

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**LOCKHEED MARTIN CORPORATION,
Plaintiff,**

v.

**NETWORK SOLUTIONS, INC., and
DOES 1-20,
Defendant.**

Case No. CV 96-7438 DDP (ANx)

Filed, March 19, 1997

43 U.S.P.Q.2d 1056

**Order Denying Defendant's Motion to Partially Dismiss Plaintiff's Claims and
Related Relief**

Defendant's motion to partially dismiss Plaintiff's claims and related relief came before the Court on March 10, 1997. After reviewing and considering the materials submitted by the parties and hearing oral argument, the Court denies Defendant's motion.

I. Introduction

For over 50 years, Plaintiff Lockheed Martin Corporation ("Lockheed") has operated "Skunk Works," an aerospace development and production facility. Lockheed owns the federally registered "SKUNK WORKS" service mark. n1

In March 1996, Lockheed learned that Network Solutions, Inc. ("NSI"), the exclusive registrar of Internet domain names, had granted domain name registrations for "SKUNKWORKS.NET" and "SKUNKWORKS.COM" to Clayton Jacobs of Santa Monica, California, and Seng-poh Lee of Cheshire, Connecticut, respectively. Lockheed contacted both individuals and advised them that their domain name registrations infringed Lockheed's federally registered SKUNK WORKS mark. n2

On May 7, 1996, Lockheed sent NSI a letter advising NSI that it was the owner of the SKUNK WORKS mark and requesting that NSI cease registering domain names that referred to or included the names "Skunk Works" or "Skunkworks" or otherwise infringed on Lockheed's mark. Lockheed also requested that NSI provide Lockheed with a list of registered domain names that contain the words "skunk works" or any variation thereof. NSI did not respond to the letter. Lockheed sent a second letter to NSI on June 18, 1996, informing NSI that it believed that the domain name registrations

"SKUNKWORKS.COM" and "SKUNKWORKS.NET" infringed Lockheed's service mark and demanding that NSI withdraw these registrations.

On September 18, 1996, NSI sent Lockheed a letter stating that it could not provide Lockheed with a list of all domain names similar to "SKUNKWORKS." NSI also informed Lockheed that if Lockheed wanted NSI to take action concerning infringing domain names, it should do so in accordance with NSI's September 9, 1996 version of its Domain Name Dispute Policy.

On October 22, 1996, Lockheed filed a complaint against NSI alleging contributory service mark infringement, unfair competition, and dilution. The complaint alleges that NSI knowingly participated with third parties in a scheme to infringe and dilute the SKUNK WORKS mark by continuing to provide and maintain domain name registrations for "SKUNKWORKS.COM," "SKUNKWRKS.COM," "SKUNKWERKS.COM" and "SKUNKWORKS.NET" after being notified of Lockheed's service mark rights.

Additional registrants of SKUNK WORKS-type domain names include: Kathy Huber, a resident of New York who registered "SKUNKWRKS.COM" on September 27, 1995; Roger Barski, a resident of Illinois who is listed as the administrative contact for "SKUNKWERKS.COM," which registered the domain name on January 27, 1996; n3 and Ken Hoang, a resident of California who is listed as the administrative contact for Skunk Works Multimedia Inc. of Santa Monica, California, which registered the domain name on March 20, 1996. n4

On February 10, 1997, NSI filed this motion to partially dismiss Lockheed's claims and related relief for failure to join indispensable parties. NSI asserts that under Federal Rule of Civil Procedure 19(b) the SKUNK WORKS-type domain name registrants are indispensable parties to Lockheed's action because if Lockheed wins, the registrants will not be able to use the SKUNK WORK-typo domain names on the Internet. Therefore, NSI argues that to the extent that a judgment on Lockheed's claims would adjudicate the rights of non-parties, Lockheed's claims should be dismissed.

II. Discussion

The Court begins with the observation that "unlike a patent or copyright, a trademark does not confer on its owner any rights in gross or at large." *MDT Corp. v. New York Stock Exchange, Inc.*, 858 F. Supp. 1028, 1032 (C.D. Cal. 1994) (citing *Traeger v. Gordon-Allen, Ltd.*, 71 F.2d 786, 768 (9th Cir. 1934)); see also *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F.3d 769, 777 (8th Cir. 1994) (noting that "unlike copyright and patent owners, trademark owners have no rights in gross"). Therefore, the law does not *per se* prohibit the use of trademarks or service marks as domain names. Rather, the law prohibits only uses that infringe or dilute a trademark or service mark owner's mark. Moreover, innocent third party users of a trademark or service mark have no duty to police the mark for the benefit of the mark's owner. *MDT*, 858 F. Supp. at 1034. Consequently, the mere fact that a person registered a SKUNK WORKS or a variation

thereof as a domain name does not mean that the person infringed or diluted Lockheed's mark. Furthermore, even if the use of a domain name did infringe Lockheed's mark, the mere fact that NSI registered that domain name does not, without more, make NSI liable for service mark infringement (or dilution, or unfair competition, etc.).

The Court questions whether NSI has infringed, diluted, or otherwise acted unfairly in connection with registering the SKUNK WORKS-type domain names. Lockheed's complaint appears to assert, at least in part, that NSI is liable under the Lanham Act simply for registering SKUNK WORKS-type domain names. However, it seems unlikely that such conduct would violate the Lanham Act. That said, however, Lockheed has alleged that NSI is infringing its SKUNK WORKS mark, and the Court will assume for purposes of this motion that Lockheed can prove its allegation.

Assuming Lockheed can establish NSI's role as a tortfeasor jointly and severally liable for infringing Lockheed's SKUNK WORKS mark, the Court holds that the SKUNK WORKS-type registrants are not necessary parties under Federal Rule of Civil Procedure ("Rule") 19(a), and therefore they are not indispensable parties under Rule 19(b).

In *Temple v. Synthes Corp.*, 498 U.S. 5 (1990), the Supreme Court held that Rule 19(a) did not change the well-settled rule that a joint tortfeasor is not a necessary party to an action against another party with like liability. Therefore, the Court held that a failure or inability to join that party does not trigger a Rule 19(b) inquiry into whether the action should be dismissed for failure to state a claim. The Court noted that "[t]he Advisory Committee Notes to Rule 19(a) explicitly state that 'a tortfeasor with the usual 'joint-and-several' liability is merely a permissive party to an action against another with like liability.'" *Id.* at 7.

Actions for service mark and trademark infringement generally sound in tort, and thus the plaintiff can choose to sue less than all of the alleged infringers. See e.g., *Costello Publishing Co. v. Rotelle*, 670 F.2d 1035, 1043 (D.C. Cir. 1981) ("it is well established that a suit for infringement is analogous to other tort actions and infringers are jointly and severally liable; hence plaintiff need only sue participants as it sees fit"); *Stabilisierungsfonds Fur Wein v. Kaiser Stuhl Wine Distributors Pty. Ltd.*, 647 P.2d 200, 207 (D.C. Cir. 1981) ("Courts have long held that in patent, trademark, literary property, and copyright infringement cases, any member of the distribution chain can be sued as an alleged joint tortfeasor. Since joint tortfeasors are jointly and severally liable, the victim of trademark infringement may sue as many or as few of the alleged wrongdoers as he chooses; those left out of the lawsuit ... are not indispensable parties"); see also 7 Wright & Miller, *Federal Practice and Procedure*, Civil.2d § 1614, at 225 (2d ed. 1986) (same).

NSI and the SKUNK WORKS-type registrants are potential joint tortfeasors. Therefore, under *Temple*, they are merely permissive parties, and need not be joined. It is true that a decision adverse to NSI will affect NSI's ability to perform its contract with the registrant with whom NSI acted to infringe Lockheed's mark and will thereby impair the registrant's ability to use the infringing domain name. However, the fortuity of a contract between

alleged joint tortfeasors should not, and does not, permit one tortfeasor to require the plaintiff to join other tortfeasors . n5

NSI's concern that Lockheed's failure to join the various SKUNK WORKS-type registrants will subject NSI to inconsistent verdicts with its registrants may be resolved, at least in the case of some of the registrants, through impleader. The Court also notes that NSI's Domain Name Dispute Policy provides for withdrawal of domain name registrations in certain circumstances, including upon court order. The Court further notes that NSI's Domain Name Dispute Policy provides for indemnification of NSI by its registrants in certain circumstances.

III. Conclusion

Based on the foregoing, the Court denies NSI's motion to partially dismiss.

IT IS SO ORDERED.

DATED: March 19, 1997

(signed)

DEAN D. PREGERSON

United States District Judge

Footnotes:

- 1. On September 18, 1973, Lockheed registered the mark SKUNK WORKS on the Principal Register of the United States of America as a service mark pursuant to Certificate of Registration No. 968,861 for "engineering, technical, consulting, and advisory services with respect to designing, building, equipping, and testing commercial and military aircraft and related equipment." The mark was reregistered on July 14, 1981.
- 2. After Lockheed contacted Lee, Lee asked NSI to delete his domain name registration. However, after NSI deleted Lee's registration, Lockheed did not seek to register the "SKUNKWORKS.COM" domain name for itself, thus permitting the "SKUNKWORKS.COM" domain name to remain unregistered until a new registrant, Grant Smith, filed an application on December 19, 1996. Lockheed claims that NSI did not notify Lockheed that it had withdrawn the "SKUNKWORKS.COM" domain name from Lee.
- 3. After Lockheed sent Barski a letter informing him that he was infringing Lockheed's mark, Barski complied with Lockheed's request to cancel his SKUNKWERKS.COM account with his Internet service provider. However,

Barski did not request to have his domain name registration removed from NSI's Internet registry.

- 4. Lockheed sued Hoang's company in the Central District Of California on May 13, 1996. *Lockheed Martin Corp., v. Clayton Jacobs*, CV 96-3422 (1996). That action resulted in a consent judgment under which the parties agreed that the domain name would be assigned to Lockheed. Lockheed claims that it provided NSI with a file-stamped copy of the consent judgement and requested that NSI transfer the infringing domain name registrations to Lockheed, but NSI took no action. NSI, however, asserts that when it contacted Hoang, he told NSI that Lockheed had not provided him with the information necessary to effectuate the transfer.
- 5. The Court notes that cases such as *Vance v. ASCAP*, 271 F.2d 204 (8th Cir. 1959), and *Global Childcraft, Inc. v. Grolier, Inc.*, 1981 Copyright L. Dec. (CCH) ¶ 25,224 (D. Conn. 1980), are not analogous to the Court's case. Compare also *Gilliam v. American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976). That line of cases requires an initial determination of trademark validity prior to deciding the infringement and unfair competition issues, thereby necessitating the joinder of the party who, as the purported owner of the mark, licensed the mark to the alleged infringer.