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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

* * *

GREGORY RICKS,
Plaintiff/Counterdefendant,
v.
BMEZINE.COM, LLC,
Defendant/Counterclaimant.

2:08-CV-01174-PMP-GWF

ORDER

BMEZINE.COM, LLC,
Third Party Plaintiff,
v.
GEE WHIZ DOMAINS PRIVACY
SERVICE,
Third Party Defendant.

Presently before the Court is Plaintiff/CounterDefendant Gregory Ricks' ("Ricks") and CounterDefendant Gee Whiz Domains, Inc.'s ("Gee Whiz") Motion for Partial Summary Judgment (Doc. #55), filed on December 18, 2009. Defendant/Counterclaimant BMEzine.com, LLC filed an Opposition (Doc. #70) on January 4, 2010. Ricks and Gee Whiz filed a Reply (Doc. #106) on January 14, 2010. Also before the Court is Third Party Defendant Gee Whiz Domains, Inc.'s Motion for Summary Judgment (Doc. #56), filed on December 18, 2009. Defendant filed an Opposition (Doc. #68) on January 4, 2010. Gee Whiz filed a Reply (Doc. #107) on January 14, 2010.

1 Also before the Court is Defendant's Motion for Summary Judgment on Its
2 Counterclaims (Doc. #57/Doc. #61), filed on December 18, 2009. Ricks and Gee Whiz
3 filed an Opposition (Doc. #94) on January 5, 2010. Defendant filed a Reply (Doc. #112) on
4 January 15, 2010.

5 Also before the Court is Defendant's Motion for Summary Judgment (Doc.
6 #59/Doc. #62), filed on December 18, 2009. Ricks and Gee Whiz filed an Opposition (Doc.
7 #95) on January 5, 2010. Defendant filed a Reply (Doc. #110) on January 15, 2010.

8 Also before the Court is Plaintiff's Motion to Strike (Doc. #67), filed on
9 December 28, 2009. Defendant filed an Opposition (Doc. #97) on January 14, 2010. Ricks
10 and Gee Whiz filed a Reply (Doc. #119) on January 25, 2010.

11 **I. BACKGROUND**

12 **A. Plaintiff Ricks and bme.com**

13 Plaintiff Ricks is the owner of thousands of domain names on the Internet,
14 including the domain name in dispute in this matter, bme.com. (Pl.'s Mot. Partial Summ. J.
15 (Doc. #55), Ex. A ["Ricks Decl.,"] at 2; Exs. in Support of Def.'s Mots. Summ. J. (Doc.
16 #65) ["Def.'s Exs.,"], Ex. B at 123.) Beginning in approximately 1996, Ricks concluded
17 that short, memorable domain names would be a valuable resource on the Internet. (Ricks
18 Decl. at 2.) Ricks therefore spent millions of dollars acquiring domain names. (Id.) On
19 March 6, 2000, Ricks registered the domain name "bme.com."¹ (Id. & Pl.'s Mot. Summ. J.,
20 Ex. B.) Ricks avers that he never has transferred the ownership of the domain name to any
21 other person or entity since that time. (Ricks Decl. at 2.)

22 Although ownership of the domain name was not changed, Ricks repeatedly
23 changed the contact information and the Registrant, Administrative, Technical, and Billing
24

25 ¹ Prior to Ricks owning the bme.com website, it was the website of a bicycle
26 organization. (Def.'s Exs., Ex. A at 50-51.)

1 Contacts (“RATBC”) for bme.com. For example, in April 2000, Ricks changed the email
2 address associated with the domain name, and changed the RATBC to motherboards.com, a
3 sole proprietorship Ricks owned which he used to sell computer components. (Id. at 3;
4 Def.’s Exs., Ex. B at 34, 112.) Ricks avers he decided to change the contact information
5 available through the WHOIS² database because he did not want his personal contact
6 information to be publicly available. (Ricks Decl. at 3.)

7 In 2005, Ricks considered changing the registrar of his domain names to Moniker
8 Online Services, Inc. (“Moniker”). (Id.) Moniker offered privacy services to domain name
9 owners which would permit third parties to maintain domain names without disclosing
10 personal contact information, but Ricks decided against using Moniker’s privacy services
11 due to the cost. (Id.) Instead, Ricks incorporated a Wyoming corporation, Mighty
12 Ventures, Inc., for which Ricks was the sole shareholder, to use as the point of contact.
13 (Id.) Ricks subsequently changed the corporation’s name to Covanta Corporation
14 (“Covanta”), and in March 2005, Ricks changed the RATBC for bme.com to Covanta. (Id.
15 at 3-4.) In April 2005, Ricks changed the registrar for many of his domain names, including
16 bme.com, to Moniker. (Id.)

17 After changing to Moniker as the registrar, Ricks negotiated a privacy services
18 deal with Moniker. (Id.) Ricks thus changed the RATBC for bme.com to Moniker Privacy
19 Services in August 2005. (Id.) Ricks avers he subsequently discovered Moniker had
20 technical problems associated with its privacy services, and he therefore decided to acquire
21 Third Party Defendant Gee Whiz, which was a domain name registrar that also offered
22 privacy services.³ (Id.) In October 2007, Ricks changed the RATBC for bme.com to Gee
23

24 ² WHOIS is a database maintained by domain name registrars which identify the person who
owns particular domain names. See Kremen v. Cohen, 325 F.3d 1035, 1049 n.12 (9th Cir. 2003).

25 ³ Ricks is the president and sole shareholder of Third Party Defendant Gee Whiz.
26 (Third Party Def.’s Mot. Summ. J. (Doc. #56), Decl. of Gregory Ricks at 2.)

1 Whiz Domains Privacy Service. (Id. at 4-5.) Ricks changed the RATBC for bme.com one
2 last time, in approximately June 2008, after Defendant initiated a domain name dispute with
3 the World Intellectual Property Organization (“WIPO”) in accordance with the Uniform
4 Dispute Resolution Policy (“UDRP”). (Id. at 5; Def.’s Exs., Ex. C.)

5 Ricks permitted a “parking” company to provide the content for bme.com.
6 (Def.’s Exs., Ex. B at 133.) A parking company “puts up related ads to the domain name
7 and they share the revenue they earn” with the domain name owner. (Def.’s Exs., Ex. B at
8 121.) A parking company can put up material on the website without the domain name
9 owner’s prior approval. (Id. at 121-22.) However, Ricks had some control over the content
10 the parking company placed on his parked site. (Id. at 136.) For example, if he was
11 contacted by a trademark holder regarding possible infringement, he could contact the
12 parking company and make it change the content. (Id.)

13 The bme.com website content changed over time. In February 2003, it had links
14 for items such as body jewelry and navel rings. (Def.’s Opp’n to Pl.’s Mot. Summ. J.
15 (“Def.’s Opp’n”), Ex. F (Doc. #86).) In February 2005, it had links for subjects such as
16 belly rings, body lights, body jewelry, pierced body jewelry, body piercing, and tongue
17 rings. (Def.’s Opp’n, Ex. G (Doc. #87).) In April 2006, it had links for tattoo designs, body
18 jewelry, body piercing, and body modification kits. (Def.’s Opp’n, Ex. H (Doc. #88).) In
19 March 2007, it had links to wholesale body jewelry and tattoos. (Def.’s Opp’n, Ex. I (Doc.
20 #89).) In July 2007, it had tattoo designs, body jewelry, body piercings, and a picture of girl
21 with a tattoo. (Def.’s Exs., Def.’s Special Ex. 1, Attach. X.) In December 2007, the
22 bme.com website contained similar types of links, including “Bme Tattoo” and body
23 modification, and depicted a picture of a girl with a tattoo. (Id.) In February 2008, the site
24 included links for body tattoo pictures, body lights, tattoo kits, airbrush tattoos, and pictures
25 of tattoos. (Id.) It also included a section entitled “recent topics,” which included body
26 piercing jewelry and nipple rings. (Id.) On May 6, 2008, the bme.com landing page had a

1 picture of a man tattooing another individual, and had links to topics such as body lights,
2 tattoo supply, tattoo pictures, body piercing, extreme genital piercing, and body
3 modification. (Id.)

4 **B. Defendant BMEzine.com, LLC**

5 Defendant BMEzine.com, LLC (“LLC”) is a Nevada limited liability company
6 organized in January 2001. (Pl.’s Mot. Partial Summ. J. (Doc. #55), Ex. C; Def.’s Exs., Ex.
7 A at 15-16.) The LLC owns and operates a website, bmezine.com, which provides an
8 online community, articles, and photos related to body modification, such as tattooing and
9 piercing. (Def.’s Exs., Special Ex. 1, Attach. U.) The LLC used “BME” as an acronym for
10 BMEzine, which itself meant Body Modification Ezine. (Pl.’s Mot. Partial Summ. J., Ex. E
11 at 112-13, 152, Ex. F at 261.) “BME” also was meant to signify “Be Me,” a theme on being
12 yourself and “reflecting on the outside who you are as a person.” (Pl.’s Mot. Partial Summ.
13 J., Ex. F at 265.) BMEzine’s founder, Shannon Larratt, avers that he always considered
14 BME to be more than an acronym for a generic term. Rather, he used BME as a tradename
15 for the business. (Def.’s Opp’n, Ex. K.)

16 Prior to the LLC’s organization, the BMEzine website was operated by Shannon
17 Larratt. (Def.’s Exs., Ex. A at 32.) BMEzine launched as an online publication on
18 USENET⁴ in 1994, and since has operated under a variety of different web addresses,
19 always using “bme” somewhere in the web address. (Def.’s Exs., Ex. EE at 1; Pl.’s Opp’n
20 to Mot. Summ. J., Ex. 2, Shannon Larratt Decl, Ex. A.) Since that time, it has been
21 referenced in various newspaper articles, including a July 1995 Los Angeles Times article
22 on body modification and body art which referred to a “zine called BME (‘Body
23

24 ⁴ “USENET is an abbreviation of ‘user network.’ This term refers to an international
25 collection of organizations and individuals (known as ‘peers’) whose computers connect to one another
26 and exchange messages posted by USENET users. Ellison v. Robertson, 357 F.3d 1072, 1074 n.1
(9th Cir. 2004).

1 Modification Ezine'), which features beautiful graphics." (Pl.'s Mot. Partial Summ. J., Ex.
2 G.) In 1996, the Omaha World Herald ran a column which directed readers curious about
3 body piercing to "Body Modification Ezine at <http://www.io.org/~bme/> on the Net." (Id.)
4 In 1997, the Guardian in London listed various websites and their content, stating "BME is
5 a Body Modification E-Zine (electronic magazine) devoted to decorative mutilation,
6 piercing and tattoos. If www.bme.freeq.com isn't shocking enough, the publishers are
7 planning to post stronger stuff in a new section, BME/hard." (Id.) In 1999, the Tampa
8 Tribune ran an article on body modification, and mentioned "www.bme.freeq.com - Body
9 Modification Ezine. Has online photos of brands, testimonials and advice." (Id.) That
10 same year, the University of Pittsburgh's The Pitt News issued an article on body piercing,
11 which referred readers interested in viewing pictures of body modifications to
12 "<http://www.bme.com>."⁵ (Id.) According to Shannon Larratt, within months of BMEzine's
13 launch, it was ranked as the twenty-fifth most popular site on the Internet, and was the
14 world's largest repository of pictures on body modification. (Pl.'s Opp'n to Mot. Summ. J.,
15 Ex. 2, Shannon Larratt Decl., Ex. A.)

16 BMEzine has permitted users to subscribe to the site by submitting stories or
17 photographs of themselves. (Def.'s Exs., Ex. EE at 2.) The site has obtained hundreds of
18 thousands of subscribers through submissions. (Id.) The Body Modification Ezine website
19 in 1997 included a link to "BMENews," solicited advertising "on BME," and set forth
20 contact information as "BME: Body Modification Ezine." (Pl.'s Mot. Partial Summ. J., Ex.
21 I.) The site in 1997 included a copyright notice in favor of Shannon Larratt. (Id.) The site
22 in 1999 included other subgroups to which a browser could navigate, including
23 "bme/extreme," "bme/hard," "bme/live" and "bme/store." (Pl.'s Mot. Partial Summ. J., Ex.
24

25 ⁵ The Pitt News did not provide the LLC's correct website, as bme.com is the website in
26 dispute in this action, which is owned by Plaintiff Ricks.

1 I.) It also provided a link for browsers to “Contact BME.” (Id.) The 1999 and 2000 web
2 pages included a copyright notice in favor of “Shannon Larratt/BME.” (Id.) BMEzine
3 operates various websites with the “bme” prefix, such as bmevideo.com, bmehard.com,
4 bmeworld.com, bmeink.com, among many others. (Def.’s Opp’n to Mot. Summ. J., Ex. E,
5 Decl. of Rachel Larratt.) In 1997 or 1998, BMEzine added the website bmeshop.com,
6 which sold t-shirts, jewelry, medical supplies, and videos. (Pl.’s Opp’n to Mot. Summ. J.
7 (Doc. #95), Ex. 2, Shannon Larratt Decl., Ex. A.) The site continued to receive mention in
8 various media articles which referred to the site as “BME,” including articles from 2003 to
9 2007 in the Daily News, the Journal of Sociology, the Houston Chronicle, the Grand Rapid
10 Press, and the Phoenix New Times. (Def.’s Exs., Ex. T.)

11 In 2004, Shannon Larratt’s wife, Rachel Larratt, became the LLC’s sole
12 shareholder and its chief executive officer. (Def.’s Exs., Ex. A at 15, 37.) The LLC’s
13 initial purpose was to be a third party service provider to BME, and “was never intended to
14 and never had ownership of the websites or any of the other assets of the business.” (Def.’s
15 Exs., Ex. A at 168, 200; Pl.’s Opp’n to Def.’s Mot. Summ. J., Ex. 2, Shannon Larratt Decl.)
16 However, according to Rachel Larratt, that changed when she took over the LLC in 2004.
17 (Id. at 168.) Previously, the website bmezine.com was registered to BME, PsyberCity or in
18 Shannon Larratt’s name, and prior to 2004, the BMEzine business was owned by Shannon
19 Larratt and/or his company, PsyberCity. (Def.’s Exs., Ex. A at 186, Ex. S at 262.)
20 However, after Rachel Larratt assumed control of the LLC, she recommended the
21 registration for the bmezine.com website be changed to the LLC “because the LLC owned
22 it.” (Def.’s Exs., Ex. A at 187.)

23 Shannon Larratt denies that Rachel Larratt or the LLC had any ownership interest
24 in the BMEZine business or its related intellectual property as of 2004. (Pl.’s Opp’n to
25 Mot. Summ. J. (Doc. #95), Ex. 2, Shannon Larratt Decl.) According to Shannon Larratt, he
26 always operated BMEzine as a sole proprietorship and owned all property, including

1 intellectual property such as any trademark rights in BME and the BME logo. (Pl.’s Opp’n
2 to Mot. Summ. J., Ex. 2, Shannon Larratt Decl, Ex. A.) Shannon Larratt previously
3 licensed the rights to use the website bmeshop.com to a third party. (Id.) The Licensing
4 Agreement identified the contracting party as “BME (aka Shannon Larratt and Psybercity
5 Inc.).” (Id.) No documentation exists showing a transfer of the ownership of the BMEzine
6 assets to the LLC in 2004. (Def.’s Exs., Ex. S at 262.)

7 The Larratts subsequently separated in January 2006 and also commenced
8 litigation to resolve whether the LCC or Shannon Larratt owned the rights to the BMEzine
9 website and related intellectual property. (Def.’s Exs., Ex. A at 38, 48-49.) While the
10 Larratts disputed ownership, a receiver was appointed. (Id. at 86.) The receiver transferred
11 the domain names to itself, as ordered by the appointing court. (Id. at 86-87.) The transfer
12 was not meant to effect a change in ownership, as the receiver was holding the domain
13 names for the benefit of the owner, i.e., whoever ultimately prevailed in the litigation. (Id.)

14 In March 2008, the LLC, under Rachel Larratt’s signature, filed a trademark
15 application with the U.S. Patent and Trademark Office (“PTO”) for the mark “BME” with
16 respect to “[p]roviding an online interactive database of photos and videos in the field of
17 body art, namely, piercing, tattoos, scarification, subincision, castration.” (Def.’s Exs., Ex.
18 A at 94, Ex. H.) The application was filed during the time the receiver was in control of the
19 disputed domain names and related intellectual property. (Def.’s Exs., Ex. A at 101.)
20 Rachel Larratt testified she believed that the LLC had the right to the trademark. (Id. at
21 116.) According to Rachel Larratt, the parties already had reached a verbal settlement in
22 February 2008, and were working on drafting formal settlement documents at the time she
23 filed the trademark application on the LLC’s behalf. (Id. at 100-01.)

24 In May 2008, the Larratts entered into a formal written agreement pursuant to
25 which the parties would settle their dispute over ownership of the BMEzine assets. (Opp’n
26 to Def.’s Mot. Summ. J. (Doc. #95), Ex. 3.) Rachel Larratt agreed to pay Shannon Larratt a

1 sum of money in exchange for Shannon Larratt “releas[ing] to Rachel . . . all of his right,
2 title and interest in the business known as BME (the BME business) and any and all of the
3 assets of . . . the said business, including all trademarks, [and] domain names” (Id.;
4 Def.’s Exs., Ex. A at 66-67, Ex. S.) The transfer of ownership was to occur upon the
5 transfer of the second installment of payment from Rachel Larratt to Shannon Larratt.
6 (Opp’n to Def.’s Mot. Summ. J., Ex. 3.) On September 15, 2008, the Larratts and the LCC
7 entered into the final settlement agreement in which Shannon Larratt released all his right,
8 title, and interest in the LLC, including all associated intellectual property. (Def.’s Exs.,
9 Ex. A at 77-80, Def.’s Opp’n to Mot. Summ. J., Ex. 4.)

10 On September 10, 2008, the LLC added to its trademark application use of the
11 mark in “[a]dvertising and directory services, namely, promoting the services of others by
12 providing a web page featuring links to the websites of others.” (Def.’s Exs., Ex. G.) That
13 same date, the LLC also added a use for “[c]omputer services, namely, hosting online web
14 facilities for others for organizing and conducting online meetings, gatherings, and
15 interactive discussions; and computer services in the nature of customized web pages
16 featuring user-defined information, personal profiles and information, all in the field of
17 body art.” (Id., Ex. I.)

18 **C. The Parties’ Interactions**

19 In 2004, Shannon Larratt contacted Ricks to see if Ricks wanted to sell bme.com.
20 (Def.’s Exs., Ex. B at 127.) Ricks responded that it was not for sale. (Id.) According to
21 Shannon Larratt, he knew about the bme.com website since 1999. (Pl.’s Opp’n to Mot.
22 Summ. J., Ex. 3, Shannon Larratt Decl.) However, Shannon Larratt did not consider
23 bme.com to be infringing on BMEzine’s rights, as it was only a search engine or provided
24 links to other sites, and it never hosted an online photograph or video database, or provided
25 news or other content related to body modification. (Id.) Shannon Larratt did not believe
26 that members of the body modification community would believe bme.com was affiliated

1 with bmezine.com. (Id.) He therefore deliberately chose not to file legal action against
2 bme.com, even though he pursued others he thought were infringing on BMEzine’s
3 intellectual property rights. (Id.)

4 Ricks and BMEzine did not communicate again until November 2007, when
5 Rachel Laratt observed the bme.com website. (Def.’s Exs., Ex. A at 52.) Rachel testified
6 that she viewed bme.com in response to emails from customers who claimed they had
7 attempted to contact customer support at BMEzine, but in fact had sent emails to support at
8 bme.com.⁶ (Id. at 53.) When Rachel Larratt viewed the bme.com website in November
9 2007, it contained images of body modifications, and contained script referencing “BME
10 tattoo, BME piercing, Body Modification Ezine.” (Id. at 56.)

11 Rachel Larratt offered to purchase bme.com for \$20,000 by communicating the
12 offer to the email address provided in the WHOIS database. (Id. at 131.) Because Moniker
13 was providing privacy services to Ricks at that time, Moniker received the email and
14 advised Ricks that a buyer was interested in bme.com. (Def.’s Exs., Ex. B at 130.) Ricks
15 ignored the initial request, and Ricks did not know from whom the original offer came.
16 (Id.) Moniker later advised Ricks it had an offer for \$50,000 to \$75,000. (Id. at 134.)
17 Ricks again ignored the request. (Id. at 134-35.) Moniker advised Rachel Larratt the
18 website owner wanted \$100,000. (Def.’s Exs., Ex. S at 326.) Rachel Larratt responded by
19 asking if the owner would take \$50,000 up front, with the rest paid out over time. (Id.)
20 Moniker responded the owner wanted \$130,000. (Id.) Moniker then advised Rachel Larratt
21 that the owner wanted \$160,000. (Id.) Ricks contends he only found out later that the

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25 ⁶ In addition to the misdirected emails to customer service, online chat threads show that
26 individuals who were discussing body art and giving ideas for tattoos confused bme.com with
bmezine.com. (Def.’s Exs., Exs. J, K, L, M, O, P, Q.)

1 offeror was Rachel Larratt from the LLC, and that she had offered as much as \$100,000.⁷
2 (Def.'s Exs., Ex. B at 135; Pl.'s Opp'n to Mot. Summ. J. on Counterclaims, Ex. 5.) No
3 evidence in the record suggests Ricks knew or approved of Moniker's increasing offers to
4 sell bme.com for \$100,000, \$130,000, or \$160,000.

5 On June 9, 2008, the LLC initiated a domain name dispute with WIPO in
6 accordance with the UDRP. (Def.'s Exs., Ex. A at 123, Ex. C.) In support of its claim
7 before WIPO, the LLC provided the declarations of four expert witnesses, Kevin Wimberly
8 ("Wimberly"), Elayne Angel ("Angel"), David Vidra ("Vidra"), and Allen Falkner
9 ("Falkner"). (Def.'s Exs., Exs. U, V, W, X.) Wimberly averred that he started getting
10 tattoos in 1998, and as a result knows artists, shop owners, and others interested in the
11 subject. (Def.'s Exs., Ex. W.) Wimberly considers himself a tattoo enthusiast. (Id.)
12 Wimberly has used BMEzine for ideas for tattoos, and as inspiration for a paper he wrote
13 during law school on copyright and tattoos. (Id.) According to Wimberly, the "entire
14 tattooing, body piercing, and body art community refers to BMEzine, LLC and various
15 other enterprises such as the BME Fest, BME Scholarship, BME News, etc., as simply
16 'BME.'" (Id.) Wimberly opines that if anyone else in the industry used "BME," it would
17 be confusing. (Id.) For example, Wimberly avers he initially was confused when directed
18 to the bme.com website, because he thought it was BMEzine-related until he discovered it
19 was a parked site. (Id.)

20 Likewise, Vidra, health and safety advisor to the Society of Permanent
21 Cosmetics, averred that in the body modification market, BMEzine LLC is known as BME.
22 (Def.'s Exs., Ex. V.) According to Vidra, BMEzine was world famous in the field as early
23

24 ⁷ Ricks does not recall the time frame when he first discovered the type of content on
25 BMEzine.com, but he testified he received questions about piercings through bme.com, and that
26 probably prompted him to look at the BMEzine website. (Def.'s Exs., Ex. B at 135-36.) Ricks had
viewed bme.com prior to the LLC's UDRP complaint. (Id. at 143.)

1 as 1994 or 1995. (Id.) To his knowledge, no other companies in the field use the letters
2 “BME,” and if they did so, it would be confusing. (Id.) Vidra averred that when he first
3 viewed bme.com, he thought it was an addition to the BMEzine websites because it
4 displayed links to tattooing, piercing, body lights, and body art, and it showed an image of a
5 man tattooing another person. (Id.) Upon further inspection, he realized bme.com was not
6 associated with BMEzine. (Id.)

7 Angel asserts she is an expert in the field of body piercing and is registered as
8 such with the Technical Advisory Service for Attorneys. (Def.’s Exs., Ex. X.) Angel is a
9 regular contributor to Pain Magazine and is writing a forthcoming book in which she refers
10 to bmezine.com as “BME,” and directs readers to the website for an on-line community to
11 discuss body modification with like-minded individuals. (Id.) According to Angel, the
12 marketplace associates “BME” with BMEzine. (Id.) Angel has known about BMEzine
13 since the mid 1990s and she avers the site was world famous by 1994 or 1995. (Id.) Angel
14 contends no other similar companies could use “BME” without causing confusion. (Id.) As
15 with Wimberly and Vidra, Angel avers she visited bme.com and at first thought it was an
16 addition to the BMEzine websites. (Id.)

17 Finally, Falkner avers that he is a founding member of the Association of
18 Professional Piercers, owns a tattoo removal company, and owns a website on body
19 suspension, which is “the art of suspending one[’]s body from fixed objects by placing
20 piercing through the flesh and skin.” (Def.’s Exs., Ex. U.) Falkner states he is familiar with
21 the marketplace which knows and refers to BMEzine as “BME.” (Id.) According to
22 Falkner, BMEzine was world famous by 1994 or 1995. (Id.) When Falkner visited the
23 bme.com website, he immediately knew it was not part of BMEzine. (Id.) Based on this
24 and other evidence, the arbitration panel issued a decision in the LLC’s favor, and in

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1 August 2008 ordered the bme.com domain name transferred from Ricks to the LLC.⁸
2 (Def.'s Exs., Ex. E.)

3 On September 5, 2008, Ricks filed a Complaint in this Court. (Compl. (Doc.
4 #1).) Ricks asserts claims for reverse domain name hijacking under 15 U.S.C.
5 § 1114(2)(D)(v), fraud in a domain name dispute proceeding under 15 U.S.C.
6 § 1114(2)(D)(iv), false or fraudulent registration under 15 U.S.C. § 1120, cancellation of
7 trademark registration under 15 U.S.C. § 1064(3), and declaratory relief of non-
8 infringement. (Am. Compl. (Doc. #27).) Defendant LLC answered and filed counterclaims
9 for cybersquatting under 15 U.S.C. § 1125(d), trademark infringement under 15 U.S.C.
10 § 1125(a), willful trademark infringement under 15 U.S.C. § 1114(1), false designation of
11 origin under 15 U.S.C. § 1125(a), unfair competition, Nevada common law trademark
12 infringement, deceptive trade practices under Nevada Revised Statutes § 598.0915,
13 intentional interference with prospective economic advantage, trademark infringement
14 under Florida Statutes § 495.131, dilution under Florida Statutes § 495.151, and declaratory
15 judgment.

16 The parties now cross move for summary judgment on the various claims and
17 counterclaims. Plaintiff Ricks also moves to strike certain declarations provided in support
18 of Defendant's filings.

19 **II. LEGAL STANDARDS**

20 Summary judgment is appropriate "if the pleadings, the discovery and disclosure
21 materials on file, and any affidavits show that there is no genuine issue as to any material
22 fact and that the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c).
23 A fact is "material" if it might affect the outcome of a suit, as determined by the governing
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25 ⁸ The WIPO panel's decision is not entitled to deference on the merits. See Barcelona.com,
26 Inc. v. Excelentísimo Ayuntamiento De Barcelona, 330 F.3d 617, 623 (4th Cir. 2003); Sallen v.
Corinthians Licenciamentos LTDA, 273 F.3d 14, 27 (1st Cir. 2001).

1 substantive law. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). An issue is
2 “genuine” if sufficient evidence exists such that a reasonable fact finder could find for the
3 non-moving party. Villiarimo v. Aloha Island Air, Inc., 281 F.3d 1054, 1061 (9th Cir.
4 2002). Initially, the moving party bears the burden of proving there is no genuine issue of
5 material fact. Leisek v. Brightwood Corp., 278 F.3d 895, 898 (9th Cir. 2002). After the
6 moving party meets its burden, the burden shifts to the non-moving party to produce
7 evidence that a genuine issue of material fact remains for trial. Id. The Court views all
8 evidence in the light most favorable to the non-moving party. Id.

9 **III. RICKS’ MOTION TO STRIKE (Doc. #67)**

10 Ricks moves to strike the declarations of Lawrence Walters (“Walters”),
11 Defendant’s prior counsel in this case, and Vidra as undisclosed witnesses. Ricks also
12 moves to strike the declarations of Angel, Wimberly, and Falkner for failure to comply with
13 the requirements regarding the disclosure of experts and their reports.

14 The LLC responds by admitting it did not identify Walters as a witness, but
15 contends it was not necessary to do so, as it was reasonably foreseeable Walters would be a
16 witness with respect to Ricks’ fraud allegations. The LLC also argues Ricks could have
17 moved for a continuance under Federal Rule of Civil Procedure 56(f) if he was surprised by
18 Walters’ addition as a witness. As to the Angel, Vidra, Wimberly, and Falkner declarations,
19 the LLC argues these witnesses were disclosed, and the expert reports were attached to its
20 Answer. The LLC contends any failure to comply with Federal Rule of Civil Procedure 26
21 with regard to these witnesses was harmless, as it provided the same information in the
22 WIPO hearing. The LLC also argues Angel, Falkner, Vidra, and Wimberly are not
23 testifying as experts in this proceeding. Finally, the LLC argues the record from the WIPO
24 proceeding is admissible, as Ricks alleges fraud in the WIPO proceeding.

25 Federal Rule of Civil Procedure 26(a)(2)(B) requires the parties to disclose the
26 identity of each expert witness along with the expert’s written report. The report must

1 include all of the witness's opinions and the bases therefore, the data the witness considered
2 in forming those opinions, any exhibits that will be used in support, the witness's
3 qualifications including all publications authored in the previous ten years, a list of all other
4 cases during which the witness testified as an expert in the prior four years, and the amount
5 of compensation paid to the expert. Rule 37(c)(1) prohibits the use at trial of any
6 information required to be disclosed by Rule 26(a) that is not properly disclosed. Wong v.
7 Regents of Univ. of Cal., 410 F.3d 1052, 1062 (9th Cir. 2005). The non-disclosing party
8 may escape Rule 37(c)'s sanction if the failure to disclose was substantially justified or was
9 harmless. Fed. R. Civ. P. 37(c)(1). No evidence of bad faith on the part of the non-
10 disclosing party is required to exclude expert testimony under Rule 37(c)(1). Yeti by Molly,
11 Ltd. v. Deckers Outdoor Corp., 259 F.3d 1101, 1106 (9th Cir. 2001). The party facing
12 sanctions bears the burden of proving harmlessness. Id. at 1107.

13 Defendant LLC's initial disclosures identified as potential witnesses in the case
14 Ricks, the Larratts, Angel, Wimberly, and Falkner. (Def.'s Exs., Ex. T.) The initial
15 disclosures identified Angel, Wimberly, and Falkner as witnesses who were "expected to
16 provide expert witness testimony," and provided their declarations, in which each witness
17 identified himself or herself as an expert. (Def.'s Opp'n to Mot. to Strike, Ex. E.)
18 Although not identified as a witness in the initial disclosures, Defendant LLC provided
19 Vidra's declaration as part of its initial disclosures. (Id.) Defendant LLC never identified
20 Walters as a potential witness until the LLC filed his declaration in support of its filings at
21 the summary judgment stage.

22 The Court will strike witness Walters. Defendant LLC offers no justification for
23 its failure to identify Walters as a witness, and instead argues Plaintiff should have
24 anticipated Walters would be a witness. That a party may anticipate a particular individual
25 may be a witness does not excuse noncompliance with the Rules. Moreover, it is unclear
26 how Plaintiff should have anticipated Defendant LLC's prior counsel in this action would

1 be a witness in this same action. A party's counsel is not usually a witness for that party in
2 the same action. Discovery has closed, and Plaintiff Ricks therefore is prejudiced in his
3 ability to conduct discovery in relation to Walters' statement.

4 As to the other declarations, the LLC provided the declarations of Angel,
5 Wimberly, Falkner, and Vidra in the WIPO proceeding and as part of Defendant LLC's
6 initial disclosures. None of the declarations set forth the data the witnesses considered in
7 forming their opinions, any exhibits that will be used in support, all publications the
8 witnesses authored in the previous ten years, a list of all other cases in which the witnesses
9 testified as an expert in the prior four years, or the amount of compensation paid to the
10 experts. Defendant LLC did not comply with Rule 26 and that failure was not substantially
11 justified. Defendant LLC described its witnesses as experts, but did not comply with Rule
12 26's requirements, either initially or through supplemental disclosures.

13 However, that failure is harmless in this case. Plaintiff Ricks has been aware of
14 these witnesses and the substance of their declarations since before he filed his Complaint
15 in this case. Indeed, Plaintiff produced the declarations as part of his own initial
16 disclosures. The witnesses set forth the basis for their asserted expertise in the relevant
17 area, opined on the status of BME as being associated with BMEzine in the relevant
18 community, and opined on whether bme.com would cause confusion in the relevant
19 community. Plaintiff thus has known about the critical aspects of these witnesses'
20 testimony from the inception of this case and could have deposed these witnesses during
21 discovery in this case to explore any deficiencies in Defendant LLC's disclosures. Given
22 the nature of their alleged expertise, the lack of compliance with Rule 26 is not as
23 prejudicial as would be the case where the expert was giving more technical or scientific
24 opinions. While the Court is reluctant to excuse Defendant LLC's failure to comply with
25 Rule 26, the preference for deciding matters on the merits, rather than on procedural
26 missteps, counsels in favor of exercising the Court's discretion to admit the expert witness

1 declarations.

2 The Court therefore will grant Plaintiff Ricks' motion to strike Walters'
3 declaration. The Court will deny the motion to strike the declarations of Angel, Wimberly,
4 Falkner, and Vidra.

5 **IV. RICKS' MOTION FOR PARTIAL SUMMARY JUDGMENT (Doc. #55)**

6 Ricks moves for partial summary judgment, arguing that the mark "BME" is
7 generic as an acronym for "body modification ezine," and therefore is not protectable as a
8 trademark. Ricks also argues he registered the bme.com website on March 6, 2000, and
9 continuously has owned it ever since, regardless of his use of domain name privacy
10 services. Ricks contends that the only registration date that therefore is important for the
11 LLC's counterclaim for cybersquatting is the original registration date, March 2000. Ricks
12 contends that at the time he registered bme.com, the "BME" mark was not famous or
13 distinctive, Defendant did not use it as a source identifier, and it had not acquired a
14 secondary meaning by the time Ricks had registered the domain name. Ricks therefore
15 moves for summary judgment on Defendant's first counterclaim for cybersquatting.

16 Defendant responds that the "BME" mark is not generic, and Ricks cannot
17 overcome the presumption of protectability to which the mark is entitled due to its
18 registration. Defendant contends it has presented evidence the mark does not refer to a
19 class of goods, but in fact is a source identifier for the LLC. As to the registration date,
20 Defendant argues that the Anticybersquatting Consumer Protection Act ("ACPA") does not
21 limit liability to only the creation registration, and that each registration or re-registration,
22 even if by the same owner, may subject the registrant to liability under the Act. Defendant
23 thus argues that even if Ricks ultimately was the owner since 2000, his purported innocent
24 registration at the very first registration does not insulate him from all future infringing
25 behavior. Finally, Defendant argues that even if March 6, 2000 is the relevant date,
26 Defendant had established common law rights in the BME mark prior to that date.

1 **A. Genericness**

2 To state an anticybersquatting claim, the plaintiff must establish that its mark
3 upon which the domain name allegedly infringes was “distinctive at the time of registration
4 of the domain name.” 15 U.S.C. § 1125(d)(1)(A)(ii)(I); Lahoti, 586 F.3d at 1197. Marks
5 generally are classified in one of five categories: “(1) generic; (2) descriptive; (3)
6 suggestive; (4) arbitrary; or (5) fanciful.” Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S.
7 763, 768 (1992). Suggestive, arbitrary, and fanciful marks are inherently distinctive and
8 thereby automatically are entitled to federal trademark protection because “their intrinsic
9 nature serves to identify a particular source of a product.” Id. A descriptive mark is not
10 automatically entitled to trademark protection, but may become protectable if the mark has
11 acquired distinctiveness through secondary meaning. Zobmondo Entmt., LLC v. Falls
12 Media, LLC, 602 F.3d 1108, 1113 (9th Cir. 2010) (citing 15 U.S.C. § 1052(f)). Generic
13 marks are not eligible for trademark protection, even if they acquire secondary meaning.
14 Id.; Welding Servs., Inc. v. Forman, 509 F.3d 1351, 1358 (11th Cir. 2007); Filipino Yellow
15 Pages, Inc. v. Asian Journal Publ’ns, Inc., 198 F.3d 1143, 1147 (9th Cir. 1999).

16 A mark is generic if it “primarily denotes a product, not the product’s producer.”
17 Anti-Monopoly, Inc. v. Gen. Mills Fun Group, 611 F.2d 296, 301 (9th Cir. 1979). Generic
18 marks are not subject to trademark protection because it would grant one competitor a
19 monopoly over the language which his competitors may use to fairly describe their own
20 products. Id.

21 Generic marks have been described as marks which “refe[r] to the genus of
22 which the particular product is a species.” Two Pesos, Inc., 505 U.S. at 768 (quotation
23 omitted). To determine whether a mark is generic, the Court analyzes “whether consumers
24 understand the word to refer only to a particular producer’s goods or whether the consumer
25 understands the word to refer to the goods themselves.” Yellow Cab Co. of Sacramento v.
26 Yellow Cab of Elk Grove, Inc., 419 F.3d 925, 929 (9th Cir. 2005). “If buyers understand

1 the term as being identified with a particular producer's goods or services, it is not generic.
2 But if the word is identified with all such goods or services, regardless of their suppliers, it
3 is generic." Id. (quotations and internal citation omitted). Courts have framed this as the
4 "who-are-you/what-are-you" test. Id. "A mark answers the buyer's questions 'Who are
5 you?' 'Where do you come from?' 'Who vouches for you?' But the generic name of the
6 product answers the question 'What are you?'" Id. (quotation omitted).

7 A mark that consists of an abbreviation for generic words itself may be generic,
8 but it may be protectable if the abbreviation "has a meaning distinct from the underlying
9 words in the mind of the public." Welding Servs., Inc., 509 F.3d at 1359; Nat'l Conf. of
10 Bar Examiners v. Multistate Legal Studies, Inc., 692 F.2d 478, 488 (7th Cir. 1982). The
11 Court thus must view the mark as a whole, rather than examining its individual component
12 parts. Filipino Yellow Pages, Inc., 198 F.3d at 1149-50.

13 Additionally, "[c]ontext is critical to a distinctiveness analysis." Lahoti, 586 F.3d
14 at 1201. The Court evaluates the mark "as if it were seen on the goods or services" within
15 the relevant industry context because a term is not generic in and of itself, but only in the
16 term's use in relation to the product or service at issue. Id.; Welding Servs., Inc., 509 F.3d
17 at 1358. For example, the word ivory is generic in reference to an elephant tusk, but is
18 arbitrary as applied to a product such as soap. Welding Servs., Inc., 509 F.3d at 1358.
19 Further, the Court makes this inquiry from the perception of the purchasing public.
20 Zobmondo, 602 F.3d at 1113. Ultimately, the Court inquires whether consumers who ask
21 for the product by the mark are describing the type of product, or are seeking the product of
22 a particular producer. Anti-Monopoly, Inc., 611 F.2d at 303-05.

23 Evidence that numerous other companies in the industry actually answer the
24 question "what are you" by using the terms in the mark suggests the mark is generic.
25 Closed Loop Mktg, Inc. v. Closed Loop Mktg, LLC, 589 F. Supp. 2d 1211, 1219 (E.D. Cal.
26 2008) (holding evidence that six other companies could identify themselves as closed loop

1 marketing companies was evidence that term “closed loop marketing” was generic).

2 Additionally, the mark holder’s use of words in the mark to describe its and its competitors’
3 services is evidence that the mark is generic. Welding Servs., Inc., 509 F.3d at 1359.

4 The question of which classification applies to a particular mark is a factual
5 determination. Lahoti, 586 F.3d at 1195. The mark holder “bears the ultimate burden of
6 proof in a trademark-infringement action that the trademark is valid and protectable.”
7 Zobmondo, 602 F.3d at 1113. However, federal registration of the mark constitutes “‘prima
8 facie evidence’ of the mark’s validity and entitles the plaintiff to a ‘strong presumption’ that
9 the mark is a protectable mark,” and that it is not generic. Id. (quoting 15 U.S.C.
10 §§ 1057(b), 1115(a); KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d
11 596, 604 (9th Cir. 2005)); see also Lahoti, 586 F.3d at 1199; Coca-Cola Co. v. Overland,
12 Inc., 692 F.2d 1250, 1254 (9th Cir. 1982). If the mark has been properly registered, the
13 burden shifts to the alleged infringer to show by a preponderance of the evidence that the
14 mark is not protectable. Zobmondo, 602 F.3d at 1114. The alleged infringer may meet this
15 burden by demonstrating “through law, undisputed facts, or a combination thereof that the
16 mark is invalid.” Id. (quotation omitted). However, the presumption of validity for a
17 registered mark is strong, and the alleged infringer bears a heavy burden to overcome it at
18 the summary judgment stage. Id.

19 Here, the LLC has obtained a registered mark from the PTO for “BME” in
20 relation to providing an online interactive database of photos and videos in the field of body
21 modification, and advertising and directory services to provide links to others’ websites.
22 The burden thus shifts to Plaintiff Ricks to overcome the presumption of validity and
23 protectability the registration provides, including the presumption that the mark is not
24 generic. Ricks has not done so.

25 Ricks has presented no evidence that consumers seeking out “BME” do so as an
26 abbreviation for body modification ezines as a class of products, rather than as a source

1 identifier for the LLC. Rather, Ricks relies entirely on the argument that BME is an
2 abbreviation for Body Modification Ezine, and those words generically describe a class of
3 products. It is doubtful that Ricks' pure legal argument could meet his heavy burden of
4 overcoming the presumption of validity due to the registration of the BME mark. But even
5 if it could, Ricks has presented no evidence that a class of products known as body
6 modification ezines even exists. Ricks has not identified a single other entity which
7 identifies itself as a body modification ezine. The fact that no other competitor would
8 answer the question "what are you" by describing itself as a body modification ezine, much
9 less as "BME," weighs against a finding of genericness.

10 Moreover, the LLC has presented evidence that the relevant community within
11 the purchasing public recognizes the abbreviation "BME" as a source identifier for the
12 LLC, and not with body modification ezines generally. Vidra, Angel, Wimberly, and
13 Falkner all aver in their declarations that the tattooing, piercing, and body modification
14 community refers to the LLC's business as "BME" and has done so for many years.
15 Further, the chat threads and newspaper articles all refer to the LLC as "BME," and do not
16 use the term generically to discuss body modification ezines generally. In fact, none of the
17 articles discuss or use the term "body modification ezine" or its abbreviation "BME"
18 generically.⁹

19 The LLC also has presented evidence from the founder of the BMEzine business,
20 Shannon Larratt, that the "BME" mark signifies more than just an abbreviation for
21 "BMEzine." Rather, the abbreviation also stands for "Be Me," a theme which was explored
22 on the website through self expression and articles on a person's outside reflecting who they
23

24 ⁹ One article uses BME as an acronym for "Body Modification Enthusiasts." (Def.'s Special
25 Ex. 1, Ex. G.) That single article does not establish that BME stands for "body modification ezines"
26 generally, and in fact uses the acronym for something other than a class of goods known as body
modification ezines.

1 are on the inside. The LLC thus has presented evidence that BME is more than just a
2 generic abbreviation for a generic phrase, but has a meaning distinct from those words.

3 In sum, considering the strong presumption in favor of finding the LLC's mark is
4 valid and protectable, and viewing all facts and reasonable inferences therefrom in the light
5 most favorable to the LLC as the nonmoving party, genuine issues of material fact remain
6 that the "BME" mark is not generic. The Court therefore will deny Ricks' motion for
7 summary judgment on this issue.

8 **B. Registration Date**

9 The Court's aim in conducting statutory construction is to discern congressional
10 intent in enacting a particular statute. Cooper v. F.A.A., 596 F.3d 538, 544 (9th Cir. 2010).
11 The Court begins the statute's plain language. Id. If the statutory language is "plain and
12 unambiguous," the Court's inquiry is at an end. Id. "To discern the text's plain meaning,
13 words will be interpreted as taking their ordinary, contemporary, common meaning." Id.
14 (quotation omitted).

15 Pursuant to the ACPA, a person "shall be liable in a civil action by the owner of a
16 mark" if that person "registers, traffics in, or uses a domain name" with the bad faith intent
17 to profit from a famous or distinctive mark. 15 U.S.C. § 1125(d)(1)(A). The statute does
18 not refer to an original registration or the registration that creates the domain name. See So.
19 Grouts & Mortars, Inc. v. 3M Co., 575 F.3d 1235, 1239, 1245-46 (11th Cir. 2009)
20 (considering defendant's possible liability for re-registering domain name but finding no
21 bad faith intent to profit off the mark); Schmidheiny v. Weber, 319 F.3d 581, 582 (3d Cir.
22 2003) (holding that ACPA section prohibiting registration of a living person's name without
23 the person's consent and with the intent to profit was not limited to the domain name's
24 "creation date" because "the plain meaning of the word 'registration' is not limited to
25 'creation registration.'"). The Act provides no exception for re-registrations by the same
26 owner. Any registration thus may bring the registrant within the statute's purview.

1 Congressional intent would be undermined by Ricks' proposed interpretation. If
2 a domain name was registered in good faith originally, but thereafter re-registered in bad
3 faith, the cybersquatter would escape liability, a result not supportable by the statutory
4 scheme. See Lahoti v. VeriCheck, Inc., 586 F.3d 1190, 1202 (9th Cir. 2009) ("Evidence of
5 bad faith may arise well after registration of the domain name."); Schmidheiny, 319 F.3d at
6 583 ("To conclude otherwise would permit the domain names of living persons to be sold
7 and purchased without the living persons' consent, ad infinitum, so long as the name was
8 first registered before the effective date of the Act. We do not believe that this is the
9 correct construction of the Anti-cybersquatting Act."); Storey v. Cello Holdings, LLC, 347
10 F.3d 370, 385 (2d Cir. 2003) ("Congress intended the cybersquatting statute to make rights
11 to a domain-name registration contingent on ongoing conduct rather than to make them
12 fixed at the time of registration."). The Court therefore will deny Ricks' motion for
13 summary judgment to the extent it seeks a declaration that the original registration date is
14 the only relevant registration date in this action.

15 Ricks, either himself or through intermediaries, registered the bme.com website
16 in March and April 2005, October 2007, and June 2008. Consequently, if the LLC's
17 "BME" mark was distinctive or famous before any of these dates, Ricks would not be
18 entitled to summary judgment on the LLC's counterclaim for cybersquatting.

19 All of these dates pre-date the registration of the LLC's "BME" mark with the
20 PTO. However, the LLC has presented evidence raising a genuine issue of material fact
21 that the LLC or its predecessors¹⁰ owned common law rights to a distinctive mark in
22 "BME" prior to March 2000, March and April 2005, October 2007, and June 2008. The
23

24 ¹⁰ Ricks concedes, for purposes of this motion, that viewing the facts in the light most
25 favorable to LLC, it or its predecessors owned any intellectual property rights associated with the
26 BMezine business, to the extent any such intellectual property rights existed. (Pl.'s Mot. Summ. J.
(Doc. #55) at 7.)

1 LLC has presented evidence that BMEzine has been on the internet in one form or another
2 since 1994, and that it quickly thereafter gained fame in the relevant community. The LLC
3 also has presented evidence that those within the community knew of and referred to the
4 BMEzine as “BME,” and did so as a source identifier, not merely as an abbreviation for
5 body modification ezines generally. In addition to the relevant body modification
6 community, mainstream print sources referenced readers to the BMEzine website, and
7 referred to the business as “BME” prior to and after March 2000. None of those articles
8 referenced body modification ezines generally or used BME as an abbreviation for body
9 modification ezines as a class of products.

10 The LLC also has presented evidence that BMEzine used “BME” as a source
11 identifying mark. As discussed previously, BMEzine’s founder, Shannon Larratt, described
12 his use of the BME mark as more than just an abbreviation for “Body Modification Ezine.”
13 The BMEzine family of websites used BME in the website addresses themselves, in the text
14 of various website content, and as descriptors for segments of the BMEzine websites (i.e.,
15 “bme/hard”). Moreover, the LLC has presented evidence that the BME mark was viewed
16 as sufficiently valuable intellectual property to be the subject of a license agreement in
17 relation to the bmeshop website. Viewing the facts in the light most favorable to the LLC, a
18 genuine issue of fact remains as to whether the LLC owned protectable rights in a
19 distinctive mark consisting of the letters “BME” in relation to online body modification-
20 related content as of March 2000 and later. The Court therefore will deny Plaintiff’s motion
21 for summary judgment on Defendant LLC’s counterclaim for cybersquatting.

22 **V. GEE WHIZ’S MOTION FOR SUMMARY JUDGMENT (Doc. #56)**

23 Third Party Defendant Gee Whiz moves for summary judgment, arguing it never
24 has owned, registered, or used the domain name bme.com, it simply acted as a domain name
25 privacy service for Ricks. Defendant responds that Gee Whiz registered, trafficked in, or
26 used bme.com because it was the registrant of the domain name, and courts have held that

1 entities providing privacy services may be liable for cybersquatting. Alternatively,
2 Defendant argues Gee Whiz is Ricks' alter ego.

3 The Court will deny Gee Whiz's motion. As discussed in relation to Plaintiff
4 Ricks' motion for summary judgment, the Act predicates liability on registration, use, and
5 trafficking. That another person may have owned the domain name does not relieve Gee
6 Whiz of its own liability for its acts in registering, trafficking in, or using the domain name.
7 The LLC has presented evidence that as of May 9, 2008, Gee Whiz was identified as the
8 registrant of the bme.com website. (Def.'s Opp'n (Doc. #68), Ex. F.) Gee Whiz therefore
9 may be liable if it registered the domain name in bad faith, even if Ricks was the actual
10 owner of the domain name. The Court will deny Third Party Defendant Gee Whiz's motion
11 for summary judgment.

12 **VI. DEFENDANT'S MOTION FOR SUMMARY JUDGMENT ON ITS**
13 **COUNTERCLAIMS (Doc. #57/Doc. #61)**

14 Defendant moves for summary judgment on its counterclaims for cybersquatting
15 and trademark infringement and dilution. Defendant argues it owns the "BME" trademark,
16 and that mark has acquired distinctiveness in the relevant market. Defendant further argues
17 Ricks has demonstrated bad faith intent to profit from the BME mark, as he has been on
18 notice of potential infringement since at least 2004, he escalated his use of the mark to
19 include links to tattoo and piercing websites, he tried to sell the domain name at an
20 exorbitant price, and he is a serial cybersquatter. Defendant contends there is a likelihood
21 of confusion, as the marks are similar, offer related content, and use the same marketing
22 channels. Defendant also argues there is evidence of actual confusion in the record.
23 Finally, Defendant asserts there is no basis for safe harbor protection for Ricks.

24 Ricks and Gee Whiz respond by arguing the significance of various other exhibits
25 or statements in Defendant's motion, including Defendant's efforts to paint Ricks as a serial
26 cybersquatter. On the merits of the cybersquatting and trademark infringement claims,
Ricks and Gee Whiz argue Defendant did not own the rights to the Body Modification

1 Ezine marks at the time Ricks and/or Gee Whiz registered bme.com or at any time during an
2 alleged infringing use. Ricks and Gee Whiz also contend issues of fact remain as to
3 whether Ricks acted in bad faith, whether Defendant used “BME” as a source identifier,
4 and whether BME acquired distinctiveness as source identifier for Defendant. Finally,
5 Ricks and Gee Whiz argue that issues of fact remain as to likelihood of confusion. In reply,
6 Defendant objects to the declaration of Shannon Larratt as unsworn.

7 **A. Shannon Larratt’s Declaration**

8 Defendant LLC objects to the use of Shannon Larratt’s Declaration, attached as
9 exhibit 2 to Plaintiff Ricks’ opposition. Defendant LLC contends the declaration was not
10 made under penalty of perjury, and therefore cannot support Ricks’ opposition.

11 Shannon Larratt’s declaration states that he “declare[s] under penalty of perjury,
12 as follows” (Pl.’s Opp’n to Def.’s Mot. Summ. J. (Doc. #95), Ex. 2.) Shannon
13 Larratt’s declaration does not indicate where it was executed, but he states that he is a
14 resident of Ontario, Canada. (Id.) In paragraph 3, Shannon Larratt states that the
15 “statements herein are truthful.” (Id.) In paragraph 13, of this declaration, Shannon Larratt
16 avers that attached to the declaration as Exhibit A is “a true and correct copy of the
17 Responding Affidavit of Shannon Larratt dated October 25, 2007, including all exhibits,
18 filed in the Ontario Superior Court of Justice as part of the litigation Bmezine.com LLC and
19 Rachel Larratt v. Shannon Larratt, Court File NO. 07-CL-721, and all of the facts and
20 statements stated therein are truthful.” (Id.) Attached to Shannon Larratt’s declaration as
21 Exhibit A is a sworn affidavit filed by Shannon Larratt in Ontario Superior Court of Justice.
22 (Id., Attach. A.) The affidavit states that it is made under oath, and was sworn before the
23 Commissioner for Taking Affidavits in Toronto, Canada. (Id.)

24 Pursuant to 28 U.S.C. § 1746, if a matter is required or permitted to be supported
25 by a sworn declaration in writing, the requirement may be met by providing an unsworn
26 declaration so long as the declaration is signed by the maker as true under penalty of

1 perjury, and dated, in “substantially” the form set forth in the statute. If the declaration is
2 executed outside the United States, the suggested language is as follows:

3 I declare (or certify, verify, or state) under penalty of perjury under the
4 laws of the United States of America that the foregoing is true and
5 correct. Executed on (date).
(Signature).

6 28 U.S.C. § 1746(1). If the declaration is executed within the United States, the following
7 language is suggested:

8 I declare (or certify, verify, or state) under penalty of perjury that the
9 foregoing is true and correct. Executed on (date).
(Signature).

10 Id. § 1746(2). The purpose of the oath or affirmation is to ensure the declarant understands
11 “the legal significance of the declarant’s statements and the potential for punishment if the
12 declarant lies.” U.S. v. Bueno-Vargas, 383 F.3d 1104, 1111 (9th Cir. 2004).

13 Exhibit A to Shannon Larratt’s declaration is Shannon Larratt’s sworn affidavit.
14 Because that affidavit was sworn, the Court will deny the LLC’s objection. However,
15 Shannon Larratt’s declaration is not sworn, and does not substantially comply with § 1746.
16 Shannon Larratt states that he is making the declaration under penalty of perjury, and he
17 states that all statements therein are true. However, Shannon Larratt does not indicate he is
18 subject to the penalties of perjury in the United States. Because he avers he is a Canadian
19 citizen, and the declaration does not indicate where it was executed, the Court cannot be
20 certain that the declaration meets § 1746’s requirements.

21 The Court nevertheless will not strike the declaration, as its admission is
22 harmless. The critical facts which Shannon Larratt recites in the declaration regarding his
23 alleged ownership rights in the BMEzine intellectual property are repeated in the sworn
24 affidavit attached thereto. Thus, the declaration does not add any significant facts not
25 already set forth in the sworn affidavit. The Court therefore will consider the Shannon
26 Larratt sworn affidavit and unsworn declaration.

B. Ownership

To establish claims for cybersquatting under the ACPA and trademark infringement or dilution under the Lanham Act, the LLC “must demonstrate that it owns a valid mark.” Lahoti, 586 F.3d at 1196-97. A registration of a mark is prima facie evidence of the owner’s ownership of the mark. 15 U.S.C. § 1057(b). However, a trademark owner generally cannot sue for and recover damages for infringement that occurred prior to the owner acquiring the mark. H & J Foods, Inc. v. Reeder, 477 F.2d 1053, 1056 (9th Cir. 1973); George W. Luft Co. v. Zande Cosmetic Co., 142 F.2d 536, 541 (2d Cir. 1944). Where a mark owner acquires its rights in the mark through assignment, it acquires no right to sue for pre-assignment infringements unless its right to do so is expressly set forth in the assignment agreement, or if the parties’ contract provides for the acquisition of all the assets of the former trademark holder. H & J Foods, Inc., 477 F.2d at 1056; George W. Luft Co., 142 F.2d at 541-42; Lanard Toys Ltd. v. Novelty Inc., 511 F. Supp. 2d 1020, 1030 (C.D. Cal. 2007).

The LLC does not dispute that it had to own the marks at the time of the alleged infringement to bring its claims. Instead, it argues there is no issue of fact that it always has owned the BME marks. The LLC attempts to portray the dispute between the Larratts as a dispute over ownership of the LLC itself, rather than over the intellectual property. The LLC thus contends it always owned the intellectual property, and a dispute between the Larratts over who owned the LLC would not change the fact that the LLC owned the marks.

The evidence presented demonstrates that the dispute between the Larratts was not over who owned the LLC. Rather, their dispute was over whether the BME business and its related intellectual property was owned by the LLC or by Shannon Larratt individually, as a sole proprietor. Shannon Larratt never owned shares in the LLC, and never claimed to do so. Shannon Larratt contended that he owned the BMEzine business and its related intellectual property, including the BME trademark, individually and that the

1 LLC never owned that property until the parties settled their dispute and he assigned his
2 rights in BME to the LLC in September 2008. The LLC has presented no evidence
3 demonstrating any infringing activity after the assignment in September 2008. A genuine
4 issue of material fact therefore remains as to whether the LLC, as opposed to Shannon
5 Larratt, owned the BME business and related intellectual property rights at the time of the
6 alleged infringing activity.

7 The LLC makes no argument that the September 2008 assignment of whatever
8 rights Shannon Larratt had in the BME business and related intellectual property constituted
9 either an express assignment of the right to sue for past infringement, or a sale of all of
10 Shannon Larratt's assets to the LLC, which necessarily would include the right to sue for
11 past infringements. The Court therefore will not consider the issue.

12 Genuine issues of material fact remain as to whether the LLC owned the BME
13 mark at the time of any alleged infringement by Ricks in this action. The Court therefore
14 will deny the LLC's motion for summary judgment on its ACPA and trademark
15 infringement and dilution counterclaims.

16 **VII. DEFENDANT'S MOTION FOR SUMMARY JUDGMENT (Doc. #59/Doc. #62)**

17 Defendant moves for summary judgment on Ricks' claims asserted in the First
18 Amended Complaint. As to the reverse cybersquatting claim, Defendant argues Ricks will
19 be unable to establish legal use of the bme.com domain name. As to the second claim for
20 relief, Defendant contends it has the rights to trademark protection in the BME mark, either
21 through its registration or through the Lanham Act, and thus made no misrepresentation
22 regarding the domain name or its similarity to Defendant's mark. Defendant also argues
23 that even if Ricks could prevail on this claim, the relevant statute provides only for
24 injunctive relief, not damages. As to those claims asserting fraud, Defendants argue Ricks
25 lacks standing to challenge the registration, the statement that Defendant owned the rights
26 to its own marks was not fraudulent, Ricks has not been damaged, and Ricks ought to be

1 sanctioned under Rule 11 for maintaining these claims. Defendant also requests attorney's
2 fees under 15 U.S.C. § 1117(a).

3 Ricks responds by arguing some of the evidence on which Defendant relies is
4 inadmissible. Ricks also argues Defendant did not acquire the rights associated with
5 "BME" until after the alleged infringement. As to the reverse cybersquatting claim
6 specifically, Ricks argues he must show only that his actions were not illegal under the
7 ACPA, not the entire Lanham Act. Ricks further argues he need show only that his
8 registration or use was not unlawful, not both. As to the misrepresentation claims, Ricks
9 argues Defendant misrepresented its ownership in the alleged marks, and that suffices to
10 state a claim under the ACPA. Ricks claims he has standing to challenge the validity of
11 Defendant's trademark registrations, as his use of bme.com is affected thereby. Ricks
12 argues Rule 11 sanctions are inappropriate, as Defendant has not complied with Rule 11.
13 Finally, Ricks contends attorney's fees under § 1117(a) are not warranted.

14 **A. Reverse Hijacking**

15 Although the ACPA principally was aimed at prohibiting cybersquatting, the Act
16 also provides some protection to domain name registrants against "overreaching trademark
17 owners" who "reverse hijack" a domain name from a registrant where the registrant's
18 actions were lawful. Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona,
19 330 F.3d 617, 625 & n.1 (4th Cir. 2003) (quotations omitted). Pursuant to 15 U.S.C.
20 § 1114(2)(D)(v),

21 A domain name registrant whose domain name has been suspended,
22 disabled, or transferred under a policy described under clause (ii)(II)
23 may, upon notice to the mark owner, file a civil action to establish that
24 the registration or use of the domain name by such registrant is not
unlawful under this chapter. The court may grant injunctive relief to
the domain name registrant, including the reactivation of the domain
name or transfer of the domain name to the domain name registrant.

25 To prevail on a reverse hijacking claim, the domain name registrant must show "(1) that it is
26 a domain name registrant; (2) that its domain name was suspended, disabled, or transferred

1 under a policy implemented by a registrar as described in 15 U.S.C. § 1114(2)(D)(ii)(II);
2 and (3) that the owner of the mark that prompted the domain name to be suspended,
3 disabled, or transferred has notice of the action by service or otherwise.”¹¹ Barcelona.com,
4 Inc., 330 F.3d at 626. Additionally, the registrant must show that its registration or use of
5 the domain name is not unlawful under “this chapter.” 15 U.S.C. § 1114(2)(D)(v).

6 Although as codified the ACPA states the registrant must show its actions were
7 not unlawful under “this chapter,” the actual enactment states that the registrant must show
8 its actions were not unlawful under “this Act.” Pub. L. No. 106-113, 1501A-555, 113 Stat.
9 21. Courts have differed in describing whether the fourth requirement’s reference to “Act”
10 as originally enacted refers to the ACPA or the Lanham Act as a whole. See Storey v. Cello
11 Holdings, L.L.C., 347 F.3d 370, 382 n.9 (2d Cir. 2003) (noting issue but declining to decide
12 it); Barcelona.com, Inc., 330 F.3d at 628 n.2 (stating, in dicta in a footnote, that “Act” is
13 “defined to refer to the Trademark Act of 1946 (the Lanham Act)”; Sallen v. Corinthians
14 Licenciamentos LTDA, 273 F.3d 14, 18 (1st Cir. 2001) (describing, without analysis, a
15 reverse hijacking claim as one “for a declaration of nonviolation of the ACPA”).

16 As stated above, statutory construction begins the statute’s plain language.
17 Cooper, 596 F.3d at 544. If the statutory language is “plain and unambiguous,” the Court’s
18 inquiry is at an end. Id. The Court considers the statutory language in “the context of the
19 statute as a whole.” Andreu v. Ashcroft, 253 F.3d 477, 480 (9th Cir. 2001).

20 The ACPA as enacted does not define what it means by reference to the term
21 “Act.” However, it defines what it means when it is referring to the Lanham Act as a
22 whole:

23 Any reference in this title to the Trademark Act of 1946 shall be a
24 reference to the Act entitled “An Act to provide for the registration and
25 protection of trademarks used in commerce, to carry out the provisions
26 of certain international conventions, and for other purposes”, approved

¹¹ The parties do not dispute that Plaintiff Ricks will be able to establish these three elements.

1 July 5, 1946 (15 U.S.C. 1051 et seq.).

2 Pub. L. No. 106-113, 113 Stat. 1501, 1501A-548. The ACPA thus indicates that it is not
3 referring to the entire Lanham Act unless it references the Trademark Act of 1946.
4 Contextually, the ACPA uses the term “Act” to refer to the ACPA, not the Lanham Act in
5 its entirety. For example, it states that it “shall apply to domain names registered on or after
6 the date of the enactment of this Act.” Id.; see also Pub. L. No. 106-113, 113 Stat 1501,
7 1501A-550 (giving Secretary of Commerce 180 days after enactment of “this Act” to
8 conduct a study). Indeed, the ACPA refers to the “Act” and the “Trademark Act of 1946”
9 within the same section, confirming that in using the term “Act,” the ACPA is referring to
10 itself, not the Lanham Act as a whole:

11 Sections 3002(a), 3003, 3004, 3005, and 3008 of this title shall apply
12 to all domain names registered before, on, or after the date of the
13 enactment of this Act, except that damages under subsection (a) or (d)
14 of section 35 of the Trademark Act of 1946 (15 U.S.C. 1117), as
amended by section 3003 of this title, shall not be available with
respect to the registration, trafficking, or use of a domain name that
occurs before the date of the enactment of this Act.

15 Pub. L. No. 106-113, 113 Stat. 1501, 1501A-552. The Court therefore concludes that to
16 satisfy the ACPA’s requirement that a domain name registrant show that its conduct was
17 not unlawful under “this Act,” it must show its conduct was not unlawful under only the
18 ACPA, not the entire Lanham Act.

19 A person engages in unlawful conduct under the ACPA if he (1) registers, uses,
20 or traffics in a domain name that (2) is identical or confusingly similar to a distinctive mark,
21 or is identical, confusingly similar to, or dilutive of a famous mark, (3) with a bad faith
22 intent to profit from that mark. 15 U.S.C. § 1125(d)(1)(A). The ACPA sets forth factors to
23 consider to determine bad faith. Id. § 1125(d)(1)(B)(i). These factors are not “an exclusive
24 list.” Interstellar Starship Servs., Ltd. v. Epix, Inc., 304 F.3d 936, 946-47 (9th Cir. 2002).
25 Rather, “the most important grounds for finding bad faith are the unique circumstances of
26 the case, which do not fit neatly into the specific factors enumerated by Congress.” Id.

1 (quotation omitted). The ACPA also contains a safe harbor provision, precluding a finding
2 of bad faith “in any case in which the court determines that the person believed and had a
3 reasonable grounds to believe that the use of the domain name was fair use or otherwise
4 lawful.” 15 U.S.C. § 1125(d)(1)(B)(ii).

5 As discussed above with respect to Ricks’ motion for partial summary judgment,
6 Ricks registered the bme.com website in March 2000, June 2005, October 2007, May 2008,
7 and June 2008. Ricks therefore must not have acted in bad faith in any of these
8 registrations to sustain his reverse hijacking claim.¹² Ricks’ bme.com domain name is
9 identical to the LLC’s BME mark. Consequently, to prevail on his reverse hijacking claim,
10 Ricks would have to show that the BME mark was not distinctive or famous when he
11 registered his domain name, and/or that he did not act in bad faith.

12 1. Distinctive

13 A person is liable for cybersquatting only if the mark upon which the domain
14 name allegedly infringes was “distinctive at the time of registration of the domain name.”
15 15 U.S.C. § 1125(d)(1)(A)(ii)(I); Lahoti, 586 F.3d at 1197. Marks generally are classified
16 in one of five categories: “(1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5)
17 fanciful.” Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992). Suggestive,
18 arbitrary, and fanciful marks are inherently distinctive and thereby automatically entitled to
19 federal trademark protection because “their intrinsic nature serves to identify a particular
20 source of a product.” Id. A descriptive mark is not automatically entitled to trademark
21 protection, but may become protectable if the mark has acquired distinctiveness through
22

23 ¹² Ricks argues that under the ACPA, his reverse hijacking claim may succeed if he shows
24 either that his registration or his use were not unlawful. Ricks does not attempt to defend his
25 registration or use beyond arguing that at the time of the registrations and alleged trademark
26 infringement, the LLC did not own the BME mark. (Pl.’s Opp’n (Doc. #95) at 22.) As discussed
below, issues of fact surrounding the LLC’s ownership of the mark are irrelevant for purposes of
determining whether Ricks may establish his reverse hijacking claim.

1 secondary meaning. Zobmondo Entmt., LLC v. Falls Media, LLC, 602 F.3d 1108, 1113
2 (9th Cir. 2010) (citing 15 U.S.C. § 1052(f)).

3 The Court previously ruled that Ricks has not demonstrated, as a matter of law,
4 that the BME mark is generic. The Court now further concludes that, even viewing the
5 facts in the light most favorable to Ricks as the nonmoving party, Ricks has failed to raise a
6 genuine issue of material fact that the BME mark is generic, for the same reasons as set
7 forth above. The question thus becomes whether the BME mark is arbitrary, fanciful,
8 suggestive, or descriptive.

9 The mark is neither arbitrary nor fanciful, as the mark is meant to be, at least in
10 part, an acronym for BMEZine. See Lahoti, 586 F.3d at 1197 (giving examples of fanciful
11 or arbitrary marks such as the mark Exxon for gas and Xerox for copiers). The question
12 thus is whether the BME mark is suggestive or descriptive.

13 Whether a mark is suggestive or descriptive depends on the goods or services
14 with which the mark is associated. Zobmondo, 602 F.3d at 1114. Consequently, the Court
15 must determine the mark's classification in context, "by reference to the goods or services
16 that it identifies." Id. (quotation omitted).

17 Distinguishing between suggestive and descriptive marks sometimes is a simple
18 task. For example, "if a restaurant chain sought a trademark in a name such as 'Delicious
19 Foods,' or a taxicab company sought a trademark in the name 'Reliable Cab,'" such marks
20 would be descriptive. Lahoti, 586 F.3d at 1197. Other times, however, the line between
21 suggestive and descriptive marks is not as easy to draw. Zobmondo, 602 F.3d at 1114.

22 To assist in the determination, courts generally apply two tests, the "imagination"
23 test and the "competitors' needs" test. The primary test is the imagination test, which "asks
24 whether imagination or a mental leap is required in order to reach a conclusion as to the
25 nature of the product being referenced." Id. at 1115. For example, the mark
26 "ENTREPRENEUR" for a magazine is descriptive because "an entirely unimaginative,

1 literal-minded person would understand the significance of the reference.” Id. (quotation
2 omitted)). In contrast, the mark “ROACH MOTEL” is suggestive because an ordinary
3 consumer would imagine “a fanciful abode for roaches in an establishment normally
4 frequented by human [travelers].” Id. (quotation omitted). In other words, a suggestive
5 mark “does not describe the product’s features, but suggests them,” while a descriptive
6 mark describes the good’s or service’s qualities or characteristics. Id. at 1114 (emphasis
7 and quotation omitted).

8 The competitors’ needs test looks at the extent to which competitors actually
9 need the mark in question to identify their goods or services. Id. at 1117. “If competitors
10 have a great need to use a mark, the mark is probably descriptive; on the other hand, if the
11 suggestion made by the mark is so remote and subtle that it is really not likely to be needed
12 by competitive sellers to describe their goods or services[,] this tends to indicate that the
13 mark is merely suggestive.” Id. (quotation omitted). The two tests are interrelated, because
14 the “more imagination that is required to associate a mark with a product or service, the less
15 likely the words used will be needed by competitors to describe their products or services.”
16 Id. (quotation omitted).

17 Using the imagination test, the Court concludes the consumer needs to use little
18 to no imagination to determine the nature of the product or services the LLC offers under
19 the BME mark when considered in context of the LLC’s actual website. The consumer
20 must make the mental leap from the acronym BME to the name of the business, BMEzine,
21 or Body Modification Ezine. But no further leap is required. While Shannon Larratt
22 expressed a further meaning in the BME mark to include “Be Me,” the play on the
23 acronym’s potential dual meaning does not, by itself, render the mark suggestive rather than
24 descriptive.

25 The competitors’ needs test is less helpful in this situation largely because the
26 parties have produced no evidence that a single competitor describes itself as a body

1 modification ezine. Thus, it is unclear whether the LLC has any direct competitors.
2 Presuming some form of competition exists in terms of web sites or online communities
3 which provide information on body modification, including photo sharing and an interactive
4 community, there is no evidence that any such competitor has a great need to use the BME
5 mark, either as an acronym or the words “body modification ezine.” While a competitor
6 likely would need to use the words “body modification” to describe the content of its
7 products or services, it is not clear that a competitor would need to use the term “ezine.”
8 The fact that the parties have presented no evidence that a competitor in fact has needed to
9 describe itself by reference to the mark’s terms suggests that no need exists. However, that
10 lack of use may be indicative of a lack of competition, rather than a lack of need to use the
11 mark if actual competitors existed.

12 Because the imagination test is the primary test, the Court concludes that the
13 BME mark, in the context of a mark for Body Modification Ezine, is descriptive, not
14 suggestive. Consequently, the mark is entitled to trademark protection only if it has
15 acquired a secondary meaning.

16 A descriptive mark may be distinctive, and thus entitled to trademark protection,
17 if it “has become distinctive of the applicant’s goods in commerce.” 15 U.S.C. §§ 1052(e),
18 (f). Acquired distinctiveness is known as “secondary meaning.” Two Pesos, Inc., 505
19 U.S. at 769. A descriptive mark acquires secondary meaning when the consuming public’s
20 mind associates the mark with the producer of goods or services, rather than with the goods
21 or services themselves. Japan Telecom, Inc. v. Japan Telecom Am. Inc., 287 F.3d 866, 873
22 (9th Cir. 2002). To determine whether a mark has acquired secondary meaning, the Court
23 evaluates various factors, including:

- 24 (1) whether actual purchasers of the product bearing the claimed
25 trademark associate the trademark with the producer, (2) the degree
26 and manner of advertising under the claimed trademark, (3) the length
and manner of use of the claimed trademark, and (4) whether use of the
claimed trademark has been exclusive.

1 Id. (quotation omitted). A weak descriptive mark will require a stronger showing of
2 secondary meaning. Id. Whether a mark has acquired secondary meaning is a question of
3 fact. Id.

4 The evidence before the Court establishes that the consuming public associates
5 the BME mark in the context of the body modification market as being associated with
6 BMEzine as a source identifier rather than as an identifier of a class of goods. The LLC has
7 presented evidence from Vidra, Angel, Wimberly, and Falkner that the consuming public
8 associates “BME” as a source-identifier with BMEzine, and Ricks has presented no
9 contrary evidence. There is no evidence regarding the degree and manner of advertising
10 under the BME trademark beyond BMEzine’s existence and use of the BME mark for many
11 years on the various websites which use a “bme” prefix, such as bmeshop. However, as
12 discussed previously, independent media sources outside the body modification community
13 referred to BMEzine as “BME.” The LLC has presented evidence that it or its predecessors
14 have used the BME mark since the mid-1990s, and has licensed use of the BME mark in
15 relation to the bmeshop website. No evidence has been presented that any entity other than
16 BMEzine has used the BME mark in connection with body modification products or
17 services. No genuine issue of material fact remains that the BME mark was distinctive as a
18 descriptive mark which acquired secondary meaning before March 2000. Ricks therefore
19 will not be able to prevail on his reverse hijacking claim by showing the BME mark was not
20 distinctive prior to his allegedly infringing conduct.

21 2. Bad Faith

22 The statutory factors evaluating bad faith are as follows:

- 23 (I) the trademark or other intellectual property rights of the person, if
24 any, in the domain name;
25 (II) the extent to which the domain name consists of the legal name of
26 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;

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

2 (V) the person's intent to divert consumers from the mark owner's
3 online location to a site accessible under the domain name that could
4 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;

5 (VI) the person's offer to transfer, sell, or otherwise assign the domain
6 name to the mark owner or any third party for financial gain without
7 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;

8 (VII) the person's provision of material and misleading false contact
9 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;

10 (VIII) the person's registration or acquisition of multiple domain
11 names which the person knows are identical or confusingly similar to
12 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

13 (IX) the extent to which the mark incorporated in the person's domain
14 name registration is or is not distinctive and famous within the
meaning of subsection (c) of this section.

15 15 U.S.C. § 1125(d)(1)(B)(i).

16 Ricks has presented no evidence that he owns a trademark or other intellectual
17 property rights in bme.com. Ricks made no bona fide noncommercial or fair use of the bme
18 mark or the bme.com website. Ricks originally used the domain to offer bona fide
19 commercial services when he initially registered it in March 2000, as he used it merely to
20 direct traffic to his motherboards.com website through which he sold computer
21 components. However, Ricks subsequently "parked" the site, receiving pay-per-click fees
22 during which time the site hosted links labeled, among other things, for tattoos, body
piercing, body jewelry, and body modification.

23 Although intent usually is a fact question, the circumstances compel the
24 conclusion that Ricks intended to divert consumers from the LLC's bmezine.com website to
25 bme.com for commercial gain through confusing similarity in the marks and content. The
26

1 bme.com domain name consists of the name the LLC commonly uses to identify itself.
2 After Ricks converted the site to pay-per-click, the site included links to topics related to
3 body piercing, tattooing, and body modification, and featured pictures of women with
4 tattoos or a man giving another person a tattoo. The bme.com website contained these links
5 and pictures to profit off of confusion by web users seeking out BMEzine based on the
6 LLC's mark. Ricks offers no explanation for how these types of links and pictures were
7 selected for the bme.com site, as opposed to links for some other type of service or product.
8 Ricks was aware of some customer confusion, as he admitted receiving email through the
9 bme.com website which sought to reach BMEzine's customer service, rather than his own
10 website. Ricks acknowledges he viewed the BMEzine website, likely in response to this
11 email, and thus was aware of the BMEzine website content. Ricks could have advised the
12 parking company to change the links on bme.com but did not do so. Indeed, Ricks testified
13 he would not do so unless and until he received a cease and desist notice. (Def.'s Exs., Ex.
14 B at 142.)

15 Although Ricks argues the BME mark lacks distinctiveness, the evidence
16 presented establishes that the mark was distinctive within the body modification
17 community. Ricks intended to profit off of the mark's distinctiveness to the body
18 modification audience by providing pay-per-click links associated with body modification,
19 the very distinctiveness which he now disclaims. That bme.com's content consisted of
20 tattoo, piercing, and body modification was no accident or coincidence. Ricks did not place
21 other content on the site that might correspond to another meaning for the three letters
22 "bme."

23 Ricks' bad faith is evident when considered in the context of Ricks' history and
24 knowledge. Ricks previously has been found to have registered, trafficked in, or used
25 domain names in bad faith. See, e.g., Rewe Touristik Hotels & Investment GmbH v. Gee
26 Whiz Domains Privacy Servs. & Gregory Ricks, WIPO Case No. D2008-1342 (Oct. 29,

1 2008) (finding bad faith registration and use of lti.com); Digital Spy Ltd. v. Moniker
2 Privacy Servs. & Express Corp., WIPO Case No. D2007-0160 (Apr. 4, 2007) (finding bad
3 faith registration of digitalspy.com); Philip Morris USA Inc. v. Domain Admin., WIPO
4 Case No. D2005-0108 (Mar. 24, 2005) (finding bad faith registration of virginiaslims.com);
5 Welch Foods, Inc. v. MSS, WIPO Case No. D2001-1065 (Dec. 17, 2001) (finding bad faith
6 registration of welches.com). Ricks therefore should have been aware that his conduct in
7 placing body modification content on the bme.com website and re-registering the site
8 thereafter might be unlawful. Instead of altering the content to avoid possible infringement,
9 the bme.com website became increasingly focused on body modification content. No
10 genuine issue of material fact remains that Ricks will not be able to demonstrate his conduct
11 was not unlawful.¹³

12 The parties dispute, however, whether Ricks must show his conduct was not
13 unlawful as to the mark owner, or whether he must show his conduct was not unlawful as to
14 the party in whose favor the domain name was transferred in the WIPO proceeding. In
15 most cases, the mark owner will be the party who prevailed in the WIPO proceeding. Here,
16 however, as stated above, a genuine issue of material fact remains as to whether the LLC
17 owned the BME mark at the time of the alleged infringing activity. Consequently, Ricks
18 argues that because a genuine issue of fact remains as to whether his conduct was “not
19 unlawful” as to the LLC, a genuine issue of fact remains with respect to his reverse
20 hijacking claim.

21
22 ¹³ The evidence on Ricks’ offer to sell the bme.com website to the LLC as the mark
23 owner is equivocal. Ricks advised Shannon Larratt the website was not for sale, and sought
24 no funds for the domain name at that time. When Rachel Larratt sought to purchase the domain
25 name in late 2007 and early 2008, Moniker acted as a middleman between Rachel Larratt and
26 Ricks. No evidence demonstrates that Ricks, rather than Moniker, continuously raised the price
on the domain name. Further, the evidence related to the registration information is not
definitive. Ricks did not provide false or misleading registration information, but he did
change that information frequently. Ricks has offered explanations for each of these changes.

1 The ACPA’s text does not clearly resolve whether, to sustain a reverse domain
2 name hijacking claim, the registrant must show his conduct was not unlawful as to the
3 person to whom the domain name was transferred, or whether he must show his conduct
4 was not unlawful generally. The Act requires notice of the suit to the mark owner. But as
5 to the fourth requirement, the Act requires the registrant to show his conduct was “not
6 unlawful,” without specifying whether the registrant must make this showing as against the
7 entity to whom the domain name was transferred, or as against the world.

8 Because the registrant in a reverse domain name hijacking case seeks equitable
9 relief from the Court in the form of an injunction returning the domain name to him, he
10 must come to the Court with clean hands. Cf. U.S. v. Kaczynski, 551 F.3d 1120, 1129 (9th
11 Cir. 2009) (holding criminal defendant had unclean hands and could not seek return of his
12 property even if property was not itself contraband). “This maxim is a self-imposed
13 ordinance that closes the doors of a court of equity to one tainted with an inequitableness or
14 bad faith relative to the matter in which he seeks relief, however improper may have been
15 the behavior of the defendant.” E.E.O.C. v. Recruit U.S.A., Inc., 939 F.2d 746, 752 (9th
16 Cir. 1991).

17 Having acted in bad faith, the Court will not return the bme.com website to Ricks
18 even though an issue of fact exists as to whether Defendant LLC owned the BME mark at
19 the time of the alleged infringement. Ricks comes to the Court with unclean hands
20 regardless of who actually owned the BME mark at the time of Ricks’ conduct, and he
21 therefore will not be heard to seek return of the very website he registered in bad faith.

22 As a matter of law, Ricks cannot establish his conduct was not unlawful under
23 the ACPA. The Court therefore will grant Defendant LLC’s motion for summary judgment
24 on Ricks’ reverse hijacking claim.

25 ///

26 ///

1 **B. Fraud in Domain Dispute Proceeding**

2 Ricks' second cause of action alleges the LLC committed fraud in the domain
3 dispute proceeding because it instituted and maintained the proceeding when it did not yet
4 own the rights to the BME mark. The LLC responds that it owned the rights to the mark,
5 and even if it did not, Ricks cannot show the requisite intent to support this claim.

6 Under the ACPA, if a registration authority transfers, disables, or cancels a
7 domain name "based on a knowing and material misrepresentation by any other person that
8 a domain name is identical to, confusingly similar to, or dilutive of a mark," the domain
9 name registrant may recover damages against the person making the misrepresentation. 15
10 U.S.C. § 1114(2)(D)(iv). The domain name registrant also may obtain injunctive relief,
11 including transfer of the domain name. Id.

12 No genuine issue of material fact remains that Ricks will not be able to prevail on
13 this claim. By its plain terms, the statutory section provides for a cause of action for a
14 knowing and material misrepresentation that a domain name is identical to, confusingly
15 similar to, or dilutive of a mark. It does not provide a cause of action for a knowing and
16 material misrepresentation regarding ownership of that mark. Even assuming Ricks had
17 sufficient evidence to raise an issue of fact that Rachel Larratt knowingly misrepresented
18 the ownership of the BME mark, that is not the type of misrepresentation punishable by this
19 section. Ricks contends the section clearly was intended to reach misrepresentations by
20 trademark owners, but the statutory section neither limits the persons to whom it applies,
21 nor broadens the subject matter to include misrepresentations about ownership. The plain
22 language of § 1114(2)(D)(iv) covers misrepresentations by any person, but only
23 misrepresentations about whether the domain name is identical to, confusingly similar to, or
24 dilutive of a mark. The Court therefore will grant Defendant's motion for summary
25 judgment on count two of Ricks' First Amended Complaint.

26 ///

1 **C. Fraud in Registration/Cancellation of Mark**

2 Ricks' third claim for relief is for fraud in the registration of the BME mark.
3 Ricks' fourth claim is for cancellation of the BME mark due to fraud in the application to
4 obtain the mark. Ricks alleges that Rachel Larratt knowingly misrepresented the LLC's
5 ownership in the BME mark because at the time the LLC applied to the PTO for the mark,
6 it was embroiled in a dispute with Shannon Larratt over who owned the mark. The LLC
7 moves for summary judgment on this claim, arguing it always has owned the BME mark,
8 and therefore there was no fraud. The LLC also argues that even if it did not, Ricks cannot
9 produce evidence raising an issue of fact that any such false statement was knowingly made
10 with the requisite intent.

11 Pursuant to 15 U.S.C. § 1120, any person who procures PTO registration of a
12 mark "by a false or fraudulent declaration or representation, oral or in writing, or by any
13 false means, shall be liable in a civil action by any person injured thereby for any damages
14 sustained in consequence thereof." To prove a federal trademark was procured by fraud,
15 the plaintiff must prove:

16 (1) the false representation regarding a material fact; (2) the
17 registrant's knowledge or belief that the representation is false
18 (scienter); (3) the intention to induce action or refraining from action in
19 reliance on the misrepresentation; (4) reasonable reliance on the
20 misrepresentation; and (5) damages proximately resulting from such
21 reliance.

22 Stanfield v. Osborne Indus., Inc., 52 F.3d 867, 874 (10th Cir. 1995) (quotation omitted).

23 The question is not whether the statement is factually false, but whether the applicant
24 subjectively believed it was false at the time he or she made the representation. Id. If this
25 showing is made, the mark's registration may be cancelled. 15 U.S.C. § 1064(3). "[T]he
26 burden of proving that a party fraudulently procured a trademark registration is heavy."

Robi v. Five Platters, Inc., 918 F.2d 1439, 1444 (9th Cir. 1990).

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1 No genuine issue of material fact remains that Ricks will not be able to meet his
2 heavy burden of showing Rachel Larratt, on behalf of the LLC, made a false representation
3 in obtaining the BME trademark. Rachel Larratt consistently maintained her belief that the
4 LLC owned the rights to the BMEzine business and its related intellectual property. She
5 testified under oath that at the time she made the ownership statement in support of the PTO
6 application, she believed the LLC owned those rights. That she and her husband disputed
7 the ownership does not show that she knew or believed her representation that the LLC
8 owned the mark was false. She disputed, and continues to dispute, Shannon Larratt's
9 ownership claims. Moreover, she testified that the parties had reached a verbal settlement
10 regarding their ownership dispute prior to the PTO application being filed. The Court
11 therefore will grant Defendant's motion for summary judgment on counts three and four of
12 the First Amended Complaint.

13 **D. Request for Sanctions and Attorney's Fees**

14 The Court will deny Defendant LLC's request for sanctions under Federal Rule
15 of Civil Procedure 11 as Defendant has made no showing of compliance with the Rule. The
16 Court also will deny the request for attorneys' fees under 15 U.S.C. § 1117(a). Attorneys'
17 fees are available in exceptional cases, such as "where the acts of infringement can be
18 characterized as malicious, fraudulent, deliberate, or willful." Rio Properties, Inc. v. Rio
19 Int'l Interlink, 284 F.3d 1007, 1023 (9th Cir. 2002). The case is not exceptional for the
20 claims upon which Defendant is the prevailing party. Defendant has shown only that Ricks
21 is not entitled to prevail on any of his claims against the LLC. Defendant has not
22 established Ricks' conduct was malicious, fraudulent, deliberate, or willful as to Defendant
23 LLC with respect to the claims upon which Defendant LLC has prevailed at this stage of
24 the proceedings. The Court's ruling is without prejudice to a future request for attorneys'
25 fees, should Defendant prevail on its claims against Ricks.

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1 **VIII. CONCLUSION**

2 IT IS THEREFORE ORDERED that Plaintiff/CounterDefendant Gregory Ricks
3 (“Ricks”) and CounterDefendant Gee Whiz Domains, Inc.’s (“Gee Whiz”) Motion for
4 Partial Summary Judgment (Doc. #55) is hereby DENIED.

5 IT IS FURTHER ORDERED that Third Party Defendant Gee Whiz Domains,
6 Inc.’s Motion for Summary Judgment (Doc. #56) is hereby DENIED.

7 IT IS FURTHER ORDERED that Defendant’s Motion for Summary Judgment
8 on Its Counterclaims (Doc. #57/Doc. #61) is hereby DENIED.

9 IT IS FURTHER ORDERED that Defendant’s Motion for Summary Judgment
10 (Doc. #59/Doc. #62) is hereby GRANTED in part and DENIED in part. The motion is
11 granted as to counts one, two, three, and four of Plaintiff Ricks’ First Amended Complaint.
12 The motion is denied to the extent it requests sanctions or attorneys’ fees.

13 IT IS FURTHER ORDERED that Plaintiff’s Motion to Strike (Doc. #67), is
14 hereby GRANTED in part and DENIED in part. The motion is granted as to the Walters
15 declaration. The motion is denied in all other respects.

16 IT IS FURTHER ORDERED that the parties shall file the proposed joint pretrial
17 order within thirty (30) days from the date of this Order.

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19 DATED: July 26, 2010

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21 PHILIP M. PRO
22 United States District Judge
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