

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re

MORAN COMMUNICATIONS GROUP, LLC Case No. 96-14601 K

Debtor

MARKETING AND ADVERTISING SERVICES
CENTER, INC.

Plaintiff

-vs-

AP 96-1327 K

MORAN COMMUNICATIONS GROUP, LLC

Defendant

Steven S. Fox, Esq.
120 Delaware Avenue, Suite 426
Buffalo, New York 14202

Attorney for Plaintiff

Raymond C. Stilwell, Esq.
Adair Law Firm
6700 Main Street
Williamsville, New York 14221

Attorney for Debtor/Defendant

This is a trademark infringement and unfair competition suit. It is before the

Bankruptcy Court because the Defendant is a Chapter 11 debtor. Jurisdiction, therefore, exists under 28 U.S.C. §§ 1334 and 157.

The Plaintiff seeks a Temporary Restraining Order. In its initial moving papers it sought to restrain the Debtor from using the word "Buffalo" in certain connections. That request has now been scaled back.

To understand the current request, we must address the facts. The dispute involves cyberspace -- the Internet.

FACTS

Taking the arguments of counsel at face value, any non-military, non-educational, non-governmental, Internet address must end in either ".com" or ".net." Moran provides a number of computer services, including on-line Internet access, and home page design and maintenance. In 1996 it sought permission to use Buffalo.com as its Internet "domain" name but it was denied because that name is owned by a company in Colorado. So Moran took Buffalo.net and began marketing a service by that same name - "Buffalo.Net." The Buffalo.Net service provides not only access to the Internet, but also an "intranet" and a site for numerous Buffalo-related advertising and other materials of local interest and of interest to persons from outside Buffalo who may be interested in learning about Buffalo employment opportunities, etc.

For a long time, Moran has competed with Plaintiff, (“MASC”). In 1994, MASC began marketing a product which has the “domain” at “Buffnet.net,” and which has the trade name “BuffNET,” also providing Internet access, home-page design and other services.

MASC supposedly wanted the local Buffalo appeal without limiting the market. It selected BuffNET because it believed it to be “suggestive” of its services (rather than descriptive) and was a “play” on the fact that “Buff” can mean physically fit, nude (“in the buff”), and the act of cleaning or polishing, as well as a variant of Buffalo. In MASC’s view, “BuffNET” is a name that is the result of creativity, and is not descriptive.

MASC argues that under such circumstances, it is entitled to protection of its common law trademark and protection against unfair competition if it can prove that confusion in the marketplace is likely. It offers several affidavits portraying episodes of actual confusion in which people thought that BuffNET and Buffalo.Net were not distinct products in competition with one another.

DISCUSSION

MASC must show:

(a) irreparable harm and (b) either (1) likelihood of success on the merits or (2) sufficiently serious questions going to the merits to make them a fair ground for litigation and a balance of hardships tipping decidedly toward the party requesting the preliminary relief.

Standard & Poor’s Corp v. Commodity Exchange, Inc., 683 F.2d 704, 707 (2d Cir. 1982).

“[T]he requisite likelihood of success on the merits and irreparable harm can both be established by showing a ‘likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or . . . simply confused, as to the source of the goods in question.’” *Original Fowler’s Chocolate Co. v. Fowler*, No. 94-CV-418S, 1994 WL 721359 (W.D.N.Y. Dec. 19, 1994) (quoting *Western Publishing Co. v. Rose Art Indus.*, 910 F.2d 57, 59 (2d. Cir. 1990)).

The Second Circuit has developed eight factors to be considered in a trademark confusion analysis. *Charles of the Ritz Group v. Quality King Distribs.*, 832 F.2d 1317, 1321-23 (citing *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961)). Those factors are:

- (1) the strength of the mark (its tendency to identify the goods sold under the mark as emanating from a particular possibly anonymous source)
- (2) the degree of similarity of the products
- (3) proximity (are they displayed or marketed in the same places)
- (4) bridging the gap (*i.e.*, whether there is direct competition in the same market)
- (5) actual confusion
- (6) good faith (did the second user adopt its name in good faith)
- (7) quality of products (are the products sold of the same quality such that they are competing for the same market)
- (8) sophistication of buyers

Id.

In this case, however, because neither party has yet received a valid statutory trademark of its product names, MASC also must offer proof that it has acquired a common law

trademark in the name “BuffNET.”¹

Can MASC acquire an enforceable common law trademark by combining two non-unique, potentially descriptive words and claiming that it is the result of “creativity” and therefore suggestive, rather than merely descriptive?

A descriptive term, in general, cannot be appropriated as a trademark unless the term has taken on a secondary meaning. A “suggestive” term, the result of creativity, *can* be appropriated as a trademark. MASC claims that although BuffNET seems to be only the truncation and combination of two commonly known, and descriptive words, the name “BuffNET” is actually the result of creativity and not at all descriptive of the services provided.

I hold that the request for a Temporary Restraining Order must fail for two reasons: (1) MASC has not convinced the Court that it is likely to succeed on the merits of its claim that BuffNET has acquired the status of a protectible trademark at common law; and (2) MASC has not convinced the Court that there currently exists confusion in the pertinent marketplace(s).

In light of the fact that only “net” and “com” are available to private industry “after the dot” in domain names, the Court is not convinced that there is anything “coined” or “novel” or “creative” about combining anything with the suffix “net,” when describing services relating to the Internet. Indeed, it seems to the Court that “something net” or “something com”

¹Both MASC and Moran have applications pending to acquire trademarks of their respective product names, but neither application has yet been granted.

is about as omnipresent as “mart” has been for many years - *e.g.*, car-mart, deli-mart, carpet-mart, record-mart.

Next, there are two marketplaces involved. The Buffalo, New York marketplace and the marketplace everywhere else, worldwide.

Within the Buffalo, New York marketplace, the use of the word “Buff” is immediately recognizable as a geographic abbreviation of Buffalo, just as “Mass” is an abbreviation of Massachusetts when heard in Boston, just as “Mo” is an abbreviation of Missouri when heard in St. Louis, just as NYC is an abbreviation of New York City when heard in Manhattan, etc. Company names come to mind -- Buff-Air Freight, Buff-Com Communication, Buff Auto Alarms, Buff-Pac, Inc. and Buff Tube & Core -- and there may be many similar names of products.

Consequently, as to the Buffalo, New York market, combining Buff and NET to make BuffNET is nothing but descriptive of the location and nature of the product. It is minimally different from, for example, “buffalo wings.” It would not be protectible in the absence of registration or a secondary meaning, in this Court’s view.²

Outside Buffalo, New York, Buff would not likely suggest Buffalo, New York. (Indeed, that was MASC’s claimed purpose in selecting Buff rather than Buffalo.) Consequently, the Court is not convinced that it is likely that the non-Buffalo-area market is or will be confused.

²Although MASC hints that it never intended a Buffalo connection with its BuffNET product, this writer has seen ads for BuffNET with the picture of a Buffalo superimposed on the product name.

The obvious confusion locally many months ago is not likely to exist locally now that the computer cognoscenti in this vicinity are probably aware of the two products with similar names.

MASC does not now claim that it has pre-empted either the word “Buffalo” or the suffix “net” by its use of BuffNET. (In its initial papers, it sought to restrain use of the word Buffalo. It has abandoned that position.) It is very careful to explain that if Moran’s product were named something more audibly distinct from BuffNET, such as “Buffalo Local Network,” it would not complain.

When a vendor selects the first syllable of a city’s 3-syllable name to combine with a generic one-syllable description such as “net” what are we to do? Count syllables? From oral argument it would seem that if we lived in Indianapolis, and the Plaintiff used “IndiaNET” but the Defendant used “Indianapolis.Net,” there would be no complaint because there is an audible difference. Similarly, there would be no complaint about Massachusetts.Net, if MASC’s product were MassNET. But would MASC complain about Princeton.Net if MASC’s product were PrinceNET? Who knows? That is the problem with MASC’s argument. It is too subjective to support a provisional restraint. (It could conceivably prevail at trial, if the evidence is there.)

In light of the fact that names that are merely geographically descriptive are not protectible (before obtaining a secondary meaning), the Court will not grant preliminary relief on a supposition that Buffalo-based businesses should be less able to advertise that fact because “Buffalo” contains half as many syllables as “Indianapolis.”

In sum, the Court is not persuaded that conjoining an obvious geographic abbreviation with an obvious description of the product will likely win protection, when the full merits are tried. Further, there seems to be no likelihood of confusion outside Buffalo, and no likelihood of confusion currently even in Buffalo (though it was likely some months ago).

As to the unfair competition claim, the above findings regarding the absence of confusion are similarly dispositive.

MASC's Motion is denied. This Adversary Proceeding will proceed in the usual manner.

SO ORDERED.

Dated: Buffalo, New York
February 5, 1997

/s/Michael J. Kaplan

Michael J. Kaplan, U.S.B.J.