

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

WEB ENTERTAINMENT LIMITED)	
)	
Plaintiff,)	Case No.: 1:14-cv-01416-CMH-IDD
v.)	
)	
<y8.org>)	
)	
Defendant.)	
)	

**MEMORANDUM IN SUPPORT OF MOTION TO DISMISS OR,
IN THE ALTERNATIVE, TO STAY CASE**

Registrant submits this memorandum in support of his motion to dismiss or, in the alternative, to stay this case. The claims at issue between the parties are the subject of pending parallel litigation in the Civil Court of Bombay, Mumbai, Maharashtra, India, in an action which was filed by Registrant more than three months before Plaintiff filed the instant complaint in the Eastern District of Virginia. [See Registrant’s India Complaint, **Exhibit C**]. The India forum was affirmatively agreed to by Plaintiff as the jurisdiction and forum for disputes between the parties. Dismissal of this duplicative and vexatious lawsuit is warranted to conserve judicial resources, preserve efficient judicial administration, obtain comprehensive disposition of litigation, and in light of Plaintiff’s voluntary submission to the jurisdiction of the courts in Mumbai, Maharashtra, India. If the Court should find dismissal is not warranted, Registrant moves in the alternative to stay this case pending resolution of the parallel litigation in the Civil Court of Bombay.

I. FACTUAL BACKGROUND

Plaintiff’s most recent Complaint filed in the Eastern District of Virginia is the third action in the parties’ ongoing dispute regarding the domain name <y8.org>.

[1:14-cv-01416-CMH-IDD Docket Item #1 Filed 10/28/14]. The previous actions include:

- (1) First Action. On April 24, 2014, Plaintiff filed an administrative complaint against Registrant under the Uniform Domain Name Dispute Resolution Policy (“UDRP”) to secure the transfer of the domain name underlying this proceeding <y8.org> (the “Disputed Domain”) to Plaintiff. [See Plaintiff’s UDRP Complaint, **Exhibit A**]. The UDRP proceeding was filed before the World Intellectual Property Organization Arbitration and Mediation Center (“WIPO”). In conjunction with the UDRP, WIPO notified PublicDomainRegistry.com, aka BigRock (“PDR”), the domain’s registrar (“Registrar”) of the UDRP action which had been filed. Pursuant to the UDRP, PDR placed the Disputed Domain on “locked” status pending the decision by WIPO. On June 18, 2014, WIPO issued its decision requiring the transfer of the Domain Name to Plaintiff. *Id.* at ¶ 13. [See WIPO Decision, **Exhibit B**].
- (2) Second Action. On July 9, 2014, Registrant timely filed a complaint in the Civil Court of Bombay, Mumbai, Maharashtra, India, against Plaintiff, challenging and appealing the WIPO ruling. [See Registrant’s India Complaint, Exhibit C]. Therein, Registrant seeks a declaratory judgment that Registrant has legitimate rights to the Disputed Domain, that the Disputed Domain was not registered or being used in bad faith, that Plaintiff was not entitled to a transfer of the domain name, and injunctive relief to maintain possession and ownership to the res (<y8.org>). Contemporaneously with the filing of the India Complaint, Registrant also filed a motion for a preliminary injunction against Plaintiff. [See Registrant’s India Motion for Injunction, **Exhibit D**].

Registrant’s appeal/challenge of the WIPO Decision (the Bombay Action) was brought in accordance with the UDRP which provides:

Pursuant to Paragraph 4(k) of the Uniform Domain Name Dispute Resolution Policy, the concerned Registrar shall proceed to implement the above decision on the tenth business day (as observed in the location of that Registrar's principal office) after receiving this notification. The concerned Registrar will not implement the decision if, before the 10-day waiting period has expired, the Respondent submits official documentation (such as a copy of a complaint, file stamped by the clerk of the court) to the Registrar demonstrating that it has commenced a legal proceeding against the Complainant in a jurisdiction to which the Complainant has submitted under Paragraph 3(b)(xiii) of the Rules for Uniform Domain Name Dispute Resolution Policy (the Rules).

[UDRP, ¶ 4k (emphasis added)].

Note that Plaintiff voluntarily submitted to the jurisdiction of the courts in Mumbai, Maharashtra, India. Plaintiff voluntarily, specifically, and affirmatively states in its UDRP Complaint:

IX. Mutual Jurisdiction (Rules, Paragraph 3(b)(xiii)) [41.] In accordance with Paragraph 3(b)(xiii) of the Rules, the Complainant will submit, with respect to any challenges that may be made by the Respondent to a decision by the Administrative Panel to transfer or cancel the domain name that is the subject of this Amended Complaint, **to the jurisdiction of the courts in Mumbai, Maharashtra, India**, the location of the principal office of the domain name's registrar.

[Plaintiff's UDRP Complaint Page 13, Exhibit A]

II. ANALYSIS

Dismissal is appropriate under the doctrine of abstention because there is co-pending litigation regarding the same issues set forth in Plaintiff's Complaint. Parallel litigation may be dismissed for considerations of "wise judicial administration, giving regard to conservation of judicial resources and comprehensive disposition of litigation." *Colorado River Water Conservation District v. U.S.*, 424 U.S. 800, 817 (1976) (quoting *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 183 (1952)); *see also Finova Capital Corp. v. Ryan Helicopters U.S.A. Inc.*, 180 F.3d 896, 898 (7th Cir. 1999) ("[I]n the interests of international comity, we apply the same general principles with respect to parallel proceedings in a foreign court."). This doctrine is commonly referred to as *Colorado River* abstention. *See* 17A MOORE'S FEDERAL PRACTICE §298 122.06 (3rd ed. 2010). These considerations weigh in favor of abstention and dismissal, here, where this litigation duplicates co-pending litigation in Mumbai, Maharashtra, India regarding the same issues concerning the <y8.org> domain name.

A. Parallel Litigation

The first task in assessing the propriety of abstention is to determine whether the federal and foreign proceedings are parallel. *Finova Capital Corp. v. Ryan Helicopters U.S.A. Inc.*, 180 F.3d 896, 898 (7th Cir. 1999). "Suits are parallel if substantially the same parties are litigating substantially the same issues simultaneously in two fora." *Id.* (quoting *Schneider Nat'l Carriers, Inc. v. Carr*, 903 F.2d 1154, 1156 (7th Cir. 1990)). "Exact parallelism" is not required; "it is

enough if the two proceedings are substantially similar.” *Romine v. Compuserve Corp.*, 160 F.3d 337, 340 (6th Cir. 1998) (quoting *Nakash v. Marciano*, 882 F.2d 1411, 1416 (9th Cir. 1989)).

Plaintiff’s federal suit is parallel to the first-filed litigation pending in Mumbai, Maharashtra, India. First, the parties are substantially similar. Both suits involve Plaintiff and the Res Defendant (y8.org, Domain Name), and the Registrant. Second, the issues are substantially similar. Both suits arise out of the same operative facts relating to Registrant’s registration and use of the domain name <y8.org>. “Since the principal matter of contention is identical, the granting of relief in one forum would dispose of the claims raised in the other.” *Finova Capital*, 180 F.3d. The domain name <y8.org> at issue is owned by Registrant which is the plaintiff in the co-pending Mumbai, Maharashtra, India action. The parties’ dispute concerns only the domain <y8.org> which is owned by Registrant. The parties in this federal action and the Mumbai, Maharashtra, India are “substantially the same” for the purposes of assessing abstention. *See Groeneveld Transp. Efficiency, Inc. v. Eisses*, No. 1:07-cv-1298, 2007 U.S. Dist. LEXIS 68965, at *5-6 (N.D. Oh. Sept. 18, 2007) (finding federal action and foreign action comprised parallel litigation where the suits involved the same issues/parties). Thus, the proceedings are parallel.

B. Considerations in Favor of Abstention

The next task in assessing the propriety of abstention is to balance the considerations weighing in favor of, and against, dismissal. *Id.* The factors to consider include: (1) the identity of the court that first assumed jurisdiction; (2) the relative inconvenience of the federal forum; (3) the need to avoid piecemeal litigation; (4) the order in which the respective proceedings were filed; (5) whether federal or foreign law provides the rule of decision; (6) whether the foreign action protects the federal plaintiff’s rights; (7) the relative progress of the federal and foreign proceedings; and (8) the vexatious or contrived nature of the federal claim. *Id.* at 898-99 (citing *Colorado River*, 424 U.S. at 818). “The decision to abstain is based on an assessment of the totality of the circumstances, and the Supreme Court has cautioned against placing too much weight on any specific factor.” *Id.* at 900 (citing *Colorado River*, 424 U.S. at 818-19).

1. The Mumbai, Maharashtra, India action predates this federal action.

Among the factors to consider are the order in which the respective proceedings were filed and the court which first assumed jurisdiction. *Id.* at 898-99. These factors weigh in favor of dismissal here, where the Mumbai, Maharashtra, India action was filed on July 9, 2014, more than three months before Plaintiff filed its federal Complaint. Moreover, the Plaintiff already availed itself of the WIPO to resolve this domain dispute under the UDRP. In filing its complaint concerning a domain-name registration with the WIPO, Plaintiff submitted to jurisdiction in Mumbai, Maharashtra, India for any challenges to a decision in the administrative proceeding. *See* Rules for Uniform Domain Name Resolution Policy and 3(b)(xiii). Rule 3(b)(xiii) for UDRP requires that Plaintiff submit to a court jurisdiction at the location of either the principal office of the Registrar (i.e., Mumbai, Maharashtra, India) or the domain name holder's address (i.e., Registrant's in Athens, Greece). Thus, by availing itself of a UDRP action before WIPO, Plaintiff chose to submit itself to the jurisdiction of the courts of Mumbai, Maharashtra, India. Although, Plaintiff has been aware of the action filed in Mumbai, Maharashtra, India for months, Plaintiff only very recently filed its duplicative federal litigation.

Accordingly, the factors of (i) the order in which the respective proceedings were filed and (ii) the court which first assumed jurisdiction weigh in favor of abstention and dismissal of the Complaint.

2. The federal forum is inconvenient.

All of Plaintiff's claims set forth in the Complaint concern Registrant's registration and use of the domain name <y8.org>. However, Registrant uses the domain exclusively internationally. Plaintiff is obligated to resolve its challenge to the propriety of the decision of WIPO in the jurisdiction set forth in the Rules for UDRP, namely, in Mumbai, Maharashtra, India. *See* Rules for Uniform Domain Name Resolution Policy 1 and 3(b)(xiii). *See e.g.*, 3 GILSON ON TRADEMARKS § 11.05[3] (2010) (discussing proper venue for infringement as part of a web site). Plaintiff has demonstrated no meaningful connection between this federal forum and Registrant, or between this federal forum and the events giving rise to Plaintiff's claims. To the contrary, the substantial part of the events giving rise to Plaintiff's allegations are connected to Registrant's principal office in Greece. Additionally, the location of the Registrar of

the Domain Name, which, conveniently, is the site of the first-filed parallel action regarding these matters (namely in Mumbai Maharashtra, India). Because the Eastern District of Virginia is a more inconvenient forum than Mumbai, Maharashtra, India, this factor weighs in favor of abstention. *See, e.g., Groeneveld Transp. Efficiency, Inc. v. Eisses*, No. 1:07-cv-1298, 2007 U.S. Dist. LEXIS 68965, at *6 (N.D. Oh. Sept. 18, 2007).

Moreover, none of the parties of interest to this action are U.S. parties. Plaintiff is a Hong Kong company. Registrant is a Greek national. The Registrar of the Domain Name is an India company. All eight *Colorado River* factors weigh in favor of abstention. The Registrant's motion should carry.

3. Dismissal avoids piecemeal litigation.

As previously noted, *Colorado River* abstention seeks to advance the interests of judicial economy. *See Colorado River Water Conservation District v. U.S.*, 424 U.S. 800, 817 (1976). For that reason, one of the most important factors in assessing abstention is “the desirability of avoiding piecemeal litigation.” *Id.* at 818. This factor weighs heavily in favor of dismissing Plaintiff's Complaint.

Plaintiff's Complaint alleges cybersquatting, trademark infringement, and unfair competition all flowing from Registrant's registration and use of the <y8.org> domain name. The first-filed action in Mumbai, Maharashtra, India seeks declaratory judgment that Registrant's registration and use of the <y8.org> domain name is noninfringing and that Plaintiff is not entitled to a domain transfer. These concurrent suits arise out of the same operative facts and involve the same issues. “[S]ince both proceedings turn on the same core issue, this is a case where ‘one can predict with some confidence that the foreign court litigation will probably eliminate the need for any further proceedings in federal court.’” *Finova Capital Corp. v. Ryan Helicopters U.S.A. Inc.*, 180 F.3d 896, 899 (7th Cir. 1999) (quoting *Lumen Constr., Inc. v. Brant Constr. Co.*, 780 F.2d 691, 695 (7th Cir. 1986)). Thus, considerations of judicial economy—the need to avoid protracted, piecemeal litigation—weighs in favor of dismissal. *See Id.*

4. The Civil Court of Bombay, Mumbai, Maharashtra, India is equipped to protect the rights of the federal Plaintiff.

Among the relevant factors is the federal interest in the case and the foreign court's ability to protect Plaintiff's rights. Moreover, Plaintiff affirmatively consented and agreed said court is the appropriate court to hear this matter. Time and again in assessing abstention, federal courts have recognized foreign courts are able to protect the interests of federal plaintiffs. *See, e.g., Tennessee Production Center, Inc. et al v. Eatsleepmusic, Corp. et al*, No. 3:09-0159, 2009 U.S. Dist. LEXIS 80399, at *3-4 (M.D. Tenn. Sept. 1, 2009); *Groeneveld Transp. Efficiency, Inc. v. Eisses*, No. 1:07-cv-1298, 2007 U.S. Dist. LEXIS 68965, at *5-6 (N.D. Oh. Sept. 18, 2007); "[A] district court cannot be faulted for rejecting 'the parochial concept that all disputes must be resolved under our laws and in our courts.'" *Finova Capital Corp. v. Ryan Helicopters U.S.A. Inc.*, 180 F.3d 896, 900 n.4 (7th Cir. 1999) (*quoting Ingersoll Milling Mach.Co. v. Granger*, 833 F.2d 680, 695 (7th Cir. 1987)). Accordingly, considerations of international comity warrant dismissal. *See Id.* at 900.

5. The relative progress of the federal and foreign proceedings weighs in favor of abstention.

Both the federal and foreign cases are in the early stages. However, having been filed four months before Plaintiff's Complaint, the India action has progressed further than the federal action. At this juncture, all the parties in the India action have been served. [See Registrant's India TRO/Preliminary Injunction, Exhibit D, and Declaration of Kale, ¶¶ 5-6]. There have been two status conferences before the India Court. There is also pending a motion for a preliminary injunction, calendared in the India Court for January 16, 2015. [See Registrant's India Motion for Injunction, Exhibit D, and Declaration of Kale, ¶ 7]. If the Court does not abstain, it is inevitable the parties will be litigating substantially the same issues in two fora at the same time. Accordingly, this factor weighs in favor of abstention.

6. The vexatious or contrived nature of the federal claim.

Plaintiff has been aware of the pending action in India since July 2014. [See email from Plaintiff's counsel Marc Randazza, **Exhibit E**, and Declaration of Wakino, ¶ 5]. Plaintiff has been aware of the action filed in India for months prior to the instant action. Plaintiff only

recently filed this duplicative federal litigation. Plaintiff's Complaint is clearly related to the India action and "appears to be a club that [Plaintiff] is using to affect resolution of the [foreign] action." See *Groeneveld Transp. Efficiency, Inc. v. Eisses*, No. 1:07-cv-1298, 2007 U.S. Dist. LEXIS 68965, at *5-6 (N.D. Oh. Sept. 18, 2007). Again, Plaintiff specifically consented and agreed to the jurisdiction to the court of Mumbai Maharashtra, India. Plaintiff's instant filing, in contravention to its voluntary assent to the Mumbai Court, is certainly vexatious.

C. Abstention is Warranted

For all of the foregoing reasons, abstention under *Colorado River* is warranted. The parties' dispute is the subject of parallel litigation in Mumbai, Maharashtra, India. The India action was filed first and India is the more convenient forum. Most importantly, the interests of judicial economy and international comity warrant dismissal in light of the parallel India action.

III. STAY

Even if the Court finds that a dismissal is not warranted, at a minimum, a stay of this case is warranted pending resolution of the India action. See, e.g., *Boushel v. Toro Co.*, 985 F.2d 406, 408-09 (8th Cir. 1993). In *Boushel*, the Eighth Circuit endorsed the district court's finding that although the issues and parties in the federal litigation and the foreign action were not identical, the substantial overlap in the two cases warranted a stay in the interests of judicial economy and international comity. *Id.* at 409 n. 2; see also *Groeneveld Transport Efficiency v. Eisses*, 297 Fed. Appx. 508, 511-12 (6th Cir. 2008) (holding Sixth Circuit lacked jurisdiction to review district court's non-final order granting motion to stay on grounds of international abstention in case "nearly identical" to *Boushel*). See also *Fowler v. Bizzack, Inc.*, No. 1:14CV00033, (W.D. Va. Sept. 4, 2014) (district court finding remedy of stay appropriate when duplicative state action pending).

Similarly here, even if the Court does not find a dismissal is warranted under the *Colorado River* doctrine of abstention, a stay of the case would be in the interests of judicial economy and international comity. See *Id.* The parties in this federal litigation and the India litigation and the issues at hand are substantially the same, if not identical. Thus, the first-filed India action will conclusively resolve the dispute between the parties and have res judicata effect

against all of the claims at issue in this litigation. *See Id.* at 409-10. Hence, in alternative to dismissing the action, the Court certainly may take “the more measured step of staying the proceedings.” *Finova Capital Corp. v. Ryan Helicopters U.S.A. Inc.*, 180 F.3d 896, 900 (7th Cir. 1999).

IV. CONCLUSION

For all of the foregoing reasons, Registrant respectfully requests the Court to enter an order dismissing the case in light of the parallel action in the Civil Court of Mumbai, Maharashtra, India. In the alternative, Registrant respectfully requests the Court to enter an order staying the case pending resolution of the prior-filed India action.

Respectfully submitted this the 7th day of January 2015.

/s/ Steven Rinehart
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CERTIFICATE OF SERVICE

I hereby certify that on January 7, 2015 a copy of the foregoing **REGISTRANT'S MEMORANDUM IN SUPPORT OF HIS MOTION TO DISMISS OR, IN THE ALTERNATIVE TO STAY** was filed electronically with the Clerk of Court using the CM/ECF system. Notice of this filing will be sent to all counsel of record by operation of the court's electronic filing system.

/s/ Steven Rinehart
Steven Rinehart

CERTIFICATE OF SERVICE

I hereby certify that on December 30, 2014 a copy of the foregoing **REGISTRANT'S MOTION TO DISMISS OR, IN THE ALTERNATIVE TO STAY** was filed electronically with the Clerk of Court using the CM/ECF system. Notice of this filing will be sent to all counsel of record by operation of the court's electronic filing system.

/s/ Steven Rinehart
Steven Rinehart