



**COMPLAINANT**

Name Smart Auctions Inc.  
Address 1584 Buttitta Drive, Unit #128  
Address Streamwood, IL 606107  
Telephone 312.842.1500  
Fax 312.202.4713  
E-mail rlongman259@yahoo.com

File Number: CPR0325  
Date of Commencement: December 22, 2003  
Domain Name(s): "smartauction.com"  
Registrar: TUCOWS, INC.

vs.

Arbitrator: Louise E. Dembeck, Esq.

**RESPONDENT**

Name: Ecorp.com  
Address PO Box 441688  
Address Indianapolis, Indiana 46244  
Telephone 317.844.0073  
Fax Unknown  
E-mail domains@ecorp.com

Before Louise E. Dembeck, Arbitrator

**PROCEDURAL HISTORY**

The Complaint was filed with CPR on December 22, 2003 and, after review for administrative compliance, it served on the Respondent on December 22, 2003. The Respondent filed a Response on January 19, 2003 which, because of an earlier administrative error in identifying the disputed domain name, was deemed a timely Response in these proceedings. On January 26, 2003, Complainant submitted a twenty-two (22) page "Response Brief in Support of Complainant Smartauctions, Inc.'s Request for Domain Name Transfer" (the "Response Brief") purporting to respond to Respondent's Response to the Complaint. On January 27, 2003 Respondent objected to consideration of Complainant's Response Brief and indicated that, if it was to be considered, Respondent would expect to be given an opportunity to respond to the Response Brief.\*

I was appointed Arbitrator pursuant to the Uniform Domain Name Dispute Resolution Policy ("UDRP") and Rules promulgated by the Internet Corporation for Domain Names and Numbers (ICANN) and the CPR Supplemental Rules ("CPR Supplemental Rules") to ICANN's Rules for UDRP. CPR is a duly constituted dispute resolution provider under the Rules.

The ICANN Rules provide for the filing of a Complaint and a Response. Rule 12 of the ICANN Rules provides, with respect to "Further Statements" that "[i]n addition to the complaint and the response, the Panel may request, in its sole discretion, further statements or documents from either of the Parties." Rule 10 of the CPR Supplemental Rules provides, with respect to "Further Statements," that "CPR will convey to the Panel any submission that it receives from any party prior to the Panel's decision, so long as such submission" complies with specified technical administrative requirements, "CPR will not review such submission(s) for form

or content, and instead will defer to the Panel the decision whether, and to what extent, such post-Response submission(s) will be accepted and considered. See *Electronic Commerce Media, Inc. v. Taos Mountain*, FA0008000095344 (October 11, 2000). Accordingly, the decision as to whether to accept unsolicited additional responsive pleadings is within my discretion.

The question of the admissibility of further submissions after the filing of the Response will be dealt with as a preliminary issue.

The principles which should be applied in exercising discretion to accept or refuse further, unsolicited, submissions and the weight, if any to be attributed to them, have been considered in numerous cases decided under the Policy and Rules; see e.g. the decisions of WIPO Panels in WIPO Case Nos. D2000-0166 <plazahotel.com>, D2000-1151 <goldline.com>, D2000-1571 <tdwatergouse.com> et al., D2000-0270 <htmllease.com> and, D2003-0229 <pepsibabies.com>.

The principles adopted and confirmed in these decisions are that additional evidence or submissions should only be admitted in exceptional circumstances, such as where the party could not reasonably have known the existence or relevance of the further material when it made its primary submission; and that if further material is admitted, it should be limited so as to minimize prejudice to the other party or to the procedure.

These principles are based on the purpose of the Policy and Rules of providing an expeditious and relatively inexpensive procedure for determining a certain type of domain name dispute, in which each party is entitled to make just one submission. One of the matters which a Panel has to bear in mind is that the admission of a further submission from one party may lead the other party to submit a further document in reply, which may lead to a further submission by the first party, and so on, thereby compromising the procedural economy sought to be established by the Policy and the Rules. And, indeed, as will be noted below, that has been the case here.\*

Nevertheless, applying these principles to the present case, I note that the Complainant's original Complaint is six (6) double-spaced pages in length and contains no exhibits or documentary evidence. The Response, on the other hand, is ten (10) pages in length, although Complainant correctly points out that it was prepared in less than 12-pt type, and the lines were not double-spaced so that it is arguably longer than the prescribed maximum ten (10) page pleading. In addition, the Response contains twenty-eight (28) pages of exhibits and four (4) pages of citations to authority. The Complainant's proffered Response Brief is twenty-two (22) pages in length and includes a Table of Authorities but no exhibits or documentary evidence. (Reference is made in the Response Brief to Appendices occasionally but none were attached and the Table of Contents indicated N/A which we understand to mean "not applicable.")

While I believe that the goals of permitting parties to resolve a dispute expeditiously, and at a low cost, can only be promoted by declining to consider additional pleadings except in extraordinary circumstances, the overwhelming disparity between the initial pleadings of the two parties in this case has led me to conclude there was here an extraordinary circumstance. In the interest of giving the Complainant, who had initiated this proceeding and bore the burden of proof, an opportunity to provide the best evidence it possibly could, I was persuaded that the Complainant did not anticipate or comprehend the relevance of the arguments and material that was to be presented by Respondent in its Response, or even the extent of the burden of proof borne by the Complainant in this proceeding, when it made its primary submission. Moreover, the material contained in the Response Brief, by clarifying and conceding issues raised in the Response and not addressed in the Complaint, was essential to a full and fair hearing of those issues and did not, in any way, prejudice the Respondent or the expeditious handling of the procedure. In the

exercise of my discretion, therefore, I have determined to accept and consider the Complainant's Response Brief.

Upon the written submitted record including the Complaint, the Response with attachments, and the Response Brief of the Complainant, I find as follows:

### **FINDINGS**

Respondent's registered domain name, "smartauction.com", was registered with Tucows, Inc. on September 11, 1998. In registering the name, Respondent agreed to submit to this forum to resolve any dispute concerning the domain name, pursuant to the UDRP.

The UDRP provides, at Paragraph 4(a), that each of three findings must be made in order for a Complainant to prevail:

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

### **IDENTITY/CONFUSING SIMILARITY:**

Complainant alleges that "SMARTAUCTIONS" was first used by Atlantic Marketing, Inc. (an Illinois Corporation) on September 4, 1998 and was developed as a combination marketing and economic strategies provider to promote products and services through the use of online auctions. Complainant does not assert ownership of any registered trademark but bases its claim on a U.S. trademark application for the mark "SMARTAUCTIONS," filed by Atlantic Business System, Inc. (another, related, company), which provides a wide range of services, including market strategies development. Complainant, Smart Auctions, Inc., alleges that it is related to Atlantic Marketing, Inc. and Atlantic Business System, Inc., was formed as a Delaware Corporation to function as an online auction provider and somehow has succeeded to the rights in and to the alleged trademark, "SMART ACUTIONS." Complainant also maintains that it owns, in its own name, the domain name "smartauctions.com" and is building a multi-million dollar company to operate through a website that will be similar to eBay. Complainant also alleges that it is the owner of the domain name "smartauctions.com"

UDRP inquiries and rights are based on trademarks and service marks, not on domain names. While the filing of a trademark application does not, in and of itself, establish rights in a trademark, it is only from allegations in the Respondent's Response, its exhibits and from statements in Complainant's Response Brief that it becomes apparent that the U.S. trademark application relied on by Complainant for evidencing its rights in the "SMART AUCTIONS" mark, filed by Atlantic Business Systems, Inc. in June 2002 under Serial No. 78/136657, was suspended by the U.S. Patent and Trademark Office because of the existence of a prior, pending Application, Serial Number 75738548, for the mark "SMARTAUCTION" filed by an independent third party in the same class or classes. Complainant states that it is the Plaintiff in an Opposition Proceeding, filed after that mark proceeded to publication, before the Trademark Trial and Appeal Board in which Complainant is opposing registration of Serial Number 75738548 to that third party and asserting prior rights. It appears that that proceeding is currently ongoing.

Although the Complainant stresses that its date of first use in commerce, September 4, 1998, is "indisputably supported by solid evidences," there was no documentary evidence supporting that contention

presented in this proceeding. Rather, despite the fact that Complainant was given the opportunity to submit a Response Brief after Respondent alleged in its Response that “there is no evidence that Complainant has common law trademark rights to the term “SMARTAUCTIONS” and pointed out that “Complainant has presented no evidence of use of the mark,” no supporting evidence was presented by Complainant. Complainant has not actually alleged that it has common law trademark right although it suggests that by claiming that, at the time it filed its complaint, presumably in this proceeding, Complainant “is and has been using the mark “SMARTAUCTIONS” in connection with the online auction services” and that “Complainant is and has been the rightful owner of “SMARTAUCTIONS.” Complainant concedes, however, that it has “taken down the old website for redevelopment” and while it has been getting quotes that ranged “in the millions of dollars” for the redevelopment, it was “senseless” to launch an under-construction website. Complainant has no website at this time.

It is interesting to note that the Notice of Suspension of Complainant’s United States Trademark Application, SN78/136657, attached as Exhibit 5 to Respondent’s Brief, contains a statement that the examining attorney believes that the marks “SMARTAUCTION” and “SMARTAUCTIONS” are nearly identical. I concur. The mere omission of the letter "s" from a mark such as "SMARTAUCTIONS" to yield a contested domain name such as “smartauction.com” would be a change that is so *de minimus* it would utterly fail to dispel user confusion.

The Complainant has not failed to prove that the registered domain name “smartauction.com” is identical or confusingly similar to the trademark, “SMARTAUCTIONS.” I find that the domain name is identical or confusingly similar to the trademark asserted by Complainant to belong to Complainant. The problem here is that the Complainant has failed to prove a threshold issue: that Complainant has rights in and to the trademark SMARTAUCTIONS which can support this complaint.

The Policy does not aim to adjudicate between genuine conflicting interests. It is applicable only where there is clear and unjustifiable misappropriation of the Complainant’s mark. Consistent with the Policy’s objective of providing a simple and speedy process for the resolution of cases where the domain name has been registered and used without legitimate reason and in abuse of the trade mark rights of another, where the extent of Complainant’s own trademark rights are not clear, the Complaint must fail. Accordingly, there is no need to examine the legitimate rights or interest of the Respondent at this time.

The Complainant may be adjudicating its rights to the trademark at issue before the Trade Mark Trial and Appeal Board, and elsewhere, for that matter. This is not a determination of the Complainant’s trademark rights *per se*. Neither should it be construed as a determination that Respondent has superior rights. It is merely a determination that for the purposes of the proceedings established under the Policy, Complainant has failed to meet the threshold test necessary to resolve this administrative proceeding. If ultimately successful in establishing its trademark rights elsewhere, the Complainant will not be estopped from filing another UDRP complaint.

Having reached the conclusion that the Complaint has failed to meet the requirements of Paragraph 4(a)(i), there is no need to proceed with examination of the other requirements of Paragraph 4(a).

### **DOMAIN NAME HIJACKING**

Respondent asserts that Complainant is in breach of Rule 3(b)(xiv) and that the Complaint has been presented for an improper purposes. It requests a declaration pursuant to Rule 15(e) that the Complaint was brought in bad faith in an attempt at Reverse Domain Name Hijacking.

Respondent alleges, *inter alia*, that the Complainant has no registered trademark for SMARTAUCTIONS; that the mark is a descriptive term; that Complainant’s trademark application was filed 4-years after Respondent registered the domain name at issue; that no evidence was presented that “Respondent” [sic]

has common law trademark rights to SMARTAUCTIONS or that it has ever even used the term. Moreover, Respondent claims that “Respondent’s” [sic] domain name SmartAuctions.com is inactive; and that the Complainant withheld extremely relevant information from the Panel concerning the pending underlying trademark application and its suspension by the Patent and Trademark Office based upon publication of a prior applicant’s identical or nearly identical mark in the same class.

I have considered the record, including the Response Brief, and while I find that the Complaint fails and may, in some respects, have been misconceived, the Complainant may yet prevail in the opposition proceeding, or elsewhere, and there is just not sufficient evidence to establish that the Complaint was brought in bad faith in an attempt to deprive Respondent of its domain name.

## CONCLUSION

In light of my findings above that the Complainant has failed to meet the requirements of Paragraph 4(a)(i) of the Policy, the Complaint against the Respondent is dismissed.

## REMEDY

Complainant's request to transfer the domain name "SMARTAUCTION" is hereby DENIED.

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Louise E. Dembeck

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February 10, 2004

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\* On February 10, 2004, one day before the Decision on the Complaint was due to be forwarded to CPR, Respondent submitted an unsolicited Petition and proposed six (6) page Reply to Complainant's Response Brief with additional exhibits. Coming as it did at such a late hour, and for all of the reasons discussed in this Decision regarding unsolicited additional submissions, I believe that this is not a case in which Respondent could have discovered new or additional evidence not reasonably available to it at the time of its initial submission, nor of new arguments by the Complainant in the Response Brief that the Respondent could not, or did not, reasonably anticipate. Mindful of the requirements of both 10 (b) of the Rules that "the Panel shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case", and 10(c) of the Rules that "the Panel shall ensure that the administrative proceeding takes place with due expedition", I find no justification for the exercise my discretion under paragraph 10 of the Rules. Therefore, I hereby deny the Respondent's Petition and I have determined neither to admit, nor to consider, Respondent's unsolicited Reply.