

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

AT&T CORP.,)
)
 Plaintiff,)
)
 v.) Civ. A. No. 00-699-SLR
)
 ATT&T, INCORPORATED,)
)
 Defendant.)

Michael F. Bonkowski, Esquire of Saul Ewing LLP; Alan Charles Raul, Esquire, Frank R. Volpe, Esquire, and Achiezer Guggenheim, Esquire of Sidley Austin Brown & Wood LLP; and Laura A. Kaster, Esquire of AT&T Corp. Counsel for Plaintiff.

MEMORANDUM OPINION

Dated: October 31, 2002
Wilmington, Delaware

ROBINSON, Chief Judge

I. INTRODUCTION

Plaintiff filed this suit on August 3, 2000 alleging trademark infringement, dilution, violation of the Anticybersquatting Consumer Protection Act ("ACPA") and requesting damages and injunctive relief. (D.I. 1) This court has jurisdiction pursuant to 15 U.S.C. § 1121(a). Plaintiff amended its complaint to include another count of violation of the ACPA on August 23, 2000. (D.I. 4) On February 1, 2001, plaintiff filed a motion for preliminary injunction and for attorneys' fees. (D.I. 18) On June 28, 2001, this court issued an order granting plaintiff's motion for a preliminary injunction, enjoining defendant from using "ATT&T", "ATTTINC.COM", "ATTTEL.COM", AND "ATTT.COM". (D.I. 26)

On July 25, 2001, defendant filed a motion to stay the preliminary injunction and to dismiss the case.¹ (D.I. 27) On February 1, 2002, this court denied defendant's motion to stay and motion to dismiss. (D.I. 38) Currently before the court is plaintiff's motion for summary judgment and attorneys' fees and for sanctions for defendant's contempt of the court's June 28, 2001 order. (D.I. 40) For the reasons that follow, the court will grant plaintiff's motion for summary judgment, deny

¹The court notes this motion was filed by the sole shareholder of defendant corporation in contravention of Delaware law. See Mateson v. Mateson, Del. Ch., C.A. No. 14730, Allen, C., slip op. at 2 (Apr. 26, 1997).

plaintiff's motion for attorneys' fees and deny plaintiff's motion for sanctions.

II. BACKGROUND

Defendant incorporated in Delaware on November 16, 1994. (D.I. 19, Ex. 1) On April 8, 1999, defendant applied for federal trademark registration for "ATT&T" for "sales and services of telephones (including cellular), sewing machines, and vacuum cleaners (including accessories and parts for all products)" on the principal register of the Patent and Trademark Office ("PTO"). (D.I. 18, Ex. 34) The PTO rejected defendant's application on the ground of likelihood of confusion with plaintiff's famous mark "AT&T." (Id., Exs. 8 & 9) Defendant's application to register the trademark "ATT&T" was abandoned in the PTO on January 25, 2001 for failure to respond to a final action mailed May 12, 2000. (D.I. 21, Ex. 1)

Plaintiff has been doing business under its original name American Telephone & Telegraph Corporation and abbreviations such as AT&T for over a century. (D.I. 18 at 3) Plaintiff produced evidence of registered marks including "AT&T" and related marks dating from as early as 1984. (Id. at 7-8) On December 13, 1999, plaintiff wrote to defendant requesting that defendant stop infringing plaintiff's "AT&T" marks. (Id., Ex. 9) Plaintiff sent additional letters to defendant on January 14, 2000 (requesting defendant stop infringing "AT&T" marks, id., Ex. 10);

February 18, 2000 (requesting defendant to stop infringing and rejecting defendant's offer to sell his corporation to plaintiff, id., Ex. 11); July 14, 2000 (requesting defendant to withdraw domain name registration for <ATTTINC.COM>, id., Ex. 13); and August 18, 2000 (requesting defendant to withdraw domain name registration for <ATTTEL>, id., Ex. 15).

III. STANDARD OF REVIEW

A party is entitled to summary judgment only when the court concludes "that there is no genuine issue of material fact and that the party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party bears the burden of proving that no material issue of fact is in dispute. See Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574, 586 n.10 (1986). Once the moving party has carried its initial burden, the nonmoving party "must come forward with 'specific facts showing that there is a genuine issue for trial.'" Id. at 587 (quoting Fed. R. Civ. P. 56(e)). "Facts that could alter the outcome are 'material,' and disputes are 'genuine' if evidence exists from which a rational person could conclude that the position of the person with the burden of proof on the disputed issue is correct." Horowitz v. Federal Kemper Life Assur. Co., 57 F.3d 300, 302 n.1 (3d Cir. 1995). If the nonmoving party fails to make a sufficient showing on an essential element of his case with respect to which he has the burden of proof, the moving

party is entitled to judgment as a matter of law. See Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). The mere existence of some evidence in support of the party will not be sufficient for denial of a motion for summary judgment; there must be enough evidence to enable a jury to reasonably to find for the nonmoving party on that factual issue. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986). This court, however, must "view all the underlying facts and all reasonable inferences therefrom in the light most favorable to the party opposing the motion." Pa. Coal Ass'n. v. Babbitt, 63 F.3d 231, 236 (3d Cir. 1995); Pacitti v. Macy's, 193 F.3d 766, 772 (3d Cir. 1999).

IV. DISCUSSION

Plaintiff argues that it possesses famous trademarks that are entitled to strong protection against infringing marks which have a high likelihood of confusion with its famous marks. (D.I. 41 at 1-2) Plaintiff presents findings from the PTO (D.I. 18, Exs. 8 & 9), other U.S. courts (Id., Exs. 3, 29) and international tribunals (Id., Exs. 4, 25, 27, 28) that support its contention that marks such as those of defendant are confusingly similar to plaintiff's famous marks. Defendant, therefore, must be enjoined from using these marks. (D.I. 40) Plaintiff denies that the principles of laches and/or estoppel apply because it has been diligent in pursuing remedies once it

became aware of defendant's infringing activities. (D.I. 21 at 2 - 5)

Defendant argues that its tradename and registered domain names differ significantly from plaintiff's famous marks. (D.I. 19 at 3) In addition, defendant points to its status as a small business which would be significantly harmed by having to change its name and associated signage, stationery, etc. if plaintiff were to prevail and defendant were forced to use another business name. (Id., at 5) Defendant also argues that plaintiff is barred from bringing suit by the principles of laches and/or estoppel. (Id., at 2-3)

The court finds there are no genuine issues of material fact present. Neither party disputes that plaintiff possesses a famous mark. (D.I. 41 at 24, D.I. 18, Ex. 30, at 2) While not dispositive, the PTO's independent judgment that defendant's mark has a high likelihood of confusion with plaintiff's mark (Id. at 8-9) raises a presumption of likelihood of confusion. See e.g., Tonka Corp. v. Rose Art Industries, Inc., 836 F.Supp 200, 215 (D.N.J. 1993); Wilson Jones Co. v. Gilbert & Bennett Manufacturing Co., 332 F.2d 216, 218 (2d Cir. 1964). The court finds that defendant has presented no new evidence to rebut this presumption.

Defendant has also presented no evidence to show why plaintiff knew or should have known of its infringing activities

for a significant period of time that would give rise to a laches or estoppel defense. (D.I. 21 at 3)

In addition, the record reflects that defendant has failed to comply with this court's order of June 28, 2001 in that the domain name registrations have not been cancelled (D.I. 42, Ex. 2 & 3) nor has the defendant removed his sign bearing the offending tradename from his place of business. (Id., Ex. 1B)

The ACPA authorizes a court to award statutory damages in an amount from \$1,000 up to \$100,000 per domain name violation. See 15 U.S.C. § 1117(d). The court is sympathetic to the situation that defendant is a small business. In light of that fact, the court awards statutory damages of \$2,000; \$1,000 for each violative domain name, the statutory minimum, to plaintiff. The court declines to award plaintiff attorneys' fees or costs.²

As defendant has failed to provide factual evidence to rebut any of the findings of the court in the order of June 28, 2001 granting a preliminary injunction, (D.I. 26) the injunction is hereby made permanent.

²Defendant is reminded that the court may, in its discretion, award damages of up to \$100,000 per domain name violation as well as attorneys' fees and costs. While the court is sympathetic to defendant's position as a small business, if there are continuing violations of its orders, the court will not hesitate to award higher damages as well as attorneys' fees and costs.

V. CONCLUSION

For the reasons stated, defendants' motion for summary judgment is granted, plaintiff's motion for attorneys' fees is denied and plaintiff's motion for sanctions is denied. An appropriate order shall issue.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

AT&T CORP.,)
)
 Plaintiff,)
)
 v.) Civ. A. No. 00-699-SLR
)
 ATT&T, INCORPORATED,)
)
 Defendant.)

O R D E R

At Wilmington, this 31st day of October, 2002;

IT IS ORDERED that:

1. Plaintiff's motion for summary judgment (D.I. 40) is granted. Defendant is to pay damages to plaintiff in the amount of \$2,000 for domain name violations of the ACPA, said amount to be paid by certified or cashier's check within 30 days of the date of this Order.

2. Plaintiff's motion for attorneys' fees and costs is denied.

3. Plaintiff's motion for sanctions is denied.

4. Defendant is hereby permanently enjoined from:

a. Using in any way whatsoever "ATT&T," "ATTTINC.COM," "ATTTEL.COM," and "ATTT.COM," as well as from performing any act or using any other word, name, domain name, style, title or mark, or making any false designation, which is likely to cause

confusion, to cause mistake, or to deceive, or to otherwise mislead the trade or public into believing that plaintiff and defendant are one and the same or are in some way connected or that plaintiff is a sponsor of defendant or its services or that defendant is in some manner affiliated, associated with, or under the supervision or control of plaintiff, or that the services of defendant originate or are approved by plaintiff, or are likely in any way to lead the trade or public to associate defendant with plaintiff.

b. Using any word, name, domain name, style, title or mark which creates a likelihood of confusion to the business reputation of plaintiff or likelihood of misappropriation or dilution of plaintiff's unique name and marks and the good will associated therewith.

c. Falsely designating any word, name, domain name, style, title or mark which creates a likelihood of confusion to the business reputation of plaintiff or likelihood of misappropriation or dilution of plaintiff's unique name and marks and the good will associated therewith.

d. Transferring the Internet domain names ATTTINC.COM and ATTTEL.COM, and any and all other domain names defendant has registered which contain the <att> character string, to any other person or entity, except plaintiff, provided that defendant may cancel its registration of such domain names.

5. The Clerk of Court is directed to enter judgment in favor of plaintiff and against defendant.

Sue L. Robinson
United States District Judge