

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

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STILLWATER LAKES CIVIC ASSOCIATION, INC.,	:	
	:	
Plaintiff,	:	
v.	:	
	:	
NOREEN GORKA, MICHAEL GLASSIC, STILLWATER LAKES CITIZENS, AND STILLWATER LAKES COMMUNITY ACTIVIST, a Pennsylvania Corporation,	:	Civil Action No. 3:08 CV 2264
	:	
	:	JURY TRIAL DEMANDED
Defendants.	:	

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**MEMORANDUM OF LAW IN SUPPORT OF MOTION TO DISMISS
PLAINTIFF'S COMPLAINT PURSUANT TO FED. R. CIV. P. 12(B)(6)
BY DEFENDANTS NOREEN GORKA, MICHAEL GLASSIC,
STILLWATER LAKES CITIZENS, AND STILLWATER LAKES
COMMUNITY ACTIVIST, a Pennsylvania Corporation**

I. Preliminary Statement

Defendants Noreen Gorka, Michael Glassic, Stillwater Lakes Citizens, and Stillwater Lakes Community Activist, a Pennsylvania Corporation, respectfully submit this memorandum of law in support of the motion to dismiss pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure.

Plaintiff through its Board of Directors filed a Complaint on December 18, 2008 against the instant Defendants setting forth six (6) counts: (I) Lanham Act-Trade Name Infringement; (II) Cyber Squatting; (III) Statutory Anti-Dilution of Trade Name; (IV) Anti-Dilution

Misappropriation of Corporate Name; (V) Unfair Competition; and (VI) Common Law Trade Mark Infringement.

The instant Defendants filed a motion to dismiss pursuant to Rule 12(b)(6) on January 20, 2009. This Memorandum of Law is filed in support of that Motion to Dismiss by the instant defendants.

II. Standard of Review

In determining a motion to dismiss pursuant to Rule 12(b)(6) of the Federal Rules and Civil Procedure, the Court is required to accept as true all of the factual allegations in the complaint and all reasonable inferences that can be drawn from the face of the complaint. Nami v. Fauver, 82 F.3rd 63, 65 (3rd Cir. 1996). “The complaint will be deemed to have alleged sufficient facts if it adequately put[s] the defendant on notice of the essential elements of the plaintiff’s cause of action.” Id. In the consideration of the 12(b)(6) motion, the Court must take well pleaded facts in the complaint as true and view them in the light most favorable to the Plaintiff. See Jenkins v McKeithen, 395 U.S. 411 (1969). The Court will not dismiss a complaint for failure to state a claim “unless it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief.” Conley v. Gibson, 355 U.S. 41, 45-46 (1957). The Court, however, need not accept the truth of “conclusory allegations of law, unsupported conclusions and unwarranted inferences.” Pennsylvania House, Inc. v. Barrett, 760 F. Supp. 439, 499-50 (M.D. Pa. 1991). “In determining whether a claim

should be dismissed under Rule 12 (b)(6), a court looks only to the facts alleged in the complaint and its attachments without reference to other parts of the record.” Jordan v. Fox, Rothschild, O’Brien & Frankel, 20 F.3rd 1250, 1261 (3rd Cir. 1994).

III. STATEMENT OF THE QUESTIONS PRESENTED

A. WHETHER PLAINTIFFS HAVE ESTABLISHED THAT IT HAS CREATED A TRADEMARK?

Suggested Answer: No.

B. WHETHER PLAINTIFF HAS STATED STATED A CAUSE UPON WHICH RELIEF CAN BE GRANTED AGAINST THE ANSWERING DEFENDANTS UNDER ANY OF THE SIX THEORIES OF RECOVERY?

Suggested Answer: No.

III. DISCUSSION

A. WHETHER PLAINTIFFS HAVE ESTABLISHED THAT IT HAS CREATED A TRADEMARK?

The gravamen of all of the claims is set forth in paragraph 2 of the Plaintiff’s

Complaint:

“As a corporation, the Association has ownership rights to its corporate and trade name (“Stillwater Lakes” and “Stillwater Lakes Civic Association, Inc.”) pursuant to Articles of Incorporation filed with the Pennsylvania Department of State in 1976.

It is the contention of the Plaintiff in each individual count that the filing of the Articles of Incorporation with the Pennsylvania Department of State in some manner accounts to common law trademark protection to the names “Stillwater Lakes” and “Stillwater Lakes Civic Association, Inc.”

Plaintiff is maintaining this instant action against the Defendants for their alleged use of registered domain names strikingly similar to the Plaintiff's name and have allegedly used the Plaintiff's "official" corporate and trade name without Association authorization.

The initial determination to be made under any theory of recovery in favor of the Plaintiff must establish that the Plaintiff has established any trademark in this case.

A trademark is any word, symbol, or device, or any combination thereof (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principle register established by the provisions of 15 U.S.C. Section 1127.

A trademark is used to protect one set of goods from another in interstate commerce.

The U.S. Copyright and Patent office stipulates that some brand names, trade names, slogans, and phrases may be entitled to protection under the general rules of law relating to unfair competition, or they may be entitled to protection and registration under the provisions of state or federal trademark laws. The federal trademark statute covers trademarks and service marks, which are defined as those words, phrases, symbols, or designs that identify the source of the **good or services** of one party and distinguish them of others. (Emphasis added).

Tillery v. Leonard & Sciolla, LLP, 05-6182, 2006 U.S. Dist. LEXIS 38145 (E.D. Pa. June 6, 2006) refused to grant trademark protection to an attorney departing from the firm because the Court determined that the name of the attorney had not acquired any "secondary meaning."

The court noted that the recognition of individual names in trademarks without a strong showing of secondary meaning since a person's name may be descriptive, not inherently

distinctive marks, and they would be treated as protectable trademarks only upon a showing that distinctiveness and secondary meaning.

In St. Louis Univ. v. Meyer, 2008 U.S. Dist. LEXIS 104032 (E.D. Mo. Dec. 24, 2008), the Court granted summary judgment determined that the Plaintiff had never printed or sold anything other its name and could not be capable of suing a party for trademark infringement or other claims arising thereunder.

Plaintiff relies upon the provisions of the Lanham Act, the Trademark Act of 1946, 15 U.S.C. Section 1124, as the basis for the protection of its claimed trademarked names.

The Lanham Act provides as follows:

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

(A) is likely to cause confusion, or to cause mistake, or to deceive as to 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.

Lanham Act subsection 4 provides for certain activities which shall not be actionable under the provisions of the statute:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary.

Several elements of a trademark case are not present in the instant action.

The Plaintiff has failed to demonstrate that it has satisfied the requirement that its names were used in connection with any goods or services or used in commerce.

The mere filing of a corporate name with a filing of a certificate of incorporation does not render the name protected if it is not used to identify goods, services, or products in commerce. The Plaintiff is a non-profit organization organized for the maintenance of a planned community.

The Plaintiff is one of two organizations that were established when the original Stillwater Lakes community was divided into two entities by the creation of Route 380, dissecting the two formerly united communities, into Stillwater Lakes Civil Association, Inc. and Stillwater Lake Estates, Inc., which was filed as a business organization with the Pennsylvania Department of Corporation on October 19, 1954.

Plaintiff has failed to demonstrate as a matter of law that it has any trademark protection available to it under any theory of action nor any Count of this Complaint and the instant Complaint should be stricken in its entirety. In addition, Plaintiff has failed to establish that it has the exclusive right to use the words "Stillwater Lakes" in any format, which proof is required in order to establish a trademark.

B. WHETHER PLAINTIFF HAS STATED STATED A CAUSE UPON WHICH RELIEF CAN BE GRANTED AGAINST THE ANSWERING DEFENDANTS UNDER ANY OF THE SIX THEORIES OF RECOVERY?

1. COUNT I: LANHAM ACT-TRADE NAME INFRINGEMENT

Paragraphs 64 and 65 of the Complaint contend that the filing of the Articles of Incorporation and Covenants provide the Plaintiff with the ownership of the names and are evidence of the ownership of the corporate and trade names.

The Court fails to allege that the name has been “used in commerce” as defined in 15 USC 1501 (U.S. Trademark Act) or 15 USC Section 1125 (Lanham Act). The Court fails to allege that the name has been used in connection with any goods or services, as defined in 15 USC 1501 (U.S. Trademark Act) or 15 USC Section 1125 (Lanham Act).

The essential element of a trademark is the exclusive right of its owner to use a word or device to distinguish the product.

Plaintiff has failed to demonstrate in any manner that it has the exclusive right to use the word or name sought to be protected in this lawsuit.

Plaintiff’s real complaint is that “the Defendants’ intent in developing the website is to criticize the activities of the association and to intentionally confuse consumers.” (Paragraph 82, Complaint). Plaintiff has failed to demonstrate that the Defendants have utilized the websites complained of for commercial enterprise. Rather, the only financial allegation contained in this Count is that “(T) Defendants’ attempts to market the domain name to the Association for a profit.” (Paragraph 86(c), Complaint).

There is no requisite allegation that the Defendants made any profit or commercial gain by selling any products or services utilizing the names alleged to be owned by the Plaintiff. The noncommercial use of a name, even if one is indeed elevated to the legal of a mark protected by the Lanham Act, is not actionable under the Lanham Act. News reporting and news commentary is not actionable so that the comments made by the forum on the Defendants’ sites is not actionable under the Lanham Act.

The Defendants have the protection of the First Amendment for statements made on the sites.

The Defendants have the protection of 47 USC Section 230(c)(1) to provide them with complete immunity from liability for providers and users of an interactive computer service who publish information provided by others.

The Plaintiff is seeking to use the trademark protection vehicle as a method of procuring the termination of the criticism of the Board and the Association which is at the root of the Complaint.

The Count fatally fails to set forth the requisite elements of a claim under which trademark protection should be permitted as there is no goods, services, or commerce alleged to have been involved in the activities of the Plaintiff. The mere filing of an Articles of Incorporation and Covenants with the state and local offices does not rise to the level of trademark protection, especially when there is never any indications that the Plaintiff ever sought to identify the names by any method of defining trademark or service mark use of the names.

2. COUNT II- CYBER SQUATTING

Plaintiff relies upon 15 U.S.C. Section 1125 (d) as the basis for this Count. Defendants contend that Plaintiff's reliance on this provision is unfounded.

15 U.S.C. Section 1125(d) is more commonly known as the Anticybersquatting Consumer Protection Act.

The provisions of the statute mandate that in order for a trademark owner to commence an action under this provision, the owner must prove:

- (a) the trademark owner's mark is distinctive or famous;
- (b) the domain name owner acted in bad faith to profit from the mark; **and**

- (c) the domain name and the trademark are either identical or confusingly similar (or dilutive for famous trademarks). [Emphasis added]

Plaintiff has failed to demonstrate that the Plaintiff's mark is distinctive or famous.

In addition, Plaintiff has failed to demonstrate that the domain owner acted to profit from the mark. The alleged profit from the sale of the websites to the Plaintiff do not constitute the profit to the extent set forth in the statute.

Plaintiff has totally failed to demonstrate that it is the owner of a trademark.

The statute also provides that it does not take away from individuals' rights to free speech.

The statute also requires that the defendants' creation and registration of the websites was for the sole intent of selling the rights of the domain name to the trademark holder. Plaintiff alleges that the "Defendants have registered and trafficked in that same domain same with the intent to tarnish or disparage the name 'Stillwater Lakes Civic Association.'" (Paragraph 96, Complaint)

The Complaint totally and fatally fails to set forth a claim under which relief can be granted pursuant to the provisions of 15 USC Section 1125(d).

3. COUNT III-STATUTORY ANTI-DILUTION OF TRADE NAME

_____Plaintiff alleges that the "Plaintiff's trade name is famous and recognizable."
(Paragraph 101, Complaint).

The statute establishes specific criteria for determining "famousness."

- a. The degree of inherent or acquired distinctiveness of the mark;
- b. The duration and extent of usage of the mark;

- c. The duration and extent of advertising and publicity of the mark;
- d. The geographical area in which the mark is used;
- e. The channels of trade for the goods or services with which the trademark is used;
- f. The fame of the mark in the owner's and the alleged diluter's trading areas;
- g. The nature and extent of use of similar marks by third parties; **and**
- h. Whether the mark is federally registered. (emphasis added)

In addition, defenses available as "safe harbors" are also set forth in the statute:

- a. The use of another's mark in comparative advertising ("fair use")
- b. Non-commercial use
- c. News reporting, commentary and other first amendment purposes.

Plaintiff has failed to demonstrate that it has satisfied all of the requirements of the statute as set forth in this motion. In addition, Defendants contend that they are entitled to exemption from any application of the statute even if the Plaintiff could prove each of the elements of the statute because of the availability of the non-commercial use of their sites and the fact that the sites are used for commentary and other first amendment purposes.

The existence of some degree of advertisement on the sites of the Defendants does not give rise to the proof that the sites themselves were organized as commercial vehicles for the exploitation of the Plaintiff's alleged trademarks. The major content on the websites attached as exhibits to the Plaintiff's complaint clearly defines that it involves "a growing group of property owners in the planned community" and that there is a petition to which property owners can show

support for an open honest and transparent community run by competent Directors. (Exhibits “A” and “C” of Plaintiff’s Complaint.)

There is no indications on the exhibits of the Plaintiff that the sites were being organized for any commercial activity on the part of the defendants or for any profit to be derived by the Defendants from any goods or services being sold through interstate commerce. As a result, the Count is defective in that the Complaint fails to set forth any claim for which relief can be granted.

4. COUNT IV- ANTI-DILUTION MISAPPROPRIATION OF CORPORATE NAME

Plaintiff relies on its filing of the Articles of Incorporation as the basis for the establishment of a trademark in the corporate name. (Paragraph 125, Complaint).

Plaintiff fails to establish that any goods or services were created by it using the trademarks alleged to be owned by the Plaintiff in interstate commerce.

State law is not applicable in this provision, since the terms of 15 U.S.C. Section 1125 specifically provide that the federal Act preempts the existing state dilution acts.

The Defendants repeat the contentions set forth in the preceding provisions since this particular Count is the same as that of the previous Count although renamed. As a result, the Count is defective in that the Complaint fails to set forth any claim for which relief can be granted.

5. COUNT V- UNFAIR COMPETITION

Plaintiff contends that commercial value has been garnered through the prolong operation of its corporate name. (Paragraph 137, Complaint).

Unfair competition has been recognized as a basis by which the owner of a trademark of goods and services used in interstate commerce sustains a loss of profit by the

use of that trademark by another which strips profits from the claimed trademark owner.

There is no claim that the Plaintiff was involved in the utilization of the name as a trademark for any goods or services involved in interstate commerce. At best, the Plaintiff's claim of this count is that the websites of the Defendants are critical of the Plaintiff and that the public may believe that the content on the websites is that of the Plaintiff. Without any claim of goods and services and profits lost through interstate commerce and the loss of the profits derived by the Defendants' use of the name for commercial sales and profits, there can be no claim for unfair competition as there is no competition set forth in this Court.

Plaintiff is setting forth a claim for libel and slander cloaked in an unfair competition claim since it is alleging that the Plaintiff's business reputation and goodwill have been hurt by the Defendants' websites. There is no claim which establishes that any goods and services in interstate commerce were lost by the Plaintiff as a result of the activities of the Defendants. As a result, the Count is defective in that the Complaint fails to set forth any claim for which relief can be granted.

6. COUNT VI- COMMON LAW TRADE MARK NAME INFRINGEMENT

Plaintiff again fails to demonstrate that there is any recognizable trademark of the use of the names sought to be protected representing goods and services involving interstate commerce. Plaintiff has failed to allege how the Defendants' use of the name of the claimed trademark has caused the Plaintiff to sustain any loss of profit from the sale of goods or services involved in interstate commerce.

Plaintiff's complaint is defective in that it fails to set forth any criteria to establish that the Plaintiff is indeed entitled to any trademark protection, either under state or federal law, for the name of a corporation that was set up to operate the planned community.

Plaintiff has failed to demonstrate in any count that it has the exclusive right to use the name "Stillwater Lakes" in any vehicle or entity as a trademark.

As a result, the Count is defective in that the Complaint fails to set forth any claim for which relief can be granted.

IV. CONCLUSION

Plaintiff has totally failed as a matter of law to establish that it has established any trademark in any of the names sought to be protected in this action. Rather, it is the contention of the Defendants that the law clearly establishes that Plaintiff has totally failed to establish any trademark, either under federal or state law, which would be available to the Plaintiff in this situation. Moreover, a review of the statutes utilized by the Plaintiff in this complaint demonstrate that the claims of the Plaintiff are totally without basis, as there are no goods or services or secondary meaning acquired by the Plaintiff in the use of the names allegedly protected. Finally, the Defendants claim that the statutory provisions provide a defense to the claims of the Plaintiff in that the activities of the Defendants in this regard involve non-commercial use and/or news reporting, commentary and other first amendment purposes in the activities of the Defendants set forth in the Complaint of the Plaintiff throughout the Complaint. Accordingly, the Complaint fatally fails to state any claim upon which relief can be granted in

favor of the Plaintiff. For the foregoing reasons, the motion of the Deendants should be granted in its entirety at this time.

Dated: January 31, 2009

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CERTIFICATE OF SERVICE

It is certified that I have on the 31st day of January, 2009, I served a copy of the Defendants's Memorandum of Law in support of Defendants' Motion to Dismiss Pursuant to Rule 12(b)(6) upon the following by electronically filing the same with the court through electronic means:

Nicholas Charles Haros
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as attorney for the Plaintiff.

Dated: January 31, 2009

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