

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

OCLC ONLINE COMPUTER LIBRARY)
CENTER, Inc.,)
6565 Frantz Road)
Dublin, OH 43017,)
)
Plaintiff,)
)
v.)
)
299 MADISON AVENUE, L.L.C.)
d/b/a THE LIBRARY HOTEL)
299 Madison Ave.)
New York, NY 10017)
)
)
Defendant.)

Case No.:

Judge:

**COMPLAINT FOR TRADEMARK INFRINGEMENT, UNFAIR
COMPETITION, PASSING OFF, FALSE ADVERTISING AND
DILUTION OF FAMOUS MARKS**

Plaintiff OCLC Online Computer Library Center, Inc. (hereinafter "Plaintiff" or "OCLC"), by and through undersigned counsel, for its Complaint against defendant 299 Madison Avenue L.L.C., d/b/a The Library Hotel (hereinafter, "Defendant" or "The Library Hotel"), states as follows:

1. This is an action for trademark infringement under the Lanham Act, 15 U.S.C. § 1051 *et seq.*; 15 U.S.C. § 1114(a); unfair competition, passing off, false advertising and false designation of origin under the Lanham Act, 15 U.S.C. § 1125(a); and dilution of a famous mark under the Lanham Act, 15 U.S.C. § 1125(c), arising from Defendant's unauthorized use of OCLC's world-famous trademarks DEWEY DECIMAL CLASSIFICATION, DEWEY and DDC, as well as elements of the Dewey Decimal Classification System in its hotel concept, marketing and promotion.

2. In August 2000, Defendant opened The Library Hotel in New York City as a small, boutique hotel. Located close to the New York Public Library, Defendant describes the concept of The Library Hotel as follows:

Most library users know the general structure of Melvil Dewey's decimal classification. First published in 1876, the Dewey Decimal Classification (DDC system) divides knowledge into ten main classes, with further subdivisions. More than 200,000 libraries in 135 countries use the DDC system to organize their book collections. Its simple and logical framework is based on the principle of decimal fractions as class marks, which are expandable to make further subdivisions.

The Library Hotel in New York City is the first hotel ever to offer the guest over 6,000 volumes organized throughout the hotel by the DDC system. Each of the 10 guestrooms floors honors one of the 10 categories of the DDC system and each of the 60 rooms is uniquely adorned with a collection of books and art exploring a distinctive topic within the category or floor it belongs to.

See printout of Defendant's web site, Exhibit A hereto, and incorporated by reference herein.

3. Between October, 2000 and October, 2002, OCLC made three written requests to Defendant to acknowledge and attribute its use of the OCLC trademarks to OCLC.

Defendant refused, and has continued in its wholesale appropriation of the Dewey Decimal Classification system and trademarks as the overall thematic concept for The Library Hotel, based on its unauthorized use of the DDC, DEWEY and DEWEY DECIMAL CLASSIFICATION trademarks, despite Defendant's knowledge that such use infringes OCLC's rights in its trademarks.

Parties

4. Plaintiff OCLC is an Ohio corporation with its principal place of business located at 6565 Frantz Road, Dublin, Ohio. OCLC is a nonprofit membership organization which has served over 45,000 libraries in 86 countries and territories around the world.

Founded in 1967 to share library resources and reduce library costs, OCLC introduced an online shared cataloging system for libraries in 1971 that today is used by libraries around the world. The OCLC interlibrary loan service was introduced in 1979 and since then has been used to process more than 127 million interlibrary loan requests. Approximately 7,300 libraries and other organizations around the world currently utilize the OCLC interlibrary loan system. The FirstSearch service was introduced as a reference tool in 1991 and is now used by approximately 20,000 libraries. In 1988, OCLC acquired Forest Press, the publisher and owner of the Dewey Decimal Classification system and the trademarks relating to and identifying the system. OCLC offers a full range of services to meet the needs of libraries of all sizes, including cataloging tools, reference databases and online searching services, resource sharing tools, preservation services and the Dewey Decimal Classification system. Currently, more than 200,000 libraries in 135 countries are licensed or otherwise authorized by Plaintiff to use the Dewey Decimal Classification system and the trademarks related to and identifying the system, and it is also used to organize the national bibliographies of 59 countries.

5. Upon information and belief, Defendant is a New York limited liability company with its principal place of business located at 229 Madison Avenue, New York, New York. Defendant owns and operates The Library Hotel in New York City. Upon information and belief, Defendant maintains a significant presence on the World Wide Web by which it markets The Library Hotel to potential customers, and makes reservations for guests worldwide, including in the State of Ohio, via an interactive online web site and reservation system. See Exhibit A.

Jurisdiction and Venue

6. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. § 1121 and 28 U.S.C. § 1338(a) and (b). Personal jurisdiction in this district is proper inasmuch as Defendant has solicited and conducted business within the State of Ohio via its online reservation system, thereby purposely availing itself of the privilege of acting in the State of Ohio. Likewise, personal jurisdiction is proper under Ohio's long-arm statute, Ohio Rev. Code § 2307.382(A)(4) because Defendant regularly does or solicits business in the State of Ohio. Venue is proper in this district pursuant to 28 U.S.C. § 1391 (b)(2).

Facts The DEWEY Trademarks

7. The DEWEY DECIMAL CLASSIFICATION system, also known as the DDC system, is a general knowledge organization tool that is continuously revised to keep pace with knowledge. The system was created by Melvil Dewey in 1873 and has been in use since 1876. The DDC system is the most widely used classification system in the world. Thousands of libraries in more than 135 countries use the DDC system to organize and provide access to their collections, and DDC system numbers are featured in the national bibliographies of nearly 60 countries. Libraries of every type apply Dewey Decimal Classification numbers on a daily basis and share these numbers through a variety of means. The DDC system is also used for other purposes, such as serving as the organizational structure for searchable resources on the World Wide Web.

8. The DDC system is built on sound principles that make it ideal as a general knowledge organization tool: meaningful notation in universally recognized Arabic numerals, well-defined categories, well-developed hierarchies, and a rich network of relationships among topics. In the DDC system, basic classes are organized by disciplines or fields of study. At the

broadest level, the DDC system is divided into ten main classes, which together cover the entire world of knowledge. Each main class is further divided into ten divisions, and each division into ten sections. A chart illustrating the main divisions of the DDC system is attached hereto as Exhibit B.

9. The DDC system is published by the Dewey Decimal Classification division of OCLC (formerly known as Forest Press), and is in a constant state of development. The Dewey Decimal Classification Editorial Policy Committee (EPC) is a ten-member international board whose main function is to advise the editors and OCLC/Forest Press on matters relating to changes, innovations, and the general development of the Classification. OCLC regularly publishes updates to the DDC system, and updated electronic versions of the DDC system are issued quarterly in WebDewey, the Web version of the DDC system database.

10. By virtue of its acquisition of Forest Press, OCLC is the owner of numerous common law trademarks, as well as United States Trademark registrations thereof, and the goodwill symbolized by the trademarks and the registrations thereof (the "Dewey Marks") including:

a) DEWEY DECIMAL CLASSIFICATION - Registration No. 0755548, registered August 27, 1963, for periodical publication—namely, an index relating to a system of classifying the field of human knowledge;

b) DDC – Registration No. 1458757, registered September 22, 1987, for publication of books and magazines relating to a system of classifying the field of human knowledge;

c) DEWEY – Registration No. 1868056, registered December 20, 1994, for periodical publication, electronically recorded on compact discs, featuring an index relating to a system of classifying the field of human knowledge.

Copies of each of the said trademark registrations are attached hereto as Exhibit C. Current certified copies of each identified trademark registration will be filed with the court forthwith.

11. The certificates of registration identified in paragraph 10 are valid and subsisting and record title in OCLC; the certificates of registration are *prima facie* evidence of the validity of the registrations, the Registrant's ownership of the marks, and the Registrant's exclusive right to use the marks in commerce in connection with the goods and services specified in the certificates of registration under the provisions of 15 U.S.C. § 1057(b), and provide constructive notice of the Registrant's claim of ownership under 15 U.S.C. § 1072. The registrations are also incontestable, which provides conclusive evidence of the validity of the registrations, the Registrant's ownership of the marks, and the Registrant's exclusive right to use the marks in commerce in connection with the goods and services specified in the certificates of registration under 15 U.S.C § 1115(b).

12. The name and marks DEWEY, DEWEY DECIMAL CLASSIFICATION, DDC and variants thereof have been extensively and continually advertised and promoted by Forest Press and now by OCLC within the United States and worldwide for more than a century with respect to a system for the classification and organization of human knowledge. Substantial amounts of time, effort, and money have been expended over those years in ensuring that the general public associates such marks exclusively with OCLC and its products. During fiscal year 2001 alone, OCLC expended in excess of \$100,000 in marketing, advertising and promoting goods and services using its trademarks.

13. OCLC has been vigilant in protecting its interests in the Dewey Marks, and has frequently acted against misuse of the Dewey Marks by unauthorized third parties. In addition,

OCLC's web site clearly states its policies for use of the DDC Summaries, which are the portion of the DDC misappropriated by Defendant:

Libraries with ongoing subscriptions to WebDewey or Abridged WebDewey may post the DDC22 Summaries (i.e., the first three levels of the Dewey Decimal Classification -- for example, 500 Science is Level 1, 510 Mathematics is Level 2, 513 Arithmetic is Level 3) on their web sites solely for the internal, noncommercial purposes of organizing the resources made available to their patrons via such web sites. Such use of the DDC22 Summaries should be accompanied by the following notice on the initial screen:

The Dewey Decimal Classification is © 2003 OCLC Online Computer Library Center, Incorporated. Used with Permission.

DDC, Dewey, and Dewey Decimal Classification are registered trademarks of OCLC Online Computer Library Center, Incorporated.

All other use of the DDC requires prior written permission from OCLC. To request a licensing proposal, please send an e-mail message to DeweyLicensing@oclc.org, describing your proposed use of the DDC.

See Exhibit B

14 By virtue of the worldwide recognition and use of the Dewey Decimal Classification system as the premier system for the organization of the field of human knowledge, through OCLC's efforts to promote and expand the use of the DDC system into ever-expanding fields of knowledge and new media for organizing and accessing such knowledge, and through OCLC's vigilance in policing the use of the Dewey Marks, the Dewey Marks have acquired an extraordinary degree of consumer recognition in the minds of the relevant public that use the system, and are now famous and serve uniquely to identify products and services provided by OCLC. Through widespread and favorable public acceptance and recognition, these marks enjoy tremendous goodwill and have become assets of incalculable value as symbols of OCLC's products and services.

Defendant's Wrongful Conduct

15. Defendant's entire concept in creating The Library Hotel was based on its wholesale appropriation of the DDC system as a unifying theme. In so doing, Defendant seeks to trade off the good will and worldwide recognition of the DDC system without acknowledging ownership of the Dewey Marks by OCLC. For example, Defendant's web site promoting The Library Hotel makes use of the marks DDC and DEWEY DECIMAL CLASSIFICATION system no less than six times to refer to the services provided by Defendant. Moreover, the page entitled "The Library Concept" contains a listing of The Library Hotel's rooms organized in a graphical fashion that is identical to the DDC system's ten main classes. Compare Exhibit A with Exhibit B.

16. Defendant's owner is well aware of the value of intellectual property rights, and is quoted as having the audacity to claim such rights in his use of the Dewey Marks. In an interview for a hotel industry news publication, The Library Hotel's owner, Henry Kallan, recognized the source-identifying potential of "The Library Concept":

The hotel functions as a library and every room has books on different subjects. One floor will be classical music, geography, math and science. You check in and your room key is your library card. . . I was even thinking of registering the concept as intellectual property.

See Hotelinteractive.com, *Hotelier Sees Service As Strongest Asset*, Glenn Hausman (May 31, 2000) (copy attached hereto as Exhibit D and incorporated by reference herein).

17. Likewise, Defendant makes extensive use of the Dewey Marks as its marketing theme on its brochures, advertisements and other promotional materials that are disseminated to the public. See Exhibit E for examples of these materials.

18. Defendant's use in commerce of the Dewey Marks, and its operation of The Library Hotel using the DDC system as a unifying theme, is likely to cause confusion, to cause

mistake, or to deceive members of the public into believing that OCLC has sponsored or authorized Defendant's use of the Dewey Marks and Defendant's so-called "Library Concept." In the alternative, Defendant's actions, if not enjoined, could lead the general public to understand that the Dewey Marks refer primarily to a genus of goods or services, thereby rendering the Dewey Marks generic and destroying their origin-identifying function.

19. Before filing this suit, OCLC made three written requests to Defendant, through its owner, Henry Kallen, to provide appropriate attribution and acknowledgement of OCLC's ownership of the OCLC/Dewey Marks in its promotion, marketing and operation of The Library Hotel. OCLC received no response to its first two letters, dated October 25, 2000 and October 15, 2001, respectively. See Exhibits F and G hereto. On October 3, 2002, OCLC sent Mr. Kallen a certified letter once again requesting that Defendant give OCLC appropriate attribution for Defendant's use of the OCLC/Dewey Marks. See Exhibit H hereto. On October 8, 2002, Mr. Kallen responded by calling OCLC's counsel and informing him that The Library Hotel would not provide the requested attribution. See Exhibit I hereto.

20. Even after receiving the aforementioned letters from OCLC, The Library Hotel has continued to extensively market its concept. The Library Hotel has been the subject of several articles about the growing "theme" hotel industry. These articles all mention The Library Hotel's unifying concept, the use of the DDC system, without proper acknowledgement and attribution to OCLC. See Exhibit J hereto for examples of such articles.

21. Defendant's willful actions (1) have the likelihood of affecting interstate commerce by deceiving or confusing the public throughout the nation; (2) constitute a false designation of the defendant's goods or services by passing them off as being associated with OCLC; (3) suggest a non-existent connection with OCLC; (4) suggest that OCLC has

sponsored, licensed or approved of defendant's goods, services, or businesses; and/or (5) could cause the Dewey Marks to become generic in the eyes of the general public and destroy the origin-identifying function of the Dewey Marks.

First Cause Of Action
Federal Trademark Infringement

22. OCLC realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 21 of the Complaint

23. Defendant's aforementioned acts constitute trademark infringement in violation of the Lanham Act, 15 U.S.C. § 1114.

24. OCLC's federal registrations on the Principal Register for the marks DEWEY DECIMAL CLASSIFICATION, DDC and DEWEY are conclusive evidence of OCLC's exclusive right to use these marks, pursuant to the Lanham Act, 15 U.S.C. § 1115. The registrations are incontestable, which provides conclusive evidence of their validity, OCLC's ownership of the marks and exclusive right to use the marks in commerce in connection with the goods and services specified in the certificates of registration under 15 U.S.C. § 1115(b).

25. Defendant's wrongful use of the Dewey Marks and misappropriation of the Dewey Decimal Classification system as a thematic marketing concept for a hotel are likely to cause confusion as to sponsorship or authorization by OCLC, or alternatively, destroy the origin-identifying function of the Dewey Marks. Defendant's actions constitute trademark infringement in violation of section 32(a) of the Lanham Act, 15 U.S.C. § 1114.

26. As a proximate result of defendants' actions, OCLC has suffered and will continue to suffer great damage to its business, goodwill, reputation, profits and the strength of its trademarks. The injury to OCLC is and continues to be ongoing and irreparable. An award

of monetary damages alone cannot fully compensate OCLC for its injuries and OCLC lacks an adequate remedy at law.

27. The foregoing acts of infringement have been and continue to be deliberate, willful and wanton, making this an exceptional case within the meaning of 15 U.S.C. § 1117.

28. OCLC is entitled to a permanent injunction against Defendant, as well as all other remedies available under the Lanham Act, including, but not limited to, compensatory damages; treble damages; disgorgement of profits; and costs and attorney's fees.

Second Cause of Action

Federal Unfair Competition, False Designation of Origin, Passing Off and False Advertising

29. OCLC realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 28 of the Complaint.

30. The Dewey Marks, as used by OCLC and its licensees in connection with providing goods and services relating to the Dewey Decimal Classification system for the organization of the field of human knowledge, are distinctive marks and have become associated with OCLC and thus exclusively identify OCLC's business, products, and services.

31. Because of Defendant's wrongful use of the Dewey Marks and its appropriation of the Dewey Decimal Classification system as a thematic marketing concept for a hotel, consumers are deceptively led to believe that The Library Hotel originates with or is sponsored or otherwise approved by OCLC, in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), or alternatively, will cause patrons to believe that the Dewey Marks are generic, thus destroying the goodwill and value OCLC has built with the Dewey Marks.

32. The foregoing acts and conduct by Defendant constitute false designation of origin, passing off and false advertising in connection with products and services distributed in interstate commerce, in violation of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

33. Defendant's acts, as set forth above, have caused irreparable injury to OCLC's goodwill and reputation. The injury to OCLC is and continues to be ongoing and irreparable. An award of monetary damages alone cannot fully compensate OCLC for its injuries and OCLC lacks an adequate remedy at law.

34. OCLC is entitled to a permanent injunction against Defendant, as well as all other remedies available under the Lanham Act, including, but not limited to, compensatory damages; treble damages; disgorgement of profits; and costs and attorney's fees.

Third Cause of Action

Dilution of Famous Marks

35. OCLC realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 34 of the Complaint.

36. The Dewey Marks are famous trademarks within the meaning of the Anti-Dilution Act, 15 U.S.C. § 1125(c).

37. OCLC has no control over the quality of The Library Hotel's web site, hotel, advertising and other promotional materials, its use of the Dewey Marks, and its misappropriation of the Dewey Decimal Classification system as a thematic marketing concept for a hotel. As a result of such use by The Library Hotel, the distinctive qualities of the Dewey Marks are being and will continue to be diluted.

38. Defendant's operating of a hotel, its use of and dissemination of materials bearing the Dewey Marks, and its misappropriation of the Dewey Decimal Classification

system as a thematic marketing concept for a hotel, is and will continue to result in the dilution of the distinctive nature of the Dewey Marks through blurring, in violation of 15 U.S.C. § 1125(c).

39. Defendant's wrongful conduct constitutes an extreme threat to the distinctiveness of the Dewey Marks that OCLC has expended great efforts to develop and maintain through its strict control over the decision to license usage of the Dewey Marks.

40. The distinctive nature of the Dewey Marks is of enormous value, and OCLC is suffering and will continue to suffer irreparable harm and blurring of the Dewey Marks if Defendant's wrongful conduct is allowed to continue.

41. Defendant's operating of a hotel, its use of and dissemination of materials bearing the Dewey Marks, and its misappropriation of the Dewey Decimal Classification system as a thematic marketing concept for a hotel will likely continue unless enjoined by this Court.

42. OCLC is entitled to a permanent injunction against Defendant, as well as all other remedies available under the Lanham Act, including, but not limited to, compensatory damages; treble damages; disgorgement of profits; and costs and attorney's fees.

WHEREFORE, OCLC prays for judgment against Defendant as follows:

(1) that Defendant, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Defendant who receive actual notice of the court's order by personal service or otherwise, be permanently enjoined from:

(a) using any of the Dewey Marks or any variation of the word "Dewey" specifically including, but not limited to, any term that includes "Dewey" or a misspelling of Dewey in connection with the promotion, marketing, advertising, public

relations and/or operation of The Library Hotel, or any other such establishment using a "Library Concept" marketing strategy;

(b) using the Dewey Decimal Classification system as any part of a thematic marketing concept in connection with the promotion, marketing, advertising, public relations and/or operation of The Library Hotel, or any other such establishment using a "Library Concept" marketing strategy;

(c) diluting, blurring, passing off or falsely designating the origin of the Dewey Marks or the Dewey Decimal Classification system, and from injuring OCLC's goodwill and reputation;

(d) doing any other act or thing likely to induce the belief that The Library Hotel's businesses, services or products are in any way connected with, sponsored, affiliated, licensed, or endorsed by OCLC;

(e) using any of the Dewey Marks for goods or services, or on the internet, or as domain names, email addresses, meta tags, invisible data, or otherwise engaging in acts or conduct that would cause confusion as to the source, sponsorship or affiliation of Defendant with OCLC;

(2) that Defendant, in accordance with 15 U.S.C. § 1116(a), be directed to file with this court and serve upon OCLC within thirty days after service of the permanent injunction a report in writing under oath, setting forth in detail the manner and form in which Defendant has complied with the permanent injunction;

(3) that OCLC recover its actual damages sustained as a result of Defendant's wrongful actions;

(4) that OCLC recover Defendant's profits made as a result of Defendant's wrongful actions;

(5) that OCLC recover three times Defendant's profits made as a result of Defendant's wrongful actions or three times OCLC's damages, whichever is greater;

(6) that this case be deemed an exceptional case under 15 U.S.C. §§ 1117(a) and (b) and that Defendant be deemed liable for and ordered to reimburse OCLC for its reasonable attorneys' fees;

(7) that OCLC be awarded exemplary damages for Defendant's willful and intentional acts;

(8) that OCLC recover its costs of court; and

(9) that OCLC recover such further relief to which it may be entitled.

Dated: September __, 2003.

Respectfully submitted,

s/Joseph R. Dreitler

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