JUDGE FORREST

12 CV 8083

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GERALD CELENTE and THE SOCIO-ECONOMIC RESEARCH INSTITUTE OF AMERICA INC. d/b/a THE TRENDS RESEARCH INSTITUTE,

Plaintiffs,

- against -

GOOGLE INC., DAVID CHEKROUN, and JOHN DOES 1 through 10,

Defendants.

Index No.: 12 CV

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' *EX PARTE* APPLICATION FOR LEAVE TO TAKE IMMEDIATE DISCOVERY

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Defendants John Doe 1 through 10 ("Doe Defendants") and David Chekroun ("Chekroun" and collectively with the Doe Defendants, "Defendants") are bloggers who have misappropriated Plaintiff Gerald Celente's ("Mr. Celente") trademark in the domain name and his likeness on blogs hosted by Defendant Google, Inc. ("Google"). Use of the GERALD CELENTE trademark and his likeness on these blogs is likely to cause, and has caused, consumer confusion as to the source, origin, affiliation and sponsorship of these blogs. As Defendants have intended, consumers mistakenly believe that these blogs are authentic.

Because the blogs do not contain any contact information, and Google has refused to deactivate the blogs or otherwise respond in a meaningful way to Mr. Celente's requests for action or information, Mr. Celente does not know Doe Defendants' true identities or the contact information for Defendant David Chekroun ("Chekroun").[1] Without legitimate contact information for Doe Defendants and Chekroun, Plaintiffs cannot serve process of the Complaint or the Preliminary Injunction papers and this case cannot go forward. Therefore, pursuant to Federal Rule of Civil Procedure 26(d) and prior to the Rule 26(f) conference, Plaintiffs seek leave to take immediate, limited discovery from Google to obtain Doe Defendants' true identities and legitimate contact information for Doe Defendants and Chekroun.

STATEMENT OF FACTS

The facts are more fully set out in Plaintiffs' Memorandum of Law in Support of the Motion for Preliminary Injunction, dated November 5, 2012.

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[1] Mr. Celente has ascertained that David Chekroun, an individual residing in Canada, operates the Internet blog located at and <geraldcelentechannel.blogspot.com>. Mr. Celente has not been able to ascertain whether the address is legitimate.

1. The GERALD CELENTE Trademark

For the last thirty years, Mr. Celente has been America's preeminent trend forecaster and publisher, business consultant and author who is known for the predictions he makes about the global financial markets and other events of historical importance. (Comp. ¶ 15.) In particular, among many others, Mr. Celente is on the record for accurately forecasting and naming the current "Great Recession," for forecasting the 1987 stock market crash, the dot-com bust and the real-estate bubble. *(Id.)*

Since 1981, Mr. Celente has used his name GERALD CELENTE as a source identifier of his services, namely, providing consumers with socio-economic information in the field of geopolitical trends. (*Id.* ¶ 18.) Mr. Celente has built his reputation through the expression of his opinions, forecasts and analysis under the GERALD CELENTE trademark. Mr. Celente provides his services to consumers through various channels of trade including television and radio, printed publications and on the Internet. *(Id.)*

Mr. Celente is a media favorite who has appeared on national and international television programs such as *Good Morning America, Fox News, Fox & Friends, CBS This Morning, 48 Hours, The Oprah Winfrey Show*, cable and radio news including *CNN, CBS, ABC, NBC, PBS, BBC, MSNBC, CNBC, National Public Radio, Russia Today, France 24, ABC Australia,* and *Canadian Radio Systems,* and has been interviewed in major newspapers and magazines such as *The New York Times, Los Angeles Times, Chicago Tribune, Washington Post, USA Today, The Independent, The Wall Street Journal, Entrepreneur, Time, Business Week, Financial Times, Newsweek, Time, U.S. News and World Report, Investors Business Daily.* (*Id.* ¶ 20.)

Plaintiffs maintain several Internet websites including <geraldcelente.com> on which Plaintiffs post media appearances, Mr. Celente's forecasts and trend analysis and other socio-

economic information. (*Id.* ¶ 21.) Mr. Celente is immensely popular with the general public – in the last thirty days alone, Plaintiffs' website has received nearly 69,000 visits by Internet consumers. *Id.* Likewise, Mr. Celente has over 33,000 Twitter® followers and a regularly updated Wikepedia® page. (*Id.*)

By virtue of this extensive unsolicited media attention, advertising and promotion – for which Plaintiffs have expended substantial time and resources – the GERALD CELENTE mark has become well-known by the general public and in the relevant industries, is recognized and relied upon as identifying Plaintiffs' services and as distinguishing them from the services of others, and has come to represent and symbolize extremely valuable goodwill belonging exclusively to Plaintiffs.

2. Doe Defendants' Infringing, Illegal Activities

Doe Defendants operate blogs located at <geraldcelente-blog.blogspot.com>, <geraldcelente-blog.blogspot.ca> and <geraldcelente-blog.blogspot.co.uk> and Chekroun operates the blog located at <geraldcelentechannel.blogspot.com> (the "Infringing Blogs"). Each of the Infringing Blogs use the GERALD CELENTE mark in the domain name without Mr. Celente's authorization. (*Id.* ¶ 27.)

Defendants are sophisticated bloggers who use the GERALD CELENTE mark in the domain name and on the blogs, among other ways, to solicit advertisers, advertising sales, and readers to visit the Infringing Blogs and to falsely imply that Plaintiffs are affiliated with, associated with or have endorsed the Infringing Blogs. (*Id.* ¶ 28.) Without seeking or obtaining Mr. Celente's authorization, Defendants are using the GERALD CELENTE trademark and his image on blogs that discuss socio-economic and geopolitical trend forecasting – the exact subject matter on which Mr. Celente is renowned for providing his viewpoints. (*Id.* ¶ 2.) These blogs

contain inaccurate, malicious and potentially life threatening statements, with increasing frequency in recent weeks, that blatantly attempt to trade off the fame and goodwill associated with the GERALD CELENTE trademark and Mr. Celente's hard-earned reputation. (*Id.* ¶ 3.)

On November 5, 2012, Mr. Celente filed suit to enjoin Doe Defendants from using the GEREALD CELENTTE trademark as part of the domains for these blogs and from using his image and likeness on the Infringing Blogs. Because Defendants' identities cannot be determined from publicly available information, Mr. Celente has sued Defendants as "John Does 1 through 10."

3. Plaintiffs' Investigation Into Defendants' Identities

Prior to filing the Complaint, Plaintiffs tried to identify the individual Doe Defendants operating the Infringing Blogs by hiring a private investigator who searched publicly available sources and investigated leads in publicly available databases. *See* Declaration of Gerald Celente in Support of Motion for Expedited Discovery, dated October 31, 2012 and filed concurrently herewith, at ¶¶ 7-8. These searches did not reveal Doe Defendants' true identities. (*Id.*) The private investigator also assisted Plaintiffs in obtaining the contact information for Chekroun, which proved unsuccessful after the private investigator discovered that the address for Chekroun was not legitimate. (*Id.*)

The best lead appears to be Google, which may have accurate information identifying or leading to the identification of each Doe Defendant. In order to create a blog, a person must have a Google account. *See id.* ¶¶ 9-10, Ex. A (attaching Google's terms and conditions for blogs). Moreover, Google will not provide such account information without a Court order as its policies make clear. (*Id.* ¶¶ 9-10, Exs. A and B.)

In addition, Defendants employ Google's "AdSense" program whereby Google places targeted advertisements on the Infringing Blogs and directly pays Defendants a percentage of revenues derived from placement of these advertisements. As such, Google must have information regarding the Defendants' identities and their true addresses and/or bank accounts. (*Id.* ¶ 11.)

By serving limited subpoenas on Google, Plaintiffs seek to obtain information identifying or leading to the identity of each John Doe and the true address for Chekroun. Plaintiffs seek further leave to serve additional subpoenas, if necessary, to follow up on any leads provided by Google, such that Plaintiffs will be able to serve process of the Complaint.

In addition, Plaintiffs seek leave to serve on Google a narrow request asking for the identification of all blogs that incorporate the GERALD CELENTE trademark in order to ascertain whether there are additional Infringing Blogs.

ARGUMENT

When deciding whether to grant a plaintiff early discovery to identify allegedly infringing, anonymous Internet entities, this Court considers the following five "*Sony*" factors:

(1) whether plaintiff has made a concrete showing of a *prima facie* claim of actionable harm;

(2) the specificity of plaintiffs discovery request;

(3) the absence of alternative means to obtain the subpoenaed information;

(4) whether there is a central need for the subpoenaed information to advance the claim; and

(5) the defendant's expectation of privacy.

See Sony Music Entm't Inc. v. Does 1-40, 326 F. Supp. 2d 556, 564 (S.D.N.Y. 2004); *see also Arista Records LLC v. Doe*, 604 F.3d 110, 119 (2d Cir. 2010) (approving use of the *Sony* test: "We agree that this constitutes an appropriate general standard for determining whether a motion

to quash, to preserve the objecting party's anonymity, should be granted"). When the facts satisfy the above factors and favor disclosure, such as here, this Court grants early discovery. *See Sony*, 326 F. Supp. 2d at 564; *Elektra Entm't Grp., Inc. v. Does 1-9*, No. 04 Civ. 2289 (RWS), 2004 U.S. Dist. LEXIS 23560, at *13 (S.D.N.Y. Sept. 7, 2004); *Next Phase Distrib., Inc. v. Doe*, No. 11 Civ. 9706 (KBF), 2012 U.S. Dist. LEXIS 27260, at *6-7 (S.D.N.Y. Mar. 1, 2012).[2]

A. Plaintiffs Have Pled a Prima Facie Case of Unfair Competition

The Complaint pleads a *prima* facie case of unjust enrichment and establishes "a concrete showing of a *prima facie claim* of actionable harm." *Sony*, 326 F. Supp. 2d at 564 (emphasis added) (citation omitted). To state a claim under Section 43(a), a plaintiff must show that it has a valid trademark entitled to protection and that the defendant's mark is likely to cause confusion in the marketplace. *Virgin Enters. v. Nawab*, 335 F.3d 141, 146 (2d Cir. 2003). The Second Circuit has articulated eight factors to assess the likelihood of confusion:

> (1) the strength of the mark; (2) the degree of similarity between the marks at issue; (3) the competitive proximity of the products; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion; (6) the defendant's bad faith in adopting its mark; (7) the quality of the defendant's products; and (8) the sophistication of the purchasers.

See Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). As discussed below, and more fully in Plaintiffs' Memorandum of Law in Support of a Preliminary Injunction, all eight factors point to a high likelihood of confusion.

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[2] Although anonymous or pseudonymous Internet speech sometimes implicates First Amendment protections, the First Amendment does not protect a defendant's use of a plaintiff's trademarks to confuse consumers as to the source of defendant's products or services. *See Gucci Am., Inc. v. Hall & Assocs.*, 135 F. Supp. 2d 409, 418 (S.D.N.Y. 2001) (recognizing that the First Amendment does not protect the use of another's trademark "to identify the source of a product"); *see also Sony*, 326 F. Supp. 2d at 563 (concluding that parties "may not use the First Amendment to encroach upon the intellectual property rights of others").

First, Mr. Celente's mark is a strong and protectable mark. In New York, a trademark consisting of a person's name is protected and enforced if it has achieved "secondary meaning" – i.e. consumers "recognize the personal name as a symbol that identifies and distinguishes the goods or services of only one seller." 2 J. Thomas McCarthy, McCarthy's on Trademarks & Unfair Competition § 13:2 (4th ed. 2012); *Yarmuth-Dion Inc. v. D'ion Furs, Inc.*, 835 F.2d 990, 993 (2d Cir. 1987). The GERALD CELENTE mark has developed secondary meaning and is entitled to protection based on the following: (1) Mr. Celente has exclusively used the GERALD CELENTE mark in commerce since 1981 (Compl. ¶ 18); (2) Mr. Celente spends over $150,000 per year on marketing that includes, but is not limited to, reaching 45,000 individuals, institutions and other entities on a monthly basis and his website which receives nearly 69,000 visitors per month. (*Id.* ¶¶ 19, 21); (3) Mr. Celente receives extensive media coverage including, but not limited to regularly appearing on national and international television programs and granting interviews in world renown newspapers and magazines. (*Id.* ¶ 20); and (4) Defendants' impersonation of Mr. Celente constitutes prima facie proof that the name "Gerald Celente" has attained secondary meaning. (*Id.* ¶¶ 29-49); *Tri-Star Pictures, Inc. v. Unger*, 14 F. Supp. 2d 339, 351 (S.D.N.Y. 1998) ("[A]ttempts to plagiarize [the] mark is the most persuasive, if not conclusive, factor in favor of finding secondary meaning"). As demonstrated above, the GERALD CELENTE mark has attained secondary meaning and therefore satisfies the first element of a claim under Section 43(a) of the Lanham Act (i.e. it is a valid trademark). Based on the same evidence, the Court should determine that the GERALD CELENTE is strong and provides persuasive support for a finding of likelihood of confusion under the first *Polaroid* factor. *N.Y.C. Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 315-16

(S.D.N.Y. 2010) (granting preliminary injunction finding an unregistered mark protectable and strong based on the same evidence).

Second, Defendants have misappropriated the GERALD CELENTE mark wholesale in their domain names, as banners and tabs and throughout the Infringing Blogs. (Comp. ¶¶ 29-49.) Thus, this factor clearly favors Plaintiffs.

Third, the services are identical and Mr. Celente has already bridged the gap. Defendants are pretending to be Mr. Celente. (*Id.*) They are offering the same services – opinions about current events, trends and forecasts under the false pretense that they are Mr. Celente's views. (*Id.*) Without doubt, these two factors strongly favor a finding of likely confusion.

Fourth, evidence of actual confusion further a finding of likelihood of confusion. *See Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987). Here, consumers have mistakenly believed that the Infringing Blogs are authorized by, affiliated with or sponsored by Mr. Celente. (*Id.* ¶¶ 57-60.)

Fifth, Defendants' bad faith is apparent here. Defendants are using the GERALD CELENTE mark in the domain name, on banners and throughout the website. (Comp. ¶ ¶ 29-49.) Further evidence of the Defendants' bad faith is use of his image and actual videos of Mr. Celente providing his opinions and forecasts. (*Id.*)

Sixth, the views expressed on the Infringing Blogs are of an inferior quality because they are not Mr. Celente's views, and many of them are inflammatory and vulgar. (*Id.*) Any association with these Infringing Blogs jeopardizes Mr. Celente's highly regarded and longstanding reputation.

Seventh, the parties market their services to the general consuming public without regard to consumer sophistication. (Compl. ¶¶ 57-62.)

For these reasons, all of the *Polaroid* factors weigh in favor of a finding of confusion and Plaintiffs are likely to success on the merits of the claim under Section 43(a) of the Lanham Act. Thus, Plaintiffs meets the first *Sony* factor for immediate discovery. *See Sony*, 326 F. Supp. 2d at 565-66 (conducting the analysis in the context of copyright infringement); *see also Next Phase Distrib., Inc.*, 2012 U.S. Dist. LEXIS 27260, at *7.

B. Plaintiffs Propose to Serve Narrow, Specific Discovery Requests

Discovery is also warranted because Plaintiffs seek only limited discovery reasonably likely to lead to information sufficient to identify the Doe Defendants and Chekroun's address, such that Plaintiffs will be able to serve process of the Complaint. *See Sony*, 326 F. Supp. 2d at 566; *see also Next Phase Distrib., Inc.*, 2012 U.S. Dist. LEXIS 27260, at *7. Plaintiffs request from Google only information that could lead to the true identities of the Doe Defendants who operate all four of the Infringing Blogs, including the name, address, telephone number, email address, billing information, and payment history. *See Verizon Online Servs. v. Ralsky*, 203 F. Supp. 2d 601, 609 n.5 (E.D. Va. 2002) (noting that a canceled check produced by defendant's Internet Service Provider as a result of initial Doe defendant discovery allowed plaintiff to identify and serve process on defendant).

Likewise, the domain name combinations are endless. While Plaintiffs have become aware of the four Infringing Blogs, there could be additional blogs that incorporate the GERALD CELENTE mark and should be included in this action. Plaintiffs seek limited discovery from Google consisting of a list of all blogs that contain the GERALD CELENTE mark.

C. There Are No Other Means of Obtaining the Requested Information

Plaintiffs have exhausted all publicly available sources and means for obtaining the information it now seeks through third-party subpoenas. The Infringing Blogs do not contain any contact information. Google refuses to provide a registrant's identity and account

information to Plaintiffs claiming it possesses no affirmative obligation to do so. *See* Celente Decl. ¶¶ 7, 10 & Ex. A. Consequently, Plaintiffs cannot obtain any further identifying information without this Court's intervention, and this third Sony factor, therefore, weighs in favor of granting discovery. *See Sony*, 326 F. Supp. 2d at 566; *see also Elektra*, 2004 U.S. Dist. LEXIS 23560 at *12.

D. The Claim Cannot Go Forward Without the Requested Information

Without information sufficient to identify and serve process on the Defendants, Plaintiffs cannot proceed with the lawsuit against the Defendants. Consequently, Plaintiffs have a central need for the critical information it seeks by third-party subpoenas, and discovery should be granted. *See Sony*, 326 F. Supp. 2d at 566 (stating that "[a]scertaining the identities and residences of [John] Doe[s] [] is critical to plaintiffs' ability to pursue litigation, for without this information, plaintiffs will be unable to serve process"); *see also Next Phase Distrib., Inc.*, 2012 U.S. Dist. LEXIS 27260, at *7.

E. Defendants Have No Expectation of Privacy

Finally, Defendants as trademark infringers, have no expectation of privacy. Google and Blogger's Official Content Policy specifically prohibits the conduct engaged in by Doe Defendants. *See* Celente Decl. at Ex. A. Therefore, Defendants cannot expect that Google will maintain their information in secret when they have clearly violated Google's official policies. Further, whatever legitimate expectation of privacy Defendants may expect from Google is outweighed by Plaintiffs' need for the information. Thus, this fifth and final Sony factor also weighs in favor of discovery. *See Sony*, 326 F. Supp. 2d at 566-67 (explaining that defendants' interests do not "give way to plaintiffs' right to use the judicial process to pursue what appear to be meritorious … claims"); *see also Next Phase Distrib., Inc.*, 2012 U.S. Dist. LEXIS 27260, at *8.

CONCLUSION

Because the five *Sony* factors that this Court considers weigh in favor of discovery, Plaintiffs respectfully request that the *ex parte* application for leave to take immediate discovery be granted. Plaintiffs also respectfully request that this Court further permit Plaintiffs to serve subpoenas, if necessary, on any leads that Google may provide with regard to the Doe Defendants' actual identities and defendant Chekroun's correct address.

Dated: November 7, 2012

Respectfully submitted,

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