# Decision for dispute CAC-UDRP-100654

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| Case number | CAC-UDRP-100654 |
| Time of filing | 2013-09-11 21:47:10 |
| Domain names | COFFEEDIRECT.COM |

## Case administrator

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| Name | Lada Válková (Case admin) |

## Complainant

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| Organization | Coffee Bean Direct LLC |

## Complainant representative

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| Organization | Peter A. Luccarelli Attorney At Law |

## Respondent

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| Name | Claude Pope |

OTHER LEGAL PROCEEDINGS

As stated below, Complainant filed a previous Complaint against Respondent with respect to the Disputed Domain Name, which resulted in a decision denying a transfer. Coffee Bean Direct Corporation v. Claude Pope, WIPO Case No. D2010-0162.

IDENTIFICATION OF RIGHTS

As stated below, Complainant owns the following trademark registrations:

- U.S. Reg. No. 3,617,387 for the word mark COFFEE DIRECT for use in connection with “coffee” (first used in commerce on February 27, 2009; registered on May 5, 2009);
- U.S. Reg. No. 4,112,174 for the mark COFFEEDIRECT for use in connection with “coffee, tea” (first used in commerce on February 16, 2009; registered on March 13, 2012); and
- U.S. Reg. No. 4,115,286 for the mark COFFEE DIRECT EST. 2004 for use in connection with “coffee, tea” (first used in commerce on December 16, 2009; registered on March 20, 2012).

FACTUAL BACKGROUND

FACTS ASSERTED BY THE COMPLAINANT AND NOT CONTESTED BY THE RESPONDENT:

Under Paragraph 4.a of the UDRP (“the Policy”), this Provider’s Panel has the power to order transfer of a disputed domain name if Complainant proves all three of the following elements:

- The disputed domain name is identical … to a trademark … in which the complainant has rights (Policy 4.a(i));
- The respondent has no rights or legitimate interests in respect of the domain name (Policy 4.a(ii)); and
- The domain name has been registered and is being used in bad faith by the respondent (Policy 4.a (iii)).

A. FACTUAL GROUNDS

Complainant Actively Uses And Has Trademark Rights In The Domain Name
The Complainant, Coffee Bean Direct, LLC, ("CBD") has been in continuous business since 2004. It is a full-featured coffee roasting company, which itself roasts, packs and ships all of its products to all fifty states in the United States of America, its territories, as well as foreign sales to Canada, Europe and Asia. Over the last two full calendar years CBD's annual growth rate averaged over 22%, despite difficult economic conditions. This growth rate is reflected in transactional turnover of over one million (1000000) pounds (over 453 metric tons) of coffee and tea product in calendar year 2012. CBD presently has 32 employees and its business facility comprises fifteen thousand square feet (15000 ft2) (1593 m2). It has grown to be one of the most visible coffee and tea companies on the Internet, using the domain name "coffeebeandirect.com". It is noted that in prior United States Trademark filings and a prior 2010 domain name proceeding before the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center (2010-0162) the company name was erroneously identified as "Coffee Bean Direct Corporation", but its legal form, control and ownership have not changed since 2004. All factual allegations concerning the Complainant and the Respondent and their communications in the 2007-2013 time periods are supported by the Declarations of Andrew Esserman and Gregory Shefler that accompany this Complaint.

In 2008, the Complainant implemented plans to adopt and use the trademark COFFEE DIRECT in addition to its existing trademark COFFEE BEAN DIRECT. It commenced actual use of the COFFEE DIRECT mark in February 2009 . The Complainant is presently the owner of three United States Trademark Registrations:
- U.S. Reg. No. 3,617,387 for the mark COFFEE DIRECT, for coffee, registered on May 5, 2009,
- U.S. Reg. No. 4,112,174 for the mark COFFEEDIRECT AND DESIGN (stylized and color), for coffee and tea, registered on March 13, 2012 ; and
- U.S. Reg. No. 4,115,286 for the mark COFFEE DIRECT AND DESIGN (stylized and color), for coffee and tea, registered on March 20, 2012.

The Complainant uses the COFFEE DIRECT '387, '174 and '286 marks on product packages and customer e-mail newsletters. Complainant also uses "Coffee Direct" as the URL identifier for its Twitter (twitter.com/coffeedirect), Facebook (facebook.com/coffeedirect), Instagram (instagram.com/coffeedirect), and Pinterest (pinterest.com/coffeedirect) social media sites . Links to the social media sites are included in the Complainant's "coffeebeandirect.com" website . The Complainant wants to use COFFEEDIRECT.COM as its domain name, for consistency with its product packages trademark use and its social media sites, but it is forced to use a different, alternative domain name "coffeebeandirect.com" for its website due to the blocking registration of the disputed Domain Name by the Respondent.
Respondent Abandoned Use Of The Domain Name In 2006
On information and belief, Respondent was an online coffee seller from approximately 1999 until, by its own admission, it went out of business over seven years ago in January 2006. As of at least as early as January 14, 2010, the domain name COFFEEDIRECT.COM is a broken web link that does not resolve to an active web site. See the Google toolbar "Oops! This link appears to be broken" notice. According to the Network Solutions Registrar WHOIS database, http://www.networksolutions.com/ the Respondent is currently soliciting offers, directly on the Network Solutions website from others who seek to purchase the COFFEEDIRECT.COM domain name. Attempts by the Respondent to sell its COFFEEDIRECT.COM domain name date back to at least January 2008. According to records found on the Wayback Machine Internet archive, http://web.archive.org/, Respondent's latest web page of record is dated June 23, 2008, and is identical to the one dated January 23, 2008 , wherein it is stated:

Thank you for visiting CoffeeDirect.com.
We appreciate your business during these past 8 years. We have ceased our operations effective January 2006.
This domain is currently for sale. Please email cpope@getitquick.com.
Thanks.

Complainant Approached Respondent To Purchase The Abandoned Domain Name in 2007

The Complainant was aware of the Respondent's cessation of business and abandonment of the COFFEEDIRECT.COM domain name since at least as early as 2006. All of the following factual allegations concerning communications between the Complainant and the Respondent in the 2007-2013 time period are supported by the Declarations of Andrew Esserman and Gregory Shefler that accompany this Complaint. In April, 2007 Mr. Andrew Esserman, President of Complainant, had a telephone conversation with Respondent, Mr. Claude Pope, to inquire about Respondent transferring COFFEEDIRECT.COM to Complainant. Mr. Pope indicated that he was no longer in the coffee business and did not intend to return to the business. Mr. Pope offered to transfer the domain name to Complainant for payment of $200,000. Mr. Esserman refused this offer and counter offered a few thousand dollars. Mr. Pope did not accept the counter offer.

Subsequent to the 2007 communications between the Respondent and the Complainant, the Respondent changed his COFFEEDIRECT.COM web page to the January 23, 2008 "this domain is currently for sale" version. Thereafter, on May 1, 2008, Respondent renewed his registration through June 3, 2013, shown in the updated WHOIS search registration data.

When no agreement was reached between the parties concerning the disputed name and in light of the Respondent's abandonment of its mark "COFFEE DIRECT", the Complainant formulated plans to adopt and use its COFFEE DIRECT mark in connection with its ongoing coffee roasting and sales business. To that end, on June 17, 2008 the Complainant filed an application to register the mark COFFEE DIRECT in the US Patent and Trademark Office (USPTO). The application ultimately issued as the US Trademark Registration 3,617,387 on May 5, 2009. . Registrations followed for the '174 and '286 marks.
Prior 2010 UDRP Proceeding
The Complainant previously filed a Complaint against Respondent before the WIPO Arbitration and Mediation Center on February 3, 2010 to have the COFFEE DIRECT.COM domain name transferred to it. Respondent did not submit any response. Hence, Respondent defaulted and the Center so notified the parties. WIPO Administrative Panel Decision D2010-0162 denied the transfer on April 5, 2010. In the Decision, applying elements enumerated in paragraph 4(a) (i)-(iii) of UDRP, the Panel ruled that:
- The Domain Name is identical or confusingly similar to the Complainant's trademarks ; and
- Respondent no longer had legitimate interests in the Domain Name when it abandoned the coffee business .
- The Panel did not find that Respondent registered and was using the Domain Name in bad faith under UDRP 4(a) (iii), because the Respondent "initially registered the Domain and used it in connection with a bona fide coffee business.
- The Panel found no evidence of bad faith renewal of the Domain Name prior to 2009 primarily because Complainant "had not acquired any trademark rights of which Respondent might have been aware". See page 7 of the WIPO Decision.

Complainant Planned For Domain Name Registration After Respondent's Expiration
After issuance of the WIPO Decision D2010-0162, confirming that the Respondent no longer had legal rights in the Domain Name, Mr. Esserman fully expected that the Respondent, Mr. Pope would allow his Domain Name registration to expire in due course in June 2013. After all, there was no legitimate business logic to renew registration if it could not be legitimately used by the Respondent. Therefore upon the expiration of the Respondent's registration, CBD planned to register and adopt the Domain Name for its Web portal, consistent with its existing use of the COFFEE DIRECT marks on packaging, newsletters, social media and its existing "coffeebeandirect.com" Web portal home page display. . In early 2013 CBD commenced monitoring the Domain Name Registrar's WHOIS data for expiration and purchase availability notices.

Respondent's 2013 Registration Renewal Without Legal Rights Was In Bad Faith, As Is The Separate Act Of Continued Passive Holding
On April 4, 2013 -- three years after the WIPO Decision 2010-0162,--the Respondent, fully aware of the Complainant's continuing exclusive trademark rights and its inability in light of those rights to utilize the mark Coffee Direct without infringing those rights, nevertheless, and in spite of that knowledge, intentionally renewed his name registration for another 3 years, as reflected in the WHOIS. The Respondent continues to hold the Domain Name passively since its re-registration.

Respondent Continues To Disrupt Complainant's Business In 2013
The Respondent is still actively disrupting Complainant's business by continuing to cause its long inactive COFFEEDIRECT.COM website to resolve to a "broken link". The broken link disrupts consumer online purchasing of Complainant's products—the very heart of its business. A consumer viewing the Complainant's actual products bearing the "Coffee Direct" trademarks or Complainant's active pages with Coffee Direct as the identifier for its Twitter, Facebook,

Instagram and Pinterest social media sites cannot order products from Complainant by keystroking COFFEEDIRECT.COM in a web browser or search engine on the Web. In contrast, a consumer easily finds the Complainant when searching social media sites where the Complainant has active pages with Coffee Direct as the identifier.

Respondent's Continuing Excess Payment Demands In 2013
Shortly after the Respondent's April 4, 2013 Domain Name renewal Mr. Esserman sent a registered mail letter to Mr. Pope reminding him of CBD's trademark rights and his inability to use his Domain Name in view of those rights. Mr. Esserman said that under these new circumstances Mr. Pope's 2013 renewal was done in bad faith. However, as a gesture of good will, to avoid the expense and inconvenience of further domain name transfer proceedings, Mr. Esserman offered Mr. Pope a payment of $2500 to cover any reasonable expenses incurred by him to transfer the Domain Name to CBD. Mr. Pope acknowledged receipt of the Esserman letter and responded to it via an e-mail dated 19 April 2013. Mr. Pope noted CBD's unsuccessful WIPO UDRP action and stated:
"I further believe that pursuing a course of legal action beyond what you've already (unsuccessfully) pursued will cost significantly more than the amount you've offered in an attempt to avoid such fees. If you wish to make an offer commensurate with the strategic value of the name, then you are free to do so. Otherwise, the name is not for sale, express or implied."

On April 24, 2013, Mr. Esserman responded to Mr. Pope's April 19 e-mail and reminded him of prior 2007 communications in which Mr. Pope asked for $250000 for sale of the Domain Name. He also indicated that Mr. Pope's valuation was excessive in view of CBD's trademark legal rights. In an April 30, 2013 e-mail exchange between Mr. Pope and Mr. Esserman, the Respondent demanded a cash payment of $200,000 with no equity requirement, or a package of $100,000 and $150,000 equity share of Complainant's business value in exchange for transfer of the disputed Domain Name. Mr. Esserman broke off further communications with Mr. Pope and authorized commencement of this domain transfer proceeding, based on the Respondent's bad faith re-registration of the Domain Name in April 2013.

Respondent's Opportunistic Exploitation By Soliciting Online Purchase Offers In 2013
In addition to purely passive holding of the COFFEEDIRECT.COM name, and intentional disruption of Complainant's legitimate adoption and use of the domain name consistent with its legal trademark rights, the Respondent continues online solicitation of offers from others to purchase the domain name. The continuing solicitations for sale are being made in both pages, despite knowledge of the legally enforceable, exclusive trademark rights of Complainant. The Respondent continues to solicit offers to purchase the disputed domain name substantially in excess of its costs of registration and is doing so in an exploitive attempt to force the Complaint to remit that sum to it.

B. The Disputed Domain Name is Identical to Complainant's Registered United States Trademark Rights
Policy, para. 4(a) (i)

The Panel of the prior WIPO Decision D2010-0162 found the Domain Name to be identical or confusingly similar to the Complainant's trademark. Respondent's name COFFEEDIRECT.COM is identical to Complainant's COFFEE DIRECT registered trademark, other than an insignificant space between the words in the mark not present in the name and the inclusion of the gTLD in the name. ADR.eu and WIPO domain name dispute panels have long held that domain names which incorporate the entirety of another party's trademark, with insignificant differences between the two, are confusingly similar – the omission of the space and the addition of the gTLD being such insignificant differences. See MasterCard International Incorporated v. Global Prepaid, Case No D2008-2008 (WIPO March 25, 2009) and cases cited therein at page 10; EMI Records Limited v. Complete Axxcess. Case No. D2001-1230 (WIPO December 18, 2001) (registered mark ABBEY ROAD vs. domain name ABBEYROAD.COM); Telstra Corporation Limited v. Nuclear Marshmallows, Case No. D2000-0003 (WIPO February 18, 2000) (registered mark TELSTRA vs. domain name TELSTRA.ORG) ; Rue DuCommerce v. Xintertop, Dispute 100570 (ADR.eu/CAC April 16, 2013) (registered mark TOP ACHAT vs. domain name TOPACHATS.NET) ; and Societe Generale v. Hughes, Dispute 100588 (ADR.eu/CAC May 27, 2013) (registered mark SGCIB vs. domain name SGCIBONLINE.COM) .

C. The Respondent Has No Rights Or Legitimate Interests In Respect Of The Domain Name
Policy, para. 4(a) (ii)

As noted in the prior WIPO Decision D2010-0162, the Respondent does not have established rights or legitimate interests in the disputed domain name for the purposes of paragraph 4(a) (ii) of the Policy. The record then and now in 2013 is incontestable that the Respondent ceased and abandoned use of the COFFEEDIRECT.COM domain name in 2006, by its own admission, in a prior web page. That abandonment continues to this day. In domain name transfer disputes, complainant's trademark rights are evaluated as of the time its complaint is filed, Document Technologies, Inc. v. International Electronic Communications Inc., WIPO Case No. D2000-0270 (June 6, 2000) and MedTel Outcomes, LLC v. IT HealthTrack, Inc., WIPO Case No. D2004-0282 (July 21, 2004). Thus Complainant's exclusive rights here are viewed in light of Respondent's abandonment. See this Provider's prior decisions in Thiercelin v. MEDICALEXPO.COM, Dispute 100235 (ADR.eu/CAC May 15, 2011) and Grabal Alok (UK) Limited v. Aldgate Warehouse (Wholesale ) Limited, Dispute 100313 (ADR.eu/CAC October 20, 2011) (registered mark vs. domain name LESHARK.COM) .

In view of the Complainant's subsequent adoption and registration of the COFFEE DIRECT mark, the Respondent cannot re-adopt and use the same mark in a new coffee business venture, nor has it given any indication that it intends to do so. The Respondent is not a licensee or other permitted user of the Complainant's COFFEE DIRECT registered trademark rights, as noted in the Esserman Declaration paragraph 12 . All of these legal points were ruled in the Complainant's favor in the prior WIPO Decision D2010-0162. Thus, the Respondent has no legitimate interest in maintaining the COFFEEDIRECT.COM domain name registration.

D. The Domain Name Was Registered (By Renewal) In Bad Faith And Is Being Used In Bad Faith
Policy, paras. 4(a) (iii), 4(b)

After issuance of the prior April 5, 2010 WIPO Administrative Panel Decision D2010-0162 that denied Domain Name transfer requested in the Complaint the Respondent has engaged and continues to engage in new and additional conduct constituting "bad faith" registration renewal and other post-renewal bad faith under the Policy, as outlined above. The Respondent's 2013 new bad faith acts are:
- Domain Name registration renewal on April 4, 2013, in spite of the Complainant's trademark rights that were recognized in the April 5, 2010 WIPO Decision.
- Continued passive holding of the Domain Name after registration renewal, in spite of the Complainant's trademark rights that were recognized in the April 5, 2010 WIPO Decision.
- Continued active disruption of the Complainant's business by continuing to cause its long inactive COFFEEDIRECT.COM website to resolve to a "broken link".
- Continued solicitation on the Web of offers to purchase the Domain Name despite knowledge of the Complainant's legal trademark rights in the Domain Name.
- Demand for an excessive cash payment of $200,000 from the Complainant in the 2013 e-mail exchange between the Respondent and Mr. Esserman, the Complainant's President.

These new and additional acts of bad faith in 2013-- along with the prior WIPO Decision findings that the Complainant has legal rights in the United States '387, '174 and '286 Trademark Registrations and that the Respondent has no rights or legitimate interests in the identical Domain Name--justify transfer of the Domain Name to Complainant.

Evolving UDRP Case Decisions Evaluate "Bad Faith" Renewals
Early UDRP decisions tended to limit bad faith evaluations for acts occurring before or at the time of the original domain name registration. This early consensus view over time recognized exceptions for some acts occurring after original registration, including renewals. Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No. D2009-1688 recognized that exceptions may arise where a renewal could be viewed as a separate registration if a respondent-registrant engaged in an intervening act that reflected bad faith between the time of the original registration and the renewal.

In support of this evolving "assess bad faith at renewal" exception, ADR.eu decisions have also ruled that bad faith is also determined at renewal under the renewal applicant's warranty that it "will not knowingly use the name in violation of any applicable laws or regulations" that is required under Paragraph 2 of the UDRP. See Grabal Alok (UK) Limited v. Aldgate Warehouse (Wholesale ) Limited, Dispute 100313 (ADR.eu/CAC October 20, 2011) (domain name ordered transferred where the respondent previously transferred trademark rights in the domain name and after the complainant legitimately acquired

those trademark rights, yet the respondent continued to renew the corresponding domain name) and cases cited therein. As the Panelist of the Grabal decision noted:
“a renewal of a domain name may be equivalent to a new registration in appropriate circumstances. While I have some reservations about the potential for such an approach to negatively impact the delicate balance the UDRP strikes between the ‘first come first served” domain name system and the genuine interests of rights owners and consumer protection I agree with the principle … the benefit of an original good faith registration should not be perpetual to the point where it can cloak successors in title and successors in “possession” long after the original registration would have expired”.

In Zija International, Inc. v. Deep Frontier, WIPO Case No. D2013-0107 , the panel cited and agreed with the analysis set forth in Eastman Sporto Group LLC v. Jim and Kenny, supra., in finding that the actions of the respondent, in ceasing its use of the disputed domain name and thereafter, even with knowledge of the complainant and its trademark rights, renewing its registration was found not to reflect bad faith. What differentiates the situation in the Zija decision from the present case is the respondent in Zija was legitimately using and continuing to use its domain name for sale of shirts before the complainant acquired trademark legal rights for the same name for food products. Complainant threatened legal action against respondent if the latter continued to use the name. In the Zija Panel’s view, the respondent’s post-renewal action in passively holding the name was not in bad faith, as it really had no choice but to hold passively or risk expensive trademark infringement litigation in civil courts.

In this case the Respondent did not “continue to do what he has always legitimately done”, as was found in the Zija decision. Rather, the Respondent engaged in additional new conduct after issuance of the prior 2010-0162 Decision, which places him squarely within the “bad faith renewal” exception of the previously cited ADR.eu Thiercelin decision. The panelist in the prior WIPO Decision 2010-0162 between these parties stated on page 7:
“Here, the Panel sees no evidence of record that even at the time of renewal of the Domain Name in June 2008, the Complainant had acquired any trademark rights of which Respondent might have been aware. Thus, the Panel cannot find that Respondent had actual or constructive notice of Complainant’s incipient plans to obtain trademark rights for the COFFEE DIRECT mark.”

The prior 2010 WIPO Decision panelist indicated that Respondent did not have notice of Complainant’s trademark rights and that those trademark rights were recently established, and as a consequence, Respondent’s attempts to sell the COFFEEDIRECT.COM name, even for an exorbitant price, did not constitute bad faith at the time of the Decision. Now in 2013, the Respondent had the requisite actual knowledge of the 2010 Decision, along with its written confirmation of the Complainant’s trademark rights and his lack of rights. He acknowledged the 2010 Decision’s existence in his April 19, 2013 e-mail to Mr. Esserman (“you may have undertaken an unsuccessful action at an international domain name dispute organization recently”).

Respondent’s Bad Faith Renewal Alone Warrants Domain Name Transfer
When the Respondent this year in 2013 renewed the Domain Name registration he violated the requirement of paragraph 2 of the UDRP, which states: "By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that . . . (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights." Here Respondent’s blatant disregard for Complainant’s trademark rights after the 2010 WIPO Decision by renewing his registration for the Domain Name warrant re-evaluation of bad faith as of the time of the renewal rather than only as of the original domain name registration date, as was done in the previously cited Grabal Alok (UK) Limited v. Aldgate Warehouse (Wholesale ) Limited, Dispute 100313 (ADR.eu/CAC October 20, 2011). Thus transfer of the Domain Name to the Complainant is warranted by the facts and the applicable rules.

Respondent Post Renewal Bad Faith Passive Holding
ADR.eu prior decisions have ordered transfer of domain name registrations where the respondent was found to engage in acts of post renewal passive holding. The previously cited ADR.eu decision in Thiercelin v. MEDICALEXPO.COM, Dispute 100235 (ADR.eu/CAC May 15, 2011) also adopts the growing case law recognition that, in appropriate circumstances, bad faith acts--including post renewal passive holding--can be evaluated after the initial domain name registration date. In the Thiercelin matter, the respondent did not file responsive papers, but the complainant established the following facts:

1. Respondent registered the domain name MEDICALEXPO.COM in 1997 and renewed it in 2006 for six years until March 2012.
2. There was no record of use of the domain name since registration in 1997 and it would not load when entered into a web browser. Alternatively when attempting to load the domain name the web page would respond that there was a domain host computer problem.
3. In 2009 the complainant adopted, used and filed/registered the trademark MEDICAL EXPO for sales exhibitions via the Internet. The complainant was a substantial host of Internet expo sites with 15000 exhibitors and 7 million visitors.
4. The disputed domain name was identical to the complainants registered trademarks.

The Thiercelin Panel ruled that the disputed domain name should be transferred to the complainant. This decision citing the WIPO Telstra decision reasoning, stated that the "domain name has been registered (or at least re-registered) and is being used in bad faith … 'use' [is construed] broadly to include inactive use." Further the Thiercelin Panel ruled, "denying use of the contested domain name by the Complainant would unreasonably prevent the trademarks owner from using the rights conferred by his marks and is therefore reasonable and appropriate within the letter and intent of the UDRP rules that the complaint is accepted and the domain name transferred to the Complainant." See also Telstra Corporation Limited v. Nuclear Marshmallows, supra., EMI Records Limited v. Complete Axxcess, supra and Gaggia S.p.A. v. Yokngshen Kliang, WIPO Case No. D2003-0982 (February 8, 2004) . In all these cited cases, the respondents registered and passively held domain names after the complainants had adopted trademark rights. The precedential panels noted that practical significance of passive holding by the respondents was to frustrate legitimate adoption and use of the domain names by owners of the identical trademarks. Here the Complainant cannot use its own trademark COFFEE DIRECT for its domain while it has done so in other major social media sites and in direct e-mail advertising newsletters to customers.

Respondent Post Renewal Active Disruption of Complainant's Business
As noted in paragraph 13 of the Esserman Declaration, in addition to passive holding damage to the Complainant's business, the Respondent is still actively disrupting Complainant's business by continuing to cause its long inactive COFFEEDIRECT.COM website to resolve to a "broken link". The broken link disrupts consumer online purchasing of Complainant's products—the very heart of its business. Under substantially similar facts where a respondent no longer had any legitimate rights to maintain a disputed domain name, ADR.eu issued a decision in the complainant's favor, transferring the domain name to the complainant. See Grabal Alok (UK) Limited v. Aldgate Warehouse (Wholesale ) Limited, Dispute 100313 (ADR.eu/CAC October 20, 2011) (registered mark vs. domain name LESHARK.COM) . In the Grabal Alok case, the respondent previously transferred ownership rights in registered trademarks (LE SHARK) to the complainant in 2005 yet continued to passively hold and renew as late as 21 March 2011 –some six years later--a substantially similar domain name (LESHARK.COM) despite complainant's protests and successful efforts to shut down to shut down the site to which the disputed domain name resolved. As noted by the ADR.eu panelist in the Grabal Alok decision:
"The (now) inactive website at the Disputed Domain Name may cause consumers to question the legitimacy of the Complainant's business. The Disputed Domain Name suggests a commercial connection with or authorization by the Complainant. Further, the Respondent is now in liquidation. The Complainant therefore fears the Disputed Domain Name may be on-sold and it is very unlikely it could be registered and used in good faith by any third party given the Complainant's rights. Goods or services under the Disputed Domain Name may be confused with the goods and services of the Complainant".

Respondent Bad Faith Opportunistic Exploitation by Soliciting Online Purchase Offers and Making Excessive Payment Demands to Complainant
The Respondent continues online solicitation of offers from others to purchase the domain name (see illustratively its Domain Name Registrar's WHOIS Results page for coffeedirect.com and the related linked Wiki Page). The continuing solicitations for sale are being made in both pages, despite knowledge of the legally enforceable, exclusive trademark rights of the Complainant. The Respondent knows that the Complainant is the only legitimate potential buyer of the Domain Name. The Respondent continues to solicit offers to purchase the disputed domain name substantially in excess of its costs of registration and is doing so in an exploitive attempt to force the Complaint to remit that sum to it. Particularly because the Complainant, having exclusive rights to use its mark Coffee Direct, would be the only buyer that, for all practical purposes, can utilize the domain name in the United States free of any claims of trademark infringement. In essence, the Respondent is holding the name as ransom in exchange for some US $ 200,000. Any other third-party transferee who purchases the name

from the Respondent would most likely do so to exploit the Complainant much in the same manner as the Respondent is now doing.

WIPO case precedents hold that attempts to extract payments from trademark rights owners in excess of reasonable transfer and documented out of pocket expenses constitutes “bad faith”, the appropriate remedy for which is transfer of the registrant’s ownership rights to the legitimate trademark owner. See EMI Records Limited v. Complete Axxcess, supra (UK £20,000 payment demand), Jeanette Winterson v. Mark Hogarth, WIPO Case No. D2000-0235 (May 22, 2000) (offer to transfer domain name for 3% of trademark owner’s sales volume as an ongoing license fee). WIPO case precedent holds that the assumption to sell a domain name in bad faith is not refuted by the fact that the Complainant initially contacted the Respondent to purchase the domain name if circumstances of Respondent’s total conduct otherwise demonstrates bad faith, AIB-Vincotte Belgium ASBL et al. v. Guillermo Lozada, Jr., WIPO Case No. D2005-0485 (August 29, 2005) (€100,000 payment demand in response to purchase inquiry by trademark owner).

E. Conclusion
Complainant has met its burden to obtain transfer of the COFFEEDIRECT.COM domain name under Paragraph 4(a) of the Policy, by proving that: (i) Respondent’s Domain Name is identical or confusingly similar to the Complainant’s trademark (this was established in the prior 2010 Decision); (ii) the Respondent has no rights or legitimate interests in respect to the domain name (again, this was established in the prior 2010 Decision); and (iii) based on new and additional acts by the Respondent in 2013 that have occurred subsequent to the prior April 2010 Decision, the domain name has been re-registered in bad faith in 2013 by the Respondent and is being used in bad faith by the Respondent after he had actual knowledge of Complainant’s trademark legal rights in COFFEE DIRECT. Under well-established bad faith ADR.eu case law, this is an appropriate case to evaluate bad faith at the time of domain name renewal rather than only at the time of the Respondent’s original registration of the Domain Name prior to 2010.

PARTIES CONTENTIONS

NO ADMINISTRATIVELY COMPLIANT RESPONSE HAS BEEN FILED.

RIGHTS

The Complainant has, to the satisfaction of the Panel, shown the Domain Name is identical or confusingly similar to a trademark or service mark in which the complainant has rights (within the meaning of paragraph 4(a)(i)of the Policy).

NO RIGHTS OR LEGITIMATE INTERESTS

The Panel makes no finding as to whether the Complainant has shown the Respondent to have no rights or legitimate interests in respect of the Domain Name (within the meaning of paragraph 4(a)(ii)of the Policy).

BAD FAITH

The Complainant has not, to the satisfaction of the Panel, shown the Domain Name has been registered and is being used in bad faith (within the meaning of paragraph 4(a)(iii)of the Policy).

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. However, the Panel notes that, as stated above, this proceeding represents a Complaint filed by the same Complainant against the same Respondent regarding the same disputed domain name as in a previous proceeding under the UDRP, namely, Coffee Bean Direct Corporation v. Claude Pope, WIPO Case No. D2010-0162. Because the previous complaint was filed with WIPO and because the current Complaint refers to “ADR.eu case law,” it appears as if the Complainant is engaged in forum shopping – not that such activities are forbidden or even relevant. Nevertheless, all UDRP service providers (including WIPO and the Czech Arbitration Court a/k/a ADR.eu) apply the same policy and the same rules; accordingly, a decision by a panel at one provider should not differ from a decision by a panel at a different provider. (The differences in the providers’ supplemental rules are primarily procedural, not substantive.) Thus, decisions issued by panelists at one provider are equally relevant to panelists at a different provider.

In any event, this Panel has considered whether this refiled case is appropriate. Paragraph 4.4 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") – which the Panel considers informative with respect to all UDRP proceedings, regardless of the provider – states that "[a] refiled case may only be accepted in limited circumstances. These circumstances include when the complainant establishes in the complaint that relevant new actions have occurred since the original decision.... A re-filing complainant must clearly indicate the grounds allegedly justifying the refiling of the complaint. The provider with which such refiled complaint has been filed has responsibility for determining if, prima facie, the refiling complainant has indeed pleaded grounds which might justify entertaining the refiled complaint. An affirmative determination is a precondition for provider acceptance of the refiled complaint, and for panel determination of the refiling request and any decision on the merits."

Here, although the Complainant has made clear that this is a refiled Complaint, it is unclear whether the Complainant has "clearly indicate[d] the grounds allegedly justifying the refiling of the complaint," given that the only new facts appear to be renewal of the disputed domain name by the Respondent and further issues with respect to a potential sale of the domain name. Nevertheless, because these facts could possibly justify a refiling and because the Czech Arbitration Court's case administrator has not rejected the Complaint, the Panel will consider the Complaint on its merits.

Finally, the Panel notes that it has requested, and the Complainant has paid, an additional fee for this proceeding, pursuant to Annex A of the Czech Arbitration Court's Supplemental Rules for UDRP proceedings. As set forth therein, a UDRP complaint with respect to a single domain name and a single panelist requires payment by the complainant of a fee in the amount of 500 euros, although an additional fee in the amount of 800 euros is appropriate "when (a) a Response is filed that is in administrative compliance with Art. 5 of the Rules; or (b) the Panel determines that it is appropriate for the Complainant to pay the Additional UDRP Fees, having regard to the complexity of the proceeding." Annex A, paragraph 1. As a previous panel wrote, in requiring payment of an additional fee pursuant to paragraph 1(b) of Annex A: "there have been few, if any, cases in which the reasons for doing so have been explained in any detail." ECCO Sko A/S v. zhouyiming et al., CAC Case No. 100389.

In this case, the Panel stated in its communication to the Complainant requesting payment that "[t]he Additional UDRP Fee is required due to the complexity of the factual and legal issues in this proceeding." Specifically, the complexities relate to the issue that this is a refiled Complaint and that the question of whether renewal of a disputed domain name under the facts present here constitutes bad faith is one that has rarely been addressed previously. Accordingly, the Panel felt compelled to address these issues in-depth in this decision rather than dispense with them summarily. As the panel stated in ECCO Sko A/S v. zhouyiming et al., CAC Case No. 100389: "It might be thought unfair that a complainant should bear that additional cost. Nevertheless, it is a cost it knows it might have had to bear in any event if a response had been filed. It certainly is the sort of factor that is likely to lead to an additional level of complexity that justifies the application of paragraph 1(b)."

## PRINCIPAL REASONS FOR THE DECISION

With respect to paragraph 4(a)(i)of the Policy, regarding confusing similarity, the Panel here adopts in full the reasoning of the panel in the previous proceeding regarding the Complainant, the Respondent and the disputed domain name, namely:

"The Panel finds that Complainant has trademark rights in the mark COFFEE DIRECT, and that the Domain Name <coffeedirect.com> is identical or confusingly similar to Complainant's mark. The Domain Name consists of exactly the same sequence of letters and, except for the elimination of the space between words and the '.co' generic top-level domain, is identical to Complainant's trademark. Since the Domain Name is identical or confusingly similar to the trademark of Complainant, the Panel considers that Complainant has satisfied paragraph 4(a)(i) of the Policy."

With respect to paragraph 4(a)(ii)of the Policy, regarding rights or legitimate interests, the Panel here adopts in full the reasoning of the panel in the previous proceeding regarding the Complainant, the Respondent and the disputed domain name (which Complainant mischaracterized in its Complaint), namely:

"Complainant contends that it has never licensed its COFFEE DIRECT trademark to Respondent or otherwise authorized Respondent to use the mark in the Domain Name. The record shows that Respondent ceased active use of the Domain Name in connection with its former coffee business, which at one time would have supported Respondent's rights or

legitimate interests in regards to the Domain Name. Given this shift, the Panel agrees with Complainant that Respondent is no longer in a position to assert that it is commonly known by the 'coffee direct' name. In addition, Respondent is not using the Domain Name as a vehicle for any noncommercial purpose or communication. The only recent use of the Domain Name by Respondent appears to be in connection with efforts to sell it. Whether Respondent's efforts to sell the Domain Name may be considered to give rise to any rights or legitimate interests is itself a question not so easily answered in this case, particularly in view of Respondent's former legitimate use of the Domain Name and the fact that Respondent's efforts to sell the Domain Name pre-date Complainant's recent acquisition of trademark rights in May 2009. Rather than conclusively decide this element, however, the Panel instead turns to consider whether the Domain Name was registered and is being used in bad faith."

With respect to paragraph 4(a)(iii)of the Policy, regarding bad faith, the Complainant argues that the Panel should reach a different conclusion than in the previous proceeding because "[t]his Complaint is based solely on Respondent's bad faith renewal and other bad faith acts occurring in 2013 after he had actual notice of Complainant's trademark legal rights." Among other things, the Complainant argues that "Respondent's blatant disregard for Complainant's trademark rights after the 2010 WIPO Decision by renewing his registration for the Domain Name warrant re-evaluation of bad faith as of the time of the renewal rather than only as of the original domain name registration date." In support thereof, Complainant has cited Grabal Alok (UK) Limited v. Aldgate Warehouse (Wholesale) Limited, CAC Case No. 100313. In that case, the panel wrote: "I find each renewal by the Respondent of the registration of the Disputed Domain Name after 2005 in bad faith in breach of the undertaking in Paragraph 2 of the UDRP."

Whether the renewal of a domain name registration can constitute registration in bad faith under the UDRP is an interesting issue that has been subject of some controversy. WIPO Overview 2.0 states (paragraph 3.7): "[A] mere renewal of a domain name has not generally been treated as a new registration for the purpose of assessing bad faith. Registration in bad faith must normally occur at the time the current registrant took possession of the domain name."

Notwithstanding this consensus view, a number of panels have further examined this issue. For example, in Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No. D2009-1688, the panel found that a respondent's renewal of a domain name constituted bad faith. However, in that case, the panel's decision was dictated in part by the facts that "Respondent intentionally changed its use of the disputed domain name," "[t]he new use is unrelated to Respondent's earlier business" and "[t]he new use is textbook cybersquatting."

Here, however, not only are the facts of this case different than in Eastman Sporto Group, but, in any event, the Panel need not address the issue of whether Respondent's renewal of the disputed domain name constitutes bad faith registration, given that the UDRP requires a complainant to show that a domain name "has been registered and is being used in bad faith." UDRP, paragraph 4(a)(iii). The Complainant has argued that Respondent's "post renewal passive holding" constitutes bad faith use of the domain name. Notwithstanding Complainant's reliance on Benoit THIERCELIN v. MEDICALEXPO.com, CAC Case No. 100235, the leading case on passive holding, Telstra Corporation Limited v. Nuclear Marshmallows, WIPO Case No. D2000-0003, established a frequently cited test to determine whether passive holding constitutes bad faith use. The elements of that test are as follows:

- whether "the Complainant's trademark has a strong reputation and is widely known";

-whether "the Respondent has provided [any] evidence whatsoever of any actual or contemplated good faith use by it of the domain name";

- whether "the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name";

- whether "the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement"; and

- whether "it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the

Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law."

In this case, there is no evidence that the COFFEE DIRECT trademark has a strong reputation and is widely known and, in fact, its descriptive nature and relatively recent registration would indicate the opposite. Respondent's previous actions indicate that he had, at least in the past, actual good faith use of the domain name. There is no evidence that the Respondent has taken any steps to conceal his true identity or that he has provided false contact details; indeed, the Whois record as well as Complainant's communications with the Respondent indicate otherwise. And, finally, Respondent's previous use of the domain name in connection with selling coffee online makes clear that there is a plausible use of the domain name that would be legitimate and non-infringing.

Complainant's desire to obtain the domain name is certainly understandable. But, "[i]t can be argued that no enterprise starting a business and developing a valuable trademark should do so without first securing the corresponding domain name, and that an enterprise that does so should be subject to paying whatever the market dictates to acquire the domain name after-the-fact." Frederick M. Abbott, On The Duality of Internet Domain Names: Propertization and its Discontents, 3 New York University Journal of Intellectual Property and Entertainment Law 1, 43 (http://jipel.law.nyu.edu/2013/10/on-the-duality-of-internet-domain-names-propertization-and-its-discontents/ ).

Accordingly, the Panel is not persuaded that the disputed domain name has been registered and is being used in bad faith under paragraph 4(a)(iii) of the UDRP.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

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

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

## PANELLISTS

| Name | **Douglas M. Isenberg** |
|---|---|

DATE OF PANEL DECISION 2013-11-07

Publish the Decision