violation of the trademark laws. *Taubman v. WebFeats*, 319 F.3d 770 (6th Cir. 2003). Similarly, when a dissatisfied customer created northlandinsurance.com to publicize his grievances about the small amount that Northland Insurance had paid on a claim, the court found a legitimate use of the domain name for the expression of opinions about the company. *Northland Ins. Co. v. Blaylock*, 115 FSupp2d 1108 (DMinn 2000). Likewise, when an auto dealer sued over "crownpontiacnissan.com," which complained about the plaintiff's botched repair of a sunroof, the court not only held that no injunction should be granted, but awarded damages against the dealership for wrongful issuance of a preliminary injunction. *Crown Pontiac v. Ballock*, 287 FSupp2d 1256 (NDAla 2003). *See also TMI v Maxwell*, 368 F3d 433 (CA5 2004); *Lucas Nursery and Landscaping v. Grosse*, 359 F3d 806 (CA6 2004); *Ficker v. Tuohy*, 305 FSupp2d 569, 572 (DMd 2004).

The court reached a similar result in the commercial context in *Ty v. Prettyman*, 306 F3d 509 (CA7 2002). The decision overturned an injunction issued against an unauthorized reseller of Beanie babies who used the name "bargainbeanies.com" for her marketing website. Because Prettyman was entitled under trademark law to tell the consuming public that she sold Beanie babies through her website, Judge Posner

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

Kremer’s bosleymedical.com website falls squarely within these holdings. Bosley is the subject of his site, and the site’s content makes plain that it is a criticism site, not Bosley’s own site. Indeed, the top of Kremer’s site has a prominent disclaimer, and a hyperlink to Bosley’s site to ensure that any person who wants to hear Bosley’s side of the story can do so easily. The First Amendment requires courts to consider the use of disclaimers when they can dispel any confusion. *Consumers’ Union v. General Signal Corp.*, 724 F2d 1044, 1053 (CA2 1983). Especially when, as here, the trademark claim is relatively weak, a prominent disclaimer may provide all the protection against confusion that the markholder deserves. *Westchester Media v. PRL USA Holdings*, 214 F3d 658, 673 (CA5 2000); *Soltex Polymer Corp. v. Fortex Indus.*, 832 F2d 1325, 1329-1330 (CA2 1987).

Some early district court decisions disallowing trademarked names for criticism sites, such as *Bucci*, 1997 WL 133313, and *Brodsky*, 993 FSupp 282, can be distinguished both because the websites at issue were intentionally confusing, and because they were decided at a time when search engines were in their infancy and, therefore, courts worried that persons looking for a particular site would give up after

they found defendants' sites instead. More recent cases, however, take a more sanguine view because "there is a difference between inadvertently landing on a web site and being confused," *The Network Network v. CBS*, 54 USPQ2d 1150, 1155 (CDCal 2000), and Internet users "are inured to the false starts and excursions awaiting them in this evolving medium." *Chatam v. Bodum*, 157 FSupp2d 549, 558-559 (EDPa 2001); *Strick Corp. v. Strickland*, 162 FSupp2d 372 (EDPa 2001). If they do not find what they are seeking with their first guess about how to find it, they will try another approach, such as by using a search engine. *Id.* Indeed, recent reports suggest that few Internet users still rely primarily on name-guessing to find sites that interest them. Mueller, *Expert Report*, <http://dcc.syr.edu/miscarticles/mishkoff.pdf>, at 4-6. That analysis is consistent with this Court's recent decision recognizing Internet users' sophistication about domain names. *Entrepreneur Media v. Smith*, 279 F3d 1135, 1147 (CA9 2002).

This analysis is not inconsistent with *Purdy, supra*, 382 F.3d at 779, 785-786. That defendant used Coca-Cola and Washington Post as domain names for websites about abortion, not about the markholders. After these uses were challenged, defendant registered many similar names, *id.* 780, and transferred some names overseas trying to avoid the court's authority. *Id.* 781. Indeed, Purdy had previously been enjoined from cybersquatting. *Id.* 788. The court distinguished *TMI* and *Lucas*

Nursery in affirming the injunction, *id.* 786-787, but also approved a broad injunction against registering any future names using plaintiffs' trademarks that did not include negative words. Although this part of the injunction would be improper in most cases, it is distinguishable as a response to a serial cybersquatter who had flaunted his defiance of the first injunction.^{12/}

Rather than addressing the foregoing arguments, Bosley pins its hope of reversal on two arguments – alleged evidence of actual confusion and initial interest confusion. Neither contention rescues Bosley from summary judgment.

The extent of actual confusion is only one of eight factors recognized by *AMF v. Sleekcraft Boats*, 599 F2d 341 (CA9 1979). Bosley has failed to argue the other seven factors, and this one factor alone cannot defeat summary judgment. Moreover, the only evidence of “actual confusion” is testimony at Kremer’s deposition that, on a few occasions, Kremer received emails from individuals who had visited his website but appeared to be trying to communicate with Bosley. BosEOR110-112. Kremer

^{12/}By contrast, in *PETA v. Doughney*, 263 F3d 359 (CA4 2001), the defendant neither disputed likelihood of confusion nor argued that his site was “about” the well-known animal rights group, but said that it was about the fictive organization “People Eating Tasty Animals.” The court discredited him and found bad faith. The *Nissan* court had no occasion to address the propriety of the nissan.com name for a gripe site because the principal issues between the parties were whether the Nissan mark became famous before the proprietor of Nissan Computer used the mark, and whether he improperly used the domain name to advertise rival automotive services.

first posted his website in May 2001. KremEOR209. When two uses exist side by side for several years and plaintiff proves only a few instances of confusion, that fact actually weighs **against** a finding of likely confusion. *Kendall-Jackson Winery v. E&J Gallo Winery*, 150 F3d 1042, 1052 (CA9 1998); *accord A&H Sportswear v. Victoria's Secret Stores*, 237 F3d 198, 227 (CA3 2000); *Elvis Presley Enterprises v. Capece*, 141 F3d 188, 204 (CA5 1998). Moreover, the Court can see for itself where on bosleymedical.com Kremer placed the email address to which these emails were sent, KremEOR221, 223, 225; it is difficult to believe that, by the time an Internet user saw that part of the site, he was under any illusions that the site belonged to Bosley. BosEOR34. Rather, such users may just have not known how to reach Bosley and hoped that Kremer did. Kremer has since added Bosley's URL at the beginning of each website. BosEOR120.

Because Kremer had the right to use Bosley's name to identify a website about Bosley, the Court should apply the reasoning of *Walking Mountain* – “the public interest in free and artistic expression . . . outweighs its interest in potential consumer confusion.” 353 F3d at 807. By the same token, Kremer's use is constitutionally permissible even if the domain name poses some risk of confusion, insofar as a

handful of Internet users may wander onto Kremer's site through name-guessing.^{13/}

Initial interest confusion does not aid Bosley because that doctrine applies primarily when two commercial competitors are selling similar goods to the same set of consumers. The doctrine has less force when customers are likely to exercise care in making their final purchasing decisions. *Checkpoint Systems v. Check Point Software Tech.*, 269 F3d 270, 296 (CA3 2001), *citing Brookfield*, 174 F3d at 1056, 1057. Because Kremer is not selling rival goods but simply expressing his views about Bosley, and because the expensive and intrusive character of the surgery is likely to encourage great customer care, initial interest confusion does not support a finding in favor of Bosley. This Court has never invoked initial interest confusion to find liability when the opposing parties did not sell similar goods. Indeed, in *Nissan*, this Court expressly rejected application of initial interest confusion to non-automotive advertising or to any use that promoted Nissan Computer's own business. 378 F3d at 1019 ("A consumer might initially be incorrect about the website, but Nissan Computer would not capitalize on the misdirected consumer."). It found the analysis applicable only to the extent that defendant derived financial benefits from

^{13/}Bosley's appellate brief makes passing reference to Kremer's ability to use the email address "@bosleymedical.com." However, the complaint made no such allegation. Although the issue received mention in a summary judgment brief, plaintiffs cannot resist summary judgment through allegations made only in response to a motion for summary judgment. *Griffin v. Potter*, 356 F3d 824, 830 (CA7 2004).

automotive advertising on his site, and upheld summary judgment rejecting all other infringement claims. *Id.*

The Court has certainly never applied initial interest confusion to a case of noncommercial speech. It is particularly questionable whether the First Amendment authorizes the imposition of liability based on noncommercial speech that is not actually false, and only “likely” to be “confusing,” but moreover is only likely to cause ephemeral confusion. Accordingly, the prospect of initial interest confusion does not require reversal.

B. Summary Judgment Was Properly Granted Dimissing All Claims Against Bosleymedicalviolations.com.

Insofar as Bosley seeks to deprive Kremer of the domain name bosleymedicalviolations.com, its claim is frivolous. That name is not confusing as a matter of law, as Kremer argued in his original motion to dismiss and for summary judgment. DEN69, 28-29. This Court has held that even small differences between a domain name and the protected trademark can be sufficient to bar an infringement claim because “in the Internet context, consumers are aware that domain names for different Web sites are often quite similar . . . and that very small differences matter.” *Entrepreneur Media v. Smith*, 279 F.3d 1135, 1147 (CA9 2002). It is simply incredible that any person hoping to find Bosley would type “bosleymedicalviolations” into a web browser. Several decisions state that when

trademarks are coupled with words of criticism in domain names, there is no cause of action under the Lanham Act or the cybersquatting law. *E.g., Ford Motor Co. v. 2600 Enterprises*, 177 FSupp2d 661, 664 (EDMich 2001) (citing cases).

In any event, because Bosley's opening brief never mentions the domain name "bosleymedicalviolations.com" in its discussion of likelihood of confusion, any such argument has been waived.

IV. SUMMARY JUDGMENT WAS PROPERLY GRANTED AGAINST BOSLEY'S CYBERSQUATTING CLAIM.

Kremer moved for summary judgment on Bosley's claim under the ACPA for several reasons: His use was entirely noncommercial, no evidence supported the contention that he was trying to extort money for the domain names, and his use of the domain names was supported by a good faith belief that a domain name for a genuine gripe site may use the gripe target's trademarks. DEN69. Bosley's objections to this aspect of the summary judgment are also faulty.

First, Bosley concentrates its arguments on bosleymedical.com, BosBr18-19, but never argues that the domain name "bosleymedicalviolations.com" was either identical or confusingly similar to any of its trademarks. Because Bosley apparently does not appeal from the ACPA summary judgment on this domain name, that aspect of the judgment should be affirmed.

Turning to the domain name bosleymedical.com, Bosley's appeal rests on two

propositions. First, Bosley argues that lack of commercial use is not a defense to the ACPA. Second, Bosley contends that because it did not seek summary judgment on its ACPA claim that Kremer registered the domain names with as bad faith intent to profit, the district court was not free to decide that issue against it. “Bad faith intent to profit,” says Bosley, depends on a multi-factor test, and it asks for a remand to be given the opportunity to present evidence, which it proffers in its appellate brief, BosBR22, on those factors.

However, as demonstrated in Section II(A) above, the ACPA is part of section 43 and hence is subject to the noncommercial use proviso that applies to “this section.” In light of that fact and the clause that preserves the noncommercial use proviso, Kremer’s showing of noncommercial use **does** provide a complete defense to the ACPA. Indeed, Kremer made this same argument below in seeking summary judgment on the ACPA, DEN69, at 23-24, 29-32; far from objecting to that argument, Bosley acknowledged that commercial use was a required element of its case. KremEOR206-208.

Bosley also errs in portraying the multi-factor test for bad faith intent to profit as a wooden application of several disparate factors. The ACPA was enacted to remedy a particular evil – persons who took advantage of companies that were slow to recognize how they could use the Internet for marketing purposes through “the

Internet version of a land grab to force the rightful owners to pay for the right to engage in electronic commerce under their own name.” *Interstellar Starship Svces. v. Epix*, 304 F3d 936, 946 (CA9 2002). Cyberquatters either extort payments for names from the markholder themselves, or employ the marks to make money by advertising at a site likely to be visited by consumers seeking the websites of popular companies. *E.g., E&J Gallo Winery v. Spider Webs*, 286 F3d 270 (2002); *Shields v. Zuccarini*, 254 F3d 476, 485-486 (CA3 2001).^{14/}

The statutory factors are intended as a guide to help courts determine whether that is the defendant’s objective, particularly in cases where the defendant has merely registered a domain name but not yet created a website. But the factors are not of equal weight. When it is apparent that the defendant has registered domain names for the purpose of calling the public’s attention to complaints about the markholder, the ACPA is not violated. *Lucas Nursery* put it this way:

The role of the reviewing court is not simply to add factors and place them in particular categories, without making some sense of what motivates the conduct at issue. The factors are given to courts as a guide, not as a substitute for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit. Perhaps most important to our conclusion are, Grosse’s actions, which seem to have been undertaken

^{14/}When defendants create gripe sites **after** being sued under the ACPA, the courts reserve the power to see through the fig leaf and decide that the creation of such a site was not the real reason for registering the names. 286 F3d at 276; 254 F3d at 485-486.

in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard. One of the ACPA's main objectives is the protection of consumers from slick internet peddlers who trade on the names and reputations of established brands. The practice of informing fellow consumers of one's experience with a particular service provider is surely not inconsistent with this ideal.

359 F3d at 811.

Accord, TMI v. Maxwell, 368 F3d at 439-440; *Mayflower Transit v. Prince*, 314 FSupp2d 362, 369-371 (DNJ 2004). In this case, the undisputed evidence is that Kremer's sole purpose for registering the domain names was to warn potential Bosley patients about what they were really getting into.

Nor has Bosley been blocked from advertising itself on the Internet. It selected bosley.com as its domain name years before Kremer established his websites, BosEOR118, and there is no reason to believe that name has not been an effective self-promotion tool. BosEOR33, 119. Indeed, it is Bosley that has been blocking expression, inasmuch as Bosley has registered many critical domain names, not to provide additional fora for its speech but to squelch the speech of others. BosEOR32, 119; KremEOR71-78.

Bosley is simply wrong to claim that it was lulled into a failure to introduce evidence about factors bearing on Kremer's motive for registering the domain names. After all, its complaint alleged that Kremer was trying to extort a payment; Kremer

proved that this was not his purpose, and Bosley simply failed to offer contrary evidence. Bad faith intent to profit under the ACPA is, in the final analysis, a kind of commercial use. Given the district court's rejection of the extortion theory for lack of evidence in the context of commercial use, Bosley cannot support the claim that Kremer's purpose in registering the name was to profit, and not simply to communicate his critical views.^{15/} Accordingly, summary judgment was properly granted on this issue as well.

V. **BOSLEY CANNOT OBTAIN REVERSAL ON ITS DILUTION CLAIMS.**

Kremer sought summary judgment on Bosley's dilution claims because there was no genuine issue about the facts needed to show the absence of commercial use. As argued above, summary judgment was proper on that ground.

On the other hand, Bosley's motion for summary judgment could not be granted

^{15/} Bosley suggests that it wants to prove that Kremer provided some incorrect information in registering his domain name, BosBr22 n5, thus implicating the factor about provision of "material and misleading false contact information." 15 USC §1125(d)(1)(B)(i)(VII). This factor was aimed at persons who register false **contact** information to evade process and thus to frustrate the enforcement of markholders' rights. House Report No. 106-412, at 12-13. Bosley's UDRP complaint shows that Bosley had no difficulty identifying or serving Kremer. BosEOR39-40. Bosley also questions whether Kremer registered other trademarked domain names for the purpose of marketing them. The undisputed evidence is that he did not, and that he has never sold or attempted to sell a domain name. BosEOR120. Bosley did not respond to Kremer's affidavit providing that information, which similarly bears on motive under ACPA, by seeking discovery on the issue.

because Bosley could not overcome genuine issues about whether the mark BosleyMedical is famous and whether there was actual dilution, and because Kremer, who never had an opportunity to take discovery on **any** issues in this case, filed a Rule 56(f) affidavit seeking such discovery. KremEOR146-151.

Bosley made no showing of actual dilution; Bosley merely asserted it. Even if tarnishment is protectible by the federal dilution laws, *but see Moseley v. V Secret Catalogue*, 537 US 418, 432 (2003), the First Amendment bars the use of dilution law to find tarnishment by criticism. McCarthy, *McCarthy on Trademarks* §31:148 (4thed. 1999). And because Kremer used the mark to identify the subject of his criticism, he cannot be guilty of dilution by blurring. Rather, such use confirms the association of the mark with Bosley's products. *Id.*

Given the danger that dilution law may sweep aside the carefully crafted balance between protecting a trademark and permitting non-infringing uses, this Court has recognized the need to construe it in a way that does not encroach on First Amendment rights. *Mattel*, 296 F.3d at 900-901 ("It is the source-denoting function which trademark laws protect, and nothing more"). Indeed, Congress limited the scope of dilution law because of the danger of encroachment on First Amendment values. *Id.* at 905-906. The Court has also expressed concern about the expansive implications of dilution theories. *Toho Co. v. Sears, Roebuck*, 645 F.2d 788, 793

(CA9 1981).

Moreover, there are genuine factual issues about famousness. Congress narrowly limited the scope of the famousness prong of dilution law, requiring that “a mark must be truly prominent and renowned.” *Avery Dennison v. Sumpton*, 189 F.3d 868, 875 (CA9 1999). As Bosley acknowledged below, many courts require that, to be famous, a mark must be recognized by “the general consuming public.” DEN87, at 10. In two recent decisions, the Court stressed the importance of limiting famousness to generally recognized marks. The Court stated in dicta that marks might be famous in a limited geographical area or a specialized market segment, but allowed a finding of dilution only if the alleged diluter uses the mark to identify goods or services sold in that same market. *Thane Int’l v. Trek Bicycle Corp.*, 305 F.3d 894, 908 (CA9 2002), *citing Avery Dennison v. Sumpton*, 189 F.3d 868, 875 (CA9 1999).^{16/}

Although Bosley’s papers below stated facts about the extent of its advertising, those papers generalized about Bosley’s efforts to promote “its trademarks.” BosEOR154-155. Bosley falsely characterizes the evidence as showing advertising

^{16/}These discussions are dicta because, in each case, the Court decided that the trademark in question was not even famous in a niche market and hence ruled against the trademark holder. As argued elsewhere by Bosley’s counsel, these dicta are incorrect, and should be reconsidered. Belongia, *Why Is Fame Still Confusing? Misuse of the "Niche Market Theory" Under the Federal Trademark Dilution Act*, 51 DePaul L. Rev. 1159 (2002).

of “that mark” (*i.e.*, Bosley Medical alone). BosBr53. However, Bosley submitted no specific evidence about promotion of its Bosley Medical trademark, and there was some evidence suggesting that Bosley generally identifies itself by the “Bosley” mark and not the Bosley Medical mark. KremEOR231-232. In addition, although *Nissan* teaches that Bosley must show that Bosley Medical became famous before Kremer first used it, Bosley produced no evidence showing **when** that mark achieved famousness. Indeed, that mark was not even registered until a few months before the complaint was filed in 2001. BosEOR60.

Although Bosley relies solely on niche fame, it produced no evidence to show that “hair replacement” is a relevant and segregable market segment for the purpose of applying the concept of niche fame. This Court cannot select the relevant market in the absence of any evidence about how services are advertised, which kinds of goods and services compete against each other directly or by reasonable substitution, and how the public perceives the relatedness of various products. For all of these reasons, summary judgment was properly denied to Bosley on its dilution claims.

VI. THE DISTRICT COURT PROPERLY STRUCK THE STATE TRADEMARK CLAIMS AS A SLAPP SUIT.

Bosley appeals from the striking of its state-law counts under the California SLAPP statute, but its arguments are meritless. The SLAPP statute is intended to

prevent plaintiffs from wearing down their critics by engaging in litigation which, although meritless, may overwhelm the limited resources of ordinary citizens.

Because winning is not a SLAPP plaintiff's primary motivation, defendants' traditional safeguards against meritless actions (suits for malicious prosecution and abuse of process and requests for sanctions) are inadequate to counter SLAPP's. Instead, the SLAPPer considers any damage or sanction award which the SLAPpee might eventually recover as merely a cost of doing business. . . . By the time a SLAPP victim can win a "SLAPP-back" suit years later the SLAPP plaintiff will probably already have accomplished its underlying objective.

Wilcox v. Superior Court, 27 CalApp4th 809, 816 (1994), *quoted with approval*, *United States ex rel. Newsham v. Lockheed Missiles*, 190 F3d 963, 970-971 (CA9 1999).

To ensure that "this participation . . . not be chilled through abuse of the judicial process," the legislature established a presumption against the maintenance of litigation arising from any act "in furtherance of the [defendant]'s right of petition or free speech under the United States or California Constitution in connection with a public issue." Cal. Code Civ.P. §425.16(b). Once a court determines that such an issue is involved, the cause of action "shall be subject to a special motion to strike, unless the court determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim." *Id.*

Among other things, the SLAPP statute protects:

(2) any written or oral statement or writing made in connection with an issue under consideration or review by a legislative, executive, or judicial body, or any other official proceeding authorized by law; (3) any

written or oral statement or writing made in a place open to the public or a public forum in connection with an issue of public interest; (4) or any other conduct in furtherance of the exercise of the . . . constitutional right of free speech in connection with a public issue or an issue of public interest.

Id. §425.16(e)

The statute expressly provides that it “shall be construed broadly.” *Id.* §425.16(a).

The performance and commercial activities of substantial companies constitute “matters of public interest” for First Amendment purposes. *Paradise Hills Associates v. Procel*, 235 CalApp3d 1528, 1544-1545 (1991). There is no need to show that a plaintiff has speech-related animus, *Equilon Enterprises v. Consumer Cause*, 29 Cal4th 53, 58-59 (2002), although Bosley’s motive based on Kremer’s criticism is clear because Bosley tolerates a “typosquatter” who uses the domain name boslymedical.com to sell drugs, including a hair-loss product that competes with Bosley. KremEOR234-243.

Each of these three prongs of the SLAPP statute, §452.16(e)(2), (3) and (4), applies to this case, although any one prong is sufficient to protect a defendant. Bosley has been the subject of litigation in California and of numerous proceedings by state medical boards, many of them leading to severe discipline; even today, its practices are being investigated by various medical boards. BosEOR29, KremEOR152-178. Much of Kremer’s website is devoted to Bosley’s disciplinary

situation, including matters now under investigation. Moreover, Bosley is a huge medical marketing and treatment organization, one that touts itself as the leading authority in the world; it has offices across the nation, and claims to have treated hundreds of thousands of men and women for hair loss. The question whether hair loss doctors are charlatans, and whether outfits like Bosley prey on the insecurities of men and women to lure them into painful and expensive medical procedures, has been the subject of numerous press reports by respected media organizations, not to speak of numerous news groups and chat rooms on the Internet frequented by prospective and disappointed customers alike. BosEOR29-30. In short, the suit against Kremer is aimed at his speech on issues of public concern, and hence falls within the scope of the SLAPP statute.

Bosley argues that the SLAPP statute does not apply because this suit is, supposedly, only about domain names. According to Bosley, domain names have nothing to do with free speech because Bosley's trademark rights are violated and because, after Bosley dismissed its frivolous libel claims, nothing in its First Amended Complaint sought relief against the content of Kremer's websites. These arguments lack merit for two reasons. First, as shown above, at 15-19, the First Amendment **is** implicated by Bosley's trademark claims. Bosley claims that it is willing to have Kremer criticize it so long as he cannot use Bosley's name to call attention to the

content of his websites. Such attempts to reduce the effectiveness of Kremer's criticisms plainly implicate his free speech rights, and in any event Bosley's complaint is about the expressive content of the domain names. *See* page 19, *supra*. And even on Bosley's theory, the domain names are "conduct . . . in furtherance of the exercise of . . . free speech" protected by §425.16(e)(4).

Moreover, Bosley's dismissal of the libel counts did not eliminate all references to the contents of Kremer's website. The allegedly unlawful acts on which the complaint was based included an alleged "smear campaign," BosEOR63 ¶35, maintenance of "websites that bear the marks," ¶37, and "numerous derogatory remarks and critical statements." ¶41. Bosley claimed that the "critical commentary at the . . . websites exploits the goodwill built up by Bosley in the Bosley Marks." *Id.* ¶43. Moreover, the requested relief included a prohibition on "using the Bosley Marks **in any way** in connection with **any** website," and an injunction requiring Kremer not simply to stop using the domain names but "to disable access to the websites" themselves. BEOR72.

Finally, Bosley argues that it has a probability of success as required by section 425.16(b), for the same reasons that it allegedly should prevail on its federal trademark claims. Those arguments have been thoroughly rebutted above.

CONCLUSION

The judgment should be affirmed.

Respectfully submitted,

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

I hereby certify that my word processing program, Word Perfect 12, counted 13927 words in the foregoing brief, exclusive of the certificates and tables.

October 27, 2004

Paul Alan Levy

CERTIFICATE OF SERVICE

I hereby certify that on this date I am causing two copies of the foregoing Brief, one copy of appellee's Excerpt of Record, and one copy of the enclosed disk, to be served by first-class mail, postage prepaid, on counsel for the parties as follows:

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RELATED CASE STATEMENT

No cases pending in this Court are known to be related to this case.