

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

STILLWATER LAKES CIVIC	:	
ASSOCIATION, INC.,	:	CIVIL ACTION NO. <b>3:CV-08-2264</b>
	:	
	:	(Judge Munley)
Plaintiff	:	(Magistrate Judge Blewitt)
	:	
v.	:	
	:	
NOREEN GORKA, et al.,	:	
	:	
Defendants	:	

**REPORT AND RECOMMENDATION**

**I. Background.**

Plaintiff, Stillwater Lakes Association, Inc., (“the Association”), a Pennsylvania non-profit corporation that manages a planned community known as Stillwater Lake Estates, Coolbaugh Township, Monroe County, Pennsylvania, filed this action on December 18, 2008, against Defendants Noreen Gorka, Michael Classic, Stillwater Lakes Citizens, and Stillwater Lakes Community Activist, a Pennsylvania corporation (“Defendants”). Plaintiff attached exhibits to its Complaint. (Doc. 1). On January 20, 2009, in response to the Complaint, all Defendants jointly filed a Motion to Dismiss pursuant to Fed. R. Civ. P. 12(b)(6). (**Doc. 8**). Defendants filed their support Brief on January 31, 2009. (Doc. 10). Plaintiff filed its 32-page opposition Brief with attached case law on February 17, 2009. (Doc. 14). Defendants filed their Reply Brief with attached exhibits on February 28, 2009. (Doc. 15).<sup>1</sup>

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<sup>1</sup>The undersigned has been assigned this case for pre-trial matters.

This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338 and 15 U.S.C. § 1116. Plaintiff seeks the Court to exercise its supplemental jurisdiction over its Pennsylvania state law claims (Counts III-VI), pursuant to 28 U.S.C. § 1367(a). (Doc. 1, p. 3).<sup>2</sup>

Plaintiff's Complaint contains six (6) counts, to wit:

Count I: Lanham Act - Trade Name Infringement

Count II: Cyber squatting (Lanham Act)

Count III: Pennsylvania Statutory Anti-Dilution of Trade Name

Count IV: Anti-Dilution Misappropriation of Corporate Name

Count V: Unfair Competition<sup>3</sup>

Count VI: Common Law Trade Name Infringement

(Doc. 1, pp. 12-35, ¶'s 63.-157.).

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<sup>2</sup>While Plaintiff notes in its opposition Brief to Defendants' Motion to Dismiss that its averments in Count I of its Complaint cover both a trade infringement claim under § 1125(a) of the Lanham Act as well as an anti-dilution claim under § 1125(c) of the Lanham Act (Doc. 14, p. 7, n. 2), we find that Count I only specifically pleads a trade infringement claim under § 1125(a) of the Lanham Act. (See e.g. Doc. 1, ¶ 90.). Thus, we only consider Count I as raising a trade infringement claim under § 1125(a) of the Lanham Act since this is the only claim in Count I of which Defendants had notice. Plaintiff's Count III contains an anti-dilution claim under state law. Even though leave to amend a complaint under Rule 15(a) shall be freely given, Plaintiff cannot amend its Complaint in its Brief. See *Matthews v. Villella*, Civil No. 08-964, M.D. Pa., 2-6-09 Memo, J. Jones, slip op. p. 16 ("it is axiomatic that a complaint may not be amended by the Plaintiff through a brief.")(citation omitted).

<sup>3</sup>Plaintiff indicates that its Count V unfair competition claim is brought under common law as opposed to under the Lanham Act § 43(a). (Doc. 1, p. 31, ¶ 141.).

An unfair competition claim under common law is the same as one under the Lanham Act, except under Pennsylvania law there is no requirement that the goods travel through interstate commerce. *Louis Vuitton Malletier & Oakey, Inc. v. Veit*, 211 F.Supp. 2d 567 at 582, P 17. (E.D. Pa. 2002).

Plaintiff seeks injunctive relief as well as damages and enforcement costs under 15 U.S.C. § 1117(d). As stated, Defendants jointly moved to dismiss all claims of Plaintiff, *i.e.* Counts I-VI in their entirety, for failure to state claims upon which relief can be granted. **(Doc. 8)**.<sup>4</sup>

## II. Motion to Dismiss Standard.

The Court in *O'Connell v. Sobina*, 2008 WL 144199, \*2 (W.D. Pa.), set forth the new standard to dismiss, as announced by the Supreme Court in *Bell Atlantic Corp. v. Twombly*, 550 U.S. —, 127 S. Ct. 1955 (2007), as follows:

As the United States Supreme Court recently held in *Bell Atlantic Corp. v. Twombly*, [550] U.S. —, 127 S.Ct. 1955, 167 L.Ed.2d 929 (May 21, 2007), a complaint must be dismissed pursuant to Fed.R.Civ.P. 12(b)(6) if it does not allege “enough facts to state a claim to relief that is plausible on its face.” *Id.* at 1974 (rejecting the traditional 12(b)(6) standard set forth in *Conley v. Gibson*, 355 U.S. 41, 45-46, 78 S.Ct. 99, 2 L.Ed.2d 80 (1957)). The court must accept as true all all allegations of the Complaint and all reasonable factual inferences must be viewed in the light most favorable to plaintiff. *Angelastro v. Prudential-Bache Securities, Inc.*, 764 F.2d 939, 944 (3d Cir. 1985). The Court, however, need not accept inferences drawn by plaintiff if they are unsupported by the facts as set forth in the complaint. See *California Pub. Employee Ret. Sys. v. The Chubb Corp.*, 394 F.3d 126, 143 (3d Cir. 2004) (citing *Morse v. Lower Merion School Dist.*, 132 F.3d 902, 906 (3d Cir. 1997)). Nor must the court accept legal conclusions set forth as factual allegations. *Bell Atlantic Corp.*, 127 S.Ct. at 1965 (citing *Papas an v. Allain*, 478 U.S. 265, 286, 106 S.Ct. 2932, 92 L.Ed.2d 209 (1986)). “Factual allegations must be

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<sup>4</sup>It does not appear that any discovery has commenced in this case. To the extent that Defendants have submitted evidence with their Reply Brief, Doc. 15, to dispute Plaintiff's arguments made in its opposition Brief, such as Plaintiff's contention that it has alleged its name was famous, it is not appropriate to consider Defendants' evidence regarding their Rule 12(b)(6) Motion. Defendants will have the opportunity to re-submit any evidence they have with a summary judgment motion after discovery has ended.

enough to raise a right to relief above the speculative level.” *Bell Atlantic Corp.*, 127 S.Ct. at 1965. Although the United States Supreme Court does “not require heightened fact pleading of specifics, [the Court does require] enough facts to state a claim to relief that is plausible on its face.” *Id* at 1974.

See also *Kokinda v. Breiner*, 557 F. Supp. 2d 581, 588 (M.D. Pa. 2008).

### **III. Factual Background.**

Plaintiff avers as follows in its Complaint:

1. This is an action commenced by the Board of Directors of Stillwater Lakes Civic Association (hereinafter “the Association”), a Pennsylvania nonprofit corporation that manages the planned community known as Stillwater Lake Estates, Coolbaugh Township, Monroe County, Pennsylvania.

2. As a corporation, the Association has ownership rights to its corporate and trade name (“Stillwater Lakes” and “Stillwater Lakes Civic Association, Inc.”) pursuant to Articles of Incorporation filed with the Pennsylvania Department of State in 1976.

3. Defendants registered domain names strikingly similar to the Association’s and have operated a website using the Association’s official corporate and trade name without Association authorization.

4. Plaintiff brings causes of action under the relevant Federal and State trademark statutes and common law causes of action, alleging trade name infringement, dilution, cyber squatting and misappropriation.

(Doc. 1, pp. 2-3, ¶’s 1.-4.).

Plaintiff is the community association that owns and operates the common areas of Stillwater Lake Estates. Plaintiff avers that it has ownership rights to its corporate and trade name pursuant to Articles of Incorporation filed with the Pennsylvania Department of State. Plaintiff alleges that

Defendants Gorka and Classic jointly own property in Stillwater Lake Estates.<sup>5</sup> Defendant Gorka is a member of Plaintiff's Board of Directors. Defendant Stillwater Lakes Citizens is allegedly a factional entity which is owned and operated by Defendants Gorka and Classic out of their house and is not registered with the State. Plaintiff alleges that Stillwater Lakes Citizens is the alter ego of Defendants Gorka and Classic. Defendant Stillwater Lakes Community Activist is a non-profit corporation organized under Pennsylvania laws and is headed by Defendant Classic. Plaintiff alleges that Defendants Gorka and Classic are entirely in control of Defendants Stillwater Lakes Community Activist and Stillwater Lakes Citizens.

Plaintiff avers that in August 2006 and June 2008, Defendants Gorka and Classic registered the website domain names of [www.stillwaterlakes.net](http://www.stillwaterlakes.net) and [www.stillwaterlakes.com](http://www.stillwaterlakes.com). Both websites lead to the former website. (*Id.*, p. 6). Plaintiff states that Defendants Gorka and Classic own and operate the website. Plaintiff began its own official website in March 2008 with the domain name of [www.mystillwaterlakes.com](http://www.mystillwaterlakes.com). (*Id.*, p. 9).

Plaintiff alleges that Defendants Gorka and Classic offered to sell the two stated domain names to it for profit, and that it refused to buy the domain names since it already had exclusive right to the names. Plaintiff further allege that "the Defendants, through a membership forum included in their website, have posted and monitored inaccurate and critical entries regarding [Plaintiff], its Board of Directors, Management Company and individual Directors." (*Id.*, p. 7). Plaintiff avers that the website of Defendants does not conspicuously state that it is not the official site of Plaintiff, and that there is no clear disclaimer language on the website disassociating it from

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<sup>5</sup>Plaintiff's Brief indicates that Defendants Gorka and Classic are married.

Plaintiff. Plaintiff also avers that Defendants' website displays its trade and corporate name without its authorization. (*Id.*, pp. 8-9). Plaintiff states that it has tried to force Defendants Gorka and Classic to cease and desist operation of their "misleading" website, but to no avail. (*Id.*, pp. 9-10). Plaintiff states that despite its letters and minor changes made by Defendants to their website, "the [website] still fails to contain adequate information to avoid confusing users as to the official nature of the site and continues to use [Plaintiff's] trade and corporate name without authorization." (*Id.*, p. 10). Plaintiff further avers that the term "Stillwater Lakes" used in Defendants' domain name and website "is causing confusion amongst users within and outside of the community." (*Id.*). Plaintiff states that Defendants continue to make references to it and its home page in their website and that Defendants continue to use the acronym "SLCA" in an attempt to confuse internet users.

Plaintiff's conclude their allegations as follows:

54. Defendants, in bad faith, have intended to profit from the good will and reputation of the Plaintiff, as said site contains private advertising by third parties.

55. Defendants registered the domain names which are confusingly similar to the Association's corporate and trade name.

56. It was the Defendants' intent to harm the Plaintiff's reputation and good will by increasing the likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the [Plaintiff] Association's official site.

(*Id.*, pp. 11-12).

Thus, Plaintiff alleges that Defendants are using trade names and domain names similar to Plaintiff's trade name without its authorization and that Defendants' conduct is causing confusion among internet users.

Plaintiff states that based on Defendants' alleged conduct, namely, of attempting to market Plaintiff's domain name for profit, it has suffered and will continue to suffer damages, and that Defendants should be enjoined from operating their website and ordered to transfer the registration of their domain names to Plaintiff to prevent further damages and the intentional use of its trade name without its consent.

#### **IV. Discussion.**

##### *A. Count I Lanham Act - Trade Name Infringement*

Initially, Defendants argue that Plaintiff has failed to allege that it registered a trademark for Stillwater Lakes or Stillwater Lakes Civic Association, Inc., and that Plaintiff has failed to allege it has any claim of trademark rights in the stated names. Defendants also argue that Plaintiff has not stated that its name was used in connection with any goods or services in interstate commerce.

Plaintiff alleges that, through the filing of its Covenants and its Articles of Incorporation with the State, it owns the trade name Stillwater Lakes Civic Association under the Lanham Act and that it owns all rights to this name. Plaintiff avers that Defendants have used its trade name in commerce without its authorization, in part, by using their stated domain name<sup>6</sup> containing the acronym SLCA, which confuses internet users. Plaintiff also avers that Defendants have failed to

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<sup>6</sup>As the Court noted in *Tillery v. Leonard & Sciolla, LLP*, 437 F. Supp. 2d 312, 318, n.1 (E.D. Pa. 2006):

A domain name is a way to identify and locate computers and resources connected to the Internet.... It tells users where to find a particular web page, much like a street address or phone number tells people where to find a particular home or business. No two organizations can have the same domain name. *Strick Corp. v. Strickland*, 162 F.Supp.2d 372 (E.D.Pa. 2001) (internal citations omitted.)

advise users that Defendants' website is not the official site of Plaintiff, and that Defendants have prominently displayed its [Plaintiff's] trade name on Defendants' website. (Doc. 1, pp. 13-14).

As Defendants and Plaintiff recognize (Doc. 8, p. 4 and Doc. 14, pp. 11-12), and as the Court noted in *Tillery v. Leonard & Sciolla, LLP*, 437 F. Supp. 2d 312, 320, n. 2 (E.D. Pa. 2006):

trademark infringement under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). FN2. In the Third Circuit, to prove either federal trademark infringement or unfair competition under 15 U.S.C. § 1125(a)(1)(A), a plaintiff must demonstrate: (a) the mark is valid and legally protectable; (b) it owns the mark; and (c) the defendant's use of the mark to identify goods or services causes a likelihood of confusion. *Opticians Ass'n of America*, 920 F.2d at 192.

FN2. 15 U.S.C. § 1125(a) provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which-

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

In order to prove ownership of a trade name, Plaintiff "must establish prior rights in the mark by use in commerce." *Id.* at 323(citation omitted).

Plaintiff has alleged that the names Stillwater Lakes and Stillwater Lakes Civic Association, as well as any derivative names, are its protected trade names which it alleges were used in commerce by Defendants in connection with advertising, marketing, sale of goods and services, and dissemination of information. (Doc. 1, p. 13). Plaintiff avers that the stated names are its exclusive property which it has owned since 1976 by virtue of its filing of Articles of Incorporation with the State. (*Id.*). Defendants argue that Plaintiff has failed to state that its names were used with any goods and services in commerce as required notwithstanding Plaintiff's filing of Articles of Incorporation with the State. (Doc. 8, pp. 4-5).

Based on the case of *Raintree Homes, Inc. v. CBS Networking Services*, Civil No. 01-1277, M.D. Pa., 5-17-02 Memo, attached to Defendants' Doc. 15 Reply Brief (Doc. 15-4), we find that Defendants' alleged conduct and their alleged use of Plaintiff's trade name on the internet has a sufficient connection to commerce for purposes of the Lanham Act.

We also agree with Plaintiff that it has sufficiently stated a trade name infringement claim under the Lanham Act since Defendants are alleged to be attempting to obtain commercial gain from their use of its name on their website (Count I). As Plaintiff states, it has sufficiently stated and shown that Defendants have generated revenue from advertising on their website. (Doc. 14, p. 6). Exhibits A and F attached to Plaintiff's Complaint (Doc. 1) clearly show that businesses have advertised on Defendants' website and that Defendants are soliciting advertisers on their site.<sup>7</sup>

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<sup>7</sup>Even though the Court is only considering Plaintiff's Complaint under the standard for a Motion to Dismiss, it is allowed to consider documents referenced in Plaintiff's pleading upon which its claims are based. See *Pension Benefit Guar. v. White Consol. Indus., Inc.*, 998 F.2d 1192, 1196 (3d Cir. 1993). However, in considering a Rule 12(b)(6) motion to dismiss, the Court cannot consider evidence submitted by Defendants to dispute Plaintiff's claims unless the

Thus, we find that Plaintiffs have alleged that Defendants' website is a commercial use.

We also agree with Plaintiff (Doc. 14, pp. 8-9) that it is not required to have a registered trademark in order to pursue its claim under the Lanham Act, *i.e.* Count I, if its unregistered mark is recognized by the public as identifying its goods or services. The Court in *Douglas v. Osteen*, 560 F. Supp. 2d 362, 368-69 (E.D. Pa. 2008), stated:

Under the Lanham Act, trademark infringement is defined as "use of a mark so similar to that of a prior user as to be likely to cause confusion, or to cause mistake, or to deceive." *Freedom Card, Inc. v. JPMorgan*, 432 F.3d 463, 469 (3d Cir.2005). Accordingly, the Lanham Act "protects trademark owners in the exclusive use of their marks when use by another would be likely to cause confusion." *Id.* To establish a claim for trademark infringement, the plaintiff must show that (1) the mark is valid and legally protectable; (2) the mark is owned by the plaintiff; and (3) defendant's use of the mark to identify goods or services is likely to create confusion regarding the origin of the goods or services. *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 210 (3d Cir.2000); *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 291 (3d Cir.1991). Where the plaintiff claims an interest in an unregistered mark, the plaintiff must also show that he was first to adopt the mark in commerce, he has continuously used the mark in commerce since its adoption, and his unregistered mark is either inherently distinctive or has acquired secondary meaning. *Ford Motor Co.*, 930 F.2d at 292; *see also Dranoff-Perlstein Assoc. v. Sklar*, 967 F.2d 852, 855 (3d Cir.1992) (stating that federal trademark law extends protection to an unregistered mark only "if the public recognizes it as identifying the claimant's goods or services and distinguishing them from those of others" ) (quoting *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 296 (3d Cir.1986)).

*See also E.T. Browne Drug Co. V. Cococare Products, Inc.*, 538 F. 3d 185, 191 (3d Cir. 2008).

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motion is converted to a Rule 56 summary judgment motion. At this stage of the case, we do not recommend that the District Court convert Defendants' Motion to one for summary judgment. Also, Plaintiff has not had notice that Defendants' Motion would be construed as a summary judgment motion.

Based on Plaintiff's pleadings in Count I, we find that Plaintiff has alleged ownership of its name since 1976, a valid and protectable mark, and that Plaintiff has alleged the likelihood of consumer confusion sufficient to state a claim of trade name infringement under § 1125(a) of the Lanham Act. See *Douglas, supra* at 369 (quoting *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F. 3d 198, 210 (3d Cir. 2000) ("stating that 'a likelihood of confusion exists when consumers viewing the mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark'"))(citation omitted) and (*Qwest Commc'ns Int'l v. Cyber-Quest, Inc.*, 124 F. Supp. 2d 297, 304 (M.D. Pa. 2000)("stating that a motion to dismiss a trademark infringement claim may be granted if 'no reasonable factfinder could find a likelihood of confusion on any set of facts that Plaintiff could prove'").

As Plaintiff recognizes (Doc. 14, p. 13), its name is a suggestive term, *i.e.* a term "which suggest[s] rather than describe[s] the characteristics of the goods." *E.T. Browne*, 538 F. 3d at 191. Also, Plaintiff correctly indicates that "trademark law protects suggestive ... terms without any showing of secondary meaning." *Id.* (citations omitted). Further, as Plaintiff states, it has alleged that it operated for 32 years and used the same name and same acronym (SLCA), *i.e.* suggestive terms. (Doc. 14, p. 13).

Additionally, Plaintiff contends:

It has developed relationships with its members, prospective members, realtors, service providers, contractors, and additional vendors based on the Association's goodwill, garnered through years of effective operation and management of the community. Moreover, the Stillwater Lakes Civic Association has maintained and operated the common areas in the Stillwater Lake community for close to 30 years. As such, it is

clearly distinctive in the local market and clearly has secondary meaning, a requirement of the statute. The Association has rights to its corporate name and acronym, which have attained a secondary meaning in the Pocono region.

(Doc. 14, pp. 13-14).

Moreover, we agree with Plaintiff as stated in its Brief (Doc. 14, pp. 14-16) that it has sufficiently alleged that the use of its name by Defendants causes confusion. See *Tillery*, 437 F. Supp. 2d at 324; *Checkpoint Systems, Inc. v. Check Point Software Tech., Inc.*, 269 F. 3d 270, 280-81 (3d Cir. 2001) (citing *Lapp*, 721 F. 2d at 462 (“The law of trademark protects trademark owners in the exclusive use of their marks when use by another would be likely to cause confusion.”); *Tillery v. Leonard & Sciolla, LLP*, 521 F. Supp. 2d 346, 349, n. 2 (E.D. Pa. 2007) (stating 10 *Lapp* factors).

“To prove likelihood of confusion, Plaintiffs must show that ‘consumers viewing the mark would probably assume the product or service it represents is associated with the source of a different product or service identified by a similar mark.’”(citation omitted). *Checkpoint Systems*, at 280. Further, “likelihood of confusion is a factual issue” and since our parties have not yet commenced discovery, Plaintiff should be allowed to explore what evidence it can produce with respect to this element. *Green v. Fornario*, 486 F. 3d 100, 106 (3d Cir. 2007); *Raintree Homes, Inc.*, *supra*, slip op. (Doc. 15-4) pp. 9-11. Since the ten (10) *Lapp* factors are stated in *Raintree Homes, Inc.*, *supra*, slip op. (Doc. 15-4) pp. 10-11, we do not repeat them herein.<sup>8</sup>

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<sup>8</sup>As the *Green* Court noted, “the primary purpose of § 1125(a) is not to protect people ... from having their names used by others, but to protect *consumers* from peddlers who use confusing, misdescriptive trade names.” 486 F. 3d at 107, n. 7(citation omitted)(emphasis original). “Thus, the ‘touchstone’ of a § 1225(a) claim is likelihood of confusion.” *Id.* (citation omitted).

As the Court stated in *Raintree Homes, Inc., supra*, slip op. (Doc. 15-4) p. 12, “the facts have not been sufficiently developed to determine the level of consumer confusion. Our conclusion is especially appropriate in light of the Third Circuit’s holding that the existence of a likelihood of confusion is a question of fact.”(citations omitted).

Thus, we shall recommend that Defendants’ Motion to Dismiss Count I of Plaintiff’s Complaint be denied.<sup>9</sup>

*B. Anti-Cyber Squatting Claim, Count II*

As Count II of its Complaint, Plaintiff asserts a claim under the Anti-Cyber Squatting Consumer Protection Act (“ACPA”), found at §1125(d) of the Lanham Act. In *Tillery v. Leonard & Sciolla, LLP*, 521 F. Supp. 2d 346, 349 (E.D. Pa. 2007), the Court stated:

This Act [ACPA], 15 U.S.C. § 1125(d), makes it illegal for a person to use, with the bad faith intent to profit from, an internet domain name that is identical or confusingly similar to the distinctive or famous trademark or internet domain name of another person or company. *Shields v. Zuccarini*, 254 F.3d 476, 481 (3d Cir.2001). Subjective determinations such as bad faith are “singularly inappropriate for determination on summary judgment. *Suisman, Shapiro v. Suisman*, 2006 WL [387289] at \*9, quoting *Cadbury Beverages v. Cott Corp.*, 73 F.3d 474, 483 (2d Cir.1996); see also *U.S. ex rel Cantekin v. Univ. of Pittsburgh*, 192 F.3d 402 (3d Cir.1999), cert. denied, 531 U.S. 880, 121 S.Ct. 192, 148 L.Ed.2d 133 (2000) (defendant's state of mind typically should not be decided on summary judgment).

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<sup>9</sup>As noted above, we do not find that Plaintiff has stated an anti-dilution claim under § 1125(c) of the Lanham Act in Count I of its pleading. As stated, Plaintiff cannot amend its Count I to include such a new claim in its Brief. Plaintiff is represented by counsel, and if it had intended to raise an anti-dilution claim under §1125(c) of the Lanham Act in Count I of its pleading, it should have clearly done so. Thus, we only address Plaintiff’s state law anti-dilution claim raised in Count III below.

Section 1125(d) of the Lanham Act “prohibits registering a domain name that is confusingly similar to a distinctive mark or dilutive of a famous mark with ‘a bad faith intent to profit’ from it”. *Green v. Fornario*, 486 F. 3d 100, 105 (3d Cir. 2007). The *Green* Court stated, as Plaintiff recognizes (Doc. 14, pp. 27-28), that to determine bad faith for a cyber squatting claim, Congress has provided nine factors to consider. *Id.* Specifically, the *Green* Court listed the factors as follows:

- (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
- (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
- (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;
- (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous....

5 U.S.C. § 1125(d)(1)(B)(i).

*Id.* at 105-06.

We agree with Plaintiff, as fully explained in its Brief, that five of the nine stated factors clearly weigh in its favor based on its allegations in the Complaint. (Doc. 14, pp. 27-28).

Thus, we will recommend that Defendants' Motion to Dismiss Plaintiff's ACPA claim, Count II, be denied.

*C. Count III, PA State Law Anti-Dilution Claim*

Plaintiff asserts its Count III claim under the Pennsylvania Anti-Dilution statute, 54 Pa. C.S.A. § 1124.<sup>10</sup>

As the Court stated in *Maule v. Phila. Media Holdings, LLC*, 2008 WL 5251308, \*6 (E.D. Pa.), "Section 1124 provides a remedy for injunctive and other equitable relief to the owner of a mark 'famous in this Commonwealth' when an infringer's use of the mark is likely to cause dilution to the value of the mark." The *Maule* Court also stated:

Pennsylvania law defines a "trademark" or "service mark" in the following manner:

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<sup>10</sup>There is also a trademark dilution claim that can be asserted under the Lanham Act. 15 U.S.C. §1125(c). See *Louis Vuitton Malletier and Oakley, Inc. v. Veit*, 211 F. Supp. 2d at 581, ¶ 10. As noted above, we find that Plaintiff's Count I under § 1125(a) of the Lanham Act did not also state an anti-dilution claim under §1125(c) of the Act. Thus, we only address Plaintiff's state law anti-dilution claim. We note that a dilution claim under the federal statute (*i.e.* Lanham Act) and under state law "are identical except that the Pennsylvania law narrows the focus to acts within the Commonwealth." *Scott Fetzer Co. v. Gehring*, 288 F. Supp. 2d 696, 701, n. 7 (E. D. Pa. 2003).

**“Mark.”** Includes any trademark or service mark entitled to registration under this chapter whether registered or not.

**“Service Mark.”** A mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes, without limitation, the marks, names, symbols, titles, designations, slogans, character names and distinctive features of radio or other advertising used in commerce.

**“Trademark.”** Any word, name, symbol, or device, or any combination thereof, adopted or used by a person to identify goods produced, manufactured or sold by the person, and to distinguish them from goods produced, manufactured or sold by others.

54 Pa. C.S.A. § 1102.

*Id.*

Plaintiff must show that its “marks” are famous in Pennsylvania. *Id.*, \*7.

The *Maule* Court further stated:

To establish a claim for dilution under § 1124, a plaintiff must demonstrate: (1) that its mark is famous; (2) that the defendant began using a mark in commerce after the plaintiff’s mark became famous; and (3) that the defendant’s use is diluting the value of the mark. See 54 Pa.C.S.A. § 1124. In determining whether the plaintiff is the owner of a famous mark, the court may consider:

(1) The degree of inherent or acquired distinctiveness of the mark in this Commonwealth.

(2) The duration and extent of use of the mark in connection with the goods and services with which the mark is used.

(3) The duration and extent of advertising and publicity of the mark in this Commonwealth.

(4) The geographical extent of the trading area in which the mark is used.

(5) The channels of trade for the goods or services with which the mark is used.

(6) The degree of recognition of the mark in the trading areas and channels of trade in this Commonwealth used by the mark's owner and the person against whom the injunction is sought.

(7) The nature and extent of use of the same or similar marks by third parties.

(8) Whether the mark is the subject of a registration in this Commonwealth or a Federal registration under the act of March 3, 1881 (21 Stat. 502) or the act of February 20, 1905 (33 Stat. 724), repealed by the Trademark Act of 1946 (60 Stat. 427, 15 U.S.C. § 1051, *et seq.*), or on the principal register. [See 54 Pa. C.S.A. § 1124.]

*Id.* at \* 7.

Defendants contend that Plaintiff's name is not famous in Pennsylvania. Plaintiff must show that it has notoriety within Pennsylvania for a state law dilution claim. *Id.*<sup>11</sup>

In *Scott Fetzer Co. v. Gehring*, 288 F. Supp. 2d 696, 701-02, (E. D. Pa. 2003), the Court stated:

To establish a claim for dilution a plaintiff must prove that:

1. The plaintiff is the owner of a [famous] mark ....
2. The defendant is making commercial use in interstate commerce of a mark or trade name.
3. Defendant's use began after the plaintiff's mark became famous, and
4. Defendant's use causes dilution by lessening the capacity of the plaintiff's mark to identify and distinguish goods or services.

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<sup>11</sup>As noted, this jurisdictional element for a state law dilution claim does not apply to a federal dilution claim under the Lanham Act.

*Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 163 (3d Cir.2000); see 15 U.S.C. § 1125(c). Under Pennsylvania dilution law, 54 Pa.C.S.A. § 1124 , the elements for a dilution cause of action, except jurisdictional nexus, are the same as under Federal law.

We agree with Plaintiff (Doc. 14, pp. 18-19) that it has alleged (Doc. 1, pp. 23-25) its name is famous and that Defendants are making commercial use of its name in interstate and intrastate commerce. As Plaintiff states:

The Association has been operating for over thirty years. Its name is synonymous with the Stillwater Lake community. Furthermore, it has done business with local vendors during said period. Third, realtors have marketed properties within the community and used the Association as an informational resource for many years, with many of the sales crossing state lines, primarily the New York/New Jersey metro area. Lastly, many unit owners, their guests, and families have lived in and enjoyed the homes and facilities within Stillwater Lake community, with such goodwill attributable to the Associations' efforts. Plaintiff's name is clearly famous.

(Doc. 14, pp. 18-19).

Plaintiff has also alleged that Defendants' use of its name commenced after its name became famous. (Doc. 1, pp. 6-10). Therefore, we find that Plaintiff has stated the first three factors to establish a dilution claim. Now we turn to the fourth element.

The Court in *Scott Fetzer Co.* stated as follows:

To satisfy the fourth element plaintiff must establish actual dilution. FN9

FN9. While the Pennsylvania Supreme Court has not ruled whether actual dilution must occur, we note that the definitions of dilution in 54 Pa.C.S.A. § 1102 and 15 U.S.C. § 1127 are identical. As a result, we interpret the requirements for establishing a dilution claim under Pennsylvania and federal law to be identical.

The term 'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of-

(1) competition between the owner of the famous mark and other parties, or

(2) likelihood of confusion, mistake, or deception.'

.. [T]hat does not mean that the consequences of dilution, such as an actual loss of sales or profits, must also be proved.

*Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418, 432, 123 S.Ct. 1115, 1124, 155 L.Ed.2d 1, 15 (2003) (quoting 15 U.S.C. § 1127). In fact, where the competing entities are using marks that are identical, dilution may be reliably found using the circumstantial evidence of the identical marks. *Id.*, 537 U.S. at 434, 123 S.Ct. at 1125, 155 L.Ed.2d at 15.

*Id.* at 702.

Plaintiff has alleged, and its exhibits attached to its Complaint have sufficiently shown, that Defendants are using its name on their website without its permission and that they are using its name to sell advertising on their site. Plaintiff has alleged that "Defendants' unauthorized use of Plaintiff's trade name dilutes the distinctive quality of Plaintiff's name and reputation." (Doc. 1, pp. 23-24).

Based on the Plaintiff's allegations, we agree with Plaintiff that "the [alleged] misrepresentations and confusing references to the Association and to the acronym "SLCA" on the Defendants' website and *via* their domain name have clearly tarnished the distinctiveness of the Association's trade name, which has taken several decades to develop." (Doc. 14, pp. 19-20). We also agree with Plaintiff, based on its allegations, that none of the three statutory anti-dilution exemptions prevent its dilution claim from proceeding in this case. (*Id.*, pp. 20-24).

We will recommend that Defendants' Motion to Dismiss Plaintiff 's Count III claim under the Pennsylvania Anti-Dilution statute be denied.

*D. Counts IV-VI, Common Law Misappropriation of Trade Name, Common Law Unfair Competition and Common Law Trade Name Infringement*

Plaintiff argues that based on its discussion with respect to its federal trade name infringement claim (Count I), it has sufficiently stated claims in Counts IV-VI, *i.e.* common law misappropriation of trade name, common law unfair competition and common law trade name infringement, respectively, since the elements for its Counts IV-VI claims are similar to the elements required to state a federal trade name infringement claim and since misappropriation of trade name is the common law equivalent of trademark infringement. (Doc. 14, pp. 31-32 and notes 5-7). We concur with Plaintiff and find that the Court should exercise supplemental jurisdiction over Plaintiff's common law claims in Counts IV-VI at this juncture of the case, especially since we have found that Plaintiff's federal trade name infringement claim under the Lanham Act (Count I) should proceed. *See Synthes v. Globus Medical, Inc.*, 2005 WL 2233441, \*8 (E. D. Pa.)("Pennsylvania courts have recognized a cause of action for the common law tort of unfair competition where there is evidence of, among other things, ... trade name, ... infringement ... ." (citations omitted); *Analytic Recruiting, Inc. v. Analytic Resources, LLC*, 156 F. Supp. 2d 499, 511 (E.D. Pa. 2001).

Thus, we will recommend that Defendants' Motion to Dismiss Plaintiff's common law claims, Counts IV-VI, be denied.

**V. Recommendation.**

Based on the foregoing, we respectfully recommend that Defendants' Motion to Dismiss Plaintiff's Complaint (**Doc. 8**) be denied with respect to all of Plaintiff's claims, *i.e.* Counts I-VI.

s/ Thomas M. Blewitt  
**THOMAS M. BLEWITT**  
**United States Magistrate Judge**

**Dated: April 2, 2009**

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

STILLWATER LAKES CIVIC ASSOCIATION, INC.,	:	
	:	CIVIL ACTION NO. <b>3:CV-08-2264</b>
	:	
Plaintiff	:	(Judge Munley)
	:	(Magistrate Judge Blewitt)
	:	
v.	:	
	:	
NOREEN GORKA, et al.,	:	
	:	
Defendants	:	

**NOTICE**

**NOTICE IS HEREBY GIVEN** that the undersigned has entered the foregoing

**Report and Recommendation** dated **April 2, 2009**.

Any party may obtain a review of the Report and Recommendation pursuant to

Rule 72.3, which provides:

Any party may object to a magistrate judge's proposed findings, recommendations or report addressing a motion or matter described in 28 U.S.C. § 636 (b)(1)(B) or making a recommendation for the disposition of a prisoner case or a habeas corpus petition within ten (10) days after being served with a copy thereof. Such party shall file with the clerk of court, and serve on the magistrate judge and all parties, written objections which shall specifically identify the portions of the proposed findings, recommendations or report to which objection is made and the basis for such objections. The briefing requirements set forth in Local Rule 72.2 shall apply. A judge shall make a *de novo* determination of those portions of the report or specified proposed findings or recommendations to which objection is made and may accept, reject, or modify, in whole or in part, the findings or recommendations made by the magistrate judge. The judge, however, need conduct a new hearing only in his or her discretion or where required by law, and may consider the record developed before the

magistrate judge, making his or her own determination on the basis of that record. The judge may also receive further evidence, recall witnesses or recommit the matter to the magistrate judge with instructions.

s/ Thomas M. Blewitt  
**THOMAS M. BLEWITT**  
**United States Magistrate Judge**

**Dated: April 2, 2009**