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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

NC

CV 12 2525

BITTORRENT, INC., a California corporation,

Plaintiff,

v.

BITTORRENT MARKETING GMBH, a limited liability company organized under the laws of Germany,

Defendant.

Case No.

COMPLAINT FOR:

- (1) FEDERAL TRADEMARK INFRINGEMENT UNDER 15 U.S.C. § 1114;
- (2) UNFAIR COMPETITION AND FALSE DESIGNATION OF ORIGIN UNDER 15 U.S.C. § 1125;
- (3) UNFAIR COMPETITION UNDER CAL. BUS. & PROF. CODE § 17200, *ET SEQ.*; and
- (4) VIOLATION OF THE ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT UNDER 15 U.S.C. § 1125(d)

DEMAND FOR JURY TRIAL

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1 Plaintiff BitTorrent, Inc. ("Plaintiff" or "BitTorrent") complains and alleges against
2 BitTorrent Marketing GmbH ("Defendant" or "BMG") as follows:

3 **THE PARTIES**

4 1. Plaintiff BitTorrent, Inc. is a corporation organized under the laws of the State of
5 California with its principal place of business at 303 2nd Street, Suite S200, San Francisco,
6 California 94107, United States of America.

7 2. Defendant BitTorrent Marketing GmbH is a limited liability company organized
8 under the laws of the Federal Republic of Germany with its principal place of business at
9 Friedrichstrasse 200, Berlin 10117, Germany.

10 **JURISDICTION AND VENUE**

11 3. This action arises under the federal trademark statute (the "Lanham Act"), 15
12 U.S.C. §1051 *et seq.*

13 4. This Court has jurisdiction over the subject matter of this action under 15 U.S.C. §
14 1121 and 28 U.S.C. §§ 1331, 1338, and 1367.

15 5. Plaintiff is informed and believes, and based thereon alleges, that this Court has
16 personal jurisdiction over Defendant because (i) Defendant conducts business within the State of
17 California and this judicial district; (ii) Defendant has caused products to be advertised, promoted,
18 and sold under the BITTORRENT trademark in the State of California and this judicial district;
19 (iii) the causes of action asserted in this Complaint arise out of Defendant's contacts with the
20 State of California and this judicial district; and (iv) Defendant has caused tortious injury to
21 Plaintiff in the State of California and this judicial district.

22 6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and (c)
23 because (i) Defendant conducts business within the State of California and this judicial district;
24 (ii) Defendant has caused products to be advertised, promoted, and sold under the BITTORRENT
25 trademark in the State of California and this judicial district; (iii) the causes of action asserted in
26 this Complaint arise out of Defendant's contacts with the State of California and this judicial
27 district; and (iv) Defendant has caused tortious injury to Plaintiff in the State of California and
28 this judicial district.

1 **INTRADISTRICT ASSIGNMENT**

2 7. This is an Intellectual Property Action to be assigned on a district wide basis
3 pursuant to Civil L.R. 3-2(c).

4 **FACTUAL BACKGROUND**

5 **PLAINTIFF'S BUSINESS AND THE BITTORRENT® TRADEMARK**

6 8. BitTorrent is one of the world's leading peer-based technology companies.
7 BitTorrent offers advanced, innovative technologies under the BITTORRENT® trademark that
8 enable the efficient delivery of large files across the Internet. Plaintiff's BITTORRENT®-
9 branded products and services are used by hundreds of millions of people in the United States and
10 internationally to find, share, and move digital media. A pioneer in the file-sharing space,
11 BitTorrent is regularly recognized by consumers and industry publications as one of the leading
12 providers of products and services in its field.

13 9. Launched in 2001, the BITTORRENT® protocol reduces the server and network
14 impact associated with distributing large files across the Internet. Rather than downloading a file
15 from a single source, the BITTORRENT® protocol allows users to join a "swarm" of hosts to
16 download and upload from each other simultaneously. The protocol provides an alternative to
17 earlier, slower techniques for distributing data, and can operate over networks with lower
18 bandwidth so that many small computers, like mobile phones, are able to efficiently distribute
19 files to many recipients.

20 10. Users seeking to utilize the BITTORRENT® protocol to share files online must
21 download and install a compatible "client." A client is an application that accesses a service or
22 protocol made available by a server. Plaintiff (and its predecessor) has offered a client
23 compatible with the BITTORRENT® protocol under the BITTORRENT® trademark in the
24 United States since 2001. Plaintiff also has offered products and services in the United States that
25 assist third parties in delivering digital media content since at least as early as 2007 under the
26 BITTORRENT® and BITTORRENT DNA® trademarks.

27 11. Plaintiff and its predecessor have continuously used the inherently distinctive
28 trademark BITTORRENT® to market and distribute file-sharing products and services in the

1 United States since at least as early as 2001. The BITTORRENT® protocol and client were
2 initially released in the United States and internationally by Plaintiff's founder, Bram Cohen, in
3 July 2001. Cohen subsequently incorporated Plaintiff in September 2004 and thereafter assigned
4 all of his right, title, and interest in the BITTORRENT® trademark, together with any goodwill
5 associated therewith, to Plaintiff.

6 12. Plaintiff has devoted substantial time, effort, and resources to the development and
7 extensive promotion of the BITTORRENT® trademark and the products and services offered
8 thereunder. As a result of Plaintiff's efforts and the superior quality of the products and services
9 offered under the BITTORRENT® trademark, the public has come to recognize and rely upon the
10 BITTORRENT® trademark as an indication of quality software and technology services and the
11 BITTORRENT® trademark enjoys substantial goodwill in the marketplace and is a valuable asset
12 of Plaintiff.

13 13. On May 8, 2007, the United States Patent & Trademark Office ("PTO") issued
14 U.S. Trademark Registration No. 3,238,849 for the mark BITTORRENT in connection with
15 "[d]ownloadable software for providing access to on-line directories, indices and searchable
16 databases relating to a variety of information and data available on a global computer network."
17 On January 20, 2009, the PTO issued U.S. Trademark Registration No. 3,565,278 for the mark
18 BITTORRENT DNA in connection with ""software for the delivery of other software and of a
19 wide variety of digital content on the Internet; software for providing access to on-line directories,
20 indices and searchable databases relating to a wide variety of information and data available on
21 the Internet" and "computer services, namely, electronic delivery of digital content via the
22 Internet." And on December 8, 2009, the PTO issued U.S. Trademark Registration No. 3,723,778
23 for the BITTORRENT & Wave Design mark in connection with "[s]oftware for providing access
24 to on-line directories, indices and searchable databases relating to a variety of information and
25 data available on a global computer network." These trademark registrations are referred to
26 collectively herein as the "BITTORRENT Registrations." True and correct copies of the
27 registration certificates for the BITTORRENT Registrations are attached as Exhibit A and
28 incorporated by reference as though fully set forth herein.

1 14. The BITTORRENT Registrations are in full force and effect on the PTO's
2 Principal Register and give rise to presumptions in favor of Plaintiff with respect to validity,
3 ownership, and exclusive rights to use the BITTORRENT®, BITTORRENT® logo, and
4 BITTORRENT DNA® marks throughout the United States.

5 15. Plaintiff has continuously used the BITTORRENT® mark for five consecutive
6 years since the issuance of U.S. Trademark Registration No. 3,238,849, and, as a result, that
7 registration is incontestable pursuant to Section 15 of the Lanham Act, 15 U.S.C. § 1065.

8 16. The BITTORRENT® protocol is one of the most commonly used protocols for
9 transferring large files over the Internet. At any given time the BITTORRENT® protocol enjoys
10 more active, online users than Comcast, AT&T, and Time Warner combined, and more monthly
11 active users than Twitter or most web browsers. Plaintiff's BITTORRENT® client alone claimed
12 more than 20 million active users as of January 2012.

13 17. As a result of Plaintiff's widespread use of the BITTORRENT® mark in the
14 United States, extensive advertising and promotion of the products and services sold in
15 connection with the BITTORRENT® trademark, and widespread media coverage of Plaintiff's
16 products and services, the BITTORRENT® trademark enjoys a high degree of consumer
17 recognition.

18 **DEFENDANT'S USE OF THE BITTORRENT TRADEMARK**

19 18. Defendant has engaged in a calculated effort to challenge and usurp Plaintiff's
20 rights in the BITTORRENT mark since 2003. As in the United States, Plaintiff's founder
21 launched the BITTORRENT® protocol and client internationally in 2001, and the client was
22 downloaded and used by thousands throughout Germany and Europe almost immediately after its
23 launch. Plaintiff first learned of Defendant in early 2003, when Defendant's principal contacted
24 Mr. Cohen to inquire about developing a relationship with the BITTORRENT product and to seek
25 Cohen's permission to register the BITTORRENT.DE domain name in Germany. Cohen refused
26 those overtures, and Defendant (at the time known as DAY Networks Adlassnig & Partner KEG)
27 subsequently secured registration of the BITTORRENT trademark in Germany and the European
28 Community and later incorporated an entity under the name "BitTorrent Marketing GmbH"

1 without the authority of Cohen or Plaintiff. Defendant has since initiated proceedings before the
2 Office for Harmonization of the Internal Market (“OHIM,” the European Community trademark
3 authority) to oppose Plaintiff’s trademark applications in the European Community seeking
4 registration of Plaintiff’s BITTORRENT mark.

5 19. Defendant has also registered hundreds of domain names consisting of the
6 BITTORRENT trademark or near-identical approximations thereof (including, among others,
7 bittorrent.net, bittorrent.de, bitorrent.com, and bittorrent.info). These domain names are referred
8 to collectively herein as the “Infringing Domain Names.” The Infringing Domain Names were
9 registered by Defendant after Plaintiff (or its predecessor) acquired protectable rights in the
10 BITTORRENT® trademark in the United States. A true and correct listing of the Infringing
11 Domain Names and corresponding Whois records are attached hereto as Exhibit B and
12 incorporated by reference as though fully set forth herein.

13 20. Plaintiff is not the first victim of Defendant’s infringement and cybersquatting.
14 Plaintiff is informed and believes, and based thereon alleges, that Defendant has previously
15 attempted to usurp the trademarks owned by well known file sharing companies, including
16 Azureus Marketing GmbH, Aeltis SAS (now Vuze Inc.), Kazaa, Morpheus, and others, through
17 bad faith conduct similar to that at issue here, namely, by registering domain names incorporating
18 the trademarks of those companies or near-identical approximations thereof.

19 21. As a result of Defendant’s infringement of Plaintiff’s trademark rights and
20 deceptive and unfair business practices, Plaintiff initiated litigation in Germany against Defendant
21 in early 2010. Those proceedings are currently pending.

22 22. In early 2012, Plaintiff discovered that Defendant had begun using the
23 BITTORRENT mark in the United States. Defendant’s Infringing Domain Names (including
24 bitorrent.com and bitorrent.net) resolve to <http://bittorrent.net>, a website that prominently features
25 the BITTORRENT trademark at the top of the page (“Defendant’s BITTORRENT Website”).
26 Defendant’s BITTORRENT Website provides links to “The Best Place to Download Music,
27 Movies & Games! 250 times faster!,” and offers users “Over 3000 TV channels! Watch anytime
28 you want.” A true and correct printout of Defendant’s BITTORRENT Website is attached hereto

1 as Exhibit C and incorporated by reference as though fully set forth herein.

2 23. U.S. users who select the links on Defendant's BITTORRENT Website are
3 redirected to websites enabling them to sign up for a variety of services associated with accessing
4 and viewing media and online content, including, among others, ultimate-downloadscenter.com
5 and itvdish-pro.com.

6 24. Plaintiff is informed and believes, and based thereon alleges, that Defendant
7 generates revenue whenever U.S. visitors to Defendant's BITTORRENT Website sign up for the
8 online websites and services available through that web page.

9 25. As a result, Defendant uses the mark BITTORRENT in connection with products
10 and services related to finding, sharing, and transmitting digital media, and thus competes directly
11 with Plaintiff's BITTORRENT® protocol and client.

12 26. Specifically, Defendant is capitalizing on misdirected users who are seeking to
13 avail themselves of BitTorrent's products and services and are instead led to Defendant's
14 BITTORRENT Website (through Defendant's use of the Infringing Domain Names). Users are
15 then presented with offers to access and download digital media and content that they would
16 typically find through Plaintiff's BITTORRENT® client and protocol, and likely sign up and pay
17 for the services available through Defendant's BITTORRENT Website under the misimpression
18 that such services are offered by, sponsored by, or affiliated with Plaintiff.

19 27. Moreover, users who sign up and pay to obtain the services offered through
20 Defendant's BITTORRENT Website do not in fact receive those services. For example, after
21 paying over \$50 to sign up for ultimate-downloadscenter.com, U.S. users are redirected to third
22 party websites of other digital media providers, like Netflix.com and Hulu.com, and invited to
23 sign up for membership with those services as well. Accordingly, Plaintiff is informed and
24 believes, and based thereon alleges, that Defendant is intentionally using Plaintiff's
25 BITTORRENT trademark to deceive U.S. consumers into signing up for memberships and other
26 "services" that do not afford those users any tangible benefit, with knowledge that such conduct is
27 a result of confusion as to whether those websites are associated with, endorsed by, or sponsored
28 by Plaintiff.

1 28. Defendant has also utilized the Infringing Domain Names to disrupt Plaintiff's
2 business activities. For example, through ownership of domain names like bitorrent.com (which
3 differs by only one letter from the BITTORRENT trademark), Plaintiff is informed and believes
4 and based thereon alleges that Defendant has intercepted confidential correspondence intended
5 for Plaintiff's executives and employees. Plaintiff is informed and believes, and based thereon
6 alleges, that Defendant has utilized this illegally obtained information in order to compete with
7 and offer products and services similar to those offered by Plaintiff under Plaintiff's
8 BITTORRENT® trademark.

9 29. Plaintiff is informed and believes, and on that basis alleges, that Defendant
10 adopted the BITTORRENT trademark with the intention of capitalizing on the renown and
11 success of Plaintiff's BITTORRENT® protocol and client.

12 30. Plaintiff is informed and believes, and on that basis alleges, that Defendant
13 adopted the BITTORRENT trademark in an attempt to falsely associate its website and services
14 with Plaintiff in order to trade on the substantial and valuable goodwill that Plaintiff has
15 developed in the marketplace under the famous BITTORRENT® trademark.

16 31. Defendant's BITTORRENT products and services are offered through the same
17 marketing and trade channels and to the same target customers as Plaintiff's BITTORRENT®
18 protocol and client, namely, the Internet.

19 32. Plaintiff began using the BITTORRENT® trademark in the United States years
20 prior to Defendant's adoption and use of the BITTORRENT trademark in the United States.
21 Plaintiff also obtained U.S. registrations for the BITTORRENT trademark prior to Defendant's
22 commencement of use of the BITTORRENT mark in the United States.

23 33. Defendant's use of the BITTORRENT trademark as described herein is likely to
24 cause confusion in the marketplace and infringes Plaintiff's valuable rights in the
25 BITTORRENT® trademark.

26 34. Defendant's use of the BITTORRENT trademark as described herein creates a
27 false suggestion of an affiliation or connection between Defendant and Plaintiff.

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1 BITTORRENT website. Furthermore, Plaintiff is informed and believes, and on that basis
2 alleges, that the actions of Defendant were undertaken willfully and with the intention of causing
3 confusion, mistake, deception, making this an exceptional case entitling Plaintiff to recover treble
4 damages, reasonable attorneys' fees, and costs pursuant to 15 U.S.C. § 1117, as well as
5 prejudgment interest.

6 **THIRD CAUSE OF ACTION**

7 **UNFAIR COMPETITION UNDER CAL. BUS. & PROF. CODE § 17200, *ET SEQ.***

8 50. Plaintiff realleges and incorporates herein by this reference paragraphs 1 through
9 49 of this Complaint as if fully set forth here.

10 51. By the acts described herein, Defendant has engaged in unlawful and unfair
11 business practices that have injured and will continue to injure Plaintiff's business and property in
12 violation of Cal. Bus. & Prof. Code § 17200, *et seq.*

13 52. Defendant's acts alleged herein have caused monetary damages to Plaintiff in an
14 amount to be proven at trial.

15 53. Defendant's acts have caused, and will continue to cause, irreparable injury to
16 Plaintiff and its business, reputation, and trademarks, unless and until Defendant is permanently
17 enjoined.

18 54. As a direct and proximate result of Defendant's conduct alleged herein, Defendant
19 has been unjustly enriched and should be ordered to disgorge any and all profits earned as a result
20 of such unlawful conduct.

21 **FOURTH CAUSE OF ACTION**

22 **VIOLATION OF THE ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT**

23 **UNDER 15 U.S.C. § 1125(d)**

24 55. Plaintiff realleges and incorporates herein by this reference paragraphs 1 through
25 54 of this Complaint as if fully set forth here.

26 56. Plaintiff began using the distinctive and renowned BITTORRENT® mark years
27 prior to Defendant's acquisition of the Infringing Domain Names. By the time Defendant
28 acquired the Infringing Domain Names, Plaintiff owned protectable U.S. rights in the

1 BITTORRENT® mark and the BITTORRENT® mark was widely recognized as an indicator of
2 source for Plaintiff's products and services.

3 57. BitTorrent is informed and believes and based thereon alleges that Defendant
4 acquired and subsequently made use of the Infringing Domain Names to drive traffic to
5 Defendant's websites and promote products and services that generate revenue for Defendant.

6 58. The Infringing Domain Names are identical and/or confusingly similar to the
7 BITTORRENT® mark.

8 59. Plaintiff is informed and believes and based thereon alleges that Defendant
9 acquired and has used the Infringing Domain Names with a bad faith intent to profit from
10 Plaintiff's BITTORRENT® mark.

11 60. Plaintiff has been, and will continue to be, damaged and irreparably harmed by the
12 actions of Defendant, which will continue unless Defendant is enjoined by this Court. Plaintiff
13 has no adequate remedy at law in that the amount of damage to Plaintiff's business and reputation
14 and the diminution of the goodwill of the BITTORRENT® trademark is difficult to ascertain with
15 specificity.

16 61. Plaintiff is entitled to cancellation of the Infringing Domain Names, or transfer of
17 the Infringing Domain Names to BitTorrent, along with monetary compensation and statutory
18 penalties pursuant to the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d).

19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiff requests the following relief:

21 A. That Plaintiff be granted preliminary and permanent injunctive relief under 15
22 U.S.C. § 1051 *et seq.* and California Business and Professions Code §§ 14247 and 17200 *et seq.*
23 specifically, that Defendant and all of its respective officers, agents, servants, representatives,
24 employees, attorneys, parent and subsidiary corporations, assigns and successors in interest, and
25 all other persons acting in concert with it be preliminarily and permanently enjoined from (i)
26 using the BITTORRENT mark, or any mark confusingly similar, in connection with the
27 marketing, promotion, advertising, sale, or distribution of any products and services and (ii) from
28 any acts of infringement of Plaintiff's BITTORRENT® trademark.

1 B. That Defendant file, within ten (10) days from entry of an injunction, a declaration
2 with this Court signed under penalty of perjury certifying the manner in which Defendant has
3 complied with the terms of the injunction;

4 C. That Defendant be adjudged to have violated 15 U.S.C. § 1114 by infringing
5 Plaintiff's BITTORRENT® trademark;

6 D. That Defendant be adjudged to have violated 15 U.S.C. § 1125(a) for unfairly
7 competing against Plaintiff by using a false designation of origin for Defendant's infringing
8 website;

9 E. That Defendant be adjudged to unlawfully and unfairly compete against Plaintiff
10 under the laws of the State of California, Cal. Bus. & Prof. Code § 17200, *et seq.*;

11 F. That this Court order the registrar(s) of the Infringing Domain Names to cancel or
12 transfer the registrations to BitTorrent;

13 G. That Plaintiff be awarded statutory damages of \$100,000 for each of the Infringing
14 Domain Names registered by Defendant;

15 H. That Plaintiff be awarded Defendant's profits derived by reason of said acts, or as
16 determined by said accounting;

17 I. That Plaintiff be awarded three times Defendant's profits and three times of all
18 Plaintiff's damages, suffered as a result of Defendant's willful, intentional, and deliberate acts in
19 violation of the Lanham Act, as well as Plaintiff's costs, attorneys' fees, and expenses in this suit
20 under 15 U.S.C. § 1117;

21 J. That Plaintiff be awarded damages in an amount sufficient to compensate it for the
22 damage caused by Defendant's unfair competition under Cal. Bus. & Prof. Code § § 17200 *et seq.*;

23 K. That Plaintiff be awarded three times Defendant's profits and three times
24 Plaintiff's damages suffered as a result of the willful, intentional, and deliberate acts in violation
25 of Cal. Bus. & Prof. Code §§ 14247 and 14250;

26 L. That Plaintiff be granted prejudgment and post judgment interest;

27 M. That Plaintiff be granted costs associated with the prosecution of this action; and

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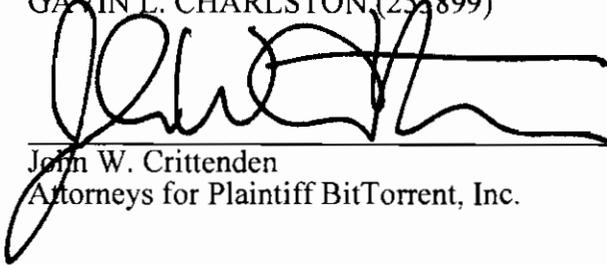
1 N. That Plaintiff be granted such further relief as the Court may deem just and
2 equitable.

3 **DEMAND FOR JURY TRIAL**

4 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby demands a
5 trial by jury of all issues triable of right by a jury.

6
7 Dated: May 16, 2012

8 COOLEY LLP
9 JOHN W. CRITTENDEN (101634)
10 GAVIN L. CHARLSTON (253899)

11 
12 _____
13 John W. Crittenden
14 Attorneys for Plaintiff BitTorrent, Inc.