

SPX Corp. v. Hevun Diversified Corp., 81 USPQ2d 1621 (NAF 2006)

81 USPQ2D 1621
SPX Corp. v. Hevun Diversified Corp.

National Arbitration Forum

Claim No. FA0609000791657
Decided November 13, 2006

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

[1] Registration and its effects — Non-registrable subject matter — Geographical; geographically misdescriptive (§315.0409)

Types of marks — Secondary meaning (§327.02)

Questions of trademark invalidity, including whether mark is primarily geographically descriptive or generic, are not within purview of Domain Name Dispute Resolution Policy proceeding; in present case, in which respondent contends that complainant's "Waukesha"

Page 1622

and "Waukesha Pumps" marks are primarily geographically descriptive, UDRP panel is not precluded from finding that disputed Internet domain name "waukeshapump.com" is identical or confusingly similar to complainant's marks, since respondent has not initiated proceeding in U.S. Patent and Trademark Office, or suit in federal court, seeking cancellation of complainant's incontestable registrations for its marks, and since panel must therefore defer to PTO's determination that marks have acquired sufficient distinctiveness to qualify for federal registration.

[2] Infringement; conflicts between marks — Likelihood of confusion — Particular marks — Confusion likely (§335.0304.03)

Respondent's Internet domain name "waukeshapump.com" is likely to cause confusion with complainant's "Waukesha Pumps" trademark, since merely changing plural term "pumps" to singular does not confer sufficient distinctiveness on domain name to avoid user confusion, since such confusion would cause Internet users intending to access complainant's Web site to wrongly believe that complainant and respondent are affiliated in some way, since fact that complainant sells its products through authorized distributors, not directly to end users, does not preclude likelihood of confusion, in that end user of complainant's "Waukesha"-branded pump products may very well seek out complainant's Web site in order to obtain further information about such products, and since user entering disputed domain name into browser will be directed to respondent's Web site rather than complainant's site, and respondent will ultimately benefit from that misdirection.

[3] Acquisition, assignment, and maintenance of marks — Acquisition through use — Priority of use (§305.0503)

Respondent has no rights or legitimate interests in “waukeshapump.com” Internet domain name, since respondent must show use or intended use of domain name itself in connection with bona fide offering of goods or services, and respondent's contention that it has been using complainant's “Waukesha” marks since early 1930s in connection with sale of components of complainant's pumps thus does not establish that it possesses rights in domain name, since respondent has used domain name to direct Internet users to corporate “splash” page on its Web site, but has not used name in connection with offering of any goods or services, since respondent has made no showing of any demonstrable preparations toward future use of domain name in connection with offering of products, and since respondent cannot argue that it is commonly known by disputed domain name, or that it has made legitimate noncommercial or fair use of domain name.

[4] Infringement; conflicts between marks — Willful (§335.11)

Respondent's actions demonstrate bad faith registration and use of disputed “waukeshapump.com” Internet domain name, since, despite respondent's contention that it sought only nominal amount as fee to license use of domain name, respondent's settlement offer, viewed in its entirety, shows that respondent attempted to extract consideration amounting to \$135,000 from complainant in exchange for use of domain name, and since nature of respondent's settlement demand, and its five-year ownership of domain name without any use connected with sale of goods, indicate that respondent likely acquired domain name as means of extracting financial consideration from complainant; specific form of consideration sought by respondent is irrelevant to bad-faith issue, provided ultimate financial value accruing to respondent exceeds its out-of-pocket costs of registration, and respondent would not have sought such benefit if it had not possessed disputed domain name.

Case History and Disposition

Complaint filed by SPX Corp., pursuant to Uniform Domain Name Dispute Resolution Policy of Internet Corporation for Assigned Names and Numbers, against respondent Hevun Diversified Corp. Complainant requests that Internet domain name “waukeshapump.com” be transferred from respondent to complainant. Transfer granted.

Attorneys:

John H. Weber, of Baker & Hostetler, Washington, D.C., for complainant.

Opinion Text

Opinion By:

Michaelson, panelist.

PARTIES

Complainant is *SPX Corporation* (“Complainant”), represented by *John H. Weber*, of

Page 1623

Baker & Hostetler LLP, 1050 Connecticut Ave. NW, Washington Square Suite 1100, Washington, DC 20036. Respondent is *Hevun Diversified Corporation* (“Respondent”), P.O. Box 889, Canfield, OH 44406.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <*waukeshapump.com*>, registered with *Network Solutions, Inc.* (“Registrar”).

PANEL

The undersigned certifies that he or she has acted independently and impartially and to the best of his or her knowledge has no known conflict in serving as Panelist in this proceeding.

Mr. Peter L. Michaelson, Esq. as Panelist.

PROCEDURAL HISTORY

The Complaint was brought pursuant to the Uniform Domain Name Dispute Resolution Policy

(“Policy”), available at <http://www.icann.org/dndr/udrp/policy.htm>, which was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on August 26, 1999, and approved on October 24, 1999, and in accordance with the ICANN Rules for Uniform Domain Name Dispute Resolution Policy (“Rules”) as approved on October 24, 1999, as supplemented by the National Arbitration Forum Supplemental Rules for Uniform Domain Name Dispute Resolution Policy then in effect (“Supplemental Rules”).

Complainant submitted a Complaint to the National Arbitration Forum (“Forum”) electronically on September 7, 2006; the National Arbitration Forum received a hard copy of the Complaint on September 11, 2006, together with a declaration of Mr. Scott Dillner and Exhibits 1-16.

On September 11, 2006, the Registrar confirmed by e-mail to the Forum that the <*waukeshapump.com*> domain name is registered with the Registrar and that Respondent is the current registrant of the name. The Registrar has verified that Respondent is bound by the Network Solutions, Inc. registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with the Policy.

On September 13, 2006, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of October 3, 2006 by which Respondent could file a Response to the Complaint, was transmitted to Respondent via e-mail, post and fax, to all entities and persons listed on Respondent’s registration as technical, administrative and billing contacts, and to postmaster@waukeshapump.com by e-mail.

A timely Response, together with Exhibits RA-RJ, was received by the Forum and determined to be complete on October 3, 2006.

The Forum then received a timely Additional Submission from Complainant on October 10, 2006 and in accordance with Supplemental Rule # 7.

On October 13, 2006, pursuant to Complainant’s request to have the dispute decided by a single-member Panel, the National Arbitration Forum appointed Mr. Peter L. Michaelson, Esq. as Panelist and set a deadline of October 26, 2006 to receive the decision from the Panel.

Thereafter, on October 17, 2006, the Forum received a timely Additional Submission from Respondent, also in accordance with Supplemental Rule # 7, and a slightly corrected version of that submission was received shortly thereafter.

In light of unexpected time conflicts experienced by the Panel—which amounted to exceptional circumstances, the Forum, at the Panel’s request, extended the deadline for the decision to November 13, 2006.

RELIEF SOUGHT

Complainant requests that the domain name be transferred from Respondent to Complainant.

PARTIES’ CONTENTIONS

A. Complainant

1. Confusing similarity/identity

Complainant contends that the disputed domain name, <*waukeshapump.com*>, is confusingly similar to Complainant’s mark WAUKESHA PUMPS inasmuch as the difference between the two, aside from an addition of a generic top level domain, gTLD, (here being “.com”) in the name, is the deletion of the “s” from the mark.

Hence, Complainant concludes that it has met the requirements of ¶ 4(a)(i) of the Policy.

Page 1624

2. Rights and legitimate interests

Complainant contends that Respondent has no rights or legitimate interests in the disputed domain

name under ¶ 4(a)(ii) of the Policy.

First, Complainant contends that, through its business units, it began use of its mark WAUKESHA in connection with sanitary pumps in 1937 and its mark WAUKESHA PUMPS in connection with a variety of industrial pumps in 1987, with both dates being long prior to Respondent's registration of the disputed domain name.

Second, Complainant has not licensed Respondent to use Complainant's WAUKESHA Marks or authorized Respondent to register a corresponding domain name. Since Respondent's corporate name is Hevun Diversified, Inc, doing business as Hevun Diversified Corporation, Respondent is not commonly known by either of the WAUKESHA Marks and hence its use of the disputed domain name is not bona fide, nor does it constitute a legitimate non-commercial or fair use.

3. Bad faith use and registration

Complainant contends that, for various reasons, Respondent has registered and is using the disputed domain name in bad faith, hence in violation of ¶ 4(a)(iii) of the Policy.

First, Complainant contends that Respondent, through use of the disputed domain name: (a) directs traffic to Respondent's own corporate web site and thus intentionally attempts to attract Internet traffic, for commercial gain, by creating a likelihood of confusion between the name and Complainant's WAUKESHA Marks; and (b) attempts to promote Respondent's business, which is related to sale of replacement parts for Complainant's products, and thus, as its purpose, disrupt a competitor's business.

Second, Complainant contends that Respondent acted in bad faith by offering a licensing scheme which required a payment of \$135,000 by Complainant in exchange for a five-year license to the disputed domain name.

B. Respondent

1. Confusing similarity/identity

Respondent argues that the disputed domain name is not identical or even confusingly similar to

Complainant's WAUKESHA Marks.

First, Respondent contends that disputed domain name, <*waukeshapump.com*>, does not contain an "s" after the term "pump", as exists in Complainant's mark WAUKESHA PUMPS. The deletion of the letter "s" does not automatically render the name identical or confusingly similar to that mark.

Second, Respondent contends that the term "pump" is a generic word which Respondent has added to the term "Waukesha", the latter being a geographic term, i.e., a name of a city [in Wisconsin] where the original trademark registrant [a predecessor organization that eventually was acquired by Complainant] was situated. Respondent opines that the addition of a generic term, "Pumps", to a geographically descriptive term, "Waukesha", does not negate the geographic significance of the latter. As such, the resulting composite term, "Waukesha Pumps", can not be distinctive of Complainant's goods and hence can not qualify for federal trademark protection — in spite of Complainant's federal trademark registration. Therefore, given the absence of any trademark rights, Complainant is unable to invoke ¶ 4(a)(i) of the Policy.

Third, Respondent states that the disputed domain name <*waukeshapump.com*> is not confusingly similar to Complainant's mark WAUKESHA PUMPS for the simple reason that Complaint sells only to distributors and not to any end user of its products. Currently, only 30 distributors for sanitary pump products exist and all those distributors know that Respondent is not the source of, for purposes of purchasing, Complainant's products. Additionally, end users who have a Waukesha branded pump operating in their facility would also not be confused by the disputed domain name inasmuch as these users would also know that they can only purchase those pumps through an intermediate sales channel, i.e., a distributor, namely one of the 30 sanitary pump distributors.

Given this, Respondent contends that "the fact that Complainant's domain name registrant (Expert Process Systems, LLC) no longer holds the domain name registration at issue is not adequate grounds for transferring the domain name to Complainant when there exists no likelihood of confusion between Respondent and Complainant."

2. Rights and legitimate interests

Respondent claims that it has rights and legitimate interests in the disputed domain name, based on the following reasons:

First, Respondent's predecessor-in-interest marketed Waukesha pumps, parts and components for almost 100 years — which is long before Complainant made any trademark filing for the term "Waukesha" or "Waukesha Pumps." Respondent presently continues to market these products. Hence, its use of those terms in connection with its business constitutes a bona fide offering of goods. However, Respondent concedes that it has not yet marketed any of those products through the Internet and specifically through use of the disputed domain name, <*waukeshapump.com*>.

Second, Respondent states that it is "making or intends to make, fair use of the domain name for commercial gain, however, Respondent will not misleadingly divert consumers because the only way that consumers can purchase Complainant's products is through resale by entities similarly-situated to Respondent—Complainant does not sell its products directly to the end-users who consume them."

Lastly, Respondent states that it has no desire to tarnish Complainant's WAUKESHA Marks given that it relies upon those marks remaining in force in order for Respondent to continue selling Complainant's products.

3. Bad faith use and registration

For several reasons, Respondent contends that it has neither registered nor used the disputed domain name in bad faith.

First, the prior registrant — which registered the name with the approval of Complainant, allowed the registration to expire. Respondent merely "stepped into the prior registrant's shoes" and, in doing so, Respondent can not be seen as acting in bad faith, particularly where Respondent "intends to use the domain name in the exact same manner as the prior registrant whom the Complainant admits to having

granted consent.”

Second, although Complainant and Respondent discussed selling or transferring the disputed domain name to Complainant, Respondent did not initiate those communications, let alone for the purpose of selling, renting or transferring the name. When Respondent was first asked by the prior registrant of the name, Expert Process Systems (EPS), to transfer the name, Respondent stated it had no interest in doing so. Subsequent communications between Respondent and both EPS and Complainant then “led Respondent to offer to license the subject domain name for nominal consideration [i.e., \$1] pursuant to a negotiated settlement agreement in order to prevent the dispute from reaching the point it is currently at.”

Third, Respondent contends that it did not register the name to prevent Complainant from reflecting Complainant’s WAUKESHA Marks in a domain name, particularly since a third-party unrelated to Respondent has already registered a similar name containing such a mark. Moreover, Respondent states that it owns approximately 10 domain names and has never engaged in “cybersquatting.”

Fourth, Respondent did not register the disputed domain name primarily to disrupt Complainant’s business. Quite the contrary, Respondent hopes to continue to actively promote and enhance that business. While Respondent’s registration of the name may disrupt the business of EPS, EPS is neither a party to the present proceeding nor the holder of the WAUKESHA Marks. Further, not only do EPS and Respondent not compete, but EPS purchased and promoted Respondent’s Precision Engineered Products line — the latter being demonstrated by a Google search of the meta tag “BuyPEP.com” (which is a federally registered trademark owned by Respondent for its Precision Engineered Products brand of goods) which shows a link to the website of EPS (in that regard, see a copy of the search results and of the registration certificate for <BuyPEP.com>, both provided in Exhibits by Respondent).

Lastly, since the consumer or end-user of Complainant’s goods can not purchase those goods directly from Complainant, no likelihood of confusion will occur resulting from Respondent’s intended use of the disputed domain name. Further, Respondent would, in its web site, properly attribute Complainant’s WAUKESHA Marks to Complainant as Complainant would indeed manufacture whatever goods Respondent sells that bear any of those marks.

C. Additional Submissions

Each party timely filed an Additional Submission which the Panel has fully considered.

For the sake of brevity, the Panel will dispense with summarizing all of the arguments

Page 1626

raised by these submissions, but rather will briefly note, as follows, just those arguments which it believes to be most salient.

1. Complainant

Complainant contends that although Respondent and its related company acquired assets through a transfer in bankruptcy of the assets of Girton, Oakes and Burger (GO&B) which, at one time, sold Waukesha pumps and associated products, no written evidence exists that GO&B was ever an authorized distributor of Complainant or its predecessor organizations for the sale of Waukesha pumps and allied products. Hence, GO&B, Respondent and/or its related company were each never authorized to register the disputed domain name. Even if a written distribution agreement existed, it is not axiomatic that that agreement would transfer through a bankruptcy transfer to Respondent. Moreover, even if GO&B were an authorized distributor, that does not give it the right to register trademarks or domain names that incorporate Complainant's WAUKESHA Marks, and no evidence appears to exist which supports that GO&B was ever such a distributor.

Further, pursuant to Complainant's contention, assume, given Respondent's facts, that the initial registrant of the mark WAUKESHA, i.e., Waukesha Foundry Co., gave GO&B the right to distribute WAUKESHA branded sanitary pumps in or around 1912. However, through a chain of mergers and assignments between 1968 and 2003, this trademark registration came to be owned by Complainant, SPX Corporation, at the end of 2003. As of August 30, 1968, Waukesha Foundry Co. no longer was the owner of this trademark registration. Thus, even if Waukesha Foundry Co. allowed GO&B to continue reselling its sanitary pumps, this does not mean that Waukesha Foundry Co. granted GO&B the right to use the WAUKESHA Marks as trademarks or domain names. As such, there is no proof

that Respondent, through any of its predecessors in interest, had the legal right to use the WAUKESHA Marks in a domain name.

As to Respondent's claim that it has legitimate interests in the disputed domain name, all Respondent's evidence appears to prove is that at some point in time GO&B was authorized to resell sanitary pumps that were manufactured by Waukesha Foundry Co. There is no evidence that this right to resell ever transferred to Respondent, or that any right to resell sanitary pumps included a right to use Complainant's WAUKESHA Marks in the disputed domain name.

Complainant concedes that its WAUKESHA products may only reach its end-users through distributors; but, Complainant has a right to determine and control who its distributors are to ensure the quality of its goods. Complainant allowed its authorized distributor, EPS, to register the disputed domain name in the past to promote and distribute WAUKESHA branded pumps. However, such specific consent does not give Respondent or any other third party with "carte blanche" permission to register the disputed domain name whenever that name mistakenly falls back into the public domain. Contrary to Respondent's argument, it has not "merely stepped in to the prior registrant's shoes." The prior registrant had consent from Complainant to register and use a domain name embodying Complainant's WAUKESHA Marks – Respondent has no such consent from Complainant.

As to bad faith, Respondent offered to license the disputed domain name to Complainant's authorized distributor, EPS, for \$135,000 in response to that distributor's request that Respondent transfer the name. This amount far exceeds any documented out-of-pocket costs that Respondent incurred in registering the name. Given that Respondent only offered a licensing scheme after EPS contacted Respondent is irrelevant. Respondent was indeed contacted to see if it would be willing to transfer the domain name for a reasonable fee and it responded with an elaborate licensing scheme for use of the name which required, for its fruition, that Complainant's authorized distributor buy \$135,000 worth of Respondent's inventory in exchange for a 5-year right to use the name.

Respondent admitted, in an email message, that "We intend to use the website to promote a line of replacement parts for Waukeshapumps." This use will create a likelihood of confusion, as to source, sponsorship or affiliation, with Complainant's WAUKESHA Marks, or endorsement of Respondent's

web site, as that usage will attract Internet users to Respondent's, rather than Complainant's, web site.

2. Respondent

As best understood by the Panel, Respondent seems to contend that it should be allowed

Page 1627

to continue its uninterrupted use, now dating back some 60+ years, of the phrase "Waukesha Pump" for the purpose of selling replacement wear parts for users of pumps which have been manufactured by what is now a subsidiary of Complainant.

Further, Respondent seems to contend that as a distributor of Complainant's products, Respondent has implicit consent of Complainant to register the disputed domain name and, even if Respondent did not have such consent, Respondent's action in registering the name does reflect abusive cybersquatting and hence is not actionable under the Policy.

Respondent also points to several prior ICANN administrative proceedings where unauthorized distributors, who have been using a domain name to sell goods of a complainant and which incorporated complainant's mark, have been allowed to retain that name. *See Koninklijke Philips Elecs. N.V. v. Cun Siang Wang* D2000-1778 (WIPO Mar. 15, 2001); *see also Caterpillar, Inc. v. McKean*, FA 97302 (Nat. Arb. Forum Aug. 6, 2001); *see also Caterpillar, Inc. v. Off Road Equip.*, FA 95497 (Nat. Arb. Forum Oct. 10, 2000).

FINDINGS

As indicated on the submitted WHOIS registration record, Respondent registered the name on March 9, 2001.

A. Complainant's WAUKESHA Marks

Complainant owns two United States trademark registrations for marks that include the word "WAUKESHA", either by itself or in conjunction with another word, and on which this dispute is

based. Complainant has provided a copy of the registration certificate for each of these marks. Details of these registrations are as follows:

a) WAUKESHA PUMPS (block letters)

United States registration 1,632,914; registered: January 29, 1991;
amended May 30, 1997
filed: October 15, 1987

This mark was registered for use in connection with “industrial pumps, namely single and dual lobe rotary pumps, peristaltic rotary hose pumps, shear pumps, flexible vane pumps, and colloid mills, used to handle industrial products such as lubricants, resins, fuels, solvents, etc.” in international class 7.

b) WAUKESHA (block letters)

United States registration 688,252; registered: November 17, 1959
filed: May 1, 1959

This mark was registered for use in connection with “sanitary pumps” in prior US class 23.

Both marks have now become incontestable under the Lanham Act (15 USC §1065).

B. Complainant and its activities

Complainant and/or its related or predecessor companies began using the mark WAUKESHA at least as early as June 1937 for sanitary pumps, as set forth in a submitted declaration. Currently, Waukesha Cherry-Burrell (hereinafter “WCB”), a business division of Complainant’s business unit known as SPX Process Equipment (“SPXPE”), uses the WAUKESHA Marks. WCB has expanded its use of those marks to include other pumps, such as rotary positive displacement pumps, external circumferential piston and lobe pumps, high-pressure plunger pumps, centrifugal pumps, and gear pumps, and component equipment such as valves, fittings and heat exchangers, as evidenced by submitted screenshots of Complainant’s website.

Complainant extensively uses its WAUKESHA Marks to promote its products, services and businesses and has expended millions of dollars annually in such endeavors. WCB does not sell its WAUKESHA branded products directly to end-users, but rather through authorized distributors, of

which EPS is one.

Complainant has never licensed its WAUKESHA Marks to Respondent nor has it ever authorized Respondent to register any domain name that incorporates any of those marks.

Complainant has no evidence indicating that GO&B was ever an authorized distributor of WCB or one of its predecessor organizations, Waukesha Foundry Co.

On December 29, 2005, EPS, contacted Mr. Ron Creatore, President of Respondent, by e-mail expressing its concern over Respondent's acquisition of the disputed domain name. EPS had owned the disputed domain name with the consent of SPX, SPXPE and WCB since 1999 and was not aware that the domain name had fallen out of its control.

Later on that same day, Mr. Creatore responded by stating that he purchased the disputed domain name and intended "to use the

Page 1628

website to promote a line of replacement parts for Waukeshapumps [sic]" though his existing business, Precision Engineered Products (PEP). PEP sells valves, fittings and gaskets through the <buyPEP.com> domain name and competes with Complainant, as demonstrated by submitted screenshots of Respondent's website.

Through further e-mail correspondence between the parties and ultimately an e-mail message from Mr. Creatore also dated December 29, 2005, he offered a five-year license to EPS to use the disputed domain name in exchange for \$1 and the following contractual arrangement as additional consideration:

1. Your firm purchase our existing inventory of WCB products at our cost — I will supply you with a list and would image that the total value of the goods is less than \$10,000; and
2. Your firm keep the monies from the purchase of WCB's inventory as a 'credit' on account in our favor [rather than actually paying us the \$10,000 (estimated and approximate value subject to the preparation of the report referenced in item # 1 above)];

3. Your firm agree to sell WCB products to our firm at 3% over your best distributor cost from WCB; and
4. Your firm agree to purchase products from our Precision Engineered Products line — valves, fittings, gaskets, etc. — in the amount of no less than \$25,000 per year for the five [5] year period of the contract at pricing that is at least 5% below the cost of similar products from your secondary supplier for these items [assuming that you utilize secondary suppliers behind WCB]. You can see a partial listing items contained within the Precision Engineered Products line by visiting our website at [www. BuyPEP.com](http://www.BuyPEP.com).

Complainant estimated that, over the offered five year period, the license would entail a costs to EPS of approximately \$135,000.

After the license proposal was made, EPS referred the dispute to its outside counsel.

On April 13, 2006, Complainant’s counsel sent a facsimile cease and desist letter to Mr. Creatore which requested transfer of the disputed domain name to Complainant. In response and by letter dated April 14, 2006, Mr. Creatore offered to sell the disputed domain name to Complainant for a “reasonable offer.”

No further communications occurred between the parties.

C. Respondent and its activities

Respondent is the parent company of a wholly-owned subsidiary, Diversified Process Components, Inc. (DPC). DPC engages in the sale of products for the sanitary processing industry which includes manufacturers of food, pharmaceutical and beverage products.

HDC and DPC collectively purchased on or about July 26, 2003 all intangible assets of GO&B through a bankruptcy proceeding in the US Bankruptcy Court for the Northern District of Ohio.

Subsequent to the founding of Waukesha Foundry Co. in 1912 and its production of pumps and pump parts, GO&B apparently resold Waukesha pumps, components and parts. As evidenced by a small portion of GO&B’s 1923 price list, Respondent shows that GO&B was engaged in the sale of sanitary pumps, parts and components [though the Panel observes that word “Waukesha” does not

appear anywhere in this portion]. These resale activities, presently through HDC and DPC as successors in interest to GO&B, continue to this date and have been ongoing, though in the absence of any written agreement, since the late 1920's-early 1930's, as set forth in submitted affidavits.

Since the date Respondent registered the disputed domain name on March 9, 2001, Respondent has only used the name to direct Internet users to its own corporate promotional web site, and particularly a "splash"home page for Hevun Diversified Corporation (HDC). No products relating to Waukesha pumps are listed, much less offered for sale, through that site. However, Respondent intends to so use the name in the future for a site offering such products. In that regard, in its Response, Respondent, in paragraph 3(m) to the Response, states:

"Respondent admits that the domain name at issue herein was registered by HDC with the intent to continue to market products manufactured by SPX consistent with the manner of use which EPS engaged in prior to the transfer of the domain name registration license to HDC."

Page 1629

DISCUSSION

Paragraph 15(a) of the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules") instructs this Panel to "decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 4(a) of the Policy requires that the Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- (1) the domain name registered by the Respondent is identical or confusingly similar to a trademark or service mark in which the Complainant has rights;
- (2) the Respondent has no rights or legitimate interests in respect of the domain name; and
- (3) the domain name has been registered and is being used in bad faith.

Trademark Invalidity

As a threshold issue, Respondent raises an allegation to the effect that the marks WAUKESHA and WAUKESHA PUMPS are each primarily geographically descriptive due to their inclusion of the term WAUKESHA, which is the name of a city in Wisconsin. Given this view, Respondent then contends that neither mark is capable of distinctively identifying Complainant's goods and services, and consequently neither mark has any significance as a federal trademark when used in conjunction with the goods recited in Complainant's corresponding trademark registration.

[1] Questions of trademark invalidity, including questions of whether a mark is primarily geographically descriptive or generic, are simply not within the purview of a UDRP proceeding and are best left for either court adjudication or inter-partes adjudication before appropriate governmental bodies having requisite jurisdiction and competence to handle such issues. Not only are such questions outside the very limited and focused jurisdiction afforded to UDRP panels under the Policy but moreover the summary and rather abbreviated nature of UDRP proceedings totally precludes the establishment of a fully developed factual record that must underlie the determination of such questions. *See Classic Media, Inc. v. Royal*, D2006-0208 (WIPO June 19, 2006); *see also Lockheed Martin Corp. v. The Skunkworx Custom Cycle*, D2004-0824 (WIPO January 18, 2005); *see also Register.com, Inc. v. Wolfgang Reile*, FA 208576 [70 USPQ2d 1351] (Nat. Arb. Forum Jan. 27, 2004); *see also United States Office of Personnel Management v. MS Tech. Inc.*, FA 198898 (Nat. Arb. Forum Dec. 9, 2003); *see also Lake at Las Vegas Joint Venture v. Principal Equiti, Inc.*, D2002-0758 (WIPO Oct. 4, 2002).

To the extent Respondent wishes to contest the continued validity of any of Complainant's WAUKESHA Marks on the basis that such mark is primarily geographically descriptive — and to the extent Respondent can do so given the incontestable nature of these marks, Respondent must do so through an appropriate administrative and/or judicial avenue that has appropriate jurisdiction over the issue, such as by filing an action in the United States Patent and Trademark Office (USPTO) to cancel any of Complainant's federal registrations or alternatively instituting federal litigation. Absent Respondent having done so and attained a final ruling in its favor, this Panel is constrained to defer, as it must, to the USPTO for its initial determination, implicit in its having granted a registration for each such

mark, that each of Complainant's WAUKESHA Marks has acquired sufficient distinctiveness and thus qualifies for continued federal trademark protection and enjoys all the rights afforded thereby.

Therefore, given the inability of this Panel to address the invalidity issue raised by Respondent, then, as far as this proceeding is concerned, the Panel is not precluded from finding that the disputed domain name is either identical or confusingly similar to Complainant's WAUKESHA Marks.

Identical and/or Confusingly Similar

The Panel finds that confusion is likely to arise as a result of Respondent's use of the disputed domain name.

[2] The disputed domain name is simply formed by deleting the letter "s" from Complainant's mark WAUKESHA PUMPS to form the term "waukeshapump" and then appending a ".com" gTLD thereto — though the addition of any gTLD is completely ignored in assessing identity/similarity under ¶ 4(a)(i) of the Policy.

Page 1630

It is now very well-established in UDRP precedent, including numerous decisions previously rendered by this Panel, that minor variations, such as adding short letter or number groups or even generic words to a mark, and correlatively in this case deleting a single letter so as to change a plural term "pumps" to a singular version ("pump"), are each grossly insufficient in and of itself, when used in forming a domain name that results from modifying the mark, to confer requisite and sufficient distinctiveness to that name to avoid user confusion. *See Google Inc. v. Burns*, FA 726096 (Nat. Arb. Forum Aug. 16, 2006); *see also The Cheesecake Factory Inc. and The Cheesecake Factory Assets Co., LLC v. Say Cheesecake*, D2005-0766 (WIPO Sept. 12, 2005); *see also Napster, Inc. v. Vinscani*, D2005-0531 (WIPO July 19, 2005); *see also Caesars Entm't, Inc. v. Nova Internet Inc.*, D2005-0411 (WIPO June 22, 2005); *see also Lockheed Martin Corp. v. The Skunkworx Custom Cycle*, D2004-0824

(WIPO Jan. 18, 2005); *see also Lockheed Martin Corp. v. Teramani*, D2004-0836 (WIPO Dec. 1, 2004); *Nat'l Collegiate Athletic Assoc. v. Brown*, D2004-0491 (WIPO August 30, 2004). This result follows from a simple comparison of the disputed domain name against Complainant's mark WAUKESHA PUMPS.

Such confusion, should it occur, would undoubtedly cause Internet users intending to access Complainant's web site, but who were to reach Respondent's current web site — or any other site which Respondent might later establish and through which it would offer Complainant's products — resolvable through the disputed domain name, to think that an affiliation of some sort exists between Complainant and Respondent, when, in fact, no such relationship would exist at all. *See Cheesecake Factory, supra*; *see also Napster, supra*; *see also Caesars Entertainment, supra*; *see also Lockheed Martin v. Skunkworx, supra*; *see also Lockheed Martin v. Teramani, supra*; *see also Register.com, Inc. v. Reile*, FA 208576 [70 USPQ2d 1351] (Nat. Arb. Forum Jan. 27, 2004); *see also Caesars World, Inc. and Park Place Entm't. Corp. v. Japan Nippon*, D2003-0615 (WIPO Sept. 30, 2003); *see also Leiner Health Serv. Corp. v. ESJ Nutritional Prods.*, FA 173362 (Nat. Arb. Forum Sept. 16, 2003); *see also Am. Family Life Assurance Co. of Columbus v. defaultdata.com*, FA 123896 (Nat. Arb. Forum Oct. 14, 2002); *see also AT&T Corp. v. Abreu*, D2002-0605 (WIPO Sept. 11, 2002); *see also L.F.P., Inc. v. B & J Properties*, FA 109697 (Nat. Arb. Forum May 30, 2002); *see also Peter Frampton v. Frampton Enter., Inc.*, D2002-0141 (WIPO Apr. 17, 2002); *see also Spence-Chapin Services to Families & Children v. Stanley Wynman*, FA 100492 (Nat. Arb. Forum Dec. 10, 2001); *Meijer, Inc. v. Porksandwich Web Serv.*, FA 97186 (Nat. Arb. Forum July 6, 2001); *see also MPL Comm., Ltd v. IWebAddress.com*, FA 97092 (Nat. Arb. Forum June 4, 2001); *see also Am. Home Prod. Corp. v. Malgioglio*, D2000-1602 (WIPO Feb. 19, 2001); *see also Surface Protection Indus., Inc. v. The Webposters*, D2000-1613 (WIPO Feb. 5, 2001); *see also Dollar Fin. Group, Inc. v. VQM NET*, FA 96101 (Nat. Arb. Forum Jan. 25, 2001); *see also eBay Inc. v. G L Liadis Computing, Ltd*, D2000-1463 (WIPO Jan. 10, 2001); *see also Treeforms, Inc. v. Cayne Indus. Sales Corp.*, FA 95856 (Nat. Arb. Forum Dec. 18, 2000); *see also Pep Boys Manny, Moe and Jack of CA v. E-Commerce Today, Ltd.*, AF-0145 (eResolution May 3, 2000).

Moreover, the fact that Complainant only sells its products through authorized distributors and not to end-users — a point repeatedly made by Respondent — is of no avail. In that regard, this Panel views that, in assessing confusion, the proper focus is not on those particular organizations which

directly purchase the affected goods from Complainant or those organizations from which Complainant's end users would directly procure those goods, but rather those end-users themselves and, more broadly, all Internet users who are likely to have an interest in those goods — with the latter users being potentially much larger in numbers than the former. For example, it is simply indisputable given the current widespread and established practice of manufacturers' posting a wealth of product-related information on their respective web sites — and of which this Panel takes judicial notice, that an end-user of any of Complainant's Waukesha branded pump products or even a potential end-user or just an interested Internet user may very well seek out Complainant's web site to obtain further information on any of those pumps and/or their related wear products. In that regard, an end-user might seek to obtain support information to repair his(her) existing Waukesha pump, a potential end-user might seek technical or other product-related

Page 1631

information required to make an initial decision as to whether to purchase a particular Waukesha pump or related product, or another member of the general Internet user community might simply be curious and seek desired information from Complainant on any such product. All or most of this sought-after information could probably be found directly on Complainant's web site without the user having to query the specific distributor through which (s)he actually acquired or would acquire the Waukesha product of interest. The same is true across an enormous variety of products emanating from a wide range of manufacturers.

But here, any of those users, upon entering the disputed domain name into his(her) browser, will be directed not to Complainant's web site but to Respondent's site instead. Thus, Respondent, not Complainant, will ultimately benefit from that direction and obtain, at the very least, increased user traffic which it would otherwise not receive and which results from the inevitable user confusion. It is precisely this result which, in the presence of bad faith use and registration and a lack of rights and legitimate interests in the name, the Policy attempts to remediate.

Therefore, the Panel finds that the disputed domain name sufficiently resembles Complainant's WAUKESHA Marks as to cause confusion; hence, Complainant has shown sufficient similarity

between that name and its marks to successfully meet its burden under ¶ 4(a)(i) of the Policy.

Rights or Legitimate Interests

[3] While Respondent zealously and eloquently argues that it has rights and legitimate interests in the disputed domain name because it has used Complainant's WAUKESHA Marks—even assuming it was authorized to do so—continuously since the late 1920's-early 1930's in connection with the sale of goods from Complainant, its argument is quite misplaced. To this Panel, it is highly unlikely that, under the facts here, Respondent can ever show it has such rights and legitimate interests.

Policy ¶ 4(c) states:

Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name ...

(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.

By the express wording of this paragraph, use, whether actual prior use or intended use with the latter indicated by sufficient demonstrable preparations thereof, must be of a domain name. That name can be either the disputed domain name itself, i.e., here being <*waukeshapump.com*>, or a name corresponding to it. This paragraph has no provision regarding prior use of any mark. Such prior use by a respondent—no matter how long that use has persisted—is irrelevant under Policy ¶ 4(c)(i).

Here, Respondent conceded that it has not used the disputed domain name, since the date of its registration back in March 9, 2001, in connection with any offering of goods or services, let alone one that is *bona fide*. As such, Respondent's claim that rights and legitimate interests to the disputed domain name flow out of its prior use of Complainant's marks must fail. In that regard, Respondent used the name, since its registration, to merely direct Internet users to Respondent's splash corporate home on its web site through which no sales whatsoever were ever made of Complainant's pumps or related wear parts. Moreover, Respondent, other than merely expressing its intent to so use the disputed domain

name at some time in the future, has not made any showing of any demonstrable preparations towards that end. Thus, Respondent has failed to show, under paragraph 4(c)(i) that it has any rights or legitimate interests to the disputed domain name.

Respondent's attempt to rely on various prior ICANN decisions in disputes, in which domain name transfer was denied, concerning: (a) use of a domain name by a non-authorized reseller of a complainant where the name included complainant's mark, namely *Koninklijke Philips Electronics N.V. v. Cun Siang Wang, Caterpillar Inc. v. Neal McKean* and *Caterpillar Inc. v. Off Road Equipment, supra*; as well as (b) use of a domain name by an authorized dealer and repair agency to offer a complainant's parts for sale, namely *Oki Data Americas, Inc. v. ASD, Inc.*, D2001-0903

Page 1632

(WIPO Nov. 6, 2001), as grounds supporting Respondent's legitimate interest in the disputed domain name is misplaced. In each of these instances, the respondent there, at the time a complaint was filed, was then actively using the domain name in question in conjunction with an actual offering of goods or services of the corresponding complainant or had made actual demonstrable preparations to so use that name — neither of which Respondent here did.

Further, inasmuch as Respondent has not used the disputed domain name since its date of registration, as other than a means to direct Internet users to its corporate splash page — with Respondent's corporate name being quite different from that of Complainant, there can no question that Respondent is neither commonly known by the domain name nor has made either a legitimate non-commercial or fair use of that name such that Respondent can take refuge under either Policy ¶¶ 4(c)(ii) or 4(c)(iii), respectively.

Thus, the Panel finds that Respondent has no rights or legitimate interests, within ¶ 4(a)(ii) of the Policy, in the disputed domain name.

Registration and Use in Bad Faith

Lastly, the Panel believes that Respondent's actions constitute bad faith registration and use of the

disputed domain name.

[4] Contrary to Respondent's contention that it only sought a nominal amount, i.e., \$1, as a fee to license use of the disputed domain name to Complainant — an amount which is obviously considerably less than its costs of registration, when Respondent's offer is viewed in its entirety and in context, as it must, it becomes eminently clear to this Panel that Respondent's attempt to separate the license fee from the overall settlement demand was but a subterfuge to camouflage the true intent of its demand, namely to extract considerable consideration, here amounting to \$135,000, from Complainant in exchange for use of the name. Respondent simply had one asset which gave it leverage over Complainant: the disputed domain name. Without that leverage, Respondent would not have been able to exert any pressure on Complainant and hence, more than likely, would not have made the demands it did. Possessing that name gave Respondent its perceived ability to demand considerable consideration as *quid pro quo* for access to the name: consideration substantially in excess of its costs of registration. Here, that consideration specifically included Complainant's agreement to: purchase whatever parts and other goods of Complainant which Respondent then had in its inventory (estimated at no more than \$10,000); sell its goods to Respondent at a set discount (3% over cost to "best" distributors); and a commitment by Complainant to annually purchase, over a five year period and at predefined pricing (5% below cost of similar products from Complainant's secondary supplier), a certain minimum dollar amount (\$25,000) of goods (valves, fittings, gaskets, etc.) manufactured by Respondent. All these terms carried monetary value which, collectively speaking, substantially exceeded Respondent's out-of-pocket cost of registering the name.

Given the totality of these circumstances here — particularly Respondent's five years of very limited prior use of the name unconnected with sale of any goods, let alone replacement and other parts manufactured by Complainant, it is only reasonable to believe that Respondent, despite its stated intention otherwise, likely acquired the domain name as a means — as it eventually attempted to do here — of extracting sufficient financial consideration from Complainant. *See Google Inc. v. Burns, supra.*

To this Panel, it makes no difference whatsoever as to what form the specific consideration takes or even if it confers some other commercial benefit to a respondent, apart from just a one-time, lump sum

monetary payment, as long as: (1) the ultimate financial value accruing to respondent exceeds its out-of-pocket costs of registration, and (2) that benefit would neither have been sought by respondent or have arisen but for respondent then possessing the disputed domain name. Both conditions are certainly met through Respondent's conduct here. Possession of the disputed domain name <waukeshapump.com> by Respondent and which, as Respondent then clearly knew, was sought by Complainant simply provided Respondent with sufficient bargaining power, as it perceived, to make its demands, having a total value of \$135,000, of Complainant. If Respondent had not possessed the name, then, in all likelihood, it would have had no consideration to offer and

Page 1633

hence no valid basis to make its demands, and would not have done so.

Hence, the Panel views Respondent's actions, with respect to the disputed domain name, as constituting bad faith registration and use in violation of ¶ 4(a)(iii) of the Policy.

Accordingly, the Panel concludes that Complainant has provided sufficient proof of its allegations to establish a *prima facie* case under ¶ 4(a) of the Policy upon which the relief it now seeks can be granted.

DECISION

In accordance with Policy ¶ 4(i) and Rule # 15, the relief sought by Complainant is hereby *GRANTED*.

Accordingly, the Panel orders that the disputed domain name, <waukeshapump.com>, is to be *TRANSFERRED* from Respondent to Complainant.

- End of Case -

A0B4A7Z6T4