

ADMINISTRATIVE PANEL DECISION

Drone Genius, Inc. v. Paul Peterson
Case No. D2022-3525

1. The Parties

Complainant is Drone Genius, Inc., United States of America (“United States”), represented by Kushnirsky Gerber PLLC, United States.

Respondent is Paul Peterson, United States.

2. The Domain Name and Registrar

The disputed domain name <dronegenius.com> (the “Domain Name”) is registered with GoDaddy.com, LLC (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on September 22, 2022. On September 23, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On the same date, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name, which differed from the named Respondent (Domains by Proxy, LLC) and contact information in the Complaint. The Center sent an email communication to Complainant on September 28, 2022, providing the registrant and contact information disclosed by the Registrar, and inviting Complainant to submit an amendment to the Complaint. Complainant filed an amended Complaint on September 28, 2022. On the same date, Respondent sent an email communication to the Center stating that it had not purchased the Domain Name to simply resell it for profit and requesting Complainant to stop the “frivolous” legal proceedings. On the same date, Complainant sent an email communication to the Center attaching evidence showing that Respondent was willing to sell the Domain Name to Complainant.

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

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified Respondent of the Complaint, and the proceedings commenced on October 5, 2022. In accordance with the Rules, paragraph 5, the due

date for Response was October 25, 2022. On October 28, 2022, the Center informed the Parties that it would proceed to panel appointment. On October 31, 2022, a message was received from Respondent's executive assistant, seeking more time. On November 5, 2022, the late Response was filed with the Center.

The Center appointed Christopher S. Gibson as the sole panelist in this matter on November 10, 2022. 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 Center to ensure compliance with the Rules, paragraph 7.

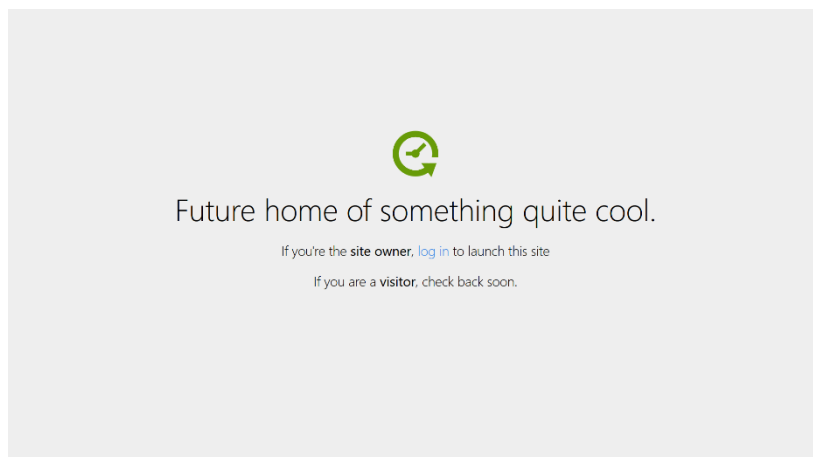
4. Factual Background

Complainant operates a website at "www.thedronegenius.com" and uses the DRONEGENIUS mark in connection with that site and services advertised. The site markets Complainant's aerial photography and videography services in the Florida area. Complainant has used the DRONEGENIUS mark in connection with its aerial media services since at least February 2017. Complainant also promotes its company, Drone Genius, through its Facebook, Twitter, and Instagram social media accounts.

Complainant owns the DRONEGENIUS trademark, United States Registration No. 6083010 in Class 41, registered on June 23, 2020, with a date of first use in commerce of February 2, 2017.

On October 9, 2018, Respondent filed an application (serial no. 88147629) with the United States Patent and Trademark Office ("USPTO"), seeking to register DRONE GENIUS as a trademark for use in connection with services some of which appear to overlap with those offered by Complainant. On October 22, 2019, Complainant instituted a trademark opposition proceeding against Respondent's trademark application before the USPTO. In Complainant's Opposition filing, Complainant alleged that the specimens that Respondent submitted in connection with its DRONE GENIUS application were fraudulent, consisting of modified composites of screenshots of Complainant's website and the website of a third party, which had never been used by Respondent in commerce. Respondent filed no answer to Complainant's opposition, and also failed to respond to the notice of default entered against Respondent in those USPTO proceedings. As a consequence, a default judgment was entered against Respondent on February 14, 2020, resulting in the abandonment of Respondent's DRONE GENIUS trademark application before the USPTO.

The Domain Name was registered on February 23, 2013 and resolves to the following webpage:



5. Parties' Contentions

A. Complainant

(i) Identical or confusingly similar

Complainant has provided evidence of its trademark registration, with a date of first use in commerce of February 2, 2017. Complainant contends that through its continuous use of its DRONEGENIUS trademark and by virtue of the quality of Complainant's services, Complainant has built up valuable goodwill and reputation in connection with its DRONEGENIUS mark.

Complainant contends Respondent's use of the Domain Name is confusingly similar to Complainant's DRONEGENIUS trademark. In fact, Complainant submits that the USPTO originally suspended Complainant's DRONEGENIUS trademark application based on a finding of likelihood of confusion (under United States trademark law) with Respondent's now abandoned DRONE GENIUS trademark application.

Complainant states Respondent is using the Domain Name to divert Complainant's customers, as evidenced by the fraudulent specimens it submitted in connection with its DRONE GENIUS trademark application before the USPTO. It further submits Respondent created a fake copycat website confusingly similar to Complainant's with the sole aim of tricking consumers into thinking that it was Complainant's site.

(ii) Rights or legitimate interests

Complainant contends that Respondent has no rights or legitimate interests in respect of the Domain Name. Respondent is using the Domain Name and website to improperly divert customers seeking Complainant's site. There is no evidence of Respondent's use of, or demonstrable preparations to use, the Domain Name in connection with a *bona fide* offering of goods or services.

As explained above, Respondent has no rights in the DRONE GENIUS trademark. Further, Respondent is not commonly known by the Domain Name as it has not used the DRONE GENIUS mark in commerce. In response to a cease-and-desist letter sent by Complainant to Respondent regarding the now abandoned DRONE GENIUS trademark application, Respondent stated, "Currently we are using DRONE GENIUS internally and there has been [no infringement]." Respondent's website states that its incredibly vague services are "coming soon" and as such, Respondent has not acquired trademark or service mark rights.

(iii) Registered and used in bad faith

Complainant claims Respondent is using the Domain Name in bad faith for the sole purpose of improperly diverting consumer traffic from Complainant's website by using a confusingly similar trademark and Domain Name with a near-identical website.

After the USPTO trademark opposition proceeding, Complainant reached out to Respondent in the hopes of purchasing the Domain Name. In response, Respondent stated "I'm actually trying to sell <droneai.com> not <dronegenius.com> right now." Complainant states this is the type of intentional harm that can utterly destroy all the goodwill in a valuable trademark. The harm being caused by Respondent's willful conduct is irreparable.

Complainant submits Respondent's entire business model is based on cybersquatting. Respondent's website is a scam site with fake information. Respondent's website lists that the website is operated by Appraisal Drones International Inc., which is inactive. Its site was created solely to unlawfully ride on the goodwill of Complainant's DRONEGENIUS mark that Complainant created through significant advertising and promotion.

B. Respondent

A late filed Response was submitted by Respondent indicating that Respondent owns several domain names and Respondent is an entrepreneur with many creative ideas for businesses, who has successfully brought ideas to fruition with his businesses. Respondent claims he has never sold a domain name to anyone, and his intent for his domain names is to develop his own original ideas, not to copy what has already been done. Respondent claims he has no interest in copying an already established business model in order to take market share from Complainant. He has pursued his own unique business ideas where virtually no similar products exist, or to develop products that require financial backing to expand their growth. Respondent claims that if he was interested in entering the market where Complainant operates, Respondent would make an offer to purchase Complainant; however, that market is already overcrowded and of a size that is below Respondent's minimum market capitalization requirement. Respondent claims his intent for the Domain Name is related to real estate appraisal, which is an area that Complainant's website does not mention.

Respondent states that the website linked to the Domain Name contains the message, "Future home of something quite cool," and that this message does not compete with Complainant in any way. Furthermore, by performing a Google search of "drone genius," the results include businesses that directly compete with Complainant. Respondent asserts he has pursued the development of software for drones in a completely different market and does not compete with Complainant. Respondent has submitted documents, dating from 2019, which purport to provide evidence of Respondent's branding plans in connection with use of the Domain Name. Respondent contends these documents should put to rest any concern that Respondent had the intent to siphon clients from Complainant. Respondent's business is still in the development stage, and does not yet have a market-ready product to sell. There is no benefit to diverting clients from Complainant, since there is no product or service to be offered to these clients.

Respondent claims he has invested over USD 150,000 in the venture linked to the Domain Name, which has been temporarily put on hold to focus on another business in development. Respondent states he still intends to develop his idea for the business for which the Domain Name will be used, in an area that does not fall within the same market where Complainant operates.

6. Discussion and Findings

In order to succeed on its Complaint, Complainant must demonstrate that the three elements set forth in paragraph 4(a) of the Policy have been satisfied. These elements are that:

- (i) the Domain Name registered by Respondent is identical or confusingly similar to a trademark or service mark in which Complainant has rights;
- (ii) Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) Respondent has registered and is using the Domain Name in bad faith.

A. Late Filed Response

When considering whether or not to admit Respondent's late-filed Response, the Panel observes that paragraph 10 of the Rules sets forth the general powers of the Panel, including in relevant part that "[t]he Panel shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and these Rules," and "the Panel shall ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case." Rules, paragraph 10(a) and (b). Further, paragraph 12 of the Rules provides, in any event, that "the Panel may request, in its sole discretion, further statements or documents from either of the Parties."

In view of these provisions in the Rules, and in the interest of overall fairness, the Panel considers it proper to admit for consideration Respondent's late-filed Response.

B. Identical or Confusingly Similar

Complainant has demonstrated that it has rights in its DRONEGENIUS trademark, both through registration and use in the United States.

The Panel further finds that the Domain Name incorporates the DRONEGENIUS mark in its entirety, with no variation other than the addition of the generic top-level domain (“gTLD”) extension, “com.”

Accordingly, the Panel finds that the Domain Name is identical to a trademark in which Complainant has rights in accordance with paragraph 4(a)(i) of the Policy.

B. Rights or Legitimate Interests

Regarding the second element of the Policy, section 2.1 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“[WIPO Overview 3.0](#)”), states, “where a complainant makes out a *prima facie* case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name. If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element.”

Here, as noted above, Complainant has stated Respondent is not commonly known by the Domain Name and has not used the DRONE GENIUS mark in commerce, as confirmed by Respondent’s statement “[c]urrently we are using DRONE GENIUS internally and there has been [no infringement].” Further, the Domain Name resolves to a website that merely states “[f]uture home of something cool.” Complainant contends Respondent is using the Domain Name and website to improperly divert customers seeking Complainant’s site, and there is no evidence of Respondent’s use of, or demonstrable preparations to use, the Domain Name in connection with a *bona fide* offering of goods or services.

In response, Respondent states he is an entrepreneur with creative ideas for businesses, and claims the Domain Name is intended to be used for a real estate appraisal business still in the development phase, but Respondent having already invested over USD 150,000 in the venture. Respondent submitted documents, dating from 2019, that purport to provide evidence of Respondent’s branding plans for his business related to the Domain Name.

The Panel observes that the Domain Name is not being actively used, and that neither party has presented any evidence concerning whether and when the Domain Name has been used since its registration in February 2013. Complainant asserted that Respondent was willing to sell the Domain Name to Complainant, as reflected in an email sent by Respondent to Complainant’s counsel on September 23, 2022:

“[...] The 2020 pandemic caused delays. Your client [...] has not acted in good faith. I’m a businessman building a company/ brand and I purchased the premium domain name and filed a trademark like a smart, professional businessman.

My attorneys have assured me, [we are moving forward] with the project and will use my domain name without being bullied by Mr. [...] drone video company. Y our client sent me an email today telling me how expensive it is going to be to fight to keep my premium domain name.

Rebranding/renaming is expensive. I told [...] if he really wants my premium domain; show me the money. \$100,000 for domain today. The price of my domain name increases in value every day.

Stop your frivolous, unethical business practice and legal proceeding. Let me build my business and you build yours.

If you really want my premium domain name... The price today is only \$100,000. Act now. Inflation is crazy.”

While reflecting a willingness by Respondent to sell the Domain Name at a high price, the email is inconclusive as to Respondent's actual intentions for the Domain Name. At the same time, the Panel is concerned – as noted in connection with the trademark opposition proceedings before the USPTO that ultimately resulted in a default judgment against Respondent – about Complainant's allegations in those proceedings that the specimens Respondent submitted with its DRONE GENIUS trademark application were fraudulent, consisting of modified composites of screenshots of Complainant's website and the website of a third party. Respondent never responded to those allegations in the USPTO proceedings, nor did Respondent do so here where they were again raised by Complainant. The Panel is thus concerned as to what weight to give to the evidence that has been presented by Respondent in this case.

In view of all these considerations, and in view of the Panel's decision under the third element of the Policy below, the Panel determines that it need not decide whether Respondent has any rights or legitimate interests in the Domain Name.

C. Registered and Used in Bad Faith

The third element of paragraph 4(a) of the Policy requires that Complainant demonstrate that Respondent registered and is using the Domain Name in bad faith. Here, the Panel determines that, although Respondent might have engaged in improper conduct before the USPTO in October 2018 while seeking to register DRONE GENIUS as a trademark, there is insufficient evidence that Respondent has targeted Complainant by virtue of bad faith registration and use of the Domain Name.

First, and most importantly, Complainant, whose first use of its DRONE GENIUS trademark dates from February 2017, has failed to allege, much less show, that the Domain Name registered in 2013 was registered in bad faith by Respondent. Nor has any evidence been adduced to show that Respondent might have acquired the Domain Name (*e.g.*, via purchase) on a date after its initial registration and after Complainant's trademark rights had already existed. The registration of the Domain Name in February 2013 predates Complainant's use of its DRONEGENIUS trademark commencing in February 2017. As noted in [WIPO Overview 3.0](#), section 3.8.1, "where a respondent registers a domain name before the complainant's trademark rights accrue, panels will not normally find bad faith on the part of the respondent."

In addition, Respondent has used the Domain Name in connection with an inactive website. Other than an offer to sell the Domain Name in response to Complainant's demands, Complainant has not presented any evidence of bad faith use. Even with respect to the allegedly fraudulent specimens that Respondent submitted in connection with its DRONE GENIUS application before the USPTO, which Complainant stated consisted of modified composites of screenshots of Complainant's website and the website of a third party, Complainant did not present any of that evidence in this case, nor show that Respondent's website ever actually published that content. Even assuming such evidence would have been available and would have been submitted, those alleged improper actions took place in 2018, well after the Domain Name had been registered in 2013, which was prior to the accrual of Complainant's trademark rights.

On the evidence presented by Complainant in this case, the Panel is unable to find bad faith registration and use of the Domain Name under the Policy. The Panel's decision is without prejudice to any claims that might exist under United States trade mark laws.

7. Decision

For the foregoing reasons, the Complaint is denied.

/Christopher S. Gibson/

Christopher S. Gibson

Sole Panelist

Date: December 2, 2022