

1 **WO**

2

3

4

5

6

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

7

8

9

Skydive Arizona, Inc.,

) No. CV 05-2656-PHX-MHM

10

Plaintiff,

) **ORDER**

11

vs.

12

Cary Quattrocchi, et al.,

13

Defendants.

14

15

16

The Court is in receipt of Plaintiff's Motion to Require Defendants to Perform
Renewal Requirements to Effectuate Transfer of Domain Name. (Doc. 465). Having
conspired the Parties filings, the Court issues the following Order:

17

18

19

I. FACTUAL BACKGROUND

20

On April 29, 2010, this Court entered a permanent injunction requiring Defendants,
among other things, to transfer six domain names to Plaintiff. (Doc. 448). Defendants
complied with the injunction as to five of the domain names. As to a sixth,
<arizonaskydive.com>, Defendants informed Plaintiff that they could not make the required
transfer because they no longer owned the domain name, as they mistakenly allowed their
registration of <arizonaskydive.com> to expire on or about September 2008. In their
response, Defendants assert that it could not transfer, re-register, or re-purchase
<arizonaskydive.com> because a company called Dynadot now owns the domain name.
Since the filing of Plaintiff's motion, <arizonaskydive.com> has been transferred to another

21

22

23

24

25

26

27

28

1 domain name registrar, Annulet, Inc, and entering the domain name into an internet browser
2 brings up a page that indicates <arizonaskydive.com> is available for purchase through
3 www.buydomains.com. It appears that the current owner of the domain name is unknown.
4 Dynadot, however, was probably not the actual owner of the domain name, as it is a domain
5 name registration service that allows customers to utilize a private domain name registration
6 procedure whereby the contact information of the domain-name's owner is replaced with that
7 of Dynadot, preventing members of the public from seeing who actually owns the domain
8 name. See Dynadot, Private Domain, available at
9 <http://www.dynadot.com/domain/privacy.html> (last visited July 28, 2010).

10 **II. DISCUSSION**

11 Plaintiff alleges that Defendants intentionally allowed their registration of
12 <arizonaskydive.com> to expire. Defendants claim their loss of this domain name was an
13 innocent mistake. Ultimately, Defendants' motive for allowing their registration to lapse is
14 unimportant. What matters is that Defendants had an obligation to maintain their ownership
15 of <arizonaskydive.com>, but failed to do so, and, as a result, have not complied with the
16 permanent injunction.

17 Prior to this lawsuit, <arizonaskydive.com> was the subject of a 2006 National
18 Arbitration Forum ("NAF") dispute between the Parties brought in accordance with the
19 Internet Corporation for Assigned Names and Number's ("ICANN") Uniform Domain Name
20 Dispute Resolution Policy ("UDNDRP"). (Doc. 485, exh. B). The UDNDRP governed the
21 proceeding, as Enom Inc., the registrar of <arizonaskydive.com> at that time, had fully
22 incorporated the UDNDRP into its registration agreement. (Id. at 1). On September 25,
23 2006, a panel of the NAF ordered Defendants to transfer <arizonaskydive.com> to Plaintiff.
24 This transfer never occurred. Pursuant to the UDNDRP, a domain-name registrar is not
25 required to effectuate a domain-name transfer ordered through an administrative proceeding
26 if the losing party provides documentation demonstrating it has commenced a lawsuit against
27 the prevailing party that might affect the NAF's decision. (Id., exh. C, p.6). Presumably,
28 Enom, Inc. did not transfer <arizonaskydive.com> to Plaintiff because Defendants notified

1 Enom, Inc., of Count IV of their counterclaims in this lawsuit, which specifically asked this
2 Court to enjoin the transfer of <arizonaskydiver.com> as ordered by the NAF. (Doc. #51,
3 Counterclaim at Count IV, p. 51–57, and prayer for relief, p. 57–58; Doc. # 174,
4 Counterclaim at Count IV, p. 46–52, and prayer for relief, p. 52–53).

5 Because Defendants utilized this lawsuit as a mechanism to prevent enforcement of
6 the NAF’s decision, Plaintiff argues that Defendants had an obligation to maintain the status
7 quo with respect to their ownership of <arizonaskydiver.com> during the pendency of this
8 action. This reasoning is sound. Were it otherwise, litigation and arbitration decisions
9 concerning proper ownership of domain names could easily be thwarted by defendants who
10 allowed their domain name registrations to expire, then claimed they did so by mistake.
11 Additionally, prior to the entry of the permanent injunction, Defendants had every
12 opportunity to inform this Court that their ownership of <arizonaskydiver.com> had lapsed,
13 but failed to do so. Consequently, the Court has little sympathy for the predicament in which
14 Defendants now find themselves; in non-compliance with the permanent injunction.

15 The question becomes, then, what is the appropriate remedy. Federal Rule of Civil
16 Procedure 70 governs enforcement of judgments requiring specific performance. “According
17 to its plain language, this rule applies only to parties who have failed to perform specific acts
18 pursuant to a judgment.” Westlake N. Prop. Owners Ass’n v. Thousand Oaks, 915 F.2d
19 1301, 1304 (9th Cir. 1990). Under the rule, “a district court may direct a party to complete
20 a specific act where the district court previously directed the same party to perform the same
21 act in its final judgment and that party has failed to comply.” Analytical Eng’g, Inc. v.
22 Baldwin Filters, Inc., 425 F.3d 443, 451 (7th Cir. 2005). Additionally, Rule 70 allows courts
23 to hold the disobedient party in contempt. FED.R.CIV.P. 70 (e).

24 There does not appear to be any dispute that Defendants have failed to comply with
25 the Court Order of specific performance regarding the transfer of <arizonaskydiver.com>.
26 The Court finds, therefore, that Plaintiff has made a *prima facie* showing of contempt. United
27 States v. Ayres, 166 F.3d 991, 994 (9th Cir. 1999) (noting that the burden is on the party
28 alleging civil contempt to demonstrate the alleged contemnor violated the Court’s order).

1 Defendants' sole defense appears to be that compliance with the permanent injunction is not
2 possible. "An alleged contemnor may defend against a finding of contempt by
3 demonstrating a present inability to comply." Ayres, 166 F.3d at 994. "Ability to comply
4 is the crucial inquiry, and a court should weigh all the evidence properly before it determines
5 whether or not there is actually a present ability to obey." United States v. Drollinger, 80
6 F.3d 389, 393 (9th Cir. 1996) (internal quotations omitted). While it is true that Defendants
7 cannot presently comply, their inability to do so is a direct consequence of their own failure
8 to maintain their ownership of <arizonaskydive.com>. In this circumstance, it would be
9 inequitable for Defendants to avoid any penalty for their self-inflicted inability to comply
10 with the permanent injunction, as such an outcome would reward their negligent conduct and
11 frustrate the ruling of the NAF.

12 Accordingly, pursuant to Rule 70, the Court orders Defendants to comply with the
13 permanent injunction and transfer <arizonaskydive.com> to Plaintiff.¹ Should they fail to
14 make the required transfer, the Court will hold Defendants in contempt and sanction them
15 \$10,000.00 for not complying with the permanent injunction. The Court finds that such an
16 amount will adequately compensate Plaintiff for the expense of recovering
17 <arizonaskydive.com>. In making this decision, the Court is not unaware that Plaintiff, as
18 Defendants suggest, might be able to rectify this situation on its own by initiating *in rem*
19 proceeding under 15 U.S.C. § 1125(d)(2)(A). The Court finds, however, that it would be
20 inequitable to force Plaintiff to incur additional costs to rectify a problem caused by
21 Defendants.

22 **Accordingly,**

23
24

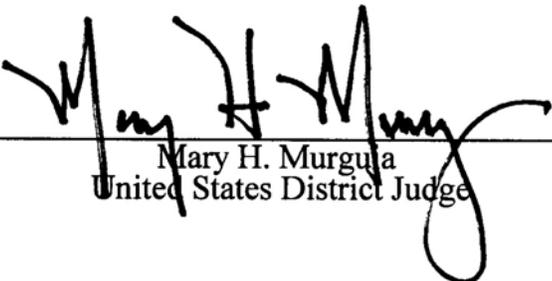
¹Plaintiff requests that this Court force Defendants to re-purchase
25 <arizonaskydive.com>, then transfer it to Plaintiff. The Court, however, has serious
26 misgivings about the propriety of Plaintiff's proposed remedy as it would require Defendants
27 to take an action that is not required by the permanent injunction; purchasing the domain
28 name from a third party. Nothing, however, prevents Defendants from repurchasing the
domain name and transferring it to Plaintiff, especially if they determine doing so would be
cheaper than non-compliance with the permanent injunction.

1 **IT IS HEREBY ORDERED** granting Plaintiff's Motion to Require Defendants to
2 Perform Renewal Requirements to Effectuate Transfer of Domain Name. (Doc. 465).
3 Defendants are ordered to comply with the permanent injunction and transfer
4 <arizonaskydiver.com> to Plaintiff.

5 **IT IS FURTHER ORDERED** that Defendants will be found in contempt of court
6 and fined \$10,000 if they have failed, within two weeks from the date of this Order, to
7 transfer <arizonaskydiver.com> to Plaintiff.

8 DATED this 28th day of July, 2010.

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



Mary H. Murgula
United States District Judge