

CPR International Institute for Conflict Prevention and Resolution

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COMPLAINANT

Muginoho USA, Inc.
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File Number: CPR-06-17

Date of Commencement: June 19, 2006

Domain Names: beardpapa.com
beardpapas.com

Registrar: GoDaddy Software, Inc.

vs.

Arbitrator: Peter L. Michaelson, Esq.

RESPONDENT

Eric Rafia
P. O. Box 35541
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Before Peter L. Michaelson, Esq., Arbitrator

PROCEDURAL HISTORY

The Complaint was brought pursuant to the Uniform Domain Name Dispute Resolution Policy (“the Policy”), 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 (“the Rules”) as approved on October 24, 1999 and the CPR International Institute for Conflict Prevention and Resolution (“CPR”) Supplemental Rules for Uniform Domain Name Dispute Resolution Policy then in effect (“the Supplemental Rules”).

The Complaint, including accompanying Exhibits A-I, was filed with CPR which, after having reviewed it for administrative compliance, served it on the Respondent. This proceeding commenced on June 19, 2006. As of July 11, 2006, CPR had not received a Response to the Complaint from the Respondent; hence, CPR, in a letter of the same date notified the Complainant and Respondent of the default of the Respondent.

On July 13, 2006 and pursuant to the Policy and the Rules, CPR appointed

Mr. Peter L. Michaelson, Esq. as the arbitrator.

CONTESTED DOMAIN NAMES

The contested domain names, <BEARDPAPA.COM> and <BEARDPAPAS.COM>, were registered by the Respondents with the Registrar on July 16, 2003 and April 24, 2003, respectively. In registering these names, the Respondents agreed to submit to this forum to resolve any dispute concerning the domain names, pursuant to the Policy, and are now so bound.

FINDINGS

Paragraph 4(a) of the Policy provides that each of three findings must be made in order for a Complainant to prevail:

- i. Respondent's domain name is identical or confusingly similar to a trademark or service mark in which complainant has rights; and
- ii. Respondent has no rights or legitimate interests in respect of the domain name; and
- iii. Respondent's domain name has been registered and is being used in bad faith.

The record before this Panel solely consists of the Complaint and its Exhibits. In view of the lack of any Response filed by the Respondent as required under paragraph 5 of the Rules, this proceeding has proceeded by way of default. Hence, under paragraphs 5(e), 14(a) and 15(a) of the Rules, the Panel is directed to decide this administrative proceeding on the basis of the Complainant's undisputed representations. On the basis of such representations appearing in the record, the Panel makes the findings set forth below.

A. BACKGROUND

1. Complainant's BEARDPAPA Marks

The Complainant owns two United States registrations, two Japanese registrations and various other foreign registrations (namely in China, Singapore and Korea), on which this dispute is based, for marks that collectively constitute or include the term "BEARDPAPA", or a corresponding logo. The Complainant has provided, in Exhibit B a copy of each of its Japanese registrations and, in Exhibit C, a hard-copy print-out of the entry in the US PTO web-accessible Trademark Electronic Search System (TESS) database for each of its US registrations. The pertinent details of these four registrations are as follows:

a) US registrations:

- i) mark: BEARD PAPA'S FRESH'N NATURAL CREAM PUFFS (block letters)
US registration 2,933,851; registered March 15, 2005
This mark was registered for use in connection with: "Bakery goods and products, namely, cream puffs" in international class 30; and "Retail bakery shop" in international

class 35. The registration states that first use and first use in commerce of the mark in conjunction with the goods and services in both classes commenced as of October 17, 2003.

- ii) mark: stylized design logo of a bust of a human male head with a beard and a smoking pipe (design mark only)
US registration 2,960,525; registered June 7, 2005
This mark was registered for use in connection with: "Bakery goods and products, namely, cream puffs, cheesecake, flavored shaved ice, sorbet and pudding" in international class 30; and "Retail bakery shop" in international class 35. The registration states that first use and first use in commerce of the mark in conjunction with the goods and services in both classes commenced as of October 17, 2003.

b) Japanese registrations (in English translation):

- i) mark: beard papa
Japanese registration: 4529531; registered: December 14, 2001
This mark was registered in connection with: "Sweets, snacks and cakes".
- ii) mark: beard papa
Japanese registration: 4845967; registered: March 11, 2005
This mark was registered in connection with: "fabric, knit, felt, oilcloth, waterproof cloth, vinyl cloth, rubber cloth, leather cloth, filtered cloth, immediate cloth, bed net, sheet, futon, futon cover and pillow case; and blanket, table napkin, dish cloth, shower curtain, flag (excluding one made from paper); fabric toilet seat cover, fabric sheet cover, fabric tapestry, curtain, table cloth, body bag, shroud, red and white curtain, black and white curtain, pool table cloth and fabric label".

2. Complainant's activities

The Complainant, a New York corporation organized on September 24, 2002, is a subsidiary of Muginoho Co., Ltd., a Japanese company formed on December 22, 1997 ("Muginoho Japan"). Muginoho Japan has several other subsidiaries in Japan, China and Korea. Muginoho Japan and its affiliates (the "Muginoho companies") own and operate various restaurants and fast food businesses. One of these fast food businesses is the "Beard Papa Sweets Café" system.

Beard Papa Sweets Cafés sell cream puffs and coffee. Beard Papa cream puffs are freshly baked, using natural ingredients, on the premises of each café and then served to order. Customers can watch as the cream puffs are filled with the sweet whipped cream custard each time an order is placed, then sprinkled with powdered sugar and served for immediate enjoyment or boxed to go. Beard Papa cream puffs are distinguished by a proprietary double-layered crust recipe, which combines an inner choux pastry shell with an outer pie crust, and a filling that blends whipped cream, custard and vanilla bean. These cream puffs contain no preservatives and only use the best and freshest ingredients.

Some Beard Papa Sweets Cafés are owned by Muginoho Japan and its affiliates and some are

owned by franchisees. Muginoho Japan opened the first Beard Papa Sweets Café and began selling cream puffs and other baked goods under the mark BEARD PAPA in Japan in 1999 and began selling Beard Papa franchises in Japan in March 2000. Muginono Japan opened Beard Papa Sweets Cafés in Hong Kong, Singapore, Korea, Taiwan and China in 2001 selling cream puffs and other baked goods under the mark BEARD PAPA. Today, there are approximately 275 Beard Papa Sweets cafés worldwide.

Muginoho Japan formed the Complainant for the purpose of launching and operating the Beard Papa Sweets Café business in the U.S., primarily through franchising. The Complainant opened the first Beard Papa Sweets Café in the U.S. in New York, NY on March 5, 2004 as a company-owned business. The Complainant has registered its franchise offering in several states. Today, the Complainant has two company-owned Beard Papa Sweets Cafés and at least 11 franchised locations in the U.S., and this number is increasing.

Complainant and its affiliates have invested a substantial amount of money and effort in advertising and establishing the BEARD PAPA Marks in the minds of customers as a source of high quality bakery products. Through its use of the mark BEARD PAPA continuing to the present, the Complainant and its affiliates have developed goodwill, value and recognition as providers of high quality bakery products.

3. Respondent's activities

Prior to February 6, 2006, the contested domain names resolved to the Respondent's websites that each showed a cup of coffee at the top of a home page and also provided links to websites then related specifically to bakery-related products and hence competitive with the Complainant's business. A copy of print-outs of those home pages appears in Exhibit H to the Complaint.

Currently, when a user enters one of the contested domain names in a browser, an error message "Server not found" appears -- as indicated by the print-out in Exhibit I to the Complaint.

4. Interaction between the parties

By letter dated February 6, 2006 (a copy of which appears in Exhibit D to the Complaint), the Complainant's attorney requested the Respondent to assign the contested domain names to the Complainant.

On February 23, 2006, the Respondent sent a letter by facsimile (a copy of which appears in Exhibit E to the Complaint) to the Complainant's attorney through which the former apologized for not responding sooner, and stated that a response would be forthcoming the following week. Neither the Complainant nor its attorney received any further communication from the Respondent.

By letter dated April 24, 2006 (a copy of which appears in Exhibit F to the Complaint), the Complainant's attorney forwarded to the Respondent another copy of the February 6th letter. The April 24th letter also stated:

"We do note that you appear to have removed the websites that correspond to the domain names BEARDPAPA.COM and BEARDPAPAS.COM. This is a good first step. However, it is not sufficient. Muginoho had registered the BEARD PAPA trademark in Japan in 2001, long before you registered these domain names.

We request that you (a) sign the enclosed settlement agreement in duplicate, (b) sign the enclosed assignment to Muginoho USA, Inc. of the domain names BEARDPAPA.COM and BEARDPAPAS.COM, (c) return both counterparts of the signed settlement agreement to us along with the signed assignment, and (d) notify GoDaddy.com of this assignment."

To date, no response was received to the April 24th letter.

B. CONFUSING SIMILARITY/IDENTICALITY

The Complainant alleges that the contested domain names, <BEARDPAPA.COM> and <BEARDPAPAS.COM>, are identical or confusingly similar to Complainant's BEARD PAPA Marks.

The Complainant contends that the addition of the letter "s" to the mark BEARDPAPA in one of the contested domain names does not lessen the potential for confusion, as both of the contest names attract the Complainant's consumers to the Respondent's website by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation or endorsement of the products advertised or offered on the website. Moreover, although the Complainant advertises its business on the website <muginohousa.com> (a copy of the Complainant's pages from that site appears in Exhibit G to the Complaint), Internet users seeking the Complainant's site are very likely to enter one of the contested domain names into their browser and reach the Respondent's site instead. Few of those users know that the Complainant's BEARD PAPA business is operated or licensed by a company called Muginoho USA.

The Panel finds that, apart from the addition of the ".com" gTLD (generic top level domain), one contested domain name is identical to the mark "BEARDPAPA", while the other contested domain name is merely formed by appending the letter "s" to that mark -- the gTLD being completely ignored in assessing identity/similarity under paragraph 4(a)(i) of the Policy.

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, e.g., the letter "s" here, or number groups or even generic words to a mark, are each 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, e.g., *Mudd (USA), LLC v. Mechentine Design*, CPR Case No. CPR-05-16 (December 6, 2005); *The Cheesecake Factory Inc. and The Cheesecake Factory Assets Co., LLC v. Say Cheesecake*, WIPO Case No. D2005-0766 (September 12, 2005); *Napster, Inc. v. Giovanni Vinscani*, WIPO Case No. D2005-0531 (July 19, 2005); *Caesars Entertainment, Inc. v. Nova Internet Inc*, WIPO Case No. D2005-0411 (June 22, 2005); *Lockheed Martin Corporation v. The Skunkworx Custom Cycle*, WIPO Case No. D2004-0824 (January 18, 2005); *Lockheed Martin Corporation v. Deborah Teramani*, WIPO Case No. D2004-0836 (December 1, 2004) and *National Collegiate*

Athletic Association v. Dusty Brown, WIPO Case No. D2004-0491 (August 30, 2004). This result follows from a simple comparison of each of the contested domain names against the Complainant's mark BEARDPAPA.

Such confusion, should it occur, would undoubtedly cause Internet users intending to access the Complainant's website, but who were to reach the Respondent's site resolvable through the either of the contested domain names, to think that an affiliation of some sort exists between the Complainant and the Respondent or its third-party transferee, when, in fact, no such relationship would exist at all. See, also, *e.g.*, *Mudd (USA), Cheesecake Factory, Napster, Caesars Entertainment, Lockheed v. Skunkworx, and Lockheed v. Teramani, all cited supra; Register.com, Inc. v. Wolfgang Reile a/k/a RWG Internet et al*, FA208576 (National Arbitration Forum, January 27, 2004); *Caesars World, Inc. and Park Place Entertainment Corporation v. Japan Nippon*, WIPO Case No. D2003-0615 (September 30, 2003); *Leiner Health Services Corp. v. ESJ Nutritional Products*, FA 173362 (National Arbitration Forum, September 16, 2003); *American Family Life Assurance Company of Columbus v. defaultdata.com aka Brian Wick*, FA 123896 (National Arbitration Forum, October 14, 2002); *AT&T Corp. v. Roman Abreu d/b/a Smartalk Wireless*, WIPO Case No. D2002-0605 (September 11, 2002); *L.F.P., Inc. v. B and J Properties*, FA 109697 (National Arbitration Forum, May 30, 2002); *Peter Frampton v. Frampton Enterprises, Inc.*, WIPO Case No. D2002-0141 (April 17, 2002); *Spence-Chapin Services to Families and Children v. Stanley Wynman*, FA 100492 (National Arbitration Forum, December 10, 2001); *Meijer, Inc. v. Porksandwich Web Services*, FA 97186 (National Arbitration Forum, July 6, 2001); *MPL Communications, Limited et al v. IWebAddress.com*, FA 97092 (National Arbitration Forum, June 4, 2001); *American Home Products Corporation v. Ben Malgioglio*, WIPO Case No. D2000-1602 (February 19, 2001); *Surface Protection Industries, Inc. v. The Webposters a/k/a Mark's Paint Store, Inc.*, WIPO Case No. D2000-1613 (February 5, 2001); *Dollar Financial Group, Inc. v. VQM NET*, FA 96101 (National Arbitration Forum, January 25, 2001); *eBAY Inc. v. G L Liadis Computing, Ltd. and John L. Liadis d/b/a G L Liadis Computing Ltd.*, WIPO Case No. D2000-1463 (January 10, 2001); *Treeforms, Inc. v. Cayne Industrial Sales Corp.*, FA 95856 (National Arbitration Forum, December 18, 2000); See also *Pep Boys Manny, Moe and Jack of CA v. E-Commerce Today, Ltd.*, AF-0145 (eResolution, May 3, 2000).

Therefore, the Panel finds that each of contested domain names sufficiently resembles the Complainant's BEARDPAPA Marks as to cause confusion; hence, the Complainant has shown sufficient similarity between each of those names and the Complainant's marks under paragraph 4(a)(i) of the Policy.

C. RIGHTS AND LEGITIMATE INTERESTS

The Complainant contends that the Respondent has no rights or legitimate interests in either of the contested domain names.

Specifically, the Complainant states that the Respondent is not commonly known by either of these names and has never been known by or operated a business under any of the BEARDPAPA Marks or under either of these names.

The Complainant also states that it has no relationship with the Respondent and has never licensed or granted permission to the Respondent to use the BEARDPAPA Marks or a domain name incorporating any of those marks.

Further, the Complainant contends that since each of the names now resolves to an inactive website and as a result produces a corresponding error message, and previously the Respondent provided links on his websites to third-party sites competitive with the Complainant, this indicates that the Respondent never had any rights in either of these names.

Given the lack of any Response, not only does the Panel believe that the Respondent has not provided any basis that would legitimize any claim which the Respondent has to either of the contested domain names, but also the Panel infers that it is extremely unlikely that the Respondent could ever make such a claim, particularly in light of the Respondent having provided links, through his prior sites, to third-party sites that competed with the Complainant.

The simple reason is that the disputed domain name contains the Complainant's mark "BEARDPAPA" under which the Complainant provides its goods and has continuously so provided those goods since 1999 in Japan and 2001 elsewhere in Asia -- which precedes by several years the dates on which the Respondent registered the contested domain names. It stands to reason, particularly given the rather fanciful and unique nature of the term "BEARDPAPA" and hence its distinctiveness particularly when used in conjunction with baked goods, such as cream puffs, (and thus the extremely low likelihood that the Respondent could ever have invented this term on its own without any prior knowledge of the Complainant or its business), that the Respondent was very likely to have been well aware of the Complainant's goods and its BEARDPAPA Marks prior to having registered the contested domain names -- and in the absence of any Response it is quite reasonable for the Panel to infer such knowledge.

Furthermore, the Complainant has never authorized the Respondent to utilize any of the Complainant's BEARDPAPA Marks or any mark confusingly similar thereto in conjunction with the specific goods which the Complainant provides under its marks, nor does the Complainant have any relationship or association whatsoever with the Respondent.

Hence, any use to which the Respondent were to put the mark "BEARDPAPA" or one confusingly similar thereto, in connection with the goods provided by the Complainant or those similar thereto, would directly violate the exclusive trademark rights now residing in the Complainant. See, e.g., *Mudd (USA), Cheesecake Factory, Napster and Caesars Entertainment, cited supra*; *Pelmorex Communications Inc. v. weathernetwork*, WIPO Case No. D2004-0898 (December 18, 2004); *Sybase, Inc. v. Analytical Systems*, WIPO Case No. D2004-0360 (June 24, 2004); *Caesars World, Inc. and Park Place Entertainment Corporation v. Japan Nippon*, WIPO Case No. D2003-0615 (September 30, 2003); *Leiner Health Services Corp., AT&T Corp., and MPL Communications* FA 97086 and FA 97092, all cited *supra*; *Am. Online, Inc. v. Fu*, WIPO Case No. D2000-1374 (December 11, 2000); and *Treeforms, Inc.*, cited *supra*. Consequently, at least for those and similar goods, the Respondent could not legally acquire any public association between itself and the mark "BEARDPAPA" and hence could never be commonly known or recognized by that mark and thus could never fall within paragraph 4(c)(ii) of the Policy.

Thus, the Panel finds that the Respondent has no rights or legitimate interests in either of the contested domain names within paragraph 4(a)(ii) of the Policy.

D. BAD FAITH REGISTRATION AND USE

The Complainant contends that the Respondent registered and is using each of the contested domain names in bad faith.

The Complainant contends that, given the fanciful and highly distinctive nature of the term "BEARDPAPA", the Respondent could only have selected it as the basis of the contested domain names if he had first learned of that term through the Complainant's business -- particularly since the Respondent registered those names as the Complainant was just beginning its business in the US. Consequently, the Respondent intentionally sought to profit in one way or another from Complainant's business, or to damage the goodwill inherent in Complainant's trademark.

Also, the Complainant notes that, prior to February 6, 2006 (when the Complainant attorney first contacted the Respondent), the Respondent used both names to resolve to his sites which provided links to third-party websites then competitive with the Complainant's business. Hence, the Complainant contends that the Respondent, through his sites, sought to divert Internet users away from the Complainant's web pages (though at the time the Complainant did not then have its own site but rather posted its web pages through the <muginohousa.com> site) to the Respondent's sites and ultimately, as a result of misleading those users and for the Respondent's own pecuniary benefit, to competing third-party websites. Moreover, the Respondent, through his actions, likely registered the contested domain names in order to subsequently offer them to the Complainant at a profit.

In addition, the Complainant contends that the fact that the Respondent, after having been notified by the Complainant's attorney, removed his websites further evidences that the Respondent registered and used both contested domain names in bad faith. Further, the Complainant contends that the Respondent continues to damage the Complainant's goodwill as a result of an error message being displayed, whenever an Internet user enters either of the contested domain names into his(her) browser, which leaves the impression that the Complainant has no website at all.

As discussed in the preceding section, the Panel infers that the Respondent was fully aware of the Complainant's mark "BEARDPAPA" when the Respondent registered the contested domain names in April and July 2003, and particularly the reputation which that mark had attained, at least in Asia, as a result of the Complainant's prior and continuing use starting several years earlier. It stands to reason, and the Panel so infers, that the Respondent believed that the Complainant, given its reputation in Asia, would very likely open similar retail baked goods shops in the US and offer its baked products, particularly cream puffs, here under its BEARDPAPA Marks -- which it, in fact, did shortly thereafter, such that the Respondent could exploit, to its own financial benefit, the goodwill of the Complainant as a result of inevitable user confusion that would result from Respondent's use of the names. This inference is all the

stronger given that the Respondent then actually used both names to resolve to his websites which provided links to third-party websites that were then competitive to the Complainant's business. Why would the Respondent have registered the contested domain names that each contained the rather fanciful and unique term "BEARDPAPA" and used those names as a mechanism to divert Internet users to competing websites, if the Respondent had nothing gain, financially or otherwise, by doing so? The Panel can think of no such reason.

Hence, this Panel also infers, again based on the lack of any Response, that the Respondent, at the time he registered the contested domain names, not only knew of the Complainant's prior and ongoing activities in Asia and its likely entrance into the US market under its mark BEARDPAPA but also intentionally chose those names due to their inclusion of the Complainant's mark "BEARDPAPA" in order to trade off the Complainant's reputation or tarnish that reputation in some fashion, divert Internet users away from the Complainant's website to the Respondent's site and from there to third-party competing websites, and/or perhaps offer the contested domain names to the Complainant for a sum well in excess of the Respondent's cost of registration -- all ultimately to the detriment of the Complainant. The Respondent may well have fully realized its intentions but did not by virtue of the Complainant's attorney having contacted the Respondent and then having filed the present Complaint.

Consequently, the Panel views the Respondent's actions as constituting bad faith registration and use in violation of paragraph 4(a)(iii) of the Policy.

CONCLUSION

In light of the findings above that: (a) the each of contested domain names is confusingly similar to the Complainant's BEARDPAPA Marks; (b) the Respondent does not have any rights or legitimate interests in either of the contested domain names; and (c) the Respondent registered and used both of those names in bad faith, the Panel concludes that the Complainant has provided sufficient proof of its allegations to establish a prima facie case under paragraph 4(a) of the Policy. Hence, the Panel finds in favor of the Complainant.

REMEDY

Accordingly, under paragraphs 4(i) of the Policy and 15 of the Rules, the Panel now grants the relief sought by the Complainant.

The contested domain names, BEARDPAPA.COM and BEARDPAPAS.COM, are ordered transferred to the Complainant.

July 24, 2006

Peter L. Michaelson, Esq., Arbitrator