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Re-Registration of Domain Name Containing Another's Trademark Is Not Cybersquatting

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[Rita Weeks](#)*GoPets Ltd. v. Hise*, No. 08-56110 (9th Cir., Sept. 22, 2011) (Fletcher, J.).

The U.S. Court of Appeals for the Ninth Circuit reversed a California district court's holding that re-registration of a domain name containing another's trademark violated the Anti-

Cybersquatting Consumer Protection Act. *GoPets Ltd. v. Hise*, No. 08-56110 (9th Cir., Sept. 22, 2011) (Fletcher, J.).

Edward Hise registered the domain name *gopets.com* in 1999 and claimed to have developed a business plan for the associated website, which did not materialize. In 2004, *GoPets* was founded in Korea. The plaintiff created a game called *GoPets* that allowed virtual pets to move between the computers of registered users. The plaintiff applied to register "*GoPets*" with the U.S. Patent and Trademark Office in 2004, claiming a first use of the mark in U.S. commerce in August 2004; the mark was registered in 2006. Between 2004 and 2005, the plaintiff contacted the defendant in several unsuccessful attempts to buy the domain name. In 2006, the plaintiff filed an arbitration complaint against the defendant under the Uniform Domain Name Dispute Resolution Policy, seeking transfer of the domain name. The UDRP provides for the transfer of a domain name to a party filing a UDRP complaint who shows that the domain name registrant has registered a domain name containing a trademark that is identical or confusingly similar to one in which the complainant has rights, has no rights or legitimate interests in the domain name and has registered and is used the domain name in bad faith. Ultimately, the arbitration panel found in favor of Hise. Noting that the domain name was confusingly similar to the plaintiff's *GoPets* mark, the panel nevertheless rejected transfer of the domain name because Hise had not registered it in bad faith, having registered it five years before the plaintiff was founded. Soon after the arbitration panel found in Hise's favor, he began to register several domain names incorporating "*gopets*" or similar terms. The parties continued to negotiate for the plaintiff's purchase of the domain name. Shortly after demanding a price of \$5 million, Wise transferred the domain name to his company, Defendant Digital Overture.

In 2007, the plaintiff filed a complaint against Wise alleging cybersquatting, service mark infringement, service mark dilution, false advertising and unfair competition under the Lanham Act based upon defendants' registration and use of *gopets.com*. The complaint was amended to add claims based upon defendants' registration of many other *gopets*-formative domain names that plaintiff learned of during discovery. The district court granted summary judgment for plaintiff on its cybersquatting and Lanham Act claims.

The 9th Circuit reversed. In the lower court proceedings, the plaintiff acknowledged that the domain name *gopets.com* was not "identical or confusingly similar" to a "protected" mark when defendant Hise registered it in 1999, as the plaintiff was not yet in existence. The plaintiff argued, however, and the district court agreed, that the term "registration" in the ACPA includes re-registrations as well as initial registrations. Thus, when Hise transferred *gopets.com* to Defendant Digital Overture in 2006, that "re-registration" of the domain name violated the ACPA because Plaintiff's *GoPets* mark was distinctive at that time.

The 9th Circuit rejected the plaintiff's reasoning, explaining that because Hise did not violate the ACPA when he registered the domain name in 1999, he could have retained his rights in the domain name indefinitely if he had maintained in the registration in his own name. And, there was no basis in the ACPA, the Court determined, that a right that belongs to an initial registrant of a currently registered domain name is lost when that name is transferred to another owner. Therefore, Defendant Digital Overture's "re-registration" of the gopets.com domain name did not violate the ACPA. Concerning the additional gopets-formative domain names that were registered in later years, however, the 9th Circuit affirmed the district court's finding that the defendant had violated the ACPA.