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UNITED STATES DISTRICT COURT MIDDLE DISTRICT OF FLORIDA ORLANDO DIVISION

MIRA HOLDINGS, INC., Plaintiff,

v. Case No. 6:18-cv-190-Orl-37GJK

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,

Defendant. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ORDER**

Before the Court is Defendant The Regents of the University of California’s (**“Regents**”) Motion to Dismiss Mira Holdings, Inc.’s First Amended Complaint. (Doc. 41 (“**Motion**”).) Plaintiff Mira Holdings, Inc. (“**Mira**”) responded. (Doc. 43.) For the following reasons, the Motion is due to be granted in part and denied in part.

**I. BACKGROUND**

This action concerns the acquisition of the internet domain name UCSF.com by Mira on or about January 18, 2015, pursuant to Mira’s business plan to acquire and use various generic domain names. (Doc. 40, ¶¶ 9–10.) Since acquiring UCSF.com, Mira has “parked” the domain name with a monetizer, a common practice for domain registrants. (*Id.* ¶¶ 10, 17–18.) Regents, however, owns trademarks for “UCSF” in association with its university system. (*Id.* ¶ 12.) Regents registered the trademark for UCSF on February 12, 2012 and has been using the extension “.edu” for its primary website UCSF.edu. (*Id.* ¶¶ 12–13.)



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After Regents discovered Mira using the site UCSF.com, it filed a complaint against Mira with the National Arbitration Forum (**“NAF**”) in accordance with the Uniform Domain Name Dispute Resolution Policy (“**UDRP**”) of the International Committee of Assigned Names and Numbers (“**ICANN**”). (*Id.* ¶¶ 3, 14.) NAF offers a procedure for resolving disputes related to the registration of a particular domain name that is identical or confusingly similar to a trademark held by a complainant. (*See* Doc. 40-8, pp. 3–7.) This arbitration procedure can result in a domain name getting disabled, suspended, locked, or ordered transferred. (*Id.* at 7; *see also* Doc. 40, ¶¶ 14–15.)

After Regents initiated the arbitration proceeding, Mira failed to file a response. (Doc. 40–8, pp. 2–3.) The dispute was then decided by a single-member panel in Regents’ favor, and the domain name was ordered transferred to Regents. (*Id.* at 3–7.) Mira then instituted this action for declaratory relief, injunctive relief, damages, and attorneys’ fees and costs under the Lanham Act and Anticybersquatting Consumer Protection Act (“**ACPA**”). (Doc. 1.) Regents moved to dismiss, for both failure to state a claim and lack of jurisdiction based on sovereign immunity. (Doc. 25.)

Following briefing and argument (Docs. 29, 38), the Court granted in part and denied in part Regents’ motion. (*See* Doc. 39.) Given the jumbled nature of Mira’s complaint, the Court granted Regents’ motion to dismiss for failure to state a claim. (*Id.* at 2.) But the Court denied without prejudice Regents’ claim to sovereign immunity, finding that Regents unequivocally waived its sovereign immunity by initiating the NAF proceeding and including in that complaint:

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Complainant will submit, with respect to any challenges to a decision in the administrative proceeding canceling or transferring the Infringing Domain Name, to the U.S. District Court in the district where the Registrar is located. UDRP Rule 3(b)(xii).

(Doc. 29, p. 5; *see also* Doc. 39, pp. 1–2.) At the same time, the Court recognized the possibly limited scope of this waiver, so allowed Regents to re-assert sovereign immunity for a claim of damages or attorney fees, should Mira re-plead that. (Doc. 39, pp. 1–2.)

Mira timely filed an **Amended Complaint**, whittling this action down to one claim under Section 1114(2)(D)(v) of the ACPA. (Doc. 40, ¶¶ 6–7.) Mira seeks a declaration that its registration of the domain name was not unlawful and injunctive relief to reactivate the domain name without transferring it to Regents. (*Id.* ¶ 37, p. 9, ¶¶ A–D.) And Mira still seeks attorneys’ fees and costs under 15 U.S.C. § 1117(a) of the Lanham Act, on the contention that this is an “exceptional case.” (*Id.* ¶ 38.)

Regents moved to dismiss, again under Federal Rules of Civil Procedure 12(b)(6) and 12(b)(1). (Doc. 41.) For Rule 12(b)(6), Regents argues that Mira hasn’t stated a plausible claim that Mira’s registration of the domain name was not unlawful, taking into account factors that establish good or bad faith. (*Id.* at 12–16.) Regents also submits that Mira’s domain name registration scheme is not legal. (*Id.* at 16–17.) For Rule 12(b)(1), Regents argues that Mira cannot pursue attorneys’ fees and costs under § 1117(a) because Regents maintains sovereign immunity as to any damages, attorneys’ fees, or costs. (*Id.* at 18–21.) Regents alternatively seeks dismissal of this request because Mira failed to plead how this case is exceptional to pursue such relief. (*Id.* at 22.)

Mira opposes, maintaining that the Amended Complaint surpasses the 12(b)(6) -3-

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plausible pleading standard. (Doc. 43, pp. 4–8.) For the 12(b)(1) motion, Mira opines that attorneys’ fees and costs are part of the equitable relief associated with Regents’ decision to institute a UDRP proceeding, so Regents’ waiver of sovereign immunity applies to this request for relief. (*Id.* at 9.) Briefing complete, the matter is ripe.

**II. LEGAL STANDARDS**

**A. Rule 12(b)(6)**

Federal Rule of Civil Procedure 12(b)(6) permits dismissal for “failure to state a claim upon which relief can be granted.” A complaint “that states a claim for relief must contain . . . a short and plain statement of the claim showing that the pleader is entitled to relief.” Fed. R. Civ. P. 8(a)(2). A complaint does not need detailed factual allegations; however, “a plaintiff's obligation to provide the grounds of his entitlement to relief requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 545 (2007) (alterations and internal quotation marks omitted). “When there are well-pleaded factual allegations, a court should assume their veracity and then determine whether they plausibly give rise to an entitlement to relief.” *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009). Such a determination is a context-specific task requiring the court “to draw on its judicial experience and common sense.” *Id.***B. Rule 12(b)(1)**

Federal courts have limited jurisdiction; “[t]hey possess only that power authorized by Constitution and statute, which is not to be expanded by judicial decree.” *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994) (citations and internal

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quotation marks omitted). A motion to dismiss pursuant to Federal Rule of Civil Procedure 12(b)(1) challenges a court’s subject-matter jurisdiction, and a factual attack under that rule raises that challenge “irrespective of the pleadings.” *Morrison v. Amway Corp.*, 323 F.3d 920, 924 n.5 (11th Cir. 2003). In resolving a 12(b)(1) factual attack, a court is “free to independently weigh facts” and consider evidence outside of the pleadings, so long as its conclusions do not implicate the merits of the plaintiff’s claims. *Id.* at 925. Courts are to presume that they lack subject-matter jurisdiction, and “the burden of establishing the contrary rests upon the party asserting jurisdiction.” *Kokkonen*, 511 U.S. at 377 (citations and internal quotation marks omitted).

**III. DISCUSSION**

On review, the Court finds the Amended Complaint suffices to state a plausible claim under 15 U.S.C. § 1114(2)(D)(v) to surpass Regents 12(b)(6) motion, but Regents is entitled to sovereign immunity as to Mira’s requested relief of attorneys’ fees and costs under 15 U.S.C. § 1117(a).
**A. 12(b)(6) Motion**

Under 15 U.S.C. § 1114(2)(D)(v):

A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

This reverse domain name hijacking provision creates a cause of action for domain name registrants, like Mira, whose domain name has been ordered transferred by a UDRP -5-

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proceeding, to prevent such transfer if it is established that the registration or use of the domain name is not unlawful under the ACPA.1 *See id.* If the registrant “has a bad faith intent to profit” from an owner’s mark and registers a domain name that “is identical or confusingly similar” to a mark distinctive at the time the registrant registered the domain name, such is considered unlawful under the ACPA. *Id.* § 1125(d)(1)(A)(i)–(ii). To determine bad faith, the ACPA lists nine non-exclusive factors for a court to consider. *Id.* § 1125(d)(1)(B)(i)–(ix).

Regents argues that Mira’s claim fails because it has not plausibly alleged the registration was not unlawful, specifically that Mira fails the bad faith evaluation. (Doc. 41, pp. 12–16.) To that end, Regents painstakingly goes through each factor and holds up Mira’s allegations to insist that Mira’s claim cannot survive this stage. (*See id.*) But the question here is not whether Mira can ultimately prove that its registration of UCSF.com was not unlawful. Rather, the question is whether Mira has plausibly alleged that its registration was not unlawful and without bad faith.

Mira has. Taking the Amended Complaint as true, as the Court must at this stage, it alleges that Mira purchased UCSF.com as part of Mira’s business plan to purchase four- letter domain names. (Doc. 40, ¶17.) Since then, Mira has “parked” UCSF.com with a monetizer of domain names. (*Id.* ¶ 24.) Such was done “in a bona fide manner for bona

1 Congress amended the Lanham Act in 1999 with the ACPA “principally for the purpose of protecting trademark owners against cyberpiracy.” *Barcelona.com, Inc. v. Excelentisimo Ayuntamiento de Barcelona*, 330 F.3d 617, 624 (4th Cir. 2003). Thus, the ACPA is “codified in scattered sections of 15 U.S.C.” *id.*, including 15 U.S.C. §§ 1114(2)(D)(v) and 1125(d). *See Direct Niche, LLC v. Via Varejo S/A*, 898 F.3d 1144, 1148 (11th Cir. 2018).



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fide purposes,” without “intent to divert consumers from [Regents’] online location . . . that could harm the goodwill represented by [Regents’] marks,” nor for “commercial gain or with the intent to tarnish or disparage the marks, by creating a likelihood of confusion.” (*Id.* ¶ 25.) Further, Mira alleges that Regents “does not have exclusive use of the UCSF mark, nor did it have such a right at the time [Mira] registered its domain name.” (*Id.* ¶ 32.) Thus, like others bringing reverse domain name hijacking claims, Mira here seeks “recovery or restoration of its domain name [under the theory that] a trademark owner has overstepped its authority in causing the domain name to be suspended, disabled, or transferred.” *See Barcelona.com, Inc. v. Excelentisimo Ayuntamiento de Barcelona*, 330 F.3d 617, 621 (4th Cir. 2003) (citing 15 U.S.C. § 1114(2)(D)(v)); *see also, e.g.*, *Direct Niche, LLC v. Via Varejo S/A*, No. 15-cv-62344-GA YLES, 2017 WL 5952896, at \*5 (S.D. Fla. Aug. 10, 2017), *aff’d*, 898 F.3d 1144 (11th Cir. 2018); *Mailplanet.com, Inc. v. Lo Monaco Hogar, S.L.*, No. 06-60823-CIV, 2007 WL 9698307, at \*2 (S.D. Fla. Dec. 17, 2007), *aff’d*, 291 F. App’x 229, 230–31 (11th Cir. 2008). At this stage, the Court finds that Mira’s § 1114(2)(D)(v) claim is plausible, so the 12(b)(6) motion is denied.

**B. 12(b)(1) Motion**

Next, the Court addresses Regents’ 12(b)(1) motion regarding Mira’s request for an award of attorneys’ fees and costs under 15 U.S.C. § 1117(a). (Doc. 41, pp. 18–21.) As an arm of the state of California, Regents maintains sovereign immunity from suits save for situations where immunity has been waived. *See Port Auth. Trans-Hudson Corp. v. Feeney*, 495 U.S. 299, 305 (1990) (discussing waiver of sovereign immunity). The Court previously found such a waiver by Regents’ initiation of the NAF proceeding and

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inclusion of this language:

Complainant will submit, with respect to any challenges to a decision in the administrative proceeding canceling or transferring the Infringing Domain Name, to the U.S. District Court in the district where the Registrar is located. UDRP Rule 3(b)(xii).

(*See* Doc. 39 (order memorializing oral ruling from hearing).) But this waiver did not open Regents up to any and all kinds of suits. Rather, the waiver applies only to claims requesting injunctive or declaratory relief—to which NAF proceedings and 15 U.S.C. § 1114(2)(D)(v) claims are proscribed. *See Mailplanet.com*, 2007 WL 9698307, at \*6 (“15 U.S.C. § 1114(2)(D)(v) only provides relief in the form of a declaration that the domain name usage was not unlawful and ‘injunctive relief . . . including the reactivation of the domain name or transfer of the domain name.”). Thus, the request for attorneys’ fees and costs is outside the scope of Regents’ waiver and the claim Mira brings. Hence the 12(b)(1) motion is granted.

**IV. CONCLUSION** Accordingly, it is **ORDERED AND ADJUDGED** as follows:

1. Defendant The Regents of the University of California’s Motion to Dismiss Mira Holdings, Inc.’s First Amended Complaint (Doc. 41) is **GRANTED IN PART AND DENIED IN PART**:
	1. Defendant’s 12(b)(1) motion as to Plaintiff’s request for attorneys’

fees and costs (Doc. 40, ¶ 38, p. 9, ¶ E) is **GRANTED**.

* 1. In all other respects, the Motion is denied.
1. On or before Friday, **December 21, 2018**, Plaintiff Mira Holdings, Inc. may -8-

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file a second amended complaint consistent with the strictures of this Order. Failure to timely file may result in the closure of this case without further notice.

**DONE AND ORDERED** in Chambers in Orlando, Florida, on December 10, 2018.

Copies to: Counsel of Record



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