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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
8

9 David Dent,

10 Plaintiff,

11 v.

12 Lotto Sport Italia SpA,

13 Defendant.
14

No. CV-17-00651-PHX-DMF

ORDER

15 Pending before the Court is Plaintiff David Dent's ("Plaintiff") Motion for
16 Attorneys' Fees pursuant to 15 U.S.C. § 1117(a) and Rule 54(d)(2) of the Federal Rules of
17 Civil Procedure. (Doc. 115 at 4, 5)¹ Defendant Lotto Sport Italia, SpA ("Defendant") filed
18 a response in opposition (Doc. 116) and Plaintiff filed a reply (Doc. 117). For the reasons
19 set forth below, the Court will grant Plaintiff's motion.

20 **I. BACKGROUND**

21 In 2016, Plaintiff purchased the domain names <lottostore.com> and
22 <lottoworks.com> in support of his planned entry into the secondary lottery industry.
23 (Doc. 97 at 2-3) The domain name <lottostore.com> was first registered by a third party
24 in January 2011. (*Id.* at 3) The domain name <lottoworks.com> was originally registered
25 by a separate third party in 1998. (*Id.*) Defendant², a global company producing and

26 ¹ Citations to the record indicate documents as displayed in the official electronic document
27 filing system maintained by the District of Arizona under Case Number CV-17-00651-
PHX-DMF.

28 ² Defendant was founded in 1973 and took its name from the final five letters of Caberlotto,
the last name of the company's founder.

1 selling athletic footwear, sportswear, and sports accessories, received registration of the
2 trademark LOTTO WORKS in the European Union in 2009. (*Id.*) Defendant obtained
3 registration of this trademark in the United States in 2018 for use in connection with
4 materials related to eyeglasses and clothing, including shoes. (*Id.* at 3-4) Defendant does
5 not have trademark rights in the term “lotto” for gambling or lottery. (*Id.* at 4)

6 Shortly after Plaintiff purchased the disputed domain names in 2016, Defendant
7 initiated arbitration with the World Intellectual Property Organization (“WIPO”) regarding
8 the use of domain name <lottoworks.com> causing the registrar GoDaddy to lock this
9 domain name. (*Id.* at 3) The WIPO panelist ruled in Defendant’s favor and ordered that
10 the disputed domain names be transferred from Plaintiff to Defendant. (Doc. 85-1 at 10)
11 However, the WIPO panelist’s decision is not accorded deference on the merits in federal
12 court. *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona*, 330 F.3d 617,
13 (4th Cir. 2003); *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 26 (1st Cir.
14 2001) (citing April 1999 WIPO report “stating the UDRP administrative dispute resolution
15 procedures ‘should not have (and cannot have) the effect of binding precedent in national
16 courts.’”).

17 Plaintiff initially filed a complaint in this Court alleging three counts encompassing
18 five claims for relief. (Doc. 1) Count One requested a finding that Plaintiff’s registration
19 and/or use of the domain names <lottostore.com> and <lottoworks.com> was not unlawful
20 pursuant to a claim of reverse domain name hijacking (“RDNH”) under the
21 Anticybersquatting Consumer Protection Act (“ACPA”) provisions of the Lanham Act in
22 15 U.S.C. §§ 1114(2)(D)(v)³. (*Id.* at 9-10) Count Two requested declaratory relief that
23 Plaintiff’s registration and/or use of the two domain names <lottostore.com> and
24 <lottoworks.com> did not violate Defendant’s rights under the Lanham Act. (*Id.* at 10-12
25 (citing 15 U.S.C. § 1125(d)(1))) Count Three alleged tortious interference and was

26 ³ Plaintiff’s Count One originally alleged violation of both § 1114(2)(D)(iv) and §
27 1142(2)(D)(v). (Doc. 1 at 9-10) District Judge Silver found that § 1114(2)(D)(iv) and §
28 1114(2)(D)(v) define separate violations and that only § 1114(2)(D)(v) addressed reverse
domain name hijacking. (Doc. 17 at 4) Judge Silver concluded that Plaintiff had failed to
state a claim under § 1114(2)(D)(iv) for fraud in a domain dispute proceeding and
dismissed without prejudice any claim under that subsection. (*Id.*)

1 dismissed without prejudice with leave to amend if deficiencies in the claim were cured.
2 (Docs. 1, 17) Plaintiff did not amend his complaint. Plaintiff also requested statutory
3 damages under 15 U.S.C. § 1117(d) (Doc. 1 at 13), but he did not argue for such damages
4 in his motion for summary judgment. (Docs. 86-91)

5 The parties filed cross-motions for summary judgment on Counts One and Two.
6 (Docs. 83, 91, 95, 86, 89, 96) This Court granted Plaintiff's motion for summary judgment
7 and denied Defendant's motion for summary judgment on both counts, found Plaintiff's
8 registration and use of the domain names were not unlawful under the ACPA or the
9 Lanham Act, ordered that the domain names remain registered with Plaintiff, and further
10 ordered that the domains be unlocked or reactivated for Plaintiff's lawful use. (Doc. 97 at
11 23)

12 **II. LEGAL STANDARD**

13 Pursuant to the "American Rule," a litigant's "attorney's fees are not ordinarily
14 recoverable in the absence of a statute or enforceable contract providing therefor."
15 *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 386 U.S. 714, 717 (1967). The
16 American Rule addresses concerns that "one should not be penalized for merely defending
17 or prosecuting a lawsuit," and that persons of modest means "might be unjustly
18 discouraged from instituting actions to vindicate their rights if the penalty for losing
19 included the fees of their opponents' counsel." *Id.* at 718. The Supreme Court further
20 recognized that "litigating the question of what constitutes reasonable attorney's fees
21 would pose substantial burdens for judicial administration." *Id.*

22 The Lanham Act permits an award of attorneys' fees to the prevailing party in
23 "exceptional cases." 15 U.S.C. § 1117(a). In *Octane Fitness*, the United States Supreme
24 Court reviewed Section 285 of the Patent Act, providing that "[t]he court in exceptional
25 cases may award reasonable attorney fees to the prevailing party." *Octane Fitness, LLC*
26 *v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 553-54 (2014) (citing 35 U.S.C. § 285).
27 The Supreme Court held "that an 'exceptional' case is simply one that stands out from
28 others with respect to the substantive strength of a party's litigating position (considering

1 both the governing law and the facts of the case) or the unreasonable manner in which the
2 case was litigated.” *Id.* at 554. The Court concluded that a decision on whether to award
3 attorney fees was not formulaic and that a district court should perform a case-by-case
4 assessment, considering the totality of the circumstances. *Id.* The Supreme Court also
5 instructed that the applicable burden of proof to establish entitlement to attorney fees in
6 patent litigation is a preponderance of the evidence standard, which “allows both parties
7 to share the risk of error in roughly equal fashion.” *Id.* at 557-58 (citation and quotation
8 marks omitted). The Court cited *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994) for a
9 “nonexclusive list of factors” a court could consider, including “frivolousness, motivation,
10 objective unreasonableness (both in the factual and legal components of the case) and the
11 need in particular circumstances to advance considerations of compensation and
12 deterrence.” *Id.* at 554 n.6 (internal quotation marks omitted).

13 Prior to the Supreme Court’s decision in *Octane*, the Ninth Circuit had instructed
14 that under the Lanham Act, cases were exceptional where a plaintiff’s case is groundless,
15 unreasonable, vexatious, or pursued in bad faith, and where the plaintiff has no reasonable
16 or legal basis to believe in success on the merits. *See Secalt S.A. v. Wuxi Shenxi Constr.*
17 *Mach. Co.*, 668 F.3d 677, 683 (9th Cir. 2012), *abrogated by SunEarth, Inc. v. Sun Earth*
18 *Solar Power Co.*, 839 F.3d 1179 (9th Cir. 2016) (en banc). Subsequently, the Ninth Circuit
19 explained that the Supreme Court in “*Octane Fitness and Highmark[Inc. v. Allcare Health*
20 *Mgmt. Sys., Inc.*, 572 U.S. 559 (2014)] have altered the analysis of fee applications under
21 the Lanham Act.” *SunEarth*, 839 F.3d at 1180-81. Although *Octane* addressed attorney
22 fees provisions in the Patent Act and *SunEarth* considered attorney fees provisions under
23 the Lanham Act, the “fee-shifting provisions in both acts are parallel and identical” and
24 courts “rely on an interpretation of the fee-shifting provision in one Act to guide our
25 interpretation of the parallel provision in the other.” *Id.* at 1180 (citation and internal
26 quotation marks omitted). The Ninth Circuit indicated that district courts should exercise
27 equitable discretion and consider the nonexclusive *Fogerty* factors. *Id.* (quoting *Octane*
28 *Fitness, LLC*, 572 U.S. at 1756 n.6).

1 **III. DISCUSSION**

2 **A. The Parties' Arguments**

3 **1. Plaintiff's arguments**

4 Plaintiff argues this case qualifies as “exceptional” under the *Octane* standard
5 because the facts presented here and in *AirFX* are closely similar and the District of Arizona
6 in *AirFX* found that case was exceptional and awarded fees even under the stricter, pre-
7 *Octane* standard. (Doc. 115 at 7, citing *AirFX.com v. AirFX, LLC*, No. CV 11-01064-PHX-
8 FJM, 2013 WL 857976, at *1 (D. Ariz. Mar. 7, 2013) (citations and internal quotation
9 marks omitted)). Plaintiff further contends that Defendant’s arguments were objectively
10 unreasonable. (*Id.* at 10-19) Moreover, Plaintiff asserts that applying the post-*Octane*
11 standard of a preponderance of the evidence rather than the pre-*Octane* clear and
12 convincing standard used by the *AirFX* court to decide essentially identical facts as those
13 presented here should result in this Court’s finding that this case is exceptional. (*Id.* at 9-
14 10)

15 Plaintiff states that Defendant was aware prior to filing its WIPO complaint that the
16 domain name <lottoworks.com> was first registered on July 30, 1998, and that the domain
17 name <lottostore.com> was first registered on January 4, 2011, each well before Plaintiff
18 acquired the domains and before Defendant’s use of its trademarks, and that pursuant to
19 the Ninth Circuit’s holding in *GoPets Ltd. v. Hise*, 657 F.3d 1024 (9th Cir. 2011) the
20 registration of the disputed domain names predated Defendant’s use of its trademarks. (*Id.*
21 at 11, citing Doc. 11-1 at 5-6) Plaintiff notes that Defendant’s trial counsel in this matter,
22 Marc John Randazza, served as counsel for the prevailing plaintiff in *AirFX* and had
23 successfully relied on the Ninth Circuit’s decision in *GoPets* for the proposition that “the
24 rights of an initial registrant are passed to the next registrant upon transfer of a domain
25 name.” (*Id.* at 11, citing *AIRFX.com et al. v. AirFX LLC*, No. 2:11-cv-01064-FJM, Doc.
26 65 at 6 (D. Ariz. Jan. 26, 2012)).⁴

27 ⁴ The docket in *AirFX* also indicates that Mr. Randazza cited *GoPets* in support of the
28 plaintiff’s argument that the defendant’s counterclaim asserting the plaintiff violated the
ACPA failed as a matter of law. *AIRFX.com et al. v. AirFX LLC*, No. 2:11-cv-01064-FJM,
Doc. 33 at 4-7 (D. Ariz. Nov. 22, 2011).

1 Plaintiff enumerates additional instances where he alleges Defendant's positions in
2 this case were inconsistent with facts in the record, which Plaintiff argues Defendant knew
3 or could readily have discovered, including: (1) Defendant's argument that Plaintiff had
4 placed advertising on at least one of the disputed domains; (2) Defendant's attributing to
5 Plaintiff information on the previous owner's parking pages associated with
6 <lottostore.com>; (3) Defendant's assertion that Plaintiff had placed the disputed domain
7 names for sale; (4) Defendant's failure to recognize that the disputed domains were locked
8 and that Plaintiff never profited from the domains, which was relevant to an element of
9 Defendant's allegations of cybersquatting; and (5) Defendant's failure to recognize
10 Plaintiff's involvement with a large number of domain names associated with gambling-
11 related endeavors. (*Id.* at 12-17) Plaintiff asserts that Defendant was aware that its case
12 lacked merit but proceeded anyway. (*Id.* at 18) Plaintiff also characterizes the
13 circumstances of this litigation as involving Defendant in the position of a large corporation
14 with "deep pockets and a large litigation budget" forcing Plaintiff, a small business owner,
15 to choose "between losing hundreds of thousands of dollars (even if they win) to keep their
16 property, or surrendering" because of the imbalance in resources. (*Id.* at 18-19)

17 **2. Defendant's arguments**

18 Defendant notes that Plaintiff did not prevail on all his claims and indicates that
19 Plaintiff's claims of fraud and tortious interference asserted in his complaint were
20 dismissed for failure to state a claim based on Defendant's motion. (Doc. 116 at 7)⁵
21 Defendant also indicates that Plaintiff did not assert his statutory damages claim on
22 summary judgment. (Doc. 116 at 12) Defendant argues that its positions on these claims
23 were not merely debatable but successful and are evidence of its reasonableness in
24 continuing to litigate. (*Id.*)

25 Defendant further declares that its decision to defend against Plaintiff's claims was
26 not baseless and points to the fact that it held valid trademarks, which it concludes supports

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28 ⁵ The Court dismissed both Plaintiff's potential claim for fraud under 15 U.S.C. § 1114(2)(D)(iv) and his claim for tortious interference with leave to amend. (Doc. 17) Plaintiff did not file an amended complaint.

1 the conclusion that its defense was not frivolous. (*Id.* at 9-10). Defendant further argues
2 that it had prevailed in arbitration and this success supports its decision to defend Plaintiff's
3 claims in this Court. (*Id.* at 10) Defendant asserts the issues it raised were debatable. (*Id.*
4 at 11)

5 Defendant also notes that its arguments on summary judgment were directed to the
6 meaning of the phrase "under this chapter" and whether the phrase referred to the Lanham
7 Act as a whole or instead was limited to the ACPA. (*Id.* at 12-13) In this Court's ruling
8 on the parties' cross-motions for summary judgment, it recognized a split among federal
9 circuit courts on this issue and determined that statutory construction supported the
10 conclusion that the phrase refers to the ACPA. (Doc. 97 at 9-12) Defendant concludes
11 that this Court's "need to analyze this issue demonstrates the issue was a debatable one,
12 further proving that [Defendant's] defense was objectively reasonable." (Doc. 116 at 13)

13 Additionally, Defendant contends its position that re-registration of a domain name
14 resets the registration date was debatable and therefore was objectively reasonable. (*Id.* at
15 13-15) Defendant emphasizes that *GoPets* involved re-registration by an entity
16 incorporated by the original owner of the domain name and did not involve re-registration
17 by a subsequent unaffiliated third party. (*Id.* at 14)) Defendant concludes that its position
18 on re-registration by a third party unaffiliated with the original person or entity originally
19 registering a domain name thus was debatable and fair. (Doc. 116 at 15)

20 Defendant indicates that the Eleventh Circuit in *Jysk Bed'N Linen v. Dutta-Roy*, 810
21 F.3d 767, 771-72 (11th Cir. 2015) "flatly rejected" the Ninth Circuit's analysis in *GoPets*
22 and that district courts in the Southern District of Florida and the District of Delaware have
23 followed the Eleventh Circuit's reasoning in *Jysk Bed'N Linen*. Defendant emphasizes that
24 the *AirFX* court concluded that *GoPets* broadly applied to any re-registration and that the
25 Ninth Circuit did not review this conclusion. (*Id.* at 14) Defendant also contends that
26 Plaintiff's success on cross-motions for summary judgment is not alone sufficient for a
27 finding that this case is exceptional and concludes Plaintiff has not met his burden to
28 establish the right to fee shifting. (*Id.* at 8-9, 11)

1 **B. The Parties’ Arguments on Comparable Cases**

2 As noted, Plaintiff cites District Judge Martone’s decision awarding attorneys’ fees
3 in *AirFX* as an appropriate template for this Court’s decision on Plaintiff’s motion for fees.
4 (Doc. 115 at 7, 9-10, 17) Defendant disagrees and suggests instead that a better comparison
5 to the instant case is provided in *Black v. Irving Materials, Inc.*, No. 17-CV-06734-LHK,
6 2020 WL 60202 (N.D. Cal. Jan. 6, 2020). Each decision is discussed below.

7 **1. Order on motion for attorneys’ fees in AirFX**

8 In *AirFX*, the court noted that the plaintiffs had prevailed on summary judgment on
9 their claim of RDNH under 15 U.S.C. § 1114(2)(D)(v) of the Lanham Act, as well as on
10 the defendant’s counterclaims asserting trademark infringement under the Lanham Act and
11 cybersquatting pursuant to the ACPA. *AirFX*, 2013 WL 857976, at *1. The court
12 concluded the defendant’s counterclaims were groundless and unreasonable. *Id.* at *2. The
13 court stated that before defendant filed its counterclaims, the court had notified the parties
14 that “the original registration date of [the disputed internet domain name www.airfx.com]
15 was the determinative issue in connection with any ACPA claims.” *Id.* The court
16 explained it had specifically advised the parties that the Ninth Circuit opinion in *GoPets*
17 *Ltd. v. Hise* “made it clear that a company’s re-registration of a domain name that was first
18 registered ‘long before [trademark owner] registered its service mark’ did not violate the
19 ACPA, because the re-registration ‘was not a registration within the meaning of §
20 1125(d)(1).’” *Id.* Moreover, the court found it significant that before the defendant filed
21 its summary judgment motion it was “undisputed” that defendant knew that the plaintiffs’
22 domain name airfx.com was registered by the entity from whom the plaintiffs had acquired
23 it in March 2003, more than two years before the defendant filed a trademark application
24 for the trademark AirFX. *Id.* Given the defendant’s awareness of the Ninth Circuit’s
25 holding in *GoPets*, the court determined that defendant should have “withdrawn its ACPA
26 counterclaim once it discovered that the original registration date of airfx.com preceded
27 the registration of the AirFX mark.” *Id.* Similarly, the court found the defendant’s
28 trademark infringement counterclaim was groundless because the defendant failed to

1 provide any evidence that the plaintiffs' use of the AirFX mark had been commercial. *Id.*
2 On the parties' arguments that the other party had litigated in bad faith, the court stated that
3 while both of the parties had "been unnecessarily adversarial and uncivil," it declined to
4 conclude that either defendant or its counsel had acted in bad faith. *Id.* at *3. The court
5 determined the case was exceptional under § 1117(a) and that the plaintiffs were entitled
6 to attorney fees based on the defendant's prosecution of counterclaims the court found to
7 be "groundless and unreasonable." *Id.*

8 **2. Order on motion for attorneys' fees in *Black***

9 In *Black*, the plaintiff/counterdefendant ("plaintiff") filed a lawsuit asserting an
10 RDNH claim against defendant/counterclaimant ("defendant") and requesting declaratory
11 relief that his use of a disputed domain name was lawful and that the domain name should
12 not be transferred to the defendant. 2020 WL 60202 at *1. The defendant counterclaimed
13 asserting the plaintiff was a cybersquatter and requesting declaratory judgment that the
14 domain name should be transferred from the plaintiff to the defendant. *Id.* On the parties'
15 cross-motions for summary judgment the court: (1) entered judgment in favor of the
16 defendant on the plaintiff's RDNH claim because the plaintiff had alleged a violation of §
17 1114(2)(D)(iv), fraud in the domain dispute proceeding, in his complaint but then tried to
18 instead assert an RDNH claim under § 1114(2)(D)(v) on summary judgment; and (2)
19 denied summary judgment on the remaining claims/counterclaims and requests for
20 declaratory relief. *Id.* at *7. On the completion of trial, the jury found in favor of the
21 plaintiff and concluded he had not violated the ACPA and was entitled to declaratory relief
22 to the effect that the plaintiff had not violated the ACPA. *Id.* at 11.

23 On the plaintiff's motion for attorneys' fees under 15 U.S.C. § 1117(a), the Northern
24 District of California ruled: (1) that the defendant's counterclaim for cybersquatting had
25 not been objectively unreasonable; (2) the defendant's motivation in asserting the
26 cybersquatting counter claim was not improper; (3) the plaintiff's success in obtaining a
27 declaratory judgment that he did not violate the ACPA did not qualify his case as
28 exceptional; and (4) that plaintiff had not reasonably litigated the case when he ignored the

1 court's repeated warnings that he did not "have either a claim for reverse domain name
2 hijacking or any other affirmative claim" against the defendant, which militated against an
3 award of attorneys' fees. *Id.* at **12-21. The court noted that the defendant's counterclaim
4 of cybersquatting had survived summary judgment and reasoned it would "strain logic" to
5 hold the defendant had presented sufficient evidence to establish genuine issues of material
6 fact on the contested elements of a counterclaim but to also find the counterclaim was
7 objectively unreasonable based on the facts. *Id.* at *13. The court also listed evidence that
8 could have supported a finding of bad faith by the plaintiff. *Id.* at **14-16.

9 In finding that the defendant's motivation for litigating a cybersquatting
10 counterclaim was not improper, the court concluded that the plaintiff's argument the
11 defendant had sought the domain name to ensure that its brand was consistent was a
12 "wholly unremarkable" business consideration. *Id.* at *17. The court also rejected the
13 plaintiff's contention the defendant was conducting itself as a "trademark bully" because
14 the plaintiff had failed to provide any evidence in support. *Id.*

15 The plaintiff argued his case was exceptional under the Lanham Act because there
16 had been few cases in which a plaintiff had prevailed on an RDNH claim. *Id.* at *18. The
17 court declined to endorse this reasoning, finding 15 U.S.C. § 1114(2)(D)(v) provided no
18 basis for automatic fee-shifting when a plaintiff prevails. *Id.* Moreover, the court observed
19 that even the cases cited by the plaintiff to support his argument followed *Octane's*
20 instruction to consider factors such as the substantive strength of the losing party's
21 litigation position and the party's motivation for litigating. *Id.*, citing *Domond v.*
22 *PeopleNetwork APS*, 750 Fed.Appx. 844, 847 (11th Cir. 2018) and *AirFX*, 2013 WL
23 857976, at *2.

24 3. *AirFX is the more comparable case to the instant matter*

25 The facts, procedural history, and issues addressed in this case and those presented
26 in *AirFX* are closely similar. In both cases: (1) the plaintiffs purchased a pre-existing
27 domain name registration; (2) the defendants in each case registered a trademark with a
28 similar name to the plaintiffs' domain name after the domain name had been registered; (3)

1 the defendants filed a domain name dispute in an arbitration forum and obtained favorable
2 rulings, including an order that the domain names be transferred from the plaintiffs to the
3 defendants; (4) the domains were parked on a GoDaddy splash page that included third-
4 party advertisements; (5) the plaintiffs had not used the domains to sell anything; (6) the
5 plaintiffs requested relief regarding RDNH under the Lanham Act, 15 U.S.C. §
6 1114(2)(D)(5); and (7) the plaintiffs were successful on summary judgment. Importantly,
7 the issue of re-registration was a central issue to the determination of the *AirFX* court and
8 to this Court.

9 In *Black*, the plaintiff registered the disputed domain name in 1994, while the
10 defendant had used the comparable trademark in its business since as early as 1962. 2020
11 WL 60202 at *3. The defendant filed a trademark registration application in 1994 and the
12 trademark was registered in 1995. *Id.* The plaintiff placed the domain name for sale,
13 including to the defendant, but the defendant concluded the asking price was exorbitant.
14 *Id.* at *6. The defendant filed a Uniform Domain Name Dispute Resolution Policy
15 (“UDRP”) complaint against the plaintiff alleging the plaintiff was cybersquatting on the
16 domain name and seeking transfer of the domain from the plaintiff to the defendant. *Id.*
17 As noted, the jury in *Black* found that the plaintiff had not violated the ACPA and that the
18 defendant was not entitled to declaratory relief. *Id.* at *11. As noted, the *Black* court ruled
19 the plaintiff had failed to state a claim for RDNH when he cited to § 1114(2)(D)(iv) instead
20 of § 1114(2)(D)(v), and a claim for RDNH had not been presented at trial.

21 Importantly, the determinative issue here of whether the plaintiff’s registration or
22 re-registration of the disputed domain name was unlawful under the ACPA as addressed
23 by the Ninth Circuit in *GoPets* was not considered in *Black* because the parties agreed that
24 registration was undisputed. *Id.* at *12. However, in addressing the issue of whether the
25 plaintiff engaged in bad faith for purposes of the ACPA, the district court discounted the
26 plaintiff’s reliance on *AirFX* and concluded the plaintiff had misread *AirFX*. *Id.* at *16.
27 The district court noted that the plaintiff read “*AirFX.com* for the proposition that no ACPA
28 cybersquatting counterclaim could have existed in the instant case because [the defendant]

1 did not actually register the [disputed] trademark with the [USPTO] until . . . after [the
2 plaintiff] had already registered the domain name.” *Id.* The court stated that “Ninth Circuit
3 case law squarely forecloses such a reading, and indicates that a plaintiff in fact need not
4 ever register a trademark to bring a claim for cybersquatting under the ACPA.” *Id.* The
5 *Black* court cited in support *DSPT Int’l, Inc. v. Nahum*, 624 F.3d 1213, 1222 (9th Cir.
6 2010), *Id.*, a Ninth Circuit case decided prior to *GoPets* that despite the district court’s
7 characterization did not expressly state that a plaintiff need not register a trademark to bring
8 a claim for cybersquatting under the ACPA. *DSPT*, 624 F.3d at 1221-22. In any event,
9 because neither the Ninth Circuit in *DSPT* nor the district court in *Black* addressed the
10 question of re-registration, *Black* is not a relevant comparator case on the question of
11 whether Plaintiff’s case is exceptional. This Court finds that Defendant’s reference to
12 *Black* as a close comparator for purposes of determining whether this case is extraordinary
13 is misplaced.

14 **C. Defendant’s Arguments Regarding the Reasonability of its Challenge to**
15 ***GoPets* Fail**

16 Defendant argues that its decision to defend in this litigation was not baseless but
17 rather was objectively reasonable. (Doc. 116 at 9-11) Defendant contends that its position
18 that Plaintiff’s registrations in September and December 2016 were new registrations
19 under the ACPA was debatable and thus reasonable, particularly given a circuit court split
20 on this question. (*Id.* at 13-15) Defendant asserts that after *AirFX*, some courts have
21 rejected the Ninth Circuit’s holding in *GoPets* on re-registration of domain names and that
22 it was “proper” for Defendant to argue “for a new interpretation based upon developments
23 in the law[.]” (*Id.* at 14-15) Defendant discusses *Jysk Bed’N Linen v. Dutta-Roy*, 810 F.3d
24 at 771-72 as well as a case from the Southern District of Florida and another from the
25 District of Delaware, each of which cited *Jysk Bed’N Linen*, and also a case from District
26 of the District of Columbia which declined to follow *GoPets*’ ruling on re-registration
27 under the ACPA. (*Id.* (citing *Heron Dev. Corp. v. Vacation Tours, Inc.*, No. 1:16-cv-
28 20683-MORENO/O’SULLIVAN, 2017 WL 2895921 (S.D. Fla. Apr. 13, 2017); *American*

1 *Cruise Lines, Inc. v. HMS American Queen Steamboat Co. LLC*, No. 13-cv-324 (RGA),
2 2017 WL 3528606 (D. Del. Aug. 16, 2017); *Xereas v. Heiss*, 933 F.Supp.2d 1, 15-17
3 (D.D.C. 2013), which disagreed with *GoPets* and held that a re-registration fell under the
4 ACPA.))

5 The Eleventh Circuit in *Jysk Bed’N Linen* addressed the expiration of registration
6 of a domain name followed by re-registration. 810 F.3d 767, 771-72 (11th Cir. 2015). The
7 district court below assumed without discussion that a re-registration was not a new
8 registration for purposes of the ACPA. *Id.* at 777. The Eleventh Circuit observed that the
9 Third and Ninth Circuits had “provided divergent answers to this question[,]” citing *GoPets*
10 and *Schmidheiny v. Weber*, 319 F.3d 581 (3d Cir. 2003). The Eleventh circuit noted that
11 the Third Circuit had concluded a re-registration of a domain name was a registration under
12 the ACPA, and that the statute had not limited a registration to the narrow concept of
13 “creation” registration. 810 F.3d at 777. The Eleventh Circuit further observed that the
14 Third Circuit had compared registration to a contract between the registrar and the
15 registrant and concluded that a registration would encompass a “new contract at a different
16 registrar and to a different registrant.” *Id.* (citing *Schmidheiny*, 319 F.3d at 583).

17 The Eleventh Circuit explained that the Ninth Circuit in *GoPets* had relied instead
18 on property law principles to conclude that a registrant obtains a property right in a domain
19 name when it is registered and thus has the right to transfer the property to another owner.
20 *Id.*, citing *GoPets*, 657 F.3d at 1031. The Eleventh Circuit noted the Ninth Circuit’s
21 concern that if it held a re-registration were a registration under the ACPA, this would
22 “make rights to many domain names effectively inalienable, whether the alienation is by
23 gift, inheritance, sale or other form of transfer.” *Id.*, quoting *GoPets*, 657 F.3d at 1031-
24 32. Nevertheless, the Eleventh Circuit agreed with the Third Circuit, concluding that the
25 plain meaning of the term “register” within the ACPA must include a “re-registration,”
26 because the ACPA did not expressly qualify the act of registering with terms such as
27 “initial” or “creation.” *Id.* Moreover, the Eleventh Circuit discerned a policy basis for its
28 conclusion. In its view, allowing a re-registration to fall within the ACPA would enable

1 the new registrant of a trademarked domain name to then offer the registered domain name
2 for sale to the trademark owner, which would permit cybersquatting, which was “exactly
3 the wrong Congress intended to remedy when it passed the ACPA.” *Id.* at 777-78 (citation
4 and internal quotation marks omitted).

5 Defendant’s argument that a circuit split on the question of re-registration under the
6 ACPA rendered Defendant’s litigation of this question reasonable ignores the important
7 policy considerations imposed by federal appellate courts that are expressed in the doctrine
8 of the “law of the circuit.” “Law of the circuit is stare decisis, by another name. The
9 doctrine requires that we ‘stand by yesterday’s decisions’—even when doing so ‘means
10 sticking to some wrong decisions.’” *East Bay Sanctuary Covenant v. Trump*, 950 F.3d
11 1242, 1261 (9th Cir. 2020) (quoting *Kimble v. Marvel Entm’t, LLC*, 576 U.S. 446, 455
12 (2015)). Published decisions of the Ninth Circuit become law of the circuit, which is
13 binding authority that the Ninth Circuit and district courts within the circuit must follow
14 until overruled. *Hart v. Massanari*, 266 F.3d 1155, 1170 (9th Cir. 2001). Overruling
15 authority includes only intervening statutes or Supreme Court opinions that create “clearly
16 irreconcilable” conflicts with published Ninth Circuit caselaw. *Miller v. Gammie*, 335 F.3d
17 889, 893, 900 (9th Cir. 2003) (en banc). A district court is not free to disagree with a
18 decision by its own court of appeals on a controlling legal issue because such binding
19 authority “is not merely evidence of what the law is[,]” but rather “caselaw on point *is* the
20 law.” *Massanari*, 266 F.3d at 1169 (emphasis in original).

21 The Ninth Circuit also has recognized that while its published opinions are binding
22 within the Ninth Circuit:

23 courts of appeals, and even lower courts of other circuits, may decline to
24 follow the rule we announce—and often do. This ability to develop different
25 interpretations of the law among the circuits is considered a strength of our
26 system. It allows experimentation with different approaches to the same
27 legal problem, so that when the Supreme Court eventually reviews the issue
28 it has the benefit of “percolation” within the lower courts.

Id. at 1173.

1 In *Massanari*, the Ninth Circuit instructed that a published, precedential opinion
2 “must not only consider the facts of the immediate case, but must also envision the
3 countless permutations of facts that might arise in the universe of future cases.” *Id.* at 1176.
4 Here, Defendant claims it was “free to attempt to distinguish *GoPets* on the basis that
5 [Plaintiff’s] was a re-registration by a third party.” (Doc. 116 at 15) However, as the *AirFX*
6 court concluded, *GoPets* did not limit its holding to parties affiliated with the original
7 registrant of a domain name.

8 In its August 2012 order on summary judgment, the *AirFX* court addressed the
9 defendant’s argument that the Ninth Circuit’s reasoning in *GoPets* could be distinguished
10 because the domain name owner had transferred the domain name to an entity the owner
11 co-owned, whereas the individual plaintiff in *AirFX* had purchased the domain name at
12 issue from a third party unrelated to the plaintiff. The court concluded that:

13 *GoPets* did not distinguish between transfers of a domain name to related
14 parties and other kinds of domain name transfers. To the contrary, *GoPets*
15 broadly reasoned that if an original owner’s rights associated with a domain
16 name were lost upon transfer to “another owner,” the rights to many domain
17 names would become “effectively inalienable,” a result the intention of
18 which was not reflected in either the structure or the text of the ACPA.
19 [*GoPets*, 657 F.3d] at 1031–32.

20 *AirFX.com v. AirFX LLC*, No. 2:11-cv-01064-FJM, 2012 WL 3638721, at *4 (D. Ariz.
21 Aug. 4, 2012).

22 This Court agrees with District Judge Martone’s conclusion in *AirFX*. It is plain
23 that the Ninth Circuit did not intend for its holding in *GoPets* to apply only where an initial
24 registrant transfers a domain name to an affiliated party and that the holding in *GoPets*
25 would not extend to instances where the registrant transfers the domain name to an
26 unrelated third party. The Ninth circuit explained:

27 The words “registration” and “register” are not defined in ACPA. It is
28 obvious that, under any reasonable definition, the initial contract with the
registrar constitutes a “registration” under ACPA. It is less obvious which
later actions, if any, are also “registrations.” After registering, a registrant
can take a variety of actions that modify the registration. For instance, the
registrant can update the registration if her contact or billing information

1 changes. She can switch to “private” registration, where a third party’s name
2 is substituted for hers in the public databases of domain registrants. She can
3 switch between registrars, but leave her contact and billing information
4 unchanged. A registrant can change the name of the registrant without
5 changing who pays for the domain, or a registrant can transfer both the
6 domain and payment responsibilities to someone else. Even if the registrant
7 does none of these things, she must still renew the registration periodically.
8 All of these actions could conceivably be described as “registrations” within
9 the meaning of § 1125(d)(1).

10 *GoPets*, 657 F.3d at 1030-31. As noted, the Ninth Circuit recognized that a registrant of a
11 domain name could transfer the domain to “someone else.” The court then assessed the
12 transfer of a registered domain name under property right principles and concluded that it
13 could:

14 see no basis in ACPA to conclude that a right that belongs to an initial
15 registrant of a currently registered domain name is lost when that name is
16 transferred to another owner. The general rule is that a property owner may
17 sell all of the rights he holds in property. *GoPets Ltd.*’s proposed rule would
18 make rights to many domain names effectively inalienable, whether the
19 alienation is by gift, inheritance, sale, or other form of transfer. Nothing in
20 the text or structure of the statute indicates that Congress intended that rights
21 in domain names should be inalienable.

22 *Id.* at 1031-32. The Ninth Circuit’s discussion of transfers of a domain name does not
23 support Defendant’s argument that the Ninth Circuit intended to limit such transfers only
24 to a party affiliated with the original registrant. And, as Defendant observes, the Ninth
25 Circuit has not altered its analysis of re-registration since it published *GoPets*. (Doc. 116
26 at 14) Defendant does not claim that intervening statutes or Supreme Court opinions have
27 created clearly irreconcilable conflicts with *GoPets*.

28 Further, Defendant’s other arguments asserted to establish the reasonability of its
defense do not overcome the obstacle posed by the Ninth Circuit’s ruling in *GoPets*.
Defendant asserts that its defense was reasonable because it held valid trademarks, did not
bring any counterclaims, and was merely defending its rights. (Doc. 116 at 9-10)
However, the fact that Defendant held valid trademarks is a required element to a claim

1 under the ACPA and does not provide a basis for Defendant’s argument that his litigation
2 of this case was reasonable given the law in this circuit. Defendant further contends its
3 litigation was reasonable because it prevailed in its case before WIPO. This circumstance
4 may support a parties’ argument for litigating a case in federal court under other
5 circumstances, but because a WIPO panelist’s decision is entitled to no deference in
6 deciding a claim pursuant to 15 U.S.C. § 1114(2)(D)(v), *Barcelona.com, Inc. v.*
7 *Excelentísimo Ayuntamiento De Barcelona*, 330 F.3d 617, 626 (4th Cir. 2003), Defendant’s
8 success in non-binding arbitration with WIPO also does not overcome Defendant’s
9 problem with the law of the circuit established in *GoPets*.⁶

10 Defendant further argues that its litigation in this matter was reasonable because it
11 argued that the phrase “under this chapter” in § 1114(2)(D)(2) refers to the Lanham Act as
12 a whole rather than only to the ACPA. (Doc. 116 at 12-13) Defendant concludes that
13 although this Court rejected its argument, the fact that this Court analyzed and discussed
14 the issue establishes that Defendant’s defense was reasonable. (*Id.* at 13) In Defendant’s
15 motion for summary judgment, it contended that if the phrase were limited to apply only
16 to the ACPA, a cybersquatter acting in bad faith with a claim for RDNH could gain control
17 of an infringing domain name despite having violated the Lanham Act. (Doc. 83 at 17)
18 However, the evidence in this case clearly does not support such a circumstance even if
19 this Court had agreed with Defendant’s position.

20 In its March 11, 2020, order on cross-motions for summary judgment, this Court
21 found there was no evidence of Plaintiff’s unlawful use of the disputed domain names or
22 of bad faith on Plaintiff’s part by registering the domain names. (Doc. 97 at 17) This Court
23 further found no evidentiary support for a finding that Plaintiff obtained the domain names
24 intending to sell them to Defendant, that Plaintiff had any plan to profit by diverting
25 potential customers from Defendant’s websites to Plaintiff’s websites, or that Plaintiff was
26 aware of Defendant when he acquired the domain names. (*Id.* at 17-19) Similarly, this

27 ⁶ The Fourth Circuit further observed that “because a UDRP decision is susceptible of
28 being grounded on principles foreign or hostile to American law, the ACPA authorizes
reversing a[n arbitration] panel decision if such a result is called for by application of the
Lanham Act.” *Barcelona.com, Inc.*, 330 F.3d at 62.

1 Court found no evidence that Plaintiff possessed control over content placed on the parking
2 pages holding the domain names or had any intent to divert consumers from the parking
3 pages for commercial gain. (*Id.* at 20) Moreover, this Court concluded that under the
4 undisputed material facts, Plaintiff did not act in bad faith and qualified for the safe harbor
5 under the ACPA. (*Id.* at 17-20) Given these findings based on the evidence, Defendant’s
6 arguments concerning both re-registration of the domain names and application of the
7 phrase “under this chapter” were unreasonable.

8 **D. Defendant’s litigation under the totality of the circumstances in this case**
9 **was not reasonable in light of *GoPets*; this case is exceptional for purposes of an award**
10 **of attorney fees under § 1117(a)**

11 Defendant’s defense was premised on its argument that Plaintiff’s registration was
12 not lawful pursuant to 15 U.S.C. § 1114(2)(D)(v), that the Ninth Circuit’s reasoning and
13 decision in *GoPets* had been rejected by other federal courts, and that even if *GoPets* was
14 the correct application of law, Defendant’s case was distinguishable on the facts. As is
15 discussed above, however, the published decision in *GoPets* is the precedential law in the
16 Ninth Circuit. *Massanari*, 266 F.3d at 1169. As is further addressed above, the *GoPets*
17 opinion does not support Defendant’s attempts to escape its reach based on the facts
18 presented in this case. Accordingly, this Court finds that Defendant’s defense was without
19 merit and this case is exceptional under *Octane Fitness*.

20 This Court does not find that Defendant pursued its defense with improper
21 motivation or that the facts presented support a finding that fees are warranted to advance
22 policies of compensation or deterrence. *See Octane Fitness, LLC*, 572 U.S. at 1756 n.6.
23 Instead, as the Court concluded in *AirFX* on closely comparable facts, here “[n]either the
24 factual basis for [the Court’s] conclusion, nor the law compelling it, were genuinely subject
25 to dispute.” 2013 WL 857976 at *2. *See also Dropbox, Inc. v. Thru Inc.*, 728 Fed.Appx.
26 717, 719 (9th Cir. 2018) (holding the district court did not abuse its discretion in awarding
27 fees under § 1117(a) in part based on a finding that the defendant’s counterclaims were
28 “wholly lacking in merit”); *Ketab Corp. v. Mesriani Assocs., P.C.*, 734 Fed.Appx. 401,

1 411-12 (9th Cir. 2018) (affirming district court’s award of § 1117(a) attorneys’ fees after
2 finding the plaintiff’s arguments were “groundless, frivolous, and unreasonable[.]”);
3 *Amusement Art, LLC v. Life is Beautiful, LLC*, 768 Fed.Appx. 683, 687 (9th Cir. 2019)
4 (holding the defendant was entitled to attorneys’ fees on Lanham Act claims where plaintiff
5 fraudulently obtained trademark registrations and because trademark claims were weak).

6 In the exercise of equitable discretion, considering the preponderance of the
7 evidence standard, and under the totality of circumstances, this Court finds that this case
8 “stands out from others” and is exceptional such that § 1117(a) attorneys’ fees are
9 warranted.

10 **E. Plaintiff’s Request for Reasonable Attorney Fees is Reduced to Account**
11 **for Unsuccessful Claims in the Complaint**

12 Plaintiff requests attorneys’ fees totaling \$243,991.50. (Doc. 115 at 4) As is
13 detailed above, Defendant argues Plaintiff is not entitled to an award of attorneys’ fees
14 because this case is not exceptional. However, Defendant states it does not contest the
15 hourly rates claimed by Plaintiff’s counsel and does not specifically object to the hours
16 claimed other than to state that Plaintiff has made “no attempt to cull out time spent on the
17 3 of 5 claims on which [Defendant] was successful.” (Doc. 116 at 8 n.1)

18 The Lanham Act permits an award of “reasonable” attorneys’ fees to “the prevailing
19 party” in an “exceptional case.” 15 U.S.C. § 1117(a). This Court finds that Plaintiff is the
20 prevailing party. A party is a prevailing party for purposes of an attorneys’ fee award under
21 § 1117(a) if it “achieved a material alteration in the legal relationship of the parties that is
22 judicially sanctioned.” *Fifty-Six Hope Road Music, Ltd. v. A.V.E.L.A., Inc.*, 778 F.3d
23 1059, 1078 (9th Cir. 2015) (quoting *Klamath Siskiyou Wildlands Ctr. v. U.S. Bureau of*
24 *Land Mang.*, 589 F.3d 1027, 1030 (9th Cir. 2009) (internal quotation marks omitted)).
25 “The material alteration in the legal relationship of the parties must be relief that the
26 would-be prevailing party sought.” *Id.* The Ninth Circuit has further recognized that a
27 “party need not succeed in all of its claims to be the prevailing party.” *Id.* (citing *San Diego*
28 *Police Officers’ Ass’n v. San Diego City Emps.’ Ret. Sys.*, 568 F.3d 725, 741 (9th Cir.

1 2009). Here, because this Court found Plaintiff's registration of the disputed domain names
2 was not unlawful under the ACPA or the Lanham Act and ordered that the domain names
3 remain registered to Plaintiff for his lawful use, Plaintiff obtained "a material alteration in
4 the legal relationship of the parties that is judicially sanctioned" and he is the prevailing
5 party.

6 Although Defendant does not dispute that Plaintiff is the prevailing party for
7 purposes of attorney fees, it notes that Plaintiff did not prevail on all his claims. (Doc. 116
8 at 11-12) Defendant accurately indicates that its motion to dismiss Plaintiff's claims for
9 fraud pursuant to § 1114(2)(D)(iv) and for tortious interference was granted and that
10 Plaintiff did not pursue his claim for statutory damages under 15 U.S.C. § 1117(d) in his
11 October 9, 2019, motion for summary judgment. (*Id.*) In his complaint, Plaintiff requested
12 statutory damages pursuant to 15 U.S.C. § 1117(d) in an amount of between \$1,000 and
13 \$100,000 per domain name because his action involved the Defendant's argument that
14 Plaintiff had violated 15 U.S.C. § 1125(d)(1). (Doc. 1 at 13) However, Plaintiff did not
15 seek summary judgment on his claim for § 1117(d) damages.

16 A court determines a reasonable attorneys' fee award by reference to the lodestar
17 calculated by multiplying the number of hours reasonably expended on litigation times a
18 reasonable hourly rate. *Jordan v. Multnomah Cnty.*, 815 F.2d 1258, 1262 (9th Cir. 1987)
19 (citing *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983)). To determine a reasonable
20 number of hours, the court reviews the record to assess whether the hours claimed by the
21 applicant are adequately documented and whether any of the time claimed was
22 unnecessary, duplicative, or excessive. *Chalmers v. City of Los Angeles*, 796 F.2d 1205,
23 1210 (9th Cir. 1986). In considering whether hourly rates are reasonable, a court looks to
24 the prevailing rate in the community for similar work performed by attorneys of
25 comparable skill, experience, and reputation. *Id.* at 1210-11. The party seeking fees bears
26 the burden of establishing entitlement to fees and submitting supporting evidence.
27 *Hensley*, 461 U.S. at 433, 437. A court may reduce an award based on inadequate
28 documentation of hours or rates requested. *Id.* at 433.

1 Plaintiff was represented by the firm of Schmeiser, Olsen & Watts, LLP of Mesa,
2 Arizona (“SOW”), and by John Berryhill, a Pennsylvania attorney appearing *pro hac vice*.
3 In his affidavit, Jeffrey W. Johnson, an of counsel attorney with SOW, attests he recorded
4 522.2 hours on this matter and billed at hourly rates of \$340 and \$390. (Doc. 115-2 at 3,
5 5) Mr. Johnson further states that: Sean K. Enos, Senior Partner, recorded 11.6 hours on
6 the case at hourly rates of \$475 and \$520; Albert L. Schmeiser, Managing Partner, recorded
7 2.5 hours at hourly rates of \$525 and \$575; associate attorney Karl Webster recorded 22.4
8 hours at an hourly rate of \$200; and Mr. Berryhill recorded 27 hours at an hourly rate of
9 \$350. (*Id.*) Mr. Johnson declares that paralegals with SOW recorded 61 hours at an
10 average hourly rate of \$144.30. (*Id.* at 6) Mr. Johnson explains that all attorneys working
11 on this case practice in the area of intellectual property and that these attorneys have
12 practiced intellectual property law for between 14 and 21 years, with the exception of Mr.
13 Webster, who was a first-year associate at the time of the work he performed for Plaintiff.
14 (*Id.* at 3-4) Mr. Johnson avers that the rates billed in this matter are reasonable in the
15 Phoenix, Arizona legal market and cites to a national survey of billing rates by intellectual
16 property lawyers in 2016. (*Id.* at 6-7)

17 This Court concludes that the hourly rates billed in this matter are reasonable given
18 the respective attorneys’ specialization and experience. *See BoxNic Anstalt v. Gallerie*
19 *degli Uffizi*, No. CV-18-1263-PHX-DGC, 2020 WL 2991561, at *2 (D. Ariz. June 4, 2020)
20 (concluding that hourly rates of \$695 to \$725 for an experienced partner practicing in
21 intellectual property and of \$520 to \$575 for a senior associate were reasonable, and further
22 concluding that hourly rates of \$250 for associate attorneys and of \$150 for paralegals were
23 reasonable in the Phoenix, Arizona legal market); *Kaufman v. Warner Bros. Entm’t Inc.*,
24 No. CV-16-02248-PHX-JAT, 2019 WL 2084460, at *12 (D. Ariz. May 13, 2019) (an
25 hourly fee of law firm partner with over three decades of experience in intellectual property
26 actions ranging between \$552.00 to \$715.00 was reasonable); *Jackson v. Wells Fargo*
27 *Bank, N.A.*, No. CV-13-00617-PHX-SPL, 2015 WL 13567069 at *2 (D. Ariz. Oct. 23,
28 2015) (“The best indicator of a reasonable hourly rate for a fee-paying client is the rate

1 charged by the lawyer to the client.”).

2 Moreover, Mr. Johnson’s affidavit (Doc. 115-2) and time sheets (Doc. 115-3)
3 provide sufficient detail to permit the Court to determine that the substantial amount of
4 time spent on this case was reasonable. This Court has carefully reviewed Plaintiff’s
5 counsel’s time records which cover the period between March 2017 and November 2019.
6 The time records detail significant time devoted to discovery (Doc. 115-3 at 29-39, 41-43,
7 46-47, 50-51, 54-55, 58-61, 63-66, 68, 70); preparation for and participation in a settlement
8 conference and other settlement negotiations (*Id.* at 10, 46-47, 70-71); and preparing
9 Plaintiff’s motion for summary judgment and extensive supporting documents as well as
10 responding to Defendant’s motion for summary judgment (*Id.* at 65-66, 70-71, 73-86).

11 In setting a reasonable fee, a court should apportion fees between claims on which
12 the successful party prevailed and claims on which the party did not prevail. *Gracie v.*
13 *Gracie*, 217 F.3d 1060, 1071 (9th Cir. 2000). As noted, in an order dated February 12,
14 2018, the Court dismissed without prejudice Plaintiff’s claims for tortious interference and
15 for fraud pursuant to § 1114(2)(D)(iv). (Doc. 17) Accordingly, attorneys’ fees attributable
16 to these claims should be excluded from an award under § 1117(a).

17 Plaintiff’s counsel’s billing records indicate that time recorded by counsel and
18 paralegals associated with the complaint and Plaintiff’s response to Defendant’s motion to
19 dismiss claims totals \$12,065.00. (Doc. 115-3 at 2, 4, 8, 14, 16, 18, 19) Because two of
20 Plaintiff’s five claims for relief were dismissed (Doc. 17), this Court will exclude forty
21 percent of this total, or \$4,826.00, from Plaintiff’s requested fees.

22 Plaintiff also declined to assert his claim for statutory damages under 15 U.S.C. §
23 1117(d) in his motion for summary judgment filed in October 2019. (Doc. 86) Section
24 1117(d) provides that “[i]n a case involving a violation of section 1125(d)(1),” the plaintiff
25 may elect statutory damages instead of actual damages and profits and seek “an award of
26 statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per
27 domain name, as the court considers just.” 15 U.S.C. § 1117(d). Here, Plaintiff initially
28 sought declaratory relief that his registration of the disputed domain names did not violate

1 Defendant's rights under § 1125(d)(1). However, aside from alleging Plaintiff's right to
2 statutory damages pursuant to § 1117(d) in the complaint, there is no record that Plaintiff's
3 counsel devoted any time specifically to this claim for damages between filing Plaintiff's
4 response to Defendant's motion to dismiss and when Plaintiff filed his motion for summary
5 judgment, which did not argue for statutory damages. Accordingly, this Court will deduct
6 an additional twenty percent of attorneys' fees associated with the complaint and Plaintiff's
7 response to Defendant's motion to dismiss, or an additional \$2,413.00. Accordingly,
8 attorneys' fees that will be excluded as attributable to Plaintiff's claims that were dismissed
9 or not asserted on summary judgment total \$7,239.00. Subtracting excluded attorneys'
10 fees of \$7,239.00 from Plaintiff's claimed fees of \$243,991.50 leaves a remainder of
11 \$236,752.50.

12 **IV. CONCLUSION**


13 For the reasons set forth above, this Court will grant Plaintiff's motion and award
14 attorneys' fees of \$ 236,752.50.

15 Accordingly,

16 **IT IS ORDERED granting** Plaintiff's Motion for Attorneys' Fees as set forth
17 herein. (Doc. 115)

18 **IT IS FURTHER ORDERED** awarding Plaintiff \$ 236,752.50 in attorneys' fees.

19 Dated this 25th day of January, 2021.

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21 
22 _____
23 Honorable Deborah M. Fine
24 United States Magistrate Judge
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