



## **WIPO Arbitration and Mediation Center**

### **ADMINISTRATIVE PANEL DECISION**

**Fresh Direct, LLC v. Yaffa Regev**

**Case No. D2009-1302**

#### **1. The Parties**

The Complainant is Fresh Direct, LLC of Long Island City, New York, United States of America, represented by Kenyon & Kenyon, United States.

The Respondent is Yaffa Regev of Brooklyn, New York, United States.

#### **2. The Domain Name and Registrar**

The disputed domain name <organicfreshdirect.com> is registered with 1 & 1 Internet AG (the “Registrar”).

#### **3. Procedural History**

The Complaint was brought pursuant to the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), which was adopted by the Internet Corporation for Assigned Names and Numbers (“ICANN”) on August 26, 1999, and approved on October 24, 1999, and also in accordance with the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”) as approved on October 24, 1999, and the World Intellectual Property Organization (“WIPO”) Supplemental Rules for Uniform Domain Name Dispute Resolution Policy in effect as of December 1, 1999 (the “Supplemental Rules”).

The Complaint, with accompanying Exhibits 1-9, was filed with the WIPO Arbitration and Mediation Center (the “Center”) by email on October 1, 2009 and subsequently by hardcopy on October 6, 2009.

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 original Complaint, the Center, in accordance with paragraph 5 of the Supplemental Rules, verified that the Complaint complied with the formal requirements of the Rules and the Supplemental Rules. In that regard, on October 2, 2009, the Center requested confirmation from the Registrar as to: whether the Registrar received a copy of the Complaint from the Complainant, contact and registrant information set forth in the Complaint relative to the disputed domain name, and whether the domain name is indeed registered with the Registrar. The Center also requested the Registrar to specify for the disputed domain name: (a) the date on which the registration will expire, (b) whether the Policy applies to that name, (c) the language of the registration agreement, and (d) whether the name will remain "locked" during the proceeding.

Subsequently, on October 5, 2009, the Registrar provided its response to the Center through which it specified name and contact information pertinent to the disputed domain name to the extent, as it then existed, in its WhoIs database. Further, the Registrar stated that: it had not received a copy of the Complaint, the Respondent was listed as the registrant for the name and the name is registered with 1 & 1 Internet AG. The Registrar's response further indicated that: (a) the registration will expire on June 23, 2010, (b) the Policy applies to the name, (c) the registration agreement is in English and (d) the name will remain locked during the proceeding.

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

On October 6, 2009, the Center formally notified the Respondent of the filing of the Complaint, including an indication that the Center was forwarding a complete copy of the Complaint to the Respondent, together with all its annexes, by post or courier, facsimile and email. 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 6, 2009, under paragraph 4(c) of the Rules, this administrative proceeding is deemed to have commenced on that date.

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

The Respondent was then provided with a 20 calendar day period, expiring on October 26, 2009, to file its Response with the Center and the Complainant.

As of October 27, 2009, the Center had not received a formal Response to the Complaint from the Respondent; hence, the Center, in an email letter dated October 27, 2009, notified the Respondent of its default.

Accordingly, pursuant to the Rules and Supplemental Rules, by email letter dated October 29, 2009, the Center contacted the undersigned, Mr. Peter L. Michaelson, Esq., requesting his service as sole Panel for this dispute. Subsequently, on the same date, Mr. Michaelson accepted and returned, by email attachment to the Center, a fully executed Statement of Acceptance and Declaration of Impartiality and Independence. The Center, through an email letter dated October 30, 2009, notified the Parties of the

appointment of Mr. Michaelson as sole Panelist.

Based on the deadline set forth in paragraph 15 of the Rules, a decision is to be issued by the Panel to the Center on or before November 13, 2009.

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

#### **4. Factual Background**

As indicated in the WhoIs registration records provided in Exhibit 1 to the Complaint, the disputed domain name was registered on June 23, 2008.

##### **A. Complainant's FRESH DIRECT Marks**

The Complainant owns two United States registrations for the mark FRESH DIRECT in block letters and a stylized pattern. The Complainant has provided, in Exhibit 5 to the Complaint, printouts of entries from the publicly available on-line TESS (Trademark Electronic Search System) database provided by the United States Patent and Trademark Office for its United States of America marks. Pertinent details of those registrations are as follows:

1. FRESH DIRECT (stylized)  
United States registration 3,236,688; registered: May 1, 2007  
Filed: April 5, 2006

This service mark is registered for use in connection with "online retail and wholesale store services featuring food and grocery products; retail and wholesale telephone shop-at-home services featuring food and grocery products" in international class 35. The record indicates that both first use and first use in commerce of this mark, when used in conjunction with these goods, commenced at least as of July 10, 2002.

2. FRESH DIRECT (block letters)  
United States registration 2,836,743; registered: April 27, 2004  
Filed: August 16, 1999

This service mark is registered for use in connection with "online retail and wholesale store services featuring food and grocery products; retail and wholesale telephone shop-at-home services featuring food and grocery products" in international class 35. The record indicates that both first use and first use in commerce of this mark, when used in conjunction with these goods, commenced at least as of July 10, 2002.

##### **B. The Parties and their Activities**

The Complaint was established in 2002 as an online grocer using the website "www.freshdirect.com", most notably for organic food and locally grown items, serving the New York City metropolitan area. Since that time, it has expanded to over 1500 employees serving 100,000 active customers and has delivered well over 6,000,000 orders to residences and offices throughout that area with total sales exceeding USD 1 billion.

The Complainant has expended tens of millions of dollars in advertising and promotion of its marks and business. See Declaration of Jim Moore, Senior Vice President for Business Affairs for the Complainant, provided in Exhibit 4 to the Complaint ("Moore

Declaration”).

As a result of all its activities, the Complaint has garnered considerable media attention in the New York area, and has been regularly featured in leading publications and television shows, such as *The Wall Street Journal*, *The New York Times*, *The New York Post*, *Businessweek*, *New York Magazine*, *Fortune*, *Time Out New York*, *Time Magazine*, *Forbes*, *Good Day New York*, *Every Day with Rachel Ray*, and *Dateline NBC*. See the listing of media items provided in Exhibit A to the Moore Declaration.

On or about September 4, 2009, the Complainant first learned of the Respondent's registration and use of the disputed domain name. See paragraph 7 of the Moore Declaration. On September 9, 2009, Complainant's counsel sent a cease and desist letter (a copy of which appears in Exhibit 7 to the Complaint) to the Respondent demanding that, *inter alia*, she cease using the Complainant's mark in connection with her online grocery services, and transfer the disputed domain name to the Complainant.

On September 10, 2009, the Respondent, in an e-mail message (a copy of which appears in Exhibit 8 to the Complaint), responding to the September 9th letter, refused to transfer the domain name to the Complainant unless the latter made a serious offer to purchase the domain name, by stating:

“Will you please clarify us what ‘FreshDirect LLC’ has to do with our domain name ‘OrganicFreshDirect.com’ ????? ... What about ‘Wild Fresh Direct’? ‘Grandma Fresh Direct’? ‘Obama Fresh Direct’? ... What’s wrong with you people? Why do not you bring instead a serious offer to buy this domain and then we might think about it!”

Thereafter, on October 1, 2009, the Complainant filed its Complaint.

## **5. Parties’ Contentions**

### **A. Complainant**

#### **(i) Identical or Confusingly Similar**

The Complainant contends that the disputed domain name is confusingly similar to the Complainant’s mark.

Specifically, the Complainant states that the name includes the Complainant’s mark FRESH DIRECT preceded by a generic term “organic”. The latter not only fails to adequately distinguish the resulting name from the mark but also, particularly since the Complainant and Respondent operate in the same geographic area, reinforces an impression in the minds of Internet users that the disputed domain name confusingly refers to an online grocery store offered by the Complainant under its FRESH DIRECT mark, thus exacerbating ensuing confusion.

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, for any of several reasons, the Respondent has no

rights or legitimate interests in the disputed domain name pursuant to paragraph 4(a)(ii) of the Policy.

First, the Respondent is not using the disputed domain name in connection with a *bona fide* offering of goods or services nor is the Respondent making a legitimate noncommercial or fair use of the name. In that regard, the Respondent is using the name, which includes the Complainant's mark, to promote her own services which directly compete with those of the Complainant and which Complainant offers under its mark. Use of such a name, which intentionally trades on the reputation of the Complainant and infringes its mark, is not *bona fide* and consequently is illegitimate.

Second, inasmuch as the domain name includes the Complainant's mark, is being used in a directly competitive service with that of the Complainant and in the same service area as Complainant, here being New York City, and was registered several years after the Complainant's first mark was federally registered, then the Respondent registered the domain name either with constructive, if not actual, notice of that mark and of the Complainant's exclusive rights therein.

Third, the Complainant has never consented to the Respondent's use of the FRESH DIRECT Marks in connection with registering the disputed domain name. Further, no connection or affiliation exists between the two parties.

### **(iii) Registered and Used in Bad Faith**

Lastly, the Complainant contends that the Respondent registered and is now using the disputed domain name in bad faith under paragraph 4(a)(iii) of the Policy.

First, the Complainant and its marks were well-known in its geographic service area at the time the Respondent registered the domain name and then used it to offer directly competitive services in the same area. Further, the Respondent's website for its online grocery store mimics and is a "copycat" version of the Complainant's site. As such, the Respondent obviously registered the name with intention of exploiting the Complainant's reputation and goodwill for the Respondent's own pecuniary benefit by diverting sales from the Complainant and disrupting its business, all of which constitutes bad faith under paragraphs 4(b)(iii) and 4(b)(iv) of the Policy.

Second, the Respondent made an unsolicited offer to transfer the domain name to the Complainant for an amount exceeding its costs of registration. In that regard, Respondent's September 10, 2009 e-mail to the Complainant, in response to its September 9, 2009 cease and desist letter, states:

“...What's wrong with you people? Why do not you bring instead a serious offer to buy this domain and then we might think about it!”

Though the Respondent did not specify a particular sales price she then sought, her intent is clear by implication: she wanted a sufficiently large price that well exceeded her out-of-pocket costs such that she would have made what she then believed to be a significant monetary gain on the sale. This action reflects bad faith under paragraph 4(b)(i) of the Policy.

## **B. Respondent**

The Respondent failed to file any Response to the contentions raised in the Complaint.

## 6. Discussion and Findings

In view of the lack of a Response filed by the Respondent as permitted under paragraph 5 of the Rules, this proceeding has proceeded by way of default. Hence, under paragraphs 5(e), 14(a) and 15(a) of the Rules, the Panel may in its discretion decide this administrative proceeding on the basis of the Complainant's undisputed factual representations.

### A. Identical or Confusingly Similar

The Panel finds that the disputed domain name is confusingly similar to the Complainant's FRESH DIRECT Marks.

From a simple comparison of the disputed domain name to the Complainant's mark FRESH DIRECT, no doubt exists that the name is confusingly similar to the Complainant's marks.

The primary difference between the disputed domain name and the mark FRESH DIRECT is the prepending of the generic word "organic" to form a separate corresponding composite term along with, secondarily, appending the gTLD (generic top level domain) ".com" to that term to form the name with the last addition being irrelevant in assessing confusing similarity or identity under paragraph 4(a) of the Policy and thus ignored.

It is now very well-established in UDRP precedent, including numerous decisions previously rendered by this Panel, that a minor variation, such as adding short letter or number groups or even generic or highly descriptive words to a mark, is usually 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. Here, prefacing such a word, that being "organic", in the manner which the Respondent specifically did, to the mark FRESH DIRECT clearly resulted in such a minor variation. See, e.g., *Burberry Limited v. Domain Admin*, WIPO Case No. D2009-0703 (August 11, 2009); *Krispy Kreme Doughnuts, Inc. v. John Sharp*, WIPO Case No. D2009-0099 (April 20, 2009); *MasterCard International Incorporated v. Global Prepaid*, WIPO Case No. D2008-2008 (March 25, 2009); *HRB Innovations Inc., Express Tax Service Inc. v. Calvin Brown*, WIPO Case No. D2008-1072 (September 4, 2008); *Dreamworks Animation, LLC v. Creahq, Mike Furlong*, WIPO Case No. D2008-0505 (May 28, 2008); *Marvel Manufacturing Company Inc. v. Koba Internet Sales, LP*, WIPO Case No. D2008-0265 (May 5, 2008); *MySpace, Inc. v. Edwin De Jesus, EDJ Associates Inc.*, WIPO Case No. D2007-1878 (March 12, 2008); *Blackrock, Inc. v. blackrockfinancialservices.com*, WIPO Case No. D2007-1627 (January 4, 2008); *F. Hoffmann-La Roche AG v. Transliner Consultants*, WIPO Case No. D2007-1359 (November 14, 2007); *National Football League v. Peter Blucher d/b/a BluTech Tickets*, WIPO Case No. D2007-1064 (September 24, 2007); *Toilets.com, Inc. v. Rons Porta Johns*, WIPO Case No. D2007-0952 (August 27, 2007); *Associated Bank Corp. v. Texas International Property Associates*, WIPO Case No. D2007-0334 (June 28, 2007); *Gerber Childrenswear Inc. v. David Webb*, WIPO Case No. D2007-0317 (April 24, 2007); *SPX Corporation v. Hevun Diversified Corporation*, NAF Claim No. FA 791657 (November 13, 2006); *Google Inc. v. Jennifer Burns*, NAF Claim No. FA 726096 (August 16, 2006); *The Cheesecake Factory Inc. and The Cheesecake Factory Assets Co., LLC v. Say Cheesecake*, WIPO Case No. D2005-0766 (September 12, 2005); *Napster, Inc. v. Giovanni Vinscani*, WIPO Case No. D2005-0531 (July 19, 2005); *Caesars Entertainment, Inc. v. Nova Internet Inc.*, WIPO Case No. D2005-0411 (June 22, 2005); *Lockheed Martin*

*Corporation v. The Skunkworx Custom Cycle*, WIPO Case No. D2004-0824 (January 18, 2005); *Lockheed Martin Corporation v. Deborah Teramani*, WIPO Case No. D2004-0836 (December 1, 2004); *National Collegiate Athletic Association v. Dusty Brown*, WIPO Case No. D2004-0491 (August 30, 2004); *Lane-Labs USA, Inc. v. Powell Productions*, NAF Claim No. FA 155896 (July 1, 2003); and particularly *Cable News Network LP, LLP v. Elie Khouri d/b/a Channel News Network et. al.*, NAF Claim No. FA 117876 (December 16, 2002).

Moreover, by including the term “organic” with the Complainant’s mark FRESH DIRECT to form the disputed domain name, the potential for user confusion is likely to be exacerbated, not reduced. By prepending that term to the Complainant’s mark, such an Internet user would likely be deceived into thinking that the Respondent’s site and the products offered there through - which directly compete with the Complainant’s service and its offerings - were somehow affiliated, related to or sponsored by the Complainant when, in fact, they are not. Specifically, the word “organic” is an extremely well-known term which, in connection with foodstuffs - as here, refers to the state of a foodstuff as being grown or raised without synthetic chemical agents or through any unnatural processes. Hence, it stands to reason that any Internet user, upon seeing the term “organic” preceding the mark FRESH DIRECT but used in connection with the Respondent’s online store services, would think that the goods furnished there under, while naturally constituted and produced, still emanate from the Complainant - when they do not. Including that term only increases the likelihood that user confusion will occur and does so to the Respondent’s ultimate benefit. Any other conclusion simply lacks credibility. See *Burberry*, *Krispy Kreme*, *Dreamworks* and *MySpace*, all cited *supra*.

Therefore, the Panel finds that the disputed domain name is confusingly similar to the Complainant’s mark FRESH DIRECT as to cause confusion; hence, the Complainant has satisfied its burden under paragraph 4(a)(i) of the Policy.

## **B. Rights or Legitimate Interests**

Based on the evidence of record here, the Panel finds that no basis exists which would appear to legitimize a claim by the Respondent, were it to have made one, to the disputed domain name under paragraph 4(c) of the Policy.

The Complainant has never authorized the Respondent to utilize its mark FRESH DIRECT in conjunction with the online store services with which the Complainant uses that mark or for similar services, nor does the Complainant apparently have any relationship or association whatsoever with the Respondent. As such, any use to which the Respondent were to put the Complainant’s mark FRESH DIRECT or one confusingly similar thereto in connection with the identical or even similar services to those currently provided by the Complainant, as recited in any of its trademark registrations, may likely in circumstances as are present here violate the exclusive trademark rights now residing with the Complainant. See, e.g., *Burberry*, *HRB Innovations Inc.*, *Dreamworks*, *MySpace*, *Blackrock*, *F. Hoffmann-La Roche AG*, *National Football League*, *Toilets.com, Inc.*, and *Associated Bank*, all cited *supra*; also *Starline Publications, Inc. v. Unity*, WIPO Case No. D2008-1823 (February 2, 2009); *GoDaddy.com, Inc., v. GoDaddysDomain.com*, *Clark Signs*, *Graham Clark*, WIPO Case No. D2007-0303 (May 7, 2007); *Citgo Petroleum Corporation v. Richard Antinore*, WIPO Case No. D2006-1576 (March 14, 2007); *New Destiny Internet Group, LLC and Xplor Media, Inc. v. SouthNetworks*, WIPO Case No. D2005-0884 (October 14, 2005); *The Cheesecake Factory Inc.*, *Napster* and *Caesars Entertainment, Inc.*, all cited *supra*; *Pelmorex Communications Inc. v. weathernetwork*, WIPO Case

No. D2004-0898 (December 28, 2004); *Sybase, Inc. v. Analytical Systems*, WIPO Case No. D2004-0360 (June 24, 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*, NAF Claim No. FA 173362 (September 16, 2003); *AT&T Corp. v. Roman Abreu d/b/a Smartalk Wireless*, cited *supra*; *MPL Communications, Limited et al v 1WebAddress.com*, NAF Claim No. FA 97092 (June 4, 2001); *Treeforms, Inc. v. Cayne Industrial Sales, Corp.*, NAF Claim No. FA 95856 (December 18, 2000); and *America Online, Inc. v. Xianfeng Fu*, WIPO Case No. D2000-1374 (December 11, 2000). Consequently, in the Panel's view, the Respondent could not legitimately acquire any public association between it and either the mark FRESH DIRECT or one similar thereto, at least for the services rendered by the Complainant, in the manner so used here.

Further, there is absolutely no evidence of record that the Respondent has ever been commonly known by the disputed domain name or more generally the mark FRESH DIRECT. Nor could the Respondent likely ever become commonly known by either the disputed domain name or the mark without infringing on the exclusive trademark rights of the Complainant. This is so in light of the Complainant's exclusive trademark rights which date back to July 2002 - some six years prior to the date (June 23, 2008) when the Respondent registered the domain name, and the widespread reputation and notoriety which the Complainant has gained in its marks ever since, and particularly in the very same geographic market area which the Respondent now attempts to serve. See, e.g., *Burberry*, *Starline Publications*, *HRB Innovations Inc.*, *MySpace* and *Treeforms, Inc.*, all cited *supra*.

Hence, based on the evidence before the Panel, the Respondent does not fall within paragraph 4(c)(ii) of the Policy.

Lastly, the Respondent's actions in using the name to resolve to a website directly competitive with that of the Complainant does not constitute a *bona fide* offering of goods or services, let alone one that occurred prior to receiving any notice of this dispute. Nor does such use constitute either a legitimate noncommercial or fair use of the name, without intent on the Respondent for commercial gain to misleadingly divert consumer or tarnish any of the Complainant's FRESH DIRECT Marks. Consequently, the Respondent's conduct does not fall within paragraph 4(c)(i) or 4(c)(iii) of the Policy either.

Accordingly, the Panel concludes that the Respondent has no rights or legitimate interests in the disputed domain name within paragraph 4(a)(ii) and 4(c) of the Policy.

### **C. Registered and Used in Bad Faith**

The Panel finds that the Respondent's actions, with respect to the disputed domain name, constitute bad faith registration and use.

The Panel infers, from the lack of any Response, that the Respondent was well aware of the Complainant's mark FRESH DIRECT when the former registered the domain name. Yet, in spite of that knowledge, the Respondent intentionally registered the name in an effort to opportunistically exploit the Complainant's reputation and goodwill in that mark. This is rather evident in the Respondent having actually used the name in conjunction with a copycat website through which it offered a similar service, i.e. online grocery store services, in the very same geographic market area as does the Complaint. In this Panel's view, the Respondent did so to divert sales from the Complainant and disrupt the Complainant's business and, by so doing, monetarily



benefit from that exploitation to the detriment of the Complainant.

Bad faith is also evident in the Respondent's action in attempting to coerce the Complainant, at the risk of suffering further loss due to Respondent's continued infringement of its mark, into making a sufficiently large monetary offer to the Respondent, likely one which was well in excess of the Respondent's cost of registration, in order to secure transfer of the name.

Hence, the Panel concludes that the Respondent violated paragraph 4(a)(iii) of the Policy including specifically paragraphs 4(b)(i), 4(b)(iii) and 4b(iv) thereof.

Thus, the Panel concludes that the Complainant has provided sufficient proof of its allegations, with respect to the disputed domain name, to establish a case under paragraph 4(a) of the Policy upon which the relief it now seeks can be granted.

## **7. Decision**

Accordingly, under paragraphs 4(i) of the Policy and 15 of the Rules, the Panel grants the relief sought by the Complainant.

The disputed domain name, <organicfreshdirect.com>, is ordered transferred to the Complainant.

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Peter L. Michaelson  
Sole Panelist

Dated: November 10, 2009