

ADMINISTRATIVE PANEL DECISION

TPI Holdings, Inc. v. Garry Chernoff, NetIncome Ventures Inc
Case No. D2011-0923

1. The Parties

The Complainant is TPI Holdings, Inc. of Atlanta, Georgia, United States of America, represented by Dow Lohnes, PLLC, United States of America.

The Respondent is Garry Chernoff, NetIncome Ventures Inc. of Penticton, British Columbia, Canada, represented by John Berryhill, Ph.d., Esq., United States of America.

2. The Domain Name and Registrar

The disputed domain name <autotrade.com> (the "Disputed Domain Name") is registered with Moniker Online Services, LLC.

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on May 26, 2011. On May 27 and May 31, 2011, the Center transmitted by email to Moniker Online Services, LLC a request for registrar verification in connection with the Disputed Domain Name. On May 31, 2011 and June 1, 2011, Moniker Online Services, LLC transmitted by email to the Center its verification response confirming that the Respondent is listed as the registrant and providing the contact details. In response to a notification by the Center that the Complaint was administratively deficient, the Complainant filed an amended Complaint on June 10, 2011.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy" or "UDRP"), the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules"), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules").

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified the Respondent of the Complaint, and the proceedings commenced June 14, 2011. In accordance with the Rules, paragraph 5(a), the due date for Response July 4, 2011. The Response was filed with the Center on July 4, 2011.

The Center appointed Alfred Meijboom, Richard W. Page and The Hon Neil Brown QC as panelists in this matter on August 15, 2011. The Panel finds that it was properly constituted. Each member of the Panel has

submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The Complainant is the owner of United States federal trademark with registration number 1,247,037 AUTO TRADER for periodic magazines, which was registered in 1983 (the "Trademark"), as well as different other United States federal trademarks which were registered in or after 2000, including AUTO TRADER (registration number 2,390,815) and), *inter alia*, for advertisement services via an online electronic network and providing automotive information via a global computer network relating to vehicles.

The Respondent registered the Disputed Domain Name on April 24, 1998. The website under the Disputed Domain Name is currently linked to third party car related advertisements.

5. Parties' Contentions

A. Complainant

The Complainant claims that it currently owns six active United States federal registrations for AUTOTRADER.COM, AUTOTRADER and AUTO TRADER marks, the above identified trademarks, all for magazines, online advertising services and/or providing online information or advertising relating to automobiles or other vehicles, which marks the Complainant exclusively sublicensees to Autotrader.com, Inc. which uses such trademarks for the Complainant's benefit. As of 1974 the Complainant's predecessor in interest sold and distributed periodicals featuring vehicle classified and display advertising under the AUTO TRADER marks. And since at least as early as August 1998 AutoTrader.com, Inc. or its predecessor in interest has provided online vehicle classified and display advertising services under the AUTOTRADER.COM mark. According to the Complainant, AutoTrader.com, Inc. operates one of the world's leading websites in the field of automotive sales and providing related information and services, located at "www.autotrader.com".

Since the 1970s, the Complainant has continued to use and expand its use of "TRADER" marks for printed and online publications featuring classified and/or display advertising. In addition to the AUTO TRADER Marks, the Complainant also owns more than fifty other trademarks and service marks and federal registrations for such marks that include the term "trader" for a wide variety of printed and on-line publications featuring advertising (many of which are in the field of automotive-related products), which the Complainant collectively refers to as "the TRADER Family of Marks"), and licensed them for use by the Complainant's licensees and their sublicensees. The Complainant further contends that, as a result of extensive investment and use, the TRADER Family of Marks (including the AUTO TRADER Marks) is famous and is an indication of high quality and of origin exclusively with the Complainant, its licensees and its sublicensees.

The Respondent is not a licensee of Complainant, nor is it authorized to use any of Complainant's AUTO TRADER Marks, any other of the TRADER Family of Marks or any marks confusingly similar thereto. The Respondent registered the Disputed Domain Name without the authorization, knowledge or consent of the Complainant. The Disputed Domain Name currently resolves to a website consisting solely of advertisements and sponsored links, including advertisements for, and links to, direct competitors of AutoTrader.com.

On December 20, 2010, counsel for the Complainant sent a demand letter to the Respondent to demand that Respondent cease and desist use of the Disputed Domain Name and transfer the registration of the Disputed Domain Name to the Complainant. The Complainant has not received a response from Respondent.

The Complainant claims that the registration and use of the Disputed Domain Name by Respondent meets each of the three elements referred to in Paragraph 4(a) of the Policy, and requests a transfer of the Disputed Domain Name, for the following reasons.

According to the Complainant the Disputed Domain Name is confusingly similar to the extremely well-established rights in the TRADER Family of Marks (including the AUTO TRADER Marks). The Respondent registered and is using a variation of Complainant's AUTO TRADER Marks in a manifest attempt to typosquat on the AUTO TRADER Marks. Specifically, the Disputed Domain Name is identical to Complainant's AUTO TRADER Marks except that the final letter "r" has been deleted, which does not avoid a finding of confusing similarity. Moreover, the Complainant alleges that the Disputed Domain Name is confusingly similar to the AUTO TRADER Marks because it looks like, sounds like and makes the same overall commercial impression as the AUTO TRADER Marks. Misspellings or slight variations of a mark in a domain name do not eliminate a likelihood of confusion between the domain name and the mark.

Further, the Complainant contends that the Respondent has no rights or legitimate interests in respect of the Disputed Domain Name because the Respondent has never been authorized by Complainant to use any of the TRADER Family of Marks (including the AUTO TRADER Marks) or any mark confusingly similar thereto as a mark or as part of a domain name. Further, there cannot be *bona fide* use as Respondent registered the Disputed Domain Name to intentionally trade on the well-known marks of the Complainant to lure Internet users to the Respondent's website offering services that are competitive with the services of the Complainant. Respondent's use of the Disputed Domain Name as a "link farm" - a website that contains a list of "pay-per-click" advertisements - does not constitute a *bona fide* offering of services or goods. And finally, the Respondent also cannot establish rights in the Disputed Domain Name because Respondent has never been commonly known by the Disputed Domain Name and has never acquired trademark or service-mark rights in the Disputed Domain Name.

According to the Complainant, the Disputed Domain Name has further been registered in bad faith because the Respondent manifestly chose and registered the Disputed Domain Name with actual or constructive knowledge of Complainant's TRADER Family of Marks (including the AUTO TRADER Marks) and the services provided by the Complainant. The Respondent's only possible purpose in registering and using the Disputed Domain Name would be to intentionally attempt to attract, for commercial gain, Internet users to the Disputed Domain Name by creating a likelihood of confusion with Complainant's TRADER Family of Marks (including the AUTO TRADER Marks) as to the source, sponsorship, affiliation, or endorsement of its website. Further, the Respondent's registration of the Disputed Domain Name that exploits the mistyping of Complainant's trademark is typo squatting that establishes bad faith. And finally, Respondent's failure to respond to Complainant's demand letter requesting transfer of the Disputed Domain Name also supports a finding that Respondent has not used the Disputed Domain Name in good faith.

B. Respondent

The Respondent contends that it is a Canadian corporation run by a Canadian citizen, which Disputed Domain Name represents a generic term for one of the world's largest industries, the auto trade. The Disputed Domain Name was registered in 1998 and has been continuously used by the Respondent in connection with information and advertising relating to the auto trade. The Complainant asserts that only United States federal trademark with registration number 1,247,037 AUTO TRADER for periodic magazines (the "Trademark") pre-dates registration of the Disputed Domain Name. The Respondent has never engaged in the publication of a periodical magazine, and believes that this is a classic example of a case in which "small differences matter" in relation to descriptive marks.

The Respondent denies that the Disputed Domain Name is confusingly similar to the Trademark. It alleges that there can be no serious question that the term "auto trade" is used to refer to the auto industry, the common act of bargaining for a newer car by obtaining a credit for an older one, and in fact by numerous dealerships. The common American English name for a person engaged in the auto trade is normally "auto dealer" and not "auto trader". So, to that extent, the commercial impression conveyed by the expression "auto trader" is somewhat peculiar to an American ear, in contrast to the common generic reference to "the

auto trade” as an industry, or to “an auto trade” as a single act in which a consumer may engage from time to time but which does certainly not make one an “auto trader” any more than baking a cake now and then renders one to be a baker. There is no question that the expression “auto trade” is frequently used in connection with the automobile industry and information about the industry, and in connection with commerce in automobiles.

While it is a simple observation that the Disputed Domain Name and the Trademark differ by one letter, it is, according to the Respondent, readily apparent that the Complainant’s claim under its Trademark registration was obtained on the basis of acquired distinctiveness for a narrow purpose in an otherwise descriptive term. The Respondent argues that if this dispute concerned a fanciful or inherently distinctive term, then a difference of one letter might be trivial. In this case the omission of the letter “r” at the end of the Trademark alters the commercial impression as the term “auto trader” is a somewhat unusual term, whereas “auto trade” is not a reference to a type of person, but to a type of trade. In the context of marks that are descriptive in the first instance, small variations outside of the scope of rights actually granted and for what goods, and variations which change the sense or meaning of the expression at hand can be significant. The phrases “auto trade” and “auto trader” are both perfectly descriptive English phrases in their own right, with the term “auto trade” being in demonstrable widespread use not in connection with the Complainant. The Respondent therefore denies that the Disputed Domain Name is a typographical misspelling or variant of an inherently distinctive term. The Respondent accepts that the Complainant has put considerable effort into establishing itself, according to the Respondent mostly since after the Disputed Domain Name was registered, as “Auto Trader”, but has not yet become synonymous in the mind of any relevant consumer with the entire auto trade or the entirety of trade in autos, nor is the Complainant likely to do so given the widespread and non-distinctive use of the term “auto trade” by various parties. Nowhere in its Complaint does the Complainant address how a typographical difference may or may not be significant in relation to the degree of inherent distinctiveness in the mark at hand. According to the Respondent it is well established that minor differences among what are, at root, descriptive terms are indeed significant ones, particularly where, as here, the resulting phrase is a generic term in its own right.

In discussing the second element of Paragraph 4(a) of the Policy, the Respondent asserts that there is no question that in relation to the registration documents asserted by the Complainant that the Respondent’s 1998 registration of the Disputed Domain Name demonstrates that the Respondent has been using the Disputed Domain Name for a considerably long period of time. The Respondent is mystified at how such a use of a domain name, which consists of a generic term in its own right and in which the Complainant is entitled to no presumption outside of its actually registered mark, could be considered illegitimate. The Respondent submits that the evidence of record demonstrates that the Respondent was using the Disputed Domain Name for a legitimate purpose prior to initiation of the dispute.

The Respondent further denies that it registered or used the Disputed Domain Name in bad faith. The Disputed Domain Name was registered by the Respondent in April 1998 – some thirteen years ago – and has been used since that time in connection with the auto trade. The Respondent, a Canadian, is not chargeable with constructive notice of United States trademark registrations, but that fact is in the Respondent’s view not particularly relevant as: (1) the Disputed Domain Name does not consist of the mark, but of a common generic phrase in its own right, and (2) the Respondent had no intention of, and has not, published a periodic magazine. Upon seeing that “auto trade” was due to expire, the Respondent was certainly able to recognize a common phrase upon seeing one, and would not have imagined, and indeed to this day does not imagine, that any party would have an exclusive right in the phrase “auto trade” in connection with trade in autos. The Complainant has certainly not demonstrated a right to usurp the name of the entire auto trade by the mere fact of publishing a periodical magazine called “Auto Trader”. Further, while the Complainant implicitly claims that its business has been disrupted by the Disputed Domain Name for going on thirteen years now, the Complainant does not show how its business has been disrupted at any time. While not a defense of laches *per se*, the lapse of time involved erodes the credibility of a claim of injury here. Nonetheless, an increasing number of UDRP panels, recognize that the Policy itself has been around for ten years now, in contrast to circumstances of early Policy views toward laches.

Finally, the Respondent claims that the fact that it did not reply to the Complainant's demand letter does not constitute bad faith in itself. The Respondent considers the letter itself amusing in certain respects, as where it states that "It has come to our client's attention" that the Disputed Domain Name had been registered since 1998, and concludes by stating the Complainant's obligation to police its mark. Hence, the Complainant admits, in the letter, of having an obligation of diligence in asserting its rights – an obligation facially not discharged here. It is well established that there is no obligation for a domain name registrant to jump at any and all threats received.

6. Discussion and Findings

If the Complainant is to succeed, it must prove each of the three elements referred to in Paragraph 4(a) of the Policy, namely that:

- i. the Disputed Domain Name is identical or confusingly similar to a trademark in which the Complainant has rights;
- ii. the Respondent has no rights or legitimate interests in respect of the Disputed Domain Name; and
- iii. the Disputed Domain Name has been registered and is being used in bad faith.

The Complainant relies on what it refers to as the "TRADER Family of Marks (including the AUTO TRADER Marks)", which comprises several United States federal trademarks that include the terms "auto trader" and "trader". Of all trademarks identified by the Complainant, only one predates the registration of the Disputed Domain Name, namely United States federal trademark with registration number 1,247,037 AUTO TRADER for periodic magazines, which was registered in 1983 (the "Trademark"). As it is not in dispute that the Disputed Domain Name was registered by the Respondent on April 24, 1998, at which time the Complainant used, and could rely only on the Trademark, the Panel shall only consider the Trademark when deciding if the Complainant was successful in proving these elements.

A. Identical or Confusingly Similar

The Panel finds that the Disputed Domain Name is confusingly similar to the Trademark as the only difference is the last letter "r" which is lacking in the Disputed Domain Name. It happens often that Internet users mistype domain names and missing the last letter of a domain name happens frequently. Given the similar meanings of the Trademark and the Disputed Domain Name and the competing offering of services under the Trademark and the Disputed Domain Name, an Internet user who mistypes <autotrader.com> and then finds the website under the Disputed Domain Name could be confused into believing that the Disputed Domain Name and the Trademark are somehow linked.

B. Rights or Legitimate Interests

The Complainant argued that the Respondent was not licensed or otherwise authorized by the Complainant to register and use the Disputed Domain Name, and was not known by the Disputed Domain Name prior to the registration thereof. More particularly, the Complainant argued that the Respondent registered the Disputed Domain Name to trade intentionally on the well-known marks of the Complainant to lure Internet users to the Respondent's website offering services that are competitive with the services of the Complainant, more particularly because the Respondent uses the Disputed Domain Name as a "link farm".

Several facts are relevant to decide if the Respondent has rights or legitimate interests in the Disputed Domain Name:

- a. the Disputed Domain Name was registered in April 1998 when the Complainant only owned the Trademark and published magazines;
- b. the Trademark concerns a United States federal trademark;
- c. the Respondent is a Canadian company;
- d. the Trademark has limited distinctive character for services relating to (sales of) cars;

- e. the Disputed Domain Name is descriptive for the car industry as such;
- f. according to the Complaint, the Complainant did not use the domain name <autotrader.com> before August 1998, and the registration of Complainant's United States federal trademark with registration number 2,381,590 AUTOTRADER.COM mentions August 25, 1999 as first use.

The Complainant failed to demonstrate that the Trademark had a reputation when the Respondent registered the Disputed Domain Name in April 1998, and that such reputation would have meant that a Canadian company should have been familiar with the Trademark.

The Panel is satisfied that the Respondent registered the word "auto trade" as a Disputed Domain Name for a website directed at motor vehicles or the automotive industry in April 1998, without it necessarily having been aware of the Trademark. In this respect the Panel agrees with the Respondent that the word "auto trade" is purely descriptive for the automotive industry and commonly used for car related services. It is therefore not surprising that the Respondent chose to register the Disputed Domain Name to be used in connection with a purpose relating to its generic or descriptive meaning.

The Panel agrees with the findings of the panel in *HSBC Finance Corporation v. Clear Blue Sky Inc. and Domain Manager*, WIPO Case No. D2007-0062, which summarized the panel views in this respect as follows: "A number of panels have concluded that a respondent has a right to register and use a domain name to attract internet traffic based on the appeal of a commonly used descriptive phrase, even where the domain name is confusingly similar to the registered mark of a complainant. See *National Trust for Historic Preservation v. Preston*, WIPO Case No. D2005-0424; *Private Media Group, Inc., Cinecraft Ltd. v. DHL Virtual Networks Inc.*, WIPO Case No. D2004-0843; *T. Rowe Price Associates, Inc. v. J A Rich*, WIPO Case No. D2001-1044; *Sweeps Vacuum & Repair Center, Inc. v. Nett Corp.*, WIPO Case No. D2001-0031; *EAUTO, L.L.C. v. Triple S. Auto Parts d/b/a Kung Fu Yea Enterprises, Inc.*, WIPO Case No. D2000-0047. Where a respondent registers a domain name consisting of 'dictionary' terms because the respondent has a good faith belief that the domain name's value derives from its generic or descriptive qualities, the use of the domain name consistent with such good faith belief may establish a legitimate interest. See *Mobile Communication Service Inc. v. WebReg, RN*, WIPO Case No. D2005-1304. But the domain name must have been registered because of, and any use consistent with, its attraction as a dictionary word or descriptive term, and not because of its value as a trademark. *Media General Communications, Inc. v. Rarenames, WebReg*, WIPO Case No. D2006-0964". See also *St Andrews Links Ltd v Refresh Design*, WIPO Case No. D2009-0601. The Panel is satisfied that the Respondent was attracted by the possible commercial value of the Disputed Domain Name when it registered it, and that the Respondent used and uses the Disputed Domain Name in its generic sense.

The Respondent alleged that it has been using the Disputed Domain Name continuously since April 1998 in connection with information and advertising relating to the auto trade, and the Complainant did not claim or demonstrate otherwise. The fact that the Respondent operates a website with commercial landing pages is, as such, a legitimate commercial activity which can be *bona fide*. The Panel is satisfied that the Respondent's use of the Disputed Domain Name has been *bona fide* because it dates back to April 1998, when the Complainant's licensee was still selling magazines under the Trademark and was not yet on the Internet until August 1998 or 1999.

The Complainant has therefore failed to demonstrate the second element.

C. Registered and Used in Bad Faith

The Panel finds that the Respondent did not register the Disputed Domain Name in bad faith because at the time of registration the Disputed Domain Name was a purely descriptive, generic word, and the Complainant could not demonstrate that the (United States) Trademark had such reputation that the (Canadian) Respondent should have been aware of the trademark.

As stated before, the Respondent's continued use of the Disputed Domain Name for a website with commercial landing pages is a *bona fide* use. In principle, such use does not suddenly or gradually become

use in bad faith if similar trademarks of the Complainant which were registered after such *bona fide* use started, and obtained a reputation or even became famous on an international scale thereafter.

Furthermore, the Complainant did not offer an explanation why it waited more than 13 years before it required the Respondent to transfer the Disputed Domain Name, while at the same time implying that the situation in 1998 was the same as it would be if the Disputed Domain Name had been registered in 2011. This is, as has been explained, not the case. In all the circumstances of this case, the Panel does not consider the fact that the Respondent did not reply to Complainant's demand letter relevant to its decision on bad faith.

The Complainant has therefore also failed to demonstrate the third element.

7. Decision

For all the foregoing reasons, the Complaint is denied.

Alfred Meijboom
Presiding Panelist

The Hon Neil Brown QC
Panelist
Dated: August 28, 2011

Dissent

The majority has improperly found that Claimant failed to prove its case regarding the second element challenging whether Respondent had made any legitimate use of the Disputed Domain Name.

Paragraph 4(a)(ii) requires the Complainant to prove that the Respondent has no rights to or legitimate interests in the Disputed Domain Name. Once a Complainant establishes a *prima facie* showing that none of the three circumstances establishing legitimate interests or rights apply, the burden of production on this factor shifts to the Respondent to rebut the showing. The burden of proof, however, remains with Complainant to prove each of the three elements of paragraph 4(a). See *Document Technologies, Inc. v. International Electronic Communications Inc.*, WIPO Case No. D2000-0270..

Complainant has established a *prima facie* case that the three circumstances establishing legitimate interest or rights do not apply. The Respondent's rebuttal does not establish the content, if any, which was posted on the website to which the Disputed Domain Name resolved in 1998. The majority's position that Respondent has continually used the website as a landing page or link farm on a pay-per-click basis continuously since registration of the Disputed Domain Name is not supported.

The only showing by Respondent of any commercial links is of recent vintage after the TRADER Family of Marks had gained undisputed prominence in the line of commerce at issue. While "parking" a domain name is not inherently an illegitimate use, the Dissenting Panelist does not believe that such use is to be necessarily considered *bona fide*. The Respondent had the opportunity and burden to produce evidence of it

legitimate use of the Disputed Domain Name.

Respondent's evidence is not persuasive and Complainant has carried its burden of proof on the second element.

Having found that Respondent lacks legitimate rights or interest in the Disputed Domain Name, the elements of bad faith in paragraph 4(b)(iv) are met. Respondent has used the Disputed Domain Name to misleadingly divert customers to its website. Therefore, the Complainant has met the third element.

The Disputed Domain Name should be transferred to Complainant.

Richard W. Page

Panelist (Dissenting)

Dated: August 28, 2011