

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

SCOTT PETRETTA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 1:20-cv-996 (LO/TCB)
)	
GOCARS.COM, <i>et al.</i> ,)	
)	
Defendants.)	
)	

REPORT AND RECOMMENDATION

THIS MATTER is before the undersigned on Plaintiff Scott Petretta’s (“Plaintiff”) Motion for Default Judgment (Dkt. 13).¹ For the reasons stated below, the undersigned U.S. Magistrate Judge recommends that the Court grant Plaintiff’s motion for default judgment.

I. BACKGROUND

A. Procedural Posture

Plaintiff filed its Complaint on August 26, 2020 pursuant to the Anti-Cybersquatting Consumer Protection Act (“ACPA”), 15 U.S.C. § 1125(d), and alternatively under 28 U.S.C. § 1655 and Virginia common law. (*See generally* Dkt. 1.) Additionally, Plaintiff brought claims under the Computer Fraud Abuse Act, 18 U.S.C. § 1030, the Electronic Communications Privacy Act, 18 U.S.C. §§ 2701, 2707, and Virginia common law. (Compl. at ¶ 1.) Plaintiff’s Complaint sought, among other things, the transfer of Defendant Domain Names GOCARS.COM, GODOCTOR.COM, GOFASHION.COM, GOGAMES.COM, GOGIFTS.COM,

¹ The relevant filings before the undersigned include Plaintiff’s Verified Complaint (“Compl.”) (Dkt. 1); Plaintiff’s Motion for Default Judgment (“Mot. Default J.”) (Dkt. 13); Memorandum in Support of Plaintiff’s Motion for Default Judgment (“Mem. Supp.”) (Dkt. 14); and all attachments and exhibits submitted with those filings.

GOPARTY.COM, GORESTAURANTS.COM, GOSAFETY.COM, GOSALES.COM, GOSERVICE.COM, GOWEATHER.COM, and MX4.COM (“Defendant Domain Names”) to Plaintiff’s domain name registrar of choice. (Compl. at ¶ 18.) When a representative for Defendant Domain Names failed to timely appear or otherwise respond in this matter, Plaintiff requested the clerk’s entry of default on November 4, 2020, and the Clerk entered Defendants’ default the next day. (Dkts. 11-12.) Thereafter, Plaintiff filed the instant motion for default judgment and the supporting memorandum on November 20, 2020. (Dkts. 13-14.) Plaintiff initially noticed a hearing for December 4, 2020. (Dkt. 15.) Due to the COVID-19 pandemic, on November 23, 2020, the undersigned entered an order stating:

[T]o proceed as cautiously and safely as possible, the Court will not hold a hearing on this matter. Instead, the Court will allow any interested party to file an objection within twenty (20) days of the date of this Order. Accordingly, any objections to Plaintiff’s motion for default judgment are to be filed with the Clerk’s office by Monday, December 14, 2020 at 5:00 p.m. The undersigned will then issue a Report and Recommendation concerning the default judgment without a hearing.

(Dkt. 16.)

No interested party filed a timely objection. Accordingly, the undersigned issues this Report and Recommendation to address Plaintiff’s motion for default judgment.

B. Jurisdiction and Venue

Before the Court can render default judgment against an Internet domain name pursuant to the ACPA, it must have (1) subject-matter jurisdiction, (2) *in rem* jurisdiction over the domain name, and (3) proper venue.

First, the undersigned finds that this Court has federal question subject-matter jurisdiction. Plaintiff brought this cause of action pursuant to the ACPA, a federal trademark statute. (See Compl. ¶¶ 1, 13.) This Court therefore has original jurisdiction under 28 U.S.C. §

1331 (jurisdiction over “civil actions arising under the Constitution, laws, or treaties of the United States”), 15 U.S.C. § 1121(a) (jurisdiction over federal trademark actions), and 28 U.S.C. § 1338(a) (jurisdiction over “any Act of Congress relating to . . . trademarks”).

Second, the undersigned finds that the Court has proper *in rem* jurisdiction over Defendant Domain Names pursuant to 15 U.S.C. § 1125(d)(2)(A). This subsection allows a plaintiff to file an *in rem* civil action against an Internet domain name if the plaintiff is unable to (1) “obtain *in personam* jurisdiction over a person who would have been a defendant in a civil action”; or (2) find the person who would have been the defendant through due diligence. 15 U.S.C. § 1125(d)(2)(A)(ii)(I)-(II). Here, Plaintiff alleges that he was unable to obtain *in personam* jurisdiction over the individual who would have been the defendant in this civil action, as “the registrants of the Defendant Domain Names are being concealed.” (Compl. ¶ 24.) Despite Plaintiff’s due diligence—including sending notice of the alleged violation and his intent to proceed *in rem*, as well as publishing notice of this action as directed by the Court—Plaintiff was still unable to identify the individual. (Dkts. 5, 10.) Therefore, this Court has proper *in rem* jurisdiction over Defendant Domain Names pursuant to the ACPA.

Third, Plaintiff filed this lawsuit in the proper venue. Under 15 U.S.C. § 1125(d)(2)(C)(i), the domain name’s “situs” is in the judicial district where “the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located.” 15 U.S.C. § 1125(d)(2)(C)(i). Here, venue is proper because (1) the registry operator for .COM domain names, VeriSign, Inc., is located within the Eastern District of Virginia; and (2) Defendant Domain Names are “.COM” domain names. (Compl. ¶ 29.)

C. Service of Process

Before the Court can render default judgment, it must be satisfied that the defaulting party has been properly served. Federal Rule of Civil Procedure 4(n)(1) allows a federal court to assert jurisdiction over property if a federal statute authorizes it. Fed. R. Civ. P. 4(n)(1). The Rule further provides that the defendant must be given notice of the lawsuit “as provided in the [federal] statute or by serving a summons under [Rule 4].” *Id.* Under the ACPA, a plaintiff filing an *in rem* action must serve the registrant of the allegedly infringing domain name. 15 U.S.C. § 1125(d)(2)(A)-(B). If a plaintiff is unable to find or obtain *in personam* jurisdiction over the person who would have been the defendant, then the plaintiff can effect service of process by (1) sending notice of the alleged violation and intent to proceed *in rem* to the registrant of the domain name at the postal or e-mail address provided to the registrar; and (2) publishing notice as directed by the court. *Id.* § 1125(D)(2)(A)(ii)(aa)-(bb).

Here, Plaintiff has demonstrated proper service of process under the ACPA. On September 9, 2020, Plaintiff filed a Motion for Order to Publish Notice of Action and a supporting memorandum. (Dkts. 2, 3.) In that motion, Plaintiff demonstrated its compliance with the first requirement under the statute. Specifically, Plaintiff’s counsel sent a letter to the current registrants of Defendant Domain Names using the email and postal addresses on file with the registrar of the domain names, notifying the registrant of this lawsuit and its intent to proceed *in rem*. (Dkt. 3-1.)

The next day, the Court granted Plaintiff’s motion and ordered Plaintiff to publish the Order providing notice of this lawsuit to the registrant of Defendant Domain Names in *The Washington Times* or *The Washington Post* once within fourteen (14) days of the Order. (Dkt. 5.) The Order further directed Plaintiff to file a declaration within seven (7) days after compliance

with the Order. (*Id.*) On October 26, 2020, Plaintiff's counsel, Ms. Adrienne J. Kosak, filed a declaration and supporting documentation pursuant to the Court's September 10, 2020 Order. (Dkt. 10.) Ms. Kosak's declaration demonstrates that Plaintiff complied by publishing the Order once per week for six consecutive weeks in *The Washington Times* starting on September 15, 2020. (Dkt. 10 ¶ 5, Ex. A.)

The undersigned finds that Plaintiff fulfilled the steps under the ACPA and this Court's Order to properly effect service of process.

II. FINDINGS OF FACT

Upon a full review of the pleadings and record in this case, the undersigned finds that Plaintiff has established the following facts.

A. **Plaintiff's Rights**

Plaintiff Scott Petretta was the sole principal of Multi-Force Corp. ("MX4") until the corporate entity ceased activity and Plaintiff acquired its assets, including Defendant Domain Names. (Compl. ¶¶ 3, 32.) Plaintiff founded MX4 in 1988 and it operated as a technologies market research, project management, and web development firm for years. (Compl. ¶ 31.) As part of its operations, MX4 published market research studies, held technology conferences, provided consulting services, and developed websites. (*Id.*)

Plaintiff is the first and only owner of Defendant Domain Names, and he registered domain name MX4.COM in 2001. (Compl. ¶¶ 33-34.) Plaintiff used the MX4.COM domain name in commerce for nearly 20 years to promote his business and its services until Defendant John Doe stole the domain name and disabled Plaintiff's access. (Compl. ¶¶ 35-36.)

Plaintiff, through MX4, has used a family of marks and domain names in pursuit of its technologies market research, project management, and web development services since 2001.

(Compl. ¶ 37.) These domain names include GOCARS.COM, GODOCTOR.COM, GOFASHION.COM, GOGAMES.COM, GOGIFTS.COM, GOPARTY.COM, GORESTAURANTS.COM, GOSAFETY.COM, GOSALES.COM, GOSERVICE.COM, and GOWEATHER.COM (“GO Family of Marks”). (Compl. ¶ 37.) Plaintiff used this family of domain names to identify and promote his services and websites until Defendant John Doe disabled Plaintiff’s control of the domain names. (Compl. ¶¶ 39-40.)

B. Unlawful Registration and Transfer of Defendant Domain Names

Plaintiff alleges he is a victim of “domain name theft.” (Compl. ¶ 44.) Plaintiff managed his domain names with a Dotster.com account on a protected computer. (Compl. ¶¶ 45-46.) Dotster.com is reseller of the ICANN accredited registrar Domain.com, LLC. (*Id.*) Upon reviewing his Dotster.com account, Plaintiff realized his domain names had been transferred to several other registrars, although he did not receive notifications about the transfers as required by ICANN. (Compl. ¶ 47.)

Plaintiff did not authorize the use or transfer of Defendant Domain Names. (Compl. ¶¶ 50, 55.) Rather, Defendant John Doe obtained unauthorized access to Plaintiff’s domain name registrar account and unlawfully transferred the Defendant Domain Names through an “account transfer” with Dotster.com. (Compl. ¶ 48.) Defendant John Doe further prevented Plaintiff from receiving electronic communications approving the transfer, which deprived Plaintiff of control of the domain names and associated websites. (Compl. ¶ 49-50.)

Upon contacting Dotster.com about the theft, Doster.com informed Plaintiff his account was hacked but that it could not secure the return of Plaintiff’s domain names. (Compl. ¶ 51.) Plaintiff then contacted the FBI, along with the registrars for Defendant Domain Names through the contact information on the whois records for the domain names, and informed them the

domain names had been stolen. (Compl. ¶¶ 52-35.) To date, Plaintiff has only been able to recover three of the stolen domain names, which are not listed as defendants, from a third-party who purchased the domain names without knowledge that they had been stolen. (Comp. ¶ 54.) A purported registrant for MX4.COM also reached out to Plaintiff's counsel but did not respond to this action. (Mem. Supp. at 9-10.)

III. EVALUATION OF THE PLAINTIFF'S COMPLAINT

When a defendant has defaulted, the well-pleaded allegations of facts set forth in the plaintiff's complaint are deemed admitted. *JTH Tax, Inc. v. Grabert*, 8 F. Supp. 3d 731, 736 (E.D. Va. 2014) (citing *Ryan v. Homecomings Fin. Network*, 253 F.3d 778, 780 (4th Cir. 2001)). However, the defaulting party is not deemed to admit conclusions of law or "allegations regarding liability that are not well-pleaded." *Balt. Line Handling Co. v. Brophy*, 771 F. Supp. 2d 531, 540 (D. Md. 2011) (internal quotation marks and citations omitted). Consequently, before entering default judgment, the Court must evaluate the plaintiff's complaint against the standards of Federal Rule of Civil Procedure 12(b)(6) to ensure that the complaint properly states a claim upon which relief can be granted. *GlobalSantaFe Corp. v. Globalsantafe.com*, 250 F. Supp. 2d 610, 612 n.3 (E.D. Va. 2003) (citations omitted).

Here, as discussed more below, Plaintiff only seeks the transfer of Defendant Domain Names under the ACPA (Count I), and requests that this Court dismiss the remaining counts in the complaint (Counts II-V) without prejudice. (Mem. Supp. at 2.) Accordingly, the undersigned will only address the ACPA claim (Count I).

A. Legal Standard

Generally, the ACPA provides for a party to be liable to a trademark owner if that party has a bad-faith intent to profit from the owner's mark and registers, traffics in, or uses a domain name that is identical, confusingly similar to, or dilutive of that mark. 15 U.S.C. § 1125(d)(1)(A); *see also Cent. Source LLC v. annualcreditreport.com*, No. 1:14-cv-304, 2014 WL 3811162, at *6 (E.D. Va. Aug. 1, 2014) (citing *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 367 (4th Cir. 2001)). Accordingly, the ACPA allows the owner of a mark to bring an *in rem* proceeding against a domain name if it violates the owner's trademark rights and if the owner satisfies the various procedural provisions discussed above. *See* 15 U.S.C. § 1125(d)(2)(A). In an *in rem* action, the remedies are limited to forfeiture, cancellation, or transfer of the infringing domain name to the owner of the mark. *Id.* § 1125(d)(2)(D).

To be entitled to relief, the plaintiff must prove a violation of "any right of the owner of a mark," which encompasses rights against cybersquatting. *Id.* § 1125(d)(2)(A); *see Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 228, 232 (4th Cir. 2002). The owner of a mark may therefore be entitled to *in rem* relief upon proving a violation of § 1125(d)(1), which creates civil liability for registering, trafficking in, or using a domain name that is "identical or confusingly similar" to a plaintiff's famous and/or distinctive mark, with a bad-faith intent to profit from that mark. 15 U.S.C. § 1125(d)(1)(A). In sum, to establish such an ACPA violation, a plaintiff must establish: (1) its ownership of a valid and protectable mark; (2) the registrant's use of a domain name that is "identical or confusingly similar" to the plaintiff's mark; and (3) the registrant's bad-faith intent to profit from the mark. *See id.*

1. Plaintiff Possesses a Valid and Protectable Mark

Plaintiff must first demonstrate that it has protectable rights in the MX4 and GO Family of Marks. Here, the undersigned finds that Plaintiff has protectable marks under common law.

First, at common law, trademark ownership can be acquired “by actual use of the mark in a given market.” *Emergency One, Inc. v. Am. Fire Eagle Engine Co.*, 332 F.3d 264, 267 (4th Cir. 2003). Here, as established above, Plaintiff has used the MX4 mark continuously in the U.S. commerce since 1988 in association with his technologies market research, project management, and web development services. (*See* Compl. ¶¶ 31-36.) And, Plaintiff has used the MX4 mark and GO Family of Marks in the form of Defendant Domain Names for nearly twenty (20) years to promote and provide his services. (Compl. ¶¶ 34, 35, 37, 40.) Accordingly, the undersigned finds that Plaintiff is entitled to common law trademark rights in the MX4 and GO Family of Marks.

Second, for protection under the ACPA, a plaintiff’s mark must be distinctive and/or famous at the time of the defendant domain name’s registration. 15 U.S.C. § 1125(d)(1)(A)(ii)(I)-(II). Here, Plaintiff pleads that MX4 mark and GO Family of Marks (1) are currently distinctive and famous and (2) were distinctive and famous at the time of the unauthorized registration of Defendant Domain Names. (Mem. Supp. at 12-13.)

For these reasons, the undersigned finds that Plaintiff possesses a valid and protectable mark.

2. Defendant Domain Names Are Confusingly Similar to Plaintiff’s Marks

Under the ACPA, Plaintiff must show that Defendant Domain Names are either identical, confusingly similar to, or dilutive of a distinctive mark owned by Plaintiff. 15 U.S.C. § 1125(d)(1)(A); *see Doughney*, 263 F.3d at 367. If Defendant Domain Names and Plaintiff’s mark

are virtually identical, then they are “confusingly similar” under the ACPA. *See Agri-Supply Co. v. Agrisupply.com*, 457 F. Supp. 2d 660, 664 (E.D. Va. 2006); *see also Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 936 (4th Cir. 1995) (“[I]n evaluating the similarity of two marks ... the marks need only be sufficiently similar in appearance.” (citation omitted)). Logically, this “confusingly similar” standard is satisfied when a domain name is identical to a plaintiff’s mark. *See Agri-Supply*, 457 F. Supp. 2d at 663. Moreover, in the context of domain names, the mere presence of a top-level domain—such as “.COM”—“does not itself have source-identifying significance.” *Booking.com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171, 185 (4th Cir. 2019), *as amended* (Feb. 27, 2019), *aff’d*, 140 S. Ct. 2298 (2020) (citations omitted).

Here, this standard is easily met. Defendant Domain Name MX4 adds only “.com” to Plaintiff’s mark, which as discussed above, is irrelevant in determining whether a domain name is identical or confusingly similar to a mark. Further, the GO Family of Marks are identical to their corresponding domain names. Therefore, Plaintiff’s marks and Defendant Domain Names are identical for purposes of the ACPA.

3. Registrant’s Bad Faith

Lastly, the undersigned finds that the current registrant of Defendant Domain Names acted in bad faith. Relevant factors for this determination include: (1) the registrant’s intellectual property rights in the domain name; (2) the extent to which the domain name consists of the registrant’s legal name; (3) the registrant’s bona fide noncommercial or fair use of the mark in a website accessible under the domain name; (4) the registrant’s intent to divert consumers from the mark owner’s website for commercial gain and in such a way that could harm the goodwill of the mark by creating a likelihood of confusion as to the source of the website; and (5) the

registrant's provision of misleading or false contact information when applying for registration of the domain name. 15 U.S.C. §§ 1125(d)(1)(B)(i)(I)-(II), (IV)-(V), (VII). Courts may use these factors as a guide but are not required to exhaustively consider them. *Lamparello v. Falwell*, 420 F.3d 309, 319-20 (4th Cir. 2005).

Here, there are several indications of the current registrant's bad faith. First, Defendant Domain Names do not reflect the registrant's intellectual property rights. (Compl. ¶ 56; *see also* 15 U.S.C. § 1125(d)(1)(B)(i)(I).) Second, Defendant Domain Names do not reflect the current registrant's legal name, or any other name used to identify the registrant. (Compl. ¶ 57; *see also* 15 U.S.C. § 1125(d)(1)(B)(II).) Third, the registrant has never engaged in any bona fide noncommercial or fair use of the MX4 mark or GO Family of Marks on a website accessible under Defendant Domain Names. (Compl. ¶ 58; *see also* 15 U.S.C. § 1125(d)(1)(B)(i)(IV).) Fourth, the registrant of Defendant Domain Names has indicated an intent to divert customers from Defendant Domain Names' corresponding websites in a way that harms the goodwill of Plaintiff's marks and deprives Plaintiff of access to the domain names. (Compl. ¶¶ 33-35, 37, 38, 40; *see also* 15 U.S.C. § 1125(d)(1)(B)(i)(V).) Finally, the current registrant of Defendant Domain Names supplied material and misleading contact information when registering the domain names, which supports a finding of bad faith. (Compl. ¶¶ 4-19; *see also* 15 U.S.C. § 1125(d)(1)(B)(i)(VII).) Upon review of the relevant factors and underlying facts, the undersigned concludes that the registrant of Defendant Domain Names acted in bad faith.

B. Conclusion

Plaintiff has satisfied the ACPA's procedural provisions and is entitled to relief under 15 U.S.C. § 1125(d). As a result, the undersigned finds that the Court may order the forfeiture or cancellation of Defendant Domain Names, or transfer ownership of Defendant Domain Names to

Plaintiff. *See* 15 U.S.C. § 1125(d)(1)(C), (2)(D)(i).

IV. REQUESTED RELIEF

Plaintiff requests that the Court (1) enter default judgment against Defendant Domain Names on Count I of Plaintiff's Complaint; (2) dismiss Counts II-V of Plaintiff's Verified Complaint without prejudice; and (3) direct VeriSign, Inc. to change the registrar of record for each of Defendant Domain Names to Plaintiff's domain name registrar of choice, GoDaddy.com LLC, and direct GoDaddy.com LLC to take all necessary steps to have Plaintiff listed as the registrant for the domain names. The undersigned will consider each form of requested relief in turn.

A. Entering Default Judgment on Count I

The undersigned found above that Plaintiff pled a claim upon which relief can be granted under the ACPA (Count I). As a result, the undersigned recommends granting Plaintiff's motion for default judgment, thereby entering default judgment in favor of Plaintiff and against Defendant Domain Names on Count I of Plaintiff's Complaint.

B. Dismissing Counts II-V Without Prejudice

As Plaintiff is seeking default judgment under the ACPA claim (Count I) only, Plaintiff seeks dismissal of the remaining claims in the Complaint without prejudice. Because the undersigned recommends entering default judgment under Count I, the undersigned also finds good cause to dismiss Counts II-V without prejudice.

C. Transfer of Defendant Domain Names to Plaintiff

As a remedy in *in rem* proceedings against a domain name, a court may order the transfer of the domain name to the owner of the mark. 15 U.S.C. § 1125(d)(1)(C), (2)(D)(i). Here, the domain name registry for Defendant Domain Names is maintained by VeriSign, Inc., which is

located in this Court's judicial district. (Compl. ¶ 17.) As such, upon entry of default judgment against Defendant Domain Names on Count I, the Court may order the registry to change the registrar of record to Plaintiff's domain name registrar of choice. Because Plaintiff has pled a claim upon which relief can be granted under the ACPA and satisfied the procedural and jurisdictional requirements, the undersigned recommends that the Court order Verisign, Inc. to change the registrar of record to Plaintiff's registrar of choice.

V. RECOMMENDATION

For the reasons stated above, the undersigned recommends that this Court (1) grant Plaintiff's motion for default judgment (Dkt. 13), thereby entering default judgment against Defendant Domain Names and in favor of Plaintiff on Count I of Plaintiff's complaint; (2) dismiss Counts II-V of Plaintiff's Verified Complaint without prejudice; and (3) direct VeriSign, Inc. change the registrar of record for Defendant Domain Names to Plaintiff's domain name registrar of choice, GoDaddy.com LLC, and direct GoDaddy.com LLC to take all necessary steps to have Plaintiff listed as the registrant for Defendant Domain Names.

VI. NOTICE

The parties are advised that objections to this Report and Recommendation, pursuant to 28 U.S.C. § 636 and Rule 72(b) of the Federal Rules of Civil Procedure, must be filed within fourteen (14) days of its service. Failure to object to this Report and Recommendation waives appellate review of any judgment based on it.



/s/

THERESA CARROLL BUCHANAN
UNITED STATES MAGISTRATE JUDGE

December 15, 2020
Alexandria, Virginia