

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

STEPHEN FRAYNE, JR.,)	
)	
Plaintiff,)	
)	No. 08 CV 5290
v.)	
)	Judge Matthew Kennelly
CHICAGO 2016, UNITED STATES)	
OLYMPIC COMMITTEE, and DOMAIN)	Magistrate Judge Jeffrey Cole
TRADE, INC.,)	
)	
Defendants.)	
_____)	
)	
CHICAGO 2016 and UNITED STATES)	
OLYMPIC COMMITTEE,)	
)	
Counterclaim Plaintiff,)	
)	
v.)	
)	
STEPHEN FRAYNE, JR.,)	
)	
Counterclaim Defendant.)	

**FIRST AMENDED COUNTERCLAIMS
OF CHICAGO 2016 AND THE UNITED STATES OLYMPIC COMMITTEE**

Pursuant to Rule 13 of the Federal Rules of Civil Procedure, Chicago 2016 and the United States Olympic Committee (the "USOC") allege as follows as and for their counterclaims against Stephen Frayne Jr. ("Frayne"):

THE PARTIES

1. Chicago 2016 is, and at all times mentioned herein was, an Illinois not-for-profit corporation with its principal place of business in Chicago, Illinois.

2. The USOC is, and at all times mentioned herein was, a non-profit, federally chartered corporation under the Ted Stevens Olympic and Amateur Sports Act, 36

U.S.C. § 220501 *et seq.* (“Ted Stevens Act”), having its principal place of business in Colorado Springs, Colorado.

3. Upon information and belief, Frayne is an individual and resident of Illinois.

JURISDICTION AND VENUE

4. This Court has jurisdiction of Chicago 2016 and the USOC’s counterclaims under Rule 13 of the Federal Rules of Civil Procedure, 15 U.S.C. § 1121(a), and 28 U.S.C. §§ 1331 and 1338(a) in that this action consists of counterclaims arising under the Lanham Act, 15 U.S.C. §§ 1051, *et seq.*

5. Venue is proper in this district pursuant to 28 U.S.C. § 1391 in that Frayne resides in this district, and a substantial part of the events or omissions giving rise to the claim occurred in this district.

FACTUAL ALLEGATIONS

Conventional Olympic Trademarks

6. The International Olympic Committee (“IOC”) has a long history of using a city name and the year of the event as trademarks in connection with putting on the Olympic Games in various cities around the world (e.g. BARCELONA 1992, ATLANTA 1996, SYDNEY 2000, SALT LAKE CITY 2002, ATHENS 2004, TURIN 2006, and BEIJING 2008).

7. Americans interested in the Olympic Games and those purchasing goods and services related to those Games are familiar with this naming convention and have come to recognize that convention as being associated with the Olympic Games.

8. The USOC’s mission is to support United States Olympic and Paralympic athletes in achieving sustained competitive excellence and to preserve the Olympic ideals. The

USOC has exclusive jurisdiction, directly or through its constituent members of committees, over “all matters pertaining to United States participation in the Olympic Games, the Paralympic Games, and the Pan-American Games, including representation of the United States in the games;” and over “the organization of the Olympic Games, the Paralympic Games, and the Pan-American Games when held in the United States.” 36 U.S.C. § 220503.

9. The USOC owns trademark registrations for many of the Olympic marks combining city name and year in the United States Patent and Trademark Office. For example, the USOC owns registrations for ATLANTA 1996, SYDNEY 2000, SALT LAKE 2002, ATHENS 2004, TORINO 2006, and BEIJING 2008. The USOC has used those marks extensively in this country in connection with Olympic-related goods and services and millions of American consumers have purchased such goods and services.

10. Based on this naming convention and the expectations of consumers, the IOC has already registered and transferred to the USOC the VANCOUVER 2010, LONDON 2012 and SOCHI 2014 marks for upcoming Olympic Games.

Chicago 2016 and the USOC

11. Chicago 2016 is an Illinois not-for-profit corporation that is responsible for the preparation, submission and negotiation of a bid application to bring the 2016 Olympic and Paralympic Games to Chicago. If the IOC selects Chicago as the host city for the 2016 Games, a new organizing committee for the 2016 Games will be formed as a successor to Chicago 2016 and will organize and execute the 2016 Games with assistance from the IOC and the USOC.

12. The City of Chicago and other persons with an interest in the City of Chicago have been considering a bid for the Olympic Games for a number of years, including

discussions dating back to 1993 in connection with a bid on the 2008 Games. The City of Chicago's consideration of a bid to host the Olympic Games was publicly known since this time. While the City of Chicago and other persons explored the possibility of bidding to host the 2008 and 2012 Games in Chicago, the USOC did not name a U.S. applicant city for the 2008 Games, and New York, not Chicago, was selected as the U.S. applicant for the 2012 Games.

13. The fact that the City of Chicago was not selected as the 2012 U.S. applicant suggested that the City and/or persons with an interest in the City would pursue a bid for the 2016 Games, as cities have a history of repeated bids. When the USOC launched the application process for a host city for the 2016 Games, Chicago and persons associated with the City decided to pursue a bid and on July 19, 2006, Chicago 2016 Exploratory Committee (now named Chicago 2016), was incorporated as the bid committee to pursue a bid to have Chicago host the 2016 Games.

Frayne and chicago2016.com

14. Prior to 2004, Frayne had registered at least one domain name featuring conventional Olympic marks featuring the city name and the year – tokyo2016.com.

15. The 2004 Olympic Games were held in Athens, Greece. In connection with those Games, the IOC and related Olympic committees used the ATHENS 2004 trademark.

16. On August 8, 2004 (days before the start of the Athens 2004 Games), Frayne registered the domain name chicago2016.com. After registering chicago2016.com, Frayne caused the display of a "parking page" at the chicago2016.com domain. A "parking page" is an advertising page commonly utilized as a source of advertising revenue that visitors arrive at when attempting to access certain domains that lack content. A copy of this parking page as it appeared on June 20, 2008 is attached hereto as Exhibit A.

17. In almost four years of ownership, through at least June 20, 2008, during which time discussions of Chicago's potential Olympic bids were being discussed throughout the media and elsewhere, Frayne never made any legitimate use of the chicago2016.com domain name other than to display a parking page promoting various commercial ventures, including those related to the Olympic Games.

18. In fact, until being alerted via email on June 27, 2008 that numerous arbitration panels interpreting the Uniform Domain Name Resolution Policy ("UDRP") had transferred similar Olympic themed domain names based on the registrant's bad faith use of those domain names, Frayne's *only* use of the chicago2016.com domain name was as a "parking page" filled entirely with advertisements and links leading to merchants promoting sites taking advantage of consumers' interest in the Olympic Games.

19. Frayne knew that the IOC refers to each edition of the Games by the name of the host city plus year of the Games (e.g., Sydney 2000, Salt Lake City 2002, Athens 2004, Torino 2006, Beijing 2008). Indeed, over time, Frayne has registered approximately 500 domain names in the city plus year format. Frayne admits that he registered his domain names with the city plus year naming convention in mind, targeting cities with a history of bidding to host the Olympic Games and likely to bid to host the Games in the future.

20. Frayne has admitted to spending approximately \$10,500 in registering various domain names featuring a city and year of a potential Olympic host city, further demonstrating the commercial nature of his intentions with respect to such domain names.

21. Until at least June 20, 2008, the parking page that was displayed at chicago2016.com included advertisements and links to commercial websites engaged in the sale of goods. Accordingly, until being threatened with litigation, Frayne's use of chicago2016.com

was entirely commercial and sought to take advantage of consumers' interest in the Olympic Games.

22. At no point prior to being threatened with litigation on June 27, 2008, did Frayne utilize chicago2016.com as a forum for discussion of any topic whatsoever.

The CHICAGO 2016 Mark

23. On November 28, 2006, Chicago 2016 filed a U.S. application for the CHICAGO 2016 trademark.

24. On April 22, 2008, the U.S. Patent and Trademark Office ("PTO") registered the CHICAGO 2016 trademark under U.S. Registration No. 3,413,931.

25. Chicago 2016 has assigned the CHICAGO 2016 mark to the USOC and the USOC has licensed that mark back to Chicago 2016 for its use in connection with its efforts to secure the Olympic Games bid for 2016.

26. In addition to the aforementioned CHICAGO 2016 trademark, the USOC owns numerous other trademarks applications and registrations consisting solely or partially of the words CHICAGO 2016. These include U.S. Registration Nos. 3,385,275, and Serial Nos. 77/283,184, 77/018,840, and 77/106,091.

27. The CHICAGO 2016 mark is inherently distinctive by virtue of the fact that consumers recognize the city plus year nomenclature typically used to identify Olympic Games.

28. The distinctiveness of the CHICAGO 2016 mark is evidenced by Frayne's registration of approximately 500 domain names of potential future Olympic cities plus Olympic years and his payments of approximately \$10,500 to register certain of those domain names.

29. The CHICAGO 2016 mark is also protected by virtue of the Ted Stevens Act, 36 U.S.C. § 220506(c)(4), which protects “any trademark, trade name, sign, symbol, or insignia falsely representing association with, or authorization by, the International Olympic Committee, the International Paralympic Committee, the Pan-American Sports Organization, or the [USOC].”

FIRST CLAIM FOR RELIEF

(Trademark Infringement - 15 U.S.C. § 1114(1))

30. Chicago 2016 and the USOC repeat and reallege the allegations made in Paragraphs 1 through 29 as if fully stated herein.

31. The USOC owns and Chicago 2016 is the USOC’s exclusive licensee of the CHICAGO 2016 trademark.

32. Frayne has used the CHICAGO 2016 mark through his chicago2016.com domain name in connection with advertising of goods or services without the consent of Chicago 2016 or the USOC. Frayne’s actions are likely to have caused and will continue to cause confusion, mistake and deception among consumers in violation of 15 U.S.C. § 1114(1).

33. By committing these acts, Frayne has willfully infringed the CHICAGO 2016 mark.

34. Frayne’s willful infringement of the CHICAGO 2016 mark has caused, and will continue to cause, Chicago 2016 and the USOC to suffer damages in an amount to be determined at trial.

35. Frayne’s willful infringement of the CHICAGO 2016 mark has also caused, and, if not permanently enjoined, will continue to cause, Chicago 2016 and the USOC to suffer irreparable harm.

SECOND CLAIM FOR RELIEF

(Violation of the Ted Stevens Olympic and Amateur Sports Act)

(36 U.S.C. § 220506)

36. The USOC repeats and realleges the allegations made in Paragraphs 1 through 35 as if fully stated herein.

37. The Ted Stevens Act provides, in relevant part:

(c) CIVIL ACTION FOR UNAUTHORIZED USE - ... the corporation may file a civil action against a person for the remedies provided in the [Lanham Act] if the person, without the consent of the corporation, uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition --...

(4) any trademark, trade name, sign, symbol, or insignia falsely representing association with, or authorization by, the International Olympic Committee, the International Paralympic Committee, the Pan-American Sports Organization, or the corporation.

38. Frayne used the CHICAGO 2016 mark in connection with the chicago2016.com domain name without the consent or authorization of Chicago 2016 or the USOC.

39. Frayne used the chicago2016.com domain name until at least June 20, 2008, for the purposes of trade and to induce the sale of goods and services through advertisements and links to commercial websites, including those related to the Olympics. Such use falsely represents an association with or authorization of such use by the IOC and/or the USOC.

40. Frayne's unauthorized use of the CHICAGO 2016 mark in chicago2016.com has caused, and will continue to cause, Chicago 2016 and the USOC to suffer damages in an amount to be determined at trial.

41. Frayne's unauthorized use of the CHICAGO 2016 mark in chicago2016.com has also caused, and, if not permanently enjoined, will continue to cause, Chicago 2016 and the USOC to suffer irreparable harm.

THIRD CLAIM FOR RELIEF

(Violation of the Anticybersquatting Consumer Protection Act)

(15 U.S.C. § 1125(d))

42. Chicago 2016 and the USOC repeat and reallege the allegations made in Paragraphs 1 through 41 as if fully stated herein.

43. The Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d), provides in relevant part:

(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that --

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;...or

(III) is a trademark, word, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36.

44. Frayne registered, used, and continues to use the chicago2016.com domain name with a bad faith intent to profit from the CHICAGO 2016 mark, as evidenced by his registration of numerous domain names featuring the city plus year naming convention, his payment of approximately \$10,500 to register certain of these domain names and his use of the

chicago2016.com domain name as a parking page to promote Olympic-related goods and services and other commercial ventures.

45. The CHICAGO 2016 mark was inherently distinctive at the time Frayne registered that domain name by virtue of the IOC and the USOC's common use of that naming convention for Olympic Games.

46. Moreover, the CHICAGO 2016 mark is protected by reason of the Ted Stevens Act, Section 220506 of Title 36, because the use of a city plus year mark such as the one at issue here constitutes use of an Olympic-related designation that falsely implies an affiliation with the IOC or the USOC. This is so because those organizations regularly use city and year marks to advertise the Olympic Games and potential Olympic Games sites.

47. By displaying advertisements and commercial links at the chicago2016.com domain name, Frayne has unequivocally used the Olympic-related CHICAGO 2016 mark "for the purpose of trade [or] to induce the sale of any goods or services."

48. Frayne's infringing use of the protected CHICAGO 2016 mark in the chicago2016.com domain name has caused, and will continue to cause, Chicago 2016 and the USOC to suffer damages and cause confusion for consumers.

49. Frayne's infringing use of the CHICAGO 2016 mark has also caused and, if not permanently enjoined, will continue to cause, Chicago 2016 and the USOC to suffer irreparable harm.

PRAYER FOR RELIEF

WHEREFORE, Chicago 2016 and the USOC pray for the entry of a final judgment that provides for the following findings and orders the following relief:

- (a) Frayne has infringed the trademark and trade name rights of Chicago 2016 and the USOC;
- (b) Frayne has violated 36 U.S.C. § 220506, the Ted Stevens Act;
- (c) Frayne has violated 15 U.S.C. § 1125(d), the Anticybersquatting Consumer Protection Act;
- (d) Entry of an order transferring the chicago2016.com domain name to Chicago 2016;
- (e) Entry of a permanent injunction prohibiting Frayne from using the CHICAGO 2016 mark or any other mark that is confusingly similar to the CHICAGO 2016 mark;
- (f) Entry of an award of damages to Chicago 2016 and the USOC including actual damages or Frayne's profits pursuant to 15 U.S.C. §§ 1117 and 1125(d);
- (g) The costs of suit incurred herein;
- (h) Chicago 2016 and the USOC's attorneys' fees reasonably expended in this action; and
- (i) Such other and further relief as the Court deems just and appropriate under the circumstances.

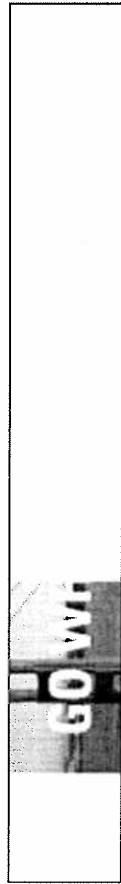
Dated: November 19, 2008

Respectfully submitted,

By: s/ Matthew W. Walch
One of the Attorneys for Chicago 2016
And United States Olympic Committee

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EXHIBIT A

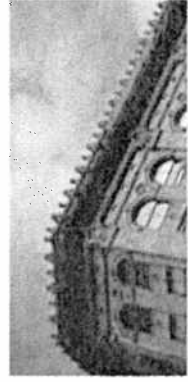
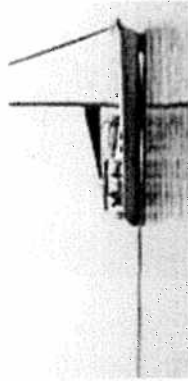


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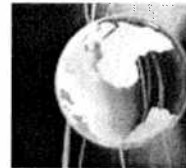
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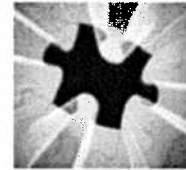


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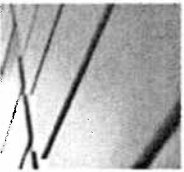
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