

FILED

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

2013  
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STEPHEN GILFUS.

Plaintiff,

v.

DC LABS, INC.

Defendant.

Civil Action No.:

3:13-cv-1462-J-32JRK

CLERK, US DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE, FLORIDA

**COMPLAINT FOR DECLARATORY AND OTHER RELIEF**

Plaintiff Stephen Gilfus (“Gilfus”), by and through undersigned counsel, hereby files this Complaint against Defendant DC Labs, Inc. (“DC Labs” or “Defendant”) seeking declaratory and other relief, as set forth below, to establish that Gilfus’ registration and use of the domain name ovation.com is not unlawful under the Lanham Act, including without limitation the Anti-Cybersquatting Consumer Protection Act (“ACPA”) and that Defendant’s actions are unlawful under the reverse domain name hijacking provisions of ACPA, 15 U.S.C. § 1114(2)(D)(v).

**JURISDICTION, VENUE, AND PARTIES**

1. The Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337, and 1338, and 15 U.S.C. §§ 1114(2)(D)(v) and 1121.

2. This Court has personal jurisdiction because both parties have consented to jurisdiction in this District in accordance with the Uniform Domain Name Dispute Resolution Policy (“UDRP”).

3. In addition, this Court has personal jurisdiction over Defendant based upon its systematic and continuous business connections to and sale of goods in this District.

4. Venue is proper in this District because a substantial part of the events or omissions giving rise to the claim occurred or a substantial part of property that is the subject of the action is situated.

5. Gilfus is an individual residing at 25900 Stinger Drive in South Riding, Virginia 20152.

6. Defendant is a corporation organized under the laws of Delaware with its principal place of business in Carlsbad, California.

7. Defendant purportedly operates a website [www.ovationhair.com](http://www.ovationhair.com) and sells hair care products through that website.

### **FACTUAL BACKGROUND**

8. A domain is any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the internet.

9. The Internet Corporation for Assigned Names and Numbers ("ICANN") is the non-profit corporation that was formed to assume responsibility for the domain name system management, pursuant to agreements with the U.S. Department of Commerce. As part of accreditation by ICANN, registrars (including Register.com, the registrar in this instance) are required to follow the UDRP. Under the UDRP policy, most types of

trademark-based domain disputes must be resolved by agreement, court action, or “arbitration” before a registrar will suspend, or transfer a domain name.

10. An “arbitration” under the UDRP is an expedited mandatory administrative proceeding for certain types of domain name disputes and its outcome is only binding if no judicial review is sought. If judicial review is sought, the UDRP provides that the court’s decision about whether a domain name violates the complainant’s trademark rights is de novo without any deference to the UDRP administrative panel’s decision.

11. If a respondent loses the arbitration, its domain name is transferred to the complainant unless the respondent institutes litigation within 10 business days. UDRP paragraph 4(k) states:

The mandatory administrative proceeding requirements set for in Paragraph 4 shall not prevent either [Gilfus] or [DC Labs] from submitting the dispute to a court of competent jurisdiction for the independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an administrative Panel decides that [Gilfus’] domain name registration should canceled or transferred, [Register.com] will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel’s decision before implementing that decision.

12. Gilfus owns the domain name ovation.com.

13. Gilfus founded the company Event Innovation, Inc. in July 2007. He served as the company’s CEO and was the majority shareholder.

14. Event Innovation, Inc. had two brands. One brand was “inForum” for CRM software for venues. The other brand was the “Ovation” member network. The Ovation member network was a consumer focused brand for a social ticketing network.

15. Part of the business strategy for Event Innovation, Inc. was to have two websites. The [www.eventinnovation.com](http://www.eventinnovation.com) website was for the corporate business and [www.ovation.com](http://www.ovation.com) for the consumer (member network) business.

16. To advance the business of Event Innovation, Inc., Gilfus purchased the domain name [ovation.com](http://ovation.com) for a considerable sum of money from a third-party in 2008. The domain name registrar for [ovation.com](http://ovation.com) after the purchase was located at Go Daddy.

17. The concept behind the Ovation member network was to allow members who registered on the [www.ovation.com](http://www.ovation.com) website to manage season and subscription based tickets, transfer tickets to friends, family, and co-workers, share tickets with business associates, friends, family, and charities, use a single member card to enter events and make purchases, receive emails, and share moments from events.

18. Event Innovation, Inc. invested considerable resources in developing the brand assets specific to the events marketplace including marketing literature, event booth design, presentations, product prototypes, and logos relating to Ovation and the member network.

19. Ovation was also to be used as a mobile application to allow members of the Ovation member network to manage tickets and event attendance.

20. Ovation members utilized the [www.ovation.com](http://www.ovation.com) member network website until 2009.

21. The [www.ovation.com](http://www.ovation.com) website and Event Innovation, Inc. were shut down due to a lack of funding resulting from the economic environment at that time.

22. When Event Innovation, Inc. closed, the domain name registration was transferred from Go Daddy to Register.com.

23. Gilfus has been formulating a new business plan for an entity that will utilize the [www.ovation.com](http://www.ovation.com) website. The new business is in the education space. The new website for [www.ovation.com](http://www.ovation.com) was to be operational within the next year.

24. Defendant did not apply for a Federal trademark until November 2011 and did not obtain a Federal registration for the trademark "OVATION HAIR" until May 2012.

25. On or about September 3, 2013, Defendant filed a Complaint with the National Arbitration Forum seeking to transfer the domain name [ovation.com](http://ovation.com) to Defendant.

26. On November 18, 2013, the National Arbitration Forum notified Plaintiff of its decision in claim number FA1309001517659 *DC Labs Inc. v. Stephen Gilfus*, ordering the transfer of the domain name [ovation.com](http://ovation.com) to Defendant ("Arbitration Decision"). A true and accurate copy of the Arbitration Decision and notice of Decision is attached hereto as Exhibit A.

27. While 15 U.S.C. §1114(2)(d)(v) permits a civil action by the domain registrant, the Court may not consider the substance of the prior administrative decision. "The ACPA provides an allegedly aggrieved trademark owner a cause of action similar to, yet distinct from, the threshold for an administrative remedy under UDRP Paragraphs 4(a)-(c). We agree with the First and Fourth Circuits that claim brought by a domain name registrant under § 1114(2)(D)(v) seeks 'a declaration of nonviolation of the ACPA,' not requiring (or permitting) review of the UDRP panel's application of the UDRP's cybersquatting standard, but instead 'trump[ing] the panel's finding of

noncompliance.” Storey v. Cello Holdings, L.L.C., 347 F.3d 370, 382 (2d Cir. 2003)(quoting Sallen v. Corinthians LTDA, 273 F.3d 14, 18 and 27 (1st Cir. 2001)); accord Hawes v. Network Solutions, Inc., 337 F.3d 377, 386 (4th Cir. 2003) (“An action brought under § 1114(2)(D)(v) on the heels of an administrative proceeding [under the UDRP]. . . is independent of, and involves neither appellate-like review of nor deference to, the underlying proceeding.”)

28. The National Arbitration Forum further informed Gilfus that unless legal proceedings were commenced and copies of such were transmitted to the Registrar within the prescribed time period, the Registrar would transfer the domain name ovation.com to Defendant.

29. In accordance with ICANN’s UDRP Policy Rule 4(k) “If an Administrative Panel decides that your domain name registration should be canceled or transferred, [The Registrar] will wait ten (10) business days (as observed in the location of our principal office) after [The Registrar is] informed by the applicable Provider of the Administrative Panel’s decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) of the Rules of Procedure.”

**Count I:**

**Declaration Under The Anti-Cybersquatting Consumer Protection Act**

30. Gilfus incorporates and restates here the allegations set forth in Paragraphs 1 through 29 of the Complaint.

31. A dispute exists between Gilfus and Defendant concerning Gilfus' right to register and use the domain name ovation.com. As a consequence of this dispute, an actual and justiciable controversy exists between Gilfus and Defendant pursuant to 28 U.S.C. § 2201 et seq. because, pursuant to the Arbitration Decision, the National Arbitration Forum has ordered the registrar (Register.com) to transfer the domain name ovation.com to Defendant.

32. Defendant has engaged in reverse hijacking in violation of the ACPA, specifically provision, 15 U.S.C. § 1114(2)(D)(v).

33. Gilfus is instituting this action pursuant to 15 U.S.C. § 1114(2)(D)(v) to establish that its registration and use of the domain name ovation.com is not unlawful under the ACPA and that the domain name ovation.com should not be transferred to Defendant.

34. Gilfus' registration and use of the domain name ovation.com is not unlawful under the ACPA and Gilfus should be allowed to retain the registration of and to use the domain name ovation.com.

35. Gilfus purchased the domain name ovation.com and registered the domain name for legitimate use in connection with his bona fide business.

36. Gilfus used the domain name [ovation.com](http://ovation.com) in connection with his Event Innovation, Inc. business.

37. During its period of prior use, the [ovation.com](http://ovation.com) website did not offer products or services that competed with Defendant's product and service offerings. The new business for which Gilfus intends to use the website [www.ovation.com](http://www.ovation.com) will not offer products or services that compete with Defendant's products and services.

38. At the time Mr. Gilfus purchased the domain name [ovation.com](http://ovation.com), Defendant did not own trademark rights in the word "OVATION" on its own. Defendant only purportedly owned common law rights in trademarks that included the words "OVATION HAIR." Accordingly, at the time Mr. Gilfus purchased the domain name [ovation.com](http://ovation.com), Mr. Gilfus was unaware of any trademark rights of the Defendant in the word "OVATION."

39. The [ovation.com](http://ovation.com) domain name is not confusingly similar to the goods and services offered by Defendant.

40. Gilfus has not used and is not using the domain name [ovation.com](http://ovation.com) in bad faith.

41. Gilfus has a legitimate interest in and the right to register and use the domain name [ovation.com](http://ovation.com) because he has used the domain name in connection with his business and intends to do so again in the near future.

42. Gilfus' registration and use of the domain name [ovation.com](http://ovation.com) is not unlawful under the Lanham Act.

43. Gilfus seeks a declaratory judgment that its use of the domain name [ovation.com](http://ovation.com) is not unlawful under the ACPA, that the Arbitration Decision should not be



implemented, and that the ovation.com domain name should not be transferred to Defendant.

WHEREFORE, Plaintiff Gilfus, by counsel, respectfully requests that this Court enter judgment in Gilfus's favor and against Defendant as follows:

1. Declaring that Gilfus' registration and use of the domain name ovation.com is not unlawful under the Anti-Cybersquatting Consumer protection Act, the Lanham Act, or any other applicable trademark laws; and

2. Declaring that Gilfus is not required to transfer the registration for the domain name ovation.com to Defendant and that the Arbitration Decision providing for the transfer of the domain name ovation.com is null and void and of no force or effect; and;

3. The costs of pursuing the relief sought herein, including, but not limited to, attorneys fees and costs; and

4. Additional relief as the Court deems just and proper.

Dated: November 26, 2013

Respectfully Submitted:

  
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