

Before the:
NATIONAL ARBITRATION FORUM

Director's Choice, LLP)
10701 Upland Ave.)
Lubbock, Texas 79424)
Complainant,)
)
)
HELP.org Domain Administrator)
)
HELP.org, LLC)
PO Box 1860)
Ocean City, New Jersey 08226)
Respondent.)

Disputed Domain Name:

directorschoice.com

NAF Case No. LLC-FA1411001590433

I, Russ Smith, under penalty of perjury, state the following facts and attachments are true and correct to the best of my knowledge:

1. Reply to Supplemental Filing

This is the reply to Complainant's Supplemental filing.

2. Laches

In the supplemental filing Complainant picks a section from the WIPO Jurisprudential Overview 2.0 (Exhibit A) while leaving out the competing explanation of laches:

However: Panels have also noted that a delay in bringing a complaint under the UDRP may make it more difficult for a complainant to establish its case on the merits, particularly in relation to the second and third elements requiring the complainant to establish that the respondent lacks rights and legitimate interests and that the respondent registered and used the domain name in bad faith. A small number of panels have also begun to acknowledge the possible applicability, in appropriate and limited circumstances, of a defense of laches under the UDRP where the facts so warrant.

The response states why the Respondent is prejudiced by the delay: "Complainant's delay in seeking relief is relevant to a determination of whether Respondent has been able to build up legitimate rights in the Domain Name in the interim, and whether it is using the Domain Name in bad faith." It is not reasonable to expect the Respondent to provide business records from more than 14 years ago to mount defenses described in the UDRP.

Laches is applicable to the UDRP even though its basis is in 'equity' rather than "law."

There is not a sharp line between equity and law in these proceedings. In this case the Complainant (at 12D) asked the panel to determine that “Respondent registered the domain name with the intention of selling it to **the trademark holder** for a profit” and “respondent intentionally attempts to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with **the complainant's marks** as to the source, sponsorship, affiliation, or endorsement of **respondent's website.**” [Emphasis Added] If a different complainant had filed this complaint the panel would be deciding a different set of bad faith issues and would be deciding whether to transfer the domain to that entity.

Also, the Complainant at 12B and 12D references court cases involving alleged violations of the Lanham Act and the remedy of transferring the domain is a remedy available under the Lanham Act. [“all Lanham Act remedies are equitable in nature[.]” Masters v. UHS Delaware, Inc., No. 09-3543, 2011 U.S. App. LEXIS 175, at *13 (8th Cir. Jan. 6, 2011)].

This is further described in Board of Trustees of the University of Arkansas v. FanMail.com, LLC WIPO Case No. D2009-1139:

In the United States, where both parties in this case reside, the doctrine of laches is a longstanding and universally recognized principle. It has been said that laches does not fall within the “catchall” language of Rule 15(a) because, strictly speaking, it is a principle of equity and not law. See, e.g., The Hebrew University of Jerusalem v. Alberta Hot Rods, [WIPO Case No. D2002-0616](#) (October 7, 2002). Messrs. Badgley and Brown take the view, however, that it is not unreasonable to consider laches as falling within Rule 15(a) given that, in many if not most jurisdictions in the United States and in countries such as the United Kingdom and Australia, the formerly sharp line between law and equity has been blurred if not effaced by the amalgamation of law and equity. Indeed, it would appear unlikely that when they used the expression “principles of law that it deems applicable,” those who drafted the Rules meant “principles of law but not equity.”

3. Common Law Trademarks

No defense was presented that common law trademarks were not permitted by the policy. The argument is that Complainant failed to provide proof of a common law trademark.

The arguments concerning the common law trademarks can be tiered in the following list:

1. Complainant has not proven any rights in any common law trademark.
2. If the panel finds Complainant has proven a common-law trademark in “DIRECTOR'S CHOICE TOUR & TRAVEL.” then it is argued that “directorschoice.com” is not confusingly similar.
3. If the panel finds Complainant has a common-law trademark in “DIRECTOR'S

CHOICE TOUR & TRAVEL” and that the domain “directorschoice.com” is confusingly similar then there is no bad faith registration because its first use is 2006, well after the registration of “directorschoice.com.”

4. If the panel finds the Complainant has proven common law trademark rights in “DIRECTOR”S CHOICE” it is argued that they did not prove they had a common law rights prior to the registration of directorschoice.com in 2000. It is argued that “Director's Choice, LLC” was used as a company name rather in than a trademark prior to 2000 so there cannot be bad faith registration.
5. If the panel finds the Complainant has proven common law trademark rights in “DIRECTOR”S CHOICE” prior to 2000 it is argued that Respondent did not know of Complainant due to the limited geographic area of Complainant's services and, therefore, no bad faith registration.
6. If the panel finds the Complainant has proven common law trademark rights in “DIRECTOR”S CHOICE” prior to 2000 and if the panel believes Respondent knew about a trademark held by Complainant it still is not bad faith because many entities use the term “Director's Choice” and registering the domain was not for the purpose of taking advantage of Complainant’s trademark.

4. Trademark Applications

If the panel gives any deference to the trademark application then the panel is requested to suspend this proceed so Respondent can have the opportunity to oppose the trademark application for “DIRECTOR'S CHOICE” which is scheduled to be published for opposition December 9, 2014.

5. Respondent Has Rights in the Domain

It has been argued that the Complainant admitted Respondent had rights in the domain by claiming it had “superior” rights.

If the panel finds that the complainant did not admit the Respondent has rights in the domain then it is argued the Respondent has shown evidence of an ongoing web site development business. More detailed evidence of planned use of the domain is no longer available due to the Complainant delaying this proceeding for well over a decade.

6. Respondent did Not Register the Domain in Bad Faith

This is discussed in section 3.

7. Respondent is Not Using Domain in Bad Faith

Complainant had argued that Respondent engaged in “Initial interest confusion” and has asked the Panel to rule that Respondent violated the Lanham Act. However, Lanham Act violation require the Complainant to show the the Respondent has used the domain in commerce. [Lanham Act § 32, 15 U.S.C. § 1114 (2006) (predicating trademark infringement liability on “use in commerce”). Also see Holiday Inns, Inc. v. 800 Reservation, Inc., 838 F.

Supp. 1247, 1249 (E.D. Tenn. 1993), rev'd, 86 F.3d 619 (6th Cir. 1996), cert. denied, 117 S.] (Exhibit B) This type of claim is a claim for "superior" trademark rights and is outside the scope of the UDRP. The UDRP is not "Lanham Act-Lite" where Lanham Act complaints can be brought without adhering to the necessary requirements of the Act.

The issue of "Initial interest confusion" is evolving as the technology changes and the sophistication of users change. From *Intellectual Property in Cyberspace* (Due to size this exhibit is not included but may be found at <http://www.gibsondunn.com/publications/Documents/Hogan-IPLawinCyberspace-AIPLA-2-12.pdf>):

One court emphasized that when dealing with sophisticated consumers, there must be evidence that the initial contact with the brand was linked to an eventual purchasing decision. The U.S. District Court for Massachusetts in CCBN.com, Inc. v. C-Call.Com, Inc. declared that, even if sophisticated purchasers are "initially" confused between similar domain names, there is no likelihood of confusion if that confusion has dissipated by the time of purchase and does not affect the "ultimate purchase decision." The court reasoned that any "de minimus confusion, which is easily resolved, and does not affect the ultimate purchase decision, is of minimal relevance."

...

In 2011, the Ninth Circuit handed down Network Automation, Inc. v. Advanced Systems Concepts, Inc., further clarifying the standard for trademark infringement on the Internet. Authored by Judge Wardlaw, a member of the panel that decided Brookfield twelve years earlier, the Ninth Circuit opinion vacated an injunction in favor of the trademark owner, finding there was no likelihood of confusion regarding defendant's use of plaintiff's mark in keyword advertising. In doing so, the Ninth Circuit rejected the notion that Internet users generally exercise a low degree of care, explaining that "the default degree of consumer care is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace." The court also emphasized that in the keyword advertising context, "the likelihood of confusion will ultimately turn on what the consumer saw on the screen and reasonably believed, given the context." [Footnotes Removed]

8. Complainant is Attempting to Amend The Complaint

Complainant has amended the Complaint in their supplemental filing. This is barred by Section 7 of the NAF Supplemental Rules.

The Complaint and Supplemental filing confuses Lanham Act concepts such as "initial interest confusion" with UDRP standards of bad faith. These are different concepts with different standards. The UDRP standard is that the case must be part of a small class of "abusive registrations" made with bad-faith intent to profit commercially from others' trademarks (Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy). These arguments fail because they depend on Respondent registering the domain for no other purpose other than to take advantage of the Complainant's trademark.

These new issues raised in the amended Complaint are:

1. Respondent is profiting from ads not related to Complainant.
2. Respondent is profiting from ads related to the Complainant.

The ads do not realize a profit as they do not cover the costs of hosting and registration. The fact that this dispute was not filed for almost 15 years shows the disruption of Complainant's business is nonexistent or de minimus.

9. Complainant is Attempting to Deceive the Panel

A new exhibit was added with the supplemental filing showing ads claimed to be related to Complainant's goods and services. However, it is obvious the placement of these ads were caused by the user who downloaded the page and not the Respondent. This works because the user had a Google cookie on their system, they searched on visiting North Carolina, and then visited the web site. The type of ads displayed is a result of an agreement between the user (who agreed to maintain a Google cookie on their system) and Google. If there is any bad faith it would be attributed to Google and those purchasing keyword ads via Google. This is explained by the Complainant's Representative, The Trademark Store, in an article published in 2012 on their blog entitled "Get a Google Pay-Per-Click Monopoly for Your Brand" (Exhibit C):

... Google and the other search engines derive revenue by and through their pay-per-click advertising programs. When you search for a term your search results will bring up both organic (e.g., results the search engine deems to be the most relevant to your search terms via a secret algorithm each search engine respectively employs) as well as sponsored (e.g., results that are paid advertising typically appearing above and to the left of the organic returns) results.

Sponsored results and the ads that appear therewith are returned because the persons or companies who place the ads bid on specific keywords that, when searched, display those sponsored results as well as the organic as referenced above.

Returning to our discussion on modern-day infringement, today one well-recognized form of infringement occurs against your brand when a competitor of yours bids on your trademark as a pay-per-click keyword such that when consumers search for your goods or services online your competitor's advertisements will appear in the sponsored results.

While this discussion applied to the Google home page it also applies to search data that is carried across web sites that display Google ads which is the case in this new exhibit.

10. Additional Cases Referenced are Not Relevant

A number of UDRP cases were referenced in the supplemental filing. None of these cases match the fact pattern of this case as they all involve someone who targeted a specific trademark with bad faith activities. Complainant takes portions of the decisions out of context and has used the snippets to make frivolous accusations against Respondent:

America Online, Inc. v. Avrasya Yayincilik Danismanlik Ltd., FA 93679 (Nat. Arb. Forum Mar. 15, 2000) is a case where the registrant targeted a specific trademark and tried to sell the domains in question and “registered and used 'americanonline.com' and 'americaonline.net' in bad faith for the purposes of capitalizing on the famous mark AMERICA ONLINE.’ and 'bad faith is further demonstrated by its offer to sell the domain names to Complainant, after being warned of its wrongful actions.”

Universal City Studios, Inc. v. Metting Point Co., D2000-1245 (WIPO Dec. 7, 2000) is a case involving Universal Studios and the Respondent was found to have “acquired the domain name primarily for the purpose of selling...or otherwise transferring the domain name registration to the complainant who is the owner of the trademark.”

Dynojet Research, Inc. v. Norman, AF-0316 (eResolution Sept. 26, 2000) states “The bad faith of the Respondent is also proved by the fact that he clearly knew that Dynojet is a trademark of a company.”

Univ. of Houston Sys. v. Salvia Corp., FA 637920, Nat. Arb. Forum Mar. 21, 2006 also referenced involves a finding that the domain in question was “meaningless except as Complainant’s [radio station] call letters.”

Ziegenfelder Co. v. VMH Enter., Inc., D2000-0039 (WIPO Mar. 14, 2000) involves a case where “Respondent registered <budgetsaver.com> on December 8, 1999 and contacted Complainant regarding a potential sale on December 20, 1999. During this time no product or service was marketed using <budgetsaver.com>. Therefore, Respondent has established no rights or legitimate interest in <budgetsaver.com>.”

State Farm Mutual Automobile Insurance Company v. Transure Enterprise Ltd c/o Host Master, NAF Claim No. FA1176762. This case is also based on a domain, statefarmretires.com, that has no value beyond trying to sell it to the trademark holder.

Royal Bank of Canada v. RBC Bank (WIPO Case No. D2002-0672) involves a complicated story where the Respondent claimed to operate a foreign exchange service with a name very similar to a Canadian Bank. The Respondent was also found to be aware of Complainant's trademark prior to the domain registration. This involved showing preparations to run a bank, not just a web site.

11. Request for Reverse Domain Name Hijacking (RDNH) Ruling

If the panel was on the fence about a RDNH ruling the new exhibit described in Section 7 should tip the scales in favor of such a ruling.

Also, Complainant submitting a number of irrelevant case decision snippets out of context without providing copies of the full decisions as required by NAF Rules. This has placed a burden of Respondent to research all these cases and has resulted in disruption of his business in order to respond.

Russ Smith
Russ Smith

11/26/2014
Date

STATE OF New Jersey

COUNTY OF Cape May

I, the undersigned Notary Public, do hereby affirm that Russell Smith personally appeared before me on the 28th day of November 26, 2014 and signed the above Statement as his free and voluntary act and deed.

Krysta N. Graff

Notary Public

**KRYSTA N. GRAFF
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 4/8/2016**