

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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PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT
ON ACPA CLAIMS AGAINST DEFENDANTS NAVIGATION
CATALYST SYSTEMS, INC., CONNEXUS CORP. AND FIRSTLOOK, INC.

NOW COMES Plaintiff, The Weather Underground, Inc., by and through its counsel, Traverse Legal, PLC., and for its Motion for Summary Judgment on Plaintiff's Anti-Cybersquatting Consumer Protection Act ("ACPA") claims against Navigation Catalyst Systems, Inc. ("NCS"), FirstLook, Inc. ("FirstLook"), and Connexus Corporation ("Connexus"), filed pursuant to Fed.R.Civ.P. 56, states as follows:

1. Plaintiff is the owner of all rights, common law or otherwise, and has achieved registration with the United States Patent and Trademark Office for THE WEATHER UNDERGROUND (Reg. No. 2,297,683) (First Use in Commerce 3-16-1995), WUNDERGROUND.COM (Reg. No. 2,324,272) (First Use in Commerce 3-16-1995), WUNDERSEARCH (Reg. No. 3,647,301) (First Use in Commerce 2-0-1999), WUNDERPHOTOS (Reg. No. 3,739,351) (First Use in Commerce 8-12-2002), and WUNDERBLOG (Reg. No. 3,742,092) (First Use in Commerce 6-7-2005) (collectively "Wunder Marks").

2. By virtue of these longstanding registered trademark rights, Plaintiff's THE WEATHER UNDERGROUND, WUNDERGROUND.COM, and WUNDERSEARCH marks have become incontestable pursuant to 15 U.S.C. § 1065.

3. Plaintiff's Wunder Marks are also famous. Plaintiff's Wunder Marks have received significant and notable press around the world, including in such major publications and television networks as Forbes, ABC, MSNBC, People Magazine, Discover Magazine, Wired, Newsweek, the Wall Street Journal, the Washington Post, CNet, BusinessWeek, LifeHacker, U.S.A. Today, and the New York Times. (See **Exhibit A**, Printout of Notable Press.) Nearly 17 million users visit Plaintiff's

<http://www.wunderground.com> website each month, and Plaintiff's website has been recognized as the 50th most popular website in the world. (See **Exhibit B**, Printout of Quantcast Results for wunderground.com.) Plaintiff's websites have received worldwide notoriety, and Plaintiff offers its <http://www.wunderground.com> website in dozens of languages, as evidenced by the [language].wunderground.com domain name convention that resolves to a website in that particular language. (See **Exhibit C**, Printout of <http://nihongo.wunderground.com>.) Consequently, Plaintiff's Wunder Marks are "widely recognized by the general consuming public of the United States as a source of the goods or services of the mark's owner." 15 U.S.C. § 1125(c)(2)(A).

4. Plaintiff first started using "WEATHER UNDERGROUND" and "WUNDERGROUND" as a trademark in 1995. (See **Exhibit D**, Affidavit of Jeff Ferguson dated 5/18/2009.)

5. Wunderground's official web site, located at <wunderground.com>, attracts approximately 14 million global visitors each month. 11 million of these visitors are from the United States alone. As a result, wunderground.com ranks within or near the top 100 amongst all United States web sites, per quantcast.com. (Dkt. No. 147, First Amended Complaint, ¶32.)

6. Hundreds of thousands of Internet users utilize Wunderground's weather services at its web sites each day. (Dkt. No. 147, First Amended Complaint, ¶33.)

7. On August 28, 2008, Plaintiff Weather Underground filed a Complaint with the National Arbitration Forum ("NAF") to recover 41 domain names with a listed domain registrant of "Navigation Catalyst Systems ("NCS"). (See **Exhibit E**, NAF Amended

Complaint.) The Uniform Domain Dispute Resolution Policy (“UDRP”) prohibits the registration of domain names with bad faith intent to profit that are identical or confusingly similar to either common law or registered trademarks.¹ (See **Exhibit D**, Affidavit of Jeff Ferguson dated 5/18/2009.)

8. On October 13, 2008, UDRP Arbitrator Charles K. McCotter, Jr. (retired judge) found that because “Respondent is intentionally using the disputed domain names for commercial gain through a likelihood of confusion with Complainant’s mark, the Panel finds that, pursuant to Policy ¶ 4(b)(iv), Respondent’s use of the disputed domain names is also evidence of registration and use in bad faith.” (See **Exhibit F**, NAF Panel Decision.) Consequently, Judge McCotter ordered Respondent NCS to transfer all 41 domain names, which constituted typographical errors of Plaintiff’s registered and common law trademarks to Plaintiff.

9. Even after a UDRP Complaint was filed against Defendants, Defendants continued to register further domain names infringing Plaintiff’s marks. (See **Exhibit G**, list of domains registered, renewed and/or updated after filing of UDRP Complaint.)

10. Plaintiff’s are not the only trademark holder targeted by Defendant who have registered typographical variations of many high traffic web sites and registered trademarks (See **Exhibit D**, Affidavit of Jeff Ferguson dated 5/18/2009.), including:

- a. A search of the top 60 Michigan companies revealed that Defendants had registered typographical variations of many other famous Michigan brands such as Pulte Homes, Dow

¹ Under §4(k) of the UDRP, the limited right of transfer does not prevent further

Chemical, DTE Energy, Kelly Services, BorgWarner, Borders Group, and La-Z-Boy. (See **Exhibit H**, Sample Listing of Michigan typosquats and Domain Tools WHOIS data establishing NCS as registrant.)

- b. A random list of Alexa.com “Global Top Sites” of the highest ranked traffic websites on the internet shows a representative sampling of typographical variations of such famous trademarks as Wikipedia, Facebook, MySpace, ESPN, Orkut, Flickr, Mininova, Bebo, YouTube, NetFlix, and The Huffington Post. (See Dkt. No. 1, Complaint, ¶¶88. See also **Exhibit I**, Domain Tools WHOIS data establishing NCS as registrant.)
- c. Defendant NCS has been sued in Federal Court for typosquatting violations under the ACPA at least nine times dating back to 2004. (See Dkt. No. 1, Complaint, ¶¶89.)
- d. Defendants destroyed most threat letters received from third parties on trademark claims and only kept a spreadsheet starting in 2007. Mr. Jacoby believes that there could have been even more letters than the 30 average per month prior to 2007. (See **Exhibit J**, Jacoby Deposition, pp. 112-113.) A timeline of the threat letter spreadsheet is included as **Exhibit**

proceedings under other law, such as the ACPA or Lanham Act.

H. Defendants' document destruction policy is attached as

Exhibit K.

- e. After the Magistrate Judge in this case ordered production of a variety of items, including Defendants domain portfolio (See Dkt. No. 82, 05/20/10 Order Compelling Discovery), Plaintiff identified countless other domains which are, in fact, typographical versions of famous brands, many of them within one letter spelling difference of the literal mark. (See ***Exhibit M;*** Supplemental expert report of Chris Schwerzler, Appendix H and ***Exhibit N,*** Defendants' Responses to First Requests for Production which defined "Suspect Domains" as all those listed in the Complaint and "any other domains", incorporating all or some of Plaintiff's registered trademarks.)
- f. Mr. Schwerzler also ran a search that took the NCS portfolio (813_RDE_2009-08-15_full_1.csv) against the Quantcast top 1,000,000 list. More than 42% of the NCS portfolio represented misspellings of existing popular domains. (See ***Exhibit M;*** Supplemental expert report of Chris Schwerzler, Appendix L (to be submitted on a disc because of size)).
- g. To the extent NCS states that it checked the USPTO trademark database in order to preclude registration of literal trademarks (i.e. exact spellings), it was a meaningless exercise "for show"

since (a) most literal trademarks would already be registered domain names by the trademark owner, and (b) Defendants register typographical variations of literal trademarks.

Defendants have intentionally designed the software to allow for the registration of typographical variations of high traffic web sites. (See **Exhibit M**; expert report of Chris Schwerzler).

11. There has never been a time when Defendants have not been on notice of trademark infringement and cybersquatting. In fact, since the date Defendants started keeping track in 2007 (or more accurately stopped destroying their records), Defendants received approximately 20 to 40 threat letters per month for an average of infringing 27 threat letters per month. (See **Exhibit L**, Stevenson Deposition Exhibit 101, Timeline.)

12. Defendants admit that they have infringed trademarks and engaged in cybersquatting through the years. Seth Jacoby acknowledges that the policy of Defendants has been that if a cease and desist letter is received with “legitimate rights”, then the domain name is transferred to the complainant. Even since 2007, thousands of domain names have been transferred to third party trademark holders or otherwise deleted from their systems after registration. (See **Exhibit J**, Jacoby Deposition, pp. 114-115, 331-332.)

13. In fact, Defendants conducted a review of their entire portfolio after being sued by Verizon and released a lot of domains that they themselves felt were infringing on third party trademarks. (See **Exhibit J**, Jacoby Deposition, pp. 177-178, 180-181.)

14. On February 26, 2009, Plaintiff Weather Underground filed a nine count Complaint that alleged that Defendants NCS, FirstLook, Inc., and Connexus Corp. were liable for the unlawful registration of, trafficking in, and use of the subject 41 domain names listed in the UDRP. (Dkt. No. 1)

15. The Court initially granted a Motion to Dismiss for lack of personal jurisdiction in favor of Connexus, Basic Fusion and FirstLook on Defendants' representations that NCS engaged in a variety of activities using such action verbs as "NCS acquires", "NCS helps ensure", "NCS's system", and "NCS registers".² This left NCS as the sole Defendant, over which the Court found personal jurisdiction on the grounds that, inter alia: "Certainly Plaintiff satisfies the first criteria. (citations omitted) ...After the Complaint was filed, Plaintiff discovered five additional domain names that target Plaintiff's mark. (Pl's Exhibit D, WHOIS Records). Given the business model and the prior proceedings, there is sufficient evidence, viewed in the light most favorable to Plaintiff, that NCS knew of Plaintiff and its mark as well as Plaintiff's location." (See Dkt. No. 21, Opinion and Order Granting in Part and Denying in Part Defendants' Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(6) or, in the Alternative, Transfer, pp. 13-14.)

16. NCS is a shell corporation with no assets, employees or bank accounts, used by its parent companies FirstLook and Connexus as the listed "registrant" of millions of domain names, including the ones which are the subject of this lawsuit. (See

² The evidence ultimately established that NCS did not, in fact, do anything. All actions and omissions were, in fact, performed by FirstLook and Connexus employees.

Exhibit O, Stevenson Deposition, pp. 218-219 and **Exhibit P**, 2/11/10 Hearing Transcript, pp. 5-7.)

17. Defendant FirstLook & Connexus employees, or its predecessor in interest³, reviewed, managed and performed the acts necessary to register the Subject Domains and Third Party Trademark Domains (See **Exhibit J**, Jacoby Deposition, p. 30.)

18. Basic Fusion has no employees of its own. It is a wholly owned subsidiary of FirstLook. (See **Exhibit O**, Stevenson Deposition, pp.217-218.)

19. Basic Fusion acted as the registrar for the Subject Domains and Third Party Trademark Domains, providing domain registration and proxy services. Defendants FirstLook and Connexus provided the decision making, resources and employees for all Basic Fusion related activities for the Subject Domains and Third Party Trademark Domains.

20. All employees of FirstLook were employees who received their paychecks directly from Connexus Corporation. (See **Exhibit J**, Jacoby Deposition, pp. 32-34.)

21. Shell Corporation Defendant NCS was listed by Connexus and FirstLook as the registrant of the domain names listed on **Exhibit Q** for more than five days. (See **Exhibit Q**, List of domain names.) Further domains that were tasted either one or multiple times by Defendants during the domain tasting period are included as

³ Prior to being FirstLook, the company was over time known as New.net, Vendare Media Group or NetBlue (**Exhibit J**, Jacoby Deposition, pp. 21-24). New.net did the same thing that FirstLook does today. Id.

Exhibit R. (Collectively these two lists contain the known list of 288 known cybersquatted domains at issue in this case, referred to as “Subject Domains”.)

22. Despite NCS being listed as the owner of the domain names, all revenue from advertisements displayed on the web pages related to those domain names was collected directly to FirstLook and Connexus.

23. All actions and omissions related to Plaintiff’s allegations of bad faith registration, use and trafficking of the subject domains were performed by employees, officers and/or directors of FirstLook and Connexus. By way of example:

a. Donnie Misino built software systems for the registration and monetization of Defendants’ domain names. Mr. Misino testified that he has received pay checks from Connexus Corporation and FirstLook related to activities on behalf of NCS. (See **Exhibit S**, Misino Deposition, pp. 26-27.) Prior to 2008, Mr. Misino received his pay checks from NetBlue Vendare, which merged with Connexus. (See **Exhibit S**, Misino Deposition, p. 27-30.) Mr. Misino acknowledges that Connexus, FirstLook, and Basic Fusion were involved in the registration, use, or trafficking of domain names registered by NCS or under the name NCS. (See **Exhibit S**, Misino Deposition, pp. 113-115, 171-172.) Mr. Misino has worked under two email addresses in his duties related to the registration, use and trafficking of NCS domain names, Donnie.misino@firstlook.com and d.misino@connexuscorp.com. (See **Exhibit S**, Misino Deposition, pp. 174-175.) Mr. Misino acknowledges that the domain names are registered and advertisements placed on the websites for profit. (See **Exhibit S**, Misino Deposition, pp. 45, 232-233, 276-277, 301.)

b. Dennis Rhee worked for both Connexus and FirstLook and received stock options under an employment agreement with Connexus. (See **Exhibit T**, Rhee Deposition, pp. 32-35.) Mr. Rhee was the senior manager/operations of domain names for Connexus and FirstLook. (See **Exhibit T**, Rhee Deposition, pp. 9-10.)

c. Seth Jacoby is President of FirstLook from 2008 to present, with his actual employer being Connexus, now Epic Media. Prior to taking his position as President, he was General Manager of Search for FirstLook, with his employer being Connexus, and in charge of all monetization/search and domain related activities, including registration of domains and the advertisements placed on those pages. (See **Exhibit J**, Jacoby Deposition, pp. 9-10.)

d. Chris Pirrone was paid by Connexus and was a Connexus employee. Chris Pirrone was involved in domain acquisitions, vetting for trademarks, creating policies for registering related to trademarks (or lack thereof) and related issues. (See **Exhibit J**, Jacoby Deposition, pp. 34-35, 41-42.)

e. Art Shaw, the CEO of Connexus, would also be involved in any disputes between Chris Pirrone and Seth Jacoby as to whether or not to keep a particular domain name. (See **Exhibit J**, Jacoby Deposition, pp. 35-36.)

f. Lily Stevenson signed a contract in 2005 with Vendare Media, which later merged with Connexus Corporation, setting forth her terms of employment. Ms. Stevenson is the primary person in the Compliance Department who manages and reviews domain names for trademark issues prior to registration. (See **Exhibit O**, Stevenson Deposition, pp.63-65 and **Exhibit U**, Deposition Exhibit 97, Stevenson Offer

of Employment.) Ms. Stevenson identifies Connexus as her employer prior to the Epic merger. Ms. Stevenson acknowledges that she does work on behalf of FirstLook related to domain name registration, use and trafficking. (See **Exhibit O**, Stevenson Deposition, pp.63-65.)

24. Employment contracts with the 20 or so employees and independent contractors in the FirstLook division are, in fact, employed by Connexus Corporation. (See **Exhibit J**, Jacoby Deposition, pp. 328-330, and **Exhibit V**, Independent Contractor Agreement between employee handling NCS domain names and Connexus Corp.)

25. Connexus, First Look, and NCS are all one enterprise and inextricably interrelated. For example:

a. While Defendant NCS is the named registrant of the infringing domain names in this matter, it has absolutely no employees or bank accounts. (See **Exhibit P**, transcript of February 11, 2010, hearing on Motion to Compel Initial Disclosures, p. 6.)

b. There are no monies exchanged among NCS, Connexus, and FirstLook; no invoices for services among NCS, Connexus, and FirstLook; and, no communications between NCS, Connexus, and FirstLook (See **Exhibit N**, Response to Request for Production No. 16.)

c. There are no written agreements among NCS, Connexus, and FirstLook (See **Exhibit N**, Response to Request for Production, number 17-19.)

d. Connexus, FirstLook, and NCS shared the same CEO, Art Shaw (See **Exhibit W**, Connexus Sole Owner).

e. CEO Art Shaw testified he could not explain why NCS existed as a separate entity simply for the purpose of registering domain names (See **Exhibit X**, Art Shaw deposition pp. 27-29.)

26. On January 14, 2011, this Court granted Plaintiff's Motion for Joinder to Add Party Defendants Pursuant to Fed. Rule of Civ. Proc. §21 and found personal jurisdiction over Connexus Corporation and FirstLook, Inc., on allegations that each had directly and indirectly participated in the registration, trafficking in and use of the Subject Domain Names (Dkt. No. 146).

27. Plaintiff filed an Amended Complaint on January 20, 2011, which added another Defendant, Epic Media Group, Inc., which is not the subject of this motion, and additional allegations of alter ego, successor liability and contributory cybersquatting liability (Dkt. No. 147).

28. Defendants have never answered the First Amended Complaint, which would have been due 14 days after the Court's June 10, 2011 Order. As such, the allegations in the First Amended Complaint should be taken as true (Dkt. No. 147).

29. Defendants defense essentially amounts to:

- a. Defendants register so many domains that based on DNS error traffic that they cannot be imputed with any 'intent' as it relates to any specific trademark owner.

- b. Defendants turn over infringing typo-domains to trademark owners when trademark owners provide specific notice of infringement.
- c. Defendants are trying to avoid trademarks.

30. These defenses are wholly inadequate under the ACPA, or are otherwise beyond belief given the evidence.

31. Defendants admit that DNS error data includes, in part, people looking for real web sites but simply misspelling and erroneously typing a URL domain name. DNS error data includes any traffic where the user may have typed a malformed domain name that has no destination (i.e., no one has registered the domain name at the time of the entry). (See **Exhibit J**, Jacoby Deposition, pp. 16-19.)

32. Defendants used DNS error data in order to determine how many times a user would have typed in an unregistered domain name in order to make sure that it would acquire enough traffic which would result in clicks and revenues to Defendants. (See **Exhibit J**, Jacoby Deposition, pp. 59-60.)

33. Defendants acknowledge that a key source to the traffic at their domains is people who mistype a real domain name in the web browser. (See **Exhibit J**, Jacoby Deposition, pp. 61-64.)

34. Defendants were sued by Verizon on April 15, 2008, for cybersquatting with bad faith intent to profit. In that case, the Court found that:

“A review of these factors makes clear that Defendants had the requisite “bad faith.” They do not claim to have any intellectual property rights in any of the domain names at issue; nor do they claim that any of these names consists of any Defendant’s legal name, or the name of any individual associated with any of Defendants. Nor is there any history of a prior use by Defendants of any challenged name in connection with either

the bona fide offering of any commercial goods or services, or any noncommercial or fair use. The first four factors thus support a finding of bad faith.

The fifth factor also cuts strongly against Defendants. It is clear that their intent was to profit from the poor typing abilities of consumers trying to reach Plaintiffs' sites.....

In addition, it is clear that Defendants acquired thousands of domain names that were confusingly similar to any number of famous marks. And some of the marks to which their domain names are confusingly similar are unquestionably "distinctive and famous," including some of Plaintiffs'. Thus, the eighth and ninth factors also strongly support a finding of bad faith."

(*Verizon California Inc., v. Navigation Catalyst Systems*, CACD, 2:08CV2463, Dkt. No. 32.)

35. Defendants filed a counterclaim against Verizon for bad faith cybersquatting for placing advertisements on pages for which a DNS error was returned on the Verizon network on the following trademarks allegedly owned by Defendants: ACROPHOBIA (Reg. Nos. 2948164, 2209677), BACKSTAGE PASS (Reg. No. 261334), BLINK (Reg. No. 3307658), BLOWOUT BINGO (Reg. No. 2496867), CONNEXUS (Reg. No. 77161390), COSMIC CONSENSUS (Reg. No. 2500776), DOT TRAVEL (Reg. No. 2924877), FLIPSIDE (Reg. No. 2559730), IMGAMES (Reg. Nos. 2493448, 2493447), NEW.NET (Reg. Nos. 2755007, 2802891, 2846296, 3194831), TRAFFICMARKETPLACE (Reg. No. 3067753), UPROAR (Reg. Nos. 2482118, 2280473), VENDARE MEDIA (Reg. Nos. 3126763, 3126762), and VIRTUAL LAS VEGAS (Reg. No. 2596493). (See **Exhibit Y**, Connexus Answer and Counterclaim.)

36. On nearly identical facts as Plaintiff had brought in this case against Defendants, Defendants argued to a federal court that they were entitled to up to

\$100,000 per domain name plus attorneys fees against Verizon for violating the ACPA. (See **Exhibit J**, Jacoby Deposition, pp. 146-151, 162-168 and **Exhibit Y**, Connexus Answer and Counterclaim.)

37. Defendants state that they used human reviewers for all domains for trademark issues prior to registration. (See **Exhibit J**, Jacoby Deposition, pp. 52-53, 58, 88-95, 118-119, 145-147, 170-173.)

38. The stated objective of the cleansing process was “to identify domains that may be deemed to be close derivations of reasonably known trademarks of famous brands/names/movies, including typos and clear misspellings.” (See **Exhibit Z**, Stevenson Deposition Exhibit 108, Trademark Review Instructions.)

39. Defendants admit that, even as late as 2005, their trademark matching was extremely rudimentary and literal. So for instance, kiderock.com would not have matched a trademark for “Kid Rock” because of an additional “e”. (See **Exhibit J**, Jacoby Deposition, pp. 98-101.)

40. According to Seth Jacoby, there was not even a manager of the trademark review department as late as 2005 when many of the subject domains were registered in this case. (See **Exhibit J**, Jacoby Deposition, p. 94.)

41. Mr. Jacoby indicates that their internal process made no effort to identify the addition of even a single letter to a trademark for vetting. (See **Exhibit J**, Jacoby Deposition, pp. 129-131.)

42. Defendants did not even attempt to vet domain names for similarity to trademarks until a fuzzy matching system was implemented sometime in or about 2007. (See **Exhibit J**, Jacoby Deposition, pp. 86-87.)

43. None of the people who were involved in the trademark review process received any sort of formal training, had any experience with regards to trademark issues or trademark law. (See **Exhibit J**, Jacoby Deposition, pp. 91-93, 101-105, 174-175.)

44. In fact, the entire supposed trademark clearance system seemed to be designed only to exclude famous marks which the particular untrained “operator” actually personally heard of. (See **Exhibit J**, Jacoby Deposition, pp. 133-134.) Lily Stevenson confirmed that she only went with her gut. (See **Exhibit O**, Stevenson Deposition, p. 32.)

45. Mr. Jacoby acknowledged that by simply adding words to the front or the back of a trademark would allow it to be registered by Defendants. (See **Exhibit J**, Jacoby Deposition, pp. 135-136.)

46. Seth Jacoby, who runs the domain registration and monetization department for Defendants, has no real depth of understanding of trademark issues or the Anti-Cybersquatting Consumer Protection Act. (See **Exhibit J**, Jacoby Deposition, pp. 106-111, 123-126, 150-162, 257-258, 266-267.)

47. Although there is inconsistency in the testimony amongst Defendants’ employees, the President of FirstLook indicates that at no time did they even do a simple Google search for the domain to see what trademark problems might exist. (See

Exhibit J, Jacoby Deposition, pp. 184-185.) This was confirmed by Lily Stevenson. (See **Exhibit O**, Stevenson Deposition, p. 30.)

48. Defendants state that in 2007, after being sued by Verizon, they began using additional screening measures, including software which identified how close a match was for a potential domain name to a trademark registered with the USPTO.

49. In 2008, Defendants state that they did a review of their entire database of domains to further clear it for trademarks. (See **Exhibit J**, Jacoby Deposition, p. 182-184.) As a result of this trademark review process, Defendants deleted domain names worth approximately \$1,000,000 in “margins”. (See **Exhibit J**, Jacoby Deposition, pp. 209-210.)

50. Defendants’ own expert, John Berryhill, indicated that a Google search is the easiest and simplest way to check for trademark problems. (See **Exhibit AA**, Berryhill Deposition, p. 370-373.)

51. Mr. Berryhill recommends to “naïve” domain registrants who are concerned about registration of a particular domain to do a Google search. (See **Exhibit AA**, Berryhill Deposition, p. 234.)

52. Mr. Berryhill has confirmed that “the best trademark ... system is Google.” (See **Exhibit AA**, Berryhill Deposition, pp. 370-373.)

53. Mr. Berryhill testified that if you buy “a misspell of Google for the purpose of capitalizing on the known established status of that as a mark, you are hitting – definitely hitting the bag, rounding the corner on base two, and heading for home in the ACPA.” (See **Exhibit AA**, Berryhill Deposition, pp. 243-244.)

54. Mr. Jacoby admits that “in hindsight”, he agrees that it would have been helpful to do a Google search for the domain name to identify trademark issues. (See **Exhibit J**, Jacoby Deposition, pp. 185-188.)

55. Even after the initial vetting process prior to registration, Defendants go back and try and optimize the ads showing on that page by placing words on the home page which will serve up specific categories of ads. The domain categorization team looks at the domain name (such as <qwunderground.com>) and does a Google search for the domain name and then places categories. In the instance of <qwunderground.com>, Defendants added the “weather” related key words after determining that people going to that page were most likely looking for weather. (See **Exhibit J**, Jacoby Deposition, pp. 136-145, 205-207, 234-235, 237-238, 261-262 and **Exhibit BB**, <qwunderground.com> snapshot.)

56. In order to make more money per domain, Defendants started sometime in mid-2006 or shortly thereafter to add category words to their home pages in order to allow users to click on categories of ads to be served up. Prior to 2006, Defendants had to manually optimize the advertisement pages using tags through the Yahoo! service. (See **Exhibit J**, Jacoby Deposition, pp. 217-229.)

57. Defendants “keyword optimizers” purposefully and intentionally select the keywords to be displayed on the contextual parking pages displayed at Defendants’ typosquatted websites. (See **Exhibit T**, Deposition of Dennis Rhee, pp. 150, 166.) When clicked, these keyword-rich links, which contain terms such as “Weather Forecast,” “Weather Maps,” and “Local Weather,” forward web users to a second,

internal, webpage of results that display links to third parties and often competitors. (See **Exhibit CC**, Printout of Internal Link Page.) When a web user clicks on any of these internal links, Defendants receive a commission for referring that user to a third party website. (See **Exhibit DD**, Deposition of Mavi Llamas pgs. 219-225.) Defendants, to this day, continue to use the Domain Names to offer these contextual pay per click advertisements. (See **Exhibit EE**, Printout of <<http://www.ranunderground.com>>.)

58. Essentially, they find the “real” website and then design ads to compete directly with that website, as in the instance of <qwunderground.com>. (See **Exhibit J**, Jacoby Deposition, p. 207 and **Exhibit BB**, <qwunderground.com> snapshot.)

59. Defendants generated a document titled “CAT Training”, which stands for categorization training. (See **Exhibit FF**, Stevenson Deposition Exhibit 111, CAT Training and **Exhibit J**, Jacoby Deposition, pp. 247-259.)

60. The “CAT Training” document on its face instructs people to categorize websites after finding the “real website”, which will often be trademark protected. (See **Exhibit O**, Stevenson Deposition, pp. 158-159.)

61. Mr. Jacoby tries to explain his registration of various domain names by indicating that unless the trademark is generally known by some high percentage of Americans, even if it is registered as a trademark, it is impossible to know whether or not they can use it under trademark law. (See **Exhibit G**, Jacoby Deposition, pp. 269-274.)

62. Defendants have also “trafficked” in the Domain Names. The websites located at Defendants’ Domain Names contain a link that allows web users to “Inquire

about this domain.” (See **Exhibit GG**, Printout of <http://weatherontheground.com>.) Fully aware of Defendants ACPA liability, Defendants’ state on some of the inquiry forms that “The existence of this form does not constitute an offer to sell this domain...” (See **Exhibit HH**, Printout of Inquiry Form.) Defendants’ sole purpose in implementing this function is to solicit offers to purchase Defendants’ typosquatted or cybersquatted domain names. Defendants received inquiries sent through these forms at the email address domainadmin@navigationcatalystsystems.com, and then responded to these inquiries with an offer to sell the domain names through the domaininquiry@firstlook.com email address. (See **Exhibit II**, Printout of November 17, 2008 Email to domaininquiry@firstlook.com concerning YoungChris.com.)

63. For example, prior to 2008, Defendant Navigation Catalyst Systems was the Registered Name Holder of the <appogee.com> domain name. On November 26, 2008, an individual sent an email to Navigation Catalyst Systems through the “Inquire about this domain” function of Defendants’ <appogee.com> website. Hem Vyas, an employee of Defendant Firstlook, who offered to sell the <appogee.com> domain name for a fee of \$420.00, answered this email. See **Exhibit JJ**, Offer to Sell <appogee.com> Domain Name. Thus, it is clear that the “Inquire about this domain” component of Defendants’ websites, despite any disclaimer, was intended to solicit offers for Defendants’ typosquatted and cybersquatted domain names. (See also **Exhibit KK**, Offer to Sell <omahachildrensmuseum.com> Domain Name (wherein NCS registered the <omahachildrensmuseum.com> domain and then later offered to sell it to the Omaha Children’s Museum).) Courts have held that a defendant “traffics in” a domain

name where the defendant registered the domain name and then later offered it for sale. *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003)

64. By way of example, Mr. Jacoby agrees that the domain <qwunderground.com> was reviewed by his company, that their own review would have revealed the WUNDERGROUND trademark, and that they registered it in any event. (See **Exhibit J**, Jacoby Deposition, pp. 146-151.)

65. Despite the fact that Defendants were under constant threat of trademark infringement and cybersquatting, they destroyed the very spreadsheets which would include the subject domain names, including those at issue in this case, any blacklist items, and matching trademarks and scoring for traffic. (See **Exhibit J**, Jacoby Deposition, pp. 97-98.)

66. During the Domain Tasting period, Defendants would register a domain without any initial trademark review. After four days of “tasting” the domain for traffic, Defendants would decide which ones qualified because of profitability and then conduct a supposed trademark review. (See **Exhibit J**, Jacoby Deposition, p. 45-50, 119-124, 169-170.)

67. During the Domain Tasting period, the moment that the domain is registered for tasting by Defendants, an advertisement page is automatically added to that domain name using the Yahoo! platform of ads. (See **Exhibit J**, Jacoby Deposition, pp. 158-159.)

68. Although the documents are no longer available, Defendants insist that, even prior to 2006, they would “score” each domain name against the USPTO

database, and those domains would come back in a spreadsheet and reviewed by two, sometimes three, people before registration with their then registrar GoDaddy. (See **Exhibit J**, Jacoby Deposition, p. 54-55.)

69. Mr. Jacoby acknowledges that domain names which are typographical errors of an existing website should be excluded from registration. (See **Exhibit J**, Jacoby Deposition, p. 65.)

70. The amount of incredible things which Defendants state in deposition testimony must be accounted for by the Court in determining whether there are genuine issues of fact. For instance, Seth Jacoby, in cross-examination about typographical registrations of the Detroit Red Wings trademark, suggested that he had no idea that it was a hockey team. He also stated that he had never heard of Henry Ford Hospital or Auto-Owners Insurance. (See **Exhibit J**, Jacoby Deposition, pp. 67-74.) The suggestion is that if the specific person in charge of doing the review has personally never heard of the brand, there can be no intent to profit from that trademark.

71. Again, the list of domains which were tasted one or more times by Defendants and then deleted after four and a half days is included as **Exhibit R**. Defendants admit that they registered, used and trafficked all of these domains during the four and a half day domain tasting period.

72. Defendants' expert witness, John Berryhill, is a trademark attorney specializing in Uniform Domain Name Dispute Resolution Policy matters and the Anti-Cybersquatting Consumer Protection Act and agrees that willful blindness can rise to

the level of “bad faith” and intent to profit under the ACPA. (See **Exhibit AA**, Berryhill Deposition, pp. 163-166.)

73. Mr. Berryhill also agrees that another bad faith factor under the ACPA is whether or not it appears that someone is registering many trademark domains. He used a dolphin analogy which applies perfectly. Dolphin swim at a level above the tuna. If tuna fishermen are casting their nets “dolphin depth” and they keep the dolphin rather than throwing them back, this would be another factor in favor of a finding of bad faith cybersquatting. (See **Exhibit AA**, Berryhill Deposition, pp. 167-168.) DNS error data is fishing at “dolphin depth” as evidenced by examples of domains registered by Defendants which are clear typographical errors of famous trademarks. (See also **Exhibit J**, Jacoby Deposition, pp. 16-19, 59-60, 61-64.)

74. Mr. Berryhill admits that the “quality control process” of registration and trademark review is one of the things that he looks at to determine bad faith. If you’re on a tuna ship, you pull up the nets and it’s filled with dolphin, then there’s a suggestion that they’re intending to pull up dolphin. It is no defense to put a bunch of blind people on deck so you can say you didn’t know they were dolphin. (See **Exhibit AA**, Berryhill Deposition, pp. 369-370.)

75. From the earliest registration of a subject domain in 2004, the trademark database through www.uspto.gov has been available online. (See **Exhibit AA**, Berryhill Deposition, pp. 188-189.)

76. Mr. Berryhill agrees that any person who is infringing a trademark that was registered is deemed to have constructive notice of that trademark. (See **Exhibit AA**, Berryhill Deposition, p. 190, 358-359.)

77. Mr. Berryhill gave several examples of clear bad faith cybersquatting in a variety of website posts authored by him which are almost identical to the facts in this case and support a finding of bad faith cybersquatting. (See **Exhibit AA**, Berryhill Deposition, pp. 211-220 and **Exhibit LL**, Berryhill Deposition Exhibits 254, 257, 258, 259, 260, 261 and 284.)

78. Defendants' expert, Mr. Berryhill, had apparently forgotten that he had commented on Defendants' activities in the Verizon lawsuit by referring to Navigation Catalyst Systems and Verizon as "pirates". (See **Exhibit AA**, Berryhill Deposition, pp. 286-294 and **Exhibit MM**, Blog regarding the Connexus v. Verizon case.)

79. Mr. Berryhill is aware of domainers who register typographical variations of famous trademarks in hopes of diverting traffic. (See **Exhibit AA**, Berryhill Deposition, pp. 318-319.)

80. Mr. Berryhill is aware of people who intentionally go out and seek to register typographical variations of trademarks in hopes of diverting that traffic. The more popular the underlying website, the more traffic. "If you own the last gas station before Disney World, you probably get more business than someone who's out in a swamp in Florida." (See **Exhibit AA**, Berryhill Deposition, pp. 319-320.)

81. The reason that some people target typographical variations of trademarks is because they believe, on a percentage basis, enough people will make a

typographical error in order to make money off ads on that page. (See **Exhibit AA**, Berryhill Deposition, pp. 224-225, 229-230, 321-322. 325.)

82. In determining whether or not a domain name is “confusingly similar” to a trademark, Mr. Berryhill determines whether or not it is typographically similar or phonetically similar. (See **Exhibit AA**, Berryhill Deposition, pp. 335-336.)

83. Even Mr. Berryhill concedes that if someone registers a variation of a domain name that includes the word “Microsoft”, no one would believe that they didn’t have specific intent to profit, even if they argue that they did not know Microsoft was a trademark or allege that they do not understand trademark law. (See **Exhibit AA**, Berryhill Deposition, pp. 632-363.)

84. Mr. Berryhill gives an example of firing a gun into a nameless crowd and asks the questions: “Did I have the safety on my gun?; Did I load my gun with blanks?; Did I think I loaded my gun with blanks?; Did I fire into a crowd?” (See **Exhibit AA**, Berryhill Deposition, pp. 363-364.)

85. A Defendant can’t argue when they fire a gun into the crowd that they didn’t know specifically that the person’s name was “Bob Smith” (or trademark owner’s name was The Weather Underground) in order to avoid the intent element. (See **Exhibit AA**, Berryhill Deposition, pp. 364-365.)

86. Mr. Berryhill agrees that ignorance of the law is not an excuse under the ACPA. Someone saying they don’t understand trademark law or never heard of the ACPA will not escape liability. (See **Exhibit AA**, Berryhill Deposition, pp. 363-364.)

87. Defendants began using a proxy service “Domain Name Proxy, LLC” after the filing of this lawsuit. The effect of the proxy is that no one can see that any domains are registered to NCS or its related companies.

88. As a representative example, prior to November 17, 2009, Defendants’ <wungerground.com> domain name displayed Navigation Catalyst Systems as the Registered Name Holder of that domain name within the WHOIS database. After Plaintiff filed suit against Defendants, Defendants attempted to conceal numerous additional typosquatted Domain Names that were not named in Plaintiff’s Complaint by changing the Registered Name Holder within the WHOIS database from Navigation Catalyst Systems to Domains By Proxy, a privacy protection service, including the representative <wungerground.com>. (See *Exhibit NN*, Printout of Sept. 3, 2007 WHOIS Entry.)

89. The law is set forth in Plaintiff’s Brief in Support of Its Motion for Partial Summary Judgment.

WHEREFORE, Plaintiff, The Weather Underground, Inc., respectfully requests that this Honorable Court grant its Motion for Partial Summary Judgment against NCS, FirstLook, and Connexus on Plaintiff’s ACPA claims.

Respectfully submitted this 15th day of July, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of July, 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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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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**PLAINTIFF'S MEMORANDUM IN SUPPORT OF
MOTION FOR PARTIAL SUMMARY JUDGMENT**

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INTRODUCTION

I. FACTS

Defendants, individually, jointly and collectively, registered, used and trafficked in 288 typographical variations of Plaintiff's trademarks as domain names, put up website parking pages to sell consumer 'clicks' on advertisements and offered the domain for sale at inflated prices. (Motion ¶¶s 1, 21.) Defendants identified these typographical variations of Plaintiff's trademarks by purchasing and analyzing DNS error data, which identifies if a consumer mistypes a domain name or trademark into a web browser address bar. (Motion ¶¶s 31-33, 77.) Defendants admit that they have no trademark rights in any of the subject domain names and that their intent is to profit from the direct navigation traffic on those domains. (Motion ¶ 23(a).) Defendants admit that their portfolio of domains has historically been riddled with 'legitimate' claims of trademark infringement. For their period of record keeping since 2007, Defendants averaged about 27 threat letters concerning 50 domains per month for trademark infringement. (Motion ¶¶s 10(d), 13, 33-34, 37-47.)

Defendants argue against a finding of bad faith intent to profit from trademarks by arguing that (a) they always give the domain names back to trademark owners on legitimate request, (b) Defendants' employees may have never personally heard of Wunderground or Weather Underground despite their trademark registrations and status as one of the highest traffic web sites in the United States and (c) Defendants register so many DNS error domains that it is not possible for them to properly steer clear of trademark typos.

Plaintiff now moves for Summary Judgment as to Counts I and VI of its Amended Complaint – Direct, Contributory & Vicarious Cybersquatting under the Anti-Cybersquatting Consumer Protection Act, leaving only the issue of statutory damages and attorney’s fees for trial.¹

II. STANDARD OF REVIEW

Summary judgment is proper under Rule 56 “if pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.” *DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (citing Fed. R. Civ. P. 56(c)). “To create a genuine issue of a material fact... the non-movant must do more than present some evidence on a disputed issue.” *Id.* “[T]her is no issue for trial unless there is sufficient evidence favoring the non moving party for a jury to return a verdict for that party. If the [non-movant’s] evidence is merely colorable, or is not significantly probative, judgment may be granted.” *Id.* (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242 (1986)). Summary judgment under the ACPA is proper where the facts “lead to the inescapable conclusion that defendant acted in bad faith and no reasonable fact finder could conclude otherwise.” *Nike, Inc. v. Circle Group Internet, Inc.*, 318 F. Supp. 2d 688, 692 (N.D. Ill. 2004).

III. ARGUMENT

Summary judgment is proper in this case because Defendants Navigation Catalyst Systems, Inc., Connexus Corp., and Firstlook, Inc., (collectively “Defendants”)

¹ If Summary Judgment is granted, Plaintiff will likely waive its remaining Counts and pursue ACPA damages only.

registered, used, and have trafficked in the Subject Domain with a bad faith intent to profit from Plaintiff's trademarks.

IV. LAW

- a. **Defendants are liable for direct, contributory and vicarious cybersquatting under 15 U.S.C. § 1125(d) as a matter of law because they registered, used, and trafficked in the Domain Names with a bad faith intent to profit.**

The Anticybersquatting Consumer Protection Act ("ACPA") was enacted in 1999 as an amendment to the Trademark Act of 1945 to prohibit cybersquatting, which:

occurs when a person other than the trademark holder registers the domain name of a well known trademark and then attempts to profit from this by either ransoming the domain name back to the trademark holder or by using the domain name to divert business from the trademark holder to the domain name holder.

DaimlerChrysler, at 204. In order to prevail on a claim under the Anticybersquatting Consumer Protection Act, a Plaintiff must establish the following:

- (1) it has a valid trademark entitled to protection;
- (2) its mark is distinctive or famous;
- (3) the defendant's domain name is identical or confusingly similar to... the owner's mark; and
- (4) the defendant used, registered, or trafficked in the domain name
- (5) with a bad faith intent to profit."

Id. Defendants do not seriously contest elements (1)(2)(3)² and (4)³, but instead defend the action on element (5) arguing that they did not have a bad faith intent to profit as to any of the Subject Domains.

² There are a few domains that Defendants contest as confusingly similar. However, the vast majorities are incontestably similar thus supporting Summary Judgment. For

Typosquatting is the registration of typographical variations of trademarks hoping to capitalize on the poor spelling or typographical skills of consumers who proceed directly to the web browser address bar to type in a domain. As decided in a prior case against Defendants granting an injunction based on a high likelihood of success on the merits, the ACPA also prohibits “typosquatting,” “that is, registering intentional misspellings of famous trademarks or names.” *Verizon California, Inc. v. Navigation Catalyst Sys., Inc.*, 568 F. Supp. 2d 1088, 1094 (C.D. Cal. 2008) (citing *Shields v. Zuccarini*, 254 F.3d 476, 484 (3rd Cir. 2001)).

A. Plaintiff has trademark rights in and to the Marks, which are distinctive and famous.

As a result of these federal registrations, Plaintiff is entitled to a presumption that it has rights in and to the Marks and that the Marks are distinctive. (Motion ¶¶s 1-3 and Exhibits). See *Natron Corp. v. STMicroelectronics, Inc.*, 305 F.3d 397, 405 (6th Cir. 2002); see also 15 U.S.C. § 1057(b). Additionally, Plaintiff’s THE WEATHER UNDERGROUND, WUNDERGROUND.COM, and WUNDERSEARCH marks have become incontestable pursuant to 15 U.S.C. § 1065 because they have been consistently used in commerce for over five years since their respective registrations.⁴

those few that can be debated, the Court can factor in the similarity requirement on those few domains in determining statutory damages.

³ Defendants need only ‘register’ ‘use’ or ‘traffic’ in the subject domain names in order to be liable. In this case, Defendant engaged in all three activities. To the extent Defendants contest that they ‘trafficked’ in domain names by trying to sell them for profit, Plaintiff has addressed that issue herein.

⁴ Plaintiff also has common law trademark rights in and to the Wunder Marks. (Motion ¶¶s 1-6.) “At common law, ownership of trademark or service mark rights is obtained by actual use.” *Allard Enterprises, Inc. v. Advanced Programming Res., Inc.*, 249 F.3d 564,

Plaintiff's Marks are also 'famous' as supported by the worldwide press, web traffic and notoriety of their marks. It is beyond dispute that Plaintiff's marks are "widely recognized by the general consuming public of the United States as a source of the goods or services of the mark's owner." 15 U.S.C. § 1125(c)(2)(A). (Motion ¶¶s 1-6.)

B. Defendants' Domain Names are confusingly similar to Plaintiff's Marks.

Plaintiff has rights in and to the distinctive and famous Marks, and Defendants' Domain Names are, on their face, confusingly similar to those marks. (Motion ¶¶s 1-6, 8, 14, 21, 27-28, 69.) Unlike the test for traditional trademark infringement, which "is more comprehensive" than the "identical or confusingly similar" requirement of the ACPA, the test of confusing similarity under the ACPA requires only a "facial" examination of the similarity of the Plaintiff's Marks to the Domain Names. *N. Light Tech., Inc. v. N. Lights Club*, 236 F.3d 57, 66 n.14 (1st Cir. 2001) (citing *N. Light Tech., Inc. v. N. Lights Club*, 97 F. Supp. 2d 96, 117 (D. Mass. 2000) aff'd sub nom. *N. Light Tech., Inc. v. N. Lights Club*, 236 F.3d 57 (1st Cir. 2001)). "Congress intended to use the bad faith element of a claim not the 'confusingly similar' element to tailor the statute narrowly." *Id.* at 117-18. "In the cybersquatting context, 'confusing similarity' must simply mean that the plaintiff's mark and the defendant's domain name are so similar in sight, sound and meaning that they could be confused." *Venetian Casino Resort, LC v.*

571 (6th Cir. 2001). "[A] party establishes a common law right to a trademark only by demonstrating that its use of the mark was 'deliberate and continuous, not sporadic, casual or transitory.'" *McDonald's Corp. v. Burger King Corp.*, 107 F. Supp. 2d 787, 790 (E.D. Mich. 2000).

Venetiangold.com, 380 F.Supp.2d 737, 743 (E.D. Va. 2005) (citing J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, § 25:78 (4th ed. 2004)).

In the context of typosquatting, confusing similarity “is judged not just by appearances, but by the likelihood that a particular domain name might be typed in accidentally by someone trying to type in one of Plaintiff’s marks or domain names.” *Verizon* at 1095. Courts have recognized that “[a] reasonable interpretation of conduct covered by the phrase ‘confusingly similar’ is the intentional registration of domain names that are misspellings of distinctive or famous names, causing an Internet user who makes a slight spelling or typing error to reach an unintended site.” *Shields* at 484. The ACPA’s legislative history also specifically confirmed that typosquatting is covered under the purview of the Act:

For example, the Committee was informed of a parent whose child mistakenly typed in the domain name for “dosney.com,” expecting to access the family-oriented content of the Walt Disney home page, only to end up staring at a screen of hard core pornography because a cybersquatter had registered that domain name in anticipation that consumers would make that exact mistake.

S. Rep. No. 106-140 (1999).

Defendants’ 288 Domain Names are typosquats of Plaintiff’s distinctive and famous Marks. Defendants’ Domain Names contain Plaintiff’s Marks in their entirety and simply remove, add, transpose, or replace letters or components of Plaintiff’s marks, such as <qwunderground.com>, <swunderground.com>, <weatherundergroundf.com>, and numerous others. This removal, addition, transposition, or replacement of non-essential components is dictated by Defendants’ software, which registers domain names by mimicking common misspellings, typing

errors, and errors in transcription. Courts interpreting the ACPA have found that minor variations do not militate against a finding of confusing similarity. See *Super-Krete Int'l, Inc. v. Sadleir*, 712 F. Supp. 2d 1023, 1032 (C.D. Cal. 2010) (“minor variation makes Defendant’s domain name confusingly similar to Plaintiff’s mark.”); see also *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 382 (7th Cir. 1976) (“small changes in words, such as adding or deleting a hyphen, are insufficient to distinguish marks.”); *In re Quik-Print Copy Shops*, 616 F.2d 523, 526 (C.C.P.A. 1980) (no legally significant difference here between ‘quik’ and ‘quick.’).

Additionally, Defendants’ software also adds descriptive or generic terms to Plaintiff’s Marks, such as <tropicalweatherunderground.com>, <ironweatherunderground.com>, and <searchweatherunderground.com>. The addition of descriptive or generic terms to a domain name, such as the addition of the descriptive term “search,” does not affect confusing similarity. See *Coca-Cola v. Purdy*, 382 F.3d 774, 784 (8th Cir. 2004); see also *In re Chatam Int'l, Inc.*, 380 F.3d 1340, 1343 (Fed. Cir. 2004) (“With respect to GOLD, the Board determined that the term denotes a premium quality, a descriptive term offering little to alter the commercial impression of the mark.”).

C. Defendant registered, used, and trafficked in the Domain Names in commerce and with a bad faith intent to profit.

Defendants admit that they are, or were, the registrant of the Subject Domains and that they put up ‘lander pages’ aka ‘parking pages’ with advertisements automatically upon registration. (Motion ¶¶s 23, 55-60.) Thus, there is no dispute that

they “registered” and “used” the Subject Domains as those term is used under the ACPA. With regard to the domains that were ‘tasted’ and not retained by Defendants after the 5 day Add Grace Period, Defendants admit that they registered the domains, and put up advertising links for profit, but are expected to argue that it was for less than 5 days per domain total and only to see if there was enough traffic to cover the cost of registration and to do a post-registration trademark review. (Motion ¶¶s 67, 71.)

The term “traffics in” refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration. *Shields v. Zuccarini*, 89 F. Supp. 2d 634, 637 (E.D. Pa. 2000); *Bird v. Parsons*, 289 F.3d 865, 880 (6th Cir. 2002); 15 U.S.C. § 1125(d)(1)(E). The websites located at Defendants’ Domain Names contain a link that allows web users to “Inquire about this domain” which, by their own practice, results in a exchange about purchasing the domain. (Motion ¶¶s 62-64.) It is clear that the “Inquire about this domain” component of Defendants’ websites, despite any disclaimer, was intended to solicit offers for Defendants’ typosquatted and cybersquatted domain names. Courts have held that a defendant “traffics in” a domain name where the defendant registered the domain name and then later offered it for sale. *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003).

Under the ACPA, courts examine nine non-exclusive factors in determining whether the Defendant acted with bad faith intent to profit analyzed below. 15 U.S.C. § 1125(d). The first four of these factors are “those that militate against a finding of bad faith...,” while the remaining five “are indicative of the presence of bad faith on the part

of the defendant.” *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004).

Interestingly, Defendants fail to address any of the bad faith factors below, and instead argue for a construction of the ACPA that would disregard these factors and instead focus on a much higher standard of specific intent. Actual knowledge of Plaintiff’s trademark isn’t listed in any of the bad faith factors below. More importantly, "After registration, there can be no new 'innocent' users, and even an innocent prior user cannot expand the area of its use, because Lanham Act registration puts all would-be users of the mark (or a confusingly similar mark) on constructive notice of the mark." 15 U.S.C. § 1072; *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1123 (6th Cir. 1996) (citing *Thrifty Rent-A-Car Sys., Inc. v. Thrift Cars, Inc.*, 831 F.2d 1177, 1181 (1st Cir. 1987)).

For instance, for “willful” and “intentional” trademark infringement cases, conduct can be deemed willful where the defendant acted with "willful blindness." *Louis Vuitton S.A. v. Lee*, 875 F.2d 584, 590 (7th Cir. 1989). Furthermore, courts have easily found willful conduct where a defendant acts with "reckless disregard for, or [with] willful blindness" toward a trademark owner's rights. *Berg v. Symons*, 393 F. Supp. 2d 525, 539-40 (S.D. Tex. 2005). See also *Microsoft Corp. v. Wholesale Club, Inc.*, 129 F.Supp. 2d 995, 1007 (S.D. Tex. 2000) ("A finding of willfulness can be willful blindness."); *A Touch of Class Jewelry Co. v. J.C. Penney Co.*, No. CIV. A. 98-2949, 2000 U.S. Dist. LEXIS 12898, 2000 WL 1224804, at *5 (E.D. La. Aug. 28, 2000) (quoting *Securacomm Consulting Inc. v. Securacom*, 166 F.3d 182, 187 (3d Cir. 1999))

("Knowing or willful infringement . . . involves an intent to infringe or a deliberate disregard of the mark holder's rights."). A plaintiff sustains its burden of proving willfulness "by showing [the] defendant knew or should have known it infringed [the plaintiff's] copyrights. . . . Willful does not mean malicious, rather, it means with knowledge, whether actual or constructive." *Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522, 1543 (S.D. N.Y. 1991).

No doubt in anticipation of the defense of subjective 'good faith', Congress provided Courts the following factors in order to gauge "bad faith intent to profit." While any one of these factors could support a finding of bad faith, Defendants conduct in this case is so extreme as to support a finding against Defendant on every factor.

A. Factor 1: The trademark or other intellectual property rights of the person, if any, in the domain name.

Defendants; actions fail to meet any of the factors that militate against a finding of bad faith. Defendant clearly has no trademark or other intellectual property rights in the Subject Domains, which consist of common misspellings, typographical errors, and transcription errors of Plaintiff's Marks.

B. Factor 2: The extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person.

The Subject Domains do not consist of Defendants' legal names or names otherwise commonly used to identify Defendants.

C. Factor 3: The person's prior use, if any, of the domain name in connection with bona fide offering of any goods or services.

Defendants have not used any of the Subject Domains in connection with a bona fide offering of goods or services.

D. Factor 4: The person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name.

Defendants have not made a bona fide non-commercial or fair use of Plaintiff's Marks in the Subject Domains. Instead, Defendants have used the Subject Domains to provide pay per click advertisements for goods and services in direct competition with Plaintiff's goods or services, without any content, business purpose or goal beyond generating advertising revenue.

E. Factor 5: The person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site.

There is no other reasonable conclusion than that Defendants intended to divert consumers from Plaintiff's online locations, namely www.weatherunderground.com, and www.wunderground.com, to generate revenues from low quality pay per click parking pages located at the typographical error versions of the subject Domain Names. In fact, Defendant's optimized the keyword lander pages to include keywords related to the 'real

web sites.’ (Motion ¶¶s 55-60.) Defendants readily admit their purpose to generate profit from the Disputed Domains. (Motion ¶ 23(a).) *DaimlerChrysler* at 207 (“[I]t can be inferred that the defendants intended to divert customers from the plaintiff’s website from the fact that the defendants’ “foradodge” domain name is identical to plaintiff’s 4ADODGE mark.”). Previous courts have held that a defendant’s registration of typographical errors of distinctive or famous trademarks clearly evidences intent to profit from the plaintiff’s marks:

The fifth factor also cuts strongly against Defendants. It is clear that their intent was to profit from the poor typing abilities of consumers trying to reach Plaintiffs’ sites: what other value could there be in a name like ve3rizon.com? Further, the sites associated with these names often contained links to products directly competitive with Plaintiffs’ cellphone and internet businesses, potentially diverting consumers who would otherwise have purchased goods or services from Plaintiffs away from Plaintiffs. Defendants clearly intended “to register a domain name in anticipation that consumers would make a mistake, thereby increasing the number of hits [their] site would receive, and consequently, the number of advertising dollars [they] would gain.

Verizon at 1096-97. See *HER, Inc. v. RE/MAX First Choice, LLC*, 468 F. Supp. 2d 964, 975 (S.D. Ohio 2007) (“The diversion creates confusion because the domain names used are identical to or nearly identical to the Plaintiffs’ personal and professional names.”); see also *Victoria’s Secret Stores v. Artco Equip. Co., Inc.*, 194 F. Supp. 2d 704, 722-23 (S.D. Ohio 2002).

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F. Factor 6: The person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct.

Defendants have also intentionally failed to maintain accurate contact information, which further evidences their bad faith intent to profit under factor VII. Defendants initially failed to identify in response to discovery that there were any further domains beyond the 41 identified in the Complaint in response to discovery. (Motion ¶¶s 10(e).) Defendants further indicated that they could not produce in discovery a list of domain names registered by them. Defendants did produce a document destruction policy that required employees to destroy emails, documents and data on a regular schedule (Motion ¶ 10(d).), despite the fact that Defendants were under constant threat by third party trademark holders of cybersquatting and trademark infringement (Motion ¶ 10(d).). Only after being Ordered to produce discovery did Defendants provide a partial database of their domain names which Plaintiff then discovered revealed hundreds of additional infringing domain names. (Motion ¶¶s 10(e).) In fact, Defendant NCS is a shell company with literally no assets, when the real companies which engaged in the mass typosquatting were Firstlook and Connexus, hidden behind the empty “Navigation Catalyst Systems” name. (Motion ¶¶s 16-25.)

Defendants have further attempted to shield their identities by implementing WHOIS privacy protection for many of the Domain Names after the initiation of this lawsuit. Defendants’ attempt to conceal its typosquatting by providing material and

misleading WHOIS contact information evidences its bad faith intent to profit. See *Cable News Network LP, LLLP v. CNNNews.com*, 177 F. Supp. 2d 506, 526 (E.D. Va. 2001) aff'd in part, vacated in part sub nom. *Cable News Network, LP, LLLP v. CNNNews.com*, 56 F. App'x. 599 (4th Cir. 2003).

G. Factor 7: The person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use the domain name in a bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct.

Defendants offered to sell the domain names for financial gain to anyone willing to pay. Defendants had no use for the domains beyond PPC, or pay per click, advertising. Defendants had no current or contemplated trademark use for the domains.

H. Factor 8: The person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties.

Defendants are habitual and notorious cybersquatters that have been ruled against on numerous occasions. See *Verizon California, Inc. v. Navigation Catalyst Sys., Inc.*, 568 F. Supp. 2d 1088, 1094 (C.D. Cal. 2008); see also *Cabela's Inc. v.*

Navigation Catalyst Systems, Case No. [FA0909001283152](#) (Nat. Arb. Forum Oct. 22, 2009); *Cricket Communications, Inc. v. Domain Name Proxy aka Navigation Catalyst Systems*, Case No. [FA10050001324492](#) (Nat. Arb. Forum June 24, 2010). Defendants have registered, used, and trafficked in domain names that contain the trademarks of numerous famous brands, such as Star Wars (syarwars.com), Facebook (facebhook.com, facebooko.com, favebook.com), Apple (ap-ple.com), The Onion (yheonion.com), OK CUPID (okcupids.com, okcupis.com), Samsung (wamsung.com), Taco Bell (acobell.com), Gawker (gawkeer.com), MySpace (mysapce.com, myspqce.com), Coca Cola (cocscola.com), and Pizza Hut (pizzaqhut.com, pizzagut.com). The registration, use, and trafficking in domain names that Defendants knew were confusingly similar or dilutive of the distinctive or famous trademarks of others evidences Defendants' intent "to profit from the poor typing abilities of consumers trying to reach Plaintiff[s] sites: what other value could there be in a name like ve3rizon.com?" Verizon at 1096. The list of obvious typographical variations of trademarks is massive. (Motion ¶¶s 10-13.)

I. Factor 9: The extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c) of this section.

Plaintiff's Marks are incontestably distinctive and famous. "Registered marks... are presumed to be distinctive and nonfunctional." *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 869 (8th Cir. 1994); see also 15 U.S.C. § 1115.

b. Defendants Epic Media Group, Connexus, and Firstlook are liable for direct and contributory cybersquatting as a matter of law.

As Defendants readily admit, NCS has no employees, assets, or bank accounts. NCS merely serves as the fall guy in an elaborate shell game, and Connexus and Firstlook employees have been the ones to actively engage in the ‘registration, use and trafficking’ of the disputed domains. (Motion ¶¶s 16-27.) These companies reaped the financial benefits of NCS’ cybersquatting activities, with all advertising revenue flowing directly to Firstlook and Connexus. *Id.* As such, Connexus, and Firstlook may be held liable for direct and contributory cybersquatting as a matter of law. See *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 647 (E.D. Mich. 2001), *Inwood Laboratories, inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 854 (1982), *Solid Host, NL v. Namecheap, Inc.*, 652 F. Supp. 2d 1092, 1112 (C.D. Cal. 2009). Defendants not only took “affirmative steps... to foster infringement” or that the “Defendants promoted their...system as a means to infringe” But were actually the ones controlling all the cybersquatting decisions and activities. *Gucci Am., Inc. v. Frontline Processing Corp.*, 721 F. Supp. 2d 228, 249 (S.D.N.Y. 2010).

Defendants only expert, John Berryhill, was provided no information about this case or any of the Defendants’ companies. He was retained only to opine that domain tasting does not ipso facto establish bad faith. However, his testimony lays the foundation for a finding of bad faith as a matter of law. (Motion ¶¶s 51-53, 73-86.) Mr. Berryhill himself referred to Defendant NCS as “pirates.” (Motion Exhibit 78.)

Defendant cannot escape its admission that it engaged in bad faith cybersquatting given its counterclaims against Verizon seeking statutory damages under ACPA for violating Defendants' trademarks on virtually the identical Verizon business model. (Motion ¶¶s 34-37.)

VI. CONCLUSION

Defendants registered, used, and trafficked in the Domain Names, which are typosquats of and confusingly similar to Plaintiff's distinctive registered and common law trademarks. In fact, Defendants entire business model is knowingly corrupt and appears to have been designed from the outset to provide superficial defenses to liability under the ACPA.

Defendants may have caught a few tuna along the way, but clearly landed nets full of protected dolphin. Any effort by Defendants to avoid trademarks, or return legally protected domain names to trademark owner's, even if found credible, amounts to little more than "too little too late." The ACPA creates liability immediately upon registration, use or trafficking, without any mitigation for voluntarily transferring domain names after getting caught.

Defendants should be held liable for cybersquatting under 15 U.S.C. § 1125(d) as a matter of law, leaving only the issue of statutory damages under 15 U.S.C. §1117(d) on Counts I and VI of Plaintiff's First Amended Complaint.

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Respectfully submitted this 15th day of July, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of July, 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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