



NATIONAL
ARBITRATION
FORUM

DECISION

Labrada Bodybuilding Nutrition, Inc. v. Mike Glisson
Claim Number: FA0403000250232

PARTIES

Complainant is **Labrada Bodybuilding Nutrition, Inc.** (“Complainant”), represented by **James G. Munisteri**, of **Gardere Wynne Sewell, LLP**, 1000 Louisiana Street, Suite 3400, Houston, TX 77002-5007. Respondent is **Mike Glisson** (“Respondent”), represented by **John M. Mueller**, of **Taft, Stettinius & Hollister LLP**, 425 Walnut Street, Suite 1800, Cincinnati, OH 45208.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <**carbwatchers.com**>, registered with **Network Solutions, Inc.**

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 <icann.org/services/udrp/udrp-policy-24oct99.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”).

The Complainant submitted a Complaint to the National Arbitration Forum (the "Forum") electronically on March 31, 2004; the Forum received a hard copy of the Complaint, together with Exhibits A-D, on April 5, 2004.

On April 5, 2004, Network Solutions, Inc. ("NSI") confirmed by e-mail to the Forum that the domain name <carbwatchers.com> is registered with NSI and that the Respondent is the current registrant of the name. NSI has verified that the Respondent is bound by the NSI registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with the Policy.

On April 7, 2004, a Notification of Complaint and Commencement of Administrative Proceeding (the "Commencement Notification"), setting a deadline of April 27, 2004 by which Respondent could file a Response to the Complaint, was transmitted to the Respondent via e-mail, post and fax, to all entities and persons listed on the Respondent's registration as technical, administrative and billing contacts, and to postmaster@carbwatchers.com by e-mail.

A timely Response, together with Exhibit A, was received and determined to be complete on April 26, 2004.

The Complainant filed a timely additional submission, together with Exhibits A-C, on May 3, 2004. The Respondent followed with a timely additional submission, together with Exhibits B and C, on May 7, 2004. Both of these submissions have been fully considered.

On May 17, 2004, pursuant to the Complainant's request to have the dispute decided by a single-member Panel, the Forum appointed Mr. Peter L. Michaelson, Esq. as Panelist and set a date of June 1, 2004 to receive the decision from the Panel.

RELIEF SOUGHT

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

PARTIES' CONTENTIONS

A. Complainant

1. Confusing similarity/identity

The Complainant states that the disputed domain name incorporates the Complainant's mark "CARBWATCHERS".

Moreover, the Complainant states that inclusion of the generic top level domain (gTLD), here being ".com", into the domain name is such a minor addition that it does not render that name sufficiently dissimilar to the Complainant's mark as to preclude user confusion

Hence, the Complainant concludes that the disputed domain name satisfies the requirements of paragraph 4(a)(i) of the Policy.

2. Rights and legitimate interests

The Complainant contends that, for the following reasons, the Respondent has no rights or legitimate interests in the disputed domain name.

First, the Complainant states that the Respondent is using the disputed domain name to point to a generic web site with little or no content. Specifically, although the current version of the Respondent's web site promises future content, no material has been present on the web site since at least December 2001. Given this, the Respondent views that using a domain name that corresponds to another's trademark in order to direct consumers to another's web site, as it asserts the Respondent has done here, does not constitute rights or a legitimate interest in a domain name. Specifically, the Complainant states: "when an internet user types in 'carbwatchers.com' in hopes of finding material related to Labrada's low-carbohydrate food products and Labrada's services for person's interested in managing their dietary carbohydrate intake, the user is instead brought to a generic web site promising future content unrelated to Labrada." The Complainant has provided, in Exhibit C to the Complaint, a hard copy of the page to which the disputed name resolves. The Complainant contends that the Respondent's use of the disputed domain name in this fashion is not a legitimate use.

Second, the Complainant alleges that the Respondent has no trade or service mark rights in the term "CARBWATCHERS." The Complainant further alleges that neither the Respondent nor his web site is commonly known by the term "CARBWATCHERS." As such, the Complainant contends that, since the Respondent has no trademark or service mark rights in the term and is not commonly known by that term, the Respondent has no rights or legitimate interests in the disputed domain name.

Third, the Complainant contends that there are no circumstances specified in paragraph 4(c) of the Policy, or any other circumstances, that would give rise to the Respondent having a legitimate interest in the disputed domain name.

Thus, under the Complainant's analysis, the Respondent can not establish, under paragraph 4(c) of the Policy, any rights to and legitimate interests in the disputed domain name.

3. Bad faith use and registration

The Complainant contends that the Respondent has registered and is using the disputed domain name in bad faith, hence in violation of paragraph 4(b) of the Policy.

First, the Complainant contends that the Respondent could have learned of the existence of the Complainant's federal trademark application for the mark "CARBWATCHERS" at least as early as November 2001, when the Complainant filed its first federal trademark application for that term. In that regard, the Complainant contends that the Respondent had not yet made any use of the domain name <carbwatchers.com> as of November 2001. Moreover, the Complainant states that for at least the subsequent two years, the Respondent has yet to make any use of the domain name <carbwatchers.com>. The Complainant points to the Respondent as having had actual knowledge of the Complainant's CARBWATCHERS Marks following federal registration of the first such mark on December 30, 2003 and after having been contacted by the Complainant regarding its rights in the CARBWATCHERS Marks.

Second, the Complainant contends that the Respondent, having registered and used the disputed domain name, which incorporates the Complainant's "CARBWATCHERS" Marks, intended to attract the Complainant's customers to the Respondent's web site. Given that the Respondent has nothing to do with the Complainant and that the Complainant is not affiliated with and does not endorse the Respondent, the Respondent's actions evidence bad faith.

Third, the Complainant contends that the Respondent registered the disputed domain name in order to re-sell it for a price in excess of the Respondent's out-of-pocket expenses, thereby also reflecting the Respondent's bad faith. In that regard, the Complainant opines that such intent may be inferred when a trademark owner contacts a domain name registrant to inquire about a transfer or purchase of a domain name and the registrant demands a sum in excess of the registrant's out-of-pocket costs. Here, the Complainant points to the Respondent's actions of having conferred with the Complainant about a transfer or sale of the disputed domain name to the Complainant on at least three occasions coupled with the fact that the Respondent demanded \$50,000 from the Complainant as the purchase price of the name.

Lastly, the Complainant contends that, since the disputed domain name contains the Complainant's mark "CARBWATCHERS", it would be difficult, perhaps even impossible, for the Respondent to use that mark as the name of any business, product or service for which it would be commercially useful without violating the Complainant's trademark rights.

Hence, Complainant concludes that the Respondent's actions in registering and using the disputed domain name is in bad faith and contravenes paragraph 4(b) of the Policy.

B. Respondent

1. Confusing similarity/identity

The Respondent does not contest that the disputed domain name is identical or confusingly similar to the Complainant's CARBWATCHERS Marks. However, the Respondent contests whether the Complainant, owing to its junior status in time with respect to the Respondent's rights in the disputed domain name -- which is discussed in detail below, has any enforceable trademark rights in its marks against the Respondent.

2. Rights and legitimate interests

The Respondent contends that it has legitimate rights and interests in the disputed domain name under paragraph 4(c) of the Policy.

Specifically, the Respondent contends that its rights in the disputed domain name are superior in time, i.e., earlier, to any trademark rights, which the Complainant has acquired in the CARBWATCHERS Marks, hence negating any claim which the Complainant might have to that name.

As to having legitimate rights and interests, the Respondent points to having made actual use of the disputed domain name in connection with low carbohydrate diets and has not substantially altered that use since September of 2000. This date is more than one full year prior to the earliest date (the October 29, 2001 filing date of the Complainant's first intent to use federal trademark application) for which the Complainant can claim it has acquired federal trademark rights in its CARBWATCHERS marks. Hence, the Respondent contends that it is impossible for the Complainant to have any rights in the disputed domain name that are superior in time to those of Respondent.

3. Bad faith

The Respondent contends that it did not register and use the disputed domain name in bad faith.

First, the Respondent contends that, regardless of whether it learned or could have learned about the Complainant's CARBWATCHERS Marks as early as November 2001, the Respondent registered and used the disputed domain name more than 2 1/2 years before the Complainant even filed its earliest federal trademark application for its marks.

Second, as to intentional diversion, the Respondent states that he has done nothing whatsoever to drive the Complainant's traffic to the Respondent's web site or to engender confusion between itself and Complainant. The Respondent points to the fact that he has not substantially altered his web site since September 2000 and that the Respondent registered the disputed domain name more than 2 1/2 years prior to the Complainant's

acquisition of any trademark rights in the term "CARBWATCHERS". Given this, the Respondent contends that if there is any confusion being caused in the relevant consuming public by the Respondent's use of the name <carbwatchers.com> (as alleged by the Complainant), it is the Complainant, and not the Respondent, who is responsible for such confusion. In that regard, the Respondent states: "[i]t is particularly surprising that Complainant would make such an allegation given ... the fact that Respondent's registration and use of the <carbwatchers.com> domain name was indisputably prior to Complainant's acquisition of any rights in any of its alleged CARBWATCHERS trademarks."

Third, as to resale of the disputed domain name, the Respondent alleges that he did not register the name for the purposes of resale, but instead registered it to develop his own web site with content relevant to low-carbohydrate diets and of interest to low-carbohydrate dieters. (See Affidavit of Mike Glisson, a copy of which is supplied in Exhibit A to the Response). Furthermore, while the Respondent fully acknowledges that he engaged in good faith negotiations with the Complainant about potentially selling the disputed domain name to the Complainant, those negotiations were initiated by the Complainant. In evaluating and eventually rejecting the Complainant's offers for the domain name, the Respondent fully considered the value he intends to derive from the domain name under his original business plan. If anything, the Respondent's rejection of the Complainant's offer of \$10,000 is evidence of Respondent's good faith intent to lawfully and fairly use the disputed domain name, legitimately and fairly in the marketplace.

4. Reverse Domain Name Hijacking/Complainant's Bad Faith

The Respondent contends that the Complainant's action in filing the Complaint constitutes reverse domain name hijacking and hence an abuse of the Policy, and requests that the Panel so find.

As to the Respondent's contentions of the Complainant's bad faith, the Respondent first points to:

- (a) the Complainant's own statement that it would use the UDRP proceeding to obtain the domain name from Respondent if the Respondent did not agree to the Complainant's purchase offers (See Glisson Affidavit);
- (b) the Complainant's filing of an objectively baseless complaint;
- (c) the Complainant's attempt to inconsistently argue that the Respondent is responsible for causing confusion in the relevant consuming public while the Complainant simultaneously filed federal trademark applications which, in their accompanying declarations signed by the Complainant, affirmatively stated that the Complainant is unaware of any such confusion or likelihood thereof; and
- (d) the Complainant's act of filing an intent-to-use federal trademark application for the term "CARBWATCHERS" specifically calculated to preclude the Respondent from pursuing his legitimate business plan for the disputed domain name shortly after the

Respondent confided his plans to the Complainant.

C. Additional submissions

Both the Complainant and the Respondent have each timely filed an additional submission. As indicated above, the Panel has fully considered both of these submissions.

For the most part, both of these submissions amplified allegations and justifications, which each side has already raised in its initial submission. For the sake of brevity, the Panel will simply dispense with discussing either of these submissions in any further detail.

FINDINGS

A copy of the WhoIs registration record for the disputed domain name appears in Exhibit D to the Complaint. This record indicates that the Respondent registered that name on March 23, 1999. This registration date is at least 2 1/2 years prior to the earliest date on which the Complainant can claim to have begun acquiring its federal trademark rights in the term "CARBWATCHERS". The latter date is October 29, 2001, which is the filing date (constructive use date) of the Complainant's earliest intent to use federal trademark application, now federal registration 2,800,937.

A. Complainant's CARBWATCHERS Marks

The Complainant currently owns two federal trademark applications and one federal trademark registration for the term "CARBWATCHERS", and has provided, in Exhibit B to the Complaint, a copy of the pertinent record of each mark from the Trademark Electronic Search System (TESS) which is provided by the US Patent and Trademark Office (PTO) and is accessible through the Internet. The pertinent details are as follows:

1. CARBWATCHERS (block letter)
pending application
serial number: 78/340,847; filed: December 15, 2003 (use basis)

This mark was filed for use in connection with: "bakery goods and products, biscuits, bread, bead [sic] sticks, brownies, cakes and pies, cookies, Danish pastries, doughnuts, muffins, tarts, waffles, wafers, breakfast cereals, oatmeal, food bars, snack foods, candy, candied fruit snacks, candy coated popcorn, caramels, chocolate covered nuts, chocolate, chocolate syrup, frozen confections, frozen yogurt, ice cream, ice milk, puddings made from milk, beverages not being dairy-based or vegetable-based, hot chocolate and cocoa", all in international class 30. This mark claims a first use and first use in commerce date of August 1, 2003.

2. CARBWATCHERS (block letter)

pending application
serial number: 78/338,851; filed: December 10, 2003 (intent to use basis)

This mark was filed for use in connection with: "education services, namely, conducting classes, seminars, conferences, workshops in the fields of diet, nutrition, and overall fitness, and distributing course materials in connection therewith; development and disseminations of education materials in the field of diet, nutrition and overall fitness; arranging and conducting educational demonstrations in diet, nutrition and overall fitness", all in international class 41.

3. CARBWATCHERS (block letter)
registration: 2,800,937; registered: December 30, 2003
serial number: 76/331,853; filed: October 29, 2001 (intent to use basis)

This mark was registered for use in connection with: "nutritional supplements" in international class 5. This mark claims a first use and first use in commerce date of April 1, 2003.

B. Complainant's and Respondent's Activities

The Complainant uses, has used and is currently using its CARBWATCHERS Marks in connection with its nutrition, fitness, supplement, chocolate, bakery goods, and educational products and services.

The Complainant's CARBWATCHERS-branded chocolates, protein shakes and meal replacement bars have been scientifically designed to provide good nutrition and low net carbohydrates while providing convenience and value to the Complainant's customers. The Complainant is also developing CARBWATCHERS-marked educational materials emphasizing an overall healthy lifestyle by focusing on diet, nutrition, fitness and exercise. The Complainant has previously employed this business model with its "LEAN BODY" marks and has been successful, becoming well known in the fitness and nutrition industries. (See Affidavit of Kyle Workman, a copy of which appears in Exhibit A to the Complainant's Additional Submission). An integral part of the Complainant's business model is its web site, <labrada.com>, to which the Complainant links additional domain names identified by its various trademarks, including <leanbody.com>. *Id.* The Complainant's business model ties each of its domain names, which incorporates one of the Complainant's marks, to the section of the Complainant's home page that details the products and services advertised under that particular mark.

The Respondent registered the disputed name because, at that time of registration, he had then recently successfully completed a low-carbohydrate diet and was very happy with the results of the diet. Given that, the Respondent thought that it would be useful to develop a web site that would provide others on low-carbohydrate diets with information concerning such diets as well as to provide a forum for discussing the diet, food sources,

concerns, issues, etc. At the time, however, the Respondent was busy with other business projects and therefore was unable to proceed much further with respect to developing his proposed web site. (See Glisson Affidavit). In February 2000, the Respondent, with time available, then briefly launched a web site, which provided some information about low carbohydrate diets in accordance with his proposed business plan. However, the Respondent subsequently encountered various time constraints, which prevented him from further developing the web site as desired. Accordingly, the Respondent reluctantly removed that information from his site but with the full intent of re-launching the site later when time allowed.

In early November 2003 and prior to the Respondent re-launching his full concept for the disputed domain name <carbwatchers.com>, the Respondent received a communication from Complainant inquiring as to whether that name was available for purchase. While Respondent had generally not considered the possibility of selling the domain name prior to being contacted by Complainant, the Respondent entered into sale negotiations with the Complainant. The Complainant asked the Respondent what plans the latter had for the name. The Respondent replied that he intended to re-establish and further develop a web site to disseminate information about low-carbohydrate diets as well as provide a forum for people who were on or were contemplating undertaking such a diet. Presently, the disputed domain name points to a generic web site that has little or no content. Though that site indicates that content will be forthcoming, the Respondent had not substantially altered its web site since September of 2000.

On December 10 and 15, 2003, the Complainant filed two federal trademark applications for registration of the term "CARBWATCHERS" for goods which the Respondent claims he disclosed, during those negotiations, to the Complainant and as part of the Respondent's business plan.

Since November 2003, the Complainant and the Respondent conferred on several occasions about a transfer or sale of the disputed domain name to the Complainant culminating in the Respondent setting \$50,000 as the purchase price for the name.

When these negotiations reached an impasse, on March 5, 2004, a representative of the Complainant told the Respondent that the Respondent might as well accept the Complainant's final offer of \$10,000 because "that is what it was going to cost [Complainant] to get the domain name from [Respondent] using their lawyers and that [Complainant] would rather give the money to [Respondent] than to [Complainant's] lawyers." (See Glisson Affidavit). The Respondent heard nothing further from the Complainant until the Respondent was served with the present Complaint.

The Respondent still intends to use the disputed domain name, as originally planned, to provide a forum for those interested in low-carb diets.

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:

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

Identical and/or Confusingly Similar, and Rights or Legitimate Interests

In view of the Panel's finding that the Respondent did not register the disputed domain name in bad faith, the Panel has no need to consider any issues raised under paragraphs 4(a) (i) and (ii) of the Policy, and thus declines to do so.

Registration and Use in Bad Faith

The Panel finds that the Respondent did not register the disputed domain name in bad faith.

Simply stated, in order for a domain name to be registered in bad faith, a Complainant must possess valid trademark rights, whether through an active registration or at common law, in that name or one confusingly similar to it at the time the name is registered. However, if no such trademark rights exist, as is the case here, then a Respondent registrant can register that name with impunity relative to that Complainant as the Respondent simply has senior rights in that name and the Complainant has no basis to question the Respondent's registration by bringing a claim under the Policy. *See Phoenix Mortgage Corp. v. Toggas*, Case No. D2001-0101 (WIPO March 30, 2001).

With respect to the instant dispute, the Respondent registered the disputed domain name on March 23, 1999. Of the Complainant's three federal trademark applications, the Complainant has only accrued federal trademark rights in two of those trademarks as a result of having alleged use of its CARBWATCHERS mark in each. Those applications are serial numbers 78/340,847 and 76/331,853; the latter has been registered as US registration 2,800,937. The '937 registration, having been applied on an intent-to-use basis, is accorded, under the Lanham Act, its October 29, 2001 filing date as its constructive use date. Of these two marks, this date is the earliest date to which the

Complainant can point as the start of its having acquired federal trademark protection for its mark CARBWATCHERS. This date follows by some 2 1/2 years the March 23, 1999 date on which the Respondent registered the disputed domain name, that registration still subsisting.

Thus, the Respondent, in the complete absence of any prior rights whatsoever then held by the Complainant in its mark CARBWATCHERS, registered the disputed domain name in good faith.

Given this conclusion, there is no need for the Panel to consider any issues surrounding bad faith usage; hence, the Panel declines to do so.

Consequently, the Complainant has failed to meet its burden under paragraph 4(a)(iii) of the Policy.

Reverse Domain Name Hijacking/Abuse of the Administrative Process

The Complainant opines "Labrada's subsequent, legitimate application of the UDRP process to prevent the unlawful use of a domain name that is confusingly similar to Labrada's trademarks cannot be evidence of bad faith." (Complainant's Additional Submission at p. 5). While the Complainant characterizes its actions in filing the Complainant as being legitimate, this Panel disagrees.

It simply defies reason, and strains credulity, to think that the Complainant did not know, prior to filing its Complaint, that the Respondent had senior rights in the disputed domain name vis-à-vis the Complainant's CARBWATCHERS Marks. As previously discussed, registration of the disputed domain name preceded, by 2 1/2 years, the earliest date on which the Complainant started acquiring its federal trademark rights. Specifically, the Respondent registered the disputed domain name on March 23, 1999. Yet, the earliest date which the Complainant is entitled as its first use date, i.e., the earliest date, which it specifically claims that its federal trademark rights began is October 29, 2001 -- some 2 1/2 years later.

The Complainant, in identifying that the Respondent owned the disputed domain name and obtaining the Respondent's contact information, had to have performed a WhoIs search prior to having contacted the Respondent. Given that there was essentially no content then posted to the Respondent's web site, there was simply no other method other than having consulted NSI's WhoIs database to readily ascertain that information. The registration record, as evidenced by that search (a copy of which appears in Exhibit D to the Complaint), plainly lists the March 23, 1999 registration date. The Complainant simply cannot feign ignorance of that date let alone relative to its October 29, 2001 constructive first use date, and, not surprisingly, made no such assertion.

Hence, prior to filing the Complaint, the Complainant knew, based on irrefutable facts then known to it, or, at the very least and under the specific facts here, should have known that the Respondent's rights in the disputed domain name were then superior to the Complainant's. Yet, in spite of this knowledge, the Complainant persisted and intentionally filed its Complaint. Accordingly, the Complainant's intentions are clear: use of the Policy as a tool to simply wrest the disputed domain name in spite of its knowledge that the Complainant was not entitled to that name and hence had no colorable claim under the Policy. *See Aspen Grove, Inc. v. Aspen Grove* Case No. D2001-0798 (WIPO October 5, 2001).

Therefore, the Panel finds that the Complainant brought its Complaint in bad faith and in an attempt to commit reverse domain name hijacking, and, as such, abused the ICANN administrative process.

DECISION

The Complainant has failed to establish all three elements required under the Policy. Consequently, the relief sought by the Complainant is hereby **DENIED**.

Moreover, in accordance with paragraph 15(e) of the Rules, the Panel finds that the Complainant brought its Complaint in bad faith and in a specific attempt to commit reverse domain name hijacking, thus constituting an abuse of the ICANN administrative process.

Peter L. Michaelson, Esq., Panelist
Dated: May 28, 2004