



DECISION

Continental Design and Management Group v. Technet, Inc.
Claim Number: FA0101000096564

PARTIES

The Complainant is **Continental Design and Management Group**, Canonsburg, PA, USA (“Complainant”) represented by **Christopher M. Ernst**, of **Weston Hurd Fallon Paisley & Howley, LLP**. The Respondent is **Dominic J. Farinacci Technet, Inc.**, Wickliffe, OH, USA (“Respondent”) represented by **Stephen John Futterer**.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is "**cdmg.com**", registered with **Network Solutions, Inc. (NSI)**.

PANEL

The undersigned certifies that he or she has acted independently and impartially and to the best of his or her knowledge, has no known conflict in serving as a panelist in this proceeding.

Mr. Peter L. Michaelson, Esq. as Panelist.

PROCEDURAL HISTORY

The Complaint was brought pursuant to the Uniform Domain Name Dispute Resolution Policy (“Policy”), available at <http://www.icann.org/services/udrp/udrp-policy-24oct99.htm>, which was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on August 26, 1999, and approved on October 24, 1999, and in accordance with the ICANN Rules for Uniform Domain Name Dispute Resolution Policy (“Rules”) as approved on October 24, 1999, as supplemented by the National Arbitration Forum Supplemental Rules for Uniform Domain Name Dispute Resolution Policy then in effect (“Supplemental Rules”).

Complainant submitted a Complaint, including Exhibits A-H, to the National Arbitration Forum (“the Forum”) electronically on January 30, 2001; the Forum received a hard copy of the Complaint, together with the Exhibits, on January 26, 2001.

The Complaint, as filed, was deficient due to its omission of the contested domain name from apparently an appropriate blank field in the Complaint form. As such, the Forum, through a letter dated February 6, 2001, notified the Complainant's attorney of this deficiency and requested its correction within five days. By e-mail letter dated February 9, 2001, the Complainant's attorney submitted an appropriately revised Complaint which properly included the contested domain name.

On February 6, 2001, NSI confirmed by e-mail to the Forum that the contested domain name "**cdmg.com**" is registered with NSI and that the Respondent is the current registrant of the name. NSI also verified that Respondent is bound by the Network Solutions, Inc. version 5 registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with the Policy.

On February 12, 2001, a Notification of Complaint and Commencement of Administrative Proceeding (the "Commencement Notification"), setting a deadline of March 5, 2001 by which Respondent could timely file a Response to the Complaint, was transmitted to the Respondent via e-mail, post and fax, to all entities and persons listed on Respondent's registration as technical, administrative and billing contacts, and to postmaster@cdmg.com by e-mail.

A timely Response, filed by the Respondent, was received by the Forum and determined to be complete on March 2, 2001.

A rebuttal, filed by the Complainant, was timely received by the Forum on March 6, 2001.

On March 7, 2001, pursuant to Complainant's request to have the dispute decided by a One Member Panel, the Forum appointed Mr. Peter L. Michaelson, Esq. as Panelist.

Thereafter, a sur-rebuttal, filed by the Respondent under the provisions of paragraph 7 of the Supplemental Rules, was timely received by the Forum on March 9, 2001.

RELIEF SOUGHT

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

PARTIES' CONTENTIONS

Though the parties have each raised a number of contentions, the Panel has focused on only those contentions, noted below, it believes are pertinent under the Policy.

A. Complainant

1. Identical/Confusing Similarity

The Complainant implicitly contends that the contested domain name is confusingly similar to the term "CDMG" by virtue of incorporating that term into the contested domain name; hence, satisfying the confusing similarity requirement in paragraph 4(a) of the Policy. As best as the Panel can infer from the Complaint, the Complainant views this term as an acronym for its business name, "Continental Design and Management Group".

2. Legitimacy

The Complainant contends, that the Respondent has no rights or legitimate interest in the contested domain name.

Specifically, the Complainant contends that Mr. Farinacci, the individual who registered the contested domain name, is not using the domain name -- whether commercially or non-commercially, and has made no preparations to use the name in connection with a bona fide offering of goods and services.

Furthermore, the Complainant contends that neither Mr. Farinacci nor the Respondent, Technet, Inc., with which Mr. Farinacci is associated, is known by the contested domain name.

C. Bad Faith

The Complainant contends that the Respondent registered the contested domain name in bad faith and inferentially that the Respondent is using that name in bad faith.

Specifically, the Complainant states that that the Respondent has registered the contested domain name in order to prevent the Complainant from using a domain name which "adequately effects its business name".

Also, the Complainant contends that the Mr. Farinacci registered that name primarily to elicit payment from the Complainant for the contested domain name, and to disrupt the business of the Complainant inasmuch as the Complainant is unable to create a web page with this name -- a name which the Complainant "prefers to use". As to the former, the Complainant points to a continuing demand made by the Respondent for a US \$ 10,000.00 payment in exchange for the domain name as evidencing bad faith.

Therefore, the Complainant concludes that the Respondent's conduct in registering the domain name for the reasons stated above, and then, without any further use of that name,

offering it for sale to the Complainant amounts to bad faith under paragraph 4(a) of the Policy.

B. Respondent

1. Identical/Confusing Similarity

The Respondent, in its Response and sur-rebuttal submission, contends that the Complainant has not shown any trademark or service mark rights, whether at common law or through a trademark registration, in the term "CDMG".

In that regard, the Respondent contends that the Complainant does not use the term "CDMG" in any of its stationery, including its business cards, or advertisements, and hence is not known by that term. Specifically, the Respondent points to the web site of Stevens Painton Company, the parent company of the Complainant, and indicates that, after clicking on a link to reach a home page of the Complainant, that home page does not contain the term "CDMG".

Hence, the Respondent concludes that the Complainant, having failed to prove any trademark/service mark rights in the term "CDMG", can not claim any exclusivity in this term; hence can not satisfy the requirements of paragraph 4(a)(i) of the Policy.

2. Legitimacy

In contrast to the Complainant's position, the Respondent states it has rights and legitimate interests in the contested domain name.

Specifically, the Respondent contends that it registered the contested domain name simply because it saw an opportunity to do so at a time when "no one wanted" the domain name and perceived the domain name as potentially being "valuable" in the Respondent's geographic area, i.e. Cleveland, because the domain name began with the letter "C". In that regard, the Respondent points to its registration of the domain name well over a year before the Complainant approached the Respondent in an effort to purchase the domain name from the Respondent.

The Respondent contends that the Complainant is abusing this process by "coercing the Respondent to sell the domain name at less than value".

3. Bad Faith

For the reasons in the section immediately concerning legitimacy, the Respondent contends that it neither uses nor has registered the contested domain name in bad faith.

FINDINGS

The undisputed facts before the Panel relevant to and which form the basis of this dispute are rather simple.

In essence, Mr. Dominic J. Farinacci, was employed by the Complainant in its Cleveland., Ohio office from March 1, 1996 to June 5, 1997, when, for reasons unknown, his employment terminated.

On March 29, 1997, while being so employed, Mr, Farinacci registered the contested domain name for use by his own company, Technet, Inc., which is the present Respondent. Technet, Inc. is an Ohio corporation incorporated in July 1993 with Mr. Farinacci being its statutory agent.

The second level domain portion of the contested domain name, i.e. "CDMG", is an acronym containing the first letter of each word, in proper succession, of the Complainant's business name ("Continental Design and Management Group") along with a top level domain, here ".com", being appended thereto.

On March 30, 1998, the Complainant contacted Mr. Farinacci and explained its desire to purchase the contested domain name and use it as its own domain name. As a result of ensuing discussions between the Complainant and Mr. Farinacci, the Complainant offered to pay the Respondent US \$ 2800.00 to obtain the domain name.

On June 4 1998, the Complainant sent the Respondent a letter which included a Registrant Name Change Agreement for the Respondent to execute in order to effectuate transfer of the domain name from the Respondent to the Complainant. The Respondent did not return an executed name change agreement.

By letter dated February 15, 2000 to Mr. Farinacci, Complainant's counsel, Mr. Jason Blackford, inquired as to whether Mr. Farinacci intended to transfer the contested domain name to the Complainant.

On March 10, 2000, Mr. Blackford conferred with Respondent's counsel, Mr. Stephen Futterer, at which time the latter informed the former that the Respondent then sought US \$ 10,000 for the domain name based on an increase which the Respondent perceived to have occurred, over the prior two years, in the value of that name.

Through a letter dated June 2, 2000 addressed to Mr. Futterer, Mr. Blackford indicated that he had not received any signed transfer documents from the Respondent and that the Complainant had not increased its prior offer, i.e. from the US \$ 2800 amount.

In a letter dated June 30, 2000 addressed to Mr. Blackford, Mr. Futterer returned a check proffered by the Complainant as well as the name change agreement unsigned by the Respondent.

This proceeding was then initiated several months later.

DISCUSSION

Paragraph 15(a) of the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules") instructs this Panel to "decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

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

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

Identical and/or Confusingly Similar

Paragraph 4(a)(i) of the Policy is very explicit. It requires that the domain name be "identical or confusingly similar to a *trademark or service mark in which the complainant has rights*" (emphasis added).

The Panel is unable to find anywhere in the Complaint or in the Rebuttal filed by the Complainant any proof whatsoever that the Complainant has been using the term "CDMG", as of the date the contested domain name was registered, here being March 29, 1997, as its trademark or service mark in connection with its product or service offerings, and hence is claiming, by virtue of its use and/or a Federal or State registration of that term, any exclusive rights in that term resulting from Federal, State or common law trademark or service mark protection. As far as the Panel can discern, the record before it is simply devoid of this crucial proof.

Providing convincing proof of this element is indispensable, as one of three elements, required for a complainant to succeed in successfully meeting its burden under the Policy in order to warrant transfer of a contested domain name. However, failure to prove any one such element is immediately fatal to its case. Such is the result here. In failing to prove any exclusive trademark/service mark rights in the term "CDMG", the Complaint must fail.

Various panels have recognized that in the absence of proving legal exclusivity in a given term to which trademark or service mark rights attach -- even if those rights are predicated solely on distinctiveness and secondary meaning arising from use of the term

in commerce as an unregistered mark, the requirements of paragraph 4(a)(i) simply can not be met. See, e.g., *American Home Products Corporation v. Eagle Spirit Adventures* D2000-1239 (WIPO December 8, 2000), *Eric H. Bryant v. Norman J. Yerke* AF-0315 (eResolution October 15, 2000), *Acoustical Publications, Inc. v. Frank Cintron* AF-0319 (eResolution October 3, 2000), *Media West-GSI, Inc., and Gannett Satellite Information Network, Inc., d/b/a The Burlington Free Press v. Earthcars.com, Inc.* D2000-0463 (WIPO July 28, 2000), and *IPF Online Ltd. v. Applying Thought.com* AF-0198 (eResolution July 7, 2000).

Here, no trademark registration has been adduced by the Complainant as evidencing its entitlement to Federal- or State-based exclusivity in the term "CDMG" as a mark. As to any common law rights, the party that is asserting exclusivity resulting from an unregistered mark bears the burden of proving not only that the mark has been used in commerce (see, e.g., *New York-Presbyterian Hospital v. Tim Harris* D2000-0856 (WIPO September 26, 2000)) but also that, through such use, the mark has acquired distinctiveness or secondary meaning in its marketplace (see, e.g., *Chromalloy Men's Apparel Group, Inc. v. Burch & Hatfield Formal Shops, Inc.* D2000-1046 (WIPO October 20, 2000)). The Complainant has put forth no such proof as well.

In the absence of any such proof as to any legal exclusivity of the term "CDMG" resulting from a Federal or State trademark/service mark registration or common law protection, the Complainant has simply failed to meet its burden under paragraph 4(a)(i) of the Policy.

Rights or Legitimate Interests/ Registration and Use in Bad Faith

While the conduct of the Respondent, if viewed in the context of the Complainant having proved identity or confusing similarity under paragraph 4(a)(i) of the Policy, would present serious questions of illegitimacy, and bad faith use and registration, the total absence of such proof renders these latter issues moot. As such, the Panel sees no need at this time to specifically address issues concerning rights or legitimate interests, and bad faith use and registration.

This Panel will not and can not intervene in any instance, as here, where a domain name is being offered for sale, regardless of the price involved or circumstances surrounding the transaction itself, if that domain name does not implicate a complainant's rights in a valid trademark or service mark. The Policy simply does not reach as far as the Complainant here would like to extend it.

Since abusive cybersquatting, actionable under the Policy, does not occur in such instances, the parties involved are simply left to their own devices to reach agreement, as they see fit through suitable negotiations -- assuming agreement can be reached, on the terms of sale of the domain name. Any dispute arising out of a failure of such

negotiations must be dealt with in an appropriate forum apart from this administrative proceeding.

The Panel certainly understands that circumstances can arise where, during the course of employment or thereafter, an employee may take actions adverse to the interests of his(her) employer and which subsequently give rise to disputes between the two. That seemed to occur here where the Respondent, on March 29, 1997 and during his employment with the Complainant from March 1, 1996 to June 5, 1997, registered the contested domain name, which later became valuable to his employer, and which that employer now seeks. That name is formed of the initials of the Complainant's name, i.e. "CDMG" for "Continental Design and Management Group".

Given the explosive growth of the Internet during the past few years coupled with a perceived need of various commercial entities to establish web presences using domain names, consistent with societal naming conventions, that, in some fashion, easily reflect their business names, the Complainant clearly realized that having, as its domain name, a name formed of a succession of its initials would be useful, and easy for its customers to remember and use, and hence quite valuable in establishing its own web identity.

The Complainant, not unexpectedly (and probably as the Respondent envisioned), recognized the value inherent in owning the contested domain name and approached the Respondent seeking to purchase the domain name. However, the Complainant recognized this too late -- well after the Respondent registered the name. The negotiations then stalled with the Respondent demanding a price considerably higher than the Complainant was willing to pay.

It strains the Panel's credulity to think that the Respondent chose the contested domain name, which apart from the top level domain ".com" is solely formed of an acronym of the initials of the name of his employer at the time (i.e. the Complainant), for any reason other than to eventually sell it at considerable profit to the Complainant -- if not at or near the time the Respondent registered it, then perhaps later. Given this, was the Respondent's conduct in registering the contested domain name actually motivated by an opportunity for the Respondent to financially profit from the Complainant's inaction as well as any animosity it then harbored against the Complainant, or just, as the Respondent implies, by its simply having recognized and innocently exploited an opportunity to procure an item of value that no one else perceived at the time? This question is one which the Panel need not reach.

In any event, however reprehensible the Respondent's actions may be in registering the contested domain name during the course of his employment knowing that, at some future time, that name would likely be valuable to his employer and then demanding a high price for it, this conduct is insufficient, in and of itself, to trigger the Policy.

While the Panel is sympathetic to the Complainant's plight, the Panel is bound by the clear and unmistakable strictures of the Policy, and hence regrettably is simply unable to re-mediate the situation now before it.

As to the Respondent's contention that the Complainant, through its actions here, abused this process, the salient portion of paragraph 15(e) of the Rules states: "If after considering the submissions the Panel finds that the complaint was *brought in bad faith*, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the Panel shall declare in its decision *that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding*" (emphasis added).

The Panel believes that the Complainant knew that it had no trademark/service mark rights in the term -- otherwise it would have clearly offered such proof in furtherance of its case, and that proof of such rights is an indispensable element under the Policy, and yet, in spite of that knowledge, still intentionally filed this Complaint in an attempt to wrest the contested domain name from the Respondent -- particularly since it could not come to agreement with the Respondent on a price to be paid for the domain name.

However, in assessing whether a complainant abused the administrative process, the Panel believes that the complainant's actions, rather than being viewed in stark isolation, are assessed in the context of and illuminated by the respondent's conduct for which the complainant seeks redress.

In that light, it is clear to this Panel that the Complainant filed its Complaint in as a good faith, though clearly inadequate, endeavor to remedy a wrong committed by its ex-employee during the course of his employment. In essence, the Complainant now seeks, through this process, to recover property (here a domain name) to which the Complainant believed it was entitled but for the self-serving conduct of its ex-employee, committed during the time of his employment and to the prejudice of the Complainant employer, that, as its result, deprived and continues to deprive the Complainant of that property.

When viewed in that light, the Complainant did not abuse this administrative process.

In the absence of showing any legal exclusivity, through owning any trademark/service mark rights, to use of the term "CDMG" in connection with its product or service offerings, the remedy of the Complainant against this Respondent may well lie in an action in tort but, under the present facts, not under the Policy.

DECISION

For the reasons set forth above, the Complainant, having failed to discharge its burden of proof under element 4(a)(i) of the Policy, has not established its prima facie case sufficient to warrant transfer of the contested domain name.

Accordingly, the Complaint is hereby dismissed.

Peter L. Michaelson, Esq., Panelist
Dated: March 21, 2001
