Decision for dispute CAC-UDRP-102552

Case number	**CAC-UDRP-102552**
Time of filing	**2019-06-28 13:37:53**
Domain names	**daypass.com**

Case administrator

Name	**Šárka Glasslová (Case admin)**

Complainant

Organization	**DAY PASS LLC**

Respondent

Organization	**GymClub International Limited**

Respondent representative

Organization	**John B. Berryhill LLC**

OTHER LEGAL PROCEEDINGS

None of which the Panel is aware.

IDENTIFICATION OF RIGHTS

No trade mark rights are expressly identified as such by the Complainant. This is an issue that is addressed in greater detail later on in this decision.

FACTUAL BACKGROUND

The Complainant is a limited liability corporation located in and organised under the laws of Florida. It was established in or about September 2015 and subsequently has operated what it describes as “DayPass related Websites … and mobile applications related to Leisure and Recreation facilities day passes reservation services”.

The Complainant’s websites operate from the domain names <daypassapp.com> and <daypass-app.com>. These domain names were registered on 5 March 2016 and 25 January 2016 respectively.

As of 1 July 2016 the home page for the <daypassapp.com> website primarily comprised 6 links, an invitation to join a mailing list and a bottom strip of text with links to a “Privacy Policy” and “Terms and Conditions”. Each of the following pieces of text on that home page were marked with “TM” in small letters:

- The Leisure & Online Recreation Online Travel Agency
- DayPass
- Healthclub on Demand
- The Day Pass Ota

The Respondent is a company that was incorporated in Jersey in the Channel Islands in early 2013 and operates a website from the domain name <gymclub.com>. According to that website, it offers “pay-as you go access” to “Exclusive Health Clubs, Gyms & Spas in Jersey”. Although there was a “Gymclub” website in existence from about 2013, it would appear that it did not begin to operate significantly as a business until 2015.

The CEO of the Respondent is Lyndon Farnham. In addition to being a businessman and company director, he is a Jersey politician. He is currently the island’s Minister for Economic Development, Tourism Sport and Culture and is also the island’s Deputy Chief Minister.

On 5 December 2016, Lyndon Farnham in his capacity as CEO of the Respondent sent an email to the Complainant. In that email he introduced himself and stated as follows:

“I wanted to contact you because I am really interested in what you are doing with DAYPASS. I do love the concept and the whole site, app and branding looks great. In 2015 I launched a similar concept albeit a subtly different business model. We have been quietly piloting and fine-tuning the business here in the Channel Islands and have now begun to implement our international expansion plans. We are targeting 1085 high-end venues in 54 towns and cities in 18 different countries initially. Our app is due for launch in Q1 2017 and will coincide with the re theming of our website and some other enhancements.

Are you still looking for funding? If so I am happy to discuss and may have a couple of propositions that could be of interest.

It might be beneficial to talk soon as I believe our business models could be very complimentary to each other and benefit.”

On 14 December 2016 the Respondent agreed terms for the purchase of the disputed domain name (which had been first registered as long ago as 1998) from its then owner. Towards the end of December 2016 the disputed domain name (the “Domain Name”) was transferred to the Respondent.

It would appear that, at least initially, the Domain Name was used to redirect internet users to the <gymclub.com> website.

On 24 April 2018 a person identifying himself as “Gerard Farnham” and using an email address with the <gymclub.com> domain name, made contact with the Complainant through a webform and stated as follows:

“We own the [Domain Name] and may be considering selling it. Would you be interested.”

In an email to Gerard Farnham dated 30 April 2018 the Complainant stated that it would not buy the domain name for “50K”. In that email it also asserted that it had been in contact with the previous owner of the Domain Name in late 2016 and at that time the Domain Name was “listing it for 10K$”.

At or about this time the Domain Name ceased to link to the gymclub.com website and instead started to display a webpage stating that the Domain Name was for sale.

On 9 May 2018 the Complainant applied (it would appear through legal counsel) for a US registered trade mark for DAY PASS as a standard character mark. The application claimed a first use in commerce in the US of 29 September 2015.

On 4 September 2018 the trade mark examining attorney at the USPTO raised a number of objections to that mark. This included a provisional refusal on the basis that the mark was “merely descriptive” in that it “describe[d] a feature or purpose of [the Complainant’s] goods and services”.

The Complainant did not file any response in this respect and accordingly the application was treated as abandoned.

A webpage stating that the Domain Name is for sale continues to operate as at the date of this decision.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:

The Complainant provides in the Complaint details as to its business and its dealings with the Respondent. These appear to be undisputed and are set out in the Factual Background section of this decision. It claims that after acquiring the Domain Name the Respondent offered to sell it to the Complainant for US $50,000 (and as is recorded in the Factual Background section of this decision) refers to and provides email correspondence that is consistent with that claim.

The Complainant does not directly address the requirements of the UDRP. So far as trade rights are concerned, it does not claim any interest in any registered trade mark nor does it expressly claim unregistered trade mark rights. However, it does claim as follows:

"Day Pass LLC has since invested significant time and resources in its brand, logo, content, and software, to have it well-known, recognized and quoted in several Professional and Consumers travel publications"

It then provides links to the websites of various publications.

RESPONDENT

Although unregistered trade mark rights are not expressly claimed by the Complainant, the Response assumes that this is indeed the Complainant's case. In this respect, it contends that the Complainant has not "adequately demonstrated common law mark rights that predate Respondent's registration of the domain in 1997".

Further, it contends as a matter of US law that mere use of a name does not provide common law rights but contends that the Complainant must show that the public come to recognise it as an indication of source and has become distinctive as an indication of a single source and not simply viewed by the public as a description applicable to the goods or services from various sources.

Here it contends that the term "day pass" is merely descriptive of the product that the Complainant provides. It makes reference to the content of the Complainant's own website as well as the websites of others, which is said to demonstrate that this is the case and contends that there has been a failure by the Complainant "to provide evidence to demonstrate distinctive secondary meaning".

Further, it relies upon the fact that the Complainant's US trade mark application for DAY PASS in 2018 was rejected on the grounds it was merely descriptive. It contends that the failure to mention this application in the Complaint amounted to "fraud". In this respect, it refers to the fact that when filing its Complaint the Complainant would have certified that to the best of the Complainant's knowledge the Complaint is "complete and accurate". It also refers to a number of decisions in this respect including Domain Name Systems, Inc. v. TBS Industries WIPO Case No. D2001-0871, Dynamis Limited v. Alice Stephen Uppal WIPO Case No. D2013-2118 and Chuan Sin Sdn. Bhd. v. Reflex Publishing Inc. WIPO Case No. D2014-0557.

It also claims that a decision that the Complainant had unregistered trade mark rights would involve an inappropriate challenge to the refusal of the USPTO.

The Respondent describes the Respondent's acquisition of the Domain Name and claims that the Domain Name is descriptive of the business it has organised. It claims that the Domain Name was acquired with the belief that the Complainant did not have exclusive rights in the term "Day Pass" and that the use then made of it by way of redirection to the Respondent's site and then

subsequent offer for sale was legitimate. In the circumstances, it claims that the Complainant has not shown that the Respondent lacks a right or legitimate interest in the Domain Name and that it has not shown that the Domain Name was registered and used in bad faith.

RIGHTS

The UDRP requires a complainant to demonstrate rights in a trade mark that is confusingly similar to the domain name in issue. This is frequently referred to as a “threshold” requirement which established a complainant’s standing to file a complaint. In this respect see, for example, sections 1.2. and 1.7 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (the “WIPO Overview 3.0”). The relative weakness of the claimed rights and/or the timing as to when those rights arose, is frequently an issue of importance, but usually to the separate questions under the UDRP of whether the Respondent has legitimate interests in the domain name and whether the registration and use of the domain name was bad faith. It is, therefore, rare that a complaint will fail on that ground that the threshold requirement has not been met.

In this respect the Panel rejects the Respondent’s contention so far as rights is concerned the Complainant should demonstrate that these “predate Respondent’s registration of the domain in 1997”. The existence or otherwise of rights is to be judged at the date the Complaint was filed (section 1.13 of the WIPO Overview 3.0). Further, so far as legitimate interests and bad faith are concerned, the relevant date is likely to be the date that the domain name was acquired rather than first registered (section 3.9 of the WIPO Overview 3.0).

However, that does not mean that the rights requirement of the UDRP is empty of any content. A Complainant must still demonstrate that such rights exist. Further, where unregistered trade mark rights are claimed that will usually mean that the complainant will need to demonstrate that the claimed mark has become a distinctive identifier which consumers associate with the complainant’s goods or services. As is recorded in section 1.3 of the WIPO Overview 3.0:

“Relevant evidence demonstrating such acquired distinctiveness (also referred to as secondary meaning) includes a range of factors such as (i) the duration and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys.”

In this particular case, the starting point is that “Day Pass” is undoubtedly a description of the products and services that the Complainant provides. In the circumstances, if the Complainant were claiming acquired distinctiveness in that term, the Panel would expect the Complainant to provide extensive evidence to support that claim.

In the unanimous opinion of the Panel, the Complainant has failed to provide sufficient evidence to support a finding of unregistered trade mark rights.

Although the complainant appears to have used the term Day Pass as part of its company name for some time, there is no real evidence of how that term has become understood by the relevant public. The Complainant’s website has changed over time and it seems clear that as late as 2016 this was one of a number of phrases that the Complainant was considering using as a trade mark. Further, there is no evidence whatsoever before the Panel of sales or advertising. Further, although there is a reference to media coverage, there has been no real attempt to properly collate and present material to the Panel in this respect. The Complainant has provided links to the home pages of certain third party websites, presumably hoping that the Panel will visit those sites and attempt to search for evidence on those sites that support the Complainant’s case. However, it is for the Complainant to properly present its case in this respect, rather than to expect the Panel to do its own research.

Further, a complainant must identify some sort of legal right that is recognised under relevant local law. Here it seems to be accepted that the relevant law is that of the United States, and the Panel is not persuaded that the Complainant has demonstrated unregistered trade mark rights under that law.

The Panel also accepts that the Complainant’s failure as late as 2018 to obtain a registered trade mark for DAY PASS is relevant and material evidence that it can and should take into account in this case. The fact that the Complainant did not challenge that refusal is something that is also highly material to its assessment.

The Panel notes that there is the email of 5 December 2016, from Lyndon Farnham of the Respondent in which he states that he is “really interested in what [the Complainant is] doing with DAYPASS.” But this is not relied upon by the Complainant as evidence of secondary meaning and even if it were, such a statement coming from someone based not in the Unites States but the island of Jersey where no rights appear to be claimed, is in the opinion of panelists Harris and Lodigiani of limited probative value and in the opinion of panelist Rodenbaugh of no probative value.

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The Panel is also troubled by the Complainant’s failure in this case to disclose its US trade mark application. The Respondent characterised this as fraud. That assumes that the Complainant had positively decided not to include this information in the Complaint in order to deliberately mislead the Panel when it comes to the question of rights. There is insufficient evidence before the Panel for it to conclude that this is the case. However, the Panel agrees that this application should have been disclosed by the Complainant and that the failure to do so meant that the Complaint in this case was not “complete”. The Panel also accepts that it is entitled on the question of rights to draw an adverse inference against the Complainant as a consequence of that failure (although in this particular case the Panel have not had to rely upon any such adverse inference to come to its decision).

Accordingly, the Complainant has failed to demonstrate the requirements of paragraph 4(a)(i) of the Policy.

NO RIGHTS OR LEGITIMATE INTERESTS

In light of the Panel’s finding in respect of trade mark rights it is not necessary to address the question of rights or legitimate interests.

BAD FAITH

In light of the Panel’s finding in respect of trade mark rights it is not necessary to address the questions of bad faith registration or use.

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

It is perhaps appropriate to record that after the panelists in this case had already communicated with one another and unanimously reached the provisional view that the Complainant’s Complaint case should be dismissed on the basis that the Complainant had failed to demonstrate relevant rights, the Presiding Panelist in this case received an email from the attorney acting for the Respondent. In that email the Respondent’s attorney sought advice in relation to a matter ongoing in the English courts unrelated to the present case and which did not involve either the Complainant or the Respondent. The Presiding Panelist responded that his firm could act in those court proceedings, but given the present UDRP proceedings, the attorney might prefer to instruct someone else in England. He provided details of three other lawyers in three other different law firms in this respect.

Subsequently, the Respondent’s attorney filed a communication on the dispute resolution provider’s platform in which he disclosed that he had sent such an email to the Presiding Panelist, and claiming that this approach had been made having “forgotten that [the Presiding Panelist] was even a candidate in the present matter”. In that communication he also stated that another lawyer had already been instructed to act in the unrelated matter.

In the opinion of the Panel, there is no reason why these communications should prevent the Panel from proceeding to issue its decision in this case.

PRINCIPAL REASONS FOR THE DECISION

The Complainant does not claim registered trade mark rights in the term “Day Pass” and the term Day Pass is prima facie descriptive of the products supplied by the Complainant. The Complainant failed to provide evidence that satisfied the Panel that by reason of the use of the term it had acquired secondary meaning or that under US law the Complainant had unregistered trade mark rights in the term.

Further, the Complainant had failed to disclose that (a) it had in 2018 applied for a US registered trade mark for the term “Day Pass”, (b) that the application had been refused on the grounds that “Day Pass” was descriptive; and (c) that the Complainant had not sought to dispute that finding of the USPTO. It was, therefore, appropriate to draw an adverse inference from that failure against the Complainant when it came to the question of the existence of rights.

Accordingly, the Complainant has failed to demonstrate that it had rights in a trade mark confusingly similar to the Domain Name and has therefore failed to make out the requirements of paragraph 4(a)(i) of the UDRP. Given that finding the Panel did not need to consider the issues of “rights or legitimate interests” or bad faith.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **DAYPASS.COM**: Remaining with the Respondent

PANELLISTS

Name	**Matthew Harris, Mike Rodenbaugh, Angelica Lodigiani**

DATE OF PANEL DECISION 2019-09-11

Publish the Decision