

2010

Trademark Can't Be Used To "Close" Open Source

Bryan Pyne

Follow this and additional works at: https://digitalcommons.nyls.edu/innovation_center_for_law_and_technology

Recommended Citation

Pyne, Bryan, "Trademark Can't Be Used To "Close" Open Source" (2010). *Innovation Center for Law and Technology*. 2.

https://digitalcommons.nyls.edu/innovation_center_for_law_and_technology/2

This is brought to you for free and open access by the Academic Centers and Programs at DigitalCommons@NYLS. It has been accepted for inclusion in Innovation Center for Law and Technology by an authorized administrator of DigitalCommons@NYLS.

Trademark Can't Be Used To "Close" Open Source

Brian Pyne*

1. Background

Open source software projects are usually characterized by strong brands. The popular web-browser application Firefox,¹ the operating system FreeBSD,² and the database management utility MySQL,³ are just a few examples of software in which trademarks have been registered to protect the brands of particular projects. Protecting the trademark and brand of an open source software project makes it easier for the products of the company, foundation or community that released the open source software to be easily identified and differentiated from those products available from other vendors.⁴ Brands are important to the companies at the helm of open source projects as a differentiator of quality. Because the underlying code of a project can be "forked"⁵ and copied, a trademark brand is one of the most important ways of signaling the quality of a piece of software, coalescing a community around it, and creating commercial

* Brian Pyne, J.D., is a former Student Research Fellow at the Institute for Information Law & Policy and a recent graduate of New York Law School.

¹ See <http://www.mozilla.org>; see also "FIREFOX" (word mark) International Registration # 0974625, contained in the Principal Register of the United States Patent and Trademark Office.

² See <http://www.freebsd.foundation.org>; see also "FREEBSD" (word mark) United States Registration # 1955727, contained in the Principal Register of the United States Patent and Trademark Office.

³ See <http://www.mysql.com>; see also "MYSQL" (word mark) United States Registration # 2792127, contained in the Principal Register of the United States Patent and Trademark Office.

⁴ See generally Posting of Michael Coté to People over Process (blog), "The Business of Brands, Open Source and Brands," <http://redmonk.com/cote/2006/12/22/the-business-of-brands-open-source-and-brands/> (Dec. 22, 2006) (discussing the importance of brands in the world of open source software).

⁵ "Fork" or "forking" is a term used in the open source community for the customization of open source software into a version that differs from the original release of that software. The term derives from a timeline view of the development of a piece of software (post-release) where a straight line represents the original release and forking of the software into different versions is represented by divergent forks which stem from that straight line but create their own timeline for development of the new version. For more information on software forking see (cite to some reputable OS resource defining "forking")

opportunity for the project through a recognizable brand name.⁶ In this way, the brand, protected by trademark, enhances both developer and user loyalty.

2. Problem

Some purveyors, whether for-profit or not, of open source software have been accused of using the trademarks associated with those projects to prevent third parties from hiring unaffiliated service providers to provide professional services around the software, including consulting, development, training, and hosting services in connection with their software.⁷ In the name of brand protection, it would appear that these open source companies have attempted to prevent non-affiliates from mentioning the trademark brand of the open source software in business communications offering independent development, training or other services for that software.

The behavior of which these companies have been accused flies in the face of those rights statutorily reserved for the general public by federal law controlling trademarks and unfair competition. By incorrectly claiming exclusionary rights which do not exist under the law, and doing so in a manner that conflicts with both the language of open source licenses and the spirit behind the open source movement, these few open

⁶See Posting of Marc Fleury to *Maison Fleury* (blog), “Quickies #3, protecting IP in OSS,” <http://marcf.blogspot.com/2007/11/quickies-from-marcf-3.html> (December 22, 2006) (on the importance of brand as the only exclusionary right in open source software).

⁷ See Posting of Bill Dudley to *bill dudney's weblog*, “JBoss - choose what you learn carefully...,” <http://bill.dudney.net/roller/bill/entry/1> (March 21, 2007) (discussing the situation surrounding Red Hat Inc.’s “Hibernate” trademark and a cease-and-desist letter sent out by JBoss/Red Hat, Inc. to an independent developer regarding use of the “Hibernate” mark); *but see* comment of Mark Webbink to *bill dudney's weblog*, “JBoss - choose what you learn carefully...,” <http://bill.dudney.net/roller/bill/entry/1#comment-1174513415000> (March 21, 2007 at 03:43 PM MDT) (clarifying Red Hat, Inc.’s position that what is barred are only those uses of “Hibernate” in communications for commercial services which do not make clear that the services are being offered by an independent third party and not by Red Hat, Inc.). *See also* Posting of Steve Hyndman to *Lounge* at moodle.org (official discussion board) “Moodle Trademark Email?,” <http://moodle.org/mod/forum/discuss.php?d=48528> (June 26, 2006 11:40 PM) (discussing a cease-and-desist letter received from Moodle by an independent third-party service provider for referencing Moodle commercial services).

source companies are creating uncertainty among all users and developers as to whether a particular use of a piece of open source software or reference to it in a business communication is legal, or is in fact the violation of trademark law which some companies purport it to be. Such assertions prevent users and unaffiliated developers (who are unaware that these claims have no grounds in the law) from offering support and development services, some of which are explicitly addressed and allowed for in the language of several popular open source licenses.⁸

This paper endeavors to resolve that uncertainty and to provide guidance to open source community members about the appropriate scope of the rights afforded to trademark holders and the rights and limitations of third-party users. Certain open source software companies claim a foundation for the above mentioned practices in the rights granted to them in the names of their software projects as trademarks. There are three concerns of trademark law which are particularly relevant to this issue:

a. Descriptive and Nominative Fair Use

A fair use right exists where a nonaffiliated third party uses the trademark of another to describe their own nonaffiliated products or services or to nominatively refer to the products or services of the markholder.

b. Unauthorized Representation as an Affiliate of the Mark Owner

Trademark owners often incorrectly level accusations at nonaffiliated third parties claiming that by using the trademark owner's mark in any way, the third party is representing that they are an authorized affiliate of the trademark owner. The real test for whether a nonaffiliated third party has represented

⁸ See Free Software Foundation, Inc., *GNU General Public License, Version 2* § 2 (1991); The Apache Software Foundation, Inc., *Apache License, Version 2.0* § 2 (2004); Massachusetts Institute of Technology, *The MIT License (aka the X11 license)* (1988).

themselves to be an affiliate of the mark owner is whether the third party's use of the protected trademark suggests that they are affiliated with or endorsed by the trademark owner.

c. Absence of Quality Control a/k/a Genuineness Infringement

In some instances, aggressively protective mark holders have been able to prevent the use of their trademarks on goods which they created but for which they have not had the opportunity to set quality standards. Services rendered by third parties involving trademarked open source applications however are distinctly different from goods created by trademark holders who have not had the opportunity to properly inspect them.

Based on an analysis of these three concepts, trademark law provides no legal basis to justify attempts by owners of the trademarks in the names of open source software applications to prevent the use of their marks in commercial communications which promote provision of professional services involving said software by unaffiliated third parties.

3. Scenario

What follows is a hypothetical scenario that will illustrate the conflict that exists at present between certain open source software companies and nonaffiliated third parties. While none of the companies at the center of the dispute in this scenario are real, their actions and responses are all closely based on the actual acts and communications of

a few real world open source software companies and third parties between which similar disputes have arisen.

TownMarket, an independent chain of grocers in the New Horizon suburbs, recently advertised a training event at which its local managers and employees could learn StockJockey, an open source inventory management tool which TownMarket plans to adopt company-wide. The flyer advertising the event states that the event is to be put on by OpenSourcery, a company specializing in open source software training and customization, which TownMarket hired based on an advertisement OpenSourcery placed in the local phone directory. StockJockey was developed by StockJockey, Inc. in collaboration with the open source community and released under the GNU General Public License.⁹

A week before the training event is to take place both TownMarket and OpenSourcery receive cease-and-desist letters from the vice-president and legal counsel of StockJockey, Inc. The letters claim that TownMarket and OpenSourcery have infringed on StockJockey, Inc.'s trademark in the term "StockJockey" by using it in advertisements for commercial services for which a fee will be charged. The messages from StockJockey, Inc. further state that StockJockey, Inc. has registered a trademark in "StockJockey" with the United States Patent and Trademark Office and only licensed "StockJockey Associates" are permitted to use the "StockJockey" mark to offer consulting, training, maintenance, and forking of StockJockey software.

After postponing their training event, TownMarket is left with three choices: become a licensed StockJockey Partner, hire a StockJockey Associate to provide the

⁹ The GNU General Public License (GPL) is one of the most widely used open source licenses for free software. The full text of the current incarnation of the GNU GPL is available at <http://www.gnu.org>, a website of its author, the Free Software Foundation.

services TownMarket would need to implement StockJockey in their company, or try to advertise their training event in more vague terms that do not make use of “StockJockey.” None of these options is viable. For starters, StockJockey, Inc. only allows software companies to become StockJockey Associates. As for hiring a StockJockey Associate, TownMarket can barely afford to hire OpenSourcery after the costs of implementing StockJockey have been factored into their budget. Hiring a StockJockey Associate is much more expensive because each StockJockey Associate has to pass a percentage of their fee on to StockJockey, Inc. in exchange for permission to advertise that they are a StockJockey Associate. Lastly, advertising the training event as being for an unnamed inventory management tool would not communicate the importance of the training to those TownMarket employees who only want to learn about StockJockey because that is the program the company will be using. This leaves TownMarket in a rather untenable position. According to the trademark policies of StockJockey, Inc., TownMarket is effectively prevented from making use of the StockJockey software.

Upon an analysis of the law, it will be shown that the assertions made by StockJockey, Inc. are not supported by their rights under trademark law. While the details may vary from case to case, a software company is not granted the right to prevent third parties from offering commercial services and communicating that they offer such services for software that the software company was involved with developing simply by registering a trademark in the name of that software.

OpenSourcery's telephone directory advertisement:



OpenSourcery

A team of independent developers that offers training and customization for a variety of open source tools

- Apache
- Money Manager Ex
- StockJockey
- NetDisco
- ..and many more

718-867-5309
Please call to make an appointment

TownMarket's event flyer:

TownMarket.....

Attention Employees

What: Inventory Software Training Event
Where: Asbury Park, TownMarket Regional Office
When: Saturday, June 23rd, at 11 AM

As many of you already know TownMarket will be adopting new inventory software this fall. In order to make the transition go more smoothly we are extending to all employees an invitation to our first training session on use of the StockJockey inventory management system. This Training event is not mandatory but is recommended for inventory supervisors in the five locations which will be the first to implement the software. Training at this event will be provided by OpenSourcery, the same company that will be customizing the software to work with our existing scanners and machines.

There is a five dollar registration fee. Please register by calling Joanne at 731-557-7638 by June 15th. Lunch will be served

4. The Law

Unlike federal copyright and patent protections, which stem from a grant contained in the United States Constitution to Congress of the power “to promote the progress of science and the useful arts,”¹⁰ federal trademark protections in the United States derive primarily from the commerce clause of the United States Constitution¹¹ and are codified in the Lanham Act.¹² By granting an individual or entity limited rights to prevent third parties from making use of words or phrases that the individual or entity has used to market their goods or services, trademark law seeks to reduce the search costs of consumers and protect them from the dangers of dishonest producers of goods or services who would seek to market their wares by passing them off as having originated from another source. To this end, preventing consumer confusion as to the source of goods and services is the primary purpose of trademark law and is woven through much of its doctrine and common law.

Words or phrases used in commerce in connection with either goods or services can function as trademarks. While a trademark can be stamped into or printed on a physical good it can also be used in the description of a service, most often in advertising or other communications or materials created or used in connection with that service. Trademarks used in the description of intangible services are sometimes called “service marks.” While courts recognize some differences between the real world uses of trademarks and service marks, they generally apply the same rules to both.

¹⁰ U.S. Const. art. I, § 8, cl. 8.

¹¹ U.S. Const. art. I, § 8, cl. 3.

¹² 15 USC §§ 1051–1127 (1994).

4.a Descriptive and Nominative Fair Use

TownMarket and OpenSourcery both used the term “StockJockey” in their advertisements of commercial services; TownMarket used “StockJockey” in their internal communications regarding their training event and OpenSourcery included “StockJockey” in the list of open source software for which it provided training and services that appeared in OpenSourcery’s directory advertisement. StockJockey, Inc. holds the trademark in “StockJockey.” Based on this trademark, StockJockey, Inc. purports to have the right to prevent third parties from using “StockJockey” in the advertisement of commercial services on the grounds that such use would amount to infringement upon the trademark in “StockJockey” held by StockJockey, Inc.

Though the bulk of trademark law is intended to prevent third parties from using the marks and brands of others in a way that would cause confusion among the consuming public as to the source or origin of a product or service, the courts have recognized certain instances of “fair use,” situations in which an unaffiliated third party may use another’s trademark without infringing on that trademark because the use will not confuse consumers. Under one type of fair use acknowledged by the majority of federal circuit courts,¹³ a third party’s use of another’s mark qualifies as a “descriptive fair use” when the third party makes use of the word or phrase that composes the mark to honestly and accurately describe their own product or service rather than to signal that their product or service originates with trademark holder. This fair use is recognized by

¹³ See *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (5th Cir.1983); *Leathersmith of London, Ltd. v. Alleyn*, 695 F.2d 27, 30-31 (1st Cir.1982), cert. denied, 459 U.S. 1209, 103 S.Ct. 1202, 75 L.Ed.2d 444 (1983); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 937-38 (10th Cir.1983); and *Ideal Industries, Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1027-28 (7th Cir.1979), cert. denied, 447 U.S. 924, 100 S.Ct. 3016, 65 L.Ed.2d 1116 (1980).

the Lanham Act¹⁴ as a defense to a claim of trademark infringement because it does not involve using the mark for the purpose for which trademarks are protected, their ability to signal source or origin of goods or services.

An illustrative case of the principle of descriptive fair use involved the use of the “Boston Marathon” trademark by a television station which covered the event.¹⁵ The Boston Athletic Association (BAA) registered “Boston Marathon” as a trademark in the event of that name which they arranged each year. After Channel 5 WCVB-TV used “Boston Marathon” to refer to the event in connection with their broadcast covering the same without the permission of the Boston Athletic Association, the BAA brought a claim against Channel 5 for infringement of the BAA’s trademark in the term “Boston Marathon.” In that case the court held that Channel 5’s use of the “Boston Marathon” mark in their broadcast qualified as a fair use unlikely to confuse viewers as to the source of the coverage because Channel 5 used “Boston Marathon” in good faith to accurately describe the content of the Channel 5’s programming and not to signal that the broadcast originated from or was in any way associated with the Boston Athletic Association.¹⁶

TownMarket used the “StockJockey” mark in communications promoting their training event because the training that was to take place at the event was in the use of the StockJockey program. OpenSourcery used “StockJockey” in their directory advertisement because they offered training services and software customization for the StockJockey program. The inclusion of “StockJockey” in both the internal

¹⁴ 15 U.S.C. § 1115(b)(4) (Proof or infringement shall be subject to a number of defenses including “[t]hat the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.”)

¹⁵ WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 42 (1st Cir. 1991).

¹⁶ *Id.* at 46.

communications for the training event and the directory advertisement accurately described the services being offered without using the mark in a manner that indicated StockJockey, Inc. was the source of the services. While “StockJockey” is trademarked in the present case by StockJockey, Inc., a court would likely hold that use of the “StockJockey” mark by TownMarket and OpenSourcery was a descriptive fair use unlikely to confuse consumers because it accurately described in good faith the training and customization services being offered for the StockJockey program and did not denote that the services were being offered by the group from which the StockJockey program originated.

While TownMarket and OpenSourcery could rely on this reasoning in most circuits of the United States, a slightly different classification of fair use has developed out of a line of decisions handed down by the United States Court of Appeals for the Ninth Circuit. Ninth Circuit courts draw an important distinction between cases covered by descriptive fair use, where a third party uses the protected trademark of another to honestly describe the party’s own goods or services, and cases covered by what is referred to in the Ninth Circuit as “nominative fair use,” where a party uses the mark of another to refer to the other’s goods and services, even if the party’s ultimate goal is to describe the party’s own goods or services.¹⁷ Three elements must be satisfied for a third party’s use of another’s trademark to qualify as a nominative fair use in the Ninth Circuit: (1) the trademarked product or service must not be readily identifiable without use of the mark; (2) the third party must have used only so much of the mark as would be reasonably necessary to identify the trademarked product or service; and (3) the third party must not have done anything in conjunction with use of the mark that would signal

¹⁷ See, e.g., *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002).

to the consumer sponsorship or endorsement of the nonaffiliated third party by the trademark holder.¹⁸ An exemplary case involving nominative fair use and application of the Ninth Circuit's three element test is one in which two newspapers used the "New Kids on the Block" trademark in promotion of a voting hotline that each paper was running.

In the early 90's the New Kids on the Block were arguably one of the most popular music acts in the world. What was not so easily determined was which of the New Kids their fans thought was the best. Enter Star Magazine and USA Today. The two publications offered pay-per-call hotlines to their readers, to answer the question which is the most popular member of the "New Kids on the Block," the advertisements for which included the term "New Kids on the Block." The New Kids on the Block brought a suit against Star Magazine and USA Today claiming trademark infringement, that use of the "New Kids on the Block" mark was a false designation of the origin of the hotlines being offered by each publication.¹⁹ Star and USA responded that their inclusion of "New Kids on the Block" in their publications qualified as fair use. According to the court in that case, this was a nominative fair use and not a descriptive fair use because the two publications used the "New Kids on the Block" mark to refer to the New Kids on the Block and not to their own publications, triggering the application of the three part test described above. Applying this test, the court held that no trademark infringement occurred and that use of the "New Kids on the Block" mark by Star Magazine and USA Today was a nominative fair use; (1) absent use of the "New Kids on the Block" mark it

¹⁸ See *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792, 69 U.S.P.Q.2d 1257 (9th Cir. 2003); *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 61 U.S.P.Q.2d 1508, 197 A.L.R. Fed. 601 (9th Cir. 2002); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002); and *New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 23 U.S.P.Q.2d 1534 (9th Cir. 1992).

¹⁹ *New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 23 U.S.P.Q.2d 1534 (9th Cir. 1992).

would not be reasonably possible to refer to the group as an entity; (2) Star Magazine and USA Today did not use the distinctive logo or typeface of the New Kids mark; and (3) nothing in Star Magazine or USA Today surrounding the use of “New Kids on the Block” suggested sponsorship of the hotlines or the publications by the actual New Kids on the Block.²⁰

Applying the same three part test to the StockJockey facts would lead to a similar holding of no trademark infringement in the Ninth Circuit for a finding of nominative fair use. First, it would not be reasonably possible to refer to the StockJockey program as the subject of the TownMarket training event or a program for which OpenSourcery offered services without use of the “StockJockey” mark. Second, by opting to use only the term “StockJockey” in plain text and not any distinctive logo or typeface used by StockJockey, Inc., the communications of TownMarket and OpenSourcery used only so much of the mark as was reasonably necessary to identify the program. Lastly, TownMarket and OpenSourcery did nothing to suggest that their use of the “StockJockey” trademark was a signal of sponsorship or endorsement by StockJockey, Inc. seeing as how they each only used the mark once and included no statement of affiliation or reference to StockJockey, Inc. therewith. Use of the “StockJockey” mark by TownMarket and OpenSourcery meets all three requirements of the nominative fair use test and so would qualify as nominative fair use if a claim for trademark infringement was brought by StockJockey, Inc. against TownMarket and OpenSourcery in the Ninth Circuit.

Before moving on to the next applicable doctrine of trademark law, it is important to address two aspects of the Boston Marathon and New Kids on the Block cases that might appear to distinguish those cases (in which fair use was found) from the fact

²⁰ *Id.* at 309, 23 U.S.P.Q.2d at 1538.

pattern in which TownMarket and OpenSourcery made use of the “StockJockey” mark. First, trademark owners will often claim that it is trademark infringement per se where a third party uses the trademark owner’s mark in connection with the third party’s goods or services which directly compete with goods and services produced by the trademark owner or their licensee. This would appear to distinguish the scenario in which training and services offered by OpenSourcery and promoted by TownMarket directly compete with the training and services offered by licensed StockJockey Associates. The Boston Athletic Association holding marathons does not compete with Channel 5’s broadcasting of athletic events and the New Kids on the Block’s musical performances do not compete with Star and USA Today offering telephone hotline polls.

This apparent difference between the Boston Marathon and New Kids cases and the StockJockey scenario is illusory. In the Boston Marathon case, the Boston Athletic Association gave what it believed to be an exclusive license to Channel 4 to cover the Boston Marathon using the “Boston Marathon” trademark before Channel 5 began offering competing coverage of the marathon using the “Boston Marathon” mark. The New Kids on the Block were themselves operating a pay-per-call, branded hotline before Star Magazine and USA Today included competing hotlines in their publications using the “New Kids on the Block” mark. The courts in both cases weighed and discounted arguments by the trademark holders that there was per se trademark infringement where the defendant’s service was in direct competition with a similar service being offered by the trademark holder or their licensee.²¹

²¹ WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 45; New Kids on the Block v. New America Pub., Inc., 971 F.2d 309.

Even though different tests were applied in each case, both courts held that the nonaffiliated party's use of the mark was a fair use, even though it directly competed with a demonstrated use of the mark by the trademark owner. This shows that a finding of fair use or nominative fair use will not be easily defeated by the owners of branded open source projects demonstrating that they offer the same services or license others to offer the same services as those being offered by nonaffiliated third parties. This is an important point because StockJockey, Inc. would likely raise an argument similar to those raised by Boston Athletic Association and the New Kids on the Block, that use of the "StockJockey" mark by TownMarket and OpenSourcery is *per se* trademark infringement because StockJockey, Inc. licenses StockJockey Associates to offer the same services which OpenSourcery offers and which TownMarket has set up a training event for.

The primary reason courts have not responded positively to arguments that use of a registered trademark to describe services in competition with those offered by the trademark owner is *per se* trademark infringement is that a trademark registration is not a universal right of exclusion to a term or phrase, it only allows the holder to prevent a third party from utilizing the term in ways that would confuse consumers as to the source of the goods or services being offered. *The primary goal is not to protect companies, but to protect consumers.* To this end, since it is possible to include the trademarks of others in business communications without confusing consumers as to the source of goods or services, and such inclusions are sometimes necessary for third parties to accurately describe their goods or services and compete legitimately (which is good for the consumer), it makes sense that such uses would not be *per se* infringement of trademark rights without further investigation into the pertinent facts of the given situation.

The second factor which would appear to distinguish the Boston Marathon and New Kids on the Block cases from the fact pattern in which TownMarket and OpenSourcery made use of the “StockJockey” mark is that both the Boston Marathon and the New Kids on the Block cases involved news reporting. In the Boston Marathon case, Channel 5 was alleged to have infringed on the BOSTON MARATHON mark by reporting on the event of that name; in the New Kids on the Block case, Star and USA Today used a survey to collect information and report on the popularity of individual members of the New Kids on the Block. A number of courts have acknowledged that there is more support for a finding in favor of defendants that have utilized the intellectual property of others where said use is in the course of reporting the news or engaging in other activities protected by the First Amendment.²² At first blush this would appear to make the StockJockey scenario distinguishable from the facts in the Boston Marathon and New Kids on the Block cases because TownMarket and OpenSourcery were not using the “StockJockey” mark in a manner that was reasonably related to any news reporting purpose.

News reporting purpose however, was not a factor in the decision-making of the court in either the Boston Marathon or the New Kids on the Block case. In holding that Channel 5’s use of the “Boston Marathon” mark was fair use, then Chief Judge Breyer for the United States Court of Appeals for the First Circuit never mentioned the news reporting dimension of the Boston Marathon broadcast by Channel 5. In *New Kids on the Block*, while the Ninth Circuit Court of Appeals acknowledged that the lower court had granted summary judgment to Star and USA Today on First Amendment grounds

²² Cf. *Montana v. San Jose Mercury News, Inc.*, 34 Cal.App.4th 790 (1995) (reproductions of previously published newspaper pages featuring famous football player for sale as posters receive first amendment protection); and *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) (first amendment protection upheld for movie title “Ginger and Fred” in spite of Lanham Act claims made by Ginger Rogers).

involving freedom of the press, the opinion of the Court of Appeals went on to affirm the lower court's decision with a different rationale relying entirely on established principles in trademark and not the first amendment freedom of the press.

While the possibly infringing communications in the cases already discussed may have each entailed some degree of news reporting, the rules and reasoning applied in those cases did not take the news reporting aspects of the defendant's actions into consideration. This means that such rules for finding traditional or nominative fair use can be applied just as easily to scenarios where the defendant's actions do not involve news reporting, such as TownMarket and OpenSourcery's use of "StockJockey" in communications about training and customization services, and a court would be just as likely to come to the conclusion that the defendant's use of a protected mark was fair as the courts were in the cases involving the Boston Marathon and the New Kids on the Block.

4.b Unauthorized Representation as an Affiliate of the Trademark Owner

Because TownMarket and OpenSourcery included "StockJockey" in communications offering commercial services such as training and customization of open source software, StockJockey, Inc. may feel that they can bring a trademark infringement claim against TownMarket and OpenSourcery on the basis that they believe use of the "StockJockey" mark without the permission of StockJockey, Inc. amounts to a false representation that TownMarket and/or OpenSourcery are affiliates or authorized franchisees of StockJockey, Inc.

While nominative use of protected trademarks is essential to third party communication and competition for the provision of goods and services, nonaffiliated parties do in some instances take improper advantage of the brands of others and claim that they are affiliated dealers or franchisees of registered trademark owners. While the courts use varying language in resolving this issue, independent third parties facing these types of claims are generally allowed by the courts to use the registered trademark of another to communicate to consumers that they supply services for the other's branded products, so long as there is no evidence of intent to deceive, nor actual or likely confusion, and the communication does not suggest that the third party is affiliated with the owner of the protected mark.²³ A definitive case in which this rule is applied arose between Scott Fetzer Company, makers of the Kirby line of vacuum cleaners, and the House of Vacuums, an independent vacuum store and repair shop located in San Antonio, Texas.²⁴

The House of Vacuums had a yellowpages directory advertisement which contained "House of Vacuums" at the top in large, capital letters, below that was the line "new – used – rebuilt" in smaller lowercase letters, and below that was a bulleted list in even smaller letters of the brands which the House of Vacuums sold or provided service for. Along with a dozen other vacuum brands, the list included the "Kirby" trademark which precipitated a suit by Scott Fetzer Company (makers of Kirby vacuums and owner of the "Kirby" trademark) against House of Vacuums on the grounds that inclusion of "Kirby" in the House of Vacuums advertisement was a violation of the "Kirby" trademark and would create a false impression of affiliation or sponsorship of House of Vacuums by

²³ See *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477 (5th Cir. 2004); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); and *Trail Chevrolet, Inc. v. Gen. Motors Corp.*, 381 F.2d 353, 354 (5th Cir. 1967) (per curiam).

²⁴ *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477 (5th Cir. 2004).

Scott Fetzer Company. In that case, a United States Court of Appeals upheld the lower court's grant of summary judgment in favor of the House of Vacuums stating that an independent dealer or repair service provider may use the registered trademark of another to truthfully advertise that they supply or offer repair services for the branded products of another. Further, the court opined that some indicators of consumer confusion will be tolerated "so long as the advertisement does not suggest affiliation with or endorsement by the markholder."²⁵ Elaborating on what uses of a protected mark would suggest affiliation or endorsement, the court in *House of Vacuums* stated that "prominent and pervasive use of a mark will suggest affiliation, but mere reference to a marked product will not."²⁶ A single inclusion of the protected mark or reference to a marked product by a third party does not rise to the level of suggesting affiliation with or endorsement by the trademark owner.

There are however cases when the unaffiliated third party steps over the line in their use of another's mark and the court holds that such use may appear to the public to suggest endorsement of the third party by the mark holder. Such was the case when Volkswagenwerk, the German manufacturer of Volkswagen automobiles, brought a trademark infringement and unfair competition claim against Volks City, an independent car dealership that used the "Volkswagen" and "VW" trademarks frequently in advertisements and on signs on their premises, used "Volkswagen City" for their unofficial name, and referred to their cars as "factory-fresh" and "Just arrived from Wolfsburg, Germany" (the known manufacturing place, origin and headquarters of Volkswagen).²⁷ In that case, a United States Court of Appeals upheld a temporary

²⁵ *Id.* at 484.

²⁶ *Id.* at 485.

²⁷ *Volkswagenwerk Aktiengesellschaft v. Volks City, Inc.*, 348 F.2d 659 (3rd Cir. 1965).

injunction against Volks City on the grounds that the numerous and varied uses of trademarks owned by Volkswagenwerk by Volks City in their advertisements was likely to cause confusion among consumers as to an affiliation between Volks City and Volkswagenwerk that did not exist.²⁸

TownMarket included “StockJockey” only once in the description of their training event for the StockJockey program and OpenSourcery used “StockJockey” only once in their advertisement listing programs for which OpenSourcery offered service. Neither TownMarket or OpenSourcery made any reference to the company which released the StockJockey program in their communications offering training and customization services, nor did they include the StockJockey mark in the name of their businesses, or reference the mark holder or origin of the StockJockey program by referring to the training and customization services as authorized, licensed or having been offered in affiliation with StockJockey, Inc. Such acts are of the type that the court in *Volks City* described as likely to confuse or deceive consumers and at present TownMarket and OpenSourcery did none of these things.

Based on these facts, it would be a stretch to say that use of the “StockJockey” mark by TownMarket or OpenSourcery was deceptive or suggested to the consumer that either TownMarket or OpenSourcery were affiliated with the creators of the StockJockey program. Singular and straightforward use of the “StockJockey” mark by TownMarket and OpenSourcery is more analogous to use of the “Kirby” mark by House of Vacuums, in which the court found no trademark infringement, than to use of the “Volkswagen” and “VW” marks by Volks City, where the court found numerous and pervasive use of Volkswagen’s protected marks to be a proper basis for an injunction to prevent use by

²⁸ *Id.* at 660.

Volks City that suggested that Volks City was affiliated with Volkswagenwerk of Germany. The court's holding in the present case would turn on the frequency with which each third party used the protected mark (only once) and whether the third parties included the logos or insignias of the trademark holder (which they did not).

However, in the event that a court found that TownMarket or OpenSourcery had used the "StockJockey" mark deceptively, or in a manner that was likely to confuse or actually did confuse consumers as to the existence of an affiliation between these third parties and StockJockey, Inc., courts have limited remedies in such cases to a requirement that the third party include a statement that it is not an affiliate of the mark owner in communications that include the protected mark.²⁹ In this way the court makes clear that while a brand owner has a right to limit the use of their mark by unaffiliated parties, the right stops at the point where those nonaffiliated parties use the mark in a manner that makes clear that they are not associated with the brand owner. So even if a court finds that TownMarket or OpenSourcery has used the "StockJockey" mark deceptively, or in a manner that was likely to confuse or actually did confuse consumers into thinking that TownMarket or OpenSourcery are affiliates of StockJockey, Inc., the court will only require that TownMarket and OpenSourcery include a disclaimer of affiliation with StockJockey, Inc. in any communications in which the parties continue to use of the "StockJockey" trademark.

²⁹ See *Volkswagenwerk Aktiengesellschaft v. Volks City, Inc.*, 348 F.2d 659 (3rd Cir. 1965); *Stormor, a Div. of Fuqua Industries, Inc. v. Johnson*, 587 F.Supp. 275 (D.C.Mich. 1984).

4.c Absence of Quality Control a/k/a Genuineness Infringement

StockJockey, Inc. might bring a suit against TownMarket and OpenSourcery for offering the same services as StockJockey, Inc. and using “StockJockey” mark in connection with those services on the basis that such services are not “genuine” and offering them constitutes trademark infringement because the services are not being delivered under the quality control of the owner of the StockJockey trademark. This type of infringement claim is not applicable to the current conflict arising between certain open source software companies and nonaffiliated third parties because of the very limited factual circumstances which support a claim for genuineness infringement. More appropriate circumstances for a claim of genuineness infringement arise out of an illustrative case which arose between El Greco Leather Products and Shoe World.³⁰

El Greco Leather Products ordered seven lots of shoes for their Candies line from a manufacturer in Brazil for sale in America. El Greco inspected, paid for and accepted delivery of five lots from the Brazilian manufacturer and after which cancelled their order for the last two lots for unclear reasons relating either to manufacturing delays or quality issues. Because El Greco gave no instructions or payment for the disposal of the two lots of shoes they did not purchase, the Brazilian manufacturer sold the remaining lots to Shoe World, a discount shoe seller in America. When Shoe World began selling the Candies branded shoes in the same market that El Greco was selling them in, El Greco brought a claim against Shoe World for lack of genuineness trademark infringement based on El Greco not having inspected for quality those Candies shoes being sold at Shoe World.

³⁰ El Greco Leather Products Co., Inc. v. Shoe World, Inc., 806 F.2d 392 (2nd Cir. 1986).

The enormous differences should be readily apparent between genuineness trademark infringement cases like the one described above and the present conflict over use of the “StockJockey” trademark. Branded products in lack of genuineness infringement cases are originally created for the trademark owner for the purpose of distribution by the trademark owner, e.g. the goods in El Greco were created for El Greco and at the request of El Greco under contract between the foreign manufacturer and El Greco. This is completely different from the relationships and provision of services in the present case where OpenSourcery creates and provides training services for its client, TownMarket, and TownMarket then offers said training to its employees, all without StockJockey, Inc. ever entering into the picture. While products of which the genuineness is at question carry the same brand as those created by the trademark owner because they were created for the trademark owner, independent service providers typically have their own names and businesses through which they are identifiable. TownMarket is a grocer and employer and the attendees of its training event are its employees; OpenSourcery is an independent, software service provider and its clients are looking for providers of software services. TownMarket and OpenSourcery are distinct business entities prominently identified in the communications in question such that consumers would not be confused as to the source of the training being offered at the event. The relationships and details regarding the production of the goods in the El Greco case bear no resemblance to the relationships and circumstances under which OpenSourcery offers training and forking services for the StockJockey program and TownMarket hired OpenSourcery to train its employees to use the StockJockey program.

For all of these reasons a claim of trademark infringement based on a lack of genuineness brought by StockJockey, Inc. must fail when applied to TownMarket hiring OpenSourcery to provide StockJockey training to TownMarket's employees. Genuineness infringement claims apply only to a thin slice of trademark cases in which physically branded products are created for the trademark owner but then sold by a third party without the trademark owner having the opportunity to inspect them. Such circumstances bear no resemblance to independent software services for the StockJockey program being created and offered by third parties like TownMarket or OpenSourcery with no indication that StockJockey, Inc. has given any input or exercised any quality control over such services.

5. Conclusions Based on the Law

Use of the term "StockJockey" by TownMarket and OpenSourcery in communications discussing training and customizing services for the StockJockey program should be protected as either descriptive fair use or nominative fair use depending on which jurisdiction was hearing the claim that such was trademark infringement. In jurisdictions that recognize descriptive fair use, inclusion of "StockJockey" in communications regarding software services and events by TownMarket and OpenSourcery would be protected because it honestly and accurately described the content of those events and "StockJockey" was not being used as an indicator that the source of those services and events was the owner of the StockJockey mark.³¹ In the Ninth Circuit, the same use of "StockJockey" would be protected because it fulfills the three requirements of the nominative fair use test: it would not be reasonably

³¹ WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 42 (1st Cir. 1991).

possible to refer to the StockJockey program without use of the “StockJockey” mark, only so much of the “StockJockey” mark was used as was reasonably necessary to identify the StockJockey program, and TownMarket and OpenSourcery did nothing to suggest that their use of the “StockJockey” mark was a signal of sponsorship or endorsement by StockJockey, Inc.³²

A claim that TownMarket or OpenSourcery committed trademark infringement by including “StockJockey” in their communications about software services on the basis that doing so is a representation that they were endorsed by StockJockey, Inc. must fail since such claims only succeed where the protected mark is included deceptively or it suggests that TownMarket or OpenSourcery are affiliated with StockJockey, Inc. There are no facts showing that TownMarket or OpenSourcery acted deceptively and the courts require more than a single inclusion of the protected mark to hold that an affiliation with the trademark owner is suggested.³³ Even if such a claim did succeed, the courts would only be inclined to require TownMarket and OpenSourcery to include a disclaimer of affiliation with StockJockey, Inc. before either party was enjoined from using “StockJockey” in their communications.

A case against TownMarket or OpenSourcery based on trademark infringement for lack of genuineness must also fail for the reason that such a claim only applies to a certain type of case which is too different from the situation that has arisen at present to be applicable. Claims for genuineness trademark infringement involve branded products that are created with input from a trademark owner and give the impression of trademark owner control being sold without said trademark owner having the opportunity to inspect

³² *New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 23 U.S.P.Q.2d 1534 (9th Cir. 1992).

³³ *See* *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d at 485 (5th Cir. 2004); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); and *Trail Chevrolet, Inc. v. Gen. Motors Corp.*, 381 F.2d 353, 354 (5th Cir. 1967) (per curiam).

those items for quality. At present, use of the “StockJockey” mark by TownMarket and OpenSourcery involves independent services created by TownMarket and OpenSourcery with no statement or affiliation or input from StockJockey, Inc. and which give no impression that StockJockey, Inc. has undertaken any type of quality control or exercised supervision over said services.

6. The Right to Provide Customization for Branded Open Source Software

Open source licenses are particularly focused on rights afforded to third parties in copyright with regard to original or modified versions of software; the licenses do not generally speak to the rights of the same third parties in trademark. That having been said, there are explicit rights which are included in the majority of open source licenses and are essential to the purpose and methodology of open source which support the rights of third parties such as OpenSourcery to offer customization for open source software releases like StockJockey. Among these essential rights are the rights of users to modify open source software³⁴ and to distribute copies of the modified software.³⁵

Modification of software not licensed under an open source license would typically violate the copyright owner’s exclusive right under federal copyright law to prepare derivative works of their original creative work.³⁶ However, the right granted by an open source license to modify open source software includes the right to create derivative works. This explicit grant of the right to create modifications is included in the GNU General Public License under which StockJockey, Inc. released the StockJockey

³⁴ See Free Software Foundation, Inc., *GNU General Public License, Version 2* § 2 (1991); The Apache Software Foundation, Inc., *Apache License, Version 2.0* § 2 (2004); The Mozilla Foundation, *Mozilla Public License Version 1.1* § 2.1.a (2007).

³⁵ See *GNU General Public License, Version 2* § 1; *Apache License, Version 2.0* § 2; *Apache License, Version 2.0* § 2 (2004); *Mozilla Public License Version 1.1* § 2.1.a.

³⁶ 17 U.S.C. § 106(2).

program³⁷ and on that basis OpenSourcery is has been given express permission from StockJockey, Inc. to modify or customize the StockJockey program.

Included in the explicit right of the author under federal copyright law to prevent third parties from creating derivative works is a right to prevent said third parties from distributing those derivative works once they are created. Such a right would prevent OpenSourcery from distributing their customized software to TownMarket were it not for the fact that open source licenses also typically grant third parties the right to distribute copies of their modified versions of open source programs for free or for a price, the GNU General Public License under which StockJockey was released being no exception.³⁸ This being the case, OpenSourcery was explicitly granted the right to distribute their modifications of StockJockey to TownMarket under the GNU General Public License.

Where the situation gets less clear is where, as at present, StockJockey, Inc. does not base its claims against OpenSourcery on a violation of the exclusive right of StockJockey, Inc. under copyright to create or distribute derivative modifications of the StockJockey program, but rather on their trademark right to prevent third parties from using the “StockJockey” mark in a way that would confuse recipients of the program as to who created it. More specifically, that OpenSourcery’s use of “StockJockey’ to explain to users what program they have modified violates the rights of StockJockey, Inc. under trademark based on the likelihood to confuse users like TownMarket and their employees as to which company is the origin of the services being offered, StockJockey, Inc. or

³⁷ See *GNU General Public License, Version 2* § 2.

³⁸ See *GNU General Public License, Version 2* § 1.

OpenSourcery. Such a contention however, is defeated on both implicit and explicit grounds when applied to open source software.

Where a user such as OpenSourcery has the right to modify an open source program and distribute that modification, it is implied that they have the right to identify to the recipient the name of the program which was modified to create the version being given away. For this right not to be implied would be the equivalent of saying that a book could not be referred to as being by its author if illustrations were later added in the margin by a second person so that the story could serve to tell the same story both textually and visually. A strong argument could even be made that there is an implicit right to inform the recipient of the name of the original program from which the current version derives on the basis that not doing so would be dishonest and misleading. The right to identify the original program on which a derivative modification is based must be implied where the alternative is that the recipient of the modification would be left in the dark as to the origin of the program before it was distributed to them by a third party. If such were the way of things the recipient would have no reason not to assume that OpenSourcery authored the program all by themselves, which would both dishonestly improve OpenSourcery's reputation and at the same time incorrectly deprive StockJockey, Inc. and the larger open source community of their credit for creating and contributing to the program.

There is also more explicit support for distributors having a right to reference the original open source release when distributing modified versions. Most open source licenses, including the GNU General Purpose License, include obligations that require those who distribute modified versions of open source programs to reference the name of

the original program in the files distributed. Most open source licenses require that any party that modifies an open source program place a prominent notice on that program stating that the program was changed and the date of the change. This kind of notice typically requires the modifier to identify what the original program was and who it was created by as well as when it was modified and in what ways. An example of such a clause is as follows:

Modification Obligations

You must cause all Modified Code which you contribute to contain a file documenting the changes you made and the date of any change. You must include a prominent statement that the Modification is derived, directly or indirectly, from Original Code provided by the Initial Developer and including the name of the Initial Developer in (a) the Source Code, and (b) in any notice in an Executable version or related documentation in which you describe the origin or ownership of the Covered Code.³⁹

While not all licenses explicitly require that the modification notice state the name of the original open source program and its initial developer, they all require a description of the program and the modifications which have been undertaken, a description which would be essentially impossible without some reference to the original program which the new program is a modification of. By requiring modifiers to identify the underlying programs to which they have made modifications even if the name of said program is trademarked open source software licenses, having been adopted by the original software creators and trademark owners, embody a permission from the original software creator

³⁹ Language modeled after the Mozilla Public License paragraph 3.3 “Description of Modifications.” See also *GNU General Public License, Version 2* § 2 (requiring that modified files contain prominent notifications regarding the nature and date of modifications).

to the third party software modifier to reference the name of the original software in the third party modified version. In effect, this means that by releasing StockJockey under an open source license, StockJockey, Inc. has not only permitted but required third parties to reference StockJockey in any modified versions of the original StockJockey program which third parties create or distribute.

7. Tips for Third Parties Seeking to Make Use of Protected Marks

In light of the wide berth of the trademark fair use exceptions, how does a trademark holder police the quality of products and services offered with reference to their mark? How does the public protect itself? Based on the rules applied in the above discussed cases, guidelines can be derived which, if followed, may reduce the likelihood that a third party will infringe the trademarks held by an open source software company when including those marks in business communications promoting the third party's training, customization, or other services for open source software released by the software company. Third Parties seeking to refer in business communications to open source projects the names of which are protected by trademarks should:

- Use the protected trademark as a noun, not as an adjective.⁴⁰ When describing one's services, be careful to include the trademark name of the software release for which services are being provided as a noun referring to that software, not as an adjective describing the services, e.g.

"We offer hosting and training services for StockJockey."

and not

⁴⁰ See comment of Mark Webbink, to *bill dudney's weblog*, "JBoss - choose what you learn carefully..." http://bill.dudney.net/roller/bill/entry/1#_comment-1174513415000 (March 21, 2007 at 03:43 PM MDT) (pointing out in practice, the importance of third-party users including a trademark brand in commercial communications as a noun and not as an adjective).

"We offer StockJockey hosting and training services."

The first example uses "StockJockey" as a noun that is separate from the services and gives no distinct impression of association with the company that released StockJockey. The second example uses "StockJockey" as an adjective to describe the services and is more ambiguous as to whether the services are being offered by the company that owns the "StockJockey" mark, the services are being provided by an affiliate of the company that owns the "StockJockey" mark, or whether the company that owns the "StockJockey" mark has certified the services as "StockJockey hosting and training services" in some way and so has licensed this use of "StockJockey" to describe these particular services. While this may sound overly technical, the difference in impression can go a long way towards clearly communicating to consumers that the services are being offered by a third party that is unaffiliated with the trademark owner, and to the courts that steps have been taken to prevent any appearance of affiliation.

- Use the protected mark of another only if it accurately describes the services being offered. It will be difficult for a third party to demonstrate that their use of another company's trademark in advertisements is traditional or nominative fair use if the third party's services or message are not related to the open source project to which the trademark refers. In such a case it would appear more likely that the third party has used the trademark to confuse consumers into thinking that the services were being offered by or the trademark holder or an affiliate thereof.
- Refrain from using logos or insignias of the trademark owner. When referring to a piece of open source software protected by a registered trademark, a third party

should avoid using logos or insignias associated with the open source software or the trademark owner. Trademark law is specifically intended to prevent consumer confusion as to source or origin of goods and services. To this end, a court is likely to find that use of a protected trademark by a third party does not qualify as a fair use where the third party used more than was necessary of a trademark to refer to the trademark protected service. A third party uses more than is necessary to refer to a trademark protected good or service when they use protected logos, distinctive stylized typefaces or insignias of the trademark holder instead of simply using the text of the protected mark. Distinctive logos, typefaces and insignias are more an indicia of source than the text of the trademark alone and thus are more likely to confuse consumers into thinking that the services being discussed originate from the trademark holder.

- Restrict the number of times and the manner in which the trademark is used in business communications advertising third-party services. Courts are less likely to find that a third party has made a fair use of the protected trademark of another where the trademark is used frequently in business communications or emphasized in advertising to a degree equal to or greater than the name of the third party. Along the same lines as use of logos and stylized typefaces, repetition of a trademark or emphasis on the trademark to a greater degree than other words or phrases in the communication tend to signal to the consumer that the services being discussed originate with the trademark owner. In the case of services being offered by a third party, such repetitive use or emphasis on a mark would thus

confuse the consumer as to the source of the services in direct opposition to the primary purpose of trademark law.

- Avoid using language in conjunction with the trademark which would give consumers the impression that the services are being provided by an affiliate of the trademark owner. Courts are more likely to find that a third party's use of a protected trademark is a fair use when the third party refrains from using language in their business communications which would lead consumers to believe that the third party is a representative or affiliate of the trademark owner. Language that would lead consumers to believe that the third party is a representative or affiliate of the trademark owner could include the third party using the trademark or a portion of the trademark in the name of their business, referring to the service as "official" or in some way sanctioned by the trademark owner, or simply emphasizing the protected mark to a degree equal to or greater than the name of the third party's business.
- Include an explicit disclaimer of affiliation with the trademark owner or statement of attribution of trademark ownership. While including a disclaimer of affiliation or statement of attribution (that the open source software company is the owner of the protected mark) may not always be possible depending on the length or context of the business communication, doing so will generally weigh in favor of a finding by the court that the third party's use of the protected mark qualifies as fair use. Once again, this goes back to the primary purpose of trademark law: preventing consumer confusion as to the source or origin of goods and services. If a third party service provider identifies their own company in a business

communication that includes the protected trademark of an open source software company, but explicitly states that they are not affiliated with said open source software company and that said software company owns all rights in the featured mark, the possibility of actual or likely consumer confusion as to who is providing the software services is greatly reduced. Example:

“THIRD PARTY is an independent service provider or group and is not affiliated with, authorized by, sponsored by, or otherwise approved by TRADEMARK OWNER.”⁴¹

- Determine whether the open source software for which the services are being offered can be referenced without using the protected mark. If a piece of software could have been readily identified without use of its trademark name a court will be less likely to find that use of the protected trademark by a third party offering services for that software qualifies as a fair use. It is unlikely that a particular open source release can be readily identified without using its name, even if that name is also claimed as a protected mark, given the wide variety of software programs available. This is an important factor to keep in mind, particularly if the piece of software being referred to is the only program which serves a particular purpose or is so distinct in its functionality or interface that it can be recognized when described by only its unique qualities. If such is the case, a third party should refer to the software in business communications using vaguer terms since doing so would still communicate to the consumer which piece of software is being referred to while simultaneously avoiding the trademark issue altogether.

⁴¹ Language modeled after the disclaimer of affiliation for publisher releasing a book on GNOME contained in the GNOME Foundation’s Trademark Usage Guidelines for Third Parties, available online at <http://foundation.gnome.org/licensing/guidelines>.

8. **Tips for Open Source Software Companies in Policing Their Marks**

In general, open source software licenses do not afford third parties the right to use the trademarks of the company which releases an open source software program;⁴² this relegates decisions as to whether a third-party use of open source software company trademarks constitutes trademark infringement to the doctrines of trademark law and the exceptions for fair use which have been the subject of the bulk of this paper. Based on the above discussed cases and an analysis of materials made available by several open source software companies, a similarly situated company seeking to properly police the use of their protected marks without stepping beyond the bounds of the protections afforded by trademark law should:

- Adopt a trademark policy and make it available to the public.⁴³ By making available to the public the company's policy on use of trademarks by third parties, the responsible open source software company gives users and nonaffiliated third-parties a resource that they can refer to in determining whether their use of a protected mark in reference to a particular piece of open source software does or does not constitute trademark infringement. That said, the trademark policy of an open source software company is not a contract between the company and third parties; it is merely a set of guidelines which embody the open source software company's opinion as to their rights under trademark law. The trademark policy

⁴² See, e.g., *Apache License, Version 2.0* § 6 (2004).

⁴³ See the Trademark Guidelines and Policies of Red Hat, Inc., available online at <http://www.redhat.com/about/companyprofile/trademark/>; the Trademark Use Guidelines of BitTorrent, Inc. available online at <http://www.bittorrent.com/legal/trademark-use-guidelines>, the Trademark Usage Terms and Conditions for FreeBSD, available online at <http://www.freebsdoundation.org/documents/Guidelines.shtml>; and the Trademark Policy of MySQL AB, available online at <http://www.mysql.com/about/legal/trademark.html>.

of an open source software company cannot restrict those uses of protected trademarks by third parties which are allowable under the doctrines of trademark law and fair use including all those discussed earlier in this piece.

- Avoid claiming an absolute right to prevent all uses of protected marks by third parties. Trademark guidelines should not be an overreaching statement that the trademark owner has the right to prevent third parties from using the company's protected marks without express permission in all circumstances. Trademark guidelines should not include clauses like:

“THIRD PARTIES must request permission from TRADEMARK OWNER to use any of the TRADEMARK OWNER marks prior to any use of the marks, TRADEMARK OWNER may grant or withhold permission to use said marks in its sole discretion.”⁴⁴

From the cases earlier discussed, it is clear that trademark owners do not possess any absolute right of that kind. Instead trademark guidelines should be an accurate statement of the trademark law as it applies to the particular uses of protected marks which the open source software company can foresee users and third party companies engaging in.⁴⁵

- Address the ability of third parties to include protected trademarks in communications for commercial services. Third parties offer commercial training and customization services for open source software and from the above analyses of precedential cases it is clear that in some instances they are permitted to use the protected marks of others in the advertisement of such services. For that reason,

⁴⁴ Language modeled after clause 2 of the FreeBSD Foundation's Trademark Usage Terms and Conditions available online at <http://www.freebsdoundation.org/documents/Guidelines.shtml>

⁴⁵ For an excellent example of this approach to maintaining a trademark policy, see the Mozilla Trademark Policy, available online at <http://www.mozilla.org/foundation/trademarks/policy.html>

trademark guidelines for an open source company **should not** include the following:

“THIRD PARTIES intending to use TRADEMARK OWNER marks to advertise commercial services (e.g. hosting, support, customization), must seek direct permission in writing from TRADEMARK OWNER.”⁴⁶

It is misleading for an open source software company to claim an absolute right to exclude third parties from making use of the company’s protected marks in the advertisement of commercial services for software released by the company and such assertions are not supported by the law.

It is best if an open source software company’s trademark policy explains to third parties the limits to which they may make use of the open source software company’s trademarks as they are delineated by the doctrines of fair use and the purpose of trademark law to prevent consumer confusion as to the source or origin of goods or services. Such language might resemble the following:

A THIRD PARTY offering services related to BRANDED SOFTWARE may use TRADEMARK OWNER’s marks in describing and advertising their services, so long as the THIRD PARTY does not do anything that might mislead customers into thinking that TRADEMARK OWNER has any direct relationship with THIRD PARTY. For example, it is acceptable if THIRD PARTY’s website says, "customization services for BRANDED SOFTWARE available here." It is not OK, though if it says,

⁴⁶ Language modeled after the Trademark License for Moodle, available online at <http://docs.moodle.org/en/License>.

"TRADEMARK OWNER customization services sold here," or "custom TRADEMARK OWNER programs available here," since the first suggests that TRADEMARK OWNER is related to THIRD PARTY's business, and the second is confusing as to who – THIRD PARTY or TRADEMARK OWNER -- performed the customization. When in doubt, err on the side of providing more, rather than less, explanation and information.⁴⁷

- Include directions to third parties as to inclusion of notice of trademark registration, disclaimer of affiliation and attribution of trademark ownership.

While fairly simple, this inclusion will likely bear the brunt of the duty of instructing third parties as to how they should seek to prevent consumer confusion as to the origin of the services they are advertising with respect to their inclusion of the trademarks of others. These instructions should advise third parties as to what type of notices or registration symbols should accompany the text of the trademark where it appears in the third party's advertisement of services, and may even suggest appropriate text for a statement that the third party is not associated with the trademark owner and that the open source software company is in fact the owner of all trademarks with respect to the open source program. For example:

The first time that you use a mark of TRADEMARK OWNER conspicuously indicate that "the _____ mark is a registered trademark of TRADEMARK OWNER and is used by THIRD

⁴⁷ Language modeled after a portion of the Mozilla Trademark Policy headed "Services Related to Mozilla Software."

PARTY in accordance with TRADEMARK OWNER'S trademark guidelines." You must use TRADEMARK OWNER's marks in their entirety and a trademark symbol ® should follow all prominent uses of TRADEMARK OWNER'S marks.⁴⁸

- Include a policy on third parties using the protected mark owned by the open source software company in the name of their own business or their own software releases. Fair use generally only extends to those third-party uses of another's trademark which will not give rise to consumer confusion as to the source or origin of the goods or services being discussed. Because a third party going so far as to include the open source software company's protected trademark in the third party's business name or the name of their software releases is much more likely to create consumer confusion as to the source of the third party's software or services, the courts are much less likely to find that such use of the trademark by the third party are not protected, e.g.:

THIRD PARTY should not combine or use a TRADEMARK OWNER mark with or within THIRD PARTY's product or service name. Use of TRADEMARK OWNER marks in that sort of way would not be a fair use.⁴⁹

Alternatively, because the courts are likely to see use of the protected mark of another in the name of a third party's company or software as something that will lead to consumer confusion, the open source software

⁴⁸ Language modeled loosely after clauses 4-6 of the FreeBSD Foundation's Trademark Usage Terms and Conditions.

⁴⁹ Language modeled after clause 3 of the FreeBSD Foundation's Trademark Usage Terms and Conditions.

company is in a unique position to license third parties to include the trademark brand owned by the open source software company in the name of the third party's company or software.⁵⁰

- Provide an email address whereby users and third parties can contact the open source software company with trademark issues. An open source software company as trademark owner should include in their trademark policy an email address and other contact information for a representative of their company which third parties can contact to report an instance of possible trademark infringement or to discuss a particular use of the company's trademark. This provides both the open source software company and the third party with an opportunity to begin a conversation as to how the third party might use the protected mark in a way that will communicate the third party's message without confusing consumers as to the source of the third party's services.

If a THIRD PARTY is using any of TRADEMARK OWNER's marks in a way that may cause confusion about TRADEMARK OWNER's involvement with THIRD PARTY, or if a THIRD PARTY believes their intended use of TRADEMARK OWNER's marks are not covered by the guidelines presented here, they should contact TRADEMARK OWNER at

⁵⁰ See Posting of Linus Torvalds to the Linux-Kernel Mailing List, "Re: Using 'linux' in a domain name," archived at <http://lkml.indiana.edu/hypermail/linux/kernel/0001.2/0646.html> (Jan. 18, 2000, 23:28:45 EST) (Discussing the Linux International policy of for fee sublicensing "Linux" to third parties for use in company or domain names).

tmlicense@trademarkowner.com to discuss THIRD PARTY's use of TRADEMARK OWNER'S marks.⁵¹

9. Conclusion

Applicable trademark law makes clear that for third parties like TownMarket and OpenSourcery who are offering commercial services like training and software customization for open source software like StockJockey it is a fair use to reference said software by name in commercial communications of said services, even if the name of that software is a registered trademark held by an open source software company like StockJockey, Inc. Mere ownership of a mark which is also the name of a branded open source software project does not grant the mark owner a monopoly over providing or licensing others to provide support services for that open source software project. If such were the case, the software company would be able to unfairly deprive innumerable programmers from the open source community that contributed code to the open source software from being able to offer commercial services to the public for the same. Furthermore, open source software licenses themselves implicitly (if not explicitly) support the right of third parties to reference original open source programs when providing services like software modification.

In light of these facts, and the existence of open source software trademark policies which more accurately delineate the line between what is and what is not allowable use of a software company's protected marks according to the law, it is not unreasonable to deem the trademark policies of those companies which claim to have an exclusive right to provide support services misleading at best, and at their worst,

⁵¹ Modeled loosely after contact instructions contained within the Trademark Guidelines and Policies of Red Hat, Inc. and the Trademark Use Guidelines of BitTorrent, Inc.

downright deceptive. The freedom of distribution, communication and transformation of ideas enabled by open source software licensing, while not discussed extensively herein, is undoubtedly amazing and a large contributing factor to “open source” becoming a buzz word in software development over the last few years. That having been said, the concepts and rules underlying open source licensing and open source software are still very new to some people in the software world and the majority of the less tech-savvy population. For this reason it is essential that abilities and obligations of both third parties and open source software companies with regard to open source software be correctly identified and communicated without either claiming rights that are not supported by the law. The freedoms offered by open source software licenses support software developers and third party service providers alike by providing both greater resources for integrating into new projects and more software for which to provide new and innovative services.

The overstatement of rights by one party with respect to open source software negates these benefits however, by making the abilities of all parties less clear and thus more difficult and risky to exercise. For example, had the entities which released open source software before StockJockey, Inc. claimed greater rights than they were legally afforded by open source licenses StockJockey, Inc. may have been frustrated in their attempts to adopt portions of earlier open source projects into what would become the StockJockey program. In just such a way, the practice of overstating rights under open source licenses, if widely adopted, could effectively extinguish the greatest benefits of open source licensing. For this reason such overstatement must be prevented before it

starts and ended where it has already begun using the foundations in trademark law and open source licenses discussed herein.

Appendix: Mock Legal Brief

Legal briefs take varying forms and include vastly different arguments depending on the purpose for which the brief is being submitted, the rules of the jurisdiction, and the documents and arguments which have already been submitted in the matter. In order that the arguments contained herein might be applied by analogy to disputes at different stages in litigation, the brief that follows is highly generalized in structure and does not request a specific form of relief nor does it attempt to fit the model of a brief responding any specific oppositional filing.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW HORIZON**

-----X

STOCKJOCKEY, INC.,

Plaintiff,

Index No. 09 8675309

-against-

**OPENSOURCERY, LLC &
TOWNMARKET, INC.,**

Defendants.

-----X

BRIEF FOR DEFENDANTS

Defendants, OpenSourcery, LLC (“OpenSourcery”) and TownMarket, Inc. (“TownMarket”), through their undersigned counsel, respectfully submit this memorandum in support of Defendants.

FACTUAL BACKGROUND

Plaintiff StockJockey, Inc. (“StockJockey”) is a software development company that, with help and contributions from other developers in the open source community, created the inventory management computer program StockJockey (the “Program”). In the creation of the Program, StockJockey utilized source code from certain software programs, at least one of which was licensed to StockJockey under the GNU General Public License (the “GPL”). The GPL is an open source license that is “viral” in nature. In exchange for permitting third parties to integrate source code from a GPL licensed program into new programs being developed, the GPL requires in return that those third parties then license said new programs under the terms of the GPL. In this way, new developers who integrate the already existing work of earlier open source software

developers into their own programs are prevented from receiving a free ride without giving back to the larger open source software development community. Along with the right to integrate GPL licensed code into new programs, the GPL also requires that a licensor permit any and all third party licensees to copy, modify and distribute the source code of their GPL licensed program.

Under the terms of the GPL, StockJockey was required to license their Program under the terms of the GPL, which requires that StockJockey permit third parties to use, copy, distribute and modify the Program without paying a fee. Based partly on the Program's availability as open source software licensed under the GPL, TownMarket opted to adopt the Program as the new inventory management tool for its chain of grocery stores located throughout the New Horizon suburbs. Prior to rolling out the Program companywide, TownMarket hired OpenSourcery, a firm that specializes in customization and training involving open source software, to offer a training session to its employees on how to use the Program. TownMarket was made aware of OpenSourcery through an advertisement OpenSourcery had paid for in a local phone directory (attached hereto as Exhibit A). TownMarket advertised the training event internally to its employees and managers using a flyer which identified "StockJockey" as the program for which training would be provided and OpenSourcery as the entity that would be providing the training (attached hereto as Exhibit B).

A week before the OpenSourcery training event was to take place, both TownMarket and OpenSourcery received cease-and-desist letters from the vice-president and legal counsel of StockJockey, Inc. The letters incorrectly alleged that TownMarket and OpenSourcery had infringed on StockJockey, Inc.'s trademark in the term

“StockJockey” by using it in advertisements for commercial services for which a fee would be charged. The messages from StockJockey, Inc. further state that StockJockey, Inc. has registered a trademark in “StockJockey” with the United States Patent and Trademark Office and only licensed “StockJockey Associates” are permitted to use the “StockJockey” mark to offer consulting, training, maintenance, and forking of StockJockey software. Unsatisfied with the response of TownMarket and OpenSourcery to their cease-and-desist letters, StockJockey has brought this action sounding in trademark infringement against the Defendants.

ARGUMENT

I. Unauthorized Representation as an Affiliate of the Mark Owner

Plaintiff has alleged that Defendant’s actions constitute trademark infringement on the grounds that inclusion of the StockJockey mark in communications offering commercial services for the StockJockey Program qualifies as an unauthorized representation by Defendants that they are licensed affiliates or franchisees of the Plaintiff. In cases where plaintiffs have alleged trademark infringement by representation as an affiliate, the courts have typically allowed the third party to use the registered trademark of another to communicate to consumers that they supply services for the other’s branded products, so long as there is no evidence of intent to deceive, nor actual or likely confusion, and the communication does not suggest that the third party is affiliated with the owner of the protected mark. *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477 (5th Cir. 2004); *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9th Cir. 1969); and *Trail Chevrolet, Inc. v. Gen. Motors Corp.*, 381 F.2d 353, 354 (5th Cir. 1967) (per curiam). As to what uses of a protected mark would suggest

affiliation or endorsement, the court in *House of Vacuums* stated that “prominent and pervasive use of a mark will suggest affiliation, but mere reference to a marked product will not.” *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 485 (5th Cir. 2004).

TownMarket included “StockJockey” only once in the description of their training event for the StockJockey program and OpenSourcery used “StockJockey” only once in their advertisement listing programs for which OpenSourcery offered service. Neither TownMarket or OpenSourcery made any reference to the company which released the StockJockey program in their communications offering training and customization services, nor did they include the StockJockey mark or logo in the name of their businesses, or reference the mark holder or origin of the StockJockey program by referring to the training and customization services as authorized, licensed or having been offered in affiliation with StockJockey, Inc. Furthermore, Plaintiff has submitted no evidence, survey or otherwise, of actual or likely confusion based on Defendants’ communications.

Defendants’ use is clearly distinguishable from a typical case in which the courts have found that defendants use of protected marks suggested an affiliation with the markholder that did not exist, e.g. *Volkswagenwerk Aktiengesellschaft v. Volks City, Inc.*, 348 F.2d 659 (3rd Cir. 1965) (in which a dealer in used Volkswagen automobiles used “Volkswagen City” as the name of his business and featured “Volkswagen” and “VW” trademarks and logos frequently in advertisements and signs on their premises). It should also be noted that, while the facts at present include no evidence of Defendants making an unauthorized representation that they are affiliates of the Plaintiff, should infringement be found herein on the basis of Plaintiff’s affiliation allegations courts have limited

remedies in such cases to a requirement that the third party include a statement that it is not an affiliate of the mark owner in communications that include the protected mark. *Volkswagenwerk Aktiengesellschaft v. Volks City, Inc.*, 348 F.2d 659 (3rd Cir. 1965); *Stormor, a Div. of Fuqua Industries, Inc. v. Johnson*, 587 F.Supp. 275 (D.C.Mich. 1984). In this way the trademark owner's right to limit the use of their mark by unaffiliated parties is honored but stops at the point where those nonaffiliated parties use the mark in a manner that makes clear that they are not associated with the trademark owner.

II. Absence of Quality Control a/k/a Genuineness Infringement

Plaintiff has alleged that Defendants actions constitute trademark infringement on the grounds that inclusion of the StockJockey mark in connection with third party commercial services for the StockJockey Program qualifies as genuineness infringement because the services are not being delivered under the quality control of the owner of the StockJockey trademark. Despite Plaintiff's claims to the contrary, trademark infringement actions on the basis of genuineness are not applicable to the use of a protected mark by a third party to describe services. Genuineness claims arise out of factual scenarios in which mark-bearing goods have been created under some degree of control by the markholder, then sold by a third party before or without the mark holder's permission or mark holder inspection and approval of their quality.

Disputes out of which genuineness claims arise and under which the rules for genuineness infringement have been propagated rely on the premise that the "genuineness" in question is or is not a quality of physical goods, not services. *Monte Carlo Shirt, Inc. v. Daewoo International Corp.*, 707 F.2d 1054, 1058 (9th Cir.1983) (Genuine products are "planned and sponsored by [the trademark holder] and produced

for it on contract for future sale.”); *Olympus Corp. v. United States*, 792 F.2d 315, 321 (2d Cir.1986) (“goods manufactured and marked abroad by parent of trademark holder and imported without permission adjudged genuine since they did not bear “counterfeit or spurious trademarks”). The difference between these cases and the case at bar are dispositive of the applicability of a claim for genuineness infringement, not only because the claim is intended for use of a protected mark on goods and not services, but also because a claim for lack of genuineness infringement can be defeated by a showing of retained genuineness of goods created by the mark holder and distributed by a third party. *DEP Corp. v. Interstate Cigar Co.*, 622 F.2d 621, 621 (2d Cir.1980) (goods considered genuine as there was “no difference between the product sold by [trademark owner] and that sold by [alleged infringer]”). Such a factual scenario can not exist for services because they are “created” by the same party that delivers them, a fact that would make all third party providers of services for trademarked products infringers if the facts surrounding their provision of services were shoehorned into a genuineness infringement analysis.

For further evidence that genuineness infringement is a claim reserved specifically for cases involving the sale of goods, one need only look to Plaintiff’s own arguments for genuineness infringement, which contain multiple citations to products cases but not one case involving the provision of services by a third party. (See Plaintiff’s Complaint, citing *El Greco Leather Products Co., Inc. v. Shoe World, Inc.*, 806 F.2d 392 (2d Cir. 1986); *Monte Carlo Shirt, Inc. v. Daewoo Intern. Corp.*, 707 F.2d 1054 (9th Cir. 1983); *DEP Corp. v. Interstate Cigar Co.*, 622 F.2d 621 (2d Cir.1980); *Olympus Corp. v. United States*, 792 F.2d 315 (2d Cir.1986)).

III. Descriptive and Nominative Fair Use

A. Descriptive Fair Use

Courts in a majority of the federal circuits have concluded that a third party's use of another's mark qualifies as a "descriptive fair use" when the third party makes use of the word or phrase that comprises the mark to honestly and accurately describe their own product or service rather than to signal that their product or service originates with the trademark holder. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (5th Cir.1983); *Leathersmith of London, Ltd. v. Alleyn*, 695 F.2d 27, 30-31 (1st Cir.1982), cert. denied, 459 U.S. 1209 (1983); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 937-38 (10th Cir.1983); and *Ideal Industries, Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1027-28 (7th Cir.1979), cert. denied, 447 U.S. 924 (1980). This fair use is explicitly recognized by the Lanham Act as a defense to a claim of trademark infringement where the use is "otherwise than as a mark, [...] of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin." 15 U.S.C. § 1115(b)(4).

Precedent dictates that protection of a third party's use of a registered trademark as a descriptive fair use depends on "whether a defendant is using [the] particular words primarily as a mark, i.e., as an "attention getting symbol," or primarily as a description." *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d at 42, 46 (1st Cir. 1991) (citing *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 937-38 (10th Cir.1983); *Ideal Industries, Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1027-28 (7th Cir.1979), cert. denied, 447

U.S. 924, (1980); *Venetianaire Corp. of America v. A & P Import Co.*, 429 F.2d 1079, 1083 (2d Cir.1970)).

Upon inspection of TownMarket's flyer advertising the training event, it is clear that "StockJockey" was included only in order to describe the services and events which were the subjects of the communications. Defendant TownMarket used the "StockJockey" mark in communications promoting their training event because the training was in the use of the StockJockey program. To no degree could the inclusion of "StockJockey" only once among the more than one hundred other words of the flyer, all appearing in the same plain text, be interpreted as use of the mark as an "attention getting symbol." Nor could TownMarket's use of StockJockey be reasonably colored as an indication of the source of the training services being discussed where the flyer is printed on TownMarket stationary and includes language that "Training at this event will be provided by OpenSourcery."

The same conclusion must be drawn from a closer look at OpenSourcery's directory advertisement. OpenSourcery included "StockJockey" on a list of open source programs clearly intended as examples of what is described immediately above that list as "a variety of open source tools" for which the "team of independent developers" at OpenSourcery offer "training and customization" services. Once a reasonable viewer also factors in that the advertisement appears in a directory of businesses and is headed by the word "OpenSourcery" in large, bold letters more than three times the size of any other text there featured, no rational conclusion can be drawn other than that "StockJockey" is included in this communication only to describe the services of Defendant and not as an

“attention getting symbol” or any indication of the source of the services or an association between the services and Plaintiff.

B. Nominative Fair Use

Should the court choose to follow precedent of the United States Court of Appeals for the Ninth Circuit, Defendants can rely on the defense of Nominative Fair Use, a defense similar in nature but different in analyses to the Descriptive Fair Use defense described above. In the Ninth Circuit, the nominative fair use defense may apply where “the defendant uses a trademark to describe the plaintiff’s product, rather than its own.” *New Kids on the Block v. New America Pub., Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). The defendant is then entitled to the full protection of the nominative fair use defense provided they meet three requirements “First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.” *Id.* See also *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792, (9th Cir. 2003); *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, (9th Cir. 2002); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002).

Application of the instant facts to each of these factors definitively supports Defendants’ use of the StockJockey mark qualifying as a nominative fair use. First, it would not be reasonably possible to refer to the StockJockey program as the subject of the TownMarket training event or a program for which OpenSourcery offered services without use of the “StockJockey” mark. If TownMarket did not use “StockJockey” to describe the software for which training was being offered TownMarket employees might

not perceive that the training was for the StockJockey software that was soon to be adopted company-wide, which could lead to less employees attending this important training session. Likewise, had OpenSourcery used a more general description of the StockJockey software used a generalized description of the StockJockey software (i.e. by referring to it as just an “open source program for inventory management”) the message that services were being offered specifically for the StockJockey program, as opposed to another one of the immense number of existing open source programs, would not be properly conveyed and persons looking for such services might not realize that OpenSourcery offered them.

The remaining factors require even less explanation to demonstrate their support of Defendants case for nominative fair use. Defendants used only so much of the mark as was reasonably necessary to identify the program, each having used “StockJockey” only in plain text and mixed in among other text of the communications in question. In addition, both defendants refrained from any use of specific typefaces or logos used by StockJockey, Inc. in connection with the StockJockey program. Defendants also did nothing to suggest that their use of the “StockJockey” trademark was a signal of sponsorship or endorsement by StockJockey, Inc., each having used the mark only once and including no statement of affiliation or reference to StockJockey, Inc. therewith whatsoever. In fact, both communications from Defendants clearly stated that the services being offered for the StockJockey program would be provided by a third party and not by StockJockey, Inc. The OpenSourcery advertisement included that all services would be provided by a “team of independent developers” and the TownMarket communication included that the training would be “provided by OpenSourcery, the same

company that will be customizing the software to work with our existing scanners and machines”

IV. Public Policy

Plaintiff has taken every opportunity to attempt to direct the court’s attention away from any discussion of the license under which Plaintiff has licensed the StockJockey program to the public, including to both Defendants. However, merely repeating that Plaintiff’s action is for infringement of trademark and not copyright does not respond to the substantial point that under the terms of the GPL Plaintiff has licensed both Defendants to utilize, copy, distribute or modify the source code of the StockJockey program. As discussed above, this license was required of Plaintiff as a result of Plaintiff’s integration into the StockJockey program of source code from existing open source software licensed to StockJockey, Inc. under the GPL. By taking advantage of pre-existing open source code, Plaintiff was able to save significant time and effort in the development of the StockJockey program and in turn accepted the terms of the GPL requiring that StockJockey be licensed under the same open source license. To save time and effort in development Plaintiff bargained away its exclusionary rights in copyright to prevent third parties from utilizing, copying, distributing or modifying the source code of the StockJockey program.

This suit is Plaintiff’s attempt to manipulate trademark law in order to recapture those exclusionary rights in copyright which Plaintiff has already bargained away. Having reaped the benefit of their license with previous open source developers by integrating pre-existing code licensed to them under the GPL into the StockJockey program, Plaintiff is asking this court to prevent Defendants from communicating their intention and ability

to conduct activities which the GPL requires StockJockey, Inc. to permit them to engage in. In short, Plaintiff is asking for a windfall. Plaintiff is requesting all of the benefits with none of the attendant costs, making an end run in trademark to get around their obligations under existing copyright licenses. This is a result that public policy can not abide.

CONCLUSION

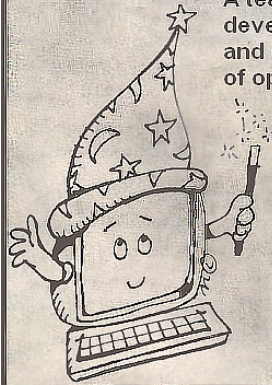
For the foregoing reasons, Plaintiff's claims of trademark infringement based on the allegations that Defendants have misrepresented themselves as affiliates of Plaintiff or that the services rendered by Defendants are not "genuine" must fail. Furthermore, Defendants' communications are entitled to the full protection of a descriptive fair use defense, or alternatively, the nominative fair use defense. Trademark law as well as public policy concerns require this result.

Respectfully Submitted,
Robert "Bob" Loblaw
LOBLAW, BLUTH, BAIO and BATEMAN
1236 Main St.
Villagetown, New Horizon 90973

Exhibit A

OpenSourcery

A team of independent developers that offers training and customization for a variety of open source tools



- Apache
- Money Manager Ex
- StockJockey
- NetDisco
- ..and many more

718-867-5309

Please call to make an appointment

Exhibit B

TownMarket.....

Attention Employees

What: Inventory Software Training Event
Where: Asbury Park, TownMarket Regional Office
When: Saturday, June 23rd, at 11 AM

As many of you already know TownMarket will be adopting new inventory software this fall. In order to make the transition go more smoothly we are extending to all employees an invitation to our first training session on use of the StockJockey inventory management system. This Training event is not mandatory but is recommended for inventory supervisors in the five locations which will be the first to implement the software. Training at this event will be provided by OpenSourcery, the same company that will be customizing the software to work with our existing scanners and machines.

There is a five dollar registration fee. Please register by calling Joanne at 731-557-7638 by June 15th. Lunch will be served