



## NATIONAL ARBITRATION FORUM

### DECISION

RE/MAX International Inc. v. NCR Northcoast Realty  
Claim Number: FA0906001266756

#### PARTIES

Complainant is **RE/MAX International Inc.** (“Complainant”), represented by **Adam Lindquist Scoville**, of **RE/MAX International Inc.**, Colorado, USA. Respondent is **NCR Northcoast Realty** (“Respondent”), represented by **Darren Spielman**, of **Kain & Associates, Attorneys at Law**, Florida, USA.

#### REGISTRAR AND DISPUTED DOMAIN NAME

The domain name at issue is <**remaxnorthcoast.com**>, registered with **GoDaddy.com, Inc.**

#### PANEL

The undersigned certify that they have acted independently and impartially and to the best of their knowledge have no known conflict in serving as Panelists in this proceeding.

Houston Putnam Lowry, David S. Safran, and Mark McCormick, Chair, as Panelists.

#### PROCEDURAL HISTORY

Complainant submitted a Complaint to the National Arbitration Forum electronically on June 4, 2009; the National Arbitration Forum received a hard copy of the Complaint on June 5, 2009.

On June 5, 2009, GoDaddy.com, Inc. confirmed by e-mail to the National Arbitration Forum that the <**remaxnorthcoast.com**> domain name is registered with GoDaddy.com, Inc. and that the Respondent is the current registrant of the name. GoDaddy.com, Inc. has verified that Respondent is bound by the GoDaddy.com, Inc. registration agreement and has thereby agreed to resolve domain-name disputes brought by third parties in accordance with ICANN’s Uniform Domain Name Dispute Resolution Policy (the “Policy”).

On June 8, 2009, a Notification of Complaint and Commencement of Administrative Proceeding (the “Commencement Notification”), setting a deadline of June 29, 2009 by which Respondent could file a Response to the Complaint, was transmitted to Respondent via e-mail, post and fax, to all entities and persons listed on Respondent’s registration as technical, administrative and billing contacts, and to postmaster@remaxnorthcoast.com by e-mail.

A timely Response was received and determined to be complete on July 10, 2009.

Complainant filed a timely Additional Submission on July 15, 2009. Respondent filed a timely Additional Submission on July 20, 2009.

On July 21, 2009, pursuant to Complainant's request to have the dispute decided by a three-member Panel, the National Arbitration Forum appointed Houston Putnam Lowry, David S. Safran, and Mark McCormick, Chair, as Panelists.

### **RELIEF SOUGHT**

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

### **PARTIES' CONTENTIONS**

#### **A. Complainant**

Complainant RE/MAX International, Inc. contends that it holds exclusive trademark and service mark rights in the marks RE/MAX and REMAX through which it has provided real estate brokerage services to the public since 1973. Complainant alleges (1) that it also holds registration of the RE/MAX mark in many foreign countries, including the Dominican Republic, where Respondent NCR Northcoast Realty conducts its real estate business; (2) that it has spent billions of dollars since 1973 in promoting its marks; (3) that the marks have become widely and favorably known through use in representing the buyer or seller more than 20 million times in real estate transactions; and (4) that the marks are of great value to Complainant and are famous marks within the meaning of applicable law. Complainant registered the domain name <remax.com> in 1995 and operates an Internet website identified by that name.

In asserting that Respondent's <remaxnorthcoast.com> domain name is confusingly similar to its RE/MAX marks and its domain name, Complainant relies on the fact that Respondent's domain name contains the RE/MAX mark in its entirety along with geographical descriptors "north" and "coast," which refer to the north coast of the Dominican Republic, where Respondent does business. Complainant contends that the likelihood of confusion is increased because Respondent offers competing real estate services.

Complainant contends that Respondent has no trademark or intellectual property rights in the disputed domain name, that Respondent is not commonly known by the domain name, that Respondent is not making a noncommercial or fair use of the domain name, that such use has never been *bona fide*, and that although its principal John J. Bommarito previously held a RE/MAX franchise that circumstance does not give Respondent, which is an entity and not Bommarito, the right to own and use a domain name containing the RE/MAX marks. Complainant asserts that even if the RE/MAX franchise was considered to have been held by Respondent, the use of the RE/MAX marks after termination of the franchise and in the manner shown violated the franchise agreement.

Complainant also contends that Respondent registered and is using the domain name in bad faith on grounds (1) that Bommarito's registration of the domain name violated the standard governing the format of domain names in Complainant's trademark standards manual; (2) that Respondent is an entity and had no right in the mark and no authority to register or use the mark after termination of the franchise agreement; and (3) that Respondent has extensively used the domain name to attract Internet users to Respondent's competing website by creating a likelihood of confusion regarding the source, sponsorship or application of Respondent's website, thereby disrupting Complainant's business.

#### B. Respondent

Respondent contends that Complainant brought an action in the Dominican Republic against its former franchisee Bommarito in which Complainant asserted the same intellectual property rights as are involved here. The action was decided adversely to Complainant, and the decision was upheld on appeal. Respondent contends that the ruling bars Complainant's present action on grounds of *res judicata* and estoppel.

On the merits, Respondent contends that it has common law rights in the NORTHCOAST REALTY mark from having used it for real estate sales in the Dominican Republic since 1995. Respondent alleges that turning over that mark to Complainant would cause significant confusion in the marketplace.

Respondent contends that even though John J. Bommarito registered the mark and was Complainant's franchisee he is one and the same as Respondent because he is its majority owner and "remains the actual owner of the disputed domain name and NCR Northcoast Realty's business." Respondent also contends it was entitled to register the domain name and that Complainant acquiesced in its use during the period of the franchise and waited until five years after termination of the franchise to bring the present action, allowing Respondent to acquire legitimate rights in the domain name which are entitled to protection. Respondent also contends that the case involves a business dispute that is outside the scope of the Uniform Domain Name Dispute Resolution Policy.

Regarding bad faith, Respondent contends that it registered and used the disputed domain name for six years for a legitimate business under a franchise agreement with Complainant, such that Complainant cannot prove bad faith registration and use. Respondent contends that its good faith registration is sufficient to bar the action even if its use of the domain name as a later time became unauthorized.

Respondent also contends that Complainant has engaged in reverse domain name hijacking.

### C. Additional Submissions

Complainant in its Additional Submission contends that this action is not barred by dismissal of its lawsuit against Bommarito in the Dominican Republic because the Dominican lawsuit did not involve ownership of the disputed domain name and because the court did not in that lawsuit rule on the merits of the case. Complainant also contends that Respondent's contentions relating to confusing similarity and absence of rights or legitimate interests in the domain name are insufficient under ICANN Policy ¶¶4(a)(i) and 4(a)(ii). Regarding bad faith, Complainant asserts that Respondent is currently using the domain name in bad faith, regardless of its use previously. Complainant alleges Respondent's bad faith registration of the domain name because (1) the disputed domain name was not in the format required by the franchise standard; (2) Respondent is an entity that had no authority to register the domain name; (3) the registration was outside the scope of the franchise; (4) Respondent was in bad faith both when the registration was filed and when the present Complaint was filed; (5) Respondent offered after the Complaint was filed to transfer the domain name to Complainant for an amount far in excess of Respondent's out-of-pocket costs; and (6) Respondent NCR Northcoast Realty, as distinct from John J. Bommarito, acquired the disputed domain name in bad faith at or shortly after termination of Bommarito's franchise. Complainant further alleges that Respondent's bad faith is shown by its providing of false and misleading Whois information.

Complainant denies that Respondent could acquire common law rights in the geographically descriptive term "NORTHCOAST," denies that the requested transfer is barred by laches and denies that it engaged in reverse domain name hijacking.

Respondent in its Additional Submission rejects most of the arguments of Complainant as having been answered in the Response or as being beyond the scope of the Policy. Respondent also contends that its settlement offer was not made in bad faith because it occurred after the Complaint was filed and because Respondent registered the domain name in good faith for use under the franchise agreement and not to sell it.

### **FINDINGS**

Complainant owns trademark and service mark rights in the RE/MAX and REMAX marks through which it has provided real estate services to the public since 1973. It has such rights in the Dominican Republic. Complainant also owns the domain name <remax.com> which it registered in 1995. John J. Bommarito (with his wife) entered a franchise agreement with Complainant on January 25, 1993 and remained in that status until the agreement was terminated effective July 19, 2004. The franchise agreement permitted Bommarito to operate a real estate business in the north coast of the Dominican Republic and to use the trade name REMAX NORTHCOAST in the business.

Bommarito registered the domain name <remaxnorthcoast.com> on June 15, 1998, and he maintained a website under that name for the duration of his franchise. The disputed domain name was not in the format required by Complainant trademark standards

manual. No evidence exists that Complainant knew of Bommarito's registration and use of the domain name or that Complainant acquiesced in its use.

Respondent NCR Northcoast Realty continued use of the disputed domain name on its website in connection with its real estate business in the north coast of the Dominican Republic after the termination of Bommarito's franchise. Bommarito has been identified by Respondent as a "principal" or majority shareholder of Respondent. Information from the Whois record gives a Miami, Florida address for NCR Northcoast Realty and identifies John Bommarito as its administrative and technical contact.

Complainant after termination of the franchise sued Bommarito in the Dominican Republic for alleged violations of law under a Dominican statute dealing with industrial property, including intellectual property rights. Complainant missed a deadline for the filing of its written evidence in the lawsuit, and the court held the evidence was inadmissible. As a result, the court on February 19, 2007 dismissed Complainant's lawsuit. Complainant appealed, but the appellate court upheld the lower court decision.

Respondent has continued to use the disputed domain name to attract Internet users to its website in connection with its services in brokering real estate purchases and sales in the north coast of the Dominican Republic. In doing so, Respondent competes in the real estate business in that location with Complainant.

After commencement of the present proceeding, Bommarito notified the FORUM that he no longer owned the Respondent business but sold his interests, including ownership of the disputed domain name, in October 2008. Also, subsequent to the filing and service of the Complainant, Bommarito made an offer to Complainant's counsel to transfer the disputed domain name to Complainant for \$75,000. Complainant did not accept the offer.

## **DISCUSSION**

As a preliminary matter, the panel must address Respondent's contention that the present case is barred by doctrines of res judicata and collateral estoppel based on Complainant's unsuccessful litigation in the Dominican Republic under that nation's Industrial Property Law.

Respondent also contends that the present dispute is a business dispute that is outside the scope of the UDRP.

Respondent has not shown that Complainant either did or could have made a claim in its Dominican Republic lawsuit regarding ownership of the disputed domain name. Moreover, Respondent has not established that the Dominican court made a decision on the merits of the case. Respondent thus has failed to meet the standard governing res judicata and collateral estoppel. *See Costello v. United States*, 36 U.S. 285-86 (1961); *Restatement (Second) of Judgments*, §20 (1982).

Respondent has also failed to demonstrate that this action is outside the scope of the UDRP. Complainant has alleged facts that create issues under ICANN Policy ¶¶4(a)(i), 4(a)(ii) and 4(a)(iii). This action is squarely within the scope of the UDRP. *See Weber-Stephen Prod. Co. v. Armitage Hardware*, D2000-0187 (WIPO May 11, 2000).

The panel finds that the Complaint is not barred by res judicata or collateral estoppel and that the Complaint makes allegations that are within the panel's jurisdiction.

Paragraph 15(a) of the Rules for Uniform Domain Name Dispute Resolution Policy (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 and is being used in bad faith.

### **Identical and/or Confusingly Similar**

Complainant's registrations of its RE/MAX marks with governmental trademark authorities, including the Dominican Republic, establish its rights in the RE/MAX mark under Policy ¶4(a)(i). *See Microsoft Corp. v. Burkes*, FA 652743 (Nat. Arb. Forum Apr. 17, 2006). The disputed domain name contains Complainant's RE/MAX mark with the omission of the "/" element, addition of the geographical descriptors "north" and "coast" and addition of the top-level domain ".com." These differences do not sufficiently distinguish the disputed domain name from Complainant's mark. The panel finds that the disputed domain name is confusingly similar to Complainant's RE/MAX mark within the meaning of Policy ¶4(a)(i). *See Gannett Co. v. Chan*, D2004-0117 (WIPO Apr. 8, 2004); *Rollerblade, Inc. v. McCrady*, D2000-0429 (WIPO June 25, 2000).

### **Rights or Legitimate Interests**

Complainant has made a *prima facie* case that Respondent lacks rights and legitimate interests in the disputed domain name. The burden thus is on Respondent to show it does have rights and legitimate interests. *See Hanna-Barbera Prods., Inc. v. Entm't Commentaries*, FA 741828 (Nat. Arb. Forum August 18, 2006).

Respondent urges that it had rights and legitimate interests in the disputed name during the period Bommarito held a RE/MAX franchise and that the present dispute merely involves a contractual dispute regarding its right to continue to use the domain name after the termination of the franchise. The record does not support Respondent's contention. The record contains no evidence that an entity called NCR Northcoast Realty ever had a right to use the RE/MAX mark. Nor is there any evidence Complainant knew of Bommarito's registration and use of the domain name during the period of the franchise, and therefore there is no evidence that Complainant acquiesced even in its registration and use by him. Moreover, the domain name did not conform to the standard governing format of domain names in Complainant's trademark manual.

No doubt exists that Bommarito's right to use the RE/MAX mark terminated when the franchise terminated. Nevertheless Respondent has since termination of the franchise used the disputed domain name in furtherance of its real estate business and in competition with Complainant. This use is not a *bona fide* offering of goods and services. See *Am. Int'l Group, Inc. v. Benjamin*, FA 944242 (Nat. Arb. Forum May 11, 2007).

Under this record, Complainant has established that Respondent has no rights or legitimate interests in the disputed <**remaxnorthcoast.com**> domain name within the meaning of Policy ¶4(a)(ii). See *DLJ Long Term Inv. Corp. v. BargainDomainNames.com*, FA 104580 (Nat. Arb. Forum April 9, 2002).

### **Registration and Use in Bad Faith**

The disputed domain name was registered by Bommarito individually, not by an entity called NCR Northcoast Realty. Even though Respondent contends it is "ridiculous" to distinguish between Bommarito and an entity in which he asserted he was majority shareholder, the assertion of shareholder status itself demonstrates that the NCR Northcoast Realty name is not an assumed name of Bommarito. Moreover, when served with the Complaint in this case, Bommarito asserted in an e-mail to the case administrator that "I am no longer the current owner. I have sold the interests and the company that owns the domain name remaxnorthcoast.com as of October 2008 . . . ." It appears that Bommarito has engaged in a shell game regarding the identity of NCR Northcoast Realty and his relationship to it. The Panel finds that the disputed domain name was not initially registered by NCR Northcoast Realty, the Respondent here. Instead, any interest in the disputed domain name acquired by Respondent arose subsequent to the termination of Bommarito's franchise. Respondent has used the disputed domain name since then to divert Complainant's customers to Respondent's competing business. This diversion establishes Respondent's bad faith registration and use of the domain name under Policy ¶4(a)(iii). See *DatingDirect.com Ltd. v. Aston*, FA 593977 (Nat. Arb. Forum Dec. 28, 2005).

Even if NCR Northcoast Realty were deemed to be the party that registered the disputed domain name on June 15, 1998, the right to register a domain name was governed by Complainant's trademark manual, and the disputed domain name violates that standard. Therefore, even if Respondent can be deemed to have made the registration, the registration was in bad faith. This fact, coupled with the overwhelming evidence of Respondent's subsequent unlicensed use of the domain name to divert Internet users to Respondent's real estate services in competition with Complainant, is sufficient to prove Respondent's bad faith. *See ERA TM LLC v. Era Sierra Props.*, FA 1239255 (Nat. Arb. Forum. Feb. 18, 2009).

## **DECISION**

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

Accordingly, it is Ordered that the <**remaxnorthcoast.com**> domain name be **TRANSFERRED** from Respondent to Complainant.

  
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Mark McCormick, Esq.  
Arbitrator

Houston Putnam Lowry, David S. Safran, and Mark McCormick, Panelists

Dated: August 4, 2009

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**NATIONAL ARBITRATION FORUM**