

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 1:09-CV-00636-REB-KLM

VIDEO PROFESSOR, INC.
Plaintiff,

v.

AMAZON.COM, INC.
Defendant.

**DEFENDANT’S MOTION FOR SUMMARY JUDGMENT AND MEMORANDUM IN
SUPPORT THEREOF (ORAL ARGUMENT REQUESTED)**

Defendant Amazon.com, Inc. (“Amazon”), moves for summary judgment pursuant to Fed. R. Civ. P. 56 on all claims alleged by Video Professor, Inc. (“VPI” or “Video Professor”). Amazon certifies it has read and complied with this Court’s Practice Standards governing the formatting and marshalling this Motion, and states as follows:

INTRODUCTION

In the Sunday Denver Post, Sears purchases an advertising insert promoting Whirlpool-brand dishwashers for sale at an attractive price. Jane reads the ad and travels to her local Sears store. When she arrives at the major appliances area, Jane sees Whirlpool-brand dishwashers as well as a number of other competing brands including Kenmore, Maytag and Kitchenaid.

Every day, millions of Americans have experiences similar to Jane’s. No one would suggest that Sears would be liable for trademark infringement because of its use of the Whirlpool trademark in its advertising to truthfully communicate to consumers that

they may find Whirlpool-brand products, among other competing products, at Sears. Nevertheless, VPI has brought an eight-count Complaint against Amazon for doing on the Internet what Sears has done in newsprint in this example.

To advertise products available at Amazon.com, Amazon purchases from search engines advertisements that appear as “sponsored links.” In this case, Amazon purchased “video professor” as a keyword to generate sponsored links on Google. When consumers clicked on the link they arrived at the Amazon store, and were shown Video Professor-brand products as well as other related products. Because Amazon has done nothing to indicate that VPI sponsored or endorsed Amazon’s sales of these products, Amazon’s use of “video professor” is a protected nominative fair use. And in any event, until September 2008, VPI was an Amazon vendor and had given Amazon express permission to use VPI’s trademarks—permission that survived VPI’s termination of its vendor agreement with Amazon. VPI’s claims for trademark infringement and other related claims are without merit and should be dismissed.

STATEMENT OF UNDISPUTED FACTS

Amazon is a leading Internet retailer. Although Amazon got its start in 1995 primarily as an online bookstore, today Amazon strives to offer Earth’s Biggest Selection of products. As part of that mission, Amazon not only sells products on the Amazon.com website itself, but also allows third parties to sell their products on that website. In advertising products available on its website, Amazon identifies the name of the seller, whether Amazon itself or a third party. Amazon employs a search function on its website to help direct consumers to the products in which they are interested in

learning about or purchasing. Amazon's search function helps provide consumers with relevant results. These results often will include not only products in which the consumer has expressed interest, but also related products that may appeal to the consumer. (Declaration of Eric Herrmann ("Herrmann Decl.") ¶¶ 2-4 & Exs. A-1 to -4.)

Like many companies, Amazon uses keyword advertising with third-party search engines to help advertise products available on Amazon.com to consumers. Keyword advertising allows companies to advertise on major Internet search engines such as Google. By placing bids on keywords, an advertiser can cause a sponsored link to appear in a special, designated area alongside natural search results when a user types the keyword into a search engine. (*Id.* ¶ 5.)

[REDACTED]

VPI sells video-based computer learning products to help consumers learn how to use many brand-name computer software and technology products, including Microsoft® Windows®, Microsoft® Outlook®, and eBay®, to name just several. (Declaration of Marc Levy ("Levy Decl.") ¶ 8 & Ex. A-11.) VPI advertises its "Learn Windows®," "Learn Outlook®" and "Learn eBay®" products, among others, on the Internet and through television infomercials featuring John Scherer, the self-proclaimed

“Video Professor.” (*Id.* ¶ 8.) VPI bids on these trademarks to generate sponsored links to its own website in search engines such as Google. (*Id.* ¶¶ 9–12 & Exs. A-12 to -15.)

In December 2003, Amazon began offering software products from VPI for sale on the Amazon.com website. From December 12, 2003, until September 19, 2008, VPI sold its products to Amazon in accordance with Amazon’s vendor agreement (“Vendor Manual”), which VPI signed. (*Id.* ¶¶ 2, 4 & Exs. A-5, -7) The Vendor Manual states that “Vendor hereby grants to Amazon.com a non-exclusive, worldwide, perpetual, and royalty-free license to . . . (c) use all trademarks and trade names included in the Product Information.” (*Id.* ¶ 3 & Ex. A-6 (Vendor Manual ¶ 4).) The Vendor Manual further states that this license “survive[d] the termination of any or all of this Vendor Manual.” (*Id.* (Vendor Manual ¶ 19).)

At all relevant times, both before and after September 2008, VPI products have been available for sale from resellers on the Amazon.com website. (Amended Undisputed Facts (“Undisp. Facts”) (Dkt. #24) ¶ 5)¹; Herrmann Decl. ¶ 8.) From December 2003 until April 2009, Amazon.com placed bids on the keyword “video professor” with Google. (Undisp. Facts ¶ 1; Herrmann Decl. ¶ 7.) On the occasions during this period when bids were placed, if a person typed the words “video professor” into the Google search engine’s search box, and if Amazon won its bid for “video professor,” then an Amazon advertisement would appear on the search results page as a sponsored link. (Undisp. Facts ¶ 3; Herrmann Decl. ¶ 7.) An example of such a sponsored link that appeared on Google is:

¹ A copy of the Amended Undisputed Facts is included as an appendix to this Motion.

Save at Amazon
Low prices on popular products
Qualified orders over \$25 ship free
Amazon.com

(Undisp. Facts ¶ 2).

If the user who entered the search for “video professor” clicked on an Amazon sponsored link, he was taken to a landing page on Amazon.com. (Undisp. Facts ¶ 4; Herrmann Decl. ¶ 8.) This landing page presented the user with a webpage on the Amazon.com site that included real-time natural search results as if he had entered the original keywords in the Amazon.com search function. At all relevant times, this landing page displayed Video Professor-brand products as well as other related products available for sale on Amazon.com. (Undisp. Facts ¶ 6; Herrmann Decl. ¶ 8.)

VPI has not identified a single consumer who, after entering “video professor” in an Internet search engine and clicking on an Amazon advertisement, mistakenly believed VPI was the source of any products displayed on the landing page. (Levy Decl. ¶ 5 & Ex. A-8 (Am. Answer to Int. No. 10).) Further, VPI has admitted that it is “unaware of any instance in which a consumer who entered ‘video professor’ in an Internet search engine and then clicked on an Amazon Sponsored Advertisement believed that Amazon was a favored or authorized dealer of the VPI products displayed.” (Levy Decl. ¶ 6 & Ex. A-9 (Answer to Req. for Admission No. 2).)

STANDARD FOR SUMMARY JUDGMENT

Summary judgment is appropriate “if the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c). Once Amazon properly supports its Motion, the

burden shifts to VPI to show there is a genuine issue of material fact left for trial.

Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 256 (1986). VPI may not rest on mere allegations “but must set forth specific facts showing that there is a genuine issue for trial.” *Id.* The mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment. *Id.*

ARGUMENT

I. VPI’s Lanham Act and Related Claims Fail Because Amazon’s Use of “Video Professor” as a Keyword was Authorized and was a Nominative Fair Use.

A. Burden of Proof: VPI has the burden of proof. See *Frontrange Solutions USA, Inc. v. Newroad Software, Inc.*, 505 F. Supp. 2d 821, 834 (D. Colo. 2007).

B. Elements: VPI alleged false designation of origin and false representation under 15 U.S.C. § 1125(a), trademark infringement under 15 U.S.C. § 1114(a), unfair competition under Colorado and federal common law, and common law trademark and trade name infringement. (Compl. (Dkt. #1) Cts. 1, 2, 4, 6.) To prevail on these claims, VPI must show that: (1) Amazon used VPI’s mark in commerce without authorization, (2) Amazon’s use was likely to cause confusion in the marketplace, and (3) that VPI was injured as a result. *Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co.*, 22 F.3d 1527, 1529 (10th Cir. 1994) (lack of consent, confusion elements); *Harvey Barnett, Inc. v. Shidler*, 338 F.3d 1125, 1135 (10th Cir. 2003) (injury element); *Amoco Oil Co. v. Rainbow Snow*, 748 F.2d 556, 558 (10th Cir. 1984) (“likelihood of confusion” test applies to trademark infringement claims as well as claim for “false designation of origin, its state claims of infringement, and its common law claims of unfair competition”).

C. Material Undisputed Facts: (1) During the period Amazon bid on the keyword “video professor,” VPI products were available for sale on Amazon.com (Undisp. Facts ¶ 5; Herrmann Decl. ¶ 8); (2) VPI was an Amazon vendor and granted Amazon express authorization to use its trademarks in perpetuity (Levy Decl. ¶¶ 2–4 & Exs. A-5, A-6 (Vendor Manual ¶¶ 4, 19), A-7); (3) Amazon identifies the name of the seller of all of its products in its product listings (Herrmann Decl. ¶ 4 & Exs. A-1 to -4); (4) Consumers who clicked on an Amazon advertisement generated by Amazon’s bidding on the keyword “video professor” were sent to a landing page on Amazon.com where VPI products could be purchased (Undisp. Facts ¶¶ 4, 6; Herrmann Decl. ¶ 8); and (5) There is no evidence that Amazon’s practice of bidding on the keyword “video professor” caused any actual consumer confusion. (Levy Decl. ¶¶ 5–6 & Exs. A-8 (Amended Answer to Int. No. 10), A-9 (Answer for Req. for Admission No. 2).)

D. Required Material Facts that VPI Cannot Establish: (1) Amazon’s use of “video professor” as a keyword to generate sponsored links was unauthorized; (2) Amazon’s keyword advertising was likely to cause confusion or mistake as to the source or sponsorship of VPI products available from Amazon; and (3) VPI was injured by Amazon’s keyword advertising.

E. VPI Authorized Amazon to Use its Alleged Mark.

Amazon bid on the keyword “video professor” from December 2003 until April 2009. (Herrmann Decl. ¶ 7.) In December 2003, VPI became an Amazon vendor and signed Amazon’s Vendor Manual. (Levy Decl. ¶¶ 2, 4 & Ex. A-7) In the Vendor Manual, VPI granted Amazon a “perpetual, royalty-free license” to use VPI’s

trademarks. (Levy Decl. Ex. A-6 (Vendor Manual ¶ 4).) This express authorization survived VPI's termination of the Vendor Manual in September 2008. (*Id.* (Vendor Manual ¶ 19).) Amazon's authorized use of VPI's "video professor" trademark in keyword advertising cannot, as a matter of law, constitute infringement of VPI's mark. See *Universal Money Ctrs.*, 22 F.3d at 1529; see also *Segal v. Geisha NYC LLC*, 517 F.3d 501, 506 (7th Cir. 2008) ("[W]here the trademark holder has authorized another to use its mark, there can be no likelihood of confusion and no violation of the Lanham Act."); *Novell, Inc. v. Network Trade Center, Inc.*, 25 F. Supp. 2d 1218, 1224 (D. Utah 1997) ("The third element of a trademark infringement claim under the Lanham Act requires proof that use of the marks is unauthorized."). VPI's claims seeking to hold Amazon liable for its use of "video professor" should be dismissed.

F. Amazon's Use of "Video Professor" was a Nominative Fair Use.

Even without VPI's consent, Amazon's use of "video professor" as a keyword has always been a fair use for which Amazon cannot be held liable. A trademark owner cannot prevent others from making a descriptive use of its trademark to truthfully identify the trademark owner's product. "While a trademark conveys the exclusive right to the use of a mark in commerce in the area reserved, that right generally does not prevent one who trades a branded product from accurately describing it by its brand name, so long as the trader does not create confusion by implying an affiliation with the owner of the product." *Dow Jones & Co. v. Int'l Sec. Exch., Inc.*, 451 F.3d 295, 308 (2d Cir. 2006); 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:11 (4th ed. 2007). For example, although "Volkswagen" is a trademark, a car repair

shop may truthfully advertise that it fixes Volkswagen cars without infringing the mark. *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969).

VPI's own business presents another good example. Without any authorization, VPI uses the trademarks of companies including Microsoft and eBay, among others, to truthfully advertise that VPI's computer-learning products are designed to help consumers learn how to use these various branded products. (Levy Decl. ¶ 8 & Ex. A-11.) Thus, VPI liberally uses Microsoft's trademarks such as Windows[®], Outlook[®] and Excel[®], and the eBay[®] mark, among others, in advertising VPI's products including "Learn Windows[®]," "Learn Outlook[®]," "Learn Excel[®]" and "Learn eBay[®]." (*Id.*) And VPI also bids on these trademarks as keywords to generate sponsored advertising links with major search engines such as Google. (*Id.* ¶¶ 9–12 & Exs. A-12 to -15.)

There are three elements for the application of the nominative fair use doctrine: (1) the products in question are not readily identifiable without use of the trademark, (2) the defendant uses only so much of the mark as is necessary to identify the product, and (3) the defendant does nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. *Frontrange Solutions USA, Inc. v. Newroad Software, Inc.*, 505 F. Supp. 2d 821, 834 (D. Col. 2007) (citing *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992)). "The fair use analysis is essentially an argument that there will be no infringement because there will be no likelihood of confusion."² *Id.* at 835 (citing McCarthy § 23:11). As such, it "is a

² Because nominative fair use is a method of determining likelihood of confusion, most courts have held that it is not an affirmative defense and thus Amazon does not bear the burden of proving nominative fair use. See *Frontrange Solutions*, 505 F. Supp. 2d at 834; McCarthy, *supra*, § 23:11.

matter amenable to summary judgment.” *Id.* (citing *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089 (10th Cir. 1999)) (granting summary judgment dismissing trademark infringement claim based on application of nominative fair use doctrine). Here, the doctrine requires dismissal of VPI’s trademark claims.

The first element is easily satisfied: VPI-brand products are not readily identifiable without use of their brand name. The law does not require such circumlocutions as “computer learning software made by a Colorado corporation founded by John W. Scherer and sold in box featuring a photograph of a man with a moustache.” See *New Kids*, 971 F.2d at 306 (“sometimes there is no descriptive substitute”); *Tiffany Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463, 497 (S.D.N.Y. 2008) (eBay not required to refer to Tiffany jewelry as “silver jewelry from a prestigious New York company where Audrey Hepburn once liked to breakfast); *Frontrange Solutions*, 505 F. Supp. 2d at 835 (plaintiff’s software not easily described without use of its Heat[®] mark).

The second element is also satisfied. Amazon did not use more of VPI’s alleged mark than was necessary to identify VPI’s products as available for sale on Amazon.com. Display of a trademark in plain text in a banner advertisement or email has been deemed sufficiently limited to be fair use. See *Playboy Enters. v. Welles*, 279 F.3d 796, 802 (9th Cir. 2002) (use of Playboy mark in website banner ad was fair because defendant did not use the font or symbols associated with the mark); *Frontrange Solutions*, 505 F. Supp. 2d at 835 (finding nominal fair use based on use of mark in generic type). Importantly, in this case VPI’s claims are *not* based on Amazon’s display of the phrase “video professor” at all. Rather, VPI’s claims are based solely on

its allegation in Paragraph 23 of its Complaint that “Amazon has paid Google for the trademarked keywords ‘Video Professor,’ so that Amazon’s ad is triggered when a person googles the words ‘Video Professor.’” This use is even more restrained than the use of plain text in a display ad, which satisfies this criterion.³

The third element is also satisfied. Amazon has done nothing to suggest that VPI has sponsored or endorsed the sale of VPI products on Amazon.com. VPI admits that it is unaware of any instance in which a consumer who entered “video professor” in an Internet search engine and then clicked on an Amazon advertisement believed that Amazon was a favored or authorized dealer of the VPI products displayed. (Levy Decl. ¶ 6 & Ex. A-9 (Answer to Req. for Admission No. 2).)

A number of courts have already held that online retailers may legitimately use trademarks as keywords to generate sponsored advertising for products available for sale on their websites. Most notably, in *Tiffany v. eBay*, the famous jewelry maker alleged that eBay, the online marketplace, infringed its trademark by advertising the availability of Tiffany jewelry on eBay both on its website and in purchasing sponsored links from Google and Yahoo!. 576 F. Supp. 2d at 494. In connection with eBay’s use of the TIFFANY mark on its website, the court agreed with eBay that it was “entitled to inform third parties of the availability of listings of Tiffany merchandise on its website” and entered a bench verdict for eBay to that effect. *Id.* The court reasoned that “the

³ Bidding on anything less than the two-word phrase “video professor” would have resulted in sponsored links completely unrelated to the search engine user’s query. If Amazon had bid on the single word “video,” then sponsored links may have been served not to individuals looking for VPI products but to individuals looking for YouTube videos, music videos, or the even the entry for “video” found at www.wikipedia.com. Use of such a generic word would not have served the legitimate goal of isolating an interested audience and informing that audience that VPI products could be purchased at Amazon.

mere use of a trademarked term to describe something is not enough to suggest sponsorship or endorsement.” *Id.* at 497. “At most, the use of the TIFFANY Marks suggested that individual eBay sellers were selling authentic Tiffany merchandise on eBay.” *Id.* The court also held that “eBay’s use of the TIFFANY Marks in sponsored links is effectively identical to its use of the Tiffany name on the eBay website” and thus “eBay’s practice of purchasing sponsored links to advertise Tiffany merchandise is protected by the defense of nominative fair use for the same reasons.” *Id.* at 501.

Other courts have similarly held that the nominative fair use doctrine protects an Internet retailer’s use of a trademark of a product it sells as a keyword to generate a sponsored link to its website. For example, in *Designer Skin, LLC v. S&L Vitamins, Inc.*, the court held that a reseller of Designer Skin salon products could lawfully use the “Designer Skin” mark as a search engine keyword “to truthfully inform internet searchers where they can find Designer Skin’s products.” 560 F. Supp. 2d 811, 819 (D. Ariz. 2008). “The fact that these customers will have the opportunity to purchase competing products when they arrive at S & L Vitamins’ sites is irrelevant.” *Id.* The court observed that if the law were otherwise “then trademark law would be (to the extent it is not already) in the unenviable position of styming access to the world of goods and services lawfully available on the internet.” *Id.* at 819 n.7. The court thus granted summary judgment dismissing plaintiff’s claim of trademark infringement and related claims. *Id.* at 820; accord *Mary Kay, Inc. v. Weber*, 601 F. Supp. 2d 839, 857 (N.D. Tex. 2009) (nominative fair use defense applies to purchase of keyword advertisements from Google, finding the holdings of *Designer Skin* and *Tiffany* persuasive).

For the same reasons, Amazon's use of "video professor" as a keyword to generate sponsored links is also a nominative fair use. Amazon is doing nothing more than truthfully communicating to consumers that they can find Video Professor products at Amazon.com. This is no different than VPI itself purchasing Microsoft-owned trademarks as keywords to communicate to consumers that they can purchase from VPI a product to help them learn how to use those Microsoft products. And indeed, VPI has done just that. (Levy Decl. ¶¶ 9–12 & Ex. A-12 to -15.)

Amazon expects that VPI, in opposing this motion, will direct the Court's attention to the doctrine of initial interest confusion and the decision of the Tenth Circuit in *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228 (10th Cir. 2006). The *Australian Gold* decision does not support VPI's position because the doctrine of nominative fair use did not apply to that case and, in any event, was not even considered in the decision.

In *Australian Gold*, plaintiffs obtained a jury verdict on their claims, including trademark infringement, against a distributor that willfully breached its distributorship agreement by selling plaintiffs' products on the Internet, lied to suppliers and concealed its activities.⁴ Among other conduct, defendants paid a company to "guarantee[] that one of Defendant's Web sites would be among the first three listed if either of Plaintiffs' trademarks was used in an internet search query." *Id.* at 1233. Importantly, defendants did this *even though they no longer sold plaintiffs' products* on their websites. *Id.*

⁴ As the court recounts: "In an effort to undermine ETS's distribution channels, Defendants concealed their activities from Plaintiffs; used fictitious names to register their activities; changed the name of their business to make it appear to suppliers to be a legitimate tanning salon; ordered products using a fake business name; and dishonestly stated to suppliers that they had a network of ten salons." *Id.* at 1236.

The district court had denied defendants' motion for judgment as a matter of law on the issue of likelihood of confusion after a jury trial, and the Tenth Circuit affirmed. In doing so, the Tenth Circuit applied the doctrine of initial interest confusion and noted that "Defendants continued to use the trademarks to divert internet traffic to their Web sites *even when they were not selling Products.*" *Id.* at 1239 (emphasis added). Defendants did not even raise the doctrine of nominative fair use and the court did not consider the issue. This is not surprising because the doctrine would not have applied. Defendants were using plaintiffs' trademarks to mislead consumers and divert them to defendants' websites where plaintiffs' products were not available.

By sharp contrast, in this case, as in *Tiffany v. eBay*, Amazon used "video professor" only to purchase keyword advertising to truthfully communicate to consumers that VPI products may be found at Amazon.com. This is not a deceptive bait and switch; it is a fair use that serves the important public purpose of helping consumers find what they are looking for on the Internet. VPI does not have the right to invoke trademark law in an effort to restrain competition and prevent consumers from finding VPI products lawfully offered by third-party resellers. VPI itself would be one among the many unfortunate victims of its own position given VPI's own purchase of the trademarks of others as keywords to advertise VPI's products to consumers.

G. VPI Has Not Suffered Injury.

Finally, VPI cannot show that it has been injured by Amazon's bidding on "video professor" as a keyword. VPI has failed to identify any instances in which Amazon's bidding on the keyword "video professor" confused consumers as to the source or

sponsorship of products featured on its landing pages. Instead, VPI only vaguely references occasions when consumers may have been confused as the source of another computer learning product known as “Professor Teaches.” (Levy Decl. ¶ 5 & Ex. A-8 (Am. Answer to Int. No. 10).) VPI has offered no evidence of any confusion allegedly caused by any sponsored link produced when Amazon won its bid on “video professor” as a keyword. Further, VPI admits that it is unaware of any instance in which a consumer who entered “video professor” in an Internet search engine and then clicked on an Amazon advertisement believed that Amazon was a favored or authorized dealer of the VPI products displayed. (*Id.* ¶ 6 & Ex. A-9 (Answer to Req. for Admission No. 2).)

II. VPI’s Colorado Consumer Protection Act (“CCPA”) Claim Fails.

A. Burden of Proof: VPI has the burden of proof. *Rhino Linings United States v. Rocky Mt. Rhino Lining*, 62 P.3d 142, 146–47 (Colo. 2003).

B. Elements: To prevail, VPI must show: “(1) that the defendant engaged in an unfair or deceptive trade practice; (2) that the challenged practice occurred in the course of defendant’s business, vocation, or occupation; (3) that it significantly impacts the public as actual or potential consumers of the defendant’s goods, services, or property; (4) that the plaintiff suffered injury in fact to a legally protected interest; and (5) that the challenged practice caused the plaintiff’s injury.” *Id.* at 146–47.

C. Material Undisputed Facts: See Part I.C.

D. Required Material Facts VPI Cannot Establish: (1) Amazon’s use of VPI’s alleged mark constituted an unfair or deceptive trade practice; (2) VPI suffered an injury to a legally protected interest; and (3) Amazon’s use of the mark caused that injury.

E. Amazon did not engage in an unfair or deceptive trade practice.

To prove the first element of its CCPA claim, VPI must establish that Amazon “knowingly made a misrepresentation that induce[d] a party’s action or inaction.” *Rhino Linings*, 62 P.3d at 147. However, like its trademark claims, VPI’s CCPA claim is based solely on Amazon’s bidding on the keyword “video professor.” (Compl. ¶ 23.) As discussed above, Amazon bid on this keyword so it could truthfully inform consumers that VPI products were available for purchase at Amazon.com. There is nothing deceptive about this conduct. Therefore, VPI cannot establish the first element of its CCPA claim, and that claim should be dismissed.

F. VPI has not suffered an injury to a legally protected interest.

Driving this litigation is VPI’s unsupported belief that Amazon’s use of the keyword “video professor” resulted in a diversion of traffic from VPI’s website to Amazon’s website, where consumers could buy either VPI products or the products of its competitors. (Compl. ¶¶ 24–25.) VPI’s interest in web traffic is not legally protected. VPI cannot use its trademarks to control downstream distribution of its products or “to prevent the resale of authentic, trademarked goods.” *Tiffany*, 576 F. Supp. 2d at 496. Indeed, “online market websites may properly promote and facilitate the growth of legitimate secondary markets in brand-name goods.” *Id.* at 473. Similarly, VPI cannot attempt to avoid side-by-side comparisons with its competitors by restricting descriptive uses of its trademarks, even if such comparisons cause it to pale. Because VPI cannot show injury to a legally protected interest, its CCPA claim should be dismissed.

G. Amazon’s Keyword Advertising Did Not Cause VPI’s Alleged Injury.

VPI has not suffered a legally cognizable injury. But even if it had, it cannot show Amazon caused that injury. VPI’s causation theory is essentially that Internet users who search for “video professor” are looking for VPI’s site, not Amazon’s, but that Amazon’s sponsored links so distract these individuals that they forget where they were going, follow the sponsored link to Amazon.com, and buy a competitor’s product, believing it to be VPI’s product. (Compl. ¶¶ 29–30.) VPI has no produced no evidence to support this theory. Therefore, for this final reason, its CCPA claim should be dismissed.

III. VPI’s Claim for Tortious Interference Fails.

A. Burden of Proof: VPI has the burden of proof. *Klein v. Grynberg*, 44 F.3d 1497, 1506 (10th Cir. 1995).

B. Elements: VPI must prove: (1) It had a business relationship or reasonable expectancy; (2) Amazon knew or should have known of the relationship or expectancy; (3) Amazon acted intentionally to either discontinue the relationship or prevent the expectancy; (4) Amazon’s conduct was improper; (5) Amazon’s conduct caused the loss of the relationship or expectancy; and (6) Amazon’s conduct proximately caused Plaintiffs’ damages. *Klein*, 44 F.3d at 1506; *Dolton v. Capitol Fed. Sav. and Loan Ass’n*, 642 P.2d 21, 23 (Colo. App. 1981) (citing Restatement (Second) of Torts § 766B).

C. Material Undisputed Facts: See Part I.C. In addition, VPI converts hits on its website to sales of VPI products at a rate of [REDACTED]. (Levy Decl. ¶ 7 & Ex. A-10.) Further, VPI has not identified a single person who terminated a business

relationship with VPI or who declined to enter into such a relationship because of Amazon's conduct.

D. Required Material Facts that VPI Cannot Establish: (1) It had a business relationship or reasonable expectancy; (2) Amazon knew or should have known of the relationship or expectancy; (3) Amazon acted intentionally to either discontinue the relationship or prevent the expectancy; (4) Amazon's conduct was improper; (5) Amazon's conduct caused the loss of the relationship or expectancy; and (6) Amazon's conduct proximately caused the Plaintiffs' damages.

E. VPI Did Not Have a Business Relationship or Reasonable Expectancy and Amazon Therefore Could Not Have Known of It.

VPI sells off-the-shelf computer software learning tools and has presented no evidence that it had any ongoing business relationship with any of its customers. This is fatal to its claim. For purposes of a tortious interference claim, "a protected relationship exists only if there is a reasonable likelihood or probability that a contract would have resulted; there must be something beyond a mere hope." *US West, Inc. v. Business Discount Plan, Inc.*, 196 F.R.D. 576, 594 (D. Colo. 2000) (quoting *Klein*, 44 F.3d at 1506). In *U.S. West*, a telephone company alleged that the defendant's fraudulent representations to individuals within the company's region affected its ability to contract with those individuals. This Court rejected that argument, finding that the plaintiff's "allegations regarding the formation of prospective contracts represent[ed] nothing more than "mere hope." *Id.* at 594. Similarly, VPI's allegations here reflect nothing more than "mere hope" that unknown Internet users would visit its site and purchase its products. VPI has not identified a single communication with any customer or potential customer

who actually intended to buy one of its products before that intent was allegedly derailed by Amazon. See *Klein*, 44 F.3d at 1506. In addition, VPI converts hits on its website to sales of VPI products at a rate of [REDACTED]. (Levy Decl. ¶ 7 & Ex. A-10.) Thus, even if it were assumed that consumers who followed Amazon’s sponsored link to Amazon.com had been originally looking for the videoprofessor.com website (an assumption with no factual basis), it was hardly “reasonably likely or probable” that they would have purchased product from VPI. Therefore, its tortious interference claim fails.

F. Amazon Did Not Intentionally or Improperly Interfere with VPI’s Expectancy.

To recover on its tortious interference claim, VPI must show not only that Amazon “intentionally interfered with an existing contract or with prospective contractual relations” but also that “such interference was ‘improper.’” *Harris Group, Inc. v. Robinson*, 209 P.3d 1188, 1196 (Colo. Ct. App. 2009). VPI alleges that Amazon interfered with its contracts by infringing its trademark rights. (Compl. ¶ 59.) However, as discussed above, Amazon’s keyword advertising did not constitute trademark infringement, unfair competition, a deceptive trade practice, or any other unlawful conduct. Therefore, VPI cannot show that Amazon intentionally and improperly interfered with its contractual relationships or business expectancies.

G. Amazon Did Not Cause VPI to Lose Its Relationship or Expectancy and was Not the Proximate Cause of VPI’s Damages.

Finally, VPI must show both cause in fact and proximate cause to recover for tortious interference. Again, as discussed above, VPI’s theory of causation is entirely speculative and based on its belief that Amazon’s keyword advertising diverted away

from VPI's website Internet users who otherwise would have visited VPI's website and purchased its products. This belief is wholly unsupported by the evidence which shows, among other things, that only [REDACTED] of Internet users who "clicked through" to VPI's website actually purchased something on the site. Consumers decline to enter into a business relationship with VPI for any number of reasons, but there is no evidence that Amazon's bidding on the keyword "video professor" was one of them.

CONCLUSION

The nominative fair use doctrine plays an essential role in preserving competition to the benefit of consumers. Nominative fair use allows retailers such as Amazon and VPI to use other parties' trademarks to truthfully describe or identify the products they sell. Yet here VPI asks the Court to reject this basic principle and prevent Amazon from using "video professor" to truthfully identify Video Professor-brand products available on its website. VPI makes this request even though it granted Amazon a perpetual license to use its trademarks. Trademark law cannot be used in such an anticompetitive way. Counts one through six of VPI's Complaint fail and should be dismissed. In addition, counts seven and eight should be dismissed as they merely articulate remedies to which VPI is not entitled due to the failure of its substantive claims.

Dated: October 27, 2009

/s/ Marc C. Levy
Marc C. Levy
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CERTIFICATE OF SERVICE (CM/ECF)

I hereby certify that on October 27, 2009, I electronically filed the foregoing **DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND MEMORANDUM IN SUPPORT THEREOF (ORAL ARGUMENT REQUESTED)** with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following persons at the given email addresses:

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/s/ Lori E. True

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