

## **ADMINISTRATIVE PANEL DECISION**

Pools123 Houston LLC v. John J Mehrman, Aquamarine Pools of Texas  
Case No. D2024-1195

### **1. The Parties**

Complainant is Pools123 Houston LLC, United States of America, represented by Chamberlain Hrdlicka, United States of America (“United States”).

The Respondent is John J Mehrman, Aquamarine Pools of Texas, United States, represented by ESQwire.com PC, United States.

### **2. The Domain Name and Registrar**

The disputed domain name <pools123texas.com> 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 March 19, 2024. On March 20, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On March 20, 2024, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent (REGISTRATION PRIVATE DOMAINS BY PROXY, LLC) and contact information in the Complaint. The Center sent an email communication to Complainant on March 21, 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 March 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 March 27, 2024. In accordance with the Rules, paragraph 5, the due date for Response was April 16, 2024. In accordance with paragraph 5(e) of the Rules the Center granted Respondent an extension to file a Response. The new due date for Response was April 26, 2024. The proceeding was suspended on April 23, 2024, and reinstated as of July 9, 2024. The Response was filed with the Center on June 24, 2024.

The Center appointed Frederick M. Abbott, William F. Hamilton, and Steven M. Levy as panelists in this matter on August 16, 2024. The Panel finds that it was properly constituted. Each member of 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.

Respondent by e-mail of April 10, 2024, to the Center requested an extension to file its Response for 10 days beyond the automatic four-day extension based on its recent retention of counsel. By email of April 11, 2024, Complainant objected to that request based on the absence of any extenuating circumstances. Respondent by email of April 11, 2024, replied citing the complexity of the case and Complainant's failure in its Complaint to disclose prior business relations between the parties and the need for Respondent's counsel to confer with its client and confirm facts. The Center granted an extension to Respondent until April 26, 2024.

The parties requested a suspension of the proceedings to discuss settlement on April 22, 2024, which suspension was granted and subsequently extended until June 23, 2024. On June 24, 2024, Respondent filed its Response, which included a request for appointment of a three-member panel as well as for a finding of reverse domain name hijacking (RDNH).

By email of July 23, 2024, Complainant requested an additional suspension of the proceedings to allow continued discussion of settlement possibilities. By email of that same date, Respondent objected to a further suspension, requested that the three-member panel be appointed, and that a decision be rendered on the merits including for a finding of RDNH. Respondent noted that Complainant had been given ample opportunity to withdraw its Complaint during discussions with Respondent's counsel and had refused, requiring Respondent to expend substantial resources in preparing its Response, and only requesting additional suspension following receipt of the Response. Respondent noted in its Response that during the pendency of settlement discussions Complainant had elected to file a complaint in Federal District Court against Respondent regarding the subject matter of this proceeding. Complainant has not referred to that cause of action and neither party has provided details about it.

#### **4. Factual Background**

A Texas Limited Liability Company, Pools123 Houston LLC, is the listed registrant of the service mark POOLS123 on the Principal Register of the United States Patent and Trademark Office (USPTO), registration number 6117335, registration dated August 4, 2020, in international classes 35 and 37, covering, inter alia, distributorships and retail store services featuring pools and spas, and the installation of pools and spas.

Complainant has asserted prominent use of the POOLS123 mark for over four years. The evidence of use provided by Complainant constitutes a pdf image of a webpage identified as "POOLS123". The PDF image does not include a URL showing the respective domain name. Complainant has not provided additional evidence of its commercial activity.

According to the Registrar's verification, Respondent is the registrant of the disputed domain name "pools123texas.com". According to that verification, the disputed domain name was registered on March 7, 2023. There is no indication that any party other than Respondent has owned or controlled the disputed domain name since its initial registration.

Respondent has used the disputed domain name to host a commercial website using the heading "Pools123 Texas" and offering pool design and installation services, including a gallery of various pool designs.<sup>1</sup> Within the body of the website, Respondent refers to itself as Pools123 without the additional "Texas" geographic

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<sup>1</sup>Visit by the Panel chair on August 23, 2023. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (["WIPO Overview 3.0"](#)), section 4.8.

locator. Respondent has provided evidence of its registration of the domain name “pools123.com” based on an invoice dated December 8, 2014, and has alleged that it continues to own and control that domain name. Respondent created a Texas limited liability company, “Pools123 Texas LLC”, on August 30, 2023.<sup>2</sup> Complainant’s Pools123 Houston LLC was created on December 30, 2019, and is owned by partners, or former partners, of Respondent. Each of these entities, among other similarly named entities, was formed by the same attorney that apparently acted in the interests of different partner and former partner clients with respect to similarly branded business operations that at least at some stages worked cooperatively. Respondent has provided evidence that Complainant requested that its POOLS123-branded business be linked to Respondent’s website associated with the disputed domain name, and that leads from the Houston area should be referred to Complainant.

The parties are in dispute regarding ownership of the trademark for POOLS123. Respondent appears to concede that the USPTO trademark registration is in the name of an entity owned by Complainant, but Respondent argues that this formal ownership is inconsistent with a prior understanding with the attorney representing various partners or former partners regarding assignment of the mark to an IP “holding company” that was intended to protect the interests of each of them in the POOLS123 trademark.

Respondent has alleged a long history of association between itself and Complainant (and its owners and former business partners), along with evidence of that association. Respondent makes reference to federal court litigation initiated by Complainant in connection with the subject matter of this dispute, but neither party has provided information about the specific nature of that dispute (or an identifier of litigation filings).

## **5. Parties’ Contentions**

### **A. Complainant**

Complainant contends that it has satisfied each of the elements required under the Policy for a transfer of the disputed domain name.

Notably, Complainant contends that it is owner of a registration at the USPTO of the trademark POOLS123 and that it has used that trademark in commerce. Complainant argues that the disputed domain name is confusingly similar to its trademark.

Complainant contends that Respondent lacks rights or legitimate interests in the disputed domain name because Respondent registered the disputed domain name long after Complainant registered its trademark with the USPTO and began using it. Complainant further alleges that Respondent is not a licensee of Complainant or otherwise authorized to use its mark for any purpose.

Complainant contends that Respondent registered and is using the disputed domain name in bad faith because: (1) Respondent registered the disputed domain name with the intention for commercial gain by creating a likelihood of confusion for consumers with respect to Complainant as to the source of Respondent’s products or services; (2) Respondent is using the disputed domain name to sell the same goods and services as Complainant; (3) Respondent adopted the disputed domain name to take unfair advantage of Complainant’s unique and well-known trademark.

Complainant requests the Panel to direct the Registrar to transfer the disputed domain name to Complainant.

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<sup>2</sup>Respondent asserted that it registered the disputed domain name in September 2023 following creation of the Pools123 Texas LLC, although the Registrar’s verification shows the disputed domain name registered on March 7, 2023. Respondent has provided an invoice dated March 7, 2023, for that registration.

## **B. Respondent**

Respondent contends that Complainant has not satisfied all three of the elements required under the Policy for a transfer of the disputed domain name.

Respondent argues that Complainant's nominal ownership of the POOLS123 trademark reflects work by legal counsel that did not accurately reflect the understanding of various parties with an interest in that trademark, including Respondent, and that the parties intended that Respondent was to be included among the owners or rightsholders in the POOLS123 trademark and brand. Respondent has provided evidence of incorporation of Pools 123 IP Holdings LLC in Texas on November 4, 2022, as supporting this intent. Respondent also alleges that Complainant was aware that Respondent registered and began using the "pools123.com" domain name in 2014.

Respondent alleges that it has legitimate interests in the disputed domain name because it registered the substantially similar <pools123.com> domain name in 2014 and that name was exclusively associated with Respondent until 2020 when Respondent brought others into its business enterprise and allowed them to enjoy limited use of and rights in the POOLS123 mark. Respondent alleges it has engaged in extensive use of "pools123.com" and "pools123texas.com" throughout Texas which more than satisfies the burden of establishing rights or legitimate interests in the disputed domain name.

Respondent contends that it did not register and use the disputed domain name in bad faith because: (1) it registered an LLC using that name shortly before registering the disputed domain name; (2) from 2020 until March, 2024, Respondent worked with Complainant, and leads from Respondent's website were shared with Complainant based on geographic location. Until February 2024 Complainant paid Respondent a monthly fee to be included as part of Respondent's directory phone number. Complainant requested that it be placed on Respondent's website associated with the disputed domain name, and paid Respondent a directory listing fee. "[O]nly after Respondent bought out his prior partners (Complainant's parents), did Complainant begin acting in an irresponsible and bad faith manner which has culminated in this proceeding."

Respondent requests that the Panel make a finding of RDNH because under no reasonable interpretation of the facts could Complainant have successfully made out a case of bad faith registration and use of the disputed domain name by Respondent. Complainant could not have been unaware that Respondent registered and made use of the "pools123.com" domain name, and yet Complainant's counsel, without any supporting evidence, argued in the Complaint that Complainant was owner of that domain name. Even if Complainant's counsel was initially unaware of this fact, it was made aware of it on several occasions by the Respondent's counsel in discussions during the suspension of the case. Yet rather than withdrawing the Complaint, Complainant chose to initiate a separate proceeding in federal court. Complainant's counsel has consistently failed to investigate facts even when placed on notice by Respondent.

## **6. Discussion and Findings**

### **A. Identical or Confusingly Similar**

The Panel finds against Complainant based on its failure to demonstrate Respondent's lack of rights or legitimate interests in the disputed domain name, as well as Complainant's failure to demonstrate Respondent's bad faith registration and use of the disputed domain name. As a matter of administrative panel efficiency, the Panel does not make a determination regarding Complainant's assertion of rights in a trademark or its confusing similarity to the disputed domain name.

### **B. Rights or Legitimate Interests**

The second element of a claim of abusive domain name registration and use is that Respondent has no rights or legitimate interests in respect of the disputed domain name (Policy, paragraph 4(a)(ii)). The Policy enumerates several ways in which a respondent may demonstrate rights or legitimate interests:

“Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of paragraph 4(a)(ii):

- (i) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- (ii) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (iii) you are making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue”. (Policy, paragraph 4(c)).

The complaining party in a UDRP proceeding must demonstrate that a respondent lacks rights or legitimate interests in the disputed domain name. In this proceeding, Complainant has failed to acknowledge the Complainant’s extensive history and commercial relationship with the Respondent or the Complainant’s ownership of the registration of the substantially similar domain name, “pool123.com”, the registration of which substantially preceded Respondent’s registration of the disputed domain name. Even assuming for the sake of argument that Complainant was unaware of the identity of the registrant of the disputed domain name before it filed the Complaint because of a privacy shield, after being notified by the Center of the identity of Respondent, Complainant advised the Center that they would make no substantive change to the Complaint that would in any way acknowledge a history of dealings between Complainant and Respondent.

In contradiction to the Complainant’s bald and misleading claim of ownership of the domain name <pools123.com>, Respondent has provided evidence (a GoDaddy.com invoice) of its ownership of the domain name <pools123.com> dating back to its purchase on December 8, 2014. It has further provided evidence of use in connection with a webpage devoted to the sale of pools back at least to February 2016 (and adopting by November 2016 a format similar to the one in use today). There is thus un rebutted evidence that Respondent owned the domain name <pools123.com> since 2014, and that it operated a website using that domain name at least since early 2016.

The “pools123.com” website continues to operate using the same basic format as it has for several years, although it appears that at or about 2020 there may have been some change regarding what party was managing the leads generated by that site. There is evidence that even through May, 2024, Complainant was making payments to Respondent at least for use of a telephone directory number. It may be that at that stage (based on text messaging regarding linking) Complainant was managing the “pools123.com” website, while Respondent was managing and linking (at Complainant’s request) the “pools123texas.com” website.

It is apparent from the evidence that Respondent was using the domain name “pools123.com” in connection with an active commercial website long before its registration of the disputed domain name, <pools123texas.com>. Respondent was known by the domain name <pools123.com>. The disputed domain name <pools123texas.com> is substantially similar to <pools123.com>. Since <pools123texas.com> is continuing to do business in Texas, as is <pools123.com>, Internet users and consumers would likely presume an association. Respondent has established rights or legitimate interests in the disputed domain name <pools123texas.com> because it has been commonly known by that name, and because it used a corresponding name to make a bona fide offer of goods and services prior to notice of this dispute. [WIPO Overview 3.0](#), sections 2.2 and 2.3.

The Panel finds the second element of the Policy has not been established.

### **C. Registered and Used in Bad Faith**

Paragraph 4(b) of the Policy indicates that certain circumstances may, “in particular but without limitation”, be evidence of the registration and use of a domain name in bad faith. These are “(i) circumstances indicating that [the respondent has] registered or [the respondent has] acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of [the respondent’s] documented out-of-pocket costs directly related to the domain name; (ii) [the respondent has] registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that [the respondent has] engaged in a pattern of such conduct; (iii) [the respondent has] registered the domain name primarily for the purpose of disrupting the business of a competitor; or (iv) by using the domain name, [the respondent has] intentionally attempted to attract, for commercial gain, Internet users to [the respondent’s] web site or other on-line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of [the respondent’s] web site or location or of a product or service on [the respondent’s] web site or location.”

Respondent registered the disputed domain name “pools123texas.com” in March, 2023, after the service mark POOLS123 was registered by Complainant at the USPTO in 2020. The parties are in dispute regarding legal ownership of that mark based, inter alia, on Respondent’s allegations regarding the conduct of the lawyer who prosecuted the trademark registration. Based on its long use of the term “pools123” in connection with its business, Respondent contends that it is the senior user of the POOLS123 mark and that Complainant is a junior user.

Complainant has not made any attempt to rebut the allegations presented by Respondent, or the evidence presented by Respondent. Based on the limited information provided by Complainant in its Complaint, and recognizing that trademark registration establishes a presumption of ownership in favor of the trademark registrant, it is the Panel’s view that Respondent has raised sufficient doubts concerning ownership and exclusive rights in the POOLS123 trademark that a presumption is insufficient in this case to establish Complainant as the senior user of the POOLS123 mark for purposes of determining that registration of the disputed domain name constitutes bad faith conduct on the part of Respondent. Respondent was demonstrably using the term “Pools123” in connection with its business; sufficient to mean that Complainant has not established that Respondent lacks rights or legitimate interests in the disputed domain name. It would be incongruous for the Panel to determine that Respondent had registered the substantially similar disputed domain name in bad faith.

The Panel finds the third element of the Policy has not been established.

### **D. Reverse Domain Name Hijacking**

Paragraph 15(e) of the Rules provides that, if after considering the submissions, the Panel finds that the Complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or to harass the domain-name holder, the Panel shall declare in its decision that the Complaint was brought in bad faith and constitutes an abuse of the administrative proceeding. The mere lack of success of the Complaint is not, on its own, sufficient to constitute reverse domain name hijacking. [WIPO Overview 3.0](#), section 4.16.

Given an apparent long history of dealings between Complainant and its principals, on one side, and Respondent on the other, the Panel considers that Complainant has breached a duty of candor towards the Panel. Complainant failed to acknowledge a history of commercial involvement between the parties and the Complainant’s knowledge that Respondent’s “pools123.com” website long predated their registration of the POOLS123 mark. Complainant must have been aware that Complainant could not establish that Respondent lacked rights or legitimate interests in the disputed domain name well before it refused to withdraw its Complaint during a mutually agreed suspension and this essentially compelled Respondent to expend substantial resources defending a spurious Complaint.

Complainant acted in bad faith and abused this administrative proceeding. The Panel determines that Complainant engaged in Reverse Domain Name Hijacking.

## 7. Decision

For the foregoing reasons, the Complaint is denied. Moreover, the Panel finds that the Complaint has been brought in bad faith and constitutes an attempt at Reverse Domain Name Hijacking.

*/Frederick M. Abbott/*

**Frederick M. Abbott**

Presiding Panelist

*/William F. Hamilton/*

**William F. Hamilton**

Panelist

*/Steven M. Levy/*

**Steven M. Levy**

Panelist

Date: August 30, 2024