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Decision

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 BMADDOX ENTERPRISES LLC,

4 Plaintiff,

New York, N.Y.

5 v.

17 Civ. 1889(RA)

6 MILAD OSKOUIE, OSKO M LTD, and  
7 PLATINUM AVENUE HOLDINGS PTY,  
LTD,

8 Defendants.

9  
10 MILAD OSKOUIE AND PLATINUM  
11 AVENUE HOLDINGS PTY, LTD,

12 Counterclaimants,

13 v.

14 BMADDOX ENTERPRISES LLC and  
15 BRANDON MADDOX,

16 Counterdefendants.

17 July 28, 2017  
18 4:54 p.m.

19 Before:

20 HON. RONNIE ABRAMS,

21 District Judge

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APPEARANCES

ANDERSON DUFF  
Attorney for Plaintiff/Counterdefendants

LEWIS & LIN LLC  
Attorneys for Defendants/Counterclaimants  
BY: DAVID D. LIN

(Case called)

MR. DUFF: I'm Anderson Duff, D-u-f-f. I'm here on behalf of plaintiff BMaddox Enterprises LLC.

THE COURT: All right. Good afternoon.

MR. LIN: Good afternoon. David Lin, from Lewis & Lin, on behalf of Defendants/Counterclaimants.

THE COURT: All right. Good afternoon.

So we're here to discuss Defendants/Counterclaimants' motion for a TRO and preliminary injunction. Specifically, they request the Court order the transfer of the domain names MiladOskouie --

am I pronouncing it correctly?

MR. LIN: Yes.

THE COURT: -- and AustralianHaker.com into an account under Counterclaimants' sole control, and that the Plaintiff/Counterdefendant and others be enjoined from displaying Mr. Oskouie's passport number, Social Security number, personal email address and/or address.

I'm ready to rule based on the papers, but if you want

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1 to be heard on this, I'm happy to hear you. I keep an open  
2 mind. But if there is anything you want to add to the papers,  
3 you can, but I think I have a sense of your arguments from the  
4 papers.

5 MR. DUFF: Well, I would just say that to the extent  
6 that they are asking that the passport number be removed, our  
7 client instructed the person who built that website to remove  
8 it.

9 THE COURT: OK. Good. I was going to ask you that,  
10 if your client would be willing to do that.

11 MR. DUFF: Yes. The defendant Oskouie made it public  
12 himself in an Australian --

13 THE COURT: In the Court filing.

14 MR. DUFF: As an offer, showing of good faith, our  
15 client has already been instructed and it is down. I checked  
16 this morning.

17 THE COURT: OK. All right. That's helpful. So,  
18 thank you for letting me know that. And I'll tell you, from my  
19 perspective that was the closest issue. So why don't I rule on  
20 the other three claims.

21 Ultimately, I find that Defendants/Counterclaimants  
22 have not shown a likelihood of success on the merits of any of  
23 those three claims, and so their motion is denied.

24 Counterclaimants assert that there are three  
25 remaining, putting aside the passport number issue, on which

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1 they can show a likelihood of success on the merits.

2 First, they allege that Counterdefendants violated 15  
3 United States Code Section 8131. Even assuming that it's  
4 proper for me to consider evidence of a settlement offer, this  
5 settlement offer proposed a global resolution of the parties'  
6 disputes; it had 14 points, including a monetary demand for  
7 resolution of all of Plaintiff's claims currently pending in  
8 this case, the transfer of certain websites from defendants to  
9 plaintiff, that the parties would close complaints that have  
10 been made against each other with law enforcement, and an offer  
11 that Plaintiff would transfer the two websites at issue now to  
12 Defendants.

13 On the record before me, this settlement offer does  
14 not demonstrate the specific intent to profit from such name --  
15 does not demonstrate -- excuse me. The specific intent to  
16 proffer from such name by selling the domain name for financial  
17 gain to that person or any third party, and that's from the  
18 statutory language of Section 15 United States Code Section  
19 8131(1)(A). I agree with Counterdefendants that the cases  
20 cited by Counterclaimants are distinguishable. The  
21 registration of the domain name with the specific intent to  
22 profit is an essential element of liability under this  
23 provision, and so Counterclaimants have not shown a likelihood  
24 of success on the merits of this claim.

25 Second, Counterclaimants allege Counterdefendants

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1 violated 15 United States Code Section 1125(d) by registering a  
2 domain name that is identical or confusingly similar to that  
3 mark, which is distinctive at the time of registration of the  
4 domain name -- and the person registering the domain name has a  
5 bad faith intent to profit from the mark. That's from 1125(d).

6 Counterclaimants argue that they have made extensive,  
7 widespread, and continuous use of the Milad Oskouie mark in  
8 commerce in connection with Web properties such as  
9 InfiniteConversations.com and UniTutor.com and so the "Milad  
10 Oskouie" is a distinctive mark. Counterclaimants, however,  
11 have not demonstrated that Milad Oskouie is a distinctive mark  
12 in my view and, thus, cannot demonstrate a likelihood of  
13 success on the merits of this claim at this time.

14 An individual person's name may become a tradename  
15 when it acquires a secondary meaning, i.e., when the name comes  
16 to symbolize a particular business to consumers. That's from  
17 the Madrigal Audio Labs case versus Cello, 799 F.2d 814 at 822.

18 The existence of secondary meaning is an inherently  
19 factual inquiry in which the past -- excuse me, in which in the  
20 past we have examined. And this is from the Circuit's case in  
21 Yarmuth-Dion v. D'ion Furs, 835 F.2d at 993, in which the  
22 Circuit has examined the senior user's advertising  
23 expenditures, consumer studies linking the name to the source,  
24 sale success, unsolicited media coverage of the product,  
25 attempts to plagiarize the mark, and length and exclusivity of

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1 the marks used.

2 Counterclaimants have not shown that the name Milad  
3 Oskouie has acquired a secondary meaning.

4 In his affidavit, Mr. Oskouie states that he used his  
5 name in connection with InfiniteConversations and the  
6 UniTutor -- business which he promoted through advertising and  
7 marketing -- so much so that these businesses were synonymous  
8 with the Milad Oskouie mark. But the only evidence he provides  
9 for these businesses becoming synonymous with his personal name  
10 does not support that conclusion. He provided an article in  
11 Website Magazine, which cites him as the author and identifies  
12 him as "a director at Infinite Conversations." He also  
13 provides a screenshot from the Infinite Conversations' website  
14 that lists Milad Oskouie as director. Notably, Sandip Banerjee  
15 is also identified as a director.

16 This evidence is insufficient to support the  
17 conclusion that Infinite Conversations is synonymous with Milad  
18 Oskouie or that Milad Oskouie has come to symbolize a  
19 particular business to consumers.

20 Third, Counterclaimants do not show a likelihood of  
21 success on the merits that Counterdefendants engaged in unfair  
22 competition under New York law by using the Milad Oskouie mark  
23 and Mr. Oskouie's personal name for commercial gain.

24 New York unfair competition law, as interpreted by the  
25 Second Circuit, protects the use of personal names that have

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1 not acquired secondary meaning under certain circumstances,  
2 including instances of actual palming off and deception.

3 That's from Yantha v. Omni Childhood Center, Incorporated, 213  
4 WL 5327516 at \*6.

5 The absence of secondary meaning does not always  
6 preclude recovery on a claim for unfair competition, because  
7 competition must be fair to the trade as well as to the  
8 consumer. Thus, the law recognizes a right of relief against  
9 certain practices having destructive effect primarily on a  
10 producer's competitive position, to wit, actual deception of  
11 purchasers, palming off, and appropriation of property rights.  
12 That's from the Hygienic Specialties Corporation case, 302 F.2d  
13 at 620.

14 Here, Counterclaimants have not shown that  
15 Counterdefendants attempted to create the impression that its  
16 websites were affiliated with Milad Oskouie nor capitalize on  
17 Oskouie's goodwill, nor that there was any actual deception of  
18 purchasers. See 815 Tonawanda Street Corporation, 842 F.2d  
19 643, 649.

20 Thus, Counterclaimants have not shown a likelihood  
21 success on the merits of this claim.

22 And then we discuss the privacy issue with respect to  
23 the passport number.

24 So, accordingly, Defendants' motion for a TRO and  
25 preliminary injunction is denied, partially for the reasons I

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1 stated, partially because it's moot as to the passport number  
2 issue.

3 So, that's where we are in this motion.

4 I think that I said "Conversations" and it was  
5 "Conversions." So the name "Infinite" should be "Infinite  
6 Conversions," just for the record, just to clarify that.

7 Let's talk about scheduling in the case going forward.  
8 OK? So right now we have a September 7th date for a  
9 preliminary injunction on Plaintiff's motion for a preliminary  
10 injunction. I can still do the 7th, although I would have to  
11 move it a little bit later.

12 How long do you anticipate that that hearing will  
13 last, Mr. Duff?

14 MR. DUFF: Well, given now that we have 16  
15 counterclaims to deal with, including two antitrust  
16 counterclaims and several completely meritless counterclaims in  
17 my view, I honestly can't help. I couldn't say because I'm at  
18 a loss for words with the filings in this case.

19 We tried to initiate settlement discussions and then  
20 our olive branch was turned into a switch, and our client would  
21 like to file a motion to dismiss and also a motion for Rule 11  
22 sanctions.

23 THE COURT: All right. Mr. Lin, do you want to be  
24 heard?

25 MR. LIN: As to the length of the hearing?



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1 THE COURT: Yes, or if you want to respond to anything  
2 Mr. Duff said.

3 MR. LIN: Well, as to the length of the hearing, we  
4 would probably expect our case to take a couple of hours.

5 I do want to note that I have had discussions with  
6 Mr. Duff where he has acknowledged that changes have been made  
7 to my client's website, so I think a lot of the issues raised  
8 in the causes of action in the complaint are now mooted. But,  
9 you know, we are happy to proceed --

10 THE COURT: Let me ask you a question. Would you all  
11 be -- I know that you engaged in some settlement discussions  
12 and I know obviously from the papers here how some of those  
13 discussions were then used in connection with this motion, but,  
14 nonetheless, would it be productive to have a settlement  
15 conference with a third party who could maybe walk you through  
16 some of these issues?

17 MR. DUFF: Well, to the extent that the third party  
18 could -- let me just back up here.

19 Using the financial information that we have obtained,  
20 we have been able to match IP addresses that were used to  
21 access Defendants' PayPal accounts that were also used to gain  
22 access to our client's Internet service providers, which to me  
23 is very strong evidence that the Defendants did in fact hack  
24 our client. And the reason we found this information is in the  
25 memorandum in support -- or in opposition to our TRO, the

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1 Defendants stated that they couldn't possibly have copied  
2 because they published -- or they couldn't have possibly hacked  
3 because they published two days before the alleged hacking took  
4 place.

5 So our client went back to his Internet service  
6 providers and asked them for all of 2015's, all the access,  
7 everybody who accessed his accounts, and we found a whole  
8 bunch. We found that 25 times his uplink account was accessed  
9 from IP addresses that are matched to PayPal accounts owned by  
10 the defendants. We found that his benchmarkemail.com account  
11 was accessed three times -- these are all in mid-2015 -- from  
12 an IP address that was used to access his PayPal account five  
13 times. And we found that a gentleman going by Jerome Kohlberg  
14 who the defendant has claimed he has no knowledge of, purchased  
15 our client's products in June and September of 2015 using an  
16 email address that is also associated with other financial  
17 accounts that we have records of.

18 THE COURT: All right. I don't know that that's  
19 directly answered my question --

20 MR. DUFF: I'm sorry.

21 THE COURT: The answer is no in light of that conduct.

22 MR. DUFF: I just don't see that the Defendants are  
23 going to enter into a productive conversation. They are  
24 aggressively making misrepresentations to this Court.

25 THE COURT: All right. Mr. Lin.

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1 MR. LIN: I would say that we are certainly open to  
2 settlement discussions and perhaps a mediator would be helpful  
3 in that regard. However, I do -- I would like to point out  
4 that in the Plaintiffs' papers, they state that there are  
5 actual damages of perhaps \$53,000 or \$56,000. So, as your  
6 Honor saw in the settlement offer, they've demanded \$300,000  
7 and that we basically close up shop with respect to our  
8 businesses. So, you know, if there is such a discrepancy  
9 between what the plaintiffs are alleging their damages to be  
10 and their settlement demand, I don't think settlement  
11 discussions are really going to be fruitful at this time.

12 MR. DUFF: Your Honor, may I comment?

13 THE COURT: Sure.

14 MR. DUFF: If that is the understanding of our offer,  
15 then perhaps we are closer than I thought. The financial  
16 element may be an issue, obviously, but we are not asking  
17 Defendants to close up shop entirely. We are asking them to  
18 move away from -- you know, this is a basic tenet of trademark  
19 law. Once you have created confusion in the marketplace, you  
20 have to move further away from the trademark than you normally  
21 would. And in this case we're not saying that they can't ever  
22 operate in this field, but we need them to not use FFL or  
23 anything like it. And, frankly, our client is quite  
24 distrustful, and I think rightfully so, of the Defendants in  
25 this case so it is going to be --

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1 THE COURT: All right. Yes.

2 MR. LIN: Briefly, your Honor.

3 Their settlement demand asked that we hand over the  
4 FFL trust domain and all FFL-related domains. FFL is the  
5 generic term for federal firearms licenses, so they basically  
6 want us to stop operating this --

7 THE COURT: Look, this discussion is exactly why I  
8 thought it might be productive for you to meet with a third  
9 party. Because I'm going to be deciding the motion for the  
10 preliminary injunction, I don't think it is best for it to be  
11 me. So the question is would you be agreeable to see either a  
12 mediator or a magistrate judge before we have the hearing in  
13 September?

14 MR. DUFF: Yes.

15 THE COURT: OK. Mr. Lin, would you be amenable to  
16 that?

17 MR. LIN: I will confirm with my client but I think  
18 if -- I've heard some things from Mr. Duff that somewhat  
19 contradict the offer that he gave me earlier this month. You  
20 know, if the issue is not that we turn over -- if they are not  
21 demanding that we turn over our domains and close up our  
22 business and, you know, refrain from --

23 THE COURT: I think he just said you don't have to  
24 close up your business, but I think it sounds like you want to  
25 have more in-depth discussion.

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1           Look, I think it would be productive because it seems  
2 like there is a lack of communication between you as to exactly  
3 what is being requested by each side. So, again, that's why I  
4 think it would be productive, or may be productive, to have a  
5 third party there. I mean, this has already been referred to a  
6 magistrate judge for general pretrial. So, again, if you are  
7 amenable to it, I will just ask that the magistrate judge have  
8 a settlement conference in August sometime.

9           I don't know. Does that work for you all? Or early  
10 September?

11           MR. DUFF: I'll certainly talk to my client. I know  
12 my client is quite upset.

13           THE COURT: OK. Why don't you do this. Why don't you  
14 write me a joint letter no later than a week from today and  
15 just let me know if your clients are amenable to having a  
16 discussion about settlement, a settlement conference, with the  
17 magistrate judge. OK? Because it's going to be expensive --  
18 and you should tell your clients that -- to prepare for and  
19 litigate this case, including the preliminary injunction  
20 motion.

21           With respect to the preliminary injunction motion, if  
22 that's essentially what the trial in this case is going to look  
23 like, can we consolidate things? Do we have to have a  
24 preliminary injunction hearing now and then a trial? Can we  
25 move it off for a month or two and have the trial and sort of

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1 do everything in this case all at once? Is there a way to just  
2 sort of consolidate our efforts?

3 MR. DUFF: That sounds good to me. I would obviously  
4 need to --

5 THE COURT: OK. So what I'm going to ask you to do is  
6 I'm going to ask you to talk to each other, talk to your  
7 clients, and see if we can do two things: Number one, if you  
8 have a settlement conference with the magistrate judge -- Judge  
9 Pitman is assigned at this point in time -- and, two, if you  
10 are amenable to just having instead of a preliminary injunction  
11 hearing in September, having everything heard at one time.

12 MR. LIN: I would -- with respect to that, your Honor,  
13 I would note two things. Number one, the plaintiffs brought  
14 this case in March and we just learned of it, you know, last  
15 month or this month. So, you know, they have had four months  
16 of third-party discovery and all of that.

17 THE COURT: All the more reason to do it all at once  
18 and maybe put it off a little bit.

19 MR. LIN: The other issue is if we put it off, your  
20 Honor has in place a TRO against my client's bank account so he  
21 is hamstrung with operating his business at this time. So, you  
22 know, we --

23 THE COURT: Look, I think you should take a close look  
24 at the case. If you think you are going to win on that, you  
25 know, or Plaintiff is going to lose on that motion, but take a

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1 close look at the websites and how similar they are and all the  
2 other evidence in this case and think about it. Think about  
3 settlement. Think about how we should do things in the most  
4 efficient manner.

5 I mean, you know, as I said, I can't do the morning of  
6 September 7th, but I could do it September 12th and 13th. Or,  
7 again, if we're going to put everything off and do everything  
8 at once, I can put it off later into the fall. But I'm really  
9 just asking for you all to talk to each other about what's most  
10 productive, what discovery you need and what you don't need,  
11 how we can resolve this in the most efficient and inexpensive  
12 manner for your clients.

13 OK? Just write me a joint letter by next Friday and  
14 then we'll proceed from there. OK?

15 MR. DUFF: Yes, your Honor.

16 THE COURT: All right. So I'm taking it off the  
17 calendar for September 7th. I don't know if I should put it on  
18 the calendar for the 12th or the 13th or just wait to hear from  
19 you. I am inclined to just wait to hear from you.

20 MR. LIN: That's fine.

21 THE COURT: All right. OK.

22 MR. LIN: Your Honor, I have one request. That  
23 because the miladoskouie.com domain name is registered with  
24 privacy protection services in the Bahamas, we do have a  
25 concern that the Counterclaimants may -- you know, if they were

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1 to transfer that domain to a third party, it would be outside  
2 the reach of the Court's jurisdiction. So we would ask that  
3 the Court require the Plaintiff to not to transfer that domain  
4 name during the pendency of the case.

5 THE COURT: Mr. Duff.

6 MR. DUFF: My understanding is that you just ruled on  
7 that and that they are not going to have injunctive relief at  
8 this time. That website is protected by the First Amendment  
9 and it is not defamatory.

10 MR. LIN: Our preliminary injunction TRO is requesting  
11 that the domain name be transferred to us, but now my  
12 application to the Court is that just the domain name --

13 THE COURT: What is your basis for that?

14 MR. LIN: For what I'm requesting now?

15 THE COURT: Yes, for your request.

16 MR. LIN: Well, number one, if the plaintiffs were to  
17 transfer the domain name to a third party, that would be beyond  
18 the jurisdiction of this Court.

19 Number two, I think that brings into consideration  
20 various spoliation and ESI-related issues; and, number three,  
21 based on their having already privacy protected this domain  
22 with a service based in the Bahamas, we have a concern that  
23 there may be an attempt to transfer it further beyond the  
24 jurisdiction of this Court.

25 THE COURT: OK. That motion is denied. OK?



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All right. Thank you. We are adjourned.

MR. DUFF: Thank you, your Honor.

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