

Insights: Industry Summaries

# IP Industry Summary: And the (Damage) Award Goes to... Nobody.

September 16, 2015

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*Academy of Motion Picture Arts and Sciences v. GoDaddy.com, Inc.*, No. CV 10-03738 AB (CWx), 2015 WL 5311085 (C.D. Cal. Sept. 10, 2015).

After several years of litigation, and extensive filings and discovery, Plaintiff Academy of Motion Picture Arts and Sciences (“AMPAS”) (the entity that owns the Academy Awards and Oscars trademarks) attempted to prove at a bench trial that internet domain host GoDaddy.com LLC (“GoDaddy”) was liable to AMPAS for money damages based on cybersquatting claims.

When an internet user inputs a domain name that doesn’t exist, s/he can be redirected to a so-called “parked page,” which includes various links to similar domain names, along with advertisements. GoDaddy populates these parked pages automatically with ads and domains that it has registered and hosts. When people click on these links and ads, GoDaddy receives revenue through Google’s AdSense program.

AMPAS brought an action for damages against GoDaddy under the Anticybersquatting Consumer Protection Act (“ACPA”) because, it alleged, hundreds of domains either identical to or similar to AMPAS’s marks appeared on parked pages populated by GoDaddy. The ACPA requires a showing that the defendant, “with a bad faith intent to profit from” a mark, registers or uses a domain name that is identical, confusingly similar of a distinctive mark. Therefore, for AMPAS to recover, it had to show that GoDaddy acted in bad faith in intending to profit from registering the hundreds of domain names at issue in this case that appeared on GoDaddy’s parked pages, which were all owned and registered by third parties.

The court determined that AMPAS’s claims could not be sustained for two reasons. First, the court determined that GoDaddy’s intent to profit generally through its parked pages enterprise did not mean GoDaddy had a bad faith intent to profit through infringing use of AMPAS’s marks, especially given the fact that GoDaddy regularly and efficiently worked with mark owners under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) to take down offending websites and uses. It also made numerous efforts to implement more monitoring initiatives and software programs to prevent unauthorized uses.

Second, the court found that just because GoDaddy had the “technical capacity” to filter out possibly infringing domain names did not relieve AMPAS of the “legal duty” to police its own marks through monitoring and UDRP proceedings. AMPAS alleged that GoDaddy could have done even more to protect against unauthorized uses of AMPAS’s marks, but it did not implement these more advanced filtering technologies. The court determined that

GoDaddy's decision not to use these technologies was not sufficient to show that GoDaddy acted in bad faith. On the contrary, according to the court, if AMPAS's claims were to succeed, this success "would impose upon GoDaddy (and presumably any other company offering parking, hosting, or other basic internet services) the unprecedented duty to act as the internet's trademark police." The court determined that GoDaddy's trademark policy and compliance with UDRP procedures were more than sufficient to satisfy the law's requirements and avoid a claim based on bad faith: "What is possible, what is practical, and what the law requires are three very different things."

In the end, the court found that AMPAS could not sustain its ACPA claims because it could not establish that GoDaddy acted in bad faith through its use of domains in parked page advertising. Internet users will still find parked pages when they browse; GoDaddy will still be able to profit from those precious clicks; and AMPAS will have to roll up its sleeves and police its marks.

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