



WIPO Arbitration and Mediation Center

ADMINISTRATIVE PANEL DECISION

Shaw Industries Group Inc. and Columbia Insurance Company v. Arcadia Publishing Inc.

Case No. D2007-0090

1. The Parties

Complainants are Shaw Industries Group Inc. and Columbia Insurance Company, United States of America; represented by Neal & McDevitt, United States of America (collectively “Complainant”, except in those instances below where specific reference is made to one of the two complainants).

Respondent is Arcadia Publishing Inc., United States of America.

2. The Domain Name and Registrar

The disputed domain name <shawcarpetoutlet.com> is registered with Go Daddy Software, Inc. (the “Registrar”).

3. 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 Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”) as approved on October 24, 1999, and the World Intellectual Property Organization Supplemental Rules for Uniform Domain Name Dispute Resolution Policy in effect as of December 1, 1999 (the “Supplemental Rules”).

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) in email form on January 23, 2007, and in hard copy form, along with accompanying Annexes A-G, on January 29, 2007.

Pursuant to paragraph 4(d) of the Policy, Complainant selected the Center as the ICANN approved administrative dispute resolution service provider to administer this proceeding. Through the Complaint, Complainant requested a single-member panel.

After receiving the Complaint, the Center, in accordance with paragraph 5 of the Supplemental Rules, verified that the Complaint complied with the formal requirements of the Rules and the Supplemental Rules. In that regard, on January 25, 2007, the Center requested confirmation from the Registrar of information set forth in the Complaint relative to the disputed Domain Name: specifically, contact and registrant information for that Domain Name, as well as whether the Registrar received a copy of the Complaint from Complainant. The Center also requested the Registrar to specify: (a) whether the Policy applies to the disputed domain name, (b) whether the registrant has submitted, in its registration agreement, to the jurisdiction at the location of the principal office of the registrar for court adjudication of disputes concerning or arising from the use of the domain name, (c) the language of the registration agreement, and (d) whether the domain name will remain “locked” during the proceeding.

Subsequently, on January 25, 2007, the Registrar provided its response to the Center through which the Registrar specified name and contact information pertinent to the disputed Domain Name to the extent present in its Whois database, and which confirmed that the Respondent is listed as the registrant and provided the contact details for the administrative and technical contacts. The Registrar Verification also confirmed that GoDaddy Software, Inc. is the Registrar of that Domain Name and stated that: the Registrar had received a copy of the Complaint, the Policy applied to the disputed Domain Name and the name was then held in a “locked” status. The Registrar also indicated, through the Registrar Verification, that: the Respondent has submitted, for court adjudication, to the jurisdiction at the location of the principal office of the Registrar; and the registration agreement is in English.

The Center verified that the Complaint satisfied the formal requirements of the Policy, the Rules, and the Supplemental Rules.

On February 5, 2007, the Center formally notified Respondent, by e-mail letter, of the filing of the Complaint, including an indication that the Center was forwarding a complete copy of the Complaint to Respondent, together with all its Annexes, by courier and without the Annexes by both facsimile and e-mail. The Complaint and its accompanying documents, and all subsequent communications associated therewith, were provided in the preferred manners and to the addresses as mandated by paragraphs 2(a), 2(b) and 4(a) of the Rules.

Hence, the notification to Respondent having occurred on February 5, 2007, under paragraph 4(c) of the Policy, this administrative proceeding is deemed to have commenced on that date.

Having reviewed the Complaint and all preceding and succeeding correspondence between the Center and the Registrar, the Panel agrees with the determination of the Center that the Complaint and its handling met the requirements of the Rules and the Supplemental Rules.

Respondent was then provided with a 20 calendar day period, expiring on February 25, 2007, to file its Response with the Center and serve a copy of the Response on Complainant.

Respondent timely filed its Response, together with accompanying Annexes A and B, with the Center in email form on February 22, 2007, and in hard-copy form on February 26, 2007.

Accordingly, pursuant to the Rules and Supplemental Rules, by email letter dated March 2, 2007, the Center contacted the undersigned, Mr. Peter L. Michaelson, requesting his service as a Sole Panelist for this dispute. Subsequently, on the same day, Mr. Michaelson accepted and returned, by facsimile to the Center, a fully executed Statement of Acceptance and Declaration of Impartiality and Independence. The Center, through an email letter dated March 6, 2007, notified the parties of the appointment of Mr. Michaelson as Sole Panelist.

Based on the deadline set forth in paragraph 15 of the Rules, a decision was to be issued by the Panel to the Center on or before March 20, 2007.

This dispute concerns one domain name, specifically: <shawcarpetoutlet.com>.

The language of this proceeding is English.

4. Factual Background

A copy of the Whois registration record for the disputed Domain Name appears in Annex A to the Complaint. As indicated on this record, Respondent registered the disputed Domain Name on June 15, 2004.

A. Complainant's SHAW Marks

Complainant owns numerous US trademark registrations for the term "shaw", by itself or with other terms in either block letters or stylized form and with or without an accompanying design element. Complainant has provided, in Annex C to the Complaint, a list of its US registrations, along with copies of its corresponding US registration certificates. Details of pertinent ones of those registrations are as follows:

- (1) SHAW (block letters)
United States registration 2,877,500; registered: August 24, 2004
filed: July 29, 2003

This mark was registered for use in connection with "non-metal floor tiles and wooden flooring" in international class 19. The record states that both first use and first use in commerce of the mark for these goods in class 19 commenced as of March 31, 2001.

- (2) SHAW (block letters)
United States registration 2,291,182; registered: November 9, 1999
filed: September 23, 1998

This mark was registered for use in connection with "carpets" in international class 27. The record states that both first use and first use in commerce of the mark for this good in class 27 commenced as of November 25, 1985.

- (3) SHAW (stylized with design)
United States registration 1,444,248; registered: June 23, 1987
filed: November 25, 1986

This mark was registered for use in connection with "residential and commercial carpet, rugs, carpet padding, carpet samples, modular carpet, modular carpet tile and tile" in international class 27. The record states that both first use and first use in commerce of the mark for these goods in class 27 commenced as of November 25, 1985.

B. The Parties and their Activities

Shaw Industries Group, Inc. and Columbia Insurance Company are related companies owned by the same corporate parent with each having a common interest in the disputed Domain Name.

Complainant Shaw has continuously used the SHAW Marks and various formatives thereof since 1985 in conjunction with carpeting, flooring and related goods which it provides directly to its consumers. Complainant Shaw has spent millions of dollars displaying, promoting, and advertising the SHAW Marks.

Respondent is an Internet development company based in Chattanooga, Tennessee. Respondent registered the disputed Domain Name, <shawcarpetoutlet.com>, on behalf of its client at the time, Mr. Richard Brame. Mr. Brame, through contract with the Respondent, is the owner of the name and media associated with the Domain Name.

Previously, on June 15, 2004, Longs Carpet of Chattanooga (an authorized Shaw Carpet dealer) contracted Respondent to register <shawcarpetoutlet.com> and develop an e-commerce website for their store. Mr. Eddie Long (then the owner of Longs Carpet) suggested that <shawcarpetoutlet.com> be the Domain Name of choice since his store was an authorized carpet dealer for Complainant, Shaw Industries. That name was registered on June 15, 2004 for Longs Carpet and development of its e-commerce website commenced. On October 25, 2004, the Respondent completed its design and development of that website, and then launched the site into operation.

In March of 2006, Mr. Richard Brame purchased both the Longs Carpet business and the Shaw Dealership from Mr. Eddie Long and, as a result, became the present contracted (beneficial) owner of both disputed Domain Name and the e-commerce website.

By e-mail dated June 7, 2006, Complainant's counsel, Ms. Lisa Iverson, contacted Mr. Brame and requested that he relinquish the disputed Domain Name and shut down his e-commerce website. Though Mr. Brame was successfully doing business on the Internet through this site, by an e-mail later that same day, he requested Mr. Terry Jones of Respondent to shut the site down in light of actions taken or threatened to be taken by Ms. Iverson. A copy of these messages appears in Annex B to the Response.

Respondent has provided copies of printouts of the pages of the website as it existed on February 4, 2005 until it was taken down during June 2006, and as archived and accessed through the Internet Archive Wayback Machine ("http://web.archive.org").

On January 9, 2007, Ms. Iverson and Mr. Jones held a telephone conversation to discuss transfer of the disputed Domain Name to Complainant. Ms. Iverson, in a subsequent e-mail message on that same date to Mr. Jones, first noted that Mr. Jones had stated, during that conversation, that he would not transfer the domain name to Shaw unless Shaw paid at least \$ 1,000 USD, and then, in the same message, rejected that proposition. Through e-mail correspondence sent later that day, Mr. Jones responded to Ms. Iverson that had denied having mentioned any such sum during the telephone conversation, and indicated Respondent would transfer the disputed domain name to Complainant on either of two bases: (a) if Respondent would undertake to handle the details of having the name transferred, then Complainant was to compensate

Respondent for the time it spent doing so, or (b) for no charge, if Ms. Iverson handled all such details.

Through a subsequent e-mail exchange dated January 10, 2007, Mr. Jones informed Ms. Iverson that should Ms. Iverson enlist Respondent to handle the transfer, Mr. Jones sought \$ 125.00 USD/hour for his time. Alternatively and if this was not acceptable to Ms. Iverson, then Mr. Jones stated that he was prepared to transfer the disputed domain name to Complainant provided that an agreement for transfer of the name, among other aspects: (a) is signed and notarized by Mr. Brame and Complainant Shaw, and (b) indemnifies Mr. Brame and Respondent from any liability resulting from Mr. Brame's prior use of the name.

As of the date of the Complaint, the disputed Domain Name resolves to a page that simply reads "Under Construction" (a hardcopy printout of this page appears in Annex E to the Complaint). In the Response, Respondent indicated that the website is still active in its system and could be placed back in operation "within minutes should the WIPO rule favorably for Respondent in this case".

5. Parties' Contentions

A. Complainant

(i) Identical or Confusingly Similar

Complainant contends that the disputed Domain Name <shawcarpetoutlet.com> is confusingly similar to the SHAW Marks.

Specifically, Complainant contends that the disputed Domain Name contains the mark SHAW followed by the descriptive terms "carpet" and "outlet", where neither of these terms sufficiently differentiates the disputed Domain Name from that mark to alleviate user confusion.

Hence, Complainant believes that it has satisfied the confusing similarity/identity requirement in paragraph 4(a)(i) of the Policy.

(ii) Rights or Legitimate Interests

Complainant contends that, for various alternate reasons, Respondent has no rights or legitimate interests in the disputed Domain Name pursuant to paragraph 4(a)(ii) of the Policy.

First, Complainant alleges that Respondent is not an owner of any US trademark, which contains the term "SHAW" as a formative.

Second, there is no evidence that Respondent (as an individual, business or other organization) has been commonly known by the disputed domain name even if it had not acquired any trademark or service mark rights.

Lastly, no evidence exists that Respondent has made use of or demonstrable preparations to use the disputed Domain Name or a name corresponding to that name in connection with a *bona fide* offering of goods or services. In that regard, Complainant points to the fact that Respondent's current website is inactive.

Moreover, Complainant alleges that Respondent is not making a legitimate non-commercial or fair use of the Domain Name.

(iii) Registered and Used in Bad Faith

Complainant contends that, for any of three reasons, Respondent has registered and is now using the disputed Domain Name in bad faith under paragraph 4(a)(iii) of the Policy.

First, Complainant points to the fact that Respondent's website is currently inactive, as shown by the "Under Construction" page that is returned, as evidenced by the hard-copy printout of that page provided in Annex E to the Complaint. Complainant asserts that this inactivity, when viewed in light of the wide recognition, which the SHAW Marks have attained, evidences bad faith.

Second, the Complainant alleges that, since the Respondent was familiar with Complainant Shaw and its products when it registered the disputed domain name, the act of doing so constitutes opportunistic bad faith.

Lastly, the Complainant points to a prior statement made by Mr. Terry Jones, that he would not give up the disputed domain name for less than \$ 1,000 USD, as further evidence of bad faith inasmuch as that figure significantly exceeded the cost of registration, thus indicating that the Respondent sought to profit from its registration.

B. Respondent

(i) Identical or Confusingly Similar

Respondent does not appear to contest Complainant's position that the disputed Domain Name is confusingly similar to the SHAW Marks under paragraph 4(a)(i) of the Policy.

(ii) Rights or Legitimate Interests

Respondent vigorously disagrees with Complainant's view that Respondent has no rights or legitimate interests in the disputed Domain Name. However, Respondent does not address any of the specific criteria set forth in paragraph 4(c) of the Policy.

First, Mr. Terry Jones states, that Complainant was aware since October 2004 of the e-commerce site at <shawcarpetoutlet.com> and the registration of that name, and apparently accepted the fact that Longs Carpet, one of Complainant's authorized dealers at the time, was then using the name to provide Complainant 'shaw's carpet products on the Internet. Mr. Jones further states that, to the best of his recollection, Complainant provided funds to Mr. Long to develop the <shawcarpetoutlet.com> website and thereafter inspected the website prior to actually reimbursing Mr. Long for some of his development costs.

Mr. Jones also pointed to the fact that the first correspondence which Respondent received from Complainant, as to any problem the latter had with the e-commerce website, occurred more than 1 1/2 years after that site was operating on the Internet. Mr. Jones also stated that the only reason why Mr. Brame discontinued use of the website in June 2006 was the pressure which Complainant's attorney exerted on him; otherwise, that site would have continued in operation and remained active.

Hence, Mr. Jones argues that Respondent has acquired rights and legitimate interests under paragraph 4(c)(i) of the Policy by virtue of its client, Longs Carpet, having used the disputed domain name in connection with a *bona fide* offering of goods prior to Respondent, Mr. Long or Mr. Brame having received any notice of the dispute over that name.

Further, Mr. Jones asserts that both beneficial owners of the disputed Domain Name, i.e., first Mr. Long and then Mr. Brame, were each authorized dealers of Complainant shaw and represented their business both on and off the Internet as a “Shaw Carpet Outlet”; hence, that was the genesis for the disputed Domain Name. Consequently, Mr. Jones appears to implicitly argue that its client, Longs Carpet, has become commonly known, under paragraph 4(c)(ii) of the Policy, by both the term “Shaw Carpet Outlet” and the disputed Domain Name.

(iii) Registered and Used in Bad Faith

Respondent contends, contrary to Complainant’s view, that it did not register or use the disputed Domain Name in bad faith.

First, Respondent alleges that Complainant was fully aware of the e-commerce website while it was in operation. Respondent contends that it registered the name on behalf of its client, Longs Carpet, and that the e-commerce site to which the name resolved, operated for 1 1/2 years prior to any contact Respondent had with Ms. Iverson.

Second, although Respondent sought compensation from the Complainant in connection with transferring the Domain Name, that compensation was only for Mr. Jones’ time should Complainant request Mr. Jones to personally handle the task of transferring the name; otherwise, should Ms. Iverson handle that task, then Respondent was willing to transfer the domain name without charge to Complainant. Thus, Respondent never had any intention to profit from Complainant through its registration of the disputed Domain Name.

6. Discussion and Findings

On the available record the Panel views Respondent as having acted within its contractual authority as a servant of Longs Carpet, and specifically under the express instruction of Mr. Long and thereafter Mr. Brame as successive owners of Longs Carpet, in registering the disputed Domain Name and conducting associated website development and related work thereafter, which apparently continues to this day. Then, for purposes of simplification, the Panel will collectively view Respondent as being the actual registrant of the name, specifically Arcadia Publishing Inc., and also the beneficial owners and users of that name, specifically Longs Carpet, including Mr. Long and Mr. Brame, except in those instances where reference is being made to a specific one of these entities or individuals.

A. Identical or Confusingly Similar

Paragraph 4(a)(i) requires that a disputed Domain Name be “identical or confusingly similar to a trademark or service mark in which the complainant has rights”.

Confusing similarity is routinely assessed by simply comparing a disputed domain name against a mark to determine the similarity between the two. If sufficient similarity is found such that, from that similarity alone, concurrent use of the name and

the mark could lead to confusion of Internet users, regardless of how a respondent actually uses the name, then the requirements of paragraph 4(a)(i) of the Policy are met.

Here, the disputed Domain Name can be viewed as a composite domain name formed by appending two generic words "carpet outlet" to Complainant's mark SHAW to form the term "shawcarpetoutlet" and then appending a generic top level domain (gTLD) thereto to form the name. The addition of any gTLD is not considered in assessing identity/similarity under paragraph 4(a)(i) of the Policy.

It is now very well-established in UDRP precedent, including numerous decisions rendered by this Panel, that minor variations, such as adding short letter or number groups or even a generic word(s) to a mark will normally be insufficient, to confer requisite and sufficient distinctiveness to that name to avoid user confusion. See, e.g., *SPX Corp. v. Hevun Diversified Corp.*, NAF Case No. FA791657 (November 13, 2006); *Google Inc. v. Burns*, NAF Case No. FA 726096 (August 16, 2006); *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. Vinscani*, WIPO Case No. D2005-0531 (July 19, 2005); *Caesars Entm't., Inc. v. Nova Internet Inc.*, WIPO Case No. D2005-0411 (June 22, 2005); *Lockheed Martin Corp. v. The Skunkworx Custom Cycle*, WIPO Case No. D2004-0824 (January 18, 2005); *Lockheed Martin Corp. v. Teramani*, WIPO Case No. D2004-0836 (December 1, 2004); and *Nat'l Collegiate Athletic Assoc. v. Brown*, WIPO Case No. D2004-0491 (August 30, 2004). Such is the case here, which the Respondent does not dispute.

Hence, Complainant has met its burden under paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

Contrary to Complainant's position, the Panel finds that Respondent has established rights and legitimate interests in the disputed Domain Name under paragraph 4(c)(i) of the Policy.

Under this paragraph, a respondent can demonstrate that it has rights or legitimate interests in a disputed domain name by showing that, before it received any notice of an underlying dispute over the name, it either used or made demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services.

Based on the undisputed facts of record, Respondent not only made demonstrable preparations to use the disputed Domain Name <shawcarpetoutlet.com> in connection with a *bona fide* product offering, but actually so used the name, all well prior to the time Complainant placed it on notice of this dispute.

Specifically, Mr. Long, acting in his capacity as an apparently authorized dealer of Complainant SHAW's branded carpeting and as owner of Longs Carpet, commissioned Respondent Arcadia Publishing to first register the disputed Domain Name and then develop an e-commerce site through which Longs Carpet could sell SHAW-branded carpeting over the Internet to interested consumers. Starting in June 15, 2004, the Respondent registered the Domain Name and over the ensuing few months designed and developed the website. On October 25, 2004, the Respondent launched the site into operation. For the next 1 1/2 years and until it received notice of the present dispute, Longs Carpet successfully sold Complainant's Shaw-branded carpeting products through the site. Without question, such sales were the result of *bona fide* product offerings, as Longs Carpet, being an authorized dealer of Complainant shaw, had the

right and apparently still does to distribute and sell Complainant's SHAW-branded carpeting products to end users. There is no evidence of record to indicate that Respondent, in offering Complainant's carpeting and making e-commerce sales through its website, acted in any fashion contrary to its authorization from Complainant Shaw.

The Panel specifically notes with significant interest and is in complete accord with the well-reasoned decision in *Oki Data Americas, Inc. v. ASD Inc.*, WIPO Case No. D2001-0903 (November 6, 2001) which presented a very similar facts to those in issue here. In *Oki Data*, the panel was presented with a respondent, ASD, which was a repair facility authorized by the complainant, Oki Data America, and which registered the domain name <okidatparts.com> as an address of its web site. Oki Data America owned the registered mark OKIDATA. The panel in finding that respondent ASD had rights and legitimate interests in the domain name under paragraph 4(c)(i) of the Policy stated:

“Complainant has not presented any other evidence that undermines the bona fides of Respondent's use. Accordingly, the Panel finds that the Respondent, as an authorized sales and repair dealer for Complainant's goods, has a legitimate interest (under the Policy) in using the Domain Name to reflect and promote that fact.”

The same reasoning applies with equal force here. Respondent Longs Carpet, using the disputed domain name <shawcarpetoutlet.com> in connection with its *bona fide* e-commerce offerings of Complainant SHAW's branded carpeting products, has a right to use that name, which contained the Complainant's mark SHAW, as it did, to reflect and promote its on-line sales activities, particularly in light of Complainant having failed to present any evidence, that the Respondent's offerings were anything other than *bona fide*. Through that prior use, Respondent acquired rights and legitimate interests in the name. See, *DaimlerChrysler A.G. v. Donald Drummonds*, WIPO Case No. D2001-0160 (June 18, 2001). Also see *Dr. Ing. h.c.F. Porsche A.G. v. Del Fabbro Laurent*, WIPO Case No. D2004-0481 (August 20, 2004) where respondent Laurent, though not being an authorized distributor of complainant's Porsche vehicles, nevertheless registered and used a Domain Name <porschebuy.com> which incorporated the mark PORSCHE for a web site that provided a marketplace for used Porsche vehicles. Since the site was established prior to the date the respondent received notice of the dispute and the sales activities provided through the site were *bona fide*, the panel found that respondent Laurent had legitimate rights and interests in that name under paragraph 4(c)(i).

Further, it was only after Complainant's counsel, Ms. Iverson, threatened Mr. Brame with legal action on June 7, 2006, which occurred only after Respondent's e-commerce website had been in continuous operation for over 1 1/2 years, that Respondent decided to halt operation of its site pending resolution of the present dispute.

Paragraph 4(c)(i) contains no provision that negates rights and legitimate interests, which a respondent has acquired through its use of a disputed domain name in connection with a *bona fide* offering of goods or services, should that respondent then halt its use of that name pending resolution of the dispute, let alone with an intention of restarting its use in the event that the dispute ultimately resolves in its favor.

Thus, under the specific facts here, Respondent has established that it has rights and legitimate interests in the disputed domain name under paragraph 4(c)(i) of the Policy.

C. Registered and Used in Bad Faith

Inasmuch as the Panel finds that Respondent has rights and legitimate interests in the disputed domain name, there is no need for the Panel to consider whether that name was registered and used in bad faith. Hence, the Panel declines Complainant's invitation to do so.

Thus, the Panel concludes that Complainant has not set forth a prima facie case under paragraph 4(a) of the Policy upon which the relief it seeks could be granted.

7. Decision

Accordingly, as Complainant is unable to prove all three elements under paragraph 4(a) of the Policy, the relief sought by Complainant is denied.

Peter L. Michaelson
Sole Panelist

Dated: March 20, 2007