Decision for dispute CAC-UDRP-101013

Case number	CAC-UDRP-101013
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Domain names	maximize.com

Case administrator

Name	Lada Válková (Case admin)

Complainant

Organization	Nucell, LLC

Complainant representative

Organization	Attorney at Law

Respondent

Name	Guillaume Pousaz

Respondent representative

Organization	Safenames Limited

OTHER LEGAL PROCEEDINGS

The Panel is not aware of any related proceedings.

IDENTIFICATION OF RIGHTS

The Complainant relies on its registered rights in the US mark, No. 4059237, a word mark, MAXIMIZE, registered on 22 November 2011 and it also claims common law rights in the trade mark arising from use in commerce since 2010.

FACTUAL BACKGROUND

The Disputed Domain Name was created and first registered in 1995. The Respondent acquired it for USD$10,000 on 28 January 2008 for the express purpose of using it in a business to provide added value post-sale services to websites. That business has not materialized as yet, due in part to this dispute.

The Complainant is a Florida Corporation incorporated on 4 June 2008, selling supplements including a supplement called Maximize, which it claims will enhance male performance. On 8 March 2011, the Complainant's application for the US trade mark for the word MAXIMIZE was filed. It was published in September and registered on 22 November 2011 in class 5. That application gives a first use in commerce date as 23 July 2010, with a 2002 first use date.

PARTIES CONTENTIONS

PARTIES' CONTENTIONS:

COMPLAINANT:

The Complainant makes the following contentions.

1. Either the transfer in 2008 or any of the subsequent renewals of the Disputed Domain Name should be treated as the 'registration' of the domain name in this case for the purpose of the requirements of the UDRP policy ("the Policy").

2. In particular, the change of use at the time of the renewal in 2012 can be taken as the relevant time.

3. The registration was in bad faith as the Respondent must have had actual or constructive notice of the Complainant's mark at any renewal after 2011 at least.

4. The Respondent has had a long period of seven years of passive holding and only the dispute notification led to a parking page being established and this is not bona fide or a genuine offering.

5. The Respondent's use is not legitimate or fair use.

6. The Respondent made offers to sell the Disputed Domain Name to the Complainant at sums above cost and this demonstrates bad faith.

7. The Disputed Domain Name diverts traffic from the Complainant and this is bad faith.

RESPONDENT:

The Respondent gave the following answers.

1. The Respondent disputes the existence of Complainant's alleged common law rights and says the evidence submitted is wholly inadequate to establish the same. Any rights of Complainant are limited to the registered rights. Renewals are valid means of protecting an investment and are not registrations. The evidence of the Complainant's use (as submitted) to support common law rights is all post the 2008 registration by the Respondent and does not assist the Complainant. The Complainant only reinstated its corporate form in 2014. In 2011 its current domain name 'buymaximize.com was registered.

2. The registered mark post-dates the Respondent's registration of the Disputed Domain Name. Further, the registered mark is descriptive and weak and the evidence filed is wholly inadequate to make out a secondary meaning or acquired distinctiveness and the rights conferred by the registration do not extend to, or prevent, use in the ordinary original non source meaning (as the Respondent uses the Disputed Domain Name). The Complaint's use has been without exclusivity and it has taken seven years for it to bring this complaint. Some 270 other registered marks internationally use the word based on WIPO records—including 214 in the US. The late, weak and non-exclusive rights and rights limited to a secondary meaning (not established) mean that there is no actual or constructive knowledge.

3. The Respondent acquired the Disputed Domain Name bona fide for a genuine offering and in preparation for his planned business use and paid USD $10,000 and the original correspondence as to the sale demonstrates that the purpose was for a

business providing value added post transaction services to online sellers. The Respondent relies on a 2008 business plan which describes the services offered as “Maximize.com services the Client at six steps during the process; 1. Smart targeting 2. Private Label, Membership Program 3. Merchant Services, 4. Back-end services, 5. Fulfilment, 6. Customer Service.“ The Respondent has other category defining domains such as checkout.com. The intention was never sale. The business was then delayed from 2011 pending this dispute.

4. No offer for sale to the Complainant has ever been made and the Complainant’s Annex K is a forgery. The inter-parties’ communications (including a letter from the Respondent’s lawyer in 2011 warning of domain name hijacking) is provided and relied on –this was in reply to a 2011 first cease and desist email to the Respondent.

5. The Complainant has failed to meet its burden under the Policy.

6. The Complainant is engaged in Reverse Domain Name Hijacking.

RIGHTS

Registered rights –the registered mark

On 8 March 2011 the application for a US trade mark was filed, it was then published in September and registered in November 2011 in class 5. That application gives a first use in commerce date as 23 July 2010 (with a 2002 first use date). It is not clear who the original applicant was, as both parties accept, and there is no dispute about the fact that in 2009 the Complainant failed to make an annual filing and was struck off the Florida Register of Corporations and was only reinstated in 2014.

The Respondent says the mark is weak as descriptive and no secondary meaning is made out. Descriptive common words are in theory un-registerable as completely lacking in inherent distinctiveness. Trade marks are badges of origin –they indicate the undertaking or business responsible for the quality of the goods/services –and therefore enable consumers to distinguish the goods and services of different undertakings and repeat purchases. Therefore marks cannot be registered that lack either inherent or acquired distinctiveness or are descriptive of the goods and services—as they do not indicate origin. There is also a public interest underlying this prohibition, in that no trader should be able to acquire exclusive rights to words other traders might wish to use, such as terms with purely informational values. Consumers are not easily confused by such terms as they understand they are common ordinary terms, employed by many undertakings, with a low degree of distinctiveness.

The registered mark here was granted by the US Registrar despite being prima facie descriptive and it is not clear that any showing had to be made to the USPTO of acquired distinctiveness or secondary meaning. The Panel understands that this can be a discretionary issue for the US Registrar. While many jurisdictions will grant highly descriptive marks, those marks may be vulnerable to challenge (this is usually an absolute ground) and that may impact enforcement options.

It is certainly not clear from the evidence before this panel that any secondary meaning could be made out (not least due to the lack of a continuous period of five years trading and/or an extant entity to engage in the said trading and acquire the resultant claimed goodwill) but even if it could, this would not stop third parties using the ordinary common word ‘maximize’ in its ordinary common dictionary meaning—namely to increase as much as possible. The protection offered by the registered mark is limited to the secondary meaning (if any) as a badge of origin for male supplements. As would be expected in the case of a descriptive mark, there are many similar marks as many traders wish to use the same common term and the Respondent points to the many other marks registered using the word and rightly says the Complainant does not have exclusive rights and/or has not enforced any statutory exclusivity in its rights. The Respondent submitted an online search of the term at WIPO showing over 200 marks internationally using the word, including 214 in the US where Complainant is domiciled.

The Policy recognizes these limits, and says rights subsist in descriptive terms only if they have acquired a secondary meaning. The Panel does not know if the US application included evidence of secondary meaning or acquired distinctiveness. However acquired distinctiveness is a question of fact and requires an overall assessment of the ability of

the mark to distinguish the goods and services of the proprietor taking into account the average consumer—a reasonably well-informed and reasonably observant and circumspect consumer—of the goods and services in question. Market share, extent of use, geographic use, investment and promotion and the class comprising the relevant buying public must be delineated and considered. While some evidence of use was submitted, the Panel does not have all of the necessary classes of evidence or evidence responsive to all matters in issue in such an inquiry and cannot determine acquired distinctiveness –nor is it our task to undertake this complex assessment. We make no finding about acquired distinctiveness here.

The WIPO overview version 2 says at 1.4 “Consensus view: Registration of a domain name before a complainant acquires trademark rights in a name does not prevent a finding of identity or confusing similarity under the UDRP. The UDRP makes no specific reference to the date on which the holder of the trademark or service mark acquired rights. However, in such circumstances it may be difficult to prove that the domain name was registered in bad faith under the third element of the UDRP.” This issue is therefore revisited below in relation to those issues.

Common law rights
The Complainant says the business started in 2006 although the first use in commerce for the Maximize supplement is given as 2010. That use in commerce date should reference continuous use in business and be a relevant date, as it was provided in an official context—namely on the US trade mark application. Given the Complainant was a dissolved entity until 2014, it is not clear which entity could have been trading or accruing goodwill or reputation between 2010 and 2014. Nor is it clear how it was authorizing its attorneys and representatives to send cease and desists or to take any action. Further, the evidence provided to the Panel appears to date from 2013 and 2014 only plus one invoice from 2011. It must be said that the evidence filed to support common law claims is wholly inadequate and we have no figures for turnover/sales or accounts, no advertising spend –indeed we have only various 2013 and 2014 screen shots and the one invoice. This is not an acceptable showing and mere assertion is not enough.

The WIPO overview at 1.7 puts the position as follows:

“Consensus view: The complainant must show that the name has become a distinctive identifier associated with the complainant or its goods or services. Relevant evidence of such "secondary meaning" includes length and amount of sales under the trademark, the nature and extent of advertising, consumer surveys and media recognition. The fact that the secondary meaning may only exist in a small geographical area does not limit the complainant's rights in a common law trademark. For a number of reasons, including the nature of the Internet, the availability of trademark-like protection under passing-off laws, and considerations of parity, unregistered rights can arise for the purposes of the UDRP even when the complainant is based in a civil law jurisdiction. However, a conclusory allegation of common law or unregistered rights (even if undisputed) would not normally suffice; specific assertions of relevant use of the claimed mark supported by evidence as appropriate would be required. Some panels have also noted that in cases involving claimed common law or unregistered trademarks that are comprised of descriptive or dictionary words, and therefore not inherently distinctive, there may be a greater onus on the complainant to present compelling evidence of secondary meaning or distinctiveness. Some panels have noted that the more obvious the viability of a complainant's claim to common law or unregistered trademark rights, the less onus there tends to be on that complainant to present the panel with extensive supporting evidence. However, unless such status is objectively clear, panels will be unlikely to take bald claims of trademark fame for granted.”

It is also clear in this case that there are many other users of marks and signs containing the term Maximize and the term is a common dictionary word available to all in its common meaning. We note also that common law jurisdictions tend to show a great deal of tolerance for similarity when marks are highly descriptive and even if such rights could be made out, they would be unlikely to be enforceable in passing –off.

The Panel therefore finds that the Complainant has not met its burden of showing that it has common law rights in the MAXIMIZE mark.

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), but that finding is limited to the registered trademark referred to above.

NO RIGHTS OR LEGITIMATE INTERESTS

This part of the Policy is concerned with fair use and defences. The factors relevant are defined further as follows:

“c. ..(i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or

(ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or

(iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”

The Complainant’s case is that there is no valid use of the Disputed Domain Name and the use has been only for pay for click purposes (when parked). Neither party provided the Panel with clear evidence showing how the Disputed Domain Name has resolved at various points in time. The Panel checked online on 16 September 2015 (when the domain name resolved to a very high gloss page with an image and the strapline “internet capital. reinvented” with the date 2014 and the statement that all rights reserved and the name Maximize LLP). The Panel also reviewed the Way Back machine at www.archive.org which gave only one screen shot between 2008 and 2014 and that resolved to a Sedo landing page (with no advertisements showing on the Way Back view—but presumably there may have been ads at the time although for what is not clear).

The Respondent says that he can rely on all three factors set out above and that he always intended to use the Disputed Domain Name for his after sales service business and relies on the emails with the seller in 2008 (when he told the seller this) and a 2008 business plan for that business. He says that development was delayed and then halted when the Complainant sent its first cease and desist demand in 2011. He also points to his category business.

The WIPO overview at 2.6 says Panels have generally recognized that use of a domain name to post parking and landing pages or PPC links may be permissible in some circumstances, but would not of itself confer rights or legitimate interests arising from a "bona fide offering of goods or services [see also paragraph 3.8 below] or from "legitimate noncommercial or fair use" of the domain name, especially where resulting in a connection to goods or services competitive with those of the rights holder…" This reflects fairly the modern view that parking and landing use is not, of itself, objectionable. The WIPO overview continues: “As an example of such permissible use, where domain names consisting of dictionary or common words or phrases support posted PPC links genuinely related to the generic meaning of the domain name at issue, this may be permissible and indeed consistent with recognized sources of rights or legitimate interests under the UDRP, provided there is no capitalization on trademark value.” It is not clear that any pay for click revenue has been earned based on the evidence submitted but it may have been when the Sedo page was operative. Even if it was earned, the Panel cannot accept that it would have in any way derived from the Complainant’s rights or reputation given the finding above as to rights.

The evidence of the Respondent is sufficient to show some preparation for the business to be named Maximize and this evidence is dated 2008. The emails with the seller and the business plan show this. Further, this evidence indicates that the Disputed Domain Name was to be used in its original and ordinary meaning –in relation to maximizing revenue --from sales through the after-sales services offering. Being the legal owner of the Disputed Domain Name, it is entirely at the discretion of the Respondent to develop his business in his own time and the domain name system has no period of grace (such as the five year period allowed for registrants of trade marks in most common law jurisdictions). The Respondent’s desire to wait before investing further once the Complainant started to raise issues in 2011 is understandable and the threats were raised forcefully.

The Panel is also satisfied that the registration and use was in relation to the word’s ordinary meaning and not any source or acquired/secondary meaning referencing the Complainant’s product and goodwill. In trade mark law, this is paradigm fair use and does not infringe and therefore this factor is made out here and the Complainant has not discharged its burden on this head of the Policy.

The Complainant has not, to the satisfaction of the Panel, shown the Respondent to have no rights or legitimate interests in respect of the Disputed Domain Name (within the meaning of paragraph 4(a)(ii)of the Policy).

BAD FAITH

The Policy provides as follows:

“b. Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith:

(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.”

Taking the application date as the relevant date for registered rights, this clearly post-dates the registration of the Disputed Domain Name in the name of the Respondent in 2008. The Respondent had acquired the Disputed Domain Name prior to the application for the US mark. Its lack of actual use in trade may or may not give him standing as a prior third party or owner of earlier rights in law but under the Policy this issue is relevant to knowledge and bad faith. While noting the authorities cited by both parties on the issue, this is not a case where the Respondent could be expected not to renew the Disputed Domain Name just because a later filing was made. Nowhere is there any legal obligation on a domain name owner not to renew due to later claims. While there is a later filed mark and it is registered, the Respondent may have arguable defences to any claims of infringement that might include priority, abandonment, estoppel and acquiescence and fair use as well as lack of acquired distinctiveness. In this context, under the Policy, these issues are engaged in the analysis of the second factor (rights and legitimate interests) and the third (bad faith).

Based on the evidence, the Respondent could not have had and did not have, any actual or constructive notice at the time he acquired the Disputed Domain Name in 2008. The Panel is not convinced there was any reason why Respondent should not renew his domain name even after notice in 2011. The Panel does not accept the purpose in 2008 was sale, blocking or disruption –it could not have been so chronologically. While the Complainant wants the Disputed Domain Name that does not translate into an obligation on the Respondent to surrender it and in doing so lose his USD $10,000. The Panel also notes the Respondent’s evidence in relation to the disputed Annex K and while the Panel is unable to make any finding either way on the issue of alleged falsification, this Annex is not be relied upon by the Panel. No adverse inferences are drawn either way.

There is no evidence at all on diversion and we are not able to accept a bare assertion of it –particularly not where there are no common law rights and an ordinary dictionary word is used referencing its ordinary meaning.

Accordingly, the Panel finds that Respondent did not register and use the Disputed Domain Name in bad faith.

Reverse Domain Name Hijacking

The Panel finds this is a clear case of Reverse Domain Name Hijacking. That is so for the following reasons.

First, the Complainant has failed on every significant issue in the proceeding and must have known that it would fail. It is true that it has succeeded on one issue, as it has established a registered trademark for MAXIMIZE, but as will be seen, that trademark is of very limited value to the Complainant as it was registered on 22 November 2011, three years after the Respondent acquired the Disputed Domain Name on 28 January 2008, giving rise to the obvious problem that it would be impossible on the known facts to establish bad faith registration of the domain name, an essential element of a successful proceeding under the UDRP. It was no doubt due to this fact that the Complainant went to great lengths to argue that it could also show that it had common law trademark rights to MAXIMIZE. This, it failed to do, as its evidence fell far short of what has been set out on many occasions as being the requisite evidence to establish a common law trademark. Moreover, the word "maximize" is so generic and descriptive a word that the chances of success should have been seen as very remote in the absence of strong evidence which was clearly not present. Complainant also failed decisively on the issues of rights and legitimate interests and also on the issues of both bad faith registration and bad faith use. The fact that a complainant does not succeed in proving various elements is not by itself a ground for a finding against it of Reverse Domain Name Hijacking. But in the present case Complainant either knew or should have known that it could not prove the essential elements of a claim under the UDRP, yet it went on and brought the claim, after several years of harassing Respondent and not getting its own way in forcing the Respondent to transfer the domain name and, in particular, after being warned by Respondent's attorneys that it was at risk of a finding of Reverse Domain Name Hijacking being made against it. There must now have been hundreds if not thousands of UDRP decisions on the above elements and although they are not precedents in the judicial sense, they are clear guides to parties as to how panelists have correctly interpreted the UDRP and explained what has to be proved. To file a complaint, as in the present case, when essential elements of the claim cannot be proved and where it must be known that they could not be proved and yet to allege bad faith against the Respondent is itself an act of bad faith and constitutes harassment of the Respondent amounting to Reverse Domain Name Hijacking.

The second reason why a finding of Reverse Domain Name Hijacking is justified is that, in particular, the Complainant knew or must have known that it could not prove that the domain name had been registered in bad faith due to the obvious registration chronology. Respondent acquired the domain name on 28 January 2008 and yet Complainant's trademark was not registered until 22 November 2011, making it impossible for Respondent to have been motivated by bad faith towards Complainant and its trademark, unless it had clairvoyant powers and could see that the trademark would be registered at some time in the future. Moreover, Complainant had not even applied for its trademark until 8 March 2011 and the Complainant had not been incorporated until June 4, 2008, both of which events occurred after Respondent acquired the domain name. Clearly, it must have been known to Complainant and its advisers when the Complaint was filed that it could not be shown that the domain name had been registered in bad faith. The only recognition by Respondent of this substantial hurdle was to advance an argument that the date of the registration of the domain name could simply be ignored and that bad faith registration could be tested against the dates of the renewal of the registration of the domain name. However, it must also have been known, as was explained in Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No.D2009-1688, that such an argument will not avail a complainant unless the respondent has engaged in clear acts of bad faith after Complainant's trademark was registered. That was clearly not the case here, and was known to be not the case when the Complaint was issued, where all that could be shown against Respondent was that he had registered a domain name for legitimate reasons and had retained it; he had not engaged in any illegitimate activity such as passing off, offering competing goods or causing confusion. Indeed, the only evidence of the use to which Respondent had put the domain name was a screenshot on the Wayback Machine showing a promotion for "Maximize-Internet Venture Capital Reinvented" which clearly has nothing to do with Complainant or its business and is a use that comes within the meaning of the highly generic and descriptive word "maximize."

The third reason why a finding of Reverse Domain Name Hijacking is justified is the history of four years of harassment by Complainant of Respondent to force it to hand over the domain name. There is no need to go into this in detail, except to say that on 14 November 2011, attorneys for the Respondent wrote to the Complainant's attorneys explaining clearly and persuasively why, if Complainant persisted with its demands it was at risk of a finding of Reverse Domain Name Hijacking being made against it. Despite this, the Complainant, after announcing that it would "go after maximize.com in full force in 10 days", but waiting for several years and after being re-instated as a company on the Florida Register of Corporations in 2014, having been de-listed, it launched its proceeding on 3 July 2015 making the same allegations that had already been made and with as little basis as they had originally had. The combination of these considerations leads to the conclusion

that there has been an attempt to harass and intimidate Respondent which should be marked by a finding of Reverse Domain Name Hijacking. Moreover, this is not a borderline case, where panelists may be reluctant to make the finding, but a case that is very clear indeed.

Finally, in this case, the Complainant obviously feels entitled to the Disputed Domain Name and does not wish to pay for it. Had the Panel felt able to determine the validity of Annex K this would also be relevant to this issue as it would further demonstrate the bad faith necessary for a hijacking finding.

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). Reverse Domain Name Hijacking has been found.

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.

PRINCIPAL REASONS FOR THE DECISION

The Complainant has failed to meet its three-fold burden under the Policy:

“(i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
(ii) you have no rights or legitimate interests in respect of the domain name; and
(iii) your domain name has been registered and is being used in bad faith.
In the administrative proceeding, the complainant must prove that each of these three elements are present.

The burden was not met for (ii) and (iii) and the findings made in relation to (i) were limited as described.

A finding of Reverse Domain Name Hijacking was made against the Complainant.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Rejected

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

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

PANELLISTS

Name	**Victoria McEvedy, The Hon. Neil Brown, QC, Vít Horáček**

DATE OF PANEL DECISION 2015-09-21

Publish the Decision