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 14 FREECYCLESUNNYVALE

15 **UNITED STATES DISTRICT COURT**
 16 **NORTHERN DISTRICT OF CALIFORNIA**
 17 **OAKLAND DIVISION**

18 FREECYCLESUNNYVALE,
 19 a California unincorporated association,

20 Plaintiff,

21 v.

22 THE FREECYCLE NETWORK,
 23 an Arizona corporation,

24 Defendant.

CASE NO. C06-00324 CW

**PLAINTIFF AND COUNTERDEFENDANT
 FREECYCLESUNNYVALE'S ANSWER TO
 DEFENDANT AND COUNTERCLAIMANT
 THE FREECYCLE NETWORK, INC.'S
 COUNTERCLAIMS**

25 THE FREECYCLE NETWORK, INC., an
 26 Arizona Corporation,

27 Counterclaimant,

28 v.

FREECYCLESUNNYVALE, a California
 unincorporated association,

Counterdefendant.

1 Plaintiff and Counterdefendant FreecycleSunnyvale (“FreecycleSunnyvale”), through its
2 *pro bono* attorneys Mayer, Brown, Rowe & Maw LLP, answers the counterclaims of Defendant
3 and Counterclaimant The Freecycle Network, Inc. (“The Freecycle Network”), upon knowledge
4 as to itself and its own actions, and on information and belief as to all other matters, as follows:

5 **The Parties**

6 1. Answering paragraph 61, FreecycleSunnyvale admits that The Freecycle Network
7 is an Arizona non-profit corporation with its principal place of business in Tucson, Arizona.
8 FreecycleSunnyvale admits that The Freecycle Network promotes freecycling by providing
9 support and advice to freecyclers who wish to create Internet fora for freecycling.
10 FreecycleSunnyvale admits that The Freecycle Network maintains a Web site with links to some
11 online groups that provide Internet fora for freecycling activity. FreecycleSunnyvale is informed
12 and believes that the remaining allegations in Paragraph 61 are true and, on that basis, admits
13 them.

14 2. Answering paragraph 62, FreecycleSunnyvale admits that FreecycleSunnyvale is
15 an unincorporated association with its principal place of business in Sunnyvale, California.

16 **Jurisdiction and Venue**

17 3. Answering paragraph 63, FreecycleSunnyvale does not contest jurisdiction in this
18 Court.

19 4. Answering paragraph 64, FreecycleSunnyvale does not contest jurisdiction in this
20 Court.

21 5. Answering paragraph 65, FreecycleSunnyvale does not contest venue in this
22 Court.

23 **COUNTERCLAIM FOR TRADEMARK INFRINGEMENT**

24 **UNDER THE LANHAM ACT**

25 (Trademark Infringement, 15 U.S.C. § 1125(a))

26 6. Answering paragraph 66, FreecycleSunnyvale repeats and reasserts Paragraphs 1
27 though 5 of this Answer as if fully set forth herein.
28

1 7. Answering paragraph 67, FreecycleSunnyvale is informed and believes and on that
2 basis admits that The Freecycle Network has been using the term “freecycle,” the composite
3 phrase “The Freecycle Network,” and its logo (a stylized version of the term “freecycle”)
4 continuously since at least May 1, 2003. FreecycleSunnyvale denies the remaining allegations.

5 8. Answering paragraph 68, FreecycleSunnyvale repeats and reasserts Paragraph 7 of
6 this Answer as if fully set forth herein. FreecycleSunnyvale is informed and believes and on that
7 basis admits that, on December 28, 2005, the United States Patent and Trademark Office issued a
8 notice of publication in the Official Gazette for the trademark registration application bearing
9 Serial No. 78/475,113. FreecycleSunnyvale denies the remaining allegations.

10 9. Answering paragraph 69, FreecycleSunnyvale repeats and reasserts Paragraph 7 of
11 this Answer as if fully set forth herein. FreecycleSunnyvale lacks sufficient information and
12 belief regarding the allegation that The Freecycle Network promotes is alleged trademarks and,
13 on that basis, denies that allegation. FreecycleSunnyvale denies the remaining allegations.

14 10. Answering paragraph 70, FreecycleSunnyvale denies the allegations.

15 11. Answering paragraph 71, FreecycleSunnyvale denies the allegations.

16 12. Answering paragraph 72, FreecycleSunnyvale denies the allegations.

17 13. Answering paragraph 73, FreecycleSunnyvale admits that its members own and
18 moderate an online group that assists freecyclers in the Sunnyvale, California, area to engage in
19 freecycling activities. FreecycleSunnyvale denies the remaining allegations.

20 14. Answering paragraph 74, FreecycleSunnyvale denies the allegations.

21 15. Answering paragraph 75, FreecycleSunnyvale admits that one of its members,
22 Timothy Oey, has encouraged others to continue to use “freecycle” and its variants as generic
23 terms. FreecycleSunnyvale denies the remaining allegations.

24 16. Answering paragraph 76, FreecycleSunnyvale denies the allegations.

25 17. Answering paragraph 77, FreecycleSunnyvale denies the allegations.

26 18. No response to paragraph 78 is necessary because paragraph 78 purports to allege
27 contributory infringement under the “supplies a product” theory, which was rejected by the Court.
28

1 19. No response to paragraph 79 is necessary because paragraph 79 purports to allege
2 contributory infringement under the “supplies a product” theory, which was rejected by the Court.

3 20. Answering paragraph 80, FreecycleSunnyvale denies the allegations.

4 21. Answering paragraph 81, FreecycleSunnyvale denies the allegations.

5 22. Answering paragraph 82, FreecycleSunnyvale denies the allegations.

6 **COUNTERCLAIM FOR UNFAIR COMPETITION UNDER THE LANHAM ACT**

7 (Unfair Competition, 15 U.S.C. § 1125(a))

8 23. Answering paragraph 83, FreecycleSunnyvale repeats and reasserts Paragraphs 1
9 though 22 of this Answer as if fully set forth herein.

10 24. Answering paragraph 84, FreecycleSunnyvale is informed and believes and on that
11 basis admits that The Freecycle Network has been using the term “freecycle,” the composite
12 phrase “The Freecycle Network,” and its logo (a stylized version of the term “freecycle”)
13 continuously since at least May 1, 2003. FreecycleSunnyvale denies the remaining allegations.

14 25. Answering paragraph 85, FreecycleSunnyvale is informed and believes and on that
15 basis admits that, on December 28, 2005, the United States Patent and Trademark Office issued a
16 notice of publication in the Official Gazette for the trademark registration application bearing
17 Serial No. 78/475,113. FreecycleSunnyvale denies the remaining allegations.

18 26. Answering paragraph 86, FreecycleSunnyvale denies the allegations.

19 27. Answering paragraph 87, FreecycleSunnyvale admits that its members own and
20 moderate an online group that assists freecyclers in the Sunnyvale, California, area to engage in
21 freecycling activities. FreecycleSunnyvale denies the remaining allegations.

22 28. Answering paragraph 88, FreecycleSunnyvale denies the allegations.

23 29. Answering paragraph 89, FreecycleSunnyvale denies the allegations.

24 30. Answering paragraph 90, FreecycleSunnyvale denies the allegations.

25 31. Answering paragraph 91, FreecycleSunnyvale denies the allegations.

26 32. Answering paragraph 92, FreecycleSunnyvale denies the allegations.

1 **COUNTERCLAIM FOR UNFAIR COMPETITION**

2 **UNDER THE CALIFORNIA BUSINESS AND PROFESSIONAL CODE**

3 (Unfair Competition, Cal. Bus. & Prof. Code §§ 17200 and 17500)

4 33. Answering paragraph 93, FreecycleSunnyvale repeats and reasserts Paragraphs 1
5 though 32 of this Answer as if fully set forth herein.

6 34. Answering paragraph 94, FreecycleSunnyvale denies the allegations.

7 35. Answering paragraph 95, FreecycleSunnyvale denies the allegations.

8 36. Answering paragraph 96, FreecycleSunnyvale denies the allegations.

9 37. Answering paragraph 97, FreecycleSunnyvale denies the allegations.

10 38. Answering paragraph 98, FreecycleSunnyvale denies the allegations.

11 39. Answering paragraph 99, FreecycleSunnyvale denies the allegations.

12 **AFFIRMATIVE DEFENSES**

13 FreecycleSunnyvale pleads the following affirmative defenses to The Freecycle
14 Network's counterclaims. By designating the following defenses as affirmative defenses,
15 FreecycleSunnyvale does not concede that it bears the burden of proof with respect to any such
16 defense and does not intend to alter the burden of proof on any matter to the extent that the
17 burden rests with The Freecycle Network.

18 **First Affirmative Defense**

19 40. The counterclaims, and each of them, fail to state a claim for which relief may be
20 granted.

21 **Second Affirmative Defense**

22 41. The Freecycle Network does not own a protectable trademark interest.

23 **Third Affirmative Defense**

24 42. FreecycleSunnyvale has used the term "freecycle" continuously and from a time
25 prior to the acquisition of any alleged trademark rights by The Freecycle Network.

26 **Fourth Affirmative Defense**

27 43. The Freecycle Network, through its generic use of its alleged trademarks,
28 abandoned any and all rights that it may have had to those alleged trademarks.

1 **Fifth Affirmative Defense**

2 44. The Freecycle Network, through the uncontrolled licensing of its alleged
3 trademarks, abandoned any and all rights that it may have had to those alleged trademarks.

4 **Sixth Affirmative Defense**

5 45. The Freecycle Network has failed to protect its alleged trademarks against the
6 widespread, unauthorized use by others for several years. FreecycleSunnyvale relied on The
7 Freecycle Network's failure to protect its alleged trademarks. The Freecycle Network is now
8 precluded, by virtue of the doctrines of laches, estoppel, and acquiescence, from asserting any
9 purported rights in its alleged trademarks.

10 **Seventh Affirmative Defense**

11 46. Any use by FreecycleSunnyvale of the alleged trademarks constitutes fair use.

12 **Eighth Affirmative Defense**

13 47. Any use by FreecycleSunnyvale of the alleged trademarks constitutes free speech
14 that is protected by the First Amendment to the United States Constitution.

15 **Ninth Affirmative Defense**

16 48. Any infringement or unfair competition by FreecycleSunnyvale was innocent and
17 wholly without knowledge of any rights that The Freecycle Network may have, if any, in the
18 alleged trademarks.

19 **Tenth Affirmative Defense**

20 49. The Freecycle Network cannot demonstrate that the public will be confused or
21 misled as to the source of FreecycleSunnyvale's services or that FreecycleSunnyvale's services
22 are associated with, or endorsed by, The Freecycle Network.

23 **Eleventh Affirmative Defense**

24 50. The Freecycle Network knowingly and wrongfully asserted its alleged trademark
25 rights by sending baseless cease and desist notices and filing false trademark infringement reports
26 with Yahoo! Corporation, all as a means to eliminate competition in violation of the antitrust
27 laws.

1 Twelfth Affirmative Defense

2 51. The Freecycle Network does not have standing to bring a counterclaim under 15
3 U.S.C. § 1125(a)(1)(B).

4 PRAYER FOR RELIEF

5 WHEREFORE, as to The Freecycle Network's counterclaims, FreecycleSunnyvale
6 requests that this Court enter judgment as follows:

- 7 1. Dismiss The Freecycle Network's counterclaims in their entirety;
- 8 2. Award FreecycleSunnyvale its costs, expenses, and costs of suit, as allowed by
9 law;
- 10 3. Award FreecycleSunnyvale its attorneys' fees, as allowed by law; and
- 11 4. Enter such other and further relief as the Court deems just, proper, and equitable.

12 Dated: October 16, 2006

MAYER, BROWN, ROWE & MAW LLP

14 By: _____
15 Dennis S. Corgill
16 Attorneys for Plaintiff
17 FREECYCLESUNNYVALE
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