

Yahoo, Inc., v BelgiumDomains, LLC, et al.
Case No.: 07-22678- CIV- JORDAN/Torres

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

Case No.: 07-22678- CIV- JORDAN/Torres

YAHOO, INC.

Plaintiff,

V.

**BELGIUMDOMAINS, LLC; CAPITOLDOMAINS,
LLC; DOMAINDOORMAN, LLC; NETRIAN
VENTURES LTD.; IHOLDINGS.COM, INC., JUAN
PABLO VAZQUEZ, a/k/a/ JP VAZQUEZ an
individual; and DOES 1-10**

Defendants.

_____ /

**DEFENDANT J.P. VAZQUEZ'S MOTION TO DISMISS AMENDED COMPLAINT
AND MEMORANDUM OF LAW**

COMES NOW, the Defendant J.P. Vazquez, an individual, by and through the undersigned attorney, pursuant to Fed.R.Civ.P. 12(b)(6), and hereby moves for dismissal of the eight causes of action alleged in the Plaintiff's Amended Complaint for Cybersquatting, Trademark Infringement, Counterfeiting, Dilution, and Unfair Competition ("Complaint").

As grounds for said motion and in support of said motion Defendant J.P. Vazquez would assert as follows:

1. All of Plaintiff's causes of action (the "Claims") against Defendant J.P. Vazquez are based on the allegation that "Defendant J.P. Vazquez conducts the day to day operations of co-defendants BelgiumDomains, LLC ("BelgiumDomains"), CapitolDomains, LLC ("CapitolDomains"), DomainDoorman, LLC ("DomainDoorman"), Netrian Ventures Ltd. ("Netrian"), and iHoldings.com, Inc.

("iHoldings") (hereinafter collectively the "Registrar Defendants") and directs and conducts the unlawful activities complained of in the Complaint". See Complaint ¶ 13. This allegation is conclusory in the extreme and the Complaint fails to allege any identifiable fact that would support the allegation. In fact, Defendant J.P. Vazquez is mentioned only in Complaint ¶¶ 11 and 13 and in the remaining 218 paragraphs of the Complaint Defendant J.P. Vazquez is not alleged to have committed any act, action or omission whatsoever in support of the alleged unlawful activity.

2. All of Plaintiff's causes of action (the "Claims") are based on the allegation that Defendant J.P. Vazquez conducts the day to day operations of the Registrar Defendants. The Registrar Defendants are the registrants of the domain names referred to in the Complaint (the "Domain Names"), which purportedly infringe various trademarks owned by Plaintiff (the "Alleged Marks"). However, Plaintiff's Complaint indicates the Registrar Defendants only provided services for other entities and individuals who were the actual Domain Name registrants. For this reason, Plaintiff's Claims should be dismissed.
3. Plaintiff's Claims are all based on the supposition that the registrants of the Domain Names used them in commerce - i.e., that the registrants used the Domain Names as unique indicators of the source of related goods or services. However, Plaintiff's own evidence attached to the Complaint as Exhibits do not establish that the Domain Name registrants promoted any goods or services in connection with the Alleged Marks, but only displayed Internet search results upon entry of one of the Domain Names. Consequently, Plaintiff's Claims should be dismissed.

4. Plaintiff's Complaint does not provide a sufficient factual basis to allege its fourth Claim for counterfeiting, since the Domain Names are not indistinguishable from the Alleged Marks and were not used in connection with identifiable goods or services.

For the reasons set forth herein and in the incorporated Memorandum of Law, Defendant J.P. Vazquez respectfully suggests that the Plaintiff's Complaint fails to state a cause of action for which relief can be granted.

MEMORANDUM OF LAW

I. BACKGROUND

a. ALLEGATIONS CONCERNING THE REGISTRAR DEFENDANTS' PURPORTED USE OF DOMAIN NAMES

i. ALLEGED DOMAIN NAME REGISTRATIONS

Plaintiff's Claims against Defendant J.P. Vazquez are all based on his participation and/or controlling the acts and actions of the Registrar Defendants. The cause of action alleged against the Registrar Defendants are all based on the Registrar Defendants' alleged "registration, use, or trafficking" of the Domain Names, which Plaintiffs claim infringe its Alleged Marks. Plaintiff avers that three of the Registrar Defendants are domain name registrars while the fourth, Netrian, is their "Corporate Manager." Further, Plaintiff alleges the Domain Names are all registered to entities and individuals other than the Registrar Defendants, such as Caribbean Online International Ltd. and Domain Drop S.A.

However, Plaintiffs blur the distinction between domain name registrars - which merely serve as an interface between their customers and the relevant domain name registries

- and domain name registrants, who actually own and control the registered domain names. Plaintiff makes the conclusory allegation that the Domain Name registrants are employed by the Registrar Defendants "to conceal their true identities" but they do not allege any identifiable facts which warrant that conclusion.

ii. ALLEGED COMMERCIAL USE OF DOMAIN NAMES

Plaintiff's Claims are also based on the allegation that the registrants of the Domain Names used them in connection with the promotion of "goods or services identical, directly competitive or related to those sold or provided in connection with Plaintiffs". However, the attachments to the Complaint indicate the Domain Names only redirected Internet users to results which appear to have been provided by an Internet search engine. Some of those search results included links to Plaintiff's own websites. Critically, none of the search results attached to the Complaint indicates use of Plaintiff's Alleged Marks in connection with another party's goods or services.

b. ALLEGATIONS CONCERNING PLAINTIFF'S COUNTERFEITING CLAIM

Plaintiff bases its counterfeiting claim on alleged use of "Counterfeit Domain Names", a term Plaintiff never defines. The alleged "counterfeiting" relates to the purported use of "websites and pop-up and pop-under advertisements." However, Plaintiffs do not allege the Registrar Defendants ever used any of the Alleged Marks in connection with goods and services which are similar to those offered by Plaintiffs, which allegation is mandatory to support a claim of counterfeiting.

II. ARGUMENT

a. STANDARD OF REVIEW

In *Bell Atlantic Corp. v. Twombly*, U.S. -,127 S. Ct. 1955 (2007), the Supreme Court held that in order to survive a motion to dismiss, a complaint must contain factual allegations that are “enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true.” *Id.* at 1965. “While a complaint attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual allegations, a plaintiff’s obligation to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Id.* at 1964-65. This District has recognized the new enunciation of the standard in a number of recent decisions granting motions to dismiss. See, e.g., *Garcia v. Santa Maria Resort, Inc.*, No. 07-10017-CIV, 2007 WL 4127628, *3 (S.D. Fla. Nov.15, 2007) (King, J.); *MRI Scan Ctr., Inc. v. Allstate Ins. Co.*, No. 07-60771-CIV, 2007 WL 2288149, *1 (S.D. Fla. Aug. 7, 2007) (Cohn, J.); *Bays v. Vistas Healthcare Corp.*, Case No. 04-21431-CIV, 2007 WL 2050994, *1 (S.D. Fla. July 25, 2007) (Jordan, J.).

The Complaint fails to meet this heightened standard. The Plaintiff’s complaint simply draws conclusions and is unsupported by identifiable facts to lead to the conclusions. In sum the Plaintiff’s Complaint is a good example of the “formulaic recitation of the elements of... cause[s] of action,” 127 S. Ct. at 1965, condemned by the Supreme Court in *Twombly*. Moreover, even under the prior *Conley v. Gibson* standard, “[u]nsupported conclusions of law or of mixed fact and law have long been recognized not to prevent a Rule 12(b)(6) dismissal.” *Marsh v. Butler County, Ala.*, 268 F.3d 1014, 1036 n.16 (11th Cir. 2001).

Finally, "where the plaintiff refers to certain documents in the complaint and those documents are central to the plaintiff's claim, then the Court may consider the documents part of the pleadings for purposes of Rule 12(b)(6) dismissal." *Brooks v. Blue Cross & Blue Shield*, 116 F.3d 1364, 1368 (11th Cir. 1997). Accordingly, not only the allegations of Plaintiff's Complaint, but also the Exhibits must be evaluated in determining whether Plaintiff's Claims meet the *Twombly* standard.

b. ALL OF PLAINTIFF'S CLAIMS AGAINST DEFENDANT J.P. VAZQUEZ SHOULD BE DISMISSED BECAUSE THE COMPLAINT FAILS TO ALLEGE ANY IDENTIFIABLE FACTS THAT DEFENDANT J.P. VAZQUEZ PARTICIPATED IN ANY ACTIVITY WHATSOEVER MUCH LESS UNLAWFUL ACTIVITY.

Plaintiff's Claims against Defendant J.P. Vazquez wholly fails to meet the *Twombly* standard. All of Plaintiff's causes of action against Defendant J.P. Vazquez are based on the allegation that "Defendant J.P. Vazquez conducts the day to day operations of (the Registrar Defendants) and directs and conducts the unlawful activities complained of in the Complaint". See Complaint ¶ 13. This allegation is a text book example of the "labels and conclusions, and a formulaic recitation of the elements of a cause of action" that "will not do" as stated in *Twombly*. As stated above, Defendant J.P. Vazquez is mentioned only in Complaint ¶¶ 11 (giving name and address) and 13 and in the remaining 218 paragraphs of the Complaint Defendant J.P. Vazquez is not mentioned at all.

As such, in one conclusory and formulaic paragraph, the Plaintiff attempts to make Defendant J.P. Vazquez individually liable for the actions of five separate corporate entities in the Registrar Defendants, fifteen non-party registrant Corporate Defendants and two individual non-party registrant Defendants. The Plaintiff attempts to do this without alleging a single act, action or omission by Defendant J.P. Vazquez.

Needless to say, also unalleged is that Defendant J.P. Vazquez was either an employee, principal, officer or owner of the five separate corporate entities in the Registrar Defendants or fifteen non-party registrant Corporate Defendants.

Even if such an allegation was included in the Complaint, there are no allegations that the five separate corporate entities in the Registrar Defendants or fifteen non-party registrant were an alter ego of Defendant Vazquez or that the corporations were formed or used for an illegal purpose. For an employee, principal or officer to incur personal liability for acts strictly confined to his employment, the Plaintiff must pierce the corporate veil. Here the Plaintiff cannot pierce the protections granted under Florida law or Federal common law to pierce the corporate veil to hold Defendant Vazquez personally liable for entirely corporate acts. Under Florida law the corporate veil may be pierced only if the Plaintiff can prove "*both* that the corporation is a 'mere instrumentality' or alter ego of the defendant, *and* that the defendant engaged in 'improper conduct' in the formation or use of the corporation." *Bellairs v. Mohrmann*, 716 So.2d 320, 323 (Fla. 2d DCA 1998) (emphasis supplied)(citing *Dania Jai-Alai Palace, Inc. v. Sykes*, 450 So.2d 1114, 1120-21 (Fla. 1984)).

Under Federal common law (the Federal common law "alter ego" rule) the law requires the Plaintiff to prove three elements in order to pierce the corporate veil: (1) Control, not mere majority or complete stock control, but complete domination, not only of finances, but of policy and business practices in respect to the transaction attacked so that the corporate entity as to this transaction had at the time no separate mind, will or existence of its own; and (2) Such control must have been used by the defendant to commit fraud or wrong, to perpetrate the violation of a statutory or other positive legal duty, or a dishonest and unjust act in contravention of plaintiff's legal rights; and (3) The aforesaid control and breach of duty

must proximately cause the injury or unjust loss complained of. *United Steelworkers of America, AFL-CIO-CLC v. Connors Steel Co.*, 855 F.2d 1499, 1506 (11th Cir. 1988), *cert. denied*, 489 U.S. 1096, 109 S.Ct. 1568, 103 L.Ed.2d 935 (1989) (quoting *United Paperworkers Int'l Union v. Penntech Papers*, 439 F.Supp. 610, 618 (D.Me.1977), *aff'd*, 583 F.2d 33 (1st Cir.1978)).

As such, it is respectfully suggested that the Complaint must be dismissed as to Defendant J.P. Vazquez under either or both the *Twombly* or *Conley v. Gibson* standard.

c. ALL OF PLAINTIFF'S CLAIMS SHOULD BE DISMISSED BECAUSE THE COMPLAINT FAILS TO ALLEGE IDENTIFIABLE FACTS THAT THE REGISTRAR DEFENDANTS USED THE ALLEGED MARKS IN COMMERCE

The Lanham Act requires that an allegedly infringing mark be “use[d] in commerce” before an infringement can occur. 15 U.S.C. § 1125(a)(1). A mark is not used in commerce unless the alleged infringer uses it as a unique indicator of the source of the related goods or services. See *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 163-164, 115 S. Ct. 1300, 1303-04, (1995) (federal trademark law prevents competitors from copying “a source-identifying mark”, thus ensuring the owner will “reap the financial, reputation-related rewards associated with a desirable product”).

All of Plaintiff's Claims, including the Lanham Act claims, are based on commercial use. Specifically, Plaintiff alleges that the registrants of the Domain Names used them in connection with the promotion of “goods or services identical, directly competitive or related to those sold or provided in connection with Plaintiffs”. Again, this is a “formulaic recitation of the elements of a cause of action” with no identifiable facts to support the allegation.

Even assuming *arguendo* that the Registrar Defendants were actual Domain Name

registrants, the Complaint fails to allege identifiable facts that the Registrar Defendants and/or Domain Name registrants ever used the Alleged Marks in a commercial, trademark sense. It is not alleged that the Domain Name registrants promoted their unique goods or services in connection with the Alleged Marks.

The only identifiable facts in the Complaint, the attached exhibits, show that the Domain Name registrants merely used the Domain Names to redirect users to search engine results, of the sort commonly provided by Google or Plaintiff Yahoo. This type of use is not a trademark use because there is no use of the Alleged Marks to identify the source or quality of goods or services, aside from some links to Plaintiff's own services. See *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393,403 (N.D.N.Y. 2006) (holding there was no "trademark use as a matter of law" when defendant's web page displayed search results but "an internet user who enters [plaintiff's trademark] into Google as a search term, may still go to plaintiff's website(s) by clicking on the appropriate link on the search results page - even though he or she may have other choices").

Critically, the registration of the Domain Names in and of itself does not amount to trademark use. The mere registration of a domain name cannot constitute "use" as a matter of law. See, e.g., *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 961 (C.D. Cal. 1997) ("The registration of a domain name, without more, does not amount to infringement of a mark similar to the name."); *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1303 (C.D. Cal. 1996) (same); *Cline v. 1-888 Plumbing Group, Inc.*, 146 F. Supp. 2d 351, 369 (S.D.N.Y. 2001) ("In the context of Internet domain names, parties encroach on a registrant's rights under § 32(1) of the Lanham Act not when they reserve a domain name likely to be confused with the registered mark, but when they use it."); *HQM, Ltd. v. Hatfield*,

71 F. Supp. 2d 500, 507 (D. Md. 1999) (“[N]early every Court to have decided whether mere registration or activation of a domain name constitutes ‘commercial use’ has rejected such arguments.”); *Jews For Jesus v. Brodsky*, 993 F. Supp. 282, 307 (D.N.J. 1998) (“[T]he mere registration of a domain name, without more, is not a ‘commercial use’ of a trademark.”); *Juno Online Services v. Juno Lighting, Inc.*, 979 F. Supp. 684, 691 (N.D. Ill. 1997) (“The mere ‘warehousing’ of the domain name is not enough to find that defendant placed the mark on goods or ‘used or displayed the mark in the sale or advertising of services’ as required” under 15 U.S.C. § 1127.).

As such, Plaintiffs cannot prevail on any of its Claims because the Domain Name registrants did not use the Alleged Marks in a legally recognized trademark sense. All of Plaintiff's Claims are based on alleged use in commerce of the Alleged Marks. Therefore, Plaintiff's failure to allege identifiable and not conclusory facts sufficient to show commercial use provides another basis for dismissing the Complaint in its entirety.

d. PLAINTIFF’S COUNTERFEITING CLAIM SHOULD BE DISMISSED BECAUSE THE DOMAIN NAMES ARE NOT INDISTINGUISHABLE FROM THE ALLEGED MARKS, AND WERE NOT USED IN CONNECTION WITH GOODS OR SERVICES

Plaintiff's "counterfeiting" claim should be dismissed for the same reasons. In addition, the Complaint should be dismissed because the Complaint does not allege facts sufficient to show that the Registrar Defendants engaged in counterfeiting. Plaintiff does not even define the "Counterfeit Domain Names" on which this Claim is allegedly based. The Lanham Act, at 15 U.S.C. § 1127, provides as follows:

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

Even a brief comparison of the Alleged Marks and the Domain Names reveals that Plaintiff does not allege facts showing that the Domain Names are “identical with, or substantially indistinguishable from” Plaintiff’s claimed marks. Notably, the Lanham Act’s requirement for “counterfeit” marks is much more stringent than the “confusingly similar” test set forth in 15 U.S.C. §§ 1114 and 1125. Plaintiff must allege facts sufficient to indicate the Domain Names are “substantially indistinguishable” from its Alleged Marks, and they fail completely.

Moreover, Plaintiff does not allege the Registrar Defendants used the Domain Names in connection with “counterfeit” goods or services. The alleged “counterfeiting” relates to the purported use of “websites and pop-up and pop-under advertisements.”

This is insufficient.

Relevant statutes, case law, and treatises all concur that “counterfeiting” refers to the use of one party’s trademark on another party’s goods or in connection with another party’s services, in a manner that deceives consumers as to the source of the goods or services. For example, producing handbags with the “Chanel” logo which are not actually Chanel’s goods, would be counterfeiting. See *Chanel, Inc. v. Italian Activewear of Florida, Inc.*, 931 F.2d 1472, 1474 (11th Cir. 1991) (“The Chanel-labeled goods purchased from Sola were counterfeit”). However, nothing of the sort is even hinted at in the complaint. As such, Plaintiffs seek to stretch the law of counterfeiting out of all reasonable proportion by claiming it applies to domain name registration services provided to third party registrants which link their domain names to Internet search results. The law of trademark counterfeiting relates to knockoffs of designer goods, branded pharmaceuticals, and other similar infringements. There

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is no credible authority for extending it to the registration of domain names used to provide Internet search results. "Counterfeiting is the act of producing or selling a product with a sham trademark that is an intentional and calculated reproduction of the genuine trademark." 3 J. Thomas McCarthy, *McCarthy on Trademarks* § 25:10 (3d ed. 1997). A "counterfeit mark" means:

a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.

15 U.S.C. § 1116(d)(1)(13)(1); see also *Babbit Electronics, Inc. v. Dynascan Corporation*, 38 F.3d 1161, 1181 (11th Cir. 1994) ("Babbit had knowledge that the telephones to which they affixed Dynascan's marks were not Dynascan's telephones... Consequently, it is clear that Babbit used Dynascan's trademarks knowing that they were counterfeit. Babbit is therefore liable for trademark counterfeiting.").

Plaintiffs do not allege the Registrar Defendants used any marks identical or "substantially indistinguishable" from its Alleged Marks in connection with goods or services which are confusingly similar to Plaintiff's.

Therefore, the Plaintiff's "counterfeiting" claim should be dismissed as a matter of law.

e. ALL OF PLAINTIFF'S CLAIMS RELATING TO THE DOMAIN NAMES FAIL BECAUSE THE REGISTRAR DEFENDANTS NEVER REGISTERED OR USED THEM

Plaintiff's Claims relating to the Domain Names blur the distinction between domain name registrars and domain name registrants. Registrars, like the Registrar Defendants, merely serve as an interface between their customers and the relevant domain name registries.

Registrants actually own and control the registered domain names. The Registrar Defendants are not the registrant of any of the Domain Names, as indicated by Plaintiff's own evidence. Nor does the Complaint allege facts sufficient to indicate the Registrar Defendants used or trafficked in the Domain Names. Since all Claims are based on the registration (as registrant) or use of the Domain Names, or on alleged trafficking in them, Plaintiff's Claims must be dismissed.

i. PLAINTIFF'S CLAIM FOR CYBERSQUATTING FAILS.

Plaintiff's first Claim is for violation of the Anticybersquatting Consumer Protection Act ("ACPA"). However, domain name registrars such as the Registrar Defendants are immune from liability pursuant to the ACPA:

A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under [the Anticybersquatting Consumer Protection Act] for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

15 U.S.C. § 1114. "Congress intended expressly to limit the liability of domain name registrars under the [ACPA]." *Hawes v. Network Solutions, Inc.*, 337 F.3d 377, 384 (4th Cir. 2003). "Without such limitation of liability, all registrars would potentially have been exposed to the offense of cybersquatting because they register and traffic in domain names that could be infringing or diluting trademarks protected by the Lanham Act." *Id.*; see also, 47 U.S.C. §230(c)(1) ("[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider."). Plaintiff does not allege any facts which warrant the conclusion that the Registrar Defendants were the registrant of any of the Domain Names. In fact, Plaintiff's own evidence attached to

the Complaint, as well as its allegations in the Complaint, show that individuals and entities other than the Registrar Defendants are the registrants of the Domain Names. Moreover, the facts alleged in the Complaint do not support the conclusion that any of the Registrar Defendants “used” the Domain Names as that term is defined in the ACPA. 15 U.S.C. § 1125(d)(1)(D) provides that “[a] person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.” The Complaint indicates parties other than the Registrar Defendants are the registrants of the Domain Names. Further, Plaintiffs do not specifically allege that any of the Registrar Defendants are authorized licensees of any Domain Names.

Since Plaintiffs do not allege facts sufficient to prove use or registration under the ACPA, the only argument remaining to them is "trafficking." (See 15 U.S.C. § 1125(d)(1)(A)(ii) (ACPA liability attaches when a defendant “registers, traffics in, or uses a domain name”). Pursuant to 15 U.S.C. § 1125(d)(1)(E), trafficking involves the following kinds of transactions:

transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

Id. The Complaint does not allege any specific transactions of this kind. To the contrary, Plaintiff alleges the Domain Names were registered “to avoid paying” registration costs - in other words, that they were transferred without consideration. In such a circumstance the party injured would not be Plaintiffs, but ICANN. However, ICANN is well aware of the practice, is evaluating it, and has not taken any action to address it as of yet. See Motion to Unseal by Defendants BelguimDomains, LLC, CapitolDomains, LLC, and DomainDoorman, LLC, and Incorporated Memorandum of Law [DE 65] at 1-2. in Case 1:07-cv-22674-AJ)

Accordingly, the Complaint does not provide a sufficient basis for holding the Registrar Defendants liable pursuant to the ACPA, and Plaintiff's first Claim must be dismissed.

ii. PLAINTIFF'S SECOND, THIRD, AND FOURTH CLAIMS FOR TRADEMARK INFRINGEMENT, UNFAIR COMPETITION, AND COUNTERFEITING FAIL.

Plaintiff's second, third, and fourth Claims are based on the Registrar Defendants' alleged trademark infringement, unfair competition, and "counterfeiting" resulting from their alleged use of the Domain Names. However, a registrar who merely performs services on behalf of a registrant - the party which actually owns and uses the domain name - cannot be liable under these causes of action. The Complaint does not allege facts sufficient to show that the Registrar Defendants ever used or registered (for themselves or any related parties) the Domain Names. As a matter of law, domain name registrars like the Registrar Defendants are immune from liability for allegedly infringing domain names registered by third parties. In *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949 (C.D.Cal. 1997), the court granted summary judgment to domain name registrar Network Solutions, Inc. ("NSI") holding that NSI was not liable for direct or contributory trademark infringement or dilution, based on NSI's acceptance of registrations for domain names that were identical or similar to Lockheed's trademarks. In directly applicable language, the Lockheed court held:

The Court finds that NSI's use of domain names is connected with their technical function to designate computers on the Internet, not with their trademark function to identify the source of goods and services. Because Lockheed cannot establish that NSI has used its service mark in connection with goods or services or with the sale, offer for sale, distribution or advertising of goods and services, the Court grants summary judgment for NSI on the direct infringement and unfair competition claims ...

Id. at 967. This case is virtually identical. Like NSI, the Registrar Defendants are domain name registrars, not registrants, and, therefore, cannot be held liable for infringement or unfair competition.

Plaintiff's Claims are founded upon the premise that the Registrar Defendants are the registrants of the Domain Names - i.e., that the Registrar Defendants own and control the Domain Names. However, Plaintiff's evidence and allegations contradict this premise. The factual allegations in the Complaint provide no link between the Domain Names and the Registrar Defendants, other than to confirm Defendants served as registrars (not registrants). Consequently, Plaintiff's Claims for trademark infringement, unfair competition, and counterfeiting must be dismissed.

iii. PLAINTIFF'S FIFTH CLAIM FOR DILUTION FAILS.

Plaintiff cites the Federal Anti-Dilution Act, 15 U.S.C. §1125(c), as the basis for its fifth Claim. This claim is based on the Registrar Defendants' alleged "use of the Plaintiff's Marks and variations thereof and the Infringing Domain Names in commerce." As demonstrated above, however, Plaintiff's exhibits contradict the allegations and fail to provide a factual basis for the claim that the Registrar Defendants are making, or ever have made, any use whatsoever of the Domain Names in commerce. The mere registration or control of a domain name, even if it is similar or identical to a trademark, does not constitute trademark use. *Panavision Int'l v. Toepfen*, 141 F.3d 1316 (9th Cir. 1998) (registration of a trademark as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibitions of the Federal Anti-Dilution Act); see also, *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117, 133 (D. Mass. 1999) (holders of a trademark, even a

famous mark, are not automatically entitled to use that mark as their domain name, nor prohibit others from registering and using the mark as part of a domain name.)

In fact, Internet users often have free speech interests in non-infringing uses of domain names which are similar or even identical to trademarks. *American Civil Liberties Union of Georgia v. Miller*, 977 F. Supp. 1228 (N.D.Ga. 1997) (invalidating as an overbroad violation of the First Amendment a statute that prohibited the use of trademarks on the Internet by persons other than trademark owners). Accordingly, the dilution Claim must be dismissed because Plaintiff's Complaint does not provide facts sufficient to allege the Registrar Defendants are responsible for any dilution of Plaintiff's trademarks, which dilution has not even sufficiently been alleged. Moreover, the Complaint completely fails to allege that the Registrar Defendants' uses of the Domain Names are infringing; to the contrary, the Complaint's exhibits show that these uses are not prohibited by the Federal Anti-Dilution Act.

iv. PLAINTIFF'S SIXTH THROUGH EIGHTH CLAIMS FOR FLORIDA STATE LAW VIOLATIONS FAIL.

Plaintiff's sixth, seventh, and eighth Claims are also based on the Registrar Defendants' purported dilution of the Alleged Marks, as well as state law unfair competition and alleged violation of the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), Fla. Stat. § 501.201, et seq.

Plaintiff's Complaint provides no more basis for its state law claims than for its federal claims. The sixth Claim is brought under Florida's dilution statute, Fla. Stat. §495.151, which requires "commercial use of a mark or trade name," and based on the Registrar Defendants' alleged "use of the Infringing Domain Names in connection with Defendants' goods and services." However, Plaintiffs do not allege facts sufficient to indicate the Registrar

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Defendants are registrants of the Domain Names, nor that the registrants used the Domain Names in connection with their own goods and services (as opposed to search results).

Consequently, Plaintiff fails to state a claim for dilution under Florida law.

Plaintiff also fails to state claims under FDUTPA and state law unfair competition. Pursuant to Fla. State 501.204(1), FDUTPA requires an "[u]nfair method of competition, unconscionable act or practice, or an "unfair or deceptive" act or practice."

Plaintiff bases the FDUTPA Claim, like all its other Claims, on the Registrar Defendant's alleged use of the Domain Names to deceive consumers. Additionally, Plaintiff's failure to demonstrate likelihood of confusion as to its Lanham Act claims is fatal to its FDUTPA claims. *Custom Mfg. & Eng'g, Inc. v. Midway Servs.*, No. 05-12906, 2007 WL 4165634, *7 (11th Cir. Nov. 21, 2007). Since the Complaint provides insufficient facts to allege the Registrar Defendants used the Domain Names at all, let alone in commerce, and Plaintiff cannot demonstrate likelihood of confusion, Plaintiff's seventh Claim under FDUTPA must also be dismissed. Likewise, Plaintiff's eighth Claim for state law unfair competition must similarly be dismissed:

Even giving the phrase "unfair competition" its broadest ordinary meaning, the offense must include at least two elements, "unfairness" and "competition." This requirement that the offense include an element of rivalry is consistent with the plain meaning of the words and with recognized definitions.

Practice Mgmt. Assoc., Inc. v. Old Dominion Ins. Co., 601 So. 2d 587, 588 (Fla. 1st DCA 1992). Plaintiff's Complaint does not provide facts sufficient to allege unfairness - the Registrar Defendants only provided domain name registration services to others, which is not unfair to Plaintiff. Further, there is no "competition" since the alleged facts do not support

Plaintiff's claim that the Registrar Defendants used the Domain Names to compete with Plaintiff.

Accordingly, all of Plaintiff's state-law claims fail, and should be dismissed.

SUMMARY AND CONCLUSION

The Plaintiff's claims against Defendant J.P. Vazquez arise from the allegation "Defendant J.P. Vazquez conducts the day to day operations of (the Registrar Defendants) and directs and conducts the unlawful activities complained of in the Complaint". This allegation is conclusory in the extreme and the Complaint fails any identifiable fact that would support the allegation.

As to the unlawful activities of the Registrar Defendants, the Complaint fails to allege facts sufficient to support its implicit contention that the Registrar Defendants were the registrants of the Domain Names, which is fatal to the Plaintiff's Claims.

Nor has the Plaintiff provided allegations which support its conclusory assertions regarding alleged use of the Domain Names in commerce.

In addition, there is no basis for Plaintiff's meritless counterfeiting claim. The Domain Names are not "substantially indistinguishable" from the Alleged Marks, and there are no credible allegations that anyone provided "counterfeit" goods or services in connection with the "Counterfeit" Domain Names.

For these reasons, Defendant J.P. Vazquez respectfully requests that this Court dismiss Plaintiff's Complaint in its entirety against Defendant J.P. Vazquez.

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WHEREFORE, Defendant J.P. Vazquez respectfully requests that this Honorable Court dismiss the Complaint for Cybersquatting, Trademark Infringement, Counterfeiting, Dilution, and Unfair Competition in its entirety and provide Defendant J.P. Vazquez with such other and further relief as the Court deems just and proper.

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served using CM/ECF and via Facsimile: (305) 379-3428, to KLUGER, PERETZ, KAPLAN & BERLIN, P.L. Steven I. Peretz, Esq., Fla. Bar No. 329037 speretz@kpkb.com, Terri Meyers, Esq., Fla. Bar No. 881279 tmeyers@kpkb.com, Attorneys for Plaintiff, Yahoo! Inc., Miami Center, Seventeenth Floor, 201 South Biscayne Boulevard, Miami, Florida 33131, and Facsimile: (202) 408-4400 to FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P., David M. Kelly, Esq., (*pro hac vice* pending) Stephanie H. Bald, Esq., (*pro hac vice* pending) Attorneys for Plaintiff, Yahoo! Inc. 901 New York Avenue, N.W. Washington, D.C. 20001; and

Parties of Interest Pending Consolidation:

I hereby certify that a true and correct copy of the foregoing was served via facsimile 954-462-9575 and email msall@swmwas.com to Mimi L. Sall, Esq., Sterns Weaver, et al., 200 East Las Olas Boulevard, Suite 2100, Fort Lauderdale, FL 33301; and facsimile 949-476-8640 via email david.steele@cph.com to David J. Steele, Esq., Christie, Parker Hale, LLP 3501 Jamboree Road, Suite 6000, North Tower, Newport Beach, CA 92660; and facsimile 626-577-8800 and email howard.kroll@cph.com to Howard A. Kroll, Esq., Christie, Parker Hale, LLP 350 West Colorado Blvd., Suite 500, Pasadena, CA 91105, and email christopher.carver@akerman.com to Christopher Carver, Esq., Akerman Senterfitt, One SE Third Avenue, 25th Floor, Miami, FL 33131, and email jdichter@NewmanDichter.com to Joel R. Dichter, Esq., Newman Dichter, 505 Fifth Avenue South, Suite 610, Seattle WA 98104

on December 18, 2007.

Respectfully submitted,

By:

Richard Baron

Email – E-Filing Signature

Richard Baron, Esq.

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