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9 UNITED STATES DISTRICT COURT
10 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

| | | |
|------------------------------|---|--|
| 11 BOSLEY MEDICAL INSTITUTE, |) | No. 01 CV 1752-WQH (JMA) |
| |) | |
| 12 Plaintiff, |) | District Judge Hayes |
| |) | |
| 13 v. |) | NOTICE OF DEFENDANT'S MOTION TO |
| |) | DISMISS THE STATE-LAW CLAIMS |
| |) | |
| |) | DATE: February 5, 2007 |
| 15 MICHAEL STEVEN KREMER, |) | TIME: 11 AM |
| |) | PLACE: Courtroom 4 |
| 16 Defendant. |) | ORAL ARGUMENT REQUESTED |

17
18
19 Please take notice that at February 5, 2007, at 11 A.M. in Courtroom 4, pursuant to Rule
20 12(b)(6) of the Federal Rules of Civil Procedure, and based on the attached memorandum of law,
21 defendant Kremer will move the Court to dismiss the state-law counts in the amended complaint for
22 failure to state a claim upon which relief can be granted.

23 Respectfully submitted,

24
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Dated: December 15, 2006

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| 12 Plaintiff, |) | District Judge Hayes |
| |) | |
| 13 v. |) | MEMORANDUM IN SUPPORT OF |
| |) | DEFENDANT’S MOTION TO DISMISS THE |
| |) | STATE-LAW CLAIMS |
| |) | |
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5 B. California’s Trademark Laws, Like the Lanham Act, Apply Only
6 to Commercial Uses of Trademarks. 12

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10 Commercial Use Sufficient to Warrant Regulation Under the
11 Trademark Laws. 15

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1 **CONSTITUTION, STATUTES AND RULES**

2 First Amendment *passim*

3 Lanham Act,
 4 15 U.S.C. §§ 1051 *et seq.*

5 Section 32, 15 U.S.C. § 1114 5

6 Section 43(a), 15 U.S.C. § 1125(a) 5

7 Section 43(c), 15 U.S.C. § 1125(c) 5

8 ACPA, Section 43(d), 15 U.S.C. § 1125(d) 5, 6, 8, 19

9 California Business and Professions Code § 17200 14

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12 Rule 12(b)(6) 6, 20, 22

13 **MISCELLANEOUS**

14 18 Wright, Miller & Cooper, *Federal Practice & Procedure: Jurisdiction and Related*
 15 *Matters* § 4418 16

16 *McCarthy on Trademarks and Unfair Competition* (4th ed. 2002) 21

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1 This case is about a web site posted at www.bosleymedical.com, that criticizes the business
2 practices of plaintiff Bosley Medical Institute (“Bosley”). In the fall of 2003, defendant Michael
3 Steven Kremer filed a single motion seeking to dismiss the amended complaint of plaintiff Bosley
4 Medical Institute (“Bosley”) under Rule 12 for failure to state a claim on which relief can be
5 granted, for summary judgment, and to strike the state claims under California’s anti-SLAPP
6 statute. The Court converted the motion to dismiss into one for summary judgment and granted
7 that motion as well as the motion to strike. The Court of Appeals affirmed on the federal
8 trademark claims but reversed on the state claims and the federal cybersquatting claim. However,
9 the facial flaws in the complaint remain, and this Court’s legal and factual determinations, which
10 were affirmed in significant part by the Court of Appeals, now control the decision of the rest of
11 the case, thus confirming Bosley’s inability to prove any set of facts that would entitle it to relief
12 under California law.

13 Accordingly, Kremer now renews his Rule 12 motion to dismiss the state-law claims.
14 Specifically, the non-commercial nature of the web site and its non-confusing character require
15 dismissal of the state trademark claims just as they justified summary judgment against Bosley’s
16 federal trademark claims. Moreover, although Bosley alleges generally that Kremer was embarked
17 on a “plan” to “extort” money from Bosley by “smearing” its reputation, and that certain letters
18 sent by Kremer were part of that “plan,” to state a claim that Kremer has used the domain name
19 commercially, Bosley must do more than allege a plan to extort money – it must credibly allege
20 that Kremer demanded a payment **for a domain name**. The letters themselves, which can be
21 considered on a motion to dismiss because they are alleged in the complaint, never sought money
22 for domain names. Against the background legal determinations already made by this Court and
23 by the Court of Appeals – that Kremer’s use of the domain name is entirely non-commercial and
24 lawful under the Lanham Act – First Amendment considerations require dismissal of the state-law
25 trademark claims absent specific allegations of a request for money for the domain names.^{1/}

26

27 ^{1/}By a separate motion, Kremer seeks summary judgment on Bosley’s claims under the ACPA on the
28 grounds that there is no genuine issue about the “bad faith intent to profit” factors and about the “safe harbor” provision of the ACPA that supports Kremer’s right to judgment in his favor.

1 **STATEMENT**

2 **A. Facts**

3 Plaintiff Bosley Medical Institute, Inc. (“Bosley”) is a large national company that performs
4 surgery of the hair and scalp. Complaint ¶ 6. Bosley is a national medical and marketing organization
5 that attracts patients throughout the nation and world through an extensive and “aggressive” marketing
6 campaign using television, print media, and internet advertising. Complaint ¶¶ 6, 19, 21, 23.

7 Defendant Michael Steven Kremer is a dissatisfied former patient of Bosley’s. Complaint ¶
8 26. Kremer filed a suit in 1994 to recover damages from Bosley, but his complaint was dismissed
9 on summary judgment. *Id.* ¶ 27. The complaint alleges that, in November 1999, Kremer delivered
10 a letter to the home of Dr. David Smith, the Bosley surgeon who had operated on him, threatening
11 Smith and “L. Bosley,” and demanding payment of \$400,000 to “prevent the possibility of being
12 brought down . . .” *Id.* ¶¶ 28-29. The alleged letter, which is attached to the complaint as Exhibit G,
13 bears the name “Mike Kramer,” and says nothing about domain names. Although Kremer denies
14 having had anything to do with this letter, for the purpose of this motion to dismiss the allegations of
15 his involvement with the letter are presumed to be true.

16 In 2000, Kremer began preparations for an Internet web site to criticize Bosley. Kremer first
17 registered a “domain name,” that is the Internet address at which he was going to publish his criticisms
18 of Bosley. The domain name he chose, on January 7, 2000, was “bosleymedical.com,” which aptly
19 summarized the target of his criticisms. Kremer then notified Bosley of his plans for several ways in
20 which he was going to criticize Bosley, including an Internet site, thus giving Bosley the opportunity
21 to raise any objections. *Id.* ¶ 32. The communication, a copy of which is attached to the complaint
22 as Exhibit H, did not seek any funds from Bosley and did not offer to refrain from publishing the web
23 site or from using the domain name for any reason. In fact, the communication did not even mention
24 the domain name. By November 2000, Kremer had prepared materials to be posted at that web site,
25 which he forwarded to several Bosley physicians along with a cover letter informing them of his plans
26 for the web site. *Id.* ¶ 35; Exhibit BB attached hereto, dated November 1, 2000. (For ease of
27 reference, the lettering is sequential to exhibits previously submitted to the Court although on this
28

1 motion to dismiss, only those documents that are referenced in the complaint may be considered).^{2/}
2 After Bosley's unsuccessful arbitration proceedings against this domain name (discussed *infra* 4-6),
3 Kremer registered a second name, "bosleymedicalviolations.com," on March 29, 2001. *Id.* ¶ 34.

4 The web sites that Kremer created using these domain names are straightforward. The site
5 posted at "bosleymedical.com" contains a home page that summarizes a report from the Los Angeles
6 District Attorney, along with five pages that republish, verbatim, factual findings from the California
7 proceeding. DN 70, Exhibit T. The second site, "bosleymedicalviolations.com," contains verbatim
8 quotes and summaries of the conclusions of several major institutions that have investigated Bosley.
9 This site concludes with a series of links to other sites from which viewers can obtain other
10 information about hair transplantation issues, about medical discipline, and about Bosley in particular.
11 *Id.* Although Bosley originally sued over both web sites, Bosley did not appeal this Court's ruling in
12 favor of Kremer's "bosleymedicalviolations.com." Accordingly, although Bosley has not expressly
13 amended its complaint, those claims do not remain in the case.

14 Kremer's web site is non-commercial. No goods or services are sold on it, and the site is direct
15 in its criticisms of Bosley. The criticisms begin at the very top of the home page. No person viewing
16 either site could suffer a moment's uncertainty about whether Bosley, as opposed to one of its critics,
17 is the sponsor of the page. Near the top of the home page is a prominent statement disclaiming
18 affiliation with Bosley; the disclaimer identifies the URL of Bosley's own official site and contains
19 a hyperlink to the official Bosley web site. Moreover, the title and meta tags make clear their critical
20 attitudes toward Bosley. Therefore, anyone who finds Kremer's site through a search engine that
21 supports meta tags, as many major search engines do, will see from the listing of search results that
22 this page contains consumer criticism and is not a source of information created by Bosley.

23

24

^{2/}The complaint alleges that this letter was dated November 2001. However, by November 2001,
25 Bosley had not only filed and lost in arbitration against Kremer (Bosley's complaint there, filed in
26 November 2000, cited this letter as well), but it had sued Kremer in the Northern District of Illinois,
27 that suit had been transferred to this Court in response to Kremer's motion to dismiss for lack of
28 personal jurisdiction, and Kremer had renewed his motion to dismiss, to which the content of his web
sites were attached. The notion that, despite being represented by counsel, Kremer would have written
directly to Bosley at this time is farfetched, and Bosley's counsel has acknowledged that the date in
the complaint may be a typographical error.

1 **B. The Arbitration Proceeding**

2 On November 28, 2000, in apparent response to Kremer's November 1 letter, Bosley invoked
3 the Uniform Dispute Resolution Policy ("UDRP") by filing a complaint with the Arbitration and
4 Mediation Center of the World Intellectual Property Organization. The UDRP is a procedure designed
5 by the Internet Corporation for Assigned Names and Numbers ("ICANN"), the world Internet
6 governance agency. Bosley's UDRP complaint alleged that Kremer had violated its rights in the
7 trademark "Bosley Medical" and argued that the domain name "bosleymedical.com" was identical or
8 confusingly similar to its mark; that Kremer had no legitimate interest in using that domain name; and
9 that, by using its mark in his domain name, Kremer necessarily acted in bad faith.

10 In his February 28, 2001 decision, the arbitrator ruled against Bosley and in favor of Kremer.
11 http://arbiter.wipo.int/domains/decisions/html/2000/d2000_1647.html. The arbitrator assumed for
12 the purpose of the case that Bosley had sufficient trademark rights in the name "Bosley Medical," and
13 found that Kremer's domain name "bosleymedical.com" was either identical or confusingly similar
14 to that mark, as well as to the domain name for Bosley's own official site, "bosley.com." However,
15 the arbitrator firmly rejected Bosley's remaining claims. First, he found that Kremer "has legitimate
16 rights or interests in the Domain Name – namely, to make information about Bosley more widely
17 available." *Id.* at 3. In this regard, the arbitrator cited several previous arbitration decisions under the
18 UDRP that had held that the registration of a domain name for the purpose of consumer criticism
19 constitutes protected fair use, and thus is a legitimate use of the trademark. *Id.* at 4. Second, he ruled
20 that Bosley had not shown that any of the indicia of bad faith applied, and that Kremer's intention to
21 use the domain name to post litigation documents about Bosley and otherwise to further his goal of
22 non-commercial consumer criticism directly rebutted the claim of bad faith. The arbitrator cited
23 several previous arbitration decisions that had upheld uses of domain names, even ones that were
24 confusingly similar to an existing trademark, for purposes of consumer criticism, against claims of bad
25 faith. Finally, the arbitrator concluded as follows:

26 The Panel therefore reluctantly concludes that the purpose of this proceeding is less to
27 protect the Complainants' trademark rights than to squelch Respondent's criticism of
28 Complainants – a practice sometimes called "cyber-bullying." . . . The ICANN domain
name proceedings were intended to provide a swift and inexpensive remedy for
cybersquatting, not to provide trademark holders with a monopoly over every

1 permutation of their marks in domain names or a weapon to employ against domain
2 name registrants exercising legitimate free speech and fair use rights.

3 *Id.* at 4-5 (citation omitted).

4 **C. Proceedings to Date**

5 Undeterred by this ruling, Bosley sued Kremer in the United States District Court for the
6 Northern District of Illinois. As amended, its complaint raised the same trademark claim that was
7 litigated and lost in the UDRP arbitration proceeding, although the complaint never acknowledged the
8 arbitration proceeding. The complaint alleged that the domain name “bosleymedical.com” violates
9 various provisions of the federal trademark laws, including the cybersquatting, infringement, dilution,
10 and false designation of origin provisions. 15 U.S.C. §§ 1114, 1125(a), 1125(c), and 1125(d). The
11 complaint also alleged that “bosleymedicalviolations.com” violates Bosley’s trademark rights.
12 However, the complaint never alleged that the domain names or other uses of plaintiff’s marks were
13 “used in commerce” or “commercial.” Moreover, although the infringement claim incorporated by
14 reference the cybersquatting claim that Kremer’s names were “confusingly similar” to Bosley’s mark,
15 it never alleged that Kremer’s names or web site were likely to cause confusion with respect to the
16 ownership or source of the web sites. The complaint also alleged that Kremer’s web sites libeled the
17 plaintiffs.

18 Kremer moved to dismiss on numerous grounds. First, he argued that the Illinois court lacked
19 jurisdiction over him. Second, he argued that the failure to allege use in commerce, and the obviously
20 non-commercial character of the web sites themselves, barred proceeding under the trademark laws.
21 Likewise, the failure to allege likelihood of confusion, coupled with the obvious absence of confusion
22 caused by the web sites, required the dismissal of the infringement claim. Third, Kremer showed that
23 the state-law claims should be dismissed for failure to state a claim and should be stricken under the
24 California anti-SLAPP statute.

25 Bosley consented to a change of venue to this Court, and Kremer again moved to dismiss and
26 to strike. Bosley sought and was granted leave to take limited discovery to respond to the motions.
27 Although the Magistrate Judge initially limited discovery to the libel issues, Kremer voluntarily
28 expanded the list of subjects to which he responded to include the issue of “commercial use,” so that

1 he could later move for summary judgment on that issue. In October 2003, the parties reached a
2 settlement concerning the libel claims, and Bosley amended its complaint yet again, mooting the
3 pending motions and more specifically alleging commercial use as well as the existence of a “plan to
4 extort” money from Bosley through the creation of critical web sites.

5 The newly amended complaint alleged infringement, unfair competition and dilution under the
6 Lanham Act, cybersquatting under the Anticyberquatting Consumer Protection Act (“ACPA”), and
7 trademark infringement, dilution, and “unlawful business practices” under California law. Kremer
8 renewed his motion to dismiss all state and federal claims on their face. Kremer argued that because
9 his web sites were alleged in the complaint, their contents could be considered under Rule 12(b)(6)
10 without converting that part of his motion into one for summary judgment. At the same time,
11 Kremer’s motion also sought summary judgment and to strike the state-law counts under California’s
12 anti-SLAPP statute. In support of these aspects of his joint motion, Kremer attached an affidavit and
13 numerous other exhibits. Bosley also sought summary judgment on the federal trademark issues, but
14 it did not, however, seek summary judgment on either the ACPA claim or the state trademark claims.

15 On April 29, 2004, this Court decided that, because evidence had been attached to Kremer’s
16 joint motion to dismiss and for summary judgment, and because Bosley had not only cross-moved for
17 summary judgment but attached exhibits to that motion, it would treat Kremer’s motion as one for
18 summary judgment. The Court granted summary judgment dismissing all federal claims. DN 115,
19 at 4. The Court ruled that all federal claims required that Kremer’s use of Bosley’s trademarks must
20 have been commercial, and that the presence of links to other sites which themselves contained
21 advertisements, or to the web site of Kremer’s pro bono counsel, did not render either of Kremer’s
22 sites commercial. *Id.* 10-14.^{3/} As an independent ground for summary judgment, the Court also held
23 that because Kremer’s web sites themselves were not confusing about source, and because each of
24 Kremer’s web sites contained a prominent hyperlink to Bosley’s own site, the possibility that someone
25 searching for Bosley’s own web site might access Kremer’s web site by mistake was legally irrelevant,
26 and hence that the domain names did not create a likelihood of confusion as a matter of law.

27
28 ^{3/}Although the Court ruled that such links did not make Kremer’s site impermissibly commercial, and
the Court of Appeals expressly affirmed on that point, he nevertheless removed them from his site.

1 Finally, the Court held that, because Bosley had sued over use of Bosley's name both in the
2 domain names and in the content of the web sites, and because the relief Bosley sought would have
3 a chilling effect on Kremer's right of free speech, California's anti-SLAPP statute applied. The same
4 elements needed to state federal trademark claims were also needed to prove the state-law claims –
5 that is, Bosley's infringement and unfair business practices claims required both commercial use and
6 likelihood of confusion, and its state dilution claim required commercial use. Accordingly, having
7 found against Bosley on the federal trademark claims, the Court granted Kremer's special motion to
8 strike, and later awarded attorney fees in favor of Kremer.

9 Bosley appealed parts of this decision, but did not appeal the ruling that Kremer was entitled
10 to keep the second domain name, "bosleymedicalviolations.com," or the ruling that Kremer was
11 entitled to use Bosley's name in the text of his web site (as opposed to in the domain name
12 "bosleymedical.com"). Given that it was not seeking to overturn the rulings based on the content of
13 Kremer's web site, Bosley argued, its lawsuit was no longer aimed at Kremer's free speech, and
14 accordingly the anti-SLAPP statute did not apply to its claims. Bosley also argued that, even if
15 commercial use were required to show a violation of the Lanham Act's infringement and dilution
16 provisions, commercial use was only one of several factors to be considered under the ACPA, and
17 hence summary judgment on the ACPA claim could not be affirmed solely based on Bosley's inability
18 to prove commercial use. Finally, Bosley argued that the record evidence was sufficient to prove both
19 commercial use and likelihood of confusion as a matter of law.

20 The Court of Appeals affirmed in part and reversed in part. 403 F.3d 672 (9th Cir. 2005). The
21 Court agreed that commercial use is a fundamental requirement for both federal dilution and
22 infringement claims. *Id.* at 676-677. The Court of Appeals also agreed that the site was
23 noncommercial because it neither offered any products for sale nor contained paid advertising from
24 any commercial entity. *Id.* at 677. Neither the presence of links to other web sites which themselves
25 had advertisements, nor the fact that Kremer's web sites were critical of a commercial enterprise
26 (Bosley), was sufficient to deem Kremer's web site commercial. *Id.* at 677-678. Moreover, Bosley's
27 contention that Kremer's web site was created to extort money from Bosley failed because "there is
28 no evidence that Kremer was trying to sell the domain name itself," *id.* at 678, and Bosley had not

1 moved to take discovery for the purpose of showing such an effort on Kremer's part. *Id.* at 678-679.
2 Because the Court of Appeals affirmed based on lack of commercial use, it did not consider this
3 Court's holding on likelihood of confusion, although its discussion of the fact that any harm to Bosley
4 would come from Kremer's criticism rather than his sale of competing products, *id.* at 679-680 & n.3,
5 suggests sympathy with that holding.

6 On the other hand, the Court of Appeals agreed with Bosley's arguments that the ACPA claim
7 does not contain a commercial use requirement and that, because Bosley had not cross-moved for
8 summary judgment on the ACPA issue, the basis for this Court to grant summary judgment on the
9 Lanham Act issues without prior notice did not apply to the ACPA issue. *Id.* at 680-681. Finally, the
10 Court of Appeals reversed the decision to strike the state-law claims under the anti-SLAPP statute.
11 A domain name, the Court indicated, may or may not represent an exercise of free speech rights
12 depending on context; accordingly, the anti-SLAPP statute did not apply to lawsuits directed solely
13 at the use of a domain name. *Id.* at 682. In this regard, the Court of Appeals noted that a motion for
14 summary judgment on the state-law claims "might have been well-taken" inasmuch as the state-law
15 claims required the same elements as the federal Lanham Act claims, but the anti-SLAPP motion to
16 strike was not proper. *Id.* The case was therefore remanded for further proceedings on the surviving
17 ACPA and state-law claims.

18 SUMMARY OF ARGUMENT

19 Bosley's state law claims should be dismissed under Rule 12(b)(6) because they seek to hold
20 Kremer liable for using Bosley's trademarks in connection with a noncommercial web site expressing
21 Kremer's opinions about Bosley's marketing and medical practices and presenting information about
22 Bosley's extensive medical disciplinary history and the facts about Bosley that were discovered during
23 those disciplinary proceedings. This Court has already held that Kremer's web site is non-commercial
24 and that the non-confusing nature of Kremer's web site precludes a finding of likelihood of confusion
25 under the federal trademark laws, and the Court of Appeals has affirmed the commercial use holding.
26 The language and purpose of the trademark laws, considered in light of the First Amendment, bar the
27 application of trademark law to a consumer's non-commercial and non-confusing exercise of the right
28 of free speech. Because, as this Court has already ruled, the state-law claims depend on Bosley's

1 practices” statutes create commercial torts; standards such as “likelihood of confusion” and “dilution”
2 cannot constitutionally be applied to bar wholly non-commercial speech, and the invoked state laws
3 are replete with provisions limiting their application to commercial uses. The web sites at issue in this
4 case are so plainly noncommercial that they are, as a matter of law, beyond the scope of the trademark
5 laws, and plaintiffs’ conclusory allegation that Kremer has an inchoate “plan” to exchange his domain
6 name for money fails because Bosley has not alleged a concrete act demanding payment for that name.
7 Third, the infringement counts fail because the domain names considered in conjunction with the web
8 sites themselves are nonconfusing as a matter of law. The law permits trademarks to be used in the
9 domain names for nonconfusing web sites whose subject is the trademarked goods or services.
10 Accordingly, the Court should dismiss the complaint on its face.

11 A motion to dismiss may be granted if the complaint states a claim for relief, taking all “well-
12 pleaded factual allegations as true,” *Schwarz v. United States*, 234 F.3d 428, 435 (9th Cir. 2000), but
13 disregarding “conclusory allegations of law and unwarranted inferences.” *Associated Gen’l*
14 *Contractors v. Metropolitan Water Dist.*, 159 F.3d 1178, 1181 (9th Cir. 1998). However, the Court
15 is not limited to considering the words in the complaint itself, because the web sites are referenced in
16 the complaint, and the complaint rests on misuse of the trademarks in connection with the web sites.
17 The Court may look beyond the written allegations in the complaint and consider the contents of the
18 documents on which the complaint is based. *Branch v. Tunnell*, 14 F.3d 449, 453-454 (9th Cir. 1994)
19 (“[W]hen the plaintiff fails to introduce a pertinent document as part of his pleading, the defendant
20 may introduce the exhibit as part of his motion attacking the pleading.”). *Accord Parrino v. FHP,*
21 *Inc.*, 146 F.3d 699, 705-706 (9th Cir. 1998); *Interstate Nat. Gas Co. v. Southern California Gas Co.*,
22 209 F.2d 380, 384 (9th Cir. 1953). Two of the allegedly extortionate letters are attached to the
23 complaint, while the other letter and Kremer’s bosleymedical.com web site are alleged in the
24 complaint, and Kremer has attached them to his motion. Therefore, these documents may also be
25 considered in deciding whether Bosley has stated a claim on which relief can be granted.

26
27 **A. The Trademark Claims Infringe Kremer’s Free Speech Right to Describe
the Subject of His Criticism.**

28 Ordinarily, a court should consider statutory issues first to avoid the adjudication of

1 constitutional issues. However, trademark laws are customarily construed in light of First Amendment
2 concerns, particularly insofar as they distinguish between commercial and non-commercial speech.
3 Accordingly, we begin our analysis with the First Amendment.

4 Plaintiff's action to enforce its trademark seeks government action by a court, which is subject
5 to scrutiny under the First Amendment. *Shelley v. Kraemer*, 334 U.S. 1, 14-15 (1948); *Organization*
6 *for a Better Austin v. Keefe*, 402 U.S. 415, 418 (1971). In trademark cases, First Amendment
7 considerations routinely receive separate discussion, although they also inform statutory interpretation.
8 Where, as here, the defendant is engaged in non-commercial speech, the mere application of trademark
9 law may violate the First Amendment. *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 32-33 (1st Cir.
10 1987). Even if a trademark has been used in a commercial context, courts are required to construe the
11 trademark laws narrowly to avoid impingement on First Amendment rights. *E.g.*, *Cliffs Notes v.*
12 *Bantam Doubleday*, 886 F.2d 490, 494 (2d Cir. 1989). First Amendment interests are weighed as a
13 factor in deciding whether a trademark violation should be found, *e.g.*, *Anheuser-Busch v. Balducci*
14 *Publications*, 28 F.3d 769, 776 (8th Cir. 1994), and injunctions must be narrowly crafted to comply
15 with the rule against prior restraints on speech. *Id.* at 778; *Better Business Bureau v. Medical*
16 *Directors*, 681 F.2d 397, 404-405 (5th Cir. 1982).

17 Kremer's use of his domain name to denominate a web site about Bosley is protected by the
18 First Amendment. First, numerous cases treat consumer commentary as core speech protected by the
19 First Amendment. *See, e.g.*, *Bose Corp. v. Consumers Union*, 466 U.S. 485, 504-505 & n.22 (1984)
20 (*New York Times* standard applied in manufacturer's libel suit claiming that consumer group had
21 maligned its product). Many other cases have similarly treated criticisms of a company's products or
22 business practices as speech protected by the First Amendment, as opposed to criticism by commercial
23 competitors which is often analyzed under commercial speech principles. *E.g.*, *Porous Media Corp.*
24 *v. Pall Corp.*, 173 F.3d 1109, 1119-1121 (8th Cir. 1999); *Semco v. Amcast*, 52 F.3d 108, 111-114 (6th
25 Cir. 1995); *U.S. Healthcare v. Blue Cross of Greater Philadelphia*, 898 F.2d 914, 927-939 (3d Cir.
26 1990); *Mattel v. MCA Records*, 28 F. Supp.2d 1120, 1144-1145 (C.D. Cal. 1998).

27 Kremer's use of the domain name "bosleymedical" for his web site is just the sort of consumer
28 commentary that courts assiduously protect. Kremer's use of plaintiff's trademark in his domain

1 name, not just the web site generally, constitutes protected speech. Courts have repeatedly held that
2 the use of trademarks constitutes speech within the protection of the First Amendment. *E.g., Bad*
3 *Frog Brewery v. New York State Liquor Authority*, 134 F.3d 87, 94-97 (2d Cir. 1998); *ACLU of*
4 *Georgia v. Miller*, 977 F. Supp. 1228, 1233 (N.D. Ga. 1997). Similarly, the First Amendment is often
5 invoked to protect the right to post a sign or banner indicating the presence of a particular entity.
6 *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981) (recognizing First Amendment interest
7 but holding that statute limiting offsite billboards was constitutional); *ACLU of Nevada v. City of Las*
8 *Vegas*, 466 F.3d 784, 798-799 (9th Cir. 2006) (striking down rule forbidding ACLU from putting
9 identifying banner on table). Use of a trademark in a domain name is analogous to the use of a
10 trademark in the title of a creative work, to which the courts give First Amendment protection because
11 it is part of the author's expression, calling attention to the fact that the work in question contains
12 content that may interest them. *E.g., Twin Peaks Production v. Publications Int'l*, 996 F.2d 1366,
13 1379 (2d Cir. 1993); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). By the same token,
14 Kremer's use of Bosley's name in his domain name serves to communicate to web users that his site
15 that contains information about that company, and hence implicates First Amendment concerns.

16
17 **B. California's Trademark Laws, Like the Lanham Act, Apply Only to Commercial Uses of Trademarks.**

18 Although Bosley is now pursuing its trademark claims against "bosleymedical.com" only
19 under state law, there are, so far as counsel have been able to determine, no California court trademark
20 decisions regarding domain names. This cause of action has apparently been pursued only in federal
21 court, albeit often by citing state as well as federal trademark law. Accordingly, in the following
22 discussion, Kremer relies largely on federal court decisions about domain names to analyze Bosley's
23 trademark claims.

24 Trademark law states a commercial tort. The limitation of trademark law to commercial uses
25 follows both from the language of the law and its purpose – to protect consumers against misleading
26 commercial conduct as well as from the limitations that the First Amendment places on the exercise
27 of government authority restricting free speech. *Taubman v. WebFeats*, 319 F.3d 770, 774 (6th Cir.
28 2003); *accord, Bosley Medical Institute v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005). *See also CPC*

1 *Int'l v. Skippy*, 214 F.3d 456, 462 (4th Cir. 2000). As this Court noted in its initial decision, which
2 was affirmed by the Ninth Circuit, the Lanham Act is confined to commercial uses. DEN 115, Slip
3 Op. at 10-14. By the same token, to the extent that state trademark laws, or other federal statutes
4 conferring trademark-type rights, are extended beyond the commercial speech context, they face
5 severe scrutiny under the First Amendment.^{4/}

6 The limitation of trademark law to commercial situations also follows from the distinctions
7 that First Amendment law draws between commercial and non-commercial speech. The fundamental
8 precept of trademark law is that it prevents uses of trademarks that are misleading, in that they are
9 “likely” to be “confusing” to consumers. The use of the trademark need not be deliberately confusing,
10 and it need not actually constitute a “false” statement of origin.

11 But First Amendment law does not authorize the regulation of non-commercial speech simply
12 because it is misleading. A political flyer or a newspaper article about a public figure could not be
13 enjoined, or made the basis for an award of damages, simply because some readers would likely find
14 it confusing. *O'Connor v. Superior Court*, 177 Cal.App.3d 1013, 1019, 223 Cal.Rptr. 357, 361
15 (1986). The concept of regulating speech that has the potential to be misleading, even though it is not
16 strictly speaking false, has developed over the last twenty-five years since the Supreme Court first
17 extended First Amendment protection to commercial speech. *Thompson v. Western States Medical*
18 *Center*, 535 U.S. 357, 367 (2002); *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 554 (2001). Unlike
19 non-commercial speech, commercial speech can be regulated even if it is “not provably false, or even
20 wholly false, but only deceptive or misleading.” *Friedman v. Rogers*, 440 U.S. 1, 9 (1979). Thus,
21 although “[a] company has the full panoply of protections available to its direct comments on public
22 issues, . . . there is no reason for providing similar constitutional protection when such statements are
23 made in the context of commercial transactions.” *Bolger v. Youngs Drug Products Corp.*, 463 U.S.

24 _____
25 ^{4/} *L.L. Bean v. Drake Publishers*, 811 F.2d 26, 33 (1st Cir. 1987); *Bally Total Fitness Holding*
26 *Corp. v. Faber*, 29 F. Supp.2d 1161, 1167 (C.D. Cal. 1998); *ACLU of Georgia v. Miller*, 977 F.
27 Supp. 1228, 1233 (N.D. Ga. 1997); *Lighthawk v. Robertson*, 812 F. Supp. 1095, 1097-1101 (W.D.
28 Wash. 1993); *Stop the Olympic Prison v. United States Olympic Comm.*, 489 F. Supp. 1112,
1124-1125 (S.D.N.Y. 1980); see also *Lucasfilm v. High Frontier*, 622 F. Supp. 931 (D.D.C. 1985)
(ruling on nonconstitutional grounds).

1 60 (1983). *Accord Bates v. State Bar of Arizona*, 433 U.S. 350, 383 (1977) (“the leeway for untruthful
 2 or misleading expression that has been allowed in other contexts has little force in the commercial
 3 arena.”); *Smith v. United States*, 431 U.S. 291, 318 (1977) (“Although . . . misleading statements in
 4 a political oration cannot be censored, . . . misleading representations in a securities prospectus may
 5 surely be regulated.”); *Young v. American Mini Theatres*, 427 U.S. 50, 68 and n.31 (1976) (regulatory
 6 commissions may prohibit businessmen from making statements which, though literally true, are
 7 potentially deceptive); *People v. Superior Court (Olson)*, 96 Cal.App.3d 181, 157 Cal.Rptr. 628
 8 (1979) (Section 17200 of California Business and Professions Code is constitutional because of lower
 9 level of constitutional protection for commercial speech) .

10 After stressing that the purpose of California Business and Professions Code section 17200
 11 is “to protect both consumers and competitors by promoting **fair competition in commercial markets**
 12 for goods and services,” *Kasky v. Nike*, 27 Cal.4th 939, 949, 45 P.3d 243 (2002), *cert. dismissed as*
 13 *improvidently granted*, 539 U.S. 654 (2003), the California Supreme Court summarized the differing
 14 First Amendment treatment of consumer criticism and commercial promotion:

15 A noncommercial speaker’s statements criticizing a product are generally
 16 noncommercial speech, for which damages may be awarded only upon proof of both
 17 falsehood and actual malice. (See, e.g., *Bose Corp. v. Consumers Union of U.S., Inc.*,
 18 *supra*, 466 U.S. at p. 513, 104 S.Ct. 1949 [so treating unflattering statements in a
 19 consumer magazine’s review of high fidelity speakers].) A commercial speaker’s
 20 statements in praise or support of the same product, by comparison, are commercial
 21 speech that may be prohibited entirely to the extent the statements are either false or
 22 actually or inherently misleading. (In *re R.M.J.*, *supra*, 455 U.S. at p. 203, 102 S.Ct.
 23 929.)

24 27 Cal.4th at 967, 45 P.3d at 261.

25 Moreover, California trademark laws have consistently been construed to have the same
 26 requirements as their federal counterparts, requiring commercial use. *Panavision Int’l v. Toeppen*, 141
 27 F.3d 1316, 1324, 1325-1326 (9th Cir. 1998); *Kasky v. Nike*, *supra*, 27 Cal.4th at 949, 967, 45 P.3d at
 28 249, 261, 119 Cal.Rptr.2d at 303, 317 (2002); *People v. Superior Court (Olson)*, 96 Cal.App.3d 181,
 157 Cal.Rptr. 628 (1979). Similarly, common law unfair competition applies to “competitors,”
Upland Anesthesia Medical Group v. Doctors’ Co., 100 Cal.App.4th 1137, 1142, 123 Cal.Rptr.2d 94,
 97 (2002); “is a remedy for injury to a business rival,” *American Cyanamid Co. v. American Home*
Assurance Co., 30 Cal.App.4th 969, 976 977, 35 Cal.Rptr.2d 920, 924 (1994), and requires

1 “competitive injury,” *Bank of the West v. Superior Court*, 2 Cal.4th 1254, 1264, 1267, 10 Cal.Rptr.2d
2 538, 544, 833 P.2d 545, 551, 1264 (1992), a situation that is plainly not present here.

3 In its 2004 ruling, this Court squarely endorsed the commercial use requirement:

4 The same analysis and elements apply in California trademark and unfair business
5 practices claims as those that apply in federal trademark claims. *See Century 21 Real*
6 *Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180 (9th Cir. 1988); *Avery Dennison [v.*
7 *Sumpton]*, 189 F.3d [868] at 874 [(9th Cir. 1999)]. Thus, to prevail on its California
8 trademark infringement and unfair business practices claims, Bosley would have to
9 establish commercial use and likelihood of confusion. To prevail on its California
10 trademark dilution claim, Bosley would have to establish commercial use.

11 DEN 115, Slip Op. at 17.

12 Accordingly, Bosley’s California claims cannot succeed unless it has adequately pleaded commercial
13 use of the domain name “bosleymedical.com.”

14 **C. The State-Law Counts in the Complaint Should Be Dismissed Because,**
15 **Considered Together With Its Attached Exhibits and the Underlying Web**
16 **Sites, the Complaint Does Not Allege Commercial Use Sufficient to**
17 **Warrant Regulation Under the Trademark Laws.**

18 Unlike the original complaint, the First Amended Complaint contains allegations that are
19 directed toward the issue of commercial use. However, those allegations, when considered along with
20 the exhibits attached to the complaint and the underlying web sites themselves, are insufficient to state
21 a claim under California trademark law.

22 Two different sets of allegations in the Complaint are apparently directed to the issue of
23 whether Kremer is using Bosley’s trademarks commercially. First, several allegations are directed
24 at the web sites themselves. Paragraphs 37 and 44 allege that Kremer uses the marks in commerce
25 by registering the domain names and using them on web sites that “have included advertising and links
26 to third party sites, including hair industry related sites”; and paragraph 53 alleges that both Bosley
27 and Kremer use their web sites as “marketing channels.” To the extent that these allegations refer to
28 “bosleymedicalviolations.com,” they are irrelevant to the claims remaining in this case, which pertain
only to “bosleymedical.com.” Moreover, because the sites themselves are referenced in the complaint,
it is possible to determine, by examining the sites online, that Kremer does not sell anything on the
web sites, and does not carry any advertising on them. As for links to companies in the hair industry,
the only such links are (1) two links to Bosley’s official web site, which are included in the disclaimers

1 of affiliation with Bosley so that viewers who have reached Kremer's site in error can go directly to
2 Bosley's own site with a mere click of the mouse, and (2) links on bosleymedical.com to a press
3 release on the official web site of Aderans, Inc., announcing its acquisition of Bosley. Links to
4 Bosley and related sites do not make Kremer's web sites commercial, any more than, in *Taubman v.*
5 *WebFeats*, the fact that the disclaimer on WebFeats's commentary web site linked back to Taubman's
6 own shopping center web sites, 319 F.3d at 770, constituted a "commercial use."

7 Equally important, this Court has already ruled that the presence of advertising on web sites
8 to which Kremer's web sites were formerly linked was not sufficient to render Kremer's own web site
9 "commercial" within the meaning of the Lanham Act. At the very least, that holding is law of the
10 case, *Leslie Salt Co. v. United States*, 55 F.3d 1388, 1393 (9th Cir. 1995); *Waggoner v. Dallaire*, 767
11 F.2d 589, 593 (9th Cir.1985), and should indeed preclude the relitigation of the same issue. 18
12 Wright, Miller & Cooper, *Federal Practice & Procedure: Jurisdiction and Related Matters* § 4418;
13 *Cowgill v. Raymark Industries*, 832 F.2d 798, 802 (3d Cir. 1987) ("When a court of appeals reverses
14 a judgment and remands for further consideration of a particular issue, leaving other determinations
15 of the trial court intact, the unreversed determinations of the trial court normally continue to work an
16 estoppel."). Because the state claims implicate the same elements as the federal claims did, this
17 Court's final ruling on the issue of commercial use controls the result here.

18 The only other parts of the complaint that appear to be directed to commercial use are
19 allegations that Kremer had a "plan" or a "scheme" to extort money from Bosley by "embarking on
20 a smear campaign," from which he allegedly would refrain if monetary demands were met "in
21 exchange for the domain name." Amended Complaint ¶¶ 32, 33, 35. The complaint theorizes that,
22 having lost a malpractice action against Bosley and the surgeon who operated on his scalp, Kremer
23 resolved to find other ways to exact a payment of the damages award that he had been denied, first by
24 allegedly sending a threatening letter to the doctor himself demanding money, ¶¶ 28-29 and Exhibit
25 G, and then by notifying Bosley of his plans for a publicity campaign, including creation of a web site,

26
27
28

1 albeit with no mention of money. ¶¶ 32-33 and Exhibit H.^{5/}

2 Even assuming that California law would treat such an extortion scheme as being the sort of
3 commercial use that is sufficient to implicate the trademark laws, Bosley's reliance on these
4 allegations to support the contention that there is "commercial use" sufficient to implicate state
5 trademark law is precluded by the Court's prior determination of this issue in connection with the
6 federal trademark claims, for the same reason that the claims of commercial use based on links is
7 precluded. This Court previously held that there was insufficient evidence to support Bosley's claims
8 of commercial use in the form of extortion for a domain name, and the Court of Appeals expressly
9 affirmed that finding. 403 F.3d at 678. Having lost its claims of commercial use at an earlier stage
10 of the litigation, Bosley cannot raise the identical contention to support the identical element of
11 separate counts of the complaint.

12 Moreover, the complaint's allegations of a plan to extort money through exchange of the
13 domain name are insufficient to state a claim on the necessary element of commercial use. In this
14 regard, although the complaint is replete with allegations about Kremer's alleged plan, with one
15 exception the complaint does not allege any "overt act" in furtherance of the scheme to sell domain
16 names. Most of the paragraphs pertaining to the plan simply allege a general intention on Kremer's
17 part, Complaint ¶ 33, or state that Kremer was threatening to create a critical web site or offering to
18 refrain from criticism, without ever stating that he would refrain from using the domain names if he
19 were paid. ¶¶ 28, 29, 30, 35.

20 The one allegation of an overt act demanding money for the domain name is paragraph 32,
21 _____

22 ^{5/}During his deposition, and again in the affidavit submitted in support of his 2003 motion for
23 summary judgment, Kremer has denied being the author of the letter from "Mike Kramer" that is
24 attached as Exhibit G. However, for the purpose of the motion to dismiss, the allegation that Kremer
25 wrote the letter must be taken as true. If this motion were converted into one for summary judgment,
26 then, given Kremer's sworn denial, Bosley would have to present evidence proving Kremer's
27 involvement to create a genuine issue about whether he **was** involved with it. On the other hand, to
28 the extent that Bosley is claiming that Kremer's threat of criticism and implicit promise to refrain from
public criticism if he were paid make his activities "commercial," we question whether that is speech
"proposing a commercial transaction" or seeking to influence Bosley in its commercial decision,
sufficient to bring the underlying speech on the web sites within the doctrine of commercial speech.
See Spiritual Psychic Science Church v. City of Azusa, 39 Cal.3d 501, 511, 217 Cal. Rptr. 225, 230,
703 P.2d 1119, 1123-1124 (1985). The Court need not decide that question given Bosley's failure to
properly allege more than an inchoate plan.

1 which alleges that Kremer “visited Bosley’s offices [and] left a package including a letter to Dr.
2 Bosley (attached as Exhibit H) regarding Kremer’s threat to use Bosley’s trademarks as a domain
3 name to criticize Bosley in a website published at bosleymedical.com, unless Kremer’s implied
4 monetary demands were met.” However, Exhibit H neither solicits a payment nor refers to domain
5 names at all. Exhibit H contains a list of eleven actions that Kremer contemplated undertaking,
6 including complaints to law enforcement authorities, fomenting a class action lawsuit, holding
7 demonstrations, and contacting advertisers and employees and the media – none of which is actionable
8 under the trademark laws. The one item pertaining to the Internet reads as follows: “Net web sites
9 disclosing true nature of BMG. letter 3/14/96 from LAC D.A. Negative testimonials from former
10 clients. Links.” Thus, even if Bosley’s apparent inference that the threat to engage in the list of eleven
11 actions and the provision of Kremer’s telephone number constituted a demand for money, there is no
12 suggestion here that Kremer would use Bosley’s name in a domain name or refrain from such domain
13 names if he were paid. Considered in conjunction with its supporting exhibit, therefore, this paragraph
14 does not support a claim that the domain name was registered or used for commercial purposes.^{6/}

15 Without paragraph 32, the complaint simply alleges an inchoate conspiracy to extort funds for
16 the domain name without any overt act in furtherance of that conspiracy. Just as a civil conspiracy
17 claim cannot be brought without both allegations and proof of overt acts that are themselves tortious,
18 *Beck v. Pupris*, 529 U.S. 494, 501-502 (2000), so a mere allegation of a “plan” to extort funds without
19 any concrete action in furtherance of the plan should not be deemed actionable. Moreover, Ninth
20 Circuit law suggests that the mere registration of domain names that contain trademarks, without any
21 “attempt to sell the trademarks themselves” to the trademark holders, does not constitute commercial
22 use under the Lanham Act. *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 880 (9th Cir, 1999),

23 _____
24 ^{6/}Bosley apparently intends to argue that a third letter, mailed by Kremer to several individual Bosley
25 doctors, constitutes further action in furtherance of his alleged “plan to solicit money . . . in exchange
26 for the domain names and Kremer agreeing not to publish the websites. . . .” ¶ 35. That letter, which
27 was produced to Bosley in response to its 2002 Request for Production, Bates No. 327, is attached to
28 this motion. The letter says that it is from the webmaster of “bosleymedical.com,” but does not
suggest any willingness to give up the name or solicit a quid pro quo for the names. The letter only
discusses the content that Kremer planned to place on the Internet, and attached an excerpt from a
letter from the Los Angeles District Attorney’s office to Bosley, which at that point had been prepared
for placement online. In any event, ¶ 35 only alleges an inchoate plan and does not allege any money
demand.

1 *citing Panavision Int'l v. Toepfen*, 141 F.3d 1316, 1324-1325 (9th Cir. 1998). Cybersquatters are
2 engaged in commercial activity because they are in the “business” of selling domain names. *Id.* at
3 1325. The allegation that Kremer had it in mind to try to sell the domain names does not render his
4 use commercial under the Lanham Act absent concrete steps in that direction.

5 Ninth Circuit law has dealt with an analogous situation in the context of suits claiming that a
6 private party has engaged in an antitrust conspiracy by lobbying government officials. The courts
7 recognize the danger that such suits may wear down the defendant with expensive litigation so that,
8 even if he can prevail in the end, the cost of “free speech” becomes so high that he gives up his rights.
9 At the same time, others who see what Bosley does to its critics will censor themselves. *E.g.*,
10 *Franchise Realty Interstate Corp. v. Culinary Workers San Francisco Jt. Bd.*, 542 F.2d 1076, 1083
11 (9th Cir. 1976); *see also Wilcox v. Superior Court*, 27 Cal. App. 4th 809, 816 (1994). Consequently,
12 “when a plaintiff seeks damages . . . for conduct which is prima facie protected by the First
13 Amendment, the danger that the mere pendency of the action will chill the exercise of First
14 Amendment rights requires more specific allegations than would otherwise be required.” *Kottle v.*
15 *Northwest Kidney Centers*, 146 F.3d 1056, 1063 (9th Cir. 1998); *Barry v. Time, Inc.*, 584 F. Supp.
16 1110, 1121-1122 (N.D. Cal. 1984).

17 The same principles apply in the context of litigation about the use of trademarks on critical
18 web sites, where the web site has not been created by a serial cybersquatter but by an individual whose
19 motivation appears to be a critical view of the trademark holder. Given that, as Bosley now concedes,
20 the web site itself does not violate the Lanham Act and is protected by the First Amendment, the Court
21 should require the trademark holder to offer more than a conclusory allegation that the critic has an
22 inchoate desire to be paid to be quiet. To withstand dismissal, the complaint must offer concrete
23 allegations that the person who registered or used the domain name actually offered to sell the name
24 or exchange it for valuable consideration. Because there are no such allegations here, the complaint
25 should be dismissed for failure to properly allege commercial use.^{2/}

26 _____
27 ^{2/}To the extent that Bosley’s ACPA claims turn solely on its contention that Kremer registered his
28 “bosleymedical.com” domain name to extort a payment, that claim would be subject to dismissal for
the same reasons that the state trademark claims should be dismissed. However, the ACPA Count

1
2 **D. Kremer’s Web Sites Are Not Likely to Confuse Viewers About Whether Bosley Sponsors Them, and Kremer’s Use of the Name “Bosley” Is Fair Use as a Matter of Law.**
3

4 The California trademark infringement and unfair business practices claims should also be
5 dismissed under Rule 12(b)(6) because no reasonable person could possibly be confused about
6 whether Bosley is the sponsor of Kremer’s web sites. As the Court stated in its 2004 ruling, likelihood
7 of confusion is a necessary element of Bosley’s claims both for California common-law infringement
8 and for unfair business practices. DEN 115, Slip Op. at 17. *See also Dr. Seuss Enterprises v. Penguin*
9 *Books*, 109 F.3d 1394, 1403 (9th Cir. 1997) (“[L]ikelihood of confusion is the basic test for both
10 common law trademark infringement and federal statutory trademark infringement”).

11 Although the current Amended Complaint alleges likelihood of confusion, the web sites
12 themselves can be considered on this motion to dismiss, as discussed *supra* at 10. This Court ruled
13 in 2004 not only that the web site itself posed no likelihood of confusion, but that it would be apparent
14 to any person visiting “bosleymedical.com” that it was sponsored by a fierce critic of Bosley. The
15 Court also held that so long as the web site itself is clear about not being sponsored by Bosley, and
16 so long as there is a prominent disclaimer with a hyperlink to Bosley’s official site for those who have
17 reached Kremer’s site while looking for Bosley, the use of a domain name to identify the web site as
18 being about the trademark holder is a completely permissible use of the mark. That ruling, which was
19 appealed but not overturned by the Ninth Circuit, is now final and controls the disposition of the state
20 trademark claims as well.

21 Previously this Court relied on the Sixth Circuit’s decision in *Taubman v. WebFeats*, 309 F.3d
22 770 (2003) to support its ruling. Since then, other courts have joined the Sixth Circuit in embracing
23 that same legal proposition. Most significant is the Fourth Circuit, which held that the domain name
24 “www.falwell.com” did not create a likelihood of confusion about sponsorship by the Reverend Jerry
25 Falwell because the web site is itself was patently nonconfusing. *Lamparello v. Falwell*, 420 F.3d 309
26 (4th Cir. 2005). Several other decisions have upheld domain names for gripe sites in that same format.

27 _____
28 instead alleges a “bad faith intent to profit,” and alleges that several factors support Bosley’s claims
in that regard. Accordingly, instead of moving to dismiss the ACPA count on its face, Kremer is filing
a separate motion for summary judgment on the ACPA claims.

1 *E.g., TMI, Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004) (addressing only issue of noncommercial
2 use); *Lucas Nursery and Landscaping v. Grosse*, 359 F.3d 806 (6th Cir. 2004) (addressing only bad
3 faith intent to profit); *Savannah College of Art and Design v. Houeix*, 369 F. Supp.2d 929 (S.D. Ohio
4 2004); *Mayflower Transit v. Prince*, 314 F. Supp.2d 362 (D.N.J. 2004); *Ficker v. Tuohy*, 305
5 F.Supp.2d 569 (D. Md. 2004). *See also Ty v. Prettyman*, 306 F.3d 509 (7th Cir. 2002) (allowing
6 unauthorized use of “bargainbeanies.com” for web site promoting sale of second-hand Beanie Babies).

7 To be sure, the Ninth Circuit has held that a company’s use of a business **competitor’s**
8 trademark in its domain name may be a basis for finding a likelihood of confusion about the source
9 of the web site because of the danger of “initial interest confusion.” *Brookfield Communications v.*
10 *West Coast Video*, 174 F.3d 1036, 1053-1065 (9th Cir. 1999). However, that court also embraced the
11 concept of “nominative fair use,” where the speaker uses the trademark to speak about the trademark
12 holder or its goods and services. *Id.* at 1065-66; *Playboy Enterprises v. Welles*, 78 F. Supp.2d 1066,
13 1073-1075 (S.D. Cal. 1999), *aff’d*, 279 F.3d 796, 804 (9th Cir. 2002); *New Kids on the Block v. New*
14 *America Pub.*, 971 F.2d 302, 306-309 (9th Cir. 1992); *see also* McCarthy on Trademarks § 23.11.
15 This concept reflects the principle that the owner of a trademark cannot use his control over that mark
16 to prevent others from expressing their constitutionally protected opinions.

17 For example, the courts uniformly recognize that the concept of fair use, as construed
18 consistently with the First Amendment, allows the publisher or author of a book or song about a
19 famous person (or product) to use that name in the title of the work. *Mattel v. MCA Records*, 296 F.3d
20 894, 902 (9th Cir. 2002); *Twin Peaks Production v. Publications Int’l*, 996 F.2d 1366, 1379 (2d Cir.
21 1993); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). Domain names can play the same role
22 as a book title in denominating the subject of the underlying web site. For example, “apples.com” is
23 the domain name of a web site about apples, even though “Apple” is also the trademark of a well-
24 known computer company.

25 Here, Kremer is using Bosley’s name on his web site and in his domain name solely for the
26 purpose of describing the subject matter of his site and the target of his criticisms. As such, Kremer
27 fits comfortably within the fair use and nominative use defense. Bosley’s inability to prove likelihood
28 of confusion, or to overcome the defense of fair use, is an additional ground for dismissing the state

WEBMASTER
BOSLEYMEDICAL.COM

consumerwatch@altavista.com

11/1/00

Thomas Buchholtz
Bosley Medical
1700 Montgomery St
Ste. 221
San Francisco, CA 94111

Dear BMG clinician,

I thought you might like a preview of the home page for **bosleymedical.com** which will soon be published on the World Wide Web. It contains a public record of the L.A. County D.A.'s Office Consumer Protection Division findings on BMG.

This is the first of a series of websites pertaining to BMG. Some of the others to follow include:

Dateline NBC's Undercover Investigation of Bosley Medical - transcripts from the program titled "Splitting Hairs".

Larry (L.Lee) Bosley's Medical Board Violations - details of medical licensure probation and violations.

Bosley Medical Sued for Malpractice - plaintiffs' courses of action against BMG and attorney referral list.

Bosley Medical Doctor Background Information - Vital Statistics, background and personal information on Bosley MDs.

Bosley Medical - Patient Complaints and Bosley Disasters - self explanatory

- Caveat Emptor

Enclosure