

No. 06-16219

**IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

TIM OEY AND JANE DOE OEY,
Petitioner/Appellant,
v.
THE FREECYCLE NETWORK, INC.
Respondent/Appellee

**REQUEST TO SUPPLEMENT RECORD IN SUPPORT
OF MOTION FOR A STAY PENDING APPEAL
WITH DECLARATION OF BRUCE E.H. JOHNSON**

From A Preliminary Injunction Of The United States District Court
For The District of Arizona
(Hon. Raner C. Collins, Presiding)
No. CV-06-00173-TMC-RCC

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Tim Oey and Jane Doe Oey*

On July 6, 2006, appellants moved this Court to stay the district court's preliminary injunction pending appeal because the preliminary injunction is an unconstitutional prior restraint of appellant Tim Oey's free speech. On the same day, appellee The Freecycle Network, Inc. ("TFN") used the preliminary injunction as the basis for a demand that an online publisher remove non-commercial commentary provided by Oey in an online discussion of an article about TFN. Appellants respectfully request that this Court allow appellants to supplement the record with evidence of TFN's ongoing efforts to use the district court's preliminary injunction to suppress all evidence of disagreement with its highly questionable trademark claims. The judicial process of the United States should not be used to consign one part of a public debate to an Orwellian "memory hole." *See* GEORGE ORWELL, 1984, ch. 4 (1948).

The preliminary injunction under appeal here bars Oey "from making *any* comments that *could* be construed as to disparage upon [TFN's] *possible* trademark and logo." MR 225 (emphasis added). Oey was also ordered "to remove all postings from the internet and any other public forums that he has previously made that disparage [TFN's] *possible* trademark and logo." *Id.* (emphasis added).

Appellants respectfully request this Court to supplement the record with the accompanying Declaration of Bruce E.H. Johnson. That declaration documents

TFN's effort to extend the scope of this unsustainable order to encompass anyone who has dared to permit Oey to express his opinions in a public forum. On May 19, 2005, Grist Magazine, Inc., an online publisher of environmental news and commentary, published a story about changes at TFN and the resulting conflicts. Johnson Decl. at BJ 7. Grist then posted a one-paragraph summary and started an online discussion forum, or "blog," so that Grist's readers could post comments about the article. *Id.* The blog may be viewed at <http://gristmill.grist.org/story/2005/5/19/133334/517>. See *id.* at BJ 1.

Even though the district court's order is directed solely to Oey (MR 225), on July 6, 2006, TFN contacted Grist directly, attaching a copy of the preliminary injunction and asking Grist to remove Oey's postings. *Id.* at 1. In a letter dated July 13, 2006, counsel for Grist responded that (1) the preliminary injunction does not apply to Grist, (2) non-commercial commentary on Grist's blog could not support any Lanham Act claims, and (3) enforcement of the preliminary injunction would violate Grist's rights of free speech and due process. See *id.* at BJ 7-8.

TFN's efforts to enforce the preliminary injunction against Grist reinforce the reasons for staying the preliminary injunction while this appeal is pending. TFN's actions underscore the speech-suppressing aspects of the injunction. Indeed, TFN's effort to use the *in terrorem* effect of a court order to convince a non-party to muzzle debate on its website lays bare the intent of TFN's lawsuit.

Although Grist appropriately declined to accede to TFN's demands, this facially invalid order should not remain available for TFN to put to similar speech-suppressing uses until this Court ultimately rules on the merits of the preliminary injunction in this appeal.

CONCLUSION

Appellants respectfully request this Court to supplement the record on appellants' motion to stay the preliminary injunction pending appeal with the Declaration of Bruce E.H. Johnson.

Dated: July 19, 2006

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Respectfully submitted.



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FOR THE NINTH CIRCUIT**

TIM OEY AND JANE DOE OEY,
Petitioner/Appellant,

v.

THE FREECYCLE NETWORK, INC.
Respondent/Appellee

**DECLARATION OF BRUCE E.H. JOHNSON IN SUPPORT
OF MOTION FOR A STAY PENDING APPEAL**
From A Preliminary Injunction Of The United States District Court
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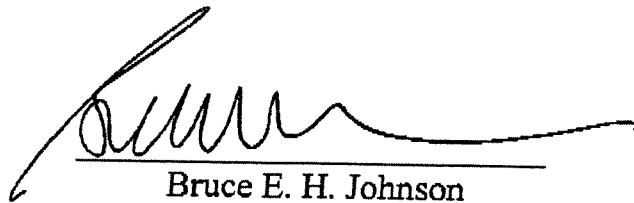
I, Bruce E. H. Johnson, declare as follows:

1. I am an attorney licensed to practice in the State of Washington and the State of California. I am a partner in the law firm of Davis Wright Tremaine LLP, with offices at 2600 Century Square, 1501 Fourth Avenue, Seattle, Washington 98101-1688.

2. On or about July 10, I received from my client, Grist Magazine, Inc., a letter dated July 6, 2006 that it, in turn, had received from Lisa Kobiialka. That letter enclosed a copy of an order from the United States District Court for the District of Arizona. A true and correct copy of Ms. Kolbialka's letter and its enclosure are attached this declaration and numbered BJ 1-6.

3. On July 13, 2006, I responded to Ms. Kolbialka's letter. A true and correct copy of my two-page letter is attached as Exhibit B to this declaration and numbered BJ 7-8.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed in Seattle, Washington, on July 19, 2006.



Bruce E. H. Johnson



Lisa Kobialka
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July 6, 2006

VIA FACSIMILE (253.423.6487) AND U.S. MAIL

Grist
710 Second Avenue, Suite 860
Seattle, Washington 98104

Re: *The Freecycle Network, Inc. v. Oey et al*, Case No. CIV 06-173-TUC-RCC

To Whom It May Concern:

We represent The Freecycle Network, Inc. ("The Freecycle Network") in the litigation matter between The Freecycle Network and Tim Oey, pending in District Court for the District of Arizona. On May 11, 2006, the Court issued a Preliminary Injunction ("Order") requiring Tim Oey to "remove all postings from the internet and any other public forums that he has previously made that disparage Freecycle's possible trademark and logo." A copy of the Order is attached for your convenience.

In accordance with the Order, we request that you remove Tim Oey's postings located at <http://gristmill.grist.org/story/2005/5/19/133334/517>. In light of the Court's Order, we request that you remove the posting by no later than Friday, July 14, 2006.

Please feel free to contact me should you have any questions or concerns regarding this matter. Thank you in advance for your attention to this matter and cooperation.

Very truly yours,

Lisa Kobialka

LK:ls
Enclosures

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

THE FREECYCLE NETWORK, INC., an
Arizona non-profit organization,

Plaintiff,

vs.

TIM OEY and JANE DOE OEY,

Defendant.

No. CV 06-173-TUC-RCC

ORDER

On April 24, 2006, the Court held oral argument regarding a motion for a Temporary Restraining Order against Defendant Tim Oey ("Oey"). That motion was granted (Docket # 18). Now pending before the Court is Plaintiff The Freecycle Network, Inc.'s Notice of *Ex Parte* Motion and *Ex Parte* Motion for Order to Show Cause Against Defendant Tim Oey Regarding Contempt Due to Failure to Comply with Temporary Restraining Order (Docket # 20) as well as whether a preliminary injunction should be issued on The Freecycle Network's ("Freecycle") behalf enjoining Oey from making comments that infringe on Freecycle's Trademark.

I. BACKGROUND

The Freecycle Network is a nonprofit Arizona corporation with member groups throughout the world dedicated to encouraging and coordinating the reusing, recycling,

1 and gifting of goods. Starting with a single community in Tucson, Freecycle has grown
2 to a worldwide organization with thousands of local recycling groups and more than two
3 million members.

4 Freecycle has been using the trademarks FREECYCLE, THE FREECYCLE
5 NETWORK and "The Freecycle Network" logo since May 2003. On November 22,
6 2005, Freecycle's trademark and logo were approved for publication on the Principal
7 Register by the United States Patent and Trademark Office ("USPTO"). A notice of
8 publication was issued on December 28, 2005, but that registration is being opposed by a
9 group in California making the trademark's application pending.

10 Defendant Oey was actively involved with Freecycle from early 2005 until late
11 2005. Part of Defendant's duties included participating in an intellectual property group
12 tasked with developing guidelines for protecting Freecycle's intellectual property. As part
13 of his duties, Defendant has authored emails which have defended Freecycle's trademark
14 rights.

15 In mid-September 2005 Defendant resigned from his position with Freecycle.
16 Subsequently, Defendant began making public remarks disagreeing with the validity
17 Freecycle's trademark rights. In support of this, Defendant has emailed remarks
18 disparaging Freecycle's trademark as well as posting comments on the internet
19 disparaging Freecycle's trademark.

20 Freecycle filed this action against Defendant claiming that he had made remarks
21 that infringed upon their trademark. In accordance with this, Plaintiff moved for a
22 temporary restraining order which was granted by this court. Now, Plaintiffs are asking
23 for a preliminary injunction as well as an order to show cause as to why Defendant should
24 not be held in contempt of court for not removing previously posted comments on the
25 internet that infringe upon Freecycle's trademark.

26 Defendant claims that the term "freecycle" is a generic term and thus not able to be
27 trademarked. Defendant points to the fact that the trademark is still pending with the
28 USPTO and that there is an objection to the pending trademark that must be resolved by

1 the USPTO. With regard to the motion for contempt filed by Freecycle, Defendant
2 asserts that it did not relate to past comments made by Defendant before the Complaint in
3 this case was even filed.

4 5 II. DISCUSSION

6 The moving party carries the burden for demonstrating the need for injunctive
7 relief. *Huang v. Holiday Inns, Inc.*, 594 F.Supp. 352, 355 (C.D.Cal. 1984).

8 Factors to consider in determining whether to grant a preliminary injunction are:

9 (1) the likelihood of plaintiff's success on the merits; (2) the possibility of
10 plaintiff's suffering irreparable injury if relief is not granted; (3) the extent
11 to which the balance of hardships favors the respective parties; and (4) in
certain cases, whether the public interest will be advanced by the provision
of preliminary relief.

12 *Dollar Rent A Car of Wash., Inc. v. Travelers Indemnity Co.*, 774 F.2d 1371, 1374 (9th
13 Cir. 1985).

14 In a trademark infringement case, a plaintiff is entitled to a preliminary injunction
15 if it can show "either (1) a combination of 'probable success on the merits' and 'the
16 possibility of irreparable injury' or (2) the existence of 'serious question going to the
17 merits' and that 'the balance of hardships tips sharply in [its] favor.'" *GoTo.com, Inc. v.*
18 *Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000) (quoting *Sardi's Rest. Corp. v.*
19 *Sardie*, 755 F.2d 719, 723 (9th Cir. 1985)).

20 1. Likelihood of Success on the Merits

21 Freecycle argues that it is likely to succeed on the merits. The Lanham Act
22 prohibits the unauthorized use of a "registered mark in connection with the sale . . . or
23 advertising of any goods . . . [where] such use is likely to cause confusion, or to cause
24 mistake, or to deceive." 15 U.S.C. § 1114. Section 43 of the act makes any person who,
25 in connection with the sale of goods, uses any term, name, or symbol in a way that is
26 likely to cause confusion, mistake or to deceive, liable in a civil action to any person
27 damaged by the act. 15 U.S.C. § 1125. In order to establish trademark infringement or
28 unfair competition under the Lanham Act, a plaintiff must show that the defendant "is

1 using a mark similar to a valid, protectable trademark of [plaintiff's]." *Brookfield*
2 *Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999).
3 Freecycle argues that even though its trademark is still pending, it has established a
4 recognizable logo and name that is protectable through over three years of use as well as
5 the USPTO's approval of publication in its Principal Register.

6 Additionally, Freecycle argues that its legitimate trademark rights have been
7 recognized by Defendant when he was associated with The Freecycle Network. This is
8 born out by the record. While Defendant was associated with The Freecycle Network, he
9 actively undertook to protect its trademark and logo. *See* Complaint, Exh. A-C; *see also*
10 Beal Decl. ¶ 8. Then, after his separation from the organization, he began to publicly
11 encourage the disparagement of the Freecycle trademark. *See* Complaint, Exh. D-G; *see*
12 *also* Beal Decl. ¶ 9.

13 All of these factors lead to the conclusion that Plaintiff has a significant chance to
14 succeed on the merits of the case.

15 2. Irreparable Injury

16 Irreparable injury may be presumed by a showing of likelihood of success on the
17 merits of a trademark infringement claim. *El Pollo Loco, Inc. v. Hashim*, 316 F.3d 1032,
18 1038 (9th Cir. 2003). Because The Freecycle Network has shown a likelihood of success
19 on the merits, a preliminary injunction is appropriate as to the trademark claims.

20 3. Balance of Hardships

21 The balance of hardships falls in Freecycle's favor. If a preliminary injunction is
22 granted, then Defendant is merely prohibited from making public comments that could
23 disparage Freecycle's trademark during the pendency of this case. There would be no or
24 very little cost to Defendant of not being able to do this. If the preliminary injunction is
25 not granted then The Freecycle Network could very well suffer loss of goodwill and
26 confusion with respect to its trademark rights (assuming it does in fact have those
27 trademark rights). It is clear though that currently, the balance of hardships clearly falls
28 within Freecycle's favor.

1 **III. CONCLUSION**

2 Accordingly IT IS HEREBY ORDERED that the motion for Preliminary
3 Injunction is GRANTED in Freecycle's Favor. Defendant is prohibited from making any
4 comments that could be construed as to disparage upon Freecycle's possible trademark
5 and logo. Additionally, Defendant IS FURTHER ORDERED to remove all postings
6 from the internet and any other public forums that he has previously made that disparage
7 Freecycle's possible trademark and logo. This Order specifically refers to, but is not
8 limited to, the exhibits used by Freecycle in this case.

9 Finally, IT IS ORDERED that Plaintiff The Freecycle Network, Inc.'s Notice of *Ex*
10 *Parte* Motion and *Ex Parte* Motion for Order to Show Cause Against Defendant Tim Oey
11 Regarding Contempt Due to Failure to Comply with Temporary Restraining Order
12 (Docket # 20) is DENIED. However, Defendant is forewarned that if he refused to
13 comply with the terms of this preliminary injunction and continues to publicly disparage
14 Freecycle's trademark rights and logo then he could be found to be held in contempt of
15 court.

16
17 DATED this 11th day of May, 2006.

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Rancor C. Collins
United States District Judge



Davis Wright Tremaine LLP

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July 13, 2006

Lisa Kobialka
Perkins Coie
101 Jefferson Drive
Menlo Park, CA 94025-1114

Re: *The Freecycle Network, Inc. v. Oey, et al.*

Dear Ms. Kobialka:

We represent Grist Magazine, Inc., a nonprofit corporation that publishes environmental news and commentary online at www.grist.org, which has received a copy of your letter dated July 6, 2006.

In your letter, you referenced a May 11, 2006, decision from a federal court in Arizona, in connection with a lawsuit between Freecycle Network and Tim Oey, requiring Oey "to remove all postings from the internet . . . that disparage Freecycle's possible trademark and logo."

On May 19, 2005, Grist published a story detailing recent management changes, and resulting conflicts, at Freecycle. As is its custom, Grist also posted a one-paragraph summary of the story in its blog and Grist's readers – including apparently Mr. Oey – posted comments about the story as part of an online discussion that also included Freecycle's viewpoint, included in comments by Mr. Deron Beal, a Freecycle executive.

By its terms, this Arizona order does not apply to Grist, which simply exercised its First Amendment rights in discussing, and facilitating discussions about, issues of public concern relating to the environment. If it were applied to Grist, which was not a party to that Arizona proceeding and furthermore was not afforded any prior notice of the motion, we believe it would be in violation of Grist's rights to free speech and to due process under the First and Fifth Amendments.

Furthermore, we understand the Arizona lawsuit involved Freecycle's claims against Oey under the Lanham Act, but we cannot discern any basis for a trademark claim against Grist (or even

Lisa Kobialka
July 13, 2006
Page 2



Oey) arising from any of the comments posted on the Grist website and blog. Mere commentary, as you know, does not constitute trademark infringement.

Indeed, Section 43(a) of the Act applies only to a “false or misleading representation of fact” which “**in commercial advertising or promotion**, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities.” To our knowledge, none of the Grist online postings constitutes “commercial advertising or promotion” and therefore cannot constitutionally (or by the Act’s terms) be a basis for liability under the Act, or the target of any temporary restraining order or preliminary injunction.

If you believe that there are specific postings that could constitute such “commercial advertising and promotion” rather than comment and debate, and thus might be a basis for liability by Mr. Oey and would be governed by the injunction, please provide that information so that we can further consider your request.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read 'Bruce E. H. Johnson', with a long horizontal flourish extending to the right.

Bruce E. H. Johnson

BEHJ:tr

cc: Kendra Howe

CERTIFICATE OF SERVICE

I, Rowena Barreras, declare as follows:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is: Two Palo Alto Square, Suite 300, 3000 El Camino Real, Palo Alto, California 94306-2112. On July 19, 2006, I served the foregoing document(s) described as:

REQUEST TO SUPPLEMENT RECORD IN SUPPORT OF MOTION FOR A STAY PENDING APPEAL WITH DECLARATION OF BRUCE E.H. JOHNSON

- By transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
- By placing the document(s) listed above in a sealed envelope with postage prepaid, via First Class Mail, in the United States mail at Palo Alto, California addressed as set forth below.
- By placing the document(s) listed above in a sealed overnight service envelope and affixing a pre-paid air bill, and causing the envelope to be delivered to an overnight service agent for delivery.

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Lisa Kobialka
Sean M. Boyle
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Attorneys for Plaintiff-Appellee
The Freecycle Network, Inc.

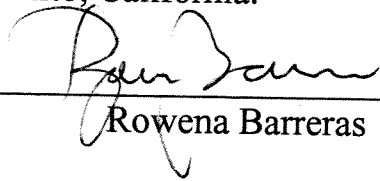
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Attorneys for Plaintiff-Appellee
The Freecycle Network, Inc.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 19, 2006, at Palo Alto, California.



Rowena Barreras