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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

VERIZON CALIFORNIA INC., et	)	CASE NO.: CV 08-2463 ABC (Ex)
al.,	)	
	)	
Plaintiffs,	)	ORDER RE: PLAINTIFFS' MOTION FOR
	)	PRELIMINARY INJUNCTION
v.	)	
	)	
NAVIGATION CATALYST SYSTEMS,	)	
INC., et al.,	)	
	)	
Defendants.	)	
_____	)	

Pending before the Court is Plaintiffs' Motion for Preliminary Injunction ("Motion"), filed June 9, 2008. Defendants filed their opposition to the Motion on June 16, 2008; Plaintiffs filed their reply on June 23, 2008. The hearing on this matter was held on June 30, 2008. Upon consideration of the parties' submissions, arguments of counsel, and the case file, the Court hereby GRANTS the Motion in part, and DENIES it in part, as set forth below.

**BACKGROUND**

On April 15, 2008, Plaintiffs Verizon California Inc., Verizon Trademark Services LLC, and Verizon Licensing Company ("Plaintiffs") filed this case against Defendants Navigation Catalyst Systems, Inc.

1 and Basic Fusion, Inc. ("Defendants"). The three Plaintiffs are  
2 subsidiaries and affiliates of Verizon Communications, Inc., one of  
3 the largest telecommunications companies in the world. (Declaration  
4 of Janis M. Manning in Supp. of Mot. for Prelim. Inj. ("Manning  
5 Decl."), ¶ 3.) Verizon Trademark Services LLC ("VTS") owns the  
6 VERIZON and VERIZON WIRELESS trademarks and trade names, as well as  
7 logo versions of these marks (collectively, the "VERIZON marks"), for  
8 which it has obtained United States trademark registrations. (Manning  
9 Decl., ¶ 4.) Plaintiffs have owned and used the VERIZON marks since  
10 at least 2000. (Manning Decl., ¶¶ 8, 12.) VTS also owns the FIOS and  
11 VERIZON FIOS trademarks (collectively, the "VERIZON FIOS marks"), and  
12 their United States trademark registrations. (Manning Decl., ¶ 5.)  
13 Plaintiffs have owned and used the VERIZON FIOS marks since at least  
14 2004. (Manning Decl., ¶ 9.) Finally, VTS owns the VZ, VZACCESS,  
15 VZEMAIL, VZGLOBAL, VZVOICE, and VZW trademarks (collectively, the "VZ  
16 Marks"), and their United States trademark registrations. (Manning  
17 Decl., ¶ 6.) Plaintiffs have owned and used the VZ and VZW marks  
18 since at least 2000, and the rest of the VZ marks since 2003.  
19 (Manning Decl., ¶ 10.) Plaintiffs operate websites using the  
20 following domain names: verizon.com, verizon.net,  
21 verizonwireless.com, verizonfios.com, vzw.com, and vzw.msn.com.  
22 (Manning Decl. ¶¶ 12-14.)

23 Plaintiffs contend that Defendants have registered internet  
24 domain names that are confusingly similar to the trademarks and trade  
25 names identified above. Plaintiffs assert six causes of action, for:  
26 (1) Cybersquatting on Plaintiffs' VERIZON, VZ, and VERIZON FIOS marks,  
27 under 15 U.S.C. § 1125(d); (2) Trademark Infringement of the same  
28 marks, under 15 U.S.C. § 1114(1); (3) False Designation of Origin of

1 the same marks, under 15 U.S.C. § 1125(a); (4) Dilution of the VERIZON  
2 marks, under 15 U.S.C. § 1125(c); (5) Trademark Infringement of the  
3 VERIZON, VZ, and VERIZON FIOS marks, under California Business and  
4 Professions Code § 14320 and California common law; and (6) Unfair  
5 Competition, under California Business and Professions Code § 17200  
6 and California common law. In moving for a preliminary injunction,  
7 however, Plaintiffs focus on just the first of these claims, arguing  
8 that they are likely to succeed on the merits of their claim against  
9 Defendants for "cybersquatting."

10 Defendants, of course, argue that they are not cybersquatters.  
11 Defendant Basic Fusion, Inc. ("Basic Fusion") is an internet registrar  
12 accredited by the Internet Corporation for Assigned Names and Numbers  
13 ("ICANN"). (Affidavit of Seth Jacoby in Supp. of Def.'s Opp. to Pl.'s  
14 Mot. for Prelim. Inj. ("Jacoby Aff."), ¶ 2.) Thus, Basic Fusion can  
15 register domain names on behalf of its customers, enabling a customer  
16 to reserve a chosen word (or combination of letters) for use in  
17 identifying that customer's website. Basic Fusion specializes in  
18 "bulk registration," providing services to those customers seeking to  
19 register large numbers of domain names. (Jacoby Aff., ¶ 2.)

20 Defendant Navigation Catalyst Systems, Inc. ("Navigation") is an  
21 affiliate of Basic Fusion, as well as a customer. (Jacoby Aff., ¶¶ 1-  
22 2.) Navigation uses Basic Fusion's services to register hundreds of  
23 thousands of domain names.<sup>1</sup> (Jacoby Aff., ¶ 3.) To register such

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24  
25 <sup>1</sup>Defendants point out that Basic Fusion and Navigation are  
26 separate legal entities, and that Basic Fusion "does not in any way  
27 select or control the selection of domain names registered by  
28 Navigation." (Jacoby Aff., ¶ 2.) Basic Fusion just "processes the  
registration requests made by Navigation." (Jacoby Aff., ¶ 2.)  
However, Defendants do not appear to argue that there is any basis to  
(continued...)

1 large numbers of names, Navigation uses a "proprietary automated tool"  
2 to look for domain names not already registered to some other party.  
3 (Jacoby Aff., ¶ 4.) Once an un-owned domain name is identified, it is  
4 registered (or at least "reserved") with ICANN. (Jacoby Aff., ¶ 4.)  
5 The first five days after this registration is known as the "Add Grace  
6 Period," during which the new owner of the domain name can test the  
7 amount of traffic received by the new site (known as "domain  
8 tasting"). (Jacoby Aff., ¶¶ 4, 6.) During this period, the new owner  
9 can make full use of the chosen domain name, and no one else can use  
10 that domain name as the address for a website. However, during the  
11 Add Grace Period, the new owner can drop the domain name for any  
12 reason, without charge. (Jacoby Aff., ¶ 4.) If the new owner does  
13 not drop the name by the end of the Add Grace Period, it must pay the  
14 registration fee for that domain name. (Jacoby Aff., ¶ 4.)

15 According to Plaintiffs, Defendants "registered" with ICANN at  
16 least 1,392 domain names that are confusingly similar to Plaintiffs'  
17 marks.<sup>2</sup> (Declaration of Anne F. Bradley in Supp. of Mot. for Prelim.  
18 Inj. ("Bradley Decl."), ¶ 2.) For example, Defendants registered  
19 ve3rizon.com, veri8zon.net, veri9zonwireless.com, verisonbilling.com,  
20 vzstore.com, vzwphones.com, etc. (Bradley Decl., ¶ 2; id. at Exh. A.)  
21 Defendants do not actually dispute that these names were at one point  
22 "reserved" with ICANN, but assert that the majority of names of which  
23 Plaintiffs complain were dropped during the Add Grace Period, after

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24  
25 <sup>1</sup>(...continued)  
26 distinguish between the two entities for purposes of ruling on  
27 Plaintiffs' Motion for a Preliminary Injunction.

28 <sup>2</sup>Plaintiffs also assert that Defendants have registered thousands  
of domain names that are confusingly similar to other famous marks,  
not owned by, or associated in any way with, the instant plaintiffs.

1 Defendants performed their "trademark scrubbing" procedures.  
2 Defendants argue that names which are merely "reserved" for a few days  
3 and then dropped during the Add Grace Period should not be considered  
4 "registered" under the Anticyberquatting Consumer Protection Act, the  
5 statute at issue here. However, Defendants do not contest that they  
6 made use of the names during the short time they had them "reserved,"  
7 using them to host at least bare bones websites that provided  
8 advertising links to other sites, whose owners paid Defendants for the  
9 opportunity. (See Bradley Decl., ¶ 4; id. at Exh. D.) In fact,  
10 Defendants' own evidence demonstrates that they do make money from  
11 domain names held for only a few days during the Add Grace Period,  
12 even if those names are deleted before the end of that period.

13 (Jacoby Aff., ¶ 13.)

14 The "trademark scrubbing" procedures Defendants describe consist  
15 of both automatic and manual components. (Jacoby Aff., ¶¶ 7-8.)  
16 Defendants maintain a "blacklist" of terms, and a database of  
17 trademarks, and will not register domain names containing these  
18 prohibited terms. (Jacoby Aff., ¶ 7.) They have recently added a  
19 number of terms to the blacklist, and the list is regularly updated.  
20 (Jacoby Aff., ¶ 7.) Several human screeners also review all domain  
21 names for trademark compliance purposes before the end of the Add  
22 Grace Period. (Jacoby Aff., ¶¶ 7-8.) However, despite these methods  
23 (or before they were fully implemented), and according to Defendants  
24 themselves, 126 names challenged by Plaintiffs slipped through the  
25 screening process, were not cancelled during the Add Grace Period, and  
26 were registered to Defendants at the time the Complaint was served.  
27 (Jacoby Aff., ¶ 16.) Further, while these procedures may enable  
28 Defendants to delete potentially infringing names before the end of

1 the Add Grace Period, they have not yet been completely successful in  
2 preventing such names from being added in the first place. Even after  
3 service of the complaint, Defendants continued to add and use new  
4 names that Plaintiffs argue are confusingly similar to the VERIZON,  
5 VZ, and VERIZON FIOS marks, such as varizonnet.com, veriso.net,  
6 versionfiosbundlrs.com, viraizonwireless.com, vzwzone.com,  
7 wwwveriizon.com, etc. (Bradley Decl., ¶ 8.) In fact, Defendants  
8 added vorizonwiorless.com two days after the Motion for Preliminary  
9 Injunction was filed. (Declaration of David J. Steele Filed in Supp.  
10 of Reply ("Steele Decl."), ¶ 3.)

11 Defendants claim that they have a policy of transferring disputed  
12 names to trademark owners upon request. (Jacoby Aff., ¶ 17.) They  
13 also claim that, upon service of the complaint, they disabled all  
14 advertising links displayed in connection with any of the 126  
15 challenged domain names they still owned at that time, and then  
16 transferred those domain names to Plaintiffs. (Jacoby Aff., ¶ 16.)  
17 Finally, they note that they would have done the same had Plaintiffs  
18 requested it, without the necessity of a lawsuit being filed. (Jacoby  
19 Aff., ¶ 17.)

#### 20 LEGAL STANDARD

21 The Ninth Circuit has articulated two tests for analyzing  
22 requests for preliminary injunctions. Freecycle Network, Inc. v. Oey,  
23 505 F.3d 898, 902 (9th Cir. 2007). "Under the 'traditional' criteria,  
24 a plaintiff must show (1) a strong likelihood of success on the  
25 merits, (2) the possibility of irreparable injury to plaintiff if  
26 preliminary relief is not granted, (3) a balance of hardships favoring  
27 the plaintiff, and (4) advancement of the public interest (in certain  
28 cases)." Id. (internal quotations omitted). Under the "alternative"

1 test, the plaintiff must show "either a combination of probable  
2 success on the merits and the possibility of irreparable injury or  
3 that serious questions are raised and the balance of hardships tips  
4 sharply in his favor." Id. (internal quotations omitted). At a  
5 minimum, though, the plaintiff must raise at least "serious questions"  
6 about the likelihood of success on the merits, or no injunction will  
7 issue. Id. Further, when implicated, the public interest must also  
8 be considered. Department of Parks & Rec. v. Bazaar Del Mundo Inc.,  
9 448 F.3d 1118, 1124 (9th Cir. 2006).

10 The "alternative" test is a sliding scale, or continuum. Bazaar  
11 Del Mundo, 448 F.3d at 1123; Southwest Voter Registration Ed. Proj. v.  
12 Shelley, 344 F.3d 914, 918 (9th Cir. 2003). Thus the greater the  
13 probability of success, the less sharply the balance of hardships must  
14 tip toward the plaintiff. Bazaar Del Mundo, 448 F.3d at 1123.  
15 Conversely, "the less certain the district court is of the likelihood  
16 of success on the merits, the more plaintiffs must convince the  
17 district court that the public interest and balance of hardships tips  
18 in their favor." Southwest Voter Registration, 344 F.3d at 918.

19 The normal calculus is altered somewhat in a trademark  
20 infringement case, in that "[i]rreparable injury is ordinarily  
21 presumed upon a showing of a likelihood of success." Abercrombie &  
22 Fitch Co. v. Moose Creek, Inc., 486 F.3d 629, 633 (9th Cir. 2007);  
23 Visions Sports, Inc. v. Melville Corp., 888 F.2d 609, 612 n.3 (9th  
24 Cir. 1989) ("In trademark infringement or unfair competition actions,  
25 once the plaintiff establishes a likelihood of confusion, it is  
26 ordinarily presumed that the plaintiff will suffer irreparable harm if  
27 injunctive relief is not granted.").

28



1 similar" to Plaintiffs' trademarks; and whether Defendants had a "bad  
2 faith intent to profit" from those domain names.

3 Defendants do not really argue that the challenged domain names  
4 here are not "confusingly similar" to Plaintiffs' trademarks. In  
5 passing, they make reference to the fact that some few of the names at  
6 issue "contain so many spelling errors -- and are so unlikely to be  
7 typed in by users -- that it is difficult to conceive of exactly what  
8 harm Verizon would suffer from their addition and deletion during the  
9 Add Grace Period." (Defs.' Mem. of Ps. & As. in Opp'n to Mot. for  
10 Prelim. Inj. ("Defs.' Mem."), at 17.) They also argue that their  
11 registration of a few "scarcely recognizable" domain names should not  
12 support a finding of bad faith. (Defs.' Mem. at 22.) However, they  
13 never make the argument that the names they registered are not  
14 sufficiently close to Plaintiffs' marks to satisfy ACPA's requirement.  
15 Nor could they, especially in light of the fact that similarity here  
16 is judged not just by appearances, but by the likelihood that a  
17 particular domain name might be typed in accidentally by someone trying  
18 to type in one of Plaintiffs' marks or domain names. Shields, 254  
19 F.3d at 484. For instance, at issue are ve3rizon.com and  
20 veri8zon.net, both of which consist of Plaintiffs' actual domain  
21 names, including Plaintiffs' trademarks, plus one extra character --  
22 in both cases a character located on the computer keyboard next to a  
23 letter found in the correct domain name, making any websites using  
24 those domain names one easily-made typo away from Plaintiffs' primary  
25 domains.

26 Nor do Defendants ever argue that the domain names at issue are  
27 dissimilar enough from Plaintiffs' marks that Defendants should be  
28 entitled to continue using them. Rather, Defendants have expressed no

1 desire to keep any of the names identified by Plaintiffs, asserting  
2 instead that they had already abandoned most of the names before the  
3 complaint was filed, and that they are attempting to divest themselves  
4 of any remaining names as quickly as possible.

5 While Defendants do not challenge the "confusingly similar"  
6 nature of the domain names at issue here, they do argue that they did  
7 not "register" most of those marks, since for most names all they did  
8 was "reserve" them for the Add Grace Period. Defendants attempt to  
9 distinguish "reserving" from "registering" by pointing out that no  
10 payment is necessary for names abandoned during the Add Grace Period,  
11 but this argument has no merit. There is nothing in the statute that  
12 defines "registration" as complete only upon payment, and Defendants  
13 have pointed to nothing to show that Congress intended "registration"  
14 to hinge on payment. Further, "reserving" versus "registering" is a  
15 distinction without a difference -- either here entitles Defendants to  
16 the exclusive control and use of the names at issue, at least for some  
17 period of time.

18 However, even if there were some significant difference between  
19 "reserving" and "registering," such that Defendants should not be  
20 considered as having "registered" names they dropped during the Add  
21 Grace Period, this would gain Defendants nothing. All indications  
22 show that Defendants "used" the domain names they had "reserved"  
23 during the Add Grace Period. That is, they hosted websites using the  
24 challenged domain names, on which were posted paid advertising links  
25 to other websites, in some instances selling products in direct  
26 competition with Plaintiffs. Thus even if Defendants never  
27 "registered" any of the challenged names, the statutory requirement  
28 would be satisfied nonetheless. 15 U.S.C. § 1125(d)(1)(A)(ii)

1 ("registers . . . or uses a domain name" (emphasis added)). Finally,  
2 even if "registration" were required, Defendants clearly did register  
3 -- even using their own definition of the term -- at least 126  
4 confusingly similar marks, including, for example, verizno.net,  
5 verisonnetwork.com, verisonwirelessplans.com, and vzstore.com.  
6 (Jacoby Aff., ¶ 16; id. at Exh. G.)

7 Defendants also argue that they lacked the "bad faith intent to  
8 profit" required by ACPA. However, they completely fail even to  
9 acknowledge, let alone discuss, that there are nine factors provided  
10 by the statute that should be considered in determining whether a  
11 defendant has the requisite bad faith for liability. In determining  
12 whether a defendant has acted in "bad faith," ACPA provides that "a  
13 court may consider factors such as, but not limited to":

- 14 (I) the trademark or other intellectual property  
15 rights of the person, if any, in the domain name;  
16 (II) the extent to which the domain name consists  
17 of the legal name of the person or a name that is  
18 otherwise commonly used to identify that person;  
19 (III) the person's prior use, if any, of the  
20 domain name in connection with the bona fide  
21 offering of any goods or services;  
22 (IV) the person's bona fide noncommercial or fair  
23 use of the mark in a site accessible under the  
24 domain name;  
25 (V) the person's intent to divert consumers from  
26 the mark owner's online location to a site  
27 accessible under the domain name that could harm  
28 the goodwill represented by the mark, either for  
commercial gain or with the intent to tarnish or  
disparage the mark, by creating a likelihood of  
confusion as to the source, sponsorship,  
affiliation, or endorsement of the site;  
(VI) the person's offer to transfer, sell, or  
otherwise assign the domain name to the mark owner  
or any third party for financial gain without  
having used, or having an intent to use, the  
domain name in the bona fide offering of any goods  
or services, or the person's prior conduct  
indicating a pattern of such conduct;  
(VII) the person's provision of material and  
misleading false contact information when applying  
for the registration of the domain name, the

1 person's intentional failure to maintain accurate  
2 contact information, or the person's prior conduct  
3 indicating a pattern of such conduct;  
4 (VIII) the person's registration or acquisition of  
5 multiple domain names which the person knows are  
6 identical or confusingly similar to marks of  
7 others that are distinctive at the time of  
8 registration of such domain names, or dilutive of  
9 famous marks of others that are famous at the time  
10 of registration of such domain names, without  
11 regard to the goods or services of the parties;  
12 and  
13 (IX) the extent to which the mark incorporated in  
14 the person's domain name registration is or is not  
15 distinctive and famous within the meaning of  
16 subsection (c) of this section.

17  
18 15 U.S.C. § 1125(d)(1)(B)(i).

19  
20 A review of these factors makes clear that Defendants had the  
21 requisite "bad faith." They do not claim to have any intellectual  
22 property rights in any of the domain names at issue; nor do they claim  
23 that any of these names consists of any Defendant's legal name, or the  
24 name of any individual associated with any of Defendants. Nor is  
25 there any history of a prior use by Defendants of any challenged name  
26 in connection with either the bona fide offering of any commercial  
27 goods or services, or any noncommercial or fair use. The first four  
28 factors thus support a finding of bad faith.

The fifth factor also cuts strongly against Defendants. It is  
clear that their intent was to profit from the poor typing abilities  
of consumers trying to reach Plaintiffs' sites: what other value  
could there be in a name like ve3rizon.com? Further, the sites  
associated with these names often contained links to products directly  
competitive with Plaintiffs' cellphone and internet businesses,  
potentially diverting consumers who would otherwise have purchased  
goods or services from Plaintiffs away from Plaintiffs. Defendants  
clearly intended "to register a domain name in anticipation that

1 consumers would make a mistake, thereby increasing the number of hits  
2 [their] site would receive, and, consequently, the number of  
3 advertising dollars [they] would gain." Shields, 254 F.3d at 484.

4 In addition, it is clear that Defendants acquired thousands of  
5 domain names that were confusingly similar to any number of famous  
6 marks. And some of the marks to which their domain names are  
7 confusingly similar are unquestionably "distinctive and famous,"  
8 including some of Plaintiffs'. Thus, the eighth and ninth factors  
9 also strongly support a finding of bad faith.

10 The seventh factor is somewhat inconclusive. Plaintiffs have  
11 offered evidence that, since the complaint was filed, Defendants have  
12 not maintained proper "WHOIS" data for all of their sites, but  
13 Defendants contest this point. Given the weight of other evidence  
14 against Defendants, though, it is not necessary to make any finding  
15 regarding Defendants' WHOIS data at this time. Even if this factor  
16 were assumed to tip in Defendants' favor, it would not be enough to  
17 change the overall balance.

18 On the other hand, Defendants have not offered to sell the  
19 challenged domain names, but have apparently transferred them to  
20 Plaintiffs without compensation. Thus, the sixth factor does favor  
21 Defendants. However, as nothing else appears to favor Defendants,  
22 this factor alone cannot outweigh the rest of the evidence presented  
23 that Defendants acted with the "bad faith" required by the statute.

24 Plaintiffs have therefore made a strong showing that they are  
25 likely to prevail on the merits of their cybersquatting claim.  
26 Defendants, acting with a "bad faith intent to profit," registered  
27 and/or used numerous domain names that are confusingly similar to  
28 Plaintiffs' trademarks.

1 **II. Irreparable Injury**

2 Irreparable injury is generally presumed in a trademark action,  
3 once the plaintiffs make a showing that they are likely to succeed on  
4 the merits. Abercrombie & Fitch, 486 F.3d at 633; Visions Sports, 888  
5 F.2d at 612 n.3. Such a showing has clearly been made here.

6 Defendants contend they can rebut such a presumption, and argue that  
7 Plaintiffs cannot show they would suffer irreparable injury in the  
8 absence of an injunction because they delayed in seeking such relief.  
9 However, Defendants present no evidence that there was any delay, just  
10 speculation. On the other hand, Plaintiffs present affirmative  
11 evidence that there was no significant delay. Plaintiffs also present  
12 evidence that Defendants are continuing to register new domain names  
13 that likely violate ACPA -- after the complaint was filed, and even  
14 after the motion for a preliminary injunction was filed. Thus, this  
15 is not a case where Defendants have been using the challenged names  
16 for years while Plaintiffs sat on their rights. The problem at this  
17 point lies not with domain names that Defendants have been using for  
18 some time, but with the fact that they continue to acquire new ones  
19 that affect Plaintiffs.

20 Defendants also argue that, presumption aside, there is no  
21 evidence of actual harm here. This is incorrect. Even if Plaintiffs  
22 were not entitled to any presumption of harm, they have sufficiently  
23 demonstrated that there is a risk such harm will occur. Since the  
24 filing of the complaint, Defendants have continued to acquire new  
25 domain names that are confusingly similar to Plaintiffs' marks. Even  
26 if they are able to identify and cancel all of those names within the  
27 Add Grace Period, there is nonetheless a period of several days for  
28 each domain name when Defendants use that name to generate revenue by

1 linking to other websites, some of which offer products and services  
2 that compete with Plaintiffs'. (Bradley Decl., ¶ 4; id. at Exh. D;  
3 Steele Decl., ¶¶ 3, 10; id. at Exh. L.) Determining later just how  
4 much internet traffic was diverted from Plaintiffs' sites to competing  
5 sites through Defendants' briefly held, and constantly changing,  
6 similar domain names, is likely to prove impossible. Thus, especially  
7 given the strength of Plaintiffs' showing that they will succeed on  
8 the merits of their cybersquatting claim, they have sufficiently shown  
9 that they will suffer irreparable harm if some injunctive relief is  
10 not granted.

### 11 **III. Balance of Hardships**

12 Having held that Plaintiffs are quite likely to succeed on the  
13 merits of their cybersquatting claim, and that they have both a  
14 presumption and actual evidence of irreparable harm on their side, it  
15 is clear that any weighing of hardships here is poised to tip heavily  
16 in Plaintiffs' favor. That is, at least as far as any injunctive  
17 relief against Defendants' use of domain names that are confusingly  
18 similar to Plaintiffs' marks is concerned. Defendants express no  
19 interest in keeping any of the challenged names, and profess to have  
20 instituted significant new procedures to prevent similar names from  
21 being registered in the future. Nonetheless, the Court is not  
22 convinced that Defendants will discontinue their behavior completely  
23 in the absence of an injunction. Defendants' "trademark scrubbing"  
24 efforts appear directed at deleting potentially infringing domain  
25 names before the end of the Add Grace Period, rather than preventing  
26 the addition of such names in the first place. As Defendants continue  
27 to use domain names during the Add Grace Period, the distinction is  
28 important. The use of "confusingly similar" domain names during the

1 Add Grace Period is within the scope of the harms the ACPA was enacted  
2 to prevent.

3 That part of the requested relief that would prohibit Defendants  
4 from using any automatic registration process, however, is a different  
5 story. Plaintiffs have not shown that they will not be sufficiently  
6 protected by an injunction preventing Defendants from using domain  
7 names that are confusingly similar to their marks. If Defendants  
8 register such a mark, whether manually or automatically, that would  
9 violate the injunction. If no such marks are registered, Plaintiffs  
10 will have achieved the relief they want, regardless of whether  
11 Defendants continue to register non-infringing marks using an  
12 automatic process. Forbidding automatic registration would  
13 essentially shut down Defendants' business completely, which is not  
14 justified on the record currently before the Court. Further,  
15 Plaintiffs have not shown that automatic registration cannot ever be  
16 conducted in a permissible fashion.

#### 17 **IV. Equitable Considerations**

18 Defendants also claim that Plaintiffs have "unclean hands" on the  
19 issue of "monetizing typo traffic," and so should not be granted the  
20 equitable remedy of an injunction. Nothing presented by Defendants  
21 suggests that Plaintiffs have engaged in any illicit or prohibited  
22 behavior, however. Thus, there is no basis on which to consider  
23 Plaintiffs's actions as giving rise to an "unclean hands" defense.

#### 24 **CONCLUSION**

25 This Order shall constitute the Court's findings of fact and  
26 conclusions of law on this issue. Based on the findings and  
27 conclusions set forth above, the Court hereby GRANTS in part, and  
28 DENIES in part, Plaintiffs' Motion for a Preliminary Injunction.

1 Plaintiffs' request for an order enjoining Defendants from registering  
2 any domain name using an automated process is DENIED. However, the  
3 Court will issue a Preliminary Injunction enjoining Defendants from  
4 registering or using any domain name that is identical or confusingly  
5 similar to the following marks: VERIZON, VERIZON WIRELESS, FIOS,  
6 VERIZON FIOS, VZ, VZACCESS, VZEMAIL, VZGLOBAL, VZVOICE, and VZW.  
7 Defendants will be further enjoined from assisting, aiding, or  
8 abetting any other person or business entity in registering or using  
9 any domain name that is identical or confusingly similar to these same  
10 ten marks. As the injunctive relief ordered is relatively modest, the  
11 Court orders Plaintiffs to post a \$10,000.00 bond within ten days of  
12 the date of entry of the Preliminary Injunction. If Plaintiffs fail  
13 to post the bond in a timely manner, the Preliminary Injunction will  
14 be vacated.

15  
16 **IT IS SO ORDERED.**

17  
18 **DATED:** June 30, 2008



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19  
20 **AUDREY B. COLLINS**  
21 **UNITED STATES DISTRICT JUDGE**  
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