

Princeton Linear Associates Inc. v. Copland, 61 USPQ2d 1895 (NAF 2002)

61 USPQ2D 1895
Princeton Linear Associates Inc. v. Copland

National Arbitration Forum

Claim No. FA0112000102811
Decided February 8, 2002

Headnotes

JUDICIAL PRACTICE AND PROCEDURE

[1] Procedure — Burden of proof (§410.35)

REMEDIES

Non-monetary and injunctive — Equitable relief — Seizure; forfeiture (§505.0703)

Internet domain name that is subject of Start-up Trademark Opposition Policy proceeding will not be transferred to complainant from respondent unless complainant proves that domain name is identical to trademark or service mark in which complainant has rights, that respondent has no rights or legitimate interests in domain name, and that domain name has been registered or is being used in bad faith.

TRADEMARKS AND UNFAIR TRADE PRACTICES

[2] Acquisition, assignment, and maintenance of marks — Scope of trademark — In general (§305.0201)

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

Respondent's "lansolutions.biz" Internet domain name, which incorporates complainant's mark "Lansolutions," will not be transferred from respondent to complainant, since agreement between parties settling trademark opposition proceeding in U.S. Patent and Trademark Office is silent as to use of "lansolutions.biz" domain name, but grants respondent right to use "lansolutions.com," since respondent, through its continued use of "lansolutions" as second level domain, has developed World Wide Web presence under that name, and since, should complainant start using "lansolutions.biz" in connection with its Internet site, then users who seek respondent's

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site, but who enter ".biz" instead of ".com" generic top-level domain name, will be diverted to complainant's site, and will be confused.

Case History and Disposition

Complaint filed by Princeton Linear Associates Inc., pursuant to Start-up Trademark Opposition

Policy, against respondent Stuart Copland, o/b/o LAN Solutions Inc. Complainant requests that Internet domain name “lansolutions.biz” be transferred from respondent to complainant; respondent requests that complaint be dismissed. Respondent's request granted.

Attorneys:

Harry Soloway, of Princeton Linear Associates Inc., Princeton, N.J., for complainant.

Daniel R. Gropper, Vienna, Va., for respondent.

Opinion Text

Opinion By:

Michaelson, panelist.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <lansolutions.biz>, registered with *Register.com*.

PANEL

The undersigned certifies that he has acted independently and impartially and to the best of his 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 Start-up Trademark Opposition Policy (“STOP” or “Policy”) available at <http://www.neulevel.biz/ardp/docs/stop.html>, which was adopted by NeuLevel, Inc. (“NeuLevel”), as the registry operator, and approved by Internet Corporation for Assigned Names and Numbers (ICANN) on May 11, 2001, and revised by NeuLevel on September 19, 2001; and in accordance with the Rules for STOP as adopted by NeuLevel and also approved by ICANN on May

11, 2001 (“STOP Rules”) and as supplemented by the National Arbitration Forum Start-up Trademark Opposition Policy for .BIZ “STOP” Supplemental Rules then in effect (“STOP Supplemental Rules”).

The Complainant has standing to file a STOP Complaint, as it timely filed the required Intellectual Property (IP) Claim Form with the Registry Operator, NeuLevel. As an IP Claimant, the Complainant timely noted its intent to file a STOP Complaint against Respondent with the Registry Operator, NeuLevel and with the National Arbitration Forum (the “Forum”).

The Complainant submitted a Complaint to the Forum electronically on December 10, 2001; the Forum received a hard copy of the Complaint, along with Annexes 1–5, on December 11, 2001.

On December 20, 2001, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of January 9, 2002 by which Respondent could file a Response to the Complaint, was transmitted to Respondent in compliance with paragraph 2(a) of the STOP Rules.

A timely Response, along with Annexes 1–9, was received by the Forum and determined to be complete on January 4, 2002.

On January 25, 2002, pursuant to STOP Rule 6(b), the Forum appointed Mr. Peter L. Michaelson, Esq. as the single Panelist.

RELIEF SOUGHT

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

The Respondent requests that the Complaint be dismissed.

PARTIES' CONTENTIONS

A. Complainant

1. Identicality

The Complainant contends that the disputed domain name “LANSOLUTIONS.BIZ” is identical to its federally registered trademark for the term “LANSOLUTIONS” and to its unregistered service mark for the same term.

Hence, the Complainant concludes that the requirements of paragraph 4(a)(i) of the Policy are satisfied.

2. Rights and legitimate interests

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

Specifically, the Complainant states that it has the sole right to the use of the disputed domain

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name inasmuch as: (a) the term “LANSOLUTIONS” is its registered trademark, and (b) it has been continuously using the term “LAN SOLUTIONS” as its name in commerce since March 1988 (a period of approximately 14 years).

Furthermore, the Complainant points to a written settlement agreement which it and the Respondent signed in order to amicably terminate a trademark opposition regarding the mark “LAN SOLUTIONS” then underway between the parties in the US Patent and Trademark Office (US PTO). The Complainant states while this agreement provides for concurrent use of the mark by both parties, nevertheless, pursuant to paragraph 4 thereof, it does not extend to the disputed domain name. In that regard, the Complainant contends that the Agreement, from its perspective, does not convey any right in the disputed domain name to the Respondent; all such rights remain in the Complainant. Specifically, paragraph 4 recites as follows:

“PRINCETON [Complainant] agrees that LAN Solutions [Respondent] may keep and continue to use its current domain name lansolutions.com without interference from PRINCETON and PRINCETON agrees to choose a similar, but different, domain name which will not be disputed or

interfered with by LAN Solutions [Respondent].”

With this paragraph in mind, the Complainant takes the position that this paragraph only applies to the Respondent's use of <lansolutions.com>, which incorporates the Complainant's registered mark, and not to use of the disputed domain name <lansolutions.biz>.

The Complainant states that its choice under this paragraph for a “similar but different domain name” is <lansolutions.biz>; hence it has a “clear right to use that URL without interference from Respondent”.

Thus, the Complainant concludes that the Respondent cannot demonstrate any rights or legitimate interests in the disputed domain name pursuant to paragraph 4(a)(ii) of the Policy.

3. Bad faith use or registration

The Complainant contends that the Respondent's conduct evidences bad faith registration and use of the disputed domain name.

First, the Complainant contends that, as a result of the prior negotiations between it and the Respondent in settlement of the trademark opposition, the Respondent was fully aware of and acknowledged that the Complainant owned the trademark “LANSOLUTIONS”, but, in spite of that knowledge, filed to register the disputed domain name <lansolutions.biz>.

Furthermore, the Complainant contends that the Respondent had no right to use the Complainant's trademark beyond the limited exception provided in paragraph 4 of the settlement agreement (see above), i.e., only within the domain name <lansolutions.com>; hence, the Respondent in filing for the disputed domain name violated this agreement. The Complainant takes the position that the rights granted to the Respondent only extend to the “.com” version of the Respondent's domain name but not to the “.biz” version, i.e., <lansolutions.biz>.

Also, the Complainant contends that the Respondent, through paragraph 4 of the settlement agreement, agreed not to interfere with Claimant's attempt to register a similar domain name to <lansolutions.com>. In that regard, the salient language of paragraph 4 states:

“PRINCETON [Complainant] agrees to choose a similar, but different, domain name which will not

be disputed or interfered with by LAN Solutions [Respondent].”
The Complainant avers that the disputed domain name, <lansolutions.biz>, is such a similar domain name; yet the Respondent in filing to register that particular name is seeking to block the Complainant's registration of that very same name — a right the Complainant believes it has.

Moreover, the Complainant states that paragraph 7 of the settlement agreement precludes the Respondent from engaging in any act that would “otherwise interfere with Princeton's [Complainant's] trademark rights”. Given this, the Complainant contends that the Respondent's act in filing to register the disputed domain name constitutes just such interference.

In addition, the Complainant states the Respondent represented that its intention was to register <lansolutions.biz> but not to actually use it. As such, the Complainant contends that the Respondent's purpose in filing for the disputed domain name appears to be that of preventing the Complainant from using that name

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in direct violation of paragraph 4(b)(ii) of the Policy. Hence, the Complainant concludes that the Respondent's actions would constitute an unfair business practice because, if successful, the Respondent would wrongfully have the only web site on the Internet with a URL containing the Complainant's business name and registered trademark. Consequently, the Complainant contends that this would have the effect of drawing the Complainant's customers and sales prospects to the Respondent's web site, thus disrupting the Complainant's business and costing the Complainant business revenues.

As to what the Complainant believes to be corroborating evidence of the Respondent's bad faith, the Complaint first points to paragraph 3 of the settlement agreement which states in salient portion:

“LAN Solutions (Respondent) and PRINCETON (Claimant) will each quickly implement and maintain an easily visible and accessible link on their respective home pages ... to the other party's web site ...” .

As a result of reviewing the source code for the Respondent's home page and as provided in Annex 4 to the Complaint, the Complainant states that that page contains no such link to the Complainant's home

page (at <reliablelans.com>”) as required by paragraph 3. However, the Complainant states that its home page contains such a link to the Respondent's home page. In view of this, the Complainant contends that inasmuch as the Respondent's web site is the only one on the Internet with the Complainant's trademark in its URL, the failure of the Respondent to honor this portion of the agreement serves to obscure the Complainant's business presence on the Internet. As such, the Complainant's customers and sales prospects could be drawn to the Respondent's web site and, as a result, cause disruption and loss of revenue to the Complainant's business.

Consequently, the Complainant concludes that the Respondent's activities demonstrate bad faith registration or use of the disputed domain name pursuant to paragraph 4(a)(iii) of the Policy.

B. Respondent

1. Identicality

The Respondent does not deny that the disputed domain name is identical to the Complainant's trademark in which the Complainant has rights.

2. Rights and legitimate interests

The Respondent states that while the Complainant has rights to use its mark, these rights, by virtue of the settlement agreement, are not exclusive to the Complainant. In that regard, the Respondent states that the agreement permits both parties to simultaneously use the mark in different geographic areas. Specifically, the Complainant can service customers north of Maryland and the Respondent can do so for its customers south of Delaware. Thus, each party has valid trademark rights in the “LAN SOLUTIONS” mark.

Moreover, the Respondent states that the Complainant consented to Respondent's continued use of the domain name <lansolutions.com> through paragraph 4 of the Agreement, in which Complainant agreed to choose a similar, though different, domain name. The Respondent contends that the Complainant has chosen such a different name by adopting and using the domain name <lansolut.com>.

Accordingly, the Respondent states that, through the settlement agreement which conferred rights of

concurrent use of the mark on each party, the Respondent does have rights and legitimate interests in the disputed domain name. Hence, by showing it has rights and legitimate interests, under paragraph 4(a)(ii) of the Policy —the lack of which is a mandatory requirement to justify transfer, the Complaint must fail.

3. Bad faith use or registration

First, as to the lack of bad faith registration, the Respondent contends that it has superior rights over the Complainant to use the <lansolutions.com>domain name anywhere and the “LAN SOLUTIONS” service mark south of Delaware. Moreover, the Respondent contends that paragraph 3 of the settlement agreement does not place any restrictions on the adoption of the “.biz”domain name by the Respondent.

The Respondent notes that the Complainant had a prior registration for the mark “LAN SOLUTIONS”, i.e., registration 1,518,487 which issued on December 27, 1988 for use in conjunction with “mobile outlet services for the sale of computer equipment and consulting services in the field of computers”. The Respondent states, that while the Complainant

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alleged use of that mark since March 1988, this registration was canceled by the US PTO on July 3, 1995 because of the Complainant's failure to timely file a Statement of Use under §8 of the Lanham Act.

The Respondent has used the “LAN SOLUTIONS” service mark in valid interstate commerce since 1990 and filed a concurrent use service mark application for this mark on December 28, 1998 which was accorded serial number 75/612,513. This application was opposed by the Complainant. After the settlement agreement was reached between the Complainant and the Respondent over the joint and concurrent use of the underlying “LAN SOLUTIONS” domain name and mark, the Respondent voluntarily abandoned its own application on May 10, 2001.

The Respondent contends, that in view of the Complainant's consent to the Respondent's

concurrent use of <lansolutions.com>, any notion that the Respondent's registration of the disputed .biz domain name “would obscure Complainant's Internet presence and unfairly draw Complainant's sales prospects to Respondent's web site” is apparently without foundation. Hence, the Respondent states that it did not register the disputed domain name in bad faith.

In addition, the Respondent points to the Complainant's domain name <lansolut.com>, which, the Respondent avers that, in accordance with the settlement agreement, resolves to the Complainant's web site <reliablelans.com>.

Furthermore, the Respondent contends that the Complainant has no rights to use the disputed domain name, <lansolutions.biz>, for the simple reasons that: (a) the Complainant never took advantage of the intellectual property owner pre-reservation provisions of the “.biz” domain names, and (b) the “.biz” names are a first-come, first-serve service with, as set out above, the Respondent having valid service mark rights in the “LAN SOLUTIONS” domain name and mark. The Respondent simply filed for this name before the Complainant and was the first to be granted rights therein.

Also, the Respondent states that it has been using the “LAN SOLUTIONS” service mark for over 11 years.

Lastly, as to the missing link from the Respondent's home page to the Complainant's home page, the Respondent avers that it immediately added the link to the Complainant's site after being notified by the Complainant of its domain name. The Respondent contends that its delay in posting the link was due to its inability to identify the Complainant's site. The Respondent has provided a hard-copy of its home page, in Annex 9 to the Response, showing this link.

As such, the Respondent concludes that the Complainant has not proven that the Respondent's actions evidence bad faith use or registration under paragraph 4(a)(iii) of the Policy.

FINDINGS – FACTUAL BACKGROUND

A. The Complainant's registered mark

The Complainant owns a United States trademark/service mark registration for the mark

“LANSOLUTIONS” on which this dispute is based. A copy of the registration certificate for this mark, as issued by the US PTO, appears in Annex 5 to the Complaint, and a copy of the entry for this mark, from the US PTO Trademark Electronic Search System (TESS), appears in Annex 3 to the Response. This registration is currently active and predates the date on which the disputed domain name was registered.

LANSOLUTIONS (block letters)

US registration 2,160,706; registered May 26, 1998

This mark was registered for use in connection with: “Computer hardware and computer operating systems software” in International class 9, and “Installation and servicing of computers and computer networks” in international class 37. This mark claims first use and first use in inter-state commerce in both classes of March 3, 1998.

B. The Parties and their prior dealings concerning the mark

The Complainant is located in Princeton, New Jersey; the Respondent is located in Fairfax, Virginia. Both the Complainant and the Respondent operate under the mark “LAN SOLUTIONS” and provide highly similar goods and services to their respective customers and in their corresponding trade territories. In that regard, the Respondent provides design,

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installation, servicing and maintenance of computers and computer networks.

In that regard, the Complainant has been using the mark since 1988; the Respondent has been using it since 1990.

Previously, the Complainant had federally registered the mark “LAN SOLUTIONS” as US service mark registration 1,518,487, which issued on December 27, 1988 for use in conjunction with “mobile outlet services for the sale of computer equipment and consulting services in the field of computers”. This registration was subsequently canceled by the US PTO on July 3, 1995 for failure to timely file an affidavit/declaration of continued use, as required by §8 of the Lanham Act. (15 USC §1058). A copy

of the entry for this mark, as it appears in the TESS including its prosecution history, appears in Annex 4 to the Response.

Subsequently on July 2, 1997, the Complainant filed another trademark/service mark application. This one eventually issued as the 2,160,706 registration on May 26, 1998.

Thereafter, on December 28, 1998, the Respondent filed a concurrent use federal service mark application to register the mark “LAN SOLUTIONS”. This application was accorded serial number 75/612,513 and claimed first use and first use in commerce dates of December 31, 1990. A copy of this application, as filed, appears in Annex 5 to the Response. The US PTO published this mark for opposition on January 11, 2000. Shortly thereafter, the Complainant opposed this mark through an opposition, accorded serial number 117,312, it filed in the US PTO on February 9, 2000. A copy of the Notice of Opposition appears in Annex 7 to the Response. Through the opposition, the Complainant cited its own trademark/service mark registration 2,160,706 — on which the present dispute is based. The notice of opposition states, in pertinent part and in paragraphs 14–17 thereof:

“14. The services provided by Applicant [the Respondent here], namely installation, repair and maintenance of computers and computer networks are identical to the services of the Opposer [the Complainant here] under its mark

15. Opposer is not connected in any way with the services offered by Applicant under the mark 'LAN SOLUTIONS', and use of Applicant's mark is without Opposer's consent or permission, yet the mark of the Applicant leaves substantially the same commercial impression as a service related to those provided under Opposer's mark

16. Accordingly, Applicant's mark, when used in conjunction with the services of Applicant set forth in Application Serial No. 75/612,513, so resembles the mark of Opposer and is for identical services to those provided by the Opposer so as to cause confusion or cause mistake, or to deceive as to the source of origin or sponsorship of Applicant's services.

17. Furthermore, registration of Applicant's mark on the Principal Register of the United States Patent and Trademark Office would presumptively give to the Applicant *prima facie* exclusive ownership and rights to the same and would therefore cause confusion and uncertainty in the trade and handicap and damage the legitimate present and future activities of the Opposer,

LANSOLUTIONS, by placing Applicant in a position to raise doubts as to the right of Opposer to use its mark ... in connection with its services. As a result, the Opposer's mark will eventually be diminished, diluted and deprived of all distinctiveness, since Applicant's use will blur Opposer's mark and service identification.” [emphasis in original]

In view of the opposition, the Parties decided to settle their differences and, in so doing, entered into the settlement agreement. This agreement, a copy of which appears in each of Annex 3 to the Complaint and Annex 2 to the Response, was executed by the Complainant on March 20, 2001 and by the Respondent on April 18, 2001. The agreement provided for joint and concurrent use of the mark “LAN SOLUTIONS” by both Parties in exchange for which the Respondent expressly abandoned its concurrent use application (a copy of the express abandonment, with the Complainant's written consent — as required by 37 CFR 2.135 — and as filed on April 19, 2001, also appears in Annex 5 to the Response). The express abandonment effectively terminated the opposition, as indicated by a copy of an order (a copy of which appears in Annex 7 to the Response) of dismissal without prejudice issued by the US Trademark Trial and Appeal Board.

The salient provisions of the settlement agreement are as follows:

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“1. LAN SOLUTIONS [Respondent] and PRINCETON [Complainant] agree that their respective marks can coexist in the market place because of the differences in the geographic areas of use of their respective marks and provided that each party abides by the terms of this agreement;
2. LAN SOLUTIONS hereby agrees and consents to the use and federal registration of PRINCETON's mark LANSOLUTIONS provided that the terms of this agreement are followed by PRINCETON;

...

4. PRINCETON agrees that LAN SOLUTIONS may keep and continue to use its current domain name lansolutions.com without interference from PRINCETON and PRINCETON agrees to choose a similar, but different, domain name which will not be contested or interfered with by LAN

SOLUTIONS;

5. PRINCETON agrees not to serve customers with principal offices south of the State of Delaware without LAN SOLUTIONS' prior approval and LAN SOLUTIONS agrees not to serve customers with principal offices north of the State of Maryland without PRINCETON'S prior approval provided that such approval shall not be unreasonably withheld and each party is permitted to serve the branch offices of their clients wherever they are located;

...

7. Upon the execution of this agreement LAN SOLUTIONS agrees to expressly abandon its concurrent use service mark application with the consent of PRINCETON under rule 2.135 and agrees not to file another federal trademark application with the word LAN SOLUTIONS or otherwise interfere with PRINCETON's trademark rights in the word LAN SOLUTIONS while PRINCETON, or its successors in interest, have rights in the LAN SOLUTIONS mark;”.

Subsequent to the date of this agreement, the Complainant registered the domain name <lansolut.com>, which resolves to the Complainant's web site at <reliablelans.com>.

On November 19, 2001, the Respondent registered the disputed domain name <lansolutions.biz> with the Registrar. A copy of the WHOIS registration record for this name appears in Annex 1 to the Complaint.

The Complainant did not utilize the intellectual property owner pre-reservation provision for the “.biz” registry as provided by NeuLevel.

On December 10, 2001, The Complainant timely filed its STOP Complaint (ticket number Q4CNj23349c8133, challenge priority 1) with The Forum to challenge the Respondent's registration of the disputed domain name, and to which the Respondent has timely responded.

DISCUSSION

Paragraph 15(a) of the STOP 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.”

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

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

Substantial commonality exists between the ICANN policies governing both the Uniform Domain Name Dispute Resolution Policy (“UDRP”) and STOP proceedings. While relatively few, if any, STOP decisions having been rendered to date, a corpus of several thousand UDRP decisions currently exists and which provides very useful guidance for many of the same issues that arise under STOP. Hence, the Panel, where appropriate and pursuant to paragraph 15(a) of the STOP Rules, will exercise its discretion and rely on relevant UDRP decisions as applicable precedent here.

Identity/Complainant's rights in its mark

Under the STOP proceedings, a STOP complaint, as here, may only be filed where the

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disputed domain name is identical to a trademark or service mark for which a complainant has registered an Intellectual Property (IP) claim form. Therefore, every STOP proceeding necessarily involves a disputed domain name that is identical to a trademark or service mark in which a complainant asserts rights. The existence of the “.biz” generic top-level domain (gTLD) in the disputed domain name is not a factor, and hence is to be ignored, in determining whether a disputed domain name is identical or not to the mark in which the Complainant asserts rights. In that regard, UDRP panels — including this one — have repeatedly and uniformly held that gTLDs are to be ignored in assessing confusing similarity/identity under paragraph 4(a)(i) of the UDRP. See, e.g., *Ticketmaster Corporation vs. DiscoverNet, Inc.* D2001-0252 (WIPO Apr. 9, 2001) and *Ticketmaster Corporation v. Dmitri Prem,*

D2000–1550 (WIPO Jan. 16, 2001).

Therefore, as a threshold matter, identity between the Complainant's mark and the disputed domain name should never be an issue in a STOP proceeding. It certainly is not here.

Given this, the Panel faces the question as to whether the Complainant has rights in the mark “LANSOLUTIONS”; if it does not, the Complaint must be dismissed.

Clearly, by virtue of its active federal registration for the mark “LANSOLUTIONS”, the Complainant has rights in this mark. The Panel has no reason, based on the very limited record before it, to doubt the validity of the Complainant's registration or, even in the absence of its federal registration, its trademark rights that arise out of common law usage of its mark since 1988.

Hence, the Panel finds that the disputed domain name meets the requirements of paragraph 4(a)(i) of the Policy.

However, as a result of the settlement agreement which expressly permits concurrent use of the mark by both the Complainant and the Respondent, the Complainant's rights are not completely exclusive to it but are shared with the Respondent, each possessing exclusive rights to use this mark in a different geographic area. In that regard, pursuant to paragraph 5 of the agreement, the Complainant is granted the exclusive right to use the mark north of the State of Maryland, while the Respondent has identical rights but only located south of the State of Delaware.

Rights or Legitimate Interests

The Panel's inquiry now turns under the Policy to assessing whether the Respondent has rights and legitimate interests in the disputed domain name. If the Respondent has such rights and legitimate interests, then, under paragraph 4(a)(ii) of the Policy, the Panel must dismiss the Complaint and permit no subsequent challenges, as against this Respondent, to the disputed domain name. Alternatively, if the Respondent does not possess any rights or legitimate interests, the Panel directs its inquiry, under paragraph 4(a)(iii) of the Policy, to determining whether the Respondent has registered or is using the disputed domain name in bad faith.

Here, the question of whether the Respondent has rights and legitimate interests will be greatly influenced by the intent of the Parties as manifested by the concurrent use provision set forth in the settlement agreement to which the Parties have voluntarily agreed and the affect of that use on Internet users.

This Panel believes that the STOP, like the UDRP, at its core is directed to protecting Internet users from confusion and does so by providing a corrective mechanism which redresses conduct that otherwise would cause Internet users to be confused, deceived or mistaken as a result of intentional misuse or non–use of domain names that incorporate trademarks to the detriment of the trademark owner.

Concurrent use of marks through a traditional, non–Internet modality, in connection with goods and/or services has essentially the same ultimate objective: prevent consumer confusion. However, it does so through an equitable resolution of a conflict between federal recognition of the rights of two users of a common mark in different territories, while at the same time insuring against a likelihood of confusion of buyers when two sellers use the same mark. Thus, an equitable balance must be struck between the competing interests of trademark users and the buyers of goods and services. See *McCarthy on Trademarks and Unfair Competition*, §20.84 “Rules of Concurrent use cases: avoiding confusion”, pages 20–143 to 20–149. In *In re Beatrice Foods* 166 USPQ 431 (CCPA 1970) the Circuit Court of Customs and Patent Appeals stated at

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page 436 and in the context of issuance of a concurrent use registration: “The touchstone, however, is the requirement that there be no likelihood of confusion, mistake or deception in the market place as to the source of the goods resulting from the continued concurrent use of the trademark. Only in satisfying this standard, can the Patent Office be sure that both the rights of the individual parties and those of the public are being protected.” Later, in *Amalgamated Bank of New York v. Amalgamated Trust and Savings Bank* 842 F.2d 1270, 6 USPQ2d 1305 (Fed. Cir. 1988), the Federal Circuit (successor court to the CCPA) emphasized that “a territorial consent agreement is weighty evidence. An agreement by the parties that delineates their respective territories of use and consents to a concurrent registration is

entitled to 'great weight'". Specifically, the Court stated, citing to its seminal decision in *E.I. duPont de Neumours & Co.* 177 USPQ 563 (CCPA 1973), and to *Bongrain Int'l Corp. v. Delice de France Inc.*, 1 USPQ2d 1775 (Fed. Cir. 1987):

“The legislative history of the Lanham Act indicates that one of the mainstays of trademark law is the encouragement of registrations in order to protect the owners of valid trademarks in the marketplace. Section 1052 clearly states that “[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature ...” then continuing to outline the exceptions to this rule. 15 U.S.C. §1052. One of the exceptions to the blanket rule of registration is whether a likelihood of confusion exists between the marks. *Id.* at §1052(d). But in assessing the likelihood of confusion, several factors play pivotal roles. Among them is whether the parties whose marks are in question have agreed, in some form, to memorialize methods of avoiding confusion. *DuPont*, ... 177 USPQ at 568. This memorialization or agreement is viewed in light of the parties' interests and the prevailing marketplace. The majority in *DuPont* best summarized the state of the law regarding such agreements:

The weight to be given more detailed agreements ... should be substantial.

....

Thus when those most familiar with use in the marketplace and most interested in precluding confusion enter agreements designed to avoid it, the scales of evidence are clearly tilted. It is at least difficult to maintain a subjective view that confusion will occur when those directly concerned say it won't. A mere *assumption* that confusion is likely will rarely prevail against uncontroverted evidence from those on the firing line that it is not. [Emphasis in original.] *Id.*, ... 177 USPQ at 568. See also *Bongrain*, ... 1 USPQ2d at 1777”.

Non-Internet based use of marks is susceptible to geographic limitations inasmuch as each of two (or more) concurrent users can simply agree — as the Complainant and Respondent have done here through paragraph 5 of the settlement agreement — to not use the mark in the trade territory of the other. Consumer confusion is ameliorated by the simple expedient of all users contractually agreeing to limit their geographic use of the mark; hence, any one user in any given territory should see the mark in conjunction with just those goods or services provided by the user having the right to exclusively use the mark in that particular territory.

However, domain names can not be geographically restricted and are not susceptible to allocation to a one territory to the exclusion of others. While each domain name is necessarily unique in order to resolve to one and only one web site, nevertheless a web server for that site can be geographically located anywhere in the world where Internet access is available. Any Internet user located anywhere in the world is able to reach the single corresponding web site by entering its domain name into a browser — regardless of whether the server for that site is located a few miles away from that user or half-way around the world.

It is those Internet users whom, ultimately, this Panel must protect. Where a single entity owns a mark and another entity, in the form of an abusive cybersquatter, has no license, authorization or permission from the former to use that mark in any fashion but nevertheless incorporates that mark into a domain name, the interests in preventing confusion of Internet users who are exposed to the name incorporating that mark lie coincident with those of the trademark owner. However and consistent with the Court's view in *In re Beatrice Foods*, cited supra, in concurrent use situations, as

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here that involve the use of a disputed domain name claimed by two legitimate concurrent users of a common mark, the Panel believes that the competing rights of each of the trademark users must be equitably balanced not only against each other but also, and of crucial importance, in a manner that prevents confusion of Internet users who will utilize that name to reach a corresponding but single web site. Unlike conventional goods and services, where properly defined geographic boundaries can often suffice to provide requisite isolation sufficient to mitigate a future likelihood of consumer confusion, a domain name can not be so restricted. Simply stated, either one, but not both, of the two legitimate concurrent users of the mark gains the right to the domain name. The question then simply reduces itself to: which one?

Where concurrent users, charged, as here, with knowledge of their own market places, have contractually agreed amongst themselves as to how their collectively exclusive trademark rights, including the right to use a domain name incorporating the mark, are to be divided amongst themselves to ameliorate confusion from occurring, the Panel, consistent with the Federal Circuit's view in

Amalgamated Bank of New York, also cited *supra*, will greatly defer to that contractual scheme.

[2] The settlement agreement itself between the Complainant and the Respondent is totally silent as to whether the Complainant or the Respondent has exclusive rights in using the mark with a “.biz”gTLD, i.e., the agreement neither authorized nor prohibited either party from using the mark in that fashion. However, the intent of the agreement is unmistakably clear. Both the Complainant and the Respondent, by the clear and express language of the agreement, manifested a collective intent to institute a concurrent use arrangement that minimized confusion of their respective consumers both on and off the Internet. In doing so, the agreement established a mechanism through which both the Complainant and the Respondent limited their geographic service areas under which each promoted its service offerings under the mark “LAN SOLUTIONS” and permitted the Respondent to continue using the mark “LANSOLUTIONS” in its domain name, as <lansolutions.com>. Implicitly, the parties recognized that, given the characteristics of domain name usage as an Internet address, only one of them but not both could utilize that particular domain name. By their voluntary agreement, the Complainant acquiesced and permitted the Respondent to continue its use of this name.

As part of this chosen mechanism, as expressed in paragraph 4 of the agreement, the Complainant agreed to “choose a similar, but different, domain name” to that which the Respondent then held, i.e., <lansolutions.com>. The Complainant then did so by choosing <lansolut.com> which it set to resolve to the Complainant's web site at <reliablelans.com>. At the time this agreement was executed in the March–April 2001 timeframe, certainly other gTLDs were then in use, e.g., “.org” and “.net”. Had the Complainant, in spite of its intention to ameliorate consumer confusion, intended to expressly reserve to itself the use of the “LANSOLUTIONS” mark as a domain name but with a different gTLD than “.com”, it stands to reason that it would have expressly stated as much in the agreement. It simply chose not to do so.

Given this, there can be no question in this Panel's mind, that should the Complainant start using the disputed domain name, <lansolutions.biz> in connection with its Internet site, then those Internet users who seek the Respondent's site, but who inadvertently enter a “.biz”gTLD rather than a “.com” gTLD, will be diverted to the Complainant's site instead of the Respondent's site. This, in turn, will cause those

users to be confused which is the very result which the Parties through their settlement agreement deliberately attempted to prevent and those users which this Panel must ultimately protect in balancing the competing interests in the disputed domain name and assigning that name between the Complainant and the Respondent.

The Respondent, through its continued use of the “LANSOLUTIONS” mark as a second level domain, in connection with its service offering, commencing well prior to this dispute and with the Complainant's permission to continue doing so, has developed a web presence through that name and hence has likely become known by it. In assessing the existence and significance of such a web presence, the Panel must, as it does in assessing confusing similarity under the UDRP, ignore the gTLD as being a distinction which is de minimus to Internet users.

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Accordingly, a concurrent use agreement, as here which is silent as to use of the disputed domain name, must be interpreted in a manner that mitigates not enhances confusion of Internet users. The Panel can not countenance use of a disputed domain name by a concurrent user of a mark if that party's use will likely aggravate Internet user confusion. The Panel sees no reason, in the context of interpreting this agreement and effectuating the intent of the Parties, to treat the “.biz” gTLD any differently than the “.com”gTLD. In short, the Complainant will simply be held to its bargain—a bargain which it voluntarily agreed—where to do otherwise lies contrary to the interests of the Internet user community at large.

Thus, this Panel concludes that the Respondent has rights and legitimate interests in the disputed domain name under paragraph 4(a)(ii), and specifically any of paragraphs 4(c)(i–iii), of the Policy.

Registration or Use in Bad Faith

Inasmuch as the Panel believes, as discussed above, that the Respondent was acting within the confines of its settlement agreement when it registered the disputed domain name and continued using it, the Panel finds that the Respondent's actions do not evince bad faith use or registration of the disputed

domain name under paragraph 4(a)(iii) of the Policy.

DECISION

In accordance with paragraphs 10 of the Policy and 15 of the STOP Rules:

(a) the relief sought by the Complainant is hereby *denied*; and

(b) the relief requested by the Respondent is hereby *granted*, i.e., the Panel orders that the Complaint be *dismissed*.

Further, inasmuch as the Panel finds that the Respondent does have rights and legitimate interests in the disputed domain name, the Panel orders that *no* subsequent STOP challenges to this domain name, as against the present Respondent, will be permitted.

**- End of Case -
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