

ADMINISTRATIVE PANEL DECISION

Zija International, Inc. v. Deep Frontier
Case No. D2013-0107

1. The Parties

The Complainant is Zija International, Inc. of Lehi, Utah, United States of America, represented by Fillmore Spencer, LLC, United States of America.

The Respondent is Deep Frontier of San Diego, California, United States of America, represented internally.

2. The Domain Name and Registrar

The disputed domain name <zija.com> is registered with GoDaddy.com, LLC (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on January 17, 2013. On January 17, 2013, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On January 17, 2013, the Registrar transmitted by email to the Center its verification response confirming that the Respondent was listed as the registrant and providing the contact details for the disputed domain name. The Complainant filed an amendment to the Complaint on January 17, 2013.

The Center verified that the Complaint, together with the amendment to the Complaint, satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy"), 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 January 22, 2013. In accordance with the Rules, paragraph 5(a), the due date for Response February 11, 2013. The Response was filed with the Center on February 6, 2013.

The Center appointed Peter L. Michaelson, Andrew F. Christie and Brigitte Joppich as panelists in this matter on February 28, 2013. 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.

Based on the deadline set forth in paragraph 15 of the Rules, a decision is to be issued by the Panel by March 13, 2013.

4. Factual Background

As indicated in the Whois registration record appearing in Annex 1 to the Complaint, the disputed domain name <zija.com> was registered on August 1, 2002, and subsequently renewed, and will expire on August 1, 2015.

A. The Complainant's ZIJA Mark

The Complainant owns a United States trademark registration for the mark ZIJA in block letter form. The Complainant has provided, in Annex 4 to the Complaint, a copy of the record for this registration as listed on the publicly accessible TSDR (Trademark Status and Document Retrieval) database provided by the United States Patent and Trademark Office (USPTO). Pertinent details of the registration are as follows:

ZIJA (block letters)
United States Registration No. 3,275,771
Registered: August 7, 2007; Filed: September 27, 2004

This mark is registered for use in connection with: "Nutritional and dietary supplements" in international class 5, and "Rendering technical assistance in establishment and/or operation of distributorships and person to person and wholesale and retail merchandising of various good, namely, nutritional and dietary supplements" in international class 35. The record for this mark indicates that, in conjunction with the goods and services in both classes, both first use of the mark and first use in commerce commenced as of December 7, 2004.

B. Complainant

The Complainant develops natural, earth-friendly products using the Moringa plant and markets them worldwide through a global network of independent distributors in more than thirty countries, including the United States and various countries in Europe and East Asia.

Since its founding during 2004, the Complainant has expanded rapidly and is currently generating over USD 100 million in annual gross revenues. See, Annex 9 to the Complaint.

C. Respondent

The Respondent is a for-profit California organization that has no connection or relationship with the Complainant.

At the time the Respondent registered the disputed domain name on August 1, 2002, it had no knowledge of the Complainant as the latter did not exist until two years later, *i.e.* during 2004.

The Respondent commercially used the disputed domain name from 2002 through 2006 to direct Internet users to "www.blueknight.com", a website owned by the Respondent, at which the Respondent sold T-shirts.

The Respondent renewed its registration for the disputed domain name on October 12, 2007. At the time, the Respondent was aware of the Complainant and its claims against the Respondent, but viewed those claims as unfounded and meritless, but nevertheless since 2006, under multiple threats of litigation from the Complainant, abstained from any further use of the disputed domain name.

D. Interaction between the parties

During March 2006, the Complainant, through an e-mail letter, contacted the Respondent about purchasing the disputed domain name. During April 2006, the Respondent informed the Complainant that it did not want to sell the disputed domain name.

Subsequently, on July 14, 2006, the Complainant's counsel, by letter (Annex A to the Response) requested the Respondent to immediately cease and desist from all further use of the disputed domain name and to "voluntarily and immediately relinquish" the disputed domain name. He further stated that "costly legal-wranglings" could be avoided if the matter were resolved on the Complainant's terms. Counsel further stated that the Complainant had previously offered to purchase the disputed domain name from the Respondent for USD 15,000, but had thus far received no response to the offer.

Shortly thereafter, through a letter dated July 21, 2006, (Annex B to the Response), the Respondent advised the Complainant's counsel that it had acquired and used the disputed domain name before the Complainant commenced its business and would not transfer the disputed domain name to the Complainant. The Respondent further noted that it had never received a USD 15,000 offer from the Complainant.

Later, in a letter dated August 16, 2006, (Annex C to the Response), the Complainant's counsel stated that in his "opinion the law distinguishes between 'first use' and 'commercial use'" and repeated his client's desire to purchase the disputed domain name for USD 15,000.

Subsequently, in a letter dated August 29, 2006, from the Respondent to the Complainant's counsel (Annex D to the Response), the Respondent declined the Complainant's repeated USD 15,000 offer to purchase the disputed domain name and made no counter-offer to sell.

Nearly six years later, in a letter dated July 13, 2012, (Annex E to the Response), the Complainant's counsel stated that the Complainant had recently become aware that the Respondent was using the disputed domain name. Counsel also implied, without issuing an explicit threat, that the Complainant might institute a federal lawsuit against the Respondent for injunctive relief, damages, and attorney's fees. The letter included the following demand:

"Demand. We therefore demand that Deep Frontier's immediately cease and desist the use of ZIJA, or variant spellings of this registered trademark, and transfer the zija.com domain name to Zija International. We also require that Deep Frontier provide written confirmation within ten (10) days that it has complied with the foregoing demand." (Emphasis in original).

5. Parties' Contentions

A. Complainant

(i) Identical or Confusingly Similar

The Complainant contends that the disputed domain name is identical to the Complainant's ZIJA Mark because the name, apart from the generic top level domain (gTLD) suffix, solely contains the term "zija".

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 various reasons, the Respondent has no rights or legitimate interests in the disputed domain name pursuant to paragraph 4(a)(ii) of the Policy.

Specifically, since the Respondent registered the name in 2002, it has never used the name in connection with an active web site. In that regard, from 2002 to 2006, the Respondent used the name simply as a

pointer to the “www.blueknight.com” website through which the Respondent sold T-shirts. The word “zija” never appeared on that site.

Further, the Respondent has never been known commercially as “Zija”, but rather as Deep Frontier and as “Blue Knight” in connection with its sale of T-shirts on the “www.blueknight.com” website. Annex 5 to the Complaint.

Moreover, the Respondent, through its Counsel, conceded in its July 9, 2012, letter to the Complainant: “The zija.com domain name does not divert to any commercial site and contains no content. [The Respondent] has not allowed the registrar to use the domain for advertising purposes. There is no income being generated by use of the zija.com domain name.” In that regard, on October 4, 2012, the Registrar confirmed to the Complainant that there is no “live website associated with the [Zija.com] domain.” Annex 7 to the Complaint.

(iii) Registered and Used in Bad Faith

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

In particular, at the time the Respondent renewed its registration of the disputed name on October 12, 2007, it had prior knowledge of the Complainant’s ZIJA mark and the Complainant’s use of that mark.

Further, in the ten years since registering the disputed domain name, the Respondent had never used the word “zija” in connection with its business or an active website but instead only used the disputed domain name until 2006 as a pointer to its “www.blueknight.com” website. Since the time it renewed the registration, the Respondent has not used the disputed domain name in conjunction with any operational website.

As such, the Respondent’s only purpose in renewing its registration was to take advantage of user confusion between the disputed domain name and the Complainant, and, given its rejection of the Complainant’s USD 15,000 offer to purchase the disputed domain name from the Respondent, to demand a price in excess of the Respondent’s out-of-pocket costs directly related to transfer of the disputed name, thus collectively evidencing bad faith registration and use.

B. Respondent

(i) Identical or Confusingly Similar

The Respondent does not contest that the formative portion (second level domain) of the disputed domain name <zija.com> is identical or confusingly similar to the Complainant’s mark ZIJA.

(ii) Rights or Legitimate Interests

The Respondent contends, contrary to the Complainant’s assertions, that it has rights and legitimate interests in the disputed domain name.

Specifically, the Respondent had no knowledge of the Complainant, the Complainant’s business plans or that the Complainant would name itself Zija International and its product by the word Zija when the Respondent registered the disputed domain name, as the Complainant did not exist until two years later. The Respondent has no connection whatsoever with the Complainant.

Moreover, under United States law, as long as the Respondent paid the annual registration fee – and it paid those fees through 2015 – it has rights to the disputed domain name indefinitely as renewal of a registration does not fall within the meaning of “registration” for purposes of the ACPA (Anti-cybersquatting Consumer Protection Act) as Congress meant the latter to only refer to the original registration. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1030-1032 (9th Cir., 2011).

Further, the Respondent used the disputed domain name from 2002 through 2006, in connection with a *bona fide* offering of goods and services it conducted through its website at the domain name <blueknight.com>, which signifies its legitimate interest in the disputed domain name. The fact that the Respondent used the disputed domain name to point to its “www.blueknight.com” website, rather than directly address a corresponding site, does not diminish that legitimacy.

Lastly, even apart from this use, the legitimacy of the Respondent’s interest in the disputed domain name is clearly evidenced by the Complainant’s prior offer to purchase the disputed domain name from the Respondent for USD 15,000, an offer which the Complainant would not likely have made if the Respondent had no lawful rights to the disputed domain name.

(iii) Registered and Used in Bad Faith

Also contrary to the Complainant assertions, the Respondent contends that it did not register or use the disputed domain name in bad faith.

Here too, the Respondent points to the fact that it registered the disputed domain name more than two years prior to the date when the Complainant came into existence, and never has had, and does not now have, any connection whatsoever with the Complainant. As such, at the time of registration of the disputed domain name, the Respondent had no knowledge of the Complainant or its business plans including its ultimate use of the word “Zija” in its corporate and product names.

While the Respondent used the disputed domain name between 2002-2006, as a pointer to its commercial website at the domain name <blueknight.com> and renewed its registration in 2007, the Respondent has not used the disputed domain name since 2006. When it was first contacted by the Complainant’s counsel in 2006 and continuing thereafter, the Respondent received numerous threats from that counsel to the effect that it would file suit against the Respondent for trademark infringement if the Respondent were to commence using the disputed domain name in any fashion. Hence, to avoid what the Respondent determined to be a likely risk of suit – including the considerable associated time and expense involved in defending its rights even against what it believes to be a frivolous claim, the Respondent ceased using the disputed domain name in 2006 and has not re-commenced any such use.

(iv) Reverse Domain Name Hijacking

The Respondent requests that, for various reasons, the Panel find that the Complainant engaged in Reverse Domain Name Hijacking, *i.e.*, a bad faith attempt to utilize the administrative process to deprive a registered name holder of a domain name.

Specifically, the Respondent states that the Complainant should not have filed the Complaint for two reasons. First, the Complainant could not prove that the Respondent had no rights or interest in the disputed domain name. Second, the Complainant could not prove the Respondent’s original registration was in bad faith – as the Complainant was not even in existence at the time the Respondent registered the disputed domain name. In that regard, the Complainant, and its counsel, knew that, when it filed the Complaint, the Respondent had previously registered and then used the disputed domain name for more than two years before the Complainant commenced its business and applied for its registered trademark.

Further, the Complaint contains two frivolous arguments – both of which fail for lack of any proof of record: (a) that the Respondent’s refusal to sell the disputed domain name to the Complainant constitutes bad faith; and (b) that the Respondent’s renewal of its registration, after being made aware of Complainant’s mark, was made with an intent to profit from the Complainant’s ZIJA mark.

In addition, the Respondent has been billed USD 50 by its registrar as a result of the Complainant’s filing of its Complaint. Also, the Respondent has sustained considerable time, expense and inconvenience for over six years in responding to the Complainant’s repeated threats of litigation and subsequently in responding to the Complaint.

Lastly, the Complainant has unduly delayed filing its Complaint to the detriment of the Respondent. The Complainant had, or should have had, knowledge of the Respondent's registration and use of the disputed domain name by September 22, 2004, over eight years ago, when the Complainant registered its own domain name <zija.org>.

6. Discussion and Findings

A. Identical or Confusingly Similar

The Panel finds that the disputed domain name is identical to the Complainant's mark ZIJA.

From a simple comparison of the disputed domain name to the Complainant's mark ZIJA, no doubt exists that the disputed domain name is identical to the Complainant's mark.

In particular, the dispute domain name <zija.com>, apart from its inclusion of the generic top level domain (gTLD) suffix ".com", is otherwise identical to the mark. The addition of the gTLD suffix is generally irrelevant in assessing confusing similarity or identity under paragraph 4(a) of the Policy and thus ignored. See, e.g., *Side by Side, Inc. d/b/a Sidetrack v. Alexander Lerman*, WIPO Case No. D2012-0771; *Kayak Software Corporation v. KAYAK.travel, KAYAK.travel Corporation, Kayak Las Vegas, LLC*, WIPO Case No. D2011-0425; and *Photo Tour Books, Inc. d/b/a PhotoSecrets v. Beate Chelette*, WIPO Case No. D2010-1373.

Hence, the Complainant has satisfied its burden under paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

In view of the Panel's finding in the section immediately below that the Respondent did not register and use the disputed domain name in bad faith, any discussion of whether the Respondent has any rights or legitimate interests in the name under paragraph 4(c) of the Policy is now moot. As such, in the interests of brevity, the Panel sees no need to opine on this subject and thus refrains from doing so.

C. Registered and Used in Bad Faith

The Panel finds that the Respondent did not register and has not used the disputed domain name in bad faith.

It is rather axiomatic that if a complainant was not in existence at the time a domain name was registered, then the domain name could not have been registered in bad faith – as the respondent could not have had any prior knowledge of the complainant, its business plans or its marks (to the extent it had any at the time) when the respondent registered the domain name. That is the exact situation here, with the Respondent having registered the disputed domain name more than two years prior to the time the Complainant started its business. See *Albir Hills Resort, S.A. v. Telepathy, Inc.*, WIPO Case No. D2012-0997. The consensus view, with which this Panel agrees, is provided in paragraph 3.1 of WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition (WIPO Overview 2.0), which states in pertinent part:

"Generally speaking, although a trademark can form a basis for a UDRP action under the first element irrespective of its date... when a domain name is registered by the respondent before the complainant's relied-upon trademark right is shown to have been first established (whether on a registered or unregistered basis), the registration of the domain name would not have been in bad faith because the registrant could not have contemplated the complainant's then non-existent right."

UDRP panels have recognized, as noted in WIPO Overview 2.0, paragraph 3.1, that exceptions to the general view may exist and bad faith registration found where a respondent was clearly aware of a

complainant and its clear purpose in registering the domain name was to take advantage of any confusion between the domain name and any potential complainant rights. Such an exception simply does not exist here, as it is undisputed that, in August 2002, when the Respondent registered the disputed domain name, it had absolutely no prior knowledge whatsoever of the Complainant or its business plans (assuming such plans were even in existence then), including the Complainant's selection of the word "Zija" as its mark.

Further, the Complainant did not succeed in obtaining transfer of the disputed domain name from the Respondent, in as much as the Respondent simply refused the Complainant's repeated offers to purchase the disputed domain name for USD 15,000. There is no evidence of record that the Respondent's refusal was motivated by any purpose, such as extracting a higher offer from the Complainant, other than its desire to simply retain the rights to its registration.

An issue now arises as to whether the Respondent's renewal of its registration under the facts here, particularly in light of its knowledge of the Complainant and its trademark rights, constitutes bad faith registration. A consensus view as to whether the act of renewal, in and of itself, can constitute bad faith appears in paragraph 3.7 of WIPO Overview 2.0 which states in pertinent part:

"While the transfer of a domain name to a third party does amount to a new registration, a mere renewal of a domain name has not generally been treated as a new registration for the purpose of assessing bad faith. Registration in bad faith must normally occur at the time the current registrant took possession of the domain name."

Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No. D2009-1688, recognized that exceptions may arise where a renewal could be viewed as a separate registration if a respondent-registrant engaged in some intervening act between the time of the original registration and the renewal, that reflected bad faith. The panel found that, under the particular factual circumstances present there, the domain name renewal reflected bad faith and predicated its view on the panel's reasoning in *ehotel AG v. Network Technologies Polska Jasinski Lutoborski Sp.J.*, WIPO Case No. D2009-0785, which stated, in pertinent part:

"If a respondent has registered a domain name for a legitimate business purpose, and another business comes along that chooses to use the same name, should he [respondent name holder] not be allowed to take advantage of that fact? The answer to that question depends upon how exactly the domain name is used. If he merely intends to continue to do what he has always legitimately done, then it is difficult to see how that continued use could be characterized as use in bad faith. The problem is that the Mr. Lutoborski did not do this. Instead, he effectively abandoned his own prior use and actively sought to associate the Domain Name with the Complainant's business [prototypical cybersquatting]. This combined with the subsequent transfer of the Domain Name proved fatal to his case."

While the Panel agrees with the analysis set forth in *Eastman Sporto Group LLC v. Jim and Kenny, supra.*, the actions of the Respondent, here, in ceasing its use of the disputed domain name and thereafter, even with knowledge of the Complainant and its trademark rights, renewing its registration do not reflect bad faith. For this reason, the Panel finds the Complainant's argument based on *Jappy GmbH v. Satoshi Shimoshita*, WIPO Case No. D2010-1001, to be ill-founded. Even assuming that the reasoning in *Jappy* is correct (a matter on which this Panel expresses no opinion), the fact that the Respondent ceased use of the disputed domain name upon becoming aware of the Complainant's claim to trademark rights in respect of it means there is no basis on which it can be said that the Respondent is using the disputed domain name in bad faith.

The Panel is persuaded by the Respondent's undisputed contention that it ceased its use of the disputed domain name starting in the 2006 for fear of the Complainant instituting litigation against it on the basis of the latter's US trademark registration. From that time to the present, the Respondent did nothing further with the disputed domain name. This is not an instance of passive holding that might otherwise constitute bad faith, but rather the Respondent exercising its own desire, based on a well-founded apprehension of an imminent lawsuit, to protect itself from the time and expense of litigation by consciously abstaining from further use of the disputed domain name and thus, in turn, significantly reducing its risk of exposure – even assuming it

would likely have ultimately prevailed in a litigation by virtue of having established prior rights in the disputed domain name. Under the specific facts here, not engaging in conduct to avoid litigation is not bad faith but rather is a legitimate response to the Complainant's repeated threats. Moreover, there is no requirement that a domain name holder, who legitimately possesses a domain name, must accept any offer by another to transfer the disputed domain name to the latter. The holder can simply decline the offer and maintain his rights – as the Respondent did here. Under the rationale in *ehotel AG v. Network Technologies Polska Jasinski Lutoborski Sp.J.*, *supra.*, the Respondent here did nothing more after renewal than it was legitimately entitled to do prior to renewal, hence its renewal does not reflect bad faith.

Therefore, the Panel finds that the Complainant has failed to meet its burden under paragraphs 4(a) and specifically 4(a)(iii) of the Policy.

D. Reverse Domain Name Hijacking

Contrary to the Respondent's view, the Panel finds that, under the specific facts of this case, the Complainant's actions in filing its Complaint do not rise to the requisite level of bad faith to warrant a finding of reverse domain name hijacking. Specifically, the Panel believes that the Complainant had a reasonable basis, though misguided and ultimately incorrect, to believe that it might prevail in this proceeding and thus did not institute the proceeding merely to harass the Respondent and hence as an abuse of the administrative procedure.

Accordingly, the Panel denies the relief, *i.e.*, a finding of reverse domain name hijacking, sought by the Respondent.

7. Decision

Accordingly, the Panel denies the remedy sought by the Complainant.

Peter L. Michaelson
Presiding Panelist

Andrew F. Christie
Panelist

Brigitte Joppich
Panelist
Date: March 12, 2013