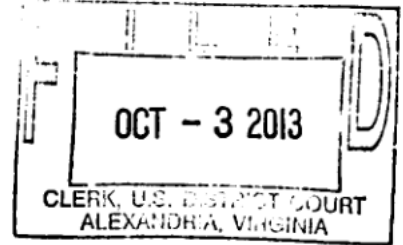


UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



SHARETV INC., )  
)  
Plaintiff, )  
)  
v. )  
)  
SHARETV.COM, )  
)  
Defendant. )  
)

Case No. 1:13-cv-00506 (TSE/IDD)

**REPORT AND RECOMMENDATION**

This matter is before the Court on Plaintiff ShareTV, Inc.’s Motion for Default Judgment against Defendant <sharetv.com> (“Domain Name”) pursuant to Federal Rule of Civil Procedure (“FRCP”) 55(b)(2). (Dkt. No. 14.) After a representative for Defendant failed to answer or file a responsive pleading to either the Complaint or Plaintiff’s Motion for Default Judgment, the undersigned Magistrate Judge took this matter under advisement. Upon consideration of the Complaint, Plaintiff’s Motion for Default Judgment, and the supporting exhibits, the undersigned Magistrate Judge makes the following findings and recommends that default judgment be granted against Defendant.

**I. INTRODUCTION**

ShareTV, Inc. (“Plaintiff”) filed a Complaint on April 25, 2013, seeking relief under 15 U.S.C. §§ 1114(1) and 1125(a), Va. Code §§ 59.1-200 and 59.1-92.12, and Virginia’s common law Unfair Competition Act based on Mr. Sooyong Kim’s (“Registrant’s”) use of the Defendant Domain

Name <sharetv.com>.<sup>1</sup> (Compl. ¶ 5.) Plaintiff has moved for default judgment against Defendant Domain Name and requests that this Court order the transfer of the Defendant Domain Name to Plaintiff. (Compl. ¶ 5, ¶ Prayer For Relief; Mem. Supp. Mot. Def. J. 1, 26.)

#### A. Jurisdiction and Venue

Rule 55 of the Federal Rules of Civil Procedure provides for the entry of default judgment when “a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend.” Under Rule 55, the court must have subject matter jurisdiction, personal jurisdiction, and venue as to a defaulting party before it can render a default judgment.

This Court has subject matter jurisdiction over this case. The Court has original jurisdiction over Plaintiff’s federal law claims because the claims arise out of federal trademark law and a federal question pursuant to 28 U.S.C. §§ 1331, 1338(a) and under § 39(a) of the Lanham Act, 15 U.S.C. § 1121(a). This Court has supplemental jurisdiction to hear the claims arising under Virginia statutory and common law which are based on the same controversy. 28 U.S.C. § 1367.

This Court has *in rem* jurisdiction over Defendant Domain Name because Defendant Domain Name’s registry, VeriSign, Inc., is located within this judicial district in Reston, Virginia.<sup>2</sup> 15 U.S.C. §§ 1114, 1125(a), 1125(d)(2)(A); (Compl. ¶ 2).

Similarly, venue is appropriate in this District under 28 U.S.C. § 1391(b)(2) and § 43(d)(2)(C) of the Lanham Act, 15 U.S.C. § 1125(d)(2)(C)(i), which states that “a domain name shall be deemed to have its situs in the judicial district in which . . . the domain name registrar,

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<sup>1</sup> Plaintiff’s Complaint also lists a sixth cause of action: unjust enrichment. (Compl. at 19-20.) However, Plaintiff does not mention this cause of action in Plaintiff’s Motion for Default Judgment. Therefore, this Report and Recommendation only addresses counts one through five of the Complaint.

<sup>2</sup> This Court cannot exercise personal jurisdiction over Registrant, who would otherwise be a defendant under § 43(d)(1) of the Lanham Act, 15 U.S.C. § 1125(d)(1), because Registrant is a resident of South Korea and does not

registry, or other domain name authority that registered or assigned the domain name is located.” VeriSign, Inc. is the registry that maintains the domain name registry for the Defendant <sharetv.com> domain name. VeriSign, Inc. has its headquarters and principal place of business within this judicial district, and thus, the situs of the Domain name is in the Eastern District of Virginia. (Compl. ¶¶ 2, 13.) Therefore, this Court has subject matter jurisdiction, *in rem* jurisdiction, and is the appropriate venue to hear this action.

**B. Service of Process**

In an action brought pursuant to the Lanham Act, the Act provides the requirements for service of process under § 43(d)(2). A trademark owner is permitted to file an *in rem* action against a domain name and must provide notice to the registrant of the domain name pursuant to § 43(d)(2) of the Lanham Act. Pursuant to this section, service of process in an *in rem* action may be satisfied by sending notice of the alleged violation and intent to proceed under said section to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar and by also publishing notice of the action as the court may direct promptly after filing the action. 15 U.S.C. § 1125(d)(2) (A)-(B).

The undersigned finds that Plaintiff has complied with the notice requirements necessary to bring an *in rem* action under § 43(d)(2) of the Lanham Act. On April 25, 2013, the date that Plaintiff filed this action, Plaintiff sent a notice of the alleged violations and its intent to proceed under Sections 43(d)(2), 32(1), and 43(a) of the Lanham Act, as well as the statutory and common laws of the Commonwealth of Virginia to Registrant, at the postal and e-mail addresses provided by him to the Defendant Domain Name’s registrar of record. (*See* Dkt. No. 5; Compl. ¶¶ 3-4.) On May 3,

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otherwise have sufficient contacts or business activity in the United States for any federal district court to exercise personal jurisdiction over him. (Compl. ¶ 4.)

2013, Plaintiff filed a Motion for an Order to Publish Notice of Action which the Court granted on May 16, 2013. (Dkt. Nos. 5, 6.) The Court ordered that Plaintiff publish notice of this action in *The Washington Times* within fourteen days, and stated that once publication had occurred and twenty-one days had passed, Plaintiff would be deemed to have complied with the notice requirements of the Lanham Act. (Dkt. No. 8.) On May 22, 2013, Plaintiff published a copy of the Order in *The Washington Times* and twenty-one days has since passed. (Dkt. No. 9.) For the reasons stated above, the undersigned finds that service of process has been satisfied in this action.

### **C. Grounds for Default**

Plaintiff filed a Complaint on April 25, 2013. (Dkt. No. 1.) A representative for Defendant Domain Name has failed to appear, answer, or file any responsive pleading in this matter. On June 13, 2013, Plaintiff filed a Request for Entry of Default against Defendant Domain Name with the Clerk of the Court. (Dkt. No. 10.) The Clerk entered default against Defendant Domain Name on June 14, 2013. (Dkt. No. 12.) On June 25, 2013, Plaintiff filed a Motion for Default Judgment. (Dkt. No. 15.) Plaintiff waived a hearing on the matter on June 25, 2013. (Dkt. Nos. 13, 16.) Subsequent to these steps, the undersigned Magistrate Judge took this matter under advisement to issue this Report and Recommendation.

## **II. FINDINGS OF FACT**

The undersigned Magistrate Judge makes the following findings of fact based on the Complaint, the Motion for Default Judgment, and the memorandum and affidavit in support thereof.

### **A. Plaintiff's Service Mark and Trade Name**

Plaintiff is an online television community offering a broad range of services for more than 10,000 television shows. (Compl. ¶ 15.) Since the founding of Plaintiff in 2007, Plaintiff has

acquired more than fifty million total visitors to its ShareTV website, receives nearly two million monthly visitors, and has over 175,000 registered users. (*Id.* ¶¶ 15-16.) On or about February 1, 2007, Plaintiff adopted and began to use the service mark and trade name ShareTV<sup>3</sup> in commerce within the United States in connection with its online television services; this use has continued in connection with such services. (*Id.* ¶ 17.) In connection with the service mark and trade name, Plaintiff has earned substantial revenue, invested heavily in advertising and promoting its services, and provided its services throughout the United States and abroad since 2007. (*Id.* ¶¶ 18-19.) This service mark and trade name is used by the public to identify the services of Plaintiff and to distinguish it from others. (*Id.* ¶¶ 22, 23.) Plaintiff registered the domain name <sharetv.org> on January 4, 2007, and has used this domain name since February 1, 2007 in connection with the advertising, offering, and rendering of its online television services. (*Id.* ¶ 20.) In addition to the domain name <sharetv.org>, Plaintiff also owns fourteen other domain names which redirect the user to Plaintiff's primary <sharetv.org> domain name.<sup>4</sup> Additionally, on April 19, 2011, Plaintiff was issued U.S. Registration No. 3,947,657 for the SHARETV service mark in connection with its online television services.<sup>5</sup> (*Id.* ¶ 23.)

**B. Registrant's Pattern of Trade and Service Mark Infringement and Infringing Domain Name <sharetv.com>**

The Registrant of Defendant Domain Name is currently listed as the owner of over 1,500 domain names. (Compl. ¶ 25.) Registrant acquired ownership of the Domain Name on or about

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<sup>3</sup> A snapshot of the service mark and trade name is shown in Plaintiff's Complaint. (Compl. ¶¶ 15-16.)

<sup>4</sup> The records for the primary domain name as well as the fourteen secondary domain names are attached to Plaintiff's Complaint as Exhibits A and B, respectively.

<sup>5</sup> A copy of the Certificate of Registration is attached to Plaintiff's Complaint as Plaintiff's Exhibit C.

September 29, 2004.<sup>6</sup> (*Id.* ¶ 30.) Since Registrant registered the Domain Name, he has only used it in connection with a few scattered “parked” pages and mostly revenue-generating sponsored links.<sup>7</sup> (*Id.* ¶ 31.) Registrant never established trade mark or service mark rights in or to ShareTV, as evidenced by the fact that Registrant never used the Domain Name in connection with any *bona fide* offering of goods and/or services. (*Id.* ¶ 32.)

In 2011, Plaintiff began receiving reports of confusion between Registrant’s use of the Domain name and Plaintiff’s website. (*Id.* ¶ 33.) After these reports continued, Plaintiff notified Sedo Inc., the company hosting the Domain Name, about Registrant’s unauthorized use of the Plaintiff’s SHARETV mark. Sedo Inc. recognized the confusion and promptly removed the Domain Name from its hosting service on or about February 4, 2013.<sup>8</sup> (*Id.* ¶ 34.) In an effort to remedy the confusion, Plaintiff offered to purchase the Domain Name from Registrant, but did not succeed. (*Id.* ¶ 33.) Through Plaintiff’s Counsel, on February 25, 2013, Plaintiff sent a cease-and-desist letter by way of e-mail to Registrant regarding his infringing use of the SHARETV service mark and the consumer confusion resulting from such use. (*Id.* ¶ 35.) Subsequently, Plaintiff and Registrant, by way of legal counsel, entered into discussions regarding the Defendant Domain Name. (*Id.* ¶ 36.) After discussions between Plaintiff and Registrant failed, Registrant modified the Domain Name website to display Plaintiff’s SHARETV service mark in Korean instead of the former display in English; Registrant also added that the alleged online television services would be “Coming Soon.” (*Id.*) Registrant subsequently made additional changes to augment the Domain Name website to

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<sup>6</sup> A record of the history of this domain name is attached to Plaintiff’s Complaint as Plaintiff’s Exhibit G.

<sup>7</sup> Representative examples of snapshots of the Domain Name from 2005 to 2012 are attached to Plaintiff’s Complaint as Plaintiff’s Exhibit H.

<sup>8</sup> A representative example of the website associated with the Domain Name after Sedo Inc. terminated its hosting

more closely resemble that of Plaintiff's website, including prominently displaying Plaintiff's SHARETV service mark for the first time since registering the Domain Name in 2004. Registrant also included the phrase "The TV that we share with Neighbors . . . 'Coming soon.'" (*Id.* ¶¶ 37-38.)<sup>9</sup>

### C. Effect of Registrant's Infringing Domain Name <sharetv.com>

Confusion over Defendant Registrant's Domain Name and Plaintiff's website continues to increase. In that regard, on April 23, 2013, a writer for the *New York Post's* online newspaper confused the Defendant Domain Name with Plaintiff's website and another user of Plaintiff's website advised Plaintiff of this article and inquired about the affiliation between the Domain Name and Plaintiff's website.<sup>10</sup> (*Id.* ¶ 39.) Due to Registrant's now virtually identical service mark to that of Plaintiff's SHARETV mark, save only the minor difference between the Domain Name and Plaintiff's SHARETV mark, is the top-level domain signifier ".com." Some of Plaintiff's users have and continue to be confused as to Registrant's Domain Name, and the confusion will likely continue if Registrant's Domain Name remains operable. (*Id.* ¶¶ 40-44.)

### III. EVALUATION OF PLAINTIFF'S COMPLAINT

Rule 55 of the Federal Rules of Civil Procedure provides for the entry of default judgment when "a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend." A defendant in default concedes the factual allegations of the complaint. *See, e.g., Ryan v. Homecomings Fin. Network*, 253 F.3d 778, 780 (4th Cir. 2001); *DIRECTV, Inc. v. Rawlins*, 523 F.3d 318, 322 n.2 (4th Cir. 2008); *Partington v. Am. Int'l Specialty Lines Ins. Co.*, 443

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service is attached to Plaintiff's Complaint as Plaintiff's Exhibit I.

<sup>9</sup> A screenshot of Defendant Registrant's modified website is attached to Plaintiff's Complaint as Plaintiff's Exhibit J.

<sup>10</sup> A copy of the *New York Post* article and a copy of Plaintiff's user's email evidencing the confusion are attached to

F.3d 334, 341 (4th Cir. 2006) (default has the effect of admitting factual allegations in the complaint). Default does not, however, constitute an admission of the adversary's conclusions of law, and is not to be "treated as an absolute confession by the defendant of his liability and of the plaintiff's right to recover." *Ryan*, 253 F.3d at 780 (quoting *Nishimatsu Constr. Co., Ltd. v. Houston Nat'l Bank*, 515 F.2d 1200, 1206 (5th Cir. 1975)). Instead, the Court must "determine whether the well-pleaded allegations in [the plaintiff's] complaint support the relief sought in [the] action." *Id.*

Thus, in issuing this Report and Recommendation, the undersigned Magistrate Judge must evaluate Plaintiff's claims against the standards of Rule 12(b)(6) of the Federal Rules of Civil Procedure to ensure that the Complaint contains plausible claims upon which relief may be granted. *See Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (explaining the analysis for examining a plaintiff's claims under a 12(b)(6) motion to dismiss). To meet this standard, a complaint must set forth "sufficient factual matter, accepted as true, to state a claim for relief that is plausible on its face." *Id.* (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). In determining whether allegations are plausible, the reviewing court may draw on context, judicial experience, and common sense. *Francis v. Giacomelli*, 588 F.3d 186, 193 (4th Cir. 2009) (citing *Iqbal*, 556 U.S. at 679).

**A. Counts One, Two, Four, and Five: Federal Trade and Service Mark Infringement, Virginia Trade and Service Mark Infringement and Virginia's Unfair Competition**

Plaintiff alleges that Registrant's use of Plaintiff's SHARETV mark in the Defendant Domain Name constitutes trademark infringement under 15 U.S.C. §§ 1114 and 1125(a) and violates Virginia's common law requirements for unfair competition, Va. Code § 59.1-92.12 and the Virginia Consumer Protection Act, Va. Code § 59.1-200. Plaintiff moves this Court to enter an Order of

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Plaintiff's Complaint as Exhibits K and L, respectively.



default judgment against Defendant and to authorize the transfer of ownership of the Domain Name to Plaintiff. (Mot. Default J. 1; Compl. ¶ Prayer for Relief.) First, Plaintiff alleges that Registrant's continued use of Defendant Domain Name violates 15 U.S.C. §§ 1114 and 1125(a) because it constitutes trademark infringement. (Compl. ¶¶ 55, 62.)

Title 15 U.S.C. § 1114 provides that a person will be liable in a civil action, if, without consent of the registrant, the person uses

in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or . . . colorably imitate a registered mark and apply such . . . colorable imitation to . . . advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided.

15 U.S.C. § 1114(1)(a) and (b).

Furthermore, § 1125(a) provides that a person will be liable in a civil action, if, without consent of the registrant, the person uses any word, term, name or combination thereof that:

- (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
- (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a).

Thus, for Plaintiff to prevail in its action for trade and service mark infringement under

§§ 32(1) and 43(a) of the Lanham Act, Plaintiff must establish that: (1) Plaintiff owns a valid and protectable mark; (2) Registrant used the mark in commerce in connection with the sale, offering of sale, distribution, or advertising of goods and/or services; and (3) Registrant's use of the mark is likely to cause confusion among customers. See *George & Co. LLC v. Imagination Entertainment Ltd.*, 575 F.3d 383, 393 (4th Cir. 2009); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 259 (4th Cir. 2007); *PETA v. Doughney*, 263 F.3d 359, 364 (4th Cir. 2001).

Virginia's statutory requirements under Va. Code § 59.1-92.12 for trade and service mark infringement and Virginia's common law requirements for unfair competition are analogous to that of the federal requirements under §§ 32(1) and 43(a) of the Lanham Act. Va. Code § 59.1-92.12 states that an action for service mark infringement may be brought against any person

who uses in a manner likely to cause a consumer confusion, mistake, or deception as to the source or origin of any goods or services, without the consent of the owner of a registered mark, any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of such goods or services.

Additionally, Virginia's requirements for trade and service mark infringement and unfair competition are analogous to the federal requirements, in "address[ing] the likelihood of confusion as to the source of the goods and services involved." *Lorillard Tobacco Co. v. Cal. Imports, LLC*, 886 F. Supp. 2d 529, 534 (E.D. Va. 2012) (citing *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Va., Inc.*, 43 F.3d 922, 930 n. 10 (4th Cir. 1995)). Because the Virginia state requirements address an analogous "likely to confuse consumers" test, this Court will address counts one, two, four, and five together.

The undersigned finds that Plaintiff has established all elements of service and trade mark infringement because all relevant factors weigh in favor of a likelihood of confusion.