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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

<p>PAISLEY PARK ENTERPRISES, INC., AND COMERICA BANK & TRUST, N.A. AS PERSONAL REPRESENTATIVE OF THE ESTATE OF PRINCE ROGERS NELSON, <i>Plaintiffs,</i> v. DOMAIN CAPITAL, LLC <i>Defendant.</i></p>	<p>Civil Action No.: 2:18-cv-12044</p> <p>DEFENDANT’S ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFF’S AMENDED COMPLAINT AND JURY DEMAND</p>
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Defendant Domain Capital, LLC (Hereinafter “Defendant” or “Domain Capital” or “DC”) answers the complaint in the above captioned matter and asserts the following affirmative defenses and counterclaims.

ANSWER

- 1) Admitted in part and denied in part. It is admitted that Prince Rogers Nelson died on or around April 21, 2016. Defendant lacks sufficient information to admit or deny the status of the “Prince Estate.” Defendant also denies that Prince Rogers Nelson was known only as “Prince.”
- 2) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 2, and therefore, denies same and demands strict proof at trial.

3) Admitted in part and denied in part. It is admitted that Prince Rogers Nelson was a successful songwriter and musician. Defendant denies that Prince Rogers Nelson was known only as “Prince” during his lifetime”

THE PARTIES

4) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 4, and therefore, denies same and demands strict proof at trial.

5) Admitted that Paisley Park Enterprises is a Minnesota corporation. The address listed is not that which is listed in Minnesota corporate records and as such Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the address and therefore, denies same and demands strict proof at trial.

6) Admitted.

VENUE AND JURSDICITON

7) Admitted.

8) Admitted.

9) Admitted.

10) Admitted.

FACTS

11) Admitted.

12) Admitted.

13) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 13, and therefore, denies same and demands strict proof at trial.

14) It is admitted that registration No. 2,151,863 is in Plaintiff’s name at the United States Patent and Trademark office. However, as the assignment moving the mark into Plaintiff’s name was filed as a resubmission Nunc Pro Tunc, the basis and efficacy of which is unknown

Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegation and therefore, denies same and demands strict proof at trial.

It is admitted that registration No. 5,438,807 is in Plaintiff's name at the United States Patent and Trademark office. However, as there appear to be numerous issues during prosecution making ownership of the good will associated with the mark Defendant is without knowledge or information sufficient to form a belief as to the efficacy of the mark and therefore, denies same and demands strict proof at trial.

It is admitted that registration No. 5,344,001 is in Plaintiff's name at the United States Patent and Trademark office. However, as there appear to be numerous issues during prosecution making ownership of the good will associated with the mark Defendant is without knowledge or information sufficient to form a belief as to the efficacy of the mark and therefore, denies same and demands strict proof at trial.

15) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 15, and therefore, denies same and demands strict proof at trial.

16) Admitted.

17) Admitted.

18) It is admitted that Defendant's website shows 43 domain names for sale. The remaining allegations in Paragraph 18 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

19) Admitted in part and denied in part. It is denied that Domain Capital has, in the past, acquired multiple domain names which Defendant knew were identical or confusingly similar to the trademarks of others, or that were dilutive of famous marks. It is admitted only that Domain Capital has been ordered to transfer domain names under the Uniform Domain Dispute Resolution Policy.

20) Admitted in part and denied in part. It is admitted that Defendant enters into lease back financing agreements. The remaining allegations are denied.

21) It is admitted that a letter dated May 9, 2018 was presented to Plaintiff's counsel. Such letter is a document that speaks for itself.

22) The allegations in Paragraph 22 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

23) The allegations in Paragraph 23 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

24) It is admitted that Prince Rogers Nelson's first name was Prince.

25) Denied.

26) The allegations in Paragraph 26 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

27) The allegations in Paragraph 27 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial. It is admitted that the domain name Prince.com resolves to a blank page.

28) The allegations in Paragraph 28 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

29) It is admitted that a letter dated May 9, 2018 was presented to Plaintiffs' counsel. Such letter is a document that speaks for itself.

30) Denied.

31) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 31, and therefore, denies same and demands strict proof at trial.

32) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 32, and therefore, denies same and demands strict proof at trial.

33) After reasonable investigation, Defendant is without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 33, and therefore, denies same and demands strict proof at trial.

COUNT ONE
Cybersquatting in Violation of 15 U.S.C. 1125(d)

34) All of the answers set forth in the foregoing paragraphs 1-33 are incorporated into the following counts as though set forth at length therein.

35) Admitted.

36) Admitted in part and denied in part. It is admitted that Prince Rogers Nelson is the name of a famous musician. The remaining allegations in Paragraph 36 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

37) The allegations in Paragraph 37 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

38) The allegations in Paragraph 38 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

39) The allegations in Paragraph 39 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

40) Denied.

41) Denied.

42) Denied.

43) The allegations in Paragraph 43 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

44) The allegations in Paragraph 44 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

45) The allegations in Paragraph 45 state conclusions of law to which no answer is required. To the extent that a response is deemed necessary, Defendant denies the allegations and demands strict proof at trial.

AFFIRMATIVE DEFENSES

First Affirmative Defense

Plaintiffs' claims are barred because they do not have exclusive rights to the common dictionary word "Prince."

Second Affirmative Defense

Plaintiffs' claims are barred because Defendant's registration and ownership of the Domain Name as a secured asset does not infringe Plaintiffs' purported trademarks.

Third Affirmative Defense

Plaintiffs cannot prevent anyone from owning a Domain Name that is a dictionary word or commonly used word such as "Prince" or restrict others from utilizing the Domain Name in a non-infringing manner.

Fourth Affirmative Defense

Plaintiffs' claims are barred because Defendant's use of the word "Prince" is fair use.

Fifth Affirmative Defense

Plaintiffs' claims are barred because there is no basis to establish bad faith intent to profit from Plaintiffs' marks.

Sixth Affirmative Defense

Plaintiffs are unable to demonstrate bad faith, and there is no basis to establish bad faith intent in registering or owning the Domain Name.

Seventh Affirmative Defense

Plaintiffs cannot demonstrate that they have trademark rights in the marks at issue distinctive enough to deserve protection and cannot establish that the Defendant's ownership and use of the Domain Name is likely to cause consumer confusion as to the proper origin of the goods and services offered by Plaintiffs'.

Eighth Affirmative Defense

Plaintiffs' claims are barred because Prince Rogers Nelson abandoned his purported trademark rights to PRINCE.

Ninth Affirmative Defense

Plaintiffs fail to state a claim for which relief could be granted. Plaintiffs, by their own actions, and the actions of their related entities, predecessors in interest, including but not limited to Prince Rogers Nelson, are estopped or have waived their right to bring these claims.

Tenth Affirmative Defense

Plaintiffs' claims are barred by doctrine of laches. Plaintiffs' claims are barred by their failure to enforce the marks, over nearly a two decade period, against others that owned the Domain Name prior to 2010.

Eleventh Affirmative Defense

Plaintiffs' claims are barred because Prince Rogers Nelson took no action to secure the Domain Name during his lifetime.

Twelfth Affirmative Defense

Plaintiffs' claims are barred by doctrine of waiver.

Thirteenth Affirmative Defense

Plaintiffs' claims are barred by estoppel by acquiescence.

Fourteenth Affirmative Defense

Plaintiffs cannot demonstrate irreparable harm. As alleged by the Plaintiffs, the Defendant has owned and used the Domain Name since at least 2010 without any claim,

purported interest in the Domain Name or any action by Prince Rogers Nelson, his representative, Plaintiffs' or their predecessors in interest.

Fifteenth Affirmative Defenses

Plaintiffs' claims are barred by doctrine of equitable estoppel.

Sixteenth Affirmative Defense

Plaintiffs' claims are barred by the doctrine of unclean hands in that their selective enforcement of said marks is designed to interfere with Defendant's contractual rights. Further, Plaintiffs are aware that this law suit has no basis in law or fact

Seventeenth Affirmative Defense

The purported marks are generic and not entitled to protection.

Eighteenth Affirmative Defense

Plaintiffs cannot demonstrate that irreparable harm will result without the granting of permanent injunctive relief and that any harm will not be compensable by money damage therefore any claim for injunctive relief cannot stand.

Request for Attorneys' Fees

If the Defendants are the prevailing party, reasonable attorneys' should be awarded under 15 U.S.C. §1117.

WHEREFORE, having fully answered the Amended Complaint and state its Affirmative Defenses thereto, Defendant, DOMAIN CAPITAL, LLC, respectfully requests that this Court enter judgment in its favor and against Plaintiffs, PAISLEY PARK ENTERPRISES, INC., AND COMERICA BANK & TRUST, N.A. AS PERSONAL REPRESENTATIVE OF THE ESTATE OF PRINCE ROGERS NELSON, and award Defendant its attorneys' fees and costs.

COUNTERCLAIMS

Domain Capital states the following counterclaims against Plaintiff-Counter Defendants and alleges as follows:

NATURE OF THE ACTION

Plaintiffs' claim is tantamount to a claim for exclusive rights to the word "Prince" the world over. Plaintiffs indicated in their April 30, 2018 correspondence with Domain Capital, LLC that the Prince Estate intends to pursue its claims against the domain name, Prince.com. In response to Plaintiffs' April 30, 2018 correspondence, counsel for Domain Capital, LLC advised Plaintiffs of the inappropriate nature of their claims. Despite being placed on notice that Plaintiffs' claims were wholly improper, that the domain name is comprised of a generic word, that there is no evidence of bad faith, infringement or dilution of Plaintiffs' marks in any manner, Plaintiffs' filed their Complaint and have demonstrated that they intend to maliciously use their superior financial position to hijack the domain name Prince.com from Domain Capital.

PARTIES, JURISDICTION AND VENUE

1. Counter-Claimant, Domain Capital is a Delaware corporation with its principal place of business at 55 North Dean Street, Englewood, New Jersey 07631.
2. Counter-Claim Defendant Comerica Bank & Trust, N.A., is, according to itself, the court-appointed Personal Representative of the Prince Estate.
3. Counter-Claim Defendant Paisley Park Enterprises, Inc. is, according to itself, a Minnesota corporation with offices at 7801 Audubon Road, Chanhassen, Minnesota 55317.
4. This Court has subject matter jurisdiction of this matter pursuant to 28 U.S.C. § 1331 or § 1338 as Plaintiff alleges on the face of the complaint a violation of the Lanham Act, 15 U.S.C. §1121.
5. This Court has personal jurisdiction of Plaintiff and the venue is appropriate as both parties have submitted to the jurisdiction of this Court.

FACTUAL BACKGROUND

6. The domain name Prince.com (Hereinafter "Domain") was originally registered on 1995-02-28 to MegaMedia.

7. The Domain has had numerous owners/registrants since its original registration in 1995.

8. Upon information and belief, the last time the Domain resolved to a website was in 2014, and then only momentarily, and the time, before that was in 2011, and then only as an admin site login. Upon information and belief, the last time the domain name resolved to a functioning website was in 2001, and has since then traded as a valuable commodity between numerous persons and entities with 467 significant changes to the WhoIs record.

9. Domain Capital was established in 2006, and has loaned 100's of millions of dollars against domain names since that time.

10. SECommerce GmbH, contracted with Domain Capital to borrow funds and placed ownership of the Domain with Domain Capital as collateral.

11. The loan terms were not complied with and Domain Capital took exclusive ownership of the Domain.

FIRST CLAIM FOR RELIEF

Cancellation of Federal Trademark Registrations
§14 of Trademark Act, 15 U.S.C. 1064, 1119 and
Plaintiff's Failure to Use Marks in Commerce

12. Domain Capital incorporates by reference all previous facts and allegations asserted herein.

13. This cause of action arises under the trademark laws of the United States, Section 14 of the Trademark Act, 15 U.S.C. §§1064 and 1119.

14. Counter-Claim Plaintiff, Domain Capital is injured by the trademarks and claims asserted by Counter-Claim Defendants.

15. Reasonably relying on the truth of Counter-Claim Defendants declarations when filing, the United States Patent and Trademark office issued US Trademark Registration Nos: 2,151,863, 5,438,807 and 5,344,001.

16. The marks asserted by counter-claim Defendants all claim rights back to 1978. However, it is well known that Prince Rogers Nelson, abandoned the use of the stage name 'Prince' in 1993 and began using an unpronounceable symbol that he called the "Love Symbol,"



and later referred to himself as "The Artist" and "The Artist formerly known as Prince" instead. [https://en.wikipedia.org/wiki/Prince_\(musician\)](https://en.wikipedia.org/wiki/Prince_(musician))

17. Accordingly, the claims made by Counter-Claim Defendants when acquiring the marks were fraudulent and the marks must be cancelled.

SECOND CLAIM FOR RELIEF

Unfair Competition - Reverse domain name hijacking
15 U.S.C. § 1114(2)(D)(iv)

18. Domain Capital incorporates by reference all previous facts and allegations asserted herein.

19. The Prince.com domain name has been registered since 1995 and Counter-Claim Defendants have claimed rights back to 1998.

20. Upon information and belief, the Domain has not resolved to an actual website since 2001, and has since that time been traded as a commodity or otherwise held for investment.

21. Domain Capital has loaned funds with domain names as the collateral since 2006 and also sells domain names to third-parties.

22. It would be disingenuous for Counter-Claim Defendants to state that they do not know that the word “Prince” is a dictionary word or that they believe they could have an exclusive right to the word “Prince” the world over.

23. Counter-Claim Defendants are well aware of at least two previous attempts to hijack <Prince.com> that were unsuccessful, and that similarly claimed bad faith by the owner of the Domain.

24. On May 9, 2018, and prior to the filing of their Complaint, Counter-Claim Defendants were placed on notice through a letter from counsel for Domain Capital of the many unsuccessful prior attempts to hijack the Domain.

25. On May 9, 2018, and prior to the filing of their Complaint, Counter-Claim Defendants were placed on notice of the baseless nature of Plaintiffs’ claims.

26. Counter-Claim Defendants allegations are a knowing and material misrepresentation that the Prince.com domain name is a bad faith use of a valid trademark.

27. Counter-Claim Defendants’ allegations that the Prince.com domain name is identical to, confusingly similar to, or dilutive of the asserted trademarks is a knowing and material misrepresentation.

28. Counter-Claim Defendants’ allegations are directly preventing the domain name’s licensor from using the domain name to its harm.

29. The above acts by Counter-Claim Defendants constitute reverse domain name hijacking.

30. Counter-Claim Defendants’ actions have been knowing, deliberate and willful.

31. Domain Capital is entitled to judgment that Counter-Claim Defendants’ actions violate the Anticybersquatting Consumer Protection Act.

32. Counter-Claim Defendants' conduct has harmed and will continue to harm Domain Capital, thereby entitling Domain Capital to recover actual and/or statutory damages and attorney's fees and costs.

PRAYER FOR RELIEF

WHEREFORE, Domain Capital respectfully requests that the Court:

1. Enter judgment on its behalf against Counter-Claim Defendants;
2. Enter an order finding an absence of bad faith, within the meaning of the Anticybersquatting Consumer Protection Act by Domain Capital;
3. Enter an order finding that Counter-Claim Defendants made a knowing and material misrepresentation that the Prince.com domain name is identical to, confusingly similar to or dilutive of the asserted trademarks;
4. Enter an order enjoining Counter-Claim Defendants from any and all further efforts to force Domain Capital to transfer the Prince.com to Counter-Claim Defendants;
5. Enter an order finding that Counter-Claim Defendants' plead trademark registrations are invalid and unenforceable;
6. Enter an order directing the U.S. Patent and Trademark Office to cancel Counter-Claim Defendants' plead trademark registrations;
7. Enter an award of Domain Capital's damages, costs and reasonable attorneys' fees pursuant to 15 U.S.C. § 1114(2)(D)(iv);
8. Enter an award of statutory damages against Carpenter pursuant to 15 U.S.C. § 1117(d);
9. Enter an order finding the case to be exceptional and awarding Domain Capital its reasonable attorney's fees pursuant to 15 U.S.C. § 1117(a); and

10. Awarding such other and further relief as the Court deems just and proper under the circumstances.

DEMAND FOR JURY TRIAL

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

Dated: October 15, 2018

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CERTIFICATE OF SERVICE

I hereby certify that on the **15** day of **October 2018**, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such Filing to the following:

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Dated: October 15, 2018