

Lockheed Martin Corp. v. Skunkworx Custom Cycle, 74 USPQ2d 1486 (WIPO 2005)

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Lockheed Martin Corp. v. Skunkworx Custom Cycle

World Intellectual Property Organization

No. D2004-0824
Decided January 18, 2005

Headnotes

TRADEMARKS AND UNFAIR TRADE PRACTICES

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

Respondent's "skunkworxcc.com" Internet domain name is sufficiently similar to complainant's "Skunk Works" trademark to cause confusion, since "skunkworx" element of domain name is

phonetically equivalent to term

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“skunk works,” and neither minor differences in spelling, nor addition of “cc” suffix, render domain name sufficiently distinct from complainant's mark to avoid confusion among Internet users, and since such confusion would cause users intending to access complainant's Web site, but who instead reach respondent's site through disputed domain name, to incorrectly believe that affiliation of some sort exists between complainant and respondent.

[2] Acquisition, assignment, and maintenance of marks — Acquisition through use — Priority of use (§305.0503)

Respondent in Internet domain name dispute resolution proceeding has rights and legitimate interests in “skunkworx.com” domain name, since record shows that respondent chose domain name to reflect name of its business, “The Skunkworx Custom Cycle,” since respondent registered domain name to establish companion Web site in furtherance of its custom motorcycle business, since respondent posted its site after receiving cease-and-desist letter from complainant, and has continued to invest heavily in its business until present time, since record shows that respondent made demonstrable preparations for use of domain name in connection with bona fide offering of services, and that respondent ultimately offered such services and continues to do so, and since respondent has shown that it has gained significant reputation, and concomitant name recognition, throughout custom motorcycle industry under its “Skunkworx Custom Cycle” trade name, which is directly reflected in its domain name.

[3] Infringement; conflicts between marks — Defenses — Fraud or unclean hands (§335.1009)

Complainant in Internet domain name dispute resolution proceeding does not have unfettered right to prohibit all third-party use of its trademark in domain name, but only such use as constitutes cybersquatting under Uniform Domain Name Dispute Resolution Policy, and UDRP jurisprudence

draws boundary between aggressive enforcement of rights in trademark, which is permitted, and conduct amounting to harassment and abuse of administrative process, which constitutes reverse domain name hijacking; in present case, complainant's aggressive enforcement of its "Skunk Works" mark is not sufficiently egregious to constitute reverse domain name hijacking, even though complainant has failed to show that respondent lacks rights or legitimate interests in disputed "skunkworxcc.com" domain name, or that respondent registered and used domain name in bad faith.

Case History and Disposition

Administrative proceeding pursuant to Uniform Domain Name Dispute Resolution Policy of Internet Corporation for Assigned Names and Numbers, in which complainant Lockheed Martin Corp. seeks transfer of disputed domain name "skunkworxcc.com" from respondent The Skunkworx Custom Cycle to complainant. Complaint denied.

Attorneys:

Duane Morris, Hamilton, N.J., for complainant.

Bricker & Eckler, Columbus, Ohio, for respondent.

Opinion Text

Opinion By:

Michaelson, panelist.

1. The Parties

The Complainant is Lockheed Martin Corporation of Bethesda, Maryland, United States of America, represented by Duane Morris LLP of Hamilton, New Jersey, United States of America.

The Respondent is The Skunkworx Custom Cycle of Columbus, Ohio, represented by Bricker & Eckler LLP of Columbus, Ohio, United States of America.

2. The Domain Name and Registrar

The disputed domain name <skunkworxcc.com> is registered with Register.com.

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 by the World Intellectual Property Organization Supplemental Rules for Uniform Domain Name Dispute Resolution Policy in effect as of December 1, 1999 (the “Supplemental Rules”).

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The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) in e-mail form on October 7, 2004, and in hard-copy form on October 11, 2004, along with Annexes 1-9.

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

After receiving the Complaint, the Center, in accordance with Paragraph 5 of the Supplemental Rules, determined whether that Complaint fully complied with the formal requirements of the Rules and the Supplemental Rules. In that regard, on October 8, 2004, 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 the 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 October 11, 2004, 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, confirmed that Register.com is the registrar of that name, stated that: it had received a copy of the Complaint, the Policy applied to the disputed domain name, the language of the underlying registration agreement for the name is English and the name was then held in a “locked” status. The Registrar also informed the Center that the Respondent, through the registration agreements, had submitted to the jurisdiction at the location of the principal office of the Registrar for court adjudication of disputes concerning or arising from the use the disputed domain name.

On October 13, 2004, the Center notified the Respondent of the filing of the Complaint, including an indication that the Center was forwarding a complete copy of the Complaint, by courier, facsimile and e-mail (the latter two without the Exhibits), to the Respondent. Specifically, the Center separately provided its notice along with the Complaint, by courier, facsimile and e-mail, to the Respondent's domain name registrant, technical, administrative and zone contacts as set forth in the WhoIS record for the disputed domain name. In addition and also on October 13, 2004, the Center forwarded a copy of the Complaint (with the annexes) to the Registrar. 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 the Respondent having occurred on October 13, 2004, 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, in detail, 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.

The Respondent was then provided with a 20-calendar day period, expiring on November 2, 2004, to file its Response with the Center and serve a copy of the Response on the Complainant.

Subsequently, the Respondent timely filed its Response with the Center by e-mail on November 2, 2004, and in hard-copy form on November 4, 2004, along with Annexes 1-19.

Accordingly, pursuant to the Rules and Supplemental Rules, by e-mail letter dated November 30, 2004, the Center contacted the undersigned, Mr. Peter L. Michaelson requesting his service as a Sole Panelist for this dispute. Subsequently, on December 1, 2004, 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 e-mail letter dated December 3, 2004, notified the parties of the appointment of Mr. Michaelson as sole panelist.

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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 December 17, 2004.

Subsequently, on December 6, 2004, the Complainant's counsel requested, through an e-mail message to both the Center and the Panel, permission from the Panel to file a limited Reply. The purpose of the Reply, as set forth by counsel, was to: (a) rebut factual issues and arguments raised by the Respondent in its Response and which could not be anticipated at the time the Complaint was filed, and (b) to bring relevant legal authority to the attention of the Panel. After considering this request, the Panel, on December 7, 2004, issued Procedural Order No. 1 through the Center which granted the request in part and denied it in part. Specifically, the Panel granted, pursuant to its authority under Rule 12 of the Supplemental Rules, counsel's request to file a limited Reply and set December 14, 2004, as a deadline for that submission. To expedite matters, the Panel instructed counsel to file the Reply, both in hard-copy and electronic form, not only with the Center but also simultaneously and directly with the Panel. As to counsel's request to bring any further relevant legal authority to the Panel's attention, the Panel permitted counsel to do so but only for such authority which counsel would have received by December 14, 2004, and only then to the extent a copy of that authority and any accompanying comments, if any, were included within the Reply. The Panel also provided Respondent's counsel with

an opportunity to file a Sur-reply by December 21, 2004, both in hard-copy and electronic form with the Center and simultaneously and directly with the Panel. The Panel stated that the Sur-reply would be limited to addressing those issues set forth in the Reply but also invited the Respondent to comment, to the extent it deemed appropriate, in the Sur-reply, on any authority which the Complainant's counsel raised in the Reply. In view of these additional submissions, the Panel extended the due date of the decision from December 17, 2004, to January 3, 2005.

On December 10, 2004, the Respondent's counsel requested, through an e-mail message both to the Center and the Panel, an extension of time until December 30, 2004, to file the Respondent's Sur-reply. Later that day, the Panel issued, through the Center, Procedural Order No. 2, through which the Panel granted this request and also re-set the due date of the decision from January 3, 2005, to January 11, 2005. The Panel also stated in its order that no further extensions of time would be permitted, and all other aspects of Procedural Order No. 1 would remain in effect.

Later on December 10, 2004, and through an e-mail message, Complainant's counsel requested the Panel to clarify one aspect of Procedural Order No. 2. Specifically, counsel inquired whether submitting the Reply by midnight on December 14, 2004, would be considered timely. Later that day, the Panel, through an e-mail message directed to the Center, stated that it would consider a submission by midnight on December 14, 2004, as timely. The Center relayed the Panel's clarification by its e-mail dated December 13, 2004, to all counsel.

Owing to various unexpected circumstances including a number of unforeseen time conflicts which the Panel would have otherwise experienced, the Panel extended the due date for its decision from January 11, 2005 to February 4, 2005.

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

The language of this proceeding is English.

4. Factual Background

A copy of the WhoIS registration records for the disputed domain name appears in Annex 1 to the Complaint. As indicated on these records, the Respondent registered that name on December 24,

2000.

A. Complainant's SKUNK WORKS Marks

The Complainant owns numerous United States and foreign trademark registrations for the mark SKUNK WORKS in block letter form (collectively the “SKUNK WORKS Marks”) and on which this dispute is based. The Complainant has provided, on pages 5-6 of the Complaint, a table listing its eleven United States trademark registrations along with, in Annex 3, hard-copy versions of the registration certificates for all these registrations. Further, the Complainant has provided a table, in Annex 4 of the Complaint, listing its 39 foreign registrations counterpart to its United States registrations. An illustrative sample of three of its United States trademark registrations is as follows:

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(a) SKUNK WORKS (block letters) United States registration 2,652,258; registered November 19, 2002

This mark was registered for use in connection with “manufacturing products for others, namely, missiles, land vehicles, aircraft, boats, missile launchers, satellites, shuttle vehicles, telescopes, weapons, frigates, navigational systems, reconnaissance systems, targeting systems and information systems” all in international class 40. This mark claims a date of first use and first use in inter-state commerce of March 31, 1945.

(b) SKUNK WORKS (block letters) United States registration 2,621,790; registered September 17, 2002

This mark was registered for use in connection with “blank magnetic data carriers, computer disks, namely, floppy disks and hard disks; calculators; data processors and computers; fire extinguishers; computer hardware peripherals, namely mouse pads; decorative refrigerator magnets; pre-recorded video cassettes featuring military aviation history, military and commercial aircraft, and defense industry

related content; and satellites; computer hardware and software for commercial and military use in the fields of navigation, reconnaissance, weapon targeting and telecommunications”, all in international class 9. This mark claims a date of first use and first use in inter-state commerce of March 31, 1968.

(c) SKUNK WORKS (block letters) United States registration 1,161,482; registered July 14, 1981

This mark was registered for use in connection with: “engineering technical consulting and advisory services with respect to designing, building, equipping, and testing commercial and military aircraft and related equipment” in international class 42. This mark claims a date of first use and first use in inter-state commerce of June 23, 1943.

As will be relevant to the discussion below, of all of the Complainant's registered SKUNK WORKS Marks, only the '258 registration (abstracted as illustrative mark (a) above) — which is the most germane of all these registrations to the present dispute — makes mention of “land vehicles” and then only in the context of the recited services, in international class 40, of “manufacturing products for others, namely ... land vehicles.”

Furthermore, the Complainant is actively involved in licensing others to use its mark SKUNK WORKS on products, apparently including a wide variety of consumer goods, other than those for which a trademark registration, whether in the United States or abroad, has been obtained.

In addition, the Complainant owns a large number of domain names, at least 89, each of which contains the term SKUNK WORKS or a spelling variant thereof.

B. The Complainant's Activities

The Complainant principally researches, designs, develops, manufactures, operates and supports advanced technology systems, products and services. It serves customers in domestic and international defense, civil and commercial markets, with its principal customers being agencies of the United States Government. In that regard and for 2003, approximately 78% of the Complainant's net sales were made to the United States Government, either as a prime contractor or as a subcontractor. Approximately 16% of its 2003 net sales were made to foreign governments (including foreign military

sales). Approximately 6% of its 2003 net sales were made to commercial customers (mainly launch services, satellites and information technology services). See, the Complainant's 2003 Form 10-K, a copy of which appears in Annex 18 to the Response.

The SKUNK WORKS Marks represent the goodwill of the Complainant as being associated with the birthplace of various famous and illustrious military aircraft, including the U-2 high-altitude plane, the SR-71 high-speed jet and the F-117 NIGHTHAWK fighter jet. In addition, these marks have been used to identify the Complainant as the source of other technical services and many products.

The Complainant's SKUNK WORKS division and the goods and services produced therein have been the subject of numerous books, articles and television programs, including the books *Skunk Works*, by Ben R. Rich and Leo Janos (Little, Brown & Co., © 1996); *Lockheed Martin's Skunk Works*, by Jay Miller (Specialty Press, © 1996); and *Lockheed Secret Projects: Inside the Skunk Works*, by Dennis Jenkins (MBI, ©2001). (Annex 6 to the Complaint contains a hard-copy printout of search results, performed by the Complainant on October 5, 2004, on the Amazon.com web site which indicates that these books are still in print).

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A small sampling of many newspaper and magazine articles that have referred to the mark SKUNK WORKS is provided in Annex 7 to the Complaint. This sample is limited to a selection of those from popular sources operating mainly outside the field of aviation and aeronautics; the number of references within that field is just too abundant. Specifically, the sampled articles are from *Fortune*, *Business Week*, and *People* magazines as well as from The Miami Herald. Dating from 1985, to the present, these articles speak of the “famous,” “well-known,” “celebrated” and “fabled” Lockheed Martin Skunk Works Division. On October 4, 2004, an obituary of Willis M. Hawkins, designer of the C-130 HERCULES transport plane, appeared in *The Miami Herald* and referred to “Lockheed's famous ‘Skunk Works’ operation.” *Fortune* magazine's June 28, 2004 issue contained an article by Stuart F. Brown entitled “Mine's Faster Than Yours; Planemakers are trying to hatch an aircraft that no mogul

could do without.”

The Complainant has used and registered its mark SKUNK WORKS over a wide geographic area and has successfully enforced that mark through four prior UDRP administrative proceedings (copies of the corresponding WIPO panel decisions are included in Annex 5 to the Complaint). Furthermore, this Panel issued a decision in another such proceeding involving this Complainant, specifically *Lockheed Martin Corporation v. Deborah Teramani*, WIPO Case No. D2004-0836 (December 1, 2004) (a copy of which appears in Annex S-6 to the Reply).

The Complainant has not authorized the Respondent to register or use any domain name incorporating the mark SKUNK WORKS or any variant of it. Furthermore, the Respondent is neither connected to nor affiliated with the Complainant's business in any way, nor is the Respondent licensed to use a variant of the mark SKUNK WORKS.

C. The Respondent's Activities

The Respondent, starting in November 2000 and continuing to the present, provides motorcycle customization and detailing services under its mark THE SKUNKWORX CUSTOM CYCLE. See Annex 6, and particularly page 3 thereof, to the Response which contains a hard-copy printout of the home page of the Respondent's web site, as it appeared in February 2001, which stated that the Respondent started its business in November 2000, under its mark THE SKUNKWORX CUSTOM CYCLE. The Respondent's use of this mark prior to February 16, 2001, is shown by the Mays and Mullins affidavits, and various invoices — copies of all of which appear in Annex 7 to the Response. This mark, evolved into its present form, includes the text THE SKUNKWORX CUSTOM CYCLE surrounding a logo which depicts a skunk with a curved, raised tail. The Respondent also uses this mark on its web site and elsewhere to promote its services.

The Respondent, through its 2001 web site content — a hard-copy printout of the salient pages appears in Annex 6 to the Response, made no connection between it and the Complainant. Since February 2001, the Respondent continued to use the disputed domain name and, in conjunction with that name, developed its web site and business. Specifically, the Respondent has spent a substantial amount of money to develop its web site and to market its goods and services under its mark and the

disputed domain name. Furthermore, the Respondent developed considerable goodwill in its name and mark and has gained notoriety in its industry, as signified by various awards (some of which are shown in Annex 15 to the Response) which the Respondent's customized motorcycles have won over the intervening years.

The Respondent makes no sales to the United States Government, no sales to foreign governments or foreign militaries, and no sales to commercial customers such as launch services, satellites, or information technology services.

D. Interactions between the Parties

On or about February 16, 2001, the Respondent received its first cease-and-desist letter from the Complainant's counsel at the time. A copy of this letter appears in Annex 3 to the Response. Over 3 1/2 years later and on September 14, 2004, the Complainant, through its present counsel, sent a second cease and desist letter (a copy of which appears in Annex 16 to the Response) to the Respondent. Curiously and, for reasons unknown to Panel from the record, Annex 9 to the Complaint contains a copy of a letter dated September 9, 2004, which, other than the date, is identical to the September 14th letter, and which the same counsel asserts it sent to the Respondent.

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Through the second letter — regardless of its date, the Complainant's counsel demanded that the Respondent transfer the disputed domain name to the Complainant and set a ten-day period within which the Respondent could accept counsel's demands and avoid any further action being taken against it.

Counsel for the Respondent replied by letter of October 12, 2004 (a copy of which appears in Annex S-8 to the Reply) through which he pointed to the Respondent's continuous use of the disputed domain name since the fall of 2000, that the term “skunkworks” is rather descriptive and the Respondent's use of that term, including within the disputed domain name, is entirely consistent with that

descriptive meaning, hence negating any claim that the domain name is confusingly similar to the Complainant's SKUNKWORKS Marks. However, on October 11, 2004 — obviously prior to the receipt of the October 12th letter from the Respondent's counsel, the Complainant's counsel filed the present Complaint. On October 15, 2004, the Complainant's counsel sent a letter to the Respondent's counsel in response to the October 12th letter. Complainant's counsel, through her October 15th letter (a copy of which appears in Annex 17 to the Response), expressed the Complainant's willingness to settle the dispute if the Respondent would agree to suitably change its name and transfer the disputed domain name to the Complainant, and Respondent's counsel would so communicate that back to the Complainant's counsel within the span of a week's time.

5. Parties' Contentions

The record before the Panel consists of rather voluminous submissions which raised a veritable bevy of fervently contested issues that ran a gamut from, on the one hand, those which strike at the kernel of the dispute to, on the other, those which are rather tangential and inconsequential. For the sake of brevity and judicial economy, the Panel will only present a summary from the pleadings of what it views as the principal issues in contention.

A. The Complaint

(i) Identical or Confusingly Similar

The Complainant contends that the disputed domain name is confusingly similar to the Complainant's SKUNK WORKS Marks.

Specifically, the Complainant states the disputed domain name contains the term “skunkworx” which is phonetically equivalent to the Complainant's mark SKUNK WORKS so as to cause user confusion. In that regard, the Complainant points to various administrative decisions in which UDRP panels have held that the terms “worx” and “wrx” are phonetically equivalent to the term “works.” See *Lockheed Martin Corp. v. Reid Harward*, WIPO Case No. D2000-0799 (November 1, 2000) and *Lockheed Martin Corporation v. Skunk Wrx LLC*, WIPO Case No. D2004-0431 (August 17, 2004).

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

(ii) Rights or Legitimate Interests

The Complainant contends that the Respondent has no rights or legitimate interests in the disputed domain name pursuant to paragraph 4(a)(ii) of the Policy.

Specifically, the Complainant states that the Respondent has never been authorized to register or use any domain name incorporating the SKUNK WORKS Marks or any variant of those Marks. Hence, by registering the disputed domain name, the Respondent violated the exclusive rights which the Complainant has in those Marks.

Moreover, the Complainant contends that since: (a) the Respondent's web site, at least in early September 2004 (as indicated in the hard-copies provided in Annex 8 to the Complaint) included express references to the Complainant's "Skunk Works" operations, and (b) the Respondent registered the disputed domain name on December 24, 2000, which occurred decades after the Complainant started using its mark SKUNK WORKS and some time after the Complainant had obtained 11 trademark registrations from the United States Patent and Trademark Office ("USPTO") and 2 Community Trade Mark registrations from the Office for Harmonization in the Internal Market ("OHIM"), then the Respondent had actual knowledge of the Complainant's mark when it registered that domain name.

Moreover, the Complainant contends that the Respondent clearly is not commonly known by the disputed domain name, and, to the extent the Respondent is so known, the adoption of that name was unauthorized and a

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violation of the Complainant's trademark rights, particularly since that name incorporates the Complainant's well-known mark.

Lastly, the Complainant contends that the Respondent is not making any legitimate non-commercial or fair use of the disputed domain name.

(iii) Registered and Used in Bad Faith

The Complainant contends that, for various reasons, the Respondent has registered and is now using the disputed domain name in bad faith.

First, the Complainant contends that it has well-documented trademark rights long prior to the date on which the Respondent registered the domain name.

Further, the Complainant states that the Respondent is using the disputed domain name with respect to custom built motorcycles (as indicated by hard-copy printouts of various pages of the Respondent's web site provided in Annex 8 to the Complaint). The Complainant points to its '258 registration which recites, among other services: "manufacturing products for others, namely ...land vehicles" and "design and testing of new products for others." On that basis, the Complainant states that it competes with the Respondent. Thus, the Complainant concludes, with citation to *Sporty's Farm v. Sportsman's Market*, 202 F.3d 489 [53 USPQ2d 1570] (2d Cir. 2000); *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036 [50 USPQ2d 1545] (9th Cir. 1999); and *Phillip Morris Incorporated v. r9.net*, WIPO Case No. D2003-0004 (February 28, 2003), that any use by the Respondent of the Complainant's mark, including one as here that is phonetically equivalent, in a domain name which is registered subsequent to the registration date of the Complainant's '258 registration, is a competitive endeavor with the Complainant and thus constitutes bad faith.

In that regard, the Complainant states that the Respondent had actual knowledge of the Complainant's SKUNK WORKS Marks when the former registered the disputed domain name by virtue of having previously referred to the Complainant's "Skunk Works" operations on the Respondent's web site, including having linked to the Complainant's web site (among others). Such references and links were removed as a result of the September 9th letter from the Complainant's counsel. Hence, the Complainant contends that the Respondent, in spite of having no connection or affiliation with the Complainant, adopted its domain name with knowledge that is a phonetic equivalent to the Complainant's mark SKUNK WORKS in order to avail itself of and benefit from the goodwill

inherent in the Complainant's marks.

The Complainant also contends that the Respondent, through use of the disputed domain name, is intentionally attempting to attract for commercial gain, Internet users to the Respondent's web site, by creating, through use of a phonetically equivalent domain name to that of the Complainant's mark, a likelihood of confusion with the mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's site or of the products or services on that site —when no such affiliation or other relationship actually exists between the Complainant and Respondent. This, in turn, diverts purchasers of the Complainant's products and/or potential licensees of the Complainant's SKUNK WORKS Marks away from the Complainant, hence tarnishing the Complainant's SKUNK WORKS Marks. In support of her view, the Complainant's counsel notes that:

“There is a long and fruitful relationship among the various kinds of motorsports, including aviation. See, e.g., the site of the Motorsports Hall of Fame of America, www.mshf.com: ‘The Motorsports Hall of Fame and Museum honors and preserves the achievements of the greatest legends of motorsports on land, sea, and in the air.’ One of the inductees is Amelia Earhart.”

Lastly, the Complainant characterizes the Respondent's web site as being pornographic. Specifically, that web site displays various images (copies of which are provided in Annex 8 to the Complaint), of young female models, in various stages of undress, posing with the Respondent's motorcycles. The Complaint contends, in the Complaint, that these images tarnish the Complainant's reputation in its marks and so constitutes bad faith use, by stating:

“The Complainant makes the aircraft that are used by armed services around the world; there are many men and women in the armed services who may be offended by use of nude and partially nude female models posed on motorcycles. The use of these

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images is, to say the least, not in keeping with the image that the Complainant seeks to maintain for its famous SKUNK WORKS brand goods and services. Any use of the SKUNK WORKS mark in close proximity to such images inevitably casts Lockheed Martin in a negative light. Such knowing

and willful tarnishment is the hallmark of bad faith.” Therefore, the Complainant concludes that the Respondent's conduct constitutes bad faith registration and use under paragraph 4(a)(iii) of the Policy.

B. The Response

(i) Identical or Confusingly Similar

The Respondent argues, with citation to various dictionaries and articles (copies of the salient pages of which are provided in Annexes 1 and 2 to the Response), that the term “skunk works” is a common English term, i.e., has acquired a generic meaning, that describes “a department or laboratory involved in cutting edge research.” The Respondent notes that the genesis of the term “Skunk Works” rests with the “Skonk Works” moonshine factory depicted in Al Capp's *Li'l Abner* comic strip (see Annex 1 to the Response) from which the Complainant subsequently adopted the term “Skunk Works” for its own research and development team —facts which the Complainant so concedes (see Annex 3 to the Response —which is a copy of a letter dated February 16, 2001, from Complainant's former counsel to the Respondent). The Respondent notes that: “Just as Complainant found the term to be an interesting and colorful way to describe its team, Respondent and others have also found the term an interesting and colorful way to describe their own creative efforts.”

Since the Respondent views the term “Skunk Works” as generic with substantial third-party use, it contends that no one will associate that term with the Complainant's activities and, consequently, no user confusion would arise by virtue of the Respondent using that term (or a phonetic equivalent) as its domain name. Furthermore, the Respondent states that it is using the term in a manner, to describe its customizing operations, which is entirely consistent with its generic meaning, hence further precluding user confusion from arising.

Thus, the Respondent contends that, in the absence of proving that any such confusion will arise, the Complainant simply failed to meet its burden under paragraph 4(a)(i) of the Policy.

(ii) Rights or Legitimate Interests

The Respondent states that the Complainant has failed to show that the Respondent lacks any

legitimate interests in the disputed domain name.

First, as to the Complainant's allegations of the Respondent's knowledge of the Complainant's trademark registrations, the Respondent notes that it registered the domain name in December 2000, yet the Complainant relies on screenshots from the Respondent's web site as it existed in September and October 2004, which clearly do not indicate the Respondent's knowledge back in 2000. Moreover, the Respondent points to its web site, as it existed in 2001, which show that the Respondent was using the term "skunk works" strictly in its generic sense—as widely understood by the public—to describe its business.

Furthermore, the Respondent started using the term "Skunkworx" in November 2000, for its motorcycle customization and detailing business (as indicated by copies of affidavits, dated invoices and other materials provided in Annex 7 to the Response) and has been using that term in connection with its *bona fide* service offerings ever since. This date preceded the earliest date (the February 16, 2001 cease and desist letter to the Respondent) on which the Respondent had notice of the present dispute.

Contrary to the Complainant's view and as indicated by copies of various articles provided in Annex 8 to the Response, the Respondent states that indeed it has become commonly known by its trade name "The Skunkworx Custom Cycle" and hence has acquired service mark rights in its trade name. The disputed domain name, which contains the term "skunkworx," is closely related to the trade name.

(iii) Registered and Used in Bad Faith

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

Specifically, the Respondent states that: (a) it did not register the disputed domain name

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with any intention of attracting Internet users to its web site by creating a likelihood of confusion with Complainant's mark as to the source, sponsorship, affiliation or endorsement of Respondent's web site or services; (b) the parties are not competitors; and (c) Respondent did not register its domain name

primarily to disrupt Complainant's business.

When the Respondent chose the term “skunkworx” to use in its trade name and as its domain name back in the fall of 2000, and then so used the term in connection with its customization and detailing business, the Respondent knew that that term had a common descriptive meaning (as indicated in Annexes 1, 2 and 6 to the Response) and was, in fact, so heavily used throughout the motor sports industries (as indicated by copies of various United States and foreign media articles provided in Annex 9 to the Response). The Respondent's actions are consistent with its belief and understanding that the term “skunkworks” is common and available for use in its generic sense — which tends to negate any constructive notice which the Respondent might have had concerning the Complainant's registered marks.

Further, as to the Complainant's allegation that content on the Respondent's web site was pornographic and thus tarnishes the Complainant's marks, the Respondent states, with reference to Annex 11 in the Response, that:

“The images at issue feature Respondent's nationally-recognized and award-winning customized motorcycles. A national magazine took the photographs in connection with an article featuring Respondent's work. (Annex 11) The photographer staged the photos and selected the model. The models are in no way connected with Respondent's business. ...

Regardless of one's personal sensibilities, it is an undeniably common and accepted practice for “scantily-clad” models to be used to market products. And, while some may be offended by it, such use does not constitute pornography nor does it tarnish businesses using similar marks.” (Examples of use of similar photographs by third-parties, including bikini-clad women appearing at the Sports Illustrated web site, are provided in Annex 12 to the Response).

“Such is especially true where, as here, no reasonable person viewing the Respondent's site and images would think that either is related to the Complainant.”

(iv) Laches

Notwithstanding its arguments above, the Respondent submits that the Complainant is also barred by the equitable doctrine of laches from attaining the relief it now requests and that UDRP panels have

authority pursuant to Rule 15(a) to apply this doctrine when the facts so warrant.

Simply stated, the doctrine requires proof of two elements: first, lack of diligence by the party against whom laches is asserted; and second, prejudice to the party asserting laches.

With respect to the first element, the Complainant sent its first cease and desist letter to the Respondent on February 16, 2001. The Respondent, to counter any mis-impression it had conveyed to the Complainant that the former might be a cybersquatter, instructed its web site developer to post its then incomplete web site to the Internet. The Respondent heard nothing further from the Complainant until its cease and desist letter in early September 2004. However, the Respondent, during the intervening 3 1/2 year period and relying on the Complainant's inaction, invested substantial monetary sums to both further develop its web site and market its goods and services under its "skunkworx" tradename and, as a result, has developed considerable goodwill in its name and mark and gained notoriety in its industry. Hence, transferring the disputed domain name now — given the extended inaction by the Complainant and the investment made by the Respondent — would adversely affect and irreparably prejudice the Respondent to its detriment.

(v) Reverse Domain Name Hijacking

The Respondent requests that, for various reasons, the Panel find the Complainant guilty of having engaged in reverse domain name hijacking.

Specifically, the Respondent submits that the Complainant either knew or should have known that, as early as April 2001, the Respondent has legitimate interests in the disputed domain name and, in spite of that knowledge, brought this action primarily to scare and harass the Respondent into voluntarily relinquishing that name. First, the Respondent's use of the term "skunkworx" was consistent with the generic meaning of the term

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"skunk works" — which the Complainant should have known. Second, the Respondent's services did not compete with those of the Complainant. Third, the Respondent was not a cybersquatter. Finally, the

Complainant evidently failed to review the Respondent's original web site for any evidence of legitimate use.

In addition, the Complainant manifested bad faith in its September 14, 2004 letter to the Respondent, by providing the Respondent with only a short 10-day deadline to respond prior to filing its Complaint and then filed this action to gain leverage for a rapid settlement.

Indeed, the October 15, 2004 letter from the Complainant's counsel (a copy of which appears in Annex 17 to the Response), occurring after the Complaint was filed) states:

“Lockheed Martin will consider entering into a settlement agreement with your client, giving them a reasonable time to change the name of the business and transfer this domain name to Lockheed Martin. ...

The settlement must be completed before the WIPO complaint will be withdrawn, so I suggest that if settlement is of interest to your client, you should contact me early next week.” Hence, the Respondent submits that the Complainant never had any intention of considering the Respondent's legitimate interests but was merely relying on lack of time and resources to cause the Respondent to lose its legitimate domain name.

The Respondent also points to the Complainant's lack of candor. Specifically and among other aspects, the Complainant attached to its Complaint a copy of its second cease-and-desist letter bearing a date of September 9, 2004, even though the letter actually sent to Respondent was dated September 14, 2004.

Lastly, the Respondent opines that this case is simply another instance of a wealthy corporation using threats and expense to usurp legitimate rights from a small business where the Complainant knew or should have known that the Respondent had legitimate rights in the disputed domain name and did not compete with the Complainant's business. Specifically, the Respondent points to the Complainant's own 2003 Form 10-K (a copy of the salient pages of which appear in Annex18 to the Response) which states:

“Lockheed Martin Corporation principally researches, designs, develops, manufactures, operates and supports advanced technology systems, products and services. We serve customers in domestic

and international defense, civil and commercial markets, with our principal customers being agencies of the U.S. Government....

In 2003, approximately 78% of our net sales were made to the U.S. Government, either as a prime contractor or as a subcontractor. Approximately 16% of our net sales in 2003 were made to foreign governments (including foreign military sales). Approximately 6% of our net sales in 2003 were made to commercial customers (mainly launch services, satellites and information technology services).”

The Respondent states, that, by contrast, it makes no sales to the United States Government, no sales to foreign governments or foreign militaries, and no sales to commercial customers such as launch services, satellites, or information technology services. The Respondent does not compete with the Complainant, does not harm the Complainant, and is no threat to the Complainant.

Accordingly, the Respondent concludes that the Complainant, in bringing this action, has acted in bad faith primarily to harass the Respondent and, as such, has abused the administrative process.

C. The Complainant's Reply

The Complainant attempts to rebut the Respondent's position by arguing that the origin of the SKUNK WORKS Marks, as with other famous marks, is irrelevant inasmuch as many such marks trace their history to non-trademark roots, are found in dictionaries and/or have a non-trademark meaning.

Further, the Complainant, with citations to its own selection of English-language and trade dictionaries, contends that the term “SKUNK WORKS” does not have as common and universal a meaning as the Respondent states it does, and hence is not generic.

Also, the Complainant states that it has actively sought out entities which have illicitly used the “SKUNK WORKS” Marks and has attempted to cease such use. In that regard, the Complainant points to a number of administrative

decisions, including one from this Panel, *Lockheed Martin Corporation v. Deborah Teramani*, WIPO Case

No. D2004-0836 (December 1, 2004), which have ordered transfer of domain names to the Complainant which were substantially similar to the one at issue here.

Further, though the Respondent alleges that it commenced use of the domain name prior to receiving notice of the dispute, the Complainant states that its mark SKUNK WORKS was in use and became famous decades before the Complainant registered it in multiple classes.

The Complaint argues that laches does not apply, as a general matter in disputes under the Policy, inasmuch as various panels have interpreted the Policy as not permitting that defense, and specifically various panel decisions have ordered transfer of a domain name several years after a web site using that name became operational. Moreover and apart from those decisions, the Respondent did not detrimentally rely on the Complainant's inaction as the Respondent knew before the filing date of this Complaint that the Complainant was aggressively protecting its trademark rights against others and that the Complainant may take action against the Respondent.

Lastly, the Complainant views the Respondent's claim of reverse domain name hijacking as simply lacking merit inasmuch as "Eight separate Panels have reviewed information similar to what has been presented in this case, and each has ordered transfer to this Complainant. Several of the Panels have expressly found that the mark is famous or well-known and deserving of broad protection."

D. The Respondent's Sur-reply

The Respondent continues to argue that the disputed domain name is not confusingly similar to the Complainant's SKUNK WORKS Marks because the term "skunk works" has a generic meaning, apart from any significance it has as a trademark, and the Respondent is using that term entirely consistent with that meaning. Moreover, the Respondent argues that the origin of the term "skunk works" is relevant to establish a generic meaning of the Complainant's marks, the Respondent's use of its mark is consistent with that meaning, and such marks are not inherently distinctive.

As to genericness, the Respondent essentially argues that its dictionary definitions, when viewed in their proper context including in light of general disclaimers in those dictionaries to the effect that some terms may have both a trademark and colloquial significance, show the generic meaning of the term and

hence should take precedence over those definitions offered by the Complainant. Specifically, the Respondent states:

“Accordingly, the dictionaries that reference Lockheed Martin in their definitions of ‘skunkworks’ only represent the point that Complainant uses the term for its own purposes, which point Respondent has never challenged. Nothing in these dictionaries, however, can stand for the proposition that Complainant may legally preclude anyone from using the term in connection with another’s goods or services.”

Specifically, the Respondent points to *The American Heritage Dictionary* as defining the term “skunkworks” as “[a] service mark for consulting services in designing and building aircraft and related equipment” and also, in lower case as one word, to describe “a loosely structured organization unit designed to foster innovation.” The Respondent’s use of the disputed term is consistent with that term’s generic meaning rather than the Complainant’s trademark meaning, given that, at the time the Respondent registered the disputed domain name, its business was (and currently is) a loosely structured organization designed to foster innovation in the motorcycle customization and detailing business.

The Respondent further contends that the Complainant concludes, without supporting evidence, that the disputed domain name infringes the Complainant’s SKUNK WORKS Marks and hence the infringement invalidates any legitimate use. This conclusion is wrong for the simple reason that any questions of infringement exceed the scope of this administrative proceeding, thus the question before the Panel is not infringement but rather whether the Respondent has, under the Policy, any legitimate interest in the disputed domain name.

The Respondent notes that the ‘258 registration, which the Complainant contends encompasses the Respondent’s services, was registered on November 19, 2002, some two years after the Respondent registered the disputed domain name. The Respondent further notes that this registration was filed on an intent-to-use basis and, in conjunction therewith, the

Complainant did not file an amendment to allege use until July 12, 2002, — which is clearly inconsistent with the Complainant claiming use of this mark in conjunction with “custom manufacture of land vehicles” as early as 1943.

Further and with regard to the eight prior administrative decisions rendered in favor of the Complainant, the Respondent states that seven of those decisions resulted from default causes where the panel involved had to proceed to decision based on reasonable inferences drawn solely from the Complainant's un-refuted information. Moreover, the Respondent argues that none of those cases is analogous to the present case for the simple reason that here the Respondent registered the disputed domain name in connection with a *bona fide* business and has had an active web site since as early as April 17, 2001 — which *bona fide* usage did not occur in any of the prior decisions. Further, the Respondent submits that the disputed domain name includes a non-generic suffix (here being “cc”) which, in conjunction with the Respondent's phonetically equivalent term, further renders any confusion between the disputed domain name and the Complainant's marks extremely unlikely.

As to tarnishment, the Respondent contends that even if this Panel were to hold that Complainant's mark is famous, the Complainant is not in a business where images of scantily clad women would be likely to offend Complainant's customers or damage its public image. Complainant's principal customers are governments and militaries. Complainant expressly stated in its September 14, 2004 correspondence to the Respondent that the Complainant's mark “represents the goodwill associated with the birthplace of the U-2 high-altitude plane, the SR-71 high-speed jet, the F-117 NIGHTHAWK fighter jet, and many other famous aircraft.” In that regard, the Respondent expressly states:

“These are weapons of war. They are made and sold primarily for the purpose of killing people. The ‘goodwill’ of Complainant's mark is indisputably tied to weapons of death and destruction and pictures of pretty girls in bathing suits posted on Complainant's site could not possibly ‘tarnish’ that image. ...

Complainant stated in its Complaint that, ‘there are many men and women in the armed services who may be offended by use of nude and partially nude female models posed on motorcycles.’ Military personnel are trained to be resilient to the horrors of war and, at the risk of suggesting stereotypes, are among the least likely people to be offended by images of scantily clad women. Given

Complainant's long history in the field of military aviation, Complainant is certainly well aware that much airplane nose cone art, most common during WWII, depicts scantily clad (and even nude) women in suggestive positions [examples of which have been provided in Annex SR-8 to the Sur-reply]. It is likely that such images can even be found on Complainant's own products from that time period.”

Lastly, the Respondent contends that the new panel decisions provided by the Complainant, in Annex S-6 to the Reply, also contain statements that compel a finding that the Complainant is using the Policy in bad faith to leverage settlements that extend beyond the Policy's scope or intended use. Specifically, the respondent in *Lockheed Martin Corporation v. SkunkWerx Motorsports a/k/a Randy Roberson a/k/a William Roberson*, WIPO Case No. D2004-0705 (November 23, 2004) stated:

“This is a big bunch of nonsense. I am not contesting it. I abandoned the name, due to Ms. Goldsmith's incessant whining and took the site down. I already have a new web site and so this is meaningless to me. Do you get it? I don't care-rule whatever you want when you want-The domain name will expire in February of 2005 and I don't intend to renew it and I will not pay for any exorbitant transfer fees in the meantime. My business is racing and I could care less about a bunch of lawyering and meaningless intrigues. If she wants the domain name she can pick them up herself in under 3 months.”

Specifically, due to the Complainant's aggressive behavior, the respondent's (Mr. Roberson's) only options were to become embroiled in expensive legal action or to simply abandon any legitimate rights he may have had to his domain name. Every other respondent challenged by the Complainant faced the same Hobson's choice. Although Mr. Roberson ultimately chose to take down his site and abandon his domain name, the Complainant ultimately proceeded with filing two separate

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domain name actions against him. Such action by the Complainant could only have been for the purpose of harassment. As the respondent there noted, the Complainant could have simply waited for “under 3 months” until the disputed domain registrations expired and then registered the domain name in its own name and at its own expense. Instead, the Complainant preferred to obtain default judgments against the

respondent knowing full well that he would not file a response to either action.

The Respondent views that the Complainant's conduct in the *SkunkWerx Motorsports* case, taken together with that here, demonstrates a pattern of bad faith activity. By providing the Respondent with fewer than ten business days to respond to the Complainant's cease and desist letter, by dismissing the Respondent's settlement offer in its correspondence dated October 12, 2004, and by extending the present action with further substantive pleadings, the Complainant is simply trying to run up the Respondent's legal expenses and force the Respondent into a position where it, like the respondent in *Skunk Werx Motorsports*, has no other viable option but to abandon its legitimate rights to its domain name. The Respondent concludes that "this is not the purpose of the Policy and this Panel should not allow the Complainant to bully the Respondent into relinquishing its legitimate rights."

6. Discussion and Findings

As a result of its careful consideration of all the submissions, the Panel finds that this dispute can be distilled down to two basic dispositive issues:

a) has the Complainant's mark SKUNK WORKS become, through public use and perception, a term that is sufficiently descriptive or generic as to negate any trademark rights which the Complainant would otherwise have in that mark, thus precluding any finding of identity or confusing similarity under paragraph 4(a)(i) of the Policy; and

b) has the Respondent, resulting from use of its name "Skunkworx Custom Cycle," acquired rights or legitimate interests in its corresponding and now disputed domain name <skunkworxcc.com> sufficient under paragraphs 4(a)(ii) and 4(c) of the Policy to successfully rebut the Complaint and deny the remedy of transfer which the Complainant now seeks?

Each of these issues will be discussed in the corresponding section below.

A. Genericness

The Respondent raises serious allegations concerning whether, through continued public use and recognition, the term "SKUNK WORKS" has become generic, i.e., no longer capable of distinctively

identifying Complainant's goods and services, and thus that term has lost its trademark significance when used in conjunction with, e.g., the goods and services recited in the Complainant's trademark registrations.

Questions of trademark invalidity, including genericness, are simply not within the purview of a UDRP proceeding and are best left for either court adjudication or inter-partes adjudication before appropriate governmental bodies having requisite jurisdiction and competence to handle such issues. Not only are such questions outside the very limited and focused jurisdiction afforded to UDRP panels under the Policy but moreover the summary and rather abbreviated nature of UDRP proceedings totally precludes the establishment of a fully developed factual record that must underlie the determination of such questions. See, e.g., this Panel's prior decisions in *Register.com, Inc. v. Wolfgang Reile et al* FA208576 [70 USPQ2d 1351] (National Arbitration Forum, January 27, 2004); *United States Office of Personnel Management. v. MS Technology Inc.*, FA 198898 [70 USPQ2d 1335] (National Arbitration Forum, December 9, 2003); and *Lake at Las Vegas Joint Venture v. Principal Equiti, Inc.*, WIPO Case No. D2002-0758 (October 4, 2002).

To the extent the Respondent wishes to contest the continued validity of any of Complainant's SKUNK WORKS Marks, the Respondent must do so through an appropriate administrative and/or judicial avenue that has appropriate jurisdiction over the issue, such as by filing an action in the United States Patent and Trademark Office ("USPTO") to cancel any of Complainant's federal registrations or alternatively instituting federal litigation. Absent Respondent having done so and attained a final ruling in its favor, this Panel is constrained to defer, as it must, to the USPTO's initial determination implicit in its having granted a registration, i.e., that each of Complainant's

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SKUNK WORKS Marks has acquired sufficient distinctiveness and thus qualifies for continued federal trademark protection and enjoys all the rights afforded thereby.

Therefore, given the inability of this Panel to address the invalidity issue raised by the Respondent, then, as far as this proceeding is concerned, the Panel is not precluded from finding that the disputed

domain name is either identical or confusingly similar to the Complainant's SKUNK WORKS Marks.

B. Identical or Confusingly Similar

[1] The Panel finds that confusion is likely to arise as a result of the Respondent's use of the disputed domain name.

The disputed domain name <skunkworxcc.com> contains a formative element (“skunkworx”) which is phonetically equivalent to the term “skunk works” with the letters “cc” appended thereto. Both the minor difference in spelling, given the same pronunciation, as well as appending the “cc” letter group are insufficient to convey sufficient distinctiveness to the domain name so as to avoid confusion of Internet users when the disputed domain name <skunkworxcc.com> is compared, in its entirety, with the mark SKUNK WORKS.

It is now very well-established in UDRP precedent, including various decisions previously rendered by this Panel, that minor variations, such as adding short letter or number groups or even generic words to a mark, are each insufficient in and of itself, when used in forming a domain name that results from modifying the mark, to confer requisite and sufficient distinctiveness to that name to avoid user confusion. See, e.g., *Lockheed Martin Corporation v. Deborah Teramani*, WIPO Case No. D2004-0836 (December 1, 2004) and *National Collegiate Athletic Association v. Dusty Brown* WIPO Case No. D2004-0491 [72 USPQ2d 1319] (August 30, 2004). This result follows from a simple comparison of the disputed domain name against the mark.

Such confusion, should it occur, would undoubtedly cause Internet users intending to access the Complainant's web site, but who reach a web site through the disputed domain name, to think that an affiliation of some sort exists between the Complainant and the Respondent or its third-party transferee, when, in fact, no such relationship would exist at all. See, also, e.g., *Lockheed v. Teramani*, cited *supra*; *Register.com, Inc. v. Wolfgang Reile a/k/a RWG Internet et al*, FA208576 [70 USPQ2d 1351] (National Arbitration Forum, January 27, 2004); *Caesars World, Inc. and Park Place Entertainment Corporation v. Japan Nippon*, WIPO Case No. D2003-0615 (September 30, 2003); *Leiner Health Services Corp. v. ESJ Nutritional Products*, FA 173362 (National Arbitration Forum, September 16, 2003); *American*

Family Life Assurance Company of Columbus v. defaultdata.com aka Brian Wick, FA 123896 (National Arbitration Forum, October 14, 2002); *AT&T Corp. v. Roman Abreu d/b/a Smartalk Wireless*, WIPO Case No. D2002-0605 (September 11, 2002); *L.F.P., Inc. v. B and J Properties*, FA 109697 (National Arbitration Forum, May 30, 2002); *Peter Frampton v. Frampton Enterprises, Inc.*, WIPO Case No. D2002-0141 (April 17, 2002); *Spence-Chapin Services to Families and Children v. Stanley Wynman*, FA 100492 (National Arbitration Forum, December 10, 2001); *Meijer, Inc. v. Porksandwich Web Services*, FA 97186 (National Arbitration Forum, July 6, 2001); *MPL Communications, Limited et al v. IWebAddress.com*, FA 97092 (National Arbitration Forum, June 4, 2001); *American Home Products Corporation v. Ben Malgioglio*, WIPO Case No. D2000-1602 (February 19, 2001); *Surface Protection Industries, Inc. v. The Webposters a/k/a Mark's Paint Store, Inc.*, WIPO Case No. D2000-1613 (February 5, 2001); *Dollar Financial Group, Inc. v. VQM NET*, FA 96101 (National Arbitration Forum, January 25, 2001); *eBAY Inc. v. G L Liadis Computing, Ltd. and John L. Liadis d/b/a G L Liadis Computing Ltd.*, WIPO Case No. D2000-1463 (January 10, 2001); *Treeforms, Inc. v. Cayne Industrial Sales Corp.*, FA 95856 (National Arbitration Forum, December 18, 2000); see also *Pep Boys Manny, Moe and Jack of CA v. E-Commerce Today, Ltd.*, AF-0145 (eResolution, May 3, 2000).

Therefore, the Panel finds that the disputed domain name sufficiently resembles the Complainant's "SKUNK WORKS" Marks as to cause confusion; hence, the Complainant has shown sufficient similarity between its marks and all the disputed domain name under paragraph 4(a)(i) of the Policy.

C. Rights or Legitimate Interests

[2] The Panel finds that Respondent has rights and legitimate interests in the disputed

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domain name, and specifically under both paragraphs 4(c)(i) and 4(c)(ii) of the Policy.

Paragraph 4(c)(i) states that a respondent has rights and legitimate interests in a domain name that respondent, before it receives any notice of the dispute, has made "demonstrable preparations to use,

the domain name or a name corresponding to the domain name in connection with a *bona fide* offering of goods or services.”

The Panel is overwhelmingly persuaded that starting in November 2000, the Respondent began its business of customizing motorcycles and chose the disputed domain name to simply reflect its business name “The Skunkworx Custom Cycle,” but with the term “Custom Cycle” being abbreviated as simply “cc.” The Respondent registered the disputed domain name on December 24, 2000, to establish a companion web site in furtherance of its business. Subsequent to the registration, the Respondent received its first communication regarding this dispute, in the form of a cease and desist letter dated February 16, 2001. Shortly thereafter, and apparently in response to the Complainant's letter, the Respondent posted its site, though incomplete at the time, resolvable through the disputed domain name. Moreover, over the ensuing years continuing to the present, the Respondent then continued to invest heavily, apparently in terms of both money and time, in its business which resulted in the business not only growing but also gaining notoriety and industry recognition, including awards, for its motorcycle customization and detailing services.

When assessed against the backdrop of the continuum of activities which the Respondent undertook commencing in November 2000, and which continue to this date, it is clear to this Panel that between December 24, 2000 and February 16, 2001, the Respondent did indeed make demonstrable preparations to use that name in connection with a *bona fide* offering of services, and ultimately offered such services and continues to do so. Hence, the Respondent has met its burden under paragraph 4(c)(i) of the Policy.

Further, paragraph 4(c)(ii) states that legitimate rights and interests can be shown by a Respondent if it has been “commonly known by the domain name” even if it has not acquired any trademark or service marks in that name.

The Respondent has shown, to the satisfaction of this Panel, that, as a result of its efforts commencing on its founding and continuing to the present and certainly between the 3 1/2 year period running between the Complainant's first and second cease and desist letters (February 16, 2001 and September 9 or 14, 2004, respectively), the Respondent, owing to the high quality of its services — as exemplified by its awards and the various articles (as provided in, e.g., Annex 8 to the Response)

gained a significant reputation—including international—and concomitant name-recognition throughout its industry under its tradename “Skunkworx Custom Cycle” which is directly reflected in its domain name. As such, it stands to reason the Respondent has become commonly and sufficiently known by the term “Skunkworx” to satisfy paragraph 4(c)(ii) of the Policy.

Therefore, Respondent has sufficiently demonstrated that it has rights and legitimate interests in the disputed domain name, and, as such, has met the requirements of paragraph 4(c) of the Policy.

D. Registered and Used in Bad Faith

In light of the Panel's finding that the Respondent has rights and legitimate interests in the disputed domain name, all issues of bad faith use and registration under paragraph 4(a)(iii) of the Policy are now moot.

E. Laches

Given that the Respondent successively proved that it has rights and legitimate interests in the disputed domain name and as such prevailed in this dispute, there is no need for the Panel to consider: (a) whether the equitable doctrine of laches, as a general matter, applies in UDRP disputes, and (b) if so, whether the equities are such that this doctrine applies here so as to preclude the Complainant from obtaining the relief it has sought. Hence, while the Panel has addressed the former issue in its decision in a prior UDRP administrative proceeding (see *United States Office of Personnel Management v. MS Technology Inc. a/k/a Mahendra Lamba*, FA198898 (National Arbitration Forum, December 9, 2003)), there is no need for the Panel, and thus it declines the request of the Respondent, to address either issue here as both are now moot.

F. Reverse Domain Name Hijacking

It is eminently clear to this Panel that, through this proceeding, the Complainant has attempted, though ultimately unsuccessfully, to halt the Respondent's use of its domain name which the Complainant believes infringes its "SKUNK WORKS" Marks — a matter which is best the subject of a trademark infringement action before a judicial tribunal.

Specifically, the record is remiss of any evidence, let alone convincing, that confusion will likely arise between concurrent use of the Complainant's marks and the disputed domain name for the simple reason that the Policy does not require such a showing.

[3] While the Policy provides relatively inexpensive and expeditious relief, that relief is sharply focused against a very narrow form of trademark infringement, which is simply not present here: cybersquatting. Though the Policy does not require a showing that confusion is likely, it does require sufficient showings, apart from identity or confusing similarity, of also a lack of rights or legitimate interests, and bad faith use and registration —which, in many instances, go significantly beyond that needed to support a trademark infringement action.

The underlying purpose of such heightened showings is simply recognition by the Policy that merely owning a trademark, whether registered or not, does not suffice, in and of itself, as a vehicle to halt all unauthorized third-party inclusion of that mark within a domain name. While owning rights in a trademark is a threshold requirement for the Policy to apply, it is, by no means, the only requirement to attain relief under the Policy.

A trademark owner does not have an unfettered right to halt all third-party use of its mark, in effect monopolizing the mark solely to itself and for all purposes, but can only restrain that use which otherwise is likely to engender purchaser confusion. Similarly, that owner does not have an unfettered right to halt all third-party use of that mark in a domain name, but only that use which is prohibited by the Policy.

In this Panel's mind, a boundary, though quite elusive, amorphous and factually-dependent, exists under UDRP jurisprudence between, on the one hand, a complainant's conduct which constitutes, in any given situation, permissible aggressive enforcement of its mark and, on the other, that which constitutes harassment and abuse of the administrative process, i.e., reverse domain name hijacking. The Policy

does not define the metes and bounds of that boundary. As such, it remains for each administrative panel to assess the conduct of a corresponding complainant and determine whether, under the specific facts then presented in the record, that conduct has crossed the boundary or not.

Upon careful reflection of the entire record here, the Panel is simply not persuaded that the Complainant's conduct, while quite aggressive, is sufficiently egregious. Thus, this Panel declines the Respondent's invitation to brand the Complainant guilty of reverse domain name hijacking.

However, the Panel strongly cautions the Complainant that if it continues on its present course, and in its present manner, of aggressively enforcing its "SKUNK WORKS" Marks against other third party domain name owners, it could very easily cross that boundary.

7. Decision

Consequently and in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the relief sought by the Complainant is hereby denied.

**- End of Case -
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