

**Katten**  
KattenMuchinRosenman LLP

2029 Century Park East, Suite 2600  
Los Angeles, CA 90067-3012  
310.788.4400 tel 310.788.4471 fax

1 Kristin L. Holland (SBN 187314)  
2 **KATTEN MUCHIN ROSENMAN LLP**  
2029 Century Park East, Suite 2600  
Los Angeles, CA 90067-3012  
3 Telephone: 310.788.4400  
Facsimile: 310.788.4471  
4 kristin.holland@kattenlaw.com

Floyd A. Mandell (admission *pro hac vice* pending)  
William J. Dorsey (admission *pro hac vice* pending)  
Carolyn M. Passen (admission *pro hac vice*  
pending)  
Cathay Y. N. Smith (admission *pro hac vice*  
pending)  
**KATTEN MUCHIN ROSENMAN LLP**  
525 W. Monroe Street  
Chicago, IL 60661-3693  
Telephone: 312.902.5200  
Facsimile: 312.902.1061  
floyd.mandell@kattenlaw.com  
william.dorsey@kattenlaw.com  
carolyn.passen@kattenlaw.com  
cathay.smith@kattenlaw.com

9 Lead Attorneys for Defendants Various, Inc.; GMCI Internet Operations, Inc.; Traffic Cat, Inc.; and  
FriendFinder Networks Inc.

10  
11 Ira P. Rothken (SBN 160029)  
12 **ROTHKEN LAW FIRM LLP**  
3 Hamilton Landing, Suite 280  
Novato, CA 94949-8271  
13 Telephone: 415.924.4250  
Facsimile: 415.924.2905  
14 ira@techfirm.com

15 Attorneys for Defendants Various, Inc.; GMCI Internet Operations, Inc.; Traffic Cat, Inc.; and  
FriendFinder Networks Inc.

16 **UNITED STATES DISTRICT COURT**  
17 **NORTHERN DISTRICT OF CALIFORNIA**  
18 **NORTHERN DISTRICT (Oakland)**

19 FACEBOOK, INC.,  
20 Plaintiff,  
21 vs.

22 VARIOUS, INC.; GMCI INTERNET  
OPERATIONS, INC.; TRAFFIC CAT, INC.;  
23 FRIENDFINDER NETWORKS INC.; and  
DOES 1-100,  
24 Defendants.

) CASE NO. 4:11-CV-01805-SBA  
)  
) **ANSWER AND AFFIRMATIVE DEFENSES**  
) **TO COMPLAINT SEEKING DAMAGES**  
) **AND INJUNCTIVE RELIEF AND**  
) **COUNTERCLAIMS FOR:**  
)  
) **(1) Federal Trademark Infringement**  
) **(FRIENDFINDER), 15 U.S.C. § 1114;**  
) **(2) False Designation Of Origin, 15 U.S.C. §**  
) **1125;**  
) **(3) Common Law Trademark Infringement;**  
) **(4) Trademark Dilution, Cal. Bus. & Prof. Code**  
) **§ 14247;**  
) **(5) Cancellation Based on Genericness or**  
) **Descriptiveness;**  
) **(6) Unfair Competition, Cal. Bus. & Prof. Code**  
) **§§ 17200, et seq.; and**  
)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

) **(7) Declaratory Relief.**  
)  
) **JURY TRIAL DEMANDED**  
)

Defendants, VARIOUS, INC. (“Various”), GMCI INTERNET OPERATIONS, INC. (“GMCI IOI”), TRAFFIC CAT, INC. (“Traffic Cat”), and FRIENDFINDER NETWORKS INC. (“FriendFinder”) (collectively, “Defendants”) by and through their undersigned counsel, hereby answer Plaintiff Facebook, Inc.’s (“Plaintiff”) allegations set forth in its Complaint as follows:

**Complaint No. 1**

Plaintiff Facebook, Inc. (“Facebook”) brings this suit to enjoin Defendants’ ongoing infringement of the famous FACEBOOK trademark to promote an online “adult” networking service and affiliate program under the brand FACEBOOK OF SEX. Defendants’ mark, websites and affiliate program are a deliberate and blatant attempt to imitate and trade upon the success of the Facebook brand. Association with Defendants’ pornographic websites tarnishes Facebook’s reputation and abuses the trust of Facebook users. Accordingly, Facebook brings this suit to put a stop to Defendants’ unlawful scheme.

**Answer No. 1**

Defendants admit Plaintiff has brought this law suit. Defendants deny each and every remaining allegation in Paragraph 1.

**PARTIES**

**Complaint No. 2**

Facebook is a Delaware corporation having its principal place of business at 1601 South California Avenue, Palo Alto, California 94304.

**Answer No. 2**

Defendants admit the allegations in Paragraph 2.

**Complaint No. 3**

Facebook is informed and believes, and based thereon alleges, that Defendant Various, Inc. (“Various”) is a California corporation having its principal place of business at 220 Humboldt Court,

1 Sunnyvale, California, 94304 and that it is a subsidiary of Defendant Friendfinder<sup>1/</sup> Networks Inc.

2 **Answer No. 3**

3 Defendants deny that Various is a direct subsidiary of FriendFinder, but admit the remaining  
4 allegations in Paragraph 3.

5 **Complaint No. 4**

6 Facebook is informed and believes, and based thereon alleges, that Defendant GMCI Internet  
7 Operations, Inc. is a New York corporation having its principal place of business at 11 Penn Plaza,  
8 12th Floor, New York, New York 20001, and that it is a subsidiary of Defendant Friendfinder  
9 Networks Inc.

10 **Answer No. 4**

11 Defendants admit that GMCI IOI is a New York corporation. Defendants deny that GMCI  
12 IOI is a direct subsidiary of Defendant FriendFinder, and deny the remaining allegations in  
13 Paragraph 4.

14 **Complaint No. 5**

15 Facebook is informed and believes, and based thereon alleges, that Defendant Traffic Cat,  
16 Inc. is a California corporation having its principal place of business at 220 Humboldt Court,  
17 Sunnyvale, California, 94304 and that it is a subsidiary of Defendant Friendfinder Networks Inc.

18 **Answer No. 5**

19 Defendants deny that Traffic Cat is a direct subsidiary of FriendFinder, but admit the  
20 remaining allegations in Paragraph 5.

21  
22  
23  
24  
25  
26  
27  
28 

---

<sup>1/</sup> Plaintiff uses the incorrect spelling “Friendfinder” to refer to Defendant FriendFinder throughout the Complaint.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 6**

Facebook is informed and believes, and based thereon alleges, that Defendant Friendfinder Networks Inc. is a Nevada corporation having its principal place of business at 6800 Broken Sound Parkway, Suite 200, Boca Raton, Florida, 33487, and that it is the parent company of Defendants Various Inc., GMCI Internet Operations, Inc., and Traffic Cat, Inc.

**Answer No. 6**

Defendants deny that FriendFinder is the direct parent company of Various, GMCI IOI, and Traffic Cat, but admit the remaining allegations in Paragraph 6.

**Complaint No. 7**

Defendants Various Inc., GMCI Internet Operations, Inc., Traffic Cat, Inc., and Friendfinder Networks Inc. are referred to collectively herein as “Defendants” or “Named Defendants.”

**Answer No. 7**

Defendants admit that Plaintiff refers to them collectively in the Complaint.

**Complaint No. 8**

Defendants collectively operate numerous online adult networking sites, including facebookofsex.com, and affiliate programs that drive traffic to those sites.

**Answer No. 8**

Defendants admit that between late 2009 and April, 2011 Traffic Cat operated an online networking website for adults using the domain name and terms “Face Book of Sex.” Defendants further admit that certain of them operate networking sites, including for adults, and have compensated third-parties based on the number of users they send to certain websites, provided that they are in compliance with contractual obligations, including compliance with law and regulation. Defendants deny each and every remaining allegation in Paragraph 8.

**Complaint No. 9**

Facebook is informed and believes, and based thereon alleges, that Does 1 through 100 are members of an affiliate network operated by Various Inc., GMCI Internet Operations, Inc., Traffic Cat, Inc. and/or Friendfinder Networks Inc., and are the owners, operators, or beneficiaries of websites that utilize domain names, advertisements, or other materials that infringe and dilute

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Facebook’s trademark rights through use of the FACE BOOK OF SEX mark. The true identities of Defendants Does 1 through 100 are not currently known to Facebook, but Facebook anticipates that the true identities of Does 1 through 100 will be ascertained by way of expedited discovery propounded to the named defendants. Facebook will amend its complaint to name those parties once that information is discovered. Does 1 through 100 are referred to herein as “Doe Defendants” or “Doe Defendant Affiliates.”

**Answer No. 9**

Defendants deny each and every allegation in Paragraph 9.

**JURISDICTION AND VENUE**

**Complaint No. 10**

This Court has jurisdiction of this action under 15 U.S.C. §§ 1119 and 1121 and 28 U.S.C. §§ 1331, 1338, and 1367. This action is filed under the United States Trademark Act of July 5, 1946, as amended, 15 U.S.C. § 1501, *et seq.* (the “Lanham Act”).

**Answer No. 10**

Defendants admit the allegations in Paragraph 10 as to jurisdiction, but deny that Plaintiff is entitled to any of its requested relief.

**Complaint No. 11**

This Complaint also seeks declaratory relief under the Declaratory Judgment Act, 28 U.S.C. § 2201, 2202. This Court has jurisdiction over the subject matter of the declaratory relief claim asserted herein pursuant to 28 U.S.C. §§ 1331 and 1338 and 15 U.S.C. § 1051, *et seq.*

**Answer No. 11**

Defendants admit that the Complaint seeks declaratory relief, and that the Court has jurisdiction over that claim, but deny that Plaintiff is entitled to the requested relief.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 12**

This Court has personal jurisdiction over Defendants in that Defendants’ willful actions herein alleged took place in and/or caused tortious injury to Facebook in this jurisdiction.

**Answer No. 12**

Defendants admit that this Court has personal jurisdiction over them, but deny each and every remaining allegation in Paragraph 12.

**Complaint No. 13**

Venue is proper in this District pursuant to 28 U.S.C. § 1391, as this is a judicial District in which a substantial part of the events giving rise to the claims occurred.

**Answer No. 13**

Defendants admit the allegations in Paragraph 13 as to venue, but deny that Plaintiff is entitled to any of its requested relief.

**INTRA-DISTRICT ASSIGNMENT**

**Complaint No. 14**

This is an Intellectual Property Action within the meaning of Civil Local Rule 3-2(c), and is to be assigned on a District-wide basis accordingly.

**Answer No. 14**

Defendants admit the allegations in Paragraph 14.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FACEBOOK’S BUSINESS**

**Complaint No. 15**

Facebook began offering its services in 2004. Since that time, Facebook has become one of the most widely recognized brands in the United States. As of early 2011, Facebook provided online networking services in over 70 languages to over 500 million active users worldwide, more than half of whom typically logged on to the Facebook website on any given day. Facebook users share over 30 billion pieces of content (web links, news stories, blog posts, notes, photo albums, etc.) each month and can interact with 900 million objects (individual profiles, pages, groups, and events). Facebook users spend more than 700 billion minutes per month on facebook.com, making the site the second most trafficked website in the United States and worldwide.

**Answer No. 15**

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 15 and, therefore, deny each and every allegation in Paragraph 15.

**Complaint No. 16**

Facebook also offers the “Facebook Platform,” which allows third parties to use Facebook services on their websites to make those third party websites more social and engaging. To date, more than 2.5 million websites use the Facebook Platform and more than 250 million people engage with Facebook through independent third party websites each month. Since April 2010, an average of 10,000 new websites per day have begun to use features made available through the Facebook Platform, and currently over 80 of the comScore U.S. top 100 websites integrate Facebook features into their independent websites. These third party websites substantially increase the visibility of Facebook and its marks.

**Answer No. 16**

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 16 and, therefore, deny each and every allegation in Paragraph 16.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 17**

Facebook is ubiquitous on the web and Facebook users are accustomed to seeing and using Facebook and its products and services across the web, not just on facebook.com. Facebook, and its FACEBOOK trademark, are recognized and renowned in the U.S. and internationally.

**Answer No. 17**

Defendants are without sufficient knowledge or information to form a belief as to the truth of the allegations in Paragraph 17 and, therefore, deny each and every allegation in Paragraph 17.

**FACEBOOK’S FAMOUS TRADEMARK**

**Complaint No. 18**

Since its online networking service was launched in February 2004, Facebook has continuously used the mark FACEBOOK in interstate commerce in the United States in connection with its goods and services. The FACEBOOK mark is highly distinctive with regard to online social networking services.

**Answer No. 18**

Defendants deny that “Facebook” is highly distinctive and affirmatively aver that such term has been in wide use by others prior to and since the date of first use claimed by Plaintiff. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 18 and, therefore, deny each and every remaining allegation in Paragraph 18.

**Complaint No. 19**

Facebook owns multiple U.S. registrations for the mark FACEBOOK. These registrations cover a wide variety of goods and services, including, but not limited to:

- Online networking services; online chat functions for transmission of messages, photographs, videos, and other user-defined content; and online forums;
- Hosting customized web pages featuring user-defined information and personal profiles;
- Online journals featuring user-defined content and electronic publishing services; and



- 1 • Software to enable uploading, tagging, and sharing of photographs, videos, and other  
2 user-defined content or information.

3 True and correct copies of registrations for the FACEBOOK mark are attached hereto as Exhibit A,  
4 and are incorporated by reference as though fully set forth herein.

5 **Answer No. 19**

6 Defendants deny that all of the registrations identified in Paragraph 19 and in Exhibit A are  
7 valid. Defendants are without sufficient knowledge or information to form a belief as to the truth of  
8 the remaining allegations in Paragraph 19 and, therefore, deny each and every remaining allegation  
9 in Paragraph 19.

10 **Complaint No. 20**

11 In addition, Facebook has common law rights in the FACEBOOK mark and marks that  
12 incorporate FACEBOOK in connection with various other goods and services, including as  
13 identified in pending U.S. trademark applications. True and correct copies of the U.S. Patent and  
14 Trademark Office online status pages for Facebook’s pending trademark applications for its  
15 FACEBOOK and FACEBOOK-formative marks are attached hereto as Exhibit B, and are  
16 incorporated by reference as though fully set forth herein. All of Facebook’s marks that consist of or  
17 incorporate the term FACEBOOK are referred to herein as the “FACEBOOK Marks.”

18 **Answer No. 20**

19 Defendants deny that Plaintiff has valid common law rights. Defendants are without  
20 sufficient knowledge or information to form a belief as to the truth of the remaining allegations in  
21 Paragraph 20 and, therefore, deny each and every remaining allegation in Paragraph 20.

22 **Complaint No. 21**

23 Facebook has been the subject of thousands of unsolicited stories in television, radio, and  
24 print media, highlighting Facebook’s innovative and successful efforts in online networking. A  
25 fictional version of Facebook’s founding was depicted in the Academy Award winning film “The  
26 Social Network,” which has grossed hundreds of millions at the box office since its release in 2010.  
27 Facebook has also received numerous awards and recognitions, including a listing in Nielsen’s Top  
28 10 Web Brands (ranking Facebook 2nd overall and 1st by hours spent on the site per day) in January

1 2011; The Webby Award’s “People’s Voice Winner” for Social Networking in 2007 and 2008;  
2 Harvard Business School’s “Entrepreneurial Company of the Year” in June 2008; *BusinessWeek*’s  
3 “The World’s 50 Most Innovative Companies” in 2008; Business Insider’s “Most Likely to Change  
4 the World” award in 2009; and The Crunchie Award for Best Overall Startup in 2007, 2008 and  
5 2009. And in 2010, *Time Magazine* named Facebook founder Mark Zuckerberg its Person of the  
6 Year.

7 **Answer No. 21**

8 Defendants are without sufficient knowledge or information to form a belief as to the truth of  
9 the allegations in Paragraph 21 and, therefore, deny each and every allegation in Paragraph 21.

10 **Complaint No. 22**

11 As a result of the nature and quality of Facebook’s services, its widespread use of the  
12 FACEBOOK Marks, extensive and continuous media coverage, the high degree of consumer  
13 recognition of the FACEBOOK Marks, Facebook’s enormous and loyal user base, its numerous  
14 trademark registrations and pending applications, and other factors, the FACEBOOK Marks are  
15 famous within the meaning of Section 43(c) of the United States Trademark Act, 15 U.S.C. §  
16 1125(c).

17 **Answer No. 22**

18 Defendants deny each and every allegation in Paragraph 22.

19  
20 **DEFENDANTS’ FACEBOOK OF SEX NETWORK**

21 **Complaint No. 23**

22 Defendants operate an online adult networking website branded and promoted as “Face Book  
23 of Sex,” and also operate an extensive “Face Book of Sex” affiliate network that uses infringing  
24 advertisements, domain names, and other materials to generate web traffic and revenue.

25 **Answer No. 23**

26 Defendants admit that between late 2009 and April, 2011 Traffic Cat operated an online  
27 networking website for adults using the domain name and terms “Face Book of Sex.” Defendants  
28 further admit that certain of them operate networking sites, including for adults, and have

1 compensated third-parties based on the number of users they send to certain websites, provided that  
2 they are in compliance with contractual obligations, including compliance with law and regulation.  
3 Defendants deny each and every remaining allegation in Paragraph 23.

4 **Complaint No. 24**

5 Defendants use the FACE BOOK OF SEX mark in connection with offering their  
6 pornographic adult networking websites facebookofsex.com, prominently displaying the FACE  
7 BOOK OF SEX mark on every page of the site.

8 **Answer No. 24**

9 Defendants admit that GMCI IOI owns the domain name facebookofsex.com, and that  
10 Traffic Cat displayed Face Book Of Sex on such site, and that some content is pornographic, but  
11 affirmatively aver that the site is no longer an active site. Defendants deny each and every  
12 remaining allegation in Paragraph 24.

13 **Complaint No. 25**

14 The FACE BOOK OF SEX mark is a blatant attempt by Defendants to hijack Facebook’s  
15 fame for illicit financial gain. Defendants’ FACEBOOK OF SEX mark is highly similar to and  
16 incorporates the entirety of Facebook’s FACEBOOK Marks, with only the minor addition of a single  
17 space inserted between the words “face” and “book” and the addition of the words “of sex” to  
18 merely describe the prurient nature of Defendants’ services. Defendants create additional association  
19 and connection with Facebook by displaying “FACEBOOK” in one font color and “OF SEX” in  
20 another.

21 **Answer No. 25**

22 Defendants deny each and every allegation in Paragraph 25.

23 **Complaint No. 26**

24 Apart from the pornographic content, Defendants offer services under the FACEBOOK OF  
25 SEX mark similar to many of the services provided by Facebook. Indeed, Defendants encourage  
26 their affiliates to “promote the sexy side of today’s social networking phenomenon—  
27 facebookofsex.com.” Like Facebook, Defendants provide online networking services: users create  
28 profiles with photos and personal information; upload, share, and comment on photos, videos, and

1 other online content; update their status; and connect with other users with similar interests. They  
2 can also conduct live chats. But unlike Facebook, Defendants permit and indeed encourage the  
3 display and posting of pornographic content. Upon accessing the Face Book of sex site, a visitor  
4 immediately encounters highly graphic and sexually explicit images and videos. True and correct  
5 copies of screenshots from the Face Book of Sex site (altered to obscure personally identifying  
6 information and pornographic images) are attached hereto as Exhibit C and are incorporated by  
7 reference as though fully set forth herein.

8 **Answer No. 26**

9 Defendants are without sufficient knowledge or information to form a belief as to the truth of  
10 the allegations relating to Plaintiff’s alleged services, and, therefore, deny each and every allegation  
11 relating to Plaintiff’s services. Defendants admit that the facebookofsex.com website offered  
12 services to customers who purchased memberships in the website, which included the exchange of  
13 photographs and information. Defendants admit that Exhibit C purports to be copies of screen shots  
14 from GMCI IOI’s former website, screenshots of which were altered by Plaintiff. Defendants deny  
15 each and every remaining allegation in Paragraph 26.

16 **Complaint No. 27**

17 Indeed, much of the Face Book of Sex site appears designed to call Facebook to mind. The  
18 “Activities” page presents status updates from a user and his or her friends in a manner similar to  
19 Facebook’s “News Feed.” The site includes imitations of Facebook’s Like” and “Comment” features  
20 for uploaded content. And a blue band featured across the top of each page evokes the recognizable  
21 blue band found across the top of every Facebook page. *See* Exhibit C at 14—17.

22 **Answer No. 27**

23 Defendants deny each and every allegation in Paragraph 27.  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 28**

Defendants’ use of the FACE BOOK OF SEX mark on their pornographic networking site infringes, dilutes, and is likely to dilute the famous FACEBOOK Mark, and tarnishes Facebook’s reputation.

**Answer No. 28**

Defendants deny each and every allegation in Paragraph 28.

**Complaint No. 29**

Defendants’ Face Book of Sex site is just one part of their larger, calculated scheme to misappropriate the FACEBOOK Marks for their own financial gain. Defendants also operate a widespread infringing affiliate network that pays third party website operators (the Doe Defendants) to direct traffic to Defendants’ adult networking sites (including facebookofsex.com), encouraging these sites to use materials that dilute and infringe the FACEBOOK Marks.

**Answer No. 29**

Defendants deny each and every allegation in Paragraph 29.

**Complaint No. 30**

Defendants’ intent to capitalize on the fame of Facebook’s Marks via their affiliate network is clear. In their marketing material, Defendants solicit affiliates to promote the Face Book of Sex site by encouraging affiliates to “be part of the crowd cashing in on” the new and exciting cobrand” Face Book of Sex, and emphasize that facebookofsex.com has a “highly recognizable name.” Attached as Exhibit D is Defendants’ affiliate program newsletter (altered to highlight the quotations cited herein), which is incorporated by reference as though fully set forth herein.

**Answer No. 30**

Defendants deny each and every allegation in Paragraph 30.

**Complaint No. 31**

Defendants encourage and directly incentivize the Doe Defendant Affiliates to display the infringing and dilutive FACE BOOK OF SEX mark on their sites. Any party interested in generating revenue may set up an affiliate account with Defendants. They can then create their own “cobranded” site using Defendants’ templates and content, which redirect users to Defendants’ sites.

1 Affiliates can also download infringing online advertisements for use on their sites. These ads  
2 prominently display the FACE BOOK OF SEX mark along with sexually explicit material. True and  
3 correct copies of a selection of Face Book of Sex ads (altered to obscure pornographic images)  
4 available for download by any party that wishes to become an affiliate are attached hereto as Exhibit  
5 E and incorporated by reference as if fully set forth herein. The affiliates are then compensated  
6 based on the number of users they lead to Defendants’ websites, either via an infringing ad or via a  
7 “cobranded” Face Book of Sex site. Printouts of Defendants’ web pages promoting its affiliate  
8 program (accessed by selecting the “Webmasters, Earn Money!” hyperlink included at the bottom of  
9 every page of the facebookofsex.com site) are attached hereto as Exhibit F and are incorporated by  
10 reference as though fully set forth herein.

11 **Answer No. 31**

12 Defendants deny each and every allegation in Paragraph 31.

13 **Complaint No. 32**

14 The pornographic nature of Defendants’ infringing banner ads ensures that the websites on  
15 which they appear will also be pornographic or at least adult oriented. The association of the  
16 FACEBOOK Marks with these affiliate sites further tarnishes Facebook’s reputation.

17 **Answer No. 32**

18 Defendants deny each and every allegation in Paragraph 32.

19 **Complaint No. 33**

20 Many of these Doe Defendant Affiliates have also registered or obtained domain names that  
21 incorporate the FACE BOOK OF SEX brand, resulting in hundreds of additional infringing domain  
22 names directing traffic to Defendants’ sites. These include: facebookofsex.co.uk, facebooksex.de,  
23 facebokofsex.us, fbookofsex.com, facebookofsex.com, facebookofsex.biz, facebookofsex.ca,  
24 facebook-of-sex.com, facebookofsex.de, facebookofsex.es, blackfacebookofsex.com,  
25 facebokofsex.net, facebokofsex.us, and facebookofsexysingles.com, in addition to many other  
26 misspellings, derivatives, or abbreviations of the FACEBOOK Marks, or descriptive terms added to  
27 the FACEBOOK Marks (collectively the “Face Book of Sex Affiliate Domains”). Each of these  
28

1 domain names forwards or “links” visitors to one of approximately twenty-nine adult networking  
2 sites owned and operated by Defendants, including the Face Book of Sex site.

3 **Answer No. 33**

4 Defendants deny that the domain names described in paragraph 33 are infringing.  
5 Defendants are without sufficient knowledge or information to form a belief as to the truth of the  
6 remaining allegations in Paragraph 33 and, therefore, deny each and every allegation.

7 **Complaint No. 34**

8 Not only do Defendants encourage the creation of these infringing domain names and use of  
9 the infringing banner ads by the Doe Defendants, but they also directly benefit by using the Face  
10 Book of Sex Affiliate Domains to promote and drive traffic to their adult networking sites, including  
11 the Face Book of Sex site.

12 **Answer No. 34**

13 Defendants deny each and every allegation in Paragraph 34.

14 **Complaint No. 35**

15 Defendants are actively and deliberately attempting to co-opt the FACEBOOK Marks for  
16 their own financial gain. The FACE BOOK OF SEX mark, the design and operation of the Face  
17 Book of Sex site, and the active incentivizing and exploitation of infringing affiliate domain names,  
18 cobranded sites, and banner advertisements evidence a sophisticated and methodical scheme to  
19 associate Facebook’s marks, services, and fame with Defendants’ adult networking sites. Until  
20 Defendants are enjoined, damage to Facebook’s reputation and business will continue.

21 **Answer No. 35**

22 Defendants deny each and every allegation in Paragraph 35.  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 36**

Facebook has demanded that Defendants cease violating its trademark rights. Defendants, however, continue to exploit the FACE BOOK OF SEX mark for their own profit and to Facebook’s detriment despite Facebook’s express objection thereto.

**Answer No. 36**

Defendants admit Plaintiff has demanded that Defendants cease use of “face book of sex,” and, without admission of liability, the “face book of sex” has ceased being used. Defendants deny each and every remaining allegation in Paragraph 36.

**FACE BOOK’S USE OF “FRIEND FINDER”**

**Complaint No. 37**

Facebook uses the words “friend finder” to refer to and describe a tool on its website that allows users to find friends by searching their email contact lists.

**Answer No. 37**

Defendants admit that Plaintiff is using “Friend Finder” but deny that such use is descriptive. Defendants are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 37 and, therefore, deny each and every remaining allegation in Paragraph 37.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 38**

In response to Facebook’s demands that Defendants cease their infringement and dilution of the FACEBOOK Marks, Defendants raised concerns regarding Facebook’s use of the words “friend finder” in light of Various’s purported rights in the term “FriendFinder.” Defendants have tried to use the purported “FriendFinder” mark as leverage in negotiations, asserting that Facebook must address Defendants’ concerns before they will address Facebook’s trademark claims. True and correct copies of emails from Defendants’ in-house counsel relating this point (highlighting the relevant content) are attached hereto as Exhibits G and H and incorporated by reference as if fully set forth herein.

**Answer No. 38**

Defendants admit that they have requested Plaintiff to cease and desist infringing Defendants’ federally registered mark FRIENDFINDER. Defendants deny that such request was “leverage in negotiations,” and affirmatively aver that Plaintiff has violated Federal Rule of Evidence 408 and confidentiality restrictions to the extent they believe in good faith that these were negotiations, and such communications were offers of compromise. Defendants admit Exhibits G and H are communications that were made in efforts to resolve this dispute pursuant to Federal Rule of Evidence 408. Defendants deny each and every remaining allegation in Paragraph 38.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 39**

Various claims exclusive rights in “FriendFinder” based on its use of the term in connection with a variety of adult-themed social networking web sites that help users find friends. Various owns the following U.S. trademark registrations for “FriendFinder” in connection with dating services and related online services:

- Registration No. 2,962,192 for “FriendFinder” in Classes 38 and 45; and
- Registration No. 2,937,798 for “AdultFriendFinder” in Classes 38, 41, and 45.

True and correct copies of the registration certificates for these marks are attached hereto as Exhibit I and incorporated by reference as though fully set forth herein. These registrations are referred to collectively herein as the “‘FriendFinder’ Registrations.” [sic]

**Answer No. 39**

Defendants admit that Various and FriendFinder claim exclusive rights in the trademark FRIENDFINDER based on their use of the mark in connection with social networking websites. Defendants admit that Exhibit I contains copies of the registration certificates for the identified marks, and that these registrations are owned by Various. Defendants deny each and every remaining allegation in Paragraph 39.

**Complaint No. 40**

Facebook’s use of “friend finder” amounts to descriptive fair use and does not infringe Various’s purported trademark rights in the “FriendFinder” term. Despite having communicated this fact to Defendants, Defendants continue to assert that Facebook must address the use of the words “friend finder” in conjunction with Facebook’s allegations that Defendants are infringing the FACEBOOK Marks.

**Answer No. 40**

Defendants affirmatively aver that setting forth alleged settlement positions in a pleading is inappropriate, unprofessional, and in violation of Federal Rule of Evidence 408. Defendants deny each and every allegation in Paragraph 40.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FIRST CAUSE OF ACTION**  
**(FEDERAL TRADEMARK DILUTION)**

**Complaint No. 41**

Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth herein.

**Answer No. 41**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

**Complaint No. 42**

As a result of the enormous publicity afforded the FACEBOOK Marks and Facebook’s strong and loyal user base, the FACEBOOK Marks are widely recognized by the general public of the United States as a designation of Facebook’s services, and are famous.

**Answer No. 42**

Defendants are without knowledge of the allegations in Paragraph 42 and, therefore, deny each and every allegation in Paragraph 42.

**Complaint No. 43**

The FACEBOOK Marks became famous before Defendants and Doe Defendants adopted and began using the FACE BOOK OF SEX mark.

**Answer No. 43**

Defendants deny each and every allegation in Paragraph 43.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 44**

Defendants’ and Doe Defendants’ use of the FACE BOOK OF SEX mark is likely to cause an association with Facebook arising from the similarity between the FACE BOOK OF SEX mark and the FACEBOOK Marks that impairs the distinctiveness of the FACEBOOK Marks and weakens the connection in the public’s mind between the FACEBOOK Marks and Facebook’s services. The FACE BOOK OF SEX mark is likely to cause dilution by blurring to based on a number of relevant considerations, including:

- (a) The FACE BOOK OF SEX mark is nearly identical to the FACEBOOK Marks in that it combines the FACEBOOK mark with a descriptive reference to the prurient nature of Defendants’ and Doe Defendants’ services;
- (b) The FACEBOOK Marks are inherently distinctive;
- (c) Facebook has substantially and exclusively used the FACEBOOK Marks in connection with social networking services;
- (d) The FACEBOOK Marks are widely recognized by the general consuming public; and
- (e) Defendants and Doe Defendants intend to create an association with the FACEBOOK Marks.

**Answer No. 44**

Defendants deny each and every allegation in Paragraph 44.

**Complaint No. 45**

Moreover, Defendants’ and Doe Defendants’ use of the similar FACE BOOK OF SEX mark in connection with a pornographic web site creates an association with Facebook that harms and tarnishes Facebook’s reputation.

**Answer No. 45**

Defendants deny each and every allegation in Paragraph 45.

**Complaint No. 46**

Defendants’ and Doe Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and

1 goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to  
2 compensate Facebook for the injuries caused by Defendants and Doe Defendants.

3 **Answer No. 46**

4 Defendants deny each and every allegation in Paragraph 46.

5 **Complaint No. 47**

6 As a result of Defendants’ and Doe Defendants’ acts as alleged above, Facebook has incurred  
7 damages in an amount to be proven at trial.

8 **Answer No. 47**

9 Defendants deny each and every allegation in Paragraph 47.

10 **Complaint No. 48**

11 Defendants’ and Doe Defendants’ wrongful use of the FACE BOOK OF SEX mark is  
12 deliberate, willful, and without any extenuating circumstances, and constitutes a willful intent to  
13 trade on Facebook’s reputation or to cause dilution of the famous FACEBOOK Marks and an  
14 exceptional case within the meaning of Lanham Act section 35, 15 U.S.C. § 1117. Facebook is  
15 therefore entitled to recover three times the amount of its actual damages, its attorneys’ fees and  
16 costs incurred in this action, and prejudgment interest.

17 **Answer No. 48**

18 Defendants deny each and every allegation in Paragraph 48.

19  
20 **SECOND CAUSE OF ACTION**  
21 **(CONTRIBUTORY AND VICARIOUS TRADEMARK**  
22 **DILUTION AS TO NAMED DEFENDANTS ONLY)**

23 **Complaint No. 49**

24 Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth  
25 herein.

26 **Answer No. 49**

27 Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth  
28 herein.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 50**

In connection with Defendants’ affiliate program, Defendants have knowingly or recklessly induced or encouraged their affiliates to use in commerce and without Facebook’s authorization or consent the FACE BOOK OF SEX mark on the affiliates’ websites and in banner ads that drive traffic to Defendants’ sites.

**Answer No. 50**

Defendants deny each and every allegation in Paragraph 50.

**Complaint No. 51**

Similarly, through their affiliate program Defendants have knowingly or recklessly induced or encouraged their affiliates to use and register or obtain the Face Book of Sex Affiliate Domains using the FACE BOOK OF SEX mark and other similar marks.

**Answer No. 51**

Defendants deny each and every allegation in Paragraph 51.

**Complaint No. 52**

These acts by Defendants’ affiliates are likely to cause an association with Facebook arising from the similarity between the FACE BOOK OF SEX mark and the FACEBOOK Marks that impairs the distinctiveness of the FACEBOOK Marks, weakens the connection in the public’s mind between the FACEBOOK Marks and Facebook’s services, and harms and tarnishes Facebook’s reputation, in violation of 15 U.S.C. § 1125(c).

**Answer No. 52**

Defendants deny each and every allegation in Paragraph 52.

**Complaint No. 53**

Defendants have benefited financially from the dilutive acts of the affiliates they induce and enable through their affiliate program. Defendants have the right and ability to control the dilution occurring on their affiliate network.

**Answer No. 53**

Defendants deny each and every allegation in Paragraph 53.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 54**

Furthermore, Defendants are contributing to the ongoing dilution of the FACEBOOK Marks by affiliates whom Defendants know or have reason to know are diluting the FACEBOOK Marks. Defendants nonetheless continue to provide services and consideration to these infringing affiliates.

**Answer No. 54**

Defendants deny each and every allegation in Paragraph 54.

**Complaint No. 55**

Defendants' acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook's marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants.

**Answer No. 55**

Defendants deny each and every allegation in Paragraph 55.

**Complaint No. 56**

As a result of Defendants' acts as alleged above, Facebook has incurred damages in an amount to be proven at trial.

**Answer No. 56**

Defendants deny each and every allegation in Paragraph 56.

**Complaint No. 57**

Defendants' wrongful use of the FACE BOOK OF SEX mark is deliberate, willful, and without any extenuating circumstances, and constitutes a willful intent to trade on Facebook's reputation or to cause dilution of the famous FACEBOOK Marks and an exceptional case within the meaning of Lanham Act section 35, 15 U.S.C. § 1117. Facebook is therefore entitled to recover three times the amount of its actual damages, its attorneys' fees and costs incurred in this action, and prejudgment interest.

**Answer No. 57**

Defendants deny each and every allegation in Paragraph 57.

1 **THIRD CAUSE OF ACTION**  
2 **(TRADEMARK DILUTION UNDER CAL. BUS. & PROF. CODE § 14247)**

3 **Complaint No. 58**

4 Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth  
5 herein.

6 **Answer No. 58**

7 Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth  
8 herein.

9 **Complaint No. 59**

10 The FACEBOOK Marks are distinctive and famous within the meaning of section 14247 of  
11 the California Business and Professions Code.

12 **Answer No. 59**

13 Defendants deny each and every allegation in Paragraph 59.

14 **Complaint No. 60**

15 Defendants' and Doe Defendants' use of the FACE BOOK OF SEX mark began after the  
16 FACEBOOK Marks became famous.

17 **Answer No. 60**

18 Defendants deny each and every allegation in Paragraph 60.

19 **Complaint No. 61**

20 Defendants' and Doe Defendants' continued use of the FACE BOOK OF SEX mark is likely  
21 to cause injury to Facebook's business reputation and/or the dilution of the distinctive quality of  
22 Facebook's famous FACEBOOK Marks, in violation of California Business and Professions Code  
23 § 14247.

24 **Answer No. 61**

25 Defendants deny each and every allegation in Paragraph 61.

26 **Complaint No. 62**

27 Defendants' and Doe Defendants' acts alleged above have caused, and if not enjoined will  
28 continue to cause irreparable and continuing harm to Facebook's marks, business, reputation, and



1 goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to  
2 compensate Facebook for the injuries caused by Defendants and Doe Defendants.

3 **Answer No. 62**

4 Defendants deny each and every allegation in Paragraph 62.

5 **Complaint No. 63**

6 As a result of Defendants’ and Doe Defendants’ acts as alleged above, Facebook has incurred  
7 damages in an amount to be proven at trial.

8 **Answer No. 63**

9 Defendants deny each and every allegation in Paragraph 63.

10  
11 **FOURTH CAUSE OF ACTION**  
**(FEDERAL FALSE DESIGNATION OF ORIGIN)**

12 **Complaint No. 64**

13 Facebook incorporates by reference paragraphs 1 through 40, inclusive, as it fully set forth  
14 herein.

15 **Answer No. 64**

16 Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth  
17 herein.

18 **Complaint No. 65**

19 In connection with Defendants’ and Doe Defendants’ services, Defendants and Doe  
20 Defendants have used in commerce and without Facebook’s authorization or consent the FACE  
21 BOOK OF SEX mark, which is very similar to the registered and common law FACEBOOK Marks.

22 **Answer No. 65**

23 Defendants admit that Traffic Cat has used the term “face book of sex,” but deny each and  
24 every remaining allegation in Paragraph 65.

25 **Complaint No. 66**

26 Such acts are likely to cause confusion and deception among the public and/or are likely to  
27 lead the public to believe that Facebook has authorized, approved, or somehow sponsored  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Defendants' and Doe Defendants' use of the FACE BOOK OF SEX mark in connection with their services.

**Answer No. 66**

Defendants deny each and every allegation in Paragraph 66.

**Complaint No. 67**

The aforesaid wrongful acts of Defendants and Doe Defendants constitute the use of a false designation of origin and false description or representation, all in violation of 15 U.S.C. § 1125(a).

**Answer No. 67**

Defendants deny each and every allegation in Paragraph 67.

**Complaint No. 68**

Defendants' and Doe Defendants' acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook's marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants and Doe Defendants.

**Answer No. 68**

Defendants deny each and every allegation in Paragraph 68.

**Complaint No. 69**

As a result of Defendants' and Doe Defendants' acts as alleged above, Facebook has incurred damages in an amount to be proven at trial.

**Answer No. 69**

Defendants deny each and every allegation in Paragraph 69.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 70**

Defendants’ wrongful use of the FACE BOOK OF SEX mark is deliberate, willful, and without any extenuating circumstances, and constitutes a knowing use of Facebook’s Marks and an exceptional case within the meaning of Lanham Act section 35, 15 U.S.C. § 1117. Facebook is therefore entitled to recover three times the amount of its actual damages, its attorneys’ fees and costs incurred in this action, and prejudgment interest.

**Answer No. 70**

Defendants deny each and every allegation in Paragraph 70.

**FIFTH CAUSE OF ACTION**  
**(FEDERAL TRADEMARK INFRINGEMENT)**

**Complaint No. 71**

Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth herein.

**Answer No. 71**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

**Complaint No. 72**

The FACEBOOK Marks are distinctive, widely recognized by the general public of the United States as a designation of Facebook’s services, and famous.

**Answer No. 72**

Defendants deny each and every allegation in Paragraph 72.

**Complaint No. 73**

The FACE BOOK OF SEX mark is very similar to the registered FACEBOOK Marks in appearance, sound, and commercial impression.

**Answer No. 73**

Defendants deny each and every allegation in Paragraph 73.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 74**

Although the user generated content of the sites differs as Facebook does not permit the posting of pornographic material, Defendants’ and Doe Defendants’ underlying services are the same as and/or related to many of Facebook’s services.

**Answer No. 74**

Defendants admit that they and Plaintiff offer their services through the Internet, among other channels, but deny each and every remaining allegation in Paragraph 74.

**Complaint No. 75**

Facebook, Defendants, and Doe Defendants offer their services through the same channel of trade, i.e., the internet.

**Answer No. 75**

Defendants admit that they offer their services through the Internet, among other channels, but deny each and every remaining allegation in Paragraph 75.

**Complaint No. 76**

Facebook is informed and believes, and based thereon alleges, that Defendants and Doe Defendants adopted the FACE BOOK OF SEX mark with knowledge of, and the intent to call to mind, create a likelihood of confusion with regard to, and/or trade off the fame of Facebook and the registered FACEBOOK Marks.

**Answer No. 76**

Defendants deny each and every allegation in Paragraph 76.

**Complaint No. 77**

Facebook has given Defendants notice that they are violating its trademark rights. Defendants continue to use the FACE BOOK OF SEX mark despite Facebook’s express objection thereto.

**Answer No. 77**

Defendants admit Plaintiff has demanded that Defendants cease use of “face book of sex,” and, without admission of liability, the “face book of sex” has ceased being used. Defendants deny each and every remaining allegation in Paragraph 77.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 78**

Defendants’ and Doe Defendants’ continued use of the FACE BOOK OF SEX mark has and will continue to injure Facebook by causing a likelihood that the public will be confused or mistaken into believing that the goods or services provided by Defendants are endorsed or sponsored by or associated with Facebook.

**Answer No. 78**

Defendants deny each and every allegation in Paragraph 78.

**Complaint No. 79**

Facebook has no control over the nature and quality of the services offered by Defendants and Doe Defendants under the FACE BOOK OF SEX mark. Facebook’s reputation, goodwill, and the value of Facebook’s registered and common law marks have been and will continue to be damaged by Defendants’ and Doe Defendants’ continued use of the FACE BOOK OF SEX name and mark. Because of the likelihood of confusion between the parties’ marks, any defects, faults, or deleterious aspects found within Defendants’ and Doe Defendants’ services marketed under the FACE BOOK OF SEX mark will negatively reflect upon and injure the reputation that Facebook has established for the services it offers in connection with the registered FACEBOOK Marks. As such, Defendants and Doe Defendants are liable to Facebook for infringement of a registered mark under 15 U.S.C. § 1114.

**Answer No. 79**

Defendants admit that Plaintiff has no control over Defendants’ business, but deny each and every remaining allegation in Paragraph 79.

**Complaint No. 80**

Defendants’ and Doe Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants and Doe Defendants.

**Answer No. 80**

Defendants deny each and every allegation in Paragraph 80.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 81**

As a result of Defendants’ and Doe Defendants’ acts as alleged above, Facebook has incurred damages in an amount to be proven at trial.

**Answer No. 81**

Defendants deny each and every allegation in Paragraph 81.

**Complaint No. 82**

Defendants’ and Doe Defendants’ wrongful use of the FACE BOOK OF SEX mark is deliberate, willful, and without any extenuating circumstances, and constitutes a knowing use of Facebook’s Marks and an exceptional case within the meaning of Lanham Act section 35, 15 U.S.C. § 1117. Facebook is therefore entitled to recover three times the amount of its actual damages, its attorneys’ fees and costs incurred in this action, and prejudgment interest.

**Answer No. 82**

Defendants deny each and every allegation in Paragraph 82.

**SIXTH CAUSE OF ACTION**  
**(COMMON LAW TRADEMARK INFRINGEMENT)**

**Complaint No. 83**

Facebook incorporates by reference paragraphs I though 40, inclusive, as if fully set forth herein.

**Answer No. 83**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

**Complaint No. 84**

Defendants’ and Doe Defendants’ acts alleged herein and specifically, without limitation, their use of the FACE BOOK OF SEX mark, infringe Facebook’s exclusive trademark rights in the FACEBOOK Marks, in violation of the common law.

**Answer No. 84**

Defendants deny each and every allegation in Paragraph 84.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 85**

Defendants’ and Doe Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants and Doe Defendants.

**Answer No. 85**

Defendants deny each and every allegation in Paragraph 85.

**Complaint No. 86**

As a result of Defendants’ and Doe Defendants’ acts as alleged above, Facebook has incurred damages in an amount to be proven at trial.

**Answer No. 86**

Defendants deny each and every allegation in Paragraph 86.

**Complaint No. 87**

Defendants’ and Doe Defendants’ wrongful use of the FACE BOOK OF SEX mark is deliberate, willful, and in reckless disregard of Facebook’s trademark rights, entitling Facebook to the recovery of punitive damages.

**Answer No. 87**

Defendants deny each and every allegation in Paragraph 87.

**SEVENTH CAUSE OF ACTION**  
**(CONTRIBUTORY AND VICARIOUS TRADEMARK**  
**INFRINGEMENT AS TO NAMED DEFENDANTS ONLY)**

**Complaint No. 88**

Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth herein.

**Answer No. 88**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 89**

Members of Defendants’ affiliate program have infringed and are infringing the FACEBOOK Marks in violation of California and federal law through use of the FACE BOOK OF SEX mark and the Face Book of Sex Affiliate Domains.

**Answer No. 89**

Defendants deny each and every allegation in Paragraph 89.

**Complaint No. 90**

Defendants intentionally induce their affiliates to infringe Facebook’s mark through the Face Book of Sex affiliate program.

**Answer No. 90**

Defendants deny each and every allegation in Paragraph 90.

**Complaint No. 91**

On information and belief, Defendants know or have reason to know that their affiliates are engaged in acts that constitute infringement of the FACEBOOK Marks. Despite this, Defendants provide services and consideration to the infringing affiliates through their comprehensive affiliate program.

**Answer No. 91**

Defendants deny each and every allegation in Paragraph 91.

**Complaint No. 92**

Defendants are thus contributing to the ongoing infringement of the FACEBOOK Marks by affiliates whom Defendants know or have reason to know are infringing the FACEBOOK Marks.

**Answer No. 92**

Defendants deny each and every allegation in Paragraph 92.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 93**

Defendants have benefitted financially from the affiliates’ infringing acts they induce or enable through their affiliate program. Defendants have the right and ability to control the infringement occurring on their affiliate network.

**Answer No. 93**

Defendants deny each and every allegation in Paragraph 93.

**Complaint No. 94**

Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants.

**Answer No. 94**

Defendants deny each and every allegation in Paragraph 94.

**Complaint No. 95**

As a result of Defendants’ acts as alleged above, Facebook has incurred damages in an amount to be proven at trial.

**Answer No. 95**

Defendants deny each and every allegation in Paragraph 95.

**Complaint No. 96**

Defendants’ wrongful use of the FACE BOOK OF SEX mark is deliberate, willful, and without any extenuating circumstances, and constitutes a knowing use of Facebook’s Marks and an exceptional case within the meaning of Lanham Act section 35, 15 U.S.C. § 1117. Facebook is therefore entitled to recover three times the amount of its actual damages, its attorneys’ fees and costs incurred in this action, and prejudgment interest.

**Answer No. 96**

Defendants deny each and every allegation in Paragraph 96.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 97**

Defendants’ acts alleged above are deliberate, willful, and in reckless disregard of Facebook’s trademark rights, entitling Facebook to the recovery of punitive damages under California common law.

**Answer No. 97**

Defendants deny each and every allegation in Paragraph 97.

**EIGHTH CAUSE OF ACTION**  
**(VIOLATION OF THE ANTI-SQUATTING**  
**CONSUMER PROTECTION ACT, 15 U.S.C. § 1125)**

**Complaint No. 98**

Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth herein.

**Answer No. 98**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

**Complaint No. 99**

Facebook began using the distinctive and famous FACEBOOK Marks years prior to Defendants’ acquisition of the facebookofsex.com domain name, and, on information and belief, before Doe Defendants’ acquisition of the Face Book of Sex Affiliate Domains. By the time Defendants acquired the facebookofsex.com domain, or the Doe Defendant Affiliates acquired the Face Book of Sex Affiliate Domains, the FACEBOOK Marks were widely recognized as an indicator of source for Facebook’s services, and were famous.

**Answer No. 99**

Defendants admit that GMCI IOI acquired the domain name facebookofsex.com after Plaintiff began using “Facebook.” Defendants deny each and every remaining allegation in Paragraph 99.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 100**

Facebook is informed and believes and based thereon alleges that Defendants and Doe Defendants acquired and subsequently made use of the facebookofsex.com domain and the Face Book of Sex Affiliate Domains to drive traffic to Defendants’ sites.

**Answer No. 100**

Defendants deny each and every allegation in Paragraph 100.

**Complaint No. 101**

The facebookofsex.com domain name and Face Book of Sex Affiliate Domains are confusingly similar and/or dilutive of the FACEBOOK Marks.

**Answer No. 101**

Defendants deny each and every allegation in Paragraph 101.

**Complaint No. 102**

Facebook is informed and believes and thereon alleges that Defendants and Doe Defendants acquired and have used the facebookofsex.com domain name and Face Book of Sex Affiliate Domains, respectively, with a bad faith intent to profit from the FACEBOOK Marks.

**Answer No. 102**

Defendants deny each and every allegation in Paragraph 102.

**Complaint No. 103**

Defendants’ and Doe Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants and Doe Defendants.

**Answer No. 103**

Defendants deny each and every allegation in Paragraph 103.

**Complaint No. 104**

Facebook is entitled to cancellation of the facebookofsex.com domain name and Face Book of Sex Affiliate Domains, or transfer of the domains to Facebook, along with monetary

1 compensation and statutory penalties pursuant to the Anti-Cybersquatting Consumer Protection Act,  
2 15 U.S.C. § 1125(d).

3 **Answer No. 104**

4 Defendants deny each and every allegation in Paragraph 104.

5  
6 **NINTH CAUSE OF ACTION**  
7 **(CONTRIBUTORY AND VICARIOUS VIOLATION OF THE**  
8 **ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT, 15 U.S.C. § 1125)**  
9 **(AS TO NAMED DEFENDANTS ONLY)**

10 **Complaint No. 105**

11 Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth  
12 herein.

13 **Answer No. 105**

14 Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth  
15 herein.

16 **Complaint No. 106**

17 Facebook is informed and believes and based thereon alleges that its use of the distinctive  
18 and famous FACEBOOK Marks began years prior to the Doe Defendants' acquisition of the Face  
19 Book of Sex Affiliate Domains. By the time Doe Defendants acquired the Face Book of Sex  
20 Affiliate Domains, the FACEBOOK Marks were widely recognized as an indicator of source for  
21 Facebook's services, and were famous.

22 **Answer No. 106**

23 Defendants admit that GMCI IOI acquired the domain name facebookofsex.com after  
24 Plaintiff began using "Facebook." Defendants deny each and every remaining allegation in  
25 Paragraph 106.  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 107**

Facebook is informed and believes and based thereon alleges that Defendants intentionally induced the Doe Defendants to acquire and make use of the Face Book of Sex Affiliate Domains to drive traffic to Defendants' sites.

**Answer No. 107**

Defendants deny each and every allegation in Paragraph 107.

**Complaint No. 108**

The Face Book of Sex Affiliate Domains are confusingly similar to and/or dilutive of the FACEBOOK Marks.

**Answer No. 108**

Defendants deny each and every allegation in Paragraph 108.

**Complaint No. 109**

Facebook is informed and believes and based thereon alleges that Defendants induced the Doe Defendants to acquire and use the Face Book of Sex Affiliate Domains with a bad faith intent to profit from the FACEBOOK Marks, and that Defendants know or have reason to know that their affiliates are engaged in acts that amount to cybersquatting in violation of 15 U.S.C. § 1125(d).

**Answer No. 109**

Defendants deny each and every allegation in Paragraph 109.

**Complaint No. 110**

Defendants have benefitted financially from the affiliates' registration and use of the Face Book of Sex Affiliate Domains which they induce or enable through Defendants' affiliate program. Defendants have the right and ability to control the cybersquatting occurring on their affiliate network.

**Answer No. 110**

Defendants deny each and every allegation in Paragraph 110.

**Complaint No. 111**

Furthermore, Defendants are contributing to the ongoing use of the Face Book of Sex Affiliate Domains, which Defendants know or have reason to know harms Facebook in violation of

1 federal law. Defendants nonetheless continue to provide services and consideration to these  
2 infringing affiliates.

3 **Answer No. 111**

4 Defendants deny each and every allegation in Paragraph 111.

5 **Complaint No. 112**

6 Defendants' acts alleged above have caused, and if not enjoined will continue to cause  
7 irreparable and continuing harm to Facebook's marks, business, reputation, and goodwill. Facebook  
8 has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the  
9 injuries caused by Defendants.

10 **Answer No. 112**

11 Defendants deny each and every allegation in Paragraph 112.

12 **Complaint No. 113**

13 Facebook is entitled to monetary compensation and statutory penalties arising from  
14 Defendants' acts alleged above pursuant to the Anti-Cybersquatting Consumer Protection Act, 15  
15 U.S.C. § 1125(d).

16 **Answer No. 113**

17 Defendants deny each and every allegation in Paragraph 113.

18  
19 **TENTH CAUSE OF ACTION**  
**(UNFAIR COMPETITION UNDER CAL. BUS. & PROF. CODE §§ 17200, et seq)**

20 **Complaint No. 114**

21 Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth  
22 herein.

23 **Answer No. 114**

24 Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth  
25 herein.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 115**

By the acts described herein, Defendants and Doe Defendants have engaged in unlawful and unfair business practices that have injured and will continue to injure Facebook in its business and property, in violation of California Business and Professions Code §§ 17200, *et seq.*

**Answer No. 115**

Defendants deny each and every allegation in Paragraph 115.

**Complaint No. 116**

Defendants’ and Doe Defendants’ acts alleged above have caused, and if not enjoined will continue to cause irreparable and continuing harm to Facebook’s marks, business, reputation, and goodwill. Facebook has no adequate remedy at law as monetary damages are inadequate to compensate Facebook for the injuries caused by Defendants and Doe Defendants.

**Answer No. 116**

Defendants deny each and every allegation in Paragraph 116.

**Complaint No. 117**

As a direct and proximate result of Defendants’ conduct alleged herein, Defendants have been unjustly enriched and should be ordered to disgorge any and all profits earned as a result of such unlawful conduct.

**Answer No. 117**

Defendants deny each and every allegation in Paragraph 117.

**ELEVENTH CAUSE OF ACTION**  
**(DECLARATORY RELIEF AS TO DEFENDANT VARIOUS ONLY)**

**Complaint No. 118**

Facebook incorporates by reference paragraphs 1 through 40, inclusive, as if fully set forth herein.

**Answer No. 118**

Defendants repeat and reallege their responses to paragraphs 1 through 40 as if fully set forth herein.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 119**

As a result of the facts alleged above, an actual controversy now exists between Facebook and Various relating to Facebook’s right to use and current use of the descriptive words “friend finder” to refer to its friend finder tool, for which Facebook desires a declaration of rights.

**Answer No. 119**

Defendants deny that Plaintiff’s use of the federally registered mark FRIENDFINDER is a fair descriptive use. Defendants admit the remaining allegations in Paragraph 119.

**Complaint No. 120**

A declaratory judgment is necessary in that Various, by its pattern of conduct, has asserted that Facebook’s use of the words “friend finder” violates Various’s rights in its purported “FriendFinder” marks, notwithstanding Facebook’s assertion that it is making descriptive fair use of those words, such that Various has created a real and reasonable apprehension of liability on the part of Facebook.

**Answer No. 120**

Defendants admit that Plaintiff should have a real and reasonable apprehension of liability. Defendants further admit that Plaintiff’s use of “Friend Finder” and/or variations of Various’s and FriendFinder’s FRIENDFINDER mark is a violation of their rights. Defendants deny each and every remaining allegation in Paragraph 120.

**Complaint No. 121**

Facebook thus seeks to have the Court declare that Facebook is making descriptive fair use of the words “friend finder,” or in the alternative, that Various’s “FriendFinder” Registrations are subject to cancellation on the grounds that the terms registered therein are descriptive and have not acquired secondary meaning in the marketplace.

**Answer No. 121**

Defendants admit that Plaintiff seeks the requested relief, but deny that Plaintiff is entitled to any of such relief for several reasons, including, without limitation, the reasons set forth in Defendants’ Counterclaims.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Complaint No. 122**

The declaratory relief sought herein will settle the controversy between the parties, allow Facebook to continue using the descriptive words “friend finder,” and eliminate the current uncertainty and threat of challenge associated with Various’s assertions.

**Answer No. 122**

Defendants admit this controversy is appropriate for declaratory relief, but deny each and every remaining allegation in Paragraph 122.

**AFFIRMATIVE DEFENSES**

**First Affirmative Defense**

Plaintiff’s Complaint fails to state a claim upon which relief can be granted.

**Second Affirmative Defense**

Plaintiff’s claimed rights to exclusive use of the terms “face” and “book” and/or “face book” should be barred because the primary significance of those terms is an indication of the nature or class of the product or service, rather than as an indication of source. All of such terms have been in existence as well-defined terms in the English language well before Plaintiff began its business. Indeed, all such terms can be found in English dictionaries. The terms are used generically, individually, and collectively, by many members of the public, as well as by a wide variety of businesses and institutions. The term “face book” was used by many parties descriptively and generically well before 2004, and continues to be so used. As such, Plaintiff is not entitled to exclusive rights to those terms, as no amount of “secondary meaning” renders a generic term capable of trademark protection under established United States law.

**Third Affirmative Defense**

To the extent “face” and/or “book” are entitled to exclusive appropriation, Defendants affirmatively aver that certain of them and/or their predecessors-in-interest have used such terms in their business well prior to the existence of Plaintiff’s business.

**Fourth Affirmative Defense**

Plaintiff’s claims are barred because “face book of sex” was not used as a designation of source, but, rather, to the extent it was used, it was used fairly and in good faith only to describe

1 services. Indeed, such descriptive term was used in association with the XMATCH.COM brand as a  
2 descriptor. As such, pursuant to Section 33(b)(4) of the Lanham Act (15 U.S.C. § 1115(b)) and the  
3 authority of the United States Supreme Court in *KP Permanent Make-up, Inc. v. Lasting Impression*  
4 *I, Inc.*, 543 U.S. 111 (2004), the complained of activity of Defendants is expressly authorized.

5 **Fifth Affirmative Defense**

6 Assuming *arguendo* Plaintiff’s purported marks or business were called into the mind of any  
7 consumers, they would have understood such reference as a parody authorized by the First  
8 Amendment of the United States Constitution and, therefore, no tarnishment or dilution is likely to  
9 result.

10 **Sixth Affirmative Defense**

11 To the extent this Court finds that Plaintiff has any rights at all, they do not extend to use of  
12 “face” or “book” or “face book” in a non-capitalized format. The use of such terms in this manner is  
13 merely descriptive.

14 **Seventh Affirmative Defense**

15 The use of “face book” is in wide usage by many unrelated companies and has been become  
16 part of the lexicon in the United States for in excess of 100 years. The term is highly diluted because  
17 of its use in a generic or descriptive fashion by numerous unrelated parties in the public domain. As  
18 such, any rights owned by Plaintiff are too narrow to assert claims against the complained of use  
19 here.

20 **Eighth Affirmative Defense**

21 Plaintiff’s claimed mark does not qualify for protection under the anti-dilution section of the  
22 Lanham Act because such term is already highly diluted.

23 **Ninth Affirmative Defense**

24 Certain Defendants and their predecessors have used, as part of their branding, the term  
25 “book” since in or about 1986; and certain Defendants and their predecessors have used the term  
26 “face” as part of domain names and branding since in or about 1998. GMCI IOI has owned the  
27 domain name facebookofsex.com since 2009, and Traffic Cat has operated the “face book of sex”  
28

1 website since 2009. For these reasons, individually and collectively, Plaintiff’s claims relating to the  
2 above terms are stale, and should be barred under the equitable doctrine of laches.

3 **Tenth Affirmative Defense**

4 Plaintiff’s claims are barred under the equitable doctrines of estoppel, waiver, and  
5 acquiescence.

6 **Eleventh Affirmative Defense**

7 Plaintiff’s claims are barred under the equitable doctrine of unclean hands. Specifically,  
8 Plaintiff has engaged in conduct which constitutes “trademark misuse” and “trademark bullying,”  
9 using the threat of litigation and abuse of the legal process in order to maintain a competitive market  
10 advantage. By reason of the facts more fully set forth in the Counterclaims, including Plaintiff’s  
11 own acts of trademark infringement involving Defendants’ marks, Plaintiff’s claims should be  
12 barred.

13 **Twelfth Affirmative Defense**

14 Traffic Cat used the descriptive term “face book of sex” in combination with the house mark,  
15 XMATCH.COM. As such, its use was descriptive, fair and unlikely to cause confusion.

16 **Thirteenth Affirmative Defense**

17 To the extent Plaintiff seeks to hold Defendants liable under state law claims for actions of  
18 third parties, such claims are barred under the immunity provided by Section 230 of the  
19 Communications Decency Act of 1996, 47 U.S.C. § 230.

20  
21 WHEREFORE, Defendants VARIOUS, INC., GMCI INTERNET OPERATIONS, INC.,  
22 TRAFFIC CAT, INC., and FRIENDFINDER NETWORKS INC. pray for dismissal of all claims  
23 against them, for judgment in their favor, and for an award of attorneys’ fees as the prevailing party  
24 pursuant to 15 U.S.C. § 1117.

1 Counter-Plaintiffs, Various, Inc. (“Various”), GMCI Internet Operations, Inc. (“GMCI IOI”),  
2 Traffic Cat, Inc. (“Traffic Cat”), and FriendFinder Networks Inc. (“FriendFinder”) (collectively,  
3 “Counter-Plaintiffs”) by and through their undersigned counsel, and for their Counterclaims against  
4 Counter-Defendant Facebook, Inc. (“Counter-Defendant”), state as follows:

5 **NATURE OF THE ACTION**

6 1. This counterclaim arises from Counter-Defendant’s deliberate, willful and damaging  
7 infringement of the federally-registered and common law FRIENDFINDER trademark (the  
8 “FRIENDFINDER Mark”) and Counter-Defendant’s anti-competitive and malicious conduct  
9 calculated to unfairly compete with Counter-Plaintiffs in the lucrative social networking market.

10 2. Various and FriendFinder, and their predecessors in interest, have been using the  
11 FRIENDFINDER Mark in connection with online social networking services since the 1990s.  
12 Various and FriendFinder are pioneers in the field of Internet-based social networking, with a base  
13 of more than 445 million registrants and more than 298 million members in over 200 countries.  
14 Various and FriendFinder operate several of the most heavily-trafficked websites in the world. In  
15 December 2010, Various and FriendFinder collectively had more than 196 million unique visitors to  
16 their branded network of websites, according to comScore.

17 3. Counter-Defendant has been using, and is currently using, “Friend Finder” as the  
18 brand name for a service on its website, facebook.com, which purportedly allows its users to locate,  
19 and connect with, other friends by harvesting contacts from its existing users’ address books.  
20 Counter-Defendant has been heavily criticized in the media for its alleged privacy violations relating  
21 to Counter-Defendant’s Friend Finder service. Indeed, various class action lawsuits have been filed  
22 against Counter-Defendant in the United States and abroad based on privacy violations related to its  
23 “Friend Finder” branded service. These lawsuits, the associated privacy concerns, and the flurry of  
24 negative press surrounding the lawsuits, have contributed to the irreparable harm and tarnishment to  
25 Various and FriendFinder’s valuable FRIENDFINDER Mark, particularly because privacy is a  
26 material concern to Various and FriendFinder’s customers. Counter-Defendant’s use of the term  
27 “Friend Finder” causes consumers to believe that Various and FriendFinder are somehow associated  
28 or affiliated with Counter-Defendant’s “Friend Finder” service, or that Counter-Defendant is

1 somehow associated or affiliated with Various and FriendFinder’s Internet-based social networking  
2 service, allowing Counter-Defendant to divert users to Counter-Defendant’s facebook.com website.

3 4. Although Counter-Defendant aggressively litigates against entities using even a  
4 portion of its purported FACEBOOK Mark (i.e., “face” or “book”), Counter-Defendant’s respect for  
5 the trademarks of others is lacking. Despite Various and FriendFinder’s repeated requests that  
6 Counter-Defendant cease its infringing use of “Friend Finder,” Counter-Defendant has refused to do  
7 so and, instead, filed a preemptive Complaint seeking, among other things, a declaration from this  
8 Court that Counter-Defendant’s unauthorized use of “Friend Finder” does not infringe Various and  
9 FriendFinder’s rights. Counter-Defendant’s conduct has caused, and is likely to continue to cause,  
10 confusion as to the affiliation, association or connection between Counter-Defendant, Various and  
11 FriendFinder and as to the source, sponsorship, or approval of Counter-Defendant’s “Friend Finder”  
12 services, resulting in the unjust enrichment of Counter-Defendant. Further, Counter-Defendant’s  
13 conduct is tarnishing the FRIENDFINDER Mark and reputation and causing dilution. Therefore,  
14 Various and FriendFinder seek, among other remedies, injunctive relief, an accounting of Counter-  
15 Defendant’s profits, and treble damages for injuries that have been and will continue to be caused by  
16 Counter-Defendant’s unauthorized use of “Friend Finder” in violation of the Lanham Act (15 U.S.C.  
17 §§ 1051, *et seq.*), federal law governing false designation of origin (15 U.S.C. § 1125), California  
18 law governing trademark dilution (Cal. Bus. & Prof. Code § 14247), common law trademark  
19 infringement, and common law unfair competition.

20 5. Counter-Plaintiffs are also damaged by Counter-Defendant’s overreaching and anti-  
21 competitive efforts to restrict Counter-Plaintiffs’ ability to compete in the social networking market  
22 through the assertion of rights in generic terms. The term “facebook” or “face book” is a common  
23 and well-known English language term for “a publication for an organization ... which helps  
24 members identify each other; also, an online version of this, with profiles including a picture, name,  
25 birthday, interests, etc.” Counter-Defendant is well aware that colleges, high schools, companies,  
26 organizations, and the public at large have long used the term “face book” to refer to books or  
27 directories of any format, whether paper or electronic, in which pictures of individuals, together with  
28 information relating to those individuals, are displayed in an organized fashion. Archived articles

1 from the New York Times and other publications confirm that law firms, law schools, accounting  
2 firms, government agencies, schools and others have used “face books” or “face-books” to organize  
3 images of students, employees and elected officials for many years before Counter-Defendant began  
4 operations. Counter-Plaintiffs, therefore, seek cancellation of Counter-Defendant’s United States  
5 Registration Nos. 3,041,791 and 3,122,052 (collectively, the “Registrations”) under 15 U.S.C. §  
6 1064 on the grounds that these marks are invalid because the term “facebook” is generic and/or  
7 merely descriptive.

8           6. Even though Counter-Defendant is well-aware that the term “face book” is generic  
9 and although GMCI IOI and Traffic Cat have used the phrase “face book of sex” in a fair and  
10 descriptive manner since in or about 2009, upon information and belief, Counter-Defendant  
11 purposefully delayed the filing of its lawsuit against Counter-Plaintiffs for two years, filing it on the  
12 heels of Counter-Plaintiff FriendFinder’s highly anticipated initial public offering (“IPO”). Counter-  
13 Defendant then filed a motion for expansive, expedited discovery, which was promptly denied as  
14 premature and for failure to comply with Local Rules. Counter-Defendant’s overreaching appears to  
15 be intended to thwart Counter-Plaintiffs’ rights of free and legal competition in the social networking  
16 market and constitutes unfair competition under California law.

17           7. Counter-Defendant’s pattern of predatory conduct also encompasses attempts to  
18 block unnamed third parties from using marks, websites or domain names that incorporate the  
19 common, descriptive words “face” or “book” for a networking/community website,—including  
20 FriendFinder’s domain names and websites datingfaces.com, facecam.com, penthousebook.com,  
21 penthousebook.net, and myfaceonpenthouse.com—in an apparent effort to stifle competition in the  
22 social networking market. Counter-Defendant has filed similar federal lawsuits to stop use of marks  
23 such as TEACHBOOK and LAMEBOOK, and has filed a slew of baseless notices of opposition in  
24 the United States Patent and Trademark Office (“USPTO”) Trademark Trial and Appeal Board in an  
25 effort to block registration of marks such as FACEPILES, PLACEBOOK, FACEMAIL,  
26 SAFARIBOOK, LAMEBOOK, TALKBOOK, VISIONBOOK1, FAMEBOOK, LAWYERBOOK,  
27 ASSBOOK, OFFICEBOOK, and VETBOOK (and many, many others incorporating the term “face”  
28 or “book”). Counter-Plaintiffs, therefore, seek a declaration from this Court that the use of the

1 words “face” or “book” in connection with domain names and websites, including datingfaces.com,  
2 facecam.com, penthousebook.com, penthousebook.net, and myfaceonpenthouse.com, do not infringe  
3 Counter-Defendant’s alleged rights in its FACEBOOK Mark.

4 **THE PARTIES**

5 8. Counter-Plaintiff FriendFinder is a Nevada corporation having its principal place of  
6 business at 6800 Broken Sound Parkway, Suite 200, Boca Raton, Florida, 33487.

7 9. Counter-Plaintiff Various is a California corporation having its principal place of  
8 business at 220 Humboldt Court, Sunnyvale, California, 94304.

9 10. Counter-Plaintiff GMCI IOI is a New York corporation having its principal place of  
10 business at 20 Broad St, 14th Floor, New York City, New York 10005.

11 11. Counter-Plaintiff Traffic Cat is a California corporation having its principal place of  
12 business at 220 Humboldt Court, Sunnyvale, California, 94304.

13 12. Counter-Defendant Facebook, Inc. is a Delaware corporation having its principal  
14 place of business at 1601 South California Avenue, Palo Alto, California 94304.

15 **JURISDICTION AND VENUE**

16 13. This Court has jurisdiction over the Counterclaims based on 15 U.S.C. §§ 1119 and  
17 1121 and 28 U.S.C. §§ 1331, 1338, and 1367. The Counterclaims are brought under the United  
18 States Trademark Act of July 5, 1946, as amended, 15 U.S.C. § 1501, *et seq.* (the “Lanham Act”), the  
19 California Business and Professions Code §§ 17200, *et seq.*, and the common law of California. The  
20 Counterclaims also seek declaratory relief under the Declaratory Judgment Act, 28 U.S.C. §§ 2201,  
21 2202. This Court has jurisdiction over the subject matter of the declaratory relief claim asserted  
22 herein pursuant to 28 U.S.C. §§ 1331 and 1338 and 15 U.S.C. §§ 1051, *et seq.*

23 14. The Counterclaims arise out of the same transactions and occurrences that are set  
24 forth in the Complaint in this matter. If personal jurisdiction and venue are proper with respect to  
25 the Complaint, then they are proper with respect to the Counterclaims.

26 **FRIENDFINDER’S BUSINESS AND FAMOUS MARK**

27 15. Various and FriendFinder are pioneers in the field of Internet-based social  
28 networking, operating several of the most heavily-trafficked websites in the world, particularly with

1 respect to adult-oriented websites. In fact, FriendFinder’s indirect subsidiary, Various, through its  
2 predecessors, was one of the first online social networking companies. Through their extensive  
3 network of websites, Various and FriendFinder have built a base of millions of members throughout  
4 the world. Available website services include, but are not limited to, social networking, online  
5 personals, live and recorded video, online chat rooms, instant messaging, photo and video sharing,  
6 blogs, message boards, email and premium content websites. FriendFinder, through its indirect  
7 subsidiaries, has millions of unique visitors to its sites each month, according to comScore. This  
8 makes FriendFinder one of the largest online social networking service providers.

9 16. FriendFinder.com has been in operation since the late 1990s. Since its inception, the  
10 site offered chat services, horoscopes, magazines, building of home pages, among other services. At  
11 its core, the site allowed users to post their own personal ad and search the personal ads of other  
12 members. Today, FriendFinder.com is one of the most trafficked websites in the world. The  
13 popularity of FriendFinder.com has spawned other successful websites incorporating the widely-  
14 recognized FRIENDFINDER Mark, and FriendFinder, through its indirect subsidiaries, now owns a  
15 family of FRIENDFINDER marks, where FRIENDFINDER is the dominant component of the mark.  
16 FriendFinder and its indirect subsidiaries own and operate more than a dozen of these websites,  
17 representing well over 90% of the company’s dating traffic. FriendFinder.com has received xbiz  
18 awards and has received press recognition.

19 17. Since 1991, FriendFinder, through its indirect subsidiaries, has expended considerable  
20 time, resources and effort in promoting its FRIENDFINDER Mark throughout the United States for  
21 “dating services,” “providing personal profiles” and “event listings” and for “providing information  
22 relating to dating and relationships via the Internet and electronic mail.” *See* U.S. Registration No.  
23 2,962,192, a true and correct copy of which is attached hereto as Exhibit 1. By 1996, FriendFinder,  
24 through its subsidiaries, had expanded its services to an on-line chat room for the purpose of “users  
25 meeting other users to encourage dating and to develop relationships.” *Id.*

26 18. In 2005, Various obtained a federal trademark registration for its FRIENDFINDER  
27 Mark, which is both valid and subsisting. *See id.* Various also owns an incontestable federal  
28 trademark registration for the mark FRIEND FINDER (and design) for use with “magazine sections



1 featuring personal advertising.” A true and correct copy of U.S. Registration No. 1,785,477 is  
2 attached hereto as Exhibit 2.

3 19. As a consequence of the extensive advertising, promotion, and use of the  
4 FRIENDFINDER Mark, the FRIENDFINDER Mark has become widely recognized by the general  
5 consuming public of this state, and elsewhere, as a designation of FriendFinder’s services.

6  
7 **COUNTER-DEFENDANT’S UNAUTHORIZED USE OF “FRIEND FINDER”**  
8 **AND THE CLASS ACTION LAWSUITS**

9 20. Counter-Defendant is using the term “Friend Finder” as the brand name for a service  
10 on its social networking website, facebook.com, for the stated purpose of enabling its users to locate,  
11 and connect with, other users. Documents illustrating Counter-Defendant’s use of “Friend Finder”  
12 are attached hereto as Exhibit 3. The service operates by harvesting contacts of existing  
13 facebook.com users to identify and add new members to the network, and has raised privacy  
14 concerns throughout the United States and abroad.

15 21. For instance, in November 2010, a class action lawsuit was brought against Counter-  
16 Defendant in the United States District Court for the Northern District of California based on the  
17 “Friend Finder” service of its website facebook.com. The Complaint alleges, among other things,  
18 that Counter-Defendant uses photographs and likenesses of its website users to advertise its “Friend  
19 Finder” service without the knowledge or consent of its users. The action further alleges that  
20 Counter-Defendant’s “Friend Finder” service uploads users’ entire body of email contacts to a  
21 database maintained by [Counter-Defendant] and, when users click on the “Learn More” about  
22 “Friend Finder” hyperlink, they are unwittingly allowing Counter-Defendant to use their email  
23 contacts uploaded through the “Friend Finder” service to spam non-members to join Counter-  
24 Defendant’s website facebook.com. The lawsuit was brought on behalf of all U.S. residents whose  
25 names or likenesses were utilized by Counter-Defendant without their knowledge or consent to  
26 advertise Counter-Defendant’s “Friend Finder” service. It seeks an award of \$750 for each violation  
27 of each class member’s statutory right of publicity, an award of actual damages to each class  
28 member in the amount of no less than \$100 million, and other relief.

1           22.     The class action lawsuit summarized above, the flurry of bad press surrounding the  
2 case, and the privacy concerns it has raised with the public and Various and FriendFinder’s customer  
3 base, continue to irreparably harm and tarnish Various and FriendFinder’s long-standing and  
4 valuable FRIENDFINDER Mark. (A true and correct printout from a Google search of “friend  
5 finder privacy” is attached hereto as Exhibit 4).

6           23.     In addition, Counter-Defendant’s use of the term “Friend Finder” is likely to cause  
7 confusion among consumers, or reverse confusion, placing Various and FriendFinder’s valuable  
8 reputation and goodwill into the hands of Counter-Defendant, over whom Counter-Plaintiffs have no  
9 control. Counter-Defendant’s use of the term “Friend Finder” also enables Counter-Defendant to  
10 divert users looking for Various or FriendFinder to Counter-Defendant’s facebook.com website  
11 instead, causing FriendFinder lost sales and resulting in unjust enrichment to Counter-Defendant.  
12 *See, e.g.* Exhibit 5 attached hereto (true and correct copy of the Google search engine report for  
13 “friend finder”).

14           24.     Over the last few months, Various and FriendFinder have repeatedly expressed to  
15 Counter-Defendant, in writing and in telephone discussions between counsel, their objections to  
16 Counter-Defendant’s continued unauthorized use of the FRIENDFINDER Mark.

17           25.     Rather than cease the unauthorized and infringing uses of the FRIENDFINDER  
18 Mark, Counter-Defendant has filed a preemptive action and requested a declaration from this Court  
19 that its use of “Friend Finder” does not infringe Various and FriendFinder’s rights to the  
20 FRIENDFINDER Mark. (Compl., at ¶¶ 118-122).

21  
22           **“FACE BOOK” IS A COMMONLY USED TERM FOR THE GOODS AND SERVICES  
23 DELINEATED IN COUNTER-DEFENDANT’S TRADEMARK REGISTRATIONS**

24           26.     In Counter-Defendant’s Complaint, Counter-Defendant has also charged Counter-  
25 Plaintiffs with infringing its U.S. Trademark Registration Nos. 3,041,791 and 3,122,052  
(collectively, the “Registrations”), as well as other registrations, for the mark FACEBOOK.

26           27.     U.S. Registration No. 3,041,791 was issued January 10, 2006 for “providing an online  
27 directory information service featuring information regarding, and in the nature of, collegiate life,  
28 classifieds, virtual community and social networking” in International Class 35; and “providing

1 online chat rooms for registered users for transmission of messages concerning collegiate life,  
2 classifieds, virtual community and social networking” in International Class 38.

3 28. U.S. Registration No. 3,122,052 was issued July 25, 2006 for the identical services of  
4 “providing an online directory information service featuring information regarding, and in the nature  
5 of, collegiate life, classifieds, virtual community and social networking” in International Class 35;  
6 and “providing online chat rooms for registered users for transmission of messages concerning  
7 collegiate life, classifieds, virtual community and social networking” in International Class 38.

8 29. The term “facebook” or “face book” is a common and well-known English language  
9 term for, and has regularly been used by the public at large to refer to, books or directories of any  
10 format, whether paper or electronic, in which pictures of individuals, together with information  
11 relating to those individuals, are displayed in an organized fashion. “Facebook” is defined on  
12 dictionary.com as being “a publication for an organization ... which helps members identify each  
13 other; also, an online version of this, with profiles including a picture, name, birthday, interests, etc.”  
14 See also definition at [http://en.wikipedia.org/wiki/Face\\_book](http://en.wikipedia.org/wiki/Face_book) (“A facebook is a printed or online  
15 directory found at American universities consisting of individuals’ photographs and names. In  
16 particular, it denotes publications of this type distributed by university administrations at the start of  
17 the academic year with the intention of helping students get to know each other.”) The term  
18 “facebook” or “face book” was in wide use well before Counter-Defendant came into existence.

19 30. Many companies, schools and organizations have published both hard copy and on-  
20 line facebook for many years prior to Counter-Defendant’s claimed first use date of 2004. See, e.g.,  
21 article entitled “Did Mark Zuckerberg’s Inspiration for Facebook Come Before Harvard?,” a true  
22 and correct copy of which is attached hereto as Exhibit 6; and article entitled, “FACE BOOK THE  
23 NEW FAD,” Boston Daily Globe (1872-1922), Aug 24, 1902, a true and correct copy of which is  
24 attached hereto as Exhibit 7. Several articles from the New York Times also detail the use of “face  
25 book” or “face-book” by law firms, accounting firms and government agencies well before Counter-  
26 Defendant began operations or the facebook.com website became operational. See, e.g., New York  
27 Times articles: “NEIGHBORHOOD REPORT: NEW YORK UP CLOSE,” November 10, 2002;  
28 “WHERE RACE MATTERS,” April 13, 2003; “COPING: MUCH CLOSER TO THE TOP, BUT

1 STILL AT A DISTANCE,” June 27, 2004; “BLUEPRINTS FOR PLUGGING A BRAIN DRAIN,”  
2 June 18, 2006, true and correct copies of which are attached hereto as Exhibit 8.

3 31. The generic or descriptive nature of “facebook” in association with the goods and  
4 services listed in the Registrations is further demonstrated by the fact that Counter-Defendant  
5 submitted specimens of use to the USPTO in association with Registration No. 3,041,791, showing  
6 Counter-Defendant’s use in 2005 of the term “facebook” in a generic or descriptive manner on  
7 Counter-Defendant’s own www.thefacebook.com website, namely, “Your facebook is limited to  
8 your own college or university.” Furthermore, in an interview in 2004, the founder of Counter-  
9 Defendant’s website facebook.com Mark Zuckerberg repeatedly uses the term “facebook”  
10 interchangeably to signify Harvard’s facebook, various dorm room/house facebook, or the online  
11 facebook that he created at thefacebook.com.

12 32. Counter-Defendant’s goods and services set forth in the Registrations principally  
13 relate to providing electronic directories and informational services featuring, among other things,  
14 pictures of individuals displayed together with information relating to those individuals.

15 33. On information and belief, Counter-Defendant adopted the designation “facebook”  
16 precisely because its goods and services involve the display of pictures of individuals together with  
17 information relating to those individuals in the manner of a facebook.

18 34. The term “facebook” constitutes the common commercial name of, and/or merely  
19 describes qualities, characteristics, purposes, and functions of, Counter-Defendant’s goods and  
20 services associated with its Registrations.

21  
22 **COUNTER-DEFENDANT’S PATTERN OF  
BAD FAITH CONDUCT AND MALICIOUS PROSECUTION**

23 35. In or about 2009, GMCI IOI purchased the domain name facebookofsex.com.  
24 Subsequently, in 2009, Traffic Cat began using such domain name together with the generic and/or  
25 merely descriptive phrase “face book of sex” to fairly describe its online face book of sexy people  
26 and photos.

27 36. On information and belief, Counter-Defendant was aware of this descriptive and fair  
28 use of the phrase “face book of sex” at or around the time it began. On information and belief,

1 Counter-Defendant is also aware that numerous third parties and news articles use “face book”  
2 generically, such as “Face Book of Pakistan” (at [www.pak-view.com/fbop/](http://www.pak-view.com/fbop/)), “Facebook for Wine”  
3 (at [http://www.businessweek.com/smallbiz/content/dec2007/sb2007127\\_891227.htm](http://www.businessweek.com/smallbiz/content/dec2007/sb2007127_891227.htm)), “Tommy  
4 Hilfiger’s Face Book” (at <http://www.vanityfair.com/online/daily/2009/09/tommys-face-book.html>),  
5 “Face Book of An NGO” at (<http://www.futureofeducation.com/profiles/blogs/face-book-of-an-ngo>),  
6 “Chinese Face Book” ([http://www.packagingoftheworld.com/2010/08/chinese-face-](http://www.packagingoftheworld.com/2010/08/chinese-face-book.html)  
7 [book.html](http://www.packagingoftheworld.com/2010/08/chinese-face-book.html)), and “The WordPress Face Book” (at [http://mattnt.com/2009/03/14/the-wordpress-face-](http://mattnt.com/2009/03/14/the-wordpress-face-book/)  
8 [book/](http://mattnt.com/2009/03/14/the-wordpress-face-book/)).

9 37. Nevertheless, Counter-Defendant waited two (2) years—on the heels of  
10 FriendFinder’s highly anticipated IPO—to file its Complaint. Upon information and belief, the suit  
11 and its timing are intended to inflict maximum damage on a business Counter-Defendant views as a  
12 direct competitor.

13 38. Counter-Defendant’s anti-competitive and malicious intent to interfere is further  
14 evidenced by its aggressive conduct even after GMCI IOI and Traffic Cat voluntarily shut down the  
15 “face book of sex” website, without any legal obligation to do so. Since then, Counter-Defendant  
16 has filed an overreaching motion for expedited discovery with this Court (Docket No. 16) seeking to  
17 force Counter-Plaintiffs to disclose, identify, and produce the communications of each third-party  
18 website operator with whom Counter-Plaintiffs do business. Upon information and belief, Counter-  
19 Defendant’s intent is to embarrass and harass Counter-Plaintiffs’ business relationships and  
20 customers and to unfairly compete with Counter-Plaintiffs. Counter-Defendant’s motion has since  
21 been denied.

22 39. Counter-Defendant has also displayed a pattern of predatory and overreaching  
23 conduct in its attempts to stop Counter-Plaintiffs and other third parties from using the generic words  
24 “face” or “book” in connection with their websites.

25 40. Without justification, Counter-Defendant has challenged nearly every third-party  
26 mark or domain name incorporating the words “face” or “book” in connection with a  
27 networking/community website. For example, Facebook has filed federal lawsuits to stop third-  
28 parties from using the marks TEACHBOOK and LAMEBOOK. In the USPTO Trademark Trial and

1 Appeal Board, Counter-Defendant has filed notices of opposition in an attempt to block registration  
2 of the marks FACEBROKER, FACEPILES, TEACHBOOK, PLACEBOOK, FACEMAIL,  
3 SAFARIBOOK, LAMEBOOK, TALKBOOK, VISIONBOOK1, FAMEBOOK, LAWYERBOOK,  
4 ASSBOOK, OFFICEBOOK, VETBOOK, FACEPLACE@ORU, BOSS BOOK, DOCTORBOOK,  
5 MYBOOKSPACE, and many others incorporating the term “face” or “book”. Counter-Defendant  
6 has also sought extensions of time to oppose registration of the marks ROTTENBOOK,  
7 PLAYBOOK, HEALTHBOOK, SHAGBOOK, FACECHECK, DOCBOOK, CHATBOOK,  
8 STUDIOBOOK, FACEPASS, PARTYBOOK, FACE, MYBOOKVIEW, FANBOOKER, MY  
9 FACEFILE, GRANDBOOK, DISGRACEBOOK, MOUSEBOOK, SPORTSFACE,  
10 WALLFLOWER, CINEBOOK, BODYBOOK, CLOUDBOOK, and many others incorporating the  
11 term “face” or “book.”

12 41. Counter-Defendant’s quest for sole ownership and control of the generic and/or  
13 descriptive terms “face” and “book,” and its attempt to maintain a monopoly in the online social  
14 networking market, is well-documented. *See, e.g.*, articles entitled “Is Facebook a Friend or Bully?”  
15 and “Guess Who Is Trying To Trademark The Word ‘Face’? (And Guess Who Is Trying To Stop  
16 It?)”, true and correct copies of which are attached hereto as Exhibit 9.

17 42. Counter-Defendant has admitted its efforts to unfairly stifle competition. *See, e.g.*,  
18 <http://www.businessinsider.com/facebook-google-lies-2011-5> (detailing how Counter-Defendant  
19 secretly hired a PR firm to plant negative stories about Google, which is working to develop its own  
20 social networking system). Upon information and belief, and as reported in the Wall Street Journal  
21 on May 1, 2011, Counter-Defendant’s business has been valued in the range of \$50 to \$100 billion.  
22 <http://online.wsj.com/article/SB10001424052748704436004576297310274876624.html>.

23 43. Counter-Plaintiffs use the words “face” or “book” in connection with some of the  
24 domains and websites they own, including the domain names and related websites, datingfaces.com,  
25 and facecams.com.

26 44. Datingfaces.com, launched in 1999 (well before Facebook was launched), is a  
27 website that enables its members to form connections for the purposes of flirting, dating, serious  
28 relationships, or making friends.

1 45. Likewise, Facecams.com was launched in 2002 (well before Facebook was launched)  
2 and currently functions as an advertising platform for FriendFinder’s indirect subsidiaries’ social  
3 networking services and websites.

4 46. Penthousebook.com and penthousebook.net have been in use since July 2006 and  
5 currently function as an advertising platform for FriendFinder’s indirect subsidiaries’ social  
6 networking services and websites.

7 47. Myfaceonpenthouse.com has been in use since May 2009 and also functions as an  
8 advertising platform for FriendFinder’s indirect subsidiaries’ social networking services and  
9 websites.

10 48. In conjunction with Counter-Defendant’s demands that Counter-Plaintiffs stop using  
11 the facebookofsex.com domain and website, Counter-Defendant raised additional concerns  
12 regarding the domain names penthousebook.com, penthousebook.net, and myfaceonpenthouse.com.  
13 Counter-Defendant also demanded that Counter-Plaintiffs cease using any domain names containing  
14 either the word “face” or “book.”

15 49. The generic and/or descriptive uses of the words “face” or “book” in connection with  
16 domain names, in websites, such as penthousebook.com, penthousebook.net,  
17 myfaceonpenthouse.com, datingfaces.com, and facecams.com, and/or in advertising amount to non-  
18 infringing fair uses.

19 **FIRST COUNTERCLAIM**  
**(FEDERAL TRADEMARK INFRINGEMENT)**

20 50. Various repeats and realleges the allegations set forth in paragraphs 1 through 25 of  
21 the Counterclaim, as if fully set forth herein.

22 51. As a result of the extensive use and promotion of the FRIENDFINDER Mark, and  
23 protecting the distinctiveness of such mark, the FRIENDFINDER Mark enjoys considerable  
24 goodwill, widespread recognition, and secondary meaning in commerce that has become associated  
25 with Various and FriendFinder and its goods and services.

26 52. Prior to Counter-Defendant’s unauthorized use of “Friend Finder,” Counter-  
27 Defendant either had actual notice and knowledge, or constructive notice (pursuant to 15 U.S.C. §  
28 1072), of Various’s ownership and registration of the FRIENDFINDER Mark.

1           53. Counter-Defendant has used “Friend Finder” in interstate commerce, including in this  
2 judicial district.

3           54. The services offered by Counter-Defendant in connection with its use of “Friend  
4 Finder” are related to the social networking services offered by Various and FriendFinder under the  
5 FRIENDFINDER Mark and are being offered through some of the same channels of trade and to  
6 some of the same consumer groups.

7           55. Various has not consented to Counter-Defendant’s use of the FRIENDFINDER  
8 Mark. In fact, Various has repeatedly demanded that Counter-Defendant cease its infringing use of  
9 the FRIENDFINDER Mark.

10           56. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of  
11 Counter-Defendant’s use of “Friend Finder,” falsely indicates to consumers that Counter-  
12 Defendant’s goods and services are in some manner connected with, sponsored by, affiliated with,  
13 related to, or approved by Various or related entities.

14           57. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of  
15 Counter-Defendant’s use of “Friend Finder,” is likely to cause consumers to be confused as to the  
16 source, nature, and quality of the goods and services that Counter-Defendant is offering in  
17 connection with its use of “Friend Finder.” Counter-Defendant is likely to cause “reverse confusion”  
18 as well, such that consumers might believe that Various’s use or a related entity’s use of  
19 “FriendFinder” is infringing Counter-Defendant’s rights.

20           58. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of  
21 Counter-Defendant’s use of “Friend Finder,” is also likely to cause “initial interest confusion,”  
22 resulting in unjust enrichment to Counter-Defendant.

23           59. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of its  
24 use of “Friend Finder,” deprives Various of the ability to control consumer perception of the quality  
25 of the services marketed under the FRIENDFINDER Mark and, instead, places Various’s valuable  
26 reputation and goodwill into the hands of Counter-Defendant, over whom Various has no control.

27           60. The aforementioned acts of Counter-Defendant constitute federal trademark  
28 infringement in violation of 15 U.S.C. § 1114.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

61. The intentional nature of Counter-Defendant’s acts makes this an exceptional case under 15 U.S.C. § 1117, entitling Various to recover three times the amount of its actual damages, and/or Facebook’s profits, and its attorneys’ fees and costs incurred in this action, and prejudgment interest.

62. Various has been, is now, and will be irreparably harmed by Counter-Defendant’s aforementioned acts of infringement, and, unless enjoined by the Court, Counter-Defendant will continue to infringe upon the FRIENDFINDER Mark. Various has no adequate remedy at law as monetary damages are inadequate to compensate Various for the injuries caused by Counter-Defendant.

63. Various has been significantly damaged by Counter-Defendant’s acts as alleged above. Accordingly, Various is entitled to a disgorgement of Counter-Defendant’s profits associated with the ongoing infringement, including profits derived from advertising revenue and other sources, in an amount to be determined at trial. Upon information and belief, and as reported in the Wall Street Journal on May 1, 2011, Counter-Defendant’s net profits for the year 2011 alone are on pace and expected to exceed \$2 billion, a substantial portion of which is attributable to Counter-Defendant’s use of the FRIENDFINDER Mark to increase its user base and advertising revenue.

<http://online.wsj.com/article/SB10001424052748704436004576297310274876624.html>.

Various further seeks an accounting of Counter-Defendant’s profits associated with the use of the Friend Finder service.

**SECOND COUNTERCLAIM**  
**(FEDERAL FALSE DESIGNATION OF ORIGIN)**

64. Various and FriendFinder repeat and reallege the allegations set forth in paragraphs 1 through 25 of the Counterclaims, as if fully set forth herein.

65. As a result of Various and FriendFinder’s extensive use and promotion of the FRIENDFINDER Mark, and protecting the distinctiveness of such mark, the FRIENDFINDER Mark enjoys considerable goodwill, widespread recognition, and secondary meaning in commerce that has become associated with Various and FriendFinder and their goods and services.

66. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of Counter-Defendant’s use of “Friend Finder,” falsely suggests that Counter-Defendant’s business is

1 connected with, sponsored by, affiliated with, or related to Various or FriendFinder and is likely to  
2 cause confusion among consumers.

3 67. Counter-Defendant's unauthorized use of the FRIENDFINDER Mark, as alleged  
4 herein, constitutes false designation of the origin of Counter-Defendant's goods and/or services in  
5 violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

6 68. The intentional nature of Counter-Defendant's aforementioned acts makes this an  
7 exceptional case pursuant to 15 U.S.C. § 1117, entitling Various and FriendFinder to recover three  
8 times the amount of their actual damages, attorneys' fees and costs incurred in this action, and  
9 prejudgment interest.

10 69. Various and FriendFinder have been, are now, and will be irreparably harmed by  
11 Counter-Defendant's aforementioned acts and, unless enjoined by the Court, Counter-Defendant will  
12 continue to cause them harm to Various and FriendFinder. Various and FriendFinder have no  
13 adequate remedy at law, as monetary damages are inadequate to compensate them for their injuries.

14 70. Various and FriendFinder have been significantly damaged by Counter-Defendant's  
15 acts as alleged above, and Counter-Defendant has been unjustly enriched. Accordingly, Various and  
16 FriendFinder are entitled to disgorgement of Counter-Defendant's profits associated with the  
17 ongoing infringement, including profits derived from advertising revenue and other sources, in an  
18 amount to be determined at trial. Upon information and belief, and as reported in the Wall Street  
19 Journal on May 1, 2011, Counter-Defendant's net profits for the year 2011 alone are on pace and  
20 expected to exceed \$2 billion, a substantial portion of which is attributable to Counter-Defendant's  
21 use of the FRIENDFINDER Mark to increase its user base and advertising revenue and is  
22 recoverable. <http://online.wsj.com/article/SB10001424052748704436004576297310274876624.html>  
23 Various and FriendFinder further seek an accounting of Counter-Defendant's profits associated with  
24 the use of the Friend Finder service.

25 **THIRD COUNTERCLAIM**  
26 **(COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION)**

27 71. Various and FriendFinder repeat and reallege the allegations set forth in paragraphs 1  
28 through 25 of the Counterclaims, as if fully set forth herein.

1           72. Counter-Defendant’s conduct constitutes deception by which Counter-Defendant’s  
2 goods and services have been palmed off as those of Various and FriendFinder. Such conduct  
3 constitutes trademark infringement and unfair competition in violation of the common law of the  
4 State of California.

5           73. Various and FriendFinder and their predecessors have used the FRIENDFINDER  
6 Mark in connection with Internet-based social networking services since the 1990s. By reason of  
7 this longstanding and extensive use, the FRIENDFINDER Mark has become uniquely associated  
8 with Various and FriendFinder and identifies them as the source of FRIENDFINDER-branded goods  
9 and services.

10           74. Counter-Defendant’s unauthorized use of the FRIENDFINDER Mark, by virtue of  
11 Counter-Defendant’s use of “Friend Finder,” is likely to cause confusion or mistake, or is likely to  
12 deceive customers, consumers, the general public, and the trade as to the affiliation, connection, or  
13 association between Various, FriendFinder and Counter-Defendant and/or as to the origin of,  
14 sponsorship of, or other association between the parties’ respective goods and services, causing,  
15 among other damages, diversion of traffic.

16           75. By reason of the foregoing, Counter-Defendant has infringed and is continuing to  
17 infringe on Various and FriendFinder’s common law rights in and to the FRIENDFINDER Mark,  
18 and Counter-Defendant has become unjustly enriched by such acts of infringement, including, but  
19 not limited to directing consumers to Counter-Defendant’s website.

20           76. Counter-Defendant’s unlawful conduct has been and continues to be willful or  
21 willfully blind to Various and FriendFinder’s rights, as Counter-Defendant has reason to know of  
22 those rights.

23           77. Various and FriendFinder have been and will continue to be irreparably harmed by  
24 Counter-Defendant’s aforementioned acts of trademark infringement, and, unless enjoined by the  
25 Court, Counter-Defendant’s wrongful acts will continue. Various and FriendFinder have no  
26 adequate remedy at law as monetary damages are inadequate to compensate them for the injuries  
27 caused by Counter-Defendant.

28

1           78. Various and FriendFinder have been significantly damaged by Counter-Defendant’s  
2 acts as alleged above, and Counter-Defendant has been unjustly enriched in an amount to be  
3 determined at trial. Various and FriendFinder are entitled to, among other damages, a disgorgement  
4 of Counter-Defendant’s profits associated with the ongoing infringement, including profits derived  
5 from advertising revenue and other sources, in an amount to be determined at trial. Upon  
6 information and belief, and as reported in the Wall Street Journal on May 1, 2011, Counter-  
7 Defendant's net profits for the year 2011 alone are on pace and expected to exceed \$2 billion, a  
8 substantial portion of which is attributable to Counter-Defendant's use of the FRIENDFINDER  
9 Mark to increase its user base and advertising revenue.

10 <http://online.wsj.com/article/SB10001424052748704436004576297310274876624.html>. Various  
11 and FriendFinder further seek an accounting of Counter-Defendant’s profits associated with the use  
12 of the Friend Finder service.

13           79. Counter-Defendant’s wrongful use of “Friend Finder” is deliberate, willful, and in  
14 reckless disregard of Various and FriendFinder’s trademark rights, entitling them to the recovery of  
15 punitive damages in an amount to be determined at trial. Punitive damages are intended to punish  
16 the wrongdoer and deter the wrongful conduct. As such, one of the factors to be considered is the  
17 defendant’s net worth and financial condition. Upon information and belief, and as reported in the  
18 Wall Street Journal on May 1, 2011, Counter-Defendant’s business has been valued in the range of  
19 \$50 to \$100 billion.

20 <http://online.wsj.com/article/SB10001424052748704436004576297310274876624.html>.

21  
22                                   **FOURTH COUNTERCLAIM**  
23                                   **(TRADEMARK DILUTION UNDER CAL. BUS. & PROF. CODE § 14247)**

24           80. Various and FriendFinder repeat and reallege the allegations set forth in paragraphs 1  
25 through 25 of the Counterclaims, as if fully set forth herein.

26           81. The FRIENDFINDER Mark is distinctive and famous within the meaning of section  
27 14247 of the California Business and Professions Code.

28           82. Counter-Defendant’s use of “Friend Finder” began after the FRIENDFINDER Mark  
became famous.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

83. Counter-Defendant’s continued use of “Friend Finder” is likely to cause injury to Various and FriendFinder’s business reputation and cause dilution and/or tarnishment of the distinctive quality of Various and FriendFinder’s famous FRIENDFINDER Mark, in violation of California Business and Professions Code § 14247.

84. Counter-Defendant’s acts have caused, and if not enjoined will continue to cause irreparable and continuing harm to Various and FriendFinder’s mark, business, reputation, and goodwill. Various and FriendFinder have no adequate remedy at law as monetary damages are inadequate to compensate them for the injuries caused by Counter-Defendant.

85. As a result of Counter-Defendant’s acts as alleged above, Various and FriendFinder have incurred damages in an amount to be proven at trial.

**FIFTH COUNTERCLAIM**  
**(CANCELLATION BASED ON GENERICNESS OR DESCRIPTIVENESS)**

86. Counter-Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 14 and 26 through 49 of the Counterclaims, as if fully set forth herein.

87. Counter-Plaintiffs have been and will continue to be damaged by the Registrations as Counter-Defendant has asserted the Registrations against Counter-Plaintiffs.

88. 15 U.S.C. § 1064 states, in relevant part, that the registration for a mark may be cancelled:

At any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered . . . . The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods and services on or in connection with which it has been used.

89. 15 U.S.C. § 1052 states, in relevant part:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it –  
...

(e) Consists of a mark which when used on or in connection with the goods of the applicant is merely descriptive . . . of them . . . .

90. As a first and independent ground for cancellation of the Registrations, the term “FACEBOOK” as used on or in connection with the goods and services recited in the Registrations is and/or has become the generic name for such goods and services.

91. As a second and independent ground for cancellation of the Registrations, the term “FACEBOOK,” as used on or in connection with the goods and services recited in the Registrations, merely describes qualities, characteristics, purposes and functions of such goods and services, and is thus merely descriptive of such goods and services within the meaning of 15 U.S.C. §1052(e)(1).

92. The Registrations are, therefore, subject to cancellation under 15 U.S.C. §1064(3) on the basis of genericness or under 15 U.S.C. §1064(1) on the basis of descriptiveness.

**SIXTH COUNTERCLAIM**  
**(UNFAIR COMPETITION UNDER CAL. BUS. & PROF. CODE §§ 17200, ET SEQ.)**

93. Counter-Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 49 of the Counterclaims, as if fully set forth herein.

94. By the acts described herein, Counter-Defendant has engaged in unlawful and unfair business practices that have injured and will continue to injure Counter-Plaintiffs in their business and property, in violation of California Business and Professions Code §§ 17200, *et seq.*

95. Counter-Defendant’s acts alleged above have caused damage to Counter-Plaintiffs and, if not enjoined, will continue to cause damage to Counter-Plaintiffs, including, but not limited to, irreparable and continuing harm to Various and FriendFinder’s FRIENDFINDER Mark and business.

1 96. Counter-Defendant's anti-competitive and predatory conduct, as alleged herein,  
2 violates the spirit, policy and/or letter of federal and state antitrust laws because it harms competition  
3 in the marketplace.

4 97. On information and belief, Counter-Defendant brought its action against Counter-  
5 Plaintiffs for anti-competitive purposes. By filing its Complaint against Counter-Plaintiffs for the  
6 purpose to harass, embarrass, and damage Counter-Plaintiffs' reputation, Counter-Defendant has  
7 misused the legal process for the improper purpose of thwarting Counter-Plaintiffs' rights of free and  
8 legal competition in the online social networking market. Counter-Defendant's action has caused  
9 considerable economic injury, including lost profits, in an amount to be proven at trial.

10 98. Counter-Defendant's predatory conduct of attempting to quash all competitive uses of  
11 the words "face" or "book" has also created a cloud over Counter-Plaintiffs in terms of their ability  
12 to use these descriptive terms in connection with their businesses, domain names and websites.

13 99. As a direct and proximate result of Counter-Defendant's conduct alleged herein,  
14 Counter-Defendant has been unjustly enriched and should be ordered to disgorge any and all profits  
15 earned as a result of such unlawful conduct. Counter-Plaintiffs are entitled to restitution of any  
16 monies taken from Counter-Plaintiffs by and through the unlawful conduct of Counter-Defendant,  
17 including any monies paid to Counter-Defendant under the mistaken belief that Counter-Defendant  
18 was somehow associated with Counter-Plaintiffs Various and FriendFinder.

19  
20 **SEVENTH COUNTERCLAIM**  
**(DECLARATORY RELIEF)**

21 100. Counter-Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through  
22 14 and 26 through 49 of the Counterclaims, as if fully set forth herein.

23 101. As a result of the facts alleged above, an actual controversy now exists between  
24 Counter-Plaintiffs and Counter-Defendant relating to Counter-Plaintiffs' right to use and current use  
25 of the descriptive words "face" or "book" in connection with longstanding domain names and related  
26 websites, including datingfaces.com, facecams.com penthousebook.com, penthousebook.net, and  
27 myfaceonpenthouse.com, for which Counter-Plaintiffs seek a declaration of rights.  
28

1 102. A declaratory judgment is necessary in that Counter-Defendant has suggested that  
2 Counter-Plaintiffs' use of "face" or "book" in connection with their existing businesses, websites  
3 and domain names is wrongful, creating a cloud over Counter-Plaintiffs, and causing a real and  
4 reasonable apprehension of liability on the part of Counter-Plaintiffs should Counter-Plaintiffs  
5 continue using their existing domain names and websites, including datingfaces.com, facecams.com,  
6 penthousebook.com, penthousebook.net, and myfaceonpenthouse.com.

7 103. Counter-Plaintiffs thus seek to have the Court declare that Counter-Plaintiffs' use of  
8 the terms "face" or "book" in connection with their existing domain names and websites, including  
9 datingfaces.com, facecams.com, penthousebook.com, penthousebook.net, and  
10 myfaceonpenthouse.com, does not violate Counter-Defendant's purported trademark rights.

11 104. Counter-Plaintiffs also seek to have the Court declare that Counter-Defendant does  
12 not have exclusive rights to the terms "face" or "book."

13 105. The declaratory relief sought herein will settle the controversy between the parties,  
14 allow Counter-Plaintiffs to continue using the words "face" or "book," in conjunction with their  
15 domains and websites, datingfaces.com, facecams.com, penthousebook.com, penthousebook.net, and  
16 myfaceonpenthouse.com, and eliminate the current uncertainty and threat of challenge associated  
17 with Counter-Defendant's assertions.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, Counter-Plaintiffs pray:

20 A. That this Court grant injunctive relief enjoining Counter-Defendant and all others  
21 acting in concert with it and having knowledge thereof, from using "Friend Finder" as a trade name,  
22 trademark, service mark, domain name, part of its services, or for any other purpose;

23 B. That this Court order Counter-Defendant to account to Various and FriendFinder any  
24 and all revenues and profits that Counter-Defendant has derived from the wrongful actions alleged  
25 herein—including that portion of Counter-Defendant's estimated 2011 \$2 billion in net profits  
26 attributable to Counter-Defendant's wrongful conduct—and pay all damages which Various and  
27 FriendFinder has sustained by reason of the acts complained of herein, according to proof at trial; it  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

is also requested that the Court determine this case to be “exceptional,” and that such award be trebled in accordance with 15 U.S.C. § 1117.

C. That this Court award Various and FriendFinder punitive damages in an appropriate amount to deter Counter-Defendant's wrongful conduct taking into consideration the size and value of Counter-Defendant's business;

D. That U.S. Registration Nos. 3,041,791, and 3,122,052 be cancelled for the reasons set forth above;

E. That this Court declare Counter-Plaintiffs’ rights to continue to use the words “face” or “book” in connection with their trademarks, service marks, domain names and websites, including datingfaces.com, facecams.com, penthousebook.com, penthousebook.net, and myfaceonpenthouse.com, and declare that Counter-Defendant does not have exclusive rights to the terms “face” “book” or “face book”;

F. That this Court award Counter-Plaintiffs the costs of this action and their reasonable attorneys’ fees and expenses; and

G. That this Court grant such other and further relief as it deems just and proper.

Dated: May 23, 2011

Respectfully submitted,  
KATTEN MUCHIN ROSENMAN LLP

By:     /s/ Kristin L. Holland    

KATTEN MUCHIN ROSENMAN LLP

By:     /s/ Floyd A. Mandell      
Lead Attorneys for Defendants Various, Inc.; GMCI  
Internet Operations, Inc.; Traffic Cat, Inc.; and  
FriendFinder Networks Inc.

ROTHKEN LAW FIRM LLP

By:     /s/ Ira P. Rothken

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Attorneys for Defendants Various, Inc.; GMCI Internet Operations, Inc.; Traffic Cat, Inc.; and FriendFinder Networks Inc.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DEMAND FOR A JURY TRIAL**

Defendants and Counter-Plaintiffs hereby demand trial by jury on all issues triable of right by jury.

Respectfully submitted,

Dated: May 23, 2011

KATTEN MUCHIN ROSENMAN LLP

By:     /s/ Kristin L. Holland    

KATTEN MUCHIN ROSENMAN LLP

By:     /s/ Floyd A. Mandell      
Lead Attorneys for Defendants Various, Inc.; GMCI  
Internet Operations, Inc.; Traffic Cat, Inc.; and  
FriendFinder Networks Inc.

ROTHKEN LAW FIRM LLP

By:     /s/ Ira P. Rothken      
Attorneys for Defendants Various, Inc.; GMCI Internet  
Operations, Inc.; Traffic Cat, Inc.; and FriendFinder  
Networks Inc.