



NATIONAL ARBITRATION FORUM

DECISION

Paxar Americas, Inc. v. eNom, Inc.
Claim Number: FA0705000980114

PARTIES

Complainant is **Paxar Americas, Inc.** ("Complainant"), represented by **Sharon A. Ceresnie**, of **Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP**, 311 South Wacker Drive, Suite 5000, Chicago, IL 60606. Respondent is **eNom, Inc.** ("Respondent"), represented by **Gregory F. Wesner**, of **K & L Gates**, 925 Fourth Ave., Suite 2900, Seattle, WA 2900.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is **<monarchmarking.com>**, registered with **Enom, Inc.** (the "Registrar").

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 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 icann.org/services/udrp/udrppolicy24oct99.htm, which was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) on August 26, 1999, and approved on October 24, 1999, and in accordance with the ICANN Rules for Uniform Domain Name Dispute Resolution Policy ("Rules") as approved on October 24, 1999, as supplemented by the National Arbitration Forum Supplemental Rules for Uniform Domain Name Dispute Resolution Policy then in effect ("Supplemental Rules").

Complainant submitted a Complaint to the National Arbitration Forum (the "Forum") electronically on May 8, 2007; the Forum received a hard copy of the Complaint, together with Exhibits A-F, on May 10, 2007.

On May 11, 2007, the Registrar confirmed by e-mail to the Forum that the **<monarchmarking.com>** domain name is registered with Enom and that Respondent is the current registrant of the name. The Registrar also verified that Respondent is bound

by the Enom registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with the Policy.

On May 17, 2007, a Notification of Complaint and Commencement of Administrative Proceeding (the "Commencement Notification"), setting a deadline of June 6, 2007 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@monarchmarking.com by e-mail.

A timely Response was received and determined to be complete on June 6, 2007.

On June 8, 2007, pursuant to Complainant's request to have the dispute decided by a single-member Panel, the National Arbitration Forum appointed Mr. Peter L. Michaelson, Esq. as Panelist and set a deadline of June 22, 2007 to receive the decision from the Panel.

Thereafter, Complainant filed an additional submission, together with Exhibit A, with the Forum on June 12, 2007. However, the Forum found the submission deficient under the provisions of Supplemental Rule 7 inasmuch as, though the submission itself was timely filed, the filing fee for the submission was received late.

RELIEF SOUGHT

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

PARTIES' CONTENTIONS

A. Complainant

1. Confusing similarity/identity

Complainant contends that the disputed domain name is confusingly similar to the MONARCH Marks inasmuch as the name incorporates Complainant's mark MONARCH and is also identical to Complainant's mark MONARCH MARKING as the name (apart from its generic top level domain ".com") wholly consists of the latter mark.

Hence, Complainant concludes that it has met the requirements of paragraph 4(a)(1) of the Policy.

2. Rights and legitimate interests

Complainant contends, for various reasons, that Respondent has no rights or legitimate interests in the disputed domain name under paragraph 4(a)(ii) of the Policy.

First, Complainant alleges that Respondent is not known by either the mark MONARCH or MONARCH MARKING and has not acquired any trademark or service mark rights in either of these marks.

Second, Complainant has not licensed or otherwise permitted Respondent to use any of the MONARCH Marks, including use of these marks or a variant thereof in any domain name.

Lastly, Complainant alleges that Respondent's use of the MONARCH Marks in the disputed domain name is not "nominative" in the sense that such use is not an unavoidable use of these marks to identify the goods or services which Respondent offers on its website. Hence, it is not necessary for Respondent to use the mark MONARCH MARKING in the disputed domain name in order to provide its services.

3. Bad faith use and registration

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

First, Complainant alleges that since Respondent registered and started using the disputed domain name long after Complainant adopted, used and registered its MONARCH Marks and inasmuch as Respondent's web site, to which the disputed domain name resolves, offers goods competitive with those of Complainant, Respondent must have known of those marks when it registered the name. Thus, Respondent could not have registered the name with any intent of legitimately using it. Hence, Respondent's actions evidence bad faith registration.

Second, Respondent's use of the name to address a web site, through which it offers goods that directly compete with those of Complainant, and presumably receives click-through revenue there from, reflect bad faith use in violation of paragraph 4(b)(iv) of the Policy. In that regard, Respondent's use of the mark MONARCH and MONARCH MARKING is likely to confuse Internet users into thinking that Respondent is somehow affiliated with Complainant, but when in fact no such affiliation actually exists. This is especially likely since Complainant advertises and sells its goods on the Internet through its use of highly similar domain names, i.e., including <monarch-marking.com> and <monarch.com>. Moreover, Respondent likely profits through this confusion by receiving click-through revenue from visitors to its web page.

B. Respondent

1. Confusing similarity/identity

Respondent does not dispute that the disputed domain name is identical or confusingly similar to Complainant's MONARCH Marks.

2. Rights and legitimate interests

Respondent also does not dispute that it does not have any rights or legitimate interests in the disputed domain name.

3. Bad faith use and registration

Respondent contends that, contrary to Complainant's view, it did not act in bad faith.

Specifically, Respondent argues that when it, as the Registrar, assumed ownership of the disputed domain name due to nonpayment of the registration fee by the original registrant, it had no knowledge of Complainant's MONARCH Marks. Moreover, Respondent has a policy against holding domain names in derogation of legitimate rights holders. Hence, had Complainant so requested transfer of the name, Respondent would have gladly complied by immediately transferring the name, without cost, to Complainant. However, Complainant did not contact Respondent, but filed the present Complaint instead.

The Complaint, the instant it was filed, triggered paragraph 8(a) of the Policy which forbade Respondent from transferring the name, hence locking the name in Respondent's account while this action is pending and thus substantially delaying its eventual transfer to Complainant.

Respondent was always fully prepared to respond to any pre-suit inquiry by Complainant, and, but for the present action, was fully willing to immediately transfer the name, at no cost, to Complainant. Respondent would have done so had Complainant accepted the transfer, but Complainant refused.

Consequently, Respondent believes that it always acted in good faith toward Complainant. Moreover, Respondent states:

There may be other registrars who would not act so diligently in the face of an inquiry by Complainant. Perhaps, in a misguided attempt to punish the domain 'industry,' Complainant is maintaining this action for the purpose of obtaining a ruling that Respondent acted in 'bad faith'. In fact, if Respondent's actions constitute 'bad faith,' there would be no incentive for the less diligent registrars to mend their ways.

C. Complainant's Additional Submission

Though Complainant's Additional Submission was deficient due to late payment of the filing fee, the Panel has nevertheless fully considered it. In good measure, this submission merely reiterates and amplifies various allegations set forth in the Complaint. Hence, for the sake of brevity, the Panel will just mention two pertinent points raised by Complainant.

First, though Respondent repeatedly states the fact that Complainant did not contact Respondent prior to filing the Complaint, Complainant responds by noting that there is no requirement under the Rules for Complainant to have done so.

Second, Complainant provides, in Exhibit A to this submission, a hard-copy printout of the home page to which the disputed domain name resolves and a lower-level page which links to the home page, where both pages clearly list various links that direct Internet users to third-party sites that offer goods which directly compete with Complainant's offerings, and through which Respondent apparently receives click-through revenue as a result of such traffic. In spite of Respondent's policy against maintaining infringing domain names, this user direction still continues. Complainant states:

Respondent makes much of the fact that it is a Registrar with a policy against maintaining infringing domain names, pointing out that it offered to transfer the Infringing Domain Name to Paxar after this complaint was filed. Yet, even today, the Infringing Domain Name directs Internet users to links and websites of Paxar's direct competitors. If Respondent had acted with the 'utmost good faith,' as it claims it did, when it acquired the Infringing Domain Name, it would have ceased maintaining an active website at the Infringing Domain Name, and ceased generating revenue that directly results from confusion between Respondent and Paxar.

FINDINGS

A copy of the WHOIS registration record for the disputed domain name appears in Exhibit A to the Complaint. As indicated, the domain name was registered on October 24, 2006.

A. Complainant's MONARCH Marks

Complainant owns various United States trademark registrations for the term "MONARCH," each in block letters either by itself or with other terms, and on which this dispute is based. Complainant has provided, in Exhibit E to the Complaint, copies of printouts of entries, in the publicly accessible, on-line Trademark Electronic Search System (TESS) provided by the United States Patent and Trademark Office (PTO), for these marks. Pertinent details of these registrations are as follows:

- a) **THE MONARCH MARKING MATE**
United States registration 960,932; registered: June 12, 1973

last renewed: July 26, 2003
filed: February 22, 1972

This mark is registered for use in connection with "catalogues published periodically" in international class 16. The entry states that first use and first use in commerce of the mark for these goods commenced as of July 14, 1971.

- b) **MONARCH**
United States registration 1,604,060; registered: June 26, 1990
renewed: February 7, 2005
filed: November 15, 1989

This mark is registered for use in connection with "maintenance and repair services for marking machines, computerized printers, machines for stacking of tags, machines for winding tag and label webs" in international class 37. The entry states that first use and first use in commerce of the mark for these services commenced as of December 31, 1922.

- c) **MONARCH MARKING 1740**
United States registration 1,400,924; registered: July 15, 1986
renewed: September 30, 2006
filed: April 22, 1986

This mark is registered for use in connection with "marking machines" in international class 7. The entry states that first use and first use in commerce of the mark for these goods commenced as of February 10, 1983.

- d) **MONARCH**
United States registration 1,919,289; registered: September 19, 1995
renewed: October 13, 2005
filed: August 26, 1991

This mark is registered for use in connection with "battery charging equipment" in international class 9. The entry states that first use and first use in commerce of the mark for these goods commenced as of August 2, 1987.

- e) **MONARCH**
United States registration 1,982,258; registered: June 25, 1996
renewed: August 18, 2006
filed: April 12, 1995

This mark is registered for use in connection with "plastic fasteners for attaching articles, namely tags to merchandise" in international class 20. The entry states that first use and first use in commerce of the mark for these goods commenced as of December 31, 1993.

f) MONARCH

United States registration 2,132,236; registered: January 27, 1998
filed: November 25, 1996

This mark is registered for use in connection with: "maintenance and repair services for equipment used in item identification, item tracking, price marking, and the generation, encoding, scanning and electronic communication of data, including by radio frequency and telephone lines" in international class 37; "providing training in the generation, encoding, scanning and electronic communication of data" in international class 41; and "providing technical support and assistance services in the fields of item identification, item tracking, price marking, and the generation, encoding, scanning and electronic communication of data, including by radio frequency and telephone lines; design and programming of software for others for the generation, encoding, scanning and electronic communication of data" in international class 42. The entry states that first use and first use in commerce of the mark for the services in international classes 37, 41 and 42 commenced as of December 31, 1922; December 31, 1972 and December 31, 1922, respectively.

g) MONARCH

United States registration 2,484,368; registered: September 4, 2001
filed: August 13, 1999

This mark is registered for use in connection with "label scrapers" in international class 8. The entry states that first use and first use in commerce of the mark for these goods commenced as of December 31, 1984.

B. Complainant and its activities

Complainant and its predecessor in interest, Monarch Marking Systems, Inc., has been marketing and selling goods and services in the labeling industry and under the MONARCH Marks since at least as early as the 1920's. These goods and services primarily relate to item tracking and labeling, and include marking machines, tickets, tags, labels, battery chargers and catalogues about the labeling industry; and maintenance and repair services for marking machines, printers, price markers, plastic fasteners and label scrapers. Complainant has sold these goods and services on-line since as early as 1998. Further, Complainant also owns a number of domain names that incorporate its MONARCH Marks, including <monarchmarking.com> and <monarch.com>, and has hosted active web sites (hard-copy printouts of some of the pages of those sites appear in Exhibit D to the Complaint) at some of those names since early 1998.

Complainant has invested a considerable amount of money advertising and promoting its MONARCH Marks and has sold well over a billion dollars of goods and services under those marks.

C. Respondent and its activities

Respondent is a domain name registrar and one through which the disputed domain name was registered. When the original registrant of the name defaulted on payment, Respondent assumed complete ownership of the name.

Respondent has a policy against holding domain names in derogation of the legitimate rights of trademark owners.

The disputed domain name, as currently used by Respondent, resolves to a holding page which provides links to web sites of various competitors of Complainant in the labeling field, and through which sites goods are being offered which directly compete with those currently produced by Complainant. A hard-copy printout of the home page and a lower-level page, both from that site, appears in Exhibit F to the Complaint.

D. Interactions between the parties

Complainant did not contact Respondent prior to filing the present action. Had it done so, Respondent would have gladly transferred the disputed domain name, at no cost, to Complainant. However, when the action was filed, Respondent, in accordance with paragraph 8(a) of the Policy, locked the disputed domain name which precluded its transfer to Complainant while this proceeding was pending.

Immediately upon receiving the Complaint, a representative of Respondent telephoned counsel for Complainant and explained the situation, apologized for the inconvenience and offered to transfer the disputed domain name to Complainant. Complainant refused to accept the transfer.

Subsequently, on May 31, 2007, counsel for Respondent telephoned counsel for Complainant. Respondent's counsel explained the situation, and again offered to transfer the disputed name to Complainant. Complainant's counsel again refused to accept transfer of the name, unless Respondent met certain conditions which included reimbursement of all of Complainant's fees and costs associated with bringing the present action. Respondent's counsel refused those conditions but again offered to immediately transfer the name. Complainant's counsel once again rejected that offer.

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 Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

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

Identical and/or Confusingly Similar; Rights or Legitimate Interests

Inasmuch as Respondent did not dispute Complainant's allegations for either of these two factors, the Panel, without further comment and hence to simplify this decision, simply accepts those allegations and, as a result, finds that:

- (a) the disputed domain name is identical/confusingly similar to Complainant's MONARCH Marks, and
- (b) Respondent has no rights or legitimate interests in the disputed domain name.

Thus, Complainant has met its burden under paragraphs 4(a)(i) and 4(a)(ii) of the Policy.

Registration and Use in Bad Faith

Contrary to Respondent's claims, the Panel finds that Respondent's actions constitute bad faith registration and use of the disputed domain name.

Though Respondent would like the Panel to assess, from its submissions, whether its conduct amounted to bad faith solely from the perspective of its repeated offers to transfer the name, at no cost, to Complainant, those actions are not the only guidepost here by any means. This is not the conduct which provoked Complainant into filing its Complaint. Rather, that conduct -- which Complainant emphatically and clearly states both in its Complaint and Additional Submission but which Respondent completely ignores in its Response -- is Respondent's use of name, which contains Complainant's mark MONARCH, as an instrumentality to point Internet users to a web site that itself provides links to products directly competitive with Complainant's offerings. This, in turn, causes confusion of Internet users from which Respondent benefits -- apparently through click-through revenue, while Complainant suffers by incurring injury to its marks and reputation.

As a threshold matter, the question arises as to whether, under the Policy, registrars in general can be respondents and more specifically whether here Registrar Enom is a proper respondent. Though the Policy, Rules and Supplemental Rules make no specific mention of encompassing registrars within their reach, one need only look at the registrar's conduct in any given situation.

Specifically, to begin, Supplemental Rule 1(b) defines a "Holder of a Domain Name Registration" as "the single person or entity listed in the WHOIS registration information

at the time of the filing of the Complaint with the Forum; and once the registrar has verified registration, is limited to the single person or entity as verified by the registrar". This is the respondent against whom a complaint is filed by a complainant, the latter being defined in Supplemental Rule 1(d) as "the single person or entity claiming to have rights in the domain name, or multiple persons or entities who have a sufficient nexus who can each claim to have rights to all domain names listed in the Complaint." Consequently, under Supplemental Rule 1(d), a respondent is the entity identified in the WHOIS registration information as the registrant of the name in question and is then so verified by the registrar.

If a registrar were solely acting as an agent of a third-party registrant in registering a domain name, then the registrar would not be the registrant of that name and hence would not a "Holder of a Domain Name Registration" and thus could not under Supplemental Rule 1(b) be a respondent in a UDRP action. Hence, an ICANN administrative panel would have no jurisdiction over alleged improprieties associated merely with its acts in registering names for others.

However, where the registrar's conduct with respect to a domain name expands beyond performing mere ministerial duties in accepting and implementing name registration for another into registration and use by itself, then its role changes from that of a mere registrar to that of an owner-user. Such a change, which in fact occurred here, exposes the registrar to the full force and effect of the Policy by virtue of the registrar having then become a "Holder of a Domain Name Registration" and then verified as such. Here, Registrar Enom satisfies both prongs of Supplemental Rule 1(b) and thus is a proper respondent. *See Solutia, Inc. v. Sur Hosting c/o Rafael Abarca*, NAF Case No. FA 716391 (August 30, 2006) (finding that Sur Hosting is a proper respondent under Supplemental Rule 1(d)).

In such instances where a registrar becomes an owner-user, no deference whatsoever is attributed to a registrar's coordinate role as being the actual registrar of the disputed name itself. The registrar faces the exact same scrutiny and liability under the Policy for its conduct as would any domain name registrant. If this were not the case, then domain name registrars could, with impunity under the Policy, register and use domain names in a manner that inflicts harm on legitimate rights holders. Such a result would lie directly contrary to the very goals of the Policy -- recognition and preference to the legitimate rights of trademark holders as against abusive domain name registration.

Even in situations, as here, where a registrar has laudably made and implemented policies and practices ostensibly, at least in theory, to protect the legitimate rights of those holders by returning, on demand and at no cost, to those holders names that infringe their rights, those policies and practices could be unilaterally ignored by the registrar whenever it desires, thus, in practice, frustrating their intent and rendering both a complete nullity to the ultimate detriment of those rights holders. Such a result would simply be indefensible and intolerable.

Respondent Enom argues that once the Complaint was filed, it was precluded from taking any action to transfer the disputed domain name to Complainant. While, under paragraph 8(a) of the Policy, this was indeed true, what existed to prevent it from taking suitable action to protect the rights of Complainant prior to that filing? As the record is completely silent on this point, the Panel infers that the answer is nothing. Specifically and illustratively, what prevented Respondent from immediately terminating the use of the name, once the initial registrant defaulted or shortly thereafter but in either case before the Complaint was filed, as an operative address to a web site through which ultimately products were offered that were competitive with those of Complainant, thus preventing any further user confusion and user direction to third-party sites? Again, the record is silent. Alternatively, what prevented Respondent, once the initial registrant defaulted, from simply canceling the registration and casting the disputed name back into the public domain rather than using it at all, let alone as it actually did? Here too, the record is silent. Again, the answer must be inferred as being nothing.

Thus, it stands to reason that Respondent Enom could have chosen not to exploit the name, but here, in furtherance of its own benefit whether pecuniary or otherwise, it did not do so and since it did not then it must fully accept all the risks associated with what it actually did -- one of those risks being exposure to the Policy. Therefore, Respondent Enom's actions, in using the name as it did to both cause user confusion and exploit that confusion for its own benefit, were both intentional and continuing, clearly evidencing bad faith under paragraph 4(b)(iv) of the Policy.

A nearly identical situation to the present dispute arose relatively recently in *Nicholas V. Perricone, M.D. and N.V. Perricone LLC v. Compana LLC*, NAF Case No. FA 825260 (December 16, 2006). There, respondent registrar, which had absolutely no relationship with complainant or authorization therefrom to use any of the latter's federally registered Perricone-based marks, nevertheless registered the domain name <perricone.com> . Respondent registrar then used the name to resolve to a web page, which it also established, that contained sponsored links to third-party web sites which, in turn, offered products directly competitive with skin-care products then offered by complainant. Respondent received click-through revenue through user clicks on those links. In spite of respondent's allegations that it registered the name in good faith because it believed that the name is a common name for a vanity email service, the panel in finding bad faith use and registration stated, in pertinent part:

Respondent has used the disputed domain name to resolve to a website that displays numerous text-based links to skin care products. The Panel infers from the nature of the resulting website that Respondent is receiving commercial gain as a result of the visitors that click on the text-based links. Additionally, the Panel finds a likelihood that visitors will believe Complainant to be affiliated with, or in sponsorship of, the resulting website because the resulting website displays content regarding

skin care products, the same line of business in which Complainant is involved.

Consequently, the panel transferred the domain name to complainant. This Panel, in full accord with the *Perricone* decision, will do the same here.

Hence, the Panel views Respondent Enom's actions, with respect to the disputed domain name, as constituting bad faith registration and use in violation of general paragraph 4(a)(iii) of the Policy and moreover paragraph 4(b)(iv) thereof.

Accordingly, the Panel concludes that Complainant has provided sufficient proof of its allegations to establish a *prima facie* case under paragraph 4(a) of the Policy upon which the relief it now seeks can be granted.

Hopefully, not only this Registrar, but others, which move beyond mere domain name registration and into name exploitation and, in so doing, increasingly assume the role of name owner-users, will wisely heed the dictates of this decision and thus avoid the cost, scrutiny and other potentially adverse consequences associated with defending their actions in administrative or other legal proceedings.

DECISION

In accordance with paragraph 4(i) of the Policy and paragraph 15 of the Rules, the relief sought by Complainant is hereby **GRANTED**.

Accordingly, the Panel orders that the disputed domain name, <monarchmarking.com>, is to be **TRANSFERRED** from Respondent to Complainant.

Peter L. Michaelson, Esq., Panelist
Dated: June 22, 2007