

**SUPERIOR COURT OF CALIFORNIA,  
COUNTY OF SAN DIEGO  
HALL OF JUSTICE  
TENTATIVE RULINGS - October 15, 2009**

EVENT DATE: 10/16/2009      EVENT TIME: 10:30:00 AM      DEPT.: C-73

JUDICIAL OFFICER: Steven R. Denton

CASE NO.: 37-2008-00093670-CU-IP-CTL

CASE TITLE: DIGITAL CORNERSTONE, INC VS. CARMONY

CASE CATEGORY: Civil - Unlimited

CASE TYPE: Intellectual Property

EVENT TYPE: Summary Judgment / Summary Adjudication (Civil)

CAUSAL DOCUMENT/DATE FILED:

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Plaintiff Digital Cornerstone, Inc.'s Motion for Summary Adjudication is denied.

The issue is whether Defendant violated the ACPA. Thus, pursuant to 15 U.S.C. §1125(d)(1), Plaintiff must prove Defendant acted in bad faith and registered, trafficked or used a identical or confusingly similar mark.

The factors to be considered as to whether Defendant used the domain name in bad faith are set forth in 15 USC §1125(d)(1)(B)(i) as:

(B) (i) In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to-

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) 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;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) 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;

(VI) 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 the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) 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;

(VIII) 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; and  
(IX) 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).

In this case, the first three factors weigh in Plaintiff's favor. However, the remaining factors weigh in Defendant's favor. There is no evidence Defendant attempted to obtain the name to resell to Plaintiff or that Defendant was registering several names in order to hold them hostage. The purpose of the ACPA was summed up in *Lucas Nursery*, where the court stated:

The paradigmatic harm that the ACPA was enacted to eradicate - the practice of cybersquatters registering several hundred domain names in an effort to sell them to the legitimate owners of the mark - is simply not present in any of Grosse's actions. 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." S. Rep. No. 106-140, at 9. See also *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003) ("Registering a famous trademark as a domain name and then offering it for sale to the trademark owner is exactly the wrong Congress intended to remedy when it passed the ACPA."). There is no evidence that this was Grosse's intention when she registered the Lucas Nursery domain name and created her web site. It would therefore stretch the ACPA beyond the letter of the law and Congress's intention to declare anything to the contrary.

...  
Although Grosse's actions would arguably satisfy three of the four aforementioned factors, she does not fall within the factor that we consider central to a finding of bad faith. She did not register multiple web sites; she only registered one. Further, it is not clear to this Court that the presence of simply one factor that indicates a bad faith intent to profit, without more, can satisfy an imposition of liability within the meaning of the ACPA. The role of the reviewing court is not simply to add factors and place them in particular categories, without making some sense of what motivates the conduct at issue. The factors are given to courts as a guide, not as a substitute for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit. Perhaps most important to our conclusion are, Grosse's actions, which seem to have been undertaken in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard. One of the ACPA's main objectives is the protection of consumers from slick internet peddlers who trade on the names and reputations of established brands. The practice of informing fellow consumers of one's experience with a particular service provider is surely not inconsistent with this ideal.

(*Lucas Nursery* at 810-811.)

Thus, after reviewing all the factors, summary adjudication is denied. There is a triable issue of material fact as to whether Defendant had bad faith intent in using freespire.com and that Defendant profited from the use of the mark.

All evidentiary objections are overruled.