

ADMINISTRATIVE PANEL DECISION

Telephone and Data Systems, Inc. v. Protected Domain Services –
Customer ID: NCR-813584 / Daniel Wang
Case No. D2011-0435

1. The Parties

Complainant is Telephone and Data Systems, Inc. of Chicago, Illinois, United States of America represented by Sidley & Austin, United States of America.

Respondents are Protected Domain Services and Daniel Wang of Denver, Colorado, United States of America and Redondo Beach, California, United States of America, respectively, represented by Muscovitch & Associates, Canada.

2. The Domain Name and Registrar

The disputed domain name <tds.com> is registered with Name.com LLC.

3. Procedural History and Procedural Ruling

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on March 7, 2011. On March 8, 2011, the Center transmitted by email to Name.com LLC a request for registrar verification in connection with the disputed domain name. On March 8, 2011, Name.com LLC transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to Complainant on March 10, 2011 providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. Complainant filed an amended Complaint on March 14, 2011.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2(a) and 4(a), the Center formally notified Respondent of the Complaint, and the proceedings commenced March 15, 2011. In accordance with the Rules, paragraph

5(a), the due date for Response April 4, 2011. The Response was filed with the Center April 4, 2011.

The Center appointed Nicolas Ulmer, Carol Anne Been and Diane Cabell as panelists in this matter on April 27, 2011. The Panel finds that it was properly constituted. Each member of the Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

On or about April 8, 2011, Complainant sought to submit a Reply to Respondent's Answer; on or about April 12, 2011, Respondent submitted its Objection to Complainant's "Reply" and, in the alternative, an Additional Response of the Respondent.

Under the UDRP Rules the Panel has complete discretion to admit or reject unsolicited supplemental filings; generally such filings are only accepted on a showing of exceptional circumstances.

The Panel has briefly reviewed Complainant's unsolicited Reply and Respondent's objections thereto and, in the balance, considers that no truly exceptional circumstances are present or evoked by Complainant here, and that supplemental filings are not here necessary or appropriate in order fairly to decide the case before the Panel under the Policy. Complainant's unsolicited filing is, accordingly, not admitted. Respondent's supplemental filing, which was entirely prompted by Complainant's further filing, is consequently also not admitted.

The Panel further notes that its decision on this point is also consistent with the proper administration of cases under the Rules. A central purpose of the Policy and Rules is 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 the 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. See, *The E.W. Scripps Company v. Sinologic Industries*, WIPO Case No. D2003-0447; accord, *Lloyds TSB Bank PLC v. Daniel Carmel-Brown*, WIPO Case No. D2008-1889. In light of these purposes and policies, the Panel believes that doubt about the need or admissibility of unsolicited supplemental filings should be resolved against the admissibility of the same, and it is applying that principle here.

4. Factual Background

Complainant and Respondent each made extensive factual submissions. Uncontested or clear facts pertinent to this decision include the following.

Complainant, Telephone and Data Systems Inc., is a "Fortune 500" company which, together with its subsidiaries, provides wireless, telephone and other communications services to millions of customers in the United States. Complainant is the holder of seven U.S. Trademarks comprising the letters "TDS", and more than one hundred domain names which incorporate the letters "tds" in some form.

Respondent Daniel Wang is an individual resident in the United States. In 1997, Mr. Wang began employment with a company then called Trident Data Systems, and became the recorded Administrative and Technical Contact for the disputed domain name from at least February 2001. Trident Data Systems was the object of an acquisition by another company in 2000, which company was itself subsequently acquired by General Dynamics Advanced Information Systems (GDAIS).

The disputed domain name was originally registered in 1991, and appears to have been actively used by Trident Data Systems from at least November 1996. The disputed domain name was maintained by successor companies throughout the above acquisitions and until early 2009 when it was, with GDAIS's agreement and at Mr. Wang's request, transferred to Mr. Wang personally. It is common ground that the disputed domain name was at some point thereafter, and certainly in the fall of 2010, set to general parking

services and populated with advertising links, with some links being to competitors of Complainant. Complainant sought to purchase the disputed domain name in 2008, and possibly thereafter. Further potentially pertinent facts are evoked in connection with the Parties respective contentions, set forth below.

5. Parties' Contentions

A. Complainant

Complainant contends that the disputed domain name is identical or confusingly similar to Complainant's TDS trademark as it wholly incorporates it, but for the addition of the top level domain designation ".com."

Complainant further contends that Respondent has no rights or legitimate interests in respect of the disputed domain name and, to the contrary, has misused it as a pay-per-click which contains links that would direct users to some of Complainant's competitors. This, Complainant asserts, constitutes bad faith use as it is here done with the expectation that the similarity with Complainant's marks will lead to confusion and draw Internet users to the disputed domain name by trading on Complainant's marks and goodwill. Complainant further claims that entering into the disputed domain name site may activate "spyware" to gain information about the user and his/her interests and enhance the possibility for increased revenues by additional clicks.

Complainant asserts that it has known about the disputed domain name for some time, including when it sought to purchase it in 2008, but that the disputed domain name appeared to have been used in good faith by its previous owner of record, Trident. In the fall of 2010, Complainant became aware that the disputed domain name was being used as a pay-per-click site including links to its competitors and sent a demand letter to Respondent on January 11, 2011—but received no reply.

Complainant notes that, given its continuous use of its "TDS" mark for more than forty years, and its huge customer base, it is not plausible that Respondent did not know of Complainant's mark at the time of activating a pay-per-click site for it, and this constitutes bad faith registration and use. Thus, the disputed domain name is currently registered and being used in bad faith irrespective of whether it may have originally been registered in good faith.

Complainant accordingly asserts that the disputed domain name should be transferred to it.

B. Respondent

Respondent acknowledges that, as the disputed domain name contains the entire three-letter acronym "TDS" of Complainant's Mark, Complainant has met the initial element of the three-part test of the Policy. But Respondent goes on to point out that there are numerous other United States trademark registrations for "TDS" for a wide variety of goods and services, and that the acronym "TDS" stands for many abbreviations other than Complainant's name or mark, including the name of many other companies in the United States, the United Kingdom of Great Britain and Northern Ireland, Canada and elsewhere. Respondent concludes that Complainant has no "monopoly" over such a ubiquitous acronym.

Respondent points out and produces evidence in the form of contemporaneous emails that one of the motives in Mr. Wang's required request to GDAIS to allow transfer of the disputed domain name to him personally was that such a three-letter acronym name was valuable in and of itself. In such emails Respondent also stated "I used to receive many inquiries about buying it [the domain name tds.com] too."; an indication, according to Respondent, that the three-letter domain name had some inherent value. Respondent then submits that it is up to Complainant to demonstrate that Respondent has a *total* lack of rights or legitimate interests in the disputed domain name and not merely that Complainant might have a "better" legitimate interest in the disputed domain name. Respondent then further submits that a three-letter common acronym should necessarily give rise to a right or legitimate interest, and that many short combinations of letters have been held to be generic, or otherwise confer a legitimate interest therein. Respondent adds that Mr. Wang had a legitimate interest in the disputed domain name because of Mr.

Wang's prior, albeit limited, use of the same in association with his email address and, especially, and because of the circumstances of the transfer of the disputed domain name to Respondent by his former employer after he had administered it for years.

As to bad faith use, Respondent contends that the contemporaneous evidence demonstrates that Respondent registered the disputed domain name for himself precisely because he saw the value in the three-letter "generic" domain name. That the very fact that the disputed domain name is composed of a three-letter commonly used acronym "weighs heavily against a finding of bad faith", absent direct proof that it was registered solely to profit from Complainant's trademark rights—and that there is no such evidence in this case. Respondent denies any claim as to the use of "spyware."

Respondent acknowledges that the disputed domain name was used for the operation of an advertising driven search portal based on setting to general parking services. Later, after he received a demand from Complainant in January 2011, Respondent states that he disabled the parking services and any subsequent links were generated by the domain name registrar's default settings, but that, in any event, such pay-per-click use is not necessarily bad faith in the absence of evidence that "Respondent selected the disputed domain name for a free ride upon Complainant's mark" (*McMullen Argus Publishing Inc. v. Moniker Privacy Services/Jay Bean, MDNH, Inc.*, WIPO Case No. D2007-0676). Furthermore, Respondent submits that even were there sufficient evidence of such "targeting" of Complainant's marks this would, at most, constitute some bad faith use and not the bad faith registration which Complainant must also prove under paragraph 4 of the Policy. In this respect, Respondent urges the Panel to adopt the reasoning of the decision in *Koninklijke KPN N.V. v. Konstantinos Zournas*, WIPO Case No. D2008-0055.

6. Discussion and Findings

Paragraph 4(a) of the Policy requires that Complainant must prove each of the following three elements to obtain an order that a domain name should be cancelled or transferred:

- (1) the disputed domain name is identical or confusingly similar to a trademark or service mark in which Complainant has rights;
- (2) Respondent has no rights or legitimate interests in respect of the disputed domain name; and
- (3) the disputed domain name has been registered **and** is being used in bad faith. (emphasis added)

A. Identical or Confusingly Similar

The disputed domain name contains the entirety of Complainant's trademark TDS, and Respondent, although it submits a number of arguments concerning the common or "generic" nature of this three-letter combination, "acknowledges that the Complainant meets the initial part of the three-part test under the UDRP." Accordingly, the Panel considers this element of paragraph 4 of the Policy to be proven.

B. Rights or Legitimate Interests

Complainant's essential argument as to this part of the test is that its TDS mark is well established and that Respondent at some point made use of it for a pay-per-click site. This, according to Complainant establishes that Respondent made no *bona fide* use of the disputed domain name. This point goes primarily to the issue of the use of the domain name in bad faith not to the absence of rights on behalf of the Respondent. Moreover, as Complainant acknowledges, the generation of revenues from domain parking activities is not, in and of itself, sufficient to establish bad faith use within the scope of paragraph 4(b)(iv) of the Policy—it must be done with the expectation that the similarity in names would necessarily lead to confusion on the part of Internet users being drawn to the disputed domain name. Complainant adds that the likely use of "spyware" on the parking sites compounds the misuse of the disputed domain name by Respondent. Putting aside that the use of "spyware" is not proven by the record in this matter—and is denied by Respondent—this too goes to more allegations of bad faith, and not to Respondent's rights or legitimate interests *per se*. Complainant does clearly assert, without contradiction, that it has not licensed or otherwise authorized Respondent to use its marks or incorporate them in any domain site. But this alone is

not sufficient to establish the absence of any legitimate rights of Respondent in the disputed domain name.

In determining the issue of legitimate interest in the disputed domain name it is here instructive to quote a number of pertinent sections from the decision in *Choice Courier Systems, Inc. v. William H. Kirkendale*, WIPO Case No. D2002-0483:

“As to whether Respondent has a legitimate interest in the Domain Name, Complainant and Respondent each devote considerable time to arguing this point. Complainant asserts that ‘as between Complainant and Respondent, Complainant is the legitimate owner of the domain name <choice.com>.’ As a basis for discussing this issue, the Panel wants to emphasize the purpose behind the Policy. The Policy was developed to control and correct *abusive* domain name registrations. It was not implemented to decide arguments between two parties, both with a legitimate interest in a domain name. Complainant seems to be misguided on this point. Complainant’s brief is directed towards convincing the Panel that Complainant has deep-rooted rights in the mark CHOICE, and that it has more of a right than Respondent to use <choice.com>. This, however, is not the test. Complainant has the burden of proving that Respondent has *no legitimate interest* in the Domain Name, not of convincing the Panel that Complainant has *more of an interest* than Respondent in the Domain Name.

Complainant’s registration of the CHOICE trademark does not give Complainant unfettered rights to use the name. Trademark ownership confers no absolute monopoly on a word or symbol. Complainant must be aware of this as the USPTO database reflects at least twenty-nine live registrations for the mark CHOICE. Certainly, a party has a legitimate interest in using descriptive terms in connection with legitimate business activities. *Jeffrey S. Thompson d/b/a The Wedding Planner v. Wedding Channel.com, Inc.* WIPO Case No. D2002-0086 (May 21, 2002).

Second, the fact that Complainant has not found any evidence that Respondent has a legitimate connection to the Domain Name, does not constitute evidence that Respondent does not in fact have such a legitimate connection.

Respondent details how he acquired the <choice.com> domain name and his business plans for the Domain Name. [...] Other WIPO decisions have stated that a respondent need only show a *plausible*, non-infringing explanation for selecting the disputed domain name. *Webvan Group, Inc. v. Stan Atwood*, WIPO Case No. D2000-1512 (February 20, 2001). Respondent here certainly meets that threshold test. Keeping in mind that Complainant bears the burden of proving that Respondent has *no legitimate interest* and considering the evidence provided by Respondent, the Panel finds that Complainant must fail on this element.”

In this case, Respondent has set forth a plausible and reasonably documented explanation of how he obtained potentially legitimate rights in the disputed domain name containing a widely registered and used three-letter combination and, additionally, has demonstrated that many persons or companies also have rights in or make use of that three-letter combination trademarked by Complainant. Subsidiarily, Respondent has demonstrated some modest use of the disputed domain name as his email address, as well as legitimate prior use by his former employer, although this alone would not be dispositive on the issue of legitimate use or rights. While the fact that the Complaint is based on the alleged illegitimate use of a common three-letter combination is pertinent to the decision here—and particularly to allegations of bad faith—it is not necessary for the Panel here to decide Respondent’s further arguments that such common combination is “generic” or necessarily confers an “inherent legitimate interest”. What is decided here is that, on the complex facts of this case, Respondent has set forth a potentially legitimate interest in the disputed domain name, and that Complainant has been unable to prove that such interest is illegitimate. Complainant having failed to meet its burden under this element of the policy, the Complaint must fail.

C. Registered and Used in Bad Faith

Having found that Respondent has not met its burden of demonstrating that Respondent has no legitimate

interest in the disputed domain name, it is not strictly necessary to address the elements of bad faith. The Panel, however, chooses to do so briefly, as these are consistent with and comfort the finding above.

Complainant's case is primarily based on the subsequent use of a long-registered disputed domain name as a pay-for-click site that may have directed Internet users to links of companies that compete with the Complainant, which potential links the Respondent now claims to have suppressed. This alone is not enough to establish bad faith use in all circumstances, and it is not necessary for the Panel to determine this issue on the contested facts here. As to bad faith registration, there must here be sufficient evidence that the Respondent had the intent in some manner deliberately to "target" the Complainant and its marks or goodwill in order to capitalize on them. This is particularly the case where, as here, the trademark in question comprises a combination of three letters that Respondent has established is widely used by persons other than the Complainant on the Internet and elsewhere. See, *Diknah, S.L. v. WebQuest.com Inc.*, WIPO Case No. D2005-0573. Thus even were Respondent's actions found to constitute bad faith use—a finding we do not need to and do not make—the subsequent use of the disputed domain name as a pay-for-click site would not, alone, on the facts of this case constitute sufficient proof of the requirement of bad faith registration. In this respect we do accept the reasoning and findings of the somewhat analogous *Koninklijke KPN N.V.* case, cited above, and do not consider that bad faith registration, under paragraph 4 (a)(iii) of the Policy has here been proven.

Finally, we note that Respondent also presented plausible evidence that he had the links on the disputed domain name site deleted soon after he was alerted by Complainant to the fact that some of them offered goods that competed with Complainant's wares. This can also be construed as a good faith effort by Respondent to avoid trading on Complainant's mark by misleading consumers, although it is not here necessary to analyze the effect of these actions in full.

7. Decision

For all the foregoing reasons, the Complaint is denied.

Nicolas Ulmer
Presiding Panelist

Carol Anne Been
Panelist

Diane Cabell
Panelist
Dated: May 10, 2011