



CPR Institute for Dispute Resolution

COMPLAINANT

New Deal Skateboards, Inc.
dba "Giant Skateboard Distribution"
1099-A Baker Street
Costa Mesa, CA 92626
Tel.#714.437.7540
Fax #714.437.7541
E-mail:Jschillereff@TheLittleGiant.com

File Number: CPR 017

Date of Commencement: December 20, 2000

Domain Name: <newdealskateboards.com>

Registrar: Register.com

vs.

Arbitrator: Honorable Nelson A. Diaz

RESPONDENT

LVH Holdings, Inc.
311 Westport Road
Kansas City, MO 64111
Tel.#816.931.4836
Fax #816.931.4843
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Before The Honorable Nelson A. Diaz, Arbitrator

PROCEDURAL HISTORY

The Complaint was filed with CPR on December 20, 2000 and, after review for administrative compliance, was served on the Respondent. The Respondent filed a timely Response on or about January 15, 2001. 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"). Upon the written submitted record including the Complaint, the Joint Response, and Complainant's Joint Reply, I find as follows:

FINDINGS

Respondent's domain name, <newdealskateboards.com>, was registered with Register.com on February 5, 2000. In registering the domain name, Respondent agreed 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 <newdealskateboards.com> domain name is confusingly similar to Complainant's trademark, NEW DEAL (the "NEW DEAL Mark" or "Mark"). Complainant has used the NEW DEAL Mark in commerce since May 31, 1990, on skateboards and skateboard accessories. The NEW DEAL Mark was registered with the United States Patent and Trademark Office in March 14, 2000 in International Class 28 for Skateboards and Skateboard accessories.

While the domain name in question is not identical to the NEW DEAL Mark, the Panel finds that the domain name and the Mark create a similar, overall commercial impression. The addition of the term "skateboards" does not reduce the confusing similarity since Complainant uses the Mark on its skateboards and skateboard accessories. Moreover, the addition of the generic TLD ".com" is not significant in determining similarity. Finally, it is noted that Respondent does not challenge Complainant's contention that the domain name and the Mark are confusingly similar. The Panel therefore concludes that Complainant has met its burden of proving that the domain name, <newdealskateboards.com>, is confusingly similar to Complainant's NEW DEAL Mark.

RIGHTS AND LEGITIMATE INTERESTS:

UDRP Paragraph 4(c) provides that Respondent's rights or legitimate interests in a domain name may be demonstrated, without limitation, by a finding of any of the following circumstances:

- (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.

Complainant admits that Respondent has been a wholesale customer of and authorized retailer of NEW DEAL branded products since as early as 1991, but alleges that Respondent has no rights or legitimate interests with respect to the domain name at issue. In support of its allegation, Complainant avers that Respondent "secretly" registered the domain name <newdealskateboards.com> without its permission, Complaint at 5, and is now using the domain name <newdealskateboards.com> to misdirect and divert Internet users searching for New Deal Skateboards to Respondent's own web site www.lomavistahardware.com. Complaint at 9. Complainant argues that such use trades on the goodwill associated with Complainant's and misleads and deceives customers. *Id.* Complainant further avers that Respondent "is not, and has never been, commonly known as 'newdealskateboards.com.'" *Id.*

Respondent asserts that it has been an authorized distributor of NEW DEAL branded products since at least as early as 1994 and, thus, has rights or legitimate interests with respect to the domain name at issue. At the time of the Response, Respondent continued to be an authorized retailer of Complainant's products sold under the NEW DEAL Mark. Respondent avers that, *prior to this*

dispute, Respondent had informed Complainant of its plans to develop a web site to promote Respondent's sales of Complainant's trademarked goods. Respondent does not deny that it failed to simultaneously inform Complainant that it had registered the domain names <newdealskateboards> and <blacklabelskateboards.com> (see CPR 018) in connection with its Internet plans.

Respondent cites the following as evidence that Complainant had consented to its Internet plans and use of the domain names: Complainant's continued shipping of its branded goods to Respondent for sale on the Internet after it had learned that Respondent had registered the domain names <newdealskateboards> and <blacklabelskateboards.com>; Complainant's provision of a 10% discount to Respondent for all Internet sales; and Complainant's provision to Respondent of a CD-ROM of artwork of the trademarked goods for use on Respondent's web site.

In its Joint Reply, Complainant challenges or contradicts several of Respondent's representations. Complainant. First, Complainant asserts that, on January 17, 2001, the date its Joint Reply was filed, it terminated its long-standing business relationship with Respondent and would no longer be allowing Respondent to sell its NEW DEAL and BLACK LABEL products. Joint Reply at 2. Complainant asserts that this termination "wholly eliminates any right or legitimate interest Respondent may now or ever in the future assert for using the disputed domain names." Id. Complainant further asserts that Respondent's "secret registration of the domain names was not for a 'legitimate' purpose." Id. at 3. Complainant vehemently denies that it ever consented Respondent's Internet plans and expressly states that it never consented to the domain name registrations. Complainant also contradicts Respondent's purported evidence that Complainant had consented.¹

While the Complainant may be correct that the very recent termination of Respondent's status as a seller of Complainant's goods eliminates any right or legitimate interest Respondent "may *now or ever in the future* assert" in the disputed domain names, the Panel is unable to find, on the limited and contested evidence before it, that Respondent had no such rights or legitimate interest *at the time the domain names were registered*. Based on the evidence of record, the Panel is persuaded that Complainant has failed to establish the second element necessary for a finding that Respondent engaged in abusive domain name registration. Specifically, I find that Respondent's status as an authorized distributor of Complainant's trademarked goods conferred upon it a legitimate interest in the disputed domain name within the meaning of paragraphs 4(a)(ii) and 4(c)(i) of the Policy. I further find that, before Respondent had received notice of this dispute, Respondent had made demonstrable preparations to use the <newdealskateboards.com> domain name in connection with a bona fide offering of Complainant's genuine goods. See Paragraph 4(c)(i) of the Policy.² As a seller of Complainant's goods, Respondent had a legitimate interest in the domain names that are the subject of this dispute. See, e.g., The New Piper Aircraft, Inc. v. Piper.com, FA 94367 (holding that a seller of aircraft, including Piper brand aircraft, was entitled to use the domain name "piper.com" and that such use was a fair use). Moreover, such use of the domain names by Respondent is arguably a legitimate, fair use. See id.

¹While the Panel has given due consideration to points 2-6 of Complainant's Joint Reply, the issues raised therein relate almost wholly to the third element of Complainant's prima facie case, bad faith, and do not affect the Panel's determination of the second element, Respondent's rights or legitimate interest in the domain names. For reasons discussed below, the Panel need not decide the issue of bad faith.

²In reaching its holding, the Panel recognizes that its jurisdiction is limited to a determination of whether Respondent engaged in abusive domain name registration in violation of the Policy. See, e.g., Weber-Stephen Products Co. v. Armitage Hardware, Case No. D-2000-0187 at 3; and Marcario Casillas v. Maverick Group, Inc., Case No. D2000-0340 at 7. The question of whether Respondent engaged in unfair competition, overstepped the bounds of its distributor agreement with Complainant or otherwise violated Complainant's trademark rights are beyond the scope of this proceeding and are better addressed to a court which is fully equipped to resolve such complex factual issues. See id.

CONCLUSION

In light of my findings that Respondent does have a legitimate interest with respect to the domain name <newdealskateboards.com>, I find in favor of the Respondent.

REMEDY

Complainant's request to transfer the domain name, <newdealskateboards.com> is hereby DENIED.

Honorable Nelson A. Diaz
Presiding Panelist
February 12, 2001