



CPR Institute for Dispute Resolution

COMPLAINANT

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File Number: CPR 0109

Date of Commencement: June 18, 2001

Domain Name: kanaflex.com

Registrar: Network Solutions, Inc. ("NSI")

Panelist: David H. Bernstein

vs.

J.W. ROBERTS CO.

5978 Armour Drive
Houston, TX 77020
Telephone: (713) 671-2223
fax: (713) 671-2302
troyroberts@jwroberts.com

Before David H. Bernstein, Panelist

PROCEDURAL HISTORY

The Complaint was filed with CPR on June 15, 2001 and, after review for administrative compliance, served on the Respondent on June 18, 2001. The Respondent timely filed a Response. I was appointed Panelist pursuant to the Uniform Domain Name Dispute Resolution Policy ("UDRP") and Rules promulgated by the Internet Corporation for Domain Names and Numbers ("ICANN"). Upon the written submitted record including the Complaint and Response, I find as follows:

FINDINGS

Respondent's registered domain name, kanaflex.com, was registered with NSI on September 8, 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 kanaflex.com is identical or confusingly similar to Complainant's trademark, KANAFLEX, which applies to plastic pipes, plastic hoses, rubber hoses and rubber pipes. In support thereof, Complainant has submitted evidence that it owns United States Registration No. 912,232 for KANAFLEX, which mark was first registered in 1971, and Japanese Registration No. 799,410 for KANAFLEX, registered since at least 1968.

Notwithstanding these long-standing registrations and the presumption of validity that flows therefrom, *EAuto, L.L.C. v. Triple S. Auto Parts*, Case No. D2000-0047 (WIPO March 24, 2000) (registration in the U.S. Patent and Trademark Office entitles the registrant to a presumption of validity), Respondent asserts that "Kanaflex" is a descriptive word for a type of hose:

J.W. Roberts Co. has been a purveyor of hoses for the last twenty- six years. During that time we have been widely known as a major player in the PVC style hoses which some customers refer to as a kanaflex style. The general term "kanaflex style" hose refers to a general purpose green PVC suction hose. Since J.W.Roberts Co. is the leading sales force in our area for this type of hose, our company name to many is synonymous with this style of hose. Customers call us asking for "kanaflex type" hoses knowing full knowledge that we do not represent Kanaflex Corp. Just as one might ask for a "Kleenex "in reference to a tissue and receive a "Puffs" with no real care or knowledge of the actual name brand they receive.

Respondent's argument reflects a complete misunderstanding of United States trademark law. KLEENEX and PUFFS are brands of tissue; they are not the generic word for tissues. Similarly, Complainant's registration is *prima facie* evidence that KANAFLEX is a brand name for Complainant's hose, and is not a generic or descriptive word for a certain style of hose. Given that Respondent has failed to provide any compelling evidence that KANAFLEX has become generic or otherwise is an invalid trademark, I find that Complainant has proven that it owns trademark rights in KANAFLEX. *Pacific Fence & Wire Co. v. Pacific Fence*, Case No. D2001-0237 (WIPO June 11, 2001).

Having established Complainant's rights in the mark, the remainder of the first factor is easily resolved. The domain name kanaflex.com is obviously identical to the trademark KANAFLEX, but for the gTLD ".com". *Id.* I therefore conclude that the registered domain name is identical to Complainant's protected mark.

RIGHTS AND LEGITIMATE INTERESTS: Complainant alleges that Respondent has no rights or legitimate interests with respect to the domain name at issue. In support for this allegation, Complainant states:

[M]ore than 10 years ago Respondent was a representative of Kanaflex Corporation [Complainant's U.S. licensee]. For the past 10 years Respondent has only represented competitors of Complainant. Respondent obtained its domain name after ceasing to be the representative of Kanaflex Corporation when he had no further legitimate business use for or authority to use the trademark or tradename. When the domain name of Complainant is entered, it leads directly to the home page of Respondent, titled J.W. Roberts Co. where ten competitors of Complainant are listed but where complainant is no where listed. Complainant is no where listed on any of Respondent's five web pages, but only competitors of complainant are. . . . Before any notice to the domain name registrant of the dispute, there is no evidence of the registrant's use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of complainant's goods or services. . . . The domain name registrant (as a business,) has never been commonly known by the domain name and the domain name registrant is not making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain misleadingly to divert consumers or to tarnish the trademark or service mark at issue. It is a commercial site selling the products of the direct competitors of complainant.

Respondent, on the other hand, asserts that it does have a legitimate right to use this domain name. In particular, as quoted above, Respondent asserts that its use of the domain name is fair because its customers seek out its website to purchase “kanaflex-style” hoses.

UDRP Paragraph 4(c) provides that Respondent's rights or legitimate interests in a domain name may be demonstrated, without limitation, by showing that (i) before notice to Respondent of the dispute, Respondent has used, or made demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or (ii) Respondent has been commonly known by the domain name; or (iii) Respondent is making legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

The crux of Respondent's argument is that its use is legitimate under paragraphs 4(c) (i) and (iii) of the UDRP. The facts, however, do not support that assertion. First, Respondent's offering of goods that compete with KANAFLEX goods at the website kanaflex.com is not a bona fide offering. Rather, the UDRP's reference to a “bona fide offering” means the offering of the Complainant's goods (not goods competitive to Complainant's goods), and even there, the offering has to be made in a way that does not cause confusion or otherwise violate Complainant's trademark rights. *Houghton Mifflin Co. v. Weathermen, Inc.*, Case No. D2001-0211 (WIPO Apr. 17, 2001); *Easy Heat, Inc. v. Shelter Prods.*, Case No. D2001-0344 (WIPO June 14, 2001); *see also Universal City Studios, Inc. v. G.A.B. Enterprises*, Case No. D2000-0416 (WIPO June 29, 2000); *Pacific Fence, supra*. Nor is Respondent's use fair under the UDRP. Using a competitor's mark to divert sales in this manner is akin to a “bait and switch,” and does not represent a fair use as defined by the policy. Contrary to the requirements of the UDRP, Respondent's use is commercial, is done with the intent for commercial gain, and is accomplished by misleadingly diverting consumers. That is paradigmatic unfair use. *Nikon Inc. v. Technilab, Inc.*, Case No. D2000-1774 (WIPO Feb. 26, 2001) (it is not fair use to sell competitors' cameras at website located at nikoncamera.com).

I therefore conclude that Respondent does not have rights or legitimate interests with respect to the domain name at issue.

BAD FAITH: In support of the contention of Respondent's bad faith registration and use, Complainant states:

[O]n March 9, 2001, Troy Roberts orally offered to sell the name of Kanalex back to Complainant in an amount in excess of the registration and maintenance costs of the domain name. The conversation, and demand for transfer were confirmed in a letter dated March 9, 2001 and attributed hereto as Exhibit C. . . . The domain name was registered after Respondent was no longer Complainant's representative, in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the domain name registrant has engaged in a pattern of such conduct. . . . The domain name was registered primarily for the purpose of disrupting the business of a competitor. . . . Using the domain name, the domain name registrant intentionally attempted to attract for financial gain, Internet users to the registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of the registrant's web site or location or of a product or service on the registrant's web site or location, since only competitors of complainant are located on the site

The letter to which Complainant refers, a copy of which is annexed to the Complaint, is from Complainant's counsel to Troy Roberts of J.W. Roberts Co., and is somewhat ambiguous. With respect to any potential offer of sale, the letter merely states: “Any suggestion that the owner of the Trademark ‘repurchase’ its own name, including its domain name, is rejected.”

In response, Respondent denies that it offered to sell the name: "Since we have never contacted Kanaflex offering to sell this site in the last three years, obviously we did not purchase this URL with the intent of cyber squatting with the intent to sell." Instead, Respondent asserts, it purchased this domain name at a time when "the buying of URLs was very popular," and it did so "strictly for business purposes positive to J.W.Roberts Co. and was not done with any malice or vindictive behavior." Respondent then concludes:

J.W.Roberts Co. has never and would never misrepresent to its' customers the products conveyed to them and in the strongest terms possible denies the accusations of the Complainant to that effect. J.W.Roberts Co. also strongly denies the allegations by the Complainant of actions taken with the purpose of negative intent towards Kanaflex Corp. J.W.Roberts Co. also strongly resents the Complainants' strong accusatory and demanding attack that has caused us to spend time on things other than constructive business. J.W. Roberts Co., a family business based on Christian business principals, responds and defends its' family name against these accusations.

Paragraph 4(b) of the UDRP provides that indications of bad faith include, without limitation, (i) registration for the purposes of selling, renting or transferring the domain name to the Complainant for value in excess of Respondent's cost; (ii) a pattern of registration in order to prevent Complainant from reflecting the mark in a corresponding domain name; (iii) registration for the primary purpose of disrupting the business of a competitor; or (iv) an intentional attempt to attract, for commercial gain, Internet users to Respondent's web site by creating a likelihood of confusion with Complainant's mark as to the source, sponsorship, affiliation or endorsement of Respondent's web site or location, or of a product or service on Respondent's web site or location.

Complainant has not met its burden of proving bad faith under paragraph 4(b) (i) of the UDRP -- that Respondent offered to sell the domain name for value in excess of its registration costs. Given Respondent's flat denial of any offer of sale and the lack of any persuasive documentary evidence confirming Complainant's version of the March 9, 2001 conversation, it is impossible for the Panel to determine whether an offer of sale actually was made. *Newman/Haas Racing v. Virtual Agents, Inc.*, Case No. D2000-1688 (WIPO Mar. 29., 2001) (in the face of conflicting certified statements, panel is unable to resolve direct conflicts regarding whether an offer of sale was made; in the absence of documentary support and given that complainant bears burden of proof, the panel must find that complainant has not met its burden).

Nevertheless, Complainant has proven bad faith under paragraph 4(b) (iv) of the UDRP, which prescribes "an intentional attempt to attract, for commercial gain, Internet users to Respondent's web site by creating a likelihood of confusion with Complainant's mark." Here, the evidence shows that Respondent used kanaflex.com to promote the products of Complainant's competitors. Respondent's use was likely to cause confusion amongst customers searching online for Complainant's product, and to divert those customers to purchase non-KANAFLEX products. Such conduct is classic bad faith. *Nikon Inc., supra; see also Easy Heat, Inc. v. Shelter Products*, Case No. D2001-0344 (WIPO June 14, 2001).

I therefore conclude that Respondent did register and use the domain name in bad faith, as that term is defined in the ICANN Policy.

CONCLUSION

In light of my findings above that (a) the registered domain name is identical to Complainant's protected mark; (b) Respondent does not have rights or legitimate interests with respect to the domain name at issue; and (c) Respondent did register and use the domain name in bad faith, as that term is defined in the ICANN Policy, I find in favor of the Complainant.

REMEDY

Complainant's request to transfer the domain name kanaflex.com is hereby GRANTED. The domain name shall be transferred to Complainant Shigeki Kanao.

Signature of Panelist

July 25, 2001

Date