

# Screening

The marketplace, rather than the courthouse, may determine

**IN JULY 2008**, Facebook brought a trade dress infringement suit in the Northern District of California against a German Web site, StudiVZ, that had allegedly copied Facebook's "look, feel, features and services."<sup>1</sup> On the same day the California suit was filed, StudiVZ brought an action in Germany seeking a declaratory judgment that it had not infringed Facebook's site. Various online media outlets branded StudiVZ a "blatant Facebook clone," an "exact duplicate," and a "direct rip-off."<sup>2</sup> One of StudiVZ's founders publicly admitted basing the site on Facebook.<sup>3</sup>

Facebook's California complaint howled with outrage at StudiVZ's "unabashed and wholesale theft of Facebook's user interface and webpage designs" and announced in its opening sentence, "This is a case to stop Defendants from running a knockoff of Facebook's website."<sup>4</sup> Yet, just one year later, the world's second most popular Web site<sup>5</sup> lost its case in Germany and quietly dismissed its California lawsuit, agreeing to allow StudiVZ to continue operating in exchange for an undisclosed cash settlement.<sup>6</sup>

The story of how mighty Facebook found itself unable to shut down a reportedly "blatant" knockoff speaks volumes about the legal and practical challenges faced by those seeking to protect a Web site's "look and feel." Despite those challenges, however, real benefits may arise from look-and-feel litigation. The Facebook story demonstrates the critical role look-and-feel claims can play in a broader business strategy to defend against

knockoffs and preserve hard-earned goodwill.

Businesses will always be able to protect the trademarks, trade names, and copyrightable text content (images, music, and the like) contained on their Web sites. Nevertheless, as companies invest more time and capital in the layout, user interface, and overall appearance of their sites—and as consumers increasingly come to associate distinctive Web site design (such as *cnn.com* and *espn.com*) with their favorite brands—the need to protect Web site look and feel becomes a priority. This protection can be rooted in either copyright or trademark law.

To be worthy of copyright protection, the look and feel of a Web site must be "original" and possess some "minimal degree of creativity."<sup>7</sup> These standards may seem low, but there are only a finite number of ways a Web site can be presented and over 200 million Web sites on the Internet.<sup>8</sup> As a threshold matter, a copyright infringement lawsuit cannot proceed unless and until the claimant has applied to the U.S. Copyright Office for registration of the copyright at issue.<sup>9</sup> Thus, the Copyright Office is the first arbiter of whether a Web site's look and feel is sufficiently original and creative. However, its pronouncements on the subject cast some doubt on whether Web site look and feel can ever be copyrightable.

The Copyright Office has stated that "in general, formatting of web pages is not copyrightable" and "[our] longstanding practice...is to deny registration of the arrangement of elements on the basis of physical or

directional layout in a given space, whether that space is a sheet of paper or a screen of space meant for information displayed digitally."<sup>10</sup> In its circular "Copyright Registration for Online Works," the Copyright Office offers advice for those filling out applications to register Web sites:

Use terms that clearly refer to copyrightable authorship [such as]... "text," "compilation," "music," "artwork" "photography," "motion picture/ audio-visual"...or "sound recording"... Do not use terms that refer to elements that are not protected by copyright or may be ambiguous, for example, "website," "interface," "format," "layout," "design," "look of website," "lettering," "game," or "concept."<sup>11</sup>

Left unanswered by the Copyright Office circular is whether terms such as "website," "interface," "design," and "look of website" are problematic because they are not protected by copyright or simply because they are ambiguous.

## Virtually Identical

Case law on the point is scant but seems to indicate that the "look" or "design" of a Web site may qualify for copyright registration so long as the particular arrangement of Web content is unique and creative. In *Darden v. Peters*, an applicant for copyright registration sought the district court's review of the Copyright Office's denial of registration of the "formatting of an Internet web page."<sup>12</sup> The Web site in question, *appraisers.com*, pre-

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# rabbling

the ultimate winner in Web site infringement battles

sented a map of the United States highlighting each state and county. Users could click on a particular county to access the list of real estate appraisers working there.

The applicant sought a copyright for the “formatting of an Internet web page.” The Copyright Office found this wording too broad, reasoning that the language could include “unoriginal formatting elements” and “uncreative layout of those elements.”<sup>13</sup> The Copyright Office acknowledged that the way in which “specific textual,...graphic or pictorial matter” had been “selected, coordinated and arranged” might be worthy of copyright protection, but it refused to grant registration unless a more limited application was submitted.<sup>14</sup> However, the applicant did not do so, and the issue was left unresolved.<sup>15</sup> The district court granted summary judgment on the grounds that the Copyright Office’s denial of registration was not an abuse of its discretion.<sup>16</sup>

In *Mortgage Market Guide, LLC v. Freedman Report, LLC*,<sup>17</sup> the Copyright Office had granted registration of the plaintiff Web site’s “[c]ompilation [of] text, graphs, charts, tables and artwork relating to the mortgage market.”<sup>18</sup> After a 15-day bench trial, the district court concluded that the plaintiff held a valid copyright in the Web site and that the site’s interface “customization options” combined with “the arrangement of dynamic charts and tables” to form a “unique creative expression.”<sup>19</sup> Like *Darden*, this case acknowledges the potential for copyright registration of a Web site’s look and feel, pro-

vided that the way in which the site content is arranged is unique and creative.

If registration is secured for a Web site’s look and feel, the copyright holder not only may bring suit but also enjoys a rebuttable presumption that the copyright is valid.<sup>20</sup> In response, the defendant must prove that the look and feel of the site at issue is neither original nor creative.<sup>21</sup> The design’s originality can be attacked by presenting evidence that other Web sites used aspects of the plaintiff’s design before the plaintiff did. Web archive services can supply historical screenshots of Web pages to prove prior use of creative elements<sup>22</sup>—and this evidence can be quite effective in attacking claims of originality.

To prove infringement, the Web site owner must also prove “copying,” which in the Ninth Circuit is generally established by evidence of 1) the defendant’s access to the copyrighted work prior to the creation of the defendant’s work, and 2) substantial similarity of general ideas and expression between the copyrighted work and the defendant’s work.<sup>23</sup> Given the vast, wide-open nature of the Internet, a defendant is unlikely to dispute his or her access to a given Web site. However, in the context of Web site look and feel, the plaintiff will be required to meet a higher standard than substantial similarity. When a work’s copyright protection is limited to the originality and creativity of the particular “arrangement” of its elements—as is the case with a Web site’s look and feel—copyright law requires more than substantial similarity to prove infringement. Instead, the Ninth Circuit

requires proof that the allegedly infringing work is “virtually identical.”<sup>24</sup>

The “virtually identical” standard is as unforgiving as it sounds. In *Crown Awards, Inc. v. Trophy Depot*, the plaintiff produced undisputed evidence that the defendant had intentionally copied its Web site.<sup>25</sup> Nevertheless, the defendant also tweaked the look and feel of the knockoff site by changing the color scheme from the original and by adding text in places where the original Web site did not.<sup>26</sup> The Web sites were similar but not identical, and so the plaintiff’s claim was denied.<sup>27</sup>

Unfortunately, *Facebook v. StudiVZ* did not clarify the issues surrounding copyright protection for Web site look and feel. Facebook asserted eight separate causes of action, but copyright infringement was not among them.<sup>28</sup> It is not clear why Facebook chose this strategy. Maybe Facebook concluded that too little of its own design was original or that StudiVZ’s tweaks—for example, using the color red where Facebook used blue—meant the sites were no longer virtually identical. Still, Facebook might have been expected to at least plead the claim. Perhaps it simply had not registered its look and feel with the Copyright Office and was concerned that an application would be

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denied. In any event, Facebook's decision not to plead copyright infringement speaks volumes about the difficulty of supporting such a claim in a case involving Web site look and feel.

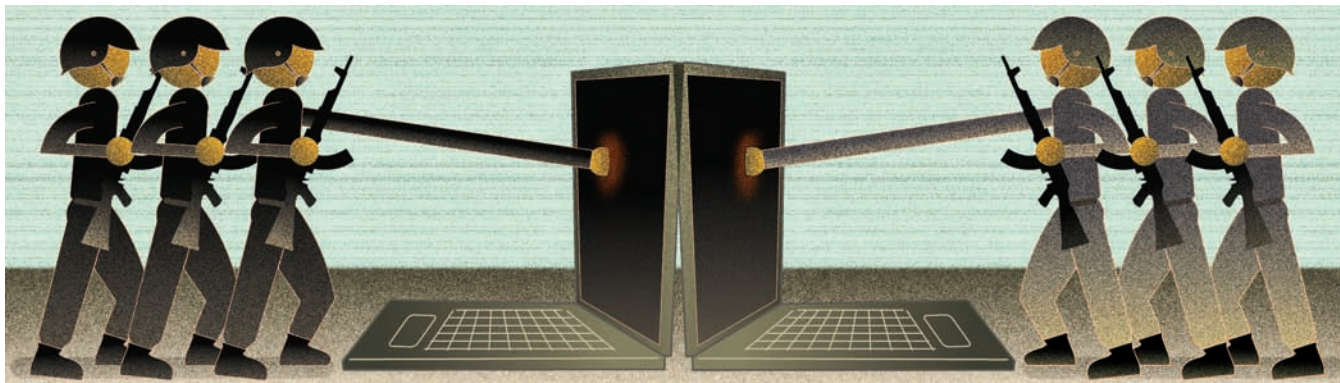
### Trade Dress

Trademark law could provide another avenue for those seeking protection for Web site look and feel. More specifically, plaintiffs

arbitrary embellishment.”

Even if individual elements of trade dress have a functional utility, the arrangement or combination of those utilitarian features may be protected as trade dress—but only if they reflect arbitrary or nonfunctional “design decisions” and leave a “multitude of alternatives” for competing arrangements that are not confusingly similar.<sup>40</sup> In *Clicks Billiards, Inc. v. Sixshooters, Inc.*, the Ninth

acquired secondary meaning.<sup>45</sup> A product design feature acquires secondary meaning when its “primary significance” in the minds of prospective purchasers serves to identify the source or maker of the product.<sup>46</sup> Examples of trade dress that have acquired secondary meaning through use and advertising include the Rubik's Cube<sup>47</sup> and the small red tag stitched on to the back pocket of Levi jeans.<sup>48</sup>



may invoke the form of trademark protection known as trade dress, which applies to the “total image and overall appearance” of a product.<sup>29</sup> The theory behind trade dress protection is that a product deserves trademark protection if its overall image is sufficiently distinctive that consumers associate that image with the maker of the product.<sup>30</sup> Examples include the hourglass shape of the classic Coca-Cola bottle;<sup>31</sup> the cow-spotted boxes of Gateway computers;<sup>32</sup> the décor of the Taco Cabana chain of Mexican restaurants;<sup>33</sup> the size, shape, and graphic design of *Reader's Digest* magazine;<sup>34</sup> and the characters and design features used in the Pac-Man video game.<sup>35</sup> Unlike copyright, trade dress does not require registration, originality, or creativity.<sup>36</sup> Recently, commentators and litigants, including Facebook, have sought to extend trade dress protection to a Web site's distinctive look and feel.<sup>37</sup>

To sustain a claim for trade dress infringement, a Web site owner must prove that:

- 1) Its design is nonfunctional.
- 2) Its design has acquired “secondary meaning.”
- 3) The knockoff Web site creates a “likelihood of confusion” in the mind of the consuming public as to the source, sponsor, or maker of the allegedly infringing site.<sup>38</sup>

A product feature is “functional” if it is useful or serves a purpose that constitutes “the actual benefit the consumer wishes to purchase” rather than a “mere arbitrary embellishment.”<sup>39</sup> For example, the hyper-text links on *cnn.com* that allow a user to access news stories are “the actual benefit” the user seeks from the site, but the color scheme and particular arrangement of stories, images, and subjects are arguably “mere

Circuit held that while many of the individual elements of the plaintiff's pool hall were functional (such as lamps to illuminate the pool tables and rails for the customers to place their drinks), the plaintiff had offered sufficient evidence of the “arbitrariness and non-functional nature of [the] design decisions and the availability of alternative designs” to avoid summary judgment.<sup>41</sup> The “arbitrary” elements of the pool hall's trade dress included the “size, placement, and layout of the pool tables; the color combination, including the contrast between the carpet and the dark wood; the lighting; the neon beer signs...[and] the selection of video games.”<sup>42</sup>

To date, only one opinion—and it is unpublished—has addressed functionality in the context of a Web site's look and feel. *SG Services, Inc. v. God's Girls Inc.* involved the creator of a so-called alterna-porn Web site, *suicidegirls.com*, which featured news, message boards, interviews, and photographs of clothed and nude models. The owner of this site sued a rival Web site, *godsgirls.com*, for trade dress infringement.<sup>43</sup> While the court ultimately dismissed the infringement claim on summary judgment, it did conclude that the colors of the plaintiff's site (predominantly pink) and the phrases used on the site (“they're the girl next door” and “so you wanna be a suicide girl?”) were nonfunctional because they were “merely adornment and do not ‘constitute the actual benefit that the consumer wishes to purchase.’”<sup>44</sup> Thus, existing case law leaves open the possibility that a Web site's look and feel could be ruled nonfunctional, but the law is too undeveloped to draw any further conclusions.

The far more difficult trade dress hurdle is proving that the Web site design has

Some of the factors that courts consider when evaluating secondary meaning include:

- Whether consumers in the relevant market associate the trade dress with the maker.
- The degree and manner of advertising under the claimed trade dress.
- The length and manner of use of the claimed trade dress.
- Whether use of the claimed trade dress has been exclusive.
- Evidence of sales, advertising, and promotional activities.
- Unsolicited media coverage of the product.
- Attempts to plagiarize the trade dress.<sup>49</sup>

Those seeking protection for a Web site's look and feel will find that many of these factors simply do not apply in that context. Indeed, Web sites generally do not advertise their look and feel. Also, the type of long-standing use that supports a likelihood of secondary meaning is typically measured in decades,<sup>50</sup> while most Web sites are relatively recent creations—and even established Web sites revamp their look and feel every year or so. Moreover, sales are a poor indicator of brand recognition for the many sites that provide content and services for free. Advertising may ultimately make sense as a substitute for sales, but no court has embraced that approach thus far.

To date, no court has held that a Web site's look and feel has acquired secondary meaning. In *Computer Access Technology Corporation v. Catalyst Enterprises, Inc.*, the plaintiff claimed that its computer software graphic user interface—akin to a Web site's look and feel—was protectable trade dress.<sup>51</sup> The court acknowledged that the plaintiff had spent \$4.9 million on an advertising campaign aimed at creating identification of

# MCLE Test No. 193

The Los Angeles County Bar Association certifies that this activity has been approved for Minimum Continuing Legal Education credit by the State Bar of California in the amount of 1 hour.

- The “look and feel” of a Web site must be nonfunctional and distinctive to be worthy of copyright protection.  
True.  
False.
- The U.S. Copyright Office has stated publicly that the formatting of Web pages generally is not copyrightable.  
True.  
False.
- Web site owners may not bring a look-and-feel copyright infringement suit until they have first applied for copyright registration.  
True.  
False.
- As a practical matter, it is impossible to prove whether the look and feel of one Web site appeared on the Internet before the look and feel of another site.  
True.  
False.
- What is the Ninth Circuit’s standard for how similar the look and feel of a knockoff Web site must be to the original in order for the copying to constitute copyright infringement?  
A. Substantially similar.  
B. Confusingly similar.  
C. Virtually identical.  
D. None of the above.
- Unlike copyright, trade dress need not be registered, nor must it be original or creative.  
True.  
False.
- To sustain a claim for trade dress infringement, a Web site owner must prove that:  
A. Its design is nonfunctional.  
B. Its design has acquired secondary meaning.  
C. The knockoff Web site creates a likelihood of confusion in the mind of the consuming public regarding the source, sponsor, or maker of the infringing site.  
D. All of the above.
- Which of the following is not an example of protectable trade dress?  
A. The hourglass shape of the classic Coca-Cola bottle.  
B. Gateway’s cow-spotted computer boxes.  
C. The characters and design features used in the Pac-Man video game.  
D. The words “Levi Jeans.”
- A product feature is functional if it is useful or serves a purpose that is “the actual benefit the consumer wishes to purchase” rather than a “mere arbitrary embellishment.”  
True.  
False.
- In a Web site, what product feature can be characterized as functional?  
A. Hypertext links.  
B. Color scheme and particular arrangement of text, images, and subject matter.  
C. None of the above.  
D. A and B.
- A product design feature acquires secondary meaning when its secondary significance in the minds of prospective purchasers serves to identify the source or maker of the product.  
True.  
False.
- To prove secondary meaning, a Web site owner must present evidence that the general public associates the look and feel of the site with its owner.  
True.  
False.
- The Ninth Circuit’s factors for determining likelihood of confusion do not include:  
A. Similarity of the two marks or trade dress.  
B. The defendant’s intent in selecting the mark.  
C. Evidence of actual confusion.  
D. Trademark registration.
- Likelihood of confusion exists when a reasonable consumer believes that the defendant’s product is licensed, sponsored, endorsed, or authorized by the plaintiff.  
True.  
False.
- Evidence of actual confusion is the best evidence of likelihood of confusion.  
True.  
False.
- Functionality, secondary meaning, and likelihood of confusion are highly fact-specific issues.  
True.  
False.
- In trade dress actions, the court has discretion to award plaintiffs up to four times the amount of their monetary damages.  
True.  
False.
- In “exceptional” trade dress cases—generally those that involve intentional or deliberate infringement—the court may award attorney’s fees.  
True.  
False.
- A district court in California required a copycat site to 1) post hypertext links directing users to the infringed site and 2) forfeit its domain name.  
True.  
False.
- In copyright actions, plaintiffs may recover:  
A. Monetary damages.  
B. Statutory damages up to \$150,000 in lieu of monetary damages.  
C. Attorney’s fees.  
D. All of the above.

## MCLE Answer Sheet #193



### SCREEN GRABBING

Name \_\_\_\_\_

Law Firm/Organization \_\_\_\_\_

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Mark your answers to the test by checking the appropriate boxes below. Each question has only one answer.

- True  False
- True  False
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the user interface and its source but concluded that it still had not established secondary meaning. Indeed, the court expressed skepticism that the primary significance in a consumer's mind of a feature as inherently functional as a user interface could ever be to identify the source or manufacturer.<sup>52</sup>

The recent *SG Services* decision concluded that while the Web site at issue was popular, there was no evidence that its look and feel had acquired secondary meaning. Although the Web site owner introduced evidence of the commercial success and media coverage of its site ("the most popular web page on MySpace"),<sup>53</sup> it still could not prove secondary meaning because it presented no evidence that the site's commercial success had led the public to associate the look and feel of the site with its owner.<sup>54</sup>

Many of the most popular sites on the Internet claim millions of daily visitors. It seems plausible that users of sites like *espn.com* or *cnn.com* could identify these sites by their look and feel even if all trade names, trademarks, and logos were removed. However, until a Web site owner actually convinces a court that the primary significance of its look and feel in the user's mind is brand identification, these claims will face uncertain futures.

Facebook is the second most-viewed Web site in the world, with 175 million visitors every day.<sup>55</sup> Shortly after Facebook filed suit against StudiVZ, one commentator quipped, "While Facebook's interface is hardly the epitome of creativity, it is in its boringness, a distinctive look associated with Facebook."<sup>56</sup> The German court hearing the case acknowledged that Facebook's interface was "essentially distinctive" but dismissed Facebook's claims without making a finding whether the interface had acquired secondary meaning.

### Likelihood of Confusion

The final trade dress infringement requirement involves proof that consumers visiting the knockoff Web site would likely be confused that the site was owned or sponsored by the plaintiff.<sup>57</sup> The Ninth Circuit has developed eight factors for determining likelihood of confusion:

- 1) Similarity of the two marks or trade dress.
- 2) Relatedness of the products or services of the plaintiff and defendant.
- 3) The advertising or marketing channels used by the plaintiff and defendant.
- 4) The strength or distinctiveness of the plaintiff's trade dress.
- 5) The defendant's intent in selecting the mark—for example, whether evidence exists of the defendant's intent to infringe and create confusion.
- 6) Evidence of actual confusion.
- 7) Likelihood of expansion in product lines

so that the two products at issue will ultimately compete directly.

8) The degree of care that purchasers are likely to exercise.<sup>58</sup>

If a reasonable consumer believes that the defendant's product is licensed, sponsored, endorsed, or authorized by the plaintiff or made by the plaintiff and sold by the defendant under the defendant's brand name, then a likelihood of confusion exists.<sup>59</sup> Knockoff Web sites often employ strategies to lure users from the original site, such as typo-squatting (registering the copycat site at a domain name that is a close misspelling of the original site), tagging the knockoff site with key words associated with the original to divert search engine traffic, or placing misleading click-through advertisements or hyperlinks in popular third-party sites. While users may realize they are on a different Web site with a different domain name, the similarity in look and feel may lead them to believe the infringing site is somehow licensed or sponsored by the original site. However, no recorded decision to date has addressed these issues.

Evidence of actual confusion is the best evidence of likelihood of confusion. Perhaps Web site visitors are posting comments demonstrating confusion as to whether a knockoff site is affiliated with the original. While that evidence may be effective, it is also problematic because of the difficulty in proving its reliability. Web site visitors typically post comments under a fictional screen name and may be impossible to locate for purposes of acquiring a sworn affidavit or otherwise demonstrating that they are not employed by, or loyal to, the plaintiff.<sup>60</sup>

In the German *Facebook* proceeding, the court addressed the likelihood of confusion but only to dismiss the issue in cursory fashion. The German court recognized that StudiVZ had duplicated elements of Facebook's distinctive interface but concluded that no trade dress infringement had taken place because StudiVZ was not using Facebook's look and feel as a trademark. Specifically, the court reasoned that StudiVZ was not using Facebook's look and feel to mislead consumers regarding the origin or owner of the site because each Web page contained a visible StudiVZ logo.<sup>61</sup> What the German court ignored was the possibility that users would conclude—visible logo or not—that StudiVZ was affiliated with Facebook as a German subsidiary or licensee.

The *Facebook* case presented an unusual wrinkle in the analysis of likelihood of confusion. The StudiVZ Web site launched in Germany before Facebook introduced its German language version.<sup>62</sup> Because the knockoff was in German and targeted German consumers, the German court deter-

mined that the relevant consumer for the purposes of discerning likelihood of confusion was the German consumer.<sup>63</sup> The German court concluded that the German consumer was not likely to confuse the knockoff (StudiVZ) with the original (Facebook) for the fundamental reason that during the relevant time frame—before Facebook had introduced a German-language version—the original site (Facebook) was relatively unknown in Germany.<sup>64</sup> This circumstance, unusual as it may seem, would likely present itself whenever a knockoff Web site served a foreign market in its native language.

The German court's ruling underscores the uncertainty in finding trade dress protection for Web site look and feel when 1) practitioners seek to apply existing legal principles in a new context, and 2) the Internet's global nature means that ultimate questions of liability may be governed by the law of a foreign jurisdiction.<sup>65</sup>

### Worthwhile Pursuit

Even if a Web site owner is somehow able to prevail on a copyright or trade dress claim, the victory may ultimately be deeply unsatisfying. A victory would not result in shutting down the Web site. At best, the defendant would be enjoined from operating a virtually identical or confusingly similar site. Thus the knockoff could simply tweak its look and feel and be back in business within a day. Moreover, the tweaking itself is far too cheaply accomplished to strike much fear in a copycat's heart. Losing a trade dress claim involving a tangible product like a child's toy could cost the copycat millions in packaging redesign, withdrawing and destroying infringing packages, revising promotional materials, and retooling factories. By contrast, losing a Web site trade dress case may mean little more than asking a junior IT consultant to spend a few hours changing the site's design and color scheme.

If the knockoff Web site is foreign, it only makes the trade dress fight more expensive and uncertain. As was the case in the *Facebook* litigation, *forum non conveniens* concerns will likely mean that substantive issues are litigated in the foreign jurisdiction, because the majority of relevant witnesses, documents, computers, and consumers most likely will be located on the knockoff's home turf. In addition, the foreign tribunal may view the copycat in a sympathetic light as a local employer and taxpayer serving a multitude of local consumers. Indeed, Facebook found itself in the position of asking a German court to shut down a social media site owned by a German company, based in Germany, and with 13 million subscribers, nearly all of whom were German citizens who had invested time and effort in

establishing profiles and social networks on the German site.<sup>66</sup>

Nevertheless, despite the challenges and frustrations, pursuing claims regarding Web site look and feel may still be worthwhile for several reasons. While these claims may be extremely difficult to win on the merits, they are nearly as difficult to dispose of before trial, because each of the trade dress infringement elements is intensely factual.<sup>67</sup> Generally, it is far more economical for a copycat to modify the look and feel of its Web site than litigate fact-intensive claims through discovery and trial.

Furthermore, the wide variety of available remedies give potency to claims for the protection of a Web site's look and feel even though they are so hard to prove. A victorious plaintiff could recover the copycat's profits,<sup>68</sup> damages to the plaintiff's goodwill,<sup>69</sup> and the "reasonable royalty" the plaintiff would have earned had it licensed its intellectual property to the copycat.<sup>70</sup> In trade dress actions, the court also has discretion to award plaintiffs up to three times the amount of their monetary damages<sup>71</sup>—and in exceptional cases, generally involving intentional or deliberate infringement, the court can award attorney's fees.<sup>72</sup> In copyright matters, if registration was secured prior to the infringement, the plaintiff may recover its attorney's fees,<sup>73</sup> and if the infringement was "willful," the plaintiff can opt to recover statutory damages of up to \$150,000 instead of its monetary damages.<sup>74</sup>

In addition to these remedies, courts have discretion to award fairly creative penalties. For example, the trial court in the Taco Cabana case penalized the defendant restaurant chain for its knowing and willful infringement by requiring it to post in each of its locations a white sign with 1-inch black letters reading: "Notice: Taco Cabana originated a restaurant concept which Two Pesos was found to have unfairly copied. A court order requires us to display this sign to inform our customers of this fact to eliminate the likelihood of confusion between our restaurant and those of Taco Cabana."<sup>75</sup> Courts have imposed similar penalties in the context of Web site infringement, including requiring the copycat site to post hypertext links directing users to the infringed site.<sup>76</sup> Still another option is forcing the copycat to forfeit its domain name.<sup>77</sup>

Finally, plaintiffs will realize significant publicity benefits from bringing a suit to protect look and feel. Suing a copycat Web site generates positive attention for the plaintiff's site—"we're so good they're copying us!"—and necessarily draws negative attention to the knockoff. Indeed, "knockoff" is a pejorative term that suggests inferior quality. Moreover, the infringed site may find it beneficial to

resolve the matter by acquiring the copycat entity. In these cases, the expense of the litigation, the uncertainty it creates for the future of the copycat's business, and the negative publicity can combine to reduce the acquisition price substantially.

By the time Facebook launched its German-language version, StudiVZ already had several million German members. Facebook entered the German market as an unknown, looking like it was a knockoff of the market-leading StudiVZ. Prior to bringing suit, Facebook had reportedly negotiated for months to buy StudiVZ, but the asking price was too high.<sup>78</sup> The lawsuit generated much publicity and alerted German consumers to the fact that Facebook had been the original site and that StudiVZ was a mere knockoff. Reports on the litigation naturally compared the two sites and in so doing often pointed out that StudiVZ had experienced security and privacy problems.<sup>79</sup> Thus, due to the litigation, at least some portion of the German market came to view the choice of social networking media as between the world market leader (Facebook) and a knockoff with security and privacy problems that might soon be shut down altogether by a judge (StudiVZ). This was fairly powerful marketing.

Indeed, just two weeks before Facebook settled and withdrew its U.S. lawsuit, the press reported that in the relatively brief period the action was pending, Facebook had managed to overtake StudiVZ as Germany's largest social networking site.<sup>80</sup> Facebook may have lost the legal battle, but in fighting that battle, it appears to have won the war for the marketplace. ■

<sup>1</sup> Complaint, Facebook, Inc. v. StudiVZ Ltd., Case No. 5:08-CV-03468 JF, Docket No. 1 (N.D. Cal., filed July 18, 2008).

<sup>2</sup> Pete Cashmore, *StudiVZ—Massive Controversy Surrounds Facebook Rip-Off*, Nov. 15, 2006, <http://mashable.com/2006/11/15/studivz-controversy-surrounds-facebook-rip-off/>; Richard Korman, *Facebook Sues German "Clone,"* July 21, 2008, <http://government.zdnet.com/?p=3898>; Michael Arrington, *StudiVZ Won't Comment on Facebook Lawsuit, But Will Talk Smack in General*, July 20, 2008, <http://www.techcrunch.com/2008/07/20/studivz-wont-comment-on-facebook-lawsuit-but-will-talk-smack-in-general>.

<sup>3</sup> Alex Bakst, *StudiVZ Takes on Facebook*, Nov. 7, 2006, <http://www.spiegel.de/international/0,1518,446353,00.html>.

<sup>4</sup> Complaint, Facebook, Case No. 5:08-CV-03468 JF, at ¶1.

<sup>5</sup> See [www.alexa.com/topsites](http://www.alexa.com/topsites) (last visited Mar. 27, 2010).

<sup>6</sup> See Robin Wauters, *Facebook and StudiVZ Dispute Ends with Settlement*, Sept. 10, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/09/10/AR2009091000764.html>.

<sup>7</sup> See 17 U.S.C. §§101 (definition of "compilation") and 102(a) (copyright protects "original works of authorship"); *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., Inc.*,

499 U.S. 340, 345 (1991).

<sup>8</sup> See <http://news.netcraft.com> (last visited Mar. 2010).

<sup>9</sup> 17 U.S.C. §411(a).

<sup>10</sup> U.S. COPYRIGHT OFFICE, CIRCULAR 66, COPYRIGHT REGISTRATION FOR ONLINE WORKS, at 3 (rev'd May 2009), as quoted in *Darden v. Peters*, 402 F. Supp. 2d 638, 643-44 (E.D. N.C. 2005).

<sup>11</sup> CIRCULAR 66, at 3.

<sup>12</sup> *Darden*, 402 F. Supp. 2d 638.

<sup>13</sup> *Id.* at 639-40.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* at 644.

<sup>16</sup> *Id.*

<sup>17</sup> *Mortgage Market Guide, LLC v. Freedman Report, LLC*, 2008 WL 2991570, at \*12 (D. N.J. July 28, 2008).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at \*26.

<sup>20</sup> 17 U.S.C. §410(c).

<sup>21</sup> *Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F. 2d 663, 668 (3d Cir. 1990).

<sup>22</sup> Courts typically will not admit documents obtained from Web archive services unless a custodian of the archives authenticates the documents. See *St. Luke's Cataract & Laser Inst. v. Sanderson*, 2006 U.S. Dist. LEXIS 28873, at \*5-6 (M.D. Fla. May 12, 2006).

<sup>23</sup> *Apple Computer, Inc. v. Microsoft Corp.*, 35 F. 3d 1435, 1442 (9th Cir. 1994).

<sup>24</sup> See *id.* at 1446; *Computer Access Tech. Corp. v. Catalyst Enters., Inc.*, 2001 WL 34118030, at \*12 (N.D. Cal. June 13, 2001).

<sup>25</sup> *Crown Awards, Inc. v. Trophy Depot*, 2003 WL 22208409, at \*12 (E.D. N.Y. Sept. 3, 2003).

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at \*13.

<sup>28</sup> *Complaint, Facebook, Inc. v. StudiVZ Ltd.*, Case No. 5:08-CV-03468 JF, Docket No. 1, at ¶¶ 75-119 (N.D. Cal., filed July 18, 2008).

<sup>29</sup> *Blue Bell Bio-Med. v. Cin-Bad, Inc.*, 864 F. 2d 1253, 1256 (5th Cir. 1989).

<sup>30</sup> *Brunswick Corp. v. Spinit Reel Co.*, 832 F. 2d 513, 517 (10th Cir. 1987).

<sup>31</sup> U.S. Trademark Registration No. 1,057,884.

<sup>32</sup> *Gateway, Inc. v. Companion Prods., Inc.*, 384 F. 3d 503, 506 (8th Cir. 2004).

<sup>33</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765 (1992).

<sup>34</sup> *Reader's Digest Ass'n v. Conservative Digest, Inc.*, 821 F. 2d 800, 802 (D.C. Cir. 1987).

<sup>35</sup> *Midway Mfg. Co. v. Dirkschneider*, 543 F. Supp. 466, 485 (D. Neb. 1981).

<sup>36</sup> *Two Pesos*, 505 U.S. at 767.

<sup>37</sup> See *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240, 1246 (W.D. Wash. 2007) (Diamond retailer sought trade dress protection for look and feel of Web site.); G. PETER ALBERT, JR., INTELLECTUAL PROPERTY LAW IN CYBERSPACE 198-99 (1999 & supp. 2005) ("One of the next conflicts to arise between the Internet and trademark law is likely to be the question of whether a Web page contains elements protectable as trade dress....Trade dress protection of Web pages has yet to be the central issue in an infringement claim."); *Complaint, Facebook, Inc. v. StudiVZ Ltd.*, Case No. 5:08-CV-03468 JF, Docket No. 1 (N.D. Cal., filed July 18, 2008).

<sup>38</sup> *Two Pesos*, 505 U.S. at 770.

<sup>39</sup> *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F. 2d 769, 774 (9th Cir. 1981).

<sup>40</sup> See *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F. 3d 1252, 1261 (9th Cir. 2001) (A billiard hall may have a total visual appearance that constitutes protectable trade dress.).

<sup>41</sup> *Id.* at 1259.

<sup>42</sup> *Id.* at 1261.

<sup>43</sup> *SG Servs., Inc. v. God's Girls Inc.*, 2007 WL 2315437, at \*9 (C.D. Cal. May 9, 2007) (unpublished).

<sup>44</sup> *Id.* (quoting *Rachel v. Banana Republic, Inc.*, 831 F. 2d 1503, 1506 (9th Cir. 1987)).

<sup>45</sup> *Clicks Billiards*, 251 F. 3d at 1262.

<sup>46</sup> *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 210 (2000).

<sup>47</sup> *Ideal Toy Corp. v. Chinese Arts & Crafts, Inc.*, 530 F. Supp. 375, 378 (S.D. N.Y. 1981).

<sup>48</sup> *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F. 2d 817, 818 (9th Cir. 1980).

<sup>49</sup> See *First Brands Corp. v. Fred Meyer, Inc.*, 809 F. 2d 1378, 1383 (9th Cir. 1987).

<sup>50</sup> *Polaris Pool Sys. v. Letro Prods.*, 886 F. Supp. 1513, 1516 (C.D. Cal. 1995) (trade dress in use for over 20 years); *Vaughan Mfg. Co. v. Brikam Int'l, Inc.*, 814 F. 2d 346, 349 (7th Cir. 1987) (over 40 years); *Contour Chair Lounge Co. v. True-Fit Chair, Inc.*, 648 F. Supp. 704, 710 (E.D. Mo. 1986) (39 years); *Rolls-Royce Motors, Ltd. v. A & A Fiberglass, Inc.*, 428 F. Supp. 689, 698 (N.D. Ga. 1977) (66

years). Compare *Levi Strauss*, 778 F. 2d at 1361 (16 years not long enough).

<sup>51</sup> *Computer Access Tech. Corp. v. Catalyst Enters., Inc.*, 2001 WL 34118030, at \*12 (N.D. Cal. June 13, 2001).

<sup>52</sup> *Id.*

<sup>53</sup> *SG Servs., Inc. v. God's Girls Inc.*, 2007 WL 2315437, at \*9 (C.D. Cal. May 9, 2007) (unpublished).

<sup>54</sup> *Id.* at \*10.

<sup>55</sup> See [www.alex.com/topsites](http://www.alex.com/topsites) (last visited Mar. 27, 2010); Michael Arrington, *Facebook COO: 175 Million People Log into Facebook Every Day*, Feb. 1, 2010, <http://techcrunch.com/2010/02/01/facebook-coo-sheryl-sandberg-world-economic-forum-davos/>.

<sup>56</sup> Korman, *supra* note 2.

<sup>57</sup> *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F. 3d 1252, 1265 (9th Cir. 2001).

<sup>58</sup> *AMF, Inc. v. Sleekcraft Boats*, 599 F. 2d 341, 349 (9th Cir. 1979).

<sup>59</sup> *First Brands Corp. v. Fred Meyer, Inc.*, 809 F. 2d 1378, 1384 (9th Cir. 1987).

<sup>60</sup> *SG Servs., Inc. v. God's Girls Inc.*, 2007 WL 2315437, at \*5 (C.D. Cal. May 9, 2007) (unpublished) (Postings made by unidentified users were inadmissible to prove actual confusion because "[t]here is absolutely no indication that the statements...are reliable.").

<sup>61</sup> *Facebook, Inc. v. StudiVZ Ltd.*, 33 O 374/08 (Cologne State Court, June 16, 2009). English translation at 13 of June 16, 2009, Judgment issued by the Cologne State Court filed as Exhibit "A" to Elsing Declaration in support of Facebook's Opposition to Defendant's Administrative Motion Requesting a Stay of Proceedings and a Status Conference (the Cologne Judgment), *Facebook, Inc. v. StudiVZ Ltd.*, Case No.: 5:08-CV-03468 JF, Docket No. 185-1 (N.D. Cal. filed June 22, 2009).

<sup>62</sup> *The Cologne Judgment*, at 9-10.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.* Facebook presented evidence that the English version of Facebook had been available to German consumers since before StudiVZ was introduced, but the German court concluded that Facebook's presence was still relatively insignificant.

<sup>65</sup> Not every jurisdiction protects intellectual property as extensively as the United States. For example, the German *Facebook* opinion suggested potential differences between German and U.S. law. While a U.S. court would ask whether the infringed design features created a likelihood of confusion among consumers as to the source of the infringing Web site, the German court used the German "doctrine of freedom of imitation" as the point of departure and asked whether the imitation in question caused "avoidable deception" of the consumer regarding the commercial origin of the imitated product. See the Cologne Judgment, at 8-10. It is not clear that the German approach would result in an outcome consistent with American law.

<sup>66</sup> Notice of Motion and Motion to Dismiss for Lack of Personal Jurisdiction or, in the Alternative, for Forum Non Conveniens on Behalf of StudiVZ Ltd., *Facebook*, Case No. 5:08-CV-03468 JF.

<sup>67</sup> See *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F. 3d 778, 783 (9th Cir. 2002) ("[F]unctionality is generally viewed as an intensely factual issue."); *Vision Sports, Inc. v. Melville Corp.*, 888 F. 2d 609, 614 (9th Cir. 1989) (Whether trade dress has acquired secondary meaning is a question of fact.); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F. 3d 894, 901-02 (9th Cir. 2002) (Likelihood of confusion between two trademarks is a factual determination.).

<sup>68</sup> 15 U.S.C. §1117(a); 17 U.S.C. §504(b).

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> 15 U.S.C. §1117(a).

<sup>72</sup> *Id.*; *Armstrong Cork Co. v. Armstrong Plastic Covers Co.*, 434 F. Supp. 860, 873 (E.D. Mo. 1977).

<sup>73</sup> 17 U.S.C. §§412, 505.

<sup>74</sup> 17 U.S.C. §§412, 504(c).

<sup>75</sup> Tracey Taylor Woodard, *Judge Details Changes in Two Pesos Concept*, Jan. 23, 1989, [http://findarticles.com/p/articles/mi\\_m3190/is\\_n4\\_v23/ai\\_6996322/](http://findarticles.com/p/articles/mi_m3190/is_n4_v23/ai_6996322/).

<sup>76</sup> See *Garden of Life, Inc. v. Letzer*, 318 F. Supp. 2d 946, 968 (C.D. Cal. 2004).

<sup>77</sup> *Id.*

<sup>78</sup> Kevin O'Brien, *Facebook and StudiVZ Battle over Germany*, N.Y. TIMES, Aug. 7, 2008, <http://www.nytimes.com/2008/08/07/technology/07iht-social.4.15091587.html>.

<sup>79</sup> *Id.*; Helen Chernikoff, *German Site Sued by Facebook Says Claims Without Merit*, July 20, 2008, <http://www.reuters.com/article/idUSN2034220420080720>.

<sup>80</sup> Markus Goebel, *Facebook Accelerates Past StudiVZ in Germany*, Aug. 25, 2009, <http://eu.techcrunch.com/2009/08/25/facebook-accelerates-past-studivz-in-germany/>.

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