UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

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RESCUECOM CORPORATION,

       Plaintiff,

                5:04-CV-1055
v.   **(NAM/GHL)**

GOOGLE, INC.,

       Defendant.

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APPEARANCES: **OF COUNSEL:**

Rescuecom Corporation   Edmund J. Gegan, Esq.
2560 Burnet Avenue
Syracuse, New York 13206

Hunton & Williams LLP   Shawn Patrick Regan, Esq.
200 Park Avenue
New York, New York 10166-0136

Hon. Norman A. Mordue, Chief Judge:

MEMORANDUM-DECISION AND ORDER

I.   INTRODUCTION

  Defendant Google, Inc., moves to dismiss plaintiff Rescuecom Corporation's complaint

pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure for failure to state a claim on

which relief can be granted. Defendant contends that selling "Rescuecom", plaintiff's trademark,

to plaintiff's competitors as a keyword that triggers the appearance of links to their websites

among the search results an Internet user receives when he or she enters "Rescuecom" in Google,

defendant's Internet search engine,[1] is not a trademark "use" within the meaning of the Lanham Act, 15 U.S.C. § 1051 *et seq.* Thus, defendant argues, plaintiff can prove no set of facts entitling it to relief on its trademark infringement claim (Count I), false designation of origin claim (Count II), federal dilution claim (Count III), common law trademark infringement claim (Count IV), or state law dilution claim (Count V), all of which require proof of trademark use. Defendant also seeks dismissal of plaintiff's tortious interference claim (Count VI) for failure to state a claim. Plaintiff opposes defendant's motion.

II.   The Complaint

The Court accepts as true the following facts from the complaint: Plaintiff is a computer services franchising business. Its 67 franchises offer repair, consulting, networking, and Internet services. Plaintiff offers its franchisees the use of its trademarks and business system, which includes a 24/7/365 telephone answering service, a dispatch service, and customer service.

In 1998, plaintiff filed and registered "Rescuecom" as its trademark with the United States Patent and Trademark Office. Through great expense and care, plaintiff has become well known and famous in its market and has gained a reputation for excellence and outstanding service to customers and franchisees. As a result, its trademark is a valuable business asset.

Plaintiff's main website's domain name is Rescuecom.com. Plaintiff conducts a substantial amount of its business over the Internet, and receives an average of 17,000 to 30,000 visitors to its websites each month. Plaintiff advertises over the Internet, and through Google.

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[1] The Second Circuit defines "search engine" operationally:

> A search engine will find all web pages on the Internet with a particular word or phrase. Given the current state of search engine technology, that search will often produce a list of hundreds of web sites through which the user must sort in order to find what he or she is looking for.

Sporty's Farm L.L.C. v. Sportsman's Market, Inc., 202 F.3d 489, 493 (2d Cir. 2000).

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Because plaintiff's services are computer related its potential franchisees and customers use the Internet to do business and search for goods and services. Plaintiff's famous name and trademark, as well as its reputation for excellence, distinguish its goods and services from its competition and lead potential franchisees and customers to search for Rescuecom Corporation specifically through a variety of means, including Google.

There are two primary ways an Internet user can find a particular company's website. An Internet user may either guess that the company uses its name or trademark as its domain name, and enter that domain name into an Internet browser, or enter the company's name or trademark into an Internet search engine such as Google.

Google is located at the domain name Google.com. Defendant claims Google is the most popular search engine on the Internet and that it maintains proprietary, patented, software which lists websites in order of relevance to the Internet user's search terms. The search results are often voluminous and list thousands of websites.

From an Internet user's search terms, defendant can ascertain the subject, company, goods, or services in which the Internet user is interested. According to the complaint, "[t]his allows Google to obtain a significant percentage of its profit from the sale of 'contextual advertising' space, that is advertising space which allows companies to place their advertising in front of consumers who have already identified themselves as interested in products or services similar to theirs." One of the programs defendant offers is "AdWords". Using AdWords, an advertiser can bid on terms (keywords) an Internet user might enter as a search term on Google. Defendant then links the advertisement and hyperlink (sponsored link) to the keyword the advertiser purchased. When an Internet user enters the keyword, it triggers the sponsored link to

appear on the search results page either to the right or immediately above the search results.

Another program defendant offers is "Keyword Suggestion Tool", which it uses to recommend

keywords to advertisers.

Defendant does not always identify sponsored links as advertisements and it designs those

appearing at the top of the search results to look like part of the "non-sponsored" search results.

As a result, Internet users may infer, based on a sponsored link's appearance at the top of the list

of search results, that a sponsored link is the most relevant website among the search results. An

Internet user can "click" on the sponsored link with a mouse to go to the advertiser's website.

Advertisers pay defendant based on the number of clicks the sponsored link receives.

Rescuecom is an often searched term on the Internet. Plaintiff submits thousands of

keywords to defendant, including Rescuecom, alone and in combination with other words.

Consequently, when an Internet user enters Rescuecom into Google as a search term, one of

plaintiff's sponsored links appears above or to the right of the search results.

Many of plaintiff's competitors advertise their services on the Internet and have submitted

plaintiff's trademark to defendant's AdWords program as a keyword. Defendant is aware that

plaintiff is in the business of computer services franchising and computer service, repair,

maintenance, and consulting. Defendant, through its "Keyword Suggestion Tool", has

recommended Rescuecom to plaintiff's competitors as a keyword in order to make plaintiff's

competitors' advertising more successful and to generate more profits for defendant by

intercepting and diverting plaintiff's customers and potential customers.

III.   DISCUSSION

A.   Standard – Rule 12(b)(6)

When considering a motion to dismiss a complaint under Rule 12(b)(6), a court "'must accept as true all of the factual allegations set out in plaintiff's complaint, draw inferences from those allegations in the light most favorable to plaintiff, and construe the complaint liberally.'" *Gregory v. Daly*, 243 F.3d 687, 691 (2d Cir. 2001) (quoting *Conley v. Gibson*, 355 U.S. 41, 45-46 (1957)). A court may not dismiss an action "unless it appears beyond doubt that the plaintiff can prove no set of facts in support of [its] claim which would entitle [it] to relief." *Conley*, 355 U.S. at 45-46. "'[T]he issue is not whether a plaintiff will ultimately prevail but whether the claimant is entitled to offer evidence to support the claims.'" *Todd v. Exxon Corp.*, 275 F.3d 191, 198 (2d Cir. 2001) (quoting *Scheuer v. Rhodes*, 416 U.S. 232, 236 (1974)). **B.   Trademark Infringement – 15 U.S.C. § 1114(1)**

Defendant seeks dismissal of plaintiff's trademark infringement claim (Count I) and false designation of origin claim (Count II) on the basis that the complaint fails to allege that defendant's use of plaintiff's mark, Rescuecom, is an actionable "trademark use". To prevail on a trademark infringement claim under § 32(1) of the Lanham Act, 15 U.S.C. § 1114(1)[2] or a false designation of origin claim under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1),[3] "a plaintiff

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[2] 15 U.S.C. § 1114 provides, in relevant part,

> (1) Any person who shall, without the consent of the registrant-

> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . .

> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

[3] 15 U.S.C. § 1125 provides, in relevant part,

> (a) Civil action

> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination

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