



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Galley, Inc. v. Pride Marketing & Procurement / Richard's Restaurant Supply, Inc.

Case No. D2008-1285

1. The Parties

The Complainant is Galley, Inc., of Florida, United States of America, represented by Alejandro J. Fernandez, Esquire, United States of America.

The Respondent is Pride Marketing and Procurement / Richard's Restaurant Supply, Inc., of Florida, United States of America, represented by Carey, Rodriguez, Greenberg & Paul, LLP, United States of America.

2. The Domain Name and Registrar

The disputed domain name <galley.com> is registered with Tucows, Inc.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on August 21, 2008. On August 22, 2008, the Center transmitted by email to Tucows, Inc. a request for registrar verification in connection with the disputed domain name. On August 22, 2008, Tucows, Inc. transmitted by email to the Center its verification response confirming that the Respondent (Pride Marketing & Procurement) is listed as the registrant and providing the contact details. The Center verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced on August 26, 2008. In accordance with the Rules, paragraph 5(a), and an extension granted by the Center under paragraph 5(d) of the Rules (in relation to Richard's Restaurant Supply) the due date for Response was September 20, 2008. The Response was filed with the Center on September 19, 2008.

The Center appointed Peter L. Michaelson, James A. Barker, and Mark Partridge as panelists in this matter on November 7, 2008. The Panel finds that it was properly constituted. Each member of the Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with paragraph 7 of the Rules.

On December 4, 2008, the Panel issued a Panel Order. The Order noted that the Panel was considering whether to terminate the proceedings. This was because of evidence that the Complainant had filed a lawsuit on May 20, 2008, against Richard's Restaurant Supply in the US District Court for the Southern District of Florida alleging cybersquatting under the Anticybersquatting Consumer Protection Act (ACPA), in relation to the disputed domain name. The Order sought submissions from the parties on whether the Panel should continue to hear this dispute. Both parties responded to that Order. (The Panel Order also noted that the Complainant's request to add Richard's Restaurant Supply as the Respondent in this proceeding was granted.)

The Complainant stated that it had filed a motion, subsequently granted on December 15, 2008, for voluntary dismissal in the District Court, and also referred to a number of cases decided under the Policy to support its view that the Panel should continue to hear this case on its merits.

The Respondent (Richard's Restaurant Supply, Inc.) filed its submission on December 22, 2008, noting that on the same day, it had filed a declaratory action against the Complainant in the United States District Court for the Eastern District of Louisiana. The Respondent stated that the Panel should terminate the present proceeding in the interests of judicial economy for that court to resolve all disputes between the parties. The Respondent stated that its claim related to the Complainant's initially filed court action under the ACPA, and the Complainant's claims based on infringement and dilution of its mark. The Respondent stated that any decision of the Panel would not be implemented because of paragraph 4(k) of the Policy. In any case, said the Respondent, such a decision would either be redundant (if it concurs with the relevant outcome of the court's decision) or confusing (if it conflicts).

On January 8, 2009, the Panel issued a second Panel Order. The second Order noted that the Panel was once again in the position of considering whether this proceeding should be terminated. Since the Panel inferred that the Complainant had no advance notice of the Respondent's filing of its law suit on December 22, 2008, in the interests of fairness the Panel again sought the views of both parties as to whether the current proceeding should be terminated. Both parties responded to that second Panel Order. The Complainant essentially reiterated its argument that the Panel should proceed to a decision; noted that the court case would not resolve all the disputes between the parties; and stated that the Respondent's filing of the court case was designed to evade a decision on the merits under the Policy. The Respondent filed a submission referring to its earlier response to the first Panel Order.

4. Factual Background

The Complainant is a manufacturer of 'cafeteria serving modules'.

The first Respondent, Pride Marketing & Procurement ('Pride Marketing'), is a distributor of restaurant and food service equipment, and kitchen supplies that provides its members with access to that equipment at discounted prices. The Complainant was a member of Pride Marketing until late 1995 or early 1996, after which the

Complainant terminated its relationship with Pride after a dispute.

The second Respondent, Richard's Restaurant Supply, Inc., is a distributor of kitchen and restaurant equipment.

The disputed domain name was first registered in 1996 (it has a 'creation date' of April 22, 1996 in the Whois record confirmed by the Registrar).

The first Respondent (Pride Marketing) is the named registrant of the disputed domain name and hosts a website for the second Respondent (Richard's Restaurant Supply). The second Respondent has been in business since at least 1989.

The Response was filed in the name of the second Respondent. The Complainant does not dispute that the first Respondent operates a website on behalf of the second Respondent. The Complaint itself is made against both the first and second Respondents. As such, the Panel has treated the second Respondent as the registrant-in-fact of the disputed domain name. References which follow to 'the Respondent' are both references to the first and second Respondents.

5. Parties' Contentions

The following are the contentions of each of the parties on the merits of the case (separate to the contentions made by the parties in response to the first and second Panel Orders).

A. Complainant

The Complainant makes the following contentions.

The Complainant has an incontestable and famous mark for GALLEY, registered with the USPTO with a first use in commerce since 1975. The Complainant acquired that mark from its predecessor in interest, Lincoln Manufacturing Co., Inc. The disputed domain name is effectively identical to that mark.

The Respondent has no rights or legitimate interests in the disputed domain name. The Respondent had constructive and actual notice of the Complainant and its mark as early as 1990. The GALLEY mark has no correlation to the name or identity of the Respondent. The Respondent is also not making a legitimate, noncommercial or fair use of the disputed domain name. The similarity of the parties businesses supports the conclusion that the Respondent would not have chosen the disputed domain name, but for the fame of the Complainant's mark. Any argument that the Respondent chose the disputed domain name because of its generic association fails as a matter of fact and law. The Respondent is not using the disputed domain name for its generic association. Even if it had that association, the GALLEY mark has acquired secondary meaning. In this respect, the Complainant referred to the decision in *Scholastic, Inc. v. Applied Software Solutions, Inc.*, WIPO Case No. D2000-1629.

The Respondent has also registered and used the disputed domain name in bad faith. The disputed domain name is identical to the Complainant's mark and the Respondent registered it to sell competing products. The Respondent has sought to attract Internet users by creating a likelihood of confusion with the Complainant's mark. The Respondent registered the disputed domain name shortly after the Complainant severed its business relationship with the first Respondent. The Respondent also

offered to sell the disputed domain name to the Complainant for a ‘gluttonous’ USD \$600,000.

B. Respondent

The Respondent does not directly address the Complainant’s claims in relation to the first element of the Policy – that is, whether the disputed domain name is identical or confusingly similar to the Complainant’s claimed mark. The Respondent otherwise denies the allegations in the Complaint.

In relation to its rights or legitimate interests, the Respondent claims that it has such rights based on its continuous use of the disputed domain name since 1996. The Respondent is also commonly known by the disputed domain name, and is using a generic word to describe its goods and services. The Complainant’s delay in bringing the Complaint also supports the Respondent’s claimed rights or legitimate interests.

In relation to bad faith, no-one, including the Complainant, has disputed the Respondent’s ownership of the disputed domain name in the more than 12 years it has been registered. The Respondent has spent substantial amounts on promoting its website at the disputed domain name. The Complainant’s reference to the Respondent’s offer to sell the disputed domain name is misleading, and came after the Complainant’s offer to buy it. The Respondent made that offer as part of confidential settlement negotiations in the civil dispute filed by the Complainant, rather than an offer to sell under paragraph 4(b)(i) of the Policy. Even if the Respondent’s offer is treated as an offer to sell under the Policy, it was an offer for an amount that was lower than the Respondent’s out-of-pocket costs, taking into account the great amounts of money that the Respondent has expended in marketing the disputed domain name.

The Respondent seeks a finding of reverse domain name hijacking against the Complainant.

6. Discussion and Findings

To succeed under paragraph 4(a) of the Policy, the Complainant must prove that:

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

The majority of the Panel discusses these issues in turn below, immediately following a discussion concerning, firstly, the concurrent court proceedings filed by the Respondent which were the subject of the second Panel Order issued on January 8, 2009.

(The proceedings instituted prior to these proceedings by the Complainant were withdrawn on December 15, 2008, and therefore had no continuing effect on these proceedings.) Secondly, there is also the procedural issue raised by the Complainant’s request to make a supplemental filing.

A. Concurrent court proceedings

The members of the Panel have, respectfully, different views on the effect of the court proceedings filed in the District Court for the Eastern District of Louisiana by the Respondent on December 22, 2008. The Respondent submitted that these proceedings should be terminated because of that filing.

Paragraph 18(a) of the Rules relevantly provides that, in the event of any legal proceedings initiated during an administrative proceeding, the Panel has a discretion to decide whether to suspend or terminate the proceeding, or to proceed to a decision. The Panel unanimously considers that suspension of this case is not appropriate. It might be appropriate to exercise that discretion, for example, in circumstances where there is a near and certain date for a court determination. But that is not the case here. A suspension would potentially leave this proceeding unresolved for a long and indefinite period. As a technical matter, it would also leave the disputed domain name on 'lock' status during that period. Considering these matters, and the intent of the Policy to provide a simple and expeditious remedy, the Panel considers that suspension would be inappropriate. The discretion is accordingly to be determined between proceeding to a decision on the merits or terminating the proceedings.

In the particular circumstances of this case, and having regard to arguments to the contrary, the majority considers it appropriate that the Panel should exercise its discretion to proceed to a decision. The reasons are as follows.

Firstly, and importantly, other panels have frequently exercised the discretion under paragraph 18(a) of the Rules to proceed to a decision despite concurrent or prior court proceedings. Such panels have recognized that doing so does not prevent either party, if dissatisfied with the result, from continuing to seek relief in court. See *Western Holdings, LLC v. JPC Enterprise, LLC d/b/a Cutting Edge Fitness and d/b/a Strivectin SD Sales & Distribution*, WIPO Case No. D2004-0426. The later case cited others in support, including *Weber-Stephen Products Co. v. Armitage Hardware*, WIPO Case No. D2000-0187; *Cognigen Networks, Inc. v. Pharmaceutical Outcomes Research a/k/a Cognigen Corporation*, WIPO Case No. D2001-1094; *AB SKF and SKF Bearings India Limited v. Vikas Pagaria*, WIPO Case No. D2001-0867; and *Fadesa Inmobiliaria, S.A. v. Flemming Madsen*, WIPO Case No. D2001-0570; See Further *Sonatel Multimédia SA v. Universal Computer Associates SUARL/Mamadou Kébé*, WIPO Case No. D2005-0009; and *Sharman License Holdings Limited v. Sonia Thompson a.k.a. Kazagold, Mykazaagold Music Download Service a.k.a. Kazagold* WIPO Case No. D2008-0554.

Some cases where Panels have proceeded to a decision might be distinguished from the circumstances here. Those include cases where the Panel proceeded to issue a decision as the concurrent court proceedings related to matters different to those which were the subject of the complaint. See e.g. *Hesco Bastion Limited v. The Trading Force Limited*, WIPO Case No. D2002-1038; *Tuyap Tum Fuarcilik Yapim Anonim Sirketi (Tuyap Fairs and Exhibitions Organization Inc.) v. Tuyap /Kurumsal.net/Koznet Kurumsal Internet Hizmetleri*, WIPO Case No. D2003-0442.

Cases which might also be distinguished are those where Panels have proceeded to issue a decision despite concurrent court proceedings, because the remedy sought in the court proceeding was different to that sought in the administrative proceeding. See e.g. *Cognigen Networks, Inc. v. Pharmaceutical Outcomes Research a/k/a Cognigen Corporation*; WIPO Case No. D2001-1094 (cited also above); and more recently, *Digital Overture Inc. v. Chris Bradfield / GoPets Ltd.*, WIPO Case No. D2008-0091.

However, in other cases Panels have proceeded to a decision where both the concurrent court proceeding and the administrative proceeding dealt with similar issues about the ownership or use of disputed domain names. See e.g. *Sonatel Multimédia SA v. Universal Computer Associates SUARL/Mamadou Kébé*, *supra*; *Western Florida Lighting, Inc. v. Samantha Ramirez, SamiRami, SESCO Lighting, Inc., and Cynthia Parker-Chillemi*, WIPO Case No. D2008-1122. In the latter case, the Panel commented that: “the Panel does not find that it is necessary or advantageous to await a judicial determination of the issues raised in the federal litigation in order to reach a decision strictly under the Policy. This administrative proceeding under the Policy concerns only control of the Domain Name, not any of the other remedies at issue in the federal litigation. It is not binding on the court, and it does not preclude the prosecution of any claims, defenses, or counterclaims in the federal litigation (see Policy, paragraph 4(k)).”

There are also cases where Panels proceeded to a decision (to deny the complaint) where the dispute between the parties was broader and more complex than a dispute concerning domain names; but those Panels did not address the merits of each element of the Policy in whole or part: e.g. *Jason Crouch and Virginia McNeill v. Clement Stein*, WIPO Case No. D2005-1201; *Knipping Kozijnen B.V. v. R.T.P. Hanssen*, WIPO Case No. D2006-0622; *Family Watchdog LLC v. Lester Schweiss*, WIPO Case No. D2008-0183.

In this case, the Respondent’s court filing seeks declaratory relief, including relief from the Complainant’s original claims of cybersquatting under the Anti Cybersquatting Consumer Protection Act. To that extent, the court action is similar to the nature of an action under the Policy which also concerns claims of cybersquatting. The court action filed by the Respondent is also broader, as it additionally seeks a declaration against the Complainant’s earlier claims of infringement and dilution of the Complainant’s trademark. The majority considers that the nature of the broader dispute between the parties in this case is, however, relevant to the merits of the Complaint, rather than a procedural matter. That is because the complexity of the broader dispute between the parties weighs against a finding that the Complainant can meet its burden of proof, at least in relation to the second and third elements of the Policy (this is discussed further below).

Secondly, the majority has had regard to the filing of these court proceedings by the Respondent *after* the commencement of this dispute. While this fact does not, in itself, affect the Panel’s discretion under paragraph 18 of the Rules, in this case there is no evidence that the Respondent has done any more than merely file proceedings, and no evidence of any substantive or procedural consideration of this matter by a court.

Thirdly, the Respondent has argued that the Panel should not proceed to a decision for reasons of ‘judicial economy’; and because any decision made by the Panel would not be implemented having regard to paragraph 4(k) of the Policy, would be redundant (if it relevantly concurs with the court’s decision) or confusing (if it conflicts).

However, these arguments are based on a number of assumptions. They assume that the matter will necessarily proceed to trial (in practice, cases which are filed frequently do not progress that far). They assume no possibility that a decision rendered by the Panel could assist, resolve or narrow even part of the dispute between the parties. The argument based on paragraph 4(k) of the Policy assumes that the decision will be made in the Complainant’s favor. (This is because the “implementation” to which paragraph 4(k) relates is only an order that the domain name be “cancelled or transferred”. An alternative decision to deny a complaint, while it leaves nothing to be

implemented by the Registrar, does not mean that the decision would have no effect.) As such, it is an argument based merely on the *possibility* that the Panel's decision will have no effect.

Fourthly, it is notable that the Respondent raised none of its arguments for termination in its original Response. Those arguments might equally have been raised at that earlier point because of the concurrent proceedings, covering the same matters, then filed by the Complainant. Rather, the Respondent only raised these arguments after the Complainant withdrew its court action, and the Respondent then filed its own; and after being notified in the first Panel Order that the Panel was considering whether to terminate these proceedings because of concurrent court proceedings. These facts might suggest that the Respondent's filing of court proceedings was an opportunistic attempt to avoid these proceedings under the Policy.

Despite these matters, outlined above, the majority recognizes that there are reasonable arguments to support the minority panel's view. The Panel is aware of cases which have been terminated (by Panel Order) where the Respondent filed court proceedings in a district court after the commencement of an administrative proceeding under the Policy. There have also been cases where Panels have terminated the proceedings and declined to make an order because of concurrent court proceedings. See e.g. *Aussie Car Loans Pty Ltd v. Wilson Accountants Pty Ltd, (formerly Wilson and Wilson Accountants)*, WIPO Case No. D2008-1477. The reasons for those approaches are similar to the dissenting Panelist's opinion in this case.

B. Supplemental filing

On September 24, 2008, the Complainant filed a request for leave to submit a reply to the Response, on the basis that the Respondent had raised topics which the Complainant could not have foreseen. Neither the Policy nor the Rules make an express provision for uninvited supplemental filings. It is at discretion of the Panel whether to consider such filings, under paragraph 10 of the Rules.

It is a general principle that a panel may consider a supplemental submission if it raises facts that the Complainant could not have been expected to raise in the Complaint. See *Société pour l'œuvre et la mémoire d'Antoine de Saint Exupéry- Succession Saint Exupéry - D'Agay v. The Holding Company*, WIPO Case No. D2005-0165; *Playboy Enterprises International, Inc. v. Asia Sun*, WIPO Case No. D2005-0767.

There is little in the Response which appears to the Panel to be topics which might not have been foreseen by the Complainant. The Complainant did not identify any particular facts or topics in the Response which it considers fall into this category. For these reasons, the Panel did not allow a supplemental filing from the Complainant.

C. Identical or Confusingly Similar

Because of the majority Panel's findings in relation to the second element (below), it is not strictly necessary for the Panel to consider this element. However, the Panel briefly does so, because it is relevant to the Respondent's request for a finding of reverse domain name hijacking.

Paragraph 4(a)(i) of the Policy requires the Complainant to establish two things. One is that the Complainant 'has rights' in a mark. The other is that the disputed domain name is identical or confusingly similar to that mark.

The disputed domain name is plainly identical to the mark in which the Complainant claims rights. The only difference is an immaterial one for the purpose of the policy: which is the “.com” extension. It is well-established that the “.com” extension is to be disregarded for the purpose of paragraph 4(a)(i) of the Policy.

As to whether the Complainant ‘has rights’ in its claimed mark, the Complaint noted that this mark was first registered on the principal register of the USPTO in 1983 to the Complainant’s ‘predecessor-in-interest’, Lincoln Manufacturing Co., Inc. The Complainant provided a copy of the registration details, which indicate that Lincoln Manufacturing Co., Inc. is the registered owner of that mark. The Complainant also provided evidence of a USPTO acknowledgment in 1988, of an affidavit of continued use, and of an affidavit acquiring incontestability for a mark, which indicated that the registrant was ‘Lincoln Foodservice Products, Inc.’ The Complainant otherwise provided little evidence of how this mark had been assigned to it from its predecessor. The Complaint merely contains an assertion that the mark was assigned to it in 1992 from Lincoln Manufacturing Co., Inc. Only the Panel’s own search of the trademark registration indicates that the Complainant is the last listed owner of the mark and that an assignment had been recorded. The Panel has accepted that this would be sufficient for the Complainant to demonstrate that it has rights in its claimed mark.

For these reasons, the Panel finds that the Complainant has established this element.

D. Rights or Legitimate Interests

The Complainant essentially states that the Respondent lacks rights or legitimate interests because it has not made a *bona fide* offering of goods or services in connection with the disputed domain name. Among other things, the Complainant rests this allegation on claims that the Respondent had constructive notice of its famous mark; that the domain name has no correlation to the Respondent’s business; and that the Respondent chose the disputed domain name because of the fame of the Complainant’s mark and to mislead consumers.

Against this, the Respondent argues that it has, in effect, used the disputed domain name for more than 10 years in various ways in connection with its business, which is in a related field to that of the Complainant. The Respondent provides evidence of having marketed itself as far back as 1989 as a “Galley Equipment Specialist”. The Respondent also notes that the term “galley” has a dictionary description related to its business, which was its motivation for registering the disputed domain name.

Paragraph 4(a)(ii) of the Policy requires the Complainant to prove that the Respondent has “*no* rights or legitimate interests” in the disputed domain name (emphasis added).

The nature of the parties evidence in this case means that the Panel majority cannot make a positive finding that the Respondent has ‘no’ rights or legitimate interests. This is not because of any filing in court *per se*. Rather, it is because the facts and matters in dispute between the parties are complex, and are matters more appropriately determined by a court having powers to receive detailed evidence, and to summon and cross-examine witnesses.

This is particularly so as the evidence presented by the Respondent, on its face, otherwise suggests that the Respondent has been using the disputed domain name in connection with a *bona fide* business for a substantial period of time. That evidence also suggests that the Respondent is using the disputed domain name because ‘galley’ is an apt term for the goods marketed by the Respondent.

E. Registered and Used in Bad Faith

For similar reasons to those set out above, the Panel majority is unable to conclude that the domain name has been registered and used in bad faith.

F. Reverse domain name hijacking

The Respondent seeks a finding of reverse domain name hijacking against the Complainant. This is defined in the Rules as “using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name”.

The Panel declines to make such a finding. There is little evidence that the Complainant was brought in bad faith. There is little evidence that the Complainant should have been aware that it could not reasonably succeed. As noted above, the facts of this case are complicated and Complainant has rights in a mark which it is entitled to take action to protect.

7. Decision

For all the foregoing reasons, the Complaint is denied.

Peter L. Michaelson
Presiding Panelist (Dissenting)

James A. Barker
Panelist

Mark Partridge
Panelist

Dated: February 12, 2009

DISSENT

My learned colleagues on the Panel expend considerable verbiage justifying their action here in proceeding to a decision on the merits. I reach a contrary view. In light of the concurrent litigation between the parties in the US District Court of Louisiana, I would terminate the present proceedings without prejudice pending final resolution of that litigation.

An indisputable fact which my co-panelists unfortunately fail to recognize in their majority decision is that an ICANN panel is inferior to a national court.

The Policy clearly contemplates judicial intervention, which can occur before, during or after the dispute resolution process of the Policy is invoked. In that regard, paragraph 4(k) of the Policy states, in pertinent part:

“The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded.”

Once a lawsuit is timely filed, whether before, during the pendency of the administrative proceeding or within 10-days after the registrar is notified of a panel decision, the registrar is expressly prohibited, under paragraph 4(k) of the Policy from implementing the decision, which states:

“If an Administrative Panel decides that your domain name registration should be cancelled or transferred, we will wait ten (10) business days ... after we are informed by the applicable Provider of the Administrative Panel’s decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation ... that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) of the Rules of Procedure. ... If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel’s decision, and we will take no further action, until we receive (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.”

While paragraph 18(a) of the Rules confers discretion on an ICANN administrative panel to suspend or terminate an administrative proceeding that is subject to a concurrent legal proceeding, there is no mistaking the fact that the end result is that any administrative panel decision issued during the pendency of such a proceeding, as here, has no effect whatsoever and is merely advisory in nature.

In its Federal lawsuit, the Respondent raised allegations under the Anticybersquatting Consumer Protection Act (15 USC § 1125(d)(1)(A)) (“ACPA”) under which a federal

court is specifically authorized to order transfer, suspension or other modification of the disputed domain name (15 USC § 1125(d)(2)(D)) in light of factors very similar to those under the Policy.

Given this, then realistically speaking, what real benefit can be gained by this Panel issuing a decision on the merits here? I see none.

The majority's justification in proceeding appears inconsistent. While, on the one hand, it recognizes that the present issue of proper ownership of the disputed domain is subsumed within the larger confines of the concurrent litigation - which by raising a claim under the ACPA it certainly is; yet, on the other hand, it rejects a very basic tenet of American jurisprudence, namely judicial economy. Judicial economy mandates that if multiple tribunals are faced with the same issue - as is the case here, then an inferior tribunal, this Panel, should suspend all further action in the matter in deference to the actions of a superior tribunal, the Louisiana Federal Court, unless and until the latter orders otherwise. The underlying rationale is simple: we will simply waste our time and effort issuing a ruling which the Court can ignore and one which ultimately will have absolutely no effect.

Moreover, as my co-panelists are well aware, lawyers in the US (as well as elsewhere) are charged with a very basic and fundamental obligation: to zealously represent their clients. What is one likely effect of that here? Rather simply, counsel for the prevailing party, in spite of knowing that any substantive decision which this Panel reaches is utterly meaningless, will nevertheless try to inject our decision into the pending Federal litigation for whatever persuasive and/or educational affect it thinks the underlying decision and its rationale might have on the Court. The aggrieved party will then be compelled to respond to the contrary. More likely than not, doing so (even apart from the substantive differences between the ACPA and the Policy) will add yet another layer of complexity to an already overburdened Court proceeding with added expense to the parties for no useful result - all of which could be avoided if we simply deferred to the Court.

Further, when a party institutes federal litigation, as the Respondent did here (and as the Complainant earlier had but in a different forum - the US District Court for the Southern District of Florida), then in light of the rather substantial expense of prosecuting its action - which dwarfs the expense of an ICANN proceeding by at least one order of magnitude, that party obviously considers its interest sufficiently worthy of all the effort, complexity, risk and certainly expense inherent in any attempt to seek redress of its claims through Federal litigation. Moreover, the remedies available to each party through Federal litigation vastly exceed the very attenuated ones, i.e. name transfer, cancellation or denial of either, which we, as an ICANN administrative panel, can order. Each party has apparently come to that same conclusion, albeit at different times, by virtue of initiating its own federal lawsuit. The Complainant first did so in Florida, though to have that action dismissed shortly thereafter. One week after that dismissal, the Respondent filed its own lawsuit in Louisiana. Thus, by its very actions, each side signified its desire, though at different times, to seek redress of its claims through and the benefits resulting from a superior venue - a Federal Court. We, as an ICANN Panel, should respect that choice and leave the parties to that forum.

Lastly, the summary and rather abbreviated nature of an ICANN administrative proceeding simply does not provide the same level of procedural and substantive safeguards inherent in federal litigation, such as: discovery including the power to compel third-party testimony, extensive judicial fact-finding, and live testimony and cross-examination of witnesses. In fact, the Panel majority agrees by explicitly

recognizing that the underlying facts in the concurrent litigation are likely to be complex with Court adjudication seemingly being preferred:

“The nature of the parties evidence in this case means that the Panel cannot make a positive finding that the Respondent has ‘no’ rights or legitimate interests. This is not because of any filing in court per se. Rather, it is because the facts and matters in dispute between the parties are complex, and are matters more appropriately determined by a court having powers to receive detailed evidence, and the summon and cross-examine witnesses. Those matters principally include allegations of trademark infringement.”

I completely agree. Since the present dispute is fully contained within the ambit of the pending federal litigation, then it simply stands to reason that the Louisiana Federal Court is the proper forum to hear and resolve this dispute. We are not.

For those reasons, I now dissent from the majority decision.

Peter L. Michaelson
Presiding Panelist (Dissenting)