

ARBITRATION
AND
MEDIATION CENTER

ADMINISTRATIVE PANEL DECISION

Surterra Holdings, Inc. v. Melissa Trevino Case No. D2024-0265

1. The Parties

Complainant is Surterra Holdings, Inc., United States of America ("United States"), represented by Nelson Mullins Riley & Scarborough, L.L.P., United States.

Respondent is Melissa Trevino, United States.

2. The Domain Names and Registrar

The disputed domain names <noustongoodblend.com>, <katygoodblend.com>, and <texasgoodblend.com> are registered with GoDaddy.com, LLC (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on January 22, 2024. On January 23, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain names. On the same day, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain names, 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 January 24, 2024, 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 January 26, 2024.

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 January 29, 2024. In accordance with the Rules, paragraph 5, the due date for Response was February 18, 2024. Respondent sent an email communication to the Center on February 4, 2024.

The Center appointed Georges Nahitchevansky as the sole panelist in this matter on February 26, 2024. 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, Surterra Holdings, Inc., is a United States-based cannabis company doing business under the name "Parallel". Complainant cultivates, manufactures and sells a variety of cannabis related products and currently operates retail stores or dispensaries under different retail brand names offering a selection of cannabis products in four states, Pennsylvania, Texas, Florida, and Massachusetts. In Florida, for example, Complainant has stores or dispensaries under the name and mark SURTERRA WELLNESS and in Texas, which is of particular relevance in this proceeding, Complainant uses the name and mark GOODBLEND for its retail stores.

Complainant owns a United States trademark registration for GOODBLEND in connection with its retail store services (Registration No. 6502962), which was filed on September 16, 2019 and issued to registration on September 28, 2021 with a claimed first use date of July 14, 2021. Complainant also owns and uses the domain name <goodblend.com> for a website concerning Complainant's medical marijuana products and retail services in Texas under the GOODBLEND name and mark.

Respondent is an individual based in Texas. Respondent appears to be the founder, administrator and/or operator of businesses providing hospice related and medical marijuana services in Texas. Respondent registered the disputed domain names on August 15, 2021. At some point thereafter, the disputed domain names resolved to the Registrar's parked pages with click through advertising links.

On January 25, 2024, three days after the Complaint was filed and after the Registrar disclosed the underlying registrant of the disputed domain names, a representative of Complainant contacted Respondent regarding the disputed domain names and asking that such be transferred to Complainant. On the same day, Respondent sent a response that confirmed Respondent's ownership of the disputed domain names, and which essentially asked that Complainant make an offer to purchase the three domain names from Respondent. No further communications between the parties appear to have occurred in this regard. The disputed domain names currently continue to resolve to the Registrar's parked pages with click through advertising links.

5. Parties' Contentions

A. Complainant

Complainant maintains that it has rights in the GOODBLEND name and mark through its use and registration of the mark. In that regard, Complainant argues that it developed common law rights in GOODBLEND that date back to at least July 14, 2021.

Complainant asserts that the disputed domain names are confusingly similar to Complainant's GOODBLEND mark as they fully consist of the GOODBLEND mark in connection with various geographic terms.

Complainant contends that Respondent lacks rights or legitimate interests in the disputed domain names as Respondent (i) is not commonly known by the disputed domain names, (ii) has not been authorized by Complainant to use the GOODBLEND name and mark, and (iii) has not made any bona fide use of the disputed domain names and simply used them with web pages with pay-per-click links. Complainant also contends that Respondent lacks any legitimate interests in the disputed domain names because they are confusingly similar to Complainant's GOODBLEND mark and thus carry a high degree of risk of implied affiliation with Complainant.

Lastly, Complainant argues that Respondent has registered and used the disputed domain names in bad faith as the disputed domain names fully consist of Complainant's GOODBLEND mark that was known in the medical marijuana field prior to the disputed domain names being registered. Complainant also argues that Respondent's bad faith is further established by the fact that Respondent knew or should have known of Complainant's preexisting rights in the GOODBLEND brand, given Respondent's connection to the medical marijuana industry. In that regard, Complainant notes that Respondent's communication after the Complaint was filed further establish Respondent's bad faith as it shows that Respondent was likely aware of Complainant and registered the disputed domain names to try and sell them to Complainant.

B. Respondent

Respondent did not reply to Complainant's contentions, but sent an email on February 4, 2024 to Complainant's representative and the Center. In that email, Respondent questions Complainant's rights in the GOODBLEND mark, admits to having registered the disputed domain names at least a year earlier, notes that "Goodblends has subleased from one of my businesses for over one year almost two," and offers to resolve the matter through a "business transaction . . . if we can reach an agreed price." In that regard, Respondent asserts that "[a]s a business person it is open game to purchase domains across the board when a company is not trademarked 'federally accepted or recognized' or copyrighted."

In all, Respondent rejects Complainant's claims over the disputed domain names.

6. Discussion and Findings

Under paragraph 4(a) of the Policy, to succeed Complainant must satisfy the Panel that:

- (i) the disputed domain names are 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 disputed domain names; and
- (iii) the disputed domain names have been registered and are being used in bad faith.

A. Identical or Confusingly Similar

It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the complainant's trademark and the disputed domain name. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("WIPO Overview 3.0"), section 1.7.

Here, Complainant has shown rights in respect of the GOODBLEND mark for purposes of the Policy. WIPO Overview 3.0, section 1.2.1. Complainant has provided evidence regarding its use and registration of the GOODBLEND mark.

The Panel finds that the GOODBLEND mark is clearly recognizable within the disputed domain names. Accordingly, the disputed domain names are confusingly similar to Complainant's GOODBLEND mark for purposes of the Policy. WIPO Overview 3.0, section 1.7. Although the addition of geographical terms here, "Texas", "Houston" and "Katy", may bear on assessment of the second and third elements, the Panel finds the addition of such terms does not prevent a finding of confusing similarity between the disputed domain names and the GOODBLEND mark for purposes of the Policy. WIPO Overview 3.0, section 1.8.

The Panel finds the first element of the Policy has been established.

B. Rights or Legitimate Interests

Under paragraph 4(a)(ii) of the Policy, the complainant must make at least a prima facie showing that the respondent possesses no rights or legitimate interests in a disputed domain name. *Malayan Banking Berhad v. Beauty, Success & Truth International*, WIPO Case No. <u>D2008-1393</u>. Once the complainant makes such a prima facie showing, the burden of production shifts to the respondent, though the burden of proof always remains on the complainant. If the respondent fails to come forward with evidence showing rights or legitimate interests, the complainant will have sustained its burden under the second element of the UDRP.

While Complainant's trademark registration for GOODBLEND post-dates the registration of the disputed domain names, an issue that is discussed more fully below, the evidence before the Panel makes it clear that Respondent is, and has been, well aware of Complainant's rights in the GOODBLEND mark and is seeking to profit from the disputed domain names. Respondent, for example, asserts in her email communication of February 4, 2024 that her business and Complainant have had a "great working relationship from point of origin," and that "Goodblends has subleased from one of my businesses for over one year almost two." Such statements from Respondent, who is also in the medicinal marijuana and related services field, make it clear that Respondent has been well aware of Complainant and its GOODBLEND name and mark for some period of time.

To be sure, the fact that Respondent has sought to profit from the disputed domain names by offering them for sale to Complainant does not support a legitimate interest here. Respondent's notion that "[a]s a business person it is open game to purchase domains across the board when a company is not trademarked 'federally accepted or recognized' or copyrighted," is misguided. Beyond the fact that Complainant applied to register the GOODBLEND mark in the United States in 2019 for retail services and ultimately obtained a federal trademark registration for the GOODBLEND mark, Complainant had commenced or made preparations to use the GOODBLEND name and mark for its retail store or dispensary services starting in July 2021. Indeed, in August 2020 it was publicly announced that the Pennsylvania Department of Health had approved Goodblend as a clinical registrant for a medical marijuana research program and there is evidence that in 2015 Goodblend had been licensed in Texas as a provider of medical grade marijuana. In all, what the evidence shows is that Complainant, at the very least, had started to develop common law trademark rights in GOODBLEND or had developed nascent rights in the GOODBLEND name and mark prior to when Respondent registered the disputed domain names.

Respondent appears to ignore the possibility that Complainant had any rights in GOODBLEND simply on the basis that in the United States cannabis or medical marijuana is not legalized on the federal level. But as Respondent likely knows, as someone who operates businesses in Texas related to medical marijuana, many states in the United States, including Texas, have legalized cannabis or medical marijuana for adult use. As such, numerous entities operate legally in the legalized states and have likely developed some trademark rights in the brands associated with their businesses. Indeed, it is doubtful that Respondent would believe she had no rights in the names of her medical marijuana related businesses in Texas or would not object if another party registered domain names based on the very names of her medical marijuana related businesses. Thus, the fact that Respondent has knowingly chosen to register the disputed domain names based on the GOODBLEND name and mark with geographic terms in Texas (that on their face are likely to be seen by consumers as domain names and websites associated with Complainant), and has sought to sell them to Complainant makes it more likely than not that Respondent did so for personal gain and not for any legitimate or bona fide offering of goods or services. The Panel thus concludes that Respondent does not have a right or legitimate interest in the disputed domain names and that none of the circumstances of paragraph 4(c) of the Policy are evident in this case.

¹ In the Complaint, Complainant asserts that the disputed domain names were registered on August 15, 2023. A review of the Whols records provided by Complainant for the disputed domain names (Annex 1), however, show that the disputed domain names were registered on August 15, 2021. While Complainant claims a 2023 registration date for the disputed domain names, Complainant has failed to produce any evidence to support that contention. As such, the Panel will consider the disputed domain names to have been registered on August 15, 2021.

C. Registered and Used in Bad Faith

The Panel notes that, for the purposes of paragraph 4(a)(iii) of the Policy, paragraph 4(b) of the Policy establishes circumstances, in particular, but without limitation, that, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith.

Additionally, under paragraph 4(a)(iii) of the Policy, a complainant must establish the conjunctive requirement that the respondent registered and used the disputed domain name in bad faith. The assessment of whether a disputed domain name was registered in bad faith has to be assessed at the time of the registration of the disputed domain name. WIPO Overview 3.0 at section 3.8.1.

Here, at the time the disputed domain names were registered on August 15, 2021, Complainant's pending trademark application for GOODBLEND had not matured to registration. However, as already noted above, Complainant had adopted and commenced some use of the GOODBLEND mark at least as early as July 2021. The extent of those common law rights is unclear on the record before the Panel, but from what has been submitted it appears that Complainant's adoption of GOODBLEND in connection with its medical marijuana services had been the subject of some public announcements and was likely not unknown to those in the relevant industry. Certainly, Respondent admits to being aware of Complainant and its GOODBLEND name and mark from the "point of origin."

Typically, where a respondent registers a domain name before the complainant's trademark rights accrue, a panel will not find bad faith on the part of a respondent. However, there is a limited exception to the general rule in situations involving an anticipatory registration where it can be shown that a respondent registered a domain in anticipation of and to unfairly capitalize on the nascent trademark rights of another, such as by way of example registering a domain name shortly before a corporate merger, a public announcement, a launch of a new product or to trade on insider information. WIPO Overview 3.0 at section 3.8.2 and cases cited therein.

Here, given Respondent's communications, the Panel can readily conclude that Respondent was well aware of Complainant's GOODBLEND brand when Respondent registered the disputed domain names. Moreover, given that Complainant was licensed in Texas to provide medical grade marijuana products since 2015, and operated in other states on the retail level with dispensaries, it would strain credibility to believe that Respondent, who is in the medical marijuana field, did not know or anticipate that Complainant would ultimately open up dispensaries in Texas under the GOODBLEND name and mark.

That Respondent secretly registered the disputed domain names that each fully incorporate the GOODBLEND name and mark with a geographical reference in Texas, suggests that Respondent did so opportunistically and for the benefit of Respondent, or at the very least to prevent Complainant from registering and using domain names based on the GOODBLEND mark with specific geographic locations in Texas. Respondent's later attempt to sell the disputed domain names to Complainant further emphasizes Respondent's bad faith and the likelihood that Respondent acted to either harm or disrupt Complainant's business or to use the disputed domain names to gain leverage over Complainant and/or to secure a payout.

In sum, Respondent's anticipatory registration of the disputed domain names was done in bad faith.

Accordingly, the Panel finds that Complainant succeeds under this element of the Policy.

7. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain names, <nostongoodblend.com>, <katygoodblend.com> and <texasgoodblend.com>, be transferred to Complainant.

/Georges Nahitchevansky/
Georges Nahitchevansky
Sole Panelist

Date: March 11, 2024