

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

<b>ENTREPRENEUR MEDIA, INC.,</b>	)	
	)	
<b>PLAINTIFF,</b>	)	Civil Action No. 1:11-cv-583-AJT-TCB
	)	
<b>v.</b>	)	
	)	
<b>B-ENTREPRENEUR.COM &amp; S-</b>	)	
<b>ENTREPRENEUR.COM, each an Internet</b>	)	
<i>Domain Name,</i>	)	
	)	
	)	
<b>DEFENDANTS.</b>	)	

**PLAINTIFF ENTREPRENEUR MEDIA, INC.’S OBJECTION TO THE REPORT AND  
RECOMMENDATION ON PLAINTIFF’S MOTION FOR DEFAULT JUDGMENT**

Pursuant to Federal Rule of Civil Procedure 72(b)(2), Plaintiff Entrepreneur Media, Inc. (“EMI”) respectfully submits the following objection to footnote 2 of the Report and Recommendation issued on January 31, 2012 (Dkt. No. 21) as to Plaintiff’s Motion for Default Judgment in the above-captioned matter. EMI contends that, contrary to footnote 2, a plaintiff can claim bad faith cyberpiracy as set forth in 15 U.S.C. Section 1125(d)(1)(A), when bringing an action *in rem* under 15 U.S.C. Section 1125(d)(2). EMI does not object to any other portion of the Report and Recommendation.

**ARGUMENT**

Footnote 2 of the Report and Recommendation reads as follows:

Plaintiff’s Memorandum of Law in Support its of Motion for Default Judgment incorrectly asserts that plaintiff must show a violation of the 15 U.S.C. § 1125(d)(1)(A) to prevail on its in rem claim. Section 1125(d)(1)(A) governs in personam civil actions against trademark infringers. See *Mattel, Inc. v. Barbie-Club.com*, 310 F.3d 293, 298 (2d. Cir. 2002). When proceeding in rem, the Act requires plaintiffs to show that the Infringing Domain Names violate any rights in a registered mark, or any rights protected

under subsections (a) or (c). *Id.* at § 1125(d)(2)(A)(i); see also Volkswagen, AG v. Volkswagentalk.com, 584 F. Supp. 2d. 879, 882 n.1 (E.D. Va. 2008). Based on the facts asserted in the Verified Complaint, the undersigned has elected to analyze plaintiff's motion under the requirements of a trademark infringement action.

Report and Recommendation at 8, n.2 (Dkt. No. 21).

EMI agrees that under 15 U.S.C. § 1125(d)(2), a Plaintiff may prevail in an *in rem* action against a domain name by showing federal trademark infringement under Section 1125(a) or dilution under Section 1125(c). EMI also agrees that the S-Entrepreneur.com and B-Entrepreneur.com domain names ("Infringing Domain Names") infringe EMI's federally registered trademarks under Section 1125(a). However, EMI submits that, based on the language of Section 1125(d)(2), under Fourth Circuit precedent, and consistent with the practice of the District Court for the Eastern District of Virginia, a plaintiff may also plead a bad faith claim under 15 U.S.C. § 1125(d)(1)(A) in an *in rem* action brought pursuant to § 1125(d)(2).

Section 1125(d)(2) of the Anticybersquatting Consumer Protection Act (the "ACPA") allows for *in rem* actions regarding domain names. Specifically, Section 1125(d)(2) provides that *in rem* actions can be brought when "the domain name violates *any right of the owner of a mark* registered in the Patent and Trademark Office, *or* protected under subsection (a) or (c) of this section." 15 U.S.C. Section 1125(d)(2)(A)(i) (emphasis added). The phrase "any right of the owner of a mark registered in the Patent and Trademark Office" encompasses a bad faith cyberpiracy action brought under Section 1125(d)(1)(A).

In *Harrods Ltd. v. Sixty Internet Domain Names*, an *in rem* action under the ACPA, the Fourth Circuit interpreted "any right of the owner of a mark" to encompass claims brought under Section 1125(d)(1)(A). *Harrods Ltd.*, 302 F.3d 214, 228 (4th Cir. 2002). The Fourth Circuit noted: "The broad language "any right of the owner of a mark" . . . appears to include any right a trademark owner has with respect to the mark. This language, by itself, would include rights under § 1125(d)(1) . . . [for marks registered with the USPTO]." *Id.* Accordingly, after

analyzing the statute and considering at length the claims available in an *in rem* action under 15 U.S.C. Section 1125(d)(2), the Fourth Circuit held:

Thus, we conclude that the best interpretation of § 1125(d)(2) is that *the in rem provision not only covers bad faith claims under § 1125(d)(1), but also covers infringement claims under § 1114 and § 1125(a) and dilution claims under § 1125(c).*

*Harrods Ltd.*, 302 F.3d 214 at 232 (emphasis added).<sup>1</sup>

Other decisions in the Eastern District of Virginia are in accord with the Fourth Circuit's ruling in *Harrods*. This Court routinely analyzes *in rem* cyberpiracy claims under the bad faith standard set forth in Section 1125(d)(1)(A). See *Volvo Trademark Holding AB v.*

*Volvospares.com*, 703 F.Supp.2d 563, 567, (E.D. Va. 2010) (Trenga, J.) (awarding summary judgment in *in rem* action based on 15 U.S.C. § 1125(d)(1)(A)); *Continental Airlines, Inc. v. Continentalair.com*, No. 1:09cv0770, 2009 WL 4884534, \*8 (E.D. Va. 2009) (awarding default judgment in *in rem* action against domain name and applying test in § 1125(d)(1)(A)); *Agri-Supply Company, Inc. v. Agrisupply.Com*, 457 F.Supp.2d 660, 663 (E.D. Va. 2006) (awarding default judgment in *in rem* action for cybersquatting and applying factors in § 1125(d)(1)(A)).

Accordingly, EMI contends that footnote 2 of the Report and Recommendation is erroneous to the extent it suggests that *in rem* actions can only be brought based on federal trademark infringement under 15 U.S.C. § 1125(a) or dilution under 15 U.S.C. § 1125(c).

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<sup>1</sup> Footnote 2 cites *Mattel, Inc. v. Barbie-Club.com*, a Second Circuit opinion, to support the proposition that 15 U.S.C. § 1125 (d)(1)(A) governs *in personam* actions, but that case does not state or imply that an *in rem* plaintiff cannot *also* claim bad faith cyberpiracy under § 1125 (d)(1)(A). *Mattel, Inc.*, 310 F.3d 293, 298 (2d. Cir. 2002). The other opinion cited, *Volkswagen, AG v. Volkswagentalk.com*, 584 F. Supp. 2d. 879, 882 n.1 (E.D. Va. 2008), is not binding on this Court, and itself does not cite any authority.

**CONCLUSION**

For the reasons stated above, EMI respectfully requests that footnote 2 to the Report and Recommendation be omitted from the Court's final ruling.

Dated: February 7, 2012

Respectfully submitted,

*/s/ Tara Lynn R. Zurawski*

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 7th day of February, 2012, I electronically filed the foregoing with the Clerk of the Court using the EC/ECF system and that a true and correct copy of the foregoing and a copy of the Notification of Electronic Filing (NEF) were sent to the following non-filing users by electronic mail:

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