

EXPERT DETERMINATION LEGAL RIGHTS OBJECTION

Defender Security Company v. Lifestyle Domain Holdings, Inc.
Case No. LRO2013-0035

1. The Parties

The Objector/Complainant is Defender Security Company of Indianapolis, Indiana, United States of America, represented by Maginot, Moore & Beck, United States.

The Applicant/Respondent is Lifestyle Domain Holdings, Inc. of Knoxville, Tennessee, United States represented by Wolfe, Sadler, Breen, Morasch & Colby, LLC, United States.

2. The applied-for gTLD string

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

3. Procedural History

The Legal Rights Objection (“LRO”) was filed with the WIPO Arbitration and Mediation Center (the “WIPO Center”) on March 13, 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 26, 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 proceedings commenced on April 17, 2013. In accordance with Article 11(b) and relevant communication provisions of the Procedure, the Response was timely filed with the WIPO Center on May 9, 2013.

The WIPO Center appointed David H. Bernstein as the Panel in this matter on June 7, 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 WIPO Rules for New gTLD Dispute Resolution.

4. Factual Background

The following facts are based on the parties' allegations, the documentary evidence submitted by the parties, the Panel's independent review of public documents available through the United States Patent and Trademark Office ("USPTO") Trademark Electronic Search System ("TESS") database, and the Panel's review of the Objector's <.home> gTLD application as posted on the ICANN website.

The Objector states that it was incorporated in 1998 to market, sell, and install residential security systems. The Objector did not indicate what trademarks it used at the time of its incorporation. Indeed, until the Objector's 2012 acquisition of certain trademark rights (as discussed below), the Objector has not provided any information concerning any use of any HOME-formative trademark by the Objector (as opposed to by a predecessor in interest) prior to 2012.

The Objector states that its wholly-owned subsidiary, Dothome LTD, has offered domain name services under the .HOME mark since December 2011. The Objector did not indicate when it acquired or incorporated Dothome LTD, and whether Objector was the parent of Dothome LTD at the time that it first offered services under the .HOME mark in December 2011.

Based on documents submitted by the Respondent (but not the Objector), it appears that, in April 2012, Constantinos Roussos, a citizen of Cyprus, assigned European Community Trademark ("CTM") Application Number 010535201 for the mark .HOME (and house design), for use in connection with various domain name services, to an entity identified as Dothome Limited. It is not clear from the record whether Dothome Limited is the same party as Dothome LTD. The CTM application subsequently matured to registration on June 22, 2012.

Based on the Panel's review of the gTLD application documents on the ICANN website, it appears that, in May 2012, an entity identified as Dothome / CGR E-Commerce Ltd. applied for the <.home> gTLD. The primary contact for the application was Mr. Roussos, who was listed as the Managing Director of the applicant. See "<https://gtldresult.icann.org/application-result/applicationstatus/applicationdetails/104>".

Based on the Panel's review of assignment records posted on the USPTO website, it appears that, in August 2012, the Objector acquired US trademark registration No. 3,404,246 for the mark TRUE HOME for use in connection with certain environmental testing and inspection consultation services, from an individual named Carl Simpson. Based on a search of the USPTO TESS database, it appears that Mr. Simpson still owns another registration, for the design of a house protected within a shield, for the same services.

Based on the Panel's review of the gTLD application documents on the ICANN website, it appears that, in October 2012, ICANN posted revisions to the application for the <.home> gTLD filed by Dothome / CGR E-Commerce Ltd. As revised, the applicant's identity was changed to Dothome LTD and the primary contact was changed to Rob Williams, the Vice President of Internet Marketing for the Objector. See "<https://gtldresult.icann.org/application-result/applicationstatus/applicationchangehistory/104>". It thus appears that the Objector acquired the application for the <.home> gTLD from Dothome / CGR E-Commerce Ltd. at some point between May and October 2012, although the record does not reveal any details concerning the terms or timing of that transaction.

The Objector now owns the following trademark and service mark applications and registrations:

- a. European Community Trademark Registration Number 010535201 for the mark .HOME (and house design) for use in connection with, among several other services, domain name reservation, registration, maintenance and management services; domain name searching services; domain names and address space; legal research relating to Internet Domain names.
- b. United States Trademark Registration Number 3,404,246 for the mark TRUE HOME for use in connection with "environmental testing and inspecting consulting services, including evaluation of heating, ventilation, air conditioning energy requirements and energy efficiency ratings of new and existing structures; designs for others in the field of ducting and heating ventilation and air

conditioning equipment.” Objector filed this application on December 21, 2006 and claimed first use in commerce as of at least March 13, 2006.

- c. United States Trademark Registration Number 4,310,530 for the mark TRUE. HOME (and design) for use in connection with “advertising, promotion, and marketing services of the goods and services of others in the field of residential and commercial security systems and alarms; negotiation and conclusion of commercial transactions in the field of residential and commercial security systems and alarms for third parties via telecommunications system.” The Objector filed this application on April 3, 2012 on an intent to use basis; it subsequently claimed first use in commerce as of at least April 30, 2012. Although the Objector did not mention it in the Objection, the Objector disclaimed “the exclusive right to use ‘HOME’ apart from the mark as shown,” which means that this application does not create any independent trademark rights in the word “home” because that mark is merely descriptive or generic with respect to the home-based services covered by this application.
- d. Allowed United States Trademark Application Serial Number 85/588,382 for the mark TRUE. HOME (and house design) for use in connection with “advertising, promotion, and marketing services of the goods and services of others in the field of residential and commercial security systems and alarms; negotiation and conclusion of commercial transactions in the field of residential and commercial security systems and alarms for third parties via telecommunications systems.” The Objector filed this application on April 3, 2012 on an intent to use basis: no statement of use has been filed for this application. Under United States law, an allowed application may mature into a registration once a statement of use is filed, but until then, an allowed application does not give rise to any trademark rights. Furthermore, although the Objector did not mention it in the Objection, the Objector disclaimed “the exclusive right to use ‘HOME’ apart from the mark as shown,” which means that this application does not create any independent trademark rights in the word “home” because that mark is merely descriptive or generic with respect to the home-based services covered by this application.
- e. Allowed United States Trademark Application Serial Number 85/721,544 for the mark TRUE HOME for use in connection with “advertising, promotion, and marketing services for the goods and services of others in the field of residential and commercial security systems and alarms; satellite television products and services;” and “installation, repair, and maintenance of plumbing, heating, air conditioning, geothermal, electrical, and security systems.” The Objector filed this application on September 5, 2012 on an intent to use basis; it subsequently claimed first use as of at least April 29 and 10, 2013, for the respective services; its statement of use was accepted by the USPTO on July 18, 2013. Although the Objector did not mention it in the Objection, the Objector disclaimed “the exclusive right to use ‘HOME’ apart from the mark as shown,” which means that this application does not create any independent trademark rights in the word “home” because that mark is merely descriptive or generic with respect to the home-based services covered by this application.
- f. Allowed United States Trademark Application Serial Number 85/721,554 for the mark TRUE.HOME for use in connection with “advertising, promotion, and marketing services for the goods and services of others in the field of residential and commercial security systems and alarms; satellite television products and services;” and “installation, repair, and maintenance of plumbing, heating, air conditioning, geothermal, electrical, and security systems.” The Objector filed this application on September 5, 2012 on an intent to use basis; it subsequently claimed first use as of at least April 30 and 10, 2013, for the respective services; its statement of use was accepted by the USPTO on July 12, 2013. This mark is nearly identical to Application Serial Number 85/721,544, except that it contains a period between the words TRUE and HOME.

The Objector also indicated that it owns the registration TRUE BLUE, Registration No. 4,093,921. The Objector did not, however, disclose that it also appears to own the marks TRUE BLUE WATER SOLUTIONS, Registration No. 4,066,690 (disclaiming “water solutions”) and TRUE ENERGY SMART AIR, Registration No. 4,121,307 (disclaiming “smart air”).

The Respondent is a subsidiary of Scripps Networks Interactive, Inc. (“SNI”), a multimedia corporation that

develops “lifestyle-oriented content for many media platforms.” Response, p. 3. SNI, through the Respondent, is the applicant for the contested string. Scripps Networks, LLC is another SNI subsidiary and the owner of more than 70 trademarks containing the “word” home in more than 50 jurisdictions, mostly for the mark HGTV HOME & GARDEN TELEVISION, with some trademark registrations dating back to at least 1995, including those listed below:

- a. Canada Trademark Registration Number TMA502,947 for the mark HGTV HOME & GARDEN TELEVISION and house design for prerecorded videocassettes and cable television broadcasting services. The application was filed on January 13, 1995.
- b. United States Trademark Registration Number 1,954,686 for the mark HGTV Home & Garden Television and house design for international cable television broadcasting services. The application was filed on January 26, 1995.
- c. Australia Trademark Registration Number 674304 for the mark HGTV HOME & GARDEN TELEVISION and house design for international cable television broadcasting services. The application was filed on October 4, 1995.
- d. United Kingdom Trademark Registration Number 2,039,910 for the mark HGTV HOME & GARDEN TELEVISION and house design for broadcasting and telecommunications services; cable television broadcasting services; all relating to the home and garden; rental of broadcasting and telecommunications apparatus and parts and fittings; information and advisory services related to the foregoing. The application was filed on October 4, 1995.
- e. New Zealand Trademark Registration Number 254492 for the mark HGTV HOME & GARDEN TELEVISION and house design for cable television broadcasting services. The application was filed on October 6, 1995.

Although the Respondent did not mention it in the Response, the Panel has reviewed a number of the Respondent’s registrations in the USPTO TESS database and has determined that many of the registrations disclaim any exclusive rights in the word “home” in contexts where the mark is registered for goods or services used in or for the home.

5. Parties’ Contentions

A. Objector

The Objector claims that the string for which the Respondent has applied will take unfair advance of the distinctive character and reputation of the Objector’s marks in the United States and the European Community; will unjustifiably impair the distinctive character or reputation of the marks; and will create an impermissible likelihood of confusion between the string and the marks held by the Objector.

The Objector contends that it has been a well-known entity within the home services industry since 1998, as evidenced by its strong social media presence, as well as “more than eight billion pieces of print media and millions of inbound customer calls each year.” Objection, p. 10. As a *bona fide* and “natural extension” of its business strategy into new areas of home services and goods, it recently sought new marks including .HOME, TRUE.HOME, and TRUE HOME in conjunction with heating and ventilation services, as well as security systems and alarms. Objection, p. 7-8. Additionally, Objector acquired a subsidiary, Dothome LTD, which has offered domain name registration services through the website “www.dothome.net” since December 2011.

The Objector alleges that the Respondent’s clear intention to utilize the <.home> gTLD for domain registry services within the home services industry infringes upon the Objector’s legal rights. The Objector offers three reasons why this infringement would be improper.

First, the Objector asserts that the Respondent does not own or plan to register any trademarks involving the HOME or .HOME formative, does not use or is not prepared to use the sign corresponding to the applied-for gTLD, and does not commonly use a name including the .HOME formative. Objection, p. 10. The Objector claims that a search of the USPTO database for marks held by Respondent's parent company only found a number of "intent-to-use" trademarks including the formative HOME. *Id.* In sum, the Objector alleges that the Respondent lacks brand awareness in the appropriate sectors.

Second, the Objector contends that granting the Respondent the applied-for gTLD will create confusion with the Objector's marks given the similarities in appearance, sound, and connotation. Objection, p. 11. The Objector argues that its marks, which are "significantly comprised" of the HOME formative, are associated with its home services and domain registration services generally. Objection, p. 11. As evidence, the Objector points to its .HOME brand's social media presence: over 20,000 individual Twitter followers and over 2,700 Facebook fans. Objection, p. 8. The Objector takes these numbers to indicate that "consumers clearly associate the marks with Defender's services." Objection, p. 8. Because the Objector has already received unsolicited inquiries for pre-registration of domain names under the applied-for gTLD, any use by the Respondent of the applied-for gTLD to provide information to individuals interested in home services or home improvement and to operate a domain name registry will result in confusion. Objection, p.11-12.

Finally, the Objector asserts, its rights would be harmed by granting the Respondent the applied-for gTLD string given the Objector's significant expenditures on Dothome LTD, including trademark application fees and costs, website operational costs, expert brand research and analysis, and related costs and expenses. Objection, p. 12. Granting the Respondent's application would allow the Respondent to trade upon the "goodwill in the Objector's Marks promoted by the Objector's significant marketing efforts," Objection, p. 7, and would unjustly enrich the Respondent at the Objector's expense. Objection, p. 13.

B. Respondent

In response, the Respondent asserts that its potential use of the applied-for gTLD string does not take unfair advantage of the Objector's trademarks, does not unjustifiably impair the distinctive character or reputation of the Objector's marks, and does not otherwise create an impermissible likelihood between the Respondent's applied-for gTLD and the Objector's marks.

In support of its arguments that the Objection should be rejected, the Respondent first asserts that the Objector's acquisition and use of the relevant marks was not *bona fide* and was in bad faith. With respect to the CTM registration .HOME, the Respondent notes that the Objector only acquired that mark via acquisition of a subsidiary company in an unrelated business area shortly after the gTLD application period closed and thus argues the mark was purchased "for the purpose of this objection" in order to avoid a costly auction for the applied-for gTLD string. Response, p. 4. Buttressing this argument, the assignment of the .HOME trademark from the original holder to the Objector was effectuated on April 17, 2012, shortly before the new gTLD application period closed. Response, p. 5. Furthermore, although the Objector is domiciled in the United States, the CTM registration for .HOME was filed solely in the European Union, where registration does not require prior use. *Id.*

The Respondent contends that the Objector's United States trademarks suffer from deficiencies as well: most of the applications were filed after the gTLD application period closed, and two were filed nearly three months after ICANN published the Respondent's intent to operate the applied-for gTLD. Response, p. 5.

The Respondent argues next that there is no recognition of the Objector's marks in the relevant sectors, contending that "mere ownership and operation of [dothome.net] does not in and of itself lead to recognition of the Objector's Marks in the relevant sectors." Response, p. 6. Further, nothing on the Objector's primary website, "www.defenderdirect.com", suggests that the company also sells domain name services. *Id.* Correspondingly, "www.dothome.net" does not contain any reference to the Objector. *Id.*

Additionally, the Respondent asserts it has equal or a superior claim to the applied-for gTLD string based on its global use of HOME-formative trademarks, including the HGTV HOME & GARDEN marks. Response, p. 6. The Respondent's marks containing the formative HOME are registered in more than 70 jurisdictions. *Id.* A majority of these marks are associated with the Respondent's HGTV television network brand, which was launched in 1994, is available in over 69 countries, and reaches over 100 million households in the United States. Response, p. 7.

Finally, the Respondent argues that there is no evidence that its intended use of the applied-for gTLD string will create a likelihood of confusion with the Objector's marks. Because the Objector produced no evidence suggesting consumers identify the .HOME mark with either its home security and maintenance business or its domain reselling business; it cannot assert that consumers will be confused by the Respondent's use of the gTLD. Response, p. 7. The other marks are similar in appearance, sound, and meaning; however, they are not generally commercial related or within the same trade channels as the applied-for gTLD string. All of the Objector's US trademarks relate to various home security and maintenance services, not services that the Respondent intends to provide. Response, p. 8.

6. Discussion and Findings

A. Standing

The Dispute Resolution Process was designed to protect certain interests and rights. gTLD Applicant Guidebook, Section 3.2, Module 3, v. 2012-06-04. The particular LRO at hand was formulated as a mechanism for entities to protect their existing legal trademark rights against infringement by newly applied-for gTLD strings. *Id.* at 3.2.1. In other words, the LRO gives content to the Generic Names Support Organization (GNSO) Recommendation 3 that "[s]trings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law." *Id.* at 3.5.2. Consequently, only pre-existing rightsholders have standing to file an LRO. *Id.* at 3.2.2, 3.2.2.2.

The Applicant Guidebook requires the Objector to establish "standing" by disclosing "the source and documentation of the existing legal rights the objector is claiming (which may include either registered or unregistered trademarks)." *Id.* at 3.2.2.2. In this case, the Objector claims standing based on the six registrations and applications listed above. These registrations and applications provide a thin basis, at best, for standing.

- a. European Community Trademark Registration Number 010535201 for the mark .HOME (and house design) is registered in the name of Dothome Limited, with an address in Cyprus. Although the Objector states that Dothome Limited is its wholly-owned subsidiary, it provides no explanation of when or how that subsidiary was incorporated or acquired. Further, the record is muddled on the identity of different entities with similar names, including Dothome Limited, Dothome LTD and Dothome / CGR E-Commerce Ltd. Only through the Panel's own sleuthing was the Panel able to determine that the Objector's gTLD application for the string at issue was originally filed in the name of Dothome / CGR E-Commerce Ltd and later assigned or otherwise transferred to Dothome LTD with contact information given for the Objector, which tends to support the Objector's assertion that Dothome LTD is a wholly owned subsidiary. Yet, even that sleuthing does not conclusively answer the question of whether Dothome LTD is the same entity as Dothome Limited (for example, entities with similar names may be incorporated in different jurisdictions, and the Panel is unable to determine from the record whether these entities are incorporated in Cyprus, in the United States, or elsewhere).
- b. United States Trademark Registration Number 3,404,246 for the mark TRUE HOME is clearly owned by the Objector. However, the application was filed by a third party and only recently acquired by the Objector, a fact that the Objector did not disclose or explain. Further, the Objector has not provided documentary evidence to establish that, since it acquired this registration, it has used the mark for the

specific services covered by the registration. That this registration (and the other registrations discussed herein) all were acquired during the new gTLD application process raises a question as to whether these registrations may have been acquired solely for the purposes of supporting the LRO and not for any *bona fide* use of the mark. Any such inference could easily have been rebutted with evidence explaining the circumstances of the acquisition or showing the Objector's good faith use of the mark following the acquisition, but the Objector has submitted no such evidence here. Instead, it merely asserts that it acquired these registrations "in the ordinary course of trade and [as] a natural extension of Defender's branding strategy," a conclusory statement that seems at odds with at least some of the facts in this record. Although the Panel would normally credit factual assertions contained in a certified pleading such as this Objection, given the number of deceptive and misleading statements in the Objection (discussed in the conclusion, below), the Panel determines that no such credit is due to the Objector's certification, which leaves the record very thin on the question of whether this registration provides a basis for standing.

- c. With respect to United States Trademark Registration Number 4,310,530 for the mark TRUE. HOME (and design), although the Objector did not disclose this fact in its Objection, the Panel has determined by examining the USPTO records that the Objector expressly disclaimed exclusive rights in the word "home," which means that this application provides no trademark rights in the word "home." Since the string contains only the word "home," and not the entire mark "truehome" or the distinctive portion of the mark ("true"), this registration cannot serve as a basis for claiming standing in an objection filed against the string "home". Cf. *United States Postal Service v. Amazon EU S.à.r.l.*, WIPO Case No. LRO2013-0044 (objector "has not demonstrated any legal rights in the word MAIL," which "is a descriptive and generic term for the material sent or carried in the postal system" and which is disclaimed from many of the objector's trademark registrations).
- d. At the time the Objection was filed, allowed United States Trademark Application Serial Number 85/588,382 for the mark TRUE. HOME (and house design) was merely an allowed intent to use application for which no statement of use had been filed. As a matter of law, such an application does not give rise to any trademark rights. Subsequent to the filing of the Objection, the Objector filed a statement of use, and that statement of use was recently accepted by the USPTO (though the mark has not yet registered). This raises the question of whether the trademark rights must exist at the time the objection is filed or at the time of the Panel's decision. Because the Applicant Guidebook specifically requires the rightsholder to have standing to "file" a legal rights objection and requires the rightsholder to submit documentation of the "existing" legal rights the objector is claiming, the Panel holds that, to be considered in the standing analysis, trademark rights must exist at the time the Objection is filed. Accordingly, the Panel finds that this intent to use application does not provide trademark rights that support standing. Further, although the Objector once again did not mention it in the Objection, the Objector disclaimed "the exclusive right to use 'HOME' apart from the mark as shown," which means that this application, even if it were relevant (or even if the Panel were to consider the statement of use as possible evidence of common law unregistered trademark rights), would not create any independent trademark rights in the word "home" because that part of the mark is merely descriptive or generic with respect to the home-based services covered by this application.
- e. Allowed United States Trademark Application Serial Number 85/721,544 for the mark TRUE HOME is disregarded for the same reasons – at the time that the Objection was filed, this application was merely an allowed intent to use application for which no statement of use had been filed, and in any event, the descriptive word "home" was disclaimed.
- f. Allowed United States Trademark Application Serial Number 85/721,554 for the mark TRUE.HOME is disregarded for the same reasons. Like the two proceeding applications, at the time that the Objection was filed, this application was merely an allowed intent to use application for which no statement of use had been filed. Further, although this application does not include a disclaimer, the Panel does not consider this application to give rise to any trademark rights in the "home" portion of the mark. This mark is nearly identical to the proceeding application, Application Serial Number 85/721,544 except that it contains a period between the words TRUE and HOME, and the services covered by the

application are exactly the same. Because that period may have been seen as making this a compound mark, the USPTO apparently did not require the Objector to disclaim the word “home” from this application because the word “home” does not appear on its own. Nevertheless, the Panel considers this mark to be the same as the proceeding mark for all intents and purposes, and does not view this application as creating any independent trademark rights in the word “home,” which is merely descriptive or generic with respect to the home-based services covered by this application.

In considering whether the Objector has standing (and also whether the objection should be sustained), the Panel is cognizant that the Applicant Guidebook and Procedure instruct that Objector bears the burden of proof. Applicant Guidebook, Section 3.5; Procedure, Article 20(c). Because nothing in the Applicant Guidebook or the Procedure indicates that the burden of proof is a heightened one, the Panel holds that the Objector must meet its burden by a preponderance of the evidence. Under that standard, the Panel questions whether the Objector has standing. The Panel is aware that a distinguished panelist found on these same facts that the same Objector lacks standing to file an LRO against another applicant for the string “home.” *Defender Security Co. v. Charleston Road Registry Inc.*, WIPO Case No. LRO2013-0032.

Although it is a close question, the Panel is inclined to find that the Objector does have standing in this case based on its CTM Registration and United States Trademark Registration Number 3,404,246. First, although the Objector could and should have provided more information about the CTM registration, given that the Objector is identified in the application for the gTLD <.home> as being affiliated with the applicant (Dothome Limited), and given that LTD is a common abbreviation for “Limited” and that the Respondent has not raised any question as to whether the Objector is the parent of Dothome Limited, the Panel determines here, by a slim preponderance of the evidence, that the Objector is the parent company of the CTM registrant. Second, although the Panel has questions about the assignment of United States Trademark Registration Number 3,404,246 and whether the Objector continues to use that mark for the registered services, and though the Panel questions why the USPTO did not require a disclaimer of the word “home” from that registration, the Panel notes that a United States Trademark Registration is entitled to a presumption of validity, and the Respondent has not rebutted that presumption by a preponderance of the evidence. Third, although standing is an important concept for weeding out claims filed by parties who lack legitimate rights, the standing requirement should be interpreted liberally in a procedure like this one where a finding of no standing does not save the Respondent from having to respond on the merits and where the weaknesses that undermine the Objector’s claim for standing would in any event be highly relevant in the determination of the merits. *Cf. Defender Security Co. v. Merchant Law Group LLP*, WIPO Case No. LRO2013-0036.

Accordingly, although it is a close question, the Panel concludes that the Objector has established standing by the thinnest preponderance of the evidence.

B. The Panel’s Multi-Factorial Analysis

Where the Objection is based on trademark rights, Module 3 of the gTLD Applicant Guidebook instructs the Panel to consider eight non-exclusive factors in connection with the determination of whether the objection should be sustained. The Panel addresses each factor below.

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

For the reasons discussed above with respect to standing, the Panel disregards a number of the Objector’s alleged trademark rights. The only rights the Panel will consider for purposes of analyzing the Objection are the CTM registration for .HOME (and house design) for domain name related services and the United States registration for TRUE HOME for environmental testing and inspecting consulting services.

The Objector asserts that the dominant portion of these marks is the word “home.” Objection, p. 6. That may be the case with respect to the textual portion of the mark covered by the CTM registration, but the Objector has not submitted any evidence that would allow the Panel to

determine whether the textual portion, or the design of a house in a speech bubble attached to the dot (see below), is seen by consumers as the dominant portion. Moreover, since most domain names resolve to a “home” page, it is not clear whether Internet users would interpret the word “home,” in this context, as a distinctive or a descriptive term, and the Objector has not submitted any evidence related to that question.



As for the United States registration, the Objector’s argument that “HOME” is the dominant portion of the mark is rejected. It is true that the Objector has acquired and/or applied to register a number of marks containing the words “TRUE” and “HOME.” But, as discussed above, the word “home” has been disclaimed from most of those applications, and even where it was not disclaimed, the Panel finds “home” to be a weak component of a mark that is registered for home-related services. Moreover, as noted above, the Objector also appears to own the marks TRUE BLUE WATER SOLUTIONS, Registration No. 4,066,690 (disclaiming “water solutions”), TRUE BLUE, Registration No. 4,093,921, and TRUE ENERGY SMART AIR, Registration No. 4,121,307 (disclaiming “smart air”). Taken with the Objector’s other applications and registrations discussed above, these filings suggest that the Objector is seeking to establish a TRUE family of marks, and that TRUE may be seen by consumers as the dominant portion of its marks, not HOME.

On balance, the Panel holds that the string is only modestly similar to the Objector’s marks. On the one hand, the string is incorporated in its entirety in both of the Objector’s marks. On the other hand, the Objector’s marks have other components (either the house design or the word TRUE), and those components are either equally, or more, prominent and distinctive than the “HOME” component of the marks. Given how weak the word “home” is in connection at least with the Objector’s home-related services, the existence of these other elements of the Objector’s marks helps to distinguish the string from the Objector’s marks, including in appearance, sound and meaning.

The first factor weighs moderately in the Objector’s favor.

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

In *Defender Security Co. v. Charleston Road Registry Inc.*, WIPO Case No. LRO2013-0032, the panel found that the Objector’s acquisition and use of rights was not *bona fide*. In particular, relying on the same facts that are at issue in this case, the panel raised concerns over the timing of the Objector’s acquisition of trademark rights, and found that the “acquisition of trademark rights appears to have been undertaken to create a basis for filing the Objection, or defending an application.” See also *Defender Security Co. v. Uniregistry Corp.*, WIPO Case No. LRO2013-0038.

In another case, *I-REGISTRY Ltd v. Vipospace Enterprises LLC*, WIPO Case No. LRO2013-0014, an equally distinguished panelist considered a set of facts in which trademark rights appear to have been obtained on a timeline that strongly suggests that the rights were acquired as “part of a strategy to support its application for the <.vip> gTLD.” In contrast, the panel in that case found “no basis to conclude that such acquisition and use was not *bona fide*.”

While each of these two panels attributed its finding to consideration of a broader set of circumstances pertaining to that particular case, this raises the question of what must be found to support a conclusion that the Objector’s acquisition and use of rights in the mark has been *bona fide*.

This Panel certainly shares the concerns that the panel in WIPO Case No. LRO2013-0032 raised about the general good faith of the Objector (which also appears to be shared by the panel in WIPO Case No. LRO2013-0036). For this Panel, those concerns stem from the misleading and sometimes deceptive presentation of the evidence in the Objection, and more generally the abusive nature of the Objection which, contrary to the Objector's certification, appears to have been brought for an improper purpose and is not warranted under the Procedure and under applicable law.

But the question of whether the acquisition of rights is *bona fide* is a different question. Even if the Objector is guilty of bad faith in its conduct in this proceeding, the question under this factor is whether it acquired the rights on which it is relying in a *bona fide* manner; not, strictly speaking, whether it acquired those rights for strategic purposes to support its ability to file objections or defend its application for the same string.

Under that standard, this Panel agrees with the Panel in *I-REGISTRY*. Trademark rights frequently are acquired for strategic reasons, including in connection with the clearance of rights, the creation of families of marks, the ability to monetize through license or otherwise trademark rights, the challenge of potentially infringing rights, and the defense against allegations of infringement, as well as for more traditional reasons such as to acquire a business or product line. In each case, as long as the mark is not assigned in gross, but instead is assigned with the good will of the business with which it is used, such an assignment is considered lawful and *bona fide*.

Based on the timeline in this case, it is obvious that the Objector has acquired these trademark registrations and filed these applications for the strategic purpose of trying to bolster its trademark portfolio, with the hope that it would provide assistance in the new gTLD application process. The Panel does not read the Applicant Guidebook or the Procedure to prohibit such conduct. Further, the Objector does appear to have acquired at least the CTM registration as part of its acquisition of Mr. Roussos' application for the <.home> new gTLD, and the assignments of the CTM and USPTO registrations do contain the necessary language that the marks are being assigned together with the goodwill of the business symbolized by the marks. Thus, on the facts of this case, the Panel finds that the Objector's acquisition of the registrations at issue was *bona fide*, and it appears to be using at least the CTM mark in a *bona fide* offering of domain name related-services. This factor therefore weighs in favor of the Objector.

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.

Neither party alleges with satisfactory particularity that the relevant sector of the public recognizes the sign corresponding to the gTLD as the mark of that party or of a third party.

On the basis of its social media following, the Objector claims that it is a "prominent and well-known entity within the home services industry." Objection, p. 9. The record, though, does not support that conclusion. Objector claims to have 20,793 Twitter followers and over 2,700 Facebook followers. Objection, p. 8. Objector does not, however, provide any information on the size of the relevant industry, and whether social media followings at these levels (which, at least in the abstract, seem pretty low to the Panel) are sufficient to establish a mark as being "prominent and well known."

The Objector also claims to have "more than eight billion pieces of print media and millions of inbound customer calls each year," which the Objector claims is evidence of "Defender's recognition in the home services industry." Objection, p. 10. But, the Objector provides no details whatsoever about these alleged billions of impressions, including whether any of them use the relatively new marks at issue as contrasted with the Objector's other marks such as DEFENDERDirect (United States Trademark Registration No. 3,144,080, registered in 2006 on the basis of a claim of first use since 2006). These thin, conclusory allegations do nothing to support the assertion that the relevant sector of the public recognizes HOME as a trademark of the Objector. They certainly do not support

the Objector's hyperbolic, non-credible claim that "a large number of consumers in the relevant markets will identify the [<.HOME>] gTLD with the Defender Marks." Objection, p. 13.

Finally, the Objector claims that it has spent more than USD 500,000 for "expert brand research and analysis" to market its brands, resulting in "more than 8 billion pages of print advertising viewed by consumers, more than 3 million visits to [Objector] websites, more than 7 million outbound calls, and over 3.5 million inbound calls to three [Objector] call centers" annually. Objection, p. 12. Once again, in the absence of credible evidence that this marketing has focused on the string HOME or the gTLD <.home>, and that it has resulted in actual brand awareness for the alleged marks and/or gTLD, these assertions are completely unpersuasive. The Objector may run a successful business, but a successful business does not necessarily mean the public recognizes the gTLD as the mark of the Objector.

For its part, Respondent also does not persuasively establish that the relevant public recognizes the sign as a mark of the Respondent. It is true that the Respondent owns many marks containing the word "home," but all of those registrations include other words and/or designs, and many of them also disclaim the generic or descriptive word "home."

No specific evidence has been presented to the Panel as to third-party rights in relation to the sign.

The Panel thus concludes that this factor is neutral and weighs in neither party's favor.

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 Objector does not allege that the Respondent was in any way aware of the Objector's mark at the time it applied for the gTLD, or that the Respondent was otherwise engaged in a pattern of conduct under which the Respondent applied for or operated TLDs or registrations in TLDs identical or confusingly similar to the marks of others. Indeed, the Objector did not even obtain the CTM ".HOME," until April 17, 2012, *after* the Respondent filed its application. Thus, the Respondent's intent in applying for the gTLD could not possibly have evinced malicious intent towards the Objector or have been calculated to confuse. This factor thus weighs in the Respondent's favor.

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 has submitted evidence of its "suite of 'HOME'-formative trademarks globally" that have been used "for over two decades" in connection with multimedia programming. Response, p. 6; see also Annex One to the Response. A number of these marks relate to the transmission of programming across a variety of platforms, including the Internet. The Respondent's extensive use of these various HOME-formative trademarks more than establishes its use of the sign corresponding to the gTLD ("home") in connection with a *bona fide* offering of goods and services. The Respondent's use, which long predates any possible rights by the Objector, also does not interfere with any legitimate exercise the Objector may be making of its trademarks. Accordingly, this factor weighs in favor of the Respondent.

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.**

As noted in factor 5, the Respondent has held a “suite of ‘HOME’-formative trademarks globally for over two decades” in connection with its home-focused programming, and has extensively used its HGTV HOME & GARDEN marks for nearly two decades. Response, p. 6; see also Annex One to the Response. Its HGTV HOME & GARDEN programming is now available in more than 69 countries and reaches more than 100 million households. *Id.*, p. 7. Although many of the Respondent’s marks include a disclaimer of the word “home,” some do not (e.g., United States Trademark Registration No. 2,484,138 for HGTV HOME & GARDEN TELEVISION, for use in connection with “television programming services,” was registered in 2001 and claims first use since 1994; although the word “television” was disclaimed, the “home & garden” portion of the mark was expressly registered under Section 2(f) of the Lanham Act based on a showing that the term had acquired distinctiveness (or secondary meaning), whereas the word “television” was still disclaimed). Thus, the Panel finds that the Respondent has intellectual property rights corresponding to the string at issue and that the acquisition of those rights was *bona fide*. Further, the Respondent’s purported and likely use of the gTLD – to provide programming and other services befitting the respondent’s media portfolio – is consistent with Respondent’s existing intellectual property rights.

Accordingly, this factor weighs in favor of the Respondent.

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*.

As discussed in factor 6, above, the Respondent has demonstrated a longstanding use of the HOME-formative marks. Response, p. 7. The Panel thus finds that the Respondent is commonly known by the sign corresponding to the gTLD, and that the Respondent’s purported and likely use of the gTLD (as described above) is consistent with the Respondent’s previous use of its HOME-formative marks and is *bona fide*. This factor therefore weighs in favor of the Respondent.

8. Whether the [respondent] 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 Respondent’s intended use of the gTLD is highly unlikely to create confusion with the Objector’s marks. If Objector is known for anything within the home services industry, it is known for providing residential security systems and related home systems, not domain registration services. Based on the evidence of record, to the extent the Objector is known, it is known as DEFENDERDirect, or possibly TRUE HOME; there is no evidence in this record that establishes that the Objector is known by the marks HOME or .HOME, such that the Respondent’s proposed use of the gTLD would cause confusion with the Objector. Furthermore, given that the Respondent’s proposed use of the gTLD is for “programming, content, information and authentic connected experiences centered on home, garden, lifestyle, design, entertaining, family, and other related concepts, topics and activities,” Response, p. 6, it is highly unlikely that such use would cause confusion with the services covered by the trademarks of the Objector at issue here: domain name related-services and environmental testing and inspecting consulting services. The Panel thus finds that the Respondent’s intended use would not create confusion with the Objector’s marks, and that this factor weighs in the Respondent’s favor.

C. Panel’s Findings

The eight factors discussed above are not exclusive, nor are they meant to function as a scorecard, to see which party has more factors in its favor. Rather, the Panel is to consider these factors, along with any others that the Panel deems relevant, in considering the ultimate issue: namely, whether the proposed string takes unfair advantage or unjustifiably impairs the distinctive character or the reputation of the Objector’s mark(s), or whether it otherwise creates an impermissible likelihood of confusion.

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. *Id.*

For the reasons discussed below, the Panel easily concludes that the potential use of the applied-for gTLD by the Respondent does not take unfair advantage or unjustifiably impair the distinctive character or the reputation of the Objector’s marks, or otherwise creates an impermissible likelihood of confusion.

(i) Take unfair advantage of the distinctive character or the reputation of the Objector’s registered or unregistered trademark or service mark

The Objector has utterly failed to sustain its burden of showing that the Respondent’s application for the string “home” will take any advantage, let alone unfair advantage, of any distinctive character or reputation of the Objector’s marks.

First, although the Panel found that Objector has standing based on its CTM registration and one of its USPTO registrations, the Objector’s trademark rights are thin, and the Objector has not shown that there is much distinctive character in those marks. To the extent there is distinctive character, it likely is in the word TRUE and the design of a house in a speech bubble, rather than in the common word “home,” which is highly descriptive if not generic for the services of the Objector that are related to homes.

Second, the Objector has failed to show that it has any reputation that is related to the HOME-formative marks at issue in this case. To the contrary, these marks were only very recently acquired by the Objector and were almost certainly acquired primarily for the strategic role they might play in connection with objections and the Objector’s new gTLD application. There is no showing that the marks have developed a reputation in the marketplace.

Third, the Respondent’s intended use is entirely consistent with its longtime use of the HGTV HOME & GARDEN marks and appears to be entirely a fair use based on the descriptive meaning of the word “home.”

If anyone has taken “unfair advantage,” it has been the Objector through its meritless Objection. The LRO process is not meant to be a game or crap shoot; rather, it should be invoked only when the applicant’s proposed string would “infringe” trademark rights. It is an abuse of the process to invoke an LRO against an applicant whose proposed use is clearly a fair use of a string for its descriptive meaning and not a use designed to “infringe” (that is, cause confusion as to source, authorization or affiliation). What is “unfair” here is that the Objector filed an Objection that is not only completely devoid of merit, causing the Respondent to waste time and effort defending its entirely appropriate application, but also full of misleading, deceptive, and demonstrably untrue statements and omissions, including the following:

- The Objector claimed trademark rights in applications filed on an intent to use basis without disclosing the very limited scope of protection offered by such applications. Objection, pp. 4-5.
- The Objector claimed trademark rights in registrations in which the word “home” was disclaimed without disclosing the disclaimer, which rendered the registrations completely irrelevant for purposes of this LRO. Objection, pp. 4-5
- The Objector incredibly claims that the Respondent’s application for the gTLD <.home> “should be denied because it will necessarily trade upon the goodwill in the Defender Marks promoted by Defender’s significant marketing efforts, creating a strong likelihood of confusion should Applicant’s application be approved.” Objection, p. 7. The evidence is to the contrary, and strongly supports a

finding that the Respondent's use of <.home> will trade on the goodwill in the Respondent's HGTV HOME & GARDEN marks, and will not create any confusion or association with the Objector's relatively unknown HOME-formative marks.

- The Objector baldly asserted that its "acquisition and use of the Defender Marks has occurred in the ordinary course of trade and is a natural extension of Defender's branding strategy," Objection, p. 7, yet the Objector deliberately hid from the Panel all of the details surrounding its very recent acquisition of the trademark rights at issue in this case.
- The Objector deceptively claimed to have a "history of actual and *bona fide* use of the 'HOME' and '.HOME' formative in association with its home services, domain name services and advertising of those services," Objection, p. 7, without disclosing that the "history" was in some cases less than one year old.
- The Objector contended that the fact that "consumers clearly associate the marks with Defender's services is certainly demonstrable," Objection, p. 8, yet Objector failed to demonstrate any such thing through factual averments or documentary evidence.
- The Objector misleadingly stated that it "has been a prominent and well known entity within the home services industry since 1998, [and that] The Defender Marks, including '.HOME,' 'TRUE HOME,' and 'TRUE.HOME,' are all used within the home services and domain names industries targeted by the [<.HOME>] gTLD." Objection, p. 9. This highly crafted language was clearly designed to leave the Panel with the impression that the Objector has used these various HOME trademarks in connection with its home services industry services since 1998. In fact, the Objector only obtained the first of its registrations containing the word "home" in 2012.
- The Objector falsely stated that the Respondent has "no applications or registrations for any trademarks for similar [HOME-formative] marks," and that the only applications by the Respondent that it could identify were intent to use applications for HOME FOR DINNER and HOME MADE IN AMERICA. Objection, p. 10. This was a demonstrable falsehood, and it is hard to believe it was anything other than deliberate. A very simple search of the USPTO TESS database reveals dozens of applications and registrations by the Respondent for HOME-formative marks.
- The Objector misleadingly cited its social media following as evidence that "there is no doubt that a large number of consumers in the relevant markets will identify the [<.HOME.>] gTLD with the Defender Marks." Objection, p. 13. That conclusory statement cannot be reconciled with the facts of this case.

In sum, and in reflecting on the eight factors listed above, the Panel finds that the Respondent has not taken any, let alone unfair, advantage of any distinctive character or reputation of the Objector's marks. To the contrary, it is the Objector who has taken unfair advantage through the filing of this frivolous, meritless objection.

(ii) Unjustifiably impair the distinctive character or the reputation of the Objector's mark.

The Objector has utterly failed to establish that granting the Respondent the applied-for gTLD string would unjustifiably impair the distinctive character or the reputation of the Objector's marks. First, the Objector has done little to prove that its marks actually possess any sort of distinctive character or reputation. Although the Objector contends that it is widely known for providing domain name services through "www.dothome.net", it provides no figures as to the actual number of service subscribers it has, let alone whether it has achieved any actual distinctiveness or renown in the marketplace. Second, the Objector's conclusory allegations about its social media presence (which, in any event, hardly seems to be sufficiently deep and broad to establish a distinctive character or reputation) do nothing to establish that the marks have a reputation at all. Third, and in any event, because the Respondent plans to run the <.home> gTLD as a registry for information and commerce relating to its core publication, HGTV HOME & GARDEN, any use

planned by the Respondent will not impair, let alone unjustifiably impair, any rights the Objector may have in the different context of domain name services and environmental testing and inspecting consulting services.

(iii) Otherwise create an impermissible likelihood of confusion between the applied-for gTLD and the Objector's mark(s).

Again, there is nothing in the record to indicate that consumers associate the HOME- or .HOME-formative marks with any of the services the Objector offers, let alone that they would confuse a <.home> gTLD with the Objector and its services. Given the absence of such evidence, the Objector has utterly failed to sustain its burden of proof on this third element.

7. Decision

For the foregoing reasons, the Objection is rejected.

[signed]

David H. Bernstein
Sole Panel Expert
Date: July 20, 2013