ARBITRATION
AND
MEDIATION CENTER

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION
Del Monte Corporation v. Del Monte International GmbH
Case No. LRO2013-0001

1. The Parties

The Objector/Complainant ("Objector") is Del Monte Corporation of San Francisco, California, United States of America, represented by Orrick, Herrington & Sutcliffe LLP, United States.

The Applicant/Respondent ("Respondent") is Del Monte International GmbH of Monte Carlo, Monaco, represented by Skadden, Arps, Slate, Meagher & Flom LLP, United States.

2. The applied-for gTLD string

The applied-for gTLD string is <.delmonte>.

3. Procedural History

The Legal Rights Objection ("LRO") was filed with the WIPO Arbitration and Mediation Center (the "WIPO Center") on March 2, 2013 pursuant to the New gTLD Dispute Resolution Procedure (the "Procedure").

In accordance with Article 9 of the Procedure, the WIPO Center completed the review of the Objection on March 12, 2013 and determined that the Objection complies with the requirements of the Procedure and the World Intellectual Property Organization Rules for New gTLD Dispute Resolution for Existing Legal Rights Objections (the "WIPO Rules for New gTLD Dispute Resolution").

In accordance with Article 11(a) of the Procedure, the WIPO Center formally notified the Respondent of the Objection, and the proceeding commenced on April 16, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was filed with the WIPO Center on May 15, 2013.

On June 7, 2013, the Objector submitted an unsolicited supplemental filing to the WIPO Center. On June 9, 2013, the Respondent submitted an unsolicited supplemental filing to the WIPO Center.

The WIPO Center appointed Sebastian M.W. Hughes, William R. Towns and Robert A. Badgley as the Panel in this matter on June 14, 2013. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the WIPO Center to ensure compliance with Article 13(c) of the Procedure and Paragraph 9 of the WIPO Rules for New gTLD Dispute Resolution.

4. Factual Background

A. Objector

The Objector is a company incorporated in the State of Delaware in the United States and the owner of several word and device mark registrations in the United States for the trade mark DEL MONTE (the "Trade Mark"), including registration No. 881,339 dated November 25, 1969 claiming first use in commerce of October 1, 1891 in respect of "fresh and canned vegetables, fresh and canned fruits, canned fruit and vegetable juices, canned fish, dried fruits, pickles, vegetable relishes, hot peppers and catsup" in international classes 29, 30, 31 and 32.

The Objector is also apparently the owner of registrations for the Trade Mark in 177 jurisdictions worldwide (in North America, South America, Europe, Africa, Asia, and Australia), many of which appear to date back to the 1950s and 1960s, including a registration in Switzerland apparently dated May 18, 1976 and a registration in Monaco apparently dated December 12, 1961[1].

The Objector is also the owner of the domain name <delmonte.com>.

The Trade Mark is a well-known trade mark in respect of preserved and fresh food products.

B. Respondent

The Respondent is a company incorporated in Switzerland, with its principal place of business in Monaco, and the owner of four (word and device mark) registrations in South Africa for the Trade Mark, one of which is apparently registered since 1966, and the other three apparently registered since 1972, which registrations were apparently assigned to the Respondent in October, 2011.

5. Parties' Contentions

A. Objector

The Objector made submissions in the Objection as follows.

The Objector first began using the Trade Mark in 1891. Since 1967, the Objector has used the Trade Mark as part of its trade name and corporate name.

The Objector is one of the largest producers, distributors and marketers of branded food products for the United States retail market, generating approximately USD 3.7 billion in net sales in the fiscal year 2012. The Objector's food products sold under the Trade Mark are found in eight out of ten households in the United States. As of September 2012, the Objector's food products sold under the Trade Mark held the top market share position in the United States in certain fruit and vegetable categories, and the second best market share position in certain tomato product categories.

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[1] The Objector filed a list of worldwide registrations and filed copies of trade mark registration certificates in respect of its relevant registrations in the United States only, and did not file copies of its trade mark registration certificates in respect of its registrations elsewhere.

The Objector also markets and distributes food products under the Trade Mark in South America, and licenses the marketing and sale of food products under the Trade Mark in other jurisdictions worldwide.

Since 1989, the Objector has licensed the manufacture, distribution and sale of certain food products under the Trade Mark in jurisdictions worldwide outside the United States and South America, and has retained the ownership of the Trade Mark in each of those jurisdictions[2].

By virtue of such long-standing and widespread use, the Trade Mark is a well-known trade mark worldwide.

The Objector has filed letters of support from its Trade Mark licensees in Mexico and Canada, Central America and the Caribbean, India, the Indian Subcontinent and Myanmar, Japan and Asia, and the Philippines. The licensee in the Philippines is also the owner of the registration for the Trade Mark in the Philippines. Each of the licensees objects to the registration of the applied-for gTLD string by the Respondent on the grounds:

1. the Respondent did not seek their consent to the registration of the applied-for gTLD string;

2. the Respondent has stated in its application that it intends to limit the registration of domain names under the applied-for gTLD string either for its exclusive use or for use by closely affiliated organisations;

3. allowing the Respondent to register the applied-for gTLD string to the exclusion of the Objector, the owner of the Trade Mark, and its other licensees, has the potential to confuse consumers, distributors, growers and manufacturers, and to impair the licensees' businesses; and

4. because the Objector and the licensees would have no control over the domain names the Respondent would be able to register under the applied-for gTLD string, the licensees cannot predict the full extent to which registration of the applied-for gTLD string by the Respondent would harm their businesses.

The Respondent is the assignee of three licence agreements dated December 5, 1989, May 4, 1990 and May 9, 1990 entered into by the Objector permitting use of the Trade Mark on certain processed food products in Europe, the Middle East and Africa, and on fresh produce and certain other specified products on a worldwide basis (the "Licence Agreements"). The Licence Agreements provide only limited rights for the Respondent to use the Trade Mark, including as part of the Respondent's corporate or trade name[3], and make it clear that the Trade Mark remains the sole and exclusive property of the Objector, and that any use of the Trade Mark by the Respondent licensee inures to the benefit of the Objector. None of the Licence Agreements permits the Respondent to register the Trade Mark as a gTLD string. The Licence Agreements include further terms that the licensee shall not challenge the Objector's ownership of the Trade Mark, and that the rights of the licensee in respect of some of the licensed goods are limited in geographic scope, and are limited in terms of the products on which the Trade Mark may be used.

The Licence Agreements reserve for the Objector the rights to register, maintain and enforce the Trade Mark.

The crux of the Objection is that, notwithstanding the clear restrictions imposed on the Respondent under the Licence Agreements, the Respondent has nonetheless proceeded to apply for the applied-for gTLD string in bad faith and in breach of the Licence Agreements, and without notice to or authorisation from the Objector or from any of the other licensees.

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[2] With the apparent exception of the Philippines and South Africa.

[3] But subject to express limitations relating to corporate name and geographic indicator, and with the proviso that the licensees are prohibited from using the Trade Mark by itself as a corporate or trade name.

B. Respondent

The Respondent made submissions in the Response as follows.

According to the Respondent, the Panel's enquiry is a relatively straightforward one – does the Respondent have a *bona fide* right to use the Trade Mark as a domain name? The Respondent claims to have such a right, for the following reasons:

1. it is the owner of certain registrations for or comprising the Trade Mark in South Africa, owned by the Respondent or its predecessors in title since 1990; and

2. the Licence Agreements confer on the Respondent:

(a) an exclusive, perpetual, royalty-free worldwide licence to use the Trade Mark on or in connection with the production, manufacture, sale and distribution of fresh fruit, fresh vegetables and fresh produce, as well as certain preserved fruit products; and

(b) an exclusive, royalty-free licence to use the Trade Mark on or in connection with the production, manufacture, sale and distribution of all food products (including beverages), whether fresh or preserved, in Europe, the Middle East, Africa and the former Soviet Union countries.

On the basis of the well-established "first in time" rule used in cases where more than one party has *bona fide* rights in a trade mark, as the Respondent was the first (and only) person to apply for registration of the applied-for gTLD string, and as the application period for new gTLDs has now closed, the Objector has filed its Objection solely to play spoiler and to deprive the Respondent of the applied-for gTLD string, and the Objection should therefore be dismissed on its face.

On the basis of certain prior decisions under the UDRP procedure, contractual disputes between licensors and licensees are beyond the scope of the Procedure, the main purpose of the Procedure is to prevent "the extortionate behavior known as cybersquatting", and the Objection should therefore be dismissed on these further grounds.

The Objector offers zero proof to support its claim that registration and use of the gTLD by the Respondent would lead to consumer confusion, nor is such confusion plausible given the parties' long-standing, simultaneous use of domain names comprising the Trade Mark.

The Respondent operates in more than 80 countries and is one of the world's leading producers and sellers of fresh fruit and vegetables, and a leading producer and distributor in Europe, the Middle East, Africa and the former Soviet Union countries of prepared fruit and vegetables, juices, beverages, snacks and desserts. The Respondent is the number one marketer of fresh pineapples worldwide, the third largest marketer of bananas worldwide, and a leading marketer of branded fresh-cut fruit in the United States, the United Kingdom of Great Britain and Northern Ireland, the United Arab Emirates and Saudi Arabia. In the 2012 fiscal year the Respondent generated approximately USD 2.6 billion in net sales under the Trade Mark.

The Objector has limited rights to use the Trade Mark in the United States and South America on a narrow category of products, and with respect to the Objector's licensing of the Trade Mark throughout the rest of the world, is little more than a fiduciary, principally tasked with the duty of maintaining certain trade mark registrations.

The Licence Agreements do not require authorisation from the Objector for the Respondent to register gTLDs, and their purported silence in this regard does not imply that authorisation must be sought prior to applying for domain names or gTLDs.

The Respondent and the Objector's other licensees in the Philippines and Japan have owned and used domain names comprising the Trade Mark for several years, without objection from the Objector.

Trade mark registration requirements under the Licence Agreements are irrelevant as it is well established that an application for a domain name or a gTLD is in no way an application to register a trade mark and does not convey any trade mark rights.

The Respondent was well within its rights to apply for registration of the applied-for gTLD string and was under no obligation to seek authorisation from the Objector.

6. Discussion and Findings

A. Unsolicited Supplemental Filings

Section 3.4.5 of the ICANN New gTLD Applicant Guidebook (the "Guidebook") provides as follows:

> The panel may decide whether the parties shall submit any written statements in addition to the filed objection and response, and may specify time limits for such submissions.
>
> In order to achieve the goal of resolving disputes rapidly and at reasonable cost, procedures for the production of documents shall be limited. In exceptional cases, the panel may require a party to produce additional evidence.

The preface to the Procedure reads as follows:

> These Procedures were designed with an eye toward timely and efficient dispute resolution.

Article 17(a) of the Procedure provides as follows:

> The Panel may decide whether the parties shall submit any written statements in addition to the Objection and the Response, and it shall fix time limits for such submissions.

Article 18 of the Procedure provides as follows:

> In order to achieve the goal of resolving disputes over new gTLDs rapidly and at reasonable cost, procedures for the production of documents shall be limited. In exceptional cases, the Panel may require a party to provide additional evidence.

The above provisions clearly establish that:

1. the over-arching goal of the Procedure is timely and efficient dispute resolution;

2. the Panel has complete discretion whether to request further written submissions and the onus is on the Panel (not on the parties) to request further written submissions; and

3. only in exceptional cases will the Panel request additional evidence.

On June 7, 2013, the Objector submitted an unsolicited supplemental communication and attachment to the WIPO Center seeking "leave to submit this reply to correct inaccuracies in Applicant/Respondent DMI's Response to the Legal Rights Objection and to provide further information about new issues DMI raised in its response."

On June 9, 2013, the Respondent submitted an unsolicited supplemental communication and attachment to the WIPO Center which "sets forth Applicant's formal objections to Objector's [] request to submit supplemental briefing."

The Procedure does not allow for submissions and evidence in reply. The Panel majority takes the view that, for this reason, and given the underlying rationale behind the Procedure of resolving disputes rapidly and at reasonable cost, only in exceptional circumstances should parties be entitled to file submissions and evidence in reply. The crucial issue for consideration in this regard is whether sufficient evidence has been adduced in the Objection and in the Response to enable to the Panel to reach a fair decision, without the need for additional submissions or evidence.

In the present proceeding, the Panel majority determines the parties have included sufficient submissions and evidence in the Objection and in the Response to enable to Panel to make a determination under the Procedure, without the need for supplemental filings.

Accordingly, the Panel majority determines, in all the circumstances, to reject the Objector's request to file supplemental submissions and evidence in reply.

B. Decision

In order to prevail, the Objector must establish (under Section 3.5.2 of the Guidebook) that the potential use of the applied-for gTLD by the Respondent:

1. takes unfair advantage of the distinctive character or the reputation of the Objector's registered or unregistered trademark or service mark ("mark"); and/or

2. unjustifiably impairs the distinctive character or the reputation of the Objector's mark; and/or

3. otherwise creates an impermissible likelihood of confusion between the applied-for gTLD and the Objector's mark.

In addition to the above broad criteria, Section 3.5.2 of the Guidebook lists eight non-exclusive factors to be taken into consideration by the Panel in deciding a Legal Rights Objection based on trade mark rights, each of which will be addressed below.

1. Whether the applied-for gTLD is identical or similar, including in appearance, phonetic sound, or meaning, to the Objector's existing mark.

There can be no doubt that the applied-for gTLD string is identical to the Trade Mark.

2. Whether the Objector's acquisition and use of rights in the mark has been *bona fide*.

The Objector has submitted compelling evidence to suggest that it has been the owner of rights in the Trade Mark continuously since 1891. With the apparent exception of certain registrations in South Africa and the Philippines, the evidence suggests the Objector continues to be the registered owner of the Trade Mark in not less than 177 countries worldwide. Furthermore, notwithstanding the Objector's licensing of the Trade Mark to the Respondent and to the other licensees in territories outside the United States and South America since 1989, the Objector has taken steps to ensure its ownership of and preserve its rights in the Trade Mark in all such territories[4], in particular by including the usual standard wording in the Licence Agreements to that effect.

As a matter of trademarks law, and by virtue of its registrations for the Trade Mark and the terms of the Licence Agreements, the Objector has continued to be the owner of the Trade Mark in all such territories, notwithstanding the use of the Trade Mark by the licensees (including the Respondent) under licence from the Objector since 1989.

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[4] With the apparent exception of South Africa and the Philippines.

It is a fundamental premise of trademarks law that, absent express written agreement to the contrary, (and indeed as specifically stated in the Licence Agreements), the use of a trade mark by a licensee inures to the benefit of the licensor.

For the above reasons, the Panel majority rejects the Respondent's assertions that:

1. the trade mark registration requirements under the Licence Agreement are irrelevant;

2. the Objector has limited rights to use the Trade Mark in the United States and South America; and

3. the Objector is little more than a fiduciary, principally tasked with the duty of maintaining certain trade mark registrations.

3. Whether and to what extent there is recognition in the relevant sector of the public of the sign corresponding to the gTLD, as the mark of the Objector, of the Respondent or of a third party.

The evidence shows that, from 1891 up until 1989, the Trade Mark was recognised by the relevant sector of the public as a trade mark solely of the Objector.

After the commencement of the licensing arrangements, the evidence shows that the Respondent and the other licensees have been coexisting in the global marketplace with the Objector. The complicated nature of the licensing arrangements, which have led to different food products being sold under the same Trade Mark in the same jurisdictions by both the Objector and the Respondent at the same time, in particular fresh food products marketed, sold and distributed by the Respondent, and preserved food products marketed, sold and distributed by the Objector, suggests that the answer to this question is by no means clear cut. It may be that, in respect of certain products such as, for example, fresh pineapples and fresh bananas, there is recognition amongst the relevant sector of the public of the Trade Mark as a mark of the Respondent, whereas, in respect of preserved foods and tomato based products, there is recognition amongst the relevant sector of the public of the Trade Mark as a mark of the Objector.

By virtue of the history of registration and use of the Trade Mark by the Objector, and by virtue of the Licence Agreements, and bearing in mind the average consumer is unlikely to turn his or her mind to whether there are licensing arrangements in place, or would otherwise consider that such licensing arrangements are not inconsistent with the brand continuing to be owned and controlled by a central licensor, the Panel majority concludes that it is most likely however that the relevant sector of the public would consider that use of the Trade Mark, whether by the Objector or its licensees, including the Respondent, is use which indicates the trade source of the Objector.

There is no evidence before the Panel to allow it to conclude that there is recognition in the public of the Trade Mark as a mark of any other third party.

4. Respondent's intent in applying for the gTLD, including whether the Respondent, at the time of application for the gTLD, had knowledge of the Objector's mark, or could not have reasonably been unaware of that mark, and including whether the Respondent has engaged in a pattern of conduct whereby it applied for or operates TLDs or registrations in TLDs which are identical or confusingly similar to the marks of others.

The Respondent had full knowledge of the Objector's prior rights in the Trade Mark when it applied for registration of the applied-for gTLD string. Notwithstanding the Respondent's knowledge of the global licensing arrangements pertaining to the Trade Mark, the Respondent has sought to reserve the sole right to administer the applied-for gTLD string, to the exclusion of the Objector and the other licensees. The Respondent's statement in its application that it intends to reserve the applied-for gTLD string exclusively for its own use or for use by closely affiliated organisations is illuminative.

5. Whether and to what extent the Respondent has used, or has made demonstrable preparations to use, the sign corresponding to the gTLD in connection with a *bona fide* offering of goods or services or a *bona fide* provision of information in a way that does not interfere with the legitimate exercise by the Objector of its mark rights.

The Respondent and its predecessors in title have used the Trade Mark since 1989 in connection with a *bona fide* offering of various food products, but subject to the terms of the Licence Agreements and, with the apparent exception of South Africa, in circumstances where the registrations for the Trade Mark in all the jurisdictions in which the Respondent operates have continued to be held in the name of the Objector.

6. Whether the Respondent has marks or other intellectual property rights in the sign corresponding to the gTLD, and, if so, whether any acquisition of such a right in the sign, and use of the sign, has been *bona fide*, and whether the purported or likely use of the gTLD by the Respondent is consistent with such acquisition or use.

The Respondent claims to have owned word and device mark registrations for the Trade Mark in South Africa directly or through its affiliate or predecessor since 1990.

The Respondent has submitted a letter dated February 2, 2012 from a South African law firm addressed to a "Del Monte Fresh Produce Company" with an address in Florida, United States, enclosing:

1. a copy of a one page Certificate of Assignment dated December 2, 2011 apparently issued by the Registrar of Trade Marks of the Republic of South Africa, with respect to, *inter alia*, trade mark registration numbers 1972/01710, 1972/00599, 1966/01372 and 1972/01711, and indicating that the Respondent has been entered in the South African Trade Marks Register as the proprietor of these registrations effective as from October 14, 2011; and

2. a copy of a one page Deed of Assignment dated October 14, 2011 between the South African company Del Monte Fruits (S.A.) (Proprietary) Limited as assignor and the Respondent as assignee, the Schedule of which lists, *inter alia*, the above referenced four registrations for the DEL MONTE and DEL MONTE & DEVICE trademarks.

The registration certificates for each of these registrations have not been filed with the Response.

Given the registration numbers suggest that one of the registrations was filed in 1966 and each of the other three in 1972, and given the Respondent's assertion that its affiliate and predecessor has been the proprietor of these registrations since 1990, and given the Respondent has failed to file copies of the relevant registration certificates with the Response, the Panel majority concludes the likely inference to be drawn is that these registrations were first registered in the name of the Objector, before being assigned to the Respondent's affiliate and predecessor in 1990, shortly after the Licence Agreements had been entered into, and notwithstanding the express terms of the Licence Agreements requiring all of the Objector's registrations for the Trade Mark worldwide to remain registered in the name of the Objector.

The Panel majority concludes it is at least arguable, and notwithstanding the Objector's apparent acquiescence, that the assignment of the South African registrations into the name of the Respondent's affiliate and predecessor, and subsequently (and as late as October 2011) into the name of the Respondent, was in breach of the Licence Agreements and therefore, for the purposes of the Guidebook and the Procedure, not *bona fide*.

Neither party has been particularly forthcoming in providing information relative to the South African trade mark registrations, which in and of itself is remarkable. The Panel majority would query the motivation the Respondent had in October 2011 for proceeding with a purported "paper" transfer of the registrations from an affiliated company, if doing so could place at risk a longstanding licensing arrangement with the Objector.

The Panel majority would also query whether it is possible that, regardless of who the prior registrant was, the Respondent sought to have these registrations assigned to it to bolster an eventual gTLD application for the <.delmonte> gTLD string.

7. Whether and to what extent the Respondent has been commonly known by the sign corresponding to the gTLD, and if so, whether any purported or likely use of the gTLD by the Respondent is consistent therewith and *bona fide*.

The evidence shows that the Respondent, as the Objector's licensee, has been authorised strictly pursuant to the terms of the License Agreements to incorporate the Trade Mark into its corporate name. By virtue of its use of the Trade Mark, under license from the Objector since 1989, and by virtue of its use of the Trade Mark in its corporate name, the Panel majority concludes it is likely the Respondent is commonly known by the Trade Mark, at least among certain members of the relevant sector of the public.

There is of course no mention of gTLDs in the License Agreements. It cannot possibly have been envisaged by the Objector, the Respondent and the persons negotiating the drafting of the License Agreements at the time that a mechanism would be put into place by ICANN over 20 years later permitting persons to register and exclusively control the registry for new gTLDs comprising the Trade Mark.

The Panel majority rejects the Respondent's assertion that, as the Licence Agreements do not expressly prohibit the registration of the applied-for gTLD string by the Respondent, therefore the Respondent is free to do so under the terms of the License Agreements, or otherwise.

To the contrary, the terms of the Licence Agreements clearly express the intention of the parties that the Objector would retain sole control over issues relating to the registration and enforcement of the Trade Mark worldwide. This, in the opinion of the Panel majority, clearly extends to the right to control the registration of domain names and gTLDs comprising or incorporating the Trade Mark, or similar marks.

It is particularly pertinent to note that the terms of the Licence Agreements expressly proscribe the use by the Respondent and the other licensees of the Trade Mark by itself as a corporate or trade name.

8. Whether the Respondent's intended use of the gTLD would create a likelihood of confusion with the Objector's mark as to the source, sponsorship, affiliation, or endorsement of the gTLD.

The evidence shows that, by virtue of the Licence Agreements and the conduct of the Objector, the Respondent and other licensees since 1989 (with the apparent exceptions of South Africa and the Philippines), the Objector has, consistent with its long-standing use of the Trade Mark worldwide commencing in the United States as early as 1891, sought to preserve its position as the owner of the Trade Mark worldwide, as well as the goodwill pertaining thereto.

From the crucial perspective of the average consumer, and notwithstanding the somewhat complicated licensing arrangements, the coexistence of the parties' products in certain territories, and the similarity of the parties' coexisting food products, the evidence shows that the Trade Mark has continued to function as an indicator of the commercial origin of the Objector and its goods (whether the Objector's direct goods, or licensed goods). The Panel majority notes that global licensing of well-known brands is a common practice in the food industry and, notwithstanding the use of such brands by different licensees in different jurisdictions, in the mind of the average consumer, such well-known food brands continue to function effectively as trademarks designating the same trade source or commercial origin, notwithstanding such licensing arrangements.

The Objector has established at least a *prima facie* case that the Respondent's intended use of the applied-for gTLD, to the exclusion of the Objector and the other licensees, is likely to unsettle the delicate balance struck by the competing interests of the parties under the licensing arrangements and, more importantly, is likely to create an impermissible likelihood of confusion with the Objector's Trade Mark as to the source, sponsorship, affiliation or endorsement of the applied-for gTLD.

Conclusion

The Panel majority concludes, on the evidence, the first two limbs under the broad criteria set out in Section 3.5.2 of the Guidebook have not been made out.

For the reasons specified above, in particular under item 8 above, the Panel majority determines, in all the circumstances, that the potential use by the Respondent of the applied-for gTLD string will otherwise create an impermissible likelihood of confusion between the applied-for gTLD string and the Trade Mark.

The Panel majority considers that the applied-for gTLD string, being identical to the Objector's well-known mark, and given the nature of the Respondent's proposed use, will create a likelihood of confusion between the gTLD and the Objector's mark. The Panel must conclude, however, that the gTLD creates an *impermissible* likelihood of confusion in order to sustain the Objection. Several LRO panels have considered that a respondent's behaviour, short of bad faith, may be relevant to this determination. See, for example, *Defender Security Company v. Lifestyle Domain Holdings, Inc.*, WIPO Case No. LRO2013-0035:

> For an Objector to prevail, "there must be something more than mere advantage gained, or mere impairment, or mere likelihood of confusion." See *Right at Home v. Johnson Shareholdings*, WIPO Case No. LRO2013-0030. Although the terms "unfair, "unjustifiably," and "impermissible" are not uniformly defined or understood in the trademark context, their use here suggests that, in order to sustain the Objection, the Panel must find something untoward about the Respondent's behavior or something intolerable about the Respondent being permitted to keep the string in dispute, even if the Respondent's conduct or motives do not rise to the level of bad faith.

The Panel majority finds that there is something untoward about the Respondent's behaviour in this case. As previously indicated, the Respondent arguably violated the terms of its Licence Agreements with the Objector by acquiring trade mark registrations that under the circumstances might have been acquired to bolster the Respondent's eventual gTLD application. In light of all the attendant circumstances, and considering such untoward behaviour, the Panel majority believes the gTLD creates an impermissible likelihood of confusion between the gTLD and the Objector's mark.

Accordingly, the third limb under the broad criteria set out in Section 3.5.2 of the Guidebook has been made out.

The Panel majority rejects the Respondent's contention that the long-standing principle of first rights should be restricted solely to the simple question of who applied first for registration of the applied-for gTLD string. To the contrary, the Panel must determine the question of first rights from the broad perspective of rights in the Trade Mark in general. The evidence clearly shows that the Objector's ongoing rights in the Trade Mark predate the Respondent's more recent and expressly limited rights in the Trade Mark, as licensee, by over 100 years.

The Panel majority also finds force in the submissions of the Objector and the other Trade Mark licensees that granting the Respondent the exclusive right to register and use the applied-for gTLD string (including maintaining the register and processing applications for registration of domain names using the applied-for gTLD string) may cause harm or detriment to the Objector and the other licensees.

The Panel majority considers the long history of the Trade Mark, the complicated nature of the global licensing arrangements of the Trade Mark, and the 24 year history of coexistence in the global marketplace of food products manufactured, marketed, sold and distributed under the Trade Mark by the Objector, the Respondent and the other licensees, are all relevant factors in support of the Panel majority's conclusion that the Objection should be upheld. It is pertinent to note that no other parties (including the Objector and the other licensees) have applied for registration of the applied-for gTLD string.

7. Decision

The Panel majority therefore concludes, for the reasons specified above, that the Objection is valid and should be upheld.

[signed]

Hughes, Sebastian M W
Presiding Panelist

[signed]

Towns, William R
Panelist
Date: July 29, 2013

Dissenting Opinion

I respectfully must dissent here. I agree with most of what the Panel majority has to say in its thoughtful opinion. Nonetheless, based on the record presented and the fact that Objector bears the burden of proof in this proceeding, I would tip the balance in this close case in favor of Respondent.

I agree with the Panel majority that Respondent overstated its case in various respects, as are duly detailed in the majority opinion. I believe, though, that Objector also overreached, and in a significant way. Throughout the pleadings, Objector asserts that Respondent has “no ownership interest in the DEL MONTE Mark.” Respondent, on the other hand, asserts that it is the owner of the DEL MONTE mark registration in South Africa.

The Panel majority notes that the actual South African registration certificates for the DEL MONTE mark are not annexed to the Response. The majority also concludes that it is “at least arguable” that the assignment of the South African registrations into the name of Respondent’s affiliate and predecessor, and ultimately of Respondent, was in breach of the License Agreements and therefore not *bona fide* for purposes of this LRO Procedure.

I am not prepared to reach the same conclusion in these circumstances. Although Respondent would have done well to annex the certificates to its Response, it seems to me that Objector should have anticipated in its initial pleading that Respondent would invoke its South African trademark registrations, however acquired, in response to the Objection, and that Objector should have dealt with any cloud over such alleged rights at the outset. Rather, Objector simply asserted that Respondent has “no ownership interest” whatsoever in the DEL MONTE mark.

In this connection, I should also note that I had favored the acceptance of supplemental submissions from the Parties. On the issue of the South African trademarks alone, I would have thought that the supplemental submissions could have been probative. I also would have liked to see the supplemental submissions because this appeared to be a close case. On the record actually provided and considered, and based on the allocation of the burden of proof, I am prepared to conclude that it is more likely than not that Respondent owns the DEL MONTE mark in South Africa and its use of that mark has been *bona fide*. This conclusion is critical to my ultimate view that Objector has failed to carry its burden of proof and therefore the Objection should be overruled. Again, I am drawing a somewhat negative inference from Objector’s failure to mention the South African marks. In a streamlined proceeding such as this one, where discovery does not occur and cross-examination is absent, it is incumbent on parties to be forthcoming and candid.

Another factor weighing in favor of Respondent is, as the Panel majority puts it, “the 24 year history of coexistence in the global marketplace of food products manufactured, marketed, sold and distributed under the [DEL MONTE] Trade Mark by the Objector, the Respondent and the other licensees.” Whereas the majority apparently finds that such coexistence supports the Panel majority decision to uphold the Objection, I respectfully disagree.

In my view, Respondent has a *bona fide* basis for owning this gTLD, even if Objector would also have had a *bona fide* basis if it had been the applicant for this gTLD.

The fact that multiple entities have been using the same mark in the same general area of commerce (food) for many years suggests that the consuming public has not been too troubled or confused by this state of affairs. Indeed, as Respondent pointed out, Objector – who claims to be the policeman of the DEL MONTE mark – has allowed Respondent and other parties to make use of the DEL MONTE mark in several domain names (such as Respondent’s domain names <delmonteonline.com> and <delmontenet.com>, registered in April 2000). This acquiescence by Objector in the use of domain names whose characters do not reflect a geographical or product-line restriction supports Respondent’s claim that it has acted in good faith.

Moreover, in the event Respondent's actual use of the gTLD turned out to be violative of the trademark rights of Objector and/or its other licensees, then Objector would have recourse under the various license agreements or applicable laws.

In sum, the Panel majority makes some compelling arguments in this close case, but I simply disagree on a few points which happen to be important enough to tip the balance in favor of Respondent. I dissent.

[signed]

Badgley, Robert A.
Panelist (Dissenting)
Date: July 29, 2013