

<http://www.chillingeffects.org/fairuse/notice.cgi?NoticeID=5362>

## Better Business Bureau Says Alleged Infringement Sucks!

October 9, 2006

**Sender Information:**

Better Business Bureau (BBB)

Sent by: [Private]

[Private]

VA, 22203-183

**Recipient Information:**

[Private]

FarmersInsuranceGroupSucks.com

WA, 99208, Spokane

Sent via: postal mail (via

**Re:**

Dear Sir or Madam:

I am an attorney for the Council Of Better Business Bureaus, Inc. (the Council), the umbrella organization for Better Business Bureaus throughout the United States. It has come to my attention that you operate a site to take complaints against Farmers Insurance. The site is located at <http://www.farmersinsurancegroupsucks.com/> This [web site](#) displays an outdated and counterfeit Colton, CA Better Business Bureau (BBB) reliability report for Farmers Insurance at [http://www.farmersinsurancegroupsucks.com/pdf/farmers\\_insurance\\_better\\_business\\_bureau\\_rating.pdf](http://www.farmersinsurancegroupsucks.com/pdf/farmers_insurance_better_business_bureau_rating.pdf). [In addition, your site also displays the Council's trademarks, BBB TORCH Logo and Better Business Bureau, without our permission at http://www.farmersinsurancegroupsucks.com/rated\\_worst.htm.](#) Inasmuch as the Whois record indicates a private registration, we are writing to you about this matter.

[For your information, Better Business Bureau and the BBB TORCH Logo are federally registered service marks owned by the Council \(Reg. Nos. 566,415, 969,847, 971,589 and 749,915\). These marks are used on the Internet in connection with business and consumer services. These marks may only be used in limited ways by authorized users that have entered into a licensing agreement with the Council or an approved BBB.](#)

[Furthermore, BBB Reliability Reports are copyrighted. Your use of a false report infringes an](#)

[this copyright](#) and [constitutes trademark counterfeiting](#) and [false advertising](#) subject to liability under [state](#) and [federal false advertising statutes](#).

[Liability for willful infringements may include monetary damages as well as the costs of litigation, including attorney's fees. A finding of trademark counterfeiting subjects the counterfeiter to one million dollars in statutory penalties per counterfeit without proof of damages by the trademark owner.](#) Please note that the A Council was a trademark counterfeiting case, and we are prepared to take action again. [The favorable published decision, CBBB, Inc. v. Bailey and Associates: is available at 197 F.Supp.2d 1197 \(ED. Ma. 2002\).](#)

We do whatever is necessary to protect our marks and the public from this type of deception. Accordingly, as site registrant, we must request that you immediately remove the BBB TORCH Logo and the reference to the Better Business Bureau as well as the counterfeit BBB report from your web site. I ask that you indicate your agreement to do so by returning to me one signed copy of this letter within the next two weeks.

Sincerely,  
[private]  
Assistant General Counsel

cc: [private], Colton, CA BBB  
AGREED: DATE:

The name Better Business Bureaus is a registered service mark of the Council of Better Business Bureaus, Inc.

## FAQ: Questions and Answers

[\[back to notice text\]](#)

### **Question: What about noncommercial uses?**

**Answer:** According to the Fourth Circuit Court of Appeals, "the Federal Trademark Dilution Act of 1995 ("FTDA") and the Anticybersquatting Consumer Protection Act of 1999 ("ACPA"), Congress left little doubt that it did not intend for trademark laws to impinge the First Amendment rights of critics and commentators. The dilution statute applies to only a 'commercial use in commerce of a mark,' 15 U.S.C. ? 1125(c)(1), and explicitly states that the '[n]oncommercial use of a mark' is not actionable. Id. ? 1125(c)(4)...Congress directed that in determining whether an individual has engaged in cybersquatting, the courts may consider whether the person's use of the mark is a 'bona fide noncommercial or fair use.' 15 U.S.C. ? 1125(d)(1)(B)(i)(IV)" One should be careful in this area, however.

Sites that parody the mark holder or its website have been found not to be a good faith use by the Fourth Circuit Court of Appeals. The Fourth Circuit noted that despite the existence of a fairly obvious parody on the challenged website, confusion could arise because the domain name could appear separately from the website content or where the parody isn't clear on its face.

Moreover, the meaning of "noncommercial" use can be interpreted in a fairly narrow manner by some courts. The 4th Circuit, for example, in *Lamparello v. Falwell*, leaves open the issue of whether merely using the name in the stream of commerce (whether or not it is being used to generate revenue) might be enough to qualify as commercial use. Other courts have held that an ability to use the site to access, directly or indirectly, a website that is selling something, has been held to constitute a commercial use.

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[\[back to notice text\]](#)

### **Question: What is the Anti-Cybersquatting Consumer Protection Act (ACPA)?**

**Answer:** The ACPA [codified as [15 USC 1125\(d\)](#)] is aimed at people who register a domain name with the intention of taking financial advantage of another's trademark. For instance, if BURGER KING did not have a web site, and you registered [www.BURGERKING.com](#) with the intent of selling the site to BURGER KING for a royal ransom, you could be liable under ACPA.

ACPA applies to people who:

- (1) have a bad faith intent to profit from a domain name; and
- (2) register, use or traffic in a domain name;
- (3) that is identical, confusingly similar, or dilutive of certain trademarks. The trademark does not have to be registered.

ACPA provides that cyberpirates can be fined between \$1,000 and \$100,000 per domain name for which they are found liable, as well as being forced to transfer the domain name.

Somewhat more broadly, the Act is meant to reduce consumers' confusion about the source and sponsorship of Internet web pages. The idea is to provide customers with a measure of reliability, so that when they visit [www.burgerking.com](#), they will be able to find actual Burger King products, not something entirely different. It also protects mark owners from loss of customer goodwill that might occur if others used the trademark to market disreputable goods or services.

See the module on [ACPA](#) to find out more about bad faith and legitimate defenses.

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[\[back to notice text\]](#)

**Question: What can be protected as a trademark?**

**Answer:** You can protect

- names (such as company names, product names)
  - domain names if they label a product or service
  - images
  - symbols
  - logos
  - slogans or phrases
  - colors
  - product design
  - product packaging (known as **trade dress**)
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[\[back to notice text\]](#)

**Question: Where can I find federal trademark registrations?**

**Answer:** The United States Patent & Trademark Office (USPTO) keeps the US federal registry of trademarks. It has an online search capability, [TESS](#), which contains more than 3 million pending, registered and dead federal trademarks. This database may not be complete. One should check the [News](#) page to see how current the information actually is.

Be aware: not all trademarks are contained in the US federal register. There are state trademarks, unregistered (common law marks) and foreign marks as well. A mark does not have to be registered to be valid.

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[\[back to notice text\]](#)

**Question: I want to complain about a company. Can I use their name and logo?**

**Answer:** Yes. While trademark law prevents you from using someone else's trademark to sell your competing products (you can't make and sell your own "Rolex" watches or name your blog "Newsweek"), it doesn't stop you from using the trademark to refer to the trademark owner or its products (offering repair services for Rolex watches or

criticizing Newsweek's editorial decisions). That kind of use, known as "nominative fair use," is permitted if using the trademark is necessary to identify the products, services, or company you're talking about, and you don't use the mark to suggest the company endorses you. In general, this means you can use the company name in your review so people know which company or product you're complaining about. You can even use the trademark in a domain name (like [walmartsucks.com](http://walmartsucks.com)), so long as it's clear that you're not claiming to be or speak for the company.

Since trademark law is designed to protect against consumer confusion, non-commercial uses are even more likely to be fair. Be aware that advertising may give a "commercial" character to your site, and some courts have even gone so far as to say that links to commercial sites makes a site commercial. (See [PETA v. Doughney](#))

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[\[back to notice text\]](#)

### **Question: What are the limits of trademark rights?**

**Answer:** There are many limits, including:

- **Fair Use**

There are two situations where the doctrine of **fair use** prevents infringement:

1. The term is a way to describe another good or service, using its descriptive term and not its secondary meaning. The idea behind this fair use is that a trademark holder does not have the exclusive right to use a word that is merely descriptive, since this decreases the words available to describe. If the term is not used to label any particular goods or services at all, but is perhaps used in a literary fashion as part of a narrative, then this is a non-commercial use even if the narrative is commercially sold.

2. **Nominative fair use**

This is when a potential infringer (or defendant) uses the registered trademark to identify the registrant's product or service in conjunction with his or her own. To invoke this defense, the defendant must prove the following elements:

- his/her product or service cannot be readily identified without pointing to the registrant's mark
- he/she only uses as much of the mark as is necessary to identify the goods or services
- he/she does nothing with the mark to suggest that the registrant has given his approval to the defendant

- **Parody Use**

Parodies of trademarked products have traditionally been permitted in print and other media publications. A parody must convey two simultaneous -- and contradictory -- messages: that it is the original, but also that it is not the original

and is instead a parody.

- **Non-commercial Use**  
If no income is solicited or earned by using someone else's mark, this use is not normally infringement. Trademark rights protect consumers from purchasing inferior goods because of false labeling. If no goods or services are being offered, or the goods would not be confused with those of the mark owner, or if the term is being used in a literary sense, but not to label or otherwise identify the origin of other goods or services, then the term is not being used commercially.
- **Product Comparison and News Reporting**  
Even in a commercial use, you can refer to someone else's goods by their trademarked name when comparing them to other products. News reporting is also exempt.
- **Geographic Limitations**  
A trademark is protected only within the geographic area where the mark is used and its reputation is established. For federally registered marks, protection is nationwide. For other marks, geographical use must be considered. For example, if John Doe owns the mark *Timothy's Bakery* in Boston, there is not likely to be any infringement if Jane Roe uses *Timothy's Bakery* to describe a bakery in Los Angeles. They don't sell to the same customers, so those customers aren't confused.
- **Non-competing or Non-confusing Use**  
Trademark rights only protect the particular type of goods and services that the mark owner is selling under the trademark. Some rights to expansion into related product lines have been recognized, but generally, if you are selling goods or services that do not remotely compete with those of the mark owner, this is generally strong evidence that consumers would not be confused and that no infringement exists. This defense may not exist if the mark is a famous one, however. In dilution cases, confusion is not the standard, so use on any type of good or service might cause infringement by dilution of a famous mark.

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[\[back to notice text\]](#)

### **Question: What is the difference between copyright and trademark?**

**Answer:** Copyright protects original expression in literary and artistic works such as plays, books, films, songs, software, performances, etc.). To qualify for copyright protection, a work must be an original creation of the author and not copied from any other source. In the U.S., copyright does not protect facts. Individual words cannot be copyrighted, and there is a gray area of protection for short phrases. Copyright owners have strong rights to prevent copying of their material, subject to the doctrine of "fair use." Copyrights arise when the work is fixed in a permanent form. Infringement consists of copying, publicly distributing, making changes to, or publicly distributing or

performing the work without the author's permission.

Trademark only protects names and logo images that are used to label goods or services. Trademark does not require originality; its purpose is to identify the source of goods. In the U.S., trademark rights arise only when there is actual use in commerce. Infringement consists of selling goods or services under the same or a confusingly similar name. Trademark has its own types of "fair uses" including use for product comparison and criticism, news reporting, and parody.

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[\[back to notice text\]](#)

### **Question: What is copyright infringement? Are there any defenses?**

**Answer:** Infringement occurs whenever someone who is not the copyright holder (or a licensee of the copyright holder) exercises one of the exclusive rights listed [above](#).

The most common defense to an infringement claim is "fair use," a doctrine that allows people to use copyrighted material without permission in certain situations, such as quotations in a book review. To evaluate fair use of copyrighted material, the courts consider four factors:

1. the purpose and character of the use
2. the nature of the copyrighted work
3. the amount and substantiality of copying, and
4. the market effect.

[\(17 U.S.C. 107\)](#)

The most significant factor in this analysis is the fourth, effect on the market. If a copier's use supplants demand for the original work, then it will be very difficult for him or her to claim fair use. On the other hand, if the use does not compete with the original, for example because it is a parody, criticism, or news report, it is more likely to be permitted as "fair use."

Trademarks are generally subject to fair use in two situations: First, advertisers and other speakers are allowed to use a competitor's trademark when referring to that competitor's product ("nominative use"). Second, the law protects "fair comment," for instance, in parody.

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[\[back to notice text\]](#)

**Question: What is a "counterfeit" mark?**

**Answer:** The Lanham Act defines a counterfeit mark as a false mark which is identical to or substantially indistinguishable from a registered mark.

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[\[back to notice text\]](#)

**Question: What is Section 43(a) of the Lanham Act?**

**Answer:** The Lanham Act is the basic federal trademark and unfair competition law. Section 43(a) ([15 U.S.C. 1125\(a\)](#)) is intended to protect consumers and competitors against false advertising and false designations of origin.

The law allows for suit against someone who makes false claims about its own or a competitor's products.

"? 1125. False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

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[\[back to notice text\]](#)

**Question: Where can I find state trademark law?**

**Answer:** Each state has its own laws governing use of trademarks within its borders. To locate the trademark laws of the 50 states, use the [Legal Information Institute](#) links. Both legislation and court opinions create trademark rights and remedies.

If marks are used in interstate commerce, then federal law will also apply.

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[\[back to notice text\]](#)

**Question: Where can I find federal trademark law?**

**Answer:** To be protected by federal trademark law, the marked goods and services must be used in *interstate* commerce. Federal trademark law is known as the [Lanham Act](#). It protects marks that are registered with the United States Patent & Trademark Office as well as those that are in use but never registered.

Court opinions and United States Patent & Trademark Office (USPTO) regulations also interpret trademark rights and remedies. See the links to court sites provided by the [Legal Information Insitute](#).

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[\[back to notice text\]](#)

**Question: What are the possible penalties for copyright infringement?**

**Answer:** Under the Copyright Act, [penalties for copyright infringement](#) can include:

1. an injunction against further infringement -- such as an order preventing the infringer from future copying or distribution of the copyrighted works
2. impounding or destruction of infringing copies
3. [damages](#) -- either actual damages and the infringer's profits, or statutory damages
4. costs and attorney's fees

A copyright owner can only sue for infringement on a work whose copyright was registered with the Copyright Office, and can get statutory damages and attorney's fees only if the copyright registration was filed before infringement or within three months of first publication. ([17 U.S.C. 411](#) and [412](#))

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[\[back to notice text\]](#)

**Question: What is this laundry list of things the C&D says will happen if I don't obey?**

**Answer:** Your opponent may describe a parade of horrors to demonstrate with exquisite detail what it will do to you unless you capitulate. This list generally includes, but is not limited to:

- (1) ceasing use of the allegedly infringing mark or surrendering the domain name;
- (2) rendering an accounting;
- (3) posting corrective advertising;
- (4) obtaining an injunction;
- (5) recovering costs and fees.

Though these things sound awful, they are not medieval tortures (although that may be a function of the fact that Torquemada never thought of them).

Ceasing use of the mark is self-explanatory: your opponent wants you to stop using the mark. Your opponent might also ask you to surrender your domain name if they believe the domain name causes (or is likely to cause) confusion with their trademark. For example, under ICANN rules (the [UDRP](#)), you may have to surrender your domain name if the following three conditions are satisfied:

- (1) your domain name is identical or confusingly similar to your opponent's;
- (2) you have no legitimate right or interest in the name (in other words, you are not using the name to conduct a bona fide business or for non-commercial fair use purposes); and
- (3) your name is registered and used in bad faith.

An accounting basically means that you disclose the following information to your opponent:

- (1) the date you began using the allegedly infringing mark;
- (2) the names of individuals who knew of the use when it began;
- (3) the amount of traffic at your web site or business at your store; and
- (4) your profits and revenues during the time you used the allegedly infringing mark.

Corrective advertising means you give notice to the public that you were using a mark confusingly similar to your opponent's, and that you are not affiliated with your

opponent.

An injunction is a judicial order to do something. An injunction can prevent you from using the allegedly infringing trademark.

Some provisions of the Lanham Act permit a trademark holder to recover attorney's fees and court costs from an infringer.

That your opponent has listed these various remedies does not mean that it is entitled to them; do not confuse the smorgasbord of legal options with your opponent's right to inflict any of them on you.

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[\[back to notice text\]](#)

**Question: I do not know what these cases or statutes cited in the C&D mean.**

**Answer:** If your opponent has cited cases and statutes in the C&D, do not freak out. The fact that your opponent can include some legal authority in the C&D does not mean that the law is on its side. If you can, go look up the cases and statutes to see what they say. You can go to the nearest law school's law library for help, or you can try a free legal resource web site like [Findlaw](#). Many of them are accessible on the Internet by keyword search using the full case name or its citation (the numbers and abbreviations that follow the names of the parties).

If your opponent is relying on federal law, it will probably cite one or more of the following sections of the Lanham Act:

- (1) section 32 (also known as [section 1114](#));
- (2) section 43(a) [a/k/a [section 1125\(a\)](#)]; or
- (3) section 43(c) [a/k/a [section 1125\(c\)](#)]. (The smaller numbers indicate how the statutory sections were numbered when the law was a bill in Congress; the larger numbers indicate how the statutory sections were re-numbered when the law was codified in the U.S. Code. Under either numbering system, the laws say the same thing). An additional statute, the Anti-cybersquatting Consumer Protection Act (ACPA) [a/k/a [section 1125\(d\)](#)] relates specifically to domain names.

Section 32 (codified as [15 U.S.C. 1114](#)) is the basic statute governing trademark infringement of registered marks. If you use a mark in commerce that is confusingly similar to a registered trademark, you may be civilly liable under section 32. This section describes how to determine infringement, what the remedies are, and what defenses are available.

Section 43(a) [codified as [15 U.S.C. 1125\(a\)](#)] is the "false designation of origin" statute. If you use a mark in commerce that is likely to cause confusion or deception as to

affiliation, association, origin, or sponsorship with another trademark, you may be civilly liable under section 43(a). Section 43(a) does not require that any of the marks be registered.

Section 43(c)[codified as [15 U.S.C. 1125\(c\)](#)] is the "anti-dilution" provision. This section allows the owner of a *famous* trademark to prevent use of the mark by junior users whose use "dilutes" the distinctive quality of the famous trademark. In other words, if someone tries to sell "KODAK pianos," KODAK could stop the person -- even if consumers were not confused -- because KODAK is a famous mark, and its use on products other than film and film-printing accessories (or other products on which Eastman Kodak places the mark) dilutes its uniqueness.

The ACPA [codified as [15 USC 1125\(d\)](#)] prohibits "cybersquatting" and lists the elements and defenses to a civil claim against a domain name holder.

If you identify the statutory provisions on which your opponent relies, you can begin to get a feel for whether the C&D has merit. For instance, if your opponent relies on section 32, but does not disclose a registration number, your first question is: does your opponent have a registered mark? If not, it has no claim under section 32.