

DISTRICT COURT ARAPAHOE COUNTY, STATE OF COLORADO Arapahoe County Justice Center 7325 South Potomac Street Centennial, Colorado 80112	EFILED Document CO Arapahoe County District Court 18th JD Filing Date: Dec 7 2009 3:29PM MST Filing ID: 28317213 Review Clerk: N/A
<b>Plaintiff:</b> STATE OF COLORADO, ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL  v.  <b>Defendants:</b> COLORADO HUMANE SOCIETY & S.P.C.A., INC.; MARY C. WARREN, an individual; ROBERT WARREN, an individual; and STEPHENIE L. GARDNER, an individual	Case No. 08CV2659   Courtroom: 404
<b>ORDER RE: VERIFIED MOTION FOR CONTEMPT CITATION, FOR ORDER TO SHOW CAUSE, AND FOR DAMAGES AGAINST ROBERT WARREN, DOMAINS PRICED RIGHT, INC., AND DOMAINS BY PROXY, INC., FOR CYBERPIRACY REGARDING THE DOMAIN NAME COLORADOHUMANE.NET</b>	

THIS MATTER comes before the Court on Waverton Group, LLC, as Custodian for the Colorado Humane Society & SPCA's (hereinafter "Custodian")'s Verified Motion for Contempt Citation, for Order to Show Cause, and for Damages against Robert Warren, Domains Priced Right, Inc., and Domains By Proxy, Inc., for Cyberpiracy Regarding the Domain Name coloradohumane.net. The Court being fully advised in the premises finds and orders as follows:

**I. Statement of the Case**

The Custodian filed its Motion arguing that "coloradohumane.net" (hereinafter ".net") is property of the Custodianship Estate, and, thus, Robert Warren and Domains by Proxy, Inc. should turnover the .net domain name to the Custodian. The Custodian also argues that Robert Warren's use of the .net domain name violates the anticybersquatting act. Robert Warren filed a Response that argued that coloradohumane.net was his personal property and thus not subject to

the turn over order since it was never an asset of Colorado Humane Society (CHS). Additionally, the Custodian, according to Mr. Warren, has failed to state a claim under the Lanham Act. The Custodian replied with testimonial support from Mr. Warren's deposition which stated that Mr. Warren purchased the coloradohumane.net domain name with the intent to divert viewers away from the CHS website to the coloradohumane.net website in order to tell his side of the story. According to the Custodian, such an intent constitutes cyberpiracy. The Court voiced its concerns during the November 13, 2009 hearing that this Court lacked jurisdiction to determine the cyberpiracy claims. The Custodian, subsequently filed its "Supplemental Authorities" with support for its claim that this Court has concurrent jurisdiction to decide this matter.

## **II. Findings and Order**

### **A. The Court Has Concurrent Jurisdiction to Decide Whether Mr. Warren Violated the Anticybersquatting Consumer Protection Act (ACPA)**

The Custodian first requests that Mr. Warren turn over the coloradohumane.net domain name by arguing that Robert Warren has violated the Anticybersquatting Consumer Protection Act (ACPA) cyberpiracy prevention provision. This provision states that a person, like Mr. Warren, can be "liable in a civil action by the owner of a mark... [if] that person... has a bad faith intent to profit from the mark, including... an intent[ion] to divert consumers from the mark owner's online location... with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source." 15 U.S.C. § 1125(d)(1)(A)-(B)(V). If such elements are satisfied, the Court can order "the transfer of the domain name to the owner of the mark." 15 U.S.C. § 1125(d)(1)(C). Mr. Warren has freely admitted, both in his deposition and during his civil contempt hearing testimony, that he registered the coloradohumane.net domain name three days after the Custodian took over the Colorado Humane Society (CHS) with the intent to "tell [his] story" and "so people looking for CHS can see [his] version." Therefore, there is a valid and compelling argument that Mr. Warren's actions constituted cyberpiracy.

However, as the Court orally stated during the proceedings on November 13, 2009, the ACPA seems to provide only a specific *federal* remedy against the cybersquatting of trademarks. *See* 15 U.S.C.A. § 1125(d); *1-800 Contacts, Inc. v. WhenU.com*, 309 F.Supp.2d 467, 505 (S.D.N.Y. 2003). Xuan-Thao Nguyen, *Blame it on the Cybersquatters: How Congress Partially Ends the Circus Among*

*the Circuits with the Anticybersquatting Consumer Protection Act*, 32 Loy. U. Chi. L.J. 777, 792 (2001). The Court indicated its concern that, as a state district court, this Court lacked jurisdiction to decide whether Mr. Warren's actions were cyberpiracy. After the Court voiced its concerns, the Custodian filed its "Custodian's Supplemental Authorities Regarding Motion for Turnover (coloradohumane.net).

In its Supplemental Authorities, the Custodian first directs the Court to a Colorado Appellate Court case that allegedly applied federal trademark law in a state court proceeding. *See Mesa Springs Enters., Inc. v. Cutco Indus., Inc.*, 736 P.2d 1251 (Colo. App. 1986). However, the *Mesa Springs* case concerned whether Mesa had obtained a superior right to use the disputed trademark under common law by the time Cutco federally registered the same trademark. *Id.* at 1254. Thus, the dispute centered around whether the Colorado state law registration of the mark was superior to the federal registration of the mark based on whether the common law mark had acquired the requisite "secondary meaning" to trump the federal registration. *Id.* Therefore, the Court does not find this case very persuasive.

Next, the Custodian argues that the omission of the word "trademark" from the statute that outlines the federal court's exclusive jurisdiction in intellectual property matters indicates that state courts have concurrent jurisdiction on trademark matters. *See* 28 U.S.C. 1338(a). Under 28 U.S.C. 1338:

- (a) district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the United States in patent, plant variety protection and copyright cases.

The Custodian bolsters this argument by citing to *Buffalo Wing Factory, Inc. v. Mohd.* This Virginia Circuit Court case discusses concurrent jurisdiction between state and federal courts. *See Buffalo Wing Factory, Inc. v. Mohd.*, 71 Va. Cir. 138, 139, 2006 WL 1994579 at \*1 (Va. Cir. Ct. 2006). It states that

Concurrent jurisdiction in state and federal courts over claims arising from federal law is presumed. The presumption applies even if a federal statute explicitly provides for original federal jurisdiction, so long as that statute does not also provide that jurisdiction is exclusive in the federal courts. *See* 17A-120 Moore's Federal Practice-Civil § 120.12. Exclusive federal jurisdiction is established either through an

express statutory statement or by a federal court ruling that federal court jurisdiction is exclusive. *Id.* Concurrent jurisdiction is the norm unless legislative history unambiguously indicates a Congressional intent for exclusive federal jurisdiction or the exercise of state court jurisdiction is incompatible with the federal interests. *Gulf Offshore Co. v. Mobil Oil Corp., et al.*, 453 U.S. 473-477-78 (1981)

*Buffalo Wing Factory, Inc. v. Mohd*, 71 Va. Cir. 138, 2006 WL 1994579 at \* 1 (Va. Cir. Ct. 2006).

Here, the federal statute explicitly provides for original jurisdiction over trademark matters. Furthermore, according to an express statutory statement in the second sentence, exclusive federal jurisdiction is not established for trademarks. Therefore, under the rationale in *Buffalo Wing Factory*, concurrent jurisdiction for state courts is presumed. The Virginia Circuit Court also noted that “the decision to not include trademarks in this exclusive jurisdiction appears to be an intentional affirmation of the concurrent jurisdiction of the state and federal courts over trademark matters....” *Id.*

As stated above, under the ACPA, a person, like Mr. Warren, can be “liable in a civil action by the owner of a mark... [if] that person... has a bad faith intent to profit from the mark, including... an intent[ion] to divert consumers from the mark owner’s online location... with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source.” 15 U.S.C. § 1125(d)(1)(A)-(B)(V). If such elements are satisfied, the Court can order “the transfer of the domain name to the owner of the mark.” 15 U.S.C. § 1125(d)(1)(C). Since the Court does have concurrent jurisdiction to decide whether the ACPA has been violated, and the Court believes Mr. Warren had a bad faith intent (as defined in the statute and case law) to divert consumers from the mark owner’s online location with the intent to disparage the mark. The Court understands Mr. Warren’s motives and desire to secure a means to “tell his side of story” by making it easy for people interested in the Colorado Humane Society to find a web site with his views. However, to use coloradohumane.net for that purpose is in violation of the law. The Court orders Mr. Warren to transfer of the coloradohumane.net domain name to the Custodian, as the owner of the trademark.

**B. The coloradohumane.net Domain Name Is Not Property of the Custodianship Estate and Thus Is Not Subject to the Turn Over Order**

The Custodian also attempts to argue that the .net domain name was property of the Custodianship Estate and subject to the turn over order. In support of its contention that the coloradohumane.net domain name was property of the estate, the Custodian points to paragraphs 10 and 12 of the Order Appointing Custodian. Paragraph 10 requires Mr. Warren, who is “now or hereafter in possession of any CHS Assets[,] ... [to] surrender [those] Assets to the Custodian,” while Paragraph 12 enjoins Mr. Warren from “buying ... any CHS Assets not in the possession or control of the Custodian.”

However, the Custodian has not provided any evidence that the coloradohumane.net domain name is a CHS Asset besides its arguments that Mr. Warren’s actions constitute cyberpiracy and thus the coloradohumane.net domain name should be transferred to the Custodian. As Mr. Warren illustrates in his Response, the coloradohumane.net domain name was not a CHS Asset on December 16, 2008, when the Custodian took over and was still for sale, without an owner, on December 19, 2008, when Mr. Warren purchased the domain name with his own personal funds. Since the coloradohumane.net domain name was not a CHS Asset when Mr. Warren purchased it on December 19, 2008, it is not subject to the turn over provision in Paragraph 10 of the Custodial Order. However, the Court does not find that the Custodian instituted this action in bad faith or for the purpose of harassment, and thus Mr. Warren is not entitled to the costs of defending himself against this action or for reasonable attorney’s fees.

Since the coloradohumane.net domain name was not a CHS Asset at the time the Custodian took over the CHS, the Court cannot order a turn over based on the Custodial Order nor hold Mr. Warren in contempt for failure to do so. However, since the Court has concurrent jurisdiction to decide whether Mr. Warren’s actions constituted cyberpiracy, and the Court believes he did engage in cyberpiracy, the Court orders that Mr. Warren turn over the coloradohumane.net domain name to the Custodian, as the current owner of the trademark.

SO ORDERED THIS 2<sup>nd</sup> DAY OF DECEMBER 2009.

BY THE COURT:



Charles M. Pratt  
District Court Judge