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Something I Ate

By: Jim Astrachan

A visitor to Baltimore's Inner Harbor attractions stopped me the other night as I left a restaurant and asked for directions. "Can you tell me where to find the intersection of the First Amendment's protection of free speech and the Lanham Act's prohibition of the misleading use of trademarks and tradenames?" I was lost in thought and just grunted, "Huh?"

He repeated his question and I scrutinized him for signs of recent institutional admissions or cranial scaring, but he appeared normal so I stepped closer. "Look," he said, "Here's my story, which may be a little difficult to follow, so if I lose you, holler. It involves two men: one is Harley E. Rouda, Jr., the other is Harley E. Rouda, Sr. They own HER, Inc., a real estate brokerage. "Oh yeah," he added, "Jr. and his mom own a real estate brokerage called REAL LIVING, INC. that was once HER."

"These Roudas," he related, "learned that a real estate brokerage called RE/MAX First Choice was using a business domain name that incorporated the Rouda's names and their registered trademarks." I told him I was keeping up and asked that he continue.

"HER," he said, "stands for Harely E. Rouda." "No surprise there," I thought. He told me not to be rude and I just starred at him. He also said that HER had been a federally registered trademark since the 1970's and that the Roudas say that the names "Harley E. Rouda, Jr. and Harley E. Rouda, Sr. are synonymous with HER.

"RE/MAX," he said, "is an Ohio company, as is HER. Incidentally, he added, "they all do business in the same geographic area. Okay, he asked, did I understand these basic facts?" I told him I did.

He next related that in May 2006 someone who called himself "Herbie R. Jr." using the email address herbie@insiderrealliving.com, sent an email to 1,000 HER

agents. It was titled "Inside Real Living and the Truth Shall Set You Free." It was, Herbie R. Jr. wrote, an insider's look at the dealings of HER and its owners. "It wasn't pretty," the visitor told me. "For example, the newsletter attacked the accuracy of HER's website claims regarding inventory superiority; it claimed that the Roudas were selectively posting real estate listings and that to see all available area listings, a home searcher would need to visit RE/MAX's website." He explained that the listings the Roudas were not showing belonged to former agents who had left HER to go elsewhere. I thought that if the email was true, it was a legitimate criticism of HER's operations, and I suppose, a valid exercise by Herbie R. Jr., of his First Amendment rights.

"On the other hand," the visitor said, responding to my First Amendment leanings, "'Herbie' is using the words REAL LIVING to attract attention so he can get his point across. He wants HER agents to open his emails and not ignore them as junk." I had at last identified in my mind, with help, the intersection that had started our discourse.

He told me that the Roudas discovered that the owner of RE/MAX First Choice, a guy named Barlow, had sent the emails. Likely Barlow had reasons to gripe because some of his agent's listings were not landing on HER's multiple listings and that was hurting sales. But he added that one just might consider that Barlow was up to no competitive good when he contacted HER's agents. "HER," he said, "felt Barlow was trying to steal its agents and sued Barlow and RE/MAX. In addition to various state law claims HER asserted federal trademark infringement, dilution and cybersquatting."

"Geez," I thought, "What would a court do with this mess?" The visitor told me there had already been a ruling. I was getting a little nervous with his mind reading stuff and wondered where this guy was from; but he brushed my thoughts aside and continued.

"The court pretty much concluded that Barlow had violated the Anti-Cybersquatting Consumer Protection Act for reasons we need not get into," he said. "Where the court was troubled, was to what extent if any, does the First Amendment protect Barlow's use of these legitimate marks for criticism of REAL LIVING?"

I scratched my head, twice, and thought hard. I knew that the First Amendment clearly affords Barlow the right to criticize this business. If he is wrong, there are libel laws to take him to task – not prior restraint. "But does the First Amendment protect the misleading use of trademarks to mislead an agent who would not have opened an email had she not thought it was from her company?" I thought.

The visitor replied, "No," and I was startled not only because I thought he was right. This thought reading thing was becoming creepy. I tried to recall similar cases where the courts allowed the use of a domain name similar to a registered trademark

but each of those cases involved legitimate commentary about the mark's owner without any commercial benefit to the speaker. Or the site had a disclaimer of affiliation with the mark's owner sufficient to alert any visitor. For example, I thought, of those domain names that use a real mark and the "suck" suffix. "Watch your mouth," my visitor quipped, "there may be children present."

I backed up several feet. "The general rule," I said, "was that the First Amendment should protect critical speech as long as it does not create confusion as to source."

I reasoned to myself, "Barlow had gone beyond protected conduct, however, because his domain name was likely to confuse HER's agents into believing that the message originated from REAL LIVING or its affiliate. Barlow and Rouda are direct competitors and Barlow wants to recruit REAL LIVING'S agents. He appears to be proposing a commercial transaction." "And without a disclaimer like the 'suck' suffix," I thought to myself, "there was just no way for a reader to know that the message did not come from the Roudas."

"Hey, I told you to watch your language," the visitor said, and he left.

James B. Astrachan is the author of The Law of Advertising, published by Matthew Bender-Lexis/Nexis.