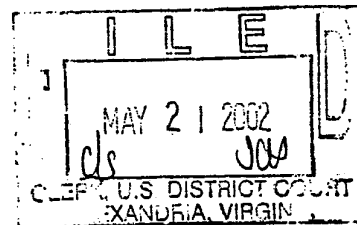


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IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division



UNITED STATES OLYMPIC COMMITTEE,
INTERNATIONAL OLYMPIC COMMITTEE,
SALT LAKE ORGANIZING COMMITTEE
FOR THE OLYMPIC WINTER GAMES
OF 2002,

Plaintiffs,

v.

2000OLYMPIC.COM, et al.,

Defendants.

Civil Action No. 00-1018-A

Report and Recommendation

This matter came before the court on the motion of Plaintiffs the United States Olympic Committee ("USOC"), the International Olympic Committee ("IOC"), and the Salt Lake City Organizing Committee for the Olympic Winter Games of 2002 ("SLOC" collectively the "Plaintiffs") for Entry of Default Judgment against 854 Defendant Domain Names¹ ("Domain Names") under the in rem provisions of the Anticybersquatting Consumer Protection Act² ("ACPA"), and Section 44(h) of the Lanham Act.³ The registrants of, or other parties having an interest in the Domain Names,

¹A complete listing of all 854 Defendant Domain Names and the Registrants is attached as Appendix 1.

²15 U.S.C. § 1125(d).

³15 U.S.C. § 1051 et seq.

failed to file an Answer or other responsive pleading in accordance with the Court's December 10, 2001 Order Setting a Time Certain to Respond to the Complaint.

Also before the Court is the Motion of Plaintiffs for the Voluntary Dismissal of 36 of the Defendant Domain Names (discussed *infra*) from this action.

Factual Summary

Based on the Complaint and the documents submitted in proof of damages, the facts are as follows: The USOC is a non-profit, Congressionally chartered corporation, with its principal place of business in Colorado. The USOC uses license and sponsorship fees to house, feed, train and otherwise support U.S. Olympic athletes. The IOC is an international, non-governmental, non-profit organization, organized under the existing laws of Switzerland, which owns all rights to the Olympic Games and the Olympic symbol, flag, motto and anthem, and which is the umbrella organization of the Olympic Movement. The SLOC is a non-profit Utah corporation, which was formed to organize, promote, fund and host the Salt Lake City 2002 Olympic Winter Games, and which is a licensee of the USOC and is authorized to use and license others to use the Olympic Marks registered to and owned by the USOC.

In accordance with the Olympic and Amateur Sports Act,⁴

⁴36 U.S.C. § 220506(a)(4). The U.S. Congress granted the USOC exclusive right in the United States to make commercial use of the word "Olympic" and "Olympiad." Congress also statutorily prohibited the commercial use of any trademark, trade name, sign, symbol or insignia falsely

and by registrations issued by the U.S. Patent and Trademark Office ("PTO") and the Swiss Trademark Office, the USOC⁵ and the IOC⁶ are the owners (and the SLOC⁷ is a licensee) of various Olympic Marks, such as OLYMPIC, OLYMPIAD, ATLANTA 1996 CULTURAL OLYMPIAD, OLYMPIQUE (the French equivalent of Olympic), OLYMPIADE (the German equivalent of Olympic Games), SALT LAKE CITY OLYMPIC WINTER GAMES OF 2002, XIX OLYMPIC WINTER GAMES, SALT LAKE ORGANIZING COMMITTEE FOR OLYMPIC WINTER GAMES OF 2002, OLYMPIC WINTER GAMES SALT LAKE 2002, OLYMPIC WINTER GAMES, AND 2002 OLYMPIC WINTER GAMES.

The USOC, together with the IOC, have used the word "Olympic" since at least 1896, when the modern Olympic Games began. Since that time, the USOC has been engaged extensively in

representing association with, or authorization by, USOC and IOC, and further prohibited commercial use of the word "Olympic" or any simulation thereof tending to cause confusion or mistake, to deceive, or to falsely suggest a connection with USOC or any Olympic activity. *Id.* at § 220506(c)(3)(4).

⁵The U.S. Patent and Trademark Office ("PTO") issued to the USOC: 1) the registration for the "Olympic" trademark in 1973, for use and in connection with a wide variety of goods and services, for which the first date of use was in 1920; 2) the registration for the "United States Olympic Committee" trademark and design in 1974, for use and in connection with a wide variety of goods and services, for which the first date of use was in 1932; 3) the registration for the "USA Olympics" trademark and design in 1987, for use on footwear, and which was first used in 1986; 4) registration for the "Olympic" trademark in 2000, for use in selecting and obtaining the most competent amateur athletes to represent the U.S. in Olympic events, etc., and which was first used in 1896; 5) . The USOC also has a large number of federal trademark registrations for other marks containing the Olympic Marks, which are too numerous to list.

⁶The IOC has registrations of the Olympic Marks in many other countries, including, but not limited to: Australia, China, France, Germany, Hong Kong, Italy, Japan, Singapore, South Korea, Spain and Taiwan.

⁷With the authorization of the USOC, the SLOC has been and is now using various Olympic Marks to identify its goods and services.

the business of using and/or licensing others to use the Olympic and Olympiad Marks throughout the United States, to the point that the word "Olympic" has acquired a secondary meaning, distinctive of the USOC's goods and services. Likewise, the IOC has engaged in business using the Olympic Mark throughout the world (including the United States), resulting in worldwide sponsorship agreements with companies such as Coca-Cola, Kodak, and Visa. Over the past century these Marks have become inherently distinctive and have an associated goodwill that is a valuable asset needed by the USOC and the IOC to ensure the long term ability to fund U.S. Olympic Teams and the overall Olympic Movement.

The owners of the Defendant Domain Names, who reside outside the U.S. in 53 different countries, are not authorized to use the Olympic Marks, but have registered in total over 1,800 domain names containing the Olympic Marks. The 854 Domain Names that are the subject of this proceeding contain Olympic Marks and/or simulations thereof, such as misspellings (e.g., "olympiaks.com" and "Olimpicgames.org"), or the foreign equivalents of such Marks (e.g., "almanaquelimpico.com," the Portuguese equivalent of "Olympic Digest," and "giochi-olimpici.com," the Italian equivalent of "Olympics"). All of the Defendant Domain Names were registered without Plaintiffs' authorization, and falsely suggest an association with:

- the 2000, 2002, 2004 and 2006 Olympic Games (e.g., "olympicgameissydney.com" and "saltlakeolympic.com");
- bid cities that are seeking to become the host city for the 2008 Olympic Games (e.g., "cairoolympics.com" and "havanaolympics.com");
- Olympic Games for years after 2008 (e.g., "olympic2010.com" and "olympic2016.com");
- certain Olympic sports (e.g., "olympic-fencing.com" and "olympicgymnastics.com");
- sponsorship of the Olympic Games (e.g., "officailsoftdrinkofthe2004olympics.com" and "olympicaccomodations.com");
- Olympics and pornography (e.g., "olympicporn.com" and "sexolympics.net"; and/or
- Olympics and gambling (e.g., "betontheolympics.com" and "olympics2000betting.com").

Many of the Domain Names also are for sale to the highest bidder (e.g. "olympicguide.com" and "olympicgames-websites.com").⁸

Jurisdiction and Venue

Plaintiffs filed this action *in rem* in order to obtain rights to the Defendant Domain Names. The ACPA allows a trademark owner to file an *in rem* action in the judicial district in which the domain name registrar, domain name registry or other domain name authority that registered or assigned the domain name is located.⁹ Although the IOC (a Swiss organization) seeks

⁸The Court does not attempt to incorporate all of the Defendant Domain Names, as that would serve only to overly complicate this Report and Recommendation. Rather, the Court merely cites to a representative group of the Defendant Domain Names to exemplify how the Olympic Marks are used by the Domain Names.

⁹15 U.S.C. § 1125(d)(2)(A).

relief pursuant to the Lanham Act, the United States and Switzerland are parties to the International Convention for the Protection of Intellectual Property,¹⁰ and therefore, the provisions of the ACPA protect the IOC's trademarks to the same extent they protect U.S. trademarks. In the instant case, the domain name registry for all of the Domain Names is Network Solutions, Inc. (now VeriSign Global Registry Services), located in Herndon, Virginia.

The *in rem* provision of the ACPA requires the plaintiff to prove that it cannot obtain personal jurisdiction over the domain name registrant. This Court has previously held that the mere registration of a domain name within a judicial district is not sufficient contact to establish personal jurisdiction over a domain name registrant domiciled outside the jurisdiction.¹¹ All of the Domain Name registrants are foreign entities or individuals residing in 53 various countries worldwide. None of the registrants have any known connection sufficient to establish personal jurisdiction in any judicial district within the United States.

In order to perfect service under the ACPA, the plaintiff must send notice of the alleged violation and intent to proceed to the registrant of the domain name at the postal and

¹⁰21 U.S.T. 1583, T.I.A.S. No. 6923.

¹¹*America Online, Inc. et al. v. Huang*, 106 F.Supp. 2d 848, 856-57 (E.D. Va. 2000).

email addresses provided by the registrant to the registrar.¹² The plaintiff must also publish notice of the action if so directed by the court.¹³

On December 10, 2001, after reviewing Plaintiffs' Proof of Notification and Motion to Set a Time Certain by which Registrants Must Respond, this Court found that Plaintiffs had complied with § 1125(d)(2)(A)(II)(aa) of the ACPA by sending notice of the alleged violation and intent to proceed with this *in rem* action to the registrants' postal and email addresses, and that the publication of notice requirement under § 1125(d)(2)(A)(II)(bb) was waived. The December 10, 2001 Order provided that the registrants (and any other person or entity having an interest in the Domain Names) had 30 days from the date of the Order to answer the Complaint,¹⁴ and further provided that if an interested party did not answer the Complaint within 30 days, the Court may order the Domain Names "canceled, forfeited or transferred to Plaintiffs."¹⁵ By the January 10, 2002

¹²15 U.S.C. § 1125(d)(2)(A)(II)(aa).

¹³15 U.S.C. § 1125(d)(2)(A)(II)(bb).

¹⁴Pursuant to Plaintiffs' Proof of Service filed with the Court on December 26, 2001, proper notification of the Order was sent to all of the registrants of the Defendant Domain Names.

¹⁵The Order also explained how Defendants could obtain, free of charge, a copy of the Complaint via the website of Plaintiffs' attorneys, provided that web address (along with the postal address and telephone numbers), and Ordered Plaintiffs to send a copy of the Order to the Registrants within 10 days by any means reasonably calculated to notify them of the Order (including without limitation email, postal service email, fax, and/or international mail).

deadline under the Time Certain Order no Answers or other responsive pleadings had been filed by any of the Domain Names.¹⁶

The Complaint in this action was originally filed on June 20, 2000. Between June 30, 2000 and September 28, 2001, Plaintiffs deposited Registrar Certificates representing the Domain Names that are the subject of this action into the registry of the Court, thereby giving the Court dominion and control over the Defendant Domain Names. Plaintiffs subsequently perfected service in this case, and all jurisdictional requirements for this *in rem* proceeding have been satisfied.

Substantive Analysis

Under the ACPA, once *in rem* jurisdiction has been established, the plaintiff must then prove that the "domain name violates any right of the owner of a mark registered [with the PTO], or protected under subsection (a) [infringement] or

¹⁶One registrant, olympicgrp.com, did sufficiently respond, subsequently settled the dispute, and was voluntarily dismissed from this action. On January 14, 2002, after the deadline set by the Court had passed, two registrants sent letters to the Court regarding their domain names: animalolympics.com, olympic-world .com, olympicinspiration.de, olympic-inspiration.de, olympicworld.de, olympic-products.de, olympicproducts.de, olympic-trade.de, olympictrade.de. Animalolympics.com was subsequently dismissed by Plaintiffs. The latter seven domain names (all ending in ".de" signifying German country codes) are not named in this *in rem* action and are irrelevant to this proceeding. In reference to olympic-world.com, a letter was received by the Court from Michael Dirks and Rita Heissler-Dirks. Michael Dirks is the registrant and Rita Heissler-Dirks is the owner of the domain name. Plaintiffs assert that Mr. Dirks engaged the services of a Virginia attorney to attempt to negotiate settlement with Plaintiffs. He did not however, engage the attorney's services for purposes of answering the Complaint. The Court finds that not only was the letter filed untimely, it was not served on Plaintiffs in violation of Fed.R.Civ. P. 5 and the Court's Time Certain Order, and does not constitute an appropriate Answer in accordance with the Federal Rules.

subsection (c) [dilution]."¹⁷

Plaintiffs have demonstrated that the Defendant Domain Names are confusingly similar to the Olympic Marks of Plaintiff. The Olympic Marks are so famous, renowned and valuable that Congress has seen fit to give the USOC exclusive rights to the Marks through the Olympic and Amateur Sports Act. Further, the Supreme Court has observed that Congress acted reasonably in doing so because it found that the commercial and promotional value of the word "Olympic" was the product of the USOC's "own talents and energy, the end result of much time, effort and expense."¹⁸ Considering the fame, value and importance of the Olympic words and marks, a mere analysis of the Domain Names themselves reveals that a bad faith intent existed on the part of the registrants.

Moreover, several factors enumerated in the ACPA also support a finding of bad faith on the part of the registrants. None of the Defendant Domain Names proved or even asserted that they had trademark or intellectual property rights in the Domain

¹⁷15 U.S.C. § 1125(d)(2)(A)(i). Two interpretations emerged from this Court regarding how an *in rem* plaintiff proceeds under this provision. One interpretation determined that the act of registration of a domain name containing a protected mark alone violates the mark holder's rights, thereby ending any further analysis. The second interpretation held that Congress intended for the "bad faith intent" and "confusingly similar" standards of the *in personam* provision to apply to the substantive analysis of the *in rem* provision. Because Plaintiffs in this action have established facts that illustrate violations of Plaintiffs' protected marks and that the registrants for the Domain Names acted in bad faith in registering confusingly similar marks, no further analysis on this point is necessary in the instant case.

¹⁸*San Francisco Arts & Athletics v. Olympic Committee*, 483 U.S. 522, 533 (1987).

Names.¹⁹ Clearly none of the registrants of the Domain Names has or had any rights to the Olympic Marks. The word "Olympic" or "Olympiad," (or any simulation thereof) as used in the Domain Names is not the legal name of any of the registrants, and is not otherwise a name used to identify them.²⁰

By using the Olympic Marks in the Domain Names, the registrants obviously intended to divert consumers from legitimate Olympic websites to their own websites, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the website.²¹ For example, the Domain Names "saltlakeolympic.com," "olympikarate.com," and "olympic-tickets.com" could, quite understandably, cause the site user to believe he or she was on an Olympic sponsored website. This confusion ultimately could harm the goodwill represented by the Olympic Marks, or worse, tarnish or disparage the Olympic name, especially in regard to the pornographic Domain Names (e.g., "xxxolympics.com").²²

Other of the Domain Names, for example "olympicmemorabilia.com" and olympicwagers.com," are for sale or transfer to the highest bidder. The ACPA specifically has set

¹⁹See 15 U.S.C. § 1125(d)(1)(B)(i)(I).

²⁰See *id.* at § 1125(d)(1)(B)(i)(II).

²¹See *id.* at § 1125(d)(1)(B)(i)(V).

²²See *id.*

forth this characteristic as indicia of bad faith.²³ Further, many of the registrants have registered multiple Domain Names, which they obviously must know are confusingly similar to the Olympic Marks, and which at the time of registration the Olympic Marks were already distinctive.²⁴

The registrants cannot deny knowledge and cannot be unaware that the Olympic Marks are distinctive and famous. The sheer volume of Defendant Domain Names that have been registered using the Olympic Marks evinces that awareness. Plaintiffs have met the burden of demonstrating that the registrants acted with bad faith intent in registering the Defendant Domain Names.

Conclusions

Because Plaintiffs have shown that the Defendant Domain Names violate Plaintiffs' rights under the ACPA, and because Plaintiffs have established *in rem* jurisdiction over the Defendant Domain Names, Plaintiffs are entitled to the transfer of the Defendant Domain Names. Because Plaintiffs seek to voluntarily dismiss 36 of the Defendant Domain Names, those Domain Names should be dismissed from this action, and the Domain Names should be deleted from the registrar certificates deposited with the Court.²⁵

²³See *id.* at § 1125(d)(1)(B)(i)(VI).

²⁴See *id.* at § 1125(d)(1)(B)(i)(VIII).

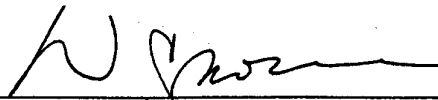
²⁵A complete listing of the 36 Domain Names to be dismissed is Attached as Appendix 2.

Recommendations

The magistrate judge recommends the dismissal of the 36 Defendant Domain Names (Appendix 2) listed in Plaintiffs' Motion for Voluntary Dismissal filed March 25, 2002. The magistrate judge recommends entry of Default Judgment against the remaining 818 Defendant Domain Names (as represented by the Registrar Certificates deposited with the Court and by Appendix 1 to this Report and Recommendation), and that those Defendant Domain Names be transferred to Plaintiffs.

Notice

Objections to this Report and Recommendation pursuant to 28 U.S.C. § 636 and Fed. R. Civ. P. 72(b) must be filed within ten (10) days after service. Failure to file such objections waives appellate review of a judgment based on this Report and Recommendation.



Welton Curtis Sewell
United States Magistrate Judge

May 21, 2002
Alexandria, Virginia