

DECISION

Illycaffè S.p.A. v. Esteban c/o Esteban Remezc
Claim Number: FA0910001291938

PARTIES

Complainant is **Illycaffè S.p.A.**, (“Complainant”) represented by **Luca Danelon**, of **Kivial s.r.l.**, Italy. Respondent is **Esteban c/o Esteban Remezc**, (“Respondent”) represented by **Esteban c/o Esteban Remezc**, Italy.

REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <**illy.us**>, registered with **Register.com**.

PANEL

The undersigned certifies that he or she has acted independently and impartially and to the best of his or her knowledge has no known conflict in serving as Panelist in this proceeding.

Houston Putnam Lowry, Chartered Arbitrator, as Panelist.

PROCEDURAL HISTORY

Complainant submitted a Complaint to the National Arbitration Forum (the “Forum”) electronically on October 29, 2009; the Forum received a hard copy of the Complaint on November 2, 2009.

On October 29, 2009, Register.com confirmed by e-mail to the Forum that the domain name <**illy.us**> is registered with Register.com and that the Respondent is the current registrant of the name. Register.com has verified that Respondent is bound by the Register.com registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with the U. S. Department of Commerce’s usTLD Dispute Resolution Policy (the “Policy”).

On November 4, 2009, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of November 24, 2007 by which Respondent could file a Response to the Complaint, was transmitted to Respondent in compliance with Paragraph 2(a) of the Rules for usTLD Dispute Resolution Policy (the “Rules”).

A Response was received on December 1, 2009 and determined by the Forum to be deficient because it was not received prior to the Response deadline.

On December 3, 2009, pursuant to Complainant’s request to have the dispute decided by a single-member Panel, the Forum appointed Houston Putnam Lowry, Chartered Arbitrator, as Panelist.

RELIEF SOUGHT

Complainant requests that the domain name be transferred from Respondent to Complainant.

PARTIES' CONTENTIONS

A. Complainant

This Complaint is based on the following factual and legal grounds: usTLD Rule 3(c)(ix). Illycaffè (Complainant) was founded in 1933 in Italy by Francesco Illy. It produces and sells, all over the world, a unique blend of high quality espresso coffee consisting of nine types of pure Arabica coffee. The balanced blend of these ingredients from South America, Central America, India and Africa gives that unmistakable illy taste and aroma, always the same, in every cup, wherever in the world it is drunk.

The illy blend is distributed to hotels, restaurants, cafes, and is consumed at home and in the office. It is currently marketed in 140 countries, in all 5 continents, and is served in more than 50,000 commercial businesses. Since 2005 exports exceed 50% of total sales.

In 2003, for its Clients all over the world, the Company created Espressamente illy, a chain of Italian-style bars which operate under a licensing agreement. In the course of three years, 150 bars have been opened in 20 countries. The project is supported by the "Coffee University", a center of excellence for the divulgation of coffee culture, which offers a complete theoretical and practical training for everything that concerns bars, coffee and its preparation.

Today the illycaffè group contributes to the development of the market and the global coffee culture using all the elements that contribute to the enjoyment of a perfect cup of espresso coffee: from the blend to the coffee machines, from the training of specialized staff for bars to the study and selection of the premises where the coffee is to be tasted, combining the divulgation of coffee culture with a tradition that is continuously re-interpreted.

In 2007 the illycaffè group, which includes eight controlled Companies and one connected Company, and which employs more than 700 people, had a consolidated turnover of €270 million and a net profit of €7 million.

Illycaffè has protected its distinctive signs, including "ILLY", by registered trademarks both in Italy and abroad, and by registering domain names in the most important extensions. In fact, illycaffè is proprietor of a considerable portfolio of trademarks, and with regard to the name in question is proprietor of the trademarks quoted hereinabove, as well as numerous other national trademarks, both as word and figurative.

In order to protect its property rights and to make its services accessible on-line, illycaffè started working on the Internet already in 1996 with the domain names ILLY.COM and ILLY.IT. It then protected, over the years, its domain names in the main generic extensions and in the extensions of the States where the Company mainly operates.

To give an example, the domain name ILLY is currently protected in the following extensions:

ILLY.ASIA, ILLY.BIZ, ILLY.CO.IL, ILLY.CO.NZ, ILLY.COM.HR, ILLY.COM.MX, ILLY.COM.TR, ILLY.EU, ILLY.FI, ILLY.HK, ILLY.IE, ILLY.NU, ILLY.OR.AT, ILLY.PE, ILLY.PH, ILLY.PT, ILLY.RS, ILLY.SE, ILLY.SG, ILLY.SI, ILLY.TK, ILLY.TW

From the above, it is clear how important the Company is and how famous is the name “ILLY”, which is certainly known on an international level.

Further proof of the fame of the trademark is shown by a short press review attached with this communication, containing both international and national press advertisements, television spots, and also - as an example - the advertising campaign started on 2004 with dates of publication on the main Italian newspapers and magazines (where Respondent lives).

In order to meet the requirements of the usTLD Policy, we shall now show that:

- A. The domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights (Rules, paras. 3(c)(ix)(1));
- B. The Respondent has no rights or legitimate interests in respect of the domain name (Rules, para. 3(c)(ix)(2));
- C. The domain name was registered and is being used in bad faith (Rules, para. 3(c)(ix)(3)).

For points A) and B) as above, the Respondent has taken over Complainant’s trademark in its entirety.

According to the usTLD Policy, para. 4(a), Complainant proves with this communication that the ILLY.US domain name is identical to its trademarks, cited above and attached herewith. Complainant also states that Respondent has no title or license to use the Complainant’s trademark, nor any authorization to register domain names on behalf of Complainant. Moreover, specific searches of trademarks all over the world have established that Respondent does not own any trademark similar to or interfering with Complainant’s.

With regard to the registration and use in bad faith of the contested domain name (point C), it should be noted that Complainant’s trademark is extremely distinctive, since it quotes a specific Italian family name that is neither banal nor common, that is also well-known in the coffee market.

The domain name ILLY.US is not currently linked to any active website, returning a browser error.

A search at the site ARCHIVE.ORG, which allows users to archive the different versions and revisions of a web site over the course of time, reveals that the domain name has never been linked to a specific or distinctive content created by Respondent.

As prescribed by the usTLD Policy, para. 4(c), Complainant did not find any evidence of the Respondent's use of, or demonstrable preparations to use, the domain name in connection with a bona fide offering of goods or services, or that the Respondent has been commonly known by the domain name, or finally that the Respondent is making a legitimate non-commercial or fair use of the domain name.

This may be considered first proof that the registration made by Respondent was not dictated by a desire to use the domain name for his own activity or for his own interest, and that the current owner may be considered a "passive holder".

Considering that the domain name was registered in 2002, and having verified that Respondent has never used the domain name actively, it is legitimate to believe that Respondent did not even act to use the domain name really and correctly, and therefore the domain name is held in bad faith.

On this point numerous decisions can be found in which the Panelists agree that the non-use of the domain name – combined with proven bad faith when the registration was made – is an indication of bad faith, starting from re-assignment procedures on an international level (see "Telstra Corporation v. Nuclear Marshmallows", WIPO Case No. D2000-0003, later repeated and cited in numerous other decisions).

Finally, let us consider Respondent's nationality: from the data available publicly, Respondent appears to be an Italian citizen resident in Padova, a city less than 200 kilometers near Trieste, where Illycaffè has its principal registered business. Illycaffè has a very strong presence on the Italian market, with advertisements in the local and national press, and spots on the main television channels, numerous sales points managed directly and also, obviously, the capillary distribution of its products in the main supermarket and hypermarket chains, bars, cafes and restaurants.

In support of the figures previously given, and just to give a further example, using the "Global Locator" service on the web site ILLY.COM operated by Complainant, we find the sales points in bars and cafes of illycaffè products: in Italy there are 4,460 sales points, more than 70 sales points dealing in illycaffè products in the province of Padova, where Respondent is resident, and 29 sales points in the city of Padova itself; this makes it clear that Respondent cannot claim that he does not know Complainant, therefore registering the contested domain name in bad faith.

On a side note, Complainant would eventually highlight that Respondent, a citizen with probable citizenship and place of residence in Italy, shows no real use of the domain name in conjunction with the offer of goods and services in the United States of America.

This means that probably the registration of the domain name infringed the Nexus Policy of usTLD, that requires that the registrant should be one of these:

“1.A natural person (i) who is a United States citizen, (ii) who is a permanent resident of the United States of America or any of its possessions or territories, or (iii) whose primary place of domicile is in the United States of America or any of its possessions [Nexus Category 1],

2.A United States entity or organization that is (i) incorporated within one of the fifty (50) U.S. states, the District of Columbia, or any of the United States possessions or territories, or (ii) organized or otherwise constituted under the laws of a state of the United States of America, the District of Columbia or any of its possessions or territories (including a federal, state, or local government of the United States or a political subdivision thereof, and non-commercial organizations based in the United States) [Nexus Category 2], or

3.A foreign entity or organization that has a bona fide presence in the United States of America or any of its possessions or territories [Nexus Category 3].”

B. Respondent

Respondent failed to submit a timely response. However, this Panel elects to follow *J.W. Spear & Sons PLC v. Fun League Mgmt.*, FA 180628 and decide the dispute on the merits (Nat. Arb. Forum Oct. 17, 2003) (finding that where the respondent submitted a timely response electronically, but failed to submit a hard copy of the response on time, “[t]he Panel is of the view that given the technical nature of the breach and the need to resolve the real dispute between the parties that this submission should be allowed and given due weight”).

Respondent’s late submission was considered even though it is not quoted at length. Respondent failed to submit a timely copy in a word processing format, which made it difficult to quote the submission at length.

C. Additional Submission by Complainant

Concerning the NAF Case mentioned above, we would like hereby to answer the statements submitted by the Respondent with his reply.

Although, according to usDRP rules, the Panelist is not obliged to examine the possible reply provided by the Complainant as regards the statements by the Respondent, we deem that a clarification from us may be useful for the Panelist, in order to actually explain some aspects of that account.

The Respondent made some misleading assertions:

- on the complaint, the Complainant quoted Italian market in specific detail because - examining the data available on the Whois - the Respondent appeared to live in Italy. Illycaffè has a local branch in USA too, as illy caffè North America, Inc., that since 1997 has been selling Illy branded products also through his website www.illyusa.com. The statement made by the Respondent that illycaffè does not operate in the US is then completely wrong, and simply based on his assertions.
- the Respondent quotes his company and his trading activities, but ILLY.US domain name is owned by the Respondent himself on an individual personal basis, not as a company. As previously highlighted on the complaint, there is no evidence that the domain has been used to promote products or services during the years, nor the Respondent gave demonstration of the use of the domain on his reply.

Moreover, the Respondent does not, in any way, explain the manner in which the domain name is not identical or confusingly similar to the trademark in which the Complainant has rights (as prescribed by usTLD Rule 3(c)(ix)(1); usTLD Policy 4(a)(i)), nor why he should be considered as having rights or legitimate interests in respect of ILLY.US domain name (usTLD Rule 3(c)(ix)(2); usTLD Policy 4(a)(ii)).

Finally, the Respondent as a last statement declares his willingness to reach an amicable agreement with the Complainant.

The Complainant appreciates this and - as a demonstration of his good will - would like to settle the dispute eventually paying for the disbursements the Respondent had to register and maintain the domain name through the years. The Complainant's representative formally sent this offer to the Respondent on the day of the Respondent's reply, but as of today no approval has been received.

FINDINGS

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

DISCUSSION

Paragraph 15(a) of the Rules instructs this Panel to “decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable.”

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

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

Given the similarity between the Uniform Domain Name Dispute Resolution Policy (“UDRP”) and the usTLD Policy, the Panel will draw upon UDRP precedent as applicable in rendering its decision.

Identical and/or Confusingly Similar

Complainant has provided evidence of multiple registrations of the ILLY mark with the Italian Trademark Authority (e.g., Reg. No. 587,028 issued February 10, 1993). The Panel finds these registrations satisfy Policy ¶4(a)(i) and also find it establishes Complainant’s rights in its ILLY mark. *See Koninklijke KPN N.V. v. Telepathy Inc.*, D2001-0217 (WIPO May 7, 2001) (finding that the Policy does not require that the mark be registered in the country in which the respondent operates; therefore it is sufficient that the complainant can demonstrate a mark in some jurisdiction); *see also KCTS Television Inc. v. Get-on-the-Web Ltd.*, D2001-0154 (WIPO Apr. 20, 2001) (holding that it does not matter for the purpose of paragraph 4(a)(i) of the Policy whether the complainant’s mark is registered in a country other than that of the respondent’s place of business).

Respondent’s <illy.us> domain name is identical to Complainant’s ILLY mark pursuant to Policy ¶4(a)(i). The Panel finds Respondent’s disputed domain name contains Complainant’s mark in its entirety and adds the country-code top-level domain (“ccTLD”) “.us.” The Panel finds the addition of a ccTLD is irrelevant in distinguishing a disputed domain name from a registered mark. *See Lifetouch, Inc. v. Fox Photographics*, FA 414667 (Nat. Arb. Forum Mar. 21, 2005) (“The addition of ‘.us’ to a mark fails to distinguish the domain name from the mark pursuant to the Policy.”); *see also Tropar Mfg. Co. v. TSB*, FA 127701 (Nat. Arb. Forum Dec. 4, 2002) (finding that since the addition of the country-code “.us” fails to add any distinguishing characteristic to the domain name, the <tropar.us> domain name is identical to the complainant’s TROPAR mark). Therefore, pursuant to Policy ¶4(a)(i) the Panel finds Respondent’s <illy.us> domain name is identical to Complainant’s ILLY mark.

The Panel finds Policy ¶4(a)(i) satisfied.

Rights or Legitimate Interests

Complainant must first make a *prima facie* case Respondent lacks rights and legitimate interests in the disputed domain name under Policy ¶4(a)(ii), and then the burden shifts to Respondent to show he has rights or legitimate interests. *See Hanna-Barbera Prods., Inc. v. Entm’t Commentaries*, FA 741828 (Nat. Arb. Forum Aug. 18, 2006) (holding that the complainant must first make a *prima facie* case that the respondent lacks rights and

legitimate interests in the disputed domain name under UDRP ¶4(a)(ii) before the burden shifts to the respondent to show that it does have rights or legitimate interests in a domain name); *see also AOL LLC v. Gerberg*, FA 780200 (Nat. Arb. Forum Sept. 25, 2006) (“Complainant must first make a prima facie showing that Respondent does not have rights or legitimate interest in the subject domain names, which burden is light. If Complainant satisfies its burden, then the burden shifts to Respondent to show that it does have rights or legitimate interests in the subject domain names.”).

The Panel finds Respondent has not presented any evidence demonstrating he is the owner or beneficiary of a mark identical to the <illy.us> domain name. The ILLY mark is famous in Respondent’s geographical area. Therefore, the Panel finds Respondent cannot satisfy Policy ¶4(c)(ii). *See Meow Media Inc. v. Basil*, FA 113280 (Nat. Arb. Forum Aug. 20, 2002) (finding that there was no evidence that the respondent was the owner or beneficiary of a mark that is identical to the <persiankitty.com> domain name); *see also Pepsico, Inc. v. Becky*, FA 117014 (Nat. Arb. Forum Sept. 3, 2002) (holding that because the respondent did not own any trademarks or service marks reflecting the <pepsicola.us> domain name, it had no rights or legitimate interests pursuant to Policy ¶4(c)(i)).

Complainant contends Respondent is neither commonly known by nor licensed to register the disputed domain name. Respondent’s WHOIS information identifies registrant as “Esteban c/o Esteban Remezc.” The Panel finds, absent any affirmative evidence, Respondent is not commonly known by the disputed domain name. Therefore, pursuant to Policy ¶4(c)(iii), the Panel finds Respondent lacks rights and legitimate interests in the disputed domain name. *See IndyMac Bank F.S.B. v. Eshback*, FA 830934 (Nat. Arb. Forum Dec. 7, 2006) (finding that the respondent failed to establish rights and legitimate interests in the <emitmortgage.com> domain name as the respondent was not authorized to register domain names featuring the complainant’s mark and failed to submit evidence of that it is commonly known by the disputed domain name); *see also St. Lawrence Univ. v. Nextnet Tech*, FA 881234 (Nat. Arb. Forum Feb. 21, 2007) (concluding a respondent has no rights or legitimate interests in a disputed domain name where there was no evidence in the record indicating that the respondent was commonly known by the disputed domain name).

Complainant presents evidence that Respondent’s disputed domain name resolves to an error message. The Panel may find that Respondent’s failure to make an active use of the disputed domain name is not a *bona fide* offering of goods and services pursuant to Policy ¶4(c)(ii), nor a legitimate noncommercial or fair use pursuant to Policy ¶4(c)(iv). *See George Weston Bakeries Inc. v. McBroom*, FA 933276 (Nat. Arb. Forum Apr. 25, 2007) (finding that the respondent had no rights or legitimate interests in a domain name under either UDRP ¶4(c)(i) or UDRP ¶4(c)(iii) where it failed to make any active use of the domain name); *see also VICORP Rests., Inc. v. Paradigm Techs. Inc.*, FA 702527 (Nat. Arb. Forum June 21, 2006) (finding that the respondent’s failure to use the disputed domain name for several years was not a *bona fide* offering of goods or services pursuant to UDRP ¶4(c)(i) or a legitimate noncommercial or fair use pursuant to UDRP ¶4(c)(iii)).

The Panel finds Policy ¶4(a)(ii) satisfied.

Registration and Use in Bad Faith

A finding of bad faith registration and use under Policy ¶4(a)(iii) is not limited to those instances enumerated in Policy ¶4(b). *See Digi Int'l Inc. v. DDI Sys.*, FA 124506 (Nat. Arb. Forum Oct. 24, 2002) (determining that UDRP ¶4(b) sets forth certain circumstances, without limitation, that shall be evidence of registration and use of a domain name in bad faith); *see also Do The Hustle, LLC v. Tropic Web*, D2000-0624 (WIPO Aug. 21, 2000) (“[T]he examples [of bad faith] in UDRP ¶4(b) are intended to be illustrative, rather than exclusive.”).

Complainant argues that Respondent’s failure to make an active use of the disputed domain name is evidence of bad faith. Coupled with the famous name of the mark in Respondent’s geographical area, the Panel finds Respondent’s non-use constitutes bad faith registration or use under Policy ¶4(a)(iii). *See Caravan Club v. Mrgsale*, FA 95314 (Nat. Arb. Forum Aug. 30, 2000) (finding that the respondent made no use of the domain name or website that connects with the domain name, and that failure to make an active use of a domain name permits an inference of registration and use in bad faith); *see also Clerical Med. Inv. Group Ltd. v. Clericalmedical.com*, D2000-1228 (WIPO Nov. 28, 2000) (finding that merely holding an infringing domain name without active use can constitute use in bad faith).

This is a United States country code top level domain name. Registration requires:

- “1. A natural person (i) who is a United States citizen, (ii) who is a permanent resident of the United States of America or any of its possessions or territories, or (iii) whose primary place of domicile is in the United States of America or any of its possessions [Nexus Category 1],
2. A United States entity or organization that is (i) incorporated within one of the fifty (50) U.S. states, the District of Columbia, or any of the United States possessions or territories, or (ii) organized or otherwise constituted under the laws of a state of the United States of America, the District of Columbia or any of its possessions or territories (including a federal, state, or local government of the United States or a political subdivision thereof, and non-commercial organizations based in the United States) [Nexus Category 2], or
3. A foreign entity or organization that has a bona fide presence in the United States of America or any of its possessions or territories [Nexus Category 3].”

At the time of Registration, Respondent was not a United States citizen. Respondent was not a permanent resident of the United States. Respondent was not primarily domiciled in the United States. At the time of registration, Respondent was not an entity or

organization. Given these circumstances, Respondent did not register the domain name in good faith because these are all requirements for the United States country top level domain.

The Panel finds Policy ¶4(a)(iii) satisfied.

DECISION

Having established all three elements required under the usTLD Policy, the Panel concludes that relief shall be **GRANTED**.

Accordingly, it is Ordered that the <il.ly.us> domain name be **TRANSFERRED** from Respondent to Complainant.



Houston Putnam Lowry, Esq.
Arbitrator

Houston Putnam Lowry, Chartered Arbitrator, Panelist
Dated: December 22, 2009

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