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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91167207
Party	Defendant DVD WORLD Pictures Corp.
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Attachments	DVD WORLD - Applicants 2nd Notice of Reliance - FINAL.pdf (4 pages)(31785 bytes) DVD WORLD - Applicants 2nd Notice of Reliance - Ex 6 - 9 BINDER.pdf (274 pages)(2508166 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

Applicant DVD WORLD Pictures Corp. (“Applicant”) hereby gives notice that it will rely on the following materials in the captioned proceeding, copies of which are attached to this notice except where noted:

Exhibit 6: Pursuant to 37 CFR § 2.122(e), Applicant relies on official and public records from the U.S. District Court, Western District of Washington at Seattle in *Lahoti v. Vericheck, Inc.*, Cause No. 06-1132; and the United States Court of Appeals for the Ninth Circuit, CV-06-01132-JLR, namely the: Ninth Circuit Opinion (Ex. 6-A), W.Dist. of WA. Order (Ex. 6-B), W.Dist. of WA. Findings of Fact and Conclusion of Law (Ex. 6-C), and Bench Trial Transcript of Proceedings (Ex. 6-D). These materials are relevant because they contain information regarding Opposer’s standing, or lack thereof; Opposer’s services; the credibility of Opposer’s witness David Lahoti; and other claims alleged in the Notice of Opposition and answer thereto.

Exhibit 7: Pursuant to 37 CFR § 2.122(e), Applicant relies on official and public records from the U.S.P.T.O., namely TARR printouts from uspto.gov showing Opposer’s brother, David Lahoti or Opposer’s relative Ravi Lahoti, or a relative or alias of these persons, as owner of more

than 25 abandoned trademark applications. These materials are relevant because they contain information regarding Opposer's standing, or lack thereof; Opposer's services; the credibility of Opposer's witness David Lahoti; and other claims alleged in the Notice of Opposition and answer thereto.

Exhibit 8: Pursuant to 37 CFR § 2.122(e), Applicant relies on the official and public records from WIPO Arbitration and Mediation Center in the following proceedings: Case No. D2000-0110 (Ex. 8-A), D2003-0428 (Ex. 8-B), D2003-0797 (Ex. 8-C), and D2008-1183 (Ex. 8-D). Virtual Point, Inc. and/or David Lahoti is a party to each of these proceedings. David Lahoti is the owner and president of Virtual Point, Inc. See Lahoti Deposition, November 12, 2009, at pp.21-2. Ravi Lahoti is a relative of Opposer and/or David Lahoti. See Lahoti Deposition, November 12, 2009, at pp.27-28. These materials are relevant because they contain information regarding the standing of Opposer, or lack thereof; Opposer's services; the credibility of Opposer's witness David Lahoti; and other claims alleged in the Notice of Opposition and answer thereto.

Exhibit 9: Pursuant to 37 CFR § 2.122(e), Applicant relies on the official and public records from the U.S. District Court, Central District of California, in *E-Stamp Corp. v. Lahoti*, No. CV-99-9287, 2000 WL 33732808, namely the Judgment on Court Trial and Permanent Injunction (Ex. 9-A) and Findings of Fact and Conclusion of Law Presented by Plaintiff E-Stamp Corporation (Ex. 9-B). These materials are relevant because they contain information regarding the standing of Opposer, or lack thereof; Opposer's services; the credibility of Opposer's witness David Lahoti; and other claims alleged in the Notice of Opposition and answer thereto..

Dated this 22nd day of February, 2010.



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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of APPLICANT'S SECOND NOTICE OF RELIANCE has been served on the following by delivering said copy on February 22, 2010, via First Class mail, to counsel for Opposer at the following address:

R. JOSEPH TROJAN
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BEVERLY HILLS, CA 90212

By: 

Erik M. Pelton, Esq.

CERTIFICATE OF MAILING

I hereby certify that a true and accurate copy of APPLICANT'S SECOND NOTICE OF RELIANCE is being sent today on February 22, 2010, via First Class Mail, postage prepaid, to the Trademark Trial and Appeal Board at the following address:

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

By: 

Erik M. Pelton, Esq.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 6-A

FOR PUBLICATION
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

DAVID LAHOTI, an individual, <i>Plaintiff-Appellant,</i> v. VERICHECK, INC, a Georgia Corporation, <i>Defendant-Appellee.</i>
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No. 08-35001
D.C. No.
CV-06-01132-JLR
OPINION

Appeal from the United States District Court
for the Western District of Washington
James L. Robart, District Judge, Presiding

Argued and Submitted
March 9, 2009—Seattle, Washington

Filed November 16, 2009

Before: William A. Fletcher, Ronald M. Gould, and
Richard C. Tallman, Circuit Judges.

Opinion by Judge Gould

COUNSEL

Derek A. Newman, Randall Moeller, and John Du Wors,
Newman & Newman, Attorneys at Law, LLP, Seattle, Wash-
ington, for the plaintiff-appellant.

Shannon M. Jost and Aviva Kamm, Stokes Lawrence, P.S.,
Seattle, Washington, for the defendant-appellee.

OPINION

GOULD, Circuit Judge:

David Lahoti appeals the district court’s bench trial judgment that his use of the “VeriCheck” Georgia state service mark owned by VeriCheck, Inc. violated the Anti-Cybersquatting Consumer Protection Act (“ACPA”), 15 U.S.C. § 1125(d), the Lanham Act, 15 U.S.C. §§ 1051 et seq., the Washington Consumer Protection Act (“WCPA”), Wash. Rev. Code § 19.86, and various Washington common law doctrines. Lahoti, who has previously been found liable for cybersquatting activities, obtained the domain name “verichack.com,” but did not use the website to offer any goods or services. We conclude that the district court’s factual decision that the “VeriCheck” mark was a distinctive, legally protectable mark under the ACPA and federal trademark law was based in part on reasoning contrary to federal trademark law and based in part on reasoning that could support the district court’s conclusion. Because we believe the district court should decide the issue of distinctiveness in light of the principles we explain, we vacate the district court’s opinion and remand for further proceedings not inconsistent with this opinion.

I

VeriCheck, Inc. (“VeriCheck”) is a Georgia corporation that provides electronic financial transaction processing services, including check verification, check guarantee, check collection, account verification, automated check handling, and payment processing services. VeriCheck has advertised itself on its website as “[t]he leader in Check Verification and Guar-

tee Services,” and check verification underlies a large part of its operations. VeriCheck operates a website at vericheck.net and also owns the domain names vericheck.org, vericheck.cc, vericheck.us and vericheck.biz. VeriCheck unsuccessfully attempted to secure the vericheck.com domain name (the “Domain Name”) from a Canadian company in 1999.

In 2001 VeriCheck gained a Georgia state registration for its service mark,¹ which consists of a checkmark over the word “VeriCheck” (the “Disputed Mark”). The Georgia registration states that the mark is used in connection with “Check Verification and Check Collection Services.” VeriCheck tried to obtain federal registration of the Disputed Mark, but in 2003 the United States Patent and Trademark Office (“PTO”) denied the application because an Arizona company (the “Arizona Company”) had already registered a “VeriCheck” trademark (the “Arizona Mark”) for use with “check verification services.” The Arizona Company first obtained federal registration in 1975 and renewed its mark in 1996. The Arizona Company did not use the Arizona Mark in connection with services that compete with VeriCheck, and there is no evidence that the Arizona Mark was used on the Internet. The Arizona Company did not further renew its registration in 2006, and its mark expired while this case was pending.

David Lahoti considers himself an “Internet entrepreneur.” Lahoti claims that in the late 1990s he contemplated going into the business of transaction verification and security. As a preliminary move, as he tells it, he began registering a number of domain names with the “veri-” prefix. Lahoti successfully acquired the vericheck.com domain name in 2003, but he never developed a transaction verification service. Instead,

¹Under the Lanham Act, “the only difference between a trademark and a service mark is that a trademark identifies goods while a service mark identifies services. Service marks and trademarks are governed by identical standards” *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1156 (9th Cir. 2001) (citations omitted).

the vericheck.com website consisted only of a few lines of code redirecting visitors to a different website with search result links, including links to Vericheck's competitors. Lahoti earned income when visitors to vericheck.com clicked on links at the website to which they were redirected.

Vericheck frequently received calls from its customers complaining that they were confused because they visited vericheck.com but could not find information on Vericheck. Lahoti told the district court that before registering the Domain Name in 2003 he performed a trademark search and Internet search and he concluded that his use of the Domain Name would not be a trademark issue. He also said that when he reserved the Domain Name he was not aware of Vericheck's existence.

This case does not reflect the first time Lahoti has registered domain names that were similar to the names or trademarks of other companies.² Lahoti had previously registered more than four hundred domain names containing the trademarks of other companies, including nissan.org, 1800mat-

²Lahoti's past condemnation as a cybersquatter has no bearing on the classification of Vericheck's Disputed Mark as suggestive, and thereby distinctive, or merely descriptive, and thereby not entitled to trademark protection. As one example, the text of the ACPA states that a cybersquatter is liable if he or she uses a domain name that "in the case of a mark *that is distinctive* at the time of registration of the domain name, is identical or confusingly similar to that mark." 15 U.S.C. § 1125(d)(1)(A) (emphasis added). Similarly, the distinctiveness of the Disputed Mark is a prerequisite to claims of trademark infringement under federal and state law trademark claims. *See generally* 2 McCarthy on Trademarks and Unfair Competition § 11:2 (4th ed.).

However, we would be remiss if we did not note Lahoti's cybersquatting activities, because they are relevant under the ACPA to whether a person acted in bad faith. *See* 15 U.S.C. § 1125(d)(1)(B)(i)(VIII) (providing that in evaluating bad faith under the ACPA, courts should consider "the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive").

tress.com, and ebays.com. In at least two cases, the United Nations World Intellectual Property Organization ordered Lahoti to give up control of some of his domain names because they infringed on a trademark. In 2000 the United States District Court for the Central District of California in *E-Stamp Corp. v. Lahoti* (the “E-Stamp Case”), No. CV-99-9287, concluded that Lahoti was a “cybersquatter” and that his registration, attempted sale, and use of the estamps.com domain name violated federal trademark law and the ACPA.

In 2004 Vericheck contacted Lahoti and offered to purchase the vericheck.com domain name. Doubtless this fit into Lahoti’s business plan as an Internet entrepreneur. Lahoti first asked for \$72,500, and then reduced his demand to \$48,000, but negotiations soon ended. In 2006 Vericheck filed an arbitration complaint pursuant to the Uniform Domain-Name Dispute-Resolution Policy. The arbitrator ordered the transfer of the Domain Name to Vericheck, but instead of complying, Lahoti sought a declaratory judgment in the district court that he did not violate the Lanham Act’s cybersquatting or trademark infringement provisions. Vericheck counterclaimed that Lahoti’s actions violated the Lanham Act, the ACPA, the WCPA, and Washington state common law. Thus the issues were first framed in the district court.

Both parties moved for summary judgment. The district court granted summary judgment to Vericheck, but only on the question of whether Lahoti acted in bad faith. The district court found that Lahoti did not use the Domain Name to sell goods or services or for a legitimate non-commercial use, and it stated that the Domain Name linked to several of Vericheck’s competitors. It also noted Lahoti’s past cybersquatting activities. The district court concluded that Lahoti “acted in a bad faith attempt to profit” from his use of the Domain Name and that no reasonable jury could decide otherwise.

After a bench trial on the remaining issues, the district court decided for Vericheck on all claims and counterclaims.

The district court determined that the Disputed Mark was inherently distinctive, which was necessary for Vericheck to prevail on any of its trademark or ACPA claims. The district court concluded that Vericheck had established the other elements of its counterclaims, granted Vericheck injunctive relief and statutory damages, and awarded Vericheck attorneys' fees under both the WCPA and the Lanham Act. Lahoti appeals the district court's merits decision and its award of attorneys' fees.

II

[1] This case turns in large part on the standard of review. We have previously held that a district court's classification of a trademark's strength is a factual determination to which we apply clear error review. *See Jockey Club, Inc. v. Jockey Club of Las Vegas, Inc.*, 595 F.2d 1167, 1168 (9th Cir. 1979) (stating that "the strength or weakness of the mark in question" is a "factual issue[]" that is "not to be set aside unless clearly erroneous"); *Norm Thompson Outfitters, Inc. v. Gen. Motors Corp.*, 448 F.2d 1293, 1294 (9th Cir. 1971) (reviewing "[w]hether the trial court was clearly erroneous in finding as facts . . . [t]hat the slogan is descriptive, rather than a suggestive slogan, or a coined, arbitrary, or fanciful slogan").³

³Every other circuit that has considered the question has also held that the clear error standard applies. *See, e.g., Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1039-40 (2d Cir. 1992) ("[T]he initial classification of a mark to determine its eligibility for protection is a question of fact left to the determination of the district court. We will substitute our own judgment on the matter for that of the district court only if the district court's determination is clearly erroneous."); *Anheuser-Busch Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 635 (8th Cir. 1984) ("[T]he categorization of a term for which trademark protection is claimed is considered to be a factual issue, and thus is to be reviewed under the clearly erroneous standard" (citation omitted)); 2 McCarthy on Trademarks § 11:3 ("The vast majority of courts has held that categorization of a term on the spectrum of distinctiveness is a factual issue which can be reversed by a federal appellate court . . . only if found to be clearly erroneous." (citing cases from nine circuits)).

Under the clear error standard, “we defer to the lower court’s determination unless, based on the entire evidence, we are possessed of a ‘definite and firm conviction that a mistake has been committed.’ ” *SEC v. Rubera*, 350 F.3d 1084, 1093 (9th Cir. 2003) (quoting *Easley v. Cromartie*, 532 U.S. 234, 242 (2001)). “So long as the district court’s view of the evidence is plausible in light of the record viewed in its entirety, it cannot be clearly erroneous, even if the reviewing court would have weighed the evidence differently had it sat as the trier of fact.” *Id.* at 1093-94 (citing *Anderson v. City of Bessemer City*, 470 U.S. 564, 573-74 (1985)).

[2] When reviewing for clear error, we do not defer to a district court’s categorization of a mark if its decision is based on incorrect law. *See Forum Corp. of N. Am. v. Forum, Ltd.*, 903 F.2d 434, 439 (7th Cir. 1990) (stating that a review of a district court’s trademark classification must “toe a line between reweighing the evidence and disregarding our responsibility to make sure that the district court’s trademark classification was based on correct legal standards”); *Anheuser-Busch Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 635-38 (8th Cir. 1984) (reviewing the district court’s trademark categorization *de novo* for legal error before applying clear error review). Although we may affirm on “any ground supported by the record, even if it differs from the district court’s rationale,” *Lambert v. Blodgett*, 393 F.3d 943, 965 (9th Cir. 2004), where it is unclear whether the district court relied on proper law, we may vacate the judgment and remand with instructions to apply the correct legal standard. *See United States v. Pintado-Isiordia*, 448 F.3d 1155, 1158 (9th Cir. 2009).

III

[3] To show trademark infringement, Vericheck “must demonstrate that it owns a valid mark, and thus a protectable interest,” and it must show that Lahoti’s “use of the mark ‘is likely to cause confusion, or to cause mistake, or to

deceive.’ ” *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 602 (9th Cir. 2005) (quoting 15 U.S.C. § 1114(1)(a) & (b)). Federal trademark registration is not a prerequisite for protection under the Lanham Act, and for infringement claims such as Veri-check’s, “the same standard applies to both registered and unregistered trademarks.” *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1204 n.3 (9th Cir. 2000) (quotation omitted). On its ACPA claim, Veri-check also must prove that Lahoti acted “with a bad faith intent to profit” from the Disputed Mark. 15 U.S.C. § 1125(d)(1)(A)(i).

On appeal Lahoti challenges the district court’s determination that the Disputed Mark is a distinctive and valid mark; he argues that the district court clearly erred in finding that his actions created a likelihood of consumer confusion; he challenges the district court’s conclusion that he acted in bad faith; and he argues that the district court erred by awarding Veri-check attorneys’ fees.

A

[4] Veri-check cannot prevail on its trademark claims unless its Disputed Mark is distinctive. *See Disc Golf Ass’n v. Champion Discs, Inc.*, 158 F.3d 1002, 1005 (9th Cir. 1998) (“To recover for the infringement of a trademark . . . [the plaintiff] had to prove that . . . the design is inherently distinctive or acquired distinctiveness through a secondary meaning . . .”); 2 McCarthy on Trademarks § 11:2 (“Without achieving distinctiveness . . . a designation does not have the legal status of a ‘trademark’ or ‘service mark.’ No distinctiveness—no mark.”). Distinctiveness is also required to sustain an ACPA claim. 15 U.S.C. § 1125(d)(1)(A)(ii) (establishing liability “in the case of a mark that is distinctive at the time of registration of the domain name”). “Suggestive,” “arbitrary,” or “fanciful” marks are inherently distinctive, but a mark that is “generic,” or one that is “descriptive” and lacks a secondary meaning, is not distinctive and does not receive trademark protection. *Two*

Pesos, 505 U.S. at 768. The district court determined that the Disputed Mark is suggestive and thus distinctive, and on appeal Lahoti contends that the Mark is descriptive.⁴

Deciding whether a mark is distinctive or merely descriptive “is far from an exact science” and is “a tricky business at best.” *Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 489 (2d Cir. 1988); *see also* 2 McCarthy on Trademarks § 11:2 (“As with tonal shade variations in the colors of the visible spectrum of sunlight, the categories of the trademark spectrum often become difficult to distinguish at the boundaries.”). Some cases pose an easy conclusion that a mark is merely descriptive, as for example would be the case if a restaurant chain sought a trademark in a name such as “Delicious Foods,” or a taxicab company sought a trademark in the name “Reliable Cab,” or a clothing company in a name such as “Ready Wear.” Other marks are just as plainly distinctive, as for example in fanciful marks where the letters do not form a word in the dictionary and there is no apparent logical connection to the goods, such as Exxon gas or Xerox copiers. But legions of trademark lawyers can stay busy arguing about how marks in the middle, not so plainly descriptive, nor so plainly distinctive, should be categorized. *See Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1528 (4th Cir. 1984) (“The line between descriptive and suggestive marks is scarcely ‘pikestaff plain’ and the distinction to be given the two terms is frequently made on an intuitive basis rather than as a result of a logical analysis susceptible of articulation.” (alteration and quotation omitted)).

We have said that the “primary criterion” for distinguishing between a suggestive and a descriptive mark “is the imagina-

⁴Because the district court determined that the Disputed Mark was suggestive, it did not analyze whether the Mark had secondary meaning. Additionally, because “suggestive” and “distinctive” are terms of art and the issue is whether the Disputed Mark was suggestive and thus distinctive, we use the terms interchangeably for the purposes of this appeal.

tiveness involved in the suggestion, that is, how immediate and direct is the thought process from the mark to the particular product.” *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 911 (9th Cir. 1995) (quotation omitted). A mark is suggestive “if ‘imagination’ or a ‘mental leap’ is required in order to reach a conclusion as to the nature of the product being referenced.” *Filipino Yellow Pages, Inc. v. Asian Journal Publ’ns, Inc.*, 198 F.3d 1143, 1147 n.3 (9th Cir. 1999). By contrast, a mark is descriptive if it “define[s] a particular characteristic of the product in a way that does not require any exercise of the imagination.” *Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005).

But after taking note of the general rule of law that a mark is suggestive if it takes imagination or a mental leap to identify the referenced product, and applicable guiding principles, a trier of fact is still left with a hard task of judgment. Where does “VeriCheck” fall in the continuum between marks that are plainly suggestive, and therefore distinctive, and those that are plainly distinctive? As the reviewing court, our role is limited to determining whether the district court clearly erred in deciding that the Disputed Mark was suggestive in the context of VeriCheck’s financial transaction processing services, which include check verification services.

Both parties support their arguments with references to other appellate decisions on distinctiveness. However, as with other areas in which we apply a deferential standard of review, past appellate decisions affirming on clear error review do not establish that the trademark at issue or similar trademarks are distinctive or descriptive per se, but only that the district court’s classification was a plausible interpretation of the record. Stated another way, an appellate decision affirming that a trademark is or is not distinctive, after that conclusion was reached in a trial, means only that the decision of the trial court, to whose judgment we significantly defer when a fact-intensive issue such as this has been tried, is

within the range where an appellate court should affirm absent clear error.

[5] Not surprisingly, appellate courts have upheld district court classifications of arguably distinctive trademarks as descriptive, and vice versa. *Compare Jockey Club*, 595 F.2d at 1167-68 (affirming district court classification that “Jockey Club” is not distinctive when applied to condominiums and a private membership club), *with Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 163-64 (2d Cir. 2004) (affirming district court classification that “Wet Ones” is suggestive as applied to individual pre-moistened towelettes). Our analysis of these past precedents reinforces the principle that appellate courts grant considerable deference to district court trademark classifications. Indeed, we are aware of only a handful of published opinions in the past forty years in which a district court’s determination that a mark is suggestive rather than descriptive was held to be clearly erroneous on appeal. *See Forum*, 903 F.2d at 443-45 (reversing district court’s classification of “Forum” as suggestive as applied to business training programs); *Security Ctr., Ltd. v. First Nat’l Sec. Ctrs.*, 750 F.2d 1295, 1298-1300 (5th Cir. 1985) (reversing district court’s classification of “Security Center” as suggestive as applied to private storage facilities); *Vision Ctr. v. Opticks, Inc.*, 596 F.2d 111, 116-17 (5th Cir. 1979) (reversing district court’s classification of “Vision Center” as suggestive as applied to “a clinic providing optical goods and services”). These few exceptions are entirely consistent with the maxim that absent legal error we owe great deference to a district court’s factual decision on whether a mark is distinctive. And these cases mean more in establishing the boundaries between the fact-finding trial courts and the appellate courts than they do in establishing for all cases that a particular mark is distinctive or descriptive.

The district court determined that the Disputed Mark was suggestive in part because the PTO had granted federal trademark registration to the Arizona Mark, which like the Dis-

puted Mark consisted solely of a design around the word “Verichack.” There can be no serious dispute with the principle that a federal trademark registration of a particular mark supports the distinctiveness of that mark, because the PTO should not otherwise give it protection. Registration alone may be sufficient in an appropriate case to satisfy a determination of distinctiveness.⁵ See 15 U.S.C. § 1115(a) (stating that PTO registration is “prima facie evidence of the validity of the registered mark”); *Retail Servs., Inc. v. Freebies Publ’g*, 364 F.3d 535, 542 (4th Cir. 2004) (“[T]he fact that a mark is registered is strong evidence that the mark satisfies the statutory requirements for the distinctiveness necessary for trademark protection.”). Moreover, we agree with the district court that the PTO’s registration of the Arizona Mark is evidence of the Disputed Mark’s distinctiveness, given the strong similarity between the appearance and purposes of the Arizona Mark and the Disputed Mark.⁶ Deference to the PTO’s classification decision is sensible because the PTO has special expertise that we lack on this fact-intensive issue. See *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 934 (4th Cir. 1995) (“Given [the difficulty] in determining whether a mark is descriptive or suggestive, courts have often given due regard to the determination of the Patent and Trademark Office, which necessarily decides whether a mark is descriptive or suggestive in its decision whether to register the mark.”).

[6] Although the statutory presumption of distinctiveness applies only when the mark holder’s own mark has been registered, courts may also defer to the PTO’s registration of

⁵The PTO will also register a descriptive mark if it has secondary meaning, but the PTO did not request a showing of secondary meaning from the Arizona Company.

⁶The Arizona Mark consists of the word “VERICHECK” inside a geometric shape, and the mark was registered for use with “check verification services.” The Verichack mark consists of the word “VeriCheck” over a checkmark, and the mark is registered in Georgia for “check verification and check collection services.”

highly similar marks. *See Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 119-20 (1st Cir. 2006) (holding that “the PTO’s acceptance of these other marks [containing ‘rica’] for registration supports the idea that ‘rica’ can be an inherently distinctive term”); 2 McCarthy on Trademarks § 11:69 (“[T]hird party mark registrations may in some cases support the argument that a designation is *not* descriptive. The fact that the [PTO] registered a number of marks containing the same designation without requiring proof of secondary meaning is some evidence that the PTO considers the designation not descriptive.”). In particular, we agree with the Fourth Circuit that nearly identical marks used for similar products may be viewed in a common light when the PTO has found one of them to be suggestive. *See U.S. Search, LLC v. U.S. Search.com Inc.*, 300 F.3d 517, 524 (4th Cir. 2002) (stating that the principle that a mark is suggestive because PTO found a “nearly identical” mark to be suggestive “seems to make some intuitive sense” when the marks describe similar services).

[7] However, it should be noted that in some cases a series of prior registrations is evidence of the *descriptiveness* of a mark. As McCarthy explains:

[T]hird-party registrations of composite marks including an allegedly descriptive term can be used to help prove the descriptive nature of that term. For example, introduction of many third-party registrations for electronic products of marks with a -TRONICS or -TRONIX suffix could be evidence that those third parties and the public consider such a suffix descriptive, such that there would be no likely confusion between DAKTRONICS and TEKTRONIX.

2 McCarthy on Trademarks § 11:69. *See also Cutter Labs., Inc. v. Air Prods. & Chems., Inc.*, 189 U.S.P.Q. 108 (T.T.A.B. 1975); McCarthy § 11:69 (“Another test of descriptive-

suggestive connotations is to determine the extent to which other sellers have used the mark on similar merchandise. That is, if others are in fact using the term to describe their products, an inference of descriptiveness can be drawn.”). Lahoti has made a version of this argument in this case, noting that, in addition to the use of the Arizona Mark by one business, a number of other businesses use a variation of the mark in conjunction with check verification services. It will be for the district judge to consider any such argument on remand.

[8] The PTO Appeal Board has cautioned that a third party registration is not “determinative” of distinctiveness if circumstances have materially changed since the third-party registration or if the registration is distinguishable because it combines one part of the disputed mark in that case with non-descriptive terms. *See In re Sun Microsystems, Inc.*, 59 U.S.P.Q.2d 1084, 1087-88 (TTAB 2001) (holding that third party registrations of marks containing “beans” are not evidence that “Agentbeans” was distinctive for software written in the Java computer programming language because other registrations “combine[d] ‘beans’ with what appear to be non-descriptive terms,” and because “beans” had recently become a popular term for a form of Java code). Here, by contrast, the Arizona Mark and Disputed Mark are not just similar but are identical in text, and both were registered for use with “check verification services.” More importantly, the parties did not present any evidence with regard to whether technological changes impact whether the term “Vericheck” should be considered to describe or rather only to suggest “check verification.” We conclude that the federal registration of the Arizona Mark shows that the PTO thought “Vericheck” was distinctive and not descriptive of “check verification services.”⁷ The

⁷Lahoti argues that the federal registration of the Arizona Mark is instead evidence that the Disputed Mark was not distinctive in 2003, when Lahoti registered the Domain Name, because the Arizona company then had the exclusive right to use the mark and, according to Lahoti, only one of the two marks could be distinctive because they described similar ser-

district court's decision to rely on the third party PTO registration of the Arizona Mark for evidence that the Disputed Mark is distinctive was legally proper and not clearly erroneous.

[9] Nonetheless, the district court based its decision that the Disputed Mark was distinctive in part on reasoning that is contrary to federal trademark law. Context is critical to a distinctiveness analysis. Whether a mark is suggestive or descriptive “can be determined only by reference to the goods or services that it identifies.” *Rodeo Collection, Ltd. v. W. Seventh*, 812 F.2d 1215, 1218 (9th Cir. 1987); *see also* 2 McCarthy on Trademarks 11:64 (“[T]he mark BRILLIANT may be ‘descriptive’ on diamonds, ‘suggestive’ on furniture polish, and ‘arbitrary’ on canned applesauce.”). A related principle is that a mark “need not recite each feature of the relevant goods or services in detail to be descriptive.” *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1346 (Fed. Cir. 2001).

[10] The district court erred to the extent it required that the Disputed Mark describe all of Vericheck's services to qualify as “descriptive.” The district court reasoned that the Disputed Mark does not “immediately call to mind the broad array of electronic transaction processing services that Vericheck provides.” However, a mark does not have to meet this requirement to be found descriptive. The inquiry is “whether, when the mark is seen on the goods or services, it immediately conveys information about their nature.” *In re Patent & Trademark Servs. Inc.*, 49 U.S.P.Q.2d 1537, 1539 (T.T.A.B. 1998).

vices. *See* 15 U.S.C. § 1125(d)(1)(A)(ii)(I) (stating that for liability under the ACPA a mark must be “distinctive at the time of registration of the domain name”). However, the federal registration of the Arizona mark actually makes it more likely that the Disputed Mark is distinctive, and “a third party's prior use of a trademark is not a defense in an infringement action.” *Comm. for Idaho's High Desert, Inc. v. Yost*, 92 F.3d 814, 820 (9th Cir. 1996).

The district court further erred when it reasoned that the Disputed Mark could have described services that are unrelated to those offered by Vericheck, such as baggage checking and pre-employment background verification. The mark must be evaluated as if it were “seen on the goods or services,” which means the mark must be examined in the industry context rather than in the abstract. *See id.*

[11] The district court also misapplied the law by asserting that “Lahoti *improperly* breaks down the mark into two component parts, ‘veri’ and ‘check,’ in order to argue that consumers will immediately presume that Vericheck provides ‘check verification’ services.” (Emphasis added.) Rather, courts may analyze all components of the mark in determining whether those parts, taken together, merely describe the goods or services offered. *In re Oppedahl & Larson LLP*, 373 F.3d 1171, 1174 (Fed. Cir. 2004) (“In considering a mark as a whole, the [Trademark Trial and Appeal] Board may weigh the individual components of the mark to determine the overall impression or the descriptiveness of the mark and its various components.”).

In analyzing the compound “VeriCheck” mark, the district court may therefore have broken the mark into “veri-” and “check,” to “separately view the component parts as a preliminary step on the way to an ultimate determination of probable customer reaction to the composite as a whole.” 2 McCarthy on Trademarks § 11:27; *see also Bernard v. Commerce Drug Co.*, 964 F.2d 1338, 1341-42 (2d Cir. 1992) (holding that “Arthriticare” is descriptive of an arthritis medication by analyzing “arthriti” and “care” separately); *Telemed Corp. v. Tel-Med, Inc.*, 588 F.2d 213, 217-19 (7th Cir. 1978) (holding that “Telemed” is a descriptive mark by analyzing meaning of “tele” and “med”). Even though the district court ultimately analyzed the Disputed Mark’s component parts individually, we cannot be sure that the district court, having earlier misstated the law, properly accounted for those individual components.

[12] We conclude that the district court’s decision that the “VeriCheck” mark was a distinctive, legally protectable mark under the ACPA and federal trademark law was based in part on reasoning contrary to federal trademark law and based in part on reasoning that could support the district court’s conclusion. Accordingly, because the district court did not rely exclusively on the proper legal standard, we vacate the judgment to the extent it determined the Disputed Mark was distinctive. We remand to permit the district court to determine whether the Mark is distinctive or descriptive taking into account the principles that we have outlined here. *See Pintado-Isiordia*, 448 F.3d at 1158.⁸

B

Lahoti contests the district court’s determination on summary judgment that he acted with “a bad faith intent to profit” from the use of the Disputed Mark.⁹ 15 U.S.C. § 1125(d)(1)(A)(i). We review the district court’s grant of summary judgment *de novo*. *JG v. Douglas Cty. School Dist.*, 552 F.3d 786, 802 (9th Cir. 2008).

[13] “A finding of ‘bad faith’ is an essential prerequisite to finding an ACPA violation,” though it is not required for general trademark liability. *Interstellar Starship Servs., Ltd. v.*

⁸Because we vacate the district court’s finding of distinctiveness, we accordingly need not reach the issues of confusion, attorneys’ fees under federal law, and attorneys’ fees under the WCPA.

⁹The district court properly granted summary judgment on the issue of Lahoti’s bad faith even though it later held a trial on the issue of trademark distinctiveness. Although VeriCheck must prove all the requisite elements to recover under the ACPA, including distinctiveness, the district court may render partial summary judgment on those facts, including bad faith, not genuinely at issue. Fed. R. Civ. P. 56(d) & advisory committee’s note (“The partial summary judgment is merely a pretrial adjudication that certain issues shall be deemed established for the trial of the case . . . and likewise serves the purpose of speeding up litigation by eliminating before trial matters wherein there is no genuine issue of fact.”).

Epix, Inc., 304 F.3d 936, 946 (9th Cir. 2002). Evidence of bad faith may arise well after registration of the domain name. *See Storey v. Cello Holdings, LLC*, 347 F.3d 370, 385 (2d Cir. 2003) (“Congress intended the cybersquatting statute to make rights to a domain-name registration contingent on ongoing conduct rather than to make them fixed at the time of registration.”).

Congress has enumerated nine nonexclusive factors for courts to consider in determining whether bad faith exists. *See* 15 U.S.C. § 1125(d)(1)(B)(i). “We need not, however, march through the nine factors seriatim because the ACPA itself notes that use of the listed criteria is permissive.” *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 269 (4th Cir. 2001). “[I]nstead, the most important grounds for finding bad faith are the unique circumstances of the case” *Interstellar Starship*, 304 F.3d at 946 (quotation omitted). Congress has said that in evaluating bad faith, courts may consider a person’s prior cybersquatting activities. *See* 15 U.S.C. § 1125(d)(1)(B)(i)(VIII) (providing that courts may consider “the person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive”). Also, Congress has provided a safe harbor for ACPA defendants who “believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.” *Id.* § 1125(d)(1)(B)(ii).

[14] Viewing the evidence in the light most favorable to Lahoti, the record still supports the district court’s summary judgment determination that Lahoti was motivated by a bad faith intent to profit from his use of the Disputed Mark. Lahoti never used the Domain Name in connection with a bona fide offering of goods and services. Instead, Lahoti earned income when customers clicked on links when visiting the Domain Name website, some of which directed them to Vericheck’s competitors. Lahoti then asked for as much as \$72,500 to sell the Domain Name to Vericheck even though Lahoti had no

interests associated with the “Vericheck” name. Finally, it is undisputed that Lahoti is a repeat cybersquatter who has registered hundreds of domain names resembling distinctive or famous trademarks and has been admonished by judicial bodies for doing so. Lahoti’s response is a vague objection that the district court did not consider the facts in the light most favorable to him. But even in this favorable light, Lahoti’s behavior shows “the sort of misconduct that Congress sought to discourage” by enacting the ACPA. *Virtual Works*, 238 F.3d at 270.

[15] Lahoti argues that he is entitled to protection under the bad faith safe harbor because he reasonably believed his use of the Domain Name was lawful. *See* 15 U.S.C. § 1125(d)(1)(B)(ii). However, courts should “make use of this ‘reasonable belief’ defense very sparingly and only in the most unusual cases.” *Audi AG v. D’Amato*, 469 F.3d 534, 549 (6th Cir. 2006) (quoting 4 McCarthy on Trademarks § 25:78)). Otherwise, the defense would “undermine the rest of the statute” because “[a]ll but the most blatant cybersquatters will be able to put forth at least some lawful motives for their behavior.” *Virtual Works*, 238 F.3d at 270. We agree with the Fourth Circuit, which, in affirming a summary judgment determination of bad faith, has held that “[a] defendant who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from the [ACPA’s] safe harbor provision.” *Id.* As we see the record, there is no genuine appellate issue on Lahoti’s bad faith. He has made his cybersquatter bed and now cannot persuasively challenge the district court’s conclusion that he must lie in it. A different case might be presented if Lahoti had a genuine business marketing service for which the Vericheck name was an aid, but there was no credible evidence of that here, nothing but his self-serving affidavit.¹⁰

¹⁰Lahoti claimed that in the late 1990s he decided he “might start a business to verify and secure online payments, checks, and credit.” The district court rejected this testimony and found that Lahoti “has never used the Domain Name in connection with the bona fide offering of goods or services.” We see no clear error in the district court’s factual determination.

[16] A reasonable person in Lahoti's position—that is, a reasonable person who had previously been declared a cybersquatter in a judicial proceeding—should have known that his actions might be unlawful. Lahoti has previously advanced, unsuccessfully, the same trademark defenses he argues here, including the claim that the mark at issue was only descriptive and that he is entitled to the safe harbor. Lahoti's failed defenses in these other cases make it unlikely that he legitimately believed that his use of the Domain Name was wholly lawful in this case. *See Coca-Cola Co. v. Purdy*, 382 F.3d 774, 788 (8th Cir. 2004) (rejecting the defendant's safe harbor defense because the defendant had previously been enjoined in a prior Internet trademark case while advancing a similar defense). Although Lahoti may have believed that Veri-check's Disputed Mark was descriptive, his use of the Domain Name to link to Veri-check's competitors and his willingness to sell the Domain Name only for an exorbitant profit are quintessential cybersquatting practices. Lahoti acted at least "partially in bad faith" in gambling that the district court would agree with his interpretation of trademark law, and he knew or should have known that he would risk cybersquatting liability if his gamble failed. *Virtual Works*, 238 F.3d at 270. Lahoti is not entitled to the safe harbor. We affirm the district court's grant of summary judgment that Lahoti acted in bad faith.

IV

Whether a mark is suggestive or descriptive is a fact-intensive question that poses a difficult decision in many close cases. It is a foundational point that we owe substantial deference to the trier of fact on its decision, made after a trial, as to whether a mark is merely descriptive, and not worth trademark protection, or is instead suggestive, and able to gain the benefit of trademark law. Yet where it is unclear whether the district court properly applied the law in determining suggestiveness or descriptiveness, we may vacate the judgment and remand with instructions to apply the correct

legal standard. While the district court perhaps could have relied exclusively on the registration of the Arizona Mark to determine suggestiveness, it did not do so. Instead, the district court improperly required that the Mark describe all of Veri-check's services, examined the Mark in the abstract, and concluded that it could not analyze the Mark's component parts. Accordingly, we vacate the judgment and remand with instructions for further proceedings not inconsistent with this opinion.

In light of this conclusion, we need not assess the district court's conclusions that Veri-check established all other elements of its trademark infringement, ACPA, and WCPA claims, and that Veri-check was entitled to attorneys' fees under the Lanham Act and the WCPA. However, we affirm the district court's conclusion reached on summary judgment that Lahoti acted in bad faith.

Pursuant to Federal Rule of Appellate Procedure 39(a) and Ninth Circuit General Order 4.5(e), each party shall bear its own costs.

AFFIRMED IN PART, VACATED IN PART, AND REMANDED.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 6-B

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

DAVID LAHOTI,

Plaintiff,

v.

VERICHECK, INC.,

Defendant.

CASE NO. C06-1132JLR

ORDER

I. INTRODUCTION

This matter comes before the court on cross-motions for summary judgment (Dkt. ## 25, 30). The court has considered the papers filed in connection with the motions and has heard argument from counsel. For the reasons stated below, the court GRANTS in part and DENIES in part Defendant’s motion and DENIES Plaintiff’s motion.

II. BACKGROUND

Defendant Vericheck, Inc. (“Vericheck”) is in the business of providing check verification services, check collection services, wireless payments, and the like. Sec. Hannah Decl. (Dkt. # 26) ¶ 2. Chief Executive Officer (“CEO”) Jerry Hannah, who

1 purchased the company in 1995, attests that Vericheck has been in business since
2 December 1989, and has used the alleged mark VERICHECK (or, “the mark”) since that
3 time. Id. at ¶ 1. Vericheck attempted to register the mark with the United States Patent
4 and Trademark Office (“PTO”), but was unable to because an Arizona company – that
5 also provides check verification services – successfully registered VERICHECK as a
6 word mark in 1975. Id. at ¶ 8; Moeller Decl. (Dkt. # 32), Exs. 7, 8. According to Mr.
7 Hannah, his company has maintained an internet presence at its website
8 “www.vericheck.net” since 1999 and began offering its services online about one year
9 later. Id. at ¶ 2. The company also registered domain names, “vericheck.org,”
10 “vericheck.cc,” “vericheck.us,” and “vericheck.biz,” – some of which appear to reroute
11 customers to Vericheck’s homepage. Id.; Sec. Jost Decl. (Dkt. # 28), Ex. A. On August
12 31, 2001, the company successfully registered a service mark with the State of Georgia,
13 described as “a depiction of a check mark over the word ‘vericheck.’” Sec. Jost Decl. ¶
14 3, Ex. B.

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17 Plaintiff David Lahoti is a self-proclaimed “Internet entrepreneur.” Lahoti Decl.
18 (Dkt. # 31) ¶ 1. He has registered thousands of domain names. Supp. Jost Decl. (Dkt. #
19 23), Ex. K. Mr. Lahoti states that he prospectively registers domain names of services he
20 “might offer” based on his “ideas for new ventures.” Lahoti Decl. at ¶ 7-8. According to
21 Mr. Lahoti, the notion of registering domain names beginning with “veri,” occurred to
22 him in the late 1990’s when he saw a business opportunity to provide online payment
23 verification services for a burgeoning internet-based marketplace. Id. at ¶ 9. To that end,
24 Mr. Lahoti contends that he registered domain names “veripay.com” and
25 “vericharge.com” as early as 1998, id. at ¶¶ 9, 10, as well as over a dozen domain names
26 beginning with “veri” sometime thereafter. He would have registered “vericheck.com”
27 (or, the “Domain Name”) in 1998, had a Canadian company not already acquired it.
28

1 After tracking the Domain Name for five years, Mr. Lahoti finally registered
2 vericheck.com in March 2003. He contends that he was not aware of Vericheck's
3 existence at the time of registration. Id. at ¶ 11.

4 Under Mr. Lahoti's ownership, the sole function of the vericheck.com website was
5 to redirect internet users to a different website under the control of Oversee.net, which in
6 turn, provided internet search services. Id. at ¶ 16-18; id. at ¶ 15 ("My only use of the
7 domain name . . . was posting eight (8) lines of HTML code onto a website . . ."). Mr.
8 Lahoti made money based on the traffic his site directed to Oversee.net. Id. at ¶ 22. He
9 has never offered or sold any check verification related services. Id. at ¶ 25.

11 Vericheck contends that the search results on Oversee.net's website pointed
12 consumers to Vericheck's competitors. Jost Decl., Ex. H. Mr. Hannah further contends
13 that Mr. Lahoti's online presence using vericheck.com has engendered customer
14 confusion. Sec. Hanna Decl. ¶ 10 (stating that the company receives 8-10 calls per week
15 from customers who are confused by Mr. Lahoti's website); Goretsky Decl. ¶¶ 5, 6
16 (stating that USA ePay – a company that sells Vericheck's services – received similar
17 complaints of customer confusion).

19 Mr. Hannah contends that, like Mr. Lahoti, he and other Vericheck representatives
20 attempted to register vericheck.com for several years. According to Mr. Hannah, he
21 attempted to secure rights to the Domain Name from the prior owner, without success.
22 After the Domain Name transferred to Mr. Lahoti, Mr. Hannah attests that "true
23 negotiation virtually ceased." Sec. Hannah Decl. ¶ 9. Mr. Hannah further declares that
24 Mr. Lahoti expressed a willingness to sell the Domain Name in August 2005 for \$48,000,
25 and for \$100,000 in January 2006. Id. Although Mr. Hannah provides no documentary
26 evidence to this effect, a CEO of one of Vericheck's business partners, Ben Goretsky of
27 USA ePay, Inc., corroborates Mr. Hannah's contention that the Domain Name could be
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1 purchased for the right price. Goretsky Decl. (Dkt. # 27) ¶ 4, Ex. A. Attached to
2 Goretsky's declaration are copies of emails in which representatives of Mr. Lahoti's
3 affiliates¹ demand \$72,500 in February 2004 and \$48,000 in August 2005 to transfer the
4 Domain Name. Id. In the first email correspondence, Mr. Lahoti's representative states
5 that the company is "reserving" vericheck.com "for future branding of a specific venture .
6 . . ." Id. The email author goes on to state that if USA ePay wished to purchase the
7 Domain Name within eight days of the date of the email, the price would be \$72,500. Id.
8 In an August 4, 2005 email, the offer came with a similar time constraint: "it would be
9 \$48,000 if you can confirm with us by August 11." Id. Mr. Lahoti denies that *he* ever
10 offered to sell the Domain Name, but does not dispute that one of his "associates" had
11 email communications with Mr. Goretsky. Sec. Lahoti Decl. (Dkt. # 42) at ¶ 29.

12
13 In June 2006, Vericheck filed a complaint with the National Arbitration Forum
14 ("NAF") pursuant to the Uniform Domain-Name Dispute-Resolution Policy² seeking an
15 order transferring vericheck.com to the company. On August 2, 2006, NAF ordered
16 transfer of the Domain Name to Vericheck. Sec. Jost Decl., Ex. I. On August 10, 2006,
17 Mr. Lahoti filed the instant action for declaratory relief challenging NAF's decision.³ Mr.
18 Lahoti now requests that the court enter a declaratory judgment that his use of the
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22 ¹Mr. Lahoti does not dispute that the email addresses ending in "Omegaworks.com" and
23 "Inerspectrum.com," which appear in the email correspondence attached to Goretsky's
24 declaration, refer to companies with which he is affiliated. See Sec. Lahoti Decl. (Dkt. # 42) ¶
25 29.

26 ²The Uniform Domain-Name Dispute-Resolution Policy, available at
27 www.icann.org/dndr/udrp/policy.htm, is incorporated into all domain-name registration
28 agreements where a second-level domain name issues to a member of the public.

³Mr. Lahoti brings the action for declaratory relief pursuant to 15 U.S.C. §
1114(2)(D)(v), which allows a registrant whose domain name has been suspended, disabled, or
transferred, to file a civil action to establish that his use of the domain name is lawful.

1 Domain Name does not contravene the Anti-Cybersquatting Consumer Protection Act
2 (“ACPA”), 15 U.S.C. § 1125(d), or any other (unspecified) provision of the Lanham Act,
3 15, U.S.C. § 1501, *et seq.* Compl. at 5-6. In its answer, Vericheck pleads the following
4 counterclaims: violation of the ACPA, Lanham Act claims of false designation of origin,
5 15 U.S.C § 1125(a), common law unfair competition and trademark infringement, and
6 violation of Washington’s Consumer Protection Act (“CPA”), RCW § 19.86.020. Ans.
7 ¶¶ 13-41. Vericheck prays for transfer of the domain name, statutory damages, and
8 attorneys’ fees.
9

10 III. DISCUSSION

11 A. Legal Standard

12 Summary judgment is appropriate if the evidence, when viewed in the light most
13 favorable to the non-moving party, demonstrates there is no genuine issue of material
14 fact. Fed. R. Civ. P. 56(c); Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986); Galen v.
15 County of Los Angeles, 477 F.3d 652, 658 (9th Cir. 2007). The moving party bears the
16 initial burden of showing there is no material factual dispute and he or she is entitled to
17 prevail as a matter of law. Celotex, 477 U.S. at 323. The moving party can satisfy this
18 burden in two ways: (1) by producing evidence that negates an essential element of the
19 non-moving party’s case, or (2) after suitable discovery, by showing that the non-moving
20 party does not have enough evidence of an essential element to carry its burden of
21 persuasion at trial. Id. at 322-23; *see also* Nissan Fire & Marine Ins. Co., Ltd., v. Fritz
22 Cos., Inc., 210 F.3d 1099, 1106 (9th Cir. 2000). If the moving party meets its burden, the
23 opposing party must present evidence to support its claim or defense. Cline v. Indust.
24 Maint. Eng’g. & Contracting Co., 200 F.3d 1223, 1229 (9th Cir. 2000). For purely legal
25 questions, summary judgment is appropriate without deference to the non-moving party.
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1 In a declaratory judgment action, “the party that has the burden of proof is
2 determined not by their designation as plaintiff or defendant, but by the nature of the
3 relief sought.” Burlington No. R.R. Co. v. Hyundai Merch. Marine Co., Ltd., No.
4 96-9123, 1999 WL 1122998, *5 (C.D. Cal. June 18, 1999) (citing Pac. Portland Cement
5 Co. v. Food Mach. & Chem. Corp., 178 F.2d 541, 546 (9th Cir. 1949)). The parties do
6 not dispute that Vericheck bears the burden of proof at trial on its substantive claims. See
7 Union Pac. Ins. Co. v. Safety Kleen Corp., No. 89-3119, 1993 WL 505393, *4 (N.D. Cal.
8 Nov. 10, 1993) (“Where the substantive issue in a declaratory judgment action is one on
9 which the defendant would bear the burden of affirmative proof were the action brought
10 in traditional form, the underlying . . . assignment of burdens is not altered.”).

12 **B. Anti-Cybersquatting Consumer Protection Act**

13 The ACPA, which Congress incorporated into the Lanham Act in 1999, sets forth
14 the elements of a cybersquatting claim. To prevail, Vericheck must prove that it holds a
15 distinct mark, that Mr. Lahoti had a “bad faith intent to profit” from the mark, and that
16 Mr. Lahoti “register[ed], traffic[ked] in, or use[d]⁴ a domain name” that is identical to, or
17 confusingly similar to that mark. See 15 U.S.C. § 1125(d)(1)(A)(i)-(ii). The ACPA
18 protects both federally-registered marks as well as unregistered marks. DaimlerChrysler
19 v. The Net Inc., 388 F.3d 201, 205 (6th Cir. 2004) (citing Two Pesos Inc. v. Taco
20 Cabana, 505 U.S. 763, 768 (1992)); see also 4 MCCARTHY ON TRADEMARKS AND UNFAIR
21 COMPETITION § 25:78 (4th ed.). Because there is no dispute that vericheck.com and the
22 VERICHECK mark are identical or confusingly similar, the court focuses on the elements
23 of distinctiveness and bad faith.
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27 ⁴Unlike a trademark infringement claim, a claim under the ACPA does not require the
28 claimant to prove that the alleged cybersquatter made *commercial* use of the mark. See Bosley
Medical Institute, Inc. v. Kremer, 403 F.3d 672, 680-81 (9th Cir. 2005).

1 1. A Distinctive Mark

2 Mr. Lahoti argues that, at the time he registered vericheck.com,⁵ Vericheck did not
3 hold a distinct mark and thus, cannot satisfy an essential element of its ACPA claim. See
4 15 U.S.C. 1125(d)(1)(A)(ii)(I). Because the company does not hold a federally registered
5 mark, Vericheck must prove that it has a protectable mark without the benefit of
6 presumed validity that the court applies to registered marks. See Yellow Cab Co. of
7 Sacramento v. Yellow Cab of Elk Grove, Inc., 419 F.3d 925, 928 (9th Cir. 2005).

8
9 There are five categories of trademarks: (1) generic; (2) descriptive; (3) suggestive;
10 (4) arbitrary; and (5) fanciful. Id. at 927. Word marks that are “‘arbitrary’ (‘Camel’
11 cigarettes), ‘fanciful’ (‘Kodak’ film), or ‘suggestive’ (‘Tide’ laundry detergent)” are
12 inherently distinctive. Wal-Mart Stores v. Smara Bros., 529 U.S. 205, 210-11 (2000).
13 These three categories are entitled to trademark protection because they “serve[] to
14 identify a particular source of a product” Two Pesos, 505 U.S. at 768. A term is
15 suggestive “if imagination or a mental leap is required in order to reach a conclusion as to
16 the nature of the product being referenced.” Filipino Yellow Pages, Inc. v. Asian Journal
17 Publ’ns, Inc., 198 F.3d 1143, 1147 (9th Cir. 1999). By contrast, “descriptive” marks
18 simply “define a particular characteristic of the product in a way that does not require any
19 exercise of the imagination.” Yellow Cab, 419 F.3d at 927 (internal citation and
20 quotation omitted). A descriptive mark receives trademark protection only when it
21 establishes “secondary meaning” in the marketplace. Id. Generic marks receive no
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24 ⁵The record is somewhat unclear as to when Vericheck began using the mark, an issue to
25 which Mr. Lahoti dedicates significant attention. The fact that Vericheck has been unable to
26 provide a consistent and comprehensive picture of its use of the VERICHECK mark, however,
27 need not be addressed at this juncture. The court is satisfied that Vericheck’s use of the mark,
28 at the very least, predates Mr. Lahoti’s registration of the domain name as evidenced by its prior
registration with the State of Georgia. To be sure, issues such as length-of-use may bear on the
relative strength or weakness of the mark; however, as the court addresses in its subsequent
discussion, the issue remains one for the trier-of-fact.

1 protection because they simply identify the product, rather than the source of the product.
2 Id. (internal citation omitted). “Placement on the spectrum of distinctiveness does not end
3 the enquiry as to the strength of a mark: it is only the first step. The second step is to
4 determine the strength of this mark in the marketplace. That is, to ascertain its degree of
5 recognition in the minds of the relevant customer class.” 2 MCCARTHY §11.2.

6
7 On the spectrum of trademark protection, Mr. Lahoti places VERICHECK at the
8 descriptive end,⁶ while Vericheck places the mark at the arbitrary (or at worst, suggestive)
9 end. Other than staking their respective claims along this spectrum, the parties do little to
10 explain how this question of fact⁷ is appropriate for resolution at the summary judgment
11 stage. Indeed, the parties do not acknowledge the “hazy” line between descriptive and
12 suggestive marks, 2 MCCARTHY § 11.66, nor do they cite the criteria that courts employ
13 to differentiate between the two, e.g., Self-Realization Fellowship Church v. Ananda
14 Church of Self-Realization, 59 F.3d 902, 911 (9th Cir. 1995) (applying “imagination test”
15 to determine whether mark was descriptive or suggestive). Vericheck essentially urges
16 the court to find the mark inherently distinctive because the word has no common English
17 meaning and because another company successfully registered the mark. Meanwhile, Mr.
18 Lahoti contends that the mark is not distinct as a matter of law because it is merely
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21 _____
22 ⁶The court does not construe Mr. Lahoti’s one-time pairing of the term “generic” with
23 “descriptive” as an attempt to argue that the VERICHECK is generic, and thus outside the
24 realm of trademark protection. Lahoti’s Mot. at 12 (“The Alleged Mark, VERICHECK is
25 descriptive or general for a service of verification of checks.”). Indeed, Mr. Lahoti’s argument
26 centers on the lack of secondary meaning, not genericness, id. at 12-14, and he appears to have
27 dropped the notion in his later brief. Lahoti’s Opp’n. at 12 (“The Alleged Mark, VERICHECK,
28 is descriptive of check verification services.”) Accordingly, the court declines to dedicate
judicial resources to a discussion of whether VERICHECK is generic.

27 ⁷Although the parties do not address the issue in their briefs, the court considers the
28 categorization of a mark a question of fact. See Lane Capital Mgt. Inc. v. Lane Capital Mgt.,
Inc., 192 F.3d 337, 344 (2d Cir. 1999); see also 2 MCCARTHY § 11.3 (noting that the “vast
majority” of courts consider distinctiveness a question of fact).

1 descriptive and lacks secondary meaning. Notably, Vericheck does not attempt to show
2 why the mark is *not* descriptive, it merely reiterates that the mark is suggestive. To put it
3 mildly, such discordant briefing is not particularly helpful to the court.

4 The court concludes that neither party has met their burden to show that Vericheck
5 does or does not hold a distinct mark as a matter of law, and thus the issue remains one
6 for trial. Mr. Lahoti's primary contention is that Vericheck fails to show that it holds a
7 protectable mark because (a) it cannot prove secondary meaning, and (b) the field is
8 already "crowded." Lahoti's Mot. at 11 (citing Miss World (UK) Ltd. v. Mrs. Am.
9 Pageants, Inc., 856 F.2d 1445, 1449 (9th Cir. 1998) ("In a crowded field of similar marks,
10 each member of the crowd is relatively weak in its ability to prevent use by others in the
11 crowd.")). In support of his contention that the field is "crowded," Mr. Lahoti provides
12 undisputed evidence that other companies use the VERICHECK mark or phonetic
13 variations of the term "vericheck" in connection with services similar to or the same as
14 those offered by Vericheck. E.g., Moeller Decl., Ex. 13 (website printout of Texas
15 company "Verichek, Inc."); id. at Ex. 16 (website printout of Hawaiian company d/b/a/
16 "Vericheck"); id. at Ex. 18 (website printout of Canadian company "Veri-Cheque, Ltd.")).
17 Mr. Lahoti also points to other permutations of the VERICHECK mark used by
18 companies operating in unrelated industries. Id. at Exs. 20-25.⁸

19 Although third-party use may bear on whether the mark is relatively weak or
20 strong, such use does not necessarily defeat Vericheck's contention that the mark is
21 suggestive. Indeed, the fact that another company used "VERI-CHECK" in association
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26 ⁸The court notes that third-party use in connection with *unrelated* goods is likely
27 irrelevant in determining relative strength or weakness of a mark. See Eclipse Ass'n, Ltd. v.
28 Data Gen. Corp., 894 F.2d 1114, 1119 (9th Cir. 1990) (upholding trial court's exclusion of
evidence related to third-party use of mark in unrelated industry on question of likelihood of
confusion in trademark infringement action).

1 with an ultra-violet counterfeit money detector, id. at Ex. 25, may indicate that the term is
2 something more than a description of check verification services. That is, the
3 VERICHECK mark could denote a wide variety of products, and thus may require a
4 consumer's imagination to connect the term to Vericheck's particular services. See
5 Playtex Products, Inc. v. Georgia-Pacific Corp., 390 F.3d 158, 163 (2d Cir. 2004)
6 (upholding finding that WET ONES is suggestive as it "could plausibly describe a wide
7 variety of products"). Because a suggestive mark does not require Vericheck to prove
8 secondary meaning, the court need not address Mr. Lahoti's alternate contention that
9 Vericheck has not provided evidence of this fact. Accordingly, given that the question of
10 distinctiveness is ordinarily for the trier-of-fact, and because the court concludes that a
11 reasonable jury could find the mark suggestive, the court denies both parties' motions on
12 this issue.
13

14 2. Bad Faith

15 Mr. Lahoti urges the court to conclude that he did not act in bad faith as a matter
16 of law, and Vericheck urges the court to conclude that he did. Mr. Lahoti contends that
17 he did not know about Vericheck when he registered vericheck.com, that he only learned
18 of Vericheck's existence when the company contacted him to purchase the Domain
19 Name, and that he always believed he had a legitimate right to own the Domain Name.
20 Lahoti Decl. ¶¶ 23, 24, 26; Lahoti's Mot. at 14 (citing the ACPA's safe harbor provision,
21 15 U.S.C. § 1125(d)(1)(B)(ii)). Vericheck urges the court to infer an ill-motive based on
22 Mr. Lahoti's prior run-ins with cybersquatting and trademark infringement claimants.
23 Sec. Jost Decl., Exs. D, E. Vericheck also places emphasis on the fact that one of Mr.
24 Lahoti's representatives offered to sell the Domain Name on more than one occasion.
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1 Assuming that Vericheck held a distinct mark when Mr. Lahoti registered the
2 Domain Name, the court considers the following nine factors in determining whether Mr.
3 Lahoti has acted in bad faith:

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

6 (2) the extent to which the domain name consists of the legal name of the
7 person or a name that is otherwise commonly used to identify that person;

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

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

12 (5) the person's intent to divert consumers from the mark owner's online
13 location to a site accessible under the domain name that could harm the
14 goodwill represented by the mark, either for commercial gain or with the
15 intent to tarnish or disparage the mark, by creating a likelihood of
16 confusion as to the source, sponsorship, affiliation, or endorsement of the
17 site;

18 (6) the person's offer to transfer, sell, or otherwise assign the domain
19 name to the mark owner or any third party for financial gain without
20 having used, or having an intent to use, the domain name in the bona fide
21 offering of any goods or services, or the person's prior conduct indicating
22 a pattern of such conduct;

23 (7) the person's provision of material and misleading false contact
24 information when applying for the registration of the domain name, the
25 person's intentional failure to maintain accurate contact information, or
26 the person's prior conduct indicating a pattern of such conduct;

27 (8) the person's registration or acquisition of multiple domain names
28 which the person knows are identical or confusingly similar to marks of
others that are distinctive at the time of registration of such domain names,
or dilutive of famous marks of others that are famous at the time of
registration of such domain names, without regard to the goods or services
of the parties; and

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

1 15 U.S.C. § 1125(d)(1)(B)(i)(I)-(IX). The factors are not exhaustive. Instead, “the most
2 important grounds for finding bad faith are the unique circumstances of the case, which
3 do not fit neatly into the specific factors” that Congress enumerated. Interstellar Starship
4 Servs., Ltd. v. Epix, Inc., 304 F.3d 936, 946-47 (9th Cir. 2002) (internal citations and
5 quotations omitted). In addition, the ACPA contains a safe harbor provision: “[b]ad faith
6 . . . shall not be found in any case in which the court determines that the person believed
7 and had a reasonable grounds to believe that the use of the domain name was fair use or
8 otherwise lawful.” 15 U.S.C. § 1125(d)(1)(B)(ii).

10 Mr. Lahoti’s conduct satisfies nearly all of the above-cited factors supporting a
11 determination of bad faith. Mr. Lahoti admits that he has never used the Domain Name
12 as a trademark. The Domain Name neither contains a variation of Mr. Lahoti’s legal
13 name, nor any other name commonly used to identify him. Mr. Lahoti has never used the
14 Domain Name in connection with the bona fide offering of goods or services, nor does he
15 use the website for a non-commercial or “fair use” purpose. Further, Vericheck provides
16 evidence that, when active, Mr. Lahoti’s website directed consumers to another site that,
17 in turn, provided search results listing some of Vericheck’s competitors. Mr. Lahoti does
18 not dispute this fact. Moreover, Mr. Lahoti has registered thousands of internet domain
19 names, some of which are identical to, or confusingly similar to, the distinctive marks of
20 others.⁹ Perhaps most significant, Mr. Lahoti’s representative offered to sell
21 vericheck.com on more than one occasion. Vericheck also contends that Mr. Lahoti used
22 false or misleading information when he used the nondescript name “Admin Manager”
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26 ⁹Vericheck points to Mr. Lahoti’s prior registration of domain names that incorporate
27 the famous marks of others, such as, <nissan.org>, <ebays.com>, and <fredericks-of-hollywood-
28 com>. Jost. Decl., Ex. E. Mr. Lahoti does not deny this history. E.g., Reply at 3 (“Defendant
claims Plaintiff is a “cybersquatter” because some of his registered domain names (there are
thousands) coincide with registered trademarks.”).

1 when registering vericheck.com, making it difficult to find the owner of the Domain
2 Name. Again, Mr. Lahoti does not appear to refute this contention.

3 Applying the balance of factors to the circumstances of this case, the court
4 concludes that Mr. Lahoti acted in a bad faith attempt to profit, and that no reasonable
5 jury could conclude otherwise.¹⁰ Mr. Lahoti contends that he could not have acted in bad
6 faith because the VERICHECK mark is not “well-known, but obscure.” Lahoti’s Reply
7 at 2. In a similar vein, he claims that he could not have known of “the obscure Georgia
8 entity” at the time he registered the Domain Name. Lahoti’s Mot. at 19. As to the first
9 contention, although the court would tend to agree that the mark is not *famous*, Mr.
10 Lahoti’s proclamation that the mark is obscure is entirely insufficient to conclude that it is
11 beyond the reach of trademark protection. In any event, failure to definitively establish
12 this one factor (because a jury question remains on distinctiveness) is not dispositive on
13 the question of bad faith. Mr. Lahoti’s second contention – i.e., that he did not know
14 about Vericheck at the time he registered the domain name – likewise fails to defeat a
15 finding of bad faith. Rather, evidence of bad faith may arise long after registration of the
16 domain name. See Storey v. Cello Holdings, LLC, 347 F.3d 370, 386 (2d Cir. 2003)
17 (remanding action where district court failed to consider post-registration efforts to sell
18 the domain name as evidence of bad faith). Mr. Lahoti’s thin arguments fail to
19 demonstrate a genuine issue of fact for trial on the question of bad faith.
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25 ¹⁰The court notes, and neither party disputes, that lower courts (rather than juries)
26 ordinarily make a determination of bad faith. See e.g., Pinehurst, Inc. v. Wick, 256 F. Supp. 2d
27 424, 430 (M.D.N.C. 2003) (finding bad faith on motion for summary judgment); Interstellar,
28 304 F.3d at 947 (reviewing district court’s “findings” rendered on summary judgment on the
question of bad faith); see also 15 U.S.C. § 1125(d)(B)(I) (directing “a court” to consider the
nine factors in “determining whether a person has a bad faith intent”).

1 Moreover, because the statutory factors strongly support a finding of bad faith, the
2 court concludes that Mr. Lahoti does not qualify for the ACPA's safe harbor provision
3 based solely on his declaration that he thought he was acting lawfully. The provision
4 applies only when the alleged cybersquatter both "believed and had *reasonable* grounds
5 to believe that the use of the domain name was fair use or otherwise lawful." 15 U.S.C. §
6 1125(d)(1)(B)(ii) (emphasis added). As the Fourth Circuit noted, "[a]ll but the most
7 blatant cybersquatters will be able to put forth at least some lawful motives for their
8 behavior. To hold that all such individuals may qualify for the safe harbor would
9 frustrate Congress' purpose by artificially limiting the statute's reach." Virtual Works,
10 Inc. v. Volkswagen of Am., Inc., 238 F.3d 264, 270 (4th Cir. 2001). Accordingly, the
11 court reserves for trial the question of whether Vericheck held a distinct mark at the time
12 of Mr. Lahoti's registration of vericheck.com, but concludes that no triable issue exists on
13 the question of bad faith.
14

15 **C. Trademark Infringement**

16 To prevail on its claims of false designation of origin, common law trademark
17 infringement, and unfair competition (collectively, "infringement claims"),¹¹ Vericheck
18 must show that it holds a protectable mark,¹² and that Mr. Lahoti made commercial use of
19 a mark that is similar enough to cause confusion in the minds of consumers about the
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23 ¹¹The familiar "likelihood of confusion" test is the standard of liability, whether the claim
24 is one for unfair competition, false designation of origin, or infringement. See New West Corp.
25 v. NYM Co. of California, Inc., 595 F.2d 1194, 1201 (9th Cir.1979) ("Whether we call the
26 violation infringement, unfair competition or false designation of origin, the test is identical – is
27 there a 'Likelihood of Confusion?'); see also 4 MCCARTHY § 23:1 (same as to common law
28 trademark infringement).

¹²The court has already concluded that material issues of fact remain on whether
Vericheck holds a distinct mark, and it is therefore unnecessary to repeat that discussion here.

1 origin of the goods or services in question. KP Permanent Make-Up, Inc. v. Lasting
2 Impression I, Inc., 543 U.S. 111, 117 (2004).

3 1. Commercial Use

4 Before the court proceeds to whether material issues of fact remain on the question
5 of likely confusion, the court addresses Mr. Lahoti's contention that Vericheck's
6 infringement claims fail as a matter of law because he never made commercial use of the
7 mark. 15 U.S.C. § 1125(a)(1) (outlining liability for "any person" who "uses in
8 commerce" a protected mark). Mr. Lahoti is correct that mere registration of a Domain
9 Name is insufficient to constitute "use[] in commerce" and therefore cannot be the subject
10 of an infringement action. See Lockheed Martin Corp. v. Network Solutions, Inc., 985 F.
11 Supp. 949, 961 (C.D. Cal. 1997) ("The registration of a domain name, without more, does
12 not amount to infringement of a mark similar to the name."). Mr. Lahoti, however, has
13 done more than simply warehouse vericheck.com; he directed consumers to another
14 website that earned him income from sponsored search results. More significantly, Mr.
15 Lahoti's representatives offered to sell vericheck.com – the Domain Name of a website on
16 which Mr. Lahoti had entered a mere 8 lines of code – for amounts that exceed the
17 original registration fee. The Ninth Circuit considers not only a successful sale, but an
18 *attempt* to sell a domain name as constituting commercial use. See Panavision Int'l, LP v.
19 Toeppen, 141 F.3d 1316, 1325 (9th Cir. 1998) ("[Defendant's] commercial use was his
20 *attempt to sell* the trademarks themselves."). Evidence that Mr. Lahoti's representatives
21 attempted to sell the Domain Name combined with Vericheck's undisputed evidence that
22 Mr. Lahoti previously traded on the value of other's marks, see Sec. Jost Decl., Exs. D,
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1 E,¹³ satisfies the “commercial use” requirement of an infringement action. See
2 Panavision, 141 F.3d at 1325-26 (considering defendant’s past efforts to sell other
3 domain names in evaluating whether commercial use is present).

4 2. Likelihood of Confusion

5 The court now turns to the remaining element of Vericheck’s infringement claims,
6 namely, whether Mr. Lahoti’s use of the mark was likely to cause confusion in the minds
7 of consumers. The following eight factors first announced in AMF, Inc. v. Sleekcraft
8 Boats, 599 F.2d 341, 348-49 (9th Cir. 1979), guide the court’s analysis:
9

- 10 (1) the similarity of the marks;
11 (2) the marketing channels used to promote the marks;
12 (3) the relatedness of the goods or services promoted under the marks;
13 (4) the strength of the plaintiff’s mark;
14 (5) evidence of actual confusion;
15 (6) likelihood of expansion of either parties’ product lines;
16 (7) the degree of care a potential purchaser is likely to exercise; and
17 (8) the defendant’s intent in selecting the mark.

18 Id. In the context of the Web, the three most important Sleekcraft factors for determining
19 likelihood of confusion are (1) similarity of the marks, (2) relatedness of the goods or
20 services, and (3) the simultaneous use of the Web as a marketing channel. Goto.com, Inc.
21 v. Walt Disney Co., 202 F.3d 1199, 1205 (9th Cir. 2000).

22 The court concludes that neither party has shown as a matter of law whether
23 consumers likely confuse vericheck.com with Vericheck’s services. See Levi Strauss &
24 Co. v. Blue Bell, Inc., 778 F.2d 1352, 1355 n.5 (9th Cir. 1985) (noting that “the question
25 of likelihood of confusion is routinely submitted for jury determination as a question of

26 ¹³As one example, Vericheck attaches to counsel’s declaration a copy of the Honorable
27 Gary A. Feess’s findings of facts and conclusions of law in E-Stamp Corp. v. Lahoti, No. 99-
28 09287-GAF (June 12, 2002, C.D. Cal.), in which he finds that “Lahoti operates with a clear and
undeniable profit motive. The evidence establishes that he traffics in domain names for profit.”
Jost Decl., Ex. D at 8.

1 fact”). On the one hand, it is undisputed that the VERICHECK mark and vericheck.com
2 are identical (or confusingly similar) and that, generally, both Mr. Lahoti and Vericheck
3 use the web as a marketing channel. Further, as the court has already discussed, Mr.
4 Lahoti’s intent in selecting the mark is suspect. On the other hand, questions remain
5 concerning the strength of Vericheck’s mark. Mr. Lahoti highlights evidence of third-
6 party use as indicative of a weak mark, and points to the scant evidence with respect to
7 Vericheck’s actual use of the mark in its advertising materials. Further, Mr. Lahoti cites
8 the self-serving nature of Vericheck’s declarations on the subject of consumer confusion
9 and the attendant hearsay issues involved. Although proof of actual confusion is not a
10 prerequisite to an infringement claim, Vericheck’s evidence provides an insufficient basis
11 for the court to say as a matter of law that likelihood of confusion exists. Accordingly,
12 the court denies both parties’ motions on the issue.

13
14 **D. Washington Consumer Protection Act**

15 To prevail on its CPA claim, Vericheck must show: (1) an unfair or deceptive act
16 or practice; (2) occurring in the conduct of trade or commerce; (3) affecting the public
17 interest; (4) injuring its business or property; and (5) a causal link between the unfair or
18 deceptive act and the injury suffered. Nordstrom, Inc. v. Tampourlos, 733 P.2d 208, 210
19 (Wash. 1987). Vericheck makes no attempt to apply these elements to the facts of this
20 case, and dedicates less than a page to a discussion of its CPA claim. In any event,
21 because issues of fact preclude the court from both determining whether the mark is
22 inherently distinctive and whether there is a likelihood of customer confusion, the court
23 declines to rule as a matter of law that Vericheck is entitled to summary judgment under
24 Washington’s CPA. See Seattle Endeavors, Inc. v. Mastro, 868 P.2d 120, 126 (Wash.
25 1994) (noting the “overlapping nature of proof in both trade name infringement cases and
26 [CPA] violations” and considering, *inter alia*, likely confusion and strength of the mark in
27 reviewing CPA claim).
28

IV. CONCLUSION

For the reasons stated, the court DENIES Mr. Lahoti's motion for summary judgment (Dkt. # 30) and DENIES in part and GRANTS in part Vericheck's motion (Dkt. # 25). A bench trial is set for October 9, 2007 in this matter.

Lastly, the court DENIES as moot Mr. Lahoti's request to strike (Dkt. # 49) the late-filed amended Declaration of Mr. Hannah (Dkt. # 48), because the court did not rely on the submission. For the same reason, the court declines Mr. Lahoti's request contained in his Reply brief to strike the declaration of Colin Smith (Dkt. # 39).

Dated this 30th day of August, 2007.



JAMES L. ROBART
United States District Judge

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 6-C

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

DAVID LAHOTI,
Plaintiff,
v.
VERICHECK, INC.,
Defendant.

CASE NO. C06-1132JLR
FINDINGS OF FACT AND
CONCLUSIONS OF LAW

This matter came for a bench trial that began on November 6, 2007. Plaintiff/Counterclaim Defendant David Lahoti was represented by John Du Wors and Derek Linke of Newman & Newman, Attorneys at Law, LLP. Defendant Vericheck, Inc. (“Vericheck”) was represented by Shannon Jost of Stokes Lawrence, P.S. At the conclusion of the case, the court took the case under advisement. The court has considered the evidence and exhibits admitted at trial, the findings and conclusions reached in the court’s order on summary judgment (“SJ Order”) (Dkt. # 52), and counsels’ arguments. Being fully advised, the court makes its Findings of Fact and Conclusions of Law.

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I. FINDINGS OF FACT

Background

1. Vericheck, a Georgia corporation, is a national provider of electronic payment transaction processing services, and has been using the VERICHECK mark (or, “the mark”) in connection with its business since at least 1992. In 2003, Vericheck attempted to register the mark with the United States Patent and Trademark Office (“PTO”) but was unable to do so because an Arizona company successfully registered VERICHECK as a word mark in 1975. Sec. Hannah Decl. at ¶ 8 (Dkt. # 26); Exs. 7, 8.

2. According to Vericheck’s Chief Executive Officer (“CEO”) Jerry Hannah, who purchased the company in 1995, Vericheck has maintained a world wide web presence at <vericheck.net> since 1999 and began offering its services online about a year later. Sec. Hannah Decl. at ¶ 2. The company also registered the domain names <vericheck.org>, <vericheck.cc>, <vericheck.us>, and <vericheck.biz>, many of which redirect visitors to <vericheck.net>. Vericheck now conducts its business primarily over the Internet and through its resellers and independent sales offices (“ISOs”), who rely on the Internet, including Vericheck’s websites, as a primary mode of communication with Vericheck. On August 31, 2001, the company successfully registered a service mark with the State of Georgia, described as “a depiction of a check mark over the word ‘vericheck.’” Sec. Jost Decl. ¶ 3, Ex. B (Dkt. # 28).

3. Mr. Lahoti is an adjudicated cybersquatter who has registered thousands of domain names and prospectively registers domain names of services he “might offer” based on his “ideas for new ventures.” Lahoti Decl. at ¶¶ 7-8 (Dkt. # 31); Jost Decl., Ex. B (Dkt. # 16) (*E-Stamp Corp. v. Lahoti*, Case No. 2:99-CV-9287-GAF-MAN (C.D. Cal. Jun. 12, 2000)); Supp. Jost Decl., Ex. K (Dkt. # 23); SJ Order at 12 n.9. After having

1 tracked <verichack.com> (or, “Domain Name”) for five years, Mr. Lahoti, a self-
2 described “Internet entrepreneur,” registered the Domain Name in March 2003. Lahoti
3 Decl. at ¶¶ 3, 11. The Domain Name incorporates the VERICHECK mark. Mr. Lahoti
4 uses <verichack.com> in connection with a directory website providing links to
5 companies that compete with Verichack. *See* Ex. A-10.

6
7 4. Prior to Mr. Lahoti purchasing the Domain Name, it was owned by a Canadian
8 company. For several years, Mr. Hannah and other Verichack representatives attempted
9 to secure rights to <verichack.com> from the Canadian company. Once Mr. Lahoti
10 purchased the Domain Name, he expressed a willingness to sell the Domain Name to
11 Verichack at prices that ranged from \$48,000 to \$100,000. SJ Order at 3-4.

12 5. In June 2006, Verichack filed a complaint with the National Arbitration Forum
13 (“NAF”) pursuant to the Uniform Domain-Name Dispute-Resolution Policy seeking an
14 order transferring <verichack.com> to Verichack. Mr. Lahoti responded and objected. In
15 August 2006, the arbitrator issued a decision ordering transfer of the Domain Name to
16 Verichack.
17

18 6. Mr. Lahoti filed the instant action for declaratory relief challenging NAF’s
19 decision pursuant to 15 U.S.C. § 1114(2)(D)(v), which allows a registrant whose domain
20 name has been suspended, disabled, or transferred, to file a civil action to establish that
21 his use of the domain name is lawful. He seeks a declaratory judgment that his use of the
22 Domain Name does not contravene the Anti-Cybersquatting Consumer Protection Act
23 (“ACPA”), 15 U.S.C. § 1125(d), or any other provision of the Lanham Act, 15 U.S.C.
24 § 1051 *et seq.* In its answer, Verichack pleads the following counterclaims: violation of
25 the ACPA; Lanham Act false designation of origin, 15 U.S.C. § 1125(a); common law
26 trademark infringement and trade name infringement; common law unfair competition
27
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1 and misappropriation; and a violation of Washington’s Consumer Protection Act
2 (“CPA”), RCW § 19.86.020. Vericheck seeks transfer of the Domain Name, statutory
3 damages, and attorneys’ fees.

4 7. The parties filed cross-motions for summary judgment. On August 30, 2007, the
5 court denied Mr. Lahoti’s motion and granted in part and denied in part Vericheck’s
6 motion. The court found the following: Mr. Lahoti registered and used <vericheck.com>
7 in bad faith, SJ Order at 12-14; Mr. Lahoti is not entitled to take refuge in the “safe
8 harbor” provision of Lanham Act § 43(d), 15 U.S.C. § 1125(d)(1)(B)(ii), SJ Order at 14;
9 the Domain Name and the VERICHECK mark are identical or confusingly similar, *id.* at
10 6, 17; Vericheck’s use of the mark predates Mr. Lahoti’s registration of the Domain
11 Name, *id.* at 7 n.5; Mr. Lahoti’s use of the Domain Name for a directory website and his
12 offers to sell the Domain Name constitute “commercial use,” *id.* at 15; and both parties
13 use the Internet as a marketing channel, *id.* at 17.

14 8. With respect to liability, the court found that there were issues of fact with regards
15 to: (1) the distinctiveness of the VERICHECK mark; and (2) the likelihood of consumer
16 confusion caused by Mr. Lahoti’s use of the mark. The first issue affects all five of
17 Vericheck’s counterclaims. The second issue affects all claims except for the ACPA
18 counterclaim.

19 9. At the bench trial, Vericheck called two witnesses to testify: Vericheck CEO Mr.
20 Hannah and Mr. Lahoti. Mr. Lahoti called a single witness, Tom Nort, to testify
21 telephonically in rebuttal to Mr. Hannah’s deposition testimony of November 5, 2007.
22 Mr. Nort sold the VERICHECK mark and business to Mr. Hannah.

23 10. Because the court had already determined that Mr. Lahoti used the VERICHECK
24 mark in bad faith, on the second day of the trial the parties agreed that the court could
25

1 determine statutory damages and attorneys' fees on the existing record without need for
2 trial testimony.

3 **Vericheck's Business, Its Services, and Consumer Confusion**

4 11. In 1992, Mr. Nort started Vericheck in Georgia. Vericheck was a verification
5 company for check processing that appeared to employ a unique system for tracking
6 account information.

7
8 12. Mr. Hannah met Tom Nort in 1992 or 1993. In 1995, Mr. Hannah purchased
9 Vericheck from Mr. Nort. The assets included in the sale were the company's computer
10 programs, computers, processing equipment, and the name Vericheck, Inc. Mr. Hannah
11 continued to do business as Vericheck and has always used the name Vericheck to brand
12 the company's services. Mr. Nort thereafter changed the name of his business so that he
13 could offer services that he had not sold to Mr. Hannah as part of the sale of the
14 Vericheck business. *See* Ex. A-21.

15
16 13. Mr. Nort was called to testify telephonically as a rebuttal witness to challenge Mr.
17 Hannah's deposition testimony that Vericheck had been doing business under the
18 Vericheck name since 1991 or 1992. Mr. Nort instead corroborated Mr. Hannah's
19 testimony, testifying that Vericheck began offering services in 1991 or 1992 and, when
20 pressed, said that he would have to settle on "around 1992." Mr. Nort further testified
21 that salesmen used the VERICHECK mark to solicit business in Atlanta, Georgia and the
22 surrounding area, as well as in Gainesville, Georgia.

23
24 14. Mr. Hannah registered Vericheck, Inc. with the State of Georgia on September 7,
25 1999. Exs. 4, 5. He testified credibly that his delay in registering the company was due
26 to the death of one parent and the debilitating illness of his other parent around the same
27 time that he began operating Vericheck. Vericheck owns a State of Georgia trademark
28

1 registration, No. S-19547, for the mark VERICHECK & Design, issued August 31, 2001.

2 Ex. A-3.

3 15. Vericheck provides a broad array of financial and merchant solutions, including
4 check and other financial verification services; check guarantee services; check collection
5 and prosecution of delinquent payments; verification of account information, balance, and
6 positive or bad/fraudulent account transaction history; monitoring and reporting of check
7 transaction history; payment processing services (credit card, debit card, echecks,
8 electronic benefit transfer (“EBT”), wireless payments, stored value or purchasing cards,
9 and personal or merchant check); and related transactional and technical support services.

10 *See, e.g.*, Exs. A-4, A-9, 4, 5, 15. The vast majority of Vericheck’s business involves
11 automated check handling (“ACH”), which includes prearranged payment debits
12 (“PPD”); commercial cash debits (“CCD”); accounts receivable conversion (“ARC”);
13 telephone transactions; back office conversion (“BOC”); point-of-purchase transactions
14 (“POP”); returned check collection (“RCK”); and consolidated returns (“RCC”). Of
15 these ACH transactions, ARC, BOC, POP, RCK, and RCC depend upon the existence of
16 a physical check.
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19 16. There are approximately 1,500 merchants conducting electronic transactions
20 through Vericheck. Its customers include large private corporations such as the home
21 security company ADT, as well as county and city governments, law firms, and
22 professional organizations. Mr. Hannah testified that Vericheck’s sales volume in 1995
23 was “minuscule,” but the company now is involved with approximately \$300 million in
24 transactions per year, which translates to approximately 300,000 transactions. According
25 to Mr. Hannah, in 2001-2002, Vericheck’s business “really took off” and the “trajectory
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1 was straight up”; this increase in business was related to Vericheck’s partnership with
2 USA ePay. Presently, Vericheck grosses approximately \$60,000 per month.

3 17. Vericheck promotes its name and services through trade shows; banking shows;
4 and electronic transactions exhibitions in Las Vegas and San Jose; merchant’s forums in
5 Eureka, California, southern Tampa, Florida, and Atlanta, Georgia; and vendor groups
6 sponsored by regional and national banks. Mr. Hannah personally attends two to three
7 trade shows per year, distributing material and business cards, all of which prominently
8 display the VERICHECK mark. It costs approximately \$5,000 to register for a trade
9 show and additional expenses are incurred for setting up a booth. Vericheck also offers
10 incentives to promote its services, for example, waived application fees for vendors, and
11 asks that its ISOs and resellers participate in promoting these incentives.

12 18. Mr. Hannah testified that approximately 90% of Vericheck’s business is conducted
13 through the Internet. This includes Vericheck’s secure network and merchant
14 transactions. Vericheck, its resellers, and ISOs also direct merchants to the website
15 posted at Vericheck’s <vericheck.net> to fill out applications, service agreements, and for
16 further information. Vericheck, its resellers, and ISOs use VERICHECK as a trademark
17 regularly. *See, e.g.*, Exs. A-4 (using the mark on the website posted at <vericheck.net>),
18 A-9 (using the mark on the website posted at <USAePay.com>).

19 19. Mr. Hannah testified that he personally receives two or three calls per day from
20 Vericheck resellers who say that customers are confused by visiting the website posted at
21 <vericheck.com> and cannot find the Vericheck merchant application. According to Mr.
22 Hannah, these resellers ask what the company is doing to increase Vericheck’s presence
23 on the Internet and eliminate the confusion when merchants attempt to locate the
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1 Vericheck application online and visit Mr. Lahoti’s website posted at <vericheck.com>
2 instead of the website posted at Vericheck’s <vericheck.net>.

3 **The VERICHECK Mark and Distinctiveness**

4 20. An Arizona company successfully registered VERICHECK as a word mark in
5 1975. Exs. 7, 8. These registrations were not renewed by the trademark owner and have
6 expired. Exs. 9-10. There is no evidence in the record that the Arizona company ever
7 used the VERICHECK mark.
8

9 21. Mr. Hannah testified credibly that the Arizona company has never and does not
10 presently offer services similar to those of Vericheck. According to Mr. Hannah, the
11 Arizona company is primarily a civil collections firm. Mr. Hannah has spoken with the
12 Arizona company’s principal and Vericheck presently has a referral agreement with that
13 company: once checks are processed through the RCK process, Vericheck will refer the
14 “hard collections” to the Arizona company. Mr. Hannah believes that the Arizona
15 company does business under a name other than “Vericheck.”
16

17 22. In July 2007, Vericheck applied for registration of the VERICHECK mark.
18 Ex. 30. The PTO recently completed its initial examination of Vericheck’s application
19 for registration of the VERICHECK mark, and has approved Vericheck’s application for
20 publication for opposition. Ex. A-22. Mr. Lahoti has opposed Vericheck’s application.
21

22 23. At trial, Mr. Lahoti testified inconsistently and evasively about his research into
23 the <vericheck.com> domain name. In his answers to interrogatories, Mr. Lahoti stated
24 that he began researching domain names with the “VERI-” prefix in 1998, discovering
25 that <vericheck.com> was, at that time, registered to a Canadian company; searched the
26 PTO’s online database, finding that an Arizona company had registered the
27 VERICHECK mark; and then conducted an Internet search, determining that “the
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1 Arizona entity was no longer using the alleged mark VERICHECK,” and that “a number
2 of other third parties were using terms identical or similar to VERICHECK in connection
3 with their goods or services.” Ex. A-23, at 9. Mr. Lahoti testified: (1) he could not verify
4 that his answers to interrogatories were accurate; (2) he may not have verified or
5 reviewed the answers to interrogatories before they were served on opposing counsel;
6 (3) he was unaware of any duty to ensure that his answers were accurate; and (4) his
7 attorney told him that any inaccuracies could be sorted out at trial.
8

9 24. Mr. Lahoti testified that he did an Internet search for “Vericheck” and that the
10 Arizona company did not appear in any of the results. He further stated that he did not
11 take specific notice of Vericheck’s presence on the Internet because he was
12 “overwhelmed” by the number of companies doing business on the Internet as
13 “Vericheck.”
14

15 25. Mr. Lahoti has earned \$724 in revenue from owning <vericheck.com>. He
16 received this revenue from Overseer.net, which pays Mr. Lahoti based upon the number of
17 times a visitor to <vericheck.com> clicks through links on the page. He testified that he
18 did not know how much he earned per click, and could not recall the number of times that
19 visitors clicked through the links. He said that he did not scrutinize the statistics provided
20 by Overseer.net closely enough to hazard a guess as to how his revenue was earned.
21

22 26. Vericheck’s use of the VERICHECK mark predates nearly all of the alleged users
23 cited by Mr. Lahoti. Several of the purported third-party uses either are unsupported,
24 irrelevant, or support the distinctiveness of the VERICHECK mark as used by Vericheck
25 to describe its services.

26 27. Most of the alleged uses upon which Mr. Lahoti relies are in unrelated services.
27 For example, “VeriCheck Information Services” offers background investigation services,
28 Exs. 20, 21; “Vericheck, Inc.” offers pre-employment background services, Exs. 22, 23;

1 VeriCheck provides “Professional Pre-employment Verification Service,” Ex. 24; and
2 “VERI-CHECK” offers an ultraviolet counterfeit money detector, Moeller Decl. (Dkt.
3 # 32), Ex. 25.

4 28. Mr. Lahoti argued in his trial brief that another company, GLA, Inc., had an earlier
5 use of a “verichcek” designation. However there is no evidence of record showing any
6 use whatsoever by GLA, Inc. of the mark, and the slim documentation provided by Mr.
7 Lahoti, Ex. 17, indicates that GLA registered the trade name VERICHECK in Hawaii in
8 1997, at least five years after Verichcek adopted the mark.

9 29. Mr. Lahoti also cites VeriChek, Inc., a Texas company, Ex. 13; however, the
10 earliest alleged use of the mark by that company is 1995, at least three years after
11 Defendant adopted the VERICHECK mark.

12 30. Mr. Lahoti references three third-party uses that allegedly commenced before
13 Verichcek first adopted the VERICHECK mark in 1992: Credit Associates of Maui; Veri-
14 Cheque of Canada, Ex. 18; and Verichcek Services, Inc. of Arizona, Exs. 7-10. There is
15 no evidence indicating whether or the extent to which Credit Associates of Maui or Veri-
16 Cheque of Canada actually used and promoted any mark in connection with their
17 services. The sole evidence presented by Mr. Lahoti concerning Veri-Cheque of
18 Canada’s alleged use of a mark are a page printed from an Internet archive from 1998, six
19 years after Defendant adopted its VERICHECK mark, and a page printed from Veri-
20 Cheque’s current website in June 2007, fifteen years after Defendant adopted its
21 VERICHECK mark. Moreover, Veri-Cheque is a Canadian company, and aside from a
22 statement on the website that it operates in “North America” there is no evidence of
23 actual goods or services provided in the United States.

24 31. The court finds that the evidence introduced at trial about the Arizona company
25 supports Verichcek’s contention that the mark is distinctive. The Arizona company does
26

1 not use the mark in connection with services that compete with Vericheck. Mr. Lahoti's
2 own investigation showed that the company did not use the VERICHECK mark, at least
3 on the Internet, and he has not produced evidence to contradict his own investigation.
4 Furthermore, that the PTO allowed the Arizona company to register the now expired
5 VERICHECK mark without requiring proof of secondary meaning affords a rebuttable
6 presumption that the mark is inherently distinctive for "check verification services." Ex.
7 7 (capitalization removed); see *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537
8 F.2d 4, 11 (2d Cir. 1976).

10 32. The VERICHECK mark has no common English meaning, and appears in no
11 dictionary. If the term VERICHECK is understood by the average consumer to suggest
12 Vericheck's services, such understanding requires imagination and creativity, or a mental
13 leap by the consumer, in order to become apparent. The court therefore finds the
14 VERICHECK mark to be inherently distinctive.

15 33. Vericheck has also presented substantial proof of the VERICHECK mark's
16 strength in the marketplace in the form of Vericheck's extensive and longstanding use and
17 promotion of the mark as well as the company's expanding territory, client list, and sales
18 figures.
19

20 II. CONCLUSIONS OF LAW

21 1. Vericheck has presented facts that establish the distinctiveness of the
22 VERICHECK mark and the likelihood of consumer confusion caused by Mr. Lahoti's use
23 of the mark. Given that the mark is strong and protectable, Vericheck is entitled to
24 judgment on its five counterclaims: (1) violation of the ACPA; (2) Lanham Act false
25 designation of origin; (3) common law trademark infringement and trade name
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1 infringement; (4) common law unfair competition and misappropriation; and (5) violation
2 of the Washington CPA. Mr. Lahoti's claims are dismissed.

3 **Counterclaim I: Anti-Cybersquatting Consumer Protection Act**

4 2. The ACPA, which Congress incorporated into the Lanham Act in 1999, sets forth
5 the elements of a cybersquatting claim. To prevail, Vericheck must prove that it holds a
6 distinct mark, that Mr. Lahoti had a "bad faith intent to profit" from the mark, and that
7 Mr. Lahoti "register[ed], traffic[ked] in, or use[d]"¹ a domain name" that is identical to, or
8 confusingly similar to that mark. *See* 15 U.S.C. § 1125(d)(1)(A)(i)-(ii). The ACPA
9 protects both federally-registered marks as well as unregistered marks. *DaimlerChrysler*
10 *v. The Net Inc.*, 388 F.3d 201, 205 (6th Cir. 2004) (citing *Two Pesos Inc. v. Taco Cabana,*
11 *Inc.*, 505 U.S. 763, 768 (1992)); *see also* 4 J. THOMAS MCCARTHY, MCCARTHY ON
12 TRADEMARKS AND UNFAIR COMPETITION § 25:78 (4th ed. 2007) (hereinafter
13 "MCCARTHY").

14 3. The Court already concluded that Mr. Lahoti registered and used the domain name
15 <vericheck.com> in bad faith, and that he made commercial use of the mark and Domain
16 Name. SJ Order at 11-13, 15-16. Likewise, "[t]here is no dispute that vericheck.com and
17 the VERICHECK mark are identical or confusingly similar." *Id.* at 6. Thus the
18 remaining issue for trial was the distinctiveness of the VERICHECK mark.

19 4. There are five categories of trademarks: (1) generic; (2) descriptive; (3) suggestive;
20 (4) arbitrary; and (5) fanciful. *Yellow Cab Co. of Sacramento v. Yellow Cab of Elk*
21 *Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005). Word marks that are "'arbitrary'
22 ('Camel' cigarettes), 'fanciful' ('Kodak' film), or 'suggestive' ('Tide' laundry detergent)"
23
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26
27 ¹Unlike a trademark infringement claim, a claim under the ACPA does not require the
28 claimant to prove that the alleged cybersquatter made *commercial* use of the mark. *See Bosley*
Medical Institute, Inc. v. Kremer, 403 F.3d 672, 680-81 (9th Cir. 2005).

1 are inherently distinctive. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205,
2 210-11 (2000). These three categories are entitled to trademark protection because they
3 “serve[] to identify a particular source of a product” *Two Pesos*, 505 U.S. at 768.
4 A term is suggestive “if imagination or a mental leap is required in order to reach a
5 conclusion as to the nature of the product being referenced.” *Filipino Yellow Pages, Inc.*
6 *v. Asian Journal Publ’ns, Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999). By contrast,
7 “descriptive” marks simply “define a particular characteristic of the product in a way that
8 does not require any exercise of the imagination.” *Yellow Cab*, 419 F.3d at 927 (internal
9 citation and quotation omitted). A descriptive mark receives trademark protection only
10 when it establishes “secondary meaning” in the marketplace. *Id.* Generic marks receive
11 no protection because they simply identify the product, rather than the source of the
12 product. *Id.* (internal citation omitted). “Placement on the spectrum of distinctiveness
13 does not end the enquiry as to the strength of a mark: it is only the first step. The second
14 step is to determine the strength of this mark in the marketplace. That is, to ascertain its
15 degree of recognition in the minds of the relevant customer class.” 2 MCCARTHY §11.2.

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18 5. Vericheck contends that the VERICHECK mark is inherently distinctive and is
19 protectable as a trademark even without evidence of secondary meaning. Also, the
20 VERICHECK mark has acquired distinctiveness in the minds of consumers as a result of
21 Vericheck’s long use, advertising and promotion, and extensive sales of Vericheck’s
22 financial transaction processing services, all in connection with the VERICHECK mark.
23 Mr. Lahoti contends that the VERICHECK mark is generic or descriptive, and thus either
24 unprotectable under any circumstance, or protectable only on a showing of secondary
25 meaning.
26

27 6. The distinctiveness of a mark must be assessed not in the abstract, but in relation
28 to the applicable goods or services, the context in which the mark is used and

1 encountered in the marketplace, and the significance the mark in that context is likely to
2 have to the average consumer. In assessing mark strength, it is improper to dissect a mark
3 and to separately analyze the individual words which it may incorporate. *See In re*
4 *Hutchinson Tech., Inc.*, 852 F.2d 552, 554-55 (Fed. Cir. 1988). A combination of words
5 or word parts in a mark, which might themselves be descriptive if taken separately, are
6 not necessarily descriptive if used as a mark. *See e.g., Equine Techs., Inc. v.*
7 *Equitechology, Inc.*, 68 F.3d 542, 545 (1st Cir. 1995) (holding that “EQUINE
8 TECHNOLOGIES” in its entirety is not descriptive of hoof pads for horses,
9 notwithstanding that “equine” describes horses).

11 7. Taken in its entirety, the VERICHECK mark is suggestive. The term
12 VERICHECK has no common English meaning, and does not appear in any dictionaries.
13 The VERICHECK mark does not call to mind Vericheck’s broad array of financial
14 transaction processing services without need for the exercise of imagination or creativity
15 by the consumer. Vericheck’s long use of the VERICHECK mark as a trademark, and
16 not as a descriptor of its goods and services, also supports the court’s finding that the
17 mark is protectable.

19 8. Mr. Lahoti improperly breaks down the mark into two component parts, “veri” and
20 “check,” in order to argue that consumers will immediately presume that Vericheck
21 provides “check verification” services. *See e.g., Equine Techs.*, 68 F.3d at 545; *In re*
22 *Hutchinson Tech.*, 852 F.2d at 554-55. Even if the mark were parsed, the result would
23 not immediately call to mind the broad array of electronic transaction processing services
24 that Vericheck provides. “Veri” has no independent meaning and could refer to “*veritas*”
25 (“truth”) or “*veritable*” as easily as “*verification*.” “Check” could refer to a noun, a verb,
26 an interjection, and has a myriad of meanings. *See Dictionary.com, Dictionary.com*
27 *Unabridged* (v 1.1), Random House, Inc., <http://dictionary.reference.com/browse/check>

1 (last visited November 28, 2007) (referring to 46 separate meanings). Following Mr.
2 Lahoti’s reasoning, the recombinant VERICHECK mark could conceivably describe a
3 process for stopping the truth from being transmitted (“*veritas*” and “check” definition
4 number 1), or a reliable form of checking baggage at the airport (“veritable” and “check”
5 definition number 10). *See id.*

6
7 9. Most of Mr. Lahoti’s evidence supports a finding that the VERICHECK mark is
8 suggestive, strong, and protectable. As the court recognized on summary judgment,
9 evidence that “the VERICHECK mark could denote a wide variety of products” supports
10 a finding that the mark “require[s] a consumer’s imagination to connect the term to
11 Vericheck’s particular services.” SJ Order at 10; *see also Playtex Prods., Inc. v.*
12 *Georgia-Pacific Corp.*, 390 F.3d 158, 164 (2d Cir. 2004) (finding the term “Wet Ones,”
13 like “Wite-Out,” to be suggestive because it “could plausibly describe a wide variety of
14 products”). An ultraviolet counterfeit money detector (checking into the truth of the
15 currency) and pre-employment background verification (a verifying background
16 check)—uses which would be suggested by an improper parsing of the VERICHECK
17 mark—differ significantly from the many financial services offered by Vericheck . *See,*
18 *e.g.*, Moeller Decl., Ex. 25; Exs. 22.

19
20 10. Similarly, evidence that the Arizona company obtained two trademark registrations
21 (now expired) for marks incorporating the term VERICHECK plus a design component
22 indicates that the PTO did not consider the mark to be descriptive or generic as applied to
23 that company’s services. *See* 2 MCCARTHY § 11:69 (citing *Borinquen Biscuit Corp. v.*
24 *M.V. Trading Corp.*, 443 F.3d 112, 119-20 (1st Cir. 2006) (holding that the PTO’s
25 acceptance of other marks incorporating the same term for a registration supports the
26 inherent distinctiveness of the mark at issue)); *see, e.g.*, Ex. 7 (Arizona company’s
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1 registration of VERICHECK mark for “check verification services”) (capitalization
2 removed).

3 11. Mr. Lahoti argues that the VERICHECK mark has been rendered weak and,
4 therefore, unprotectable by a crowded field of third-party use of the mark. However,
5 most of the alleged third-party uses cited by Mr. Lahoti are in unrelated fields, and
6 “[e]vidence of other unrelated potential infringers is irrelevant to claims of trademark
7 infringement and unfair competition under federal law.” *Eclipse Assocs. Ltd. v. Data*
8 *Gen. Corp.*, 894 F.2d 1114, 1119 (9th Cir. 1990); *see also Electropix v. Liberty Livewire*
9 *Corp.*, 178 F. Supp. 2d 1125, 1130 (C.D. Cal. 2001) (rejecting relevance of trademark
10 report showing 200 companies using the mark where only two of the companies were
11 using the mark in the same or a similar industry).

12
13 12. Mr. Lahoti cites three prior users of the mark in the same industry as Vericheck:
14 Credit Associates of Maui, Veri-Cheque of Canada, and Vericheck Services, Inc. of
15 Arizona. Federal registration of the mark by a single company, along with scant evidence
16 about two other purported users, constitute a far cry from a multitude of registrations and
17 uses that might suggest a weak mark. *See, e.g., Petro Stopping Centers, L.P. v. James*
18 *River Petroleum, Inc.*, 130 F.3d 88, 94 (4th Cir. 1997) (referring to 2,700 companies, 117
19 third-party federal registrations, 63 users within the same product area, and 42 prior
20 registrations of the mark “PETRO” supported a finding that plaintiff had a weak mark);
21 *Estee Lauder Inc. v. The Gap, Inc.*, 108 F.3d 1503, 1511 (2d Cir.1997) (holding that
22 weakness of mark was demonstrated by over 70 trademark registrations, pending
23 applications for registration or renewal, or publications-for-opposition that included the
24 term used in plaintiff’s mark); *Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.*, 856
25 F.2d 1445, 1449 (9th Cir. 1988) (approving district court’s finding of a relatively weak
26 mark where “[m]ost other pageants use a mark which is composed of a marital prefix and
27
28

1 a defining geographic term. As a result any combination of a marital prefix and
2 geographic term ‘means’ beauty pageant.”), *abrogation recognized, Eclipse Assocs.*, 894
3 F.2d at 1116 n.1 (referring to the standard of review); *Amstar Corp. v. Domino’s Pizza,*
4 *Inc.*, 615 F.2d 252, 259-60 (5th Cir. 1980) (holding relevant the evidence of 72
5 third-party uses and registrations of the appellant’s mark); *cf.* 3 MCCARTHY § 17:17
6 (noting that third-party use and a plaintiff’s failure to police a mark are relevant as to
7 whether widespread use has led to the weakening of the mark).

9 13. Mr. Lahoti presented no credible evidence that Credit Associates of Maui, Veri-
10 Cheque of Canada, and Vericheck Services, Inc. of Arizona have used the VERICHECK
11 mark in the United States to compete with Vericheck. Mr. Lahoti never attempted to
12 admit at trial his exhibit verifying Credit Associates of Maui’s use of the VERICHECK
13 mark, Ex. 16, and no reference to the VERICHECK mark is navigable from that
14 company’s website. *See* <http://www.creditassoc.com/> (last accessed November 28,
15 2007).

17 14. There is no credible evidence of Veri-Cheque of Canada’s use of the
18 VERICHECK mark prior to Vericheck’s use in 1992, and there is no evidence of the
19 Canadian company’s use of the mark in the United States. Trademark rights are
20 territorial in nature, and possible use outside the United States does not bear on the
21 protectability of the VERICHECK mark in this country. “Priority of trademark rights in
22 the United States depends solely upon priority of use in the United States, not on priority
23 of use anywhere in the world.” *Grupo Gigante SA De CV v. Dallo & Co., Inc.*, 391 F.3d
24 1088, 1093 (9th Cir. 2004) (quoting 4 MCCARTHY § 29:2).

26 15. The evidence presented with respect to the Arizona company supports Vericheck’s
27 position. Mr. Lahoti failed to present any evidence whatsoever that the Arizona company
28 actually used the VERICHECK mark to compete with Vericheck’s services. Mr. Lahoti

1 testified that his own independent Internet search verified that the Arizona company was
2 not using the mark, at least on the Internet. That the PTO allowed the Arizona company
3 to register the now expired VERICHECK mark without requiring proof of secondary
4 meaning affords a rebuttable presumption that the mark is inherently distinctive. *See*
5 *Abercrombie & Fitch Co.*, 537 F.2d at 11. Furthermore, Mr. Hannah’s unrebutted
6 testimony established that: (1) Vericheck has a continuing business relationship with the
7 Arizona company; (2) the Arizona company does not offer the same services as
8 Vericheck; and (3) the Arizona company does not use the VERICHECK mark.

10 16. Mr. Lahoti argues, nonetheless, that the Arizona company’s prior registration of
11 the VERICHECK mark, without any evidence of the company’s use of the mark,
12 precludes Vericheck’s ability to raise counterclaims against him. He relies upon the
13 principle that a senior registrant’s prior registration of a mark on the PTO’s Principal
14 Register constitutes prima facie evidence of the validity of the registered mark and of the
15 senior registrant’s exclusive right to use the mark on the goods and services specified in
16 the registration. *See* 15 U.S.C. §§ 1057(b), 1115(a); *Brookfield Commun’ns v. W. Coast*
17 *Entm’t Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999).

19 17. Mr. Lahoti’s argument is a *jus tertii* defense, i.e., he asserts that a third party, the
20 Arizona company, has rights superior to Vericheck and, therefore, “[s]omebody has a
21 right to sue me, but it’s not you.” 6 MCCARTHY § 31:157 (internal marks omitted).
22 Modern courts and the Trademark Board have rejected the *jus tertii* defense. *Id.*
23 § 31:160; *see Comm. for Idaho’s High Desert, Inc. v. Yost*, 92 F.3d 814, 820 (9th Cir.
24 1996) (“[A] third party’s prior use of a trademark is not a defense in an infringement
25 action.”); *Bishops Bay Founders Group, Inc. v. Bishops Bay Apartments, LLC*, 301 F.
26 Supp. 2d 901 (W.D. Wis. 2003) (holding that whether a third party might have trademark
27 rights superior to plaintiff “has no effect on this lawsuit”); *General Cigar Co. v. G.D.M.*

1 *Inc.*, 988 F. Supp. 647, (S.D.N.Y. 1997) (holding that a third party’s possibly superior
2 rights cannot be a defense); *Krug Vins Fins de Champagne v. Rutman Wine Co.*, 197
3 U.S.P.Q. 572, 574 (T.T.A.B. 1977) (“The fact that the third persons might possess some
4 rights in their respective marks which they could possibly assert against petitioner in a
5 proper proceeding can avail respondent nothing herein since respondent is not in privity
6 with nor is the successor in interest to any rights which such persons have acquired in
7 their marks.”). This court follows suit. Mr. Lahoti acquired rights to the Domain Name
8 more than a decade after Vericheck began using the mark. “So long as plaintiff proves
9 rights superior to defendant, that is enough. Defendant is no less an infringer because it
10 is brought to account by a plaintiff whose rights may or may not be superior to the whole
11 world.” 6 MCCARTHY § 31:160; *Comm. for Idaho’s High Desert*, 92 F.3d at 821 (citing
12 MCCARTHY).
13

14 18. In sum, the court finds the VERICHECK mark to be suggestive and, therefore,
15 inherently distinctive. The mark’s strength in the marketplace is amply supported by
16 Vericheck’s long use of the mark; the mark’s promotion through advertising, trade shows,
17 and promotional incentives; and the expansion of Vericheck’s territory and client list
18 along with an increase in sales. The VERICHECK mark is therefore entitled to
19 protection. Because Vericheck has already satisfied the other elements under the ACPA,
20 the court grants judgment in favor of Vericheck on its ACPA counterclaim.
21

22 **Counterclaims II, III, and IV: Infringement Claims**

23 19. To prevail on its claims of false designation of origin, common law trademark
24 infringement, and unfair competition (collectively, “infringement claims”),² Vericheck
25

26
27 ²The familiar “likelihood of confusion” test is the standard for liability, whether the claim
28 is one for unfair competition, false designation of origin, or infringement. *See New West Corp. v. NYM Co. of Cal., Inc.*, 595 F.2d 1194, 1201 (9th Cir.1979) (“Whether we call the violation

1 must show that it holds a protectable mark, and that Mr. Lahoti made commercial use of a
2 mark that is similar enough to cause confusion in the minds of consumers about the origin
3 of the goods or services in question. *KP Permanent Make-Up, Inc. v. Lasting Impression*
4 *I, Inc.*, 543 U.S. 111, 117 (2004). At summary judgment, the court found that Mr. Lahoti
5 made commercial use of the VERICHECK mark, and has determined, above, that
6 Vericheck holds a protectable mark. The remaining element of Vericheck’s infringement
7 claims is, therefore, whether Mr. Lahoti’s use of the mark was likely to cause confusion
8 in the minds of consumers. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352,
9 1355 n.5 (9th Cir. 1985) (noting that “the question of likelihood of confusion is routinely
10 submitted for jury determination as a question of fact”).

11
12 20. The following eight factors first announced in *AMF, Inc. v. Sleekcraft Boats*, 599
13 F.2d 341, 348-49 (9th Cir. 1979), guide the court’s analysis on likelihood of confusion:

- 14 (1) the similarity of the marks;
- 15 (2) the marketing channels used to promote the marks;
- 16 (3) the relatedness of the goods or services promoted under the marks;
- 17 (4) the strength of the plaintiff’s mark;
- 18 (5) evidence of actual confusion;
- 19 (6) likelihood of expansion of either parties’ product lines;
- 20 (7) the degree of care a potential purchaser is likely to exercise; and
- 21 (8) the defendant’s intent in selecting the mark.

22 In the context of the Web, the three most important *Sleekcraft* factors for determining
23 likelihood of confusion are (1) similarity of the marks, (2) relatedness of the goods or
24 services, and (3) the simultaneous use of the Web as a marketing channel. *Goto.com, Inc.*
25 *v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000).

26
27 _____
28 infringement, unfair competition or false designation of origin, the test is identical – is there a
‘Likelihood of Confusion?’); *see also* 4 MCCARTHY § 23:1 (same as to common law trademark
infringement).

1 21. Application of the *Sleekcraft* Internet troika shows that confusion is likely. First,
2 the court has already determined that the VERICHECK mark and <vericheck.com> are
3 identical or confusingly similar. *See* SJ Order at 6, 17.

4 22. Second, Mr. Lahoti uses the Internet in connection with competing services.
5 Vericheck uses the mark in connection with financial transaction processing services.
6 Mr. Lahoti uses the Domain Name in connection with a “directory”-style website that
7 includes links to companies offering services that compete with those of Vericheck, such
8 as <safepayment.com>, as well as to web sites that offer “Online Payments” and
9 “Merchant Processing.” Ex. A-10, at 110, 111, 113; *see* SJ Order at 15.

10 23. Third, both Mr. Lahoti and Vericheck use the Internet as a marketing channel.
11 The crux of Vericheck’s business is merchants’, ISOs’, and resellers’ ability to easily
12 access Vericheck’s website in order to facilitate the provision of Vericheck’s services.
13 Many of these customers and affiliates, in attempting to reach Vericheck’s website and to
14 access Vericheck’s services, would — and do — naturally type <vericheck.com> and
15 would and are immediately sent to Mr. Lahoti’s competing website. *See also* SJ Order at
16 15.

17 24. As discussed earlier, the mark is inherently distinctive and the strength of the
18 VERICHECK mark is supported by Vericheck’s long and substantial use of the mark
19 since at least 1992; the company’s expansion nationwide; its fulfillment of hundreds of
20 thousands of financial transactions worth millions of dollars; and substantial advertising
21 and promotion of the mark by Vericheck, its resellers, and ISOs through the Internet, in
22 print and electronic advertising, and through participation in industry trade shows.

23 25. The remaining *Sleekcraft* factors either favor Vericheck or are neutral. Though
24 uncorroborated, Mr. Hannah presented credible testimony that he received two to three
25 calls per day from Vericheck resellers about merchant confusion regarding the
26
27
28

1 <verichack.com> website. Neither party presented evidence regarding the likelihood of
2 expansion into other product lines, though Mr. Lahoti testified that he discussed licensing
3 the VERICHECK mark from the Hawaiian company GLA, Inc. for unspecified purposes.
4 This factor is nonetheless irrelevant here. *See Victoria's Secret Stores v. Artco Equip.*
5 *Co.*, 194 F. Supp. 2d 704, 728 (S.D. Ohio 2002) (holding that likelihood of expansion of
6 product lines irrelevant where parties already directly compete). Exercising an average
7 degree of care, a potential purchaser could conceivably visit <verichack.com> instead of
8 <verichack.net> and consequently become frustrated or confused by the myriad links
9 found there. *See Electropix v. Liberty Livewire Corp.*, 178 F. Supp. 2d 1125, 1134 (C.D.
10 Cal. 2001) (“[V]irtually no amount of consumer care can prevent confusion where two
11 entities have the same name.”). Finally, the court has already found that Mr. Lahoti acted
12 with bad faith intent in selecting the mark. SJ Order at 12-14.

13 26. The court grants judgment in favor of Verichack on the infringement claims:
14 Lanham Act false designation of origin; common law trademark infringement and trade
15 name infringement; and common law unfair competition and misappropriation.
16

17 **Counterclaim V: Washington Consumer Protection Act**

18 27. To prevail on its CPA claim, Verichack must show: (1) an unfair or deceptive act
19 or practice; (2) occurring in the conduct of trade or commerce; (3) affecting the public
20 interest; (4) injuring its business or property; and (5) a causal link between the unfair or
21 deceptive act and the injury suffered. *Nordstrom, Inc. v. Tampourlos*, 733 P.2d 208, 210
22 (Wash. 1987). The court already has determined that Mr. Lahoti's registration and use of
23 <verichack.com> constitute use in commerce. SJ Order at 15-16.
24

25 28. Absent unusual or unforeseen circumstances, the analysis of a CPA claim will
26 follow that of the trademark infringement and unfair competition claims: it will turn on
27 the likelihood of consumer confusion regarding a protectable mark. *See Seattle*
28

1 *Endeavors*, 868 P.2d 120, 127 (1994) (citing *Nordstrom, Inc. v. Tampourlos*, 733 P.2d
2 212 (1987) (noting that confusion of the public sufficient to meet the public interest
3 requirement of the CPA)).

4 29. The court grants judgment in Vericheck’s favor on its CPA counterclaim for the
5 reasons discussed earlier: the VERICHECK mark is strong and inherently distinctive and
6 Mr. Lahoti intentionally infringed the VERICHECK mark by his registration and use of
7 the <vericheck.com> domain name, which confused and diverted Vericheck’s customers.

8
9 **Mr. Lahoti’s Affirmative Defenses**

10 30. All but one of the affirmative defenses raised by Mr. Lahoti fail in light of the
11 proof offered by Vericheck in support of its counterclaims. *See* Pretrial Order at 2-3
12 (Dkt. # 71). Mr. Lahoti’s only remaining affirmative defense, that Vericheck’s claims
13 are barred by the doctrine of “unclean hands,” is unsupported in fact or law.

14 31. The equitable defense of unclean hands is a defense to a Lanham Act infringement
15 suit. *See Fuddruckers, Inc. v. Doc’s B.R. Others, Inc.*, 826 F.2d 837, 847 (9th Cir. 1987).
16 The party seeking application of the doctrine of unclean hands “must demonstrate that
17 the plaintiff’s conduct is inequitable and that the conduct relates to the subject matter of
18 its claims.” *See Levi Strauss & Co. v. Shilon*, 121 F.3d 1309, 1313 (9th Cir. 1997)
19 (quoting *Fuddruckers*).

20 32. Mr. Lahoti argues that Vericheck’s counterclaims are barred by the doctrine of
21 unclean hands because Vericheck was not justified in adopting the VERICHECK mark in
22 light of the Arizona company’s registration of the VERICHECK mark. This argument is
23 essentially the *jus tertii* defense the court has already rejected. Regardless, nothing on the
24 record supports Mr. Lahoti’s position. As Mr. Hannah testified, he is and was aware of
25 the Arizona company, and knows that it does not and has not offered services that
26 compete with those of Vericheck. Mr. Lahoti himself stated that he conducted an Internet
27 search and concluded, “the Arizona entity was no longer using the alleged mark
28

1 VERICHECK.” Ex. A-23 at 9. The two registrations issued to the Arizona company
2 have expired. *See* Exs. 7-8 (trademark registration records), 9-10 (status reports for
3 cancelled trademark registrations). The court therefore rejects Mr. Lahoti’s affirmative
4 defense of unclean hands.

5 **Relief Sought by Vericheck**

6 **Vericheck is entitled to an injunction, including mandatory transfer of the**
7 **<vericheck.com> domain name to Vericheck**

8 33. “Injunctive relief is the remedy of choice for trademark and unfair competition
9 cases, since there is no adequate remedy at law for the injury caused by a defendant’s
10 continuing infringement.” *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180
11 (9th Cir. 1988); 15 U.S.C. § 1116 (injunctive relief for violation of Lanham Act 43(a) or
12 (d)); RCW § 19.86.090 (injunctive relief for violation of Washington CPA).

13 Section 43(d) of the Lanham Act specifically authorizes district courts to order transfer of
14 an infringing domain name to the mark owner. “In any civil action involving the
15 registration, trafficking, or use of a domain name under this paragraph, a court may order
16 . . . the transfer of the domain name to the owner of the mark.” 15 U.S.C.
17 § 1125(d)(1)(C).

18 34. Vericheck is entitled to an injunction against Mr. Lahoti, prohibiting him and his
19 affiliates from using the term VERICHECK in any manner, including as a domain name,
20 and requiring him to transfer the <vericheck.com> domain name to Vericheck. The
21 injunction sought is narrowly tailored to address the specific harm that is suffered by
22 Vericheck and to remedy actual and likely consumer confusion caused by Mr. Lahoti’s
23 acts.
24

25 35. The court directs Vericheck to file a proposed order for injunctive relief within ten
26 days.
27
28

1 **Vericheck is entitled to an award of statutory damages**

2 36. Vericheck requests statutory damages of \$100,000 on its cybersquatting claim.
3 15 U.S.C. § 1117(d) provides that “[i]n a case involving a violation of section 1125(d)(1)
4 of this title, the plaintiff may elect, at any time before final judgment is rendered by the
5 trial court, to recover, instead of actual damages and profits, an award of statutory
6 damages in the amount of not less than \$1,000 and not more than \$100,000 per domain
7 name, as the court considers just.”

8 37. Vericheck is entitled to the maximum amount of statutory damages, \$100,000,
9 based on the totality of facts in this case including, without limitation, Mr. Lahoti’s bad
10 faith and his deliberate and knowing acts, his pattern and practice of registering domain
11 names that incorporate the trademarks of others, his efforts to extort thousands of dollars
12 in exchange for transfer of the Domain Name, his disregard for the submission of
13 inaccurate answers to interrogatories, and the actual confusion which is occurring in the
14 marketplace as a result of Mr. Lahoti’s use of the Domain Name in connection with a
15 commercial website offering links to third parties that compete with Vericheck. *See, e.g.,*
16 *Elec. Boutique Holdings Corp. v. Zuccarini*, 56 U.S.P.Q.2d 1705, 1710 n.11, 1713-14
17 (E.D. Pa. 2000) (awarding \$100,000 statutory damages per domain name with \$27,487
18 attorneys’ fees against “notorious cybersquatter” who “thumbs his nose at the rulings of
19 this court and the laws of our country”); *Mirage Resorts, Inc. v. Cybercom Prods.*, 228 F.
20 Supp. 2d 1141, 1142-43 (D. Nev. 2002) (awarding statutory damages on default of
21 \$100,000, plus \$13,763 attorneys’ fees, and \$1,000 for corrective advertising); *Graduate*
22 *Mgmt. Admission Council v. Raju*, 267 F. Supp. 2d 505, 512-13 (E.D. Va. 2003)
23 (awarding statutory maximum of \$100,000 per domain name in addition to other
24 remedies); *Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 433 (M.D.N.C. 2003) (awarding
25 statutory damages of \$50,000 per domain name plus attorneys’ fees and costs based on
26 defendant’s willful and deliberate conduct).
27
28

1 **Vericheck is entitled to an award of its attorneys’ fees and costs**

2 38. An award of Vericheck’s attorneys’ fees and costs is authorized by the
3 Washington CPA, which provides for an award of attorneys’ fees and costs to prevailing
4 plaintiffs. RCW § 19.86.090.

5 39. Vericheck also seeks recovery of its reasonable attorneys’ fees because this is an
6 “exceptional” case under 15 U.S.C. § 1117(a). The Lanham Act permits an award of
7 reasonable attorneys’ fees to prevailing plaintiffs³ for violations of 15 U.S.C. § 1125(a)
8 and § 1125(d) in “exceptional cases.” 15 U.S.C. § 1117(a). “Exceptional” is defined as
9 “malicious, fraudulent, deliberate or willful.” *Gracie v. Gracie*, 217 F.3d 1060, 1068
10 (9th Cir. 2000) (citation omitted); *see Lindy Pen Co., Inc. v. Bic Pen Corp.*, 982 F.2d
11 1400, 1409 (9th Cir. 1993).

12 40. Mr. Lahoti’s acts include: willful registration and use of the Domain Name;
13 attempts to extort thousands of dollars from Vericheck in exchange for the Domain
14 Name; disregard of Vericheck’s trademark rights notwithstanding his clear knowledge
15 and actual notice of them; a pattern and practice of cybersquatting, including a pattern
16 and practice of abusive litigation practices as a means to convince trademark owners to
17 drop their domain name claims or to pay for domain names; and his disregard for the
18 submission of inaccurate answers to interrogatories. Such conduct renders this an
19 “exceptional” case. *See, e.g., Elec. Boutique*, 56 U.S.P.Q.2d 1705; *Mirage Resorts*, 228
20 F. Supp. 2d 1141; *Pinehurst*, 256 F. Supp. 2d 424; Jost Decl., Ex. B, at 36-37, 42-43
21 (finding, in *E-Stamp Corp. v. Lahoti*, that case was exceptional and awarding attorneys
22 fees where Mr. Lahoti engaged in pattern and practice of registering domain names with a
23 bad faith intent to profit from them); *E-Stamp Corp. v. Lahoti*, Case No. 2:99-CV-9287-
24 GAF-MAN, Judgment on Court Trial and Permanent Injunction, at 2 (C.D. Cal. Aug. 1,
25
26

27 _____
28 ³ Here, although technically the defendant, Vericheck is in the position of plaintiff.

1 2000) (awarding \$305,612,20 in attorneys' fees based on exceptional nature of Mr.
2 Lahoti's conduct).

3 41. The court grants Vericheck leave to submit a tabulation of its attorneys' fees and
4 costs in this matter.

5 Dated this 3rd day of December, 2007.

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10 JAMES L. ROBART
11 United States District Judge
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 6-D

PROCEEDINGS
November 7, 2007 - 9:00 a.m

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THE COURT: Good morning. Please be seated.
Counsel, are there any matters to take up before we get started?

MR. DU WORS: No, Your Honor.

MS. JOST: No, Your Honor.

THE COURT: All right. Ms. Jost, I believe that you are going to be calling Mr. Lahoti as your first witness.

MS. JOST: Your Honor, we don't intend to call Mr. Lahoti as part of our affirmative case. We certainly would take the opportunity to cross-examine him if counsel intends to call him as a direct witness.

THE COURT: All right.

MR. DU WORS: We do not, Your Honor.

THE COURT: I'm sorry, I thought we had -- it was my understanding that under the somewhat bifurcated method that we had proceeded in this trial, that both sides had rested in their cases.

And Ms. Jost, I know you have.

MS. JOST: Yes, sir. And on reflection, reviewing the Court's finding on bad faith over the evening, we have

1 determined that we do not need to call Mr. Lahoti again,
2 given that there's sufficient evidence in the record already.

3 THE COURT: All right.

4 Mr. Du Wors, do you wish to call any witnesses in regards
5 to bad faith?

6 MR. DU WORS: I do not, Your Honor.

7 THE COURT: All right. Then is there any reason that
8 we should not proceed to closing argument?

9 MR. DU WORS: No, Your Honor.

10 THE COURT: Judge Pechman has been kind enough to
11 lend me her in-court deputy since mine is off on medical
12 leave. My reputation is rising rapidly here on how quickly I
13 can get cases done with counsel's cooperation.

14 I want you to be sure and tell everyone at lunch about
15 that.

16 THE CLERK: Yes, Judge.

17 MS. JOST: Your Honor, I apologize. I thought it was
18 set up and ready to go.

19 THE COURT: Jurors have the expectation that counsel
20 take at least two years of audiovisual training as part of
21 law school. They regularly comment on --

22 MS. JOST: Your Honor, I --

23 THE COURT: -- people's technology problems.

24 MS. JOST: I confess I tested this yesterday and it
25 worked just fine. I apologize for the delay, Your Honor.

1 Your Honor, I can begin while we wait for this to get
2 boot ed up.

3 THE COURT: I thought we were going to get to see
4 family phot ographs.

5 MS. JOST: This is my work computer. It's portable
6 and has very little on it. It's a clean desktop.

7 THE COURT: Why don't you go ahead and get started.

8 MS. JOST: Your Honor, defendant Veri check, Inc. is
9 the seni or user of the distinct ive Veri check mark. There's
10 no di spute that Veri check started using the Veri check mark
11 long before Mr. Lahoti came on the scene and long before
12 Mr. Lahoti regi stered the veri check.com domain name in 2003.

13 As Mr. Hannah testified, he first learned of the Veri check
14 company, which he ultimately purchased when he met its owner,
15 Tom Nort, back in 1992.

16 By 1995 Mr. Nort was looking to sell the business. And
17 Mr. Hannah agreed to purchase the Veri check name and the
18 assets of the company relating to the financial transaction
19 processi ng.

20 Mr. Nort, Mr. Lahoti's only witness, corroborates
21 Mr. Hannah's testimony and confirms the company's first
22 adoption of the Veri check mark in 1991 or 1992.

23 After buying the Veri check business, Mr. Hannah continued
24 to operate it and to provide financial transaction processing
25 services, all using the Veri check mark.

1 In 1999 Mr. Hannah registered Veri check, Inc. with the
2 State of Georgia, as evidenced in Exhibits 4 and 5.
3 Mr. Hannah also registered the domain name veri check.net and
4 veri check.cc, which are two of several domain names Veri check
5 uses in connection with its business. For that we have
6 Exhibit A-2 and A-5 through 8.

7 In 2001 Veri check registered the trademark Veri check with
8 the State of Georgia, as shown in Exhibit A-3.

9 Now, given Internet archiving technology, we've been able
10 to look backwards in time to see what Veri check's website
11 looked like back in 2001. And Exhibit 15 shows printouts
12 from the veri check.net website as of October 2001, printed
13 from that archive.

14 It's clear that even back in 2001 Veri check was using the
15 Veri check mark to provide a broad range of payment solutions
16 and transaction processing services.

17 As Mr. Hannah testified, and as current examples from the
18 Veri check website and from the USA E-Pay website, one of
19 Veri check's reseller's business partners, the company has
20 continued that breadth of services today, offering a wide
21 range of transaction processing services.

22 Mr. Hannah also testified about the significant investment
23 that Veri check and its ISOs -- independent sales offices --
24 and its resellers have made in promoting and in advertising
25 the Veri check mark and in services over the years. And that

1 includes print and Internet advertising, trade shows,
2 articles and other marketing efforts.

3 The effectiveness of that promotion is apparent from the
4 trajectory of Veri check sales from about \$600,000 worth of
5 transactions in 1998 to the current level of more than 15
6 million transactions in just today. Veri check processes
7 thousands of transactions each day serving customers around
8 the country, including in Washington State.

9 Let's begin by looking quickly at the Court's findings on
10 summary judgment. And I now have shifted a little bit to
11 using the Power Point presentation.

12 The Court already has determined that Mr. Lahoti
13 registered and used the veri check.com domain name in bad
14 faith. That he's not entitled to take advantage of any safe
15 harbor provision of the Lanham Act, Section 43(E).

16 That the veri check.com domain name and the Veri check mark
17 are identical or completely similar, and that they both
18 incorporate the exact term Veri check. And that Veri check's
19 use of the Veri check mark predates Mr. Lahoti's registration
20 of the domain name.

21 The Court also has already determined that Mr. Lahoti's
22 use of the domain name for a directory website and his offers
23 to sell the domain name constitute commercial use.

24 And finally, the Court already determined, as is clear
25 from the testimony and exhibits yesterday, that both parties

1 use the Internet as a marketing channel.

2 The key remaining issues for the Court to decide are
3 whether the Veri-check mark is distinctive as used by
4 Veri-check and whether Mr. Lahoti's use of the veri-check.com
5 domain name in connection with this commercial website, which
6 as we saw yesterday offers links to companies that compete
7 with Veri-check, is likely to cause consumer confusion.

8 And then on the remedy side, which we'll address later,
9 Veri-check's request for injunctive relief, statutory damages
10 and attorney's fees.

11 I'd like to look first at the strength and distinctiveness
12 of the Veri-check mark. And to set the framework for that
13 analysis, two guiding principles will govern that analysis.
14 One, there is a prohibition against dissecting the mark into
15 its component parts. Rather, the mark must be examined as a
16 whole as it's used in connection with the relevant services.

17 And similarly, a mark that is composed of words or word
18 parts that even if you looked at them separately might not
19 themselves be protectable, can nonetheless be distinctive
20 when those words are used together as a trademark.

21 As the evidence and testimony demonstrates, the Veri-check
22 mark is arbitrary or subjective. An arbitrary mark, as we
23 fully briefed, is one that is made up. It is not a word that
24 has a common English meaning. An example of that is the word
25 stork club, which is arbitrary as used in connection with a

1 ni ght cl ub.

2 A suggestive mark, on the other hand, is one that doesn't
3 directly describe the goods or services to which it relates.
4 Some degree of imagination or creativity, even if small, or a
5 reflection or a mental pause is required for a customer to
6 deduce a quality or a characteristic of the goods or services
7 in connection with which a suggestive mark is used.

8 And an example of a suggestive mark, as previously
9 determined, is the word snow rake. That's a suggestive mark.
10 The PTO is determined as used in connection with a snow
11 removal hand tool.

12 Arbitrary and suggestive marks are both protectable
13 without evidence of a secondary meaning.

14 A descriptive mark, on the other hand, is one that
15 describes fully a product or its quality, ingredients or
16 characteristics.

17 And when I say fully, I mean there must be no pause before
18 a consumer is able to understand the quality or
19 characteristics of the goods. The jump to that understanding
20 must be immediate, and it must be distinctive without
21 exercise of creativity or imagination.

22 The evidence and the legal standards compel a finding that
23 the Veri check mark is distinctive. The term Veri check has no
24 common English meaning. It doesn't appear in any dictionary.

25 The Veri check mark does not call to mind Veri check's

1 financial transaction processing services without the need
2 for a customer to exercise imagination or creativity. And
3 the Veri check mark doesn't describe any aspect, feature or
4 quality of Veri check's financial transaction processing
5 services.

6 Now, the inherent distinctiveness of the Veri check mark
7 also is supported by evidence concerning third party use of
8 similar marks in connection with unrelated goods or services.
9 And I stress here that plaintiff has not presented any
10 evidence sufficient to show the scope and extent of use, if
11 in fact there is any, of any similar mark by a third party.

12 If plaintiff's arguments and the scans evidence we have in
13 the record are considered at all, most of those alleged users
14 actually support the distinctiveness of the Veri check mark.

15 Evidence of third party usage on a wide variety of goods
16 and services suggests that consumers are not conditioned to
17 view the term Veri check or similar terms as immediately
18 describing any particular kind of goods and services.

19 And the record, to the extent it includes any evidence in
20 terms of third party users, shows use of that term in
21 connection with background check services. You see that in
22 Exhibits 20 and 21. Preemployment background services in
23 Exhibits 20 and -- excuse me -- 22 and 23. Professional
24 preemployment verification service in Exhibit 24. And
25 counterfeit detector in Exhibit 25. And environmental and

1 risk management solutions in Exhibit 31.

2 And again, those instances, if they're relevant to
3 anything, show that the mark is not, in fact, descriptive.

4 We also have evidence that the patent and trademark
5 office, which I'll describe in short form as PTO, appears to
6 agree that the VeriCheck mark is distinctive.

7 We have in evidence an application for federal
8 registration of the VeriCheck mark that VeriCheck, my client,
9 filed in 2007.

10 And Exhibit A-22, which is before the Court, indicates
11 that the PTO has completed its initial examination of this
12 application and has approved the mark for publication.

13 Now, the decision of the patent and trademark office to
14 register a mark without requiring proof of a secondary
15 meaning affords a rebuttal of presumption that the mark is
16 suggestive or arbitrary or fanciful, rather than merely
17 descriptive.

18 THE COURT: Are you telling me that the decision to
19 complete initial examination is equivalent to registration?

20 MS. JOST: No, I'm not. And at that point, the next
21 sentence out of my mouth was going to be I don't think we're
22 quite to that point yet, because the registration has not
23 become effective.

24 THE COURT: Do you have any legal authority for the
25 effect of a completion of initial examination?

1 MS. JOST: I don't think that there is a case that
2 would provide the same rebuttal of presumption to any state
3 for prosecution.

4 THE COURT: I'm looking for any decision that tells
5 me what to make out of that. I mean is it nothing? Is it
6 something? Is it a lot? Is there any authority for what it
7 is?

8 MS. JOST: I don't have a legal authority that would
9 designate the weight to give that determination. What we do
10 know is that the PTO has approved the designation for
11 publication without issuing any initial office action and
12 without requesting any disclaimer. And generally speaking,
13 the patent and trademark office will take those acts before
14 approving a mark for publication if there is to be taken.

15 But looking at other marks that the PTO has accepted, we
16 do know that the PTO accepted two prior registrations for
17 marks, including the term Veri check on behalf of the Arizona
18 company. Those marks are expired now. But they were
19 accepted, again, without need to show distinctiveness and
20 without disclaimers in the record.

21 We also have the extensive evidence in the form of
22 Veri check's use of the mark on its website, on the website
23 through resellers as a trademark and not a descriptive term
24 And that provides corroborative evidence that the mark would
25 be construed by consumers as a trademark rather than a

1 **descriptive term**

2 **And again, when I say use of a trademark, I mean in a**
3 **source identifying way rather than in a manner that describes**
4 **a particular good or service.**

5 **Now, even if the Court were to find that the mark is**
6 **descriptive, the Veri check mark has applied a secondary**
7 **meaning, distinctiveness, as an indicator of Veri check's**
8 **services. And this is substantiated by Veri check's long and**
9 **substantial use of the Veri check mark in connection with its**
10 **services since at least 1991. Or possibly, via the testimony**
11 **of Mr. Nort, '92.**

12 **Since it began using the Veri check mark, Veri check has**
13 **experienced extensive sales. It's fulfilled hundreds of**
14 **thousands of transactions worth millions of dollars on a**
15 **nationwide basis.**

16 **Veri check has used, marketed and advertised its services**
17 **in connection with the Veri check mark both through its own**
18 **efforts and through those of its nationwide network of ISOs**
19 **and resellers. And Veri check has advertised and promoted the**
20 **Veri check mark both, again, with itself and through its ISOs**
21 **in a number of different ways.**

22 **Finally, Mr. Lahoti's intentional adoption of the**
23 **Veri check mark for use in connection with his website**
24 **offering links to competing services also supports the**
25 **distinctiveness of the mark. And as authority for that, we**

1 can look at Transco, Ninth Circuit, 1985 or Vision Sports,
2 which is a Ninth Circuit case from 1989.

3 Veri check has met all the elements of its counterclaims.
4 Looking first at the 43(D) claim -- this is the
5 cybersquatting claim -- the Veri check mark, as we've just
6 discussed, is distinctive.

7 Mr. Lahoti registered and used the Veri check domain name
8 in bad faith, as the Court already has determined. He
9 doesn't fall under any safe harbor provision. And the
10 veri check.com domain name and the Veri check mark are
11 identical or confusingly similar.

12 THE COURT: Counsel, I don't want to take you out of
13 your Power Point, but answer the following question for me:
14 It seems to me that the thrust of your argument is that by
15 basis of being a senior user and by basis of being in
16 business, that that is sufficient evidence of strength of the
17 mark. And it seems to me that -- I guess I would like to
18 know your position on what showing are you required under the
19 arbitrary or fanciful standard to show strength of the mark?

20 MS. JOST: There are two types of distinctiveness.
21 One is inherent distinctiveness, and one is acquired
22 distinctiveness. When assessing the inherent distinctiveness
23 of the mark -- and I think that's the analysis that's made
24 for purposes of determining whether a mark is arbitrary or
25 suggestive -- the analysis focuses primarily on the mark

1 i t s e l f a s i t ' s u s e d .

2 W e l o o k a t t h e t e r m i t s e l f . T h e w o r d V e r i c h e c k , i t
3 d o e s n ' t h a v e a n y c o m m o n m e a n i n g . I t ' s n o t f o u n d i n t h e
4 d i c t i o n a r y . I ' m s u r e c o u n s e l w i l l s u g g e s t t h a t y o u s h o u l d
5 d i s s e c t t h e t e r m V e r i c h e c k i n t o t w o s e p a r a t e w o r d p a r t s a n d
6 s e p a r a t e l y a n a l y z e h o w e a c h w o r d p a r t s h o u l d b e c o n s t r u e d .

7 T h e p r o p e r a n a l y s i s i s t o l o o k a t t h e m a r k a s a
8 c o n s o l i d a t e d w h o l e , a n d t o s e e i f t h a t t e r m i t s e l f d e s c r i b e s
9 t h e a p p l i c a n t , V e r i c h e c k ' s , g o o d s o r s e r v i c e s .

10 A n d i t i s i n s o m e s e n s e a j u d g m e n t c a l l b y t h e C o u r t .
11 T h a t j u d g m e n t c a l l c a n b e a s s i s t e d b y l o o k i n g a t h o w
12 V e r i c h e c k u s e s i t s m a r k . A n d w e h a v e d e s c r i b e d t h e w a y i n
13 w h i c h V e r i c h e c k u s e s i t s m a r k a s a t r a d e m a r k . W e ' v e
14 d e s c r i b e d t h e l o n g u s e o f t h e m a r k i t s e l f .

15 W h e n l o o k i n g a t t h e w e b s i t e , y o u c a n s e e t h a t i t ' s u s e d a s
16 a d e s i g n a t i o n o f s o u r c e . I t ' s u s e d t o d e s c r i b e t h e c o m p a n y
17 w h o i s t h e s o u r c e o f t h e s e r v i c e s t h a t a r e b e i n g p r o v i d e d .
18 I t ' s n o t u s e d t o d e s c r i b e w h a t t h o s e s e r v i c e s a r e .

19 B u t w h e n w e ' r e t a l k i n g a b o u t t h e l o n g u s e o f t h e m a r k a n d
20 t h e a d v e r t i s i n g a n d t h e d e g r e e o f s a l e s , a l t h o u g h t h o s e m a y
21 r e l a t e t o t h e q u e s t i o n o f i n h e r e n t d i s t i n c t i v e n e s s , t h o s e a r e
22 r e a l l y m o r e d i r e c t e d t o t h e s e c o n d a r y m e a n i n g , a n a l y s i s ,
23 w h i c h w e d o n ' t e v e n g e t t o i f y o u f i n d t h a t t h e m a r k i s
24 i n h e r e n t l y d i s t i n c t i v e .

25 T H E C O U R T : W h y d o e s n ' t v e r i f y c h e c k , t a k i n g t h o s e

1 two words, describe the check processing services engaged in
2 by Veri check?

3 MS. JOST: I'm sorry, I didn't hear the end of your
4 question.

5 THE COURT: Why doesn't verify check, combined
6 together, describe the check processing services that
7 Veri check engages in?

8 MS. JOST: For two reasons. One, there is no
9 evidence that customers actually understand Veri check to mean
10 verify check. And, in fact, the evidence that we have in the
11 record of other uses of terms incorporating word parts like
12 veri and check suggest that that term can mean a lot of
13 different things.

14 So for a consumer who's looking at the term Veri check and
15 looking at -- trying to figure out what Veri check does, I
16 don't think there would be an instant leap to an
17 understanding of what those services are.

18 One reason for that is that Veri check actually provides a
19 very wide range of financial transaction processing services.
20 They are not, by any means, limited to any particular act
21 that might be called check verification.

22 Check, if you -- I mean engaging in what I just advised
23 the Court we shouldn't do, which is to look at those words
24 separately, check itself is a word that has a multitude of
25 different dictionary meanings. I forget the actual number.

1 I remember it was over 40. And I think I put about 18 of
2 those definitions in our trial brief.

3 But I think there are enough different ways that that term
4 could be understood and taken as a whole that a consumer
5 would not instantly understand that word as describing
6 Veri check.

7 THE COURT: Proceed.

8 MS. JOST: Turning to the Section 43(A) claim
9 Mr. Lahoti's registration and use of the vericheck.com domain
10 name also constitutes unfair competition and use of a
11 misleading designation of origin, which violates Lanham Act
12 43(A).

13 The analysis here focuses on two inquiries. One, does
14 Veri check own trademark rights in the distinctive Veri check
15 mark? And two, is Mr. Lahoti's use of the vericheck.com
16 domain name likely to cause confusion?

17 And I'll try to move through this section pretty quickly.
18 We certainly briefed the likelihood of confusion factors
19 which are decided under Sleep Craft. All of these factors
20 weigh in Veri check's favor.

21 I would like to focus on three factors quickly. In the
22 Internet context, Courts have typically focused on what has
23 been called the Internet troika, the similarity of the marks,
24 the relatedness of the goods and services and the
25 simultaneous use of the Internet as a marketing channel.

1 Here all three of those factors support a finding that
2 complete confusion is likely. Concerning similarity of the
3 mark, it's an identical mark. The services are competing.
4 Both parties indisputably use the Internet. And I'll add a
5 fourth factor of intent, which is also a Sleep Craft factor
6 which has already been determined by the Court.

7 THE COURT: But isn't the only evidence that's before
8 me from your own client, which was that people are
9 complaining about they can't find his services when they go
10 to verichack.com? They're not confused that the bright
11 yellow check here box is missing. And they go this isn't
12 where I want to be. What confusion is there?

13 MS. JOST: That's exactly the type of confusion that
14 is meant to be remedied by Lanham Act 43(A). That's the type
15 of initial interest confusion that's referenced in the
16 Brookfield case in the Ninth Circuit, among others.

17 If a consumer is looking for one company, and mistakenly
18 goes to the website of another because of the use of a
19 misleading designation and the domain name -- here, the use
20 of the exact Verichack mark in the domain name, even if they
21 get to that company and realize it's not the company that
22 they're looking for, that confusion in being wrongfully
23 attracted to the wrong Internet site is actionable.

24 And here Mr. Lahoti is directly benefitting from that
25 confusion. He's gaining revenue from people who go to that

1 website and who, as Mr. Hannah testified, have clicked into
2 some of those competing websites. Whether or not they knew
3 they would find Vericheck, Inc. there, I don't know.

4 But it seems clear that there is a redirection of traffic,
5 that consumers who are looking for Mr. Hannah's company
6 aren't finding it easily. And that's affecting negatively
7 Mr. Hannah's business relationship and Vericheck's business
8 relationship with them. And it's affecting negatively
9 Vericheck's relationship with its resellers and its ISOs.

10 In the context of the likelihood of confusion factors, the
11 concept of the strength of the mark is slightly different
12 from the distinctiveness analysis. And I've talked about
13 the -- what we believe is the inherent distinctiveness of the
14 Vericheck mark. We've also looked at the strength of the
15 Vericheck mark.

16 But it's important to note that even if the Court were to
17 determine that the Vericheck mark is weak, the fact that
18 Mr. Lahoti is using the exact mark in connection with the
19 services compels a conclusion that confusion is likely.
20 Because even the most sophisticated of customers is likely to
21 be unable to tell the difference, when faced with a
22 vericheck.com domain name, between that domain name and
23 Vericheck itself.

24 I'd like to look briefly at evidence of actual confusion.
25 Evidence of actual confusion is notoriously difficult to

1 collect. Thus, it's not required for a finding of likelihood
2 of confusion. But when it's present, it offers persuasive
3 proof that confusion is likely to occur.

4 And as Mr. Hannah has testified, VeriCheck and Mr. Hannah
5 personally, its ISOs and sellers are getting a substantial
6 volume of phone calls from customers who are mistakenly going
7 to the veriCheck.com website while they're looking for
8 VeriCheck.

9 And I alluded to this factor before. The degree of care
10 likely to be exercised by consumers either favors VeriCheck
11 or is neutral. Mr. Hannah testified that although it's tough
12 to peg the actual average value of each transaction, it's
13 relatively modest. But here where the parties are using the
14 exact mark, virtually no amount of consumer care can prevent
15 confusion.

16 The likelihood of confusion -- oh, sorry. Missed one
17 factor. The likelihood of expansion of product lines. This
18 either favors VeriCheck or it's neutral. The parties are
19 already operating in connection with competing services. So
20 this doesn't add a lot to the analysis.

21 As indicated, each of those Sleep Craft likelihood of
22 confusion factors either supports VeriCheck or it's neutral.
23 That establishes liability under Lanham Act 43(A).

24 This also establishes Mr. Lahoti's liability for
25 common-law trademark infringement, trade name infringement

1 and unfair competition under the common-law, which are also
2 measured by the same likelihood of confusion standard.

3 And as with the analysis of the Section 43(A) claim under
4 the Lanham Act, Mr. Lahoti's liability under the common-law
5 claim is established by VeriCheck's ownership rights and the
6 VeriCheck mark and its registration and use of the domain
7 name in a manner that is likely to cause confusion with
8 VeriCheck.

9 Finally, we turn to the Consumer Protection Act claim
10 And each of the applicable factors here has been established.
11 An unfair or deceptive act which has occurred in the conduct
12 of its trade, which affected the public interest and which
13 caused injury to VeriCheck's business or property.

14 The Court already has determined that the registration and
15 use of the domain name constitutes use in commerce. It's the
16 conduct of trade prong. Confusion of the public as it's
17 assessed under Sleep Craft or likely confusion to the public
18 meets the public interest requirement of the CPA, as we
19 briefed.

20 And VeriCheck has testified that Mr. Hannah has been and
21 is continuing to be damaged by the ongoing operation of the
22 veriCheck.com website.

23 And I'd like to spend a little time looking at the
24 defenses that Mr. Lahoti has raised. Faced with this
25 evidence, Mr. Lahoti has taken the route that many deliberate

1 infringers take. He's made excuses for his actions at every
2 turn. Every one of those excuses fails in view of the
3 evidence of record.

4 First, that he registered the vericheck.com domain name
5 innocently for use in connection with a planned business. As
6 the Court held on summary judgment, Mr. Lahoti is a
7 cybersquatter who registered the domain name in bad faith.

8 His only use of the domain name has been in connection
9 with a directory website that offers links to sites that
10 compete with Vericheck. And again, no safe harbor provision
11 applies.

12 Mr. Lahoti also has defended on grounds that Vericheck
13 doesn't really use the Vericheck mark in connection with its
14 business. The falsity of that statement is clear from a
15 simple review of Vericheck's website.

16 You can see that in Exhibits 15 and A-4, on which the
17 Vericheck brand is used prominently and repeatedly apart from
18 any design mark or tag line. I won't deny that there does
19 appear a denying mark on those websites. But the context of
20 the websites includes a multitude of references to the
21 Vericheck mark as the indicator of source, but not in any
22 other manner.

23 Mr. Lahoti also claims that Vericheck doesn't really offer
24 a broad range of financial transaction processing services.
25 This seems to be a newer excuse. It was brought up in

1 Mr. Lahoti's trial brief. He apparently recognizes the
2 weakness of the argument that the VeriCheck mark is not
3 distinctive, and now tries to argue that VeriCheck doesn't
4 actually use its services.

5 Of course, Mr. Hannah's testimony about VeriCheck's
6 business and VeriCheck's website both demonstrate the scope
7 of the business that VeriCheck provides.

8 Mr. Lahoti also claims that alleged use of similar marks
9 by third parties undercuts VeriCheck's priority rights in the
10 VeriCheck mark. The Court already has determined, though,
11 that VeriCheck has indisputable priority vis-a-vis
12 Mr. Lahoti.

13 Mr. Lahoti still attempts to dodge liability by scouring
14 the Internet to find any uses of third parties who allegedly
15 have similar marks. These third party based offenses fail on
16 multiple grounds.

17 First, evidence of other unrelated potential infringers is
18 irrelevant to claims of trademark infringement or unfair
19 competition under federal law. They also support the
20 distinctiveness of the mark as we discussed.

21 And finally, the Ninth Circuit has made clear that even if
22 a third party's prior use of a mark is established, that's
23 not a defense in an infringement action. So long as the
24 plaintiff proves rights that are superior to the defendant,
25 that is enough. Defendant is no less of an infringer because

1 he's brought to account by a plaintiff, whose rights may or
2 may not be superior to the whole world.

3 Looking at those instances of alleged third party use,
4 Veri check's use of the Veri check mark predates nearly all of
5 the alleged users cited by Mr. Lahoti. Several of those
6 users are either wholly unsupported -- there's nothing in the
7 record but a website printout that doesn't show actual use of
8 the mark or the extent or scope of that use. Are irrelevant
9 because they're on different services or support the
10 distinctiveness of the Veri check mark as used by Veri check.

11 And I'd like to look at just a couple of those.
12 Veri check, Inc. of Arizona. As Mr. Hannah testified, this
13 company doesn't use the mark in connection with services that
14 compete with defendant.

15 Mr. Lahoti admitted in his response to Interrogatory No. 7
16 that his own investigation showed the company didn't use the
17 Veri check mark. And Exhibit 11, which is submitted by
18 Mr. Lahoti, describes the company as a full service
19 collection agency.

20 There's a domestic beginning date, according to the
21 Arizona Secretary of State record, that shows that that
22 company began in 1994, which is well after Mr. Hannah's
23 company commenced use.

24 There are a couple expired trademark registrations from
25 this company in the record. But those, if anything, indicate

1 that the PTO views the Veri check mark as having inherent
2 distinctiveness.

3 GLA, Inc. is another third party user that Mr. Lahoti
4 cites. There's no evidence of any use by GLA of any
5 Veri check mark at all in interstate commerce or otherwise.

6 Mr. Lahoti has submitted a record from a Hawaii state
7 website, which is Exhibit 17. But that shows registration of
8 a trade name in '97, which is at least six years -- five
9 years after Veri check adopted the mark.

10 Credit Associates of Maui. Again, no evidence that the
11 mark has been used in interstate commerce. The website is,
12 on its face, limited to Hawaii business. And the cited web
13 page, which is Exhibit 16, isn't navigable from the principal
14 website.

15 Veri cheque of Canada. There's no reliable use of
16 evidence -- no reliable evidence of use in the United States.
17 The business as described on that company's website, Exhibit
18 19, is credit risk assessment and insurance. And the who is
19 data for Veri check, who is the prior owner of the
20 veri check.com website, which is admitted as Exhibit 35, shows
21 its registration in January of '97, which is long after
22 defendant Veri check's use of the mark commenced.

23 We discussed earlier that several of the alleged users
24 relate to use in connection with unrelated services. I won't
25 reiterate them here. I think the evidence is clear.

1 And turning to Mr. Lahoti's final defense that Veri check
2 doesn't -- excuse me -- that Veri check has unclean hands,
3 that defense also fails.

4 The equitable defense of unclean hands requires proof that
5 the parties seeking equitable relief have acted egregiously
6 in a manner that justifies invoking the doctrine.

7 Now, some courts have refused to apply the doctrine of
8 unclean hands in trademark cases at all. And the reasoning
9 there is that the remedies sought in a trademark infringement
10 case is, in part, to satisfy the party in the position of the
11 plaintiff's own damage. But, in part, it is to remedy
12 confusion that's occurring among the public.

13 And the importance of preventing -- preventing, excuse me,
14 consumer confusion is important enough that it shouldn't be
15 trumped.

16 Even setting those aside, there's no evidence of unclean
17 hands in this case. Mr. Lahoti appears to base his defense
18 on alleged improprieties by Veri check in view of the alleged
19 use of a Veri check mark by the Arizona company.

20 But the testimony and the evidence show one, the Phoenix
21 company doesn't compete with Veri check. Two, that
22 Mr. Lahoti's own investigation showed that the company wasn't
23 using the mark. That investigation was within the time frame
24 1998 to 2003.

25 And finally, any trademark registration that had been

1 issued to this company has now been expired or canceled.

2 I'd like to focus a little bit on the remedies sought by
3 Vericheck. Injunctive relief, which is authorized by the
4 Lanham Act and by the Washington CPA, and is also typical in
5 common-law trademark cases, statutory damages and reasonable
6 attorney's fees.

7 Now, Vericheck seeks its reasonable attorney fees under
8 two separate provisions. First, as the prevailing party
9 under the Washington Consumer Protection Act. And secondly,
10 because we believe that the evidence of Mr. Lahoti's
11 egregious bad faith supports a finding that this is an
12 exceptional case under the Lanham Act.

13 The injunctive relief that Vericheck seeks is narrowly
14 tailored. Specifically, we seek the transfer of the
15 vericheck.com domain name to Vericheck. We seek an
16 injunction prohibiting Mr. Lahoti or his affiliates from
17 using the Vericheck mark or any confusing or similar
18 designation. And that's well within the confines of
19 injunctions that are typically granted in cases like this.
20 And, in fact, Lanham Act 43(D) specifically authorizes the
21 Court to order transfer of an infringing domain name to the
22 marked owner.

23 As to statutory damages, we seek the maximum amount of
24 \$100,000. I've included in the slide, and I think it's
25 included fully in our briefing, the text of the relevant

1 provision of Section 1117(D) of the Lanham Act. The range
2 within the Court may work is 1,000 to \$100,000.

3 In cases involving repeated cybersquatters, such as
4 Mr. Lahoti, Courts have frequently awarded damages --
5 statutory damages amounts at the higher end of that range.
6 And, again, the Court already has determined Mr. Lahoti's bad
7 faith in that regard.

8 To focus on just a couple of examples of Mr. Lahoti's
9 egregious and exceptional conduct, again, that finding of bad
10 faith. The Court already has determined that Mr. Lahoti has
11 registered thousands of Internet domain names, some of which
12 are identical to or confusing and similar to the distinctive
13 marks of others.

14 The Court already has determined on summary judgment that
15 Mr. Lahoti's representative offered to sell the verichack.com
16 domain name on more than one occasion.

17 Mr. Lahoti uses the verichack.com domain name, and
18 regularly uses as part of his pattern in business an alias
19 and other measures to disguise his identity and hinder
20 enforcement of trademark rights by others.

21 I think the evidence in record on the summary judgment
22 motion, which the Court has already reviewed, indicate his
23 use of at least inter-spectrum and cross path.

24 Mr. Lahoti uses the domain name in connection with a
25 revenue generating commercial website that offers links to

1 services that compete with Veri check.

2 And finally, having been found by other Courts and
3 arbitrators to be a willful infringer and a cybersquatter,
4 Mr. Lahoti nonetheless continues this conduct.

5 And finally, I've alluded to our claim for attorney's fees
6 as well. This is authorized both under the Washington CPA,
7 and because this is an exceptional case, under the Lanham
8 Act, Section 1117(A).

9 We've already briefed this. But to summarize, no finding
10 of an exceptional case is necessary under the CPA. Under the
11 Lanham Act standard, the same factors addressed in the
12 context of bad faith and the statutory damages analysis would
13 also support the finding that the case is exceptional.

14 And the Gracie case is instructive on that point,
15 outlining the factors that the Court can consider in
16 determining whether a case is exceptional.

17 Thank you, Your Honor.

18 THE COURT: Opposing counsel.

19 MR. DU WORS: The starting point for the analysis
20 which defendants seem to ignore is that from 1975 until May
21 5th of 2007, Veri check Arizona owned exclusive rights to the
22 Veri check trademark in relation to the check verification and
23 collection goods and services, and those services existing
24 within the zone of expansion of check collection and
25 verification.

1 Under the Lanham Act, 15 USC 1119, the federal
2 registration presumptively precludes the acquisition of
3 common-law rights. Under that statute -- oh, I'm sorry.
4 1115 is what I mean to refer to. Under that statute, sub A
5 is the section dealing with evidentiary value.

6 And that statute reads: "Any registration issued under
7 the act of March 3rd, 1881" -- I'll just skip that part --
8 "or of a mark registered on the principal register provided
9 by this act and owned by a party to an action shall be
10 admissible in evidence, and shall be prima facie evidence of
11 the validity of the registered mark, and of the registration
12 of the mark, of the registrant's ownership of the mark, and
13 of the registrant's exclusive right to use the registered
14 mark in commerce or in connection with the goods or services
15 specified in the registration subject to any conditions or
16 limitations stated therein."

17 And after five years, upon a showing of continued use
18 which took place for VeriCheck Arizona, the mark becomes
19 incontestable.

20 And under 1115 at sub B, the incontestability provision
21 reads: "To the extent that the right to use the registered
22 mark has become incontestable under Section 15, the
23 registration shall be conclusive evidence of the validity of
24 the registered mark, and of the registration of the mark, of
25 the registrant's ownership of the mark and of the

1 registrant's exclusive right to use the registered mark."

2 The Anticybersquatting Consumer Protection Act at 15 USC
3 1125, sub D at the very first provision limits standing to
4 bring an action under the ACPA to the owner of a trademark.

5 And that provides reads: "A person shall be liable in a
6 civil action by the owner of a mark." And then goes on to
7 state the bases for liability under the ACPA.

8 Defendants engage in a theory unsupported by law that
9 there is some sort of stacking of trademark rights that takes
10 place, whereby a -- they need only show seniority of use of
11 the VeriCheck mark as compared to Mr. Lahoti.

12 This does not seem to be the case from a policy point of
13 view. Defendant's theory doesn't make sense. They ignore
14 that trademark law while admittedly conferring some benefit
15 on the owner of a trademark, does not exist for the benefit
16 of the trademark owner.

17 Trademark law exists for the benefit of the consuming
18 public. Because if the consuming public can rely on a mark
19 as a sure identifier of the source of goods or services, then
20 the consuming public feels confident in their ability to make
21 consuming decisions and to rush into the marketplace and
22 spend their money.

23 This, Congress, and before that Courts, decided was a
24 valuable policy to support allowing individuals to have
25 exclusive use of language, specifically commercial source

1 identifiers, notwithstanding the 1st Amendment.

2 Yost is the case that defendants look to in support of
3 their position that the existence of an Arizona VeriCheck's
4 federal registration does not hamper their ability to gain
5 distinctiveness, and therefore, common-law rights they can
6 assert against Mr. Lahoti.

7 Yost does not stand for this proposition. Yost stands --
8 and to speak more clearly -- I apologize -- the full name of
9 that case is --

10 THE COURT: We've got the case.

11 MR. DU WORS: Okay. The trademark at issue in Yost
12 is the Committee for Idaho's High Desert. The defendant in
13 that case pointed to the testimony of a witness on appeal who
14 said that he had some anecdotal knowledge of other people
15 using that name as early as three years before the plaintiff
16 in that case had been using that name. The Court found it
17 insufficient evidence to dispute the acquisition of
18 distinctiveness by the plaintiff.

19 Yost cites to two cases. Ward Baking Company v.
20 Potter-Wrightington, Inc. and also to Del Monte Special Food
21 Company versus California Packing Group. In Ward Baking
22 Company, the plaintiff produced bread related products, and
23 the defendant was alleged to be an infringer.

24 The defendant alleged as his defense in that case that
25 another senior user in another case had actually sued the

1 plaintiff for trademark infringement.

2 But that the -- and as the Court observed, the plaintiff
3 in Ward Baking Company demurred to the complaint in that
4 other lawsuit, and the lawsuit was ultimately dismissed. The
5 Court found this insufficient, likewise, to undermine the
6 plaintiff's showing that it had acquired distinctiveness with
7 relation to its mark.

8 In Del Monte Foods, a similar situation. Del Monte --
9 we're all fairly familiar with the big food company -- sued a
10 defendant who pointed to the fact that other kinds of grocery
11 products use the Del Monte trademark in association with
12 them. And the Court said the fact that that goes on doesn't
13 necessarily undermine the distinctiveness of the mark.

14 None of these cases, not Yost, not Del Monte, not Ward
15 Baking Company, and no federal case and no federal statute
16 will stand for the provision that any common-law mark can
17 acquire distinctiveness in the shadow of a federal
18 registration of a trademark.

19 And that's the case here. Where that takes us
20 analytically is that if the VeriCheck Georgia's trademark
21 were going to start gaining distinctiveness at any point, it
22 would have been on May 5th, 2007.

23 Now, that vitiates the Anticybersquatting Consumer
24 Protection Act claim because the conduct which the Court has
25 deemed bad faith took place at a time when the plaintiff --

1 when the defendant had no trademark.

2 THE COURT: Counsel, I want to make sure I understand
3 your argument in regards to Yost. Is it your contention that
4 the Ninth Circuit got it wrong and misread those prior two
5 cases, or are you saying that there is a consistent position
6 in all three cases?

7 MR. DU WORS: I think there's a consistent position
8 in all three cases. I think it is clear from Yost that the
9 Yost Court is not saying that a common-law -- a user junior
10 to a federal trademark registrant can acquire common-law
11 rights in the shadow of that federal registration.

12 Where the trademark law works, respectfully, Your Honor,
13 is that an owner of a trademark can acquire distinctiveness,
14 either through inherent distinctiveness or secondary meaning,
15 and can acquire a trademark registration.

16 And there can have been senior users. Those might be
17 common-law users, and they would be allowed grandfathered
18 rights. For instance, if you obtain a federal registration,
19 you get presumptive exclusivity throughout the United States.

20 And there may be a Texas user. The Texas user is allowed
21 to continue to use that mark both in Texas and in the
22 industry that they're in. And also in the geographic zones
23 of expansion, and also in the industrial zones of expansion.

24 Meaning to say it may expand into reasonably related
25 services to those it already offers under the alleged mark.

1 And it may be able to expand to nearby areas, perhaps
2 Arizona, perhaps part of Southern California.

3 In Yost it may have been the case that there were senior
4 users that were common-law rights holders. And that's fine.
5 The existence of those users doesn't vitiate the Yost
6 plaintiff's right to have trademark exclusivity, subject, of
7 course, to their grandfathered common-law rights.

8 This is not a case where VeriCheck Georgia has a
9 ubiquitous presence with federal registration. And there's a
10 few senior users out there using in Maine or Delaware, small
11 states that we're pointing to, to say since they exist, we
12 don't have any liability.

13 The case is that there was a ubiquitous federal registrant
14 who owned the mark and was the exclusive owner of the mark.
15 And it's the same language that appears in the standing
16 provisions of the ACPA.

17 And VeriCheck Georgia nonetheless claimed that somehow it
18 acquired junior rights to VeriCheck Arizona that it could
19 assert against other junior users.

20 This position is simply not supportable by law, and it's
21 antithetical to the policy behind trademark law.

22 THE COURT: Well, I see High Desert most often cited
23 for the proposition that I look to the question of the
24 plaintiff versus the defendant. And that if the plaintiff is
25 superior to the defendant, not to the world, but to the

1 defendant, then that's sufficient to carry the legal burden.

2 MR. DU WORS: That presumes that the plaintiff was
3 able to acquire distinctiveness at all. And as the statute
4 provides, 11 USC -- or, sorry, 15 USC 1115, while the federal
5 registration of VeriCheck Arizona exists, VeriCheck Arizona
6 is, in the words of the statute, the exclusive owner of that
7 mark.

8 THE COURT: I understand your argument.

9 MR. DU WORS: Okay. The analysis then essentially
10 moves to what happened between May 5th, 2007 until the
11 present.

12 Now, the Anticybersquatting Consumer Protection Act claim
13 if the Court adopts the position that exclusivity began then,
14 the Anticybersquatting Consumer Protection Act claim
15 necessarily fails. And what remains is a Lanham Act claim
16 and a Washington CPA claim

17 The Court is correct in observing that distinctiveness
18 must be shown by defendant VeriCheck in order to acquire
19 standing to bring those causes of action. Because, of
20 course, without distinctiveness, that is, without some
21 quality of causing the public to feel that they can rely on
22 that mark as a source identifier, a trademark cannot be
23 owned.

24 Generally speaking, it is totally unsupportable that
25 defendants take the position that VeriCheck is an arbitrary

1 or fanciful mark.

2 Likewise, their argument that the words veri and check
3 cannot be recognized for their separate meaning in
4 interpreting the mark or in evaluating the overall effect of
5 the mark on the viewer is simply not founded.

6 The Court is correct in its intuitive sense that the
7 Veri-check mark is a contraction of verify check. And
8 defendants are right when they say that check has a multitude
9 of meanings. In fact, it's a broadly descriptive word.

10 But that doesn't support defendant's point of view that
11 therefore it does not describe defendant's services. If
12 check is a broadly descriptive word, that means that it has
13 the ability to describe lots of different services, including
14 defendant's.

15 This brings us to the descriptiveness of the mark.
16 Defendants took the position in closing argument that a mark
17 is not descriptive if it fails to fully describe all of the
18 goods and services offered by the defendant. Defendant cites
19 no case for this. And, in fact, none exist.

20 The prevailing case law holds that a mark is
21 descriptive -- there are various kinds of languages used.
22 They're all in our trial brief -- if the mark describes a
23 substantial or significant portion of the defendant's
24 services or if it -- and in other cases, if the mark
25 describes the dominating portion of the defendant's services.

1 Put simply, the Leafy Green Vegetable Company would be a
2 descriptive mark for a produce company. And it would not
3 lose that descriptiveness value just because the vegetable
4 company started selling red bell peppers.

5 In this case check verification is, by defendant's own
6 website reporting, the area in which the defendant is the
7 leader throughout the country. And he testified that he
8 continues to believe that he is. He also testified --
9 Mr. Hannah testified on cross-examination that check
10 verification permeates all the transactions that the
11 defendant offers.

12 The defendant offers three kinds of services, check
13 verification, check collection and what are called ACH
14 transactions, which are automatic check handling.

15 There are various things that come -- that happen in those
16 ACH services. Check verification, by the defendant's
17 testimony, is involved in every single one of those eight
18 types of ACH transactions.

19 Those transactions have additional qualities or
20 characteristics to them, such as there is payment or
21 processing of the payment. It's not just the confirming that
22 there are funds in the account in order to support the
23 negotiation of the instrument.

24 But check verification or Veri check is descriptive of
25 these services as well. Verification describes these

1 services because, of course, a check is a negotiable
2 instrument. And the negotiable instrument contains an
3 unconditional promise to pay.

4 Veri check describes these services, because through
5 defendant's services they verify that indeed that promise to
6 pay that's contained within the negotiable instrument comes
7 true. They verify that people get paid by either processing
8 the payment or confirming the funds or doing their accounts
9 receivable.

10 Even if the mark was suggestive for that period between
11 May 5th, 2007 and the present, that is inherently suggestive
12 because some small mental leap or pause was required,
13 especially with regard to the ACH type transactions, to get
14 to the notion that Veri check describes those transactions.

15 That mild suggestiveness, that mild distinctiveness
16 becomes undermined by the multitude of other Veri check users
17 out around the country offering services in related fields.

18 Now, defendant takes the position that -- first of all,
19 that is what McCarthy refers to as the crowded field
20 doctrine, which I have here.

21 McCarthy cites to a case called Miss World, Limited versus
22 Miss America Pageants and says -- and that case says in a
23 crowded field of similar marks, each member of the crowd is
24 relatively weak in its ability to prevent use by others in
25 the crowd. McCarthy states a mark that is hemmed in on all

1 sides by similar marks on similar goods cannot be very
2 distinctive if it is merely one of a crowd of marks.

3 The other users of the Veri check mark -- and we have six
4 in evidence -- unquestionably offer services in interstate
5 commerce by virtue of their websites that are similar to the
6 services offered by defendant Veri check Georgia.

7 The Hawaii institution, as we see in Exhibit 17, Veri check
8 Hawaii offers check verification and collection services.
9 Veri check Arizona, as we see in Exhibit 7 and 8, by its own
10 terms offers check verification services.

11 And despite the lapse, Jerry Hannah testified that he
12 knows Veri check Arizona to continue to be in business.

13 Veri check Texas albeit offers its service at a slightly
14 misspelled version of Veri check. That's Veri C-H-E-K.
15 That's not really a meaningful difference. Offers by its own
16 website's announcement verification and collection of
17 returned checks.

18 The defendant makes much of the difference between
19 Veri check Texas's collection of returned checks and his
20 collection of returned checks. In fact, his identification
21 of what the differences are between those two services is so
22 technical that I don't have a complete understanding of it.
23 But the consuming public certainly would not.

24 At the end of the day it becomes clear that Veri check Texas
25 is using the Veri check mark in relation to making sure that

1 people get paid on these negotiable instruments.

2 Now, it sounds like Vericheck Georgia's version of doing
3 that takes place electronically at a much earlier stage.
4 That is, they are not chasing people down through lawsuits or
5 harassing phone calls in order to get those checks paid. But
6 it is in the larger sense the same service.

7 Vericheck Tennessee says that it performs background
8 checks and people search. Now, on cross-examination Jerry
9 Hannah admitted that even he dips into the realm of
10 background checks for credit purposes, apparently using the
11 same online technology, which I think stands to show that
12 those two types of services exist in each other's zone of
13 expansion.

14 All of these services do. The automated checking, the
15 check verification, the check collections, the background
16 checks and credit checks and credit card referrals that
17 Mr. Hannah describes, they all inter-exist in each other's
18 zone of expansion. And therefore, by existing
19 simultaneously, weaken each other's mark.

20 Vericheck Illinois at Exhibit 22 does background check
21 verification. Again, a little less related, but not so far
22 off. It's a field to which Vericheck Georgia has endeavored.

23 Vericheque Canada, shown at Exhibits 18 and 19, performs
24 accounts receivable guaranteeing and check guaranteeing.

25 Once again, Mr. Hannah made a very assertive comment that

1 the accounts receivable guaranteeing somehow differed from
2 the electronic check verification services or ACH services
3 that defendant Veri check Georgia performs. I'm not clear on
4 what those differences are. Certainly a consumer would not
5 be.

6 What I find very interesting is that in defendant's
7 closing argument it observed that the existence of other
8 infringers is not a defense to infringement. To even make an
9 acknowledgment that these other Veri check users are, in fact,
10 infringers of defendant Georgia's -- Veri check Georgia's
11 alleged trademark rights is to admit that those other
12 Veri check users are likely to confuse the consuming public
13 because the marks are similar, and because they're being used
14 in interstate commerce and because they're offering goods and
15 services that are comparatively rather similar to defendant
16 Veri check Georgia's.

17 Most of those other Veri check users that have been
18 identified have been doing business at least in the early
19 2000s. And many, if not most of them, in the mid '90s.
20 Those are shown in all the exhibits that we've cited here
21 that demonstrate the uses of those Veri check users.

22 Even if the Court were to disregard the presumptive
23 exclusivity of Veri check Arizona's federal registration
24 through May 5th, 2007, the existence of those other users,
25 combined with the comparative weakness of the Veri check

1 Georgi a mark, shoul d prohi bi t defendan t Veri check Georgi a
2 from havi ng di sti ncti veness even earli er than May 5th, 2007.

3 On the issue of likeli hood of confusi on, it shoul d first,
4 I thi nk, be not ed that Jerry Hannah testi fi ed even on hi s own
5 that the two to three calls per day that he gets from
6 custome rs who are confus ed by the fact that the Veri check
7 websi te. com -- veri check. com websi te exi sts, whi ch by the way
8 is not terri bly credi ble evi dence. It' s hearsay.

9 We asked hi m about whethe r or not he coul d provi de any
10 records of those ki nds of phone calls, any ki nd of writte n
11 record, notes that he' s taken down. Hi s response to those
12 writte n di scovery requests indi cate that he has no such
13 records.

14 I asked hi m on the stand do you have any such records.
15 For some reason, those two to three phone calls per day that
16 Jerry Hannah clai ms to be getti ng and to have been getti ng
17 throug hout thi s lawsuit over the last six months si nce he got
18 those writte n di scovery requests, he appare ntly deci ded that
19 it was appropriate not to start loggi ng them for evi denti ary
20 purposes.

21 That seems not credi ble that he woul dn' t write a si ngle
22 one down, even though the frequency is that large. I ndeed,
23 even during thi s trial, either hi s work phone or hi s cell
24 phone must be ringi ng off the hook as we try thi s case.

25 But he sai d of those two to three phone calls a day, that

1 those customers were not calling to say, I went to
2 vericheck.com because I needed your services. And I found
3 another company offering your services, and I got confused
4 about whether that was you.

5 His customers are saying, by his own words, I went to
6 vericheck.com to look for your services. And it was, as
7 Jerry Hannah put it, a dead-end. As Jerry Hannah said, there
8 are no services being offered there.

9 To infringe a trademark, the defendant must be -- or the
10 alleged infringer must be offering goods and services in a
11 way that is confusingly similar to the plaintiff's offering
12 of goods and services. And while Ms. Jost is absolutely
13 correct that the sale need not be consummated in order to
14 commit infringement, there is this concept of initial
15 interest infringement.

16 The initial interest infringement still may only take
17 place where the alleged infringer is providing goods and
18 services in a way that is confusingly similar to the
19 plaintiff's. They're attracting or confusing that initial
20 interest.

21 Here, according to Jerry Hannah, none of his customers
22 thought that Mr. Lahoti's website was offering goods and
23 services. Moreover, with regard to what Ms. Jost referred to
24 as the Internet troika, she mentioned that the simultaneous
25 use of the Internet is one of the three primary factors in

1 determining infringement in the Internet context.

2 The problem is by his own testimony Jerry Hannah said that
3 his company does not really do business over the Internet. I
4 mean, yes, they e-mail with customers and, yes, they have
5 information available on the Internet. But they do not do
6 independent sales.

7 Defendant Veri check Georgia sales are done by resellers,
8 mostly by what are referred to as ISOs. And there's also a
9 collection of independent contractor resellers running around
10 the country selling Veri check services.

11 And those resellers, Jerry Hannah tells us, have
12 independent relationships with the merchant customers.
13 They're already selling them other things. And when those
14 merchant customers require check verification or the ACH
15 services that defendant Veri check Georgia provides, the
16 resellers say, Ah, yes, I have a service that I can offer for
17 you to do that.

18 And then, as we see in the agreements defendant Veri check
19 Georgia has with those resellers, the resellers are
20 responsible for getting the client signed up and forwarding
21 these service's agreements to the clients, getting it filled
22 out and signed and then forwarding it back to defendant
23 Veri check Georgia.

24 Those merchant customers are not independently learning
25 about Veri check's services through the Veri check website and

1 then coming to the Veri check website and saying, I need to
2 get your services. Could you refer me to one of your
3 resellers.

4 One of the other factors in the Internet troika that
5 Ms. Jost mentioned is the similarity of goods or services
6 being offered. This brings us back to the earlier testimony
7 of Hannah that, once again, his customers don't think
8 Mr. Lahoti offers services through the veri check. com website.
9 They think it's a dead-end, that there's nothing going on.

10 And, of course, those merchant customers having been
11 educated by resellers are not as likely to be confused by the
12 uneducated general consumer walking around trying to
13 distinguish between check verification services. They know
14 when they're at the Veri check Georgia's website.

15 With regard to the value of the United States Patent and
16 Trademark Office's findings, the Lanham Act makes it very
17 clear that ultimately the Court decides issues of
18 distinctiveness if they come to litigation. And, in fact,
19 the USPTO's finding can be overturned with a certified
20 judgment from the Court saying cancel a trademark or revive a
21 now lapsed trademark.

22 The other thing about the USPTO finding is that, once
23 again, the opposition period started yesterday. When the
24 USPTO makes its preliminary finding of distinctiveness, it is
25 not informed by the multitude of other users who then have

1 the ability to come forward during the opposition period.

2 Therefore, while the USPTO seems to have expressed an
3 opinion, it is not an opinion that has been informed by all
4 the evidence that Your Honor has in making its determination
5 on the distinctiveness of the Veri check mark.

6 Additionally, we don't know what happened with Veri check
7 Arizona's registration back in 1975. We don't know if an
8 opposition period passed and nobody came through. It seems
9 very difficult to use the USPTO's registration of Veri check
10 Arizona. It certainly is a determinative factor on whether
11 or not the Court should now find Veri check to be distinctive
12 with regard to check verification services.

13 And finally, on the subject of degree of bad faith
14 evidence, as to whether or not this is an exceptional case,
15 as to whether or not maximum statutory damages should be
16 awarded, I think that the Court should recall that it is not
17 illegal to buy and sell trademarks. In fact, over the last
18 15 years it has become an important part of our economy.

19 The Sarbanes-Oxley Act requires their public companies to
20 have their domain names appraised -- I'm sorry. I think I
21 misspoke on it when I said buying and selling trademarks is
22 not illegal. Buying and selling domain names is not illegal.
23 Buying and selling trademarks is, of course, illegal.

24 Buying and selling domain names has become a ready market
25 and an important market in our economy. Under Sarbanes-Oxley

1 the public companies have to appraise their domain names and
2 then publicly disclose the appraisal value of those domain
3 names based on market trends.

4 You can borrow against domain names, presuming that upon
5 default they will be foreclosed upon and sold at auction to
6 some other user. Domain names are taxable if you realize a
7 gain upon selling them after acquiring them. Domain names
8 are subject to execution of judgment laws.

9 You can enforce against a domain name. And I'm trying a
10 case about that right now. The receiver's going to have to
11 come in and take the domain name and make sure that he has a
12 commercially reasonable option to sell it to somebody.

13 What David Lahoti does for a living essentially
14 participates and helps to create a market for these domain
15 names. Where it becomes illegal is when you undermine the
16 policies behind trademark law by confusing the public by
17 taking somebody else's trademark.

18 So if you are in the business of buying and selling domain
19 names, all that you can do in order to be careful and to
20 avoid violating that trademark law is by watching out for the
21 trademark owner.

22 David Lahoti testified that when he bought the trademark,
23 he went on the Internet and he went on the USPTO record and
24 he found VeriCheck Arizona. But he didn't find a web
25 presence, so they weren't using the domain name. So he

1 presumed that they didn't want to buy his. So he's not using
2 it to hold them hostage to extort money out of them

3 Had Veri check Arizona identified itself and come forward
4 to ask for its domain name, we are able to draw the inference
5 that David Lahoti would have given it to them without
6 suggesting that they should pay a price for it.

7 The prior existence of UDRP findings or bad faith findings
8 against Mr. Lahoti doesn't necessarily mean that he was
9 committing bad faith here. I think there is a strong
10 presumption that his searches of the USPTO and of the
11 Internet before registering the domain name are because he
12 learned from those experiences.

13 These are not inherently evil things to do, to buy and
14 sell domain names. These are legal concepts. And Mr. Lahoti
15 is not a lawyer. So he has to learn how to operate his
16 business in a way that complies with the law. And we see
17 that he's attempting to conduct the kind of diligence that
18 took place here.

19 Moreover, the written records that defendants offer about
20 the interaction between Mr. Lahoti and the defendant
21 demonstrate that Mr. Lahoti didn't come forward and say, I'm
22 not going to give you your domain name unless you give me a
23 lot of money. Mr. Lahoti came forward and said, I was
24 planning to use the domain names for something else. Maybe
25 we should be business partners.

1 And the defendants instead sent Ben Goretsky, who isn't
2 them, forward to say, No, no, no. I want to buy your domain
3 name. And then and only then Mr. Lahoti said, Well, I know
4 you're not VeriCheck Arizona, and I know that they have the
5 federal trademark registration. And I am in the business of
6 buying and selling domain names, even though I wasn't
7 planning to buy or sell this one. But sure, I'll negotiate a
8 price. And they tried to negotiate a price.

9 If you're David Lahoti, going through those steps is the
10 best that you can really do to make an educated prediction of
11 whether or not you're operating your business in compliance
12 with the law.

13 Even if the Court were to find liability because VeriCheck
14 Georgia acquired distinctiveness between May 5th, 2007 and
15 now, and the Court enters any injunctive relief, which it
16 shouldn't, the notion that attorney's fees -- or that money
17 should change hands in the face of these very difficult and
18 complicated facts is just not founded.

19 With that, I'm going to turn it over to Ms. Jost.

20 MS. JOST: Thank you, Your Honor. I'll be brief.

21 I'll note first, trademark rights don't exist in a vacuum
22 They're linked indelibly to the goods or services in
23 connection with which the mark is used.

24 Now, counsel began his argument by speaking of the Arizona
25 company which owned two registrations, since expired, for use

1 of the Veri check mark in connection with the design
2 component, in connection with unrelated services.

3 There's no evidence in the record of use of the mark by
4 the Veri check in Arizona. A registration, even if it's
5 incontestable, is subject to cancellation for non-use, for
6 abandonment.

7 Mr. Lahoti's own admissions contradict their claim His
8 search did not identify any use of the mark by the Arizona
9 company. And Mr. Hannah's testimony confirms that he's
10 unaware of use by that mark by the Arizona company in
11 competition with Veri check.

12 Looking at that, the argument that the two expired
13 registrations owned by this Arizona company present a bar to
14 Veri check's development of common-law rights and the
15 Veri check brand in connection with Veri check services fails.

16 Looking at the distinctiveness of the mark analysis, I did
17 use the words fully described in my argument. I immediately
18 corrected myself. Fully described, I meant to imply that the
19 customer must immediately and instinctively jump to the
20 nature of the goods and services.

21 And the relevant analysis here is not what counsel's mind
22 immediately jumps to on hearing the mark Veri check. The
23 relevant analysis is what would a consumer face. A consumer
24 who may see other uses of the term Veri check in the
25 market place may not, and may be proceeding only on their

1 understanding of what they think the Veri check mark means.

2 And there the multitude of definitions for the term check
3 is highly relevant, because it indicates that consumers are
4 not conditioned to understand those words as immediately and
5 instinctively referring to a particular type of goods or
6 services.

7 Looking at the argument that the Veri check mark exists in
8 a crowded field, we simply don't have evidence in this case
9 of a crowded field as far as McCarthy and as the cases have
10 traditionally interpreted that term

11 Looking at Petro Shopping Center and Looking at
12 Miss World, which is cited by counsel in his argument, each
13 of those involved a multitude of users of the mark. I think
14 it was 42 users in the Petro case. In the Miss World case it
15 was every beauty pageant typically involved use of the Miss
16 or the Mrs. designation.

17 Here we just don't have the evidence. There's a handful
18 of third party users. Most of those post date my client
19 Veri check's adoption of the Veri check mark. There is not a
20 requirement to police all junior users of a relevant mark.

21 And certainly, among the factors that a mark owner can
22 take into consideration in deciding who to enforce against is
23 whether or not, in fact, confusion is likely. I don't think
24 there's any permitted assumption that those are infringers
25 here. In fact, our contention is that most of those are

1 users in unrelated services.

2 Finally, even if the Vericheck mark were to be deemed
3 weak, a weak mark is still enforceable against a user of the
4 exact mark. And we can't dispute that vericheck.com is
5 the -- for all intents and purposes, the exact Vericheck mark
6 in connection with competing services. The public interest
7 in avoiding confusion compels relief in this case.

8 Now, counsel has suggested that Mr. Lahoti's use of the
9 domain name is not a commercial use or that there are no
10 actual services provided. To be clear, the use in connection
11 with a revenue producing commercial website that gives links
12 to customers who -- excuse me, to companies who compete with
13 Vericheck is a commercial use.

14 And even if the Court disagrees with the initial interest
15 confusion analysis under the Sleep Craft likelihood of
16 confusion factors, Section 43(D), the anticybersquatting
17 provision, is designed to address people who traffic in
18 domain names that incorporate trademarks of others.

19 Mr. Lahoti traffics in domain names incorporating
20 trademark rights of others. He testified that before he
21 registered this group of varied domain names, he searched the
22 PTO records and found several registrations that incorporated
23 trademarks that corresponded to the second level domain names
24 he was considering.

25 He went ahead and registered those domain names. There's

1 a whole list of them in his declaration and in the briefing.
2 He proceeded to register those domain names. He proceeded to
3 attempt to sell those domain names. He did that with those
4 marks, and he did it with the vericheck.com domain name.
5 That's exactly the type of activity that Section 43(D) of the
6 Lanham Act is intended to address.

7 Thank you.

8 THE COURT: Counsel, is there anything further before
9 the Court takes this matter under submission?

10 Mr. Du Wors?

11 MR. DU WORS: Just a couple of things. Well, I think
12 that counsel -- I think the defendant Vericheck Georgia
13 finally admits the real presumptive effect of Vericheck
14 Arizona's registration, which is that it presumes exclusivity
15 for Vericheck Arizona.

16 Counsel correctly states that that is only rebuttable by a
17 showing of abandonment or cancellation. The only evidence
18 that defendants have brought forward in this case to rebut
19 that presumption, and the only evidence that they rely upon
20 in closing argument is the testimony of David Lahoti.

21 The testimony of David Lahoti was that when he
22 investigated the Vericheck mark to determine whether his
23 acquisition of that domain name would violate anyone's
24 trademark, was that he didn't find that Vericheck Arizona had
25 a web presence.

1 He did not say, I determined that Veri check Arizona wasn't
2 doing business. But defendant -- but David Lahoti, you know,
3 he works primarily on the Internet. He surely is not going
4 to go into some physical violation of Veri check Arizona's
5 business yet with print ads and so forth, at least not
6 without confirming with counsel and making a determination
7 going forward. But he knows that they are not using any
8 domain name presently.

9 He did not conduct an extensive investigation as to
10 whether or not that company had gone dormant or had abandoned
11 its use of the Veri check mark. We are all in agreement that
12 Veri check Arizona's registration is not a bar. But it does
13 create a presumption. And Veri check Georgia has not provided
14 evidence sufficient to rebut that presumption.

15 On the issue of distinctiveness, counsel proposes a fairly
16 strong rule for what the line is between suggestive and
17 merely descriptive. She says that the jump intellectually
18 from the moment that you hear the mark to the moment that you
19 anticipate what the mark -- what services are being offered
20 in association with the mark must be immediate with no pause
21 whatsoever, no thought. That it must be as close as using
22 the mark fork for a fork company.

23 A, that doesn't seem to be the case. The case law doesn't
24 require that it be the absolute literal meaning.

25 B, the fact of the existence of multiple other users of

1 the Veri check mark in describing check verification and
2 related services suggests that lots of people have the good
3 idea that Veri check domain names and Veri check word marks are
4 descriptive of those services. And, in fact, the existence
5 of those domain names is interesting.

6 Weak marks are not good if what you're looking for is
7 trademark exclusivity. Weak marks are great if what you're
8 looking for is domain names, because domain names are limited
9 in quantity. We only have so many top level domain names,
10 dot com, dot net, dot org, dot info.

11 And the person who owns the domain name within that top
12 level domain is the exclusive owner of that use. In the real
13 world anybody can use as many versions of the descriptive
14 mark as they want. But to get that descriptive mark in the
15 domain name field is a very strong thing to do, because then
16 people type in their URL when they're looking for things, the
17 descriptive mark for the good or service that they're looking
18 for.

19 And if you have that domain name, then you've done well
20 for yourself. You know that nobody is competing with you
21 because you bought it.

22 In evaluating the distinctiveness, the Court does not try
23 to think about the evaluative abilities or the intellectual
24 abilities of the average consumer. The Court has to consider
25 whether the consumer in the industry that we're talking about

1 would make that immediate intellectual leap.

2 So then the Court must ask if I were a merchant in the
3 business of purchasing services from people who provide those
4 services to merchants and somebody comes to me offering
5 services that I know how to buy, that I'm used to buying,
6 that I understand and that I know that I need, and they say,
7 We sell services under the name VeriCheck, what do you think
8 we sell?

9 The merchant will make that fairly immediate intellectual
10 leap. Oh, they're one of those check processing companies.
11 And I know in the matter of industry that those check
12 processing companies also offer related services, the ACH
13 services, which, of course, stands for automatic check
14 handling.

15 Counsel was also correct when she said that the ACPA does
16 not require a commercial use for action. That's true. The
17 ACPA was designed to stop domain name warehousers from
18 registering domain names like nike.com and then going to
19 Nike and saying, If you want your domain name back, you're
20 going to have to pay me a lot of money in order to get it.
21 That's true.

22 The problem is the bad faith activity that is alleged must
23 take place at a time when the owner of the mark has rights in
24 that mark. Otherwise, the alleged domain name trafficker is
25 just participating in the very legal business of buying and

1 selling domain names.

2 If the Court adopts the presumption that VeriCheck
3 Arizona's federal registration precluded defendant VeriCheck
4 Georgia from having any rights, however weak, in the
5 VeriCheck trademark until May 5th, 2007, then in order to
6 find liability under the Anticybersquatting Consumer
7 Protection Act, the Court must find that David Lahoti engaged
8 in some bad faith activity between then and now.

9 And, of course, David Lahoti did not. David Lahoti has
10 been sitting, making decisions advised by counsel trying to
11 decide how to move forward. We cannot seriously entertain
12 the argument that between May and now there has been bad
13 faith activity.

14 That concludes my comments.

15 THE COURT: All right. I will ask again. Counsel,
16 anything further before this matter is submitted to the
17 Court?

18 MS. JOST: No, Your Honor.

19 MR. DU WORS: No, Your Honor.

20 THE COURT: All right. Then presentation of evidence
21 and argument in this matter is closed. The Court takes it
22 under advisement. We will be issuing findings of fact,
23 conclusions of law and a judgment.

24 It usually takes us a certain amount of time to do that.
25 And I won't predict when that will be forthcoming. But you

1 are the only one of these matters which is currently
2 completed before us, so that gives you some advantage.

3 We will be in recess, Counsel. Thank you.

4

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(Court adjourned.)

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C E R T I F I C A T E

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I, Nichol e Rhynard, CCR, CRR, RMR, Court Reporter
for the United States District Court in the Western District
of Washi ngton at Seattle, do hereby certify that I was
present in court during the foregoing matter and reported
said proceedings stenographi cally.

I further certify that thereafter, I have caused
said stenographic notes to be transcribed under my direction
and that the foregoing pages are a true and accurate
transcription to the best of my ability.

Dated thi s 12th day of December, 2007.

/ S/ Nichol e Rhynard

Ni chol e Rhynard, CCR, CRR, RMR
Of f i c i a l Court Reporter

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 7

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:39:59 ET

Serial Number: 78007809 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [SCREENNAME.COM](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2001-06-28](#)

Filing Date: [2000-05-12](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 102](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2002-09-20](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravindra K.](#)

Address:

[Lahoti, Ravindra K.](#)
[P.O. Box 1300](#)
[Artesia, CA 907021300](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Providing Internet Users and Identity Services Online via the World Wide Web including online support and live chat, web development services, e-mail, and private consultation through the use of software and hardware which users download and subscribe to services through the web portal](#)

Basis: [1\(a\)](#)

First Use Date: [1998-07-11](#)

First Use in Commerce Date: [1998-07-11](#)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-06-28 - Abandonment - Failure To Respond Or Late Response](#)

[2000-09-29 - Non-final action mailed](#)

[2000-09-15 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[RAVINDRA K. LAHOTI](#)

[P.O. BOX 1300](#)

[ARTESIA, CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:40:12 ET

Serial Number: 78001066 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): I ACCOUNT

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2001-06-27

Filing Date: 2000-03-26

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 102

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2002-10-24

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi K.

Address:

Lahoti, Ravi K.
P.O. Box 1300
Artesia, CA 907021300
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

Universal and Personalized Interactive Account and Accounting Interface; allows access to banking, billing, checking, e-mail, personal account and online electronic services consumed by users via a unique standard account

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2001-06-27 - Abandonment - Failure To Respond Or Late Response

2000-10-16 - Non-final action mailed

2000-10-12 - Assigned To Examiner

2000-09-21 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi K. Lahoti

P.O. Box 1300

Artesia CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:40:28 ET

Serial Number: 75830465 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): QUANTASIA

Standard Character claim: No

Current Status: Abandoned: No Statement of Use filed after Notice of Allowance was issued.

Date of Status: 2001-03-01

Filing Date: 1999-11-12

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2002-09-18

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.

PO Box 1244

Tustin, CA 927811244

United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Computer services, namely, creating indexes of information, sites, and other resources available on computer networks](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-08-08 - Abandonment - No use statement filed](#)

[2000-08-29 - Noa Mailed - SOU Required From Applicant](#)

[2000-06-06 - Published for opposition](#)

[2000-05-05 - Notice of publication](#)

[2000-03-14 - Approved for Pub - Principal Register \(Initial exam\)](#)

[2000-03-10 - Examiner's amendment mailed](#)

[2000-02-29 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[DAVE K. LAHOTI](#)

[PO BOX 1244](#)

[TUSTIN CA 92781-1244](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:40:38 ET

Serial Number: 75830460 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): ESECURE

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-12-22

Filing Date: 1999-11-12

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-12-28

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.
PO Box 1244
Tustin, CA 927811244
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 042

Class Status: Active

Security services for server, website and electronic commerce via a multi-user global computer information network

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-12-22 - Abandonment - Failure To Respond Or Late Response

2000-04-14 - Communication received from applicant

2000-03-29 - Non-final action mailed

2000-03-21 - Assigned To Examiner

2000-03-14 - Assigned To Examiner

2000-03-13 - Assigned To Examiner

2000-03-08 - Assigned To Examiner

2000-02-29 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Dave K. Lahoti

PO Box 1244

Tustin CA 92781-1244

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:40:56 ET

Serial Number: 75925239 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [EMAID](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2001-03-28](#)

Filing Date: [2000-02-09](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 104](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2002-09-12](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi K.](#)

Address:

[Lahoti, Ravi K.](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Energy Maid \(EMaid\) services A customized system providing domestic business and house cleaning services in an online, software \(intangible\)environment where users can view and order physical services via a web browser on the Internet](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-03-28 - Abandonment - Failure To Respond Or Late Response](#)

[2001-03-28 - Assigned To Examiner](#)

[2000-08-11 - Non-final action mailed](#)

[2000-07-13 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi K. Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:06 ET

Serial Number: 75920329 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): IPHONES

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2001-05-06

Filing Date: 2000-02-05

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 101

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2002-11-07

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi K.

Address:

Lahoti, Ravi K.
P.O. Box 1300
Artesia, CA 907021300
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 038

Class Status: Active

Interactive telecommunications services via the Internet, providing phone cards and software technology which allows the purpose of dialing directly through an Internet Gateway directly to Land Lines and Internet Phones

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2001-05-06 - Abandonment - Failure To Respond Or Late Response

2000-08-30 - Non-final action mailed

2000-08-21 - Assigned To Examiner

2000-07-20 - Assigned To Examiner

2000-07-10 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi K. Lahoti

P.O. Box 1300

Artesia CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:14 ET

Serial Number: 75870362 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): IWEDDING.COM

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2001-03-06

Filing Date: 1999-12-23

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2001-03-13

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi K.

Address:

Lahoti, Ravi K.
P.O. Box 1300
Artesia, CA 907021300
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Interactive Wedding services providing consulting and planning via an e-commerce site where individuals can purchase and acquire products and services through an Internet portal](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-03-06 - Abandonment - Failure To Respond Or Late Response](#)

[2000-06-07 - Non-final action mailed](#)

[2000-05-07 - Assigned To Examiner](#)

[2000-05-05 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi K. Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:24 ET

Serial Number: 75865323 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): IWEDDING

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-12-27

Filing Date: 1999-12-18

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2001-02-21

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi K.

Address:

Lahoti, Ravi K.

P.O. Box 1300

Artesia, CA 907021300

United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

Internet Wedding Registry services for bridal, gift, consulting and planning where users can purchase services and items online through an Internet portal

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-12-27 - Abandonment - Failure To Respond Or Late Response

2000-04-25 - Non-final action mailed

2000-04-18 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi K. Lahoti

P.O. Box 1300

Artesia CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:34 ET

Serial Number: 75830464 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [VUNIVERSE](#)

Standard Character claim: No

Current Status: [Abandoned: No Statement of Use filed after Notice of Allowance was issued.](#)

Date of Status: [2001-03-01](#)

Filing Date: [1999-11-12](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 114](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2002-09-18](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Dave K.](#)

Address:

[Lahoti, Dave K.](#)
[PO Box 1244](#)
[Tustin, CA 927811244](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Computer services, namely, creating indexes of information, sites, and other resources available on computer networks](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-08-08 - Abandonment - No use statement filed](#)

[2000-08-29 - Noa Mailed - SOU Required From Applicant](#)

[2000-06-06 - Published for opposition](#)

[2000-05-05 - Notice of publication](#)

[2000-03-14 - Approved for Pub - Principal Register \(Initial exam\)](#)

[2000-03-10 - Examiner's amendment mailed](#)

[2000-02-29 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Dave K. Lahoti](#)

[PO Box 1244](#)

[Tustin CA 92781-1244](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:43 ET

Serial Number: 75830453 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): DV3

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-11-09

Filing Date: 1999-11-12

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-12-27

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.
PO Box 1244
Tustin, CA 927811244
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Services featuring the wholesale and retail sale and distribution of digital visual media via a multi-user global computer information network](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-11-09 - Abandonment - Failure To Respond Or Late Response](#)

[2000-03-10 - Non-final action mailed](#)

[2000-03-09 - Assigned To Examiner](#)

[2000-02-29 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Dave K. Lahoti](#)

[PO Box 1244](#)

[Tustin CA 92781-1244](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:41:54 ET

Serial Number: 75820458 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [EREMOTE.COM](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-12-18](#)

Filing Date: [1999-11-02](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 109](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2001-01-04](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi](#)

Address:

[Lahoti, Ravi](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: 009

Class Status: Active

an internet portal geared towards allowing users to access electronic remote networks; remote internet sites; portals; through the Internet; World Wide Web; telnet systems; tcp/ip; and ftp environments

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-12-18 - Abandonment - Failure To Respond Or Late Response

2000-12-12 - Assigned To Examiner

2000-04-04 - Non-final action mailed

2000-03-10 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi Lahoti

P.O. Box 1300

Artesia CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:42:03 ET

Serial Number: 75820438 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [TYPER.COM](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-09-29](#)

Filing Date: [1999-11-02](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 104](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-10-12](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi](#)

Address:

[Lahoti, Ravi](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [012](#)

Class Status: [Active](#)

[Import racing; car accessories; body kits; featured race team/crews; contests; e-commerce racing solutions allowing car racers and enthusiasts to purchase accessories over the Internet](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-09-29 - Abandonment - Failure To Respond Or Late Response](#)

[2000-02-29 - Non-final action mailed](#)

[2000-02-16 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:42:42 ET

Serial Number: 75800462 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [QUICKETS](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-11-14](#)

Filing Date: [1999-10-12](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 114](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-12-28](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Dave K.](#)

Address:

[Lahoti, Dave K.](#)
[PO Box 1244](#)
[Tustin, CA 927811244](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

Providing services featuring the wholesale and retail sale and immediate online distribution of electronic tickets in the entertainment and transportation industries.

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-11-14 - Abandonment - Failure To Respond Or Late Response

2000-02-07 - Non-final action mailed

2000-01-12 - Assigned To Examiner

1999-12-21 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Dave K. Lahoti

PO Box 1244

Tustin CA 92781-1244

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:42:33 ET

Serial Number: 75820398 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [WEBCYCLE.COM](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2001-01-12](#)

Filing Date: [1999-11-02](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 106](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2001-01-16](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Ravi Lahoti](#)

Address:

[Ravi Lahoti](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[a unique browser and internet connection via a custom-designed cycle \(bicycle\) for exercising purposes, utilized to access to the Internet and Web Environments](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2001-01-12 - Abandonment - Failure To Respond Or Late Response](#)

[2000-06-14 - Non-final action mailed](#)

[2000-03-13 - Assigned To Examiner](#)

[2000-03-10 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:42:55 ET

Serial Number: 75800459 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [WEBSTAMP](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-11-13](#)

Filing Date: [1999-10-12](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 103](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [L3D -TMEG Law Office 103 - Docket Clerk](#)

Date In Location: [2000-11-14](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Dave K.](#)

Address:

[Lahoti, Dave K.](#)
[PO Box 1244](#)
[Tustin, CA 927811244](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

Providing web site services featuring the wholesale and retail sale and immediate online distribution of electronic postage stamps.

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-11-13 - Abandonment - Failure To Respond Or Late Response

2000-03-29 - Non-final action mailed

2000-02-29 - Assigned To Examiner

1999-12-30 - Assigned To Examiner

1999-12-21 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Dave K. Lahoti

PO Box 1244

Tustin CA 92781-1244

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:43:06 ET

Serial Number: 75800457 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): ECANDIES

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2002-02-27

Filing Date: 1999-10-12

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Supplemental

Law Office Assigned: LAW OFFICE 114

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2002-09-11

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.
PO Box 1244
Tustin, CA 927811244
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

online retail store services featuring candies, cookies and sweets and promoting the goods, namely, candies, cookies and sweets, of others by preparing and placing website links on a website accessed through a global computer network

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2002-02-27 - Abandonment - Failure To Respond Or Late Response

2001-06-20 - Non-final action mailed

2001-06-19 - Assigned To Examiner

2001-06-05 - Assigned To Examiner

2001-06-05 - Assigned To Examiner

2001-05-31 - Petition To Revive-Granted

2000-09-11 - Petition To Revive-Received

2000-09-25 - Abandonment - Failure To Respond Or Late Response

2000-01-10 - Non-final action mailed

1999-12-21 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Attorney of Record

CHRISTOPHER J. DAY, ESQ.

Correspondent

CHRISTOPHER J. DAY
340 E PALM LN STE 282
PHOENIX AZ 85004-4581

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:43:13 ET

Serial Number: 75800216 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): EPOSTAL

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-09-11

Filing Date: 1999-10-07

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 104

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-09-13

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi

Address:

Lahoti, Ravi

P.O. Box 1300

Artesia, CA 907021300

United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[providing stamps and postage based indicia in online/internet and retail environments](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-09-11 - Abandonment - Failure To Respond Or Late Response](#)

[2000-01-04 - Non-final action mailed](#)

[1999-12-15 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:43:23 ET

Serial Number: 75800164 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): POSTAGE NOW

Standard Character claim: No

Current Status: Abandoned after an inter partes decision by the Trademark Trial and Appeal Board.

Date of Status: 2003-09-23

Filing Date: 1999-10-07

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 113

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2003-10-20

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.
PO Box 1244
Tustin, CA 927811244
United States

Legal Entity Type: Individual

Country of Citizenship: United States

2. Davda, Neil S.

Address:

Davda, Neil S.
PO Box 1186
Glendale, CA 912091186
United States
Legal Entity Type: Individual
Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035
Class Status: Abandoned
ON LINE RETAIL STORE DISTRIBUTORSHIP SERVICES FEATURING STAMPS AND POSTAGE
Basis: 1(b)
First Use Date: (DATE NOT AVAILABLE)
First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

Disclaimer: "POSTAGE"

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2004-04-15 - PAPER RECEIVED

2003-09-23 - Abandonment - After inter partes decision (Initial exam)

2003-09-23 - Opposition terminated for Proceeding

2003-09-23 - Opposition sustained for Proceeding

2000-08-03 - Opposition instituted for Proceeding

2000-04-21 - Extension Of Time To Oppose Received

2000-03-21 - Published for opposition

2000-02-18 - Notice of publication

1999-12-27 - Approved for Pub - Principal Register (Initial exam)

1999-12-17 - Examiner's amendment mailed

1999-12-09 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

NEIL A. SMITH

HOWARD RICE NEMEROVSKI CANADY FALK & RAB

THREE EMBARCADERO CTR, 7TH FL

SAN FRANCISCO, CA 94111

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:08 ET

Serial Number: 75800162 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): STAMPS NOW

Standard Character claim: No

Current Status: Abandoned: No Statement of Use filed after Notice of Allowance was issued.

Date of Status: 2000-12-14

Filing Date: 1999-10-07

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 101

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2001-04-23

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave K.

Address:

Lahoti, Dave K.
PO Box 1244
Tustin, CA 927811244
United States

Legal Entity Type: Individual

Country of Citizenship: United States

2. Davda, Neil S.

Address:

Davda, Neil S.
PO Box 1186
Glendale, CA 912091186
United States
Legal Entity Type: Individual
Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035
Class Status: Active
ON-LINE RETAIL STORE DISTRIBUTORSHIP SERVICES FEATURING STAMPS AND POSTAGE
Basis: 1(b)
First Use Date: (DATE NOT AVAILABLE)
First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

Disclaimer: "STAMPS"

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2001-04-19 - Abandonment - No use statement filed
2000-06-13 - Noa Mailed - SOU Required From Applicant
2000-03-21 - Published for opposition
2000-02-18 - Notice of publication
1999-12-27 - Approved for Pub - Principal Register (Initial exam)
1999-12-17 - Examiner's amendment mailed
1999-12-09 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent
Dave K. Lahoti

PO Box 1244
Tustin CA 92781-1244

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:17 ET

Serial Number: 75755175 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): V WORLD

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-09-27

Filing Date: 1999-08-12

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 112

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-10-05

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi

Address:

Lahoti, Ravi
P.O. Box 1300
Artesia, CA 907021300
United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

Virtual World Wide Web Hosting, Graphic Design, and Internet Development Services for users who subscribe and consume services via e-mail, credit card, online, Providing E-Commerce Solutions and Web Site Development

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-09-27 - Abandonment - Failure To Respond Or Late Response

2000-02-15 - Non-final action mailed

1999-11-17 - Assigned To Examiner

1999-10-22 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi Lahoti

P.O. Box 1300

Artesia CA 90702-1300

USA

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:25 ET

Serial Number: 75680058 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): FOOLIO

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-06-05

Filing Date: 1999-04-30

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 112

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-06-05

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Ravi K.

Address:

Lahoti, Ravi K.

P.O. Box 1300

Artesia, CA 907021300

United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[fooliocom](#), providing online web hosting, e commerce, E-Mail, through the the World Wide Web on the Internet in a digital/data form, to subscribers and/or users

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-06-05 - Abandonment - Failure To Respond Or Late Response](#)

[1999-08-31 - Non-final action mailed](#)

[1999-08-20 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[Ravi K. Lahoti](#)

[P.O. Box 1300](#)

[Artesia CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:34 ET

Serial Number: 75675189 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [ETVCOMMERCE](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-06-08](#)

Filing Date: [1999-04-26](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 103](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2002-05-01](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi K.](#)

Address:

[Lahoti, Ravi K.](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: 035

Class Status: Active

E-Commerce conducted through various hardware devices to access the Internet and World Wide Web

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2002-03-28 - PAPER RECEIVED

2000-06-08 - Abandonment - Failure To Respond Or Late Response

1999-09-20 - Non-final action mailed

1999-08-31 - Assigned To Examiner

1999-08-25 - Assigned To Examiner

1999-08-18 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

Ravi K. Lahoti

P.O. Box 1300

Artesia CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:42 ET

Serial Number: 75654709 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [EARTH DINER](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-04-28](#)

Filing Date: [1999-03-11](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 114](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-05-01](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi](#)

Address:

[Lahoti, Ravi](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[Franchise Family Restaurants providing various goods and services from foods and beverages "eDiner", EarthDiner, coffeeshop, diner, eatery An earthly place to eat for everyone](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-04-28 - Abandonment - Failure To Respond Or Late Response](#)

[2000-04-28 - Assigned To Examiner](#)

[2000-04-27 - Assigned To Examiner](#)

[1999-08-18 - Non-final action mailed](#)

[1999-07-30 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[RAVI LAHOTI](#)

[P.O. BOX 1300](#)

[ARTESIA CA 90702-1300](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:44:51 ET

Serial Number: 75651324 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): ESTAMPS

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-07-10

Filing Date: 1999-03-01

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 102

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-07-21

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Lahoti, Dave

Address:

Lahoti, Dave

P.O. Box 1300

Artesia, CA 907021300

United States

Legal Entity Type: Individual

Country of Citizenship: United States

GOODS AND/OR SERVICES

International Class: 009

Class Status: Active

eStamps, eStampscom, e-stamps, electronic stamps; providing downloadable electronic postage stamps using software applications utilized by end users on the Internet for ePostal commerce

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

International Class: 016

Class Status: Inactive - Insufficient Fee Received

eStamps, eStampscom, e-stamps, electronic stamps; providing downloadable electronic postage stamps using software applications utilized by end users on the Internet for ePostal commerce

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-07-10 - Abandonment - Failure To Respond Or Late Response

2000-06-23 - Assigned To Examiner

1999-08-27 - Non-final action mailed

1999-08-20 - Assigned To Examiner

1999-08-16 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

DAVE LAHOTI

P.O. BOX 1300

ARTESIA CA 90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:45:00 ET

Serial Number: 75647668 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): TVCOMMERCE

Standard Character claim: No

Current Status: Abandoned-Failure To Respond Or Late Response

Date of Status: 2000-05-03

Filing Date: 1999-03-03

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: Principal

Law Office Assigned: LAW OFFICE 103

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -File Repository (Franconia)

Date In Location: 2000-05-04

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Ravi Lahoti](#)

Address:

[Ravi Lahoti](#)

[P.O. Box 1300](#)

[Artesia, CA 907021300](#)

[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: 009

Class Status: Active

TV Commerce Conducting E-Commerce via Television (TV) Set Top Boxes placed on or next to televisions or personal computers, providing access to the Internet and Web, to subscribers and users Providing e-mail, shopping, communication, video-conferencing in a form of Interactive TV Also a Broadcast, Television Network

Basis: 1(b)

First Use Date: (DATE NOT AVAILABLE)

First Use in Commerce Date: (DATE NOT AVAILABLE)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2000-05-03 - Abandonment - Failure To Respond Or Late Response

1999-08-24 - Non-final action mailed

1999-08-11 - Assigned To Examiner

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

RAVI LAHOTI

P.O. BOX 1300

ARTESIA

CA

90702-1300

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:45:11 ET

Serial Number: 75645014 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [EXCITEMAIL](#)

Standard Character claim: No

Current Status: [Abandoned-Failure To Respond Or Late Response](#)

Date of Status: [2000-04-14](#)

Filing Date: [1999-02-22](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 103](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-04-19](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti Dave](#)

Address:

[Lahoti Dave](#)
[P.O. Box 1300](#)
[Artesia, CA 90702](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[excitemail - online, internet, web services provided to users/subscribers on the Internet for e-mail, e-commerce, development, and accessing information through the Internet](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

[\(NOT AVAILABLE\)](#)

MADRID PROTOCOL INFORMATION

[\(NOT AVAILABLE\)](#)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-04-14 - Abandonment - Failure To Respond Or Late Response](#)

[1999-08-30 - Non-final action mailed](#)

[1999-08-11 - Assigned To Examiner](#)

[1999-07-23 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[DAVE LAHOTI](#)

[P.O. BOX 1300](#)

[ARTESIA, CA 90702](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:45:21 ET

Serial Number: 75568433 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [PIZZAMAN](#)

Standard Character claim: No

Current Status: [Abandoned: No Statement of Use filed after Notice of Allowance was issued.](#)

Date of Status: [2000-07-12](#)

Filing Date: [1998-10-20](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 113](#)

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Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-10-13](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Dave](#)

Address:

[Lahoti, Dave](#)
[2449 Ternberry CT](#)
[Tustin, CA 92782](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[online web development services](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-10-12 - Abandonment - No use statement filed](#)

[2000-01-11 - Noa Mailed - SOU Required From Applicant](#)

[1999-10-19 - Published for opposition](#)

[1999-09-17 - Notice of publication](#)

[1999-06-21 - Approved for Pub - Principal Register \(Initial exam\)](#)

[1999-05-27 - Assigned To Examiner](#)

[1999-05-07 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Attorney of Record

[Dave Lahoti](#)

Correspondent

[DAVE LAHOTI](#)

[2449 TERNBERRY CT](#)

[TUSTIN, CA 92782](#)

Thank you for your request. Here are the latest results from the [TARR web server](#).

This page was generated by the TARR system on 2010-02-13 15:45:31 ET

Serial Number: 75565306 [Assignment Information](#) [Trademark Document Retrieval](#)

Registration Number: (NOT AVAILABLE)

Mark (words only): [PIZZAMAN.COM](#)

Standard Character claim: No

Current Status: [Abandoned: No Statement of Use filed after Notice of Allowance was issued.](#)

Date of Status: [2000-07-12](#)

Filing Date: [1998-10-14](#)

Transformed into a National Application: No

Registration Date: (DATE NOT AVAILABLE)

Register: [Principal](#)

Law Office Assigned: [LAW OFFICE 113](#)

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: [900 -File Repository \(Franconia\)](#)

Date In Location: [2000-10-13](#)

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. [Lahoti, Ravi](#)

Address:

[Lahoti, Ravi](#)
[19627 S. Nicholas Ave.](#)
[Cerritos, CA 90703](#)
[United States](#)

Legal Entity Type: [Individual](#)

Country of Citizenship: [United States](#)

GOODS AND/OR SERVICES

International Class: [042](#)

Class Status: [Active](#)

[online web development services](#)

Basis: [1\(b\)](#)

First Use Date: [\(DATE NOT AVAILABLE\)](#)

First Use in Commerce Date: [\(DATE NOT AVAILABLE\)](#)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

[2000-10-13 - Abandonment - No use statement filed](#)

[2000-01-11 - Noa Mailed - SOU Required From Applicant](#)

[1999-10-19 - Published for opposition](#)

[1999-09-17 - Notice of publication](#)

[1999-06-21 - Approved for Pub - Principal Register \(Initial exam\)](#)

[1999-05-27 - Assigned To Examiner](#)

ATTORNEY/CORRESPONDENT INFORMATION

Correspondent

[RAVI LAHOTI](#)

[19627 S NICHOLAS AVE](#)

[CERRITOS CA 90703](#)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 8-A



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

3636275 Canada, dba eResolution v. eResolution.com

Case No. D2000-0110

1. The Parties

The Complainant is 3636275 Canada. It trades as eResolution. It is a corporation organized under the laws of Canada, with its principal place of business at 1278 Laurier Street East, Suite 2, Montreal, Quebec, Canada H2T 1H1.

The Respondent cited by the Complainant is <eResolution.com>. The Response claims to be filed on behalf of "Respondents <eresolution.com> and Ravi Lahoti". The latter claims to be the technical, zone and administrative contact for the domain name <eresolution.com>.

The Response states that Mr. Lahoti can be contacted personally by email <rkl@mail.com>, at a postal address, PO Box 1300, Artesia, California, and by telephone at (562) 924 3169, said by the Complainant to be the number for an answering machine of an unidentified person in Irvine, California. He claims to receive email for the domain name <eresolution.com> through the Internet address <dnscontact@epostal.com>. The Response stated that Mr. Lahoti "prefers contact to be maintained" via email and fax through his authorized representative, his attorney in Irvine, California, who filed the Response on his behalf. No street address has been given for either <eresolution.com> or Mr. Lahoti.

Mr. Lahoti has offered no evidence that he is the registrant of the domain name <eresolution.com>, nor that he is the technical, zone or administrative contact for that domain name. His name does not appear on the information provided by the Registrar from its WHOIS database.

2. The Domain Name and Registrar

The domain name at issue is <eresolution.com>. The domain name is registered with Network Solutions Inc., 505 Huntmar Park Drive, Herndon, Virginia 20170, United States of America ("NSI").

3. Procedural History

The Complaint submitted by 3636275 Canada was received on March 1, 2000 (electronic version) and March 2, 2000 (hard copy) by the World Intellectual Property Organization Arbitration and Mediation Center ("WIPO Center").

On or about March 3, 2000 a request for Registrar verification was transmitted by the WIPO Center to NSI, requesting it to:

Confirm that a copy of the Complaint had been sent to it by the Complainant as required by the WIPO Supplemental Rules for Uniform Dispute Resolution Policy ("Supplemental Rules"), paragraph 4(b).

Confirm that the domain name at issue is registered with NSI.

Confirm that the person identified as the Respondent is the current registrant of the domain name.

Provide full contact details, i.e., postal address(es), telephone number(s), facsimile number(s), email address(es), available in the Registrar's WHOIS database for the registrant of the disputed domain name, the technical contact, the administrative contact and the billing contact for the domain name.

Confirm that the Uniform Domain Name Dispute Resolution Policy was in effect.

Indicate the current status of the domain name.

By email dated March 6, 2000, NSI advised the WIPO Center as follows:

NSI had not received a copy of the Complaint from the Complainant.

NSI is the Registrar of the domain name registration <eresolution.com>.

"Eresolution.com" (ERESOLUTION2-DOM) is shown as the "current registrant" of the domain name <eresolution.com>. The registrant is identified only by a postal address: "PO Box 1300, Artesia, CA 90702-1300".

The administrative, technical and zone contacts have no person identified. Only an email address <DNSContact@EPOSTAL.com> plus the post box in Artesia, CA, were supplied. A telephone number, (702) 699 4764, and a facsimile number, (503) 226 5119, were also supplied.

NSI's 5.0 Service Agreement is in effect.

The domain name registration <eresolution.com> is in "Active" status.

The telephone number referred to above ((702) 699 4764) is a pager in Las Vegas, Nevada. The fax ((503) 226 5119) is for a number assigned in Portland, Oregon. When dialed, an answering machine for "Colin Cowherd" replies.

NSI has currently incorporated in its agreements the policy for Uniform Domain Name Dispute Resolution adopted by the Internet Corporation for Assigned Names and Numbers ("ICANN").

As can be deduced from the advice of NSI that the domain name in question is still "active", the Respondent has not requested that the domain name at issue be deleted from the domain name database. The Respondent has not sought to terminate the agreement with NSI. Accordingly, the Respondent is bound by the provisions of NSI's Domain Name Dispute Resolution Policy, i.e., the ICANN policy. The Respondent has not challenged the jurisdiction of the Panel.

Having verified that the Complaint satisfied the formal requirements of the Uniform Policy and the Uniform Rules, the WIPO Center on March 3, 2000 transmitted by post/courier and by email a notification of Complaint and Commencement of Administrative Proceedings to the Respondent. A copy of the Complaint was also emailed to NSI, ICANN and the Complainant.

The Complainant elected to have its Complaint resolved by a single panel member: it has duly paid the amount required of it to the WIPO Center.

The Respondent was advised that a Response to the Complaint was required within 20 calendar days (i.e., by March 23, 2000). The Respondent was also advised that any Response should be communicated, in accordance with the Rules, by four sets of hard copy and by email.

On March 24, 2000, the Respondent's attorney filed by facsimile and email a Response on behalf of "Respondents

eResolution and Ravi Lahoti". The Response provided no clue as to the identity of "eResolution" as distinct from Mr. Lahoti.

On March 27, 2000, the WIPO Center invited the Honourable Sir Ian Barker QC of Auckland, New Zealand, to serve as Sole Panelist in the case. It transmitted to him a statement of acceptance and requested a declaration of impartiality and independence.

On March 27, 2000, the Honourable Sir Ian Barker QC advised his acceptance and forwarded to the WIPO Center his statement of impartiality and independence. The Panelist finds that the Administrative Panel was properly constituted in accordance with the Rules and the Supplemental Rules.

On March 27, 2000, WIPO Center forwarded to the Honourable Sir Ian Barker QC by courier the relevant submissions and the record. These were received by him on April 5, 2000. In terms of Rule 5(b), in the absence of exceptional circumstances, the Panel is required to forward its decision by April 10, 2000.

The Panel has independently determined and agrees with the assessment of WIPO Center that the Complaint meets the formal requirements of the Rules for Uniform Domain Name Dispute Resolution Policy as approved by ICANN on October 24, 1999 ("the Rules") and the Supplemental Rules.

On March 28, 2000, the Panelist advised WIPO Center pursuant to Rule 12 that he required further submissions in reply from the Complainant within 2 working days. These submissions were received by the Panelist from the Complainant on March 31, 2000.

The language of the administrative proceeding is English, being the language of the registration agreement.

4. Factual Background

The Complainant has provided evidence of the provisional registration of the following marks:

Filing Date	Mark	Jurisdiction
August 23, 1999	eResolution	Canada
January 11, 2000	eResolution	United States
February 29, 2000	eResolution	European Union

The Complainant has filed for registration but awaits issuance of the registered marks. The Complainant commenced business on September 1, 1999. The Respondent is not a licensee of the Complainant, nor is the Respondent authorized otherwise to use the Complainant's mark.

According to the WHOIS information, the Respondent registered the <eresolution.com> domain name on March 13, 1999. The Respondent claimed to have done so after searching all relevant and reasonably accessible trademark databases. In an email to an agent of the Complainant on December 9, 1999, Mr. Lahoti alleged that he was the owner of the domain name <eresolution.com>. In this email, he gave two telephone contact numbers, one the Irvine, California, number and the other with the area code 949. Evidence provided by the Complainant shows that <eresolution.com> is not authorized to do business in California.

In December 1999, an agent of the Complainant contacted the Respondent, Mr. Lahoti, regarding disposal of the domain name at issue. Far from "immediately transfer[ing] the name" "without cost" (as stated in the Response to be the Respondent's policy), the Respondent demanded on December 9, 1999 US\$7,500 to be wired the following day, or the price would increase to US\$10,000. Later, the Respondent put the domain name up for auction for a price of US\$10,200. The Complainant's agent bid US\$7,500, the maximum amount which it had authorized for purchase of the

name. The Respondent had first offered the name at auction for a minimum bid of US\$7,875, then with a reserve price of US\$22,000, then with a minimum bid of US\$21,000, then with a minimum bid of US\$10,200, then with a minimum bid of US\$25,000, then with a minimum bid of US\$25,000, then with a minimum bid of US\$7,700 and, finally, with a minimum bid of US\$7,500. In response to this last listing, the Complainant bid US\$7,500 and was notified by the auctioneer that it had won the auction for the domain name at issue. The Respondent congratulated the Complainant on January 11, 2000 on its winning bid. But the Respondent then refused to deliver the domain name to the Complainant. The emails concerning this ever-changing scenario are numerous. The above is a summary only of what took place over some 2 months. In an email of December 21, 1999, the Complainant's agent made it clear that he was acting "on behalf of my company, Aliant Telecommunications. Aliant is the investing partner in eResolution". Accordingly, Mr. Lahoti could have been in no doubt that he was dealing with the present Complainant.

The Respondent's webpage at <www.eresolution.com> merely invites email communication with parties unknown. It reads: "Send E-mail. Click here. To be notified when this site is completed".

Although the domain name <ravilahoti.com> is not in contention, a WHOIS search of this domain name updated on March 27, 2000 identified no actual person named in its database. It is reasonable to consider the history of this domain name, given that (a) Ravi Lahoti claims to be a Respondent in the Response, (b) he said he was the owner of <eresolution.com> in an email of December 9, 1999 and (c) he largely conducted the negotiations over the sale and auction, although an associate called Philip Kumar had some involvement also. A different post box, this time situated in Westminster, California, is given as the address for the registrant <ravilahoti.com>, which evidence shows is also an entity not permitted to do business in California. The facsimile number given this time has a Massachusetts prefix: the telephone number is for the answering machine in Irvine, California. The webpage posted at <ravilahoti.com> lists a fax number in Ogden, Utah and an email address as <DNS@sucker.org>.

A WHOIS database search for <eresolution.com>, updated as at October 12, 1999 (annexed to the Complainant's reply), shows the registrant as <eResolution.com> with the Artesia, California, post office box as the address. No person is named as Administrative, Technical or Zone contact. Ravi L Kumar is shown as the Billing Contact, with the answering machine in Irvine, California for the telephone contact and the same Massachusetts fax number as that given for <ravilahoti.com>.

5. Parties' Contentions

The Complainant maintains a website at <www.eresolution.ca> at which aggrieved parties can institute claims for the transfer of domain names held by parties who have registered and who use domain names in bad faith. The Complainant has received and administers numerous claims from persons in a variety of countries. It calls on the services of independent Panelists from countries around the world. As a partner with <Disputes.org>, it is currently one of three providers certified by ICANN to resolve domain name disputes under the ICANN Policy.

The Complainant alleges that the Respondent uses:

- a. a post office box in one jurisdiction (California);
- b. a telephone pager in a second jurisdiction (Nevada); and
- c. a facsimile number in a third jurisdiction (Oregon).

The Complainant stresses that neither <eresolution.com> and <ravilahoti.com> is registered to do business within the state of California. It points also to further confusion arising out of the use by <ravilahoti.com> of apparent addresses of convenience in other places. It claims that these facts suggest that the Respondent has taken active steps to conceal his true identity. The Complainant relies on the decision of the WIPO Panelist in *Telstra Corporation Limited v Nuclear Marshmallows* ([Case D2000-0003](#)) where the Respondent there was described as an unregistered business name of an unidentified business entity.

The Complainant alleges that the Respondent's numerous offers to sell the domain name to the Complainant and its soliciting of bids through a domain name auction site are indicators of bad faith.

The Complainant further relies upon para 4(b)(i), (ii) and (iii) of the Policy as indicating use by the Respondent in bad faith of the domain name.

The Respondent claims to be a "domain name speculator" as opposed to a "cybersquatter". His contention is summarized in his Response thus:

"Respondent has registered common or generic names that, at the time of registration, are neither proprietary, trademarked, or used to promote any product or service known to Respondent at the time of registration. Respondent registers these names with the intent of developing a concept and potential web presence for their use for potential clients. Respondent follows a protocol for registration including researching trademark databases and similar names for potential conflicts. Respondent eliminates potential conflicts from any potential prospects and registers select remaining names for future use. In the event an entity or company contacts Respondent with a legitimate claim to a domain name, the name is immediately transferred, often without cost."

In reply to the Complainant's allegations above, the Respondent submits as below. The Response fails to differentiate between <eresolution.com> and Ravi Lahoti. The Panel is left with the clear impression that the two are one and the same.

- a. The Respondent has been in constant touch with the Complainant since December 9, 1999 over the sale of the domain name.
- b. The use of a pager in Nevada is not illegal and is a means of economical communication with the Respondent for persons in Las Vegas.
- c. The fax number, alleged by the Complainant to give the answering machine greeting of "Colin Cowherd" was a random electronic fax number provided by a free-fax service provider.
- d. A post office box is a convenient location at which to receive mail.
- e. No bad faith attempt was ever made to avoid communication with the Complainant.
- f. The situation in the *Telstra* case is distinguishable in that the Respondent in that case deliberately changed contact information and avoided contact in the hope of delaying or preventing transfer of the domain name. To the contrary, the Respondent here was in frequent communication with the Complainant.

The Respondent distinguishes the various cases where selling or soliciting the purchase of a domain name was held to be evidence of bad faith because:

- a. The Complainant in other cases was a long-term holder of a registered trademark or service mark and not of a mark for which registration had been sought but which was not yet granted.
- b. Those cases showed acquisition by Respondents of a domain name primarily for the purpose of sale to a competitor. In the present case, the Respondent could not have had that intent because the Complainant did not exist at the time of registration.

The Respondent claims that the Complainant has failed on all three prongs of paragraph 4(a) of the Policy (to be discussed). In the Respondent's submissions, there is:

- a. No proof of the Complainant's adequate trademark right as required by paragraph 4(a)(i) of the Policy;
- b. No legitimate interest of the Complainant in the domain name;
- c. No proof the Respondent's registration and use of the domain name is in bad faith as required by paragraph 4(a)(iii) of the Policy.

In reply, the Complainant submitted:

- a. Trademarks are created by use and not registration.
- b. The filing of a trademark application creates rights in the applicant.
- c. "Bad faith" is not determined by mere chronological sequence. Rather, "bad faith" registration and the intent at the time of registration can be assessed by subsequent events such as the provision of candid information to the Registrar, establishment of a website using the domain name, including a business plan.
- d. "Bad faith" can be demonstrated by the confusing information supplied by the Respondent to the Registrar, plus the array of convenience answering services and pagers, the lack of any physical address and the Respondent's failure to use the domain name.
- e. The Respondent's attempts to sell the domain name for amounts in excess of setting-up costs, the listing of the name with a domain name auctioneer and the refusal to transfer the domain name to the Complainant after its successful bid at auction, all point inexorably towards "bad faith".
- f. The Respondent's claim to operate a legitimate business as a "domain name speculator" is unjustified because:

- i. The Respondent did not "immediately" transfer the domain name to the Complainant "without cost" as alleged in the Response to be the Respondent's policy. Instead, the Respondent went through the sale/auction process outlined in section 4 above.
- ii. The tortuous variety of differing and confusing contact details hardly demonstrates a *bona fide* business person.

6. Discussion and Findings

Paragraph 15(a) of the Rules instructs the Panel to:

"decide a complaint on the basis of the statements and documents submitted in accordance with the policy, these rules and any rules and principles of law that it deems applicable".

The burden for the Complainant, under paragraph 4(a) of the ICANN Policy, is to show:

That the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and

That the Respondent has no rights or legitimate interests in respect of the domain name; and

That the domain name has been registered and is being used by the Respondent in bad faith.

The domain name <eresolution.com> is obviously identical or confusingly similar to the Complainant's mark. The Panel so decides.

Paragraph 4(c) of the Policy shows how a Respondent can demonstrate rights or interest in the domain name at issue. Whilst the overall onus of proof rests on a Complainant, nevertheless failure by a Respondent to demonstrate that he comes within paragraph 4(c) can assist the Panel in deciding whether on consideration of all the evidence a Complainant has discharged the onus of proof. The following circumstances in particular, but without limitation, if found by the Panel to be proved, demonstrate rights or legitimate interests in the domain name at issue.

"(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or

(ii) you (as an individual, business or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or

- you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue."

The Panel finds that there is no evidence that the Respondent, before receiving notice of the dispute, used or demonstrably prepared to use the domain name in connection with a *bona fide* offering of services. Nor has the Respondent ever been commonly known by the domain name. Nor is the Respondent making any legitimate non-commercial or fair use of the domain name without intent for commercial gain misleadingly to divert customers or to tarnish the mark at issue. The Respondent's equivocal conduct about selling and/or auctioning the domain name to the Complainant suggests otherwise.

Consequently, the Panel concludes that the Respondent has no rights or legitimate interests in the domain name at issue.

Paragraph 4(b) of the ICANN Policy states:

"For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

- i. circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the

- owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- ii. you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
 - iii. you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
 - iv. by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location."

It should be noted that the circumstances of bad faith are not limited to the above.

The Panel considers that the Respondent has registered and used the domain name <eresolution.com> in "bad faith" for the following reasons:

- a. <eresolution.com> is an unidentified business name of an unidentified business entity.
- b. Mr. Lahoti, if he is truly the Respondent, has not provided a street address. He has provided means of communication and contact that are, to say the least, unusual and even questionable for someone conducting a legitimate business.
- c. The attempts detailed demonstrate attempts by Mr. Lahoti and/or eresolution to hide their real identity. These attempts show similarity to the tactics of the Respondent in *Telstra Corporation Ltd v Nuclear Marshmallows* ([Case No. D2000-0003](#)).
- d. The failure by the Respondent to come within paragraph 4(c) of the Policy quoted above.
- e. Mr. Lahoti's offers to sell the domain name by auction and his conduct towards the Complainant in that regard is in itself evidence of bad faith: see, for example, the decisions in the WIPO cases of *Harrods Ltd v Boyd* ([Case No. D2000-0060](#)), *China Ocean Shipping (Group) Co. Ltd v Cao Shan Hui* ([Case No. D2000-0066](#)).

The Respondent's argument that the Respondent had registered the domain name before the trademark applications were filed by the Complainant is answered by the dicta of the learned Panelist in *Bennett Coleman & Co. Ltd v Lalwani and Long Distance Telephone Company* ([WIPO Cases D2000-0014](#) and [0015](#)). It was there contended by the Respondents that the Complainants' trademarks were no longer registered. That situation is basically no different to one where there was no mark registered at the time when the domain name was registered. The Panelist said:

"The Respondents have also asserted that the Complainant's Indian trade marks are no longer registered. Whether or not that is so, it is clear that the Complainants have a very substantial reputation in their newspaper titles arising from their daily use in hard-copy and electronic publication. In India itself wrongfully adopting the titles so as to mislead the public as to the source of publications or information services would in all likelihood amount to the tort of passing off. As already stated, it is this reputation from actual use which is the nub of the complaint, not the fact of registration as trade marks."

The Complainant is using the mark "eresolution" frequently on a world-wide basis. Its applications to register the marks are to obtain formal recognition of that frequent use. The essence of the Internet is world-wide access, therefore, the propriety of domain name registrations cannot be confined to comparisons with trademark registrations in the country where the site is hosted: (see *Bennett Coleman* case (supra)). The Complainant is likely to be asked to adjudicate upon domain name disputes by persons outside the countries where trademark registration is sought. Such persons could easily be confused by the Respondent's use of the domain name <eresolution.com> in circumstances where the Respondent has shown no intention of operating a dispute resolution service.

The present situation is similar to that in *Educational Tertiary Service v TOEFL* ([WIPO Case D2000-0044](#)) where the learned Panelist said:

"The value which Respondent seeks to secure from sale of the domain name is based on the underlying value of Complainant's trademark. This value is grounded in the right of Complainant to use its mark to identify itself as a source of goods or services. Respondent has failed to establish any legitimate domain name-related use for Complainant's trademark, in a context in which such legitimization might be possible. The Respondent having failed to present any such justification, the Panel may reasonably infer that Respondent neither intended to make nor has made any legitimate use of Complainant's trademark in connection with the [domain name at issue]."

In light of the undisputed record in this proceeding, the Panel concludes that the Respondent did in fact register and use the [domain name at issue] in bad faith. It has made no use of the domain name other than to offer it for sale at a price that is likely to substantially exceed its out-of-pocket costs of registration, and the price that the domain name commands would largely be based on the trademark of the Complainant. Although a supplemental, as opposed to competitive, user of the domain name might be willing to pay the price sought by Respondent, there is no reason based on the record to award this price to Respondent. The Respondent was the first-to-register, and in circumstances of legitimate registration and use this may secure its right to the domain name. However, because Respondent is contributing no value-added to the Internet – it is merely attempting to exploit a general rule of registration – the broad community of Internet users will be better served by transferring the domain name to a party with a legitimate use for it."

Accordingly, for all the various reasons discussed above, the Panel finds that the domain name <eresolution.com> has been registered and is being used by the Respondent in bad faith.

7. Legal Considerations

Although entitled to consider principles of law deemed applicable, the Panel finds it unnecessary to do so in any depth. The jurisprudence which is being rapidly developed by a wide variety of Panelists world-wide under the ICANN Policy provides a fruitful source of precedent.

The Panel notices, however, that Courts in the United States have come to similar conclusions about those who act in a manner similar to the Respondent who endeavor to sell domain names to trademark owners for a profit: see *Panavision International LP v Toeppen*, 141 F.3d 1315 (9th Circ. 1998).

The Response mentioned arbitration proceedings alleged to have been instituted by the Complainant against the Respondent on February 29, 2000, for breach of contract. The Complainant made no mention of these proceedings in its reply and the Respondent did not amplify upon the bare reference. The Panel accordingly disregards the existence of these proceedings as irrelevant to his task. The parties have rights under paragraph 4(k) of the Policy.

8. DECISION

For the foregoing reasons, the Panel decides:

- a. that the domain name registered by the Respondent is identical or confusingly similar to the trademark to which the Complainant has rights;
- b. that the Respondent has no rights or legitimate interests in respect of the domain name; and
- c. the Respondent's domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 4(i) of the Policy, the Panel requires that the registration of the domain name <eresolution.com> be transferred to the Complainant.

Hon Sir Ian Barker QC
Presiding Panelist

Dated: April 10, 2000

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 8-B



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Baccarat SA v. Serious|Net

Case No. D2003-0428

1. The Parties

The Complainant is Baccarat SA, a duly registered French company of Baccarat, France, represented by Meyer & Partenaires, Patent & Trade Mark Attorneys, of Strasbourg, France.

The Respondent is Serious|Net of Artesia, California, United States of America, represented by Raymond Marc King of Toronto, Ontario, Canada.

2. The Domain Name and Registrar

The disputed domain name, <crystalbaccarat.com>, is registered with Tucows Inc. It was registered on December 29, 2002.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on June 4, 2003. On June 5, 2003, the Center transmitted by email to Tucows Inc. a request for registrar verification in connection with the disputed domain name at issue. On June 5, 2003, Tucows Inc. transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details for the administrative and technical contact. The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on June 13, 2003. In accordance with the Rules, paragraph 5(a), the due date for a Response was July 3, 2003. An extension of the due date was granted by the Center until July 6, 2003. The Response was filed with the Center on July 4, 2003.

The Center appointed the Honourable Sir Ian Barker QC as the sole panelist in this matter on July 16, 2003. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the

Center to ensure compliance with the Rules, paragraph 7.

The Complainant sought leave from the Panel to file further submissions by way of Reply. The Respondent filed a reply to these submissions. The Panel has taken both these documents into account.

4. Factual Background

The Complainant, formerly known as "Compagnie Des Cristalleries De Baccarat" is and has been a manufacturer of crystalware since 1764. The name "Baccarat" is that of the French city where the Complainant has manufactured crystalware since 1764.

It has been the supplier of crystalware to foreign courts and Heads of State for more than 200 years. Its products have received many awards worldwide. Over 60,000 people visit the two crystal museums at the factory (Baccarat) and in Paris annually. Many visit the special exhibits of historical crystal at the Complainant's New York premises.

The Complainant operates a web site at "www.baccarat.fr" displaying historical information about itself and its locations worldwide. The Complainant has registered several country code top-level domain names and generic top-level domain names, like <crystaldebaccarat.com>.

The Complainant holds more than 700 subsisting trademarks across the world, including marks registered in the United States, BACCARAT and BACCARAT CRISTAL.

The Respondent is the unregistered trading name of Mr. Ravi Lahoti who is the registrant of multiple domain names. He has been a Respondent in other domain name disputes.

5. Parties' Contentions

Complainant

Confusing Similarity

The disputed domain name is confusingly similar to the Complainant's marks. BACCARAT and BACCARAT CRISTAL – both of which are registered in the United States. The word "crystal" in the disputed domain name is the English word for the French word "cristal" in the trademark.

Rights and Legitimate Interests

The Respondent is not currently and has never been known either under the name "Baccarat", or in combination of Baccarat with the name "Crystal".

The Respondent is not, in any way, related to the Complainant's business; it is not one of its agents; it does not carry out any activity for nor have any business with the Complainant.

The Complainant has never given any authorization to the Respondent to make any use of, or apply for registration of the disputed domain name.

Panels have decided in earlier cases that the Respondent had no rights or legitimate interests in disputed domain names.

Bad Faith

The Respondent registered the disputed domain name in bad faith. The Respondent could not have ignored the existence of the Complainant and its well-known reputation and trademark in the field of crystalware when he filed application for registration of the domain name.

The Respondent should have been also aware of the existence of the Complainant when he registered the domain name

in question. The Complainant has several stores located in California.

The word "Baccarat" is also the name of a card game. It is also used and understood on the Internet through this secondary meaning. The Complainant does not claim any exclusive rights over the word "Baccarat" in relation to all products and services, and particularly in regard to card games.

The word "Crystal" does not mean anything especially in relation to card games or gambling. By registering the disputed domain name, the Respondent did not refer to the card game but to the Complainant's trademarks. The Complainant is the sole company in the field of crystalware worldwide which has been using the name "Baccarat" for more than 200 years. It has exclusive rights over the name "Baccarat" in relation to all crystal products.

The English version of the word Baccarat is spelled without the final "T" letter : Baccara.

The registration of the disputed domain name was made in bad faith, mainly to attract Internet users to the Respondent's web site. The notoriety of the Complainant's trademark in the range of crystal products is such that a *prima facie* presumption is raised that the Respondent registered the domain name for the purpose of using it in some way to attract for commercial gain users to the web site by creating a likelihood of confusion with the Complainant's trademark.

The domain name is currently being used in bad faith by the Respondent. He is not making any fair nor non-commercial use of the disputed domain name. There is a web site available through the disputed domain name on which some links forward to others of the Respondent's web sites "www.efunny.com", "www.eattack.com" or to third parties' web sites to which the Respondent may be affiliated. The Respondent attracts Internet users to its own web sites. It makes a profit if Internet users spend money on its affiliated web sites.

The homepages of the Respondent's web sites linked to the disputed domain name (via <webpicture.com>, <efunny.com>, <eattack.com>, <dmvonline.com>, <shocklighter.com>) all offer goods for sale (lights) or display advertisements for business web sites, thus generating revenues for the Respondent.

Otherwise, the web site under the disputed domain name displays links to affiliated third parties' business sites. By making links to them, the Respondent earns revenues.

The Respondent has registered more than 2,500 domain names. Some of those domain names are offered for sale by SeriousNet on a dedicated web site "www.domainsale.org" available through the disputed domain name. The Respondent has thus engaged in a pattern of such conduct and has, in the words of the Policy;

"intentionally attempted to attract for financial gain, Internet users to the registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of the registrant's web site or location or of a product or service on the registrant's web site or location."

Respondent

General

By using the word "Baccarat," the Respondent makes no claim to any relationship with the Complainant. The Respondent understands the rights of the Complainant to use the name as a trademark in the crystalware industry.

The Respondent registered the disputed domain name specifically for use in conjunction with the card game called "Baccarat" which has become extremely popular in the gaming and casino industries. The Respondent is currently "evaluating various business options within these industries and registered the disputed domain name to be used within the online gaming industry."

The word "Baccarat" is a common English word meaning "a card game in which the winner is the player who holds two or three cards totaling closest to nine."

A search at <google.com> provided 998,000 unique results for the term "Baccarat," of which none of the initial results provided any information pertaining to the Complainant or its goods and services. Each of the initial results suggested a relation of the term identifiable to the gaming and casino industries.

A different search for the terms "crystal" and "baccarat" returned over 67,000 different results, mostly for companies

selling or offering crystal and glassware, something the Respondent has never done.

These examples demonstrate that the term "Baccarat" has become synonymous with the gaming industry, much more than with the crystal glass industry. The Complainant's claims of a "distinctive or famous" trademark are wholly unfounded. The Complainant has not provided any evidence for the term "Baccarat" as having any "secondary meaning" related to Baccarat S.A..

Confusingly Similar

In response to the Complainant's claims about whether the domain name <crystalbacarrat.com> is identical or confusingly similar to the trademarks BACCARAT and BACCARAT CRISTAL, the disputed domain name is entirely reproducing the generic term for a card game called "Baccarat." The Respondent is not using this term in relation to the registered trademark as suggested by the Complainant.

Each set of two words making up the disputed domain name and the trademark are completely different in terms of meaning and context: In the trademark, the term "BACCARAT" pertains to the origin of the goods offered. The term "CRISTAL" reflects the goods themselves. In the disputed domain name, the term "Baccarat" pertains to a game of chance as previously outlined. The term "Crystal" is that used as a descriptive element, and does not, in any way, connote a relationship to the crystal or glass industries.

The Complainant further claims that the "domain name creates a likelihood of confusion with the Complainant's trademark by adding a descriptive word directly related with the main business of the Complainant." If the main business of the complainant is crystal, this would be counter-intuitive simply because the main business of the Respondent for the disputed domain name is gaming. The term "Baccarat" used by the Respondent is not being used as a descriptive word related to "Crystal," but as a noun used to identify the game the Respondent is going to promote. The term "Crystal" is, in fact, a popular term within the gaming industry as evidenced by such domain names as <crystalpalace.com>, <crystalcasino.com> and <crystalgaming.com>.

The examples the Complainant provides do not illustrate the intended use of the mark as a "passing-off," or confusion-causing term. The term "Baccarat" has been shown to relate primarily to the gaming industry and not to the Complainant's mark. The Respondent has made no claims in respect to the mark as pertaining to the Complainant, or to the crystal and glass industries.

The majority of Internet web sites and information relating to the term "Baccarat" are for gaming-related web sites and information. The Respondent has never used or suggested that the disputed domain name be affiliated with the Complainant, or the crystal or glass industries.

The Respondent claims that the disputed domain name is entirely different from the Complainant's marks and does not cause confusion in any way that would suggest the Respondent is trying to pass-off or initiate potential confusion.

Rights and Legitimate Interests

First, that the Respondent has never been known under the name "Baccarat" is hardly a reason to suggest the Respondent has no rights or legitimate interest in the name. The name "Baccarat," as previously outlined, is used in over 998,000 different web pages, of which the overwhelming majority have nothing to do with the Complainant or its wares. The fact that the term "Baccarat" is the generic term for a card game would suggest that the Respondent would have little interest in being known as the game, as opposed to a provider of the game or of information pertaining to the game.

The Respondent did not know of the Complainant before or at the time of the registration, and registered the name wholly because the Respondent felt this would be a good domain to house information or links to the "Baccarat" game and related gaming web sites. The Respondent had used the domain name and redirected it to a page that housed primarily links to various gaming entities, casinos and gaming-related web sites, some of which pertain to the Baccarat game itself.

Many trademarks for the term "Baccarat" are, in fact, for gaming-related goods and services. The fact that the Complainant had not opposed the majority of trademarks using the term "Baccarat," indicates a lack of protection of what they consider a "famous trademark." Considering the longstanding use of the term, it is striking to find live trademarks for the terms, BACCARAT GAME, BACCARAT CASINO and BACCARAT BAR, all having direct relation to

the card game or gaming industries.

Bad Faith

In response to the Complainant's claims of "bad faith registration and use":

The Respondent did not register the name in bad faith. In fact, before the Complainant's filing, the Respondent had never heard of the Complainant and believed the term "Baccarat" to be a specific term for the card game.

The Respondent also claims the term "Baccarat" to be identifiable to the card game, but to a lesser extent. Of the 998,000 web sites that use the term "Baccarat," the overwhelming majority specifically relate to the card game. The Complainant's claims that the term "Baccarat" has a secondary meaning to "some extent" is clearly refuted by such statistics.

The Complainant's claim that the English spelling of the term "Baccarat" be spelled without the "t" is false. It is derived from the French term "Baccara" spelled without the "t".

The Complainant's claims that the Respondent's registration of the domain name referred to the Complainant's trademarks are unfounded and untrue. The Respondent makes no claim to using the word "Baccarat" to suggest any relationship with the Complainant.

The Respondent has not lured consumers to the disputed domain name by using any terms, guises or direct liaisons relating to crystal or glasswares; nor has he engaged in any efforts to raise any likelihood of confusion as to the origin of the owner of the domain name. The Complainant specifically states that the Respondent has somehow acted in bad faith numerous times, but fails to provide any direct evidence to support such claims.

The Respondent has never offered the domain name for sale, nor has he contacted the Complainant with regard to the domain name. The Respondent has never created any likelihood of confusion as to source, sponsorship, or affiliation with the Complainant's web site, services, wares or goods. The Respondent has never referenced any information, links, products or services relating to the Complainant's business, web site or other device used by the Complainant to promote its goods and services.

The Respondent had never heard of the Complainant's business, trademarks, goods or services before registration. It had not engaged in any behaviour that would suggest deceptive tactics to cause confusion. The Respondent had not registered any other similar names, nor attempted to contact the Complainant in any way. It is inconceivable that the Panel could find any evidence of bad faith.

The Complainant has made several accusations and has provided previous UDRP examples, but has failed to demonstrate any evidence relating to a registration in bad faith in this case.

Complainant's Reply

Regarding the 998,000 search results which the Respondent alleges for Baccarat, a majority of Google searches based on the two words Crystal Baccarat show the Complainant's products described or offered for sale on the Internet. The combination of the two words refers to the Complainant and its products. The fact that the Respondent never sold crystalware is irrelevant, as is the fact that some gaming enterprises or web sites use the word "crystal."

The disputed domain name was used to promote third parties' web sites through affiliated links and the Respondent's products such as lights. The Complainant questions the use of Mr. King as the Respondent's agent. He was ordered to transfer a domain name in a previous WIPO proceeding.

Respondent's Response to Complainant's Reply

The Respondent repeats the assertion that it had never heard of Complainant before registration. It was registered with the card game in mind solely.

The Google searches were for the same terms, but different results were obtained in the United States and Canada. Mr. King's involvement has no bearing on the case; [WIPO Case No. D2000-0288](#) in which he had been involved was decided in his favour.

6. Discussion and Findings

Paragraph 15(a) of the Rules instructs the Panel to:

"decide a Complaint on the basis of the statements and documents submitted in accordance with the Policy, these rules and any rules and principles of law that it deems applicable."

The burden for the Complainant, under paragraph 4(a) of the Policy, is to show:

- that the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- that the Respondent has no legitimate rights or interests in respect of the domain name; and
- that the domain name has been registered and is being used by the Respondent in bad faith.

Identical or Confusingly Similar

In the Panel's view, the disputed domain name <crystalbaccarat.com> is clearly confusingly similar to the Complainant's registered trademark, BACCARAT CRISTAL.

It is the combination of the two words "Baccarat" and "Cristal/Crystal" that causes the confusing similarity. Because the word "baccarat" denotes a card game associated with organized gambling, there could not be confusing similarity with the mark BACCARAT. However, the combination "Baccarat" with the word "Cristal (pronounced similarly to crystal)" changes the focus from gambling to crystalware. The word "cristal/crystal" does not have a well-known association with the card game or with gambling generally. There are gambling institutions which may use the word crystal – e.g., Crystal Palace, but the combination of Baccarat and Crystal has no particular gambling connotation.

Rights and Legitimate Interests

The Complainant gave the Respondent no legitimate rights or interests in respect of the domain name. The fact on its own can be sufficient to prove the second criterion. Paragraph 4(c) of the Policy sets out matters which a Respondent is entitled to raise which, if found by a Panel to be proved based on an evaluation of all evidence presented, could demonstrate a Respondent's rights or legitimate interests to a domain name. None of these has been demonstrated. The second criterion is therefore proved.

The Respondent sells many goods on a web site accessed by the disputed domain name. The alleged statistics about the number of web sites featuring the word "Baccarat" do not help the Respondent. It is the combination of the words Crystal/Cristal and Baccarat which is crucial. As the Complainant points out, searches for these two words show sites referring to the Complainant's products.

Because of the Panel's finding on 'bad faith,' the Panel cannot see how the present use by the Respondent of the disputed domain name could come within paragraph 4(c) of the Policy.

Bad Faith

The Respondent's various web sites accessed through the disputed domain name are operated clearly for financial gain. They attract Internet users who could easily be confused with the Complainant's mark as the source of sponsorship by, application with or endorsement by the Complainant. Accordingly, the quotation from paragraph 4(c) of the Policy recorded above in the Complainant's submissions applies.

The Panel comes to a similar view in this respect to the Panelists in the following cases:

- (a) [WIPO Case No. D2001-0193](#) *Microsoft Corporation v. MindKind* <microsofthealth.com>.
- (b) [WIPO Case No. D2001-1492](#) *The Nasdaq Stock Market, Inc. v NSDAQ.com et al* <nasdaq.com> and others.

The latter was more a case of "typosquatting," but the principle is the same.

It is no use for the Respondent to claim it had no notice of the Complainant's mark at the time of registration. He is an experienced dealer in domain names and is familiar with the UDRP through previous cases. The Complainant's trademark was registered in the United States. It would not have been too difficult for the Respondent to have searched the US trademark register and discovered BACCARAT CRISTAL registered there at the time of the domain name registration.

Accordingly, the Panel infers that the disputed domain name was registered and is being used in bad faith.

The Panel specifically notes that it has not taken any account of previous UDRP cases with which the Respondent or his associates may have been involved. To do so would be risky and potentially unfair. Every case must rest on its own facts. Nor does the Panel draw any adverse inference from Mr. King's involvement for the Respondent who was entitled to obtain whatever advice he chose. However, the Panel is entitled to infer that the Respondent has notice of the UDRP.

7. Decision

For the foregoing reasons, the Panel decides:

- (a) That the domain name <crystalbaccarat.com> is confusingly similar to the trademark in which the Complainant has rights; and
- (b) that the Respondent has no rights or legitimate interests in respect of the domain name; and
- (c) that the domain name has been registered and is being used in bad faith.

Accordingly, pursuant to paragraph 4(i) of the Policy, the Panel requires that the registration of the domain name <crystalbaccarat.com> be transferred to the Complainant.

Hon. Sir Ian Barker QC
Sole Panelist

Dated: July 29 2003

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 8-C



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Cloudmark, Inc. v. Dave Lahoti and Interspectrum

Case No. D2003-0797

1. The Parties

The Complainant is Cloudmark, Inc., a corporation organized under the laws of the State of Delaware, having its principal place of business in San Francisco, California, United States of America, represented by Blakely, Sokoloff, Taylor & Zafman, LLP, United States of America.

The Respondents are Dave Lahoti and Interspectrum, giving an address in Tustin, California, United States of America, represented by The Law Offices of Brett P. Wakino, United States of America.

2. The Domain Names and Registrar

The disputed domain names <spam-net.com> and <spamnet.org> are registered with Tucows, Inc. (hereinafter "Tucows" or the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on October 8, 2003. On October 9, 2003, the Center transmitted by email to Tucows a request for registrar verification in connection with the domain names at issue. On October 9, 2003, Tucows transmitted by email to the Center its verification response, confirming that the Respondent Interspectrum is listed as the registrant and providing the contact details for the administrative, billing, and technical contact. The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced October 16, 2003. In accordance with the Rules, paragraph 5(a), November 5, 2003, was established as the due date for the Response. The Response was filed with the Center November 6, 2003.

The Center appointed M. Scott Donahey, Sally M. Abel and David H. Bernstein as panelists in this matter on November

20, 2003. The Panel finds that it was properly constituted. Each member of the Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

On November 25, 2003, the Panel requested that the Center forward to the Panel the Supplemental Submission ("Complainant's Reply") and the Objection thereto, so that the Panel could determine whether to consider the Supplemental Submission. On November 26, 2003, the Center forwarded the requested documents.

The time in which the Panel is to issue its Decision was extended to December 11, 2003.

Because the Supplemental Submission would not contribute in any way to the decision of this matter, the Panel determined that it would not consider for any reason the Supplemental Submission.

4. Factual Background

On August 11, 2003, the Complainant applied for the SPAMNET mark for use in conjunction with computer software for detecting, filtering, monitoring, reporting, blocking, removing, and preventing unsolicited bulk, unwanted or content-inappropriate electronic mail, data, sounds, and images. Complaint, Annex 3. The application was filed with the United States Patent and Trademark Office ("USPTO") and showed a first use in commerce of June 19, 2002. *Id.*

On June 19, 2002, Complainant introduced its new anti-spam software "SpamNet." The announcement was picked up by the national media and published by media companies such as the Wall Street Journal Online and ABCNews.com. Complaint, Annex 4. In less than a month other national media began printing favorable reviews of the SpamNet product. *Id.*

Complainant conducted a Google search for "spamnet" which yielded more than 20,000 hits, virtually all of which referred to Complainant or its product. Complaint, Annex 5.

On January 24, 2000, Complainant registered the domain name <spamnet.com>, which name resolves to a web site at which Complainant's "SpamNet" product is offered for sale and download. Complaint, Annexes 6 and 7.

Complainant argues that Respondent Dave Lahoti is the principal behind the business Interspectrum and owns the post office box to which mail addressed to Interspectrum is sent. A Response has been filed on behalf of the named Respondents, and the Response does not deny the above allegations. In fact, the Response treats both respondents as one entity and speaks only of the "Respondent." Therefor, hereinafter the Panel will use "Respondent" to refer to the Respondents jointly and severally.

On June 26, 2002, within one week following Complainant's announcement of the introduction of the "SpamNet" product, Respondent registered the domain name <spamnet.org>. On February 18, 2003, some eight months after Complainant had been selling its "SpamNet" software, Respondent registered the domain name <spam-net.com>. Respondent is using the domain names at issue to link to a web site at "www.spamcop.com". At that web site products called "SpamCop" and "Spam Inspector" that are directly competitive with Complainant's "SpamNet" are offered for sale. Complaint, Annex 9.

Respondent has also registered over four hundred other domain names that include the trademarks of other companies, such as <nissan.org>, <kraftonline.com>, <fredericks-of-hollywood.com>, <1800mattress.com>, and <ebays.com>, among others. Complaint, Annex 10.

Respondent contends that the registered trademark SPAM belongs to the Hormel Foods Corporation and that Hormel Foods Corporation opposes all registrations that include SPAM in a proposed mark. Respondent attaches several articles that deal with Hormel's suit against the holders of the SPAM ARREST mark, a lawsuit that is apparently still pending. Response, Annex 1.

Respondent also attaches several printouts that show that a number of trademark applications to the USPTO using the term "spam" in proposed marks have been opposed. Response, Annex 2

Respondent also cites several actions brought under the UDRP by the Hormel Foods Corporation against respondents

who have used "spam" as part of a Second Level Domain Name ("SLD").

Respondent contends that if any common law rights exist in the SPAMNET mark that the rights belong to Respondent, since Respondent registered the domain name <spamnet.org> that had been previously used by an entity known as the IRC Network. Respondent produces archival evidence that the IRC Network had used the domain name <spamnet.org> to resolve to a web site that dealt with the subject of spam and served as a chat room. Response, Annexes 3 and 4.

Respondent contends that its rights date back to October 1999, when the IRC Network allegedly acquired rights in the domain name <spamnet.org>. However, no evidence has been produced as to this acquisition date, nor is there any evidence that Respondent is entitled to relate its rights in the domain name back to any usage by IRC Network.

Respondent also contends that the term "spamnet" is a generic term. However, Respondent offers only argument, not evidence, in support of this contention.

Respondent claims to be a registered domain name registrar and a "developer of spam reporting and complaint service."

Respondent requests that the Panel find that Complainant is engaging in reverse domain name hijacking.

5. Parties' Contentions

A. Complainant

Complainant alleges that the domain names at issue are identical or confusingly similar to a trademark in which Complainant has rights, that Respondent has no rights or legitimate interests in respect of such a mark, and that Respondent has registered and is using the domain names at issue in bad faith.

B. Respondent

Respondent alleges that Complainant has no rights in respect of a trademark and no chance of obtaining same, since Hormel Foods Corporation is sure to oppose Complainant's trademark application. Respondent alleges that it has rights and legitimate interests in respect of one of the domain names at issue derived from the prior use of the domain name by the IRC Network. Respondent alleges that it has registered and is using the domain names at issue in good faith. Respondent requests that this Panel issue a finding of bad faith, reverse domain name hijacking.

6. Discussion and Findings

Paragraph 15(a) of the Rules instructs the Panel as to the principles the Panel is to use in determining the dispute: "A Panel shall decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules, and any rules and principles of law that it deems applicable."

Since both the Complainant and Respondent are domiciled in the United States, and since United States' courts have recent experience with similar disputes, to the extent that it would assist the Panel in determining whether the Complainant has met its burden as established by Paragraph 4(a) of the Policy, the Panel shall look to rules and principles of law set out in decisions of the courts of the United States.

Paragraph 4(a) of the Policy directs that the Complainant must prove each of the following:

- 1) that the domain names registered by the Respondent are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- 2) that the Respondent has no rights or legitimate interests in respect of the domain names; and
- 3) that the domain names have been registered and are being used in bad faith.

A. Identical or Confusingly Similar

Respondent contests Complainant's rights in the alleged mark. It is undisputed that Complainant has applied for a trademark, but action on that application is still pending. It is well established that a UDRP Complainant may establish rights in a mark by virtue of the common law, as well as by registration. UDRP Panel decisions have held that an application for registration coupled with use in the United States gives a Complainant rights in the mark for purposes of the UDRP. *Adobe Systems Incorporated v. Domain OZ*, [WIPO Case No. D2000-0057](#); *Document Technologies, Inc. v. International Electronic Communications Inc.*, [WIPO Case No. D2000-0270](#).

Respondent also argues that Complainant's mark is generic in nature or at best merely descriptive. However, Respondent has produced no evidence of this, and Respondent's allegation is based on supposition and argument only. In any event, the results of Complainant's Google search are more than adequate to counter Respondent's claim in this regard. *402 Shoes, Inc. dba Trashy Lingerie v. Jack Weinstock and Whispers Lingerie*, [WIPO Case No. D2000-1223](#) (concurring opinion).

Respondent's domain names include in its entirety Complainant's mark, in one case with a hyphen inserted. The insertion or elimination of a hyphen in a domain name cannot avoid a finding of identical similarity. *EFG Bank European Financial Group SA v. Jacob Foundation*, [WIPO Case No. D2000-0036](#) (<efg-private-bank.com>); *Chi-chi's, Inc. v. Restaurant Commentary (Restaurant Commentary)*, [WIPO Case No. D2000-0321](#) (<chichis.com>). Because the domain names in question incorporate Complainant's mark, the Panel finds that the domain names are identical to a mark in which Complainant has rights. *Wal-Mart Stores v. Richard MacLeod, d/b/a For Sale*, [WIPO Case No. D2000-0662](#).

B. Rights or Legitimate Interests

Respondent argues that it has rights and interests in respect of the domain name, because it has acquired all rights titles and interests, including any common law trademark rights in the domain name <spamnet.org> from the previous registrant of the domain name, the IRC Network. However, Respondent offers no evidence as to how or in what way it has acquired the "rights, titles and interests" that the IRC Network is alleged to have had in a common law trademark for SPAMNET.ORG, nor does it offer any evidence that IRC Network ever had any such common law trademark rights. Respondent only attempts to show that in the past the domain name <spamnet.org> had belonged to the IRC Network and on June 26, 2002, it was registered by Respondent.

This is insufficient to establish any rights or interests in respect of the domain name <spamnet.org>. Respondent offers no evidence as to the domain name <spam-net.com>.

C. Registered and Used in Bad Faith

Respondent first argues that the term "spamnet" is merely descriptive. As discussed, above, in Section 6A, Respondent has failed to establish the generic or descriptive nature of the term "spamnet," and even had Respondent been able to do so, Complainant has introduced sufficient evidence of the acquisition of secondary meaning.

Respondent next argues that the term "spamnet" was being used as part of a domain name by the IRC Network, before it had ever been used by Complainant. As discussed above, in Section 6B, Respondent failed to establish what rights, if any, the IRC Network acquired by the use of the domain name <spamnet.org>, nor how any such rights passed to Respondent by the mere registration of the same domain name.

Neither the IRC Network, nor the Hormel Foods Corporation is a party to this proceeding. Whether their rights or interests in the domain names at issue might be superior to those of Complainant is not before us. The only parties before the Panel are the present Complainant and Respondent. It would be improper for the Panel to consider or to weigh the interests of third-parties in deciding the present dispute. See dissent in *First American Funds, Inc. v. Ult. Search, Inc.*, [WIPO Case No. D2000-1840](#). As previously discussed, Respondent has failed to demonstrate that Respondent has rights and interests in respect of the domain name at issue. Respondent cannot bootstrap the alleged rights and interests of others in order to overcome a showing of bad faith.

Finally, Respondent asserts that it is making a fair use of the domain names at issue to "demote spam," an effort that is in the public interest. The Panel begs to differ. Respondent is using the domain names at issue to link to a web site on which Respondent offers for sale products directly competitive with the "SpamNet" product sold by Complainant. Thus, Respondent is intentionally attempting to attract users to its web site, for commercial gain, by creating a likelihood of confusion with Complainant's mark. This comes squarely within paragraph 4(b)(iv) of the Policy and is conclusive

evidence of bad faith registration and use.

D. Reverse Domain Name Hijacking

Because the Panel finds for the Complainant, there can be no reverse domain name hijacking.

7. Decision

For all the foregoing reasons, in accordance with Paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the domain names <spam-net.com> and <spamnet.org> be transferred to the Complainant.

Respondent's request for a finding of reverse domain name hijacking is denied.

M. Scott Donahey
Presiding Panelist

Sally M. Abel
Panelist

David H. Bernstein
Panelist

Dated: December 11, 2003

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 8-D



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Certipost NV v. Virtual Point Inc.

Case No. D2008-1183

1. The Parties

The Complainant is Certipost NV, of Belgium, represented by Crowell & Moring LLP, Belgium.

The Respondent is Virtual Point Inc., of United States of America, represented by Wakino Brett P., of United States of America.

2. The Domain Name and Registrar

The disputed domain name <certipost.com> (the "Domain Name") is registered with TierraNet d/b/a DomainDiscover.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on August 4, 2008. On August 4, 2008, the Center transmitted by email to TierraNet d/b/a DomainDiscover a request for registrar verification in connection with the Domain Name. On August 4, 2008, TierraNet d/b/a Domain Discover transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details. In response to a notification by the Center that the Complaint was administratively deficient, the Complainant filed an amendment to the Complaint on August 7, 2008. The Center verified that the Complaint together with the amendment to the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on August 11, 2008. In accordance with the Rules, paragraph 5(a), the due date for Response was August 31, 2008. The Response was filed with the Center on August 30, 2008.

The Center appointed Warwick Smith as the sole panelist in this matter on September 4, 2008. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

The Complainant subsequently submitted, without the leave of the Panel, a document entitled "Reply to the Response" on September 8, 2008. The Respondent objected to the submission of the Reply, but, submitted a "Sur Reply" dated September 11, 2008, to be considered in the event that the Panel elected to admit the Complainant's Reply.

Having regard to the extensive supplemental filings by the parties, the Panel extended the time for it to give its decision in the case, to September 25, 2008.

4. Factual Background

The Complainant

The Complainant is a Belgian corporation. Its website at "www.certipost.be" (the "Complainant's Website"), describes its business in the following terms: "We facilitate and certify e-Communications". The Complainant's Website describes the Complainant as a specialist in secured electronic document exchange for companies, the state, and residential customers. The Complainant's Website asserts that more than 43,500 companies and 430,000 residential customers use Certipost Solutions.

The Complainant says that it is the holder of registered Benelux and International registrations of the trade mark CERTIPOST. The claimed Benelux registration is in international classes 9, 38, and 42 (Registration Number 0728623), and has effect from October 7, 2002. The claimed International registration is in the same classes, and has effect from January 23, 2003 (Registration Number 799855).

The Benelux trade mark registration certificate produced with the Complaint appears to be in the Dutch language, and, as best the Panel can ascertain, shows the registered proprietor as BPG e-Services N.V. of Brussels, Belgium. That party is also shown as the proprietor in the (French-language) International registration certificate for the CERTIPOST trade mark.

However, the Complainant has produced certain email correspondence from it or its representative asserting that the trade mark CERTIPOST is owned by the Complainant, and the Respondent does not appear to have seriously challenged that assertion. The Complainant has also produced a copy of a Writ of Summons issued by it in the Commercial Court at Brussels in May 2008, against a company called "Crosspath Company", in which the Complainant asserted ownership of the Benelux and International trade mark registrations. (The claim in the Brussels Commercial Court sought various remedies, including a declaration that the registration and use of the Domain Name by Crosspath Company was an infringement of the Complainant's trade mark rights, as well as its rights to the company name "Certipost N.V". The Writ of Summons sought an order transferring the Domain Name to the Complainant, together with a monetary penalty.)

It appears that the Writ of Summons filed in the Commercial Court in Brussels was never served, and in the meantime the Domain Name was transferred to the Respondent at some time early in 2008 – the Complainant contends that the transfer took place on May 15, 2008; the Respondent says that the transfer took place on or before March 9, 2008.

The Complainant says that it has used the CERTIPOST mark for almost six years, in its external communications and branding (e.g. on its Belgium website at "www.certipost.be"). Webpages from the Complainant's Website printed on August 4, 2008 show the use of the expression "Certipost", as a trade mark (featuring a stylized letter "C" as a prominent part of the mark).

The Respondent and the Domain Name

The Domain Name was originally registered on November 20, 2000. According to the Response, the original registrant was Mr. Dave Lahoti ("Mr. Lahoti"), doing business as "intermagic.com". The Respondent says that the registration was subsequently renewed by Mr. Lahoti, doing business as "Crosspath.com".

Mr. Lahoti incorporated the Respondent on January 22, 2007. As noted above, the Domain Name was transferred to the Respondent in early 2008. As the Respondent put it in the Response: "All rights, title, interests, and license regarding the Domain Name and the mark were transferred from Mr. Lahoti individually to his wholly owned subsidiary, the Respondent".

The Complainant says, and the Respondent does not deny, that the Domain Name has been used for a landing page, which is accessible via the domain name <veripost.com>. The Complainant produced pages from the website at the Domain Name (the "Respondent's Website"), printed on August 4, 2008. These pages contained a search engine facility, and a number of "click-through" links grouped under a variety of headings. Some of these headings were listed under a major heading: "Related Searches", and these included "Email Forwarding Service", "Switch Email", "Belgacom", "Verizon", "Internet Banking", and "Facture Belgacom". In addition, there were more general click-through categories of the kind one normally finds on landing pages (e.g. "Travel", "Lifestyle", "Finance", "Home", etc.).

The Complainant also produced an earlier printout from the Respondent's website, printed on May 5, 2008. On that date, the Respondent's Website featured the search engine facility, with related searches grouped under headings such as "Email Forwarding Service", "Switch Email", "Online Banking", "Network Security", "Online Payment", and "Belgacom".

The Respondent says that the Domain Name has been used by it (and earlier by its incorporator Mr. Lahoti) since November 2000, and that the Domain Name is currently used in connection with Respondent's email forwarding and certification services, and linked to the Respondent's Website.

The Panel has itself visited the Respondent's Website (on September 25, 2008). The word "veripost" appeared prominently, and the search engine facility was present, but there were only two links: "Email Forwarding Service" and "Switch Email". However clicking on these two links did not take the Panel to any webpage or other online location.

Correspondence between the Parties

The Complainant produced copies of email communications between the Parties or their representatives in the period between August 2007 and March 2008. The Complainant's correspondence referred to its claimed rights in the CERTIPOST mark, and requested the then-registrant of the Domain Name (Mr. Lahoti trading as Crosspath.com) to cease any use of the Complainant's claimed trade mark. One letter from the Complainant to the then-registrant of the Domain Name said: "In the meantime, we noticed that your content title does not mention "Certipost" any more. We appreciate this recognition of our rights." On October 26, 2007, the then-registrant of the

Domain Name responded, drawing attention to the fact that the Complainant's date of first use of the mark CERTIPOST was October 2002, being almost two years after the date of first registration of the Domain Name. The Respondent's representative also rejected the Complainant's allegations in an email dated March 12, 2008. The Respondent's representative repeated the point that the then-registrant of the Domain Name had been using the Domain Name since November 2000, and claimed superior intellectual property rights in the CERTIPOST mark over those claimed by the Complainant.

The Complainant's representative wrote to the then-registrant of the Domain Name on March 26, 2008, re-asserting the Complainant's claimed rights in the Domain Name, and indicating that recovery action would follow if the then-registrant did not co-operate by transferring the Domain Name to the Complainant at no cost. There was no reply, and the Court proceeding in the Commercial Court at Brussels followed. When that proceeding was not served and the Complainant discovered that the Domain Name had been transferred to the Respondent, the present administrative proceeding was commenced.

5. Parties' Contentions

A. Complainant

The Complainant contends:

1. The Domain Name is identical to the CERTIPOST mark in which the Complainant has rights.
2. The Respondent has no rights or legitimate interests in respect of the Domain Name:
 - (i) Before any notice to the Respondent of the dispute, there is no evidence of the Respondent's use of, or demonstrable preparations to use, the Domain Name in connection with a *bona fide* offering of goods or services.
 - (ii) The Respondent has not been commonly known by the Domain Name, and the Respondent has not acquired trade mark or service mark rights in the Domain Name.
 - (iii) The Respondent is not making a legitimate non commercial or fair use of the Domain Name. The Respondent has made the use of the Domain Name by the Complainant impossible, and has misleadingly diverted consumers and damaged the Complainant's trade marks.
3. The Domain Name was registered and is being used in bad faith:
 - (i) The Domain Name was acquired in order to prevent the Complainant as owner of the CERTIPOST mark, from further reflecting that mark in a corresponding domain name. This attitude shows that the Respondent has engaged in a pattern of such malicious conduct.
 - (ii) The Domain Name was acquired primarily for the purpose of disrupting the business of the Complainant.
 - (iii) By using the Domain Name, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to the Respondent's Website, by creating a likelihood of confusion with the Complainant's trade marks as to the source, sponsorship, affiliation, endorsement, of the Respondent's Website or of a service on its website.
 - (iv) The Respondent's refusal to return the Domain Name to the Complainant is being done out of malice or spite. That is sufficient to demonstrate use of the Domain Name in bad faith.

B. Respondent

The Respondent contends:

1. The Respondent concedes that the Domain Name is identical to the Complainant's 2002 alleged trade mark, although the goods and services are distinct.
2. The Respondent secured the Domain Name two years before the Complainant's alleged first use of its mark, and the Respondent's rights in the Domain Name are superior. In fact, the Respondent's first use of the Domain Name dating back to November 2000 establishes Common law trade mark rights in the Respondent since that time.
3. The Respondent has a legitimate interest with respect to the Domain Name, through its goodwill and usage of the mark and the Domain Name dating back to November 2000. The Domain Name was registered in the Respondent's individual name in November 2000, and corporately in March 2008.
4. The Domain Name is currently used in connection with the Respondent's email forwarding and certification services, and is linked to the Respondent's Website. The Complainant provides no substantiation of the allegation that the Respondent has no rights or legitimate interests in respect of the Domain Name.
5. Since the Domain Name was acquired two years before the Complainant's use of the CERTIPOST mark, it is chronologically impossible for the Respondent to have acquired the Domain Name to prevent the Complainant from using it. At the time the Respondent acquired the Domain Name in November 2000, he had no knowledge of the Complainant. For the same reason, it is impossible for the Respondent to have acquired the Domain Name to disrupt in any way whatsoever the business of the Complainant. If anything, the

Complainant has been using the CERTIPOST mark in Europe to disrupt the Respondent's utilization of the mark.

6. It is standard American business practice for an individual sole proprietorship to re-organize his business into a wholly-owned corporate entity. This transfer of full rights, title, interest, and license in the Domain Name and mark from Mr. Lahoti individually to Mr. Lahoti's wholly-owned corporation "Virtual Point Inc", is the Respondent's straightforward inter-business organizational right. Mr. Lahoti's wholly-owned corporation is the successor in interest to Mr. Lahoti's individual intellectual property rights (See *Rock Bottom Restaurants Inc. v. Duane Reade*, [WIPO Case No. D2000-1014](#)).

7. Upon demand by the Complainant, the Respondent unequivocally replied setting out his superior intellectual property rights, dating back two years before the Complainant's existence or first use of the CERTIPOST mark.

8. The Complainant's European Court summons was never served, and contained contentions having no merit.

9. The Complainant has engaged in reverse domain name hijacking. It is attempting to take a valuable property right from the Respondent, under the guise of a manufactured allegation of trade mark infringement by the Respondent.

10. The Complainant knew of the Respondent's superior trade mark rights, and that the Respondent registered the Domain Name two years prior to the Complainant's first use of the CERTIPOST mark and the apparent existence of the Complainant. Despite that knowledge, the Complainant made threatening correspondence to the Respondent, and disregarded the Respondent's good faith registration evidence. The initiation of the European Court action and the filing of this proceeding were done with intent to harass, annoy, and intimidate the Respondent into surrendering his property.

6. Discussion and Findings

A. Procedural Issue – Supplemental Filings

Under the Rules, neither party is entitled to file supplemental filings as of right. It is entirely for the panel in its discretion to determine whether any further statements will be considered. A further statement from a complainant will usually only be admitted when that is necessary to ensure that the complainant is given a fair opportunity to present its case (Rules, Paragraph 10(b)) – for example, where the complainant has become aware of important new evidence (or new legal authority) which it could not with reasonable diligence have produced in its complaint, or where the respondent has alleged reverse domain name hijacking (which allegation could not have been reasonably anticipated by the complainant at the time of the filing of the complaint based on the then available evidence), and it appears to the panel that there might be some basis for the allegation (in which case procedural fairness usually requires that the complainant be afforded an opportunity to respond).

In this case, the only potentially significant matter which the Complainant might not have been aware of until it received the Response, was the identity of Mr. Lahoti as the owner and incorporator of the Respondent. The Complainant has sought in its supplementary filing to establish that the Respondent has been guilty of a pattern of abusive conduct under the Policy, by referring to several prior panel decisions in which Mr. Lahoti or entities controlled by him have been involved. The Respondent has countered by reference to a prior panel decision in which Mr. Lahoti's activities were upheld.

The Respondent in this case is the corporation, Virtual Point Inc., not Mr. Lahoti, and it is difficult to see how prior panel decisions involving Mr. Lahoti or other entities controlled by him could assist in proving that the Respondent has "engaged in a pattern of such conduct" (to quote the wording of paragraph 4(b)(ii) of the Policy). In the end, the Panel is able to reach a conclusion in the case without reference to the supplemental filings, and the justice of the case does not require that they be admitted.

Accordingly, the Panel declines to admit and consider the parties' respective supplemental filings.

B. What the Complainant Must Prove

Under paragraph 4(a) of the Policy, the Complainant has the burden of proving the following:

- (i) That the Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- (ii) That the Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) That the Domain Name has been registered and is being used in bad faith.

Paragraph 15(a) of the Rules requires the Panel to:

"decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any Rules and principles of law that it deems applicable".

C. Identical or Confusingly Similar

The Complainant has sufficiently proved that there are registered Benelux and international registrations of the mark CERTIPOST. The Domain Name is clearly identical to that mark, so the Complainant must succeed on this part of its Complaint if the Complainant has rights in that mark.

The immediate difficulty is that the trade mark certificates produced by the Complainant do not appear to name it as the proprietor of the mark – as best the Panel can work out from the (foreign language) certificates which the Complainant produced, the named proprietor is “BPG e-Services N.V.” However that is not necessarily fatal to the Complaint, because numerous panel decisions have now held that even a non-exclusive license to use a trade mark or service mark will constitute a sufficient “right” in that mark for the purposes of paragraph 4(a)(i) of the Policy (see in that regard the decision of this Panel in *NVT Birmingham, LLC d/b/a CBS 42 WIAT-TV v. ZJ*, [WIPO Case No. D2007-1079](#)).

In this case, it is clear enough that the Complainant, a corporation based in Belgium, has been using the CERTIPOST mark in respect of services which appear to be within the specifications set out in the two CERTIPOST trade mark certificates the Complainant has produced. It holds the <certipost.be> domain name, and uses the CERTIPOST mark on the Complainant's Website. Its email correspondence also features what appears to be trade mark use of the expression “Certipost” (including on one email “Certipost, your partner to send, receive, and archive electronic documents”).

Consistent with that use, the Panel notes that, in its email dated August 14, 2007 to the then-registrant of the Domain Name, the Complainant referred to its claimed ownership of the registered mark CERTIPOST, followed by the words “(See appendix 1)”. No copy of that appendix 1 was provided to the Panel in this proceeding, but in a reply email dated October 26, 2007 the then-registrant of the Domain Name stated: “Based on your own documentation, your client's date of first use of the mark CERTIPOST is 07-10-2002 [...]. Please advise immediately if this is incorrect.” The Complainant through its representative subsequently wrote to the then-registrant, asserting proprietorship of the CERTIPOST registrations, and using the correct registration numbers for the Benelux and International registrations.

While the quality of the Complainant's proof on this part of the Complaint leaves much to be desired, the Panel is on balance satisfied from the Complainant's use of the CERTIPOST mark, and from the record above, that the Complainant has rights in the CERTIPOST mark as registered in the Benelux countries and internationally under the Madrid system of international trade mark registration. Whether the Complainant's right is as owner (either by assignment from the corporation shown as proprietor in the trade mark certificates, or possibly because that corporation is in fact the Complainant under a former name), or whether the Complainant is a licensee authorized to use the CERTIPOST mark, the result is the same – the Complainant has the necessary right in the CERTIPOST mark for the purposes of -paragraph 4(a)(i) of the Policy.

The Complainant has therefore proved this part of its Complaint.

D. Rights or Legitimate Interests in respect of the Domain Name

Paragraph 4(c) of the Policy sets out a number of circumstances which, without limitation, will be effective for a respondent to demonstrate that it has rights to, or legitimate interests in, a disputed domain name, for the purposes of paragraph 4(a)(ii) of the Policy. Those circumstances are:

- (1) Before any notice [to the respondent] of the dispute, use by [the respondent] of, or demonstrable preparations to use, the disputed domain name or a name corresponding to the disputed domain name in connection with a *bona fide* offering of goods or services; or
- (2) Where [the respondent] (as an individual, business, or other organization) [has] been commonly known by the disputed domain name, even if [the respondent has] acquired no trade mark or service mark rights; or
- (3) Where [the respondent is] making a legitimate non commercial or fair use of the disputed domain name, without intent for commercial gain to misleadingly divert consumers or tarnish the trade mark or service mark at issue.

If the circumstances are sufficient to constitute a *prima facie* showing by the complainant of absence of rights or legitimate interests in the disputed domain name on the part of the respondent, the evidentiary burden shifts to the respondent to show, that it does have rights or legitimate interests in the disputed domain name.

That approach is summarized at [paragraph 2.1](#) of the [WIPO Overview of WIPO Panel Views on Selected UDRP Questions](#), as follows:

“A complainant is required to make out an *initial prima facie* case that the respondent lacks rights or legitimate interests. Once such a *prima facie* case is made, respondent carries the burden of demonstrating rights or legitimate interests in the domain name. If the respondent fails to do so, a complainant is deemed to have satisfied paragraph 4(a)(ii) of the UDRP.”

In this case, the Complainant has shown that it has rights in the CERTIPOST mark, that the Domain Name is identical to that mark, and that it has not licensed or authorized the Respondent to use the CERTIPOST mark, whether in the Domain Name or otherwise. There is no question of the Respondent being “commonly known by” the Domain Name, so paragraph 4(c)(ii) of the Policy can have no application. Similarly, paragraph 4(c)(iii) of the Policy cannot apply - the Respondent's Website consists of a landing page which is substantially commercial in nature - the Respondent is presumably deriving pay-per-click revenue for each visitor to the Respondent's Website who clicks through to one of the third party websites linked to the Respondent's Website. Such a use of the Domain Name cannot be a “legitimate non-commercial or fair use without intent for commercial gain.”

Those factors provide sufficient *prima facie* proof of a lack of any right or legitimate interest in the Domain Name, so, in accordance with the majority panel view discussed above, the evidentiary burden shifts to the Respondent to show that it has some right or legitimate interest in the Domain Name.

The Respondent's principal argument on this part of the Complaint, appears to be that it is the successor in interest to the rights which Mr. Lahoti is said to have enjoyed in the Domain Name and in some underlying (unregistered) CERTIPOST mark as the Respondent put it in the Response: "All rights, title, interests, and license regarding the Domain Name and the mark were transferred from Mr. Lahoti individually to his wholly owned corporation, the Respondent."

Certainly, proof that a respondent holds a trade mark or service mark corresponding to a disputed domain name, will normally be sufficient to establish a right or legitimate interest under paragraph 4(a)(i) of the Policy – see in that regard the decision of this Panel in *Uponor Oyj and Uponor Innovation AB v Iman G. Mohammadi, Network Supporters Co. Ltd*, [WIPO Case No. D2008-0209](#).

But the Respondent has not produced any sufficient proof that (i) Mr. Lahoti owned any relevant CERTIPOST mark, or (ii) if he did, that that mark was transferred to the Respondent. As to (i), proof of ownership of a domain name is not proof of the existence or ownership of a corresponding trade mark or service mark, and while proof of use of a mark may in certain circumstances be sufficient to establish unregistered, or common law, rights in a mark in the United States of America (for the kind or proof which is usually required, see the recent three member panel decision in *Thomas Pick aka Pick Inc. v EUROPREMIUM Ltd. Elaine Maria Gross*, [WIPO Case No. D2008-1010](#)), the Respondent has offered no sufficient proof such use. There is no evidence about the extent of sales made by Mr. Lahoti or the Respondent under a CERTIPOST mark, no evidence of advertising expenditure promoting such a mark, and no evidence of the use of the mark by third parties (e.g. customers or suppliers) to refer to goods or services provided by Mr. Lahoti or the Respondent. Most tellingly, the Domain Name does not even point to a website which prominently features a claimed "Certipost" mark – the Respondent's website refers only to the expression "veripost".

The onus is on the Respondent on this part of the Complaint, and the Respondent has failed to satisfy the Panel, on the balance of probabilities, that either Mr. Lahoti or the Respondent owns or owned a CERTIPOST trade mark or service mark. (Even if Mr. Lahoti did own such a mark, the Panel is not satisfied on the evidence produced that any such mark, as opposed to the Domain Name, has been transferred to the Respondent. No documentation evidencing the transfer of the mark has been produced, and while the Respondent has sought to portray the transfer of the Domain Name to the Respondent as no more than a minor internal rearrangement of Mr. Lahoti's business affairs, the fact remains that the Respondent, as a corporation, is a different legal entity from Mr. Lahoti. Normal, prudent business practice would call for some documentation of any significant transfer of assets from the individual to the corporation. Further, the Panel notes that the Respondent was incorporated in January 2007, over a year before the Domain Name was transferred to the Respondent. That delay has not been explained by the Respondent.)

The remaining issue on this part of the Complaint, is whether the Respondent might claim a right or legitimate interest under paragraph 4(c)(i) of the Policy (use, or demonstrable preparations to use, the Domain Name, in connection with a *bona fide* offering of goods or services, before the Respondent received notice of the dispute. For the reasons set out in the next section of this decision, the Panel finds that the Respondent's use of the Domain Name has not been in connection with a *bona fide* offering of goods or services. The Respondent therefore cannot bring itself within the safe harbor of paragraph 4(c)(i) of the Policy.

The Respondent not having advanced any other plausible basis for a claim to a right or legitimate interest in the Domain Name, the Complainant succeeds on this part of its Complaint.

E. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy lists a number of circumstances which, without limitation, are deemed to be evidence of the registration and use of a disputed domain name in bad faith. Those circumstances are:

- (i) Circumstances indicating that [the respondent has] registered or acquired the disputed domain name primarily for the purpose of selling, renting, or otherwise transferring the disputed domain name registration to the complainant who is the owner of the trade mark or service mark or to a competitor of that complainant, for valuable consideration in excess of [the respondent's] documented out-of-pocket costs directly related to the disputed domain name; or
- (ii) [the respondent has] registered the disputed domain name in order to prevent the owner of the trade mark or service mark from reflecting the mark in a corresponding domain name, provided that [the respondent has] engaged in a pattern of such conduct; or
- (iii) [the respondent has] registered the disputed domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) By using the disputed domain name, [the respondent has] intentionally attempted to attract, for commercial gain, Internet users to [the respondent's] website or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of [the respondent's] website or location or of a product or service on [the respondent's] website or location.

The Panel is satisfied that the Respondent has registered and used the Domain Name in bad faith. The Panel has reached that view for the following reasons:

1. The Domain Name is identical to the mark in which the Complainant has rights, and the Complainant has not authorized the Respondent to use its mark, whether in a domain name or otherwise.
2. The Respondent does not itself hold any (registered or unregistered) rights in any "Certipost" mark.
3. The relevant date of registration in this case is, as the Complainant submits, the date on which the Respondent acquired the Domain

Name. (See *Robotex Inc. v. eDomain.biz*, [WIPO Case No. D2007-1074](#); *The iFranchise Group v. Jay Bean/MDNH, Inc/Moniker Privacy Services* 23658, [WIPO Case No. D2007-1438](#)). That means that the relevant date for assessing bad faith registration, is early 2008, and not November 2000 as the Respondent contends. The Respondent argues for a “substance over form” approach, under which the 2008 transfer from Mr. Lahoti to his company should be effectively ignored, as merely a rearrangement of Mr. Lahoti’s business affairs. The Panel rejects that approach. First, the Respondent is a separate legal entity from Mr. Lahoti – it may, now or in the future, be subject to control by others. Secondly, in circumstances where there appears to have been bad faith use of a disputed domain name by a party who had earlier registered that domain name in good faith (as appears to have been the position in this case prior to the transfer of the Domain Name to the Respondent), the Panel sees no injustice in the “internal” transfer of the Domain Name within the wider business group, producing the “side effect” of giving the third party trade mark owner who has been subjected to the bad faith use, an opportunity to invoke the Policy which it would not otherwise have had (because it could not show that the original registration of the disputed domain name had been made in bad faith). In other words, this Panel is of the view that bad faith registration and use can be established by a complainant notwithstanding that the original registration of a disputed domain name may have been effected in good faith, where: (i) there has been supervening bad faith use of the disputed domain name by the original registrant, and (ii) the disputed domain name is transferred to another entity within the original registrant’s business organization, and (iii) that other entity acts in bad faith in acquiring the disputed domain name and in subsequently using it.

4. In this case, Mr. Lahoti and the Respondent appear to have capitalized on the Complainant’s goodwill in its CERTIPOST mark. Anyone who was familiar with the Complainant and its activities would naturally assume that the Domain Name would point to a website operated by the Complainant, and there appear to have been Dutch-language, or Belgium- related, links on the Respondent’s Website (e.g. the “Belgacom”, and “Facturen Belgacom” links) which suggest that Mr. Lahoti and the Respondent were well aware of the Complainant, and expected and intended to attract to the Respondent’s Website Internet browsers who were looking for sites operated by the Complainant.

5. There can be no doubt that the Respondent was well aware of the Respondent and its CERTIPOST mark when it registered the Domain Name in early 2008. The Response makes it clear that the Respondent is controlled by Mr. Lahoti, and Mr. Lahoti was the registrant of the Domain Name (d/b/a “Crosspath.com”) at the time of the late 2007 – early 2008 correspondence in which the Complainant asserted its rights.

6. The subsequent use of the Domain Name by the Respondent appears to have continued the earlier use by Mr. Lahoti, at least until the time of the Panel’s visit to the Respondent’s Website (when the Respondent appears to have been making virtually no practical use of the Domain Name).

7. The circumstances described above fall squarely within paragraph 4(b)(iv) of the Policy – by using the Domain Name, the Respondent has intentionally attempted to attract, for commercial gain (click through advertising revenues), Internet users to the Respondent’s Website, by creating a likelihood of confusion with the Complainant’s mark as to the source, sponsorship, affiliation, or endorsement of the Respondent’s Website.

The Complainant having proved all three elements of paragraph 4(a) of the Policy, the Domain Name must be transferred to the Complainant.

F Reverse Domain Name Hijacking

As the Complaint has succeeded, there is no basis for a finding of reverse domain name hijacking, or other bad faith use of the Policy by the Complainant. The Respondent’s allegations in that regard are accordingly dismissed.

7. Decision

For all the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the Domain Name <certipost.com> be transferred to the Complainant.

Warwick Smith
Sole Panelist

Dated: September 25, 2008.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

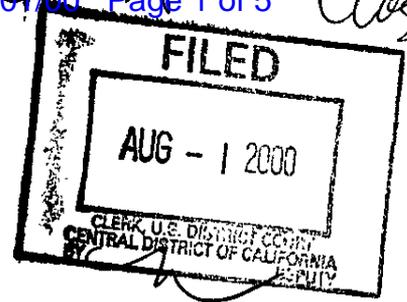
DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 9-A

Clard

1 JOHN A. O'MALLEY (State Bar No. 101181)
NICOLE E. KRASNY (State Bar No. 204409)
2 **FULBRIGHT & JAWORSKI L.L.P.**
865 South Figueroa Street
3 Twenty-Ninth Floor
Los Angeles, California 90017-2576
4 Telephone: (213) 892-9200
Facsimile: (213) 680-4518



5 Attorneys for Plaintiff
6 E-STAMP CORPORATION

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

E-STAMP CORPORATION, a corporation,

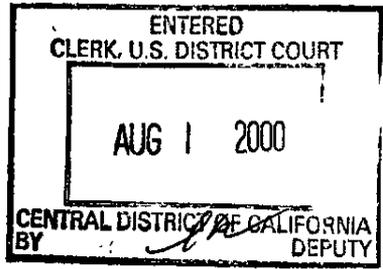
Plaintiff,

v.

DAVE LAHOTI, an individual,

Defendant.

) No. CV-99-9287 (GAF) (MANx)
)
) **JUDGMENT ON COURT TRIAL AND**
) **PERMANENT INJUNCTION**
)
) ~~←CORRECTED/PROPOSED~~



On May 30, 2000 this matter came on for trial before the Honorable Gary Allen Feess, United States District Judge. Plaintiff E-Stamp Corporation ("E-Stamp Corp.") was represented by John A. O'Malley and Nicole E. Krasny, Fulbright & Jaworski L.L.P. Defendant was represented by Neil A. Smith, Limbach & Limbach and Brett P. Wakino. Having heard and received the evidence in this matter and the argument of counsel and having issued its Findings of Fact and Conclusions of Law, and for good cause shown,

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✓ Copies / *TC Sent* 09902527591188.1
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— JS - 2 / JS - 3
✓ CLSD

THIS CONSTITUTES NOTICE OF ENTRY AS REQUIRED BY FRCP, RULE 77(d).

164

1 IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, that judgment
2 shall be, and hereby is, entered in favor of plaintiff E-Stamp
3 Corp. and against defendant Dave Lahoti, as follows:

4 1. That the Federal Trademark Number 2,152,671 for the
5 mark E-STAMP owned by plaintiff E-Stamp Corp. is a valid and
6 enforceable trademark;

7 2. That a permanent injunction issue against defendant
8 Dave Lahoti in accordance with the terms which follow;

9 3. That the Internet domain "estamps.com," having been
10 deposited into the registry of this Court on or about August 23,
11 1999 by Network Solutions, Inc., is hereby ordered transferred
12 and conveyed to plaintiff E-Stamp Corp. with all rights thereto;

13 4. That this action having been found to be an exceptional
14 case within the meaning of 15 U.S.C. 1117(a) and plaintiff E-
15 Stamp Corp. being the prevailing party, plaintiff E-Stamp Corp.
16 shall recover its attorneys' fees from defendant Dave Lahoti in
17 the amount of \$ \$305,615.20; and

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7/31/2000

19 5. That plaintiff E-Stamp Corp. shall recover its costs
20 from defendant Dave Lahoti, pursuant to 28 U.S.C. §1914 et seq.
21 as ascertained in conformance with the Local Rules of this Court,
22 in the amount of \$ _____.

PERMANENT INJUNCTION

23 IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that a permanent
24 injunction shall be, and hereby is, entered in this Court against
25 defendant Dave Lahoti and all those with notice of this order
26 acting in active concert with defendant Dave Lahoti ("Enjoined
27 Parties") as follows:

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1 1. That Enjoined Parties are forever prohibited and
2 enjoined from infringing the valid federally registered trademark
3 E-STAMP;

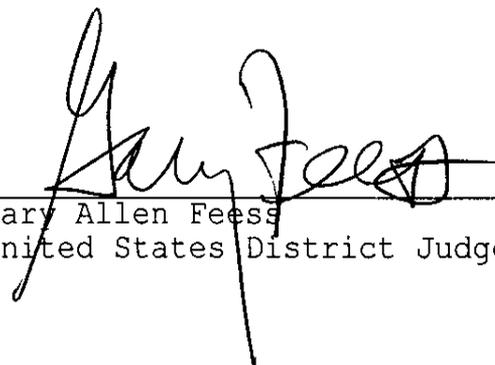
4 2. That Enjoined Parties are forever prohibited and
5 enjoined from registering, trafficking in, or using any Internet
6 domain name that is identical or confusingly similar to E-STAMP,
7 including without limitation, any domain name having as a second
8 level the term "estamp," "estamps," with or without hyphenation
9 or other punctuation or separation, or as part of any longer word
10 or term including without limitation "estampsnow," or such second
11 level domain name having any first level domain such as ".com,"
12 ".net" or ".org"; and

13 3. That Enjoined Parties shall forthwith transfer to
14 plaintiff E-Stamp Corp. all rights, title, interest in, or
15 control over, any Internet domains in which any of Enjoined
16 Parties has an interest which are identical or confusingly
17 similar to the mark E-STAMP including without limitation,
18 "estamps.com," "e-stamps.com," "estamps.net," "e-stamps.net,"
19 "estampsnow.com," "estampsnow.net" or any other domain which uses
20 the mark E-STAMP in any form of pluralization, with or without
21 hyphenation or punctuation or as part of a longer word or term.

22 4. This Court shall have continuing jurisdiction to
23 enforce the terms of this permanent injunction.

24 IT IS SO ORDERED.

25
26 DATE: 7/31/2000

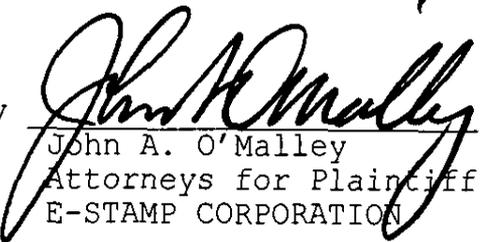


Gary Allen Feess
United States District Judge

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1 SUBMITTED BY:

2 JOHN A. O'MALLEY
3 NICOLE E. KRASNY
4 **FULBRIGHT & JAWORSKI L.L.P.**

5
6 By 
7 John A. O'Malley
8 Attorneys for Plaintiff
9 E-STAMP CORPORATION
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1013A (3) C.C.P. Revised 5/1/88

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is Fulbright & Jaworski L.L.P., 865 South Figueroa Street, 29th Floor, Los Angeles, California 90017.

On July 6, 2000, I served the foregoing document(s) described as: **JUDGMENT ON COURT TRIAL AND PERMANENT INJUNCTION [CORRECTED/PROPOSED]** on interested parties in this action as follows:

Neil A. Smith, Esq., Limbach & Limbach, L.L.P., 2001 Ferry Building, San Francisco, CA 94111

Brett P. Wakino, Esq., 4266 Atlantic Boulevard, Long Beach, CA 90807

(BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing affidavit.

(BY PERSONAL SERVICE) I caused the aforementioned document to be personally served at the office of the addressee.

(BY FEDERAL EXPRESS)

(BY FACSIMILE) I caused said document to be transmitted electronically to the interested parties at the facsimile numbers as stated below:

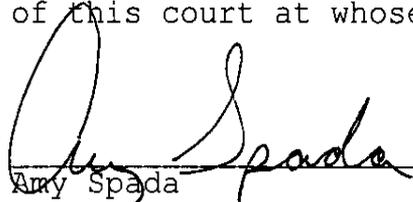
Neil A. Smith, Esq.: (415) 433 8716

Brett P. Wakino, Esq.: (562) 426-0962

Executed on July 6, 2000 at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.


Amy Spada

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

MS. ANITA DHALIWAL
Opposer,

v.

DVD WORLD Pictures Corp.,
Applicant.

Opposition No. 91167207

Application Serial No. 78495856

Mark:

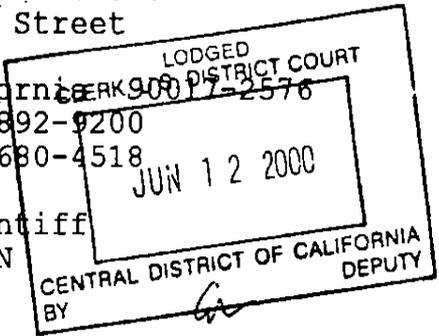
DVD World

APPLICANT'S SECOND NOTICE OF RELIANCE

EXHIBIT 9-B

1 JOHN A. O'MALLEY (State Bar No. 101181)
2 NICOLE E. KRASNY (State Bar No. 204409)
3 FULBRIGHT & JAWORSKI L.L.P.
4 865 South Figueroa Street
5 Twenty-Ninth Floor
6 Los Angeles, California 90017-2576
7 Telephone: (213) 892-9200
8 Facsimile: (213) 680-4518

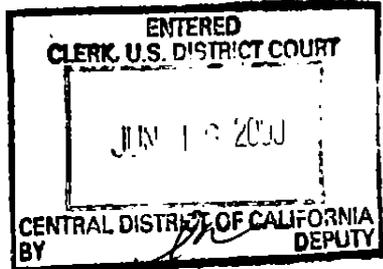
9 Attorneys for Plaintiff
10 E-STAMP CORPORATION



Note changes made by the Court

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 E-STAMP CORPORATION, a corporation,
14 Plaintiff,
15 v.
16 DAVE LAHOTI, an individual,
17 Defendant.
18) No. CV-99-9287 (GAF) (MANx)
19)
20) FINDINGS OF FACT AND
21) CONCLUSIONS OF LAW PRESENTED BY
22) PLAINTIFF E-STAMP CORPORATION
23) ~~{PROPOSED} {REVISED PURSUANT TO~~
24) ~~JUNE 2, 2000 ORDER}~~
25) TRIAL DATE: May 30, 2000
26) COURTROOM: Hon. Gary A. Fees



27 THIS CONSTITUTES NOTICE OF ENTRY
28 AS REQUIRED BY FRCP, RULE 77(d).

29 This matter was tried to the Court without a jury on May 30,
30 May 31 and June 1, 2000. John A. O'Malley and Nicole E. Krasny,
31 Fulbright & Jaworski L.L.P., represented plaintiff E-Stamp
32 Corporation. Neil A. Smith, Limbach & Limbach, and Brett P. Wakino
33 represented defendant Dave Lahoti. Pursuant to Local Rule 13.6,
34 the Court received the parties' direct evidence by way of
35 deposition excerpts and declarations. The parties cross-examined

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JUN 15 2000

1 all witnesses in open court. Having received and considered the
2 evidence and argument of counsel, the Court hereby makes the
3 following findings of fact and conclusions of law.

4 **I. FINDINGS OF FACT**

5 **A. Jurisdiction, Venue and Parties**

6 1. This case arises under the Lanham Act, 15 U.S.C. Section
7 1125 et seq. The parties have stipulated, and this Court agrees,
8 that it has jurisdiction over all Lanham Act claims and
9 substantially related unfair competition claims and supplemental
10 jurisdiction over all other state claims. 28 U.S.C. §§ 1338(a), (b),

11 1367(a); *See Pre-trial Conference Order ("PTCO"), ¶2.*

12 2. The parties have stipulated, and this Court agrees, that
13 venue is proper in this Court in that the defendant resides in this
14 judicial district and a substantial part of the events or omissions
15 giving rise to the claims occurred in this judicial district. 28

16 U.S.C. § 1391(b); *PTCO ¶2.*

17 3. Plaintiff E-Stamp Corporation ("E-Stamp Corp." or
18 "Plaintiff") is a corporation organized and existing under the laws
19 of the State of Delaware, with its principal place of business in
20 Redwood City, California.

21 4. Defendant Dave Lahoti ("Lahoti") is an individual
22 residing in Orange County, California.

23 **B. Plaintiff's Trademark and Business**

24 5. E-Stamp Corp. is the owner of Federal trademark number
25 2,152,671 for the mark E-STAMP (the "E-Stamp Federal Trademark").

26 *(PTCO ¶5(a))*
27 Tr. Ex. 1/27; E-Stamp Corp. applied for the E-Stamp Federal

28 1/ Tr. Ex. references are to Trial Exhibits. Dec. references
are to Declarations. Depo. references are to Depositions.

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1 Trademark on January 3, 1994. The United States Patent & Trademark
2 Office ("USPTO") issued the E-Stamp Federal Trademark on April 21,
1998. *Id.*

*Heers
6/14/2000*

4 6. E-Stamp Corp. is in the business of designing, testing
5 and selling software enabling the user to purchase U.S. postage
6 directly on the Internet and print postage onto envelopes through
7 the user's own computer printer, thus saving trips to the Post
8 Office and acquisition and maintenance of postage meter equipment.
9 Through years of design efforts and with the approval of the United
10 States Postal Service ("USPS"), E-Stamp Corp. is now one of the
11 several companies permitted to offer sales of postage over the
12 Internet.

*See Egan Decl. ¶¶ 2; Egan Trial Testimony;
Egan Deposition, at 23, 26;*

*Heers
6/14/2000*

14 7. E-Stamp Corp. participates in USPS' Internet Based
15 Indicia Program ("IBIP") which entails a multi-stage approval
16 process leading to authorization to provide enabling software and
17 to sell Internet postage throughout the United States. Companies
18 participating in IBIP, such as E-Stamp Corp., go through "alpha"
19 and "beta" testing before approval. E-Stamp Corp. was permitted to
20 conduct "beta" testing initially in two markets, metropolitan
21 Washington D.C. and the San Francisco Bay Area. The "beta" testing
22 area was later expanded to include all of California. E-Stamp
23 Corp. was approved to provide its software and services nationally
in August 1999.

*Egan Decl. ¶¶ 3; Egan Supp. Decl.
¶¶ 2-6; Egan Trial Testimony*

*Heers
6/14/2000*

25 8. During "beta" testing, E-Stamp Corp. was limited to media
26 advertising in the markets in which "beta" testing was being
conducted.

Egan Trial Testimony

*Heers
6/14/2000*

28 9. Access to and availability of the Internet is critical to
E-Stamp Corp.'s success as an Internet postage company. On March

1 9, 1996, E-Stamp Corp. acquired the domain name "e-stamp.com" and
 2 later "estamp.com." E-Stamp Corp. uses its web site on its domains
 3 to advertise its business to the public. E-Stamp Corp.'s web pages
 4 show the extensive reliance it places on the Internet web site.
 5 (Tr. Exs. 29, 84.) E-Stamp Corp. identifies its products, the
 6 method by which customers obtain and use Internet postage and many
 7 other facts about E-Stamp Corp. and its products. Through its
 8 advertising and marketing efforts and as a consequence of receiving
 9 USPS approval, E-Stamp Corp. has received substantial notice in the
 10 press regarding its goods and services marketed under its E-STAMP
 11 mark. (Trial Exs. 30-34.)

12 C. Lahoti's Use of Plaintiff's Trademark

13 10. Lahoti is a 32-year old ~~itinerant~~ computer systems
 14 administrator who owns or has owned at least 110 Internet domains.
 15 (Lahoti Depo. 61:11-18.)

16 11. In late 1997 or early 1998, Lahoti began following the
 17 Internet postage industry through magazine articles and learned of
 18 the existence of E-Stamp Corp. In the first week of November 1998,

19 Lahoti found himself between jobs. At that time he registered over
 20 thirty domains, including "estamps.com" on November 8, 1998, with
 21 Network Solutions, Inc. ("NSI"), the company that regulates domain
 22 assignment. (Lahoti Dec. ¶16; Lahoti Depo. 58:3-59:1.)

23 ~~Importantly~~ At the time he registered the "estamps.com" domain, he
 24 "assumed" E-Stamp Corp. owned a trademark in E-STAMP. (Lahoti
 25 Depo. 55:19-57:11; Lahoti Dec., ¶17.) Lahoti registered these
 26 domains in the names of admittedly non-existent business entities,
 27 "estamps.com" and simply "estamps," a domain name one letter, "s",
 28

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1 different from E-Stamp Corp.'s domain name and only slightly
2 different from the mark E-STAMP. *See Lahoti Depo., at 48-49.*

*M. Green
6/14/2000*

3 12. On November 9, 1998, the day after he registered
4 "estamps.com," Lahoti offered for sale 33 domain names, including
5 "estamps.com" and many others, such as "stamp-meter.com,"
6 "onlinestamp.com" and "webstamp.com," to E-Stamp Corp. and to its
7 competitors. (Tr. Ex. 3.) ~~Lahoti received no response. (Lahoti~~
8 ~~Depo. 15:5-10:11.)~~

*M. Green
6/14/2000*

9 13. In February 1999, Lahoti asked his younger brother
10 Rajendra Lahoti to create a web page on the "estamps.com" domain
11 referring to "estamps" and "estamps.com" in connection with the
12 Internet postage business. (Lahoti Depo. 92:12-93:13.) Lahoti
13 approved of the web page at or about the time it first appeared on
14 the Internet on February 16, 1999. Lahoti admitted that he was
15 "proud" of his brother for preparing the web page. (Lahoti Depo.
16 97:13-18.)

17 14. The web page that Lahoti ran on the "estamps.com" website
18 described "estamps" as:

19 stamps in electronic form....eStamps allow new
20 ways for paying and affixing postage. The
21 concept of "ePostal" (electronic postal) came
22 about recently and has already been approved
23 by the USPS. eStamps are faster and more
24 convenient than regular stamps because you can
25 electronically place the special stamps by
printing them on ordinary laser printers . . .
. You can buy eStamps at a very small scale
and they are ideal to the average person on
the 'net. Soon, eStamps will be the industry
standard when buying postage, and eStamps.com
will be there!

26 (Trial Ex. 8.)

27 15. Lahoti ~~has~~ admitted that he held the
28 "estamps.com" domain for profit and that running the web page would

*M. Green
6/14/2000*

1 increase the value of the domain in an eventual sale. (Lahoti
2 Depo. 105:25-109:1) See also 127:2-20

*Heers
6/14/2000*

3 16. Lahoti received at least a dozen e-mail responses from
4 the running of the webpage "estamps.com" from February 16, 1999 to
5 February 28, 1999. (Lahoti Depo. 98:22-99:23.) Although Lahoti
6 claims to have saved none of these e-mails or responses, he admits
7 that correspondents asked both general and technical questions
8 about Internet postage. Lahoti answered these questions, but did
9 not refer correspondents to E-Stamp Corp. (Lahoti Depo. 99:24-
10 103:22.)

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6/14/2000*

11 17. Lahoti's website failed
12 ~~Lahoti made no effort whatsoever~~ to distinguish his
13 purported services from those provided by E-Stamp Corp. or to
14 reduce or avoid likely confusion on the part of the consumer. (Tr.
15 Ex. 8.)

16 18. On February 19, 1999, E-Stamp Corp. learned that Lahoti
17 had launched the web page on the "estamps.com" domain. (Eagan Dec.
18 ¶9.)

19 19. On February 26, 1999, E-Stamp Corp., through counsel,
20 demanded that Lahoti cease and desist from any use of the E-STAMP
21 mark and domain and take curative steps and agree to no further use
22 of these or any other confusingly similar marks to E-STAMP. (Tr.
23 Ex. 5.) Lahoti received, ~~but did not respond to~~ E-Stamp Corp.'s
24 demand. Lahoti Depo., at 40:15 et seq.

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6/14/2000*

25 20. On March 1, 1999, knowing of E-Stamp Corp.'s superior
26 rights to the E-STAMP mark, Lahoti applied for federal trademark
27 registration of ESTAMPS for use in the same business as E-Stamp
28 Corp.--Internet postage. Lahoti Depo., at 40:15 et seq. Tr. Ex 4 & 6.
(Tr. Ex. 6.) In making this application,

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Lahoti falsely represented that he believed he was entitled to use

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1 the mark in commerce, even though he knew (through his earlier
2 receipt of the cease and desist letter, Tr. Ex. 5) of E-Stamp
3 Corp.'s trademark. (Lahoti Depo. 43:7-44:3) ~~Lahoti also falsely~~
4 represented that:

5 to the best of his knowledge and belief no
6 other person, firm, corporation, or
7 association has the right to use the mark in
8 commerce, either in the identical form thereof
9 or in such near resemblance thereto as to be
likely, when used on or in connection with the
goods/services of such other person, to cause
confusion, or to cause mistake, or to deceive

10 In the same application, Lahoti also represented that his intention
11 was to actually use the mark as part of an Internet postage
12 business. (Tr. Ex. 6.) Lahoti now ~~admits~~ *argues* that he believed that
13 the term ESTAMPS was generic at the time he filed for trademark
14 protection showing that his trademark application was made
15 fraudulently.

16 ~~21. Lahoti's claimed participation in the regulated Internet~~
~~postage industry is, at best, highly misleading.~~ *Regarding Lahoti's claim that he*
participates in the internet postage industry,
18 that he prepared no business plan, had not approached the industry
19 regulator USPS, had obtained no financing and had formed no
20 business entities. The full extent of his efforts in the Internet
21 postage business was to talk to a couple of neighbors, to run web
22 pages and to obtain and offer to sell domains. (Lahoti Depo.
23 48:19-50:19.)

24 22. In his declaration filed at trial, Lahoti admitted that
25 he offered his domain "estamps.com" for sale the day after
26 registration, but further claimed that his "real motive was to
27 establish an ongoing relationship where I would be able to
28 contribute my energy, ideas and domains as it pertains towards the

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1 new found electronic stamps industry." (Lahoti Dec. ¶18.)

2 ~~Lahoti's vague and belated statement of intent does nothing to~~
3 ~~overcome the compelling inference arising from his undisputed~~
4 ~~conduct: Lahoti intended to sell "estamps.com" to E-Stamp Corp. or~~
5 ~~its competitors for profit the day after he registered the domain.~~

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6/14/2000

6 23. Lahoti operates with a clear and undeniable profit
7 motive. *The evidence establishes that he*
8 *traffics in domain names for profit*
9 ~~business in which Lahoti engages in connection with the domains he~~
10 ~~registered. In May 1998, Lahoti sold the domain "emailpager.com"~~
11 ~~for \$3,300. In March 1999, he sold "euniverse.com" to a company~~
12 ~~which became EUniverse, Inc. for \$7,500 cash and 15,000 restricted~~
13 ~~shares in EUniverse, Inc. If marketable, these shares would be~~
14 ~~worth over approximately \$100,000 at current valuations. (Lahoti~~
15 ~~Depo. 64:13-67:2.)~~

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6/14/2000

15 D. ~~Procedural History and Contempt~~

16 24. On May 6, 1999, E-Stamp Corp. filed this action and
17 applied for a temporary restraining order and OSC re preliminary
18 injunction. On May 10, 1999, this Court (per Judge David O.
19 Carter) granted a temporary restraining order and order to show
20 cause re preliminary injunction based on Lahoti's infringement of
21 E-Stamp Corp.'s trademark. (Tr. Ex. 63.) Specifically, this Court
22 enjoined Lahoti from, *inter alia*, using the "estamps.com" website
23 or confusingly similar marks in connection with the Internet. (Tr.
24 Ex. 63.)

25 25. ~~In opposition to the preliminary injunction, Lahoti urged~~
26 ~~that the E-STAMP mark was generic. However, on June 14, 1999,~~
27 ~~Judge Carter rejected Lahoti's genericness defense to the~~
28 ~~preliminary injunction. The Court granted E-Stamp Corp.'s motion~~

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1 for a preliminary injunction, enjoining Lahoti from using his
2 website "estamps.com" and further ordering Lahoti to include a
3 disclaimer on this website. (Tr. Exs. 65, 66.)

4 26. Beginning in September 1999 and in direct violation of
5 the preliminary injunction, Lahoti referred Internet users who
6 reached his "estamps.com" website to a new website established and
7 registered by Lahoti-- "estampsnow.com," through a description
8 appearing in the URL directory line. During this time,
9 "estampsnow.com" posted material which used the term "e-stamp" and
10 "e-stamps" generically in the context of the Internet postage
11 business. (Tr. Ex. 69.) Lahoti further disregarded the Court's
12 Order to provide the disclaimer--"This website is not in any way
13 affiliated with E-Stamp Corporation or E-Stamp™ Internet postage."
14 (Tr. Ex. 69.) Thus, instead of displaying a disclaimer and instead
15 of stopping his infringing activities, Lahoti used his enjoined
16 website as a direct reference to his new website "estampsnow.com."

17 27. In an attempt to ascertain the owner of the website
18 "estampsnow.com," E-Stamp Corp. ran a search of Network Solutions
19 records which showed the registrant as estampsnow! and which
20 provided only the post office box number of the registrant. (Tr.
21 Exs. 68, 99.) E-Stamp Corp. conducted an investigation into the
22 owner of the listed post office box. Upon investigation, E-Stamp
23 Corp. discovered that Dave Lahoti was and is the sole box holder of
24 the post office box listed as registrant for "estampsnow.com."
25 (Archibald Dec., Tr. Ex. 98.) Moreover, Lahoti misrepresented to
26 the postal service that he was not conducting business from that
27 post office box. (Tr. Ex. 98.)

28

1 28. At trial, Lahoti admitted that in registering domains he
2 deleted or concealed any references to himself that might appear on
3 searches of the NSI database. He admitted that he concealed
4 references to himself after learning that NSI's privacy policy
5 prevented NSI from revealing his identity if he took these steps.
6 NSI's database printout of Lahoti's "estampsnow.com" registration
7 shows how Lahoti was able to conceal his ownership of
8 "estampsnow.com." (Tr. Ex. 99.)

9 29. Lahoti's domain "estampsnow.com" differs from his domain
10 "estamp.com" by ~~a mere insertion of~~ three letters: "now."
11 Further, Lahoti attempted to use "estampsnow.com" in conjunction
12 with Internet postage. The operation of "estampsnow.com" violated
13 this Court's Order prohibiting Lahoti from using E-Stamp Corp.'s
14 trademark or "any confusingly similar mark in conjunction with the
15 Internet or with the sale of postage."

16 30. There is evidence that Lahoti's use of the
17 "estampsnow.com" website caused consumer confusion. Lahoti
18 installed a software counter to register and display the number of
19 visits or "hits" his site received between September 29, 1999 and
20 January, 2000. During this period, Lahoti's counter registered
21 ~~over 137,000 hits.~~ ^{impermissibly} At trial Lahoti claimed that he had poorly
22 installed the counter software and that the correct number of
23 visits or "hits" was ten percent (10%) of that number or about
24 13,700 hits. In either case, this number of visits or "hits"
25 documents consumer confusion given the close proximity of domain
26 names between "estamp.com" and "estampsnow.com."

27 31. In addition to creating the new website "estampsnow.com,"
28 Lahoti referred to at least six other known websites, all, at some

M. H. Jones
6/14/2000

M. H. Jones
6/14/2000

1 point in time, linking directly to "estampsnow.com." These
2 websites include: (1) "postagenow.com"; (2) "telestamps.com";
3 (3) "usastamps.com"; (4) "estampservice.com";
4 (5) "estampcollector.com"; and (6) "estampsdirect.com." A consumer
5 attempting to frequent any of these websites was immediately
6 connected to Lahoti's website "estampsnow.com." Further, Lahoti's
7 website "estampsnow.com" displayed, among other things, the
8 advertisement, "If you're just warming up to the idea of electronic
9 money, hold on to your eWallet. Here comes eStamps . . . E-Stamps
10 are the first new form of postage made available to commercial
11 businesses in 80 years." (Tr. Ex. 69.)

12 32. Indeed, Lahoti attempted to use his "estampsnow.com"
13 website relating to Internet postage in an attempt to render E-
14 Stamp Corp.'s federally registered trademark generic. *In fact,*
15 ~~Lahoti included~~ on his website "estampsnow.com" the assertion that
16 "estamps" is a generic term. (Tr. Ex. 69.)

17 33. On January 11, 2000, E-Stamp Corp. filed an application
18 for order to show cause re contempt. On February 8, 2000, this
19 Court held Lahoti in contempt finding that he ~~blatantly ignored the~~
20 ~~Court's orders by failing to place a timely disclaimer on his~~
21 website "estamps.com." *as ordered by the court* Moreover, the Court ordered Lahoti to turn
22 over administrative control to E-Stamp Corp. all websites which
23 ~~Lahoti owned or controlled whose name contained the term "estamp."~~
24 ~~On March 9, 2000, in connection with the Court's February 14, 2000~~
25 ~~Order holding Lahoti in contempt, the Court ordered that Lahoti pay~~
26 ~~to E-Stamp Corp. attorneys' fees in the amount of \$4912.20.~~

27 34. On August 24, 1999, Network Solutions, Inc. deposited the
28 "estamps.com" domain into the registry of the Court and agreed to

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1 be bound by further orders of the Court regarding ownership and
2 transfer of that domain.

3 **E. Evidence of Non-Genericness and Secondary Meaning**

4 35. The principal defense raised by Lahoti is the claim that
5 E-Stamp Corp.'s Federal Trademark E-STAMP is generic and entitled
6 to no trademark protection. The parties presented evidence of
7 media usage, dictionary usage, survey results and other factors,
8 which are discussed below.

9 **(i) Media Usage**

10 36. E-Stamp Corp. presented analyses and compilations of over
11 1,500 Lexis-Nexis and Internet articles prepared by and at the
12 direction of trademark attorney Linda Merritt, as well as the
13 underlying articles themselves. (Tr. Exs. 10-19, 79-82, 114-116.)
14 Ms. Merritt found that the total generic usage, including examples
15 of articles where the mark appeared in a purely generic form and
16 articles in which the mark appeared both as generic and non-
17 generic, totaled approximately ten percent of all of the articles
18 reviewed. Ms. Merritt also found that pure generic usage occurred
19 in about four percent of the articles reviewed. (Tr. Ex. 114.)

20 37. Lahoti's evidence of media usage was biased. Lahoti
21 testified on the stand that he accessed the Internet every 48 hours
22 ever since the lawsuit was filed, and that he came up with a number
23 of articles showing generic usage. He admitted, however, that he
24 found, but deliberately excluded, articles containing non-generic
25 usage, thus biasing his results. Because the "primary
26 significance" of the mark is at issue, the media usage showing
27 genericness cannot be viewed in a vacuum, but rather must be
28 compared with and analyzed against non-generic media usage. It

1 appears that the overwhelming media usage of the mark is in a non-
2 generic manner.

3 (ii) Dictionary Usage

4 38. E-Stamp Corp. presented examples of approximately eight
5 dictionaries, none of which show entries for the term "e-stamp."
6 (Tr. Ex. 105.)

7 39. Lahoti found one dictionary in the English language that
8 shows an entry for "e-stamp." This dictionary identifies the term
9 in both a generic and non-generic manner. Lahoti also found
10 several dictionaries in French, German and Italian. Only the
11 French dictionary was presented with a translation and is therefore
12 considered here. (Tr. Ex. 246.) The single usage of "e-stamp" in
13 a foreign language dictionary is not persuasive of generic use
14 particularly in the face of various English language dictionaries
15 that do not use the term generically.

16 40. Lahoti also presented the testimony of Alan Freedman,
17 author of Computer Desktop Encyclopedia, a CD-Rom encyclopedia of
18 computer and Internet terms that Mr. Freedman updates on a
19 quarterly basis. (Tr. Ex. 245.) Mr. Freedman's dictionary has
20 never contained the term "e-stamp," despite Mr. Freedman's constant

21 reading in the computer and Internet fields, and his quarterly
22 updates. Mr. Freedman's admission that he first considered "e-
23 stamp" to be generic at the time he was contacted by defense
24 counsel with the prospect of being hired as an expert in this
25 matter, together with the absence of any reference to "e-stamp" in
26 his frequently updated encyclopedia, cast considerable doubt on his
27 conclusion that the mark is generic. Further, because Mr.
28 Freedman, and another defense expert, Daniel Janal, admitted that

Steele
6/14/2000

(certified immediately upon first hearing it when contacted)
(this concession)

1 several "e" words, such as "e-bay" and "e-trade" are not generic,
2 there is no basis for the proposition that "e" plus a word found in
3 the dictionary automatically yields a generic term. (Tr. Ex. 117.)
4 Lastly, the fact that Mr. Freedman at first stated that "e-money"
5 is generic and then changed his testimony when he was confronted
6 with his own encyclopedia definition showing that "e-money" is not
7 generic casts further doubt on his credibility and conclusions
8 regarding genericness of the E-STAMP mark. (Tr. Ex. 118.)

9 (iii) Survey Evidence

10 41. Plaintiff E-Stamp Corp. presented the testimony and
11 report of Dr. Sandra Cogan, who holds advanced degrees in marketing
12 and business administration, has designed and implemented over 400
13 surveys including more than 80 surveys used in trademark
14 litigation, and has testified in various trademark matters.

15 42. Dr. Cogan conducted a survey to determine genericness and
16 secondary meaning at the Spring Internet World 2000 Trade Show in
17 Los Angeles on April 5, 6 and 7, 2000. (Tr. Ex. 61.)

18 43. Dr. Cogan and her staff screened attendees to identify
19 217 respondents on whose statements the survey results were based.
20 These respondents were screened for, among other things, use of
21 postal services, availability of computer and Internet access,
22 awareness of Internet postage as a product or service and an
23 interest in purchasing Internet postage goods or services.

24 44. Dr. Cogan found that of these 217 qualified respondents,
25 approximately 21% believed that the mark was generic. This result
26 supports the conclusion that the primary significance of the mark
27 is not generic. Dr. Cogan's survey also found that the public has
28 not yet seized on a generic description of the goods and services

1 E-Stamp Corp. or its competitors provide. Dr. Cogan's survey also
2 found that of those who had heard the term "estamp," approximately
3 70% associated the E-STAMP mark with the goods or services of one
4 company, as opposed to more than one company, thereby tending to
5 establish secondary meaning in a high number of the respondents.

6 45. Dr. Cogan explained that because E-Stamp Corp.'s target
7 market for Internet postage -- small office/home office or SoHo
8 users -- was a difficult market to access, she selected the
9 Internet trade show. After Lahoti pointed out in pretrial filings
10 that a number of the 217 respondents were employed in computer or
11 Internet industries, Dr. Cogan ran a comparison of responses for
12 computer/Internet employees and all other respondents. (Tr. Ex.
13 112.) This comparison shows that genericness and secondary meaning
14 is established in similar percentages across these groups.

15 46. Dr. Cogan's methodology in testing genericness was to use
16 open-ended questions akin to the Thermos-type testing utilized in
17 American Thermos Prod. Co. v. Aladdin Indus., Inc., 207 F. Supp. 9,
18 134 U.S.P.Q. 98 (D. Conn. 1962), aff'd, 321 F.2d 577, 138 U.S.P.Q.
19 349 (2nd Cir. 1963), rather than closed-ended questioning known as
20 Teflon-type testing discussed below. The open-ended methodology
21 asks respondents to provide generic or common names for identified
22 products or services. Dr. Cogan selected this methodology to avoid
23 speculative responses concerning the relatively new industry of
24 Internet Postage.

25 47. Lahoti relied on the survey of Robert Lavidge, conducted
26 over the Internet on April 19 and 24, 2000. (Tr. Ex. 592.) There
27 are ~~various serious~~ *several* flaws with Mr. Lavidge's survey. First, Mr.
28 Lavidge conducted surveys for two litigations at once - - this

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1 litigation and another pending in the Northern District of
2 California regarding "e-cards". Mr. Lavidge assumed that all
3 Internet users constitute the relevant market, apparently for both
4 marks. While this Court has no ability to determine whether all
5 Internet users constitute the relevant market for "e-cards"
6 (whatever "e-cards" might represent), ~~it seems~~ *the Court is convinced based on the testimony of all witnesses* that all Internet
7 users are not equivalent to the relevant market of the small
8 office/home office business users. In contrast to Dr. Cogan's
9 study, Mr. Lavidge admitted that he did not test the respondents to
10 determine whether they have any interest in purchasing Internet
11 postage. Indeed, he testified that he believed that only a small
12 minority of the respondents had any awareness of the concept of
13 Internet postage.

14 48. Further, Mr. Lavidge purported to conduct a Teflon-type
15 study. The Teflon-type study emerges from the methodology used in
16 E.I. Dupont De Nemours & Co. v. Yoshida Int'l, Inc., 393 F. Supp.
17 502 (E.D.N.Y. 1975). In Dupont, in a test for genericness,
18 respondents were informed of the difference between a "brand" and
19 "common or generic name," such as Chevrolet and automobile, and
20 then shown a list of words, one at a time, and asked whether each
21 was a brand or a common or generic word. Id. at 526. Other
22 studies produced in that matter indicated that approximately ninety
23 percent of the relevant market was aware of the existence or
24 availability of kitchenware coated with non-stick surfaces, thus
25 indicating that the Teflon-type genericness study was performed in
26 the context of a very high public awareness of the product at
27 issue. Id. at 525. In the DuPont study, approximately thirty-one
28 percent of respondents believed Teflon was a generic word and

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1 approximately sixty percent believed that it represented a brand.
2 Id. at 526.

3 49. Mr. Lavidge's survey fails because he neglected to ask
4 the key Teflon question: "Is e-stamp a brand?" Rather, he simply
5 asked whether "e-stamp" represented "one company or organization,"
6 or "a class of products, services or companies." It is impossible
7 to determine from Mr. Lavidge's results how many respondents
8 believed that "e-stamp" represented a brand. Furthermore, Mr.
9 Lavidge's study shows that slightly over forty percent of the
10 respondents did not recall ever having heard of "e-stamp" on the
11 Internet and Mr. Lavidge admitted that he suspected only a small
12 minority of the respondents had ever heard of Internet postage. In
13 contrast to the Teflon study which was performed on a public highly
14 aware of the product, in this case, the study was performed on a
15 public that Mr. Lavidge believed was only marginally aware of the
16 product. Taking that testimony as correct for purposes of
17 analyzing his own study, this Court concludes that a substantial
18 portion of the Lavidge respondents, as much as forty percent, were
19 simply guessing.

20 50. A determination of genericness of a particular mark
21 cannot be made outside of the context in which the mark is used.
22 If Mr. Lavidge is correct and an overwhelming portion of his
23 respondents had no knowledge of the product at issue, those
24 respondents ~~a faction~~ are simply speculating as to whether the
25 mark in question is generic.

26 (iv) Other Factors

27 51. Both parties presented evidence of E-Stamp Corp.'s
28 competitors' use of the mark. Although there is some evidence of

1 generic usage in metatags, the overwhelming use is non-generic.
2 Competitors have found other terms -- such as Internet postage --
3 to be the generic descriptor. (Tr. Exs. 20, 21, 603.)

4 52. Plaintiff E-Stamp Corp. aggressively "policed" its mark.
5 Plaintiff produced copies of letters sent by its counsel to those
6 who used the mark generically and responses thereto. Many
7 responses recognized plaintiff's trademark rights and promised
8 compliance. (Tr. Exs. 24, 89, 90, 91.)

9 53. E-Stamp Corp. presented evidence that it has aggressively
10 marketed E-STAMP Internet postage. After receiving approval to
11 sell its products nationally in August 1999 and for the balance of
12 that year, E-Stamp Corp. spent over \$18 million in marketing
13 activities, over \$6 million of which was spent in "brand
14 marketing," which included television and print ads. (Tr. Ex. 83.)
15 During the first quarter 2000 -- the most recent available period
16 -- E-Stamp Corp. spent a similar amount in total marketing expenses
17 -- over \$18 million -- with over \$7 million in "brand marketing"
18 including television and print ads. (Tr. Ex. 110.)

19 54. E-Stamp Corp. provided further evidence in the form of
20 videos consisting of its television ads. (Tr. Exs. 87, 88.)

21 55. Since receiving USPS approval in August 1999, E-Stamp
22 Corp.'s revenues have increased. Revenues in 1999 totaled \$1.3
23 million (Tr. Ex. 101.); first quarter 2000 revenues were nearly
24 \$1.5 million (Tr. Ex. 111.)

25 56. The Court finds that the primary significance of the E-
26 STAMP mark is not generic. Evidence of media usage, consumer
27 surveys, dictionary usage and all other factors prove that the
28 usage and meaning of the mark is non-generic.

1 57. The Court further finds that E-Stamp Corp. has proved
2 that the mark E-STAMP has acquired secondary meaning with consumers
3 in the relevant market through high levels of publicity, repeated
4 television and print advertising, extensive advertising
5 expenditures and significant revenue, as confirmed by the Butler,
6 Shine & Stern study conducted in November 1999 and the Cogan study
7 conducted in April 2000.

8 **II. CONCLUSIONS OF LAW**

9 **A. Federal Trademark Infringement Claim**

10 **(i) Burden of Proof**

11 1. A federal trademark registration is prima facie evidence
12 of the validity of the mark and creates a presumption in favor of
13 the registered party. Filipino Yellow Pages, Inc. v. Asian Journal
14 Publications, Inc., 198 F.3d 1143, 1146 (9th Cir. 1999); Brookfield
15 Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d
16 1036, 1047 (9th Cir. 1999); Surf Line Hawaii Ltd. v. Ahakelo, 13
17 U.S.P.Q.2d 1975, 1977 (D. Haw. 1989). A trademark owner is
18 entitled to a prima facie presumption that its registered mark is
19 non-generic. J. Thomas McCarthy, McCarthy on Trademarks, §11:43,
20 at 11-74 (4th ed. 1998); Surf Line, 13 U.S.P.Q.2d at 1977.

21 2. A party challenging a federally registered mark bears the
22 burden of proving invalidity by a preponderance of the evidence.
23 Walker v. Klein, 47 U.S.P.Q.2d 1649, 1652 (S.D. Cal. 1998). Lahoti
24 claims that the term E-STAMP is the generic term "used to describe
25 or reference the concept of using software to enable a consumer to
26 purchase U.S. Postage directly over the Internet and print a stamp
27 directly from the consumer's printer." To defeat validity, Lahoti
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6/14/2000*

1 must show that the term E-STAMP is the common, generic name for
 2 such products and services. *Lahoti has failed to meet*
 3 *this burden.*
 4 3. Lahoti urges that E-Stamp Corp.'s use of E-STAMP is
 5 outside of its class of registration such that Plaintiff should
 6 bear the burden of proving validity of the mark. Lahoti's argument
 7 ignores the fact that the mark bears an International Class 9
 8 registration which includes computer software, that E-Stamp Corp.
 9 registered its use as computer software regarding postage and that
 10 E-Stamp Corp. uses the mark to brand Internet postage software.
 11 Thus, the mark is presumed to be valid and Lahoti bears the burden
 12 of proving invalidity.

12 (ii) Likelihood of Confusion

13 4. 15 U.S.C. § 1114 provides:

14 Any person who shall, without the consent of
 15 the registrant -

16 (a) use in commerce any reproduction,
 17 counterfeit, copy, or colorable imitation of a
 18 registered mark in connection with the sale,
 19 offering for sale, distribution, or
 20 advertising of any goods or services on or in
 connection with which such use is likely to
 cause confusion, or to cause mistake or to
 deceive . . . shall be liable in a civil
 action by the registrant

21 The Ninth Circuit has found that use on the Internet constitutes
 22 "use in commerce." Brookfield, 174 F.3d at 1044. E-Stamp Corp.'s
 23 trademark registration creates a presumption of national use as of
 24 January 3, 1994. As this date is long before Lahoti had any
 25 involvement with the mark, E-Stamp Corp. is the senior user.

26 5. The essential element of trademark infringement is the
 27 likelihood of confusion--whether similarity of the mark is likely
 28 to confuse customers about the source of the products. The court
 in Brookfield, following AMF Inc. v. Sleekcraft Boats, 599 F.2d

1 341, 348-54 (9th Cir. 1979), noted: "We look to the following
2 factors for guidance in determining the likelihood of confusion:
3 similarity of the conflicting designations; relatedness or
4 proximity of the two companies' products or services; strength of
5 [the Plaintiff's] mark; marketing channels used; degree of care
6 likely to be exercised by purchasers in selecting goods; [the
7 Defendant's] intent in selecting its mark; evidence of actual
8 confusion; and likelihood of expansion of product lines."
9 Brookfield, 174 F.3d at 1053-54.

10 6. In considering the similarity of the respective marks,
11 the Internet suffix of ".com" is irrelevant and need not be
12 considered. Id. Thus, the proper comparison is "E-STAMP" mark
13 versus Lahoti's use of "estamps" or "estamps.com."

14 7. Here, the goods and services of E-Stamp Corp. and Lahoti
15 directly compete. The marketing channels are also identical for
16 both parties--the Internet. The "estamps" and "estamps.com" marks
17 improperly used by Lahoti are not merely similar to E-Stamp Corp.'s
18 registered mark, but are virtually identical. Lahoti's wrongful
19 intent is plain: Lahoti deceptively used the mark to lure Internet
20 users to his own website, and then ransom the mark back to its true
21 owner. There can be no doubt that confusion is more than likely.

22 8. Further, there is reliable evidence of actual confusion.
23 The Butler, Shine and Stern branding survey conducted in late 1999
24 showed a high degree of confusion between estamp and e-stamps.com.
25 (Tr. Ex. 85; Eagan Test; Cogan Test.) While Lahoti urged that his
26 domain "estamps.com" contained no hyphen, the domain names are
27 sufficiently close - - only a punctuation mark away - - that actual
28 confusion can appropriately be inferred. That the Butler, Shine

1 and Stern study was not prepared for purposes of litigation gives
2 it added weight. Consumer confusion is further established by the
3 thousands of visits or "hits" over a several-month period
4 registered to Lahoti's "estampsnow.com" website which utilizes a
5 name confusingly similar to "estamp.com" in the same business of
6 Internet postage.

7 9. Even if a consumer recognized that Lahoti's site is not
8 affiliated with E-Stamp Corp., that misdirection is still a
9 misappropriation by Lahoti of E-Stamp Corp.'s goodwill. Brookfield,
10 174 F.3d at 1057. Of course, if Lahoti's website is non-
11 operational, the consumer may be confused into believing that E-
12 Stamp Corp.'s website is non-operational, particularly in light of
13 Lahoti's earlier infringing use of the mark "estamps" on that
14 website.

15 10. As noted by the court in Dorr-Oliver, Inc. v. Fluid-Quip,
16 Inc., 94 F.3d 376, 382 (7th Cir. 1996), "the Lanham Act forbids a
17 competitor from luring potential customers away from a producer [of
18 goods] by initially passing off its goods as those of the
19 producer's, even if confusion as to the source of the goods is
20 dispelled by the time any sales are consummated." Misdirecting
21 Internet users has been held by the Ninth Circuit to result in this
22 "initial interest confusion." Brookfield, 174 F.3d at 1062; see
23 also Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 260
24 (2nd Cir. 1987) (stating that the probability that potential
25 purchasers would be misled into an initial interest in Pegasus
26 Petroleum worked a sufficient trademark injury); see also
27 Grotarian, Helferich, Schulz, Th. Steinweg Nachf. v. Steinway &
28 Sons, 523 F.2d 1331, 1342 (2nd Cir. 1975) (stating that the harm to

1 Steinway was not "that a purchaser would buy a Grotrian-Steinweg
2 [piano] thinking it was actually a Steinway", but that the
3 purchaser "would consider it on that basis").

4 11. The instant facts are indistinguishable. The
5 registration and running of Lahoti's "estamps.com" web page
6 infringed E-Stamp Corp.'s domain "estamp.com" and "e-stamp.com."
7 The term "estamps" is confusingly similar to E-STAMP, particularly
8 when used in reference to the exact same trade or business-Internet
9 postage. In any number of ways, it is quite probable that large
10 numbers of consumers looking for E-Stamp Corp.'s brand Internet
11 postage services would find themselves at Lahoti's website. Even
12 if a consumer exercises such care and possesses such sophistication
13 so as to be able to determine that they are at the wrong site, such
14 misdirection still results in "initial interest confusion"
15 providing the necessary likelihood of confusion to sustain the
16 charge of infringement under the Lanham Act.

17 (iii) The E-STAMP Mark is Inherently Distinctive

18 12. On the question of distinctiveness, marks are generally
19 classified in one of five categories of increasing distinctiveness:
20 (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, or (5)
21 fanciful. Kendall-Jackson Winery Ltd. v. E. & J. Gallo Winery, 150
22 F.3d 1042, 1047 (9th Cir. 1998). The latter three categories of
23 marks, because their intrinsic nature serves to identify a
24 particular source of a product, are deemed inherently distinctive.
25 Id. Marks that are descriptive which are coupled with secondary
26 meaning are also characterized as distinctive. Filipino Yellow
27 Pages, 198 F.3d at 1147.

1 13. Generic marks give the general name of the product and
2 embrace an entire class of products. Kendall-Jackson, 150 F.3d at
3 1047 n.8. Descriptive marks define qualities or characteristics of
4 a product in a straightforward way that requires no exercise of the
5 imagination to be understood. Id. If a consumer must use
6 imagination or any type of multistage reasoning to understand the
7 mark's significance, then the mark does not describe the product's
8 features and the mark is deemed suggestive. Id.

9 14. In assessing the proper classification of a mark, two
10 considerations are of primary importance. First, a composite mark
11 is to be tested for its validity and distinctiveness by looking at
12 it as a whole, rather than dissecting it into its component parts.
13 Filipino Yellow Pages, 198 F.3d at 1149-50; Committee for Idaho's
14 High Desert, Inc. v. Yost, 92 F.3d 814, 821 (9th Cir. 1996);
15 Official Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1392 (9th Cir.
16 1993). The second principle is that the mark should be examined,
17 not in the abstract, but in relation to the goods or services to
18 which it is applied. McCarthy, supra, at § 11:51.

19 15. The E-STAMP mark as applied to postage and mailing
20 computer software and related services is inherently distinctive.
21 Specifically, E-Stamp Corp.'s computer software allows the user to
22 access the Internet and purchase postal credit. The postal credit
23 is stored on a separate hardware device that is attached to the
24 personal computer on which the software is installed. When the
25 user is ready to print postage on a piece of mail, the user need
26 not access the Internet again. Rather the software will deplete
27 the postal credit stored on the hardware device and print a special
28 code on the mail item that not only shows that the proper amount of

1 postage has been paid, but also contains special security features.
2 This special code is a two-dimensional bar code that is then
3 scanned by the USPS much the way that UPC codes are scanned in a
4 grocery supermarket checkout line. The term E-STAMP is suggestive
5 of the purpose and function of the software; it does not directly
6 describe it.

7 16. The mark E-STAMP is a composite mark composed of two
8 elements: (1) "e-" and (2) "stamp." When encountering products
9 bearing the mark E-STAMP in the marketplace, the consumer is not
10 immediately informed of the nature and function of the hardware or
11 software provided by E-Stamp Corp. When viewing the mark E-STAMP
12 in its entirety, the consumer is not immediately informed that the
13 software/hardware combination enables the user to access the
14 Internet, purchase postal credit and print postage in the form of
15 a digital bar code on mail to be sent through the USPS in the
16 traditional way. The consumer might well think that the system is
17 a method that provides for some sort of charge for sending e-mail
18 advertising to a vast number of targeted Internet users or some
19 other use.

20 17. Suggestiveness of the mark E-STAMP is supported by the
21 decision in Bell South Corp. v. Planum Tech. Corp., 14 U.S.P.Q.2d
22 1555 (T.T.A.B. 1988). In that case, the Trademark Trial and Appeal
23 Board held that the mark PHONE FORWARD was suggestive for automatic
24 telephone call diverters. Id. The Board reasoned that multistage
25 reasoning process (i.e. substituting the word "call" for the word
26 "phone" used as a verb) was necessary in order to ascertain the
27 nature or function of the applicant's goods. Id. at 1556.

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1 18. A search of the United States Patent and Trademark Office
2 records shows that there are numerous marks similar to E-STAMP,
3 when applied to the goods or services described in each respective
4 application, that have been found to be inherently distinctive in
5 that they have either been approved for publication for opposition
6 by the Trademark Examiner or have been registered. (Tr. Ex. 22.)

7 19. For example, ETIME is registered for an electronic system
8 for managing human resources and payroll. E-GOLF has been
9 published for a service that arranges golf registrations over the
10 Internet. EBEEPER has been published for telecommunications
11 services, namely, sending global computer network email messages to
12 a radio paging device.

13 20. Accordingly, the mark E-STAMP is suggestive and therefore
14 inherently distinctive and entitled to protection under trademark
15 law.

16 (iv) The E-STAMP Mark Has Acquired Secondary
17 Meaning

18 21. As the Court has found the mark E-STAMP to be suggestive,
19 and thus inherently distinctive, the Court need not reach the issue
20 of secondary meaning. However, in the alternative that the mark is
21 found to be descriptive, the Court finds that secondary meaning has
22 been established by the evidence presented and Lahoti has failed to
23 successfully rebut the mark's validity with respect to secondary
24 meaning.

25 22. A mark may acquire secondary meaning when, "if in the
26 minds of the public, the primary significance of a product feature
27 or term is to identify the source of the product rather than the
28 product itself." Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455,
464 (4th Cir. 1996). Moreover, it is well-established that

1 consumer surveys are persuasive evidence of secondary meaning.
2 Committee for Idaho's High Desert, 92 F.3d at 822. The federal
3 courts dictate that a "50-percent [consumer identification of the
4 mark with the source] is regarded as clearly sufficient to
5 establish secondary meaning." Thomas & Betts Corp. v. Panduit
6 Corp., 138 F.3d 277, 295 (7th Cir. 1998). In fact, consumer
7 identification figures well below the 50% mark have been held to be
8 sufficient to establish secondary meaning. Conopco, Inc. v.
9 Cosmair, Inc., 49 F. Supp. 2d 242, 250 (S.D.N.Y. 1999) (stating
10 that a 21% recognition rate may be sufficient to establish
11 secondary meaning); Thomas & Betts Corp. v. Panduit Corp., 138
12 F.3d at 295 (stating that a 30% recognition rate may be probative
13 of the issue of secondary meaning).

14 23. Because of the widespread publicity that the E-STAMP mark
15 has attained and E-Stamp Corp.'s extensive efforts to promote the
16 mark and sales, the mark has come to be recognized as designating
17 E-Stamp Corp. as the source of goods. Moreover, the Ninth Circuit
18 notes that the fact that a third party has "knowingly,
19 intentionally and deliberately adopted and used a trademark" offers
20 strong support for a finding of secondary meaning. Committee for
21 Idaho's High Desert, 92 F.3d at 822-23.

22 24. The Butler, Shine and Stern survey (Tr. Ex. 85.) was
23 performed in November 1999 just after E-Stamp Corp. had run three
24 weeks of television ads. The Butler, Shine and Stern survey was
25 not performed for purposes of this litigation, but rather to
26 determine the success of E-Stamp Corp.'s marketing efforts. The
27 survey showed, after only three weeks of television advertising,
28 that over 38% of respondents were aware of "estamp" or "e-

1 stamps.com" in an aided awareness test - i.e. where their memories
2 were jogged.

3 25. Even more, the study of expert Dr. Sandra R. Cogan tested
4 respondents in April 2000, five months later and after further
5 television and other advertising. Dr. Cogan found awareness had
6 jumped significantly to 60%. Dr. Cogan testified that her results
7 were consistent with the Butler, Shine and Stern results given the
8 intervening advertising. In addition, the research of Dr. Cogan
9 indicates that upwards of 70% of the relevant market identify the
10 mark E-STAMP with a single source. While some of Dr. Cogan's
11 secondary meaning scores might be attributable to the fact that E-
12 Stamp Corp. and its competitors had booths at the trade show where
13 the survey occurred, as urged by Lahoti, this fact does not rebut
14 a showing of secondary meaning. Trade show participation itself is
15 a method of marketing and a factor that appropriately supports a
16 showing of secondary meaning.

17 26. Lahoti's attack on secondary meaning rests on the flawed
18 survey of Robert J. Lavidge. Mr. Lavidge asserts that the mark
19 does not have secondary meaning "in the minds of most Internet
20 users" and claims that Internet users are the relevant market.
21 However, the relevant market is a narrower subset of Internet users
22 than Mr. Lavidge suggests and Mr. Lavidge's survey does not provide
23 any data on secondary meaning for that subset of Internet users.

24 (v) The E-STAMP Mark is Not Generic

25 27. Lahoti has failed to rebut the validity of E-Stamp
26 Corp.'s mark. Genericness is a question of fact. Committee for
27 Idaho's High Desert, 92 F.3d at 821. Moreover, "Federal
28 registration of a trademark endows it with a strong presumption of

1 validity. The general presumption of validity resulting from
2 federal registration includes the specific presumption that the
3 trademark is not generic." Coca Cola Co. v. Overland, Inc., 692
4 F.2d 1250, 1254 (9th Cir. 1982) (citing Miss Universe, Inc. v.
5 Patricelli, 408 F.2d 506, 509 (2d Cir. 1969)). Accordingly,
6 because the mark E-STAMP is a federally registered trademark,
7 Lahoti bears the burden of proving that the mark is generic. *Id.*

8 28. The Lanham Act sets out the test for genericness: "The
9 primary significance of the ... mark to the relevant public ...
10 shall be the test for determining whether the ... mark has become
11 the generic name for goods or services on or in connection with
12 which it has been used." *Id.* (citing 15 U.S.C. § 1064(3)). To
13 determine whether a mark is generic, courts examine the: (a)
14 generic usage of the term by competitors which has not been
15 challenged by the mark holder; (b) use by the mark holder of the
16 term in a generic sense; (c) dictionary definitions; (d) generic
17 usage in trade journals; (e) testimony of persons in the trade; and
18 (f) consumer surveys. Walker v. Klein, 47 U.S.P.Q. 2d 1649, 1653
19 (S.D. Cal. 1998).

20 29. The evidence shows that the E-STAMP mark is not generic
21 for Internet postage, that E-Stamp Corp. has regularly policed its
22 mark and that the relevant consuming public has not adopted the
23 mark as a generic term for Internet postage. Specifically,
24 genericness research performed by Dr. Sandra R. Cogan reveals that
25 over 70% of consumers in the relevant market do not identify the
26 mark E-STAMP as generic for Internet postage. Accordingly, Lahoti
27 has not established, as he is required to establish to defeat
28 validity, that the primary significance of the mark is generic.

1 30. Lahoti's survey evidence does not prove genericness. On
2 the contrary, the report of Mr. Lavidge tends to support a finding
3 of non-genericness. As discussed above, the Lavidge survey is
4 seriously flawed and consequently entitled to little if any weight.
5 But even if the Lavidge survey were credited, it shows that 36% of
6 respondents believe the mark represents "a class of products or
7 companies . . ." If that is a proxy for genericness, that result
8 does not support the conclusion that the primary significance is
9 generic.

10 31. Contrary to Lahoti's assertions, the fact that the mark
11 E-STAMP contains the prefix "e" does not render the mark generic.
12 As previously noted, a trademark must be examined by viewing the
13 trademark as a whole, rather than by dissecting its parts.
14 California Cooler, Inc. v. Loretto Winery, Ltd., 774 F.2d 1451,
15 1455 (9th Cir. 1985). Lahoti relies upon the decisions of
16 Continental Airlines, Inc. v. United Air Lines, Inc., 53 U.S.P.Q.
17 2d 1385 (T.T.A.B. 1999), and Tech 2000 Realty Group v. Internet
18 Home Services, Inc., No C-99-21135 RMW (N.D. Cal. 2000). Although
19 those cases are not controlling, this Court nevertheless concludes
20 that they are distinguishable and do not support Lahoti's assertion
21 that the E-STAMP mark is generic.

22 32. First, in Continental Airlines, the Board did not hold
23 that the use of "e" before a noun would always constitute a generic
24 term. The Board undertook the traditional trademark analysis in
25 determining whether the term in that case--"E-TICKET"-- was generic
26 for computerized reservation and ticketing of transportation
27 services. The Board found evidence, and the applicant conceded,
28 that both parties had made widespread use of the term prior to the

1 application, and that other had also used it extensively in
2 advertising before the mark was registered. The evidence presented
3 in this case, in the Court's view, proves the contrary position.

4 33. Second, in the Tech 2000 case, the plaintiff who
5 complained of defendant's registration of the "eHomes.com" website
6 did not hold a registered trademark in "eHomes" in any form,
7 although it had apparently been given protection under California
8 state law. Further, the court found that no evidence had been
9 presented on the issue of secondary meaning. Based on these facts,
10 the court denied the motion for a preliminary injunction.

11 34. Accordingly, the Court concludes that neither Continental
12 Airlines nor Tech 2000 support the assertion that E-STAMP is
13 generic within the meaning of trademark law.

14 (vi) Lahoti's Defense of Fair Use is Inapplicable

15 35. Fair use derives from the provision of 15 U.S.C.
16 §1115(b)(4), which in pertinent part, permits use "of a term. . .
17 which is descriptive of and used fairly and in good faith only to
18 describe the goods or services of such party. . ." As the Ninth
19 Circuit observed, "[s]uch nominative use of a mark -- where the
20 only word reasonably available to describe a particular thing is
21 pressed into service - - lies outside the strictures of trademark
22 law. . . ." The New Kids on the Block v. News America Publishing,
23 Inc., 971 F.2d 302, 308 (9th Cir. 1992).

24 36. Lahoti urges that his web pages constitute fair use of
25 Plaintiff's mark, citing, among other cases, Illinois High School
26 Assoc. v. GTE Vantage, Inc., 99 F.3d 244 (7th Cir. 1996), and
27 Richards v. Cable News Network, Inc., 15 F. Supp. 2d 683, 694 (E.D.
28 Pa. 1998). The case of Illinois High School is the more important

1 of the two, but presents issues that are not remotely like those
2 before this Court. In that case, a reverse confusion case, the
3 high school association, which was the senior user of the mark
4 "March Madness," sued for infringement approximately 11 years after
5 CBS began using the term to describe and market its coverage of the
6 NCAA Division I basketball tournament. As a result, the court
7 concluded that it was a "dual use" term having become affixed to
8 something (the NCAA tournament) other than the high school
9 tournament. Under those circumstances, the court determined that
10 the high school association could not bar the NCAA or anyone else
11 from using it to refer to the college tournament.

12 37. Simply put, Illinois High School has nothing to do with
13 this case, where the evidence establishes that Lahoti, operating
14 under the belief that Plaintiff E-Stamp Corp. held a trademark in
15 the name E-STAMP, registered a domain name and sought to obtain
16 commercial advantage from that site at the expense of E-Stamp Corp.
17 Here, E-Stamp Corp. has done what the high school association in
18 Illinois High School failed to do -- it sued to protect its rights
19 in the mark E-STAMP.

20 38. Lahoti sought to create the prospect and reality of
21 consumer confusion to drive up the value of his "estamps.com"
22 domain to Plaintiff E-Stamp Corp. and its competitors. The term E-
23 STAMP was not the only reasonably available word to describe the
24 product or services at issue; several terms including Internet
25 postage and online postage were discussed at trial. The E-STAMP
26 mark is not descriptive and was not used in good faith as required
27 by statute to sustain a finding of fair use. Lahoti's use of the
28 E-STAMP mark on his "estampsnow.com" web pages after the injunction

1 issued and in violation of the injunction further shows a lack of
2 good faith. In sum, the fair use defense is inapplicable.

3 **B. Federal Trademark Dilution Claim**

4 39. According to § 43(c) of the Lanham Act,

5 The owner of a famous mark shall be entitled,
6 subject to the principles of equity and upon
7 such terms as the court deems reasonable, to
8 an injunction against another person's
9 commercial use in commerce of a mark or trade
10 name, if such use begins after the mark has
11 become famous and causes dilution of the
12 distinctive quality of the mark, and to obtain
13 such other relief as is provided in this
14 subsection.

15 15 U.S.C. § 1125(c). To prevail on trademark dilution, E-Stamp
16 Corp. must show that (1) Lahoti commercially used E-Stamp Corp.'s
17 mark in commerce; (2) E-Stamp Corp.'s mark was famous; (3) the use
18 began after the mark became famous; and (4) such use caused the
19 dilution of the distinctive quality of the mark. Panavision Int'l
20 L.P. v. Toeppen, 141 F.3d 1316, 1324 (9th Cir. 1998).

21 40. An integral aspect of Lahoti's cybersquatter scheme was
22 the sale of the "estamps.com" domain name (selling the domain name
23 was the only apparent reason Lahoti acquired it). Indeed Lahoti
24 offered the domain name to E-Stamp Corp. and its competitors. The
25 Ninth Circuit recently held in Panavision that this very activity,
26 branded as extortion, constitutes commercial use under both the
27 Federal Trademark Dilution Act and the California Anti-dilution
28 statute. Id. at 1321, 1325-26.

41. On April 16, 1998, the Wall Street Journal published an
article on E-Stamp Corp., featuring the E-STAMP mark. A second
article was published in the Journal on September 21, 1998. Other
articles in The Washington Post on August 3, 1998, Business Week on
April 20, 1998, Fortune on September 7, 1998 and other publications

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1 also featured the mark. (Tr. Exs. 30-34.) Plaintiff presented
2 over 1,000 articles referencing Plaintiff and its product.

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3 42. Such wide coverage by ~~our most~~ distinguished national and
4 international publications establish the fame of the mark. E-Stamp
5 Corp. has invested substantial time and money in developing its
6 products, partners and marketing efforts. E-Stamp Corp. has
7 diligently and effectively established the fame of its work.

8 43. Lahoti offered "estamps.com" for sale to E-Stamp Corp. on
9 or about November 8, 1998. Certain of the aforementioned reference
10 articles were published before that date. Thereafter, Lahoti
11 launched his website and infringed on the E-STAMP mark.

12 44. The use and offering for sale of a domain name identical
13 to a valid, famous trademark results in trademark dilution.
14 Panavision, 141 F.3d at 1325-27. The Ninth Circuit noted that the
15 public will often guess that the company's name is also the domain
16 name, and directly inputting the domain name in the form of a URL
17 is often the easiest way to access a web page. Id. "Moreover,
18 potential customers ... will be discouraged if they cannot find the
19 web page by typing in [the company name].... [The] use of
20 <Panavision.com> also puts Panavision's name and reputation at [the
21 infringer's] mercy." Id. at p. 1327. Lahoti's adoption and use of
22 Plaintiff's E-STAMP mark creates precisely the same dilutive effect
23 as that which occurred in Panavision.

24 C. Anticybersquatting Consumer Protection Act

25 45. According to the Anticybersquatting Consumer Protection
26 Act ("ACPA") § 3002(a), 15 U.S.C. §1125(d), enacted November 29,
27 1999, "[i]n any civil action involving the registration,
28 trafficking, or use of a domain name under this paragraph, a court

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1 may order the forfeiture or cancellation of the domain name or the
2 transfer of the domain name to the owner of the mark." Pub. L. No.
3 106-113, § 3002, 113 Stat. 1501 (1999).

4 46. Section 3002(a) applies retroactively and "shall apply to
5 all domain names registered before, on, or after the date of the
6 enactment of [the] Act." Id. § 3010.

7 47. An owner of a registered mark is entitled to relief under
8 the ACPA where the defendant "(i) has a bad faith intent to profit
9 from that mark, and (ii) registers, traffics in, or uses a domain
10 name that - (I) in the case of a mark that is distinctive at the
11 time of registration of the domain name, is identical or
12 confusingly similar to that mark; or (II) in the case of a famous
13 mark that is famous at the time of registration of the domain name,
14 is identical or confusingly similar to or dilutive of that mark .
15 . ."

16 48. Moreover, a court may assess several factors to determine
17 "bad faith intent." According to the ACPA, factors evidencing "bad
18 faith intent" include:

- 19 (1) the trademark or other intellectual
20 property rights of the person, if any, in
the domain name; . . .
- 21 (2) the person's intent to divert consumers
22 from the mark owner's online location to
23 a site accessible under the domain name
24 that could harm the goodwill represented
25 by the mark, either for commercial gain
or with the intent to tarnish or
26 disparage the mark, by creating a
likelihood of confusion as to the source,
27 sponsorship, affiliation, or endorsement
of the site;
- 28 (3) the person's offer to transfer, sell, or
otherwise assign the domain name to the
mark owner or any third party for
financial gain without having used, or
having an intent to use, the domain name

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in the bona fide offering of any goods or services . . .

(4) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(5) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties Id.

49. At the time Lahoti registered "estamps.com" on November 8, 1998, Plaintiff E-Stamp Corp.'s mark was distinctive. As discussed above, the mark is suggestive and therefore inherently distinctive as of November 8, 1998. Even if the mark were descriptive, Plaintiff is entitled to the presumption of validity supplied by 15 U.S.C. §1057(b). The mark has was also famous as of November 8, 1998.

50. Here, ~~there is overwhelming evidence of bad faith intent~~ ~~that he acted with a bad faith intent~~ ~~the trademark~~ Lahoti tried to sell infringing domains to E-Stamp Corp. and its competitors for profit. Lahoti repeatedly infringed and violated orders of this Court. Lahoti deliberately concealed his connection with infringing websites. Lahoti knowingly obtained multiple domain names confusingly similar and dilutive of Plaintiff's mark. As such, E-Stamp Corp. is entitled to the transfer of all domain names owned by Lahoti using the name "estamp" or "estamps" in any configuration or as part of longer terms.

~~the Court finds Lahoti's claim that he was merely interested in internet programs as a concept or idea, and that his sole objective was to disseminate information on that topic to be lacking in credibility.~~ ~~to profit.~~

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1 51. These facts prove that Lahoti was and is a
2 "cybersquatter," one who registers and traffics in domain names
3 confusingly similar or identical to valid, legitimate marks and
tries to sell them ~~back~~ to their rightful owners.

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5 D. California Trademark Dilution Claim

6 52. A claim of trademark dilution under state law is
7 delineated by California Business & Professions Code §14330, which
8 provides in pertinent part:

9 Likelihood of injury to business reputation or
10 of dilution of the distinctive quality of a
mark registered under this chapter . . . shall
11 be ground for injunctive relief
notwithstanding the absence of competition
12 between the parties or the absence of
confusion as to the source of goods and
services.

13 Cal. Bus. & Prof. Code § 14330(a) (West 2000).

14 53. Section 14330 further provides that:

15 [a]ny person who uses or unlawfully infringes
16 upon a mark registered under this chapter . .
17 . either on the person's own goods or services
or to describe the person's own goods or
18 services . . . for purposes of enhancing the
commercial value of, or selling or soliciting
19 purchases of products, merchandise, goods or
services, without prior consent of the owner
20 of the mark, shall be subject to an injunction
against that use by the owner of the mark.

21 Cal. Bus. & Prof. Code § 14330(b) (West 2000).

22 54. A California state law trademark dilution claim is
23 subject to the same analysis as a federal dilution claim. Films of
24 Distinction, Inc. v. Allegro Film Productions, Inc., 12 F. Supp. 2d
25 1068, 1078 (C.D. Cal. 1998).

26 55. Accordingly, pursuant to the Court's discussion of E-
27 Stamp Corp.'s federal trademark dilution, E-Stamp Corp. has proved
28 its claim under California Business & Professions Code § 14330.

1 E. California Unfair Competition Claim

2 56. California Business and Professions Code § 17203
3 provides, "Any person who engages, has engaged, or proposes to
4 engage in unfair competition may be enjoined in any court of
5 competent jurisdiction." The statutory definition of "unfair
6 competition" includes "any unlawful, unfair or fraudulent business
7 act or practice and unfair, deceptive, untrue or misleading
8 advertising." Id., at § 17200. This broad language gives much
9 latitude to courts of equity. Barquis v. Merchants Collection
10 Assn., 7 Cal. 3d 94, 112 (1972). As noted by the California
11 Supreme Court in an earlier case, "It would be impossible to draft
12 in advance detailed plans and specifications of all acts and
13 conduct to be prohibited . . . since unfair or fraudulent business
14 practices may run the gamut of human ingenuity and chicanery."
15 People ex. rel. Mosk v. Nat'l Research Co., 201 Cal. App. 2d 765,
16 772 (1962).

17 57. While acknowledging that the term "unfair business
18 practice" was undefined in California, the court in People v. Casa
19 Blanca Convalescent Homes, Inc., 159 Cal. App. 3d 509, 530 (1984),
20 concluded that "an unfair business practice occurs when it offends
21 an established public policy or when the practice is immoral,
22 unethical, oppressive, unscrupulous or substantially injurious to
23 consumers." (citing F.T.C. v. Sperry & Hutchinson Co., 405 U.S.
24 233, 244 (1972)). According to the California Supreme Court,
25 unfair competition is based upon both the protection of the
26 plaintiff's property right and upon the right of the public to
27 protection from fraud and deceit. American Philatelic Soc'y v.
28 Claibourne, 3 Cal. 2d 689, 698 (1935).

1 58. The California Supreme Court recently provided a fuller
2 definition of the concept of unfairness in the antitrust context
3 but expressly left undisturbed unfair competition in other
4 contexts. Cel-Tech Communications, Inc. v. Los Angeles Cellular
5 Tel. Co., 20 Cal. 4th 163 (1999). Further, the court in Motors,
6 Inc. v. Times Mirror Co., 102 Cal. App. 3d 735, 740 (1980), stated
7 that the court must "weigh the utility of the defendant's conduct
8 against the gravity of the harm to the alleged victim"

9 59. Lahoti's business practices are both unfair to E-Stamp
10 Corp. and deceptive to consumers. Lahoti's conduct is unjustified
11 and wholly lacks social utility. Lahoti's motive was to divert
12 consumer contacts from E-Stamp Corp. to himself and then force E-
13 Stamp Corp. to pay ~~tribute to~~ ^{buy} ransom back its own mark ^{to protect both its mark and} ~~by~~ ^{the public}
14 deceptively capitalizing on the good will and reputation of E-Stamp
15 Corp.'s mark, Lahoti defrauds consumers who are led to believe that
16 the products and services advertised in Lahoti's websites are
17 associated in some way to the E-STAMP mark.

18 60. Lahoti's webpage falsely implied that E-Stamp Corp. was
19 not yet in business, as well as falsely implying an association
20 between E-STAMP and Lahoti's "estamps" and "estamps.com." By
21 stating that "eStamps will be the industry standard when buying
22 postage, and eStamps.com will be there," Lahoti attempted to trade
23 on the registered mark E-STAMP as well as E-Stamp Corp.'s
24 advertising and promotion of that mark through its website at "e-
25 stamp.com" and "estamp.com." For all of the reasons discussed in
26 connection with the trademark infringement claim, E-Stamp Corp. has
27 proved its claim under California Business and Professions Code §
28 17200 et seq.

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buy to protect both its mark and the public

1 F. Permanent Injunction

2 61. E-Stamp Corp. is entitled to a permanent injunction once
3 it establishes (1) irreparable injury; (2) inadequate remedies at
4 law; and (3) actual success on the merits. Avery Dennison Corp. v.
5 Sumpton, 189 F.3d 868, 881 (9th Cir. 1999); Walters v. Reno, 145
6 F.3d 1032, 1048 (9th Cir. 1998). Here, injunctive relief is
7 warranted.

8 62. Based on the aforementioned, E-Stamp Corp. has
9 demonstrated actual success on the merits with respect to all of
10 its claims, including federal trademark infringement and trademark
11 dilution, its claims under the Anticybersquatting Consumer
12 Protection Act, and its claims of state law trademark dilution and
13 unfair competition.

14 63. Similarly, E-Stamp Corp. has established irreparable
15 injury and an inadequate remedy at law. Once trademark
16 infringement is established, it is ordinarily presumed that the
17 trademark owner has sustained irreparable harm. Rodeo Collection,
18 Ltd. v. West Seventh, 812 F.2d 1215, 1220 (9th Cir. 1987); Vision
19 Sports, Inc. v. Melville Corp., 888 F.2d 609, 612 n.3 (9th Cir.
20 1989). However, even if there were no presumption, the irreparable
21 injury to E-Stamp Corp. is plain.

22 64. It is well-established in the Ninth Circuit that, because
23 it is often difficult to calculate, damage to reputation or
24 goodwill is an irreparable harm." Rent-A-Center, Inc. v. Canyon
25 Television & Appliance, 944 F.2d 597, 603 (9th Cir. 1991); Cassim
26 v. Bowen, 824 F.2d 791, 795 (9th Cir. 1987). Inasmuch as damage to
27 one's goodwill "is virtually impossible prove," a defendant must
28

1 show a reasonable basis for the belief. Coca-Cola Co. v. Tropicana
2 Products, Inc., 690 F.2d 312, 316 (2nd Cir. 1982).

3 65. If injunctive relief is denied, E-Stamp Corp. will
4 continue to sustain the aforementioned harm. If the requested
5 relief issues, Lahoti will simply be compelled to avoid using or
6 trading on E-Stamp Corp.'s mark. Lahoti will sustain no hardship
7 other than the inability to capitalize further on his deceptive use
8 of E-Stamp Corp.'s trademark.

9 66. As previously noted, E-Stamp Corp.'s Internet website is
10 a critical component of its marketing efforts because E-Stamp
11 Corp.'s business is based on the Internet. Any diversion of actual
12 potential customers from the website causes a loss of short-term,
13 direct sales. Even more troublesome, E-Stamp Corp. will continue
14 to sustain irreparable harm from loss of good will, reputation and
15 visibility within this fast-paced industry. As his "estamps.com"
16 web page (Trial Ex. 8.) makes clear, Lahoti has been trading on the
17 federally protected E-STAMP mark, likely causing confusion to any
18 consumer who reached his "estamps.com" site. When Lahoti was told
19 to cease infringing, he simply filed a federal trademark
20 application for ESTAMPS, proving his intent to continue using and
21 infringing the E-STAMP mark. (Trial Ex. 6.) Because of his
22 failure to advise consumers of his lack of association with E-Stamp
23 Corp. and E-STAMP, and his plain intent to continue infringing the
24 E-STAMP mark, E-Stamp Corp. suffered and continues to suffer from
25 irreparable injury.

26 **G. Exceptional Case**

27 67. Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a),
28 provides that a court "in exceptional cases may award reasonable

1 attorney fees to the prevailing party." The Committee for Idaho's
2 High Desert, Inc. v. Yost, 92 F.3d 814, 825 (9th Cir. 1996);
3 Playboy Enterprises, Inc. v. Baccarat Clothing Co., Inc., 692 F.2d
4 1272, 1276 (9th Cir. 1982). An award of attorneys' fees is
5 appropriate in a trademark case where the infringement is
6 "malicious, fraudulent, deliberate or wilful."

7 68. The Court finds that this is an exceptional case within
8 the meaning of 15 U.S.C. §1117(a) and that E-Stamp Corp. is
9 entitled to recover its attorneys' fees against Lahoti. *Lahoti repeatedly*
10 *infringed E-Stamp's mark, engaged in deliberate*
11 *act of unfair competition and willfully violated court orders*
12 ~~conduct. In November 1998, Lahoti acquired the domain~~

13 "estamps.com" knowing of E-Stamp Corp.'s existence and assuming E-
14 Stamp Corp. owned the E-STAMP trademark. When his efforts to sell
15 the "estamps.com" domain to E-Stamp Corp. and its competitors
16 failed, Lahoti tried to drive up the value of his domain by running
17 a web page that infringed the trademark Lahoti assumed Plaintiff E-
18 Stamp Corp. owned. *thereafter* ~~That conduct triggered a reaction -- but not~~

19 ~~the expression of interest Lahoti desired. When Lahoti received E-~~
20 ~~Stamp Corp.'s cease and desist letter, Lahoti had his assumption~~
21 ~~about Plaintiff E-Stamp Corp.'s mark confirmed.~~ At this point,
22 Lahoti could have stopped his attack on E-Stamp Corp.'s mark.
23 Instead, he filed a trademark application that *can only be*
24 described as bogus -- he sought protection for a mark he *supposedly*
25 believed was generic, declaring there was no confusion with existing marks
26 while admittedly knowing of E-Stamp Corp.'s registered mark.

27 69. When Lahoti was enjoined from further acts of
28 infringement by preliminary injunction, Lahoti could have obeyed.
Instead he launched "estampsnow.com" using the URL directory line

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1 of the enjoined "estamps.com" as a referral source and ran
2 infringing web pages on "estampsnow.com", thus leading to his being
3 found in contempt.

4 70. To conceal his relationship with his more recent site
5 "estampsnow.com", Lahoti engaged in the deception of registering
6 with NSI under the name estampsnow! and using only a post office
7 address box, requiring E-Stamp Corp. to employ an investigator to
8 unearth Lahoti's connection. Lahoti's attack on Plaintiff's mark
9 occurred at a time when E-Stamp Corp. was particularly vulnerable.
10 During "beta" testing, E-Stamp Corp. was limited in the breadth of
11 advertising it would reasonably be expected to undertake and only
12 after final USPS approval in August 1999 could E-Stamp Corp. be
13 expected to undertake the massive advertising and promotion
14 necessary to establish its mark more securely in the minds of
15 customers. Yet it was at this early stage of development that
16 Lahoti directed much of his activities with the admitted hope of
17 profit through increasing the value of his web site. ~~Simply put,~~

*By
16/14/00*

~~18 Lahoti tried to hold E-Stamp Corp.'s mark hostage, forcing E-Stamp
19 Corp. to fight genericness at an unusually early time in a brand
20 and product's life cycle -- all for the purpose of extracting~~

On the basis of these facts, the court concludes
~~ransom. There is no question that Lahoti's conduct was wilful,~~
21 deliberate and malicious. To the extent Lahoti used his bogus
22 trademark application as a defensive maneuver, his conduct was
23 fraudulent. Under these facts, this case is exceptional and E-
24 Stamp Corp. should recover its attorneys' fees.
25

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1 Based on the foregoing findings of fact and conclusions of
2 law, all the evidence received at trial and the argument of
3 counsel,

4 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that:

5 1. Defendant Dave Lahoti, and all those in active concert
6 with him with notice of this order are permanently enjoined and
7 prohibited from any and all of the following acts:

8 (a) Infringing the mark E-STAMP

9 (b) Registering, trafficking in, or using an Internet
10 domain name that is identical or confusingly similar to E-STAMP,
11 including without limitation, any domain name having as a second
12 level the term "estamp," "estamps," with or without hyphenation or
13 other punctuation or separation, or as part of any longer word or
14 term including without limitation "estampsnow," or such second
15 level domain name having any first level domain such as ".com,"
16 ".net" or ".org";

17 2. That defendant Dave Lahoti shall transfer forthwith to
18 plaintiff E-Stamp Corp. all rights, title, interest in, or control
19 over, any Internet domains in which he has an interest which are
20 identical to or confusingly similar to the mark E-STAMP including
21 without limitation, "estamps.com," "e-stamps.com," "estamps.net,"
22 "e-stamps.net," "estampsnow.com," "estampsnow.net" or any other
23 domain in which defendant Lahoti has an interest which uses the
24 mark E-STAMP in any form of pluralization, with or without
25 hyphenation or punctuation or as part of a longer word or term.

26 3. That defendant Dave Lahoti shall pay to E-Stamp Corp. all
27 of E-Stamp Corp.'s attorneys' fees incurred in this matter. E-
28 Stamp Corp. shall file with the Court on or before June 26, 2000

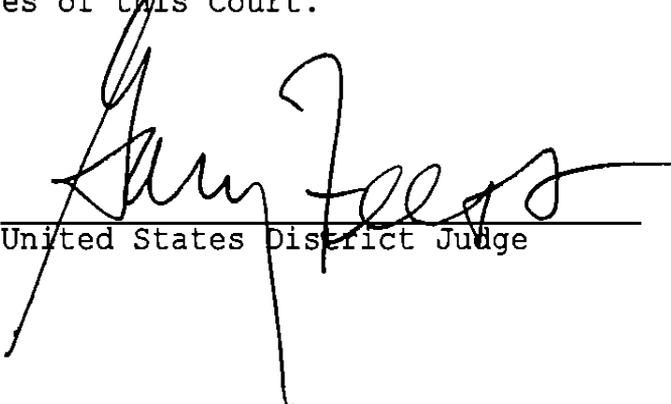
1 declarations establishing the amount of its attorneys' fees.
2 Lahoti shall file opposing declarations by July 3, 2000 The Court
3 will rule on the declarations unless the Court requests a hearing
4 by notice to all parties.

5 4. That defendant Dave Lahoti shall pay costs to E-Stamp
6 Corp. pursuant to 28 U.S.C. § 1914 et seq. as ascertained in
7 conformance with the Local Rules of this Court.

8 IT IS SO ORDERED.

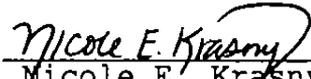
9
10 DATE:

June 14, 2000


United States District Judge

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15 PRESENTED BY:

16 JOHN A. O'MALLEY
17 NICOLE E. KRASNY
18 FULBRIGHT & JAWORSKI L.L.P.

19 By 
20 Nicole E. Krasny
21 Attorneys for Plaintiff
22 E-STAMP CORPORATION
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STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is Fulbright & Jaworski L.L.P., 865 South Figueroa Street, 29th Floor, Los Angeles, California 90017.

On June 12, 2000, I served the foregoing document(s) described as: **FINDINGS OF FACT AND CONCLUSIONS OF LAW PRESENTED BY PLAINTIFF E-STAMP CORPORATION - [PROPOSED] [REVISED PURSUANT TO JUNE 2, 2000 ORDER]** on interested parties in this action as follows:

Neil A. Smith, Esq., Limbach & Limbach, L.L.P., 2001 Ferry Building, San Francisco, CA 94111

Brett P. Wakino, Esq., 4266 Atlantic Boulevard, Long Beach, CA 90807

(BY MAIL) I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing affidavit.

(BY PERSONAL SERVICE) I caused the aforementioned document to be personally served at the office of the addressee.

(BY FACSIMILE) I caused said document to be transmitted electronically to the interested parties at the facsimile numbers as stated below:

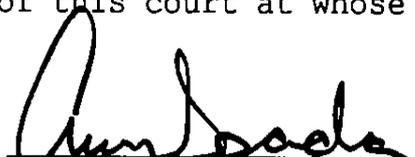
Neil A. Smith, Esq.: (415) 433 8716

Brett P. Wakino, Esq.: (562) 426-0962

Executed on June 12, 2000 at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.



Amy Spada

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