## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA KEY WEST DIVISION

CASE NO. 13-cv-10113-JLK

TROPIC OCEAN AIRWAYS, INC., *a Florida corporation*,

Plaintiff,

v.

DR. JULIE FLOYD, *an individual*, and KEY WEST SEAPLANE SERVICE, INC., *a Florida corporation*,

Defendants.

# ORDER DISMISSING AMENDED COMPLAINT WITH PREJUDICE

THIS CAUSE comes before the Court upon Defendants' Motion to Dismiss Plaintiff's First Amended Complaint (D.E. 28), filed September 30, 2013. The Court is fully briefed on the matter.<sup>1</sup> Upon review of the record and careful consideration, the Court finds that the Motion should be granted.

## I. BACKGROUND OF THE CASE

This is a cybersquatting case arising under 15 U.S.C. \$1125(d). The facts, taken as true for a Motion to Dismiss, are as follows. Plaintiff is a corporation which offers private charter and commercial airline services transporting passengers in interstate and foreign commerce. D.E. 26 ¶ 9. Defendant Key West Seaplane Service ("Defendant

<sup>&</sup>lt;sup>1</sup> Plaintiff filed an Opposition to the Motion on October 18, 2013 (D.E. 29) to which Defendants replied on October 28, 2031 (D.E. 30). The Court held oral argument on the matter in Key West on April 29, 2014. D.E. 42.

Seaplane") is one of Plaintiff's competitors and similarly offers private charter and commercial air travel. *Id.* ¶12. Defendant Dr. Julie Floyd is co-president of Defendant Seaplane. *Id.* In March 2011, Plaintiff began offering air travel under the names "Tropic Ocean Airways, Inc." and "Tropic Ocean Airways". *Id.* ¶ 9. In early March 2012, Defendants registered the domain name <tropicoceanairways.com>. *Id.* ¶ 13. Plaintiff became aware of this registration in March 2013. *Id.* ¶ 15.

Defendants move to dismiss the Amended Complaint under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief can be granted.

## **II. LEGAL STANDARDS**

In deciding a motion to dismiss, the Court must accept the pleading's allegations as true and construe them in the light most favorable to the Plaintiff. *See M.T.V. v. Dekalb County Sch. Dist.*, 446 F.3d 1153, 1156 (11th Cir. 2006). "In analyzing the sufficiency of the complaint, [the Court] limit[s] [its] consideration to the well-pleaded factual allegations, documents central to or referenced in the complaint, and matters judicially noticed." *La Grasta v. First Union Sec., Inc.*, 358 F.3d 840, 845 (11th Cir. 2004).

A complaint must contain short and plain statements of the grounds for the court's jurisdiction, of the cause of action, and of the relief sought. Fed. R. Civ. P. 8(a). Under the heightened pleading standards set forth by the Supreme Court in *Bell Atl. Corp. v. Twombley*, 550 U.S. 544 (2007) and *Ashcroft v. Iqbal*, 556 U.S. 662 (2010), there must be "enough facts to state a claim to relief that is plausible on [the] face" of the complaint.

*Twombley*, 550 U.S. at 570. A plaintiff must plead sufficient facts to show relief and "more than labels and conclusions...a formulaic recitation of the elements of a cause of action will not do." *Id.* 

15 U.S.C. § 1125(d) creates a civil cause of action by owners of certain marks against the creation of domain names that harm those marks. For purposes of this case, the protection applies to marks that are distinctive or famous at the time of registration.<sup>2</sup> Distinctive marks are protected against the registration of domain names that are identical or confusingly similar to the mark. § 1125(d)(1)(A)(ii)(I). Famous marks are protected against domain names that are identical to, confusingly similar to, or dilute the mark. § 1125(d)(1)(A)(iii)(II). A person who, with bad faith intent to profit, registers, traffics in, or uses a domain name that has the requisite effects on distinctive or famous marks are liable. § 1125(d)(1)(A)(i).

Distinctiveness can be established by showing the mark is either inherently distinctive or has acquired a secondary meaning. *Bavaro Palace, S.A. v. Vacation Tours Inc.*, 203 Fed. Appx. 252 (11th Cir. 2006). If a mark's "intrinsic nature serves to identify a particular source of a product" then a mark is inherently distinctive. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Secondary meaning refers to "the connection in the consumer's mind between the mark and the product's producer." *Gift of Learning Found., Inc. v. TGC, Inc.*, 329 F.3d 792 (11th Cir. 2003). "Acquired

<sup>&</sup>lt;sup>2</sup> Protection also applies to the Red Cross and the United States Olympic Committee. §1125(d)(1)(A)(iii)(III).

distinctiveness" and "secondary meaning" are considered synonymous. See Two Pesos,

505 U.S. at 769. Determining secondary meaning involves four factors:

(1) the length and manner of its use; (2) the nature and extent of advertising and promotion; (3) the efforts made by the plaintiff to promote a conscious connection in the public's mind between the name and the plaintiff's product or business; and (4) the extent to which the public actually identifies the name with the plaintiff's product or venture.

Conagra, Inc. v. Singleton, 743 F.2d 1508, 1513 (11th Cir. 1984).

A descriptive mark is one which merely identifies a characteristic or quality of a service. *Investacorp v. Arabian Inv. Banking Corp. (Investacorp) E.C.*, 931 F.2d 1519 (11th Cir. 1991). In order to garner protection by the cybersquatting statute, a descriptive mark must acquire secondary meaning.

#### III. ANALYSIS

### A. Cybersquatting

In order to plead a cybersquatting claim, Plaintiff must allege that the "Tropic Ocean Airways" mark was either famous or distinctive in March 2012, when Defendant registered the <tropicoceanairways.com> domain. Given that there are no allegations in the Amended Complaint that the mark is famous, the Court focuses on distinctiveness.

The Amended Complaint does not allege that "Tropic Ocean Airways" is inherently distinctive. As pled, the mark tells consumers what the company does: flies seaplanes to tropical locations. However, there are no allegations that the mark identifies Plaintiff's company as the particular source of a product. The Amended Complaint does not plead any facts which allege that Plaintiff's particular services, as opposed to that of any other companies which fly to tropical destinations, is readily identifiable from the mark.<sup>3</sup>

The case at bar is similar to *Bavaro Palace*, 203 Fed. Appx. at 256. There, the Eleventh Circuit found that the mark "Bavaro Palace" was merely descriptive because it was a combination of a geographic term ("Bavaro," a section of beach in the Dominican Republic) and a common industry term ("Palace," for luxury hotel). Here, "Tropic" and "Ocean" are geographic terms describing the tropical waterways and "Airways" is a common industry term for airlines. The Amended Complaint does not allege that the mark, in and of itself, conveys exclusively Plaintiff's services. Rather, Plaintiff has pled a mark which merely describes what Plaintiff provides.

Thus, the Court looks to whether or not Plaintiff has properly pled that the mark had acquired distinctiveness by March 2012. The Amended Complaint does not plead such a case.

The first factor to acquire a secondary meaning is the length and manner of use. The Amended Complaint pleads, and counsel confirmed at oral argument, that the mark began operating air travel in March 2011 and that Defendant registered the <tropicoceanairways.com> domain in March 2012. Thus, the pleading alleges Plaintiff had twelve months in which to acquire a secondary meaning for its mark. There is no bright line rule requiring a certain length of time to acquire secondary meaning.

<sup>&</sup>lt;sup>3</sup> Plaintiff's reliance on the Patent and Trademark Office's ("the PTO") advisory finding that the mark "appears to be inherently distinctive" is misplaced. *See* D.E. 29-1. The Court notes this was an advisory finding and that Plaintiff failed to attach the entirety of the PTO's report. *See also Investacorp*, 931 F.2d at 1524 ("Although we will bestow proper respect to the determinations of the PTO, we will not defer to an ethereal determination that is not affirmatively stated by the administrative agency.").

However, as discussed further with regard to the remaining three factors, Plaintiff has presented no facts tending to establish that over those twelve months, the mark acquired a secondary meaning. As pled, the Amended Complaint merely alleges that the mark was in operation between March 2011 and March 2012.

As to the second factor regarding efforts to create secondary meaning, Plaintiff has pled general allegations of advertising and promotion, including that it has "continuously promoted" the mark through "substantial advertising and marketing." D.E. 26 at ¶ 10. However, there are no facts supporting these statements, such as how Plaintiff promoted the mark and what means of advertising and marketing were employed.

The Amended Complaint does not plead support for the third factor; there are no facts about any efforts made by Plaintiff to promote a connection in the public's mind between the mark and its particular business. There is only the conclusory statement that Plaintiff "has expended considerable time, resources, and effort in promoting [the mark] and has successfully developed substantial goodwill therein." *Id.* at ¶ 11. This statement is a generalized conclusion but the Amended Complaint offers no indication of what Plaintiff means by "considerable" and how "substantial goodwill" is held by the public.

Finally, the fourth factor in the secondary meaning analysis is not properly pled. The Amended Complaint does not contain facts tending to establish that the public actually identifies the mark with Plaintiff's company. The mere statement that the mark is a "symbol of quality services provided by Plaintiff" does not properly plead the factor. *Id.* 

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Plaintiff has not pled that the mark is famous or inherently distinctive or has acquired distinctiveness through a secondary meaning. It is insufficient to merely plead conclusory statements about the mark; support must be provided with facts that show how and why the mark is distinctive. Thus, the Amended Complaint does not properly plead a claim for cybersquatting under 15 U.S.C. § 1125(d).

### B. Dismissal With Prejudice

Plaintiff has already had two opportunities to properly plead its case. The original Complaint was voluntarily mooted by Plaintiff's Motion for Leave to File the Amended Complaint. *See* D.E. 24, 25. Therein, Plaintiff stated that conversations with opposing counsel made Plaintiff aware that "certain allegations in the Complaint were inaccurate and/or unclear." D.E. 24 at  $\P$  2.

The Court has since learned that a Rule 11 motion was part of these conversations between counsel. That motion highlighted the deficiencies in the Complaint. *See* D.E. 28-2. Although the motion does not affect the Court's analysis of the substance of the Amended Complaint, the Court notes that the Rule 11 process alerted Plaintiff to the importance of properly pleading its case. Notwithstanding that clarity and the opportunity to replead, Plaintiff has not made the necessary allegations. Thus, the Court finds the Amended Complaint must be dismissed with prejudice.

#### IV. CONCLUSION

Accordingly, upon a careful review of the record and the Court being otherwise fully advised, it is **ORDERED**, **ADJUDGED**, **and DECREED** as follows:

- Defendants' Motion to Dismiss Plaintiff's First Amended Complaint (D.E. 28) is hereby GRANTED;
- 2. The Amended Complaint (D.E. 26) is hereby DISMISSED WITH PREJUDICE;
- 3. All pending Motions are hereby **DENIED AS MOOT**; and
- 4. The Clerk of Court SHALL CLOSE this case.

**DONE and ORDERED** in Chambers at the James Lawrence King Federal Justice Building and United States Courthouse, Miami, Florida this 8th day of May, 2014.

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cc: All Counsel of Record