

## GoDaddy victorious in dispute over OSCARS and ACADEMY AWARDS marks United States - Knobbe Martens Olson & Bear LLP

## Cybersquatting

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In *Academy of Motion Picture Arts and Sciences v GoDaddy.com*, the US District Court for the Central District of California has entered judgment in defendant GoDaddy's favour, holding that plaintiff Academy of Motion Picture Arts and Sciences failed to meet its burden of proving that GoDaddy acted with a bad-faith intent to profit from any of the plaintiff's marks under the federal Anti-cybersquatting Consumer Protection Act (ACPA).

The plaintiff filed suit against GoDaddy under the ACPA based on GoDaddy's registration of 293 domains which incorporate one or both of the plaintiff's registered ACADEMY AWARDS and OSCAR trademarks (hereinafter, the 'accused domains'). Because the registrants of these domains did not configure a domain name server (DNS) for the domains, the domains were automatically enrolled in GoDaddy's Parked Pages Programme. The DNS directs a domain name to a specific website. GoDaddy's parked pages display GoDaddy banner advertisements, Google-provided pay-per-click advertisements, or some combination of both. Registrants have the option of paying GoDaddy a monthly enrolment fee in exchange for a share of GoDaddy's pay-per-click and pop-under advertising revenue from the parked domain name (hereinafter, the 'CashParking programme'). Otherwise, GoDaddy and Google share the revenue. The CashParking registrants can also associate their domains with keywords to help Google generate relevant advertising on their pages.

The advertisements generated are controlled by Google's AdSense programme. GoDaddy has no control or knowledge of what advertisements will be displayed. However, since at least 2007, GoDaddy prohibited use of certain third-party trademarks, including ACADEMY AWARDS, as keywords in its CashParking programme. In addition to the prohibition of certain keywords, GoDaddy has implemented numerous trademark protection practices, including:

1. requiring every domain name owner to represent and warrant that its parked page does not violate any third-party rights and complies with all laws; and
2. providing a trademark complaint procedure.

GoDaddy is diligent and responsive with such complaints.

Prior to this litigation, the plaintiff worked with GoDaddy regarding the placement of advertising on parked pages resolving from domain names that the plaintiff considered to be infringing. For all complained-of domains, GoDaddy manually over-rode the domain name so that it would resolve to a non-ad parked page within an average of 2.75 days after receipt of the complaint.

The plaintiff did not deem this to be enough to protect its brands and, therefore, filed the subject lawsuit alleging violations of the ACPA. To prevail on an ACPA claim, the plaintiff must prove four elements by a preponderance of evidence:

1. GoDaddy registered, trafficked in, or used one of the accused domains;
2. the accused domain is identical, or confusingly similar, to one or more of the plaintiff's marks;
3. the relevant mark was "distinctive at the time of registration"; and
4. GoDaddy registered, trafficked in, or use the domain with a bad-faith intent to profit from the mark.

The main issue before the court in this decision was whether GoDaddy used or trafficked the domains with a bad-faith intent to profit from the plaintiff's marks.

The court found that the plaintiff failed to prove by a preponderance of evidence that GoDaddy acted with a bad-faith intent to profit from the plaintiff's marks. The court primarily focused on the following unique circumstances presented in this case to support its finding:

- GoDaddy reasonably relied in good faith on the representations made by the registrants of the accused domains stating that the registration of those domains did not violate any third-party trademark rights.
- The accused domains were automatically enrolled in the Parked Page Programme because the owner did not configure a DNS for the domains.
- Third party Google, not GoDaddy, controlled the advertisements displayed on the accused domains that referenced or contained the plaintiff's marks.

- GoDaddy seeks to help brand owners with their intellectual property concerns, and specifically helped the plaintiff.
- GoDaddy implemented an arguably overbroad filter to prevent the display of advertisements on any domain containing one or more of the plaintiff's marks in the domain string. GoDaddy also implemented a broader trademark filter that prevents the display of advertisements on any parked domain that contains one of nearly 1,400 registered trademarks in the domain string.
- GoDaddy did not promote or otherwise directly drive traffic to the accused domains.
- GoDaddy's revenue from the accused domains was minimal (eg, \$107 from pop-under and Google-provided, third-party pay-per-click advertisements on 72 of the domains). Some domains generated no revenue.

Further, the ACPA provides a safe harbour to any person who registers, uses or traffics in domain names where that person "believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful". The court held that that undisputed evidence demonstrates GoDaddy's reasonable belief that the placement of ads on the accused domains was a fair use or otherwise lawful (due to the attestation by the domain name owner of the same), and thus, the safe harbour applies.

While this is a great victory for GoDaddy and other domain registrars, it should be noted that the ACPA does not provide for claims for contributory or vicarious liability and requires direct liability unlike more traditional trademark infringement claims. Thus, online service providers should still be wary of contributory or vicarious liability under more traditional trademark infringement claims under the [Lanham Act](#).

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