



Janet L. Cullum
Phone: (212) 479-6500
Fax: 212 479 6275
jcullum@cooley.com

VIA ECF

October 6, 2008

Honorable David R. Homer
United States District Court
Northern District of New York
445 Broadway, Room 441
Albany, New York 12207

RE: *Minsky v. Linden Research, Inc. et al.*, No. 08-CV-0819 (LEK/DRH)

Dear Judge Homer:

Defendant Linden Research Inc. ("Linden") submits this letter brief pursuant to the Temporary Restraining Order By Consent issued by Judge Lawrence E. Kahn on September 12, 2008 (the "TRO") (Dkt. No. 23), and in response to the letter brief submitted by Plaintiff Richard Minsky ("Plaintiff") on September 29, 2008 ("Pl. Ltr.") (Dkt. No. 30). The TRO sets forth an expedited method for resolving disputes regarding Linden's obligation to remove from the Second Life world alleged infringing uses of the term "SLART," in which Plaintiff claims trademark rights. Notwithstanding the claims made in Plaintiff's brief, there is no issue for this Court to review because the alleged infringing use of "SLART" has, by Plaintiff's own admission, ceased and there is no other legitimate dispute ripe for resolution.

Factual Background

Linden is the operator of Second Life, an online virtual world that simulates a real world environment. Users can create characters, called "avatars," to represent themselves in the online world, where they can interact with each other, explore the space, and create content. Second Life has over 15 million subscribers. Before Plaintiff became a user of Second Life, the Second Life community was creating art in or inspired by the Second Life virtual world and was sharing and discussing that art. In connection with this art, many users or "residents" in the Second Life environment used the SL trademark and the generic term "art" in various forms, including with and without a space between "SL" and "art."

On November 19, 2006, Plaintiff registered as a Second Life user and apparently began using "SL" combined with "ART" to describe his art-related activities in Second Life, as others had done before him. Unlike others, however, Plaintiff formed the intention to usurp SLART for his exclusive use. On March 22, 2007, Plaintiff filed a trademark application with the United States Patent and Trademark Office ("PTO") to register SLART. He attached an exemplar of his use of SLART in an online magazine reflecting the tagline, "a critical review and journal of the arts in Second Life," and showing "SL" and "ART" in different colors. See Declaration of Laura C. Pirri, dated Sept. 8, 2008 ("Pirri Decl."), Exs. I-J (Dkt. No. 15). On July 5, 2007, the PTO refused the SLART application, recognizing that SLART merely described Plaintiff's services related to art in Second Life. The Examiner pointed out that "[t]he term 'SLART' is commonly used to describe art within the online world Second Life." See Pirri Decl., Ex. K (Dkt. No. 15).

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On July 12, 2007, Plaintiff filed a response to the PTO falsely stating that SLART was not descriptive of his services related to art in Second Life. Relying upon the online Urban Dictionary, which allows anyone to submit and define terms, Plaintiff then claimed, for the first time, that SLART was “a slang term, and NOT one that refers to art in Second Life.” He pointed the PTO to a reference which purported to define SLART as a combination of words such as “slut” and “fart.” No evidence was offered, however, of any use of the term SLART in any context other than as a reference to art in Second Life. Plaintiff also claimed that his use was different from other uses in which “SL” and “Art” were separated by a space, contending that such other uses would be pronounced differently (as “ess ell art”), even though his own depiction of his one-word format differentiated the SL from ART so as to suggest it would also be pronounced “ess ell art.” See Pirri Decl., Ex. L (Dkt. No. 15).

In reliance on these misleading arguments, the PTO issued a registration to Plaintiff for SLART. Immediately thereafter, Plaintiff began to serve cease-and-desist notices on residents allegedly using SLART. With respect to one such notice, namely the use of “SLart Garden” by a resident with the avatar name Victor Vezina, Plaintiff notified that user to cease use and also contacted Linden demanding that Linden notify the user of Plaintiff’s concerns. A dialogue between Plaintiff and his attorney, on the one hand, and Linden, on the other, ensued in which Linden advised Plaintiff that he had no right to claim exclusive use of SLART. Plaintiff then filed this lawsuit accusing Linden of trademark infringement and contributory trademark infringement and related claims. Plaintiff also sought and obtained, on an entirely *ex parte* basis, a TRO which, *inter alia*, required Linden to remove uses of SLART as to which Plaintiff claimed infringement. Linden moved to dissolve the TRO.

At the hearing on the motion to dissolve, Judge Kahn asked the parties to attempt to agree on an order to preserve evidence and maintain the status quo pending the adjudication of Plaintiff’s motion for a preliminary injunction. After an exchange of proposed language, on September 12, 2008, the Court provided to the parties a draft of the temporary restraining order and asked that they indicate whether they consented to it. The parties gave their consent, and the TRO issued on September 12, 2008.

The TRO requires Linden to notify users and remove alleged infringing uses of SLART *only* where the alleged infringement is in the form “SLART,” as one word with the letters in uniform size, font and color. With respect to all other forms of SLART, Linden may decline to notify the user and remove the use. If Plaintiff wishes to persist in his allegations of infringement, under the TRO, he must submit a request to this Court establishing the basis for his claim of infringement. This key feature of the TRO was necessitated because, even assuming Plaintiff has any rights in SLART, which Linden disputes, Plaintiff has admitted that certain forms of SLART do not infringe his rights; specifically, Plaintiff has admitted that where SLART is in a form which would likely be pronounced “ess ell art,” there is no infringement. See Amended Complaint, dated Aug. 14, 2008 (“Am. Compl.”), ¶ 9 (Dkt. No. 6); Pirri Decl., Ex. L (Dkt. No. 15). As a matter of compromise, Linden agreed to follow a take-down procedure for one form of the mark, namely SLART where all the letters appear in a uniform size, font and color such that the SL portion is not differentiated from the balance of the mark.

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Plaintiff's September 19, 2008 Notice to Linden of Alleged Infringing Use of "SLART"

On September 19, Plaintiff submitted to Linden a notice claiming infringement in the use of "SLart Show Viewer" by resident Tate Watanabe. Upon receipt of the notice, which provided a screen shot of the location which Plaintiff had apparently captured the day before, and within less than one hour of receipt of that notice, Linden searched for the use Plaintiff identified, both at the location identified in Plaintiff's notice, and in Second Life search under the "All" tab. The use Plaintiff identified was not present at the location he identified and did not appear in the Second Life search results. Linden continued to search but was unable to locate this use. On September 24, 2008, Linden sent an email to Plaintiff stating that it had been unable to find the use complained of, and that for this reason, *and* under the terms of paragraph 3 of the TRO because "SLart Show Viewer" was not a use of SLART in uniform size, font and color, Linden was declining to forward Plaintiff's notice to the Second Life user identified by Plaintiff.

Plaintiff now argues that Linden acted improperly in declining to forward the notice. This argument is entirely without basis. Initially, by Plaintiff's own admission, the use of which Plaintiff complained is no longer occurring. Plaintiff is wasting this Court's time by presenting to this Court a dispute about an alleged infringing use that has ceased to occur. Indeed, judicial resources would surely be stretched to their limits if trademark holders immediately ran to court each time a fleeting use of their mark appeared.

Plaintiff cites to *In re Vuitton Et Fils S.A.*, 606 F.2d 1 (2d Cir. 1979), a case involving the sale of counterfeit leather goods, apparently to suggest that Linden should bear the burden of policing potential future uses of SLART that Plaintiff may contend are infringing. However, that case is not on point. In *Vuitton*, the concern was that, upon notice of suit by Vuitton, the sellers of the counterfeit goods would transfer those goods to another seller who was unknown and could not be located, thus allowing the continued sale of the counterfeit goods. Here, no such concern exists. To the extent that the use of "SLart Show Viewer" reappears in the Second Life world, Plaintiff will be able to identify the user as he has in this instance and in the Vezina instance, and there is simply no danger of goods being transferred to an unknown person.

Further, Plaintiff suggests that because the possibility exists that the use he has alleged to be infringing will reappear, Linden should undertake the burden of policing Plaintiff's alleged mark. However, it is a clearly established principle of trademark law that "rights holders bear the principal responsibility to police their trademarks." *Tiffany Inc. v. eBay, Inc.*, No. 04 Civ. 4607 (RJS), 2008 U.S. Dist. LEXIS 53359 (S.D.N.Y. July 14, 2008) (attached hereto as Exhibit A); *see also MDT Corp. v. New York Stock Exch.*, 858 F. Supp. 1028, 1034 (C.D. Cal. 1994) ("The owner of a trade name must do its own police work."). Plaintiff can – and presumably has – sent his own notice to this user, which perhaps achieved the purpose contemplated by the TRO, rendering his notice to Linden moot.¹

¹ Such user to user communications are possible in the Second Life platform via instant messages (IM's) or via "Notecards," which are items containing text and/or embedded textures, snapshots or objects that can be given from one user to another. Plaintiff has already used these methods to directly communicate with other users regarding his claimed trademark rights. *See* Blog Post, dated Jan. 17, 2008, attached

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The Evidence Preservation Issue is Another Red Herring

In an attempt to suggest that Linden is in violation of the TRO and its duty to preserve evidence, Plaintiff claims that evidence of infringement of his alleged mark may be being lost. This charge appears to be based on Plaintiff's demand, with respect to the alleged infringing use at issue here, that Linden provide him "with the record of the content at the specified location at the time [Plaintiff] took the screen shot" of the alleged infringing use. See Pl. Ltr., Ex. E (Dkt. No. 30). In this demand, Plaintiff asserted: "If you cannot provide me with the evidence of the object I saw and imaged at 7:27 a.m. PDT on Sept. 18, 2008, then evidence is not being preserved. The opposite is then true, and evidence is being destroyed." *Id.*

In fact, Linden does create "backup" records of regions of the Second Life world which consist of periodic captures of data for emergency disaster recovery purposes. Linden has preserved "backup" records for the Second Life region named Cannery Rezzable, where Plaintiff notified Linden that he had located the allegedly infringing use of "SLart Show Viewer." In addition, of course, Plaintiff has captured a screen shot of the alleged infringing use and Linden has captured screen shots reflecting that the alleged infringing use no longer appears at the location identified by Plaintiff. Thus, evidence of the alleged infringing use is preserved and Plaintiff has made no showing to the contrary. Plaintiff has apparently concluded that, because Linden did not immediately produce these records to him (which consist of non-public proprietary data in machine-readable format), the evidence was being lost. Plaintiff's conclusion is erroneous.

Plaintiff Unreasonably Misconstrues the Meaning of the TRO's "Uniform Size, Font and Color" Language In An Attempt to Create a Dispute Where None Legitimately Exists

In a final effort to create a dispute where none exists, Plaintiff attempts to make an "end run" around the TRO to which he agreed by re-characterizing the TRO's "uniform size, font and color" language. Thus, he now disingenuously claims that the complained of use does not fall within the scope of paragraph 3 of the TRO because "Case is not specified in the parameters of the TRO." Pl. Ltr. at 5 (Dkt. 30). Although Plaintiff proclaims himself an expert in typography, one need not be an expert to recognize that lower-case letters appear in a smaller size than upper-case letters. Further, any suggestion that Plaintiff is offering his legitimate understanding of the TRO's language is belied by the clear statements he has made regarding the meaning of the "uniform size, font and color" provision of the TRO.

Initially, Plaintiff has admitted that uses that would be pronounced "ess ell art," such as "SL ART" or "SL-ART," do not infringe upon his mark. See Am. Compl., ¶ 9 (Dkt. No. 6); Pirri Decl., Ex. L (Dkt. No. 15). Similarly, a use in which the "SL" portion of the mark is distinguished from the balance of the mark, such as in "SLart," would likely be pronounced "ess ell art," and therefore would not infringe upon Plaintiff's mark. Paragraph 3 of the TRO thus provides a procedure for the Court to resolve the question of whether there is a likelihood of infringement of

hereto as Exhibit B. There is nothing preventing Plaintiff from doing so in this instance, and no reason that Plaintiff cannot use these methods to communicate with the user regarding any concerns he may have about the possibility of future alleged infringement.

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Plaintiff's mark in these instances, and whether the alleged infringing use should therefore be removed.

Plaintiff clearly understood that the "uniform size, font and color" provision of the TRO was intended to allow Linden to decline to forward Plaintiff's notice where the complained of use distinguished the SL portion of the mark from the balance of the mark such that it would likely be pronounced "ess ell art." In his response to Linden's proposed temporary restraining order, Plaintiff vehemently voiced his disagreement with the terms of paragraph 3 of Linden's proposed order, stating:

Defendants' proposed TRO paragraph 3. is designed to encourage infringement and dilution of my SLART trademark and is unacceptable. We discussed this yesterday and understood there was no agreement on this point. . . . For Defendants to specify that the letters must be "as one word with all letters depicted in a uniform size, font and color" constitutes Unfair Competition and extends the Tortious Interference that was the basis of my original complaint.

Plaintiff's Response to Defendant's [Proposed] Temporary Restraining Order by Consent, ¶ 3, attached hereto as Exhibit C. Yet the terms of paragraph 3 in Linden's proposed temporary restraining order are *exactly* the same terms that are in the TRO issued by Judge Kahn to which Plaintiff consented. See Linden's [Proposed] Temporary Restraining Order by Consent, ¶ 3, attached hereto as Exhibit D. It is clear that Plaintiff understood their meaning, and his attempt now to rewrite the TRO and accuse Linden of failing to comply with its terms is an abuse of the judicial process.

Finally, the use of which Plaintiff currently complains, "SLart Show Viewer," is clearly an instance where "SLart" would likely be pronounced "ess ell art." Plaintiff has not made any showing that he would be likely to prevail on his infringement claim with respect to this use. Therefore, even were the use continuing, Linden was justified, under the clear meaning of the TRO, in declining to send Plaintiff's notice to the user. However, as the complained of use has ceased to occur, there is no issue for this Court to decide. Therefore, Linden respectfully requests that Plaintiff's letter motion be dismissed as moot.

Respectfully submitted,

s/Janet L. Cullum

Janet L. Cullum
Admitted *pro hac vice*
Assigned Bar Roll No. 106604

cc: Richard Minsky (via email at minsky@minsky.com)
Andrew C. Rose, Esq. (via email at acrose@nixonpeabody.com)