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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

PACIFIC LAW CENTER, a Professional Law Corporation; and SOLOMON WARD SEIDENWURM & SMITH, LLP,	Plaintiffs,
vs.	
SHAHROKH SAADAT-NEJAD, an individual,	Defendant.

CASE NO. 07cv460 JLS (POR)

**ORDER: DIRECTING PARTIES  
TO SHOW CAUSE AS TO WHY  
SUMMARY JUDGMENT SHOULD  
NOT BE ENTERED**

On June 12, 2008, the Court held a pre-trial conference in this matter. At the conference, Defendant confirmed his request to move to dismiss this action. [See Doc. No. 71 at 6 (requesting a “motion for dismissal hearing”).] In addition, after the Court highlighted its concerns regarding Plaintiffs’ case, Plaintiffs agreed that it would be efficient to brief those concerns before proceeding to trial. Accordingly, the Court now finds it appropriate to direct the parties to show cause as to why summary judgment should not be entered.<sup>1</sup> Plaintiffs **SHALL FILE** their brief no later than July 25, 2008. Defendant will then have an opportunity to respond and thereby provide the Court with his justification for dismissal. Defendant **SHALL FILE** his response no later than August 15, 2008. If Plaintiffs choose to file a reply, they **SHALL FILE** no later than August 27, 2008. The Court will

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<sup>1</sup> Amex Assur. Co. v. Caripides, 179 F. Supp. 2d 309, 315 (S.D.N.Y. 2002) (ordering the parties to show cause as to why summary judgment should not be entered).

1 then provide notice if it desires further briefing from Defendant after that point. In accordance with  
2 the local rules, Plaintiffs and Defendant shall limit their opening briefs to twenty-five (25) pages.  
3 Plaintiffs' reply shall be limited to ten (10) pages. These page limits do not include any attached  
4 exhibits or declarations.

5 Essentially, the Court is requesting cross-motions for summary judgment from the parties. By  
6 proceeding in this fashion: (1) Defendant will have an opportunity to state his legal justification for  
7 dismissal; (2) Plaintiffs will be able to argue why the Court should enter judgment in their favor; and (3)  
8 both parties will have an opportunity to address the Court's concerns. Specifically, the Court would  
9 like both parties to address three issues.

#### 10 11 **I. Legality of "Gripe Sites" Having Domain Names Similar to the Marks at Issue**

12 First, the Court finds that there is substantial legal authority suggesting that Defendant may  
13 create "gripe sites," even if the domain names of those sites include the words "Solomon Ward" and  
14 "Pacific Law Center." For example, various courts have refused to find that gripe sites located at  
15 domain names nearly identical to the marks at issue violated the Anti-Cybersquatting statute  
16 ("ACPA"). For example, in TMI v. Maxwell, 368 F.3d 433, 434-35 (5th Cir. 2004), a customer of  
17 homebuilder TMI registered the domain name "www.trendmaker.com." This domain name differed  
18 by only one letter from TMI's mark, TrendMaker Homes, and its domain name,  
19 "www.trendmakerhomes.com." The Fifth Circuit reversed the district court's finding that defendant  
20 violated the ACPA and reasoned that the site was noncommercial and designed only "to inform  
21 potential customers about a negative experience with the company." Id. at 438-39.

22 In Lucas Nursery & Landscaping, Inc. v. Grosse, 359 F.3d 806, 810 (6th Cir. 2004), the  
23 defendant registered the domain name "www.lucasnursery.com" to post her dissatisfaction with the  
24 company's landscaping services. The Sixth Circuit found that her site did not constitute what  
25 Congress intended to proscribe and explained:

26 One of the ACPA's main objectives is the protection of consumers from slick  
27 internet peddlers who trade on the names and reputations of established brands. The  
28 practice of informing fellow consumers of one's experience with a particular service  
provider is surely not inconsistent with this ideal.

1 Id. at 811.

2 Further, in Lamparello v. Falwell, 420 F.3d 309 (4th Cir. 2005), the Fourth Circuit cited to  
3 TMI v. Maxwell and Lucas Nursery, in finding for the defendant who maintained a website,  
4 “www.fallwell.com,” nearly identical to Reverend Falwell’s mark. In rejecting the Lanham Act claim  
5 the Court reasoned, in part:

6 Reverend Falwell’s mark is distinctive, and the domain name of Lamparello’s  
7 website, www.fallwell.com, closely resembles it. But, although Lamparello and  
8 Reverend Falwell employ similar marks online, Lamparello’s website looks nothing  
9 like Reverend Falwell’s; indeed, Lamparello has made no attempt to imitate  
10 Reverend Falwell’s website. Moreover, Reverend Falwell does not even argue that  
11 Lamparello’s website constitutes advertising or a facility for business, let alone a  
12 facility or advertising similar to that of Reverend Falwell. Furthermore, Lamparello  
13 clearly created his website intending only to provide a forum to criticize ideas, not  
14 to steal customers.

15  
16 Most importantly, Reverend Falwell and Lamparello do not offer similar goods or  
17 services. Rather they offer opposing ideas and commentary. Reverend Falwell’s  
18 mark identifies his spiritual and political views; the website at www.fallwell.com  
19 criticizes those very views. After even a quick glance at the content of the website  
20 at www.fallwell.com, no one seeking Reverend Falwell’s guidance would be misled  
21 by the domain name—www.fallwell.com—into believing Reverend Falwell authorized  
22 the content of that website. No one would believe that Reverend Falwell sponsored  
23 a site criticizing himself, his positions, and his interpretations of the Bible.

24 Id. at 315. In rejecting the ACPA claim, the Court concluded:

25  
26 After close examination of the undisputed facts involved in this case, we can only  
27 conclude that Reverend Falwell cannot demonstrate that Lamparello ‘had a bad faith  
28 intent to profit from using the [www.fallwell.com] domain name.’ [Citation.]  
Lamparello clearly employed www.fallwell.com simply to criticize Reverend  
Falwell’s views. Factor IV of the ACPA, 15 U.S.C. § 1125(d)(1)(B)(i)(IV), counsels  
against finding a bad faith intent to profit in such circumstances because ‘use of a  
domain name for purposes of . . . comment, [and] criticism,’ H.R. Rep. No. 106-412,  
1999 WL 970519, at \*11, constitutes a ‘bona fide noncommercial or fair use’ under  
the statute, 15 U.S.C. § 1125(d)(1)(B)(i)(IV) . . . We agree with the Fifth and Sixth  
Circuits that, given these circumstances, the use of a mark in a domain name for a  
gripe site criticizing the markholder does not constitute cybersquatting.

29 Id. at 320-22.<sup>2</sup> These decisions suggest that Plaintiffs’ claims could be dismissed as a matter of law.  
30 Therefore the parties should carefully review them and address them in their briefs.

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<sup>2</sup> See also Best Western Int’l, Inc. v. Doe, 2006 U.S. Dist. LEXIS 77942 (D. Ariz. Oct. 24, 2006).

1           **II.     Bad Faith Intent to Profit**

2           The foregoing cases and others indicate that similar gripe sites do not violate the Lanham Act  
3 or the ACPA. However, case law does suggest that it would be impermissible to create such sites for  
4 the sole purpose to extort money. For example, in Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672  
5 (9th Cir. 2005), defendant created a website “bosleymedical.com” to discuss his dissatisfaction with  
6 hair restoration services that he received from Bosley Medical Institute. Id. at 674. The Ninth Circuit  
7 concluded:

8           Like the district court, we agree with Kremer. We hold today that the  
9 noncommercial use of a trademark as the domain name of a website—the subject of  
10 which is consumer commentary about the products and services represented by the  
11 mark—does not constitute infringement under the Lanham Act.

12           Bosley Medical’s cybersquatting claim is another matter. The issue under the  
13 Anticybersquatting Consumer Protection Act was whether Kremer had a ‘bad faith  
14 intent to profit’ from the use of the trademark in his domain name, such as by making  
15 an extortionate offer to sell the BosleyMedical.com site to Bosley. Because  
16 discovery regarding that claim had not been completed, and the issue itself was not  
17 within the scope of the summary judgment motions, the district court erred in  
18 granting summary judgment to Kremer as to cybersquatting.

19           See also Christensen Firm v. Chameleon Data Corp., 2006 U.S. Dist. LEXIS 79710, \*9-10 (W.D.  
20 Wash. Nov. 1, 2006) (citing Bosley and stating “Many reference an extortionate offer to sell as the  
21 hallmark of a bad faith intent to profit.”); Lucas Nursery & Landscaping, 359 F.3d at 810 (“The  
22 paradigmatic harm that the ACPA was enacted to eradicate—the practice of cybersquatters registering  
23 several hundred domain names in an effort to sell them to the legitimate owners of the mark—is simply  
24 not present in any of [defendant’s] actions.”).

25           Here, after reviewing the record before the Court, it appears that Defendant was not trying to  
26 extort money from Plaintiffs. Ms. Prevost’s February 1, 2007 letter demands \$500,000 in exchange  
27 for domain names previously in Defendant’s possession. However, Defendant provided the Court  
28 with a series of emails that infer Ms. Prevost was encouraging Defendant to make a demand for money  
and that Defendant was reluctant. The Court also notes that Defendant apparently terminated his  
relationship with Ms. Prevost before February 1st.<sup>3</sup> Further, the Court recognizes that Defendant, in

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<sup>3</sup> See Interstellar Starship Servs. v. Epix, Inc., 304 F.3d 936 (9th Cir. 2002) (finding no “bad faith” under the ACPA, in part, because the attorney offered to sell the domain name in the context of settlement negotiations when defendant was not present).

1 his court filings, has continued to stress that he does not seek money from Plaintiffs and never has.  
2 [See Doc. No. 58, Defendant’s Opposition to Plaintiffs’ Motion for a Permanent Injunction, 20-29,  
3 Ex 1 and 2; Doc. No. 64, Defendant’s Motion for a Writ of Mandamus, 5-6.] As a result, the Court  
4 would like the parties to address this “bad faith intent to profit” issue.<sup>4</sup>

5 The Court reiterates that it will treat the requested briefs as cross-motions for summary  
6 judgment. This means that after reviewing the briefs, the Court could end this litigation in favor of  
7 Plaintiffs or in favor of Defendant without proceeding to a trial. Therefore, the parties should attach  
8 with their briefs any evidence that: (1) pertains to this “bad faith intent to profit” issue, or (2) that  
9 supports any of the arguments they wish to present.<sup>5</sup>

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23 <sup>4</sup> The Court is aware of Mr. Slattery’s declaration stating that Defendant reiterated Ms.  
24 Prevost’s demand to him. It appears that this alleged statement occurred during a settlement  
conference. [See Slattery Decl. ¶ 10, Doc. No. 3.; McIntyre Decl. ¶ 12., Doc. No. 55.]

25 <sup>5</sup> “Sua sponte summary judgment is only appropriate if the losing party has reasonable notice  
26 that the sufficiency of his or her claim will be in issue. Reasonable notice implies adequate time to  
27 develop the facts on which the litigant will depend to oppose summary judgment.” Oluwa v. Gomez,  
133 F.3d 1237, 1239 (9th Cir. 1998) (internal citation and quotation omitted). See also Celotex Corp.  
28 v. Catrett, 477 U.S. 317, 326 (1986) (discussing summary judgment standard and stating “Our  
conclusion is bolstered by the fact that district courts are widely acknowledged to possess the power  
to enter summary judgments sua sponte, so long as the losing party was on notice that she had to come  
forward with all of her evidence.”).

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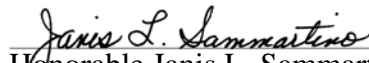
**III. Remedy**

The Court would also like the parties to address Plaintiffs’ requested remedy in the context of this “bad faith intent to profit.” If Defendant did possess such a bad faith intent to profit at one time, but does not now, may the Court still *permanently* enjoin him from creating such gripe sites that incorporate the words “Solomon Ward” and “Pacific Law Center?” The parties should also address this question in their briefs.

Thus, if the parties cannot resolve this dispute prior to July 25, 2008, the parties shall submit their briefs in accordance with this order. Judge Burns’ preliminary injunction order remains in effect until the Court rules otherwise.

IT IS SO ORDERED.

DATED: June 16, 2008

  
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Honorable Janis L. Sammartino  
United States District Judge