

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

JEFFERY DEAN BLACK,
Plaintiff,
v.
IRVING MATERIALS, INC.,
Defendant.

Case No. 17-CV-06734-LHK

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

Plaintiff and Counterdefendant Jeffery Dean Black (“Black”) registered the imi.com domain name in March of 1994. Defendant and Counterclaimant Irving Materials, Inc. (“Irving”), an Indiana concrete and construction materials supplier, registered the IMI trademark, which is the acronym of “Irving Materials, Inc.,” in 1995. The parties dispute whether Black cybersquatted on the imi.com domain name.

The Court held a 3-day jury trial in this matter beginning on June 10, 2019. On June 14, 2019, the jury rendered a verdict. Specifically, the jury found that Irving failed to prove its Anti-Cybersquatting Consumer Protection Act counterclaim (“ACPA cybersquatting counterclaim”). In its advisory capacity, the jury also found that Black proved his declaratory relief claim that Black lacked bad faith intent and thus did not violate the Anti-Cybersquatting Consumer Protection Act

1 (“ACPA”) pursuant to 15 U.S.C. § 1114(2)(D)(v) (“subsection (v) declaratory relief claim”).

2 Because the jury found for Black on his subsection (v) declaratory relief claim that Black
3 did not violate the ACPA in the jury’s advisory capacity only, and because the jury was not asked
4 to render an advisory decision on Irving’s counterclaim for declaratory relief that Black violated
5 the ACPA, the Court must issue a ruling on these two claims.

6 Having considered the evidence and arguments of counsel, the relevant law, and the record
7 in this case, the Court hereby enters the following findings of fact and conclusions of law.

8 **I. FINDINGS OF FACT**

9 **A. Factual Background**

10 **1. Black Registers imi.com and Incorporates Internet Marketing Inc.**

11 Since at least the mid-1990s, Black has invested significant time and money developing
12 various internet entities, projects, and businesses. *See* 6/10/19 Transcript at 178–82. Black is also
13 one of the first people to register domain names: “I was again one of the main speakers in the
14 world going around talking about the internet is coming to get people to go online. My job was
15 kind of, let me help convince all of the people in the world that this new thing, going from what
16 we called the ARPAnet at the time, which only colleges used, and let’s get people to go on to the
17 internet. Something you take for granted today, back then it was all dial up. No one was doing it.
18 My job was to make awareness to everybody in the world why they should do that.” *Id.* at 182:20–
19 183:4.

20 In March of 1994, Black acquired and registered for free the domain name at issue in this
21 case, imi.com. *Id.* at 183:15–184:5, 191:19–23. Black associated his home address, his home
22 phone number, his cell phone number, and his pager with the imi.com domain name from 1994 to
23 2019, and all of this information was listed on WHOIS. *Id.*; 6/11/19 Transcript at 281:11–14.

24 On April 6, 1994, Black also incorporated an entity named Internet Marketing Inc., which
25 was the first company Black ever created. 6/10/19 Transcript at 197:12–18, 236:20–22; BX-2
26 (Certificate of Incorporation of Internet Marketing Inc.). At the time he created Internet Marketing
27 Inc., he was not aware of any other IMI business. 6/10/19 Transcript at 191:10–14. When Black

1 registered imi.com, Black was not aware of Irving: “I had no idea who Irving Materials was. I had
2 never been out in Indiana. I’ve never seen any of their trucks driving here in California. I had no
3 intent at all to profit off of their site.” 6/11/19 Transcript at 303:12–304:10.

4 Black testified that the first thing he did with Internet Marketing Inc. and the imi.com
5 domain name after he registered it was that he started building some directories and spiders, which
6 Black explained were “some software that [he] would write that would say, ‘I want you to go out
7 to every, every machine on the internet, and on your way, keep track of every little machine you
8 bounce to, or routers.’” 6/10/19 Transcript at 184:13–185:1, 201:9–14. Black further explained:
9 “then I reversed that backwards and turned that into the first internet service provider listing in the
10 world that would show how many people were behind each ISP at the time. An ISP is an internet
11 service provider.” *Id.* at 184:13–185:1.

12 In 1994, Black used imi.com to create a website that had “Internet Marketing, Inc.” across
13 the top of the page. *Id.* at 185:2–6; JX-5 (copy of imi.com from 1998). The Internet Archive
14 Wayback Machine, available at archive.org, was not created until 1996 and did not start collecting
15 websites until mid to late 1997, so the Wayback Machine did not have a copy of imi.com from
16 1994 to 1996. 6/10/19 Transcript at 188:3–14. Black explained that in 1994, 1995, and maybe part
17 of 1996, imi.com described Internet Marketing Inc. as a “data aggregator.” *Id.* at 230:14–232:5.

18 Black used imi.com and Internet Marketing, Inc. to hold the data of his clients, and to
19 create internet directories. *Id.* at 188:16–189:16. Black displayed the IMI mark on his website,
20 documents, around 30 or more non-disclosure agreements, business plans for corporations,
21 presentations and pitch decks. 6/10/19 Transcript at 189:23–190:8, 203:3–17; BX-3 (1994 NDA);
22 BX-4 (Internet Marketing Inc. business records dated 1994). Black shared his IMI mark with
23 companies, including Oracle, Microsoft, Yahoo, Digital Equipment, American Business
24 Information, NW Ayer Incorporated, Excelsior, and Digex. 6/10/19 Transcript at 215:1–8, 216:8–
25 221:14. Black does not have many records left from Internet Marketing Inc. because Black sold
26 the company to AltaVista for \$25 million, and the records then became AltaVista’s property.
27 6/10/19 Transcript at 203:17–25.

28

1 Nonetheless, Black testified as to Internet Marketing Inc.’s relationships with the above-
2 mentioned companies. For instance, Black explored working with Jerry Yang, the co-founder of
3 Yahoo, to build an online directory of company names on the internet because Yahoo was
4 manually entering information but Black had a method of automatically building databases online
5 using his spiders. *Id.* at 221:11–222:14, 229:2–18. In support of his discussion about Internet
6 Marketing Inc.’s business relationship with Yahoo, Black introduced exhibit BX-5, which is a
7 1994 email from Jerry Yang to Black, which concludes: “To summarize, we are impressed by the
8 resource and talent pool that IMI has pulled together. We share much of the vision that IMI does,
9 and see a good potential fit. Of concern to us is the relative worth of Yahoo, the amount of
10 resources Yahoo will receive from IMI in the short run and long run, the autonomy of Yahoo
11 (both short and long term), and the pace at which things will be accomplished.” BX-5.

12 Black’s company also had a relationship with the Emmy Awards throughout the period of
13 1994 to 1999. 6/10/19 Transcript at 234:11–236:11. Sometime during that 1994 to 1999 period,
14 imi.com hosted a live broadcast of the Emmys through the alias “bigalpha.imi.com.” *Id.*

15 **2. Black Changes the Corporate Form of Internet Marketing Inc.**

16 Black rolled Internet Marketing Inc. into two other entities. *Id.* at 232:11–25. Specifically,
17 Internet Marketing Inc. had started as an S Corp that was tied to Black’s social security number,
18 but because venture capitalists would not fund S Corps, Black had to change the corporate form.
19 *Id.* at 232:11–25, 236:13–22. Thus, Internet Marketing Inc. was rolled into a company called
20 iChannel in 1996, which was then later rolled into iAtlas in 1998. *Id.* at 236:15–16; 6/11/19
21 Transcript at 277:12–16, 312:16–314:4. Black worked with the law firm of Hale & Dorr to make
22 sure that all of Internet Marketing Inc.’s records moved with the new companies. 6/10/19
23 Transcript at 232:11–25.

24 In support of his testimony about the changes to Internet Marketing Inc.’s name, Black
25 introduced into evidence BX-13, which was a January 24, 2000 letter from the Chestnut Partners
26 Team—the venture capital firm that funded Black’s company—regarding the changes. 6/11/19
27 Transcript at 377:13–23. BX-13 stated: “Dear Jeffery, Now that you have changed the Company’s
28

1 name yet again and the original iAtlas (or iChannel, ODS, or IMI) team is scattered across the
2 country, please accept the enclosed as a token to remember the search engine that changed the way
3 people surf the Web. We wish you the best of luck in all of your future successes.” BX-13.

4 Internet Marketing Inc. is listed on the Delaware Department of State, Division of
5 Corporations website as a “[v]oid, AR’s or [t]ax [d]elinquent” entity since March 1, 1997. BX-2 at
6 Black_000326. However, Black testified that he was paying taxes into June of 1997. 6/10/19
7 Transcript at 198:1–200:24; BX-2 at Black_000021 (blank tax return).

8 **3. Acquisition by AltaVista**

9 Black then entered into negotiations to sell iAtlas to AltaVista. Around October 1998,
10 AltaVista specifically asked Black to take the imi.com website down to avoid any confusion about
11 the company’s name. 6/10/19 Transcript at 241:21–25, 249:24–250:16; 6/11/19 Transcript at
12 279:20–280:9. Black thus took imi.com down in October 1998. 6/10/19 Transcript at 241:21–25,
13 249:24–250:16; 6/11/19 Transcript at 279:20–280:9.

14 In 1999, Black sold iAtlas to AltaVista for \$25 million. 6/10/19 Transcript at 237:24–
15 238:15; 6/11/19 Transcript at 277:12–22, 314:5–10; BX-13.¹ This transaction included all of the
16 assets from Internet Marking Inc. going back to 1994, with the exception of the imi.com domain
17 name, which AltaVista allowed Black to keep. 6/11/19 Transcript at 277:12–278:21. Black then
18 went to work for AltaVista. *Id.* at 314:6–9.

19 **4. Black’s Other Domain Names**

20 In 1994, Black also registered other domain names, including “hiking, biking, scuba,
21 tennis, recreation, hotels.com, [and] resorts.com. Obviously, IMI was the first one I did. There
22 might be a couple others that I did,” perhaps “ten, fifteen, something like that. They’re all generic
23 terms.” 6/10/19 Transcript at 191:24–192:25. Black’s plan for hotels.com and resorts.com was to
24 build the first online booking reservation system in the world. *Id.* For hotels.com, Black built a
25 booking reservation system complete with maps, and hand coded over 40,000 hotels into the
26

27 ¹ AltaVista was later acquired by Overture, which was then acquired by Yahoo. 6/10/19 Transcript
28 at 237:24–238:15.

1 database. *Id.* at 193:18–194:15. Black ultimately sold resorts.com in 1999 for \$950,000 and
2 hotels.com in 2001 for \$11 million. *Id.* at 195:8–21. Black gave away the hiking, biking, scuba,
3 tennis, and recreation domain names for free. *Id.* at 195:22–197:11.

4 **5. Irving Materials, Inc.**

5 Defendant and Counterclaimant Irving is an Indiana concrete and construction materials
6 supplier that does business in Indiana, Kentucky, Tennessee, Illinois, Ohio, Michigan, and
7 Alabama. 6/14/19 Transcript at 652:9–11.

8 At trial, the jury heard evidence about Irving’s use of its IMI trademark. Jason Richmond,
9 Irving’s Director of Marketing and Business Development, testified that between 1965 to the
10 present, Irving used the IMI trademark on fleet vehicles, ready mix concrete trucks, uniforms,
11 building signage, billboards, business cards, price sheets, marketing materials, and promotional
12 items. *Id.* at 635:13–636:7; D Ex.1. In 1962, Irving built the corporate office in Greenfield,
13 Indiana and displayed the IMI trademark on the front of that office. 6/14/19 Transcript at 643:1–9;
14 D Ex.1 at 85–86. Irving introduced into evidence a brochure from the 1962 original open house
15 when Irving moved into the new corporate headquarters that displayed the IMI trademark. 6/14/19
16 Transcript at 647:19–24; D Ex.1 at 45–49. In 1968, Irving displayed the IMI trademark on the
17 company letterhead. 6/11/19 Transcript at 645:22–646:5; D Ex.1 at 266–67. In 1981, Irving
18 displayed the IMI trademark and the goods that Irving provides—“concrete, gravel, stone, and
19 sand”—on a brochure that Irving handed out to customers. 6/14/19 Transcript at 648:6–18; D Ex.1
20 at 2–5. Irving has displayed the IMI trademark on Irving’s website, irvmat.com, since 1996.
21 6/14/19 Transcript at 636:21–23.

22 However, Irving’s exhibits showed that Irving almost always used the IMI trademark
23 simultaneously with the company’s full name: “Irving Materials, Inc.” *See* D Ex.1. Indeed, Jeffrey
24 McPherson, Irving’s Vice President of Sales and Marketing, stated that although Irving used the
25 IMI trademark on all of the above described materials, Irving almost always used the acronym
26 “IMI” with the company’s full name, “Irving Materials, Inc.” 6/14/19 Transcript at 585:22–
27 586:12.

28

1 McPherson further testified about Irving’s registration of its IMI trademark. Irving filed its
2 trademark registration application on September 19, 1994, and Irving’s IMI trademark was
3 registered on September 19, 1995. 6/11/19 Transcript at 519:5–18; D Ex.11. The specific goods
4 covered by the registration were “concrete and construction aggregates, including sand, gravel,
5 stone, and concrete in Class 19.” 6/11/19 Transcript at 519:13–19; D Ex.11. In its registration,
6 Irving stated that Irving first used IMI on January 1, 1965, and that it first used IMI in commerce
7 on March 1, 1991. 6/11/19 Transcript at 519:20, 525:11–17; D Ex.11.

8 **6. Irving Offers to Buy imi.com from Black**

9 Jerry Howard, Irving’s Vice President of IT and former Director of IT, testified that
10 Irving’s website is irvmat.com. 6/11/19 Transcript at 397:14–20. Irving first put up its website in
11 1996. 6/14/19 Transcript at 636:21–23. Howard first learned of the imi.com domain name in 1998.
12 *Id.* at 402:22–24. Howard explained that from a search on WHOIS, Howard learned that Black
13 was the owner of imi.com and that Black had registered imi.com in 1994. *Id.* at 405:1–11.

14 In the summer or fall of 1998, Howard approached Black to buy the imi.com domain name
15 for Irving. 6/10/19 Transcript at 240:22–241:8; 6/11/19 Transcript at 415:9–25. Howard had
16 between two to five calls with Black regarding purchasing imi.com. 6/11/19 Transcript at 415:24–
17 416:16.

18 Black explained that at the time Howard approached Black in 1998, Black was not looking
19 to sell imi.com. 6/10/19 Transcript at 240:22–241:8. According to Black, Irving offered Black
20 \$500 for his imi.com domain name, which Black rejected. *Id.* at 242:2–15. Black testified at trial:
21 “I said, I’m sorry. Hold on. Let me explain something here. My business is called Internet
22 Marketing, Inc. It’s still running. I’m the biggest spider in the world for what I do. I track more
23 data than anybody else in the world as a data aggregator. \$500 isn’t going to cut it.” *Id.* Black
24 testified that he calculated what it would cost him to convert everything over, including his DNS
25 servers, his web content, software, and contracts. *Id.* at 242:16–243:7. In support of Black’s
26 discussion that he calculated what it would cost him to sell imi.com, Black introduced exhibit BX-
27 12, which is a 1998 document that contains Black’s calculations. *See* BX-12. BX-12 shows that

1 Black calculated that the changeover would cost him \$126,800, and wrote that he would consider
2 no offer that was less than \$135,000. BX-12; 6/10/19 Transcript at 243:4–25.

3 According to Howard, Howard never offered to purchase imi.com for \$500. 6/11/19
4 Transcript at 416:4–13. Instead, Howard offered to purchase imi.com for \$5,000 then \$10,000. *Id.*;
5 6/14/19 Transcript at 609:25–610:8. Howard testified that Black rejected the \$5,000 and \$10,000
6 offers; that Black said that those offers were too low; and that Black said he had turned down
7 offers of more than \$100,000. 6/14/19 Transcript at 609:25–610:8; 6/11/19 Transcript at 416:11–
8 417:13. Howard testified that he does not recall Black mentioning the \$135,000 figure. *Id.*

9 According to Black, Irving refused his \$135,000 figure, repeated the \$500 figure, and
10 threatened to sue Black for trademark infringement. In fact, on October 2, 1998, Irving emailed
11 Black a draft complaint suing Black for trademark infringement in the United States District Court
12 for the Southern District of Indiana, in Indianapolis. BX-12 at Black_000267–74 (10/2/98 email
13 with complaint); 6/10/19 Transcript at 243:4–25, 248:1–249:7.

14 As explained above, around that same time, in October 1998, Black had taken the imi.com
15 website down at the request of AltaVista. 6/10/19 Transcript at 241:21–25, 249:24–250:16;
16 6/11/19 Transcript at 279:20–280:9. Black testified that on October 7, 1998, Black emailed Irving
17 to tell Irving that Black took the imi.com website down and that there could be no infringement.
18 6/10/10 Transcript at 247:22–250:9. JX-6 is the exhibit that contains Black’s October 7, 1998
19 email. Black wrote in the October 7, 1998 email that “I have recently removed the site from the
20 web —therefore, no trademark infringement exists at this time.” JX-6.

21 To handle Irving’s threats to sue for trademark infringement, Black hired litigation
22 attorneys to represent him. 6/10/10 Transcript at 243:19–248:7. Black testified that his attorneys
23 handled the situation with Irving and told Black that he would not hear from Irving again. *Id.* at
24 243:19–244:11, 250:11–16. Indeed, Irving never filed the suit for trademark infringement in the
25 United States District Court for the Southern District of Indiana. 6/10/19 Transcript at 251:22–25;
26 6/14/19 Transcript at 610:22–24.

27 Jerry Howard, Irving’s current Vice President of IT and former Director of IT, testified that

28

1 Black had stated that he had taken the imi.com website down. 6/11/19 Transcript at 424:22–
2 426:21; 6/14/19 Transcript at 610:22–611:3 (Howard explaining that Irving ultimately did not sue
3 Black “because he responded to our lawyers indicating—or acknowledging the trademark
4 infringement and indicated that he was taking the website down”); JX-6. Howard confirmed that
5 imi.com was down as of October 1998. 6/11/19 Transcript at 424:22–426:21.

6 Howard would randomly check to confirm imi.com was still down from October 1998 on,
7 but he stopped after a year and a half or two because “it didn’t seem like there was any need to
8 check anymore,” the website “had been down for a longer period of time,” and “based on what I
9 saw in the [October 7, 1998] email, I never thought it would come back up.” *Id.*

10 **7. Black Receives Other Offers to Buy imi.com Between 2000-2002**

11 Black left AltaVista during the end of 2000 or the beginning of 2001. 6/11/19 Transcript at
12 280:1–25. Between 2000-2002, Black received offers from seven or more companies for the
13 imi.com domain name. *Id.* at 284:19–285:16, 286:22–289:8. One of these offers included an offer
14 from a company called Piezotronics for \$2 million. *Id.* at 286:22–289:8; BX-14. Another offer was
15 for \$4 million. 6/11/19 Transcript at 289:17–291:16. Black also testified that he was in discussions
16 with Israeli Military Industries and that Black believes that their offer was upwards of \$2 million.
17 *Id.* at 374:1–16.

18 Black further testified that business.com, a domain name for which Black had no
19 involvement, sold sometime between 2000-2002 for \$7 million. *Id.* at 375:23–376:3.

20 **8. Black Puts imi.com Back Up in 2002**

21 Black testified that in 2002, Black put imi.com back up. Specifically, Black put up a free
22 directory on imi.com for companies with the IMI name. *Id.* at 281:9–282:2; JX-7 (screenshot of
23 imi.com from 2002 showing directory of companies with IMI name). Black created the directory
24 using the names of companies that had reached out to Black to purchase the imi.com domain
25 name, including Irving. 6/11/19 Transcript at 282:11–284:7. Black explained that Black was not
26 trying to profit from these companies, but rather was redirecting to these companies’ websites any
27 traffic that came to imi.com but was intended for these companies. *Id.* One company requested to

1 be removed from the directory, and one company requested to be added. *Id.* Black complied with
2 both requests. *Id.*

3 On the imi.com website, Black also advertised that the imi.com domain name was for sale,
4 but that he would not sell it for less than \$2 million. *Id.* at 285:6–25; JX-7. Black testified that his
5 attorneys approved of his actions and that Black had no reason to believe that what Black was
6 doing was illegal. 6/11/19 Transcript at 286:11–23. Ultimately, Black did not sell the imi.com
7 domain name, and Black kept the directory on the website through 2018. *Id.* at 293:1–294:18; JX-
8 8.

9 **9. Black Forms International Monetary Investments LLC**

10 In 2016, Black incorporated his new company, International Monetary Investments LLC.
11 6/11/19 Transcript at 252:15–23, 294:19–296:24. In December 2016, Black decided to license his
12 imi.com domain name to his International Monetary Investments LLC company. *Id.* at 296:25–
13 BX-15 (12/4/16 domain use and license agreement for imi.com and imi.info between Black and
14 International Monetary Investments LLC).

15 International Monetary Investments LLC entered into 300 contracts with clients, and a
16 majority of the agreements were signed in 2016. 6/11/19 Transcript at 298:15–301:15. Because
17 International Monetary Investments involved financial services, Black had to track every one of
18 his contracts and register the contracts with the United States Treasury Department. *Id.* at 298:4–
19 25. Black testified that because the United States Treasury Department scrutinized International
20 Monetary Investments LLC, Black was “not going to do anything wrong.” *Id.* at 306:15–20. Black
21 was required to notarize his International Monetary Investments LLC contracts and to have the
22 other contracting party “run through” the Department of Homeland Security or Interpol to “make
23 sure they’re good people.” *Id.* at 310:14–19.

24 **10. Irving Hires the Heavyweights and Changes Their Marketing Strategy**

25 Jason Richmond, Irving’s Director of Marketing and Business Development, testified that
26 in 2014, Irving developed a new marketing and branding strategy to shift Irving’s investments to
27 digital and online advertising. 6/14/19 Transcript at 650:6–651:12; JX-12 (IPFW Report for
28

1 Irving). In 2015, Irving hired an advertising firm known as the Heavyweights. 6/14/19 Transcript
2 at 652:17–653:9. In June through October of 2016, Irving and the Heavyweights interviewed
3 employees and customers and learned that Irving is “known as IMI everywhere but online.” *Id.* at
4 653:6–655:7. Thus, Irving sought to build its online presence.

5 Jeffrey McPherson, Irving’s Vice President of Sales and Marketing, testified similarly. In
6 2014, after McPherson got his position as the Vice President of Sales and Marketing at Irving,
7 Irving began conducting consumer research on Irving’s marketing. 6/11/19 Transcript at 497:17–
8 503:9. Irving then hired the Heavyweights, an advertising firm, to look into how Irving was
9 branding. *Id.* McPherson testified that: “it was suggested to us,” that “it would be good not to
10 confuse the marketplace and we should go after imi.com.” *Id.* at 503:10–15.

11 McPherson further testified that the advertising firm helped him look into the imi.com
12 domain name and “it appeared that [Black] wasn’t offering any goods or services through the web,
13 and that’s when [the advertising firm] informed me that [Irving] could hire an attorney” and file a
14 Uniform Domain Name Dispute Resolution Policy (“UDRP”) complaint. 6/14/19 Transcript at
15 582:24–583:2. McPherson looked up the imi.com website and saw that the website stated that
16 imi.com was for sale and that “offers less than 2 million dollars will not be considered.” *Id.* at
17 583:17–84:6. McPherson thought that was a ridiculous offer. *Id.* at 584:4–9.

18 When asked “between 1998 and 2017, why did Irving not say a word to Black about his
19 registration and use of the [imi.com] domain name?,” McPherson responded: “different strategy
20 we have right now after going through the research and things of that nature that we’ve gone
21 through. And also the way the website, social media apps and everything interact[s] with one
22 another, it’s my job to make sure our brand is consistent throughout our footprint, consistent
23 throughout the country, consistent everywhere we operate.” 6/11/19 Transcript at 503:24–504:6.

24 The dialogue continued:

25 Q. So you’re saying because the internet got bigger, it made it more important for
26 you to have Mr. Black’s property as your own?

27 A. I’m not saying the internet. I’m saying marketing and branding in general to begin

28

1 with. Branding is what people remember when the marketing stops.

2 Q. I'm asking you to explain all reasons that Irving Materials did not reassert its
3 cybersquatting claim from 1998 for 19 years.

4 A. I would say the biggest reason would be the research that I did when I first got the
5 Vice-President of Sales and Marketing role. And also the other thing is, when did the
6 UDRP start? We didn't have any way of doing anything.

7 Q. Are you aware the UDRP went into effect in the year 2000, Mr. McPherson?

8 A. I am now.

9 *Id.* at 504:7–23.

10 Jerry Howard, Irving's Vice President of IT and former Director of IT, also testified
11 similarly. Specifically, Howard explained that he was prompted to look at Black's imi.com
12 website sometime in 2017 after the advertising firm began its digital advertising efforts, and it was
13 at that time that Howard learned of Black's relaunch of imi.com. 6/14/19 Transcript at 614:13–
14 616:10; JX-8. Black never contacted Irving to tell Irving Black was planning on relaunching the
15 website. 6/14/19 Transcript at 617:7–618:5. Howard testified that no confusion about the imi.com
16 website was reported to Irving. *Id.* at 624:14–625:10. Howard admitted that between 2000 and
17 2017, Irving was not policing its trademark. *Id.* at 628:20–629:6. Howard also testified that
18 between 2003 and 2017, Howard did not know that Black offered to sell the website. *Id.* at 617:7–
19 618:5. Howard testified that Irving did not approach Black in 2017 to buy the imi.com domain
20 name because “from [1998] until 2018, the website had changed very little. There's—it didn't
21 look like there was any more bona fide business in 2017 than there was in 1998, and in 2017, the
22 price went from in excess [of] \$100,000 to in excess of [\$]2 million. And it seemed to be
23 outrageous back then and unreasonable, and then it only got more unreasonable in 2017.” *Id.*

24 **11. Irving Files the UDRP Complaint Against Black in 2017**

25 In October 2017, with the help of the Heavyweights advertising firm, Irving filed the
26 UDRP complaint against Black. 6/14/19 Transcript at 584:9–11; 6/11/19 Transcript at 301:14–21,
27 503:16–19.; 6/10/19 Transcript at 252:7–19; 6/11/19 Transcript at 301:14–21. Specifically, Irving
28 alleged that Black was cybersquatting on the imi.com domain name, and Irving sought to transfer

1 imi.com to Irving. *Id.*

2 **12. The UDRP Complaint’s Impact on International Monetary Investments LLC**

3 Black testified that Irving’s 2017 filing of the UDRP complaint resulted in the suspension
4 of Black’s imi.com domain name: “all of a sudden, I couldn’t do anything because when [Irving]
5 filed a complaint, it turns out there’s some crazy rule that when you file a complaint, somebody
6 gets to freeze your DNS, they get to freeze your website, they get to freeze everything.” 6/10/19
7 Transcript at 252:23–253:2; 6/11/19 Transcript at 301:22–302:1.

8 Black testified that the suspension adversely affected him because, at the time, Black was
9 repurposing imi.com to use for his new company, International Monetary Investments LLC, and
10 because Black was going through due diligence to get venture capital funding for International
11 Monetary Investments LLC. 6/10/19 Transcript at 252:15–23. Specifically, in 2017, Black got an
12 offer from one of his venture capital contacts to invest \$10 million in International Monetary
13 Investments LLC. 6/11/19 Transcript at 310:10–311:7. However, that venture capitalist walked
14 away when he found out that Black was accused of cybersquatting. *Id.* As a result, Black lost all of
15 his funding to help service his 300 contracts. *Id.* Black further testified that before March 22,
16 2018, Black bought a million dollars’ worth of product. *Id.* at 354:17–355:11.

17 **13. Black files the Instant Suit**

18 On November 21, 2017, Black filed the instant lawsuit, which seeks to enjoin Irving’s
19 efforts to force Black to transfer the imi.com domain name to Irving. ECF No. 1. On March 22,
20 2018, Black filed his first amended complaint. ECF No. 11.

21 At trial, Black testified that March 2018—four months after he filed the instant lawsuit—
22 was the first time he could make changes to the imi.com website because that was when the
23 suspension on imi.com was lifted. 6/11/19 Transcript at 354:10–355:4. Black testified: “That’s the
24 first time I could literally do it once you blocked me from making any changes.” *Id.*

25 **14. The Impact of Irving’s Delay on Black’s Access to Witnesses and Documents**

26 Black also testified that Irving’s delay from 1998 to 2017 adversely affected Black. For
27 instance, because AltaVista had acquired Internet Marketing Inc.’s records in 1999, Black is no

28

1 longer in possession of Internet Marketing Inc.’s records. 6/10/19 Transcript at 237:24–238:15;
2 6/11/19 Transcript at 308:24–209:2. Those records are no longer available because AltaVista no
3 longer exists because it was acquired by Overture and then later by Yahoo. *Id.* at 315:24–317:1.

4 Of the email records for which Black had copies, Black testified that he used his imi.com
5 email up until around 2008, when Black’s server crashed. 6/10/19 Transcript at 237:10–25. At that
6 point, Black lost all of the email records on his server. *Id.* Black’s lack of records has made it
7 difficult for Black to defend himself against Irving’s 2017 claims of cybersquatting. 6/10/19
8 Transcript at 238:13–240:6.

9 Black testified that he also has lost witnesses who could have testified about Internet
10 Marketing Inc. *Id.* at 240:7–22. For instance, Mike Burns, who was one of Black’s “key guys for
11 bringing data down for Info USA,” and who had “got [Black] 12 million business records,” died
12 of cancer around 2000. *Id.*; 6/11/19 Transcript at 309:20–25. Mike Burns’s boss died about a year
13 later. 6/11/19 Transcript at 309:24–25. Paul Flaherty, who was one of the original inventors for
14 AltaVista and who also did a lot of work with Black, died about six years ago of an aneurism.
15 6/10/19 Transcript at 240:7–22; 6/11/19 Transcript at 309:15–19. Additionally, “the chief
16 scientist” who “worked for Dun and Bradstreet,” “allowed this type of data to be licensed,” and
17 quit his job to work for Black, also died. 6/11/19 Transcript at 310:1–6. Thus, Black testified “so
18 I’ve lost all my witnesses, all my main witnesses, and I’m trying to defend myself now.” *Id.* at
19 310:8–11.

20 **15. Dr. Wright’s Testimony Regarding Other IMI Trademarks and Irving**

21 Dr. James Wright, a consumer psychologist and Black’s expert, testified that 19 IMI
22 trademark registration certificates had been issued on or before 1994. 6/11/19 Transcript at
23 430:22–25; BX-17. Dr. Wright further testified that as of 2018, there were 71 live IMI trademark
24 registrations. 6/11/19 Transcript at 431:1–7; BX-17.

25 On cross examination, Dr. Wright acknowledged that 16 of the 19 marks that were
26 registered on or before 1994 had subsequently been cancelled or suspended. 6/11/19 Transcript at
27 481:17–23. On cross examination, Dr. Wright also acknowledged that none of the registrations

1 were for concrete and aggregates, which are the products that Irving sells. *Id.* at 489:3–5.

2 Dr. Wright testified about JX-12, which was a study paid for by Irving that shows the
3 limited geographical reach of Irving. JX-12 at 8; 6/11/19 Transcript at 440:7–444:1. Specifically,
4 the study shows that Irving’s “footprint, their marketing, where they sell [their] product, where
5 they market their product, is strictly limited to Indiana and the bordering areas of the states
6 surrounding it.” 6/11/19 Transcript at 443:9–14; JX-12 at 8. Dr. Wright also cited another page of
7 the study, which showed that Irving was limited to a number of products: “paving, concrete, and
8 aggregates.” 6/11/19 Transcript at 443:15–444:1; JX-12 at 11.

9 **16. Irving’s Allegations of Black’s Bad Faith**

10 Jason Richmond, Irving’s Director of Marketing and Business Development, testified as to
11 Irving’s allegations of Black’s bad faith. For instance, Richmond confirmed that he saw a “for
12 sale” page that “prominently advertised imi.com” and “clearly stated, please contact us, but not
13 with offers less than \$2 million” only shortly after Black filed the instant lawsuit. *Id.* at 655:8–
14 656:12. Richmond testified that while the instant lawsuit has been pending, the imi.com website
15 has been blank. *Id.* at 656:13–19. However, Richmond testified that Black changed the imi.com
16 website and that, as of June 14, 2019, the day of Richmond’s testimony, the imi.com website said,
17 “coming soon.” *Id.* at 656:16–20.

18 **B. Procedural Background**

19 Normally a detailed procedural background is not necessary for findings of fact and
20 conclusions of law. However, the Court finds that a detailed procedural background is necessary
21 here to clarify Black’s subsection (v) declaratory relief claim because Black repeatedly tried to
22 alter this claim during trial.

23 **1. Black’s Claims**

24 In October 2017, Irving initiated a UDRP proceeding against Black for the imi.com
25 domain name. On November 21, 2017 Black initiated the instant suit against Irving. ECF No. 1.

26 On March 22, 2018, Black filed his first amended complaint (“FAC”) and asserted two
27 claims: (1) declaratory relief for a finding that Black lacked bad faith intent and thus did not

1 violate the Anti-Cybersquatting Consumer Protection Act (“ACPA”) pursuant to 15 U.S.C. §
2 1114(2)(D)(v) (“Count 1” or “subsection (v) declaratory relief claim”); and (2) reverse domain
3 name hijacking by Irving in violation of 15 U.S.C. § 1114(2)(D)(iv) (“Count 2” or “subsection (iv)
4 claim”). ECF No. 11 (“FAC”).

5 Black labeled Count 1, his subsection (v) declaratory relief claim, as “Declaratory Relief --
6 No Bad Faith Intent/Cyberpiracy (15 U.S.C. §§ 1114(2)(D)(v), 1125(d)(1)(B)(ii)).” *Id.* 15 U.S.C.
7 § 1114(2)(D)(v) provides:

8 (v) A domain name registrant whose domain name has been suspended, disabled, or
9 transferred under a policy described under clause (ii)(II) may, upon notice to the
10 mark owner, file a civil action to establish that the registration or use of the domain
11 name by such registrant is not unlawful under this chapter. The court may grant
injunctive relief to the domain name registrant, including the reactivation of the
domain name or transfer of the domain name to the domain name registrant.

12 15 U.S.C. § 1114(2)(D)(v). Thus, subsection (v) allows Black to seek injunctive relief to enjoin
13 Irving’s efforts to force Black to transfer the imi.com domain name to Irving. Black requested this
14 very relief in his FAC. FAC at 11.

15 Black labeled Count 2, his subsection (iv) claim, as “Reverse Domain Name Hijacking (15
16 U.S.C. § 1114(2)(D)(iv)).” *See* FAC. 15 U.S.C. § 1114(2)(D)(iv) provides:

17 (iv) If a registrar, registry, or other registration authority takes an action described
18 under clause (ii) based on a knowing and material misrepresentation by any other
19 person that a domain name is identical to, confusingly similar to, or dilutive of a
20 mark, the person making the knowing and material misrepresentation shall be liable
21 for any damages, including costs and attorney’s fees, incurred by the domain name
registrant as a result of such action. The court may also grant injunctive relief to the
domain name registrant, including the reactivation of the domain name or the transfer
of the domain name to the domain name registrant.

22 15 U.S.C. § 1114(2)(D)(iv). Thus, subsection (iv) allows Black to seek to hold Irving liable for a
23 knowing and material misrepresentation and to seek damages under the ACPA.

24 **2. Irving’s Answer and Counterclaims**

25 On May 21, 2018, Defendant and Counterclaimant Irving answered Black’s amended
26 complaint and asserted two counterclaims: (1) that Black violated the ACPA (15 U.S.C. §
27 1125(d)) (“ACPA cybersquatting counterclaim”); and (2) a declaratory relief counterclaim that

1 seeks a declaration that Black violated the ACPA (28 U.S.C. § 2201) (“declaratory relief
2 counterclaim”). ECF No. 25 (“Counterclaims”).

3 **3. Black’s Answer to Irving’s Counterclaims and Black’s Defenses**

4 On June 11, 2018, Black answered Irving’s counterclaims and asserted several defenses,
5 including: (1) the Safe Harbor defense under the ACPA; (2) laches; and (3) acquiescence. ECF
6 No. 28 (“Defenses”).

7 **4. The Summary Judgment Order and Black’s Disregard of the Order**

8 On February 22, 2019, both Black and Irving moved for summary judgment on all claims
9 and counterclaims. ECF Nos. 66 & 70.

10 Black’s Count 2 alleged a violation of subsection (iv). However, in the summary judgment
11 briefing, Black asserted that his Count 2 was not a subsection (iv) claim and that it was actually a
12 subsection (v) claim. ECF No. 83 (“MSJ Order”) at 4–5. In his summary judgment briefing, Black
13 further asserted that subsection (iv) is “inapplicable,” that Black had made a “typographical error,”
14 and that “[t]here is no justification to add the ‘misrepresentation’ element under subsection (iv).”
15 *See id.* at 5 (citing ECF Nos. 70, 76, & 77).

16 In the May 6, 2019 summary judgment order, the Court held that Black’s Count 2 alleged a
17 subsection (iv) claim and that Black could not change Count 2 on summary judgment. *Id.* Further,
18 the Court held that Black did not defend and had in fact abandoned his subsection (iv) claim on
19 summary judgment. *Id.* at 5–6. Thus, the Court entered judgment on Black’s subsection (iv) claim
20 in Irving’s favor. *Id.*

21 In the May 6, 2019 summary judgment order, the Court also denied both Irving’s motion
22 for summary judgment and Black’s motion for summary judgment as to Irving’s ACPA
23 cybersquatting counterclaim and declaratory relief counterclaim, and Black’s subsection (v)
24 declaratory relief claim. MSJ Order at 18. Specifically, the Court found that “[s]ummary judgment
25 as to the three remaining claims rises and falls together on the issues of whether Irving’s
26 trademark [] is distinctive and whether Black acted with bad faith intent.” *Id.* at 6. The Court
27 found that genuine disputes of material fact as to distinctiveness and bad faith intent precluded

28

1 summary judgment on all three claims. *Id.*

2 Thus, Irving’s ACPA cybersquatting counterclaim and declaratory relief counterclaim
3 proceeded to trial. Black’s subsection (v) declaratory relief claim (Count I), through which Black
4 sought to obtain injunctive relief enjoining Irving from its efforts to force Black to transfer the
5 imi.com domain name to Irving, also proceeded to trial.

6 Despite the Court’s May 6, 2019 summary judgment order, in the May 18, 2019 joint
7 pretrial statement, Black’s counsel requested relief for Black’s subsection (iv) claim for Irving’s
8 violation of the ACPA by reverse domain name hijacking (Count 2). ECF No. 97 at 3 (“Mr. Black
9 requests that the Court . . . [e]nter an order finding that Defendant engaged in reverse domain
10 name hijacking in violation of the ACPA.”).

11 Despite the Court’s May 6, 2019 summary judgment order, on May 28, 2019, Black’s
12 counsel repeatedly proposed final jury instructions for Black’s subsection (iv) claim for Irving’s
13 violation of the ACPA by reverse domain name hijacking (Count 2). *See, e.g.*, ECF No. 125 at 3
14 (Black is “affirmatively seeking a ruling that Irving has violated the ACPA by reverse domain
15 name hijacking”); *id.* at 115–16 (Black is “affirmatively seeking a ruling that Irving has violated
16 the ACPA by reverse domain name hijacking.”).

17 Despite the Court’s May 6, 2019 summary judgment order, on May 29, 2019, Black’s
18 counsel proposed questions for “reverse domain name hijacking against Irving” in his proposed
19 verdict form. ECF No. 135 at 2.

20 **5. Order Re: Motions in Limine and Pre-Trial Disputes and the Preliminary Jury**
21 **Instructions**

22 On May 29, 2019, the Court’s Order Re: Motions in Limine and Pre-Trial Disputes stated
23 that Black’s subsection (v) declaratory relief claim (Count 1) entitled Black to injunctive relief and
24 not damages. ECF No. 129. Specifically, the Court stated:

25 Black is not entitled to seek monetary damages for his [subsection (v)] declaratory
26 relief claim. The Court granted Irving’s motion for summary judgment on Black’s
27 claim for reverse domain name hijacking in violation of 15 U.S.C. § 1114(2)(D)(iv).
ECF No. 83 (“MSJ Order”) at 4–6, 18. Therefore, Black’s only surviving claim is a
claim for declaratory relief regarding no bad faith intent/cyberpiracy pursuant to 15

1 U.S.C. §§ 1114(2)(D)(v) and 1125(d)(1)(B)(ii). *Id.* at 3, 17–18. Neither of those
2 statutory sections provide a right for Black to recover monetary damages.
3 Specifically, 15 U.S.C. § 1114(2)(D)(v) provides only that “[t]he court may grant
4 injunctive relief to the domain name registrant, including the reactivation of the
5 domain name or transfer of the domain name to the domain name registrant.” 15
6 U.S.C. § 1125(d)(1)(B)(ii) provides that: “[b]ad faith intent described under
7 subparagraph (A) shall not be found in any case in which the court determines that
8 the person believed and had reasonable grounds to believe that the use of the domain
9 name was a fair use or otherwise lawful.” Therefore, the Court finds that Black is not
10 entitled to seek monetary damages for his [subsection (v)] declaratory relief claim.

11 ECF No. 129 at 8.

12 **6. Preliminary Jury Instructions**

13 In the amended proposed preliminary jury instructions, filed on May 30, 2019, the Court
14 described Black’s subsection (v) declaratory relief claim as follows: “Mr. Black has asserted a
15 declaratory relief claim against Irving Materials, Inc. that seeks a declaration that Mr. Black did
16 not violate the Anti-Cybersquatting Consumer Protection Act.” ECF No. 131 at 3. Black did not
17 object to this specific instruction in the amended proposed preliminary jury instructions. *See* ECF
18 No. 137.

19 On June 4, 2019, the Court filed a second set of proposed preliminary jury instructions that
20 made changes to the preliminary jury instructions unrelated to Black’s subsection (v) declaratory
21 relief claim. ECF No. 147. Those proposed instructions again described Black’s subsection (v)
22 declaratory claim as follows: “Mr. Black has asserted a declaratory relief claim against Irving
23 Materials, Inc. that seeks a declaration that Mr. Black did not violate the Anti-Cybersquatting
24 Consumer Protection Act.” *Id.* at 3. On June 5, 2019, Black filed a notice of no objection. ECF
25 No. 155.

26 Accordingly, the Court filed the final preliminary jury instructions on June 5, 2019, with
27 the following instruction for Black’s subsection (v) declaratory relief claim: “Mr. Black has
28 asserted a declaratory relief claim against Irving Materials, Inc. that seeks a declaration that Mr.
Black did not violate the Anti-Cybersquatting Consumer Protection Act.” ECF No. 159 at 3.

7. The Jury Trial, the Preliminary Jury Instructions, and Opening Statements

The Court held a jury trial on June 10, 2019, June 11, 2019, and June 14, 2019. ECF Nos.

1 167, 171 & 191.

2 On June 10, 2019, during the preliminary jury instructions, the jury was instructed as
3 follows as to the parties' claims and defenses:

4 To help you follow the evidence, I will give you a brief summary of the
5 positions of the parties:

6 Mr. Black has asserted a declaratory relief claim against Irving Materials, Inc.
7 that seeks a declaration that Mr. Black did not violate the Anti-Cybersquatting
8 Consumer Protection Act. Mr. Black has the burden of proving his claim by a
9 preponderance of the evidence.

10 Irving Materials, Inc. denies Mr. Black's claim. Irving Materials, Inc. has
11 asserted two counterclaims against Mr. Black: (1) that Mr. Black violated the Anti-
12 Cybersquatting Consumer Protection Act; and (2) a declaratory relief counterclaim
13 that seeks a declaration that Mr. Black violated the Anti-Cybersquatting Consumer
14 Protection Act. Irving Materials, Inc. has the burden of proving its counterclaims by
15 a preponderance of the evidence.

16 Mr. Black denies Irving Materials, Inc.'s counterclaims and asserts three
17 defenses: (1) the Safe Harbor defense under the Anti-Cybersquatting Consumer
18 Protection Act; (2) the laches defense; and (3) the acquiescence defense. Mr. Black
19 has the burden of proving each defense by a preponderance of the evidence.

20 ECF No. 159. at 3.

21 The jury then heard opening statements from both parties. Despite the Court's May 6, 2019
22 summary judgment order, the Court's Order Re: Motions in Limine and Pre-Trial Disputes, and
23 the preliminary jury instructions, Black's counsel in his opening statement requested that the jury
24 find that Irving violated the ACPA, which is Mr. Black's subsection (iv) claim (Count 2) that was
25 no longer part of the case. Therefore, the Court struck Mr. Black's counsel's improper statement.
26 Specifically, the Court's exchange with Mr. Black's counsel on June 10, 2019 was as follows:

27 Mr. Rodenbaugh: [Mr. Black is] also entitled to a declaration that Irving has violated
28 the law with its exceptionally frivolous, disparaging crusade to steal Mr. Black's
Property. Thank you.

The Court: . . . You know, that last sentence, . . . you did not have a claim that Irving
violated the law. So is there a reason why you said that in front of the jury when I
ruled that was excluded? That is stricken.

Mr. Rodenbaugh: Your honor, I'm sorry. That is not my understanding.

The Court: I've stated multiple times what your declaratory relief claim is, and it's

1 not that Irving violated the law. You want a declaratory relief claim that Mr. Black
2 did not violate the Anti-Cybersquatting Consumer Protection Act. That is your only
claim in this trial.

3 Mr. Rodenbaugh: Okay, your honor.

4 The Court: All right. So that last sentence is stricken. Mr. Black does not have a
5 claim declaring Irving violated the law. All right? So you're not [to] consider that
last claim. That's not a claim in this case.

6 6/10/19 Transcript at 164–65.

7 **8. The Court Again Clarified Black's Remaining Subsection (v) Declaratory Relief**
8 **Claim**

9 On June 14, 2019, the Court clarified Black's remaining subsection (v) declaratory relief
10 claim (Count 1) in court, outside of the presence of the jury. The Court explained that there was
11 some confusion about Black's remaining subsection (v) declaratory relief claim, both because
12 there is little case law on this claim, and because some courts—as well as the parties—referred to
13 Black's remaining subsection (v) declaratory relief claim as also being titled “reverse domain
14 name hijacking.” 6/14/19 Transcript at 574:17–577:17. However, the Court explained that in the
15 preliminary jury instructions, the jurors were instructed as follows as to Black's subsection (v)
16 declaratory relief claim: “Mr. Black has asserted a declaratory relief claim against Irving
17 Materials, Inc. that seeks a declaration that Mr. Black did not violate the Anti-Cybersquatting
18 Consumer Protection Act.” *Id.* The Court explained that the instruction is in line with the statutory
19 text of subsection (v) because subsection (v) only provides declaratory relief for the person
20 accused of cybersquatting. *Id.* Unlike subsection (iv), subsection (v), does not provide an
21 affirmative claim against Irving. *Id.* Thus, the Court explained to the parties that it does not matter
22 what Black's remaining subsection (v) declaratory relief claim is called, it is not an affirmative
23 claim against Irving. *Id.* The Court stated: “[t]hat was your [sub]section (iv) claim which you
24 called reverse [domain] name hijacking, and that claim I granted summary judgment to Irving on.
25 It does not exist. It is not the subject of this trial.” *Id.*

26 **9. The Jury Trial, the Parties' Rule 50 Motions, and the Jury's Verdict**

27 During trial, the jury heard testimony from Jeffery Dean Black (Plaintiff and

1 Counterdefendant), Jerry Howard (Irving’s current Vice President of IT and former Director of
2 IT), Dr. James Wright (Black’s expert), Jeffrey McPherson (Irving’s Vice President of Sales and
3 Marketing), and Jason Richmond (Irving’s Director of Marketing and Business Development).

4 After Black rested, Black moved for judgment as a matter of law pursuant to Federal Rule
5 of Civil Procedure 50 (“Rule 50”) on his laches defense. The Court denied Black’s motion. ECF
6 No. 169.

7 On June 14, 2019, after Irving rested, both parties made Rule 50 motions. Specifically,
8 Black again brought a Rule 50 motion on his laches defense, which the Court denied. ECF No.
9 185. Irving made several arguments in its Rule 50 motion, including that Irving was entitled to
10 judgment as a matter of law on Black’s acquiescence defense. Black conceded that he could not
11 prove his acquiescence defense, so the Court granted Irving’s Rule 50 motion on Black’s
12 acquiescence defense. *Id.* The Court denied Irving’s remaining Rule 50 motion. *Id.*

13 On June 14, 2019, the Court instructed the jury on the final jury instructions, and the
14 parties gave closing arguments. *See* 6/14/19 Transcript; ECF No. 186. The jury then deliberated.

15 The verdict form asked the jury to determine Irving’s ACPA cybersquatting counterclaim,
16 Black’s Safe Harbor defense, and Irving’s statutory damages. ECF No. 184. The verdict form also
17 asked the jury to decide in their advisory capacity Black’s subsection (v) declaratory relief claim
18 and Black’s laches defense. *Id.* The verdict form did not ask the jury about Irving’s declaratory
19 relief counterclaim because Irving explained at the Final Pretrial Conference that a decision on
20 Irving’s ACPA cybersquatting counterclaim would also be dispositive of Irving’s declaratory
21 relief counterclaim. ECF No. 149 at 20.

22 On June 14, 2019, the jury returned a verdict. ECF No. 190. Specifically, as to Black’s
23 subsection (v) declaratory relief claim, the jury in their advisory capacity answered “Yes” to the
24 question: “Has Mr. Black proven by a preponderance of the evidence that Mr. Black did not
25 violate the Anti-Cybersquatting Consumer Protection Act?” *Id.* As to Irving’s ACPA
26 cybersquatting counterclaim, the jury answered “No” to the question: “Has Irving Materials, Inc.
27 proven by a preponderance of the evidence that Mr. Black violated the Anti-Cybersquatting

1 Consumer Protection Act?” *Id.* Thus, the jury did not need to and did not reach questions
2 regarding Black’s Safe Harbor or laches defenses or Irving’s statutory damages. *Id.*

3 **II. LEGAL STANDARD**

4 Federal Rule of Civil Procedure 52(a)(1) provides that “[i]n an action tried on the facts
5 without a jury or with an advisory jury, the court must find the facts specially and state its
6 conclusions of law separately. The findings and conclusions may be stated on the record after the
7 close of the evidence or may appear in an opinion or a memorandum of decision filed by the court.
8 Judgment must be entered under Rule 58.” Fed. R. Civ. Pro. 52(a)(1).

9 **III. CONCLUSIONS OF LAW**

10 In the instant case, the three claims that went to trial were: (1) Irving’s ACPA
11 cybersquatting counterclaim; (2) Irving’s counterclaim for declaratory relief that Black violated
12 the ACPA (28 U.S.C. § 2201); and (3) Black’s subsection (v) declaratory relief claim, which
13 allows Black to obtain injunctive relief enjoining Irving from its efforts to force Black to transfer
14 the imi.com domain name to Irving. The Court discusses each claim in turn.

15 **A. Irving’s ACPA Cybersquatting Counterclaim**

16 Irving’s cybersquatting counterclaim was brought pursuant to the ACPA, 15 U.S.C. §
17 1125(d). The jury found that Irving did not prove its ACPA cybersquatting counterclaim by a
18 preponderance of the evidence. ECF No. 190. Below, the Court discusses the law then explains
19 why the jury’s verdict was supported by substantial evidence.

20 **1. The ACPA (15 U.S.C. § 1125(d))**

21 The ACPA establishes civil liability for cybersquatting if Irving proves that (1) Black
22 registered, trafficked in, or used a domain name; (2) the domain name is identical or confusingly
23 similar to a protected mark owned by Irving; (3) Irving’s mark was distinctive at the time of
24 Black’s registration of the domain name; and (4) Black acted with bad faith intent to profit from
25 that mark. *DSPT Intern., Inc. v. Nahum*, 624 F.3d 1213, 1218–19, n.10 (citing 15 U.S.C. §
26 1125(d)).

27 As for the first ACPA element, the parties did not dispute that Black registered the imi.com

28

1 domain name, and the jury was advised as to that fact in the joint stipulation of facts. JX-1 at 2.

2 As for the second ACPA element, Black stipulated that the imi.com domain name is
3 identical to Irving Material, Inc.'s IMI trademark, and the jury was so advised. ECF No. 186 at 17.

4 The third ACPA element requires that Irving's IMI trademark be distinctive at the time of
5 Black's registration of the imi.com domain name in 1994. To find distinctiveness, the mark must
6 first be placed on a spectrum of increasing distinctiveness: (1) generic; (2) descriptive; (3)
7 suggestive; (4) arbitrary; or (5) fanciful. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768
8 (1992). The latter three categories of marks are deemed inherently distinctive and are entitled to
9 protection because they serve to identify a particular source of a product. *Id.* On the other hand,
10 "[g]eneric marks are not capable of receiving protection because they identify the product, rather
11 than the product's source." *KP Permanent Make-Up, Inc v. Lasting Impression I, Inc.*, 408 F.3d
12 596, 602 (9th Cir. 2005).

13 Descriptive marks simply "define a particular characteristic of the product in a way that
14 does not require any exercise of the imagination." *Yellow Cab Co. of Sacramento v. Yellow Cab of*
15 *Elk Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005). A descriptive mark receives trademark
16 protection only when it establishes "secondary meaning" in the marketplace. *Id.* Secondary
17 meaning occurs when "in the minds of the public, the primary significance of a mark is to identify
18 the source of the product rather than the product itself." *Wal-Mart Stores, Inc. v. Samara Bros.,*
19 *Inc.*, 529 U.S. 205, 211 (2000) (citation and bracket omitted). "The general rule regarding
20 distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it
21 either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning."
22 *Two Pesos, Inc.*, 505 U.S. at 769.

23 The fourth ACPA element requires a finding that Black did not act in bad faith. The ACPA
24 lists nine factors to consider in determining whether a person has a bad faith intent to profit from
25 the domain name, including but not limited to: (I) Black's trademark or other intellectual property
26 rights, if any, in the domain name; (II) the extent to which the domain name consists of Black's
27 legal name or a name that is otherwise commonly used to identify Black; (III) Black's prior use, if

28

1 any, of the domain name in connection with the bona fide offering of any goods or services; (IV)
2 Black's bona fide noncommercial or fair use of the mark in a site accessible under the domain
3 name; (V) Black's intent to divert consumers from Irving's online location to a site accessible
4 under the domain name that could harm the goodwill represented by the mark, either for
5 commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of
6 confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) Black's offer
7 to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for
8 financial gain without having used, or having an intent to use, the domain name in the bona fide
9 offering of any goods or services, or the person's prior conduct indicating a pattern of such
10 conduct; (VII) Black's provision of material and misleading false contact information when
11 applying for the registration of the domain name, Black's intentional failure to maintain accurate
12 contact information, or Black's prior conduct indicating a pattern of such conduct; (VIII) Black's
13 registration or acquisition of multiple domain names which Black knows are identical or
14 confusingly similar to marks of others that are distinctive at the time of registration of such
15 domain names without regard to the goods or services of the parties; and (IX) the extent to which
16 the mark incorporated in Black's domain name registration is or is not distinctive and famous. 15
17 U.S.C. § 1125(d)(1)(B).

18 **2. Substantial Evidence Supported the Jury's Verdict on Irving's ACPA**
19 **Cybersquatting Counterclaim**

20 Below the Court discusses why substantial evidence supported a finding that: (1) Irving's
21 IMI trademark was not distinctive at the time of Black's registration of the domain name (element
22 3 of the ACPA); and (2) Black did not act with a bad faith intent to profit from the domain name
23 (element 4 of the ACPA).

24 **a. There Was Substantial Evidence That Irving's IMI Trademark Was Not**
25 **Distinctive**

26 The third ACPA element requires that Irving's IMI trademark be distinctive at the time of
27 Black's registration of the imi.com domain name in 1994.

28 At trial, the jury heard evidence of Irving's use of IMI beginning in 1962. However, the

1 jury heard evidence that Irving almost always used the IMI trademark simultaneously with the
2 company’s full name: “Irving Materials, Inc.” *See* D Ex.1; 6/14/19 Transcript at 585:22–586:12.
3 Moreover, the jury heard evidence that Irving’s IMI trademark was not registered until September
4 19, 1995. 6/11/19 Transcript at 519:5–18; D Ex.11.

5 The jury also heard from Dr. Wright that in 1994, there were 19 registered IMI trademarks
6 as well as additional unregistered IMI businesses. 6/11/19 Transcript at 430:22–25; BX-17. Dr.
7 Wright further testified that as of 2018, there were 71 live IMI trademark registrations. 6/11/19
8 Transcript at 431:1–7; BX-17.

9 The jury also heard that Irving’s business was limited to Indiana, the surrounding areas,
10 and the construction industry. 6/14/19 Transcript at 652:9–11. Specifically, Dr. Wright testified
11 about JX-12, which was a study paid for by Irving that shows the limited geographical reach of
12 Irving. JX-12 at 8; 6/11/19 Transcript at 440:7–444:1. The study shows that Irving’s “footprint,
13 their marketing, where they sell [their] product, where they market their product, is strictly limited
14 to Indiana and the bordering areas of the states surrounding it.” 6/11/19 Transcript at 443:9–14;
15 JX-12 at 8. Dr. Wright also cited another page of the study, which showed that Irving was limited
16 to a number of products: “paving, concrete, and aggregates.” 6/11/19 Transcript at 443:15–444:1;
17 JX-12 at 11. Similarly, Black testified at trial that when he registered the mark: “I had no idea who
18 Irving Materials was. I had never been out in Indiana. I’ve never seen any of their trucks driving
19 here in California. I had no intent at all to profit off of their site.” 6/11/19 Transcript at 303:12–
20 304:10.

21 In addition, Irving did not have a website or online presence in 1994. 6/14/19 Transcript at
22 636:21–23. Indeed, Irving first put up its website, irvmat.com, in 1996. *Id.* Moreover, Irving
23 shifted its marketing and branding strategy to digital and online advertising sometime between
24 2014 and 2017. *Id.* at 614:13–616:10, 650:6–653:9; 6/11/19 Transcript at 497:17–503:9.

25 Finally, although Irving had the burden at trial to prove that its IMI trademark was
26 distinctive at the time of Black’s registration of the imi.com domain name in 1994, Irving failed to
27 produce any evidence showing consumer perception of the mark as of 1994, such as consumer

1 surveys. *Filipino Yellow Pages, Inc. v. Asian Journal Publications, Inc.*, 198 F.3d 1143, 1146 (9th
2 Cir. 1999) (plaintiff bears the burden to prove distinctiveness); *Self-Realization Fellowship*
3 *Church v. Ananda*, 59 F.3d 902, 910-12 (9th Cir. 1995) (same); *see also, e.g., Vision Sports, Inc. v.*
4 *Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989) (stating that a consumer survey can provide
5 persuasive evidence of distinctiveness). Irving further failed to produce evidence concerning the
6 effectiveness or reach of its advertising. *See* 6/14/19 Transcript at 735:20–736:3.

7 The Court finds that the above facts constitute substantial evidence from which a jury
8 could find that Irving’s IMI trademark was not distinctive at the time of Black’s registration of the
9 imi.com domain name in 1994 (element 3 of the ACPA).

10 **b. There Was Substantial Evidence That Black Did Not Act with Bad Faith Intent**

11 Second, substantial evidence supported a finding that Black did not act with bad faith
12 intent to profit from the domain name (element 4 of the ACPA). The Court discusses each of the
13 nine bad faith factors in turn.

14 **i. Factors I, III, and VI**

15 Factor I concerns Black’s trademark or other intellectual property rights, if any, in the
16 imi.com domain name.

17 Factor III concerns Black’s prior use, if any, of the domain name in connection with the
18 bona fide offering of any goods or services.

19 Factor VI concerns Black’s offer to transfer, sell, or otherwise assign the domain name to
20 the mark owner or any third party for financial gain without having used, or having an intent to
21 use, the domain name in the bona fide offering of any goods or services, or the person’s prior
22 conduct indicating a pattern of such conduct.

23 Here, the jury heard the following evidence related to these factors. Black owned the
24 imi.com domain name since 1994—for over 25 years at the time of trial—and Black used the
25 imi.com domain name for his companies, including Internet Marketing Inc. and International
26 Monetary Investments LLC. *See, e.g.,* 6/10/19 Transcript at 183:15–184:5, 191:19–23, 197:12–18,
27 236:20–22; BX-2 (Certificate of Incorporation of Internet Marketing Inc.).

1 Black incorporated Internet Marketing Inc. on April 6, 1994. 6/10/19 Transcript at 197:12–
2 18, 236:20–22; BX-2 (Certificate of Incorporation of Internet Marketing Inc.). In 1994, Black used
3 imi.com to create a website that had “Internet Marketing, Inc.” across the top of the page. 6/10/19
4 Transcript at 185:2–6; JX-5 (copy of imi.com from 1998). Internet Marketing, Inc. and imi.com
5 held the data of Black’s clients, created internet directories, and built Black’s clients’ web
6 presence. 6/10/19 Transcript at 188:16–189:16. Specifically, in 1994, Black started building
7 directories and spiders, which Black explained were “some software that [he] would write that
8 would say, ‘I want you to go out to every, every machine on the internet, and on your way, keep
9 track of every little machine you bounce to, or routers.’” 6/10/19 Transcript at 184:13–185:1,
10 201:9–14. Black further explained: “then I reversed that backwards and turned that into the first
11 internet service provider listing in the world that would show how many people were behind each
12 ISP at the time. An ISP is an internet service provider.” *Id.* at 184:13–185:1.

13 Black displayed the IMI mark on his website, documents, around 30 or more non-
14 disclosure agreements, business plans for corporations, presentations and pitch decks. *Id.* at
15 189:23–190:8, 203:3–17; BX-3 (1994 NDA); BX-4 (Internet Marketing Inc. business records
16 dated 1994). Black shared his IMI mark with companies, including Oracle, Microsoft, Yahoo,
17 Digital Equipment, American Business Information, NW Ayer Incorporated, Excelsior, and
18 Digex. 6/10/19 Transcript at 215:1–8, 216:8–221:14.

19 Black testified as to Internet Marketing Inc.’s relationships with the above-mentioned
20 companies. For instance, Black explored working with Jerry Yang, the co-founder of Yahoo, to
21 build an online directory of company names on the internet because Yahoo was manually entering
22 information but Black had a method of automatically building databases online using his spiders.
23 *Id.* at 221:11–222:14, 229:2–18. In support of his discussion about Internet Marketing Inc.’s
24 business relationship with Yahoo, Black introduced exhibit BX-5, which is a 1994 email from
25 Jerry Yang to Black, which concludes: “To summarize, we are impressed by the resource and
26 talent pool that IMI has pulled together. We share much of the vision that IMI does, and see a
27 good potential fit. Of concern to us is the relative worth of Yahoo, the amount of resources Yahoo

1 will receive from IMI in the short run and long run, the autonomy of Yahoo (both short and long
2 term), and the pace at which things will be accomplished.” BX-5.

3 Black’s company also had a relationship with the Emmy Awards throughout the period of
4 1994 to 1999, and imi.com hosted a live broadcast of the Emmys through the alias
5 “bigalpha.imi.com.” 6/10/19 Transcript at 234:11–236:11.

6 Black rolled Internet Marketing Inc. into two other entities. *Id.* at 232:11–25. Specifically,
7 Internet Marketing Inc. had started as an S Corp that was tied to Black’s social security number,
8 but because venture capitalists would not fund S Corps, Black had to change the corporate form.
9 *Id.* at 232:11–25, 236:13–22. Thus, Internet Marketing Inc. was rolled into a company called
10 iChannel in 1996, which was then later rolled into iAtlas in 1998. *Id.* at 236:15–16; 6/11/19
11 Transcript at 277:12–16, 312:16–314:4. Black introduced into evidence BX-13, which was a
12 January 24, 2000 letter from the Chestnut Partners Team—the venture capital firm that funded
13 Black’s company—regarding the changes. BX-13 stated: “Dear Jeffery, Now that you have
14 changed the Company’s name yet again and the original iAtlas (or iChannel, ODS, or IMI) team is
15 scattered across the country, please accept the enclosed as a token to remember the search engine
16 that changed the way people surf the Web. We wish you the best of luck in all of your future
17 successes.” BX-13.

18 In 1999, Black sold iAtlas to AltaVista for \$25 million. 6/10/19 Transcript at 237:24–
19 238:15; 6/11/19 Transcript at 277:12–22, 314:5–10; BX-13. This transaction included all of the
20 assets from Internet Marking Inc. going back to 1994, with the exception of the imi.com domain
21 name, which AltaVista allowed Black to keep. 6/11/19 Transcript at 277:12–278:21.

22 In 2016, Black incorporated his new company, International Monetary Investments LLC.
23 6/11/19 Transcript at 252:15–23, 294:19–296:24. In December 2016, Black licensed his imi.com
24 domain name to his International Monetary Investments LLC company. *Id.* at 296:25; BX-15
25 (12/4/16 domain use and license agreement for imi.com and imi.info between Black and
26 International Monetary Investments LLC). International Monetary Investments LLC entered into
27 300 contracts with clients, and a majority of the agreements were signed in 2016. 6/11/19

28

1 Transcript at 298:15–301:15. In 2017, Black got an offer from one of his venture capital contacts
2 to invest \$10 million in International Monetary Investments LLC. *Id.* at 310:10–311:7. However,
3 that venture capitalist walked away when he found out that Black was accused of cybersquatting.
4 *Id.* As a result, Black lost all of his funding to help service his 300 contracts. *Id.* Black has yet to
5 sell goods or services through International Monetary Investments LLC. However, before March
6 22, 2018, Black bought a million dollars’ worth of product. 6/11/19 Transcript at 354:17–355:11.

7 Although the jury heard evidence that Black offered imi.com for sale and would not
8 consider offers of less than \$2 million, the jury also heard evidence that Black received seven or
9 more other offers for imi.com between 2000-2002, including an offer of \$2 million and an offer of
10 \$4 million. 6/11/19 Transcript at 284:19–285:16, 286:22–291:16, 374:1–16; 6/14/19 Transcript at
11 655:8–656:12.

12 **ii. Factors II and VII**

13 Factor II concerns “the extent to which the domain name consists of the legal name of the
14 person or a name that is otherwise commonly used to identify that person.” 15 U.S.C. §
15 1125(d)(1)(B). In the final jury instructions, the parties agreed to instruct the jury on Factor II as
16 follows: “the extent to which the domain name consists of Black’s legal name or a name that is
17 otherwise commonly used to identify Black.” ECF No. 186.

18 Factor VII concerns Black’s provision of material and misleading false contact information
19 when applying for the registration of the domain name, Black’s intentional failure to maintain
20 accurate contact information, or Black’s prior conduct indicating a pattern of such conduct.

21 At trial, Irving did not dispute that Black has always provided accurate contact information
22 for the imi.com domain name. *See* ECF No. 83 at 16. Moreover, the jury heard evidence that
23 Black associated his home address, his home phone number, his cell phone number, and his pager
24 with the imi.com domain name from 1994 to 2019. 6/10/19 Transcript at 183:15–184:5, 191:19–
25 23. In fact, Jerry Howard, Irving’s Vice President of IT and former Director of IT, testified that he
26 located Black through WHOIS because Black’s contact information was accurate. 6/11/19
27 Transcript at 405:1–11. In addition, the jury heard evidence that Black’s companies, Internet

1 Marketing Inc. and International Monetary Investments LLC, have the initials “IMI,” and used
2 imi.com. *See, e.g.*, 6/10/19 Transcript at 189:23–190:8, 203:3–17, 215:1–8, 216:8–221:14; BX-3
3 (1994 NDA); BX-4 (Internet Marketing Inc. business records dated 1994).

4 **iii. Factor IV**

5 Factor IV concerns Black’s bona fide noncommercial or fair use of the mark in a site
6 accessible under the domain name. Here, the jury heard that Black used imi.com as a directory
7 website beginning in 2002 and that he never charged any of the companies that he listed nor made
8 money from the directory website. 6/11/19 Transcript at 281:9–284:7; JX-7 (screenshot of
9 imi.com from 2002 showing directory of companies with IMI name).

10 **iv. Factor V**

11 Factor V concerns Black’s intent to divert consumers from Irving’s online location to a site
12 accessible under the domain name that could harm the goodwill represented by the mark, either for
13 commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of
14 confusion as to the source, sponsorship, affiliation, or endorsement of the site.

15 Here, the jury heard the following evidence as to this factor. When Black registered
16 imi.com, he was not aware of Irving: “I had no idea who Irving Materials was. I had never been
17 out in Indiana. I’ve never seen any of their trucks driving here in California. I had no intent at all
18 to profit off of their site.” 6/11/19 Transcript at 303:12–304:10.

19 Moreover, in 1994, Irving did not have a website. 6/14/19 Transcript at 636:21–23.
20 Irving’s website is irvmat.com. *Id.* Irving first put up its website in 1996. *Id.*

21 Further, Black had no intent to divert consumers from Irving’s website to Black’s website.
22 Instead, in 2002, when Black put imi.com back up, Black included a free directory on imi.com for
23 companies with the IMI name. 6/11/19 Transcript at 282:11–284:7. Black created the directory
24 using the names of companies that had reached out to Black to purchase the imi.com domain
25 name, including Irving. *Id.* Black explained that Black was not trying to profit from these
26 companies, but rather was redirecting to these companies’ websites any traffic that came to
27 imi.com but was intended for these companies. *Id.* One company requested to be removed from

1 the directory, and one company requested to be added. *Id.* Black complied with both requests. *Id.*

2 Black testified that Black had no reason to believe what Black was doing was illegal.
3 6/11/19 Transcript at 286:11–23, 306:15–20. Black testified he received approval from his
4 attorneys with regards to his actions involving Internet Marketing Inc. *Id.* Black also received the
5 United States Treasury Department’s approval of contracts that Black entered into through
6 International Monetary Investments LLC. *Id.*

7 Finally, although Jeffrey McPherson, Irving’s Vice President of Sales and Marketing,
8 testified that three of Irving’s 20,000 customers may have been confused by the presence of
9 imi.com, Jerry Howard, Irving’s Vice President of IT and former Director of IT, testified that no
10 confusion about the imi.com website was reported to Irving. 6/14/19 Transcript at 624:14–625:10.

11 **v. Factor VIII**

12 Factor VIII concerns Black’s registration or acquisition of multiple domain names which
13 Black knows are identical or confusingly similar to marks of others that are distinctive at the time
14 of registration of such domain names without regard to the goods or services of the parties.

15 Here, Black had successfully registered and sold several domain names, including
16 resorts.com in 1999 for \$950,000 and hotels.com in 2001 for \$11 million. 6/10/19 Transcript at
17 195:8–21. For hotels.com, Black built a booking reservation system complete with maps, and hand
18 coded over 40,000 hotels into the database. *Id.* at 193:18–194:15. Black owned several other
19 domain names, including hiking, biking, scuba, tennis, and recreation domain names. *Id.* at
20 195:22–197:11. Black gave these domain names away for free. *Id.* Black further testified that
21 business.com, a domain name for which Black had no involvement, sold sometime between 2000-
22 2002 for \$7 million. 6/11/19 Transcript at 375:23–376:3.

23 **vi. Factor IX**

24 Factor IX concerns the extent to which the mark incorporated in Black’s domain name
25 registration is or is not distinctive and famous. Here, as already discussed above, the jury heard
26 substantial evidence to find that Irving’s IMI trademark was not distinctive at the time of Black’s
27 registration of the imi.com domain name in 1994. *See* Section III.A.2.a. Moreover, Irving never

1 asserted that its mark was famous in 1994 or at any time. *See* ECF No. 122 at 55 (“Irving
2 Materials, Inc. has not and does not intent to assert that its registered trademark was famous.”).

3 Thus, considering all of the evidence and the bad faith factors, the Court finds that
4 substantial evidence supported a finding that Black did not act with a bad faith intent to profit
5 from the domain name (element 4 of the ACPA).

6 **c. Summary of Irving’s ACPA Cybersquatting Claim**

7 In summary, substantial evidence supported a finding that Irving’s IMI trademark was not
8 distinctive at the time of Black’s registration of the imi.com domain name in 1994 (element 3 of
9 the ACPA) and that Black did not act with bad faith intent to profit from the domain name
10 (element 4 of the ACPA). Thus, the Court finds that the jury’s verdict that Irving did not prove its
11 ACPA cybersquatting counterclaim by a preponderance of the evidence was supported by
12 substantial evidence.

13 **B. Irving’s Declaratory Relief Counterclaim**

14 Irving also asserted a declaratory relief counterclaim that seeks a declaration that Black
15 violated the ACPA (28 U.S.C. § 2201). Irving’s declaratory relief counterclaim survived summary
16 judgment and proceeded to trial. However, the verdict form did not contain a specific question on
17 Irving’s declaratory relief counterclaim because Irving agreed at the Final Pretrial Conference that
18 a decision on its ACPA cybersquatting counterclaim would also be dispositive of Irving’s
19 declaratory relief counterclaim that Black violated the ACPA. ECF No. 149 at 20. Therefore, the
20 jury did not render a verdict on the declaratory relief counterclaim, and the Court must resolve this
21 counterclaim.

22 Because the jury found that Irving did not prove its ACPA cybersquatting counterclaim by
23 a preponderance of the evidence, and because Irving conceded that a decision on its ACPA
24 cybersquatting counterclaim was also dispositive of its declaratory relief counterclaim that Black
25 violated the ACPA, the Court finds that Irving has also failed to prove by a preponderance of the
26 evidence its declaratory relief counterclaim. Thus, the Court rules in Black’s favor on Irving’s
27 declaratory relief counterclaim that seeks a declaration that Black violated the ACPA.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

C. Black’s Subsection (v) Declaratory Relief Claim

The jury rendered a verdict in its advisory capacity as to Black’s subsection (v) declaratory relief claim. ECF No. 190. Specifically, the jury answered “Yes” to the question: “Has Mr. Black proven by a preponderance of the evidence that Mr. Black did not violate the Anti-Cybersquatting Consumer Protection Act?” *Id.* Because the jury rendered the verdict as to Black’s subsection (v) declaratory relief claim only in the jury’s advisory capacity, pursuant to Federal Rule of Civil Procedure 52(a)(1), the Court must find facts and state its conclusions of law separately as to this claim. Thus below, the Court first explains the law and then analyzes whether Black has proven his subsection (v) declaratory relief claim.

15 U.S.C. § 1114(2)(D)(v) provides:

(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

15 U.S.C. § 1114(2)(D)(v). Thus, in order for Black to prevail on his subsection (v) declaratory relief claim, Black must prove by a preponderance of the evidence that (1) Black is a domain name registrant; (2) Black’s domain name was suspended, disabled, or transferred due to Irving’s complaint; and (3) Black’s registration or use of the domain name has not been unlawful. *Id.*

For the following reasons, the Court finds that Black has proven his subsection (v) declaratory relief by a preponderance of the evidence.

First, Black had to prove by a preponderance of the evidence that he is a domain name registrant. Black registered the imi.com domain name in 1994, and Black has owned imi.com ever since. 6/10/19 Transcript at 183:15–184:5, 191:19–23; JX-1. Thus, the Court finds that Black has proven that he is a domain name registrant.

Second, Black had to prove by a preponderance of the evidence that his domain name was suspended, disabled, or transferred due to Irving’s complaint. After Irving initiated its UDRP proceeding complaint against Black in 2017, Black’s imi.com domain name was suspended.

1 6/10/19 Transcript at 252:7–19; 6/11/19 Transcript at 301:14–21. Specifically, Black testified: “all
2 of a sudden, I couldn’t do anything because when [Irving] filed a complaint, it turns out there’s
3 some crazy rule that when you file a complaint, somebody gets to freeze your DNS, they get to
4 freeze your website, they get to freeze everything.” 6/10/19 Transcript at 252:23–253:2; 6/11/19
5 Transcript at 301:22–302:1. Black testified that this adversely affected him. At the time, Black
6 was repurposing imi.com to use for International Monetary Investments LLC and was going
7 through due diligence to get venture capital funding for International Monetary Investments LLC.
8 *Id.* at 252:15–23. In 2017, Black got an offer from one of his venture capital contacts to invest \$10
9 million in International Monetary Investments LLC. *Id.* at 310:23–311:7. However, that venture
10 capitalist walked away when he found out that Black was accused of cybersquatting. *Id.* As a
11 result, Black has lost all of his funding to help service his 300 contracts. *Id.* Thus, the Court finds
12 that Black has proven that Black’s imi.com domain name was suspended due to Irving’s UDRP
13 complaint.

14 Third, Black had to prove by a preponderance of the evidence that Black’s registration or
15 use of the domain name has not been unlawful. Here, the Court finds that Black has proven that
16 Black’s use of the domain name has not been unlawful. As discussed above, the jury found by a
17 preponderance of the evidence that Black did not violate the ACPA. In Section III.A.2, the Court
18 found the jury’s verdict was supported by substantial evidence, including substantial evidence that
19 Irving’s IMI trademark was not distinctive at the time of Black’s registration of the imi.com
20 domain name in 1994 and that Black did not act with bad faith intent to profit from the domain
21 name. *See* Section III.A.2. Thus, the for all of the reasons discussed in Section III.A.2., the Court
22 finds that Black has proven that his registration or use of imi.com has not been unlawful.

23 Further, the Court reiterates that Black testified that he believed all of his actions were
24 lawful. 6/11/19 Transcript at 286:11–23, 306:15–20. Black testified he received approval from his
25 attorneys with regards to his actions involving Internet Marketing Inc. *Id.* Black also testified that
26 he received the United States Treasury Department’s approval of contracts that Black entered into
27 through International Monetary Investments LLC. *Id.*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Accordingly, the Court finds that Black has proven by a preponderance of the evidence his subsection (v) declaratory relief claim. Thus, the Court enjoins Irving from its efforts to force Black to transfer the imi.com domain name to Irving.

IV. CONCLUSION

For the foregoing reasons, the Court finds that the jury’s verdict that found that Irving did not prove its ACPA cybersquatting counterclaim by a preponderance of the evidence was supported by substantial evidence. The Court also finds that Irving did not prove by a preponderance of the evidence its counterclaim for declaratory relief that Black violated the ACPA.

The Court finds that Black proved by a preponderance of the evidence Black’s declaratory relief claim that Black lacked bad faith intent and thus did not violate the ACPA. Therefore, Irving is hereby enjoined from its efforts to force Black to transfer the imi.com domain name to Irving.

IT IS SO ORDERED.

Dated: August 10, 2019



LUCY H. KOH
United States District Judge