

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X
UNION SQUARE PARTNERSHIP, INC.,

Plaintiff,

-v-

SAVITRI DURKEE,

Defendant.
-----X

Civil Action No. **08-3101**

**ANSWER AND
COUNTERCLAIMS**

The Honorable
Kiyoo A. Matsumoto

JURY TRIAL DEMANDED

ANSWER

Defendant Savitri Durkee, by her undersigned counsel, answers the complaint of Union Square Partnership, Inc. as follows:

INTRODUCTION

1. The allegation contained in this paragraph is a conclusion of law to which no response is required, but to the extent that the averments may be deemed facts, they are denied.

JURISDICTION AND VENUE

2. The allegation contained in this paragraph is a conclusion of law to which no response is required, but to the extent that the averment may be deemed a fact, it is denied.

3. The allegation contained in this paragraph is a conclusion of law to which no response is required, but to the extent that a response is required, Defendant admits that the Court has personal jurisdiction over her for purposes of the claims alleged in the Complaint, but otherwise denies the allegations in this paragraph.

4. Admitted.

PARTIES

5. Defendant is without sufficient information or knowledge to form a belief

as to the truth of the allegations contained in this paragraph. Those allegations therefore are denied.

6. Denied. Ms. Durkee resides at 65 East 3rd, #2, Brooklyn, New York, 11218.

FACTS

A. Allegations Concerning USP's History

7. Denied as to the allegation that New York City's Union Square Neighborhood was "in decline." Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

8. Defendant is without sufficient information or knowledge to form a belief as to the truth of the allegations contained in this paragraph. Those allegations therefore are denied.

9. Defendant is without sufficient information or knowledge to form a belief as to the truth of the allegations contained in this paragraph. Those allegations therefore are denied.

10. Defendant is without sufficient information or knowledge to form a belief as to the truth of the allegations contained in this paragraph. Those allegations therefore are denied.

11. Defendant admits that USP's website (the "USP Website") appears to be hosted at <http://www.unionsquarenyc.org/>. Defendant admits that Plaintiff has attached Exhibit A to the Complaint, a document that speaks for itself. Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

12. Defendant responds that Exhibit A speaks for itself.

13. Defendant is without sufficient information or knowledge to form a belief as to the truth of the allegations contained in this paragraph. Those allegations therefore

are denied.

14. Defendant admits that Plaintiff has attached Exhibit B to the Complaint, a document that speaks for itself. Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

15. Denied.

B. Allegations Concerning Defendant's Activities

16. Admitted.

17. Defendant admits that she created content that was used at the website that appeared at the domain names www.unionsquarepartnership.org and www.unionsquarepartnership.com. Defendant admits that Plaintiff has attached Exhibit C to the Complaint, a document that speaks for itself. Defendant denies all other allegations contained in this paragraph.

18. Defendant admits that because the Parody Website is a parody, it by necessity mimics certain elements of Plaintiff's website. Leaving aside purely nominative or functional text, the text of the website is of Defendant's own creation. Defendant is without sufficient information or knowledge to form a belief as to the truth of the allegations that an illustration appearing on Exhibit C is the USP logo and that Plaintiff holds a non-exclusive license to a picture of fruit that appears Exhibit C. These allegations therefore are denied. The remaining allegations are denied.

19. Defendant admits that Defendant was aware that USP claimed rights in the USP website. Defendant admits that Exhibit C contains contact information also located on Exhibit B and that Exhibit C contains the misspelled word "copywrite." Defendant denies the remaining allegations.

20. Defendant admits that her Parody Website included a short parody video in which Defendant, identifying herself as Jennifer Falk, apologizes for failing to consider the impact that installation of a restaurant at one end of Union Square Park would have on

the neighborhood. Defendant denies the remaining allegations.

21. Defendant admits that she created the Parody Website in order to call public attention to Plaintiff's activities and the threat they pose to use by the public of the Union Square Park area. Defendant denies the remaining allegations.

C. Allegations Concerning USP's Notice and Takedown Letter Sent to Defendant's Internet Service Provider.

22. Defendant admits that Plaintiff has attached Exhibit D to the Complaint, a document that speaks for itself. Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

23. Defendant admits that Plaintiff has attached Exhibit E to the Complaint, a document that speaks for itself. Defendant admits that Dreamhost disabled access to her Parody Website on July 5, 2008. Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

24. Defendant admits that she submitted a DMCA counter-notice to Dreamhost. Defendant admits that Plaintiff has attached Exhibit F to the Complaint, a document that speaks for itself. Defendant is without sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in this paragraph. Those allegations therefore are denied.

25. Defendant denies that her site is properly characterized as an "Infringing Website," but otherwise admits the allegations in this paragraph.

FIRST ALLEGED CAUSE OF ACTION
(Alleged Copyright Infringement, 17 U.S.C. Sec. 502, et seq.)

26. Defendant hereby incorporates paragraphs 1 through 25 of this Answer.

27. Denied.

28. Admitted.

29. Denied.

30. Defendant admits that because the Parody Website is a parody, it by necessity mimics certain elements of Plaintiff's website. Defendant admits that her Parody Website is posted at domain names that contain the term "union square partnership." The remaining allegations are denied.

31. Denied.

32. Denied.

33. Denied.

34. Denied.

35. Denied.

AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim upon which relief can be granted.

2. The Complaint fails because the Parody Site is not substantially similar to the site identified in Paragraph 11 of, and Exhibit A to, the Complaint.

3. The Complaint fails because any use by Defendant of material as to which Plaintiff holds a copyright interest constitutes a non-infringing fair use and *de minimis* use under United States law.

4. The Complaint fails because Plaintiff's claims are barred by the First Amendment to the United States Constitution.

5. The Complaint fails because subject matter jurisdiction is lacking over Plaintiff's copyright claim because no copyright registration issued prior to the filing of this lawsuit and because Plaintiff lacks a valid copyright interest in the site identified in Paragraph 11 of, and Exhibit A to, the Complaint.

6. The Complaint fails because Plaintiff's claims are barred by the doctrine of copyright misuse.

7. The Complaint fails because Plaintiff's request for damages is barred by its

failure to mitigate damages.

8. The Complaint fails because Plaintiff's claims are barred by the doctrine of waiver.

9. The Complaint fails because Plaintiff's claims are barred by the doctrine of unclean hands

COUNTERCLAIMS

I. JURISDICTION

1. Defendant and Counterclaimant Savitri Durkee ("Durkee") brings this Counterclaim to seek a declaration of rights with respect to federal trademark laws and injunctive relief. The Court has jurisdiction over this action under 28 U.S.C. § 1331 and 1338, 15 U.S.C. § 1121(a) (federal trademarks), 15 U.S.C. § 1114 (2)(D)(v) (Anti-cybersquatting Consumer Protection Act) and 28 U.S.C. § 2201 (Declaratory Judgment Act).

2. Durkee is informed, believes and thereon allege that Plaintiff Union Square Partnership ("USP") has sufficient contacts with this district generally, including this Action and, in particular, with the events herein alleged, that it is subject to the exercise of jurisdiction of this Court over its person.

II. VENUE

3. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c).

III. FACTUAL ALLEGATIONS RELATED TO COUNTERCLAIMS

Background

4. Durkee is a community organizer and activist who is deeply concerned that USP's efforts to "develop" the Union Square area will destroy the character of this historic area as a center of public gathering and will interfere with the use of the Union Square Park by members of the public. Durkee participates in regular peaceful public demonstrations against efforts by USP to privatize areas of the Union Square Park

previously open to the general public, to remove trees from the Park, and to develop a portion of the Park for a for-profit restaurant.

5. As one prong of a multifaceted campaign to publicize these concerns, Durkee created a website parodying USP's own website ("the Parody Site"). Because the disputed website is a parody, it by necessity mimics certain elements of USP's website. However, the content of the parody site is entirely different from USP's corporate website.

6. For example, the Parody Site replaced pictures of happy shoppers with photos of the 80 year-old Elm trees that have been destroyed and a portrait of a squirrel holding a "Keep Parks Public!" sign. Under "Neighborhood Highlights," USP's site celebrates a weekly "Greenmarket" held in Union Square Park while the Parody Site criticizes the efforts of big developers to profit from years of community building by local Greenmarket vendors and warns of the risks development poses for the future of the Greenmarket. Additionally, the Parody Site decries a USP-sponsored restaurant development effort as "a corrupt process," and declaring that USP's modus operandi is to "defy logic so brazenly that ordinary citizens looking on won't ask questions."

7. Leaving aside purely nominative or functional text, the text of the website is of Durkee's own creation.

8. The website was located at unionsquarepartnership.com and unionsquarepartnership.org.

9. Durkee's website is classic political speech, and her goals are wholly noncommercial. The Parody Site includes neither advertising nor other forms of revenue generation.

10. It is necessary to use marks purportedly owned by USP in order to identify USP and accomplish the purpose of the site.

11. The Parody Site makes no more use of marks purportedly owned by USP than necessary to accomplish its critical parodic purpose.

12. Given the highly critical nature of the content of the site, no viewer could imagine that Union Square Partnership sponsored or endorsed it.

13. The Lanham Act should be construed to apply to expressive works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. Thus, if a mark is used as part of an expressive work, there can be no liability under the Lanham Act if the trademark has some relevance to the work's message and does not explicitly mislead consumers as to the source or content of the work. See *Cliff Notes v. Bantam Doubleday Dell Publ'g Group*, 886 F.2d 490, 495 (2d Cir. 1989).

14. The balancing test required by the First Amendment shelters the Parody site use of marks purportedly owned by USP. The Parody Site is an expressive work and the use of marks purportedly owned by USP was central to that work. No viewer of the site was explicitly misled as to the source or content of the Parody site.

15. There is no likelihood that any consumer was confused or misled.

The Present Dispute

16. On August 29, 2008, USP commenced an action against Durkee with the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center pursuant to WIPO's Uniform Domain Name Dispute Resolution Policy (UDRP). In the UDRP complaint, USP alleged that the unionsquarepartnership.com and unionsquarepartnership.org. domain names were identical to its trademark in "Union Square Partnership," that Durkee had no legitimate interest in the domain names, and that domain names had been registered and used in bad faith ("UDRP Complaint"). The complaint demanded that the domain names be transferred to USP. A copy of that complaint (excluding voluminous exhibits) is attached as Exhibit 1.

17. USP has not registered any trademark(s) with the United States Patent and Trademark Office. Rather, it has merely filed an application for registration of an "abstract representation of the Union Square district in New York City and the words 'Union Square Partnership' and 'unionsquarenyc.org'." That application was filed on

July 21, 2008.

18. The WIPO proceeding is not required to consider protection for free speech and fair use enshrined in United States law.

19. On September 29, 2008, Durkee submitted a Response to the UDRP Complaint, explaining that the domain names were protected by the First Amendment as well as copyright and trademark fair use doctrines. Durkee further noted that USP has not established trademark rights in either the name “Union Square Partnership” or the logo identified in the UDRP Complaint. A copy of that Response is attached as Exhibit 2.

20. On October 8, 2008, the WIPO arbitrator requested copies of the docket sheet, Complaint, and any response filed in this Action. On October 15, USP submitted a Supplemental Filing and the requested documents. A copy of that Supplemental Filing is attached as Exhibit 3.

21. On November 10, 2008, the WIPO arbitrator ordered the “unionsquarepartnership.com” and “unionsquarepartnership.net” be transferred to USP. A copy of the Notification and Decision is attached as Exhibit 4.

22. Durkee has given notice pursuant to 15 U.S.C. § 1114(2)(D)(v) to USP of the filing of these counterclaims to establish that the Durkee’s registration and use of the domain names “unionsquarepartnership.com” and “unionsquarepartnership.net” is not unlawful under applicable U.S. laws. A copy of the notice is attached hereto as Exhibit 5.

23. Durkee’s conduct at all times with respect to the domain names has been entirely lawful within the meaning of the Lanham Act and the Anti-cybersquatting Consumer Protection Act. In particular, at all times, Durkee believed and had reasonable grounds to believe that her registration and use of the domain names was a fair use. At no time did Durkee’s conduct constitute bad faith, confuse consumers or dilute USP’s marks within the meaning of the Lanham Act or the Anti-cybersquatting Consumer Protection Act.

FIRST CAUSE OF ACTION

Declaration of Non-Infringement of Trademark

24. Durkee repeats and incorporates herein by reference the allegations in the preceding paragraphs of this Counterclaim.

25. Based on the foregoing allegations, there exists between the parties a substantial controversy of sufficient immediacy and reality to warrant declaratory relief.

26. Durkee seeks a declaratory judgment that her use of marks purportedly owned by USP in connection with the Parody Website, including in the domain name(s), is protected under the First Amendment and the doctrine of nominative fair use and does not infringe any USP trademark rights.

SECOND CAUSE OF ACTION

Declaratory and Injunctive Relief Under the Anti-cybersquatting Consumer Protection Act, 15 U.S.C. § 1114 (2)(D)(v)

27. Durkee repeats and incorporates by reference the allegations in the preceding paragraphs of this counterclaim.

28. The registration and use by Durkee of the domain names “unionsquarepartnership.org” and “unionsquarepartnership.com” is not unlawful under the Anti-cybersquatting Consumer Protection Act.

29. Durkee is informed and believes and thereon alleges that USP’s motivation in demanding the transfer of the domain names was not to protect its purported trademarks. Instead, USP’s conduct amounts to “reverse domain name hijacking” intended to stifle speech critical of USP’s activities.

30. Therefore, Durkee is entitled to a declaration that her registration and use of the domain names is lawful under the Anti-cybersquatting Consumer Protection Act and an injunction preventing transfer of the disputed domain names to USP and such other injunctive relief as may be appropriate.

THIRD CAUSE OF ACTION

Violation of New York Anti-SLAPP Act, N.Y. Civil Rights Law §§ 70-a, 76-a

31. Durkee repeats and incorporates by reference the allegations in the preceding paragraphs of this counterclaim.

32. USP is a “public applicant or permittee,” as defined by New York Civil Rights Law § 76-a(1)(b). USP has “an interest, connection or affiliation with” a person, “who has applied for and obtained a permit, zoning change, lease, license, certain or other entitlement for use or permission to act from any government body” because USP is a joint venture of the Union Square Local Development Corporation (“LDC”) and the Union Square “Business Improvement District” (“BID”); the BID was formed after the LCD petitioned New York City to form the BID; and USP has petitioned the City to make changes to Union Square Park, including the establishment of a restaurant concession and make other changes in the Park, including ones that resulted in trees being cut down.

33. The action instituted by USP against Durkee is an “action involving public petition and participation,” as defined by New York Civil Rights Law § 76-a(1)(a) because it is “an action . . . brought by a public applicant or permittee and is materially related to any efforts of the defendant [Durkee] to report on, comment on, . . . challenger or oppose such application or permission.”

34. Durkee therefore is a “defendant in an action involving public petition and participation,” as specified in New York Civil Rights Law § 70-a(1).

35. The action instituted by USP was commenced or continued without a substantial basis in fact and law and could not be supported by a substantial argument for the extension, modification or reversal of existing law because USP had no valid basis for contending that Durkee’s actions constituted copyright infringement. Durkee therefore is entitled to recover her costs and attorneys fees.

36. The action instituted by USP was commenced for the purpose of intimidating Durkee’s free exercise of speech, petition or association rights. Durkee

therefore is entitled to recover compensatory damages.

PRAYER FOR RELIEF

WHEREFORE, Durkee prays as follows:

1. That USP take nothing by reason of its complaint and that judgment be rendered in favor of Durkee;
2. That Durkee be awarded her costs of suit incurred in defense of this action;
3. That Durkee be awarded her costs and attorneys fees pursuant to the Copyright Act including Section 505, under N.Y. Civil Rights Law §§ 70-a and 76-a, or as otherwise allowed by law;
4. That Durkee be awarded compensatory damages due to USP's intimidating Durkee's free exercise of speech, petition or association rights under N.Y. Civil Rights Law §§ 70-a and 76-a, or as otherwise allowed by law;
5. For a declaration that Durkee's use of the term Union Square Partnership and the Logo in connection with the unionsquarepartnership.com and unionsquarepartnership.org websites, including in the domain name, does not violate the Lanham Act;
6. For a declaration that the Durkee's registration and use of the domain names unionsquarepartnership.com and unionsquarepartnership.org is not unlawful under the Anti-cybersquatting Consumer Protection Act;
7. For a declaration that Durkee is not required to transfer the registration for the unionsquarepartnership.com and unionsquarepartnership.org domain names to USP;
8. For a declaration and an injunction preventing USP from any further action seeking transfer of the unionsquarepartnership.com and unionsquarepartnership.org domain names;

9. For such other relief as the Court deems proper.

Durkee hereby requests a jury trial for all issues triable by jury.

Dated: November 18, 2008

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned, a member of the bar of this Court, hereby certifies that Defendant's Answer and Counterclaims filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) on November 18, 2008.

Dated: New York, New York
November 18, 2008

/s/ A. John P. Mancini

A. John P. Mancini