

GARAGE DOOR WEBSITE WARS

Domain Name Dispute Yields Lessons

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In the 1990s, most garage door dealers in North America were engaged in an ongoing battle in the Yellow Pages, using every possible method to gain an advantage for their ad's placement. We all knew that consumers were likely to turn to the Yellow Pages when they needed a garage door product or service.

Today, the battle for superior placement is the same, except the battleground is the Internet. Yellow Pages are almost obsolete, and Googling has become the consumer's preferred method of finding a local dealer. Now, dealers are maneuvering for every advantage to achieve top placement in a Google search.

As in the days of the Yellow Pages wars, today's "Garage Door Website Wars" can be fought with improper tactics. That's why we found a recent legal case in Idaho to be so compelling. A closer look at the case reveals several proper and improper methods of waging such a "war."

The details below are based on the final decision issued by the World Intellectual Property Organization on Oct. 7, 2012, and posted on the Internet. Harrie R. Samaras, an experienced arbitrator who has handled more than 80 domain name cases, acted as the administrative panelist who issued the final ruling.

2009: The Conflict Begins

The case is Boise Garage Door v. Sunrise Garage Door, two long-time competitors in the Boise, Idaho, area. Both companies have been in business for decades and are basically 1- or 2-person operations. The conflict began on March 30, 2009, when Sunrise Garage Door registered boisegaragedoor.com as a domain name.

Registering a domain name is a simple and inexpensive procedure, but it can yield big benefits when done strategically to improve your search engine rankings and drive customers to your primary website. In this case, Sunrise set up boisegaragedoor.com so that visitors who went to that address were immediately forwarded to sunrisegaragedoor.com.

Two years later, on July 13, 2011, Boise Garage Door sent a cease and desist letter asking Sunrise to stop using boisegaragedoor.com. But Sunrise did not cease or desist. A year later, on Aug. 17, 2012, Boise had an attorney file its case, requesting that Sunrise Garage Door be forced to transfer the domain name to Boise Garage Door.

The Rules of the Game

There are specific rules that govern activity on the Internet. In this case, the primary governing rules are contained in the Uniform Domain Name Dispute Resolution Policy (UDRP). According to the rules, Boise Garage Door had to prove three elements to win its case:

1. The domain name (boisegaragedoor.com) is identical or confusingly similar to a trademark or service mark in which Boise has legitimate rights.
2. Sunrise has no rights or legitimate interests with respect to the domain name.
3. The domain name has been registered and is being used in bad faith.

A Generic Name or Specific Name?

The problem here may seem obvious. Sunrise clearly used its competitor's name in the domain name. However, Sunrise claimed that "Boise" is a common geographic descriptor and that "garage door" is a common product descriptor, thus boisegaragedoor.com is "merely descriptive" or "the generic name for the goods or services."

Boise Garage Door had to prove that it had established legitimate rights with its company name and that it had acquired a "secondary meaning" for the consuming public. In short, Boise needed to demonstrate that "Boise Garage Door" had become a "distinctive identifier" associated with its company.

In the final decision, Samaras agreed that Boise Garage Door had done so, having demonstrated continuous use of its name for more than 30 years. Additionally, it was deemed significant that the U.S. Patent and Trademark Office was willing to grant Boise Garage Door a trademark for its name. That approval supported Boise's case that its name was a distinctive identifier.

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LESSON #1. If you think that your business name might be used by a competitor in its web marketing or elsewhere, you would do well to secure a trademark or service mark for the name of your company. Registering a trademark shouldn't be expensive, although it's wise to consult a trademark attorney to expedite the process properly.

Proving the Distinctive Use of Your Name

Samaras also concluded that Boise Garage Door's name had indeed "acquired secondary meaning and legally enforceable rights ... through over 30 years of exclusive use and substantial marketing expenditures."

To make this point, Boise explained that it had sold more than \$9 million in products and services over that time and invested more than \$230,000 in advertising, all under the name of "Boise Garage Door."

Sunrise disputed the significance of this, claiming that Boise's "relatively modest levels" of sales (averaging \$265,000/year) and advertising

(averaging \$6,700/year) were not adequate to support Boise's contention that its name had achieved "secondary meaning" in the area. But Samaras ultimately disagreed.

To support its case, Boise even specified the kind of advertising it had used over three decades, citing its radio, television, Yellow Pages, and direct mail ads, and other marketing items such as business cards, invoices, and "approximately 50,000 stickers" placed on new or serviced garage doors.

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LESSON #2. If you need to demonstrate that your company name has achieved legally enforceable rights, be prepared to identify the ways that you have communicated your name to the public. Your case will be stronger if you can produce copies of ads, mailers, stickers, door-hangers, literature, business cards, and invoices.

Establishing Rights

To prove that Sunrise had "rights or legitimate interests" in using boisegaragedoor.com, Sunrise needed to demonstrate:

- (1) its use of the domain name before the dispute, or
- (2) that Sunrise was commonly known by the domain name, or
- (3) that it was making a legitimate noncommercial or fair use of the domain name without intent for commercial gain to intentionally or

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misleadingly direct consumers away from a competitor.

The final ruling determined that Sunrise fell short of demonstrating all three.

Demonstrating “Bad Faith”

The third key issue for Boise Garage Door was demonstrating that Sunrise was using the domain name in “bad faith.” Among other things, this meant that Boise needed to show that Sunrise used the domain name to attract—for commercial gain—Internet users to the Sunrise website “by creating a likelihood of confusion” with Boise Garage Door’s name.

Boise argued that Sunrise had been operating as Sunrise Garage Door for more than 30 years and had no rights or legitimate interests to the boisegaragedoor.com domain. Boise also claimed that Sunrise’s action was “clearly an effort to direct traffic to its own competing website and to divert traffic from (Boise Garage Door), a long-time competitor.”

The Computer Guy Did It

In its defense, Sunrise argued that its purchase of boisegaragedoor.com was a recommendation from a local IT expert who specialized in search engine optimization. The expert’s research (i.e., at alexa.com) revealed that a combination of the terms “garage door” and “Boise” were popular search terms used by garage door customers in the local area.

Sunrise claimed that, at the time of the domain name purchase (March 2009), Boise Garage Door “knew nothing about the Internet or Internet marketing and did not have a Web page.” Sunrise admitted that it also “knew nothing about the Internet,” but was just following the expert’s advice on the best way to attract consumers and increase sales.

However, Samaras declared that “relying on an IT expert does not carry the day here” for Sunrise. As Samaras stated, regardless of where the idea came from, when Internet users entered boisegaragedoor.com to find Boise Garage Door, they were actually taken to Sunrise’s website.

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LESSON #3. Many garage door dealers “know little about the Internet” and are forced to rely on advice from others in their web strategies. Be sure you’re getting advice from seasoned experts who know the legalities involved in Internet commerce and trademark law.

Diverting Business

In furthering its defense, Sunrise argued that it only uses boisegaragedoor.com as a forwarding domain to its primary website at sunrisegaragedoor.com. “Any confusion by potential customers should be resolved the minute the Web page is loaded,” stated Sunrise.

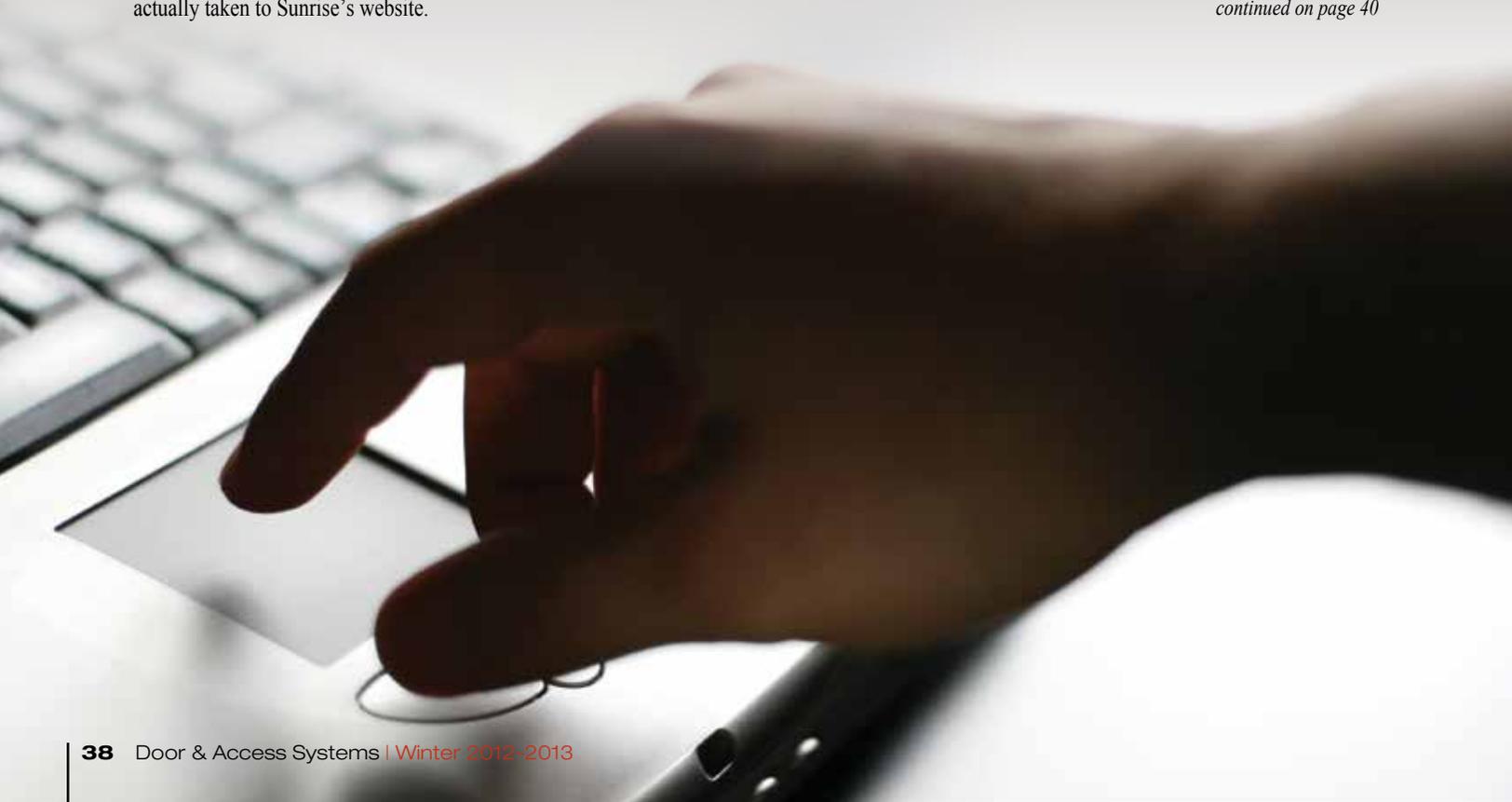
Samaras was less than persuaded by this argument. “The fact that (Sunrise) ‘only’ uses the domain name so that customers or potential customers will end up at its competitive website is not an exculpatory explanation but, rather, an incriminating admission.”

“Be sure you’re getting advice from seasoned experts who know the legalities involved in Internet commerce and trademark law.”

Sunrise further claimed that it had no intention of diverting business from Boise Garage Door. Yet, Samaras stated, Sunrise knew of its competitor’s name as “Boise Garage Door,” and still chose to use boisegaragedoor.com “when it could have used other non-infringing marks to optimize its business on the Internet.”

It also didn’t help Sunrise that it had been asked to cease and desist but refused to do so.

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LESSON #4. If you receive a cease and desist letter, don't just discard it as an insignificant request. Your refusal to respond could be used against you if the conflict escalates.

Creating Confusion

Creating confusion in the marketplace and misleading consumers are two practices that can get advertisers into trouble. In this case, these two factors support the claim of "bad faith." Boise claimed that Sunrise's use of boisegaragedoor.com created "a likelihood of confusion," thus disrupting Boise's business by routing visitors to Sunrise's website.

Samaras did a Google search for "boise garage door" and found that the first result of that search included this text: "Boise Garage Door Experts | Sunrise GarageDoor.com." The panelist said this language was "problematic" and "suggests a misleading association between the two competitors."

"Furthermore," added Samaras, "even if an Internet user investigated and learned that (Sunrise Garage Door's) site was not authorized or operated by (Boise Garage Door), that does not diminish the fact that confusion, or, at a minimum, initial interest confusion, can occur."

Sunrise also attempted to defend itself by noting that metrics from alexa.com showed that boisegaragedoor.com and sunrisegaragedoor.com are frequently found by potential consumers using search phrases that don't include Boise Garage Door's specific name. However, "These results are no justification for registering a domain name that infringes another's trademark rights," concluded Samaras.

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LESSON #5. We've seen many garage door companies use advertising language that is misleading and confusing, improperly luring customers away from competitors. We're also aware of several lawsuits that successfully forced such practices to stop. Avoid such practices. The long-term

damage and costs may greatly outweigh your short-term gain.

End of Story?

On Oct. 7, 2012, Samaras ordered that the domain name boisegaragedoor.com be transferred to Boise Garage Door. But the story doesn't end there.

On Oct. 26, 2012, Sunrise sought to block the domain transfer by filing a lawsuit in the United States District Court for the District of Idaho. The filing had the immediate effect of halting the transfer until the court rendered a final decision.

The new lawsuit repeated many of Sunrise's original arguments and added a few new details. In short, Sunrise sought to demonstrate that its use of boisegaragedoor.com was actually in good faith, not bad.

New Charge: Slander

The suit added an additional issue, claiming that Boise Garage Door "wrongfully, intentionally, and maliciously interfered with Sunrise's ability to market and sell its services by attempting to divert customers through negative online reviews slandering Sunrise and attempting to disrupt their business relations by disparaging Sunrise to its main distributor, their employees, and potential customers."

In this case, the distributor was an Amarr Door Center in the Boise area. The suit alleges that Amarr employees heard Boise Garage Door "admit that he had spoken to 'many' potential customers ... that Sunrise was 'deceitful and fraudulent'" and then "began to direct his slander towards employees of the distributor."

The suit sought to cancel the order to transfer the domain name and asked for an award of "compensatory and punitive damages" and attorney fees. It may be several months before the U.S. District Court issues a final ruling on this lawsuit.

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LESSON #6. Competition in every market is inevitable, and tempers will occasionally flare. Even though the slander charge has not yet been decided in this case, it's always best to avoid badmouthing the competition. As Mark Twain once said, "Anger is an acid that can do more harm to the vessel in which it is stored than to anything on which it is poured." ■

To comment on this story, send an email to the editor at trw@tomwadsworth.com.

THE CASE

Case No.: D2012-1651

File Date: Aug. 17, 2012

Complainant: Boise Garage Door of Eagle, Idaho

Respondent: Sunrise Garage Door of Nampa, Idaho

Venue: WIPO (World Intellectual Property Organization) Arbitration and Mediation Center

Disputed Domain Name: boisegaragedoor.com

At Issue: Sunrise Garage Door has been using the domain name since March 30, 2009.

Primary Governing Rules: Uniform Domain Name Dispute Resolution Policy (UDRP)

Outcome: Administrative Panel Decision

Administrative Panelist: Harrie R. Samaras

Decision Date: Oct. 7, 2012

Decision: Sunrise Garage Door must transfer the domain name to Boise Garage Door.

Decision URL: <http://www.wipo.int/amc/en/domains/search/text.jsp?case=D2012-1651>