IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

THE WEATHER UNDERGROUND, INC.,
a Michigan corporation,

Plaintiff,

vs.

Case No. 2:09-CV-10756
Hon. Marianne O. Battani

NAVIGATION CATALYST SYSTEMS, INC., a Delaware corporation; CONNEXUS CORP., a Delaware corporation; FIRSTLOOK, INC., a Delaware corporation; and EPIC MEDIA GROUP, INC., a Delaware corporation,

Defendants.

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CONNEXUS, FIRSTLOOK, AND NCS'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION AND MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT

NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION

TO THIS HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT, pursuant to Fed. R. Civ. P. 56, Defendants Connexus Corporation, Firstlook, Inc., and Navigation Catalyst Systems, Inc. (collectively "Connexus") hereby move this Court for an order summarily adjudicating Plaintiff's First Count for cybersquatting pursuant to the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (the "ACPA"). This Motion is based on the facts and arguments set forth in the accompanying Memorandum of Points and Authorities; to wit, that the ACPA requires Plaintiff to show, *inter alia*, that Connexus had a "bad faith intent to profit" from Plaintiff's marks, but Plaintiff is unable to make this showing because Connexus was unaware of Plaintiff's marks prior to registration of the domain names at issue.

This Motion is supported by the attached Memorandum of Points and Authorities, the Declaration of William A. Delgado, the case file, and the arguments of counsel that the Court would entertain at a hearing on this Motion.

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On July 11, 2011, there was a conference between William A. Delgado, counsel for Connexus, and Enrico Schaefer, counsel for Plaintiff, in which Connexus explained the nature of this Motion for Summary Adjudication and its legal basis and requested, but did not obtain, concurrence in the relief sought.

RESPECTFULLY SUBMITTED this 15th day of July, 2011.

/s/William A. Delgado
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STATEMENT OF THE ISSUE PRESENTED

The issue presented in this Motion is:

(1) Whether Plaintiff can show that Connexus had a "bad faith intent to profit" from Plaintiff's trademarks even though Connexus was unaware of Plaintiff's marks at the time the domain names at issue were registered?

Connexus respectfully submits that the answer is "no."

CONTROLLING AUTHORITY

I. Summary Judgment Standard

"Where a defendant [seeking summary judgment] shows a lack of evidence on any particular element of the claim at issue, the plaintiff has the burden of offering affirmative evidence from which a reasonable fact finder could find in his favor." *Muhammad v. Close*, 379 F.3d 413, 416 (6th Cir. 2004). "'[T]he mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment . . . .'" *Weaver v. Shadoan*, 340 F.3d 398, 405 (6th Cir. 2003) (citation omitted). "Thus, summary judgment should be granted only where there is no genuine issue of material fact." *Leadbetter v. Gilley*, 385 F.3d 683, 689-90 (6th Cir. 2004). Only disputes over facts that might "*affect the outcome of the lawsuit"* under the governing law will properly preclude the entry of summary judgment. *Hedrick v. Western Reserve Care Sys.*, 355 F.3d 444, 451-52 (6th Cir. 2004) (emphasis added). Factual disputes that are irrelevant or unnecessary will not be counted.

II. Cybersquatting Statute

The Anti-Cybersquatting Consumer Protection Act (the "ACPA") is set forth at 15 U.S.C. § 1125(d) and provides, in relevant part, as follows:

> **(1)(A)** A person shall be liable in a civil action by the owner of a mark … [if] that person
> **(i)** has a bad faith intent to profit from that mark …; and
> **(ii)** registers, traffics in, or uses a domain name that—
> **(I)** in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark ….

15 U.S.C. § 1125(d)(1)(A).

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

Plaintiff claims that Connexus's registrations of various domain names violate the ACPA because the domain names are confusingly similar to Plaintiff's trademarks. However, to make out a prima facie case under the ACPA, Plaintiff must demonstrate, *inter alia,* that Connexus had a "bad faith intent to profit" from Plaintiff's marks. The undisputed facts show that Connexus was not even aware of Plaintiff or its marks prior to registering the domain names. Because the ACPA was not intended to punish registrants who were unaware of the existence of a mark—after all, how can you form the intent to profit from a mark that you didn't know existed—Plaintiff's claim under the ACPA fails.

STATEMENT OF FACTS

Background of Defendants' Business. As the Court has previously noted, Navigation Catalyst Systems, Inc. ("NCS") is a domain name registrant that registers domain names in bulk. NCS is a subsidiary of Firstlook, Inc. ("Firstlook"), which, in turn, is a subsidiary of Connexus Corporation ("Connexus"). After NCS registers a domain name, Firstlook monetizes the domain name by creating web pages with hyperlink advertisements upon which visitors to the domain name can click. *See Weather Underground, Inc. v. Navigation Catalyst Systems, Inc.*, 688 F. Supp. 2d 693, 695 (E.D. Mich. 2009).

Defendants' Lack of Knowledge of Plaintiff. Plaintiff accuses NCS, Firstlook, and Connexus (collectively "Defendants") of having registered 264 domain names that are confusingly similar to its trademarks, THE WEATHER UNDERGROUND and WUNDERGROUND.COM. First Amended Complaint ("FAC") at ¶ 68 (Docket No. 147). To

date, however, Plaintiff has not produced any evidence that Connexus, Firstlook, or NCS had any knowledge of Plaintiff or its marks prior to the registration of the domain names at issue, which were registered between 2004-2009. *See* Declaration of William A. Delgado, dated July 15, 2011 ("Delgado Decl.") Ex. A (Plaintiff's Answer to Defendants' Interrogatory No. 5).

The deposition of Plaintiff's witnesses certainly provided no further information. Plaintiff's President, Alan Steremberg, had no knowledge or proof that Defendants knew of Plaintiff (but he did offer up inadmissible hearsay about the possibility of an affiliate of NCS having heard of Plaintiff). Deposition Transcript of Alan Steremberg, taken on July 28, 2010, at 91:9-93:20 (Delgado Decl. Ex. B). When asked what evidence existed to show that Defendants knew of Plaintiff, Chief Financial Officer and 30(b)(6) designee Jeffrey Ferguson plainly admitted "I don't know." Deposition Transcript of Jeffrey Ferguson, taken on August 4, 2010, at 86:7-23 (Delgado Decl. Ex. C). And, Plaintiff's Chief Meteorologist, Jeffrey Masters, was also candid about his lack of knowledge:

> Q. Do you believe that the people of NCS knew about Weather Underground before NCS registered any of the domain names that are the subject of the lawsuit? [Objection interposed].
>
> A. I would say not necessarily. I mean, could be, could be not.

Deposition Transcript of Jeffrey Masters, taken on August 3, 2010, at 30:18:24 (Delgado Decl. Ex. D).

On the contrary, Connexus's witnesses have testified that they did ***not***, in fact, know of Plaintiff prior to Plaintiff filing a UDRP action against NCS. Deposition Transcript of Mavi Llamas, taken on September 27, 2010, at 244:13-245:4 (Delgado Decl. Ex. E); Deposition

Transcript of Lily Stevenson, taken on August 31, 2010, at 214:8-15 (Delgado Decl. Ex. F); Deposition Transcript of Seth Jacoby, taken on September 15, 2010, at 129:21-23, 133:15-23 (Delgado Decl. Ex. G).

Lastly, Plaintiff's Chief Technology Officer, Chris Schwerzler, examined Defendants' software which runs the domain name registration process and was not able to find any code which actually targets trademarks (i.e., purposefully registers domain names because they are confusingly similar to a known trademark). Deposition Transcript of Chris Schwerzler, taken on December 6, 2010, at 105:5-23 (Delgado Decl. Ex. H).

ARGUMENT

I. DEFENDANTS COULD NOT HAVE "BAD FAITH INTENT TO PROFIT" FROM A MARK OF WHICH THEY WERE UNAWARE.

As noted by the Sixth Circuit in *Franklin v. Kellogg Co.*, 619 F.3d 604 (6th Cir. 2010):

> [I]n all cases involving statutory construction, our starting point must be the language employed by Congress, and we assume that the legislative purpose is expressed by the ordinary meaning of the words used. A fundamental canon of statutory construction is that, unless otherwise defined, words will be interpreted as taking their ordinary, contemporary, common meaning. The plain meaning of legislation should be conclusive, except in the 'rare cases [in which] the literal application of a statute will produce a result demonstrably at odds with the intentions of its drafters.

619 F.3d at 614 (citations and internal quotations omitted).

Here, the statutory language requires Plaintiff to show, *inter alia*, that Connexus had a "bad faith intent to profit from [the] mark." 15 U.S.C. § 1125(d)(1)(A)(i). "The bad faith required to support a cybersquatting claim is not general bad faith, but 'a bad faith intent to profit *from the mark.*' Thus, the defendant must intend to profit specifically from the goodwill associated with another's trademark." *Solid Host, NL v. Namecheap, Inc.*, 652 F. Supp. 2d 1092, 1109 (C.D. Cal. 2009) (citations omitted); *see also Lucas Nursery & Landscaping, Inc. v.*

Grosse, 359 F.3d 806, 810 (6th Cir. 2004) ("In its report on the ACPA, the Senate Judiciary Committee distilled the crucial elements of bad faith to mean an 'intent to trade on the goodwill of another's mark.'") (quoting S. Rep. No. 106-140, at 9); *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 495 (2d Cir. 2000) (noting that Congress enacted the ACPA "'to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names *with the intent to profit from the goodwill associated with such marks*'") (quoting S. Rep. No. 106-140, at 4) (emphasis added); *id.* at 499 n. 13 ("We expressly note that 'bad faith intent to profit' are terms of art in the ACPA and hence *should not necessarily be equated with 'bad faith' in other contexts*.") (emphasis added); *Healix Infusion Therapy, Inc. v. Murphy*, 2008 WL 4155459, at *4 (S.D. Tex. Sept. 2, 2008) ("The ACPA makes a person who in bad faith seeks to profit from the goodwill associated with an owner's mark liable to the mark owner for damages.").

Indeed, the ACPA "does not extend to innocent domain name registrations by those *who are unaware of another's use of the name*, or even to someone who is aware of the trademark status of the name but registers a domain name containing the mark for *any reason other than with bad faith intent to profit from the goodwill associated with that mark.*" *Harrods Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420, 426 (E.D. Va. 2000) (quoting H.R. Conf. Rep. No. 106-464 (1999)) (emphasis added); *see also id.* (noting that "'[u]nder the bill ... the abusive conduct that is made actionable is appropriately limited just to bad-faith registrations and uses of others' marks by *persons who seek to profit unfairly from the goodwill associated therewith*'") (citing S. Rep. No. 106-140) (emphasis added).

Since the ACPA does not extend to "those who are unaware of another's use of the name," to prevail on its cybersquatting claim, Plaintiff must show that Connexus knew of Plaintiff's marks and registered confusingly similar domain names with the bad faith intent to profit from those marks. Of course, that requirement (i.e., showing that Connexus *knew* of Plaintiff's marks prior to registration) makes perfect sense given the statutory language. It would be impossible to form the intent to profit from a mark if one does not first know of the *existence* of the mark. Here, however, Plaintiff can make no such specific showing. The undisputed facts show that Connexus did not know of Plaintiff's marks prior to their registration. *See supra* pp. 6-7.

Notably, the restrictive language in the ACPA is no accident. Congress intended the ACPA to be narrowly construed. *See Solid Host*, 652 F. Supp. 2d at 1101 ("In considering these [novel] issues, the court is mindful that the statute's scope is narrow."); *see also Harrods*, 110 F.Supp.2d at 426 ("Our statutory interpretation is consistent with the legislative history of the ACPA, which makes clear that the statute's scope is narrow."). This narrow scope is appropriate given the wide range of statutory damages that are available (i.e., between $1,000 and $100,000 per domain name).

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CONCLUSION

Connexus was not aware of Plaintiff or its marks prior to registration. As a result, it was not possible for Connexus to form a "bad faith intent" to profit from those marks. Absent such intent, there is no liability under the ACPA, and Connexus is entitled to an order summarily adjudicating Plaintiff's First Count in the First Amended Complaint in Connexus's favor.

RESPECTFULLY SUBMITTED this 15th day of July, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on July 15, 2011, I electronically filed the foregoing paper with the Court using the ECF system which will send notification of such filing to the following:

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