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March 19, 2003

Peter P. Mastrostefano, Esq.
Puma North America, Inc.
5 Lyberty Way
Westford, MA 01886

Re: Unauthorized PUMA Image

Dear Mr. Mastrostefano:

I refer to your letter of March 12 sent to Stefan Geens and Stephen Hall (the "Website Operators") regarding use of a sexually suggestive image depicting the PUMA products (the "Images"), reproduced by them on www.memefirst.com and www.adrants.com respectively (the "Websites"). They have asked me to respond on their behalf.

Summary

The Website Operators did not create the Images, but reproduced them on their non-commercial Websites as a news item of public interest. They never represented that the Images were created by or authorized by Puma. Prior to Puma's disavowal they called the Images' authenticity into question on the Websites, and easily and explicitly made available additional information questioning the authenticity of the Images on third-party websites. When informed of Puma's disavowal, the Website Operators immediately published Puma's disavowal word-for-word. They never utilized the PUMA or Puma stripe trademarks in commerce and never suggested any connection with or endorsement by Puma to the public.

The Websites

AdRants comments on advertising. MemeFirst comments on the transmission of ideas in culture. The Websites present criticism of their topic matters authored both by the Website Operators and their readership. Their readers understand that the point of the Websites is to identify, link to and comment upon resources on the World Wide Web.

Defamation Claim

The Website Operators did not defame Puma because they never claimed that the Images were authorized in some fashion by Puma. Neither of the Website Operators are aware of the origin of the Images. Because of the content of the Images and because of the dispute over their authenticity, the Images were newsworthy to the Websites' readership, whether they were real, or whether they were fake.¹

¹ And in fact AdRants has now reported on additional fake ads regarding other companies.

It is our view that the Images in and of themselves are not defamatory. We will only discuss for purposes of this letter that the Images could be defamatory if reproduced in connection with a definitive statement that Puma authorized the Images.²

Importantly, neither Website Operator ever made such a definitive statement. To the contrary, prior to Puma's disavowal of the images, the Website Operators reproduced the Images in connection with commentary indicating their own suspicions as to the authenticity of the Images. Furthermore, all the Websites linked to other websites whose commentary and reader comments discussed the possible authenticity of the ads or lack thereof. For example, AdRants linked to the Adland comment board.³ On this comment board, some assertions about the Images (e.g. that they had appeared in Maxim in Brazil) were immediately rebutted (another reader posted that there was no Brazilian edition of Maxim).⁴ Indeed, MemeFirst took on the role of investigator, seeking out a statement from Puma as the origin of the Images, and published extensive quotations from a Puma employee on the subject.

Furthermore, once Puma contacted various Website operators disavowing the ads, the Website operators quickly reprinted Puma's statement in full.⁵

Clearly, not only did the Website operators not show a disregard for the truth, but the point of their publishing the Images was to determine what the truth was.

The reality is that unlike various urban myths which linger for years and take on the air of truth (such as the presence of spider eggs in bubble gum), in this case these Websites served to dispel a hoax and aided Puma in getting its story out. The Website Operators gave you without asking the remedy which a Court would have given you – they published the fact that Images were fake.

Accordingly, we see no merit in Puma's defamation claim. The Website Operators did not assert that the Images were authentic and in fact published the fact that the Images were unauthorized the second that became known to them.

Trademark claims

Turning to Puma's trademark claims, candidly, the vague references to "various trademark laws" is not well taken. Your claims fail at the most primary level – for there to be trademark infringement or dilution, there must be use of the trademark as a trademark in commerce.

² Even this we dispute, as while readers of the Websites might have disagreed with Puma's decision to create such ads, the sophistication of the readership of the Websites is such that Puma would not be defamed within this group (see the British Ad Board's recent discussion of Gucci's ads which depict pubic hair. The Ad Board notes that such ads would not be offensive, given the sophistication level of a typical British fashion magazine. We submit that the sophistication of the readership of a specialized criticism site would be higher than that of a mass-market fashion magazine).

³ www.ad-rag.com

⁴ It is an inherent aspect of a "blog" site (which category these Websites fall under), that the reader understands that for any entry to be fully understood, it must be read with the linked-to material, even if the linked-to material resides on a third-party website. While the Website Operators do not control and are not responsible the comments on third-party sites, linking was the manner in which they documented the aspect of the news story that there were multiple opinions as to the Images and their authenticity.

⁵ Which disavowal, we respectfully suggest, would have been stronger had it consisted of a link to the text on Puma's official website. To the best of our knowledge, Puma has not published a disavowal on its own.

In the textual portions of the Websites, PUMA is used not as a trademark but to identify your company (in a news item about your company). This is textbook descriptive use (and not actionable).

As to the reproduction of the Images in which a decorative version of your trademarks appears, that is not trademark use either. The Images (and that the fact that trademarks appear in them) are news and are the proper subject of commentary in the Websites. The reproduction of the trademarks as they appear in the Images are essential in illustrating the “quality” of the hoax.⁶ Again, this is textbook descriptive use of the trademarks.

This descriptive use, coupled with the fact that none of these Websites run advertising, makes it readily understood by the readers that the Images are not paid advertisements but are the subject of the Websites’ analysis. Any assertion that such use causes confusion that the Websites originate with or are endorsed by Puma is absurd.

As to dilution, without commenting on the implication as to whether the PUMA mark or the stripe will be entitled to protection under U.S. dilution law, please see, among other cases, **Mattel v. MCA Records**, No. 98-56453 (9th Circuit, 2002), wherein use of the BARBIE mark in a song was held to be entitled to the non-commercial use defense of the Anti-Dilution Act (Lanham Act, Section 43(c)(4)(B)). The reproductions will also fall under the news reporting and news commentary defense of Section 43(c)(4)(C).

Finally, we direct you to the Supreme Court decision issued two weeks ago, **Mosely v. V Secret Catalogue**, 537 U.S. ___ (March 4, 2003), in which Justice Stevens indicates that in the alleged act of tarnishment of a trademark, the act reflects poorly on the tarnisher, not the target. This might certainly be the case where no one is confused that the target is the source. Again, the Websites made clear that you were not the source of the offending Images. They did not tarnish your trademark by reproducing and commenting upon the Images.

At this time (as has been the case since your disavowal), all reproductions of the Images on the Websites contain indication in close proximity that the Images are not authorized by Puma, as well as a reproduction of Puma’s disavowal of March 12.⁷ The Website operators would be prepared to link to other statements you may care to make. If there is case law which in your view trumps the Websites’ First Amendment rights, please bring that to our attention. Otherwise, we consider this matter closed.

Sincerely,

Martin Schwimmer, Esq.

Cc: S. Hall
S. Geens

⁶ For example, the transparent image in the lower right corner of the Images illustrates the attention to detail of the Hoax. Other websites reproducing the Images have explicitly discussed the significance of the lower right logo.

⁷ We again note that a disavowal will have greater effect if it resides on your website.