



# CPR Institute for Dispute Resolution

## COMPLAINANT

Nutrisystem.com, Inc  
202 Welsh Road  
Horsham, PA 19044

File Number: CPR 012

Domain Name: sweetsuccess.com

Date of Commencement: October 11, 2000  
Domain Names:

Registrar: Tucows, Inc.

vs.

Arbitrators: James P. O'Shaughnessy (Chair)  
Carrie Menkel-Meadow  
Robert J. Ellicott

## RESPONDENT

Easthaven, Ltd.  
Atlantis Bldg.  
Shallow Draught, Bridgetown, Barbados

Before James P. O'Shaughnessy, Carrie Menkel-Meadow, and Robert J. Ellicott, Arbitrators

## PROCEDURAL HISTORY

The Complaint was filed with CPR on October 10, 2000 and, after review for administrative compliance, served on the respondent on October 11, 2000. The Respondent did file a Response on or before October 24, 2000. We were appointed Arbitrators 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, the Response, Replies and supplemental declarations submitted by each party, we find as follows:

## FINDINGS

Respondent's registered domain name, <sweetsuccess.com>, was registered with Tucows, Inc on November 4, 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 Complaint to prevail:

- i. Respondent's domain name must be 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 the domain name, <sweetsuccess.com>, is identical or confusingly similar to Complainant's registered trademark, SWEET SUCCESS, which applies to candy and dietary drinks. Complainant describes its business as a provider of weight-loss programs over the Internet. Complaint at 3. Complainant asserts, but offers no proof, that it acquired the trademark rights of its predecessor in interest, Societe des Produits Nestle S.A. and its affiliates, Nestec, Ltd. and Nestle USA. Complainant's Reply at 2. Because the Respondent raises no question of ownership of the subject trademark, the Panel assumes Complainant to be the lawful owner of the SWEET SUCCESS mark on which its complaint is based.

Two United States Trademark Registrations for the mark SWEET SUCCESS underlie this dispute; viz. Reg. No. 1973830 as applied to a dietary drink to be used as a supplement for a complete meal, or otherwise, for weight control, and Reg. No. 1515638 as applied to candy. The '830 registration issued on May 14, 1996 based on a first use in commerce on October 1, 1992. The '638 registration issued on June 12, 1988 based on a first use in commerce on November 4, 1987. See, Complaint, Exhibits 2-3. Thus, the record shows Complainant (through its predecessor) to be the first user of the mark, preceding Respondent's use (likewise through its predecessor) by a decade. On these facts, Complainant argues that "[t]he simultaneous use in commerce of the registered trademark and the domain name would lead to obvious confusion." Complaint at 3.

Complaint's trademark rights arise out of the use in commerce of the mark, SWEET SUCCESS, as applied to clearly delineated goods. In this case, those goods are candy and dietary drinks. Complainant's trademark rights are bounded by the use made of the mark it asserts on these goods. Otherwise, Complainant's argument would treat its trademark rights as rights in gross. Though the Panel is mindful that this is not, strictly speaking, a trademark dispute, because it is grounded in the law of trademarks and the proper protection to be afforded trademark owners, the conscientious resolution of the respective rights of the parties requires us to balance the scope of Complainant's trademark rights and Respondent's rights, if any, to use the identical term as its URL.

Respondent argues that the trademark is generic or composed of generic, commonplace terms. Response at 2, 6. However, the federal registrations of the mark supply *prima facie* evidence that Complainant enjoys valid trademark rights. Complainant need not supply evidence of secondary meaning, as argued by Respondent, once the fact of federal registration is accepted. We find that Complainant holds valid rights in the mark, SWEET SUCCESS.

Respondent goes on to argue that it acquired the domain name, <sweetsuccess.com>, "in order to set up an Internet sports site." Response at 1. The phrase, "sweet success," is said to relate to "the victory associated with sports competition." *Id.* at 4. Respondent's target market is termed "Euro/Asian sports such as European Football and Cricket." *Id.*, Exhibit A. Respondent introduced into the record "screen shots" of the website it is developing for this purpose. *Id.* It asserts that its target audience is found in

the Euro/Asian geographic regions. Respondent emphasizes throughout its submissions the absence of any proof of confusion, but this rings hollow in view of Respondent's admission that its website is not yet operational.

The Panel concludes that Respondent's domain name is identical to Complainant's registered trademark.

**RIGHTS AND LEGITIMATE INTERESTS:** Complainant alleges that Respondent has no right or legitimate interest in the domain name at issue. More specifically, Complainant states that "[t]he legitimate interest of respondent . . . is presumptively eliminated by the validly registered and enforceable trademarks held by complainant in the mark . . . ." Complaint at 3. Respondent does not directly address this element of the case in its Response or Reply. Rather, Respondent attacks the scope and validity of Complainant's trademark rights and focuses the remainder of its argument on the absence of bad faith, a subject we address below.

UDRP Paragraph 4(c) provides that Respondent's rights or legitimate interests in a domain name may be demonstrated, without limitation, by (a) before notice to Respondent of the dispute, Respondent'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 goods or services; or (b) Respondent has been commonly known by the domain name; or (c) 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 record shows that Respondent's predecessor registered the disputed domain name in 1998. Response at 2. Respondent avers that its predecessor had no knowledge of Complainant's trademark, SWEET SUCCESS, then and, furthermore, that Respondent itself was unaware of Complainant and its mark when Respondent acquired rights to the domain name and embarked on its current business plan in July 2000. Response at 1, 3. Respondent alleges that it intends to offer the services mentioned above to audiences interested in sporting events and that it has taken steps to implement its plan without prior knowledge of Complainant or its trademark. *Id.* The screen shots submitted by Respondent evidence significant steps in preparation for the launch of its website, which Respondent expects to occur in 2001.

On this record, we conclude that Complainant has not demonstrated Respondent's lack of a legitimate interest in the term "Sweet Success" when used as a domain name. We decline Complainant's invitation to presume the absence of a legitimate interest based solely on the fact that Complainant holds United States trademark registrations for the same term. Once again, the Panel recognizes that the scope of Complainant's trademark rights must be the subject of our analysis and the scope of those rights is linked inextricably with the goods on which the mark appears. We believe that ordinary and average consumers and those who navigate the Internet are capable of holding in their minds separate cognitive understandings of the trademark significance associated with Complainant's use of the term "Sweet Success" on candy and dietary drinks and of the use of that same term as a URL by Respondent. The scope of Complainant's trademark rights is insufficient to bar Respondent from acquiring legitimate rights in the same term when used for a different purpose, such as a URL. We find on the present record that the evidence submitted by Complainant is inconclusive of the assertion that Respondent lacks a legitimate interest in the domain name. Complainant has failed to establish this element of its case.

**BAD FAITH:** The element of bad faith consumes most of the parties' arguments. In support of its contention of Respondent's bad faith registration and use, Complainant relies on an e-mail from

Respondent's agent which offers the domain name for sale for the sum of US\$146,250. Respondent counters with the argument that it was Complainant itself that elicited the offer, that the offer was made by an agent without authority and that, to the contrary, it is Complainant that is acting in bad faith in these proceedings.

Paragraph 4(b) of the UDRP provides that indications of bad faith include, without limitation, (a) registration for the purposes of selling, renting or transferring the domain name to the Complainant for value in excess of Respondent's cost; (b) a pattern of registration in order to prevent Complainant from reflecting the mark in a corresponding domain name; (c) registration for the primary purpose of disrupting the business of a competitor; or (d) 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.

When the record is shorn of its excessive rhetoric on the issue of bad faith, the facts are neither complicated nor confusing. Each of the parties acquired its respective rights in the term "Sweet Success" from a predecessor and both did so during the summer of 2000. There is no evidence that either predecessor in interest had any knowledge of the other or knowledge of the use or intended use of the term "Sweet Success" each of them had in mind. The *status quo ante* was the use of the trademark by Complainant's predecessor for the dietary products it was selling and the intended use of the same term as a domain name by Respondent's predecessor.

Then, in August 2000, things changed. By then, Respondent had acquired the domain name and had begun developing its website for sporting events. Complainant, having learned of the prior registration of "Sweet Success" as a domain name, transmitted the following e-mail to Respondent's registered agent:

I am interested in purchasing the sweetsuccess.com domain name. Could you please telephone me . . .

Complaint, Exhibit 4. It is unclear when Complainant first learned of the prior registration of the domain name, but the quoted e-mail was sent only a few days after Complainant's acquisition of the underlying trademark rights. *See*, Complainant's Reply, at 2.

Respondent's agent replied by e-mail the following morning. In substance, that response quoted the sum of US\$ 146,250 to purchase the domain name. *Id.* We are presented with no evidence by either party on which to conclude whether this sum fairly represents the intrinsic value of the domain name or the lost opportunity costs associated with its sale. Thus, we cannot conclude that the response from Respondent's agent can be described a "hold-up," as an economist would use that term. However, we reject the characterization ascribed by Complainant that ". . . the e-mail serves as undeniable evidence that [Respondent's] conduct with respect to the registration of the 'sweetsuccess.com' domain name was and is in bad faith . . ." Complainant's Reply at 2. The e-mail responds with a direct answer to a pointed question. Presumably, Complainant is unhappy with the price placed on the sale of this intangible asset. That, however, does not equate with bad faith in quoting the price in the first instance, especially when the quotation was sought as in the case here.

We therefore conclude that Respondent and its predecessor have neither registered nor sought to use the

domain name in bad faith, as that term is defined in the ICANN Policy.

## **CONCLUSION**

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

## **REMEDY**

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

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Signature of Arbitrator

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Date

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Signature of Arbitrator

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Date

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Signature of Arbitrator

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Date