

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

)	
AIRFX.com and Marc Lurie)	
)	
Plaintiff(s),)	
)	
v.)	Civil Action No. 2:11-cv-01064-FJM
AirFX, LLC, an Indiana LLC)	
)	
)	
Defendant.)	

DEFENDANT’S MOTION TO DISMISS AND/OR TRANSFER

Defendant, AirFX, LLC. (“AirFX”), by and through its undersigned counsel, hereby submits its Motion to Dismiss and/or Transfer this action, and respectfully requests that this Court grant AirFX the relief it seeks.

I. INTRODUCTION

This is an appeal from a judgment in favor of AirFX, in which the National Arbitration Forum panel awarded AirFX.com to AirFX, the undisputed owner of the federal trademark AirFX. In its Decision dated May 16, 2011 (“the NAF Decision”), the National Arbitration Forum found:

- AirFX.com is identical and/or confusingly similar to AirFX’s U.S. Trademark Registration No. 31214511. (*National Arbitration Forum Decision* dated May 16, 2011, p. 5, attached as Exhibit 1.)

- Marc Lurie, the owner of AirFX.com, was “not commonly known by the disputed domain name.”¹
- Marc Lurie “is using the domain name [airfx.com] to display various third-party links to unrelated businesses. Therefore, the Panel finds that [Lurie] has registered and is using the domain name in bad faith pursuant to Policy ¶4(b)(iv).”²
- Marc Lurie “registered the domain name primarily to rent it...”³

Given these findings, the Panel ordered that airfx.com be transferred in ten days, or on May 26, 2011. On the very day that airfx.com was to be transferred, Plaintiff brought this action, alleging that AirFX, the rightful owner of the AirFX mark, was somehow “hijacking” the never-before-used domain name that bears the AirFX registered trademark.

Moreover, Plaintiff brings this action in the *District of Arizona*, where neither Plaintiff nor AirFX reside. In a showing of Plaintiff’s true intent, on May 30, 2011 just four days after filing this action, Plaintiff contacted AirFX and stated that he would dismiss the action if AirFX would award airfx.com back to Plaintiff. Otherwise, Plaintiff threatened sanctions and lengthy litigation. If anything, it is Plaintiff who should be sanctioned for his actions.

II. STATEMENT OF FACTS

¹ *Id.*, p. 6.

² *Id.*, p. 7 (citations omitted).

³ *Id.*

At least as early as October 2, 1978, Jeffrey Schwindt formed Air Systems Engineering, Inc., the original entity through which AirFX products were sold. Air Systems sold a wide variety of pneumatic parts and compressor parts.

Air Systems Engineering, Inc. filed for the federal trademark for AirFX on June 21, 2005. The first use in commerce of the mark AirFX was at least as early as June 8, 2005. As Plaintiff admits⁴, he did not purchase the domain name AIRFX.com until July 12, 2006, over a year later than the filing of the AIRFX federal trademark application.

Plaintiff holds himself out as an intellectual property attorney and on information and belief is aware that Trademark applications are publicly searchable immediately after filing. In spite of this, Plaintiff purchased a site identical to the pending AIRFX Trademark application.

III. THIS ACTION SHOULD BE DISMISSED UNDER FRCP 12(B)(6)

Plaintiff brings this single-count complaint after admittedly losing at the trial level – the National Arbitration Forum. However, this action should be dismissed for two reasons: 1) Plaintiff failed to assert its allegations of Reverse Domain Name Hijacking at the National Arbitration Forum, and now seeks to use this forum to assert new evidence, rather than appeal the NAF Decision, and 2) Plaintiff failed to state a claim upon which relief can be granted, as required by Federal Rule of Civil Procedure 12(b)(6).

⁴ Declaration of Marc Lurie, ¶10.

a. Plaintiff's Complaint is Flawed because it is Not an Appeal

This action is couched as an “appeal” or “challenge” to the NAF Decision. See, for example, Complaint ¶3. Plaintiff relies upon this assertion to justify its filing in the District of Arizona, discussed in detail *infra*. However, Plaintiff ignores that it should have asserted the present allegations at the Forum, and this action is an improperly brought action with new evidence and a new count, rather than the appeal that Plaintiff suggests.

Indeed, the National Arbitration Forum regularly hears Reverse Domain Name Hijacking complaints, and has ruled against parties that bring improper domain dispute actions before the NAF.⁵ The proper forum for the Plaintiff's present count would have been the NAF. However, the NAF did not find evidence of Reverse Domain Name Hijacking, and Plaintiff did not bring a count for Reverse Domain Name Hijacking in that forum.

Accordingly, rather than simply appealing or challenging the NAF Decision to grant AirFX.com to AirFX, Plaintiff brings an entirely new count and couches it as an appeal. For this reason alone, the present action should be dismissed.

b. Plaintiff's Complaint Fails to State a Claim Upon Which Relief can be
Granted

⁵ See, for example, *Bin Shabib & Associates (BSA) LLP v. Hebei IT Shanghai ltd c/o Domain Administrator*; Claim Number FA0910001287164 (Nat. Arb. Forum Nov. 19, 2009) (citing *Labrada Bodybuilding Nutrition, Inc. v. Glisson*, FA 250232 (Nat. Arb. Forum May 28, 2004)).

Plaintiff also fails to properly plead its Reverse Domain Name Hijacking count. This is because there is no way the facts can support a count for Reverse Domain Name Hijacking.

“To establish reverse domain name hijacking, Respondent must show knowledge on the part of the complainant of the Respondent’s right or legitimate interest in the Domain Name and evidence of harassment or similar conduct by the Complainant in the fact of such knowledge.” *NetDepositVerkaik v. Crownonlinemedia.com*, D2001-1502 (WIPO Mar. 19, 2002). An example of such harassing conduct was provided in *Labrada Bodybuilding Nutrition, Inc.*:

The Complainant's intentions are clear: use of the Policy as a tool to simply wrest the disputed domain name in spite of its knowledge that the Complainant was not entitled to that name and hence had no colorable claim under the Policy.

Labrada Bodybuilding Nutrition, Inc.

In the present complaint, Plaintiff has admitted that AirFX owns the registered trademark, AirFX.⁶ As a self-proclaimed “intellectual property attorney,” Plaintiff is well aware that owning a trademark registration for the *exact same mark* provides adequate reason for a party to bring a UDRP action before the NAF, as AirFX did. Moreover, Plaintiff knows that his offers to rent his website in exchange for a commission of AirFX sales, while never actually using the airfx.com website himself, establishes a prima facie case of “register[ing] the domain name primarily to rent it,” as the NAF Decision found factual.

⁶ Complaint, ¶27.

Plaintiff has not, however, made a prima facie showing that AirFX has harassed Plaintiff by merely defending his own trademark rights and bringing the (successful) UDRP action. Moreover, Plaintiff is unable to show its legitimate interest in airfx.com by merely pointing to self-serving affidavits. The fact remains that Plaintiff *never used the airfx.com website, and instead demanded a royalty and temporary contract if AirFX were to use it*. It was precisely these facts that prompted the NAF to rule against Plaintiff.

For all these reasons, even the facts as presented by Plaintiff are insufficient to satisfy the elements of reverse domain name hijacking. Accordingly, this action should be dismissed under FRCP 12(b)(6).

IV. IF NOT DISMISSED, THIS ACTION SHOULD BE TRANSFERRED

Ignoring the fact that Plaintiff improperly brought this action in this forum, as discussed above, Plaintiff's choice of forum is inconvenient for all parties, and is not in the interest of justice. Accordingly, if this matter is not dismissed, it should be transferred to the Southern District of Indiana, the district court in which AirFX resides, and the district in which all documents relevant to the underlying federal trademark reside.

“For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.” 28 U.S.C. § 1404(a). An order denying a motion to transfer venue for the convenience of the parties and witnesses, in the interests of justice, is reviewable for abuse of discretion. 28 U.S.C.A. § 1404(a); *Jones v. GNC Franchising, Inc.*, 211 F.3d 495 (9th Cir. 2000) *citing Lou v. Belzberg*, 834 F.2d 730, 734 (9th Cir.1987), *cert. denied*, 485 U.S. 993, 108 S. Ct. 1302, 99 L. Ed. 2d 512 (1988).

This Court has stated “[t]here are two separate requirements of § 1404(a). First, the district to which the defendant is seeking a transfer must be a place where the action originally ‘might have been brought,’ and second, the ‘convenience of parties and witnesses, in the interest of justice’ must favor transfer.” *Pupo-Leyvas v. Bezy*, 2008 U.S. Dist. LEXIS 84033 (D. Ariz. May 8, 2008), *citing Hatch v. Reliance Ins. Co.*, 758 F.2d 409, 414 (9th Cir. 1985).

a. This Action Could Have Been Brought in the Southern District of Indiana

As Plaintiff admits, *an action under federal trademark law* (but not necessarily the present action) could have been brought in the Southern District of Indiana. Indeed, it *should have* been brought there.

Plaintiff correctly states that the underlying subject matter is a federal question,⁷ it involves a federally registered trademark,⁸ and it requires a declaration of rights and other legal relations.⁹ Accordingly, all district courts have original jurisdiction over this matter.

Moreover, the Southern District of Indiana is precisely where AirFX would have brought its action for trademark infringement / cybersquatting / domain name transfer had it chosen to pursue the matter in federal court. AirFX is located in that district; its federal trademark resides in that district; all documents relevant to AirFX reside in that district; and all relevant witnesses reside in that district.

⁷ Complaint, ¶1.

⁸ *Id.*

⁹ *Id.*

Instead of pursuing a federal district court trademark action, however, AirFX chose to conserve judicial resources and opted for a Panel decision at the National Arbitration Forum. Plaintiff now claims to “appeal” that decision to a *court where neither party resides and that is inconvenient to all parties*. However, even the “appeal” falls on its face, since it is not an appeal, but rather a count that should have been raised at the National Arbitration Forum.

b. The Convenience of the Parties and Witnesses, and the Interest of Justice Favor Transfer

Because the Southern District of Indiana would be more convenient to parties and witnesses, and because the interest of justice favors it, transfer should be granted to the Southern District of Indiana.

In determining the convenience of a forum, there are several factors that are weighed by courts to assist them in making the final decision regarding whether the transfer of a case would serve the interests of justice. In particular, the Ninth Circuit considers several private and public interest factors in determining whether the preference accorded to Plaintiff's choice of forum, the United States District Court of Arizona, is outweighed by the burden of litigating in an “inconvenient forum”. . . . In other words, whether the transfer of a case would serve the interests of justice.

Pupo-Leyvas v. Bezy, at *7-8 (citing *Decker Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 843 (9th Cir. 1986)).

This Court considers a non-exhaustive list of both private and public factors in determining whether transfer of forum in the instant case is appropriate pursuant to § 1404(a): (1) the plaintiff's choice of forum; (2) the extent to which there is a connection between the plaintiff's causes of action and this forum; (3) the parties' contacts with this

forum; (4) the convenience of witnesses; (5) the availability of compulsory process to compel attendance of unwilling non-party witnesses; (6) the ease of access to sources of proof; (7) the existence of administrative difficulties resulting from court congestion; (8) whether there is a “local interest in having localized controversies decided at home”; (9) whether unnecessary problems in conflict of laws, or in the application of foreign law, can be avoided; and (10) the unfairness of imposing jury duty on citizens in a forum unrelated to the action. *Id.*, at *8. (Citing *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 498-99 (9th Cir.2000) and *Decker Coal*, 805 F.2d at 843; 28 U.S.C. § 1404(a).)

In the present action, nearly all factors favor transfer, and not a single factor favors the Plaintiff’s choice of forum. Furthermore, the single most important factor, the relative convenience to witnesses, favors transfer.

i. The Convenience of the Parties and Witnesses Favors Transfer

The convenience of every single party and witness favors transfer of this action. For this reason alone, this Court should grant AirFX’s Motion.

“The relative convenience to witnesses, both party and non-party, is often recognized as the most important factor to be considered in ruling on a motion under § 1404(a).” *Id.* (citing *Saleh v. Titan Corp.*, 361 F.Supp.2d 1152, 1160 (S.D.Cal. 2005); *International Comfort Products, Inc. v. Hanover House*, 739 F.Supp. 503, 507 (D.Ariz. 1989). “In determining whether the convenience of the particular venue to witnesses weighs in favor of transfer, the court must consider not simply how many witnesses each side has and the location of each, but, rather, the court must consider the importance of the witnesses.” *Id.*, at *8-9. (citing *State Street Capital Corp.*, 855 F.Supp. 192, 198

(D.Ariz. 1994); and *Gates Learjet Corp. v. Jensen*, 743 F.2d 1325, 1335-36 (9th Cir.1984)).

In the present action, not a single witness or party resides in Arizona. For this reason alone, the convenience factor heavily favors transfer. Additionally, transfer to the Southern District of Indiana is most appropriate as the Registered Trademark was prosecuted in that district,¹⁰ the Registered Trademark (property) resides in that district,¹¹ significant events occurred in that district, AirFX resides in that district,¹² and at least two witnesses reside in that district.¹³ By choosing this Forum, Plaintiff has already acknowledged that he would be willing to transport himself, his witnesses, *and his counsel* to a foreign venue in order to pursue litigation. AirFX, on the other hand, is incredibly inconvenienced. For all of these reasons, this Court should transfer the action to the Southern District of Indiana.

ii. The Parties' Contacts with this Forum Favors Transfer

As set forth above, the only connection any party has with this forum is GoDaddy.com, Inc., the non-party "sponsoring registrar"¹⁴ that happens to reside in this forum. No witness have been named at GoDaddy.com, Inc., and no set of facts suggests that any witnesses will be named from GoDaddy.com, Inc. Accordingly, this tenuous connection supports transfer.

¹⁰ Declaration of Jeffrey Schwindt, ¶4.

¹¹ Declaration of Jeffrey Schwindt, ¶5.

¹² Declaration of Jeffrey Schwindt, ¶¶6, 8, 10.

¹³ Declaration of Jeffrey Schwindt, ¶¶7, 9.

¹⁴ Complaint, ¶2.

iii. The Arizona Courts Could Not Compel the Attendance of Unwilling Witnesses, which Favors Transfer

All contemplated witnesses reside outside of this Forum. Accordingly, should any witness be unwilling, this Court would not be able to compel attendance. This factor also weighs heavily in favor of transfer.

As set forth in the Schwindt Declaration, at least one witness for Schwindt may need to be compelled.¹⁵ Such witness is a former employee of AirFX, but was witness to Plaintiff's abusive offers to rent and/or sell his domain name. Accordingly, such witness will be critical in AirFX's defense and counterclaims for cybersquatting, trademark infringement, and domain name transfer.

In contrast, Plaintiff has not asserted that any witness will need to be compelled. Indeed, Plaintiff chose this Forum, despite its inconvenience to his own witnesses and any and all other witnesses. For these additional reasons, transfer to the Southern District of Indiana is appropriate.

iv. The Ease of Access to Sources of Proof Favors Transfer

AirFX retains all of its documents in the Southern District of Indiana. These documents include all prosecution and ownership documents related to its Federal Trademark, all corporate documents, all employee records, and documents and things related to the discussions between the parties that preceded this litigation.

¹⁵ Declaration of Jeffrey Schwindt, ¶11.

In contrast, none of the documents Plaintiff has produced thus far have anything to do with the chosen Forum. Plaintiff has also not asserted its headquarters or offices are located in this District – because it cannot. For this additional reason, this Court should transfer this matter to the Southern District of Indiana.

v. The Plaintiff's Choice of Forum Should be Given Little Weight

Finally, in fact patterns like this, the Plaintiff's choice of forum should be given little, if any weight. All contemplated witnesses reside outside of this Forum. Accordingly, should any witness be unwilling, this Court would not be able to compel attendance. This factor also weighs in favor of transfer.

Courts generally defer to plaintiff's choice of forum. *Pupo-Leyvas v. Bezy*, at *13 (citing *Decker Coal Co.*, 805 F.2d at 843). “However, when the plaintiff's chosen forum is not his residence, or when the plaintiff's forum lacks a significant connection to the events that gave rise to the Complaint, the deference given to Plaintiff's choice of forum is slight, if any.” *Id.*, citing *Inherent.com v. Martindale-Hubbell*, 420 F.Supp.2d 1093, 1100 (N.D.Cal. 2006) (motion to transfer venue granted where only connection to chosen forum was the alleged relocation of the plaintiff's business and two witnesses after the events at issue occurred); *Saleh*, 361 F.Supp.2d at 1157-59 (motion to transfer venue granted where foreign plaintiffs failed to demonstrate material connection with chosen forum); *Amazon.com v. Cendant Corp.*, 404 F.Supp.2d 1256 (W.D.Wash. 2005) (noting “where the action has little connection with the chosen forum, less deference is accorded plaintiff's choice, even if plaintiff is a resident of the forum.”).

Just as in *Pupo-Leyvas*, the Plaintiff in the instant case is not a resident of Arizona, and there is no connection between Arizona and the events that gave rise to this lawsuit. Consequently, this Court should find that little deference or consideration must be paid to Plaintiff's choice of forum, just as it did in *Pupo-Leyvas*.

WHEREFORE, the undersigned counsel respectfully requests this Court grant its Motion to Dismiss, or in the alternative, grant its Motion to Transfer. Counsel further requests that this Court grant all expenses imposed on AirFX in defending and/or transferring this action.

Dated: 9/2/11

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been filed electronically with the Clerk of Court on September 2, 2011 and served via the Court's ECF system upon the following counsel of record:

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