



## **DECISION**

America.com Inc. et al v PSS InterNet Services, Inc.  
Claim Number: FA0102000096784

### **PARTIES**

The Complainant is **America.com Inc. & GMR Holdings International Inc.**, Toronto, ON ("Complainant"). The Respondent is **PSS InterNet Services, Inc.**, Daytona Beach, FL, USA ("Respondent") represented by **Mark Speciner**, of **Buchanan, Ingersoll**.

### **REGISTRAR AND DISPUTED DOMAIN NAME**

The domain name at issue is "**america.com**", registered with **Network Solutions, Inc.**

### **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").

The Complainant submitted a Complaint electronically to the National Arbitration Forum ("Forum") on February 28, 2001. On February 26, 2001, the Forum received a hard copy of the Complaint, together with Annex 1 containing an affidavit of Jim Barnett and Exhibits A-T, and Annexes 2 and 3.

On Mar 2, 2001, Network Solutions, Inc. confirmed by e-mail to the Forum that the domain name "**america.com**" is registered with Network Solutions, Inc. (NSI) and that the Respondent is the current registrant of the name. NSI has also verified that Respondent is bound by version 5 of the NSI registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with ICANN's Uniform Domain Name Dispute Resolution Policy (the "Policy").

On March 6, 2001, a Notification of Complaint and Commencement of Administrative Proceeding (the "Commencement Notification"), setting a deadline of March 26, 2001 by which Respondent could file a Response to the Complaint, was transmitted to 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@america.com by e-mail.

The Forum received a timely Response, including Exhibits 1-11, on March 26, 2001 from the Respondent and determined that Response is complete. In accordance with the Supplemental Rules, on April 4, 2001, the Forum also received a timely Rebuttal dated April 2, 2001 from the Complainant, together with Annex 1 containing a second affidavit from Jim Burnett, Annex 1 containing Exhibits 1-8, and Annexes 2-3.

On April 4, 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. As such, under the Rules, the date on which the decision was then due was initially set to April 18, 2001. However, owing to the length and detail of the submissions by the parties, the Panel, in consultation with the Forum, has slightly extended this due date from April 18, 2001 to the actual execution date of this decision so as to afford the Panel with sufficient time to carefully review all the submissions and adequately prepare this reasoned decision.

#### **RELIEF SOUGHT**

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

#### **FACTUAL BACKGROUND**

While the Parties have filed rather copious and heavily annexed submissions, the operative facts relevant to this proceeding are quite simple and can be summarized as follows.

In 1993, Jeremy Greenidge and Harold Milan decided to enter into a business, which is the present Respondent herein, for providing dial-up Internet access, corporate Internet access, websites and electronic mail addresses and subsequently agreed to name that business "PSS Internet Services, Inc." (PSS).

In March 1994, Mr. Greenidge conceived the contested domain name "AMERICA.COM". Inasmuch as Network Solutions (NSI), which is also the present registrar, was not then registering ".com" domain names to individuals but only to corporate or other business entities, this name was then registered on March 29, 1994 to the Respondent rather than to Mr. Greenidge. According to Mr. Greenidge, he entered into a license agreement with Mr. Milan, then shareholders of PSS and at or prior to the registration date, which provided that the Respondent could utilize the contested domain name as its web site address but legal title to that domain name remained with Mr. Greenidge.

In 1994, Mr. Greenidge and Mr. Milan commenced operation of the Respondent.

In 1995, George Kuhn approached Mr. Greenidge regarding possible investment in the Respondent. According to Mr. Greenidge, he informed Mr. Kuhn that the Respondent was then using the contested domain name pursuant to a license agreement that recognized Mr. Greenidge as the owner of that domain name. Questions now arise as to what exactly Mr. Greenidge told Mr. Kuhn at that time. In any event, Mr. Kuhn then purchased a 25% interest in the Respondent for US \$ 25,000 and, according to him, became a director of PSS. Mr. Kuhns now asserts that he was led to believe that the contested domain name was owned by the Respondent and not Mr. Greenidge based, in part, on an statement Mr. Greenidge allegedly made to Mr. Kuhns during the negotiations leading to the investment, that Mr. Kuhns was "buying into 'AMERICA.COM'."

During August 1995, the Respondent corporation was administratively dissolved but subsequently reinstated on September 24, 1997. Apparently, the Respondent was again administratively dissolved in 1998, but apparently, in a manner that is not clear from the record before the Panel, continued to operate, in some manner, as "America.com" as reflected on its web site.

On approximately November 19, 1999, Mr. Greenidge, apparently acting without prior notification to or approval by Mr. Kuhns, transferred the contested domain name, through the Registrar, from the Respondent to his own company, AMERICA DOT COM, Inc., a corporation in the British Virgin Isles, and then posted the domain name with Great Domains for sale by auction.

As of March 9, 2000, Great Domains offered the contested domain name for sale at a price of US \$ 30,000,000 -- a price at which the domain name was apparently appraised by Great Domains. As of at least March 2000, the Respondent continued to offer services to the public through the contested domain name in spite of its transfer to AMERICA DOT COM, Inc.

Mr. Kuhns, having taken the position that the transfer was not authorized by the Respondent, contacted and informed the Registrar that he was a director of the Respondent and requested that the contested domain name be transferred back to the

Respondent. In response, the Registrar transferred to contested domain name back to the Respondent on February 13, 2000.

A dispute arose between the Respondent and Mr. Greenidge as to the true owner of the contested domain name; i.e. whether the contested domain name belonged to Mr. Greenidge, as per the license he asserts exists and his recollection of the statements he made to Mr. Kuhns preceding the investment, or the Respondent, as per his recollection of the oral representations Mr. Greenidge made to him coupled with the registration of the domain name by the Respondent corporation.

On February 2, 2000, the Respondent and Mr. Kuhns filed a civil action in the US District Court for the Southern District of Florida (docket number 00-6172-CIV-ZLOCH) [henceforth the "Federal lawsuit"] against, among others, Mr. Greenidge claiming that the Respondent, rather than Mr. Greenidge or AMERICA DOT COM, Inc., is the rightful owner of the contested domain name. From the record before the Panel, this domain name is apparently the principal asset of the Respondent.

On May 1, 2000, GMR Holdings International, Inc. ("GMR") was incorporated. GMR is the parent company of the Complainant and is engaged in operating a global Internet site for profiling companies, products and services from around the world that exemplify the "American spirit".

During January 2001, GMR hired a web designer to develop web pages for a web site for the Respondent. The web site was created and was now expected, at least as of April 15, 2001, to be on-line and accessible through the Respondent's domain name "feelingamerica.com".

The Complainant states that, since July 15, 2000, it had been aware of the Respondent's contested domain name and that the name had been listed for sale with Great Domains. Specifically, during July 2000, the Complainant learned of the "Platinum Club" through which Great Domains offered its "best names" and noticed the contested domain name, as the most expensive domain name at the time, was then listed for sale at US \$ 30,000,000.

The Complainant then continually accessed the Great Domains site from July 15, 200 to February 10, 2001, and each time noticed the same sales posting of the contested domain name.

On February 11, 2001, the Complainant filed separate trademark applications with the US Patent and Trademark Office (PTO) and with the Canadian Intellectual Property Office to register its mark "AMERICA.COM" in both the US and Canada, respectively. Both applications are currently pending, with presumably, owing to the relatively short time both have been pending, no office action having been issued yet in either application.

From the record before the Panel, the earliest use, presumably in commerce, which the Complainant made of its mark "AMERICA.COM" was on February 2001 (which, to give the Complainant the benefit of the doubt, will be viewed as February 1, 2001) when the Complainant began using its mark on its letterhead in connection with soliciting various potential participants and suppliers for inclusion on its site.

On February 19, 2001, the Complainant sent a "cease and desist" letter to the Respondent demanding, in view of the Complainant's mark "AMERICA.COM", that the Respondent respond to the letter by February 22, 2001 and transfer the contested domain name to the Complainant. This letter was not answered.

The Complainant then filed the Complaint on February 26, 2001.

## **PARTIES' CONTENTIONS**

Though the record before the Panel is complicated by the on-going Federal lawsuit over ownership of the contested domain name, the parties' contentions under the Policy, as distilled from the record, are as follows:

### **A. Complainant**

First, the Complainant contends that the Respondent's use of the contested domain name is likely to cause the public to mistakenly believe that the Respondent and its web site are sponsored or connected in some way with the Complainant, when in fact it is not.

In essence, the Complainant contends that, by virtue of its use of its mark "AMERICA.COM", it has acquired common law trademark rights. In that regard, the Complainant is contending that the contested domain name is confusingly similar or identical to its common law mark, thus satisfying paragraph 4(a)(i) of the Policy.

Second, the Complainant contends, as to Respondent's lack of rights or legitimate interests, that the Respondent has never used the contested domain name in connection with a bona fide offering of goods and services. In addition, the Complainant contends that the Respondent is not commonly known by the contested domain name. In that regard, the Complainant points to the fact that the Respondent's only use of the domain name has been listing it for sale with Great Domains. Hence, the Complainant takes the position that the Respondent does not possess any rights or legitimate interests in the contested domain name as required under paragraph 4(a)(ii) of the Policy.

Third, as to bad faith registration and use, the Complainant takes the position that the Respondent's bad faith registration is evidenced by its having merely registered the domain name for the purpose of selling it and then having so listed that domain name with Great Domains for sale, and that bad faith use is evidenced by the Respondent not having used the name for a prolonged period of time during which it was being offered for sale.

In that regard, the Complainant appears to contend that the mere act of a domain name owner in registering its domain name for sale with Great Domains is tantamount to bad faith registration and use.

Furthermore, the Complainant believes the price of \$ 30,000,000 at which the domain name is offered is exorbitant and the Respondent in merely registering other domain names for sale (none of which is at issue here) also collectively evidence the Respondent's bad faith, by stating in the Complaint:

"Thus, in addition to offering the domain name 'AMERICA.COM' for sale at an exorbitant price (\$ 30 million !) far in excess of any possible out-of-pocket costs in incurred by Respondent in registering the domain name, Respondent has engaged in a pattern of warehousing for years several other domain names."

#### B. Respondent

The Respondent views the Complainant's actions as tantamount to "hijacking" the contested domain name from the Respondent. In that regard, the Respondent points to the fact, admitted by the Complainant, that the Complainant was aware of the contested domain name and Respondent's offering of it for sale well before the Complainant both started using and filed applications to register its mark and that the Complainant proceeded with doing so in spite of that knowledge.

The Respondent contends that the Complainant has not submitted any evidence sufficient to show that its mark has acquired any distinctiveness, thus failing to show that it has acquired common law trademark rights in its mark.

Furthermore, the Respondent contends that, for several reasons, failure of the Respondent to utilize the contested domain name for an extended period of time, e.g. while it is being offered for sale, does not in and of itself constitute bad faith. First, to justify a transfer where an owner of a domain name has not used it for an extensive period of time, a complainant must have previously acquired long standing bona fide trademark rights either through registrations or extensive use. Second, here, a respondent must be aware of the mark of the complainant before it registered that domain name. Lastly, the Respondent states that the mark must be unique in the sense that there "were no proliferation of them, unlike the present case", i.e. apparently arguing for distinctiveness.

The Respondent further contends that the Complainant is attempting fashion a per se rule which equates non-use of a domain name with bad faith, when no such rule is expressed in the Policy.

### C. Complainant's Rebuttal

In its rather lengthy Rebuttal, the Complainant provided additional contentions, with accompanying supporting arguments, to those previously raised in the Complaint. In doing so, the Complainant specifically pointed to what it believes to be various inconsistencies between information provided in the Response and in pleadings filed (copies of which were provided in the Rebuttal) in the current PSS Federal litigation.

At the crux of its argument and of particular relevance here, the Complainant, in its Rebuttal, takes the position that "the UDRP requires the complainant to show that it has some rights in a trademark or service mark. In order to avoid a 'chicken or egg' stalemate, the language of Paragraph 4(a)(i) does not require on its face that the complainant have these rights at the time that a respondent registered/renewed/transferred its currently-held domain name."

Also, the Complainant appears to base its overall position on its contention that a domain name can only be sold for a price that exceeds its direct cost of registration if and only if that name is "attached to a legitimate business use (evidenced, e.g., by real content on a website, as opposed to me banner ads or links to other sites)." The Complainant views the Respondent as having, as its " primary, if not only real, objective" "to capitalize on the domain name itself, devoid of any developed business content." Moreover, the Complainant summarizes this case as presenting a "fundamental clash of two different philosophies -- Respondent's older 'first come, first served' approach, versus Complainant's 'use it or lose it' approach. On a close call case, internet policy favors the latter."

The Panel believes that the remaining contentions in the Rebuttal are basically cumulative in nature to that already raised in the Complaint and thus not need not be specifically addressed. Thus, for the sake of brevity, the Panel will dispense with summarizing those additional contentions.

### **FINDINGS AND 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.

### Bad Faith Registration and Use

If a complainant is unable to show, under the facts of a particular case, that a respondent, at the time a contested domain name was registered, registered that name in bad faith, then the complaint must fail. That is the case here.

The Complainant strenuously argues in its submissions that the Respondent's actions in registering the contested domain name and then offering that domain name for sale over a prolonged period of time constitute bad faith registration. However, in the Panel's mind, these actions alone are insufficient, more is required.

Bad faith registration mandates that, at the time of registering a contested domain name, a respondent was aware of a complainant's trademark rights and, in spite of those rights, proceeded to register the name that potentially infringed those rights. This knowledge could be actual or, based on post-registration activities, imputed to the respondent, or stated another way, the respondent "knew" or "should have known" of the existing trademark rights of the complainant. Whether knowledge of specific information is to be imputed or not in any given situation is typically determined based on attendant circumstances surrounding the situation and the information itself, such as, e.g., extent of its notoriety, popular recognition and publicity, assessed in the context of whether the respondent was negligent in some fashion in not having knowledge of that information at the time. Thus, when a fact finder, viewing such situation in its totality, deems it reasonable for that respondent to have gained knowledge of the information in question based on, inter alia, a complainant's activities with respect to it, then, if for some reason the respondent had no actual knowledge of that information, that knowledge is deemed to be imputed to the respondent.

Under the Panel's view of bad faith registration, the existence of valid trademark rights at a sufficiently early time is absolutely critical. If no such rights existed on the date the contested domain name was registered, either by virtue of those rights commencing before (pre-dating) the registration or at the very least existing simultaneously therewith, then there is absolutely nothing for which domain name registrant could possibly have known of those rights -- whether actual or imputed. In the absence of such knowledge, the registrant is plainly incapable of having registered the contested domain name in bad faith. See *Fiber Shield Industries, Inc. v. Fiber Shield LTD.* FA 92064 (Nat. Arb. Forum February 29, 2000).

Those rights can be predicated on an actual registration, issued from an appropriate jurisdiction, whether it be from a national or state trademark office, or on common law where trademark rights emanate solely from use of the mark in commerce. In certain

instances, though not relevant here given the specific chronology of events, such rights may even be predicated on a pending trademark application.

In particular, at its essence, the Complainant, by its own admission, did not use its mark "AMERICA.COM" until, giving it the full benefit of the doubt, February 1, 2001, some 2 1/2 months ago. See, paragraph 4(a)(ix) of the Complaint. Approximately two weeks later, on February 11 and 14, 2001, the Complainant filed its US and Canadian trademark applications, respectively, for this mark. Therefore, the earliest date on which the Complainant could possibly claim it has started accruing any common law trademark rights in the term "AMERICA.COM" is February 1, 2001, no sooner.

Even if the Panel takes a worst case view and views the contested domain name as being registered to the Respondent on February 13, 2000 (though a more realistic view sets the date of registration back to March 29, 1994), this date still predates the earliest activity by the Complainant by approximately one year -- which the Complainant has readily acknowledged.

Various panels have ordered transfer of a domain name after an extended period of non-use by its registrant, typically referred to as "passive holding". However, in each instance, non-use was coupled with a complainant having valid trademark rights commencing prior to the date on which the offending domain name was registered coupled with the registrant having actual or imputed knowledge of those rights. See, e.g., *The Chip Merchant Inc. v. Blue Star Electronics d/b/a Memory World* D2000-0474 (WIPO August 21, 2000), *Chernow Communications, Inc. v. Nathan Kimball* D2000-0119 (WIPO May 18, 2000) and *Mary-Lynn Mondich and American Vintage Wine Biscuits, Inc v. Shane Brown, d/b/a Big Daddy's Antiques*, D2000-0004 (WIPO February 16, 2000); as well as *Northwest Racing Associates Limited Partnership v. Quantu Marketing* FA95506 (Nat. Arb. Forum October 6, 2000), *Can't Stop Productions, Inc. v. Kevin Lussie* FA 94966 (Nat. Arb. Forum July 27, 2000), *Leland Stanford Junior University v. Zedlar Transcription & Translation* FA94970 (Nat. Arb. Forum July 11, 2000), *Georgia Gulf Corporation v. The Ross Group* D2000-0218 (WIPO June 14, 2000), *Sanrio Company, Ltd. and Sanrio, Inc. v. DLI* D2000-0159 (WIPO April 20, 2000) and *America Online, Inc. v. Avrasya Yayincilik Danismanlik Ltd.* FA 93679 (Nat. Arb. Forum March 16, 2000). The Panel see no plausible reason here to divert from that view.

Furthermore, apart from the Panel's finding that the Complainant's rights arose at best one year too late (and at worst seven years too late) relative to the Respondent's actions, a serious question arises as to the validity of those very rights.

Trademark examining officials are presumed to have sufficient expertise in assessing trademark rights in view of conflicting marks and other factors; hence, a federal trademark registration enjoys a presumption of validity. In that regard, see §33(a) of the Lanham Act (15 USC § 1115(a)). However, no such presumption is accorded to

unregistered marks. A complainant alleging common law rights must offer proof of its validity. If a complainant is not entitled to trademark protection, then a respondent's conduct may not be in bad faith. See *Northwest Racing Associates Limited Partnership v. Quantu Marketing*, cited supra.

Here, the Complainant has made no showing that its "AMERICA.COM" mark has acquired any distinctiveness in its marketplace and in connection with the services being offered in connection therewith to create a sufficient level of secondary meaning among Internet users consistent with supporting valid common law trademark rights. In fact, since the Complainant filed this arbitration at most just one month (again giving it the benefit of the doubt) before it began use of its mark in commerce, it is highly unlikely that the mark would have secured adequate secondary meaning in so short an amount of time. The Panel recognizes that the Internet, as a distributional modality, permits information to be disseminated far more broadly and far more expeditiously than through probably any other communication mechanism in the past, thus appreciably reducing the period during which adequate secondary meaning will arise for an unregistered mark posted on the web. However, a burden still clearly rests with the Complainant, regardless of its use of the Internet or not, to show that, through its own activities in its marketplace under the mark, such secondary meaning has indeed arisen.

Various factors can be used to prove secondary meaning, and include, illustratively without limitation: number of Internet visitors to a site bearing the common law mark; number of other sites carrying advertising for the Complainant and which bears the mark, number of web pages through which advertisements are situated or accessed, and number of visitors to each of those pages; amount of advertising expenses and extent of advertising, occasioned through other media channels, that incorporates that mark; and survey evidence as to expectations of Internet users in the appropriate marketplace. Here, the Complainant has provided no such evidence.

Hence, the Complainant has clearly not met its burden of showing that its mark has acquired requisite distinctiveness consistent with securing, by virtue of having used its mark in commerce, valid common law trademark rights.

The Panel concludes that the Respondent, at the time it registered the contested domain name, did not do so in bad faith under paragraph 4(a)(iii) of the Policy.

Furthermore, and not surprisingly given the perceived value of the contested domain name, the ownership of the contested domain name is in question as between the Respondent, and one of its shareholders, Mr. Greenidge. These ownership issues are irrelevant to the Panel. As far as this proceeding is concerned, the Respondent and Mr. Greenidge can be viewed as a single entity with, as a threshold question, this proceeding determining whether that entity, as a whole, is entitled under the Policy to retain the contested domain name over the Complainant. It is not this Panel's or any panel's responsibility to decide ownership questions, as all the attendant issues are

beyond the reach of the Policy and hence the purview and authority of any such panel operating thereunder. If that entity were to prevail, as it has here under the Policy, then it is up to individual parties forming that entity, namely the Respondent, PSS, and Mr. Greenidge to resolve their own differences, as they are doing, in another forum, here the Federal District Court, that has requisite jurisdiction to hear and decide the issue. That outcome of that proceeding has no bearing on and does not influence this one.

In the absence of proving bad faith registration, the Complainant has thus failed to show the inclusive element of bad faith as required under paragraph 4(a)(iii) of the Policy. Since such a showing is an absolute pre-requisite to succeed under the Policy, its absence here is clearly and unquestionably lethal to the Complainant's claim under the Policy. Consequently, the present Complaint fails for want of proof.

Lastly, while the Respondent, with some justification, claims that the conduct of the Complainant in bringing the Complaint amounts to reverse domain name hijacking, the Panel believes that the Complainant brought its complaint in a good faith, though ultimately rather misguided, attempt and hence did not constitute, under paragraph 15(e) of the Rules, an abuse of the administrative process.

#### Identical/Confusing Similarity, Rights and Legitimate Interests

Given this, the Panel sees no need to address any of the other essential elements required under this paragraph of the Policy, namely identical/confusing similarity and a lack of rights or legitimate interests under paragraphs 4(a)(i) and 4(a)(ii), respectively, of the Policy, as all issues surrounding these elements are now moot.

### **DECISION**

For the reasons set forth above, the Complainant, having failed to discharge its burden of proof under element 4(a)(iii) 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.

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Peter L. Michaelson, Esq., Panelist

Dated: April 19, 2001