

Anticybersquatting Consumer Protection Act

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ACPA

In Rem v. In Personam Jurisdiction

Proving Bad Faith

Legal and Equitable Relief

Advantages of ACPA over UDRP

Plaintiff & Defense Strategies

Jurisdictional Bases Exclusive

- *In rem* and *in personam* jurisdiction mutually exclusive. *Alitalia-Linee Aeree Italiane S.p.A. v. Casinoalitalia.com*, 128 F.Supp.2d 340 (E.D. Va. 2001)

Basis for *In Rem* Jurisdiction

- Unable to assert personal jurisdiction over known defendant
- Through due diligence unable to find a putative defendant
 - *Heathmont A.E. Corp. v. Technodome.com*, 2000 U.S. Dist. LEXIS (E.D. Va. 2000)

Due Diligence

- Must show due diligence in proving a lack of personal jurisdiction
Heathmont A.E. Corp. v. Technodome.com, 2000 U.S. Dist. LEXIS (E.D. Va. 2000)
- Must show no personal jurisdiction in forum and in any other state *Id.*

Venue for *In Rem* Actions

- *In rem* jurisdiction exists only in the judicial district of domain name registry, registrar, or other domain name authority. 15 U.S.C. § 1125(d)(2)(A)
Fleetboston Financial Corp. v. Fleetbostonfinancial.com, 2001 U.S. Dist. LEXIS 4797 (D. Mass. Mar. 27, 2001)

Bad Faith Required

- Must plead and prove bad faith in *in rem* actions. *Harrods Ltd. V. Sixty Internet Domain Names*, 110 F.Supp.2d 420 (E.D. Va. 2000)

ACPA Elements

- Bad faith intent to profit
- Registers, traffics in, or uses domain
- Identical or confusingly similar to the plaintiff's mark
- Plaintiff's mark - distinctive or famous

Bad Faith Factors

- Trademark or other IP rights
- Legal name or used to identify
- Prior use with bona fide offerings
- Bona fide noncommercial or fair use
- Intent to divert consumers
- Offer to transfer domain name for \$\$
- Material or misleading false contact info

Bad Faith Factors (cont.)

- Registration of multiple domain names which are identical or confusingly similar to others' distinctive marks or dilutive of famous marks
- The extent to which the trademark incorporated in the domain name is distinctive and famous
- 15 U.S.C. § 1125(d)(1)(B)(I)

Application

- Fame yields bad faith
- Commercial use reflecting intent to divert customers
- Offers to sell at high prices
- Pattern of registering well known marks

Tarnishment ➡ Bad Faith

- *Mattel* - use of BARBIESPLAYPEN.COM in connection with porn site
- *Morrison & Foerster* - linking to anti-semitic or pornographic content
- *E. & J. Gallo* - Use of ernestandjulio.com for anti-wine site
- *Ford Motor* - Using fordrecalls.com to sell hard porn

Other Evidence of Bad Faith

- Post registration transfer of domain name to related company - *Sporty's Farm*
- Request for continued use of domain name and covenant not to sue - *Broadbridge Media*
- Post-registration adoption of assumed name Morri, Son & Foerster eBusiness, Inc. - *Morrison & Foerster*

Other Evidence of Bad Faith

- Posting website post suit - *E. & J. Gallo*
- Targeting trademark names, registering under fictitious names, offering dubious explanations for adoption of domain names - *Northern Lights*

Other Evidence of Bad Faith

- Failing to seek the advice of counsel before registering domain name. *E. & J. Gallo Winery v. Spider Webs Ltd.*, 2001 U.S. Dist. LEXIS 912 (S.D. Tex. Jan. 29, 2001)

Other Evidence of Bad Faith

- "I mean to be candid with you . . . to see these people squirming around over 70 bucks, that's enjoyable." *Morrison & Foerster*

Retroactivity and Damages

- ACPA applies retroactively, but only for prospective injunctive relief
- Damages available for post-enactment registration, trafficking or use
- *Mattel* - continued use of web site post-ACPA triggered damages

Statutory Damages

- *\$1,000 to \$100,000*
- *Electronics Boutique v. Zuccarini, \$500,000 total (\$100,000 per)*
- *Gallo - \$25,000*
- *Shields v. Zuccarini - \$10,000 per (\$50k)*
- *United Greeks - \$2,000 per (\$10k)*

Personal Liability of Corporate Officers

- *Mattel* - Registrant Internet Dimensions, and Benjamin Schiff, sole officer, director, shareholder, and employee
- Schiff personally liable without piercing corporate veil

Officer Liability

- "A corporate officer who directs, controls, ratifies, participates in, or is the moving force behind the infringing activity, is personally liable for such infringement without regard to piercing the corporate veil." *Mattel* (quoting *Babbitt Electronics, Inc. v. Dynascan Corp.*, 38 F.3d 1161, 1184 (11th Cir. 1994)).

ACPA Advantages

- Bad faith intent to profit in registering, trafficking *or* use
- Registrant's legitimate interests in domain name do not preclude liability
- Discovery
- Statutory Damages and broad equitable relief
- Contempt Powers

ACPA Advantages (*Cont.*)

- Federal courts may weigh trademark rights more heavily
- Greater consistency

ACPA Plaintiff Strategies

- Document communications
- Discovery - wide and deep
- Offer to buy, but for out-of-pocket costs
- Other evidence of bad faith
- Safe harbor unavailable to partial bad faith actor

Defendant Strategies

- Challenge similarity of the marks
- Develop client's "good faith" case
- Avoid discussions of sale
- Safe Harbor Provision

Conclusion

- Discovery
- Bad Faith
- Statutory Damages
- Personal Liability
- Broad Injunctive Relief
- Contempt

ACPA

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