

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

RICHARD MINSKY, an individual, d/b/a
SLART ENTERPRISES,

Plaintiff,

v.

LINDEN RESEARCH, INC., d/b/a LINDEN LAB, a Delaware
corporation, JOHN DOE (a/k/a VICTOR VEZINA), an individual,
PHILIP ROSEDALE, an individual, MITCHELL KAPOR, an
individual, other DOES, presently unknown to Plaintiff,

Defendants.

08 - CV - 0819

LEK-DRH

**DEFENDANT LINDEN RESEARCH, INC.'S RESPONSE IN OPPOSITION TO
APPEAL OF MAGISTRATE JUDGE'S DECISION**

Defendant Linden Research, Inc. ("Linden") submits this response in opposition to Plaintiff Richard Minsky's ("Minsky") appeal of the Decision and Order of Magistrate Judge David R. Homer, issued December 8, 2008. Dkt. No. 50, hereinafter "the Decision". In the Decision, Judge Homer denied Minsky's motion to compel Linden to serve a cease and desist notice upon an alleged infringer regarding an allegedly infringing use which Minsky admits had ceased as of the time Linden investigated the use. Minsky's appeal is based on the same arguments Judge Homer considered and rejected. He provides no legal authority or factual support contrary to that cited and considered by the Magistrate. Instead, Minsky attempts once again to distort the plain meaning of the Temporary Restraining Order by Consent, issued by this Court on September 12, 2008, Dkt. No. 23, hereinafter "TRO", and to pursue a controversy that is moot. Since Minsky has failed to show that Judge Homer's Decision is clearly erroneous or contrary to law, his appeal should be denied.

FACTUAL BACKGROUND

Linden is the operator of the virtual world Second Life ("SL"), an online three-dimensional world that simulates a real-world environment. Minsky is a user of Second Life.

Second Life has over 15 million subscribers who interact and create digital content in Second Life. Before Minsky 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. To describe this art, many users or “residents” of Second Life used Linden’s SL trademark with the generic term “art” in various forms, including with and without a space between “SL” and “art.”

Minsky alleges that he owns the mark SLART and that his alleged mark is being infringed by other users in the Second Life art community. Based on this user conduct, he has made claims against Linden for trademark infringement and dilution, contributory trademark infringement and dilution, fraud, and tortious interference. *See generally* Amended Complaint, Dkt. No. 6, Aug. 14, 2008, hereinafter “Complaint.” Linden has counterclaimed for trademark infringement, trademark dilution, unfair competition and false designation of origin, and breach of contract. *See generally* Answer of Defendant Linden Research, Inc. and Counterclaims, Dkt. No. 36, Oct. 10, 2008.

Following proceedings on Minsky’s application for a temporary restraining order, Minsky and Linden consented to a proposed TRO, which the Court issued on September 12, 2008.¹ *See generally* TRO. As a matter of compromise, Linden agreed to a procedure by which Minsky may notify Linden of an allegedly infringing use. The TRO provides that, upon receipt of proper notification from Minsky, Linden shall forward Minsky’s notice to the Second Life user identified in that notification, advise the user that the use at issue must be removed and, if necessary, remove the use from the virtual world within three business days of notifying the user. TRO at ¶ 2. However, the TRO requires Linden to follow this procedure *only* where the alleged infringement is in the form of “SLART,” as “one word with all letters depicted in a uniform size,

¹ On October 27, 2008, the Court entered a stipulated order converting the TRO by consent to a preliminary injunction by consent.

font and color.” *Id.* at ¶ 3. Otherwise, Linden may decline to notify the user. *Id.* If disagreement arises, the TRO requires the parties to submit their dispute to Magistrate Judge David R. Homer. *Id.*

Minsky submitted a notice to Linden on September 19, 2008, claiming infringement based upon the use of “SLart Show Viewer” by the Second Life user Tate Watanabe. *See* Resp. to Pl.’s Letter Mot., Dkt. No. 34, Oct. 6, 2008, at 3. Minsky included a screen shot of the location where the use was captured. Within an hour of receiving Minsky’s notice, Linden searched for “SLart Show Viewer,” both at the location identified in Minsky’s notice and in Second Life generally, but did not locate the allegedly infringing use. Accordingly, Linden responded to Minsky that the use complained of was not found and that Linden was declining to forward his notice to the Second Life user in question for this reasons *and* because “SLart Show Viewer” was not a “use of SLART in uniform size, font and color.” *Id.* (citing TRO at ¶ 3).

Although the allegedly infringing use had ceased to occur, Minsky submitted a Letter Motion to Judge Homer on September 29, 2008, claiming that Linden failed to comply with the terms of the TRO. Pl.’s Letter Mot., Dkt. No. 30, at 4-5. Linden responded on October 6, 2008. In its response, Linden first addressed Minsky’s allegation that Linden was not preserving evidence in accordance with the TRO. Linden explained that it was preserving evidence in the form of proprietary, machine-readable “backup” records, and that it had “captured screen shots reflecting that the alleged infringing use no longer appear[ed] at the [identified] location.” Resp. to Pl.’s Letter Mot. at 4. Linden also explained that it was justified in refusing to forward Minsky’s notice because the use at issue was not “with all letters depicted in uniform size, font and color.” *Id.* at 4, 5 (“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.”). Finally, Linden pointed out that the alleged infringing use had ceased and that there was “no . . . legitimate dispute ripe for resolution.” *Id.* at 1.

Judge Homer issued his Decision on December 8, 2008, denying Minsky’s letter motion. He held that “the ‘SLart Show Viewer’ was not included within the types of infringing use contemplated by the TRO since it was not one word of uniformly sized lettering.” Decision at 5. Alternatively, Judge Homer concluded that the non-existence of the allegedly infringing use “at the time of defendants’ investigation suffices to moot the present controversy.” *Id.* at 6. The Magistrate also held that, since Linden has “no burden to police Minsky’s trademark,” it was “not failing to preserve evidence by choosing not to provide Minsky with back-up data of the regions identified by Minsky’s notification.” *Id.*

ARGUMENT

Standard of Review

Magistrate judges are authorized by law to decide nondispositive matters, or in other words, matters that do not terminate the underlying claim(s). *Carmona v. Wright*, 233 F.R.D. 270, 276 (N.D.N.Y. 2006); *see also* N.D.N.Y. Local R. 72.1 (2009). When considering an appeal of a magistrate judge’s nondispositive decision, “the district court shall consider the objections made to the order and shall modify or set aside any portion of the order found to be clearly erroneous or contrary to law.” *Trafalgar Power Inc. v. Aetna Life Ins. Co.*, 427 F. Supp. 2d 202, 212 (N.D.N.Y. 2006) (citing Fed. R. Civ. Pro. 72(a)). The “clearly erroneous” standard is very deferential; an order may only be overturned when “the reviewing court is left with the definite and firm conviction that a mistake has been committed” and that the magistrate judge has abused his or her discretion. *Tompkins v. R.J. Reynolds Tobacco Co.*, 92 F. Supp. 2d 70, 74 (N.D.N.Y. 2000) (quoting *N.Y. State Teamsters Council Prepaid Legal Servs. Plan v. Primo & Centra*, 159

F.R.D. 386, 387 (N.D.N.Y. 1995)). Thus, the “critical inquiry is whether there is legal authority that supports the magistrate’s conclusion, in which case there is no abuse of discretion.”

Carmona, 233 F.R.D. at 276.

The Magistrate’s Decision Was Not Clearly Erroneous or Contrary to Law

Minsky has failed to show that Judge Homer’s Decision is clearly erroneous or contrary to law. In his Decision, Judge Homer carefully considered Minsky’s arguments. He noted that “[t]he plain language of the TRO clearly and unambiguously identifies uses that are infringing as those employing “SLART” as one word with all letters depicted in a uniform size, font and color.” Decision at 4 (citing TRO at 3). Citing authority for the proposition that the clear terminology of an injunctive order may be considered as a factor in assessing a party’s motion, Judge Homer deemed Minsky’s contention regarding typographical case to be a “creative argument” designed to subvert “the intended meaning of the disputed clause.” *Id.* at 4-5 (citing *Yash Raj Films (USA), Inc. v. Bobby Music Co. & Sporting Goods, Inc.*, No. 01-CV-8378 (JFB/CLP), 2006 WL 2792756, at *7 (E.D.N.Y. Sept. 27, 2006)). Judge Homer also observed that, although Minsky initially objected to the language at issue “urging the same arguments presented [in his Letter Motion],” he “ultimately consented to the TRO with the present language intact.” *Id.* at 5 (citing *N.L.R.B. v. Am. Mfg. Co.*, 132 F.2d 740, 742 (5th Cir. 1943) for the obligation to adhere to the clear language of a consent agreement)). Since Minsky and Linden both agreed to the terms of the TRO, Judge Homer held that “those precise terms must be applied.” *Id.* Finally, Judge Homer determined the controversy to be moot, since the alleged infringing use was non-existent at the time of Linden’s investigation. *Id.* at 6.

On appeal, Minsky first argues that the dispute is not moot. Appeal of Magistrate Judge’s Decision, Dkt. No. 55, Dec. 18, 2008, at 4, hereinafter “Appeal”. Minsky acknowledges that the

allegedly infringing use identified in his Letter Motion “had already been removed by somebody, or had disappeared” at the time of Linden’s search for it. *Id.* at 4. However, he argues that Linden should have forwarded his notification of infringement to the user at issue regardless of whether the use was still present at the identified location. He contends that “the creator[s] of . . . infringing use[s] . . . [i]f they do not know it is an infringing use, . . . are likely to infringe again.” *Id.* at 5. However, Minsky made the very same argument in his initial Letter Motion. *See* Pl.’s Letter Mot. at 2 (“If an infringer is not notified they may infringe again, with the same use or a different use.”). Judge Homer considered this argument, and held that the “non-existence [of the use] at the time of defendants’ investigation suffices to moot the present controversy.” Decision at 6. Relying on recent authority, Judge Homer correctly held that it is “not defendants’ burden to police Minsky’s trademark.” *Id.* (citing *Tiffany (NJ) Inc. v. eBay, Inc.*, No. 04 Civ. 4607(RSJ), 2008 WL 2755787, at *56 (S.D.N.Y. July 14, 2008), for the proposition that “[defendants] cannot be held liable for trademark infringement based solely on their generalized knowledge that trademark infringement might be occurring on their websites”). Given Minsky’s own admission that the use at issue was not continuing, the limited scope of Linden’s responsibilities under recent authority, and Minsky’s failure to cite any contradictory case law, it is clear that Judge Homer acted well within his discretion in concluding that the dispute was moot. Thus, the Decision is not clearly erroneous or contrary to law.

Judge Homer did not rest his decision upon mootness alone. He also addressed Linden’s obligations under Paragraph 3 of the TRO, and ruled that the company had no obligation to forward Minsky’s notice because “SLart Show Viewer” was not a use of SLART in uniform size, font and color. Decision at 5. On appeal, Minsky provides no basis upon which to reconsider this decision. Citing his “self-proclaimed” expertise as a typographer, he once again attempts to

mischaracterize the plain terms of the TRO and to argue that “SLart,” as written, is in uniform size, font, and color. Appeal at 2. As Judge Homer determined, however, this contention ignores that “the clear and intended meaning of the disputed clause encompasses letters formatted in different capitalizations.” Decision at 5; *see also* Resp. to Pl.’s Letter Mot. at 4-5 (demonstrating Minsky’s understanding of the TRO’s terms). Judge Homer’s reliance on the plain, common-sense meaning of the TRO is well supported under the law. *See* Decision at 4 (citing *Yash Raj Films*, 2006 WL 2792756, at *7); *see also Wards Co. v. Stamford Ridgeway Assocs.*, 761 F.2d 117, 120 (2d Cir. 1985) (“A Court will not torture words to import ambiguity where the ordinary meaning leaves no room for ambiguity”) (internal citation omitted). Minsky himself acknowledges that Judge Homer’s Decision “cit[ed] the correct case law.” (Appeal at 7.) His disagreement with the Magistrate’s ultimate conclusion does not merit reversal: “That reasonable minds may differ on the wisdom of a legal conclusion does not mean it is clearly erroneous or contrary to law.” *Carmona*, 233 F.R.D. at 276. In sum, Judge Homer’s Decision is neither clearly erroneous nor contrary to law.

CONCLUSION

For the reasons stated above, Linden respectfully requests that the Court deny Minsky’s appeal.

January 21, 2009

Respectfully Submitted,

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