CHAPTER 1

COMMERCIALIZATION OF THE INTERNET

UNANTICIPATED CONSEQUENCES

The subject of this book is the clash of trademarks and domain names on the Internet. It addresses an issue endemic to all new inventions: namely, the unanticipated consequences of their exploitation for purposes other than originally intended. There was every reason to believe in 1993 when the World Wide Web[1] was launched into the public domain that its introduction would be a boon for beneficial and profitable uses. Unexpected were other darker uses that brought into the experience violations of third-party rights.

Within a few years of its introduction cyber-space was being referred to as the "Wild, wild west."[2] Opportunists quickly put paid to the belief that the Internet would be a totally orderly and lawful marketplace. By the mid-1990s "cybersquatting" had become an established reality, a scourge within and across national borders. Where parties are as likely to reside in different national jurisdictions than in one, there could be no certainty that courts had the power or legal tools to fashion appropriate remedies for the new tort.

As with new torts generally, the conduct that called for protection and suppression preceded the crafting and enactment of legal mechanisms by a number of years. While cybersquatting has a familial relationship to trademark infringement, trademark and anti-dilution laws were not crafted for relief against cybersquatting.

To this uncertainty about national courts was added the unavailability of any cross border mechanisms for suppressing the new tort. There developed from these concerns an urgency on the part of governments to develop a supranational legal mechanism to counter cybersquatting. The international nature of the tort, though, made the issues for combating it particularly complex.

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1 The brainchild of Tim Berners-Lee a researcher at the CERN physics lab in Switzerland, famous now for its massive particle accelerators, but he did not invent the Internet. Significant contributions were made by scientists in other countries and particularly in the United States.

2 Shamoil Shipchandler, "The Wild Wild Web: Non-Regulation as the Answer to the Regulatory Question," Cornell Int'l L.J., Vol. 33, Issue 2: 2000; see also, Michael Geist, "Law and technology: Why less is more when it comes to internet jurisdiction," Association for Computing Machinery Communications, Vol. 60, No. 1 (2017).

The term "cyber-squatting" entered the judicial vocabulary in the early to mid 1990's but was circulating in common speech years earlier to describe the new tort.[3] It is a combination of an ancient word, squatting, that by the 18th Century came to mean an unauthorized occupation of land, and the prefix from "cybernetics" coined by the scientist Norbert Wiener in his 1948 book *Cybernetics: Or Control and Communication in the Animal and Machine*. The word "cyber" is used to denote topics related to computers and/or networks.

The "squatting" part of the term evokes a real estate infraction: a trespass on someone else's virtual space without legal authority. Where virtual space is concerned, it is both everywhere and nowhere. Its territory is brought into existence through the connectivity of computers. Unlike actual space, virtual space has no boundaries. It is always expanding and never contracting.

One of the great virtues of this new medium allowed people to interact with each other across borders. But just as anyone, anywhere in the world, without oversight or restriction can acquire a domain name in any language and launch it into cyberspace for anyone, anywhere in the world to access, so can that same act have tortious consequences. And because mark owners and registrants may be anywhere no one jurisdiction had authority to remedy claims of trespassing. This demanded crafting new mechanisms to remedy such infringements.

There was at that time no specialized law to apply to this new tort other than legal principles developed under trademark infringement and antidilution laws which in the US are found the Trademark Act of 1946, as amended, the Lanham Act. This, though, amounted to applying law developed for one kind of tort to another kind of tort that demanded a different set of principles and remedies.

Toward a Solution

The global dimension of cybersquatting concentrated policy makers' minds on the steps necessary to achieve their goals. In was already understood that legislative responses alone in any one national jurisdiction would be ineffective to deal with the great number of complaints that were being made. It demanded a treaty-like approach in crafting a solution.

How policy makers got from the first inkling of a clash of trademarks and domain names on the Internet to remedies to combat violation of trademark rights was an inventive leap. I will jump ahead for the moment to introduce the

3 A US district court noted its common use in *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996): "Toeppen is what is commonly referred to as a cyber-squatter. [. . .] These individuals attempt to profit from the Internet by reserving and later reselling or licensing domain names back to the companies that spent millions of dollars developing the goodwill of the trademark."

institutional solution, and then return to discuss the hoops that led to a supranational online arbitral process designed to adjudicate claims of cybersquatting.

The impetus for developing a new arbitral model for combating cybersquatting was initially driven by the US Government through the National Telecommunications and Information Administration (NTIA), an agency within the U.S. Department of Commerce. The urgency for crafting a solution to tackle online tortious conduct is revealed by the rapidity of its accomplishment.

On July 1, 1997, President Clinton directed the Secretary of Commerce "to privatize the domain name system (DNS) in a manner that increases competition and facilitates international participation in its management." The Commerce Department immediately issued a Request for Comments (RFC) on DNS administration. On January 30, 1998, the NTIA issued for comment A Proposal to Improve the Technical Management of Internet Names and Addresses (the "White Paper").[4]

The White Paper recognized that there was a "need to change" the government's approach to the Internet. It proposed the creation of a private sector not-for-profit corporation: thus the emergence later in the year of the Internet Corporation for Assigned Names and Numbers (ICANN). The Government's initiative also included reaching out to the World Intellectual Property Organization (WIPO) to study and recommend an appropriate regime to address domain name disputes. I will summarize its recommendations further below.

The White Paper proposed for discussion a variety of issues relating to DNS management. Specifically:

> (1) [to] develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberpiracy (as opposed to conflicts between trademark holders with legitimate competing rights), (2) recommend a process for protecting famous trademarks in the generic top level domains, and (3) evaluate the effects, based on studies conducted by independent organizations, such as the National Research Council of the National Academy of Sciences, of adding new gTLDs and related dispute resolution procedures on trademark and intellectual property holders.

WIPO studied the issues over a two-year period (1998-1999) and on April 30, 1999 it published its recommendations for an online arbitral proceeding for resolving domain name disputes.[5] In its Executive Summary to this Final Report, WIPO stated;

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4 Statement of Policy on the Management of Internet Names and Addresses, U.S. Department of Commerce, National Telecommunications and Information Administration (June 5, 1998) (White Paper). The Policy is available on the Internet at https://ntia.gov/federal-register-notice/statement-policy-management-internet-names-and-addresses.

> (x) The evidence shows that the experience of the last five years in gTLDs has led to numerous instances of abusive domain name registrations and, consequently, to consumer confusion and an undermining of public trust in the Internet. It has also led to the necessity for intellectual property owners to invest substantial human and financial resources in defending their interests.

ICANN quickly transformed WIPO's recommendations into the Uniform Domain Name Dispute Resolution Policy (UDRP) which it implemented in October 1999, and in which the first decision was filed in January 2000.[6] In November 1999, the US Congress enacted and President Clinton signed into law a national mechanism as an "Act" within the Trademark Act of 1946 (the Lanham Act), the Anticybersquatting Consumer Protection Act (ACPA).[7]

The following chapters concentrate primarily on the UDRP and the jurisprudence developed in that forum, but always keeping in mind the statutory scheme of the ACPA and the developing case law which has been recognized in numerous UDRP decisions.

This is appropriate because the quotidian kind of dispute is tailor-made for summary adjudication under the UDRP. Even if there were a court that had personal jurisdiction over the alleged cybersquatter, it would be cost-prohibitive if that were the only forum in which a remedy could be found.

Cybersquatting: A New Tort

What exactly is cybersquatting? And how is it to be recognized? It is best defined by what it is not. It is not trademark infringement which presupposes a claim for source confusion or dilution of a mark. Rather, the dominant term in describing cybersquatting is an abusive intention to target owners' marks, although it is not *ipso facto* unlawful to register domain names "identical or confusingly similar" to marks.[8]

5 The Management of Internet Names and Addresses: Intellectual Property Issues, Final Report of the World Intellectual Property Organization Internet Domain Name Process (April 30, 1999) (hereafter, the "Final Report").

6 See Kathryn Kleiman, *Crash Goes ICANN's Multistakeholder Model,* American University Washington College of Law (February 2020) (including a personal recollection of the formative period).

7 The WIPO Final Report was also mentioned in the Senate Report summarizing the forthcoming enactment of the ACPA. There was a shared commitment in crafting remedial mechanisms to suppress cybersquatting. The reason for emphasizing that the ACPA is a separate Act is that the infringement of cybersquatting is governed by a different set of rules than other trademark infringements that with the right set of fact could be asserted as separate causes in addition to an action under the ACPA.

8 WIPO Final Final Report, Para. 171(1)(i) recommended "misleadingly similar," but ICANN substituted "confusingly" for "misleadingly." If there is any meaningful difference between the two

WIPO preferred the term "abusive registration" to cybersquatting "[b]ecause of the elastic meaning of cybersquatting in popular terminology." The tort is sufficiently elastic to accommodate a wide range of abusive conduct from the irritating to the criminal.[9] Another Panel has termed it a "conceptual overlap [to trademark infringement]."[10]

The term "cybersquatting is most frequently used to describe the deliberate, bad faith abusive registration of a domain name in violation of rights in trademarks or service marks" (Final Report, 170). It is a specific kind of wrong. Mark holders are entitled by law to exclusive use of their marks in commerce, which includes protection in the virtual marketplace. UDRP proscribes registering and using domain names corresponding to trademarks for the purpose of exploiting their goodwill and reputation for commercial gain at the expense of mark owners and consumers. Exploitation can take a number of different forms.

Lawful registrations describe domain names that have inherent value, principally derived from their semantic and cultural attractiveness and capable of being used without violation of third-party rights. Where value is intrinsic to the lexical worth of the domain name and capable of distinctive associations unrelated to any one complainant, their registrations are regarded as business assets for use or disposition as registrants may decide.

Which registrations are lawful is a question to be pursued in the following chapters, but very briefly: domain names that target famous and well-known marks are generally forfeited unless the registrations are justified (by protected speech, for example, or nominative fair use). But, as the strength of the mark declines to the point where there is no association with any one particular mark owner, the complaints are likely to be dismissed.

A stab at providing a simpler and quicker alternative for alleged "cybersquatting" or "cyber-piracy" (the statutory expression in the ACPA) had initially been implemented in 1995 by Network Solutions Inc. (NSI)[11] the then sole registry/

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adjectives, it has never been debated. Following WIPO's recommendation in Par. 172, ICANN drafted "misleadingly" into the third defense in subparagraph 4(c)(iii): "without intent for commercial gain to misleadingly divert consumer . . . ."

9 The issue was debated by the Majority and Dissent in *Delta Air Transport NV (trading as SN Brussels Airlines) v. Theodule De Souza*, D2003-0372 (WIPO August 5, 2003): "We seem to be in agreement with the learned G. Gervaise Davis III in taking the view that trade mark infringement and abusive registration within the meaning of para 4(a)(iii) of the Policy are two different things. We also concur that the fact that a particular set of facts may constitute trade mark infringement has of itself no bearing on whether it is an abusive registration."

10 *Bilendi SA v. 101 Domain DAS Limited / TÜRKYE BANKASI A.*, DCY2023-0001 (WIPO May 10, 2023), citing *Delta Air Transport* above.

registrar of domain names (not to be confused with the current company of that name). The original NSI was acquired by the company now known as Verisign, Inc. in 2000, the registry of the dot com and dot net top level domains.

The NSI Policy was crafted to provide mark owners with a form of injunctive relief by suspending challenged domain names, arguably at the expense of registrants who were deprived of their property without due process of law. However, because only a court could determine the ultimate question of rights, NSI's limited solution garnered dismal ratings from both mark owners and registrants. The Policy lacked the enforcement tools necessary to make it effective, and during its run it was heavily criticized by both mark owners and domain name registrants.[12]

In any event, upon implementation of the UDRP, the NSI Policy was instantly superseded. As it was expiring, NSI unlocked the suspended domain names for mark owners to take whatever appropriate action they deemed necessary. A number of these cases were filed in US district courts and on appeal forfeitures were affirmed in appellate decisions. Starting in October 1999 (first case filed in December 1999 and decided in January 2000), panelists began adjudicating disputes in greater numbers than have ever been filed in US courts under the ACPA.

As I will discuss further in Chapters 3 and 4 panelists quickly laid down a series of bedrock legal principles that became cornerstones of a jurisprudence of domain names. While most claims result in forfeiture of the disputed domain names for the reasons already discussed, the remaining small percentage are denied for two reasons: 1) claims are outside the scope of the Policy; and 2) respondents either have rights or legitimate interests in the domain name or complainants lack evidence of infringing conduct.[13]

The first category includes presumptive claims of trademark infringement and disputes arising out of business relations. Because they raise complex questions of

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11 Network Solutions' Domain Name Dispute Policy Statement Revision 02 (last modified Sept. 9, 1996. The Policy is no longer available online but a copy is attached as an Appendix to Steven A. McAuley, "The Federal Government Giveth and Taketh Away: How NSI's Domain Name Dispute Policy (Revision 02) Usurps a Domain Name Owner's Fifth Amendment Procedural Due Process," 15 J. Marshall J. Computer & Info. L. 547 (1997).

12 Its shortcomings are described by Carl Oppedahl in his article "Analysis and Suggestions Regarding NSI Domain Name Trademark Dispute Policy," Vol. 7, Issue 1, Article 7 (1996); and the Steven A. McAuley article, *supra* note 18.

13 WIPO in its international role has a continuing interest in UDRP jurisprudence through its publication of an Overview of WIPO Panel Views on Selected UDRP Questions ostensibly through its role as a provider of arbitration services. It designates its current version, Jurisprudential Overview.

rights and liabilities, they are more appropriately resolved in courts of law that have established procedures of discovery and other tools for preparing a case for trial.[14]

These and other complex issues are "entirely misplaced and totally inappropriate for resolution in a domain name dispute proceeding because the UDRP Policy applies only to abusive cybersquatting and nothing else,"*AutoNation Holding Corp. v. Rabea Alawneh*, D2002-0581 (WIPO May 2, 2002) (<autoway.com>):

> ICANN proceedings [. . .] are highly abbreviated with very limited fact finding, are not designed to nor should they be used as a substitute for trademark infringement actions. [. . .] Such issues must be left for judicial review.

And, in *Force Therapeutics, LLC v. Patricia Franklin, University of Massachusetts Medical School*", D2017-2070 (WIPO December 12, 2017) the UDRP "involves a more limited assessment than trademark infringement."

Rather, "[t]he objectives of the Policy are limited," *IAFT International LLC v. Managing Director / Eutopian Holdings*, FA1408001577032 (Forum October 9, 2014) (<iaft.com>). They are

> designed to obviate the need for time-consuming and costly litigation in relatively clear cases of cyber-squatting -- and not intended to thwart every sort of questionable business practice imaginable.

Where the jurisdiction is exceeded, the complaint must be dismissed.

In *Maven Esthetics, LLC v. Diana Roth, The Browtique*, D2021-3499 (WIPO December 18, 2021) the Panel stated that "it renders no opinion on the issue whether Complainant may have a viable trademark infringement claim under the federal Lanham Act." There is properly a forum for these causes but it is not the UDRP.

Indeed: "[A]ssertions of trademark infringement are 'entirely misplaced and totally inappropriate for resolution' in a UDRP proceeding because the Policy applies only to closely defined abusive cybersquatting,'" *James Linlor v. Host Master / McAfee LLC*, FA2202001985124 (Forum March 31, 2022) (<cyberguard.com>), citing earlier authority. The Panel continued:

> The Complaint further lays out arguments arising under the federal Anticybersquatting Consumer Protection Act (ACPA) (15 U.S.C. § 1125(d)) [but] [t]hese arguments are inapposite to a proceeding conducted under the Policy,

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14 This issue will be discussed later in the book, but for example *Airpromote Limited v. Nick Sunnar*, D2021-1544 (WIPO July 13, 2021) (<airpromote.com>): "The issues raised by the parties in the present case arise out of what it now emerges is a complex shareholder/director dispute with the Disputed Domain Name and the Complainant's Website being just a small part of the matters at issue in that dispute. [. . .] [T]he Panel concludes this dispute is not one which is appropriate for determination under the Policy."

which permits the Panel to consider and decide only claims of abusive cybersquatting as specifically contemplated by its terms.

I will develop these issues further in later chapters. The UDRP's narrowness weeds out disputes that properly belong in other fora, but for those within the "narrow class" the UDRP quickly became the forum of choice for adjudicating cybersquatting claims. It opened a floodgate of complaints by a factor significantly greater than has ever been litigated in courts of competent jurisdiction (as many as 100,000 decisions through 2022 as compared with a small fraction of that in US federal courts under the ACPA).

As I earlier noted, the quotidian kind of dispute is tailor-made for the UDRP. The subject matter is narrowed to a single tort, and the proof of it is itself narrowed to a set of highly structured evidentiary demands.[15]

Necessity for the New Legal Mechanisms

The necessity for new legal mechanisms specifically crafted to combat domain name registrations targeting famous and well-known marks will be fleshed out further below. Even before CERN launched the World Wide Web into the public domain the sole registrar NSI began offering domain names in 1985 before the full commercialization of the Internet. In that year it sold five .com domain names; a few more in 1986, and so on through 1993, Within a ten year period from the first domain name registrations, complaints began appearing on the dockets of US federal courts. The need followed upon a dramatic increase in the number of registered domain names between 1985 and 1995.[16]

By 1992, the number of domain name registrations had increased to 16,000 (a laughably small number in comparison with today's registrations in the multi-millions). Small though the numbers were, governments were pressured by a burgeoning of complaints from trade and service mark owners to provide mechanisms and remedial guidelines to protect their statutory rights.

15 The Internet Commerce Association (ICA) publishes a weekly Digest pithily summarizing a handful of decisions. The Digest is free on request: https://www.internetcommerce.org/udrp-case-summaries/. See Author's essays on UDRP decisions at https://circleid.com/members/7816/ from March 2016 through November 2021 when he went into hibernation to complete this book.

16 House Report, pg 6: "A great deal of controversy surrounds trademark rights visa-vis domain names. In the early years of the Internet, when the primary users were academic institutions and government agencies, little concern existed over trademarks and domain names. As the Internet grew, however, the fastest growing number of requests for domain names were in the .com domain because of the explosion of businesses offering products and services on the Internet.

By 1998 the number of domain names had multiplied to 2,154,634 registrations (led by .com with 1,879,501 names).[17] In July of that year WIPO "under[took] an extensive international process of consultations" with the aim of making recommendations acceptable to the global community.

It stated in its Final Report (April 30, 1999):

> 131. Intellectual property right owners have made it clear throughout the WIPO Process that they are incurring significant expenditures to protect and enforce their rights in relation to domain names. Existing mechanisms for resolving conflicts between trademark owners and domain name holders are often viewed as expensive, cumbersome and ineffective.

Further,

> The sheer number of instances precludes many trademark owners from filing multiple suits in one or more national courts. Moreover, registration authorities have frequently been named as parties to the dispute in litigation, exposing them to potential liability and further complicating their task of running the domain name registration process.

The "sheer number of instances" referred to by WIPO is a reflection on the increasing number of domain name registrations. For perspective on this number: Verisign, Inc. the registry for .com and .net reported that "the fourth quarter of 2022 closed with 350.4 million domain name registrations across all top-level domains [including country code registrations which are not subject to the UDRP but actionable under their own separate policies], an increase of 0.5 million domain name registrations, or 0.1%, compared to the third quarter of 2022."

Verisign reported further that domain name registrations have increased by 8.7 million, or 2.6%, year over year. Dot com is by far the leader in the number of registrations at 160.5 million and .net had 13.2 million.[18] Including the new generic TLDs (27.4 million), this puts the number of registered domain names under ICANN's authority and subject to the UDRP around 200 million.

As the number of domain name registrations began increasing in the 1990's, so too did tensions between mark owners and domain name registrants.[19] In its first year of adjudicating claims mark owners filed approximately 3,500 complaints with

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17 In 1995 there were approximately 100,000 domain name. See http://www.zooknic.com/Domains counts.html.

18 Available at: https://www.verisign.com/?dmn=verisgn.com.

19 Final Report, Para. 130: "While the vast majority of domain names are registered in good faith for legitimate reasons, even with enhanced practices designed to reduce tension, disputes are inevitable. Not more than five years ago, before graphical Internet browsers became popular and there was little or no commercial activity on the Internet, a trademark infringement stemming from the registration and use of a domain name was not regarded as a serious issue."

three providers certified by ICANN (the number has risen slowly over the years to over 5,000 complaints (2022) now administered by six certified arbitral service providers situated around the world).

Of these complaints approximately 20% are terminated (most likely settled or withdrawn before submission). Of the balance, 95% or more that proceed to arbitration result in forfeiture (mostly transfers of domain name registrations to the prevailing mark owners and the rest cancelled).

Of the small percentage of complaints denied, a large percentage fail for either insufficiency of proof of cybersquatting or for lacking any actionable claim. In a small percentage of these denials, registrants (respondents in the UDRP proceeding) rebut complainants contentions by proving they have rights or legitimate interests in the disputed domain names. Approximately 12% of these complaints are found to have abused the administrative proceeding and sanctioned for reverse domain name hijacking.

Although dismissals of complaints are only a small percentage of filed cases, they are nevertheless critical to the development of a jurisprudence anticipated by WIPO because, as I will show, contested cases demand a larger repertory of legal principles.

It would surprise no one that given the great number of adjudications some disputes are wrongly decided and domain names forfeited unjustly. While there is no built-in appeal mechanism to the UDRP,[20] the losing party has the right to "appeal" the UDRP award under UDRP 4(k) (discussed in Chapter 2). I use the term "appeal" loosely since challenges to UDRP awards are *de novo* actions in courts of competent jurisdiction. Awards appealed to US courts under the ACPA are discussed in Chapters 19 and 20. As the UDRP is a nonexclusive mechanism, there are no *res judicata* or issue preclusion defenses against challenges to UDRP awards.[21]

When the UDRP was first launched Panels had no cybersquatting law to draw upon other than a few case decisions in US courts and one in the UK. The

20 For mark owners, a challenge in the US would be a complaint in a district court under the Trademark Act of 1964 (as Amended), the Lanham Act (the ACPA is § 1125(d) of the Lanham Act). The ACPA is codified in scattered sections of Title 15 of the United States Code, including 15 U.S.C. §§ 1114(2)(D) and 1125(d). For registrants, their remedies are in the scattered sections, discussed in Chapter 19.

21 However, *res judicata* and issue preclusion do apply as defenses in refiling new complaints to relitigate earlier dismissed UDRP complaints (discussed further in Chapter 12). The Panel in *Grove Broadcasting Co. Ltd. v. Telesystems Commc'ns Ltd.*, D2000-0703 (WIPO November 10, 2000): "In the present situation, there are no Rules relating to a 'reapplication', 'rehearing' or 'reconsideration' of a Complaint. It is therefore appropriate to consider by analogy well-understood rules and principles of law relating to the re-litigation of cases determined after a defended hearing."

jurisprudence that developed and will be discussed in Chapters 3 and 4 is essentially Panel-created law drawn from generally accepted precepts and crafted by panelists to resolve disputes consistent with the guidelines set forth in the Policy. From the start, Panels began defining the different spaces that mark owners and registrants may lawfully occupy. I develop this defining of rights more fully in Chapter 6.

Disputes Over Holding and Using Domain Names

Within a short time following (perhaps even anticipating) the commercialization of the Internet entrepreneurs recognized new business opportunities and began developing models to monetize domain names. There was an immediate branching into two modes of conduct. Registrants of the first branch which we can designate Doppelgangers were intent on exploiting the value of trademarks (the quintessential cybersquatters) and registrants of the other branch were intent on exploiting the value of lexical material for noninfringing domain names (investors). Some registrants, whether intentionally or unwittingly, indulge in both modes.

An early US district court on the cusp of the ACPA recognized that domain names could have value independent of any value attributable to a mark's goodwill. It stated: "[T]here is a lucrative market for certain generic or clever domain names that do not violate a trademark or other right or interest, but are otherwise extremely valuable to Internet entrepreneurs."[22]

The investor business model as the court noted involves arbitraging domain names composed of generic, descriptive, and other lexical variations having no exclusive association with trademarks and using them to either generate income through Pay Per Click (PPC) links consistent with the meaning of the word(s),[23] or leasing or holding them in inventory (warehousing) for future sales. These Internet entrepreneurs began acquiring and warehousing dictionary words, generic combinations, and short strings of letters that over time have contributed to the growth of a substantial secondary market for domain names, discussed in Chapter 18.

There are two other groups of registrants who acquire domain names: either for business purposes to market their own goods and services; or for noncommercial or fair use purposes. The first group likely acquired their domain names from investors or on their own initiative acquired them at domain name auctions, which include public auctions of dropped domain names, of which more in later chapters. Not

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22 *Dorer v. Arel*, 60 F. Supp. 2d 558, 561 (E.D. Va. 1999).

23 While PPC use is looked on unfavorably—PPC links provide "little societal benefit"—it is not evidence of cybersquatting if "the advertising [is] keyed to the descriptive meaning of the domain name," *mVisible Technologies Inc v. Navigation Catalyst Systems Inc*., D2007-1141 (WIPO November 30, 2007). Discussed further in Chapter 10, "*Bona Fide* Use Defense."

surprisingly, tensions among mark owners and domain name registrants increased dramatically as other commercial users (including investors) and non commercial/fair use actors entered the market.

According to scholars who have studied the issue, the growth of domain name acquisitions are exhausting cultural and lexical resources.[24] The concern is most certainly an academic exaggeration, but it would be surprising to learn of any words or letters circulating in any linguistic community that are not locked up in domain names. I will return to this issue in Chapter 7 to talk about the commodification of lexical resources and the ownership of domain names.

But domain names are not owned. They are held for varying periods pursuant to registrar registration agreements and can be lost if agreements are not renewed. A typical registration agreement underscores the consequences of non-renewal. The GoDaddy Registration Agreement states that if the registrant fails to renew the registration agreement "the domain name will be cancelled and you will no longer have use of that name" (Section 3(B)).[25] For a different reason, while mark owners own their marks they cannot own the words they choose to market their goods or services for the reasons discussed in Chapter 6. What they own is a right to a remedy in the event a domain name registrant infringes their statutory rights.

The exercise of this right is evident in the majority of UDRP disputes. The early and still dominant tension between mark owners and registrants involves domain name acquisitions targeting famous and well-known marks. The Doppelgangers are in the business of registering domain names identical or confusingly similar to marks for a variety of purposes that run the gamut of abusive conduct.

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24 Where domain names have not been taken by rights holders, domain investors have registered every word in general and specialized dictionaries as well as surnames and letters/numerals in arbitrary arrangements. According to Verisign's statistics "99% of all registrar searches today [2016] result in a 'domain taken' page.... [O]ut of approximately two billion requests it receives each month to register a .com name, fewer than three million – less than one percent – actually are registered," *Verisign, Inc. v. Xyz.Com LLC*, 848 F.3d 292 (4th Cir. 2017). The authors of *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*, Barton Beebe & Jeanne C. Fromer concluded "that the supply of good trademarks is, in fact, exhaustible and that we have very nearly exhausted it." *Harvard Law Review*, Vol. 131, February 2018, Number 4. Whether this is also true of domain names merits attention, and if true it increases the value of noninfringing names.

25 The GoDaddy Registration Agreement, which is typical of these agreements, reads: "You acknowledge and agree that registration of a domain name does not create any proprietary right for you [. . .] and that the entry of a domain name in the Registry shall not be construed as evidence or ownership of the domain name registered as a domain name." And, as I have already pointed out the right to use the domain name is contingent on renewing the registration prior to expiration. See Chapter 11 ("Acquiring Dropped or Lapsed Domain Names") for another aspect of this issue: Can a domain name inadvertently dropped by failing to renew the registration be reclaimed?

Their specialties have varied over time to include extortion, impersonation, pornography, PPC links to mark owners' competitors (or to non-competitors to strengthen traffic to their websites) and in either or all cases designed to attract visitors through the pretense of having an association with mark owners; and criminal conduct ranging from scamming and spoofing mark owners to fraudulent schemes against consumers. I will pursue these issues further in Chapter 11.

Before there were any protective mechanisms and established remedies, mark owners were hard pressed to protect themselves. If the parties were present in the same jurisdiction they could always initiate litigation. But what legal principles would apply? What court? And what remedies would there be? The "What" and "Where" questions were particularly difficult for parties located in different national jurisdictions or in different regions of larger states. The cost would be prohibitive as well as raising challenging practical and policy issues.

Adding a Statutory Layer Combating Cybersquatting

In a 1999 Report summarizing the proposed ACPA, the Committee of the Judiciary of the US Senate stated that "Current law does not expressly prohibit the act of cybersquatting,"[26] noting that

> [t]his uncertainty as to the trademark law's application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike.

Further,

> Instances of cybersquatting continue to grow each year because there is no clear deterrent and little incentive for cybersquatters to discontinue their abusive practices. While the Federal Trademark Dilution Act [of 1995] has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as case law has developed and now take the necessary precautions to insulate themselves from liability.

The Report also stated: "The bill anticipates a reasonable policy against cybersquatting will apply only to marks registered on the Principal Register of the Patent and Trademark Office in order to promote objective criteria and predictability in the dispute resolution process."[27]

26 Senate Report No. 106-140 (August 5, 1999), pg 7. A similar Report was issued by the House of Representatives, House Report 106-412

27 In practice this has been construed to include unregistered marks found to have acquired distinctiveness by long term use.

The ACPA was added to Section 1125 of the Lanham Act as § 1125(d). Each of the subsections of the statute grants subject matter jurisdiction for different trademark violations: § 1125(a) trademark infringement; § 1125(b) importation of goods into the US; § 1125(c) claims of dilution by blurring and tarnishment; and § 1125(d) Cyber-piracy.[28] Of these four jurisdictional bases of action, the ACPA alone has *in rem* jurisdiction, and thus provides a mechanism for actions against putative defendants (alleged cybersquatters) who cannot be personally brought before the court.[29]

LEGISLATING LAWS TO COMBAT CYBERSQUATTING

WIPO's Study of Policy Questions

Starting from the mid-1990s in the United States a small number of cases were filed in federal district courts alleging abusive registrations of domain names in which courts began grappling with the new tort, distinguishing it from trademark infringement and dilution and beginning the task of identifying fitting legal principles, defining parameters, and applying traditional factors that would justify divesting registrants of their domain names. This was viewed by US Congressional legislators as inadequate, thus the momentum for crafting statutory remedies.

The legislative work proceeded at the same time that WIPO was engaged in debating and producing its Final Report on the management of Internet names and addresses. As the impact on mark owners broadened government leaders began taking notice as I have already outlined. WIPO found that "[t]hese policy questions have new dimensions that are a consequence of the intersection of a global, multipurpose medium, the Internet, with [trademark] systems designed for the physical, territorial world."

It stated in the Executive Summary that

> While designed to serve the function of enabling users to locate computers in an easy manner, domain names have acquired a further significance as business identifiers and, as such, have come into conflict with the system of business identifiers that existed before the arrival of the Internet and that are protected by intellectual property rights.

28 Although so designated in the Statute, cyber-piracy is interchangeable with cybersquatting.

29 The *in rem* feature is not limited to cybersquatting, but extends to other trademark causes. See *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 228 (4th Cir. 2002): "While we consider this to be a close question of statutory interpretation, we ultimately conclude that § 1125(d)(2) is not limited to violations of § 1125(d)(1); it also authorizes in rem actions for certain federal infringement and dilution claims."

The core impetus for undertaking this task was the recognition that cybersquatting was not simply a different version of trademark infringement or dilution but an entirely separate tort requiring new rules tailored to the conduct to be regulated. "[A]ll participants [in the WIPO study] agreed that 'cybersquatting' was wrong" and that "the practice of deliberate abusive registrations of domain names [had to] be suppressed" (*Id.*, 168).

WIPO summarized the tension between trademark and service mark owners and registrants' intent to take advantage of those marks: "[It is] precisely because domain names are easy to remember and to identify" that they

> have come to acquire a supplementary existence as business or personal identifiers. As commercial activities have increased on the Internet, domain names have become part of the standard communication apparatus used by businesses to identify themselves, their products and their activities.

Further,

> It has become apparent to all that a considerable amount of tension has unwittingly been created between, on the one hand, addresses on the Internet in a human-friendly form which carry the power of connotation and identification and, on the other hand, the recognized rights of identification in the real world, consisting of trademarks and other rights of business identification, (Paragraph 122)

It was generally agreed that a mechanism was needed that fairly balanced conflicting interests.

As domain name registrations are not subject to registrar oversight and registrars have no duty to determine whether registrations infringe third-party rights, or even to reject registrations, it was necessary to have a protective mechanism available to mark owners without regard to their national identity. The solution WIPO proposed was "an international adjudicatory procedure where the neutral decision-maker appointed for the dispute would have the power to impose a binding decision on the parties" (*Id.*, 153).

It recommended that the administrative procedure should be mandatory "in the sense that each domain name applicant would, in the domain name registration agreement, be required to submit to the procedure if a claim was initiated against it by a third party" (*Id.,* 158). The recommendations for the scope of the procedure were premised on the need to "strike the right balance between the interests of the domain name holder and any potential third party complainant, and, on the other hand, be consistent with fundamental concerns of fairness, which provide the foundation for existing jurisdictional principles" (*Id.,* 143).

Upon receiving the Final Report, ICANN (with the assistance of WIPO and registrars),[30] transformed WIPO's recommendations into the UDRP which it implemented in October 1999. The ACPA followed a month later. The US Senate underscored the seriousness of the legislation in its report summarizing the bill.[31] It captioned one of its sections: "Encouraging cooperation and fairness in the effort to combat cybersquatting":

> The practice of cybersquatting harms consumers, electronic commerce, and the goodwill equity of valuable U.S. brand names, upon which consumers increasingly rely to locate the true source of genuine goods and services on the Internet.

It underscored that

> Online consumers have a difficult time distinguishing a genuine site from a pirate site, given that often the only indications of source and authenticity of the site, or the goods and services made available thereon, are the graphical interface on the site itself and the Internet address at which it resides.

Significantly, the Report also emphasized the inclusion of amendments to the Lanham Act "to protect the rights of domain name registrants against overreaching trademark owners."

The UDRP and the ACPA are congruent in their condemnation of cybersquatting, and as I have already described, the former has a narrower subject matter jurisdiction: "[T]he procedure would apply only to egregious examples of deliberate violation of well-established rights" (*Id.*, 160) and in paragraph 165 that it was intended "to deal first with the most offensive forms of predatory practices and to establish the procedure on a sound footing."

ICANN followed WIPO's recommendations without significant deviation in describing the jurisdiction of the UDRP. It stated that the process would apply to "a relatively narrow class of cases of 'abusive registrations.'" It "does not extend to cases where a registered domain name is subject to a legitimate dispute." The term "narrow" refers to the class of disputes, although within the narrow class there is a wide range of factual circumstances, as I will illustrate from well-reasoned decisions.

But precisely how narrow the scope is tested in close cases in which Panels have to decide whether the matter belongs in a UDRP proceeding or in a court of law. Not every dispute that might arise over a domain name belongs in a summary proceeding. ICANN closely followed WIPO's recommendation: "[T]he scope of the

30 See Testimony of Francis Gurry (then WIPO Counsel) Before the Subcommittee on Courts and Intellectual Property of the Committee on the Judiciary U.S. House of Representatives Congress of the United States July 28, 1999. Copy available at http://www.wipo.int/amc/en/processes/process1/testimony/.

31 Senate Report No. 106-140 (August 5, 1999). Commenting on the cases reported to the Committee, Senator Hatch quipped that "[t]here are countless other similar examples of so-called 'dot-con' artists who prey on consumer confusion and trade on the goodwill of others," 145 Cong. Rec. S14986-03.

administrative procedure [is] limited to the abusive registration of domain names" (Final Report, 169) and "is defined solely by reference to violations of trademark rights and not by reference to violations of other intellectual property rights, such as personality rights" (*Id*., 135).

Among the questions I will be exploring in the following chapters are: What is the strength of the mark? What goodwill does the mark have and what is its reputation in the market? What evidence is there that the registrant intended to target the mark or exploit its goodwill? What explanation is there for registering a domain name corresponding to a famous or well-known mark? Does the disputed domain name have inherent or independent value or is its value reflected from the goodwill of the mark to which it corresponds?

Mostly cybersquatting is obvious and because the registrations are indefensible they are rarely defended. The law applied to these disputes is mostly formulaic, by which I mean a set of bedrock principles generally applied in the first instance to all disputes without the need for applying richer principles reserved for more complex cases. And as the disputes increase in complexity and respondents challenge contentions of cybersquatting there naturally arises the need for principles especially formulated for those circumstances.

Neither the UDRP nor the ACPA (or other sections of the Lanham Act that apply to domain names) have been amended since their implementation and enactment. However, and speaking only of the UDRP, ICANN formed a working group in 2016 (WG) to examine all the rights protection mechanisms (RPMs) under its umbrella which included a first phase for the Trademark Clearinghouse (TMCH) and the Uniform Rapid Suspension System (URS, implemented in 2013) (the WG recommendations for the URS are discussed in Chapter 15). As of the publication of this book ICANN has not scheduled a resumption date for the phase 2 review of the UDRP and there appears to be no urgency for doing so.

In moving through the book, it will become increasingly clear that the UDRP is suffused with logic, both in its architecture and its evidentiary demands. The architecture that I will discuss in Chapters 9, 10, and 11 is a simple progression from proving a right to commence a proceeding, to proving respondent lacks rights or legitimate interests, and to proving conjunctive bad faith. For each element complainant must adduce evidence sufficient to prove its case. Even if the registration of the disputed domain name may be highly suspicious, that is not grounds to prevail.

Key Feature of the UDRP and ACPA

These two protective mechanisms, the UDRP and the ACPA, are similar in some respects, but differ in others. The differences are underscored by the contrasting models of liability. The remedies of cancellation and transfer are the same (the ACPA adds "forfeiture" which is essentially the outcome of cancellation and transfer) but the UDRP is designed as a conjunctive model of liability and the ACPA is a disjunctive model. The UDRP is purposely limited to a narrow class of complaints of clearly abusive registrations of domain names, while actions commenced in federal court are likely to include claims of trademark infringement and other theories of action.

To prevail under the UDRP the mark owner (designated "complainant") must prove that the registrant (designated "respondent") registered and from inception used the disputed domain name in bad faith; whereas under the ACPA the mark owner must prove the registrant either "register[ed], traffic[ked] in, or use[d] a domain name [in bad faith]."

The difference is in the coordinating conjunction "or" rather than "and." Mark owners suing for trademark infringement or cybersquatting may if the circumstances qualify under the ACPA sue the domain name owner in an *in rem* action. This valuable feature which is implicit in the UDRP[32] is discussed more fully in Chapter 19 for its application in ACPA actions.

The ACPA also differs in that the prevailing party may be entitled to attorney's fees and statutory damages. The latter are generally granted in favor of mark owners for reasons to be discussed in Chapter 20. There is no provision for damages under the UDRP, but there is, as I mentioned, a provision for sanctioning overreaching mark owners for reverse domain name hijacking (discussed in Chapter 17).

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32 See *Mrs. Eva Padberg v. Eurobox Ltd*., D2007-1886 (WIPO March 10, 2008): "[W]hat is important here is that proceedings are brought in respect of the Domain Name and that the procedures are then followed to ensure that the person or persons who are reasonably identifiable as having an interest in that name are properly notified. [. . .] If a parallel is sought in national legal proceedings for this approach, an obvious one here is proceedings in rem"; *National Football League v. Online Marketing International also known as International Marketing Group*, D2008-2006 (WIPO March 2, 2009): "The purpose of the Policy would be defeated altogether if complaints had to be rejected because of such deficiencies in the Whois information, and the absence of registrant information does not prevent registrars from implementing any panel orders for transfer or cancellation such orders effectively operate "in rem" against the disputed domain names themselves"; *Banc of California, N.A. v. kevin heckemeyer*, FA1903001836223 (Forum April 25, 2019): "Since a UDRP proceeding is essentially in rem, focusing on the domain name itself, the Panel elects to follow that approach as well."

REMEDY REGARDLESS OF NATIONAL CERTIFICATION

A Forum for all mark owners

Non-Centric Law

Just as anyone anywhere in the world can register a domain name, no questions asked, so any mark owner in any jurisdiction in the world can challenge that registration for cybersquatting. WIPO recognized that

> A domain name registered in one country can (but does not necessarily) form the basis for activities in another country in which a territorially limited intellectual property right, granted under a legislatively sanctioned system, exists. The domain name can (but does not necessarily) lead to consumer confusion and deception and can (but does not necessarily) infringe the territorially limited intellectual property right. (Final Report, Paragraph 40).

As a result

> the protection and enforcement of recognized territorially limited intellectual property rights can be jeopardized by activities originating under a domain name registration in another jurisdiction, which can create practical difficulties both in relation to the assessment of whether the intellectual property right is being violated and in relation to the enforcement of the intellectual property right against infringing activities. (*Id.*).

The answer to this conundrum, as WIPO anticipated, is the establishment of a neutral body of law that applies regardless of the location of the parties and capable of providing an "expeditious and inexpensive dispute-resolution procedures, which are comprehensive in the sense of providing a single means of resolving a dispute with multiple jurisdictional manifestations" (*Id.*, 133). No complainant is excluded from maintaining a proceeding against any registrant whose domain name it alleges violates its statutory rights. Its claim will be heard and determined on an objective basis of law established under the Policy.

In one of the first cases to address this issue of national law directly, the Panel majority in *Ty Inc. v. Joseph Parvin d/b/a Domains For Sale*, D2000-0688 (WIPO November 9, 2000) (BEANIE BABIES and <ebeaniebabies.com> and three other domains, a case involving US parties) stated that its role is "a limited one, circumscribed by the terms of the Policy and the Uniform Rules." It did not view its "role to be limited by the unavailability of United States style discovery procedures; rather our role is limited by the agreement of the parties to a jurisdiction whose boundaries are the Policy and the Uniform Rules."

In this respect, the UDRP is *sui generis* in being non-centric to any particular national regime of law. In rejecting the minority's view that "as between two U.S. domiciliaries and citizens, this is an un-Constitutional derogation of a U.S. citizen's right to have U.S. law applied to his activities in the U.S.," the *Ty* Panel insisted on "apply[ing] to the facts that [the parties] have submitted or which are publicly known, the Policy, the Uniform Rules, and such principles of law as may assist us."

This does not, of course, discount principles developed by US courts and silently domesticated as UDRP principles as permitted under UDRP Rule 15(a) ("and any rules and principles of law that it deems applicable.") Nor does it discount applying US law to US parties in fair use (free speech) defenses, a controversial issue discussed further in Chapter 4.

I will develop domestication of national law further in later chapters but the essential point of this view is correct:

> The Panel is an international body, not an American centric one. Civil law jurisdictions, which are predominant internationally, do not provide for American type discovery, yet those systems function quite well. In civil law jurisdictions, documentary evidence is given great weight, while oral testimony is given relatively little.

The Panel is not implying that Common law jurisdictions give less weight to documentary evidence, rather it reinforces the Panel's point that for the UDRP the absence of documentary evidence is an unforgivable deficiency.

This is pointedly illustrated in a 2023 decision involving a Swiss company and a US respondent. The Complainant claimed that its mark, METCO, was well known but it "has not provided any evidence regarding the reputation of its mark as of 1995 even within [its niche] industrial context, let alone amongst the general public." The Panel stated: "[It] is not prepared to draw such an inference in the absence of a dated Internet search provided by the Complainant."[33]

In a significant percentage of claims, respondents are US based and the disputed domain names are dot coms, but wherever either party is domiciled UDRP law applies, not local law. I would like to illustrate application of UDRP law by first examining some cases initiated by complainants domiciled in jurisdictions other than the US, although by far most claims of cybersquatting come from US based mark owners. Complainants prevail when their documentary evidence supports their contentions, and they lose if their evidence is deficient in establishing the material facts of their claims.

The Canadian Respondent in *The Vanguard Group, Inc. v. AD-X Network, Inc*., D2000-0942 (WIPO October 18, 2000) (US Complainant)) was dismissive of the reach of the UDRP. It did not respond to the complaint because he (stated) he did not believe it was possible he could be subject to UDRP law. He appeared

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33 *Oerlikon Surface Solutions AG v. Bonded Labs, Bonded Labs*, D2022 -3934 (WIPO January 5, 2023).

through an informal email in response to receiving the complaint: “You are out of your mind [. . .]. Your United States Patent and Trademark is not valid in Canada.” The Panel disagreed and held that the disputed domain <fundfinder.com> was registered and is being used in bad faith and awarded the disputed domain name to Complainant.[34]

Parties Located in Different National Jurisdictions

Speaking generally, trademarks have currency territorially in the jurisdictions in which they are certified. Whether and to what extent a mark travels to another jurisdiction is a question significant to the outcome of a case and will be discussed throughout the book, but that marks may have resonance in the country in which they are registered does not assure they do where the domain name registrant is located.

In *Koninkljke KPN N.V. v. Telepathy Inc*., D2001-0217 (WIPO May 7, 2001) (Netherlands Complainant, US Respondent) involving <moneyplanet.com> and <travelplanet.com> the Panel noted that “the Policy does not require that the mark be registered in the country in which the Respondent operates; therefore it is sufficient that complainant can demonstrate a mark in some jurisdiction.”

However, while Complainant had standing in *Koninkljke* to maintain the proceeding, it failed to state an actionable claim:

> [First] There is no evidence that at the dates of registration of the names it could reasonably have been expected to know about the Complainant or its Benelux trademark application filed on July 14, 2000 for Money Planet.
>
> [Second] ***[T]he fact that the Complainant owns “Planet” trademarks and is an Internet Service Provider under the name “Planet” in the Netherlands, Belgium and Germany [does not provide] any assistance to the Complainant.
>
> [And third] [The fact that the] Respondent is in the business of acquiring domain names [is no] reason to infer bad faith registration of a name that consists of two generic words. There would have to have been some evidence of the fame of the conjunction of those two words before that inference could be drawn.

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34 Similarly, Respondent in *DatingDirect.com Limited v. Michael Turner*, FA0410000349013 (Forum December 16, 2004) (<internetdatingdirect.com>) defended himself on the theory that since he is “an American citizen [. . .] [he] will not answer any communication [referring to a cease-and-desist letter] from any foreign company.” Respondent learned that the UDRP does indeed demand a response. Upon a *prima facie* showing of bad faith the burden shifts to respondent to produce

The determination dismissing the complaint illustrates a point that is relevant regardless of the location of the parties or national jurisdiction of the mark. Mark owners may have standing, but simply complaining that a disputed domain name correhe UDRP. There must always be material evidence in addition to the obvious fact of correspondence.

This raises a number of difficult questions about the kinds of evidence that must be marshaled to prove cybersquatting that relate specifically to claims in which the parties are located in different national jurisdictions and the burden-shifting expectations of respondents to explain their motivations for acquiring disputed domain names. At the same time, it also raises questions as to the markets in which mark owners operate, their reputations in those markets, and their international status. While the same law applies regardless of different locations of the parties, the different locations are nevertheless consequential in determining parties' rights.

Mark owners located at great distances from alleged cybersquatters and operating in local, national, and niche markets must still demonstrate how it could be likely that registrants in one national jurisdiction or on one side of a continent could actually have been aware of mark owners and their marks in faraway places. The issue is plain. The question is whether marks well-known in one jurisdiction are equally well-known in another where denial based on the quality of the mark is plausible.

The Panel in *Kelin S.r.l. v. Privacy Service provided by Withheld for Privacy ehf / Vincent Cammarata*, D2022-0746 (WIPO April 16, 2022) (<givi.space>) noted:

> [O]ne would expect that the Complainant in the present case provide evidence of its reputation in the United States to demonstrate that the Respondent was likely to have known of the Complainant at the time of registration of the disputed domain name. The Complainant chose not to do so.

It would be less credible for respondents to deny knowledge of marks where they are located in markets in which complainants operate, but this is a matter of proof and will depend on the strength of the mark and its reputation as it is shown to have developed in the marketplace.

Whether the disputes are between parties far removed or resident in the same jurisdiction, proof lies, first of all, in the distinctiveness of the mark (not merely that it is a mark and distinctive solely for being accepted as such by the national registry); and secondly, the outcome will depend on the reach of its reputation such as to call it to the domain name registrant's attention. Of course, there are certain famous and well-known marks internationally known for which denial of knowledge would be implausible, but there are also famous and well-known marks in one jurisdiction or even in some markets that have not traveled to registrants' jurisdictions for which denial of knowledge could be credible.[35]

For example, in *Grupo Nacional Provincial, S.A. v. Privacydotlink Customer 4270030 / Yancy Naughton*, D2021-1136 (August 25, 2021) the Panel held that "the evidence does not come anywhere close to establishing that the term GNP was so well-known as to mean a third party based outside Mexico, and operating in a completely different field, either was or should have been aware of the Complainant and its use of the term GNP."

Where abusive registration is found, even absent proof of reputation, it is generally for cogent reasons regardless of the complainant's international location. In *Red Nacional De Los Ferrocarriles Espanoles v Ox90*, D2001-0981 (WIPO November 21, 2001) (<renfe.com>, Complainant, Spain; Respondent US), involving an inadvertent lapse in renewing registration, the Panel (by majority[36]) found that

> where there is an intentional registration of a domain name by one with obvious reason to believe that it might be the trademarked name of another, combined with an intentional or reckless failure to verify whether that is the case and without making even the most basic inquiry, constitutes registration of that domain name in bad faith.

The Panel added,

> when the facts demonstrate clearly that someone else has been extensively using the Domain Name and that it has obvious value, at least some minimal investigation is required in order to dispel the logical inference that the Domain Name is someone else's trademark or at least another's well known business name.

Part of the dissent's reasoning is quoted in the footnote but it also made a point that troubled some of the panelists that continues to haunt decisions:

> By way of introduction I should stress that I am not favourably disposed towards the Respondent's modus operandi. I am of the view that the interests

35 This fact is illuminated in one of the earlier ACPA cases, *Sporty's Farm L.L.C. v. Sportsman's Mar., Inc.*, 202 F.3d 489 (2d Cir. 2000): "Distinctiveness refers to inherent qualities of a mark and is a completely different concept from fame. A mark may be distinctive before it has been used — when its fame is nonexistent. By the same token, even a famous mark may be so ordinary, or descriptive as to be notable for its lack of distinctiveness."

36 The dissent's reasoning which I will reserve for discussion in Chapter 3 is of considerable importance because it rejected constructive knowledge as a basis for actual, but unproved knowledge: "If a concept of constructive knowledge (i.e. 'he must have guessed and had he made the simplest of searches he would have known; he ought to have made the search, therefore he is to be taken as having known') is introduced into the UDRP, there is no knowing where this will all lead."

> of internet users (and trade mark owners in particular) would best be served if the Respondent's activity under review here be prohibited.

He concluded: "However, I do not believe that the UDRP, as currently framed, catches this activity." This view correctly reflects the construction of the UDRP. The Panel as a whole, however, also stated:

> All members of this Panel are concerned that this decision not be misconstrued by subsequent Panels as holding that in every case a registrant is charged with conducting a detailed investigation into the reasons a domain name is available for registration. [. . .] Perhaps such an obligation might arise only where, as here, the name is available only because of its sudden expiration.

I underscore "sudden expiration" which is understandable but not necessarily for marks composed from the common lexicon. There must be something notable about the word or phrase to elevate it to a higher status. "Planet" (in the Telepathy case discussed above) does not meet that criterion.

In *Via Varejo S/A, v. Domain Admin*, D2015-1304 (WIPO October 17, 2015) (Complainant, Brazil, Respondent US), Respondent acquired <casasbahia.com> at an online auction, although not as a lapse of registration by Complainant, but abandoned by a third party. The Panel ordered the domain name transferred and the award was subsequently "affirmed" in an ACPA action in *Direct Niche, LLC v. Via Varejo S/A*, 15-cv-62344 (S.D. Fla., August 10, 2017), aff'd 898 F.3d 1144 (11th Circuit August 3, 2018). (I use the term "affirmed" loosely since, as I previously mentioned, appeal is not the right word because challenges to UDRP awards are not appeals but *de novo* lawsuits). The Court rejected registrant's argument that it performed due diligence:

> Although Knight may subjectively believe that Direct Niche's use of the Casas Bahia Domain was lawful, the Court concludes that his belief is not objectively reasonable. Direct Niche's only evidence in support of its argument as to objective reasonableness is Knight's self-serving attestation that he searched Google and the USPTO database for "casa bahia" and "casas bahia" . . . and found nothing substantial.

"Objectively [un]reasonable" is a key factor in determining whether a bidder ought to have been aware that the value of the domain name was reflective of a well-known trademark. "Ought to have been aware" (my words) correlates with the concept applied in UDRP decisions of "willful blindness" that will also be discussed further into the book. There is a duty of due diligence that involves weighing the strength and quality of an available mark to avoid infringing third-party rights.

It will be noticed that in both *Red Nacional* and *Via Varejo* the Panels (and Court) held that the domain names are attractive because of rights owners' extensive use of their trademarks, which is where the value resides and not inherent in the domain name. The domain names reflect that goodwill value which is why, in the *Via Varejo* case the Court concluded plaintiff was willing to pay a premium to acquire it: "Direct Niche paid $22,850 for the Domain, the most it had ever paid for a domain name, and twenty times what it pays on average for a domain name. Direct Niche uses the Domain to generate revenue through the parking of advertisements," *Id.*, 898 F.3d at 1147.

These decisions illustrate a number of different issues that arise regularly in cybersquatting disputes regardless of the location or identities of the parties. That the disputants reside in different jurisdictions is essentially incidental to the outcomes of these disputes. To prevail, there must be some evidence that respondents have actual knowledge of the complainant and its mark (even if inferentially based on the totality of evidence) and targeted the mark for its reputation and goodwill value.

Inferential knowledge can be drawn from the distinctiveness of the mark, the use or non use of the disputed domain name, the location of the parties, the reputation of the mark, and the markets in which it operates. The greater the distinctiveness of the mark the less plausible respondent's denial of actual knowledge. This issue was analyzed in some early UDRP decisions and one in particular which makes its first appearance in Chapter 3 ("What Law Applies to Cybersquatting?") Drawing inferences from direct and circumstantial evidence is a logical tool of decision-making, as already illustrated, and will be underscored throughout the book.

"SUBJECT MATTER JURISDICTION" AND OTHER PRELIMINARY ISSUES

Commencing and Defending a UDRP Proceeding

Creature of Contract; But not with Each Other

Holders of disputed domain names acquire their rights to use them pursuant to a registrar's registration agreement the terms of which include their disposition in the event they are challenged for cybersquatting. If their registration and use is found to have been in bad faith holders' rights are terminated. The terms of the registration agreement and ICANN's role in dictating its provision are discussed in Chapter 2. Here, I will briefly review the initiatory stages of the arbitral process.

Complainants who qualify under Paragraph 4(a)(i) have subject matter jurisdiction to arbitrate their claims. The architecture of the UDRP is innovative in that unlike commercial arbitration in which the parties mutually agree to submit their dispute to a neutral decision-maker, for the UDRP the parties enter into separate agreements (not with each other) binding them to the arbitral process dictated by the terms of the registrar agreement (which in turn are partly dictated by an agreement between ICANN and certified registrars).

For complainants the process is entirely voluntary, but once engaged in the process they are bound to the terms of the Policy and Rules. The filing of a complaint sets in motion an adjudicatory process whether or not the registrant (respondent) appears. In their separate agreements, the parties have different obligations and duties: respondents are compelled to recognize the UDRP for the reasons discussed in the next chapter; complainants have evidentiary burdens to prove their contentions of cybersquatting.

Underpinning the process are the findings set forth in the Final Report. It is always necessary in the application of legal principles to strike the "appropriate balance." Prior to its implementing the UDRP, ICANN received several comments (submitted by INTA and various trademark owners) and individual and noncommercial interests each advocating for changes to the Policy which it dealt with summarily.

Quoting from the ICANN Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy, paragraph 4.1(c):

> • "[Trademark owners] suggested that the definition should be expanded to include cases of either registration or use in bad faith, rather than both registration and use in bad faith."
>
> • "Individual and non-commercial interests suggested changes in language that would narrow the scope of the definition of abusive registrations. They sought to restrict the scope of the examples of bad-faith practices in paragraph 4(b) and sought to expand the scope of the 'legitimate use' safe harbors in paragraph 4(c)."

ICANN Staff rejected both suggestions. The "and" stayed with the following response:

> [the] WIPO report, the DNSO recommendation, and the registrars-group recommendation all required both registration *and* use in bad faith before the streamlined procedure would be invoked. [Underlining of "and" in the original]

Concerning expansion of the scope of the safe harbor defenses, ICANN Staff explained that,

> it should be emphasized that the three circumstances described in paragraph 4(c) are not intended to constitute an exhaustive list of legitimate registration and usage of domain names. Even if none of the three listed circumstances is present, the administrative procedure would still not apply to a dispute where the domain-name holder can show that its activities are otherwise legitimate.

These policy provisions essentially mirror WIPO's recommendations by maintaining an "appropriate balance" among competing interests emphasized in the Final Report.

Nonexclusive Remedy

Precisely how panelists exercise judgment in weighing what that "appropriate balance" is will be considered in Chapters 9, 10 and 11 (the three-part Architecture of the UDRP). While their registration agreements compel registrants to submit to a UDRP proceeding mark owners are free to choose their forum (*Id.*, 196):

> (i) The availability of the administrative procedure should not preclude a complainant from filing a claim in the relevant national court instead of initiating the administrative procedure, if this is deemed to be a preferred course of action.

And so too is the respondent entitled to have the dispute determined by a court of competent jurisdiction:

> (iv) If a party initiates court litigation during the administrative procedure and the administrative claim is not withdrawn, the administrative panel shall have the discretion to consider whether to suspend the administrative procedure or to proceed to a determination.

However, if mark owners choose to proceed with a UDRP complaint they must agree to personal jurisdiction in parallel to the jurisdictional requirement for the registrant. If respondent challenges the UDRP the complainant is compelled to defend in the location of the mutual jurisdiction discussed in Chapter 2.

Once a determination has been made the parties "should not [be] den[ied] access to court litigation." This right to challenge the UDRP award is set forth in Rule 4(k) which is also discussed in Chapter 2. Congress granted subject matter jurisdiction to "[a] domain name registrant whose domain name has been suspended, disabled, or transferred" under the UDRP (discussed in Chapters 19 and 20).

WIPO sets out this further right to a judicial forum in Paragraph 196. In the receiving forum, UDRP decisions are entitled to no deference:

> (ii) The determinations flowing from the administrative procedure would not, as such, have weight of binding precedent under national judicial systems.
>
> (iii) The parties to a dispute should have the ability to go to the national courts to initiate litigation, even after the completion of the administrative procedure.
>
> [. . . .]
>
> (v) A decision by a court of competent jurisdiction, that is contrary to a determination resulting from the administrative procedure should, subject to

the application of principles for the enforcement of judgments, override the administrative determination.

The US Department of Commerce under which by a memorandum of understanding through 2013 ICANN performed its duties mandated that registrants' names and contact information be publically available in a Whois directory (similar to public telephone directories). That, though, was in antediluvian times that no longer exist for either public telephone directives or the Whois directory.[37] As originally conceived and mandated[38] it was to provide sufficient personal contact information about registrants to serve notice of a claim against a disputed domain name.

THE WHOIS DIRECTORY AND THE GDPR

The Disappearance of Historical Information

Where the contracts of engagement are separately entered into with the registrar, it is necessary to know the identity of the registrant whose rights are at risk in a UDRP proceeding. But under the current rules brought about by the promulgation of the General Data Protection Regulation (GDPR) by the European Union effective May 25, 2018 there is no certainty who that is until disclosed following the filing of a complaint. I will go into this more fully in Chapter 2.

In contrast to the Whois directory, the GDPR mandates concealment of all personal information. When this information was available, complainants and researchers had access to an historical accumulation of data, such as identification of and addresses of the registrant, and by cross-checking with other then-available

37 Until September 29, 2009 ICANN operated as a quasi-administrative agency under a Memorandum of Understanding with the U.S. Department of Commerce. This relationship changed with the signing of The Affirmation of Commitments effective September 30, 2009. An explanation of the Affirmation and the text is available at <http://www.icann.org/en/announcements/announcement-30sep09-en.htm>. The National Telecommunications and Information Administration (NTIA) announced on March 14, 2014 that the U.S. Government will let the MOU expire. Privacy and disclosure of limited personal information following the filing of a UDRP are separately discussed in Chapter 8. Bad faith may be inferred when a respondent defaults and its identity, contact information, and address are patently false. However, respondent's use of privacy services to insulate itself from unsolicited emails is a neutral fact.

38 This is not completely true because commencing around 2005, registrars began offering privacy services which publicly shielded the registrant, although failure to appear and defend carried a risk. The Panel in *The Royal Bank of Scotland Group plc v. Reserved Bench of Strategic Geographers / Domain ID Shield Service*, D2012-1733 (WIPO November 8, 2012) (rbsgrps.com> held "Given that the Registrar provided privacy services to the holder of the disputed domain name, and is also unable to provide any reliable contact information for the registrant, it was entirely appropriate for the 'Domain ID Shield Service' to be named as the Respondent in this case at the outset."

data would also have access to registrants' holdings of other domain names and the dates of registration.

On a going-forward basis, the Whois directory was stripped of all personal contact information. Only upon commencing a UDRP proceeding do registrars release the current registrant's name and contact information, but no historical information as to when the current holder registered the domain name.

While the GDPR does not affect the collection of data, there is no public access to it.[39] If there is a history of successive holders it has become difficult and expensive to find it (if obtainable at all), although the Wayback Machine which is a free tool should not be overlooked for assistance (http://www.archive.org).

In anticipation of the effective date of the GDPR the ICANN Board adopted a "Temporary Specification for gTLD Registration Data" which provided in part that Registrar MUST return in response to any query the current registrant, their address and email information. The expectation for this redacted information is explained by the Panel in *Nishimura & Asahi v. Super Privacy Service LTD c/o Dynadot*, D2019-2070 (WIPO October 18, 2019) (<nishimuraasahi.com>). While "[t]his decision is not the place to debate these GDPR issues [. . .] what is relevant in the present context is that the ICANN Temporary Specification is not only consistent with registrar disclosure to a Provider of registrant details in UDRP proceedings, but appears to mandate it. In particular, the ICANN Temporary Specification provides as follows:

> 2. Definitions and Interpretation […]
>
> 1.1. Registrar Requirement: The Registrar MUST provide the UDRP provider with the full Registration Data for each of the specified domain names, upon the UDRP provider notifying the Registrar of the existence of a complaint, or participate in another mechanism to provide the full Registration Data to the Provider as specified by ICANN.

Prior to the GDPR, there were private services that collected Whois data. That historical data continues to be available, but access is by subscription and comes at a cost.[40] The Panel in *JDRF International v. Nguyen Benedicto*, D2021-0267 (WIPO May 26, 2021)(<jdfr.org>) accessed this historical data on his own initiative:

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39 WIPO has compiled a number of Q and As on the issues at https://www.wipo.int/amc/en/domains/gdpr. One Answer reads: "As it stands today, where a UDRP complaint has been submitted to a UDRP provider, ICANN-compliant registrars will provide WhoIs information on request from such UDRP provider (and at the same time "lock" the domain name's registration and registrar information).

40 DomainTools at http://www.domaintools.com.

> Having reviewed the case file, the Panel noted that the disputed domain name was registered in 2004 and was prompted to examine its WhoIs history and related website content history, by virtue of the general powers articulated inter alia in paragraph 10 of the Rules, using the search facilities provided by "www.domainbrokers.com" and "www.archive.org" respectively.

It noted that

> [t]he results of this limited factual research into matters of public record [. . .] led the Panel to issue a Procedural Order on May 11, 2021, in which the Parties' comments were sought on the disputed domain name use and WhoIs situation. Neither of the Parties filed any additional information in response to the Procedural Order.

Together with this data and a review of the historical website content from the Wayback Machine the Panel was able to piece together the missing information (as close it can come to direct evidence) and draw an inference of bad faith registration and bad faith use.[41]

For complainants without access to or the benefits of professional representatives who have the resources and knowledge to access historical data collected before May 25, 2018 there is an acute problem for those needing to demonstrate that their trademarks preexisted disputed domain names. The absence of historical Whois data blocks their having direct evidence of respondent's registration date and compelling them to rely on circumstantial evidence drawn from the Internet (for example, from <archive.org>). The issue is discussed further in Chapter 8, "Drawing Inferences" and again in Chapter 16 examining inferences drawn from circumstantial evidence.

Before the enactment of the GDPR, there had been a line of cases dealing with privacy services. As a general rule, privacy services alone do not support a conclusion that respondent acquired the domain name in bad faith, but it may if the intent for acquiring the domain name is to target the value of the mark. The Panel in *Rovio Entertainment Corporation v. baobin chi*, D2021-0888 (WIPO May 26, 2021) (<angrybirdsite.com>) held:

> In the light of these developments, the Panel is of the opinion that the mere fact that the WhoIs details of a respondent are protected by a privacy filter alone cannot be sufficient to support a finding of bad faith within the meaning of the third limb of paragraph 4(a).

41 While this was most likely the correct decision, it is also problematic because the Panel performed the research on his own initiative and drew conclusions from evidence not in Complainant' record. Where private research assists the complainant the Panel can be seen as acting as an advocate for it, and that violates the principle of the UDRP. In a different context, this issue is explored further in Chapter 8 ("Panels' Powers.").

But, any misrepresentation of contact information will support bad faith.

The Panel in *SmartContract Chainlink, Ltd. v. Zolmeister Zolmeister*, FA2208002009185 (Forum September 27, 2022) (<linkstake.com>) noted that "in response to privacy laws such as the European Union's General Data Protection Regulation [. . .] some registrars have, by their own initiative, masked identifying information for nearly all domain name registrants," and for this reason it

> declines to find that the non-disclosure of Respondent's identity implicates the question of whether the disputed domain name was registered and used in bad faith.

Nevertheless, the evidence of record supported abusive registration.

For Purposes of the Proceeding: Who is the Respondent?

The GDPR raises two different problems. The first discussed above is that in advance of filing its complaint complainant has no certain knowledge of who the registrant is unless a website to which the domain name resolves provides information. Under current rules, when a copy of the complaint is forwarded to the registrar, the registrar releases a copy of the Whois unredacted to disclose registrant's name and contact information, but it may also state GDPR MASKED or provide inaccurate or false information which is the second problem. It will show a creation date but does not reveal whether the registrant is a subsequent holder of the domain name.

UDRP Rule 1 defines the respondent as "the holder of a domain-name against which a complaint is initiated." Where in response to a complaint the registrar releases a current Whois record that identifies the holder as a proxy service, who is the respondent? Panels quickly reached consensus that the proxy steps into the shoes of the beneficial owner. In so far as the fate of the domain name, the "Respondent" is the proxy. I will return to this issue in Chapter 8 ("Privacy/Proxy Services").[42] Here, I will simply introduce the terms of the Policy and Procedural Rules with some illustrative comments.

The Policy addresses the beneficial owner of the disputed domain name as the party ultimately at risk of having its registration cancelled or transferred. Under their registrar registration agreements Respondents (whether the beneficial owner or its proxy) have a contractual obligation to provide contact information sufficient in

42 ICANN defines Privacy/Proxy Registration Services at https://www.icann.org/resources/pages/privacy-proxy-registration-2013-03-22-en. Important to note: the Proxy Service "becomes the registered name holder of record, and its identity and contact information is displayed in Whois data." Thus, the Proxy Service is the registrant of record.

the event of a claim to receive notice that a UDRP complaint has been filed alleging infringement of complainants' rights.

Notice of the commencement of a proceeding ("Section 2 of the Rules") will be served on the identified person "(i) [by] sending Written Notice of the complaint to all postal-mail and facsimile addresses the registrar identifies as the registrant" and "(ii) [by] sending the complaint, including any annexes, in electronic form by e-mail to: (A) the e-mail addresses for those technical, administrative, and billing contacts."

If the respondent's contact information is false or outdated and actual service not made, that is the responsibility of the registrant. It is assumed that service is complete regardless whether the person identified in the Whois report has actually received notice. This puts the onus on the registrant (respondent) to be alert to its postal mail and e-mails. The only recourse in the event of an adverse award is under Paragraph 4(f) of the Policy to challenge an adverse award.

The process of determining the proper party respondent is discussed in *F. Hoffmann-La Roche AG v. PrivacyProtect.org, Domain Admin and Mark Sergijenko*, D2007-1854 (WIPO March 11, 2008) (<xenicalbuy.com>). The Panel noted:

> There are limits to what can reasonably be done by parties and providers in order to identify an underlying registrant in the context of a Policy created to offer a flexible and accessible alternative to litigation. Put simply, WhoIs information must be usable for communication purposes in a Policy proceeding – even those provided by an entity claiming to be a privacy or proxy registration service – *and if they are not, the registrant, whoever they may be, must expect to bear any consequences*. (Emphasis added).

Further:

> In the event that an underlying registrant wishes to have itself included as a respondent in a UDRP procedure, it is incumbent on that person to alert the parties and provider in a timely fashion. In the event that a privacy or proxy registration service wishes to have itself removed as a Respondent and to "disclose" the name and contact information of an underlying registrant, it is likewise incumbent on that entity to alert the parties and provider in a timely fashion.

In this context,

> "Timely" [. . .] means after the Complaint is initiated but before the proceedings are formally commenced. The provider can then seek to verify this information with the registrar and, if it is verified, invite the Complainant to submit a corresponding amendment to the Complaint.

In *The Hartman Media Company, LLC v. Host Master, 1337 Services LLC*, D2018-1722 (WIPO September 24, 2018) (<jasonhartmanproperties.com>) the Panel noted:

> this is a case where the named Respondent ("Host Master") appears to be an organisation that registers domain names in its own name but on behalf of third parties, who wish to remain anonymous. This is analogous to use of a privacy service but actually provides an even greater level of anonymity because there is no way for the Registrar to disclose details of the person on whose behalf the domain name was registered.

As the "appointed panel retains discretion to determine the respondent against which the case should proceed," and

> as no other respondent has been notified the Panel considers it appropriate to proceed against "Host Master". References to the Respondent should be understood as also including the person or persons who caused the registration to be effected in the name of "Host Master"

Without regard to these circumstance and including them, the respondent is the party disclosed by the registrar upon receiving notice that a UDRP complaint has been filed against the registrant of the named disputed domain name; only sometimes is that "registrant" not the person who acquired the disputed domain name but the beneficial owner is necessarily responsible for the consequences.

THREE KINDS OF DISPUTES

The preceding discussion touches upon a variety of issues that will be developed further in the following chapters. The structure and guiding principles that WIPO designed and which ICANN translated into the UDRP have been particularly effective in controlling abusive conduct, but cybersquatting can never be eradicated. There is a conveyor belt of decisions. Ten or more a day. For every "Whack" there is a "mole": one down and another pops up.

Over 90% of challenged domain names identical or confusingly similar to trade and service marks are indeed abusive registrations. Were there no UDRP and no jurisprudence of domain names distinct from trademark infringement, the shear volume of claims would overwhelm courts. Overall, UDRP adjudications dwarf the numbers filed and decided in US federal courts under the ACPA by a wide margin.[43]

But a jurisprudence has developed as WIPO foresaw. It reports the consensus views in successive Overviews, the last version of which, the Jurisprudential Overview was published in 2017. I will have more to say about the Jurisprudential Overview in the following chapters.

The complaints break down to three kinds of disputes, and of course within the three kinds, there are sub groups, but of the three kinds they can be analogized to

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43 Reported ACPA decisions on the federal docket are in the thousand range while UDRP decisions are in the 100,000 range and increasing annually at the rate of approximately 4,500.

events occurring along a continuum. On one side of this continuum cybersquatting is obvious, and so too on the opposite side is there obvious overreaching by mark owners. Where they fall on this continuum depends on the factual circumstances. The greater number of cases fall on the left side of the continuum, but between a remedy for cybersquatting and forfeiture of a valuable asset the paramount consideration is for Panels to make fair assessments of the parties' rights.

As the factual circumstances become less obvious in proving bad faith the greater is the uncertainty of cybersquatting on disputes located on the far right side of the continuum. The Panel in *Enterprise Products Partners L.P. v. Domain Admin / Media Matrix LLC.*, FA2212002025287 (Forum February 13, 2023) (<enterpriseproductsllc.com>) held:

> In attempting to discern a subjective bad faith intent, panels have looked at many different types of evidence, including but not limited to the use of a domain name in direct competition with a trademark owner, impersonation, the parties operating in the same market segment, the parties being physically located in the same general geographic area, a pattern of bad faith conduct, and the fanciful or famous nature of a trademark, suggesting that any similarity is not happenstance.

The Panel's analysis touches on a number of different issues: the Complainant 1) does not own the phrase "enterprise products" (Chapter 6); 2) has failed to adduce any proof that the phrase is solely associated with it; 3) has adduced no proof that the Respondent registered the disputed domain name with actual knowledge of its presence in any market (Chapter 10). The Panel noted: "The word 'enterprise' is a common English word meaning 'business' among other things. There is no evidence that it is associated exclusively with Complainant in the minds of the consuming public, or even within Complainant's industry."

The first kind of dispute involves domain names that are obviously cybersquatting, and because they are indefensible they are rarely defended. To take one of many cases which reflects the consensus view: the Panel in *Parfums Christian Dior v. Javier Garcia Quintas*, D2000-0226 (WIPO May 17, 2000) held that "[where a domain name is] so obviously connected with such a well-known name and products [. . .] its very use by someone with no connection with the products suggests opportunistic bad faith." And in *Time Inc. v. Max Martel*, D2004-0122 (WIPO May 4, 2004) (<sportsbookillustrated.com>), the Panel explained that "there is no circumstance under which the Respondent, unless authorized by the Complainant, could legitimately use the Domain Name under dispute incorporating the [Complainant's] mark without creating a false impression of an association with the Complainant."

Registrants who choose domain names corresponding to famous and well-known marks presumptively lack rights or legitimate interests in the disputed domain names. While lacking rights or legitimate interests is not conclusive of abusive registration of the disputed domain name, if complainant's evidence *prima facie* supports its contentions and proof, respondent is put to its proof to justify its registration (Chapter 11).

The second kind of dispute, the 5% or 6% of registrants who prevail, involves complainants whose trademarks have priority of use in commerce but either 1) the marks lack reputation in the marketplace when the domain name was registered or lack it presently; 2) the parties are located in different markets or national territories and respondents plausibly deny knowledge of the marks; or 3) the marks alleged to be infringed are drawn from the common lexicon, thus lacking particular connection or association with the mark owner and independent of any reference to it.

Examples include claims involving a variety of dictionary words: *Javier Narvaez Segura, Grupo Loading Systems S.L. v. Domain Admin, Mrs. Jello, LLC*, D2016-1199 (WIPO August 31, 2016) (<loading.com>); *Hopscotch Group v. Perfect Privacy LLC/Joseph William Lee*, D2015-1844 (WIPO January 20, 2016) (<hopscotch.com>); and *Skillful Communications, Inc., v. Redacted for Privacy, Aquent / Aquent Aquent, Aquent*, D2022-0910 (WIPO May 26, 2022) (<skill.com>). There are also a variety of expressions too common and generic to support cybersquatting claims: <citycentre.com>, <ecostream.com>, <indoorbillboard.com>, <buttkicker.com>, <myswitch.com>, <topemployers.com>, etc.

In *Javier Naarvaez*, the Panel notes for example that the dominant word element of the (figurative) trademark, "loading" is descriptive, and as such

> a respondent has a right to register and use a domain name to attract Internet traffic based on the appeal of commonly used descriptive or dictionary terms, in the absence of circumstances indicating that the respondent's aim in registering the disputed domain name was to profit from and exploit the complainant's trademark.

Moreover, "Respondent has plausibly denied that it knew of the Complainant when Respondent registered the Disputed Domain Name [and there is] no evidence that in making the registration Respondent targeted Complainant or Complainant's trademark."

Where the mark is comparatively weak, and the complainant exaggerates its fame, the merits of complainant's claim and its credibility are called into question. In *Mogavero Investments, LLC v. James C. Clements*, D2018-0728 (WIPO June 15, 2018) (<boulderdesigns.com>) the Panel held that

> The Complainant's arguments are undermined by a number of errors of a similar nature, which consistently overstate the Complainant's case. In attempting to establish the strength of the Complainant's trademark portfolio, it refers to "numerous" BOULDER DESIGNS registrations, and claims it obtained its first trademark registration in the U.S.A. based on an application filed as early as April 1996. When the Panel reviewed the Complainant's BOULDER DESIGNS registrations, it was clear that the earliest relevant application was in fact filed in 2005 with a claim of first use on February 16, 2005.

Similarly, in *Ternio, LLC v. Domains by Proxy, LLC / Sedo GmbH*, D2020-2215 (WIPO November 16, 2020) (<blockcard.com>): "Overall the Panel has reached the conclusion that the Complaint deliberately overstates the Complainant's case in a way which could well have misled the Panel, particularly if no response had been filed."

If the evidence (or failure to produce any) falls short of supporting a claim of cybersquatting, complainants can even be charged with reverse domain name hijacking even when respondents default: that is, sanctioned (even if not requested) for abusing the UDRP process. Reverse domain name hijacking is discussed further in Chapter 17 ("Abusive Use of the Administrative Proceeding").

The third kind of dispute consists of trademark owners whose rights postdate the registrations of accused domain names. They are the most troublesome because complainants have no actionable claim under the UDRP or the ACPA for cybersquatting. Their complaints are essentially abusive of the administrative process. There are two explanations for seeking a remedy where there is no actionable claim both of which are abusive of the Policy.

One is that complainant and/or its professional representative is ignorant of the Policy and the settled law, of which more will be discussed in Chapter 14 and the consequences in Chapter 17; or, and more grievously, complainant and its professional representative know precisely what they is doing and hope to succeed by respondent failing to appear and panelist giving it the benefit of the doubt. The *Ternio*, *supra*. Panel is suggesting this possibility—"particularly if no response had been filed."

In *Goldline International, Inc. v. Gold Line*, D2000-1151 (WIPO January 4, 2001) (<goldline.com>), the Panel explained that "[n]ot only would a reasonable investigation have revealed these weaknesses in any potential ICANN complaint, but also, Respondent put Complainant on express notice of these facts and that any further attempt to prosecute this matter would be abusive and would constitute reverse domain name "hijack[ing]."

This explanation continues to be the consensus view. In *Scalpers Fashion, S.L. v. Dreamissary Hostmaster*, D2019-2937 (WIPO January 30, 2020) (<scalpers.

com>) "Respondent's legal representatives wrote to the Complainant's legal representatives after the filing of the Complaint [. . .] pointing out that, in light of the undisputed facts, a finding of bad faith registration and use was impossible, and inviting the Complainant to withdraw the Complaint." Complainant did not withdraw and was sanctioned.

Similarly in *Titmouse, Inc. v. Paul Blank*, D2022-2208 (WIPO August 9, 2022) (<titmouse.com>). Complainant was professionally represented but showed its lack of familiarity with the UDRP which is evidenced by the representative drafting allegations "on information and belief" when that is entirely inappropriate. The Panel found this an RDNH case:

> The Complaint entirely ignores the glaring difficulty that the Complainant must show bad faith in the registration of the Domain Name, which in this case preceded the existence of the Complainant itself as well as its registered marks [. . .] Instead, the Complainant made conclusory assertions "on information and belief" that the Respondent registered the Domain Name in bad faith, to demand an exorbitant purchase price from the (subsequent) trademark holder, prevent it from acquiring a corresponding domain name, or misdirect Internet users for commercial gain.

Claiming "exorbitant purchase price" (complainant's characterization), or any other theory of bad faith based on domain name speculation, are not grounds for proving abusive registration even if complainant had standing where the disputed domain name is drawn from the ornithological dictionary (in this case "Titmouse" is a species of bird). The consequences of demanding alleged "unreasonable" prices for disputed domain names are discussed further in Chapter 18. What that may be, as lawyers are fond of saying: "it depends on the facts" and where a mark owner has no predated right to the corresponding domain name, its complaint must be dismissed.

CHAPTER 2

MARK OWNERS' CLAIMS AND REGISTRANTS' OBLIGATIONS UNDER THE REGISTRAR REGISTRATION AGREEMENT

PASSING THE BATON TO ICANN[1]

"The overriding objective of the Policy is to curb the abusive registration of domain names in circumstances where the registrant seeks to profit from and exploit the trademark of another."[2] In performing this suppressive task, it is not the UDRP alone that accomplishes the goal. Rather, the Policy is one component of WIPO's larger design that ICANN implemented which includes a registrar agreement that binds registrants to contractual obligations for holding domain names and requires mark owners who choose arbitration over litigation to stipulate to a "mutual jurisdiction" in the event registrants challenge UDRP awards in courts of competent jurisdiction.

Other components of this design include registries and registrars and service providers and panelists. The Policy itself by design is not an agreement between registrants and ICANN but an agreement "between the registrar [. . .] and its customer (the domain name holder or registrant)." Courts play no role in this process as they do in commercial arbitration after an award is filed and there is no statutory mechanism governing the process. It is a *sua generis* code complete in itself.

Notwithstanding this, the UDRP proceedings were never intended to replace formal litigation if the mark owner opted for it or the registrant challenged the award in a court of competent jurisdiction.[3] The registrar plays no role in vouching for a registrant's choice of domain name that "it will not infringe upon or otherwise

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1 WIPO plays a continuing role in the UDRP both in its UN international capacity as guardian of its recommendations and in its provider capacity monitoring Panels' decisions and curating their views through its publication of the Overviews.

2 *Match.com, LP v. Bill Zag and NWLAWS.ORG*, D2004-0230 (WIPO June 2, 2004) (<insure-match.com>).

3 See *Dluhos v. Strasberg*, 321 F.3d 365, 371 (3d Cir. 2003), citing David E. Sorkin, Judicial Review of ICANN Domain Name Dispute Decisions, 18 SANTA CLARA COMPUTER HIGHTECH L.J. 35, 51-52 (2001) ("Unlike conventional arbitration, the UDRP is not meant to replace litigation, but merely to provide an additional forum for dispute resolution, with an explicit right of appeal to the courts.")

violate the rights of any third party." It is a party only in its facilitation role. It has no liability to mark owners for registering infringing domain names that violates their rights (Paragraph 6 of the Policy and further adumbrated in UDRP Rule 20 ("Exclusion of Liability." Neither is there liability under the ACPA, Chapter 20 Footnote 5). Registrants' representations that their registrations will not violate third party rights is one of several that registrants must make in acquiring domain names.[4]

Prefatory to its recommendations, WIPO summarized its vision:

> (v) ICANN should adopt a dispute-resolution policy under which a uniform administrative dispute-resolution procedure is made available for domain name disputes in all gTLDs. [. . .] The Final Report recommends that the scope of the administrative procedure be limited to cases of bad faith, abusive registration of domain names that violate trademark rights ("cybersquatting," in popular terminology).

Thus,

> Domain name holders would [. . .] be required to submit to the administrative procedure only in respect of allegations that they are involved in cybersquatting, which was universally condemned throughout the WIPO Process as an indefensible activity that should be suppressed.

WIPO envisioned that "[t]he administrative procedure would be quick, efficient, cost-effective and conducted to a large extent on-line." Further,

> At the level of individual domain name holders [. . .] the Policy would be implemented through the domain name registration agreement, which would require the domain name holder to submit to the administrative procedure if a complaint for abusive registration is brought against the holder by a third party.

The proposed agreement would "define[ ] the rights and responsibilities of the registration authority, on the one hand, and the domain name applicant, on the other hand." WIPO continued at Paragraph 54 of the Final Report:

> It is through the terms of this contract that certain practical measures can be introduced to alleviate some of the problems that have arisen from the interface between Internet domain names and intellectual property rights. In the WIPO Interim Report, it was recommended that the contractual relationship between

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4 UDRP Paragraph 2 spells out the terms of registrant's representations. The full set of representations is discussed further below. I will also return to this issue of representations in Chapter 4 because how they are intended to be construed has not been without controversy in the development of the jurisprudence. The representations are construed to apply to the original registration of a domain name and not to renewals. Renewals are simply continuations of registration, not "re-registrations."

> a domain name registrant and a registration authority be fully reflected in an electronic or paper registration agreement.

"In order to implement the direct enforcement of determinations by registration authorities,"

> it would be necessary to ensure that registration authorities agree to do so. ICANN's Statement of Registrar Accreditation Policy provides for adherence by registrars to any policy or procedure for dispute resolution established by ICANN.

WIPO stated that "it would be desirable" in this registration agreement

> to make explicit [. . .] the domain name applicant agrees, in submitting to the administrative procedure, that the procedure may determine the applicant's rights with respect to the registration of the domain name and that any determination made in the procedure may be directly enforced by the relevant registration authorities. (Final Report, Paragraph 216)

While registrants are contractually bound "to submit to the arbitration procedure" they cannot be compelled to appear, but on default the proceeding becomes (in effect) *in rem* against the *res,* the disputed domain name (see Chapter 1, footnote 32). Whether by default or contested, and upon proof that respondent lacks rights or legitimate interests and has registered and is using the disputed domain name in violation of the Policy, the registration will be either cancelled or the disputed domain name transferred to the complainant. However, default is not an admission of liability. Complainant must still prove its case.

The first UDRP complaint was filed in December 1999 in a proceeding administered by WIPO wearing its provider hat, although this should not be taken to mean that it ever relinquishes its guardian hat which is expressed through the successive Overviews. The decision in this first case established a bedrock principle that to prevail the complainant must prove both registration in bad faith and use in bad faith. It was quickly followed by complaints administered by the National Arbitration Forum, now known as the Forum in the US, and eResolution in Canada (no longer an active provider but a significant voice in establishing the foundational principles for the Policy when it was).

I will also be citing decisions from two other ICANN certified providers: the Czech Arbitration Court (CAC) and the Canadian International Internet Dispute Resolution Centre (CIIDRC). There is also an Asian and Middle Eastern provider. Panels appointed by these providers are generally consistent in their application of the law which can be taken as evidence that panelists read each other's decisions, follow the constructions of the Policy, note disagreements, promote refinements, and participate in creating consensus, and if they do not it quickly becomes apparent.

Unless otherwise noted, the selection of cases and quotations, indeed the discussion itself, reflects consensus views and settled law, although as I will also underscore in Chapters 3 and 4, the development of this new jurisprudence did not proceed in a straight line, but had its wrong turnings—the proper constructions of the Policy terms including the balancing of rights and evidence of legitimate interests, for example—and other *cul de sacs* that have resulted in dead ends.

This chapter introduces the arbitral process. By design, the UDRP is limited in scope to "a small, special class of disputes"[5]—to adjudicate clear cases of cybersquatting—although as I will explore in later chapters, factual circumstances run a gamut from the obvious to the less obvious and finally to claims that are obvious overreaching by complainants. This last category amounts to a very small percentage of claims, but as I have already noted, they have an outsize impact on the development of the law.

The arbitral process begins with the filing of a complaint which is submitted to a Panel following the filing of a response (if one is timely filed). In addition to its allegations and proof of cybersquatting, the complainant must consent to a mutual jurisdiction in the event it prevails in the proceeding and the respondent challenges the award in a court of competent jurisdiction.

While the UDRP is "adjudication lite" in the words of a US appellate court[6] it would be a mistake to file papers without understanding its demands. It is a full legal process. To the uninitiated, the Policy may have the misleading appearance that it can be negotiated without professional assistance, but the demands are considerably more complex than it appears. No claim or rebuttal is proved by contentions alone. For every allegation there must be corresponding documentary or personal knowledge proof that facts alleged are reliably what they are claimed to be.

The centerpieces of the adjudicatory process are the pleadings. I will have more to say about them in Chapter 12, but here I want to introduce the forms of pleading that the parties are expected to submit in support of and in opposition to a complainant's claim of cybersquatting. The principal basis for such a claim is that the respondent has breached its registrar agreement by falsely representing that it registered, and at the time of registration is, or will be using the disputed domain name

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5 Second Staff Report on Implementation Documents for the Uniform Domain Dispute Resolution Policy, § 4.1(c) (Oct. 24, 1999), available at http://archive.icann.org/en/udrp/udrp-second-staff-report-24oct99.htm.

6 *Barcelona.com, Inc. v. Excelentisimo Ayuntamiento De Barcelona*, 330 F.3d 617, 624-25 (4th Cir. 2003) ("Because the administrative process prescribed by the UDRP is 'adjudication lite' as a result of its streamlined nature and its loose rules regarding applicable law, the UDRP itself contemplates judicial intervention, which can occur before, during, or after the UDRP's dispute-resolution process is invoked.").

lawfully and in good faith. The scope of these representations has been contentious because the Policy does not explicitly state whether the representations continue into an indefinite future even to the point of renewal of registration. (They do not!)

It is for appointed Panels to assess the material facts in dispute and apply appropriate legal principles in deciding parties' rights. How they perform these tasks involves the art of construing the terms of the Policy and the application of legal principles consistent with its guidelines. I will discuss these last two issues in Chapters 3 and 4.

THE ARBITRAL PROCESS

Simplified Steps

Efficiency Front and Back Ends

The administrative proceeding is a *sui generis* alternative dispute resolution process. It is conducted solely online. There are no personal appearances (although there is a rule that would permit it, UDRP Rule 13 that has never been applied). A summary administrative proceeding consists of an exchange of pleadings and nothing more. There are no motions for discovery or any opportunity to employ the pallet of forensic tools available in an American-style litigation to flesh out material facts. The parties are limited to their pleadings, and as I will discuss in Chapter 12, the request for a UDRP remedy is essentially a motion for summary judgment.

The creation of a record—the opposing narratives and proof—depends on such documentary evidence as can be collected or researched on the Internet and from such circumstantial evidence that can be deduced from the totality of circumstances sufficient from which to draw "appropriate inferences" (UDRP Rule 14(b)). For the reasons that will become apparent, the UDRP puts a premium on the sufficiency of evidence in asserting and defending against claims of cybersquatting and the quality of argument.

In the unfolding order, complainants initiate a proceeding by filing a complaint with one of the six providers. After the provider has reviewed the complaint and found it consistent with the rules, it forwards the complaint to the registrar of record who verifies the identity of the registrant, locks the disputed domain name (UDRP Rule 4(a) a feature added in 2013 to prevent cyberflight), and discloses the current registrant (who may be a Proxy and not the beneficial owner of the domain name as earlier discussed in Chapter 1).

With the disclosure of the registrant's name and contact information, complainant is given the opportunity of amending the complaint to substitute "John Doe" for the name of the disclosed registrant.[7] This together with annexes of documentary proof is then served on respondent electronically and by mail to the disclosed contact information, and in an accompanying communication the respondent is given notice of the commencement of proceedings and advised that it has twenty days to respond.[8]

The Policy and Rules provide both the steps of the arbitral process and the evidentiary requirements that must be satisfied for complainants to have their remedies; and for registrants to rebut claims of cybersquatting where there is *prima facie* evidence of liability. The process is streamlined, inexpensive, and efficient, and as I previously mentioned, it delivers a remedy in less than 45 days in contrast to extended periods for likely discovery and motion practice in ACPA actions.

The emphasis is on efficiency at both the front and back ends of the process. Acceleration from initiation of the proceeding to award is made possible because at the front end the process dispenses with personal (in hand) service of a summons and complaint. At the back end there is no requirement as there is in commercial arbitration to seek confirmation from a court of competent jurisdiction: the award (if in the complainant's favor) is executed by the registrar ten business days following service of the award on respondent unless the respondent challenges the UDRP award in a court of competent jurisdiction pursuant to UDRP 4(k) (discussed further below). If the complaint is dismissed the domain name is unlocked for registrant to use or dispose of as it will.[9]

When "summoned" by a complaint, registrants (or if they fail to appear and defend, their domain names) are answerable to a claim of cybersquatting. This unwelcome call is a contractual obligation imposed as a condition for taking possession of domain names (discussed further below). Whether or not the registrant

7 It is also an opportunity to withdraw the complaint if the Whois directory discloses that the disputed domain name predated the registration of the alleged mark (see discussion in Chapter 1 "The Whois Directory and the GDPR"). Failure to withdraw the complaint on knowledge that complainant has no actionable claim supports a finding of reverse domain name hijacking (Chapter 17).

8 Rule 2 "Communications" provides: "(a) When forwarding a complaint, including any annexes, electronically to the Respondent, it shall be the Provider's responsibility to employ reasonably available means calculated to achieve actual notice to Respondent." Rule 2(b)(i) includes means of service as "postal-mail and facsimile" and Rule 2(b)(ii) "in electronic form by e-mail." Facsimile service has essentially passed into history and email service can be uncertain by receipt into spam folders. Non appearance and loss of domain names may happen for failure of actual notice. Respondents represented by competent counsel will know that they may request a four day extension (UDRP Rule 5(b)).

9 At the commencement of the proceeding the domain name in locked as defined in UDRP Rule 1 (Definitions): "Lock means a set of measures that a registrar applies to a domain name, which prevents at a minimum any modification to the registrant and registrar information by the Respondent, but does not affect the resolution of the domain name or the renewal of the domain name." It is released ten business days following publication of award unless the award is challenged in which event the domain name continues to be locked until a ruling of the court.

appears, if the domain name is found to be infringing, it will be cancelled or transferred to the complainant's account without intervention by a court of competent jurisdiction.

Registrants may opt out of the UDRP if they promptly file a complaint in a court of competent jurisdiction (UDRP Rule 18(a)). To take one of the few examples of this opt out rule: in *SDT International SA-NV v. Telepathy, Inc*., D2014-1870 (WIPO January 13, 2015) the Panel terminated the UDRP proceeding following Respondent's filing of an ACPA complaint in district court for a declaration that its registration of <sdt.com> was lawful—*Telepathy, Inc. v. SDT International SA-NV*, 14-cv-01912 (D. Columbia July 9, 2015). In this ACPA action the parties entered into a Consent Judgment and Permanent Injunction in Registrant's favor that included an agreement that defendant pay plaintiff the sum of $50,000.

There are three requirements mark owners must satisfy to succeed on a cybersquatting claim, and for each there are lists of nonexclusive factors.[10] I note here only the three requirements or "elements" (so styled in the Policy and Rules) and leave the details of their application to a fuller discussion in Chapters 9, 10, and 11 (the three limbs that comprise the Architecture of the UDRP):

> (i) your domain name is [1] identical or confusingly similar to a trademark or service mark in which [2] the complainant has rights; and
>
> (ii) you have no rights or legitimate interests in respect of the domain name. [While complainant has to prove respondent has neither a right nor a legitimate interest, respondent can rebut the claim by proving that it has one or the other]; [There are parallel elements for respondent in Paragraph 4(c)((i-iii)]. and
>
> (iii) your domain name [1] has been registered and [2] is being used in bad faith. [For complainants they must satisfy any one of four elements in Paragraph 4(b)(i-iv).

Complainant has the burden of proof on all the Paragraph 4(a) elements which it satisfies by a preponderance of the evidence standard (the ordinary standard for civil actions). The preponderance standard is not stated in the Policy, but construed in early cases as the proper standard. Drawing on these early cases, the editors of

10 Factors can be thought of as questions or tests directed to one or the other party which are answered by the evidence adduced in support or rebuttal of a contention. For example: Are you [respondent] commonly known by the domain name? If you are, registrant meets the test. If complainant claims common law rights: Was your market presence such that it achieved secondary meaning: that is, proof of acquired distinctiveness? Could respondent have plausibly have targeted the mark to exploit its value? Only if the evidence demonstrates distinctiveness in the market at that earlier time does complainant have standing to maintain the UDRP proceeding.

the WIPO Overview included several synonyms that they equate with preponderance: "balance" or "balance of probabilities," and "more likely than not." There is a legitimate concern as to whether these equations when loosely used dilute the preponderance of the evidence standard in favor of mark owners.[11]

Whether this is the case, the proposed mechanism was not crafted to deliver a gift to mark owners whose submissions fail to support their claims. The Panel in *Grove Broadcasting Co. Ltd. v. Telesystems Commc'ns Ltd.*, D2000-0703 (WIPO November 10, 2000) (<iriefm.com>) in dismissing a refiled complaint stated: "In a case where a party has had every opportunity to put forward its case [. . .] there should not be another opportunity." It continued:

> Indeed, the Policy contemplates that the process should be speedy. There are stringent time limits. Panelists have to give reasoned decisions within tight time frames. Parties are expected to "get it right" the first time, because there is not necessarily even a right of reply, although the learned Panelist in case D2000-0158 called for further submissions, which he was not required to do.

Refiling of complaints based on changes of circumstances or against a subsequent registrant is discussed in Chapter 12.

Complaints and Responses[12]

In coming to this issue of complaints and responses, it should be underscored that UDRP pleadings are unlike those filed to commence and defend claims in civil court. The difference between litigation pleadings and UDRP pleadings lies in the design of the process.

There is only a complaint and a response (and possibly supplemental submissions if accepted by the Panel, an issue discussed in Chapter 8): a truncation that calls for a different drafting approach than for litigation. Complainants are expected to file a fact pleading including evidence, rather than notice pleading on information and belief. Panels early addressed the differences and the particular requirements that set them apart. I will summarize some issues here and return to the subject in Chapter 12 ("UDRP Complaint: Actually a Motion for Summary Judgment") and Chapter 13 ("Content and Organization").

Each of the providers has its own complaint and response forms with fields for the three elements that the parties must fill in with their allegations of fact and

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11 To be clear: respondent has no burden to defend itself absent *prima facie* proof, either that it lacks rights or legitimate interests or registered and used the disputed domain name in bad faith, but the failure to respond when such proof is adduced, may be and mostly likely is conclusive that respondent has no defense to cybersquatting.

12 "Notification of Complaint" Paragraph 4; and "The Response" Paragraph 5.

contentions from which they wish panelists to draw inferences supportive of their claims. What goes into these fields must be carefully calibrated. It cannot be simply repeating language contained in the Policy, but requires as full an argument and proof as may be necessary to satisfy each party's evidentiary burden.

The point is introduced in *Plaza Operating Partners, Ltd. V. Pop Data Technologies, Inc. and Joseph Pillus*, D2000-0166 (WIPO June 6, 2000) (<plaza-hotel.com>). The Panel states:

> Although litigants and parties in arbitrations may have a right of reply under the rules of other forums, ICANN chose a different procedure for these proceedings that calls for only a Complaint and a Response.

Importantly,

> this more truncated procedure allows for more rapid and cost effective resolution of domain name challenges. [. . .] At the same time, ICANN provided the Panel with the flexibility to seek additional submissions if the Panel feels that it can not rule on the record submitted.

A "more rapid and cost effective resolution" presupposes that the parties (even if unrepresented) fully understand the process and the law.

The model complaint and response forms created by providers have the appearance of simple process in the sense that they provide containers for contentions and arguments, but unrepresented parties (usually respondents) are left to their wits.[13] The parties are limited to 5,000 words. Documentary proof and testimonial evidence (by affidavit or declaration) is submitted separately by Annexes to the pleadings without any word limitations. But the simplicity of the process is deceptive in that it minimizes the evidentiary demands for proving and defending claims of cybersquatting.[14]

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13 See *Elvstrom Sails A/S v. Moniker Privacy Services*, D2008-0393 (WIPO June 2, 2008) (<elvstromsails.com>): "The Center offers every assistance to a Complainant before, during and after the filing process. A model Complaint is available at the WIPO Center website. The online filing facility leads the Complainant through the process with detailed information as to the substance and supporting documentation expected at every step. The Policy, Rules and WIPO Supplemental Rules are readily available. There are pointers to the comprehensive Legal Index of WIPO UDRP Panel Decisions and to every published decision. Questions by email are invited. The Center cannot be expected to do more."

14 Respondent (a serial cybersquatter) in *Dow Jones & Company, Inc. and Dow Jones LP v. John Zuccarini*, D2000-0578 (WIPO September 10, 2000) "request[ed] [. . .] specific information, of where exactly I could find the criteria that must be present in a complaint before it is considered valid." In his response he argued "To say, even if I did have links to the The Wall Street Journal, I would need to be authorized by them to have these links is outlandish."

Thus for the uninitiated, what goes into the blank spaces of these forms is not transparent, nor is it clear what the parties must attach to their pleadings to support their arguments While the forms create an impression of simplicity, they are not friendly to parties without counsel or expertise in the art of presenting a case and familiar with the jurisprudence, and those untutored in shaping arguments and unacquainted with the evidentiary demands come to the UDRP with a disadvantage. I am referring, of course, to a small percentage of complaints dismissed and the even smaller percentage of cases granted or denied in error.

It will be seen as the discussion proceeds through the book that some parties are uncertain about what they must state and prove, a problem Panels experience even with professional representatives. Complainants particularly because they have the burden of proof, and respondents where the burden shifts and requires they produce rebuttal evidence, are expected to be familiar with the process and jurisprudence of the UDRP. In many cases, though, complainants' pleadings are insufficient to support their claims, and their complaints are dismissed for failure to support their contentions.

This was the case in *Credit Agricole Indosuez Luxembourg s.a. v. Patrick G O'Regan*, D2000-1300 (WIPO November 28, 2000) (<fastnet.com>), in which the Panel states:

> The Complaint contains no evidence as to the fame of the Complainant's trade mark/service mark, FASTNET, in June 1997 when the Respondent acquired the Domain Name. Indeed, the only reference in the Complaint to the Complainant's Irish rights in the name is a statement to the effect that those rights date from November 1997, several months after the Respondent's acquisition of the Domain Name.

In this case the deficiency of evidence led to dismissal of the complaint.

To jump into the present for a different example, in *Agfa-Gevaert N.V. v. Pascal Olaf Schubert, Schubert UG*, D2020-1413 (WIPO July 27, 2020) (<agfa-type.com>) the Panel found Complainant's assertion of bad faith "bizarre" because it asserted in *haec verba* "the standard articulated in Paragraph 4(b)(iv) of the Policy" without any argument as to its relevance:

> That argument does nothing more than copy the standard articulated in Paragraph 4(b)(iv) of the Policy. Not only is it entirely non-specific to this case, but, in fact, it is irrelevant. For example, the Complainant has conceded that the Disputed Domain Name does not resolve to an active website – therefore, there are no products or services on the Respondent's website that are being offered, let alone that could cause a likelihood of confusion.

Nevertheless, the Panel found in Complainant's favor on other grounds: "AGFA [. . .] is not a dictionary word [. . .] and all registered marks for or containing the word "agfa" are owned by the Complainant."

The filing of a complaint denotes that there is a claim to plead, but this presupposes that the right to be vindicated predates the registration of the domain name in dispute. It will become apparent that timing as well as reputation are critical factors for finding and rejecting claims of cybersquatting. Complainants whose marks post-date registrations of disputed domain names can have no actionable claim because if a mark did not exist (was not "distinctive" under ACPA law) a registrant could not have had complainant in mind when registering the disputed domain name. In one instant only, a claim will be sustained on the theory of anticipatory knowledge of an incipient right, in which event there is an actionable claim.[15]

Mutual Jurisdiction

The WIPO recommended a provision for a stipulation of mutual jurisdiction (which ICANN requires registrars to include in their registration agreements) that

> 147. *** the domain name applicant be required, in the domain name registration agreement, to submit, without prejudice to other potentially applicable jurisdictions, to the jurisdiction of the courts of:
>
> (i) the country of domicile of the domain name applicant; and
>
> (ii) the country where the registrar is located.

ICANN added a mutual jurisdiction provision to complement registrant's requirement. As a condition for commencing a UDRP proceeding, complainants must stipulate to a mutual jurisdiction in the event respondent challenges the award. Thus, under separate provisions and not with each other, parties stipulate to personal jurisdiction.

Rule 1 of the UDRP Rules (directed to complainant) defines "mutual jurisdiction" as follows:

> [It] means a court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder's address as shown for the registration of the domain

The significance of the mutual jurisdiction is realized following the issuance of a decision in complainant's favor in that it determines the venue for a respondent challenging an adverse UDRP award.[16]

15 Standing to maintain a UDRP proceeding is discussed in Chapter 9 ("Anticipatory Infringement."

The Panel in *Draw-Tite, Inc. v. Plattsburgh Spring Inc.*, D2000-0017 (WIPO March 14, 2000) (<drawtite.com>) explained that "Complainant's submission to a Mutual Jurisdiction benefits Respondent, not Complainant" because

> had Respondent brought this dispute to a court [. . .] Respondent might only have been able to obtain jurisdiction over Complainant at the location where Complainant resides. By submitting to a Mutual Jurisdiction, Complainant has provided Respondent with an additional forum where Respondent is amenable to suit. This additional forum is provided not by operation of law, but by contract between Complainant and the Center [that is WIPO wearing its provider hat], and Respondent is a third-party beneficiary of that contract.

Mutual jurisdiction works in tandem with Rule 4(k) discussed in the next section. If the respondent is US based (or the domain name registered with a US registrar), the complainant is locked into a federal court that may be, and in many instances depending on the location of the registrar is inconvenient to it, or in a federal jurisdiction that may be more favorable to registrants (the Ninth Circuit Court of Appeals rather than the Third, Fourth, and Eleventh Circuit Courts).

Dismissal of a complaint puts a foreign complainant in the disadvantageous position of having to defend the UDRP award in the mutual jurisdiction or seek a remedy in a court in its own jurisdiction, which occurred in *Circus Belgium v. Domain Administrator, Online Guru Inc.*, D2016-1208 (WIPO September 5, 2016) (CIRCUS and <circus.com>), discussed further below.

There have been a number of foreign mark owners hauled into federal court that have failed to defend their UDRP awards (the disincentives of time and expense), and in one instance, from a district court in Texas, the mark owner was penalized with statutory damages for $100,000 dollars (which according to registrant's counsel has never been collected).[17]

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16 This point is reinforced in *The Prudential Ins. Co. of Am. v. Shenzhen Stone Network Info.*, No. 21-1823, at *11 (4th Cir. Jan. 24, 2023): "[T]he mutual jurisdiction provision of the UDRP complaint relates solely to the registrant's challenge of an adverse UDRP decision. It does not require the registrant to submit to personal jurisdiction until the registrant decides to challenge an adverse UDRP decision and is only effective in the event of an adverse UDRP decision. There has been no adverse UDRP decision here because Prudential voluntarily terminated the WIPO proceedings. Thus, the provisions relied upon by Zhang and SSN do not constitute consent to personal jurisdiction in Arizona in connection with this ACPA case."

17 This is controversial issue as to whether the non-appearing mark owner is vulnerable to statutory damages. See *Marchex Sales, Inc. V. Tecnologia Bancaria, S.A.* 14cv1306 (E.D. Va. Alexandria Division May 21, 2015) in which the domain name holder challenged a UDRP award in an in rem proceeding. The Court held that "the agreement is limited to a challenge of a decision to the transfer of the domain name. [. . .] The language is specific; it involves only a challenge to a panel's decision to transfer a domain name [and cannot be enlarged to include damages and attorney's fees]."

In *Jos Daniel v. Privacy Administrator, Anonymize, Inc. / Stanley Pace*, D2020-1966 (WIPO September 11, 2020) (<celluvation.com> both US residents). Mark owner, now defendant, moved to dismiss the complaint on grounds of *forum non conveniens.*[18] The Court held:

> Mr. Daniel does not make any showing that enforcement of this forum selection clause would be unreasonable or unjust; instead, he purports that the complaint fails to state sufficient facts showing that personal jurisdiction exists. [. . .] The court disagrees. The complaint states that Mr. Daniel, as the complainant, consented to the jurisdiction of this court [Washington], which is where Epik, the domain name registrar, is located.

Plaintiff (registrant) obtained a default judgment following defendant's (mark owner's) default in appearing for trial in the Western District of Washington, the location of the registrar for the domain name. However, the Court denied attorney's fees even though Pace "successfully established a claim for reverse domain name hijacking." The granting and withholding of attorney's fees are discussed in Chapter 20. They are discretionary and controlled by factors present in the circumstances of the case such as counsels' conduct and the merits of their arguments.

UDRP 4(k): Nonexclusive Jurisdiction

Right to Challenge Forfeiture Recognized by ACPA

It would be extraordinary that if in the tens of thousands of cases that have been administered a number have not been wrongly decided. Of whatever that number may be, very few have been "appealed"—challenges to UDRP awards, of course, are not appeals but *de novo* actions in courts of competent jurisdiction. Challenges are authorized under Paragraph 4(k) of the Policy. To what extent errors occur cannot be accurately gauged, or whether there are more errors affecting complainants or respondents. Both parties have been affected by poorly reasoned decisions.

The Panel in *Bootie Brewing Company v. Deanna D. Ward and Grabebootie Inc*., D2003-0185 (WIPO May 22, 2003) (<bootiebeer.com>) is upfront about the possibility of error. It recognized that

> it may make erroneous findings given the limited nature of the record. That, however, is a necessary risk of the Policy, which provides for a relatively quick and inexpensive method of resolving alleged cybersquatting disputes.

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18 *Pace v. Daniel*, No. C20-1455JLR (W.D. Wash. Feb. 19, 2021). Although, see *Proulx v. Nrip LLC*, CV-21-01211-PHX-DJH (D. Ariz. Oct. 20, 2021) plaintiff the losing registrant in a UDRP proceeding commenced an action in the district court of Arizona pursuant to the stipulation of mutual jurisdiction but for the reasons discussed in Chapter 19 the action was transferred to the district court of Nevada.

If the Panel gets it wrong and "either party disagrees with the Panel's findings

> the Rules specifically encourage the parties to litigate their dispute in a forum that allows for discovery, live testimony and cross-examination, all of which facilitates the trier of fact's ability to make credibility determinations.

Paragraph 4(k) addresses the immediate consequences of an award in complainant's favor. It provides for a short stay of execution of the award. The concerned registrar both executes the award if there is no 4(k) stay and the implementer of the stay if the respondent acts timely in commencing an action:

> "***If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel's decision before implementing that decision.

If a complaint is filed the stay remains in effect for the duration of the court proceeding.

There have been very few challenges of UDRP awards. There may be two reasons for this. First, the cost of litigation is likely to be a major disincentive as well as uncertainty of attorney's fees and the unlikelihood of statutory damages. The second reason is likely to be the benefit is not worth the out of pocket cost given the uncertainty of attorney's fees. This issue is pursued further in Chapter 20.

Respondents domiciled or engaged in commerce in the US would have subject matter jurisdiction to contest the UDRP award in US federal court even if there were no Paragraph 4(k) authority, but not personal jurisdiction against foreign mark owners. Foreign complainants unwilling to challenge an adverse award in a US court can sue where they have jurisdiction, but it will not have personal jurisdiction over a respondent in a different national jurisdiction that is not the mutual jurisdiction.[19]

There have been several instances of losing respondents challenging non-US mark owners who have chosen to settle rather than litigate rights in US courts. In the previously mentioned <circus.com> case, Complainant elected to challenge the UDRP award in Belgium and found that it was frozen out of a remedy, *Circus Belgium v. Domain Administrator, Online Guru Inc., Tribunal de l'entre, prise de Liege, division UEG*, case dismissed:

> [As] there is no undue profit from the fame of CIRCUS . . . [and no certainty] the economic value of the brand may be affected by the fact that CIRCUS does not have the domain name "circus.com", it is clear that CIRCUS does not demonstrate that ONLINE GURU unduly draws profit from his fame.

19 Mark owners have launched successful challenges in Italy (<mediaset.com>) and China (<mohu.com>), as well as in the US.

> [. . .] [It follows that] the existence of this site does not lead to any discredit or denigration of the figurative mark of CIRCUS.

The moving party in an action challenging an award (whether complainant or respondent) must create a new record, as must the defendant in defending the award, although the respondent as defendant cannot rely on the UDRP decision. US courts have declared that no deference is paid to UDRP awards or their reasoned decision: "[I]nterpretation of [the ACPA] supplants a WIPO panel's interpretation of the UDRP." This is "because a UDRP decision is susceptible of being grounded on principles foreign or hostile to American law," and where it is "the ACPA authorizes reversing a[n] [arbitration] panel decision if such a result is called for by application of the Lanham Act."[20]

However, Paragraph 4(k) does not preclude courts in other national jurisdictions from denying subject matter jurisdiction or imposing conditions for proceeding with an "appeal."

Other National Jurisdictions

The Lanham Act recognizes UDRP 4(k) through its remedies for reverse domain name hijacking, but, some countries do not recognize subject matter jurisdiction, including the UK. In *Yoyo.email Limited v. Royal Bank of Scotland Group PLC and Others*, [2015 EWHC 3509 for example, the High Court of Justice, Chancery Division ruled that the court lacked subject matter jurisdiction to consider an original claim from an alleged erroneous UDRP award.

The Court held that "a proper construction of the UDRP clause 4k does not give rise to a separate cause of action in favour of the claimant." The Court reasoned that the

> there is no practical utility in granting declaratory relief in this case because the UDRP scheme has dealt with the issue between the parties, because any declaration made by this Court could not alter the findings of the Panel and the effect of my conclusions on the application for summary judgment on the counterclaim render the claim otiose."

The High Court found precedent for this position in an earlier decision, *Toth v. Emirates and Nominet, [2-12] EWHC 517 (Ch)* involving an award from a Nominet Panel (administrator for UK domain name dispute resolution service). The *Toth* decision is not particularly surprising because the Nominet Dispute Resolution Service Policy contains an appeal procedure, so the court's ruling that

20 *Barcelona.com, Inc., supra.* (holding in favor of domain name holder and vacating the UDRP award); *Strong Coll. Students Moving, Inc. v. CHHJ Franchising, LLC,* CV-12-01156-PHX-DJH (D. Ariz., May 15, 2013) ("[T]his Court will give no deference to the UDRP's [. . .] findings.")

there was "[n]o room for parallel (or consecutive) court proceedings" made sense in that the grievant had already exhausted its remedies. However, in extending the *Toth* ruling to UDRP awards, in essence finding that claims are barred under the doctrine of *res judicata*, domain name holders were told that the UDRP award is the end of the line.

Australian law on subject matter jurisdiction is more inviting than the U.K., but less so than the ACPA. In *Global Access Limited v. EducationDynamics, LLC., & Anor*, 2009], QSC 373 the Court would have allowed plaintiff (a foreign entity) to proceed with a declaratory judgment action to prevent transfer of the disputed domain name to the trademark owner.

The allowance, though, was subject to plaintiff posting a security bond for defendant's legal fees, which is not unusual in common law jurisdictions in which the loser must reimburse winner's attorney's fees, but for US parties and foreign parties with rights under US law aggrieved by the UDRP award will be heard without having to post a security bond. However, it appears that the magnitude of the security bond (and perhaps plaintiff's evaluation of risk) in challenging <elearner.com> that it might not prevail where the trademark ELEARNER had years of priority in the marketplace was enough to discourage plaintiff from pursuing the action.

Also in Australia, the federal court lacks jurisdiction to adjudicate a losing domain name registrant's claim. *Nagpal v Global Cars Aus Pty Ltd* [2021] FCA 1226 case dismissed on successful interlocutory application seeking to strike out the Federal Court proceeding. The Federal Court ordered that the Australian business should pay Cars24's legal costs on an indemnity basis for challenging the UDRP award in *Global Car Group Pte Ltd., Cars24 Services Private Limited v. Scott Simmons*, ilearnProject, D2022-0445 (WIPO April 6, 2022).

For non-prevailing registrants with no business address in the US, or the complainant's mutual jurisdiction choice is the location of the registrant's business address rather than the location of the registrar they may have no viable remedy. Such was the outcome in *Finwise BV v. Anne-Jan Hempenius, NameAvenue*, D2020-3135 (WIPO January 19, 2021) (<finwise.com>) (a Netherlands registrant and US registrar). The Complainant chose as the mutual jurisdiction the Netherlands business address rather than the location of the US registrar.

ICANN AGREEMENTS

Dictated Terms Incorporated into Registrar Agreements

The Registrar Accreditation Agreement

Registrants acquire domain names by entering into an agreement with ICANN certified registrars. They have no agreement with ICANN although its Policy controls the outcome of any dispute. The registrar agreement does double-duty: first, as a commercial arrangement between registrars and registrants; and second as a conveyor of provisions dictated for inclusion by ICANN in its Registrar Accreditation Agreement (RAA).[21] Thus, these registrar agreements are a hybrid of registrar dictated terms and ICANN dictated terms, and they are not negotiable.

A registrar dictated provision includes, for example, a description of the services registrants will be receiving in exchange for their agreement to purchase domain names. As I pointed out in Chapter 1 (Footnote 25), if upon expiration, the registrant has failed to renew its agreement "the domain name will be cancelled and you will no longer have use of that name." To be clear, registrants are purchasing a service: they have no ownership rights to the domain names and such rights as they have are contingent on paying a renewal fee as earlier discussed.

While registrar dictated terms are important to mark owners in the different context of reclaiming dropped or lapsed domain names,[22] it is the ICANN dictated terms that are of particular interest in protecting intellectual property rights from abusive registrations of domain names. Paragraph 3.8 provides: "During the Term of this Agreement, Registrar shall have in place a policy and procedures for resolution of disputes concerning Registered Names." These ICANN terms are crafted to deal with the contingency of cybersquatting. Registrants commit themselves to contractual obligations which I will review below.

The RAA directs registrars to incorporate in their registration agreements a set of representations (Para. 3.7.7.9) including: "[t]he Registered Name Holder shall represent that, to the best of the Registered Name Holder's knowledge and belief, neither the registration of the Registered Name nor the manner in which it is directly or indirectly used infringes the legal rights of any third party."

Further, if a registrant's choice of domain name is challenged "the Registered Name Holder shall submit [to adjudication under the UDRP], without prejudice to other potentially applicable jurisdictions, to the [mutual] jurisdiction of the courts (1) of the Registered Name Holder's domicile and (2) where Registrar is located." The Registered Name Holder "shall [also] agree that its registration of the Registered Name shall be subject to suspension, cancellation, or transfer pursuant to any ICANN adopted specification or policy."

WIPO considered and rejected the idea of giving registrants a choice. It explained in the Final Report (Paragraph 158):

21 A copy of the Registrar Accreditation Agreement is available at https://www.icann.org/resources/pages/approved-with-specs-2013-09-17-en.

22 See Chapter 11 ("Acquiring Dropped or Lapsed Domain Names") for another aspect of this issue: Can a domain name inadvertently dropped by failing to renew the registration be reclaimed?

> If submission to the procedure were to be optional for applicants, it was considered that the adoption of the procedure would not result in significant improvement on the present situation, since those persons who register domain names in bad faith in abuse of the intellectual property rights of others would be unlikely to choose to submit to a procedure that was cheaper and faster than litigation, but would instead prefer to leave the legitimate owners of intellectual property rights with the possibility only of initiating court litigation, with its attendant costs and delays.

The default position for domain name registrants is that the UDRP is a mandatory process. The term mandatory is used "in the sense that each domain name applicant would, in the domain name registration agreement, be required to submit to the procedure if a claim was initiated against it by a third party."[23]

For trade or service mark owners, the UDRP is a choice between the online procedure or commencing an action in a court of competent jurisdiction, but if it chooses the UDRP it too has certain obligations which I have already discussed.

Preregistration Searches Of Prospective Domain Names

WIPO also considered the responsibilities of registrars and recommended that they "should [not] be required to undertake pre-registration checks of prospective domain names against trademark databases, as such a measure would increase significantly the time and cost of obtaining a domain name registration."[24] This left the responsibility for preregistration check with the registrant. The final sentence of Paragraph 2 of the Policy reads: "It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights." I will return to this theme further below.

Due process requires registrants be given notice of the claim. If they fail to appear the proceeding is conducted *in rem* as the ultimate issue is the disposition of the disputed domain name. However, in saying that registrants are compelled to respond, it is not to taken as truly "mandatory" in the sense that they have no choice (the word used by WIPO and incorporated in the UDRP).

In fact, in the vast majority of cases respondents default generally for the reason the claims against them are indefensible. While registrants are not tasked with any due diligence searching in cases involving terms drawn from the common lexicon, it becomes increasingly expected as the composition of the domain name suggests an

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23 *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 381 (2nd Cir. 2003).

24 See Testimony of Francis Gurry (then WIPO Counsel) Before the Subcommittee on Courts and Intellectual Property of the Committee on the Judiciary U.S. House of Representatives Congress of the United States July 28, 1999. Copy available at http://www.wipo.int/amc/en/processes/process1/testimony/.

intentional act against a term which from its composition is likely to be a distinctive mark.

A close reading of the WIPO Final Report is useful in shedding light on what the different (and conflicting) interests had in mind in agreeing on several particularly contentious issues. It is clear from the language of the Final Report that WIPO purposely left certain of the recommendations dependent on facts and circumstances rather than suggesting any particular outcome: a "let us see the evidence" approach to adjudicating the dispute.

One of the contentious issues was whether registrants had to actively search trademark records and other sources before acquiring domain names. The phrasing of paragraph 104 of the WIPO Final Report suggests differences among the commentators and paragraph 105 reflects a compromise:

> [M]any commentators stressed the importance of encouraging voluntary domain name and trademark searches, on the part of prospective domain name applicants, to verify that the domain name that they intend to register was unencumbered and did not infringe upon the intellectual property rights of any third-party. It was noted that a range of commercial and public search services existed for both domain names and trademarks. These commentators urged the inclusion, in the domain name application, of language encouraging voluntary searches.

The differences of interest were then settled by WIPO's recommendation in paragraph 109 that "domain name registrations [not] be made conditional upon a prior search of potentially conflicting trademarks, but it is recommended that the domain name application contain appropriate language encouraging the applicant to undertake voluntarily such a search."

Paragraph 109 reads:

> It is recommended that the domain name registration agreement contain the following representations:
>
> (i) a representation that, to the best of the applicant's knowledge and belief, neither the registration of the domain name nor the manner in which it is to be directly or indirectly used infringes the intellectual property rights of another party; and
>
> (ii) a representation that the information provided by the domain name applicant is true and accurate.

The "recommendation received broad support," but as some commentators were uncomfortable, WIPO commented: "It is not an unqualified representation that a domain name registration does not infringe the intellectual property rights of others. It is a representation that the registration does not, to the best of the applicant's knowledge and belief, infringe the intellectual property rights of others."

This is a subtle but important distinction although difficult to parse: registrants are encouraged to perform due diligence searches for lexical configurations that call attention to their possible infringement of trade or service marks. But except for the obvious cases of cybersquatting of famous and well-known marks registrations of common terms (or terms thought to be common) may not be sufficient to launch such a search.

Registrants bidding on common term-domain names are not necessarily in a position to know that domain names offered for sale on public auction platforms are associated with any mark owner or abandoned, unless there is something about the lexical composition of the mark that unmistakably marks it as a mark.

At what level of distinctiveness does a mark have to have for panelists to deem a failure to search trademark databases may support a claim for cybersquatting?

Contractual Obligations to Avoid Infringement

Representations of Good Faith

Two Sets of Duties

Under the terms of the their registrar agreements, registrants have agreed to overlapping sets of duties. These might be described as duties relating to motivation and duties relating to conduct: What motivated the acquisition and having acquired a domain name corresponding to a mark how is it being used? They are separable duties that when combined put registrants on notice that they have a case to answer.

By motivation I am referring to the purpose for registering a particular lexical choice when it is seen to be identical or confusingly similar to a distinctive or famous mark. Why a disputed domain name is acquired is one half of the equation of which the other half is how it is being used.

This assessment of motivation begins with a set of representations set forth in Paragraph 2 of the Policy.[25] It is prefaced: "By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us [that is the registrar]:

> (a) the statements that you made in your Registration Agreement are complete and accurate;

25 The duties triggered by the representations relate to motivation and conduct at the time the registrant acquired the disputed domain name. The representations have no retroactive effect, an issue discussed further in Chapter 4. The duties imposed by the representations do not extend to renewals of registration. If at some point later in time from the registration and perhaps following renewal of the registration the registrant begins using the disputed domain name in bad faith, the complaint must be dismissed for failure to prove conjunctive bad faith *at the time of registration*.

> (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party;
>
> (c) you are not registering the domain name for an unlawful purpose; and
>
> (d) you will not knowingly use the domain name in violation of any applicable laws or regulations.

Subsection (a), (b), and (c) relate to the registration of the disputed domain name while subsection (d) relates to use. What motivates an acquisition may be deduced from the use to which the disputed domain name is put.

To some panelists in the 2009 to 2015 period subsection (d) carried forward to each renewal of registration; to others these obligations were measured from the date of acquisition. I will return to this issue in Chapter 4. The issue for discussion here is the registrant's obligation to avoid infringement.

The core view is that acquiring domain names corresponding to marks is not a *per se* violation. It becomes a violation when the registrant fails to recognize or deliberately ignores the mark owners' rights. An acquisition becomes a violation by use when directly or inferentially the evidence unmasks respondent's purpose.[26] It can be said to be impugned by the logic of circumstances.

Paragraph 2 concludes with the statement that

> It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights.

The notion here is that when a registration is challenged with *prima facie* proof that respondent lacks rights or legitimate interests and the evidence supports abusive registration of the domain name registrants have a case to answer, *in law*. I will deal with the burdens and standards of proof in later chapters.

But if registrants merely represent that they will "not knowingly use the domain name in violation of any applicable laws or regulations" what is the representation worth? Other than paragraph 2 of the Policy which codifies registrants' representations in the registration agreement, there is no guidance as to what registrants need do, at a minimum, to verify that their registrations "will not infringe upon or otherwise violate the rights of any third party", and are not being registered "for an unlawful purpose." But, registrants are on notice of their obligation to avoid

26 "Use" is defined as either active or passive. In the latter case complainant cannot be expected to have evidence of a respondent's intentions but if the domain name could not conceivably be used without infringing complainant's rights then the registration and use are in bad faith. See *Telstra Corporation Limited v. Nuclear Marshmallows*, D2000-0003 (WIPO February 18, 2000) discussed in Chapter 3 for the inconceivability test.

violating third-party rights and in close cases this may result in forfeiture and loss of investment.[27]

Failure to Perform Due Diligence

To what degree are registrants charged with failure to perform due diligence searches? In obvious cases, the answer comes easily. Some terms are so obviously generally known in the market that it would be implausible to deny knowledge of them. In cases of marks drawn from the common lexicon the failure to search is of no consequence. The WIPO Final Report states at paragraph 103:

> [T]he performance of a prior search for potentially conflicting trademarks should not be a condition for obtaining a domain name registration. . . . Particularly in an international context, the requirement of searches prior to the registration of a domain name was generally considered to be unrealistic and conducive to unnecessary delays in the registration process.

And at paragraph 105:

> It is not recommended that domain name registrations be made conditional upon a prior search of potentially conflicting trademarks but it is recommended that the domain name application contain appropriate language encouraging the applicant to undertake voluntarily such a search.

Thus, the question as to whether a due diligence search *must* be performed is not certain, but "maybe." It depends on the distinctiveness of the mark and the lexical choice for the domain name.

The question is: Under what circumstances ought a registrant perform a search to protect itself from any future claim of cybersquatting? The answer is illustrated by examining consensus views on this issue. As the quality of the mark descends to common words and phrases the less is expected; and the more is expected when the quality of the mark ascends to well known and famous, In the next section I will address the issue of high volume registrations.

Panels began crafting legal principles on the due diligence issue from the earliest cases. They recognized that in the ordinary course of acquiring domain names drawn from the common lexicon due diligence searching is not required,[28] but as domain names correspond to famous or well-known marks, which can include

27 Several UDRP awards are presently being challenged in ACPA actions for failing to perform due diligence searches, including <victron.com>, <ideacity.com>, and <celluvation.com>. Registrant (plaintiff) in the "celluvation" prevailed. The registrant in the "victron" case did not; and <ideacity.com> is still pending. Discussed further in Chapter 19.

28 Inherited assets for example: Complainant in *Kitchens To Go, LLC v. KTG.COM, Whoisguard Protected / HUKU LLC*, D2017-2241 (WIPO February 6, 2018) (<ktg.com>) argued that

certain compositions of words that are objectively outside the common lexicon, then due diligence searching is expected, and if not performed can result in forfeiture of the domain name.[29]

Location of the parties and quality of the mark (strong or weak) is similarly an issue. The Complainant in *Allocation Network GmbH v. Steve Gregory*, D2000-0016 (WIPO March 24, 2000) (German Complainant, US Respondent) advocated for universal searches regardless of the distinctiveness of the mark. The Panel rejected this argument: "nothing in the Policy can be construed as requiring a person registering a domain name to carry out a prior trademark search in every country of the world for conflicting trademark rights," but of course the domain name in dispute is a dictionary word, "Allocation". It is clear that as names becomes increasingly distinctive Panels will expect respondents to perform some due diligence, but correspondingly less is expected for marks that have not achieved distinctiveness in the market.

Similarly, but on different grounds, the Panel rejected the complaint in *infospace.com Inc. v. Infospace Technology Co. Ltd.*, D2000-0074 (March 28, 2000) (<microinfospace.com>). In this case, Respondent submitted evidence of its business operations and the Panel held:

> While the evidence is not given under oath and cannot be tested in the more traditional manners provided under various legal systems, the Panel has to operate under the terms of the Policy and decide the matter based on the evidence now before it. In the absence of evidence or circumstances contradicting the Respondent's evidence and assertions the Panel accepts the Respondent's above evidence.

The Panel added: "a different outcome might be reached in a courtroom, where the likelihood of confusion can be taken into account, irrespective of the intentions of the Respondent in registering the Domain Name and where evidence can be properly tested. That issue is however outside the scope of this decision."

In *FormLinc Information d/b/a GroupLink v. Credit Suisse Group*, FA0102000096750 (Forum April 25, 2001) (<grouplink.com>) the Panel majority dismissed the complaint on the grounds that the disputed domain name was too common to have required a due diligence search, although it did note: "As between Complainant and Respondent, the domain name has far greater practical importance and significance to Complainant than it does to Respondent." What the

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Respondent who inherited a large portfolio of domain names from her brother had "a duty of due diligence to search worldwide to see if any of them might infringe any third party rights, prior to registering them in her name." The Panel rejected this argument.

29 Actual knowledge versus constructive notice is a significant issue. It is discussed in Chapter 12.

Panel majority did not say and was better left unsaid is that its observation about "greater practical important and significance to Complainant" even as dicta is beside the point. The dissent regarded the decision as a "REWARD [. . .] [to] the lax and lazy actions of the Respondent" (upper case emphasis by the dissent). But of greater importance, the evidence indicated that the term "Group Link" was also used by other actors in the market which underscored its commonness.

Similarly in *Banco do Brasil S.A. v. The Universal Kingdom, LLC*, D2008-0389 (WIPO June 6, 2008) concerning <bb.com>. In this case, the Panel majority concluded that,

> Even if the Respondent has searched and found that trademark, would that necessarily have meant that the Respondent had acted in bad faith? As mentioned above, the disputed domain name consists of a short, commonplace term which was entirely capable of being used without infringing the Complainant's (heavily stylized) trademark.

It also stated its disagreement with the dissent that

> the Respondent had a duty to search trademark registers in Brazil and other of the "world's major economies". Such a conclusion is even further out of line with the usual approach of UDRP panels which is to ground bad faith on contemplation by a respondent of the complainant's rights.

While the dissent appeared to accept the view that "[s]uch a query might not be considered necessary in registering a 'dictionary' domain name" it argued that "the likelihood of infringing the rights of a third party or creating a likelihood of confusion as to source is clearly greater where the domain name is not a dictionary word or descriptive phrase."

However, the evidence "produced by the Respondent shows that there are dozens of other 'BB' marks on the USPTO register, many of which are for the standard characters 'BB' – unlike the Complainant's [figurative] mark." The suggestion that letter strings are different from dictionary words or descriptive phases has not been accepted except in the most obvious cases of targeting.

Nevertheless, there are other instances in which the due diligence is expected. These include, for example, fanciful marks or terms associated solely with complainants that by their nature suggest an established connection with a particular owner. This issue arises most often in cases in which the disputed domain name has been acquired in a public auction of dropped domain names.[30] For example, in a case in

30 Public auction issues are of two kinds. The first concerns domain names, like <supermacs.com> that suggest trademark use (in this case lost by inadvertence to renew the registration). These are discussed in Chapter 11. The second kind concern domain names drawn from the common lexicon that may also have been lost through inadvertent lapse. These are discussed in Chapter 18. The

which Respondent argues that a word is generic or clever: the responsive question is, Is it?

In *National Cable Satellite Corporation, d/b/a C-SPAN v. Michael Mann / Omar Rivero*, FA1707001741966 (Forum September 20, 2017) "the Respondent provided no evidence as to what due diligence it actually did prior to registering the disputed domain name." The real party in interest (Rivero, the second named Respondent) acquired the domain name from a well-known investor (Mann) for $75,000. Mann acquired <washingtonjournal.com> many years later than Complainant's WASHINGTON JOURNAL mark registered in 1997. Respondent contended that,

> Complainant does not have the exclusive rights in the terms WASHINGTON JOURNAL, and there are several other registrations that contain or bear the precise terms "WASHINGTON" and "JOURNAL." [Respondent gave as an example WASHINGTON BUSINESS JOURNAL].

But inserting "Business" between "Washington" and "Journal" creates a new distinctive mark. Nevertheless, the Respondent continued:

> It is clear that the Complainant does not have the exclusive rights in the terms WASHINGTON JOURNAL across a broad range of goods and/or services. Without the exclusive rights in the terms WASHINGTON JOURNAL, it is impossible for Complainant to allege that the "USPTO alone sufficiently establishes the NSCS's rights to the name pursuant to Policy 4(a)(1)." Rivero also contends "...it is obvious that the USPTO did not intend for Complainant to have exclusive rights in the terms WASHINGTON JOURNAL or the [Domain Name] incorporating those terms."

But given the distinctiveness of the combined words, it would have been implausible that Rivero who was in the media area did not know of the publication, but decided to acquire the domain name from Mann regardless of the predated trademark.

If he did not perform due diligence he violated the cardinal rule of purchasing property that he could not lawfully possess. The Panel emphasized that Rivero was "a Cornell University graduate and a Founder and Editor-In-Chief of an organization called Occupy Democrats." Given the "length and prominence of Complainant's use [in commerce it was simply] not credible" that he

> was unfamiliar with Complainant's mark, especially given that he is using the Domain Name for political news. Rivero does not deny knowledge of the

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Respondent in Supermac's argued to no avail that "Respondent's business is operated entirely within the USA, and as the Complainant has no operations or trademark rights in the USA that could have been discovered in a search of the US Patent and Trademark Office, there is no reason why the Respondent should have known about the Complainant."

mark, but instead, merely notes that Complainant has not proven his knowledge. Here, given these facts, that knowledge is easy to infer.

A variant on this theme is *Khadi & Village Industries Commission v. Michael F Mann, Domain Asset Holdings, LLC.*, D2021-3242 (WIPO December 7, 2021) (<khadiindia.com>). "Khadi" is a dictionary word, but when "India" is added to the second level it conjures up a famous brand in that country. Respondent alleged that it registered the domain name because Khadi is "a common item of clothing worn in India and the geographic designation for where such garments are worn," which it is but the addition of India changes the calculus. It is the the combination that is distinctive, while either one alone is purely descriptive of clothing and location.

Where "Allocation" does not require searching, <khadiindia.com> demands investigation and there was no evidence that Respondent performed any search to determine whether the word and combination was used as a trademark. "Khadi India" invokes a blinking amber light because the phrase suggests Respondent had Complainant's India trademark in mind even though it never thought to question, otherwise why would it register a phrase identical to the mark. (At the time of this proceeding, the Complainant had a pending application for "Khadi India" in the US, but registration for that term in a number of other jurisdictions).

Panels have developed catch phrases to address situations that support an inference of bad faith. Where registrants "ought" to have recognized the likelihood of infringement (UDRP paragraph 4(b)(iv)) because the lexical combination would lead one to believe the domain names may correspond to marks, their registration without due diligence searching is deemed "willful blindness" in believing the domain name is generic or drawn from the common lexicon where by applying an objective test it clearly is not.

As a general rule, the greater the distinctiveness of a mark the more likely that inference will favor complainant; and the reverse is true for marks lacking in distinctiveness, directed to consumers in a niche market, or multiply used by others to market their own (albeit, different categories) of goods or services.

However, where a term "is in common commercial usage by a large number of different entities for a range of goods and services in a significant number of geographic territories" it would take more than surmise of cybersquatting to satisfy bad faith registration, particularly absent any evidence of bad faith use.[31]

31 Nevertheless, some panelists focus on the confusing similarity of domain name and mark as a determinant of "likelihood of confusion." *Amadeus IT Group, S.A. v. Domains By Proxy, LLC / Narendra Ghimire, Deep Vision Architects*, DCO2022-0040 (WIPO July 25, 2022) (Complaint dismissed over vigorous dissent), discussed in further detail in Chapter 4, "Generalized Bad Faith."

In *Datacap Systems, Inc. v. Domain Admin, XYZ Invest LLC.*, D2023-0858 (WIPO May 2, 2023) (<datacap>), the Respondent offered evidence in the form of a declaration by inside counsel that it had a procedure in place to prevent infringing third party rights. This includes:

> (a) conducting a search for matching trademarks in the WIPO Global Brand Database and (b) only acquiring the domain name if either (i) there are no matching trademark registrations or brand names or (ii) the domain name is generic and there are so many matching trademark registrations or brand names that no single party maintains the exclusive rights to the string.

Such a practice satisfies the search requirement, although in auctions for dropped domain names there may be time constraints against researching for prior holders of the disputed domain name and their trademark status.

High-Volume Registrants

Imposition of a Higher Duty

Unlike parties who register domain names for their own business or personal purposes, or of more discriminating investors, high-volume registrants scoop up domain names indiscriminately. One Panel noted: "The fact that Respondent purchased the domain names as part of a package does not excuse Respondent from due diligence. Indeed, this excuse applied at its logical extreme would provide a basis for any respondent who buys numerous domain names to deny responsibility." This applies generally to performing no due diligence as distinct from performing some.

There is a view expressed in the Jurisprudential Overview that these registrants cannot possibly in good faith make the representations required by Paragraph 2 for each domain name. The expression "High Volume Registrants" applies to "domainers" generally: "this concept has been applied irrespective of whether the registrant is a professional domainer," but it is actually directed professional domainers.

This class of registrants includes those who acquire large portfolios of domain names that include some that are confusingly similar to famous or well-known marks and others scooping up dropped domain names. They may not realize they are infringing third-party rights and, if brought to their attention, they are likely to have no interest in retaining them.[32]

32 Personal communications with representatives acting on behalf of investors advise that their clients' practice upon notification is to transfer clearly infringing domain names to mark owners before the issue advances to a UDRP proceeding or if commenced immediately agree with mark owners to transfer the disputed domain names to their accounts .

But, when these disputes are submitted for adjudication the consensus expressed in the Jurisprudential Overview governs the outcome. Paragraph 3.2.3 reads:

> Noting registrant obligations under UDRP paragraph 2, panels have however found that respondents who (deliberately) fail to search and/or screen registrations against available online databases would be responsible for any resulting abusive registrations under the concept of willful blindness; depending on the facts and circumstances of a case. . .

However,

> Panels have conversely found that where a respondent provides evidence that it has undertaken additional measures to avoid abusive use of any registered domain names, e.g., through methods such as applying negative keywords, such undertakings will corroborate the respondent's claim to good faith.

The Panel noted in *Research In Motion Limited v. Privacy Locked LLC/ Nat Collicot*, D2009-0320 (WIPO May 8, 2009)

> These bulk transfers and associated automated processes, frequently conducted by legitimate businesses, are unlikely to have been in contemplation when the Policy was drafted and introduced.

While speculating in domain names is not condemned, Panels have construed qualifications to deal with new issues as they arise, one of them being bulk transfers.

I will return to *Research In Motion* in a moment. There are questions as to whether these registrants can be constructively found to have actual knowledge of complainants or their marks, or whether actually or constructively it makes any difference, since ultimately the determination rests on the quality or value of the mark.

Mega owners of domain names (sometimes referred to dismissively as speculators, although being one is not condemned under the Policy, indeed recognized as a lawful business practice) have been challenged in close cases to prove that they have systems in place to avoid infringement.

There is an open question as to whether high-volume registrants should be treated differently and charged with knowledge or awareness of an existing trademark unless they can prove they undertook preventive searches to avoid infringing third-party rights, although there can be no doubt that in the most egregious cases willful blindness aptly characterizes their conduct.

The suggestion that they should be treated differently by imposing a higher standard of certitude is traceable to a 2006 case, *Mobile Communication Service Inc. v. WebReg, RN.*, D2005-1304 (WIPO February 24, 2006) (<mobilecom.com>) followed shortly thereafter by *Media General Communications, Inc. v. Rarenames, WebReg*, D2006-0964 (WIPO September 23, 2006) (<wcmh.com>) and *mVisible Technologies Inc v. Navigation Catalyst Systems Inc.*, D2007-1141

(WIPO November 30, 2007) (34 domains incorporating the trademark MYXER including <imyxer.com>).

The Panel in *Mobile Communications* set out what it saw as the appropriate balance:

> Where . . . a respondent registers large swaths of domain names for resale, often through automated programs that snap up domain names as they become available, with no attention whatsoever to whether they may be identical to trademarks, such practices may well support a finding that respondent is engaged in a pattern of conduct that deprives trademark owners of the ability to register domain names reflecting their marks.

This view was extended in *mVisible Technologies* in which the 3-member Panel notched up the standard in announcing that "a sophisticated domainer who regularly registers domain names for use as PPC landing pages cannot be willfully blind to whether a particular domain name may violate trademark rights," adding that "a failure to conduct adequate searching may give rise to an inference of knowledge [of complainant's mark]." The sole Panel in *Mobile Communications* was the Presiding Panelist in *mVisible Technologies*.

Behind *mVisible* lies the so-called willful blindness standard: a subjective conclusion that sometimes masquerades as an objective factor. There is, of course, good reason to require more than *pro forma* diligence. The Panel in *Research In Motion*, *supra*., believed it necessary to set out his views which suggest that upon demand the domain names should be transferred to mark owners:

> Accordingly, if a domain name, which they have purchased incorporates a third party's trade mark of which they are likely to have knowledge, they should be treated as having acquired that domain name knowingly and knowingly to have put the domain name to the use to which it is being put. Were it otherwise, automated bulk transfers of domain names would be the perfect shield for abusive registrations.

While it is lawful to register generic names and even compounds, a registrant's belief that its acquisition satisfies that criterion is not conclusive as exemplified, to take one of numerous examples discussed earlier, *National Cable Satellite*. It can be agreed that "Washington" and "Journal" are common words but it cannot be agreed that the combination is also common where the mark has a distinctive reputation in the market.

For a further example, in *Aspen Holdings Inc. v. Christian P. Vandendorpe*, D2009-1160 (WIPO October 16, 2009) Respondent alleged that "first quote" is a generic term." The Panel disagreed:

> While the words "first" and "quote" independently have generic meaning, the Respondent has provided no authority for the proposition that the term "first quote" is generic. Moreover, while "firstquote" arguably could be considered

> suggestive when used with a website providing quotes for insurance products or services, there is no evidence in the record establishing that the term "first quote" is a descriptive phrase commonly recognized or used by third parties in connection with insurance products and services.

The Panel states that "[t]he obligations imposed by paragraph 2 are an integral part of the Policy applicable to all registrants [and] cannot be ignored." If respondent argues in defense that a phrase is generic, it must be able to show its use by others.

In *Citigroup Inc. v. Andrew Robert Wilson, Andrew Robert Wilson*, D2021-1058 (WIPO June 1, 2021) (<citidirect.org>), the Panel held that

> mere ignorance of the existence of the trade mark [will not] be sufficient to bring the adoption and use of the name within the fold of honest practice. Honest practice in the choice of a name to be used in trade must imply reasonable diligence in ascertaining that the name chosen does not conflict with, inter alia, an existing trade mark, and thus in verifying the existence of any such mark."

Failure to perform some due diligence sufficient for the circumstances is not "honest practice."

It is even more conspicuous where "the trademark is an ad hoc, unique word," as it is in *Fundación EOI v. Kamil Gaede*, D2021-3934 (WIPO December 21, 2021) (<fundesarte.org>), or a combination that designates the origin of the mark in which Complainant owns a logo mark that contains the phrase "Khadi India." It can also be argued, particularly as trademarks descend to the lower rung of protectability, distinctive but weak in terms of consumer recognition, that imposing a higher duty on high-volume registrants for that category of mark is discriminatory.

What "adequate searching" means, therefore, and what due diligence is expected of a registrant in defending its registration of a disputed domain name that may correspond to a trademark, even if not well-known or famous, must be dictated by the appearance of a string of letters that has the substance of a mark, but it shades off as the string exudes commonness or descriptiveness,[33] and become even less concerning of terms that are used by other market players. Extrinsic facts such as

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33 In *Minnow IT Ltd v. Domains By Proxy, LLC / David Hanley*, D2022-0600 (May 4, 2022) the mark and domain name have the appearance of a dictionary word, (<foldr.com>). The Respondent argued that "the disputed domain name is an ordinary word in English with the 'e' omitted and says there are many such domain names registered uncontroversially(sic) such as <powr.com>, <winnr.com>, and <playr.com>." The Respondent is incorrect in arguing for these omissions since there have never been any adjudications. On extrinsic facts the Panel found for the Complainant: "Panels have frequently held that demands for such high prices by domainers indicate a lack of rights or legitimate interests and registration in bad faith." This "frequently held view" is not conclusive of abusive registration. See Chapter 18 for a discussion on pricing. Another Panel rejected the Respondent's argument in <goodr.com> also for failure to perform a due diligence search, discussed in Chapter 11.

the contents of the web page to which the domain name resolves, and possibly the locations of the parties in different national territories are also factors to take into account.[34]

The Degree of Due Diligence Depends on the Facts

What level of "additional measures," then, exonerates respondent and satisfies the Policy? The answer depends on the lexical choice for the mark and bonds of association that have been built around complainant's products or services. Combinations of common words can also be common where they lack the distinctiveness of the above cited cases. The weaker the mark the less demand for due diligence even if there is some evidence of association of the name to the product or service, but it is not exclusively associated

The expectations have been variously described. In one case: "[T]he fact of an individual registering a domain name in a foreign language may to some extent cut against an assertion regarding a complete lack of prior knowledge given that some level of due diligence would be expected from individuals dealing in domain names." In another case: "the onus must be upon the professional domainer to ensure that it does its due diligence properly and either does not acquire domain names that are identical or confusingly similar to well reputed registered trademarks [. . .] or if it does acquire them as part of a bulk purchase that it has a policy in place of not using them until they are cleared."

And in yet another case: "Honest practice in the choice of a name to be used in trade must imply reasonable diligence in ascertaining that the name chosen does not conflict with, inter alia, an existing trade mark, and thus in verifying the existence of any such mark. And a search in national and Community trade mark registers is not normally particularly difficult or burdensome."

However, as noted by the Panel in another case: "[E]ven very thorough due diligence analysis would not have made the Respondent aware of the Complainant or its trademarks." In *My Passion Media Inc. v. Constantina Anagnostopoulos, Mytrueearth*, D2021-0415 (WIPO June 18, 2021) the Panel noted:

> On one view, therefore, the very specific and restricted nature of the search which the Respondent chose to undertake could suggest that it was deliberately looking in a place where it knew that the Complainant's existence could not be found. Nevertheless, this is not enough for the Panel to find it to be more likely than not that the Respondent had any such intention, particularly where the Complainant's evidence fails to provide adequate detail as to its probable

34 This becomes an issue for marks composed of common lexical elements that may be well known in markets in their home countries but plausibly unknown to those in other jurisdictions.

> notoriety at the material time, whether this would be available from those kinds of searches or otherwise.

Similarly, the evidence in *Photomaton v. Ehren Scheiberger*, D2022-0593 (WIPO April 15, 2022) (<photomaton.com) did not satisfy that test either. The Panel denied the complaint on Respondent evidence that it had made a google search, albeit imperfect, for potential conflicting trademarks:

> A respondent who chooses to rely on a search limited to its own jurisdiction when it is proposing to operate on a global basis, therefore, should not expect so easily to avoid its duty under the Policy to avoid conflicts with third party trademark rights given the availability of more appropriate and convenient tools such as the Global Brand Database.

Nevertheless, "From the evidence of the time limited Google search included in the Response, however, it would appear that a Google search around the time of the drop-catch sale did not clearly disclose the Complainant's trademark (as opposed to the existence of its photo booths)."

Complainant in *Legally Co v. Domain Administrator, Name Find LLC*, D2018-1958 (WIPO October 31, 2018) (<legally.com>)[35] owned LEGALLY, the Panel stated that it was "not persuaded that consumers can readily identify the source of the services while gaining a sense of what the exact services are. Complainant has not provided sufficient evidence of its reputation, the strength or distinctiveness of the LEGALLY Mark, or facts that corroborate an awareness of Complainant's LEGALLY Mark."

The Panel did find that the "Domain Name resolves to a website displaying generic sponsored links to Complainant's field of services," but those links are not infringing as they point to the services expected of the word. "This militates in favor of a finding that Respondent did not register the Domain Name to target Complainant and/or its Mark, but registered it, more likely, bearing in mind its potential value as a dictionary term."

The point is further illustrated in *iCommand Ltd v. Johnny Gray, ArtWired, Inc*., D2020-1438 (WIPO August 11, 2020) (<downpat.com> purchased in a public auction following Complaint's failure to renew its registration). The Complainant argued bad faith on the theory that

> the inflated selling price of the Domain Name, is evidence that Respondent was aware of Complainant's rights in the Domain Name and registered the Domain Name primarily for the purpose of preventing Complainant from reflecting its trade mark in a corresponding domain name, and/or to sell the Domain Name back to Complainant for a highly inflated price.

35 Disclosure: Author represented Respondent in this case.

But it does not follow that because the price for the domain name is "inflated" that it supports bad faith. The 3-member Panel noted:

> The Domain Name consists of two clearly generic words in common use in the English language and even when they are run together, as they are to make up the Domain Name, they create another generic word. That being so, Respondent has a right to register a domain name using those words and a legitimate interest in using it for the same reason, which is that they are part of the language over which Complainant has no right to limit Respondent's or anyone else's use of the words.

I will discuss this issue in greater detail in later chapters, but this case illustrates the unfortunate consequence of having and losing domain names drawn from the common lexicon or created prior to a corresponding mark for failure to renew their registrations.

Mark owners cannot succeed on claims of cybersquatting on a theory that Respondents acquired the disputed domain names merely to resell them at a profit (a bias against arbitraging!), where respondent merely foresaw a business opportunity for an attractive (or in the Court's phrase "generic and clever") word or phrase that might be desirable to new entrants in the market at a later time.

But, when it comes to uncommon words or combinations, though, the outcome will depend on whether the domain name is acquired 1) following a mark's first use in commence; 2) from an earlier registrant whose original date of registration predated the mark; 3) at a dropped domain name auction, or 4) for its semantic value independent of any association with a corresponding mark.

A domain name registration that mimics a well-known or famous brand, ever so weak that it may be, will have a case to answer in response to a prima facie case that it lacks rights or legitimate interests but for the third element it is the complainant's onus to prove abusive registration.

CHAPTER 3

WHAT LAW APPLIES TO CYBERSQUATTING?

CONSTRUING THE LANGUAGE OF THE POLICY

The effectiveness of the UDRP lies principally in the steady buildup of a jurisprudence through the filing of reasoned decisions and the associated policy recommended by WIPO and incorporated in UDRP Rule 16(b) that providers "shall publish the full decision [. . .] on a publicly accessible web site." If there were no database of decisions there would be no law, and each case would conclude with a one-off decision.

The UDRP cannot be fully appreciated without a rear-view look at WIPO's accomplishment. In the words of the Panel in *Citigroup Inc. and Primerica Financial Services, Inc. v. Brian Allman*, FA0708001066738 (Forum October 16, 2007) the Final Report is the "travaux preparatoires of the Policy and the closest equivalent to a legislative history for the Policy that can be found." It is similar in this respect to the US Senate Report earlier discussed in Chapter 1.

Both reports explain the significance of the guidelines established in the different mechanisms. WIPO underscored its recommendations by affirming that "the goal" of the proposed arbitral proceeding was not to "create new rights of intellectual property, nor to accord greater protection to intellectual property in cyberspace than that which exists elsewhere." Rather,

> the goal is to give proper and adequate expression to the existing, multilaterally agreed standards of intellectual property protection in the context of the new, multijurisdictional and vitally important medium of the Internet and the DNS that is responsible for directing traffic on the Internet. (Final Report, paragraph 34).

The mission of the proposed arbitral proceeding is to combat cybersquatting while recognizing other established rights and legitimate interests. It is intended, as ICANN framed it, as a "procedure intended only for the relatively narrow class of cases of 'abusive registrations.'"

The resolution of such disputes requires a balancing of each party's rights. While there is nothing in the law that necessarily prohibits persons from registering strings of lexical or numeric characters corresponding to marks, it is unlawful for anyone to acquire domain names for the sole purpose of exploiting their goodwill and reputation. It is not unlawful to acquire domain name drawn from the common lexicon for other purposes.

WIPO expected that as the body of legal principles developed through case determinations it would "provide guidance for the future" (*Id.*, 150(v)). "[E]fforts [it stated] should be made to promote the development of a body of persuasive precedents" (*Id.*, 219). Further, "[i]t was considered that such a body of precedents would enhance the predictability of the dispute-resolution system and contribute to the development of a coherent framework for domain names" (*Id.*).

This raises the interesting question about the means by which new law comes into existence and how it grows into a jurisprudence. That a "body of precedents" has emerged is recognized by WIPO in publishing its Overviews; and by naming its latest version (2017) a Jurisprudential Overview it has formalized what it foresaw. A body of precedents presupposes consensus, which is essentially a social compact among panelists agreeing to a set of established principles. Outliers to this compact are panelists who deliver one-off decisions.[1]

If it were asked: Where do these agreed-upon legal principles come from, the answer would be that panelists appointed to adjudicate these disputes draw upon five sources. The first is the Policy which contains the kernel of law as a set of guiding principles, but it only blossoms through panelists' constructions of its provisions.[2]

The other four are from outside sources: 1) legal principles familiar to panelists as active members engaged in their national legal systems, 2) developing case law on issues that assist in shaping panelists' views, 3) new law found or formulated by them guided by the Final Report, ICANN's Second Staff Report, and, lastly 4) authoritative and influential decisions from fellow panelists.

Principally, though, Panels draw on the fourth source, their peers' reasoned decisions as embodying the accumulated wisdom of the other sources. Like judicial proceedings, Panel decisions are publicly accessible (UDRP Rule 16(b)). This and the resulting database of narratives and consensus views allows for a buildup of a jurisprudence of domain names distinct from the law of trademark infringement.

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1 The consensus views set out in the Overviews are a signal achievement. It is one thing to have authoritative decisions to work with and another to excavate the learning from those decisions as a basis for constructing a working consensus. The Editor cannot be over praised. It might be noted, though, without in any way questioning the achievement, that the jurisprudence that has emerged from the thousands of decision is not solely the work of WIPO Panels but the work of Panels from all the providers. This includes, prominently in the early years, Panels appointed by eResolution before it dissolved, and later from the Forum, then known as the National Arbitration Forum. After the demise of eResolution panelists moved to the WIPO and Forum rosters and some, after stints on the WIPO roster, moved to the Forum roster. WIPO and the Forum, and later some of panelists who were no longer being utilized by WIPO as sole Panels moved exclusively to the Forum roster.

2 See *Bob Jones Univ. v. United States*, 461 U.S. 574, 586, 103 S.Ct. 2017, 76 L.Ed.2d 157 (1983): "It is a well-established canon of statutory construction that a court should go beyond the literal language of a statute if reliance on that language would defeat the plain purpose of the statute."

Panelists' citations to "decisional law" (not as precedent in the sense of *stare decisis*, but as resources for universal principles and domesticated into UDRP jurisprudence[3]) result in furthering consistency of outcome by educating parties and the bar as to what they can expect in obvious cases as well as insight into what they may expect from fact patterns more supportive of rights or legitimate interests and good faith registrations.

Pinning down the development of law and the emergence of consensus, of course, is a complex undertaking. It begins with a common understanding that a body of law should project consistency of outcome that over time produces a consensus of views. The Jurisprudential and earlier Overviews both reflect and create consensus. While the consensus does not commit panelists to slavish conformity to earlier decisions, it discourages them from formulating or importing principles or views inconsistent with the developed jurisprudence.

An initial issue concerned a jurisdictional objection. Was the UDRP retroactively applicable to domain names acquired prior to its existence? The answer was delivered in *R & A Bailey & Co. v. WYSIWYG*, D2000-0375 (WIPO July 7, 2000). In this case, the disputed domain name <baileysirishcream.com> is identical to the Complainant's mark. In its defense, the Respondent asserted a "jurisdictional objection" that there "has been a retroactive application of the ICANN Policy to the Respondent's 'property interests' and that this violates the United States Constitution, including the right to due process of law and the takings clause." In disposing of this issue, the Panel stated he was not a US citizen and as a Panel "does not have the jurisdiction to pass upon issues of U.S. constitutional law [. . .] [and it] will not speculate as to what a U.S. court of competent jurisdiction might hold were the argument to be advanced before it."[4]

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3 While WIPO downplays precedent, its "Jurisprudential" Overview carries the aura of authority by drawing its syntheses of legal precedent from well-reasoned decisions that have shaped the jurisprudence. Panels recognize that "although there is no express doctrine of *stare decisis* in this jurisdiction, it is desirable that UDRP decisions should be consistent and outcomes predictable [. . .] [and where the reasoning in an earlier] case is of very strong persuasive authority [. . .] [it] should be followed." There is no such compendium by any other service providers to record their roster of panelists' views, but the Overview is generally cited by panelists across rosters, and as I hope to demonstrate there is consistency across providers' panelists so radically differences of view would be unexpected. The law is shaped by Panels from all providers as will be underscored by the illustrations.

4 Scholar Holger P. Hestermeyer stated in an article entitled "The Invalidity of ICANN's UDRP Under National Law," Minnesota Intellectual Property Review, Vol. 3, Issue 1 (2002): "[Because] registrant never agreed to the UDRP [. . .] [n]evertheless, he could be dragged into a UDRP proceeding in which the registrar would enforce the decision. Because this is such a troubling notion, it is unlikely that a panelist would follow Bailey." The issue died with this case (that is, it dies by never again becoming an issue) in spite of what to Mr. Hestermeyer was a "troubling notion."

Thus, retroactivity as a jurisdictional objection disappeared as a shield to cybersquatting although it emerged as a sword in a theory known as retroactive bad faith discussed in Chapter 4. What matters are the merits and this begins with pleaded and proved facts. As the diversity of narratives expanded they gave rise to new constructions that needed digesting before being generally accepted. They also gave rise to differences of view on a number of issues arising from the diversity of narratives, until Panels agreed to generally applicable principles.

From the vast library of decisions certain among them have become authoritative on which the jurisprudence rests and thrives.[5] WIPO declares in the Overviews that their purpose is to "reflect[ ], and assist[ ] the predictability of UDRP decisions by panels appointed in WIPO cases." This is WIPO the legislator speaking. WIPO's goal for "a body of persuasive precedents" is realized in legal principles and refinements developed in deliberative conversations that take place through the daily release of decisions. The Policy does not dictate what the jurisprudence will be. It leaves that to the corps of panelists. This bottom up rather than top down process results in a jurisprudence of domain names that develops in common law fashion through Panel decisions that over time resolves into consensus.

Has WIPO's expectation for the emergence of a jurisdiction been achieved? This chapter will take up the theme of expectations "that the use of the administrative procedure should lead to the construction of a body of consistent principles that may provide guidance for the future."

The answer to this question can be found in many first year decisions. The Panel in *Grove Broadcasting Co. Ltd. v. Telesystems Commc'ns Ltd.*, D2000-0703 (WIPO November 10, 2000) stated that it was "important to note"

> that the WIPO adjudication processes for domain name disputes have attracted almost 2,000 Complaints over the 10 months in which the scheme has been operating. As at the date hereof, some 770 decisions have been rendered. It is not surprising that Panelists are developing a jurisprudence on the Policy on a case-by-case basis by offering interpretations of the Policy as unusual situations occur.

5 A careful review from this library of decisions shows that consensus is generally formed around a few influential decisions remarkable for their acumen in construing the guiding principles of the UDRP. The Panel in *Fresh Intellectual Properties, Inc. v. 800Network.com*, D2005-0061 (WIPO March 21, 2005) (principal editor of the Overviews) stated: "Although the WIPO Decision Overview is not precedential in nature, it does reflect a studied and considered summary of consensus positions culled from the decisions of numerous panelists during the first five years of administration of the UDRP. When such a consensus has developed, it is incumbent upon panels to follow the consensus (or the majority view) to promote consistency among UDRP decisions."

The clause “not surprising that Panelists are developing a jurisprudence” is essentially underscoring WIPO’s expectation that it was inevitable that such a body of law would develop. That the Panel denied the complaint (a refiling from an earlier decision denying the first complaint) established one of the core features of the UDRP, that barring circumstances at the time unknown to the complainant there is no second bite.

A jurisprudence is a collection of constructions (or rather the product thereof) and agreed upon legal principles crafted to resolve different sets of factual circumstances. Simple cases demand a simple set of legal principles and close and difficult cases demand a richer repertory of principles Where disputed domain names are identical or confusingly similar to marks in which the complainant has a right, that will satisfy the first element of the Policy, but if the complainant has a mark drawn from the common lexicon and the disputed domain name is the same common word plus another common word (<virginliving.com> for example), that is a harder question to be answered under the second and third elements. It may contain the word “virgin” but the scope of Virgin’s trademarks do not include the possible services conjured by “Virgin living.”

In such cases Panels have found either that domain names are confusingly similar or simply similar but not confusing or if similar and confusing that there is no evidence of bad faith registration. These same nuances carry through to the second and third elements, Paragraphs 4(a)(ii) and 4(a)(iii). Not only is more attention paid to close cases, but as circumstances expand so too is there increased demand for a fuller jurisprudence, and these principles quickly began emerging and are still being refined. It is a dynamic rather than a static process.

The Policy as a Set of Guidelines

At the start, Panels had in hand a set of guidelines in the form of a code. There was at its implementation no body of law. It was their task to decipher and construe the terms of the Policy to create it. When the first Panel was appointed in October 1999, it was charged with determining issues without precedent although not without emerging US case law that assisted in guiding panelists in their decision making.

A first issue concerned “use in bad faith.” Where the disputed domain name is passively held can there be said to be use in bad faith? And if so, how does non use support “use in bad faith”? Or an equal conundrum: How does a Panel determine registration in bad faith if not by finding use in bad faith?

The Panel in the first decided case started a conversation about the meaning of “use.” It found that offering to sell the disputed domain name “‘for valuable consideration in excess of’ any out-of-pocket costs directly related to the domain name, respondent has 'used' the domain name in bad faith as defined in the Policy." It was referring to the language of Paragraph 4(b)(i) of the Policy.

The meaning of use is both active and passive. I will return to this case further below, and again in Chapter 4 because the conversation the Panel started led him later to backtrack on his initial construction of Paragraph 4(a)(iii), and specifically on the meaning of Paragraph 4(b)(iv).

Beginning with the use conundrum, of which more below, panelists began systematically construing the terms of the Policy in light of the different factual circumstances. Over the past 23 years there has developed a robust jurisprudence. It is divided into three periods. The first period began with an astonishingly creative burst in construing the Policy's terms in which Panels set down and developed the foundational principles.

By 2005 a significant body of law had developed to justify WIPO publishing an Overview (version 1.0) capsulizing "consensus positions culled from the decisions of numerous panels." Taking into account the accumulating wisdom, it represented the Editor's best judgment of how the law then stood with respect to a variety of issues in each of the three elements of the Policy.[6]

A second period which lasted for three or four years saw continued refinements to the foundational principles, but it also set in motion some disruptive conversations (particularly in the period 2009 through 2016) that tested newer constructions advocating fundamental changes to settled law. Some panelists proposed a literal reading of registrants' representations in the registration agreement and other panelists saw value in applying local law under some circumstances. These proposals are reported in WIPO Overview 2.0 (2011).

Between Overview 2.0 (2011) and Overview 3.0 (2017) Panels worked through contending views and approaches to the Policy. It was a fertile period of creativity that saw the literal reading and local law proposals rejected by the corps of panelists and core principles further refined. This was reported in WIPO Overview 3.0 which WIPO designated the Jurisprudential Overview. The post-2017 period is relatively quiescent. It again finds panelists refining the received legal principles, sometimes in outstanding decisions in language and reasoning resolving close issues of rights and lawful registrations of domain names.

The Overviews are highly regarded compendia of views distilled from the best reasoned decisions of jurist-minded arbitrators expressing their visions of what

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6 *The Knot, Inc. v. In Knot We Trust LTD*, D2006-0340 (WIPO June 26, 2006), Footnote 1: Although the WIPO Decision Overview is not precedential in nature, it does reflect a studied and considered summary of consensus positions culled by WIPO from the decisions of numerous WIPO panelists during the first five years of administration of the UDRP," citing earlier cases. This case is one in a line of cases reaching into the present that rehearses the same theme.

WIPO as legislator intended the Policy to accomplish. But law and consensus are not static, and while the Jurisprudential Overview has great value it is not the last word on the status of the jurisprudence. At some point some of its summaries of consensus positions will need to be revisited and revised.

Decoding Raw Law

Juridical Consideration

Wherever there is a minimalist statute or legal code such as the UDRP, Courts and Panels are encouraged to construe its provisions, and over time the proposed constructions will be weighed by their peers until consensus is acknowledged and achieved. Although some argue otherwise, if there were no juridical constructions there would be no law,[7] only multiple interpretations any one of which would be acceptable to its proponent.

In their raw form, statutes and codes are necessarily incomplete until their provisions have been juridically considered and their meanings agreed upon. What legislators intend by their language (by which I mean to include WIPO and ICANN) is not necessarily apparent when it comes from legislators' pens: it is more suggestive rather than directive, and intentionally non proscriptive.

Both those who challenged disputed domain names and those whose conduct may be challenged as violating the guiding principles are entitled to know what legislators intended by the language they crafted, but legislative intentions are not fixed in the sense that to read their language when it is first delivered is to know precisely what it means. Rather, the law as it comes from legislators is what we might call "raw law."

The Policy provides a set guidelines in determining claims of cybersquatting. What any particular provision means is what the core of Panels over time say it means. There is a high degree latitude to the chosen language. It does not mean anything until Panels have come to a consensus on the meaning of the words. Which in common law jurisdictions is no more than what is expected in those courts. Applied law comes into being through construction of a statute's provisions. So too with the UDRP.

Panels and parties in their weave of conversations contribute to this process of creating applied law by arguing pro and con their positions and citing well reasoned

7 In this respect, the Overviews have acted as guardrails by identifying consensus and "encouraging" panelists to follow it so that although the UDRP is not strictly a precedential regime, the collective views are nevertheless influential in promoting consistency, which in turn results in a high degree of predictability. It performs a function similar to treatises, restatements, and legal articles and commentary in reinforcing, refining and even codifying the jurisprudence of domain names.

decisions all of which Panels take into account in crafting their own decisions. The two poles of violation and lawfulness are measured by an understanding of what the terms of a code require and what the provisions mean in light of the material facts.

I quoted in opening Chapter 2 that "the complexity of striking an appropriate balance between [the different interests]" was generally recognized. It called for a disciplined assessment of the evidence. We will see in this and later chapters how this impacts on panelists' determinations, particularly in their application of newly formulated principles of law; and in many instances this meant crafting appropriate language and teasing out appropriate precepts in considering parties' adversarial positions.

Any understanding of expectations rests on the proposition that the raw language of codes and statutes is the beginning and not the end. Law is drawn from this raw language through its juridical interpretation considered over time and is the end product of construction. As this process of interpreting language is a continuing enterprise, as it must be for adjudicating ever novel fact patterns, so the law is progressively refined and accretionally enlarged to accommodate them.

The multiplication of cases that brought an increasingly diverse configuration of facts demanded both formulation and enlargement of legal principles. Over the course of time, a consensus developed which accepted those principles seen consistent with the intentions of the Policy and rejecting those that were not. And in this fashion, accepted principles cohered into a body of law, and thus into a jurisprudence.

It is in the defining of rights that protectable interests are clarified to legal principles. Immediately upon the implementation of the UDRP, Panels conscientiously began measuring the metes and bounds of rights and establishing boundaries distinguishing bad faith registration and use of domain names from those lawfully registered. The most perspicuous Panels presented their conclusions in well-reasoned and publicly accessible decisions that unlocked the appropriate factors and tests that panelists began applying to the facts of record.[8]

This process of reconciling or rejecting different views can be thought of as a series of never-to-be ended conversations among the participants to the proceedings, On some issues, there developed split views. On other issues, a proposition was announced with a vigorous dissent.

Sometimes the majority's view has "percolated" into consensus[9] and at other times the dissent's has prevailed. I will address this issue in Chapter 4. In the process of arriving at consensus it is not surprising there will be disagreements over policy

8 A similar set of factors developed in UDRP cases are also applied in US federal cases which are codified in the ACPA, with the significant difference of their models of liability.

issues and that these disagreements will stretch over a period of time, and over time will either resolve to consensus or be rejected. These "conversations" are varied and ongoing.

Recognition of Unregistered Rights

One illustration of such a conversation, and now well settled but at the time was contentious, concerned different views of unregistered marks for cultural creators such as authors, musicians, athletes, performers, etc. whose works, acts, and achievements are widely recognized in the marketplace.

While culture creators' names would be registrable as marks they were not registered when they were confronted by registrants without authority acquiring domain names incorporating their names. Nevertheless, Panels began their conversations on this issue through their decisions within months of UDRP's implementation. I will point out in Chapter 4 other contentious views even more fundamental that would have unbalanced registrant's rights.

The cultural creator conversation began with *Jeanette Winterson v. Mark Hogarth*, D2000-0235 (WIPO May 22, 2000) (<jeanettewinterson.com>):

> If, as the Panel rules in this Case, trademark where used in para. 4a of the Policy includes the rights of any third party to his/her name, then it must have been abundantly clear to the Respondent that registration of the domain names in issue could not be bona fide.

The issue then passed to *Daniel C Marino Jnr -v- Video Images Productions*, D2000-0598 (WIPO August 16, 2000). Dan Marino was a prominent, and in his niche, a famous football player. Although not in so many words, underscoring the determination was impersonation:

> in fact, in light of the uniqueness of the name <danmarino.com>, which is virtually identical to the Complainant's personal name and common law trade mark, it would be extremely difficult to foresee any justifiable use that the Respondent could claim.

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9 In *First American Funds v. Ult. Search, Inc.*, D2000-1840 (WIPO May 1, 2001) (<firstamerican.com>) the Dissent argued that "Nowhere in the Policy or the Uniform Rules is the Panel asked to consider in its analysis the number of parties who have registered a trademark identical or similar to that registered by the Complainant or who use business names similar to that of Complainant" yet that proposition has percolated to consensus where the domain name is common in the language community. And in *Crew International v. crew.com*, D2000-0054 (WIPO April 20, 2000) (<crew.com>) the Majority found that speculating in domain names was evidence of cybersquatting. I will return to these cases in Chapter 4.

Video Productions was not Dan Marino: "On the contrary, selecting this name gives rise to the impression of an association with the Complainant which is not based in fact."

However, these well-reasoned constructions of Paragraph 4(a)(i) of the Policy were shortly thereafter criticized over a strong dissent in *Bruce Springsteen v. Jeff Burgar and Bruce Springsteen Club*, D2000-1532 (WIPO January 25, 2001). The Panel majority in this case held that the reasoning in *Winterson* was "flawed in that (inter alia) it 'has been credited with establishing the principle that common law rights can arise in a proper name." It denied Springsteen's complaint.

That criticism was in turn immediately attacked. The Panel in *Julian Barnes v. Old Barn Studios Limited*, D2001-0121 (WIPO March 26, 2001) (<julian-barnes.com>) stated that it disagreed: "The Panel is reluctant to point up areas of disagreement with other panels dealing with other sets of facts, but in this case the decision in the Jeanette Winterson case has a particular significance and criticisms of that decision, insofar as they may impact on this case, need to be addressed." These disagreements illustrate how the law advances. *Marino* and *Winterson* are consensus and *Springsteen* is not. And this same process occurs over a great variety of issues as I will try to illustrate.

However, this protection does not extend to performers whose stage names are also common dictionary words such as "sting." Thus, in *Sumner p/k/a Sting v. Urvan*, D2000-0596 (WIPO July 24, 2000) (<sting.com>):

> Unlike the situation in the Telstra case, therefore, it is far from inconceivable that there is a plausible legitimate use to which the Respondent could put the domain name.

Additionally, "the personal name in this case is also a common word in the English language, with a number of different meanings."

There are two distinct factual circumstances that play a particular role in decision making. The first involves producers and service providers distinguished in the marketplace by the extensiveness of goodwill and reputation which of course includes personalities like Winterson who have achieved prominence in the marketplace. The other concerns lesser known marks (which may include unregistered marks) with correspondingly lower reputations diminishing to those that have none.

Building the Law

In taking up this theme of "Panelists [. . .] developing a jurisprudence [. . .] case-by-case" (*Grove Broadcasting*, discussed earlier) it will be observed that law does not necessarily develop in a straight line and what comes about over time is not preordained. From the beginning, there has been a concerted effort to build the law by defining boundaries. The building metaphor is apt because it describes how law develops. In each of the initial dozen cases, and in many of those that followed, Panels were confronted by different configurations of facts and circumstances requiring the application of different legal principles.

From no law in January of 2000 there quickly developed a library of authoritative decisions Panels could consult and draw on for their own decisions and this introduced the concept of precedent in the sense of respectful acknowledgment of earlier authority.[10] This advanced to a jurisprudence through the daily accumulation of authoritative decisions.

At first, "panels ha[d] no mandatory body of law to follow," *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, AF-0096 (eResolution February 7, 2000) (<tourplan.com>). The Panel continued: "[The UDRP] gives explicit guidance to the parties to a domain name dispute in completing the necessary procedural paperwork [. . .] [and it] can be a useful, though neither mandatory nor exclusive, set of principles for arbitration panels, and I adopt them as such for this arbitration."

The following month another Panel pointed out that "[t]he jurisprudence which is being rapidly developed by a wide variety of Panelists world-wide under the ICANN Policy provides a fruitful source of precedent," *636275 Canada, dba eResolution v. eResolution.com*, D2000-0110 (WIPO April 13, 2000) (<eresolution.com>). It noted that "Courts in the United States have come to similar conclusions about those who act in a manner similar to the Respondent who endeavor to sell domain names to trademark owners for a profit."

It was pointed out by another Panel that "although in this Panel's view previous panel decisions do not create formal precedent that binds later panels [. . .] it specifically adopts [a view of an earlier Panel] as its own reasoning in this case." And in another case, the Panel stated: "[It] will make rational inferences from the Complainant, supported by ICANN Policy and precedent."

In another case: "This Panel finds no reason to depart from such precedent." These comments and many more like them implicitly address the issues of consistency and predictability and this, in turn, became a substantial subject. The word "precedent" is being used in the sense of authority which is in keeping with the sense used by WIPO in the Final Report. This understanding of "precedent" developed steadily, with nuances that helps shape future consensus.[11]

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10 This included case law from US courts. See, for example, *Encyclopaedia Britannica, Inc. v. John Zuccarini and The Cupcake Patrol*, D2000-0330 (WIPO June 7, 2000) (<britannca.com>) in which the Panel stated that a finding under the Anticybersquatting Consumer Protection Act should be given "substantial weight" in a UDRP proceeding.

11 For illustration and discussed further in Chapter 4: the Panel in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin al LLC*, D2019-0633 (WIPO May 22, 2019) focused on the impersonation test for determining rights or legitimate

In *Time Inc. v. Chip Cooper*, D2000-1342 (WIPO February 13, 2001) (<lifemagazine.com> the Panel majority stated that

> [it] believes that the UDRP procedure should be governed by the rule of law, rather than by the individual consciences of the panelists. If a principle enunciated in a decision is well-reasoned and repeatedly adopted by other panels, the majority believes that absent compelling reasons which require a determination otherwise, the rule established should be respected.

This forceful statement was in response to the dissent that held "panel[s] should refrain from evaluating the credibility of the parties." The majority disagreed: "As panelists, we are not obliged to put away our common sense before we open a file" and the determination "should consist of more than, 'It depends what panelist you draw.'"

Having the benefit of more than twenty years of development, the answer to the question of where law comes from can be answered with greater certainty. The law comes from the continuing stream of well-reasoned decisions that have provided the raw material for the new jurisprudence. It cannot be overemphasized that the most important factor in developing the UDRP jurisprudence was the policy requirement (based on WIPO's recommendation) that all decisions are published and publicly accessible.[12]

This was a monumental policy for the UDRP because without an accessible database there can only be one-off decisions, which would be an environment hostile to the growth of a jurisprudence. A jurisprudence as it is understood in the common law tradition develops and thrives only where there is a database of reasoned decisions that can be drawn upon, and cannot exist without constant refreshment. If there were no publication of decisions there would be no jurisprudence.

Further, where decisions are publicly accessible as is mandated in UDRP Rule 16 and cited as authority by parties and panelists there naturally develops a jurisprudence which reduces the likelihood of having one-off decisions and heightens consistency and predictability, as further discussed below and continued in Chapter 4. Accessibility of past decisions and their consideration as authority on particular issues creates an environment for critical thinking and working through disagreements.

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interests while the Panel in *Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc. Customer 1249561463 / Steve Coffman*, D2022-0473 (WIPO April 4, 2022) argued that the impersonation test should not be the sole factor involving domain names used for free expression.

12 Like commercial arbitration and unlike US court practice, pleadings and exhibits are confidential and only available by permission of the parties.

Drive to Consensus

As the foregoing discussion indicates, there is an understandable ambivalence in the use of the word "precedent." On the one hand, it suggests that once legal principles have been announced, the jurisprudence is static. WIPO takes the position in the Overviews that "the UDRP does not operate on a strict doctrine of binding precedent," but precedent can also be understood, as I have suggested, as respectful recognition of well-reasoned earlier decisions.

This does not bind Panels in a jurisprudential sense to follow earlier determinations as though from higher authority, as there is no higher authority than that which is generally recognized in earlier well-reasoned and sound decisions. They are cited because they offer legally sound views based on a history of earlier sound views which have been refined over time to have gained acceptance from the corps of panelists.

There is strong debate among panelists about treating earlier decisions as precedent, at least in the sense of accepting them blindly. In *The Resource Center for Pregnancy and Personal Health v. Abigail Hutchings*, FA2002001885848 (Forum March 30, 2020), for example, the Panel stated that "UDRP decisions are not precedents, but it is useful to see how other panelists have dealt with similar issues in the past," which of course is true but those same "useful" decisions were (and continue to be) influential in establishing the consensus which is the very foundation of the consistency that WIPO espouses.

Further, the existence of authority and its use in adjudicating disputes plays a significant role which would undercut consistency if denied. There are good reasons to have connecting threads of authority from past to present, namely the assurance that the law that is being applied is that which has been accepted and is settled. By recognizing authority through citations Panels communicate to the public, the parties, and professional representatives that there is a continuity of consensus on core legal principles, thus assuring them that decisions are not one-off regardless of the Panel appointed to hear the matter.

While it is important "to see how other panelists have dealt with similar issues in the past" it is equally or more important for Panels to align themselves with the settled law and not proceed on their own without an anchor in "precedent." This is no different than reliance on authority in trial and appellate practice.

The point is underscored in one of the first decisions that identified the role of authority. In *Nikon, Inc. v. Technilab. Inc.*, D2000-1774 (WIPO February 26, 2001) (and subsequent decisions from the same Panel), the Panel held that

> [n]ot only do such decisions frequently have persuasive weight and authority, but also, they reflect a consensus that is worthy of some deference.

This is because "such a consensus helps to ensure consistency among UDRP decisions, a critical component of any system of justice." Ignoring past decisions would be unwise because "the expected result in any given case would be random based on the identity of the panelists, which would undermine the credibility of the entire UDRP process."

The underlying rationale is that "[p]arties in UDRP proceedings are entitled to know that, where the facts of two cases are materially indistinguishable, the complaints and responses will be evaluated in a consistent manner regardless of the identity of the panelist; this goal is undermined when different panels can be expected to rule differently on the same types of facts" (*Id.*).

Because Panels generally agree with this sentiment of following consensus where it has unequivocally been established, they quickly came to regard earlier decisions as building blocks in an ongoing effort to create a more coherent whole without at first thinking that they were building a jurisprudence.

The Panel in *Howard Jarvis Taxpayers Association v. Paul McCauley*, D2004-0014 (WIPO April 22, 2004) (the same Panel who authored the *Nikon* decision) explained

> [W]hen policy disagreements do arise, panelists should pause and consider whether a consensus has emerged that might inform which way they should rule on these types of issues. If such a consensus has emerged, panelists should endeavor to follow that consensus and thus promote consistent application of the UDRP.

Where a "consensus has emerged" it should be followed despite reservations.

The Panel in *PAA Laboratories GmbH v. Printing Arts America,* D2004-0338 (WIPO July 13, 2004) explained that it "wishe[d] to clarify that its decision under this element is based on the need for consistency and comity in domain name dispute 'jurisprudence.'" The issue in this case focused on bad faith use and renewal of registration, which was at the front end of a brewing controversy about retroactive bad faith, a construction that proposed redirecting the law as it applied to bad faith; a redirection that would have the effect of substituting an "or" for an "and" in applying Para. 4(b)(iv) of the Policy and changing the consensual view of renewal of registration as a new registration from which to measure bad faith.[13] Such a change would have had the effect of aligning the UDRP with the ACPA.

The Panel in the early case of *Fresh Intellectual Properties, Inc. v. 800Network.com*, D2005-0061 (WIPO March 21, 2005) insists that "[w]hen such a consensus has developed, it is incumbent upon panels to follow the consensus (or

13 Retroactive bad faith means that regardless of good faith registration any breach of the registration agreement at any time supports bad faith registration. The issue is discussed in Chapter 4.

the majority view) to promote consistency among UDRP decisions." This Panel repeats these views in a number of influential later cases which have been synthesized by WIPO in its successive Overviews.

The consensus view is further underscored in *Pantaloon Retail India Limited v. RareNames, WebReg*, D2010-0587 (WIPO 2010):

> Whether [a professional re-seller of domain names is ipso facto liable for registering a domain name corresponding to a mark] is justified may be a matter for debate, but in the opinion of the Panel there is a strong body of precedent which, though not binding, is strongly persuasive [that liability only attaches on proof of bad faith registration and use].

The thinking behind this declaration is advanced further in *Pick Enterprises, Inc. v. Domains by Proxy, LLC, DomainsByProxy.com / Woman to Woman Healthcare / Just Us Women Health Center f/k/a Woman to Woman Health Center*, D2012-1555 (WIPO September 22, 2012) in which the Panel admonishes a party for not being familiar with "clear policy precedent." It noted further that "[t]he Policy has been in force for more than a decade and the thousands of cases decided under it now constitute a workable body of (to use a legal term) precedent."

Other Panels embrace precedent in the meaning of authority as in *Intellect Design Arena Limited v. Moniker Privacy Services / David Wieland, iEstates.com, LLC.*, D2016-1349 (WIPO August 29, 2016) in which the Panel held that "it is not unreasonable for the Panel to expect and require that the Complainant and its counsel will be familiar with Policy precedent and will neither ignore nor gloss over matters on which well-established Policy precedent weighs directly against the Complainant's contentions."

Thus, while earlier decisions are "not binding" in a *stare decisis* sense they nonetheless provide assurance of continuity, that the law does not change willy-nilly. The expectation of panelists, which is reinforced in many decisions over the years is that while earlier authoritative decisions and the Jurisprudential Overview's consensus views are not binding, neither are they to be ignored. Consensus is a principal goal, not alone for the UDRP but universally.

Under the doctrine of *stare decisis*, precedent is binding authority. When the US Supreme Court speaks, all inferior federal courts pay attention; as most likely is the case in all legal systems when high courts speak: their determinations on tailored issues settle the law. But, while there can be no *stare decisis* for the UDRP, there are certainly guard rails Panelists should be aware of and ought to follow.

Thus, in *shopping24 Gesellschaft für multimediale Anwendungen SEPTEMBER 28mbH v. Christian Rommel*, D2000-0508 (WIPO September 28, 2000), and without change to the present:

> Although the panel is well aware that the principle of stare decisis does not apply in these proceedings and that he is not bound by decisions reached by earlier panels, this panel is of the opinion that a review of some the cases provides some support for the conclusions of this decision.

The point that is made in this case is the authoritative reasoning of earlier cases that contribute to the jurisprudence that are guidance to later Panels and synthesized in the WIPO Overviews.

CREATING A JURISPRUDENCE

The Idea of a UDRP JURISPRUDENCE

Development of Law in the Common Law Tradition

Those without experience with the UDRP may wonder what law panelists apply in deciding claims of cybersquatting: Is it something settled as WIPO anticipated it would be, or made up on the fly? If it is settled, what is it? And can parties expect the law to be the same today as it was yesterday? Or be comfortable that it will not differ from one Panel to another and from case to case? Without conscious planning, but as an incident of time and over tens of thousands of cases, Panels have created spaces that delineate the limitations of rights, alike for mark owners and non-trademark registrants and investors.

In the way in which I have been describing the growth of a jurisprudence, it can be likened to the development of common law in the English tradition in that it is created by panelists guided by the Policy and dedicated to defining parties' rights. This law is hermetic in the sense that it is not the law of any particular national system, but a gathering of universal principles drawn from a variety of sources or formulated from panelists' experiences in their own national communities and designed by them to resolving *this* particular type of unlawful act. There are obvious areas of commonality between UDRP and ACPA law, but because they are crafted with different liabilities they will have different outcomes.

As panelists are appointed from many countries and are trained in different legal traditions they are undoubtedly influenced by court decisions as well as experiences in their own jurisdictions, and some of them have had very great influence in the development of UDRP jurisprudence and their work is "precedential," as that term is understood in the context of the UDRP.

Embryonic principles began emerging in US cases from 1995 and a UK case decided on appeal in 2001 was also influential.[14] These several decisions together

14 *British Telecommunications Plc, Virgin Enterprises Ltd., J Sainsbury Plc., Marks & Spencer Plc., Ladbroke Group Plc Respondents v. One In A Million Ltd And Others*, [2001] EBLR 2, [1998]

with WIPO's Final Report (the "travaux preparatoires" of the Policy) and Policy provisions as guidance were the foundations upon which Panels began their building of UDRP law. This decisional law to the extent that it addressed similar issues in UDRP disputes overflowed its boundaries to become domesticated as UDRP law.

That court decisions were influential is illustrated in the first decided case, *World Wrestling Federation Entertainment, Inc. v. Michael Bosman*, D99-0001 (WIPO January 14, 2000):

> Although it is [. . .] unnecessary to consult decisions of United States' courts, the panel notes that decisions of those courts in cases which determine what constitutes "use" where the right to a domain name is contested by a mark owner support the panel's conclusion.

And in *Pet Warehouse v. Pets.Com, Inc.*, D2000-0105 (WIPO April 14, 2000) (<petwarehouse.com>), the Panel cited a 1996 US appellate decision [15] that can be said to have quickly achieved consensus as a core principle for the UDRP:

> [I]t is possible for two generic terms taken together to achieve trademark or service mark status by achieving a sufficient level of secondary meaning in the relevant community.

However,

> the burden on the party making a claim to distinctiveness or secondary meaning in such a case is high because of the disinclination of the courts to take words of ordinary meaning out of common usage.

A review of UDRP case law over the years shows that US panelists frequently cite many other ACPA cases to support their reasonings, and have incorporated theories of liability and defense where they deem it appropriate, even where they do not identify the source of their views behind their determinations. Similarly with Panels from civil law jurisdictions who have cited EU authority and other panelists who have cited trademark treatises to emphasize their reasoning in many cases.

ITCLR 146, [1998] Masons CLR 165, [1999] ETMR 61, [1999] WLR 903, [1998] 4 All ER 476, [1999] FSR 1, [1997-98] Info TLR 423, [1998] EWCA Civ 1272, [1999] 1 WLR 903. The Court concluded: "[Defendant] submitted that mere registration did not amount to passing-off. Further, Marks & Spencer Plc had not established any damage or likelihood of damage. I cannot accept those submissions. The placing on a register of a distinctive name such as marksandspencer makes a representation to persons who consult the register that the registrant is connected or associated with the name registered and thus the owner of the goodwill in the name." Cited by early Panels in *Compaq Computer Corporation v. Boris Beric*, D2000-0042 (WIPO March 30, 2000) and *Nandos International Limited v. M. Fareed Farukhi*, D2000-0225 (WIPO May 24, 2000). Many other US federal cases have also been cited as influential on the issues before Panels.

15 *Mil-Mar Shoe Co., Inc. v. Shonac Corp.,* 75 F.3d 1153, 1161 and n.15 (7th Cir. 1996).

However, while UDRP jurisprudence certainly draws some of its energy from statutory and case law coming from different traditions (for there is surely a symbiosis), it is nevertheless a distinctive body of law tailored to apply to one category of tort. This Panel-created law is distinct from trademark theories of liability even though it has some trademark characteristics in that cybersquatting too, although in a different way, is an infringement of owners' rights.

Law as Process

We can talk about emerging law as a process because when the string of decisions I have been examining is looked at closely it can be seen how discreet issues are linked in logical chains. While certain among them may have started as one-off determinations—it could not be otherwise because some one has to chart the way—their teaching was quickly assimilated until one-off decisions became increasing rare. The incidence of error, as I mentioned earlier, is partly owing to the accelerated time frame of decision making, and partly to panelists applying the wrong legal principles.

In the first years, there was a great amount of experimentation of views. It is clear that the interpretation of rules governing proscribed conduct is a continuous process of refinement. Who knows what the law is until there is general agreement among those who dispense it as to what it ought to be? That is why when we revisit earlier cases we see a clashing of views. Speculation is bad faith for some panelists and lawful for others. It remains fluid until there is consensus.

There were two fundamental drivers for the emergence of a domain name jurisprudence which we have already seen, but deserve underscoring. The first was the policy consensus described in the WIPO Final Report: "[no] new rights [were created]", the proposed arbitral regime was "not intended [. . .] [to] result in a diminution in, or otherwise adversely affect, the enjoyment of other agreed rights"; and it was "available only in respect to deliberate, bad faith, abusive, domain name registrations."

The second driver that has already been mentioned is that "[t]he decisions taken under the procedure would be made available publicly."[16] Consensus emerges from a corporate judgment delivered over time by many panelists presenting their views of what the Policy intended and which they believe best exemplifies the law. From the earliest cases, Panels quickly began laying down core principles.

The Policy sets out in each of its three elements lists of circumstances, sets of factors that are systematically applied to test the evidence of cybersquatting or lawful

16 WIPO Final Report, Paragraph 153 and mandated by ICANN in UDRP Rule 16(b).

registration of disputed domain names.[17] They are standard features in many statutes and have long been an important tool of judicial decisions when enumerating the reasons why one party prevails and the other loses. The UDRP inherited these tools and panelists have made good use of them.

The result of consensus is evident from the decisions cited above. It is demonstrated by both acceptance of agreed-upon constructions, as we have seen, and rejection of new interpretations the corps of Panels find inconsistent with the policy as we shall see in Chapter 4. The reason for consistency is self evident, for without it there can be no predictability of outcome and there would only be one-off decisions.

On a wide variety of issues there is discernible evolution of legal principles, particularly as they apply to legitimate interests: from a less to a greater willingness to credit investors' business models where there is no evidence of bad faith registration or use. There is also a greater willingness to sanction complainants for overreaching their rights (RDNH, Chapter 17). This is precisely what WIPO anticipated. It stated in its Final Report that "with experience and time, confidence will be built up in the credibility and consistency of decisions made under the procedure so that the parties would resort less and less to litigation" (Paragraph 153).

WIPO in its successive editions also recognizes that the law is not static, but an ongoing process that takes into account developments in the registration and use of domain names. For example, the Jurisprudential Overview reports (Sec. 2.01) that

> Over the course of many UDRP cases, panels have acknowledged further grounds which, while not codified in the UDRP as such, would establish respondent rights or legitimate interests in a domain name. For example, generally speaking, panels have accepted that aggregating and holding domain names (usually for resale) consisting of acronyms, dictionary words, or common phrases can be bona fide and is not per se illegitimate under the UDRP. [See in particular section 2.10.]

It is evident from the many decisions already cited and those to come that the defining of rights is a continuing process.

As a result, it is generally found that disputes fall into recognizable patterns of conduct—on complainant's side there are claims of impersonating, soliciting, redirecting to competitors or other merchants, typing errors (typosquatting), camouflaging intent, and other such acts of dishonesty and bad faith targeting of marks solely associated with particular complainants.

On respondent's side the emphasis and proof rests on the generic and descriptive nature of domain names for legitimate business uses, building inventories of

17 Similar factors and lists are found in the Lanham Act, 15 U.S.C. § 1125(a)(2) as well as in the ACPA § 1125(d)(2)(A)).

generic terms and non-associational domain names, combining common words into non-infringing phrases, creating names from grammatical parts attractive for future use in marketing goods or services, and registering and using domain names for noncommercial and expressive purposes.

As new patterns of fact emerge, the law expands to accommodate them. It is a potent reminder that domain name jurisprudence or any jurisprudence that develops organically is not so rigid as to resist change. Rather, domain name law is dynamic (even if in some case imperceptible) in that it enlarges and accommodates as occasions warrant to take into account novel facts and circumstances.

In reflecting on the patterns of fact that have emerged it will be recognized that in most instances they foretell outcomes of like disputes and that the logic of these outcomes can be extended to more factually diverse and contested disputes. There is a consistent emphasis in the best reasoned decisions that outcomes are determined on the merits of the claims, not on or alone on whether complainants have standing to maintain the proceedings or even whether respondents lack rights or legitimate interests in the domain name which they may lack but nevertheless prevail.

Among these patterns are claims of violation where complainants establish by probative evidence that respondent clearly has complainant's mark "in mind" and is targeting it.[18] For example, in *Advance Magazine Publishers Inc. v. Christian Sopke, SOPI-Media*, D2020-3490 (WIPO April 14, 2021) (<voguemagazin.com>), the addition of a misspelled word (the deletion of an "e" from "magazine" that refers to complainant's business gives it away. But the word "Vogue" by itself is different. This difference is illustrated in *Advance Magazine Publishers Inc. v. Premier Models International Inc*., D2013-0757 (WIPO July 5, 2013) involving <voguefashionmodels.com>. Here, "vogue" operates as an integral part of a noun phrase "Vogue Fashion Models." Grammatically, the word "vogue" acts adjectivally to qualify "fashion modes." It has no referential association to the trademark VOGUE. Where a word is used in its dictionary and descriptive sense capable of achieving an association distinct from the mark owner it is *prima facie* lawful.

For the same reason, and continuing with the same mark owner, the Panel in *Advance Magazine Publishers Inc. v. Domain Admin, Privacy Protect, LLC (Privacy Protect.org) / Tarun Suri*., D2021-2923 (WIPO December 2021) found

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18 The concept of having the mark "in mind" first appears in a case involving a famous mark, *Reuters Ltd. v. Teletrust IPR Ltd*., D2000-0471 (WIPO September 28, 2000) (<mobilereuters.com>): "The Panel finds that it is unbelievable that the Respondent had no knowledge of the Reuters mark, and the Panel finds that not only must he have had the Complainant's mark in mind when he registered the domain names but that he must also have been aware of the deception and confusion that would inevitably follow if he used them in relation to his business."

that respondent did not have Complainant in mind in registering <voguetravels.com>, because

> The Respondent was using the disputed domain name in the field of tourism, and the logo and layout used by the Respondent in respect of its Partnership firm name "Vogue Travels" in the website at the disputed domain name were completely different to those of the Complainant's trademark VOGUE.

The Panel could have said, as another Panel held in discussing the bad faith element, that given the content of the website there could be no likelihood of confusion, thus negating the claim of cybersquatting.

The forgoing observations are stepping stones to understanding the rise of a jurisprudence. When it does, it is built from the bottom up.

Emergence of Legal Principles

There is never certainty that when a new legal code or statute is set in motion it will result in the emergence of a set of workable legal principles and thence into a jurisprudence. Yet, in the case of the UDRP for some of the reasons already explained, particularly the rule that requires all decisions be published and publicly accessible, a jurisprudence quickly began taking shape.

By the end of 2000 Panels and parties had an expanding library of decisions and by 2005 consensus had already been achieved on numerous issues, sufficiently to support WIPO's publication of the First Edition of its Overview (2005). The decision to publish a volume of consensus views, as I have said, is significant in giving weight to those views generally accepted by the corps of WIPO panelists. It encourages panelists to follow what has been laid down in like cases and extrapolate from a library of the best reasoned decisions to resolve less obvious and closer configurations of fact, which in turn, when adjudicated, are added to consensus views.

The answer as to how a body of law develops is that in the early years there was a good deal of experimentation. Indeed, experimentation cannot be separated from the creation of law and many of the influential decisions that I will be citing were instrumental in setting the direction of the UDRP and rejecting those that I have called "dead ends."

As decisions multiplied and the collective wisdom began taking hold there developed authority, acceptance of it, and precedent (using that term advisedly as already discussed) all of which encourages consensus which means accepting authority built on well-reasoned earlier decisions. It must be apparent to anyone studying the issue that the direction of the law is the work of a few and that the vision of those few is the basis for consensus. If that were not the case, everyone would be competing with their own visions to the end that no one vision would be accepted.

The importance of this process of discovering meaning cannot be overstated. Disputants do not want to be surprised by one-off decisions any more than do litigants pursuing claims and defendants defending themselves in trial courts. This is surely the reason for the emphasis in decisions and Overviews for consistency and consensus that has been a consistent theme from the earliest cases. The desired outcome "should consist of more than, '[i]t depends [on] what panelist you draw.'"[19]

Panelists produced a spate of creative constructions and formulations of principle discussed further below that essentially established the direction of its jurisprudence. Twenty plus years is a relatively short time for a new jurisprudence to take shape, but in the case of the UDRP there have been so many well-reasoned decisions that the jurisprudence accelerated more quickly to maturity. Once a body of interpretations has developed, raw provisions found in statute or code cannot be read alone but must be read and understood together with their interpretative encrustations to be fully understood.

To take an elementary example: the phrase "has a right" in Paragraph 4(a)(i) of the Policy refers to the statutory right a complainant must demonstrate to maintain a UDRP proceeding. If it does have a right and the disputed domain name is identical or confusingly similar to that mark the complainant has standing. However, the paragraph does not define "right" as to include unregistered rights.

The WIPO Final Report does not mention unregistered rights explicitly, and neither does the Paris Convention or the Trade-Related Aspects of Intellectual Property Rights (TRIPS). Nevertheless, panelists quickly agreed that it included both registered and unregistered marks, with this difference: whereas evidence of registration satisfies the first element of the paragraph, for an unregistered mark complainant must offer probative evidence of commercial use predating the registration of the domain name to satisfy secondary meaning. It is no easy matter. Distinctiveness must be earned.

Other consequential constructions have been made for the requirements in Paragraphs 4(a)(ii) and (iii), some of which, the retroactive bad faith and continuing obligation to avoid infringement approaches for example (discussed in Chapter 4), were rejected by the corps of panelists. Evolutions of view such as common law standing for persons productive in cultural work which I discussed earlier but not engaged individuals as employees or managers in business[20] gained greater

19 *Time Inc. v. Chip Cooper*, supra.

20 Common law rights are not extended to distinguished business personalities however renowned they may be, although initially there were different approaches to the issue—"[Certain views were expressed] in the Policy's early days, without the benefit of the development of the Consensus View through careful case-by-case analysis in many cases over many years," *Philippe Pierre Dauman v. Dinner Business*, D2013-1255 (WIPO September 6, 2013). Discussed in Chapter 10.

recognition over time, as did the concept of impersonation, first in connection with expressive speech and later extended to other circumstances.

The Panel in *David Foox v. Bill Hicks*, D2008-0397 (WIPO May 30, 2008) stated what had been stated many time before that the "use of a domain name cannot be anything other than abusive {. . .] [when] [i]t amounts to deliberate impersonation of the rights owner with a view to expanding the coverage of the Respondent's views"[21]—and later in connection with commercial misconduct —examples include *Am. Int'l Group, Inc. v. Busby*, FA0304000156251 (Forum May 30, 2003) ("Respondent used the disputed domain name to impersonate Complainant and its services") and *FOSS A/S, FOSS NIRSystems INC v. fossnirsystems.com c/o Whois IDentity Shield /Admin, Domain*, D2008-1256 (WIPO October 10, 2008) ("There is no excuse or justification for such impersonation and it is not an activity that any legitimate business would condone or in which any legitimate business would engage").

Each unfolding of evidence in the 3-stage progress though the Policy elements can be read as self-contained: that is, that panelists consider, first, whether complainant satisfies its burden under the first requirement establishing that the complainant has rights; followed by proof that respondent lacks rights or legitimate interests, both without looking ahead[22] to consider whether there is any evidence of bad faith registration and use. However, in practice there is an interrelation between the three requirements and particularly between the second and third.

Indeed, from the earliest decisions, there has developed a practice, which is applied particularly in close cases, of deciding them based on a totality of the circumstances, which means that Paragraphs 4(a)(ii) and 4(a)(iii) are not closed requirements. Lacking evidence of rights or legitimate interests is not conclusive of bad faith, but failure of proof of bad faith is conclusive of respondent's good faith registration.

If there is no evidence of bad faith then it is more likely there are legitimate interests, although a respondent could lack legitimate interests but also have registered the domain lawfully (as for example defending against a complainant whose mark postdates the registration of the domain name, but there are also other instances

21 Although this concept can run afoul of US law. In *The Reverend Dr. Jerry L. Falwell and The Liberty Alliance v. Lamparello International.*, FA0310000198936 (Forum November 20, 2003) (<fallwell.com>) the majority of the Panel (over a trenchant dissent) had no ambivalence in ordering the domain name transferred on grounds of typosquatting, but the UDRP award was vacated and affirmed in *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005).

22 It is similar to a practice described in Chapter 9 concerning Paragraph 4(a)(i) in looking ahead to proof of bad faith to assess confusing similarity.

such as the commonness of the mark and its lack of reputation in the market that defeat allegations of bad faith).

The logic is that in looking for the answer to the question of legitimate interests the question of bad faith is introduced so as to remove doubt. The Jurisprudential Overview uses the phrases "overall circumstances" or "overall intent" to convey the interaction of the two requirements. Given the nature of the UDRP, there is a heavy reliance on drawing inferences from what direct evidence there is, and this includes the use of the domain name, the source of complainant's mark, whether it is drawn from the common lexicon, the market in which the mark operates, and its reputation.

Constructing a Body of Legal Principles

Creating a Foundation

The foundational principles applicable to determining the various disputes that I have been talking about can be found in the earliest decided cases. The first decided case in January 2000 (filed in November 1999), *World Wrestling Federation Entertainment*, *supra*. involved a domain name identical to Complainant's corporate name and confusingly similar to its mark: WORLD WRESTLING and <worldwrestlingfederation.com>. The Respondent failed to appear, but the record included written evidence that three days after purchasing the domain name it contacted Complainant by e-mail "notif[ying] [it] of the registration and stated that his primary purpose in registering the domain name was to sell, rent or otherwise transfer it to complainant for a valuable consideration in excess of respondent's out-of-pocket expenses."

The Panel noted that it was "clear from the legislative history that ICANN intended that the complainant must establish not only bad faith registration, but also bad faith use." As the disputed domain name was passively held, the "issue to be determined was whether the respondent used the domain name in bad faith?" The Panel found that it did because its offer to sell the domain name to the rights holder—the first of the four circumstances of bad faith under paragraph 4(b) of the Policy is a classic example of bad faith registration and bad faith use

A further advance on this reasoning appeared a month later in *Telstra Corporation Limited v. Nuclear Marshmallows*, D2000-0003 (WIPO February 18, 2000). In this case, the Panel first explained that passive holding of a domain name can support a finding of abusive registration because "the concept of a domain name 'being used in bad faith' is not limited to positive action; inaction is within the concept." It explained that "[o]ccupying an entry in the DNS [Domain Name

System] is 'use' [. . .] [because] it has a blocking function." This factor alone, though, would not be sufficient to find bad faith.

The Panel then formulated a principle to fit the circumstances involving passive use where domain names correspond to famous or well-known marks. We can call it the "inconceivability principle": when it is "not possible to conceive of any plausible actual or contemplated active use of the domain name by respondent that would not be illegitimate." The Panel then set out the sequence of the analytical steps that should be employed for reaching the desired conclusion:

> (i) the Complainant's trademark has a strong reputation and is widely known, as evidenced by its substantial use in Australia and in other countries,
>
> (ii) the Respondent has provided no evidence whatsoever of any actual or contemplated good faith use by it of the domain name,
>
> (iii) the Respondent has taken active steps to conceal its true identity, by operating under a name that is not a registered business name,
>
> (iv) the Respondent has actively provided, and failed to correct, false contact details, in breach of its registration agreement, and
>
> (v) taking into account all of the above, it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law.

Ergo in this case, Respondent registered and is using the disputed domain name in bad faith. To be clear, though, the use of a domain name corresponding to a weak mark does not fulfill the requirements of the test *as some Panels inappropriately find it does*.

Also decided in March 2000 was a dispute involving <telaxis.com> and <telaxis.net>. At the time of the complaint, *Telaxis Communications Corp. v. William E. Minkle*, D2000-0005 (WIPO March 5, 2000) held a registered trademark, but its first use in commerce postdated registration of the domain name. Since the domain name registrations predated the trademark there could not, by definition, have been a registration in bad faith. In other words, rights holders of postdated marks have no actionable claim for cybersquatting, even though they have standing to maintain a proceeding.

At best the dispute involves "the competing rights and legitimate interests of two parties in the domain names." The Panel added that "[g]iven the nature of this dispute it is properly solved ... by litigation in a forum of competent jurisdiction." Later cases involving rebranding of goods or services include complainants who have changed their corporate names only to discover that the corresponding domain name to their new mark has already been registered.[23] *Telaxis Communications* was shortly followed by another case challenging a domain name identical to a trademark. Case number 16, *Allocation Network GmbH v. Steve Gregory*, D2000-0016 (WIPO March 24, 2000) involved a dictionary word domain name, <allocation.com>. The Panel determined that even if a domain name is identical to a trademark, the complainant still has to prove that registrant had actual knowledge of the mark, in fact had it "in mind" at the time of the registration, and that it was registered and is being used in bad faith.

The *Allocation* case is particularly important in establishing investor rights in common words to their domain name choices. The Panel held that respondent-resellers of domain names prevail when they acquire domain names for their semantic rather than their trademark values. As the Panel aptly noted:

> The difficulty lies in the fact that the domain name allocation.com, although descriptive or generic in relation to certain services or goods, may be a valid trademark for others. This difficulty is expounded by the fact that, while 'Allocation' may be considered a common word in English speaking countries, this may not be the case in other countries, such as Germany.

The Panel held the complainant failed to demonstrate that the respondent "at the time of registration of the domain name allocation.com knew or should have known of the existence of the German trademark Allocation" and that there was "no evidence suggesting that the domain name allocation.com ha[d] been chosen by Respondent with the intent to profit or otherwise abuse Complainant's trademark rights." Standing alone and without evidence of targeting "allocation" has no associated reference to any one particular brand. Its value is said to be inherent rather than value-added from the mark.

A further advance was made in *QTrade Canada Inc. v. Bank of Hydro*, AF-0169 (eResolution June 19, 2000) (<qtrade.com>) with the first finding of reverse domain name hijacking (RDNH). Whether and under what circumstances a complainant should be sanctioned is discussed at greater length in Chapter 17. WIPO had recognized overreaching by mark owners as an issue in the Final Report.

A still further advance in defining the reach of trademarks was made by the Panel in *Oki Data Americas, Inc. v. ASD, Inc.*, D2001-0903 (WIPO November

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23 An example is *Success Bank v. ZootGraphics c/o Ira Zoot*, FA0904001259918 (Forum June 29, 2009): "Although Complainant's trademark registration demonstrates it has rights in a mark that is identical to the disputed domain name, since these rights sprang forth subsequent to Respondent's registration of the domain name and since there is no evidence that Respondent, at the time of registration, had any reason to believe that Complainant would later seek rights in the domain name, there can be no finding of bad faith registration."

6, 2001) (<okidataparts.com>), one of the seminal decisions alongside *Telstra* and *Allocation*. The issue in this case involved the incorporation of a trademark together with a qualifier that described respondent's business. From these facts, the Panel formulated a concept that was developing under US trademark law of nominative fair use and adapted it into UDRP law.[24]

In its indigenous form, the Panel found that a domain name registration could be lawful if

> (1) [The domain name] must actually be offering the goods or services at issue;
>
> (2) [It] must use the site to sell only the trademarked goods; otherwise, it could be using the trademark to bait Internet users and then switch them to other goods;
>
> (3) [Its] website must accurately disclose the registrant's relationship with the trademark owner; it may not, for example, falsely suggest that it is the trademark owner, or that the website is the official site, if, in fact, it is only one of many sales agents;
>
> (4) [It] must not try to corner the market in all domain names, thus depriving the owner of reflecting its own mark in a domain name.

These principles are essentially taken from US court decisions which look to three factors in determining whether a defendant is entitled to the nominative fair use defense: (1) the product must not be readily identifiable without use of the mark; (2) only so much of the mark may be used as is reasonably necessary to identify the product; and (3) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

The registration of domain names incorporating marks is lawful provided that the goods or services are genuine and respondent is not attempting to pass itself off as the mark owner or misrepresent its relationship or independence from it. For example, in *Secondary School Admission Test Board, Inc. v. Joanna Severino and Richard Hosko*, FA0501000408094 (Forum March 24, 2005) respondent offered services assisting students in preparing for the SSAT ("Second School Admission Test") and in *YETI Coolers, LLC v. Ryley Lyon / Ditec Solutions LLC*, FA1605001675141 (Forum July 11, 2016) the Panel who was also the Panel on *Oki Data* stated that the "Oki Data standard has repeatedly been applied in the

24 Formulated by the Ninth Circuit in *New Kids on the Block v. News America Pub.*, 971 F.2d 302, 308 (1992). Other US decisions are cited in *Starwood Hotels & Resorts Worldwide Inc. v. Franck Dossa*, D2008-1812 (WIPO January 27, 2009) and many other cases.

context of unauthorized resellers as well." And, beyond that, extended to include other services.

Legal Principles Expanded to Meet the Need

As the kinds of factual circumstances multiplied so the legal principles expanded to meet the need. These early decisions established the following core principles:

> (1) complainant has standing to maintain an UDRP proceeding if it shows it has a mark and the disputed domain name is identical or confusingly similar to it;
>
> (2) for complainant to have standing for an alleged unregistered mark it must prove it achieved secondary meaning (acquired distinctiveness) prior to the date of the registration of the disputed domain name;
>
> (3) complainant succeeds in proving respondent lacks rights or legitimate interests of offering an unrebutted *prima facie* case;
>
> (4) respondent successfully rebuts the presumption that it lacks rights or legitimate interests by adducing evidence of any circumstance set forth in Paragraph4(c).
>
> (5) complainant succeeds in proving that respondent registered and is using the disputed domain name in bad faith; the concept of use is not limited to making use of the disputed domain name—passive holding can be a use;
>
> (6) such proof that either party adduces can be direct, circumstantial, or inferential based on the totality of evidence;
>
> (7) a respondent's passive holding of a domain name corresponding to a well-known or famous mark inferentially lacks rights or legitimate interests in it, except with justification (comment or criticism for example);
>
> (8) complainants whose marks are composed of generic terms, descriptive and common phrases, and random letters must offer more persuasive evidence that respondent had it specifically "in mind"—that it was targeting complainant and no other registrant of the same term— when registering the domain name;
>
> (9) Owners of marks acquired after registration of corresponding domain names have no actionable claims under the UDRP (or for that matter under the ACPA);
>
> (10) renewal of registration is a continuation of registration rather than a new event that restarts the clock for measuring bad faith; and

(11) overreaching trademark rights will incur a sanction of reverse domain name hijacking.

As the earlier and later cases illustrate, UDRP jurisprudence emerged incrementally through acceptance and refinement of the initial core principles, flexible enough to be applied to both commonly encountered as well as new factual circumstances.

A month after the *Allocation* case was decided, for example, in a case involving <eautoparts.com> the Panel in *EAuto, L.L.C. v. Triple S. Auto Parts d/b/a Kung Fu Yea Enterprises, Inc*., D2000-0047 (WIPO March 29, 2000) (the same Panel who later formulated the *Oki Data* rules, and was instrumental also in insisting on a consensus-based jurisprudence) found that

> The weakness of the EAUTO trademark makes it difficult for Complainant to argue that Respondent lacks a legitimate interest in the domain name eautoparts.com. That is because this domain name eautoparts.com is descriptive of a business that offers, through the Internet, information about or sales of automobile parts, and it is inappropriate to give Complainant a wide monopoly over all domain names, even descriptive ones, that incorporate the mark EAUTO.

Over the years, this line of reasoning has been followed in numerous decisions and is, in fact, a consensus view, a "precedent" together with the other decisions mentioned. *Eauto, LLC* has been cited as authority in dozens of cases (as have the *Telstra*, *Allocation*, *Oki Data*, and other notable decisions filed in the first two years of the UDRP).

UDRP Performing as WIPO Envisioned

As with any body of law, the jurisprudence of cybersquatting may be bewildering to uninitiated parties and their professional representatives who fail to familiarize themselves with it or the Policy's procedures. I have suggested that reading the language of the Policy alone is not enough to know what the law is. What constitutes the law requires an appreciation for both the provisions as they are written and the constructions put upon them by panelists. As I explain in Chapter 14, parties and their professional representatives are expected to have a working knowledge of UDRP jurisprudence, with severe consequences if they fail to understand it.

The UDRP can be perceived as performing as intended because mark owners overwhelmingly use it for its efficiency in initiating a proceeding (no in-hand service of a summons) and swiftness of remedy (an award in complainant's favor is executed by the registrar without intervention of courts of competent jurisdiction). The numbers tell the tale. But also, and perhaps no less important, the parties can expect a fully operating jurisprudence that delivers decisions consistent with the law and predictable with expectations.

As there is no appellate procedure in the UDRP, there is no "higher authority" to instruct panelists which constructions were intended by the policy creators. The higher authority lies in the well reasoned decisions amassing in the database. It follows that what consensus is must became internalized as panelists themselves develop an understanding of its parameters.

For the most part, panelists are highly conscious of keeping within the consensus parameters, and as I have suggested they are assisted in doing so by the current WIPO Overview, the Jurisprudential Overview of 2017. That panelists keep within the guidelines implies that they generally keep abreast of their peers' work and refer to or apply the learning in it to their own decisions. What consensus is, though, is not alone that which is contained in the current Overview but in the flow of decisions, and as law is not static there must be a means of keeping abreast of the evolution of consensus, hopefully in future Overviews.

CHAPTER 4

ACCEPTING AND REJECTING PROPOSED CONSTRUCTIONS

EXPERIMENTATION AND PROGRESS

Although a "body of consistent principles" emerged as WIPO foresaw it would it did not come all at once, but rather it built up over time by the accumulation of well reasoned decisions and the relentless weighing of merits until Panels settled on consensus constructions of the Policy. Nor did UDRP jurisprudence develop in a straight line: different and alternative views and exotic constructions particularly in the early years developed along separate pathways.

Only in retrospect has the development of a jurisprudence appeared smoother than it was. As decisions accumulated they added weight to what was already in the jurisprudence. Panelists quickly established analytical and logical practices by exploiting the tools of their trade: careful parsing of facts and evidence, logical reasoning, and deducing conclusions from the totality of facts and evidence.

Threading the needle is all part of ongoing conversations among panelists conducted through their reasoned decisions. There are winners and losers in determining the direction of the law. Views inconsistent with developing consensus have to be filtered through a mesh of peers, as I noted in reflecting on culture creators whose rights were at the mercy of some panelists adverse to approving unregistered rights, and in this manner, and through the give and take of argument, there emerged a jurisprudence as I sketched out in Chapter 3.

I will move on in this chapter to reflect on the winners and losers of constructions that have been offered over the years and the reasoning for accepting or rejecting them. The discussion will conclude with a visit to the morgue to examine the "Dead Ends." The fact that wrong pathways were opened and decisions filed applying those constructions is not a flaw of the UDRP, but a virtue of the common law process which is built into its DNA.

A powerful analysis in a decision may secure immediate acceptance—the line of cases commencing with *Nikon, Inc. v. Technilab. Inc.*, D2000-1774 (WIPO February 26, 2001) through *Fresh Intellectual Properties, Inc. v. 800Network.com*, D2005-0061 (WIPO March 21, 2005) exemplifies the process in addressing the issue of consensus—while another formulation perhaps equally compelling to the author will either sink without having gained attention, or after reflection be rejected by the author's peers. It illustrates a point often observed that where there are many minds concentrated on a problem their contributions are productive in filtering out unacceptable views on the way to crafting acceptable solutions, or here, crafting appropriate principles to apply to the great variety of factual circumstances submitted for resolution.

The same point is also made by the Ninth Circuit Court of Appeals in *Hart v. Massanari*, 266 F.3d 1155 (2001). The Court philosophized that surplus of ideas and different views makes sense:

> This ability to develop different interpretations of the law among the circuits is considered a strength of our system. It allows experimentation with different approaches to the same legal problem, so that when the Supreme Court eventually reviews the issue it has the benefit of "percolation" within the lower courts. *Id*., at 1173.

The Court recognized that other "courts of appeals, and even lower courts of other circuits, may decline to follow the rule we announce—and often do" but this "percolation" (which I have called conversations) are necessary in advancing the law, and what is true in the layers of courts is equally true for the UDRP. It demonstrates the manner in which law is crafted and advanced.

In the development of law there are bound to be miscues and errors of direction. When this happens in trial courts they are later corrected by appellate panels, formulating and clarifying legal principles, returning decisions to lower courts for more analysis, and reversing lower court judgments where there is error.

The UDRP differs from trial courts in that there is no appellate panel to reject errors of law. The hard thinking as to whether a determination is consistent with the Policy's goals is done by panelists themselves accepting or rejecting the constructions of their peers. We find, for example, some panelists taking the position that failing to develop the website and passively holding the domain name demonstrates a lack of legitimate interest in it and others insist that non use of the disputed domain name is evidence of bad faith.[1]

Still others were misconstruing legal principles being laid down intended to balance parties' rights, as I pointed out for unregistered culture creators. By 2016, many of the misconstructions had been cleared away and panelists had generally reached an understanding as to the "body of consistent principles [. . .] [anticipated by WIPO that are] provid[ing] guidance for the future."

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1 While failing to develop a website and passively holding a disputed domain name for a prolonged period "may be evidence" of either lack of rights or legitimate interests or bad faith, it would be error to conclude that "it is evidence" when it is merely a factor among others, and among factors not a major consideration if contradicted by other evidence.

Whenever there is something new to construe, there are bound to be false starts however logical and right they may appear to the advocate. Where panelists are searching for the right construction, the right formulation, and the right language, there is always the possibility of entering *cul de sacs* favoring statutory rights over contract rights.

The takeaway insight is that consensus is made possible through a conversational alchemy in which Panels digest different views by weighing their merits: perhaps harmonizing, reimagining, refining, and developing, until either accepting, ignoring, or dismissing them. This process "allows experimentation with different approaches" and out of this agitation of ideas there arises a percolated consensus.

Which explains why some constructions are found consistent with the announced policy for the arbitral proceeding and others, ultimately, are found wanting for the reasons I will be discussing. There have been controversial differences in several areas beginning with expressive use of domain names coupled with advocacy for local law, particularly US law if that is where the parties reside. WIPO Overviews 1.0 and 2.0 reported a split of views on this issue and I will use the split and the conversations in reasoned decisions to illuminate the manner in which law advances through the interplay of many minds.

This summary of the split and the movement to consensus which is reported in Overview 3.0 (the Jurisprudential Overview) will be followed by discussion of a number of constructions that came under attack and ultimately, after further conversations, rejected as Dead Ends.

THE ACHIEVEMENT OF CONSENSUS IN UDRP JURISPRUDENCE

Construction Sets the Direction of the Law

Acceptance and Rejection of Views

Some legal principles develop quickly; others are in process of formation, and still others have achieved consensus. The first to be formalized are part of the legal culture that Panels can draw upon from their individual experiences in their national communities. These influences include court decisions in trademark cases involving domain names preceding the UDRP and later including ACPA decisions filed after its implementation. I pointed out in Chapter 3 that Panels were quite aware of these cases—many of them were (and continue to be) cited as authority—and whether or not acknowledged as "precedent," and they generally are not, the principles have nonetheless silently become domesticated in UDRP jurisprudence.

In the first months of the UDRP Panels were formulating principles applicable to the specific issues presented by the parties. For example, the first few decisions administered by WIPO concerned the meaning of the word "use." Can there be use if the disputed domain name does not resolve to an active website? If the answer is in the negative, then simply registering and not using a domain name would be a complete defense to cybersquatting. But each Panel on its own analysis dismissed this notion. The concept of use is not limited to resolving to an active website but can be defined by conduct and inferred motivation for registering the disputed domain name.

Claim Numbers 99-0001 (<worldwrestlingfederation.com>) and 2000-0001 (<musicweb.com>) referenced US law but did not (the Panel assures the parties and their colleagues) rely on it. The 0003 Panel <telstra.org> developed a more nuanced approach that explained why non-use or passive holding is use, paying particular attention to domain names corresponding to famous and well-known marks. Complainants prevailed in each of these three cases based on the distinctiveness of their marks and the totality of facts which supported abusive registration.

Telstra which was introduced in Chapter 3 is one of the most cited decisions in the canon. It is both authoritative and influential, but it has often been misinterpreted by complainants (and some panelists) from early to the present to mean that passive holding can support bad faith regardless of the distinctiveness of the mark allegedly infringed. Some panelists have also fallen into the trap of elevating non use as conclusive evidence of bad faith registration, rather than accepting it as some evidence which is the guidance in the Policy and the achieved consensus.[2]

The true meaning of the *Telstra* test is that it applies to registrants acquiring and passively holding famous and well-known marks that could not conceivably be used without infringing third-party rights. The test is not intended to condemn passive holding regardless of the distinctiveness of the mark, and for marks composed of common lexical material, it is not applicable as a test at all, although some complainants continue arguing for it despite the consensus of its proper application.

Initial constructions may expand as Panels are confronted by different configurations of facts; they also expand through refinement as panelists see that earlier constructions already accepted by consensus can apply to other and diverse circumstances of registration where there is lawful use such as nominative fair use, as happened with the test announced in *Oki Data* (2001) and other cases discussed in Chapter 3.

2 The Panel in *Medisite S.A. R.L. v. Intellisolve Limited*, D2000-0179 (WIPO May 19, 2000) (<medisite.com>) granted the complaint on the grounds that "[t]he passive holding of a domain name has been held to be use of that domain name in bad faith. [Telstra Corporation] [. . .] Similarly failure to commercialize a domain name over a substantial period of time has been held to be a factor to be considered in deciding whether a domain name has been registered and used in bad faith." This is a clear misreading of *Telstra*.

This is equally true of the construction announced in *Allocation* with regard to dictionary words: as there was no evidence offered to support actual knowledge or targeting there was no reason to believe the registration was abusive. This is posited on long-established law that words generally circulating in linguistic communities cannot be owned in any conventional sense (Chapter 7, "Commodification of Language").

With panelists drawn from diverse cultures and legal systems, it is not surprising there would arise differences of view, not only as to expressive use which I will discuss below but also how to assess bad faith generally where respondents are found to lack rights or legitimate interests in the disputed domain names. Although lacking rights or legitimate interests may be a factor, it cannot be conclusive in assessing abusive registration which requires more specific evidence of intention to violate a complainant's rights.

While in close communion, Common and Civil law panelists do not necessarily view infringement through the same lenses. The initial difference among panelists involved two related issues concerning the status of domain names that resolve to commentary or criticism of complainant: 1) domain names identical to marks that give no indication of content that unexpectedly open to commentary and criticism (giving rise to a claim of impersonation); opposed to domain names that preview their message with adjectival or adverbial affixes ("sucks" and "fraud" etc.); and 2) whether claims should be governed by local law.

As to the first, the issue "festered" until resolved by applying the "impersonation test" in the Jurisprudential Overview. The issue is discussed and seemingly (but inconclusively) brought to an end in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019) in which the Panel advocates for the "importan[ce] [of[[articulat[ing] a consistent view rather than to allow the schism between these views to fester." As to local law as it applies to commentary and criticism, whether it should be applied to critics in the same jurisdiction as complainant is not fully resolved.

Expressive Use of Domain Names

The WIPO Final Report stated: "Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would likewise not be considered to be abusive," (Para. 172).

ICANN reframed this in Paragraph 4(c)(iii) of the Policy which provides safe harbor for "noncommercial and fair use," but in its raw form the provision does not answer the question about the composition of the domain name: whether it requires a pejorative or warning affix to qualify for free speech protection. It is a distinction between <trademark.tld> (initial interest confusion with complainant's mark) and <trademark+pejorative.tld> (eliminating initial interest confusion by announcing the content of the website).

The split views reported in WIPO Overviews 1.0 and 2.0 are an early instance of disagreement. It is generally based on engendered views of panelists operating within their national jurisdictions. While legitimate free speech rights may be considered an international norm its parameters differ culturally. As a result, panelists' philosophies and parties' residences can make a difference to the outcome of a dispute.

The US has a well-developed jurisprudence of protected speech, more so perhaps than other countries that ground these rights institutionally rather than constitutionally. The split pitted the US approach against other national approaches that were more in harmony with each other, without regard to the system of law.

The alternative views were set forth as follows:

> View 1 (Overview 1.0): The right to criticize does not extend to registering a domain name that is identical or confusingly similar to the owner's registered trademark or conveys an association with the mark. [Overview 2.0 adds clarifying language—"does not necessarily extend" which has found its way into Overview 3.0, discussed further below.]
>
> View 2: Irrespective of whether the domain name as such connotes criticism, the respondent has a legitimate interest in using the trademark as part of the domain name of a criticism site if the use is fair and non-commercial [the US approach].

View 1 panelists—the "Domain Name itself is misleading" approach—take the position that application of the defense to cybersquatting is contingent on the domain name announcing its intention. In their view initial interest confusion is unacceptable and not fair. It is a position in clear opposition to US law.

The split raises the issue of what law applies: UDRP or national law of the parties (or the location of the mutual jurisdiction). View 2 encapsulates the US view—a "complaints site" approach—panelists focus on the content of the website without regard to the composition of the domain name. WIPO Overview 2.0 noted: "In cases involving only US parties or the selection of a US mutual jurisdiction, panelists tend to adopt the reasoning in View 2 (though not universally)."

The concept applied under View 1 is that unannounced speech channeled through domain names identical to complainant's mark is unacceptable because Internet viewers would be misled into believing they were accessing the official webpage of the mark owner: "Essentially, any use which gives rise to a right or legitimate interest must be fair and impersonation is not fair." This introduces the "impersonation" meme which has morphed into the standard.

This "not fair" quotation comes from the dissent in *The Reverend Dr. Jerry Falwell and The Liberty Alliance v. Gary Cohn, Prolife.net, and God.info*, D2002-0184 (WIPO June 3, 2002) ("Falwell 1"). In the dissent's view, any

> intended impersonation of another can rarely if ever be fair or legitimate and particularly in circumstances where the Complainant's name has been taken without adornment and where the purpose behind the impersonation of the person in question is to damage him.

The majority (US based panelists) dismissed the complaint.[3]

In contrast to this dissent, and speaking from the US perspective a year earlier, the Panel in *Britannia Building Society v. Britannia Fraud Prevention*, D2001-0505 (WIPO July 6, 2001) (<britanniabuildingsociety.org>) stated:

> That some internet users might initially be confused into thinking that, because of the use of the mark in the Domain Name, <britanniabuildingsociety.org> is Complainant's official web site is of no moment. First, any such confusion would immediately be dispelled by Respondent's prominent disclaimer and the link that is displayed to Complainant's official site. Second, and in any event, such a low level of confusion is a price worth paying to preserve the free exchange of ideas via the internet.

This decision was immediately followed by *Bridgestone Firestone, Inc., Bridgestone/Firestone Research, Inc., and Bridgestone Corporation v. Jack Myers*, D2000-0190 (WIPO July 12, 2000) (<bridgestone-firestone.net>) to the same effect. Their holdings comported with US law in underscoring that the determination rests on the message not the carrier of the message (that is, whether it is <trademark.com>) or <trademark+sucks.com>.

In this respect the Majority's rejection of "impersonation" in Falwell 1 passes scrutiny as fair use: initial interest confusion which is the suggested culprit under View 1 does not apply. The outcome in Falwell 2 (referred to below in Footnote 3) fully supports the View 1 approach by applying a European standard of unfair use) but for those who apply View 2 it does so at the expense of fair commentary and criticism. View 1 applies non-centric law regardless of a critic's location, whereas View 2 Panels take the critic's location into account.

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3 Nevertheless, a year or so later another Panel agreed with the earlier dissent and in *Reverend Dr. Jerry L. Falwell and The Liberty Alliance v. Lamparello International.*, FA0310000198936 (Forum November 20, 2003) ("*Falwell* 2") it ordered the domain name transferred. However, on challenge under the ACPA the Fourth Circuit vacated the UDRP award and the domain name was restored to the plaintiff-registrant. The court pertinently held that "the 'critical element' of initial interest confusion —'use of another firm's mark to capture the markholder's customers and profits'— simply does not exist when the alleged infringer establishes a gripe site that criticizes the markholder," *Lamparello v. Falwell*, 420 F.3d 309, 317 (4th Cir. 2004).

A number of US WIPO and Forum panelists nevertheless applied View 1 to US critics. For example in *Gilbert R. Armenta and Armenta Realty Holdings, LLC v. Robert Andre*, FA1505001621195 (Forum June 29, 2015) (<gilbertrarmenta.com>) the Panel held:

> We are mindful, in this connection, that the content displayed on the website resolving from the contested domain name is material in the public domain which can be interpreted as critical of Complainant and its business practices, and which Respondent may have the right to publish.

However,

> It cannot do so [. . .] by appropriating Complainant's mark in a domain name. This is especially true where, as here, the domain name is substantively identical to Complainant's personal and business name and marks.

The Panel cited *Compagnie Generale des Matieres Nucleaires v. Greenpeace Int'l*, D2001-0376 (WIPO May 14, 2001) for support of this proposition, finding that a

> [respondent's showing that it] has a right to free speech and a legitimate interest in criticizing the activities of organizations like the Complainant [. . .] is a very different thing from having a right or legitimate interest in respect of [a domain name that is identical to Complainant's mark].

This view also expressed in *American Home Shield Corporation v. Domains By Proxy / Morris Chera*, D2017-1142 (WIPO September 3, 2017). Respondent denied any intention to impersonate Complainant, but the Panel found that use of <americanhomeshield.reviews> is not "'fair' in circumstances where the domain name falsely suggests affiliation with the trademark owner." It also is not fair if it includes

> posting an inauthentic website for the purpose of commercial gain, threatening to publish confidential client information, encouraging readers to harass complainant's suppliers or making statements so intemperate and provocative as to suggest the registration was made for the purpose of disrupting complainant's business—posting "reviews" of complainant's product and services.

This view faithfully captures the words of the dissent in *Falwell 2*.

In keeping with the two-view formulation, the Panel in *Royal Institution of Chartered Surveyors v. Martin Rushton*, D2016-0951 (WIPO August 16, 2016) (UK parties) granted the complaint as to <ricsfrance.com> and denied the complaint as to <rics-corruption.com> ("corruption" announces the content of the website):

> The Panel is not able to assess the various arguments that have been advanced as to the validity or otherwise of the French RICS Trademark, but even assuming in the Respondent's favour that it is valid and subsisting, the Panel does not consider it entitles the Respondent to use the Complainant's (preexisting)

trademark in a domain name in a manner which suggests that the domain name in question is that of, or is authorized by, the Complainant.

According to the Jurisprudential Overview this split of Views is harmonized by a newly emerged consensus that favors View 1. Nevertheless, the split is not entirely healed because the question of impersonation is not the entire answer to bad faith, and in any event the Jurisprudential Overview still maintains that in "certain cases involving parties exclusively from the United States, some panels applying US First Amendment principles have found that even a domain name identical to a trademark used for a bona fide noncommercial criticism site may support a legitimate interest" (Sec. 2.6.2).[4] I will return to this issue in a moment to broaden the perspective.

Views that begin in diversity find their way to the right level of application. Jurisprudential Overview, Paragraph 2.6 states "UDRP jurisprudence recognizes that the use of a domain name for fair use such as non-commercial free speech, would in principle support a respondent's claim to a legitimate interest under the Policy." But, there is a "but." The consensus continues:

> 2.6.1 To support fair use under UDRP paragraph 4(c)(iii), the respondent's criticism must be genuine and non-commercial; in a number of UDRP decisions where a respondent argues that its domain name is being used for free speech purposes the panel has found this to be primarily a pretext for cybersquatting, commercial activity, or tarnishment.

Pretextual together with impersonation has emerged as key factors in determining whether the content of the website qualifies for protection.

Where the message is unannounced in a domain name identical to the complainant's mark there is "impersonation" in that to the Internet searcher the domainname appears to be sponsored by or affiliated with the complainant and that is unfair according to View 1.

But what if the message is genuine? Is it right to deny protection to that message? It is a conundrum between a uniform UDRP law and a wedge for applying local law (in this case US law to free speech). The issue for View 2 is not impersonation but pretextual, and if not the latter the former is irrelevant and the message ought to be protected. It is no altogether the case the View 2 is dead along with it local law applied to critics in the US.

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4 The point is illustrated in *Courtney Cox, Ivy Lane Living v. Domain Admin, Privacy, Protect, LLC (PrivacyProtect.org) / Betsy Riot, Betsy Riot*, D2018-1256 (WIPO August 16, 2018) (<ivy-lane-living.com>), Complaint dismissed: "even if the gripes and commentary may be untrue—the proper cause of action in that circumstance would be one for defamation, not dilution or cybersquatting," citing *Howard Jarvis Taxpayers Association v. Paul McCauley*, D2004-0014 (WIPO April 22, 2004) (citing *Brittania Building Society*, *supra*.).

Efficiency as a Basis for Applying Local Law

What law should be applied to disputes over the composition of domain names that resolve to commentary and criticism websites was clearly an unresolved and continuing issue from earlier discussions preceding the implementation of the UDRP. In its Final Report WIPO stated:

> [I]f the parties to the procedure were resident in one country, the domain was registered through a registrar in that country and the evidence of bad faith registration and use of the domain name related to activity in the same country, it would be appropriate for the decision-maker to refer to the law of the country concerned in applying the definition. (Para. 176).

This recommendation is allowable under UDRP Rule 15(a) earlier discussed in Chapter 2.[5] The Final Report stated:

> [I]n applying the definition of abusive registration, the panel of decision-makers shall, to the extent necessary, apply the law or rules of law that it determines to be appropriate in view of all the circumstances of the case.

But the recommendation also has a stressful history as the basis for the split already discussed.

It initially emerged in considering the implications of the Mutual Jurisdiction stipulation discussed in Chapter 2. Would it not be more logical to apply the law of the jurisdiction which the parties have stipulated without regard to the nationality of complainant?

This discussion was initiated by the *Britannia Society* Panel (US based attorney) over a series of decisions. The issue was initially framed as a Constitutional right, but to the advocate Panel it was also a matter of efficiency. Similar arguments had been made for local law in earlier cases and can still be found in later cases.[6]

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5 The second decided UDRP case, *Robert Ellenbogen v. Mike Pearson*, D2000-0001 (WIPO February 21, 2000) (<musicweb.com>) cited *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996) for the proposition that "Toeppen's desire to resell the domain name is sufficient to meet the 'commercial use' requirement of the Lanham Act. *Id*., 1239." In UDRP terms it is sufficient to satisfy bad faith under Paragraph 4(b)(i) of the Policy.

6 For example, the Panel in *Boehringer Ingelheim Pharma GmbH & Co. KG v. Ilgam Nurtdinov*, CAC 105197 (ADR.eu March 24, 2023) (<mobic.store>) varied the *Oki Data* test by applying EU law: "Under EU law, point (2) and (3) of the rule are too strict and as[Sic] just as a bricks and mortar store can sell a range of products and advertise them by reference to their names and marks, provided it is in accordance with honest practices, so too can online stores." The Panel found that registering the disputed domain name in the dot store space was critical to her decision. The *Boehringer* decision is inconsistent with the jurisprudence on this issue. It applies the wrong law and the wrong test.

The Respondent in *Ty Inc. v. Joseph Parvin d/b/a Domains For Sale*, D2000-0688 (WIPO November 11, 2000) (<ebeaniebabies.com>) had "invoke[d] the United States Constitution to suggest that a US citizen has a Constitutional right to have United States law apply to his activities in the United States, but the majority concluded that "[t]he Panel is an international body, not an American centric one."[7]

The issue also arose in *McMullan Bros Limited, Maxol Limited and Maxol Direct Limited Maxol Lubricants Limited, Maxol Oil Limited Maxol Direct (NI) Limited v. Web Names Ltd*., D2004-0078 (WIPO April 16, 2004) (Both parties, Northern Ireland) in which the Panel rejected the invitation to apply the Northern Ireland statute of limitations as "inherently unattractive."

The *Ty* and *McMullen* views emerged as the consensus on this issue rejecting national laws. UDRP Panels have steadfastly maintained that the laws of any particular jurisdiction do not apply to UDRP disputes and that the Policy is "a set of rules that operates within its own unique context," *Diet Center Worldwide, Inc. v. Jason Akatiff*, D2012-1609 (WIPO October 5, 2012).

The Panel-advocate for applying US law for determining fair use of free speech made his first foray into widening the application of that theory to other cases in the form of a dissent, *Richard Starkey v. Mr. Bradley*, FA0612000874575 (Forum February 12, 2007) (<ringostarr.mobi>). He reasoned that the complaint should have been denied even though the parties were UK based because the choice of mutual jurisdiction was US, and for efficiency UDRP decisions should conform to the likely outcome if domain name disputes were

> to proceed to litigation [in the US], [which would help] panels [. . .] ensure consistent application of the law and can help discourage unnecessary litigation, thus advancing the goals of expedience and efficiency that underlie the Policy.

The Panel followed *Starkey* with two more decisions (this time as sole Panel) in *Xtraplus Corporation v. Flawless Computers*, D2007-0070 (WIPO March 9, 3007) (<zipzoomflysucks.com>) and in *Sermo, Inc. v. CatalystMD, LLC*, D2008-0647 (WIPO July 2, 2008) (<sermosucks.com>). He again justified his analysis on the grounds of efficiency:

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7 The dissent stated: "I have a strong feeling that, as between two U.S. domiciliaries and citizens, this is an un-Constitutional derogation of a U.S. citizen's right to have U.S. law applied to his activities in the U.S. This is not, after all, a decision involving a German company and a U.S. resident—it is a complaint between two U.S. citizens. What the Majority is doing, when it applies the ICANN rules in this manner is creating a super-national rule to transactions between U.S. citizens in a manner never adopted nor formally authorized by the U.S. Congress."

> The benefits of this approach ["try[ing] to conform UDRP decisions to the national law that would apply if the same dispute were pursued in court, in order to help ensure consistent application of the law and discourage unnecessary litigation"] are many. Although consistency may remain an elusive goal, this approach would help promote predictability in the UDRP system in that parties would know in advance which national laws (and, with respect to the specific question here, which "view" of the Decision Overview) would most likely apply....

He concluded that

> it would help support the UDRP itself by helping to ensure that the UDRP is seen as a fair, consistent, and predictable legal system, instead of an unfair, inefficient system that results in random decisions (based on the identity of the panelist) or erroneous decisions that are disregarded and voided by courts in those cases in which paragraph 4(k) has been invoked.

Other panelists did not see any "benefits of this approach." For them, the proposal strayed from the "sole lodestar" concept resulting in unacceptable inconsistency that had the potential of "fragment[ing] [the UDRP] into a series of different systems."[8] In particular, they found the *Sermo* formulation unnecessary and were "skeptical that either the analysis or the solution offered in Sermo to the local law problem is wholly convincing."

While the *Explus/Starkey/Sermo* approach appeared logical in adopting the US view for US based parties, it concealed a bias ultimately unacceptable to "many stakeholders, notably including the majority of panels to consider this issue." The consensus which the Panel came to accept (although still believing) "that the second view [. . .] is arguably the correct approach) and which he discusses in *Dover Downs Gaming & Entertainment, Inc.*, *supra*: it "provides a more reliable system of law where the parties can anticipate a result under the UDRP that will not depend on [local law or] the panel assigned."[9] The great value of this case is that it opens up to outsiders an insider's view of the internal dynamics that over time create consensus.[10]

8 *1066 Housing Association Ltd. v. Mr. D. Morgan*, D2007-1461 (WIPO January 18, 2008) (1066 HOUSING and <1066ha.com>. "This Panel would suggest that there is no real justification for such a local laws approach either in the Policy or the Rules and that such approach should be avoided wherever possible. It risks the UDRP fragmenting into a series of different systems, where the outcome to each case would depend upon where exactly the parties happened to reside. That way chaos lies."

9 [The Panel repeats in *Victor Bekhet v. Kirk Uhler / Brian Jagger*, D2021-0039 (WIPO March 22, 2021) (<victor Bekket.com>) that "[a]lthough I continue to believe that 'View 2' should be the approach used in the UDRP, I acknowledge that the consensus among UDRP panelists has rejected 'View 2.'" He granted the complaint on the "impermissible risk of user confusion through

The issue in *Dover Downs* concerned authenticity of the alleged protected speech: Was it genuine or pretextual? It was being delivered via a domain name that incorporates the mark without a pejorative suffix: instead of <doverdownssucks.tld> it was composed of <doverdownsnews.com>. The parties were US domiciliaries. Should the complaint be dismissed on impersonation or pretextual grounds?

The Panel questioned whether the speech was legitimate. He found it to be pretextual. Respondent contended that he registered the domain name as a "[p]ublic s]ervice to warn people about the dangers present at Dover Downs Hotel & Casino" but

> [u]ltimately, this case does not provide a good opportunity for resolving the tension between the UDRP's impersonation test and the United States First Amendment. That is because, regardless of whether Respondent's website contained criticism, the evidence supports a finding that the Disputed Domain Name was registered and used in bad faith primarily as a pretext for cybersquatting and has not been used for purely noncommercial criticism.

The website was actually "a pretext for selling the domain name at issue to a brand owner for a profit."

While the *Dover Downs* Panel continued defending the "benefits of [local law] approach," he nevertheless bowed to fellow panelists in accepting their verdict:

> this Panel strongly believes that it is [. . .] important for the UDRP to articulate a consistent view rather than to allow the schism between these views to fester.

The reason for this is that a

> consistent approach provides a more reliable system of law where the parties can anticipate a result under the UDRP that will not depend on the panel assigned.

If this consensus imposes a burden on respondent and it "takes issue with the Panel's decision (which, to be clear, is applying the UDRP, not United States trademark law), Respondent remains free to seek judicial review by filing an action in a state or federal court in the location of mutual jurisdiction."

In taking this position, the *Dover Downs* Panel came around to recognizing that certain constructions (his included) are damaging to the UDRP if allowed (in

impersonation." However, this consensus is not fully ripened. There are still Panels that look at the totality of evidence, and may not agree that impersonation is the sole factor.

10 The Panel's decision in *Dover Downs* does double duty. The case he has to decide is straight forward: "[R]egardless of whether Respondent's website contained criticism, the evidence supports a finding that the Disputed Domain Name was registered and used in bad faith primarily as a pretext for cybersquatting and has not been used for purely noncommercial criticism." The major part of the case, and the part that interests us the most, it the Panel's views and explanations on View 2."

his words) "to fester." For that reason, "this Panel supports the position expressed in the Jurisprudential Overview, which reflects the consensus that has coalesced around a compromise position." The compromise position is set out in section 2.6 and subparts. In essence, the test is whether the use creates an "impermissible risk of user confusion through impersonation" (*Id.*, 2.6.2).[11] However, since the ultimate issue was pretextual and not fair use it was not the conclusive legal principle in this case.

What is legitimate and what is pretextual may be a matter of refined analysis. In *Dover Downs* the analysis was refined but the Panel uses the case to explain the rationale for View 2. It does not change the factors applied for assessing lack of rights or legitimate interests or bad faith. If View 1 wins the day, it still calls for distinguishing the purpose of the content. The argument is that this does not limit speech; it only limits the vehicle that carries it.

None of this is controversial anymore, although in its day the gradations distinguishing one kind of domain name corresponding to a mark from another generated a good deal of heat. Paragraph 4(c)(iii) similarly tracks this limitation by making it clear that legitimacy can be found in both the website and the affix to the domain name. It is one thing to comment on or criticize the complainant, and another to use a domain name identical or virtually so to the mark to criticize or express views unrelated to a complainant's business activities.

Impersonation Test: The New Consensus

"Impersonation" was not a new concept. It effectively entered the UDRP vocabulary in 2002 by the defense in *The Reverend Dr. Jerry Falwell* ("Falwell 1") case previously cited in which the domain name was identical and the other ("Falwell 2") lampooned his name ("Fallwell" instead of "Falwell"). It thereafter slowly expanded to include other issues beyond fair use. I will discuss other issues in due course. It implies actual knowledge of the party impersonated.

The compromise for protecting speech is that criticism must be signaled—"sucks," "scams," "<gianpaolo-dicocco-failed-predictions," "<rics-corruption>," etc., always assuming noncommercial use. This is not entirely accepted by US panelists in cases in which both parties are US based. Where it is accepted, impersonation is conclusive if the content of the website to which the domain name

11 Jurisprudential Overview, Sec. 2.6.1 reads:: "To support fair use under UDRP paragraph 4(c)(iii), the respondent's criticism must be genuine and noncommercial; in a number of UDRP decisions where a respondent argues that its domain name is being used for free speech purposes the panel has found this to be primarily a pretext for cybersquatting, commercial activity, or tarnishment."

resolves carries speech critical of the mark owner, but it cannot be conclusive under all circumstances.

Whether the domain name signals critical content by affixing a pejorative word (where the intent is not disguised) or the respondent has combined the mark with another word that signifies a use distinct from the mark owner's (as with nominative use, for example), it can be argued that the registrant chooses the domain name based on the reputation of the mark, which is not an impersonation as such but nevertheless uses the mark without authorization from the mark owner, albeit for a lawful purpose.

To overcome respondent's legitimate interests requires "something more than criticism." The Panel in *Chesterfield Valley Investors, L.L.A dba Gateway Classic Cars of St. Louis v. Brock Winters*, D2019-1380 (WIPO August 16, 2016) (<gatewayclassiccars.info>) was cautious in finding a pretextual purpose. In the context of a dispute over unwelcome criticism and commentary, responses that could under other circumstances be construed as "evidence of an illegitimate intent to extort money [. . .] while hiding behind a free speech argument, given the broader apparent history between the parties [. . .] [is] more likely a 'knee-jerk reaction' (albeit arguably an ill-advised one)."

However (continuing the Panel's assessment), this is not dispositive in complainant's favor "in view of the broader facts and circumstances that have been presented":

> Complainant asserted Respondent was acting to disrupt Complainant's business and tarnish Complainant's image through the registration and use of the disputed domain name, and defame Complainant and thereby injure Complainant's reputation and undermine its business. In response, Respondent stated their purpose in registering and using the disputed domain name was to expose certain bad practices by Complainant. That is not the type of "tarnishment" prohibited by the Policy.

In this case, the motive is congenial with the intention, to "expose certain bad practices by Complainant."

Before the announcement of this new consensus in the Jurisprudential Overview (2017), there had been unanimous 3-member Panel decisions on both constructions, and there still is. Thus, in *The Curators of the University of Missouri v. Pamela Holley, MU Healthcare Victims*, D2020-2693 (WIPO December 3, 2020) (<muhealthcare.com>) the Panel dismissed the complaint because the

> evidence in this case is that the criticism site was genuine and continued as such for a decade. The Respondent's more recent use of the Domain Name would not be protected; it might even be actionable under United States law. But given the totality of the circumstances, the Panel cannot find that the Respondent likely harbored a secret intent, in 2003, to maintain a legitimate

> criticism website for ten years and then let it lapse into commercial exploitation or diversion to a website that the Complainant and its adherents would find particularly objectionable.

The Panel was not prepared to declare <muhealthcare.com> forfeited because of lengthy non-use[12] where there is no evidence of either bad faith registration or bad faith use.

Indeed, Panels reacting to the impersonation test, and specifically the *Dover Downs* analysis, indicate they are not entirely comfortable with impersonation as a sole factor in determining rights or legitimate interests and bad faith. It is certainly a factor in reasoning to a conclusion, but a Panel could also find that while impersonation is a factor so too is a finding that the contents of a resolving website is genuinely used for commentary or criticism.[13]

Thus, in *Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc. Customer 1249561463 / Steve Coffman*, D2022-0473 (WIPO April 4, 2022) (<momsdemand.org>), the Panel (a US attorney) agreed that

> use of an "impersonation test" is an important factor to be considered in cases of claimed free expression involving a domain name that is identical or nearly identical to another's trademark along with other factors that panels have focused on,

But it should not be the sole factor. Other factors include

> (i) the genuineness and nature of the criticism or commentary, (ii) the possible pretextual nature of the respondent's website, (iii) the commercial or noncommercial aspects of the respondent's website, (iv) the nature of the domain name itself potentially including any additional terms or plays on words, (v) the use of disclaimers, and (vi) other factors that could inform whether a respondent is using the disputed domain for bona fide noncommercial criticism concerning a complainant or to take advantage of a complainant's mark in a bad faith or abusive way for the benefit of a respondent.

This approach

> should be more holistic and focus on the totality of factors and should not necessarily be determined, at least for parties legitimately based in the United

12 The Panel complaint was dismissed the complaint because it found the registration was lawful even though the current use appears not to be, thus failing conjunctive bad faith.

13 The Dover Downs Panel in *Scrum Alliance, LLC v. Contact Privacy Inc. Customer 1247644697 / Matthew Barcomb*, D2021-2932 (WIPO October 25, 2021) noted Footnote 2: "This Panel's dicta in Dover Downs Gaming & Entertainment, Inc., supra, which suggested that only the domain name should be considered in assessing impersonation, does not give sufficient deference to all of the factors that should be considered in assessing impersonation. A more nuanced assessment of all the factors is required."

States, on one factor alone (albeit one that perhaps sets the scene for the consideration of others).

The lesson to be drawn from this is that it is too early to tell where this conversation is going and where it will end, but the suggestion in *Dover Downs* that "[i]f this case were a pure free speech case – which it is not [. . .] this Panel acknowledges that a United States court might rule differently." In other words, if in a different case a Panel were to accept the complaint, as an earlier Panel did in the *Lamparello* case ("Falwell 1"), then Respondent still has recourse in federal court. That is not a happy thought if the content would certainly clear the bar in federal court as it did in the second *Falwell* case (see above and Footnote 3)!

In any event, whether having recourse in federal court is the correct approach or not, or is questionable, the "split" of views has not been fully healed (see cases cited in Chapter 10 ("Protected and Unprotected Speech").

Dead Ends: Constructions of the Policy Inconsistent with its Purpose

Debating Distinctions

While Panels' creativity in developing a jurisprudence fulfilled the expectations first expressed in the WIPO Final Report that "the administrative procedure should lead to the construction of a body of consistent principles that may provide guidance for the future" it is not surprising their achievements also included constructions other panelists considered inconsistent with the policy goals for the UDRP.

At the beginning, most of Panels' creative work was devoted to defining issues and identifying factors they believed would be just and reasonable in balancing rights to domain names. As I have argued and will pursue further in Chapter 6, defining parties' rights, this was essential work and much of this analysis and reasoning was on the highest level even where other panelists disagreed with their peers' views. Differing views are healthy as noted by the Ninth Circuit in advancing law by testing ideas as the *Dover Downs* Panel tacitly admits. Thus, the early years can be thought of as including a good deal of exploration and experimentation followed by a weeding out of views unacceptable to the corps of panelists.[14]

The process is no different in courts of competent jurisdiction except that challenged concepts and constructions are tested through appellate review and

14 WIPO wears two hats: it is both the designer of the Policy and a service provider. It publishes the Overview ostensibly under its provider hat (always under the guise of its UN role) but in its UN Role it acts as a guardian and protector of intellectual property rights and both are careful curators of the consensus views that go into those Overviews.

perhaps, under some circumstances examined again on remand or reversal. This is not available under UDRP, although an appeal feature would surely enhance its effectiveness.

As it is, the cognitive work must play out at the decision stage with panelists responding favorably or unfavorably to the reasoning of particular determinations. Then, after much conversation through their decisions the corps of panelists settle on consensus, which WIPO capsulizes as we have seen in its successive Overviews. (Presumably, version 3.0 will not be the last. It ought not be as law is dynamic and did not stop developing circa 2017).

Some constructions, though, and some that become dead ends tend to favor mark owners by aligning the UDRP to the ACPA. Nevertheless, when speaking of dead ends, it is not without a degree of respect for the process. Even rejected views are stimulants to balancing rights, but consensus is the goal. As the Panel in *Dover Downs* (and in several prior authoritative decisions) explained: "If such a consensus has emerged, panelists should endeavor to follow that consensus and thus promote consistent application of the UDRP."

Rejecting Wrong Paths

One of the first items of business for panelists is to define what is meant by the words of the text. To take a particularly egregious example of an early dead end which was a precursor of one form of retroactive bad faith (using renewal of registration as a measuring date for supporting bad faith registration), the Panel concluded that knowledge of a complainant's trademark upon renewal was evidence of bad faith registration.

Although there was no proof of bad faith acquisition in *Houlberg Dev. v. Adnet Int'l*, FA0009000095698 (Forum October 27, 2000), the Panel nevertheless held that

> the respondent had actual knowledge of the complainant's asserted rights in "Retail Engine" as a trademark before it renewed the domain name [hence the renewal was in bad faith]. (A view later adopted by the Third, Fourth, and Eleventh Circuit Courts of Appeal, discussed in Chapter 19)

In essence, this formulation reads the term "registration" to include renewal of registration, which in turn implies that an acquisition in good faith can be converted to bad faith following bad faith use evidencing actual knowledge of a newly registered mark.[15] The Panel planted a seed that ripened in 2009, although thereafter to wither.

Before the *Houlberg* seed ripened and following its announcement, the Panel's view was quickly rejected. The Panel in *Weatherall Green & Smith v. Everymedia*.com, D2000-1528 (WIPO February 19, 2001) explained that "despite a finding by the Panel that the <weatheralls.com> domain name registration was renewed in bad faith, the relevant inquiry for purpose of Policy ¶ 4(a)(iii) analysis is whether the original registration was done in bad faith." The formulation was more explicitly rejected in *Verint Systems Inc. v. CRYSTALSTEVENS*, D2002-0896 (WIPO November 21, 2002) (<verint.com>): "[It] does not accept the reasoning of that decision" and that rejection expressed the emerging consensus.

Several questions were coming into focus in these early decisions: Is registering a dictionary word domain name abusive when acquired in good faith for speculative purposes? What does "registration" mean? Is the word renewal included in the definition of registration? Can an acquisition in good faith be converted to bad faith following bad faith use evidencing actual knowledge of a newly registered mark? And, are the number of parties and their market locations using a generic term meaningful in determining good or bad faith?

In the process of decision-making, some answers emerged as consensus and others as dead ends. The dead ends include a variety of formulations designed to relieve complainants of their burden of proof:

> 1) granting Complainant's request for transfer of a dictionary word trademark on the theory that Respondent is "a speculator who registers domain names in the hope that others will seek to buy or license the domain names from it" (an *ipso facto* bad faith standard);
>
> 2) using a privacy service "gives rise to a rebuttable presumption of bad faith registration and use";
>
> 3) disregarding good faith registration of a domain name if respondent subsequently commences using it in bad faith, and a variant in which renewing registration supports forfeiture of the domain name; and
>
> 4) finding bad faith where complainant is one of several other market actors using the same term but because it corresponds to complainant's mark it is deemed to be targeting it (the first to sue theory of right even though it may be one of others using the same terms for marketing its goods or services.

In each of these four examples the proposed standards for determining the outcome has been overwhelmingly rejected and acknowledged in the Overviews, although some panelists continue to find currency in certain of these discredited constructions on weak inferences of bad faith.

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15 This issue is also being played out under the ACPA. There is a split between the Third, Fourth, Eleventh (and perhaps Seventh Circuits) and the Ninth Circuit. The issue is discussed in Chapter 19.

Two specific examples illustrate the point more clearly. They also illustrate the role of conversations. In the first, the question was whether multiple use of a common phrase, in this instance "First American," could be lawfully acquired. The Panel majority in *First American Funds v. Ult. Search*, D2000-1840 (WIPO May 1, 2001) concluded that widespread use by users was evidence of its commonness:

> In view of the wide-spread use of the name "First American", the majority does not consider improbable Respondent's assertion that, until it received the Complaint, it had no knowledge of Complainant. It may well have had a general knowledge of the use of the expression "First American" by businesses in the United States and elsewhere. It may even had have specific knowledge of some of those uses. There is no evidence as to this, but even if there were that would not, as such, serve to bring Respondent's conduct within any of the specific heads of para. 4(b) of the Policy, nor, in the opinion of the majority, within the general ambit of that paragraph.

The dissent (expressing a view that was quickly rejected) questioned whether widespread use of a registered term could insulate respondent from a finding of bad faith:

> The Panel's authority to act and the parameters within which it may act are carefully circumscribed by the Policy and by the Uniform Rules. Nowhere in the Policy or the Uniform Rules is the Panel asked to consider in its analysis the number of parties who have registered a trademark identical or similar to that registered by the Complainant or who use business names similar to that of Complainant, nor in what fields of commerce or in what geographic areas such trademark registrations are effective or in which such businesses are engaged.

In essence, the First American Dissent was questioning whether there could be lawful speculation of domain names corresponding to registered marks. This was also the focus in *J. Crew International v. crew.com*, D2000-0054 (WIPO April 20, 2000) (<crew.com>). In this case, the Panel granted Complainant's request to transfer <crew.com> on the theory that Respondent is "a speculator who registers domain names in the hopes that others will seek to buy or license the domain names from it."

Here, though, the Dissent expressed the view that was to become the consensus. The "majority's decision" it said

> prohibits conduct which was not to be regulated by the ICANN Policy. This creates a dangerous and unauthorized situation whereby the registration and use of common generic words as domains can be prevented by trademark owners wishing to own their generic trademarks in gross. I can not and will not agree to any such decision, which is fundamentally wrong.

The dissent's view has prevailed, although even in the Jurisprudential Overview, it states (contrary to numerous decisions that reject this view) that Panels tend to "view [legitimate speculation] with a degree of skepticism," Paragraph 3.1.1. This comment reveals a bias. A "degree of skepticism" toward respondent is not what is expected from a neutral arbitrator but rather encourages skepticism without any supporting reference to authoritative decisions that hold such a view, although it may apply to disputed domain names corresponding to famous or well-known marks.[16]

Indeed, the law as it has developed underscores the jurisprudence as a dynamic body in treating domain name sellers as offering a *bona fide* service (Paragraph 4(c)(i)of the Policy) that qualifies them (absent any evidence of targeting) as having a legitimate interest in disputed domain names and having registered them lawfully.

The Panel in *Brooksburnett Investments Ltd. v. Domain Admin / Schmitt Sebastien*, D2019-0455 (WIPO April 16, 2019) (<incanto.com>) held that "[s]peculating in intrinsically valuable domain names represents a legitimate business interest in itself, unless the evidence points instead to a disguised intent to exploit another party's trademark." The passage of time and multiple decisions have consolidated this view. The extreme of this is expressed by the dissent in *Tata Communications International Pte Ltd (f/k/a VSNL International Pte Ltd) v. Portmedia Inc. / TRUEROOTS.COM c/o Nameview Inc. Whois*, D2010-0217 (WIPO June 1, 2010) (<trueroots.com>):

> The majority apparently believes that it was the intent of the drafts persons of the Policy that a registrant is free to profit from the goodwill inherent in the trademark belonging to another and to mislead the public, so long as the registrant did not intend to do so at the time it registered the mark.

While the dissent's view has been rejected, the questioning of purpose even for names drawn from the common lexicon continues to find its adherents. "True roots" is not in the creative or inventive and certainly not fanciful class of names yet it is identical to the mark. The consensus does not find identicality or the confusingly similar as the basis for finding bad faith on that factor alone.

Retroactive Bad Faith[17]

Building a New Theory

The first major contrary-construction to fail was offered by the same Panel who authored the *World Wrestling* decision: a decision that confirmed one of the

16 A few months after <crew.com>, another Panel in *Apple Computer, Inc. v. DomainHouse.com, Inc.*, D2000-0341 (WIPO July 18, 2000) (<quicktime.com>) came to the same conclusion. It held "In the present case, Respondent's business is the development and sale of domain names. Its acknowledged purpose for registering names is to sell them. In light of this evident purpose, the Panel determines that Respondent registered the disputed domain name with the intention to offer it for sale to the public for valuable consideration in excess of its out-of-pocket costs. The Panel determines that Respondent has acted in bad faith within the meaning of paragraph 4(a)(iii) of the Policy." Nevertheless, despite the rhetoric, this is not the law.

formative features of the jurisprudence. The Panel underscored the binary character of the UDRP by construing the Policy as a conjunctive model of liability. The developing consensus is expressed by the Panel in *Substance Abuse Mgmt., Inc. v. Screen Actors Modesl [sic] Int'l, Inc. (SAMI)*, D2001-0782 (WIPO August 14, 2001): "If a domain name was registered in good faith, it cannot, by changed circumstances, the passage of years, or intervening events, later be deemed to have been registered in bad faith."

However, on revisiting the issue in two 2009 cases[18] the Panel declared that bad faith could be found retroactively even if the domain name was registered in good faith, in effect breathing new life into the discredited *Houlberg* view earlier mentioned.

There are two aspects to the retroactive bad faith construction. The first interprets a perceived language conflict between Paragraph 4(a)(iii) and Paragraph 4(b)(iv). This apparent "conflict" had initially been noticed and analyzed in *Shirmax Retail Ltd./Detaillants Shirmax Lted v. CES Marketing Group, Inc.*, AF-0104 (eResolution February 7, 2000) (<thyme. com>) (the "Thyme decision"):

> The requirement of bad faith registration and use in paragraph 4(a)(iii) is stated in the conjunctive. Registration in bad faith is insufficient if the respondent does not use the domain name in bad faith, and conversely, use in bad faith is insufficient if the respondent originally registered the domain name for a permissible purpose. The first three examples in paragraph 4(b) all refer to registration for various illegitimate purposes as evidence of registration and use in bad faith; but in each instance bad faith use may well be implicit in the act of registering a domain name, since all the improper purposes mentioned can be accomplished merely by passively holding a domain name.
>
> The fourth example (paragraph 4(b)(iv)), however, refers only to improper use, and does not appear to require that the domain name also have been registered in bad faith. This example thus appears to conflict with the rule set forth in paragraph 4(a)(iii). The language of paragraph 4(a)(iii) is clear, and the only reasonable interpretations are to regard the fourth example as a narrow

17 This issue is discussed further in Chapter 11 specifically with reference to Paragraph 4(b)(iv) of the Policy. Paragraphs 4(b)(i, ii, and iii) have reference to bad faith registration while 4(b)(iv) has reference to bad faith use. Because the wording of 4(b)(iv) is different than the wording of 4(a)(iii), the advocating Panel on this theory concluded that a finding of bad faith under 4(b)(iv) was disjunctive.

18 The Panel reiterated its construction also in a number of notable dissents in which he defended the retroactive bad faith approach: "The approach of the Octogen trio of cases attempts to interpret the UDRP in light of the intent and purpose for which it was developed, to give effect to all provisions of the Policy, to harmonize the provisions such that they are consistent with one another, and to be consistent with the legislative history, to the extent that it is available. This panelist believes that it is incumbent upon anyone interpreting the UDRP to engage in a similar analysis."

> exception to the preceding sub-paragraph's conjunctive rule, or to apply the conjunctive rule as it is written and disregard the example entirely.

Since the "language of paragraph 4(a)(iii) is clear,"

> the only reasonable interpretations are to regard the fourth example as a narrow exception to the preceding sub-paragraph's conjunctive rule, or to apply the conjunctive rule as it is written and disregard the example entirely.

Of these choices, the Panel chose "to apply the conjunctive rule as it is written and disregard the example entirely" (the binary rule) and thus the conjunctive view solidified until the re-introduction of doubt in *City Views Limited v. Moniker Privacy Services / Xander, Jeduyu, ALGEBRALIVE*, D2009-0643 (WIPO July 3, 2009) and a month later in *Octogen Pharmacal Company, Inc. v. Domains By Proxy, Inc. / Rich Sanders and Octogen e-Solutions*, D2009-0786 (WIPO August 19, 2009) applying the unitary rule.

The second aspect of the retroactive bad faith analysis effectively reads the Paragraph 2 representations of lawful registration as a continuing promise "that the registration of the domain name will not infringe in or otherwise violate the rights of any third party," with the result that any subsequent breach supports abusive registration regardless of registrant's motivation for acquiring the domain name. This too was a departure from the consensus that had been steadily building up.

According to the retroactive bad faith panelists, the registrant's duty "is not limited to the moment at which it registers the domain name; rather, it extends to any use of the domain name in the future." Commencement of bad faith use transforms that which was legitimate when it occurred into a breach of respondent's representation, thereby justifying a finding of *male fide* registration regardless of respondent's knowledge when it executed the registration agreement.

Panels advocating for this construction of the UDRP sought to upend the consensus which would effectively convert the "and" to an "or." The *Weatherall Green & Smith* decision referenced earlier had already stated succinctly that "renew[al] in bad faith [was not] the relevant inquiry for purpose of Policy ¶ 4(a)(iii) analysis." And in *Arena Football League v. Armand F. Lange & Assocs*., FA0210000128791 (Forum December 26, 2002) the Panel held that "once a Panel finds that a domain name was originally registered in good faith, any subsequent renewal which could qualify as having been done in bad faith is irrelevant."

Nevertheless, according to the Panel in *City Views* and *Octogen* the construction that had become accepted via *Telstra Corporation* also contained the seeds of its new theory. The Panel (setting aside its earlier analysis in *World Wrestling* and regretting his earlier analysis and also ignoring the more closely observed analysis in the Thyme Decision of 2000) found that inconsistencies "have arisen in panel decisions on the issue of bad faith registration."

He argued that "based on a close analysis of the landmark decision in Telstra Corporation [. . .] and a careful reading of the language of the Policy, the Panel is convinced that this majority view is neither consistent with the Telstra approach, nor with the language of the Policy itself." From this analysis, the Panel drew the following conclusion:

> Clearly, as under the Telstra analysis, in this Panel's view bad faith registration can occur without regard to the state of mind of the registrant at the time of registration, if the domain name is subsequently used to trade on the goodwill of the mark holder, just as bad faith use can occur without regard to the fact that the domain name at issue has not been or has been only passively used.

From its reading of *Telstra* this Panel drew the following construction: "[After] a careful reading of the language of the Policy, the Panel is convinced that both the Telstra [. . .] approach [passive use of domain names] and the language of the Policy itself [Paragraph 2, Representations] provide a basis for panels to broaden their position on this issue [of bad faith registration]."

This "careful reading" led the Panel ineluctably to conclude that under some circumstances involving use of the domain name "*registration of the domain name could be said to be retroactively in bad faith*" (emphasis added). In other words, even if the domain name was registered in good faith, bad faith could still be found if justified by bad faith conduct or use subsequent to the registration. Thus was advanced the new concept of "retroactive bad faith."

This was not disagreeable to a few panelists, but to majority it was inconsistent with established legal principles. Panels began criticizing this construction and the advocate of the construction expanded on it in a dissent in *Tata Communications*, *supra*. According to this argument the "and" in bad faith registration and use disappears in paragraph 4(b)(iv) because the Policy is "unitary."

He arrives at this conclusion by calling attention to the distinction between subparagraphs 4(b)(i), (ii) and (iii) which unify bad faith as registration and use with subparagraph 4(b)(iv) which is use based:

> [A]s the examples of bad faith registration and use, set out in paragraph 4(b) of the Policy, demonstrate "bad faith registration and use" is a unitary concept. Subparagraphs 4(b)(i), (ii), and (iii) deal only with registration, yet they are evidence of bad faith registration and use. Subparagraph 4(b)(iv) deals only with use, yet it is evidence of bad faith registration and use. Thus, in this dissenting Panelist's view, bad faith registration and use is a unitary, rather than binary, concept.

By substituting "conjunctive and disjunctive" for "binary and unitary" the Panel was able to satisfy itself that bad faith use alone satisfied the evidentiary requirement for abusive registration, but the only reason for the substitution was to support a theory. Otherwise, it made no logical sense.

A 3-member Panel considering this new interpretation in *Torus Insurance Holdings Limited v. Torus Computer Resources*, D2009-1455 (WIPO January 10, 2010) noted that:

> If a consensus developed that a line of prior decisions had reached the wrong result, and if panels generally adopted a new approach on an issue, this Panel also would be open to considering whether a new approach was appropriate, both substantively under the Policy and in order to promote consistency.

The Panel's emphasis on consistency argued against changing current law which construes "'evidence of the registration and use of a domain name in bad faith' [. . .] merely [as] an evidentiary presumption which may be rebutted on a full consideration of all the circumstances of the case."

It quickly became evident that this new line of reasoning was unacceptable to the corps of panelists, indeed there was such significant pushback by other panelists in a slew of decisions that it quickly lost whatever adherents it had gained and became a one-Panel advocate.

A 3-member Panel in *Mile, Inc. V. Michael Burg*, D2010-2011 (WIPO February 11, 2011) (<lionsden>) rejected the proposed construction outright:

> The Mummygold/Octogen approach draws support from the fact that the example of bad faith given in paragraph 4(b)(iv) of the Policy describes a use of the domain name at some time following registration. In the view of the current Panel, however, this example does not alter the conjunctive requirement of paragraph 4(a)(iii).

The Panel concluded:

> Evidence of subsequent use as described in paragraph 4(a)(iii) often gives rise to an inference of the respondent's intent to make such use of the domain name from the time the Respondent selected and registered it. Moreover, paragraph 4(b)(iv) is listed as "evidence of the registration and use in bad faith"; it is not listed as conclusively demonstrating registration and use in bad faith.

And in *BioClin B.V v. MG USA*, D2010-0046 (WIPO March 22, 2010), the Panel held:

> Given the clear intention expressed in the Second Staff Report (paragraph 1 above), it seems to the Panel that the bad faith registration requirement was intended to catch a respondent's bad faith in the choice of the disputed domain name. That choice is of course made at the time of the original registration or acquisition, not at renewal time."

The death knell of retroactive bad faith was delivered in an "NB" in the Jurisprudential Overview (2017): "while this particular concept has not been followed in subsequent cases, UDRP paragraph 2 may be relevant on its own terms."[19] Overview 2.0 had noted only that "[t]his is a developing area of UDRP jurisprudence." It is unclear what "relevant on its own terms" can mean to a long held domain name that becomes infringing in a trademark sense by using the domain name in bad faith, but is not infringing under the the Policy because there is no conjunction of registration and use.

In later cases in which complainants argue for retroactive bad faith Panels have labeled the theory "fundamentally flawed, *Schoffstall Farm, LLC v. Privacy.co.com - 80580, Savvy Investments, LLC Privacy ID# 1048451 / Ashantiplc Limited*, D2020-0591 (WIPO May 14, 2020). This is so because "the bad faith registration requirement was intended to catch a respondent's bad faith in the choice of the disputed domain name. That choice is of course made at the time of the original registration or acquisition, not at renewal time."

The Panel in *My Passion Media Inc. v. Constantina Anagnostopoulos, Mytrueearth*, D2021-0415 (WIPO June 18, 2021) (<mytrueearch.com> explained:

> While attempts have historically been made to imply retroactive bad faith in certain cases, current UDRP jurisprudence is clear that no such approach is permissible and that the respondent must been shown to have known of, and to have targeted, the complainant's trademark at the date of registration of the disputed domain name.

The stronger argument against the retroactive bad faith view is that it forcibly imports an "either/or" feature found in the ACPA into UDRP Paragraph 4(b)(iv) as sufficient cause for forfeiture. The rejection is summed up by the 3-member Panel in *Mile, Inc.*, discussed above:

> The Panel is concerned as well that the Mummygold/Octogen reasoning runs counter to a decade of decisions addressing the UDRP's conjunctive requirements for a demonstration of bad faith. This Panel subscribes to the ideal of striving for a reasonable degree of predictability in Policy decisions, to guide domain name registrants and trademark owners.

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19 The Panel in *TOBAM v. M. Thestrup / Best Identity*, D2016-1990 (WIPO November 21, 2016) noted that "[w]hile there are a handful of UDRP cases around 2009-2010, including those cited by the Complainant, which considered alternative approaches based on the warranty in paragraph 2 of the UDRP and the wording of paragraph 4(b), amongst other things, the overwhelming approach of UDRP panels since then has been to affirm the literal meaning of paragraph 4(a)(iii) of the Policy and to require bad faith at the time of registration or acquisition of the disputed domain name." In a later case including the author of the *Octogen* decision, *Group One Holdings Pte Ltd v. Steven Hafto*, D2017-0183 (WIPO March 28, 2017) the 3-member Panel favorably cited *TOBAM.*

Repackaging a Rejected Theory

The Panel in *Eastman Sporto Group LLC v. Jim and Kenny*, D2009-1688 (WIPO March 1, 2010) repackaged the retroactive theory by declaring that renewal of registration with knowledge of a complainant's right violates the Policy. It held:

> Respondent's Paragraph 2 of the Policy representation and warranty given in January 7, 2012 [when the registration for the domain name was renewed] was knowingly false since: i) Respondent intentionally changed his use of the disputed domain name; ii) The new use is unrelated to Respondent's earlier business and trademark registration; iii) The new use is the display of pay-per-click links which are basically there to profit from consumers confusion between the disputed domain name and Complainant's trademarks; iv) The new use occurred prior to the renewal held to be a registration for purposes of paragraph 4(a)(iii) and; v) There has been no legitimate use since renewal.

The renewal theory holds that registrants have a continuing obligation under UDRP Paragraph 2.

The 3-member Panel in *Jappy GmbH v. Satoshi Shimoshita*, D2010-1001 (WIPO September 28, 2010) (<Jappy.com>) goes even further in rationalizing a unitary construction of Paragraph 4(b)(iv) of the Policy. "If this was not the correct construction" dire consequences will follow:

> even the most damaging abuse of a trademark right through the most egregious bad faith use of a domain name would be immune from remedy under the Policy so long as the registrant was not acting in bad faith when the domain name was acquired. It would, in short, give a 'green light' to good faith domain name registrants to later abusively use their domain names, safe in the knowledge that any such bad faith use could not provide the basis for a successful action under the Policy.

This view developed a following with some panelists even though it was discredited, and continuing after WIPO published the Jurisprudential Overview.

In *John Summers v. The Chronicle of Higher Education*, D2019-0682 (WIPO May 26. 2019) (<linguafranca.com>) the Panel stated:

> To the extent the Complainant's argument adopts the "renewal as registration" approach articulated in Eastman Sporto Group LLC v. Jim and Kenny, WIPO Case No. D2009-1688 ("Sporto"), the Complainant's reliance is misplaced.

Like *Octogen Pharmacal Company* this offshoot of the retroactive bad faith theory has also been abandoned.[20] As with the concept that promoted the use of US

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20 Nevertheless, the theory is regularly trotted out by complainants and some panelists are receptive. See, for example, *AirDNA, LLC v. ding zhi qiang / bei jing yi rui sheng wu ji shu you xian gong si*, FA2207002006430 (Forum August 29, 2022) (<airDNA.com>).

law in deciding disputes in which the mutual jurisdiction for challenging UDRP awards was a US based registrar, the local law concept immediately came under critical attack until its demise was also formally acknowledged in the Jurisprudential Overview (2017).[21]

Ipso Facto Bad Faith

Does a complainant (a dominant actor in the market but one of several others owning or using the mark) have a claim for cybersquatting superior to any other when there is no specific proof that it alone is the target of the registration? Would it be different if instead of several there was substituted "many"? And how "many" is many: more or less than ten? What if there are five users of the mark in different markets? Or, the complainant had known about the domain name and for a lengthy period and ignored it?

The issue arose in *First American Funds, Inc. v. Ult.Search, Inc.*, D2000-1840 (WIPO April 20, 2001) (<firstamerican.com>). The majority's view was that to permit a non-targeted mark owner to prevail would

> [c]reate a tremendous scope of protection around existing owners of marks of common words and mundane expressions and prevent new entrants from using these words and terms even in entirely different fields from existing uses.

The dissent (coincidentally, the same Panel who formulated the retroactive bad faith theory of liability discussed below) was of a different view:

> Assuming a situation in which four or more entities have registered the same mark, if the majority's reasoning were carried to its logical conclusion, none of them would be entitled to prevail as against a third party under the Policy, since there is at least one holder of the mark who would not be able to register the mark in a corresponding domain name in a gTLD.

However,

> If four is not the defining number, the majority fails to indicate how many trademark registrants would be a sufficient number to entitle the Panel to disregard the fact that Respondent has registered and is using a domain name identical to the mark in which Complainant has rights. The majority opinion effectively makes trademarks with multiple registrants fair game for any cybersquatter.

The majority's view is the consensus position and the immediate forerunner to the further developed legal principle that challenges complainants to prove that

21 There is a passing notice of the construction's demise in WIPO Overview 3.0, NB following paragraph 3.2.1.

respondent acquired the disputed domain name to target them specifically, for unless targeted they have no actionable claim.

Targeting is discussed in more detail in Chapter 11. The dissent's view is not entirely "dead" where the number of other users are less distinctive than a dominant complainant even though complainant offers no concrete evidence of targeting in particular and the panelist's conclusion is based solely on inference. This necessarily depends also on the quality of the mark and its distinctiveness in the market.

In other words, where there is a dominant market player, the registration of the domain name has sometimes been found abusive with less proof of actual knowledge. This generally occurs with domain names acquired by public auction where in either one of two circumstances registrant has performed little or no search to assure the domain name is not infringing a trademark right (discussed in Chapter 2 and further in Chapters 11 and 18).

Generalized bad faith is an assumption based on *ipso facto* reasoning rather than concrete proof. It posits that targeting can be found even though there is no evidence of awareness of knowledge of complainant or its mark. The point is illustrated in two cases, one in which the majority found *ipso facto* targeting and the other in which the dissent would have accepted the complaint and transferred the disputed domain name for targeting even without specific evidence of awareness or knowledge of complainant.

In *Victron Energy B.V. v. Privacy Administrator, Anonymize Inc. / SARVIX, INC.*, D2022-1186 (WIPO June 2, 2022) the Panel majority "finds it more likely than not that the Respondent has acquired the disputed domain name primarily for the purpose of selling it to the Complainant who is the owner of the VICTRON trademark, *or to another entity that has trademark rights* in "Victron," inaccurately paraphrasing Paragraph 4(b)(i) of the Policy by adding new language (*italicized* in the last sentence) to the circumstances defining bad faith registration. In effect, this construction favors complainant over all other actors using the same term even though none of the mark owners *in particular* is targeted.

The dissenting member in *Amadeus IT Group, S.A. v. Domains By Proxy, LLC / Narendra Ghimire, Deep Vision Architects*, DCO2022-0040 (WIPO July 25, 2022), a Civil Law attorney, the presiding member of the Panel, favors this interpretation and has advocated it in other cases:

> although various companies may use this word [Amadeus] in their names and/or trademarks [. . .] this circumstance alone cannot confer rights or legitimate interests to the Respondent, and cannot cure his bad faith. Merely registering a domain name comprised of a common phrase or word does not, by itself, automatically confer rights or legitimate interests. In order to find rights or legitimate interests in a domain name, it should be genuinely used, and not to trade off third-party trademark rights.

While it is correct that "[m]erely registering a domain name comprised of a common phrase or word does not, by itself, automatically confer rights or legitimate interests" it is not correct that registering a term drawn from the common lexicon can *ipso facto* be evidence that it is "trade[ing] off third-party trademark rights."

The Panel in *Reboxed Limited v. Adesoji Adeyemi*, D2021-0886 (WIPO June 2, 2021) "expressly rejects"

> Complainant's inaccurate reliance on paragraph 4(b)(i) of the Policy, which requires an intention to sell the disputed domain name to the current trademark owner (or a competitor) and not, as the Complainant implies, to some (unknown and potentially as yet non-existent) party who may acquire an interest in a relevant trademark at some point in the future.

This rejection should not be controversial. Where there is multiple use of a term that is claimed to be infringing by one of many, absent evidence of targeting to that complainant there can be no conclusive proof of bad faith.

Arguing in favor of Rejected Constructions

Rejected theories notwithstanding, some complainants and panelists continue to hold the view that rejected constructions are still applicable. The retroactive bad faith theory which made its debut in 2009 and had run its course by 2013 continues to be cited by complainants (noted in a 2023 case) and some panelists. For example in *Big 5 Corp. v. EyeAim.com / Roy Fang*, FA1308001513704 (Forum October 11, 2012) (<bigfive.com>) the majority stated:

> the Panel deems Respondent's 2009 renewal of the disputed domain name to be the date on which to measure whether the disputed domain name was registered and used in bad faith for purposes of paragraph 4(a)(iii), and finds that the Respondent registered and used the disputed domain name in bad faith.

As I earlier pointed out the majority of Panels had already rejected this view. The dissent was unconvinced by the majority's reasoning: "However finely we slice the law (and we are all very good lawyers), it is Complainant's burden to prove [its case]." The Presiding Panelist in *Big 5 Corp.* continued to argue for the renewal construction as the date to measure bad faith into 2021. The Panel who introduced the retroactive bad faith theory continued arguing in its favor in a 2013 case in dissent.[22]

Complainant represented by legal counsel in *Securus Technologies, LLC v. Domain Administrator*, D2021-3383 (WIPO December 16, 2021) (<securus.

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22 *Guru Denim Inc. v. Ibrahim Ali Ibrahim Abu-Harb*, D2013-1324 (WIPO September 27, 2013) (<truereligion.com>).

com>) argued that renewal of registration after the mark's use in commerce satisfied Paragraph 4(b)(iv) of the Policy. In rejecting the argument, the Panel pointed out that

> If this solitary reference to renewal of the Domain Name is intended to suggest that one or more of the Respondent's renewals of the Domain Name since 1995 constitutes a new registration for the purposes of this element of the Policy, it is unsuccessful. . . . [F]undamentally it is now well-established that for the purposes of this element of the Policy a mere renewal by the same registrant is insufficient to support a finding of bad faith registration."

In this case, the Panel sanctioned Complainant (and its professional representative) for RDNH:

> If the Complainant's representative had researched the Policy and its jurisprudence properly (e.g., by studying the guidance materials readily accessible on WIPO's website), the Complaint would not likely have been filed and certainly not in its current form, bereft of any argument (still less evidence) to overcome the fundamental defect identified above. The Complainant would have been told that its complaint needed to be followed up in another forum (such as a court).

But panelists who accept rejected constructions can also be faulted. In *Printwerx International LLC v. LARRY ORGAN / EXACTDATA LLC*, FA2010001916470 (Forum November 16, 2020) (<datawidget.com>) the Panel stated that "it is very important to stress that Paragraph 2 of the Policy states that Registrant represents and warrants, when applying to register a domain name, or when requesting to maintain or renew a domain name registration, that the domain name will not infringe upon or otherwise violate the rights of any third party." The same Panel repeated this view in *Snap Inc. v. Domain Administrator / Domain Professionals, LLC / Domain Master / Global Personals, LLC / Domain Master / Worldwide Connect Partners, LLC*, FA2102001933412 (Forum May 11, 2021).

Discredited theories of liability aside, the great achievement of the UDRP is that Panels insist on proof of the material facts before awarding forfeiture. For bad faith use to be actionable, it must be part and parcel of the motivation for acquiring the disputed domain name. The Panel in *Charles E. Runels, Jr. v. Domain Manager / Affordable Webhosting, Inc., Advertising*, FA1709001749824 (Forum October 23, 2017) (<pshot.com>) correctly stated that there is no such thing as "retroactive bad faith in the UDRP."

The Panel found it surprising that the Complainant in *Toast, Inc. v. Jared Isaacman / Harbortouch*, FA2208002007428 (Forum September 6, 2022) (<toastpos.com>) argued for retroactive bad faith when it was entirely unnecessary based on the adduced evidence:

> Citing Policy ¶ 2, Complainant also goes to great lengths to assert the theory that domain name registrants can engage in bad faith by failing in their duty to avoid infringing upon trademarks that come into existence after the creation of a domain name but before a renewal of that domain name.
>
> [. . .]
>
> More surprising still, is Complainant's engagement in assertion of this discredited legal theory when the same is completely unnecessary based on the evidence that Complainant has itself submitted.

The point underscored by the Panel is an issue I will return to in Chapter 14. It is unnecessary to unearth dead theories when the facts support a claim for infringement; better to leave the dead buried.

It underscores, too, a point I will be making throughout the book. Some complainants and their representatives take too casual an approach to the UDRP. In thinking of it as litigation light, they fall into the trap of overlooking that it is a legal process with its own mature and functioning jurisprudence.

CHAPTER 5

PARAMOUNTCY OF STATUTORY RIGHTS

TRADE AND SERVICE MARKS VERSUS CONTRACT RIGHTS

The rise of a jurisprudence discussed in Chapter 3 and the dueling constructions discussed in Chapter 4 cannot be considered alone. After taking into account the ±95% of disputes that are obvious cases of cybersquatting, trade and service mark owners are in competition with registrants for the 300 to 350 domain names annually that are either defensible (they have rights or legitimate interests) or obviously lawful registrations.

As between statutory and contract rights, the former as to the majority of disputes are generally paramount, but this status diminishes and contract rights are elevated as the corresponding marks decline in distinctiveness and value. That turning point is marked by choices of names, use, timing of acquisitions, their reputations, and locations of the parties. As names decline to commonness their protections, should they have any, are limited to direct and unchallengeable evidence of infringement.

From the earliest decisions a consensus has formed that the lexical quality of marks, their source (common or uncommon lexicon) are critical factors in determining infringement. Lexical quality of a mark. whether it is considered inherently distinctive or distinctiveness acquired by use as measured by the granting registry, does not necessarily match market distinctiveness which is oriented to marketplace reputation.

Fanciful and arbitrary marks are generally stronger than descriptive and suggestive ones. The stronger the mark the greater its value, and vice-versa. Their taxonomy is determined by the sources of their lexical choices. These values generally carry forward to the marketplace and thence to consumers, which is the ultimate test of a mark's strength.

Regardless of a mark's reputation, though, even as it rises in its niche, if drawn from the lexical commonplace, the choice does not affect its commonness. It remains common, but common or not the more distinctive a trade or service mark has become through its associational bonding to the products or services, the more likely a disputed domain name corresponding to that mark will put the respondent to its proof.

Where complainant has proffered prima facie evidence of the second element and direct evidence of the third, the burden shifts to respondent to produce evidence rebutting the contentions and proof that will result in forfeiture.

This proposition is not inconsistent with the corresponding jurisprudence under trademark law: one-of-a-kind choices, fanciful and connotatively rich marks, can only be claimed by the original mark owner because their values are intricately meshed with webs of association of the term to particular products or services. To the extent that mark owners can claim exclusivity to particular terms depends in part on their source and in other part on to their choices of language.

I pointed out in Chapters 1 and 2 that registrants' rights are contingent on their acting consistently with their representations *at the time they acquire disputed domain names*. It is because of this contingency that registrant's rights have a lower status, and it is for this reason too that owners of trade and service marks have a higher level of protection, but that higher level comes with a legal burden.

The Panel noted in *Broadway Trading, LLC. v. Gene Weissman*, FA000300094310 (Forum April 25, 2000) (<electronicdaytrader.com>): "The strength of a particular mark has traditionally been judged on a sliding scale," although when it comes to the market, it is not necessarily the commonness of words that determine strength or weakness but the complex interaction of words and their recognition by consumers as designations of source for the goods and services projected by the lexical choices.

Nevertheless, the commoner the term the less likely it can be co-opted. This puts a premium on the goodwill and reputation of the mark. The higher it is the greater its distinctiveness in the marketplace. There is a reason that VIRGIN is distinctive and ALLOCATION is not even though both names are drawn from a dictionary; that SUCCESSORIES is protected and ELECTRONIC DAY TRADER is not in that one is coined and the other is a descriptive phrase.

Where trade or service marks falls short of the reputational milestone, the greater complainants' evidence must be to prove the merits of their claims. But as a general proposition, rights granted through statutory grant favor the owners of those rights against others whose rights are contingent on compliance with their terms of contract. There is, though, a common denominator, namely that marks and domain names are composed of grammatical parts. They are the currency for both mark owners and domain name registrants.

In the US, the Trademark Act of 1946 (as amended, the Lanham Act) defines trade and service marks to include "any word, name, symbol, or device, or any combination thereof."[1] Common elements of language are transformed to marks

1 U.S.C. §1127, Construction and Definitions, and similar language in other national jurisdictions.

when they are used commercially as indicators of source, and to the extent that they summon up lexical or cultural sources and are recognized as such by a significant segment of consumers, owners are protected from others to the extent of infringing use, which means exploiting the value of the marks rather than the value of the lexical choices. As I have indicated, and will return to again in Chapter 11, exploitation and targeting are critical elements of proof in defining abusive registration.

This chapter surveys the distinctiveness of marks in the marketplace; not simply distinctive by certification, for that is not the measure (or not the sole measure) that Panels focus on in assessing cybersquatting. The more connotatively rich marks are, or over time become (VIRGIN for example, or TESLA which are drawn from the lexical commonplace but have achieved global recognition), the greater the extent of their protection, and it is to this extent that mark owners enjoy a paramountcy of rights over contract rights to identically or confusingly similar domain names. Domain names start out on a lower plain for two reasons: 1) they are acquired without examination as to their correspondence with marks, and 2) the rights registrants have are contingent on compliance with the terms of their registration agreements as discussed earlier and in Chapter 2.

This paramountcy is not absolute, though, because mark owners do not own the words or phrases they choose to market their goods and services as is illustrated in claims for dictionary word and descriptive phrase domain names (discussed further in Chapters 6 and 7).

The issue is highlighted in the <breal.com> case. The Complainant (a French fashion company) owns BRÉAL, *PAULINE v. Domain Vault, Domain Vault LLC*, D2022-4231 (WIPO February 9, 2023), but the expression "b[e] real" is a colloquial term in English:

> the Panel finds that the term "breal" is likely to be understood as an expression "b[e] real" by English speaking users and that it has not been proved that in 2003, when the disputed domain name was registered, the Complainant's trademark was necessarily widely known and therefore it cannot be stated that based on the evidence before the Panel the Respondent knew or at least should have known of the Complainant and deliberately registered the disputed domain name . . . .

BRÉAL is not to be confused with BEREAL (trademark registered 2021), another French Company (they are in different market segments). The BEREAL trademark owner, however, could not have an actionable claim against the registrant of <breal.com> acquired in 2003. Conceivably, though, a successor registrant postdating the corresponding may be vulnerable to the BEREAL trademark owner (Chapter 12). Thus, timing would then be an added factor.

Hierarchy Among Marks

Distinctive and Distinctiveness

There is, naturally, a hierarchy among marks ranging in order of descension from famous, to well-known to lesser known, and unknown. Where a mark stands in this hierarchy depends in large measure on the goodwill a business and its products and services enjoy with the public; but to some extent also it rests on owners' lexical choices to represent themselves in the market.

While marks are all "distinctive" by virtue of registration or if unregistered by their long time use, some marks are more distinctive than others. Distinctive by virtue of a mark's registration is a different condition from distinctiveness in the marketplace which I will discuss further below. Marks distinctive in one hierarchy are not necessarily equally distinctive in the other.

For example, within the registration hierarchy there are also levels of strength: generic terms are not registrable for their generic meanings but are registrable if used for their suggestive connotations and arbitrary associations. Apple can refer to computers and it can also refer to a bank. In the trademark hierarchy, suggestive and arbitrary terms are inherently strong, whereas descriptive terms are registrable on proof of acquired distinctiveness.

The strongest within this hierarchy are famous marks (Lanham Act, § 1125(a)(2)(A)(c)(2)(B)(i-vi) defined as "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner."[2] The statutory factors that define famous marks include:

> (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark; (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark; and (iv) Whether the mark [. . .] is on the principal register."

The same four markers are also the principal factors in determining strength of marks through both registration and marketplace hierarchies.[3]

2 This statutory definition is not specific to the US and equally applicable to weighing distinctiveness and reputation in market terms for the UDRP.

3 What is true with trademark infringement is equally true with domain names. See *Ty Inc. v. Perryman*, 306 F. 3d 509, 510 (7th Cir. 2002): "A successful brand [. . .] creates an incentive in unsuccessful competitors to pass off their inferior brand as the successful brand by adopting a confusingly similar trademark, in effect appropriating the goodwill created by the producer of the successful brand."

Other than item (iv) the factors apply equally to unregistered marks, although as to them distinctiveness must be earned by proof of secondary meaning. While the range of "famous" is limited, the range of "well-known" can be extensive even if not as widely known to all segments of consumers. And, as the recognition of marks decline the likelier they will be shared by other market actors, including investors acquiring domain names for inventory.[4] This was noted for example with the PLANET marks discussed in Chapter 1 and other dictionary word marks, ALLOCATION for example, discussed in Chapter 3.

The concept of well-known is not defined in the statute but can be considered a notch down from famous, and to some extent it shares the same factors. What is well known, though, has its own range of distinctiveness that depends on the market in which the claimant operates, from niche (small and large) to general and international markets.

These factors apply in defining whether a domain name registrant has crossed the line into infringement, although as I earlier pointed out "famous" marks in one jurisdiction do not necessarily travel to jurisdictions in which registrants reside. Whereas actual knowledge may be inferred where mark owners operate in international markets, such an inference may not be possible absent proof of actual notice and evidence of infringing use.

Any one particular lexical choice may also be the choice of other users in the market, which is permissible as long as none of them are found to be infringing the senior user and others on pain of being called to account. EAUTO is a protected trademark, but adding a word descriptive of a business distinct from the mark owner, adding "Lamps" to Eauto, for example, does not support infringement of mark owner's rights even though it incorporates the mark.[5]

Distinctive Common Terms

The closest a lexical choice can be said to give mark owners ownership rights to words and phrases are fanciful names, one-of-a-kind marks wholly associated with one particular market actor. But whether strong or weak, or in between, marks are

4 Trademark infringement laws prevent consumer confusion by regulating the use of similar marks only on competing goods. At the same time, anti-dilution law prevents unauthorized junior trademark use on competing or non-competing goods from weakening famous trademarks.

5 *EAuto, L.L.C. v. Triple S. Auto Parts d/b/a Kung Fu Yea Enterprises, Inc.*, D2000-0047 (WIPO March 24, 2000) (<eautolamps.com>): "[T]he fact that Respondent is using the domain name for a business it has been conducting for ten years and because the business of Respondent does not overlap with the business of Complainant [its registration could not have been in bad faith]."

entitled to a presumption of validity by virtue of their registrations with the certifying national registry. And when lanes are crossed, mark owners have the statutory backing to enforce their rights.

Marks are formed of every kind of lexical permutations, but are mostly drawn from the common lexicon whether as single words or phrases—AMERICAN HOME SHIELD which I will come back to in a moment exemplifies a combination of dictionary words, yet as a whole it identifies one particular actor in the market and none other (even though "Shield" is disclaimed: "Distinctiveness limitation statement" "American Home.") Whether one of a kind or highly creative, whether single dictionary words or combinations (compounds), they are all protected to a greater or lesser degree depending on other factors that elevate or depress their value in the market.

By value I mean the extensiveness of their attraction to consumers as defined by the Lanham Act (and statutes in other jurisdictions). If the use of a term conjures the complainant and non other, any domain name corresponding to that mark draws its value from the mark. It has no inherent value independent from the mark.

The Panel in *Societe des Hotels Meridien SA v. United States of Moronica*, D2000-0405 (WIPO June 27, 2000) (<lemeridien.com>) summarizes the issue:

> Trademarks which possess some inherent distinctiveness are those which are invented, arbitrary or coined. Acquired distinctiveness, on the other hand, applies to trademarks which are not inherently distinctive, which may be suggestive or descriptive but have gained a certain distinctiveness through use.

Trademarks are distinguished as inherently distinctive or as having acquired distinctive through use. Thus,

> A trade-mark which is not inherently distinctive but which has acquired distinctiveness through use is generally a trade-mark which has benefited from broad exposure over an amount of time. Acquired distinctiveness is evidence of a trademarks strength in the market place and for that reason a wider ambit of protection is often called for.

The point is further illustrated in *Broadway Trading, LLC. supra*. which underscores the hierarchy of mark protectability:

> When the mark is a dictionary word rather than a coined word, the strength of the mark, in descending order of protection along the continuum is [1] fanciful, [2] suggestive, and [3] descriptive. . . .

Marks drawn from the common lexicon may be registrable for acquired distinctiveness, but are nevertheless weak and most likely unprotectable absent proof of targeting. In *Combined Insurance Group Ltd v. Xedoc Holding SA c/o domain admin*, FA0905001261545 (Forum June 6, 2009) (<cheapautoinsurance.com>) the Panel notes

> Complainant admitted that its mark was descriptive. Moreover, Complainant was obligated to disclaim the phrase "auto insurance" apart from the mark. The remaining term "cheap" is merely laudatory and itself incapable of adding registration significance.

The weakness of descriptive and dictionary marks heightens the demand for proof that their incorporation into domain names were intended to target complainants or showcase its distinctiveness apart from the mark.

Descriptive terms differ from one of a kind marks that are not just distinctive in both registration and marketplace hierarchies but have the added value of being coined (characterized as fanciful under trademark law), such as "Attendify" and "Shopular" which cannot be claimed in any sense as being common in the linguistic community, and for this reason cannot be registered and used as domain names by other market actors. Any such acquisition would be *prima facie* abusive.[6]

Keeping Mark Owners in their Own Lanes

In the larger framework, law protects choice only so far as keeping users in their own lanes. There is an Apple that makes computers and an Apple that offers banking services; and a Delta that offers a product and a Delta that offers a service. No one owns their choice to the exclusion of others who may have an equal right to use the same signs for products or services distinctive from other mark owners. There are constraints as marks grow in reputation, but where registrants acquire domain names that trespass into trademark lanes, they must forfeit their registrations regardless of their contracts.

It is clear that in discussing trademarks and domain names each have attributable, inherent, cultural, connotative, and denotative values, but marks and domain names inhabit separate realms. As with marks, domain names can also be described as having degrees of distinctiveness. Dictionary words that in a trademark context may be arbitrary are nevertheless the coinage of ever day speech.

While dictionary words and strings of arbitrary letters are *prima facie* owned by the first to register them as domain names, that is not to say that word combinations are similarly treated. In *American Home Shield Corporation v. Domains By*

6 This issue has resurfaced in cases in which coined (or "brandable") words registered prior to corresponding marks have been dropped and acquired by a new registrant after a new trademark has entered the market. See *Limble Solutions, Inc. v. Domain Admin, Alter.com, Inc*., D2022-4900 (WIPO March 22, 2023) (Complaint denied. Mark has no reputation and there is no proof that Respondent had any knowledge of it in contrast to *Kubota Corporation v. Perfect Privacy, LLC / Domain Admin, Media Matrix LLCMedia Matrix LLC*, D2022-3397 (WIPO November 23, 2022).

Proxy / Morris Chera, D2017-1142 (WIPO September 3, 2017) (<americanhomeshield.reviews>) the Respondent argued:

> [T]he Complainant's mark is geographically descriptive (i.e., "American"), and (2) "Home Shield" is merely descriptive of the products or services provided by the Complainant.

Further,

> The Respondent submits that the mark AMERICAN HOME SHIELD is generic, or at best suggestive, and that in the latter event the Complainant has failed to provide evidence of acquired distinctiveness.

And further still

> even a registered trademark provides no rights under the Policy, if it is deemed descriptive or generic by a panel. The Respondent maintains he registered the disputed domain name based on its attraction as dictionary words or common terms, and not because of its confusing similarity with the Complainant's mark

The Panel found this argument "unpersuasive":

> While the AMERICAN HOME SHIELD mark registrations include a disclaimer of the Complainant's exclusive rights to use "American Home" apart from marks as shown, the disputed domain name is not comprised solely of the disclaimed language. Instead, the Respondent has appropriated in its entirety the Complainant's AMERICAN HOME SHIELD mark.

As a domain name, the disclaimed words would be lawfully registrable to the first to register <americanhome.tld> because it is "apart from the mark[ ] as shown," but the mark taken as a whole are the words together.

The value of marks and their generally regarded greater status follows from the universal policy of governments to protect their integrity from being used opportunistically against mark owners and fraudulently for gain by targeting consumers. The Panel in *Sodexo v. Daniela Ortiz*, D2021-0628 (WIPO May 3, 2021) (<sodexo-spa.com>) pointed out that

> Where a complainant's trademark is widely known, including in a particular industry, or highly specific, and respondents cannot credibly claim to have been unaware of complainant, panels have inferred that respondents knew, or should have known, that their registration would be identical or confusingly similar to a complainant's trademark.

In this case,

> Complainant has submitted ample evidence that the SODEXO trademark is widely known, as recognized by multiple prior panels, and the Panel concurs that when the disputed domain name was registered on December 16, 2020, Respondent clearly must have had Complainant's pre-existing rights to the SODEXO trademark in mind.

Similarly: INTOWN SUITES and <townsuites.com>; NEO METALS and <neometals.com>; RECHARGE PAYMENT and <rechargepayments.com>; PANAVISION and <PaniaVision.com>; UNIVERSAL GIFT CARD and <universalgiftcard.org>, etc. In denying awareness or actual knowledge of the corresponding trademark, the burden shifts to respondents to explain how they lighted on virtually identical or confusingly similar domain names.

Claims on the Borderline

Trademarks exist in a wide spectrum that includes the most distinctive (measured in market terms) at one end and the least distinctive at the other: there are strong marks and weak marks. VIRGIN even more than APPLE offers such a diversity of goods and services that it would be difficult to imagine registering a Virgin domain name without the registrant running afoul of the *Telstra* test of inconceivability as earlier described in Chapter 3. But the inconceivability test is limited in application to famous and well-known marks. As marks descend in distinctiveness the determination of rights and legitimate interests must be made through other tests.

Cases on the borderline are resolved in the first instance by measuring the value of the mark claimed to be infringed against the intrinsic value of the domain name. For this reason, the underlying issue of paramountcy of rights is better framed by considering the distinctiveness of the mark: What is the mark and who has a right to it? This involves a number of contingencies including reputation at the time of domain name acquisition, so that timing of a right and location of the parties become a central issues. Because the complainant has the burden of proof, these considerations are more immediate than who the respondent is and its motivation. Rather, the assessment begins with who the complainant is and the quality of its mark.

If a disputed domain name is identical or confusingly similar to a complainant's mark it sets in motion a series of questions aimed at settling the twin issues of distinctiveness and motivation. It will be recalled from Chapter 1 that the appellate court in *Direct Niche, LLC v. Via Varejo S/A*, 15-cv-62344 (S.D. Fla., August 10, 2017), aff'd 898 F.3d 1144 (11th Circuit August 3, 2018) explained: "Although Knight may subjectively believe that Direct Niche's use of the Casas Bahia Domain was lawful, the Court concludes that his belief is not objectively reasonable." The Court's pronouncement is not altogether different from what parties can expect from a Panel considering objective intentions. In this case, before it moved to federal court, the UDRP Panel concluded that the reputation preceded the acquisition of the domain name and that the domain name had no value separate from the mark.

Beyond the issue of standing which is a low threshold requirements (Chapter 9), the principal concerns in a UDRP are focused on 1) respondent's reasons for acquiring the disputed domain name ("rights and legitimate interests, Chapter 10); and 2) respondent's motivation for acquiring disputed domain name. This takes us into a consideration of strengths and weaknesses of marks and the corresponding value of domain names. The assessment will also examine the associational linkage of the term to the mark since the strength of linkage appreciates the value of the mark.

ESTABLISHING A STATUTORY RIGHT

Special Status of Trade and service Marks

Under US law, applicants earn their certificates of registration on proof of use, or in the case of common law rights from proof of secondary meaning accrued over long term use.[7] When a trademark office certifies a mark for registration or a trier of fact determines that a sign has achieved secondary meaning and is found to qualify as a mark, the certification or issuance is an acknowledgment that the mark is distinctive as a matter of law.

The commonest of words combined into distinctive phrases have value where separately they may not. The Panel in *Home Interiors & Gifts, Inc. v. Home Interiors*, D2000-0010 (WIPO March 7, 2000) (<homeinteriorsandgifts.com> pointed out that

> just because Respondent's conduct does not fall within the "particular" circumstances set out in paragraph 4,b, does not mean that the domain names at issue were not registered in and are not being used in bad faith. The combination of the descriptive terms "home interiors" and "gifts" into one phrase results in a name that is more distinctive than descriptive, and an Internet user entering "www.homeinteriorsandgifts.com" is more likely than not expecting to arrive at a web site hosted by Complainant, the holder of numerous registered trademarks and service marks dating back to as early at 1958.

Moreover,

> the generic Top Level Domain ("gTLD") <.com> has come to suggest a commercial enterprise bearing the trade name of the web site host as the Second Level Domain ("SLD") name which precedes the <.com>. Finally, the fact that

7 In contrast to US trademark practice, marks registered in the United Kingdom, European Union, and Germany are qualified for registration as marks even if not currently used, albeit subject to cancellation for non-use after five years. Nevertheless, all marks certified by these national registries have rights whether or not currently used. While they may technically be distinctive, unless in use they will have no distinctiveness in the market as further argued below.

> the Respondent has posted only a counter at the web site which records traffic to the site is tantamount to an advertisement that the web site is for sale and is an indicator of its value.

In turning to the hierarchy of the marketplace, value is measured by the same factors extrapolated from the definition of famous marks. Descriptive, suggestive, and arbitrary marks are no more than terms drawn from the common lexicon. They cannot be owned in a literal sense for the reasons discussed in Chapter 6 ("No Monopoly on Lexical Choices") and Chapter 7 ("Commodification of Lexical Resources"), but are statutory privileges for use to market the specified goods or services described in owners' applications. In the marketplace, some marks are more distinctive than others, either greater or less depending on a number of variables that have already been noted and will be further discussed below.

Marks may be suggestive (like "Nike" for swiftness) or even arbitrary like "Apple" or "Polo" (words that have nothing to do with the products or services being offered), but nevertheless vulnerable if drawn from cultural and linguistic resources as trademarks mostly are. While the mark owners of APPLE and POLO have no ownership rights to "apple" and "polo" their signs have achieved a degree of renown in the markets in which they operate that any confusingly similar names whose values derive from the famous or well-known marks would be unquestionably cybersquatting, but neither mark owner has exclusive use of those dictionary words as indicated by the number of trademark registrations for other goods and services.

Once registered (or held distinctive on proof of secondary meaning for unregistered marks), trademark owners enjoy a greater degree of protection than those accorded to domain name registrants whose rights are contract based. Where there is supporting evidence of registration or acquired distinctiveness by use in the market, mark owners have rights to protect and they have advantages over the contingencies of contract-based rights.[8]

STATUTORY VERSUS CONTRACT RIGHTS

Protection of Rights

As the UDRP was crafted for rights owners, it follows that the safeguarding of their interests was the first and paramount concern. If it has standing and the evidence of abusive registration is persuasive without any credible rebuttal, the UDRP

8 Challenged registrants have no effective choice but to respond or default in appearance: "It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights," (UDRP Paragraph 2). Although default is not an admission of liability, silence in responding to *prima facie* proof of cybersquatting will have consequences in favor of complainant.

operates as a hammer. If respondent is either absent or silent when it is expected to respond—expected, because it alone can explain or justify its registration—it forfeits the challenged domain name.

In challenging domain name registrations for cybersquatting, mark owners start with three advantages: 1) they have rights recognized by national government agencies; 2) the UDRP is a rights protection mechanism designed specifically for them; and 3) registrants are put on the defensive if the evidence is persuasive in proving unlawful registration of the disputed domain names. This tripart advantage is both procedural in giving mark owners a tool for summary disposition of their claims of cybersquatting, and it is substantive in granting a remedy where no defense is offered.

The most notable cases, the 90% plus that result in forfeiture, involve famous or well-known marks operating in international and national markets, thus highly distinctive and generally of a quality that denial of knowledge will be received with great skepticism. In *Wal-Mart Stores, Inc. v. Walmarket Canada*, D2000-0150 (WIPO May 5, 2000), Respondent alleged "that no prompt had appeared during the online purchase process, indicating that the Respondent had no right to the name," but of course registrars are not in the business of prompting registrants, it is Respondent's "responsibility to determine whether your domain name registration infringes or violates someone else's right."

In this case Respondent alleged in response to a cease-and-desist notice that "he reviewed the ICANN Rules, halted attempts to sell and 'decided to develop the site as an allowable business concern.'" However, the evidence established that "shortly after purchasing the domain name, he sent an email to the Complainant to determine if it were interested in buying the domain name in question which name he viewed as his rightful piece of property."

The Panel was unimpressed by Respondent's contentions that he had made demonstrable preparations to use the disputed domain name:

> Despite all the protestations of the Respondent, the fact is that he did endeavor to sell this name for $5 million. The fact of soliciting the sale and placing the domain name on the Internet for sale has been regarded in a number of WIPO cases as being evidence of abuse and bad faith.

Moreover,

> the fact that the Respondent intends to develop a confusingly similarly-named business in Thailand, where the Complainant has a registered mark, is also indicative of bad faith. One would have thought that his normal prudent course would have been to obtain a search in Thailand which should readily have indicated the confusing similarity of the domain name to marks owned by the Complainant.

Wal-Mart Stores is emblematic. As the compound term is associated solely with the Complainant, the $5 million value that the Respondent hoped to receive is a chimera because it has no value independent of the mark.

As between marks and domain names each can be said to have value in their own sphere but measured by different criteria. However, where the goodwill of a mark is found to account for the value of the disputed domain name the owner must prevail as a matter of law, since in this circumstance the domain name has no distinctiveness, thus no value, apart from the mark.

Statutory Advantages

No Contingency of Certified Marks

Where there is contingency in the trade and service mark application process, there is nothing contingent about issued marks: if signs qualify as source identifiers, they are eligible for certification as trade or service marks. Domain names, though, are contingent, not only because the registrations have expiration dates if not periodically renewed, but also because, and more importantly, respondents' registrations and uses as measured from their dates of acquisition are challengeable on presumptive proof of abusive registration. Trademark rights are privileged by having statutory protection, albeit governed by legal principles that also recognize their limitations—no monopolization on words, for example, which I discuss in Chapter 6.

The limitations are illustrated in a case involving <pru.com>. In its first appearance in the UDRP, the Panel in *The Prudential Insurance Company of America v. PRU International*, FA0111000101800 (Forum January 18, 2002) dismissed the complaint based on documentary proof that the Respondent was operating an established business for which "pru" was an acronym:

> Complainant claims that the domain is no longer being used and therefore Respondent has lost all rights to a defense under Section 4(c). Even assuming the correctness of this argument (which we question) Respondent has supplied evidence of its continuing activity, including a recent certificate of good standing from the Texas Comptroller of Public Accounts.

But where <pru.com> is later registered by a successor registrant (a "re-registrant" as it is termed by the Third, Fourth, and Eleventh Circuit Courts of Appeal), and where that registrant acquired the domain name subsequent to the trademark, the outcome was different. Prudential Insurance commenced then abandoned the UDRP after service of the response and commenced an in rem action in the Virginia District Court, Alexandria Division. The Court entered judgment awarding the domain name to The Prudential Insurance Company which was affirmed by the

Fourth Circuit Court of Appeals (2023). The legal analysis of "re-registration" as opposed to date of domain name creation is discussed in Chapter 19.[9]

But US law on market strength is long well-settled in favor of mark owners where disputed domain names are assessed as profiting from any implied association with mark owners: "[A] domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base."[10] Respondents cannot lawfully register domain names of their choice simply because mark owners have not registered the particular letters, words, or combinations, yet they incorporate in dominant part marks that have established goodwill and reputations in the market.

This "bias" (using the term in its non judgmental sense rather than outright prejudice) is illustrated in the earliest cases. I do not dismiss instances that the bias leans too far in the direction of prejudice, but the general population of awards reflect reasoned decisions based on adduced and sufficient evidence of cybersquatting.

Common Yet Distinctive

The rather pedestrian mark in *Mary-Lynn Mondich and American Vintage Wine Biscuits, Inc. v. Shane Brown, doing business as Big Daddy's Antiques*. D2000-0004 (WIPO February 16, 2000), for example, consists of two dictionary words: AMERICAN VINTAGE yet it held (and perhaps still holds in a later avatar) a distinctive market presence. In a conversation following notice prior to the UDRP complaint, the Complainant reported that Respondent offered to sell <americanvintage.com> to her and on her refusal—"Since I do own the Trademark, I'd prefer to see what 'Network Solutions' recommends or decides"—the Respondent said "Well, you will probably have to sue me."

In *Microsoft Corporation v. MSNetworks*, D2002-0647 (WIPO September 27, 2002), for example, involving a short string of letters, "msn," the Respondent defended its registrations of (<msnetworks.com> and <msnsearch.com>) on the theory that "[t]he Complainant is not the sole trademark holder [of 'msn']" and that its trademark registration for MSN postdated the Respondent's registrations of the disputed domain names while ignoring the Complainant's earlier registered <msnetwors.net>. The Panel concluded:

9 The issue here involves a successor registrant whose acquisition postdates the market presence of the mark owner. Under UDRP jurisprudence the respondent could prevail or if it loses and challenges the award in the Ninth Circuit it could prevail under the ACPA, but not in the Fourth Circuit.

10 *MTV Networks, Inc. v. Curry*, 867 F. Supp. 202, 203-204 n. 2 (S.D.N.Y. 1994).

>]T]he question is only whether the consumers have been attracted to the site by virtue of the confusing nature of the domain name, not by virtue of the content of the Respondent's site.

Evidence of the Respondent's actual knowledge of the Complainant's prior use of MSN was established by proof that the Respondent was an insider in the networking industry.

Numerous similar outcomes involving other dictionary words that in combination enjoyed market presences even if not well known or famous include (first year of the UDRP): <musicweb.com>, <fossilwatch.com>, <aeroturbine.com>, <homeinteriorsandgifts.com>, <budgetsaver.com>, and many more. Understandably, <budget-saver.com> may leave an uncomfortable sense that "bias" inclines too heavily in the Complainant's favor at the expense of objective-neutrality which is expected in arbitration, except the evidence supported the Panel's conclusion, including the following: "Within twelve days of registering the domain name, Respondent made contact with Complainant to broach the subject of buying or selling domain names."

A different aspect of the problem is illustrated in *Facebook, Inc. and Instagram, LLC v. WhoisGuard Protected, WhoisGuard, Inc. / Phishing Operations, Wombat Security Technologies*, D2020-3218 (WIPO January 25, 2021) (<facbook-login.com> and several other second level variants) Respondent argued that

> By using domain names similar to those of well-known companies, Proofpoint is able to execute a more effective training program because the workforce is more likely to learn to distinguish typo-squatted domains, which are commonly abused by bad actors to trick workers, from legitimate domain names. This protects both the employer that provides this training to its workforce as well as the owners of legitimate domain names, including social-media companies like Defendants.

The Panel sided with Complainant because the Respondent's use of the mark and its market attractiveness was advantageous to it. It found that the Respondent was using the domain name opportunistically to enlarge its business range.[11]

> Respondent may sincerely believe that it has not violated the UDRP here, but the fact remains that Complainant never gave Respondent permission to use its famous trademarks in such a manner as to enhance the number of Internet users arriving at Respondent's parent's commercial website, and yet Respondent has done exactly that.

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11 Respondent immediately challenged the award in a pending federal action, although it is unlikely it can establish any right or legitimate interest even on a nominative fair use argument, and if it cannot do that it cannot succeed under the ACPA.

The distinctiveness of these various marks, even where they are composed of common lexical material (less true, of course, with Facebook, although it too consists of two dictionary words combined into a noun), lies in their elevated goodwill and widespread recognition in the market. The corresponding domain names in *Facebook, Inc.* can claim no independent value apart from the marks.

Independent value is another critical factor in determining whether the disputed domain name is seeking to profit from the corresponding mark.

Market Factors

It is not questioned that domain names have inherent value where they are distinctive in their own right, in any one of several ways already discussed. The question is whether the values registrants attribute to disputed domain names are inherent in their lexical choices or derive primarily from the reflective value of the mark, for if it does the registration is abusive. Trademarks accrue value based on their reputation and goodwill in the marketplace, and it is to the marketplace that we must turn. The greater their reputation the heavier must be respondent's burden of production to counter it, but as that reputation attenuates the burden of proof grows heavier and the corresponding burden lighter on respondents. Thus, the ultimate question to be answered in a UDRP proceeding is whether the challenged domain name was registered with actual knowledge of complainant and registrant had it "in mind" for the value the mark would bring to the domain name.

A distinction must also be made as to the registrants. It makes a difference if the registrants are market actors (that is, those having a commercial presence in the market) or investors. Market actors are in a position to establish their credentials, but there may be a different outcome if the acquisitions involve distinctive marks that cannot be used for any lawful purpose (the *Telstra* test).

In *eMedicine.com, Inc. v. Aspen Grove Consulting*, D2001-0147 (WIPO June 19, 2001), (<emedicine.net>) the Panel found that

> it does not appear to the Panel that the Respondent had any knowledge of the Complainant's trademark rights when Respondent registered the disputed domain name, <emedicine.net>. Complainant states it first used "EMEDICINE" in commerce in June 1997 and the Respondent registered the domain name on August 8, 1998. This would have given the Complainant's mark very little time to acquire notoriety to put the Respondent on notice, and the Complainant's two trademarks were both registered after the Respondent registered the domain name.

Statutory protection does not extend to marks composed of common words or phrases that lack "notoriety to put the Respondent on notice."

In contrast, where that notoriety has been gained as with domain names incorporating well-known or famous mark the outcome will reflect that difference. For example, it appeared in *Kirkbi AG v. This Domain for Sale/Steve Morsa*, D2003-0826 (WIPO December 12, 2003) (<legosystem.com>) that the LEGO mark had lapsed on registration in the US. The Registrant

> asserts that while the Complainant has made an adequate case for their rights in and to the trademark LEGO, according to his understanding it has no legal or other rights to "Lego Systems" since two trademark registrations in US in the name of the Complainant have expired, also providing the Panel with the Respondent's interpretation of the "legal principle of estoppel."

But lapse of registration does not support a loss of rights. The domain name has no value independent of the mark: "Furthermore, the Panel finds that the published proposal to sell the domain names on the Afternic website is not to be considered a bona fide offering of goods nor a legitimate non-commercial and fair use of the domain names, since the only aim of the Respondent, as even stated in the Response submitted to the Panel, was to generate a commercial gain." The Panel found violations of Paragraphs 4(b)(i), 4(b)(ii), and 4(b)(iv).

I cite these "ancient" cases because the legal theories the Panels then applied have been refined over time and continue to be consensus views. Note, too, Complainant's marks in one are generic and in the other are of a kind associated solely with it and none other. When it comes to people's names, until they have established themselves, they are common property.

DISTINCTIVENESS MEASURED BY MARKET PRESENCE

Conundrum though it may sound, the distinctiveness of having a trade or service mark does not necessarily equate to distinctiveness in the market. "Distinctiveness refers to inherent qualities of a mark and is a completely different concept from fame. A mark may be distinctive before it has been used when its fame is nonexistent. By the same token, even a famous mark may be so ordinary, or descriptive as to be notable for its lack of distinctiveness."[12]

There are different degrees of consumer recognition depending on a wide range of circumstances. "A trademark is a limited property right in a particular word, phrase or symbol. And although English is a language rich in imagery, we need not belabor the point that some words, phrases or symbols better convey their intended meanings than others."[13]

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12 Quotation from *Sporty's Farm L.L.C. v. Sportsman's Mar., Inc.*, 202 F.3d 489 (2d Cir. 2000).

So too, marks can be distinctive in one context (that they have qualified as a mark in the issuing jurisdiction) and not in another (the marketplace). In addressing the issue of strength in the marketplace the answer turns on a number of variables, the most important of which is the mark's penetration in the market and the timing of that penetration a point noted above in the <emedicine.net>. It is illustration, also in *Melinda French Gates v. John Clendenon*, FA2207002003541(Forum October 3, 2022). Complainant gained reputation over time and certainly by 2022 Ms. Gates was very well-known but she had no notoriety when, in 1999, the Respondent registered <melindagates.com>.

Famous and well-known marks stand at one end of the spectrum measured as has been noted from the factors set forth in the Lanham Act. However, common words and phrases drawn from cultural resources are naturally less likely to be as highly protected as distinctive marks associated with a single mark owner.

It is clear from the decisions that have already been discussed that a complainant's likelihood of prevailing depends on proving the reputation of their marks at certain earlier times in their hi and that they alone have rights to them. As mark owners are custodians of their histories in the marketplace, they are expected to demonstrate their goodwill and reputation, their "notoriety" and their failure to do so may be fatal to their claims.

Except in the most obvious cases of cybersquatting (the ±95 percent of cases that are upheld as abusive registrations), distinctiveness depends on the projection of goodwill in such measure as to have brought the existence of a mark to the respondent's attention. I will return to this issue in Chapters 10 and 12.

Projection takes a number of different forms (the factors listed in the Lanham Act which are not altogether different from the factors applied in the UDRP), such as widespread consumer recognition, the nature of the product or services, the local, national, international, or niche market or markets in which mark owners operate, the location of the parties, the extensiveness of consumer recognition, and particularly their choices of words and compounds to market their goods or services.

Fanciful and arbitrary marks are generally stronger than descriptive and suggestive ones. The stronger the mark the greater its value, and vice-versa. Their taxonomy is determined by the sources of their lexical choices. These values generally

13 Quotation from *The New Kids on the Block v. News America Pub*., 971 F.2d 302, 308 (9th Cir. 1991). See also *Avery Dennison Corporation v. Jerry Sumpton, et al.*, No. CV 97-407 JSL (C.D. California, March 16, 1998): "Almost all words found in the dictionary have more than one meaning. To know which of the possible meanings is to be attributed to a particular word, it is necessary to know the context in which the word is used. When used in domain names, words are presented descriptively, but without other context. [. . .] Words used as domain names connote all of their commonly accepted meanings, without basis for distinguishing among them."

carry forward to the marketplace and thence to consumers, which is the ultimate test of a mark's strength.

The question that concerns the parties is whether a registrant's lexical choice conjures, evokes, suggests, or references a complainant's mark, for if it does a complainant is entitled to its remedy. The concept which is equally applicable to the UDRP is that "[i]f another poaches upon the commercial magnetism of the symbol [the rights owner] has created, the owner can obtain legal redress," *Mishawaka Rubber & Woolen Mfg., Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942).

Names are magnified or reduced by rights owners' choices of words and the reputation they achieve with consumers. It is no less so when considering registrants' choices of words that coincidentally (taking an objective view of their choices) are identical or confusingly similar to marks with an established reputation in the market for these too are measured by the same economic forces.

Source of Value / Choice of Name

Claims of cybersquatting raise issues concerning both the source of value and choice of name. While value for marks is heightened, diminished, or less or more so according to their distinctiveness in the marketplace regardless of their trademark classification of acquired or inherent distinctiveness, it is highly possible that an arbitrary mark (a dictionary word or common phrase) which is inherently distinctive in registration terms will have less of a market reputation than a descriptive mark which has acquired great distinctiveness in the market.

Reputation is the key to value for trademarks, but what amounts to reputation is not itself fixed. Time is a factor in that marks become increasingly recognized as they develop consumer awareness. At some point in its trajectory as it rises to a zenith, denial of knowledge can be plausible; but at some point in that trajectory it is implausible. Where the mark has not penetrated the wider market complainant's evidence must qualitatively be more persuasive that the respondent had the complainant in mind.

As a mark's distinctiveness is measured by consumer awareness rather than its trademark classification (descriptive, suggestive, fanciful or arbitrary), it gains traction from its projection in the market. It advances through stages of distinctiveness from unknown, to less known, to well-known, to famous. The choice of words (or letters) to market goods does not instantly translate into distinctiveness except on proof of reputation as measured by the market.

Complainants are expected to answer the following questions: Who are you? What markets do you operate in? And, What reputation do you have? Their answers are expected to establish their penetration in the market and the extent of consumer recognition, *not alone currently but at the time of the registration of the domain name*.

Current reputation is not proof of reputation at the time the disputed domain name was registered. These facts are under complainant's control. In that words in general circulation in a language community may have many different nuances of meaning, and to this extent their connotations may be multiple, the proof must tie complainant to both the mark and its market.

An example from an early case is helpful. In *Cellular One Group v. Paul Brien*, D2000-0028 (WIPO March 16, 2000) (<cellularonechina.com>) the Panel found that CELLULARONE precedes by over a decade the registration date of the Domain Name [. . .] [and] is a unique and inherently distinctive coined word." In contrast, the Complainant in *QAS Systems Limited v. Hopewiser Limited*, D2001-0273 (WIPO April 29, 2001) (<quickaddress.net>):

> The Panel is given no relevant supporting information. Had the name in issue been a name such as KODAK with both parties engaged in competition in the area of camera film, it may be that little or no further information would have been needed. However, in this case the name is a very descriptive one, one which anybody operating in this field might reasonably and innocently wish to use.

In *Human Resource Consulting Inc. v. Konstantinos Zournas*, D2007-1425 (WIPO November 23, 2007) (<mercer.com>, "Complainants did not file any evidence showing that their trademark MERCER was commonly known among the general public at the time of registration of the domain name in dispute." Here, the focus is "at the time of the registration," because it is conceivable that at the filing of the complaint complainant has secured a reputation such that if the registration of the disputed domain name had been years later the outcome of the case would have been different.

Thus, in *Reliance Telecom Limited v. Domains ByProxy.com and Sukhraj Randhawa*, D2013-1470 (WIPO October 8, 2013) (<reliancegroup.com>), Complainant's "failure to adduce any evidence of the reputation of the RELIANCE Mark at the time of registration would be less of an issue if the Domain Name was a coined word, such that there was no other logical reason for the Respondent to register the Domain Name. The disputed domain name was registered in 1997, giving Complainant sixteen years to develop the reputation it enjoyed in 2013."

The Complainant in *DSPA B.V. v. Bill Patterson, Reserved Media LLC.*, D2020-1449 (WIPO August 13, 2020) (<dspa.com>) marketed "water monitoring services in the environmental industry" which the Panel noted was "hardly a household name or product," thereby underscoring the difference between distinctive as a mark without distinctiveness in the market.

The same issue is presented in *SNCF Voyageurs v. Whois Agent, Domain Protection Services, Inc. / Antonio Vaz*, D2021-2718 (WIPO December 15,

2021) (<ter.com>). While the disputed domain name incorporates Complainant's trademark TER, those letters also "correspond to a dictionary term" ("to have" in Portuguese). The Panel found that

> As to bad faith registration, there must here be sufficient evidence that the Respondent had the intent in some manner deliberately to 'target' the Complainant and its marks or goodwill in order to capitalize on them.

The Complainant (French) contended that "[t]he disputed domain name is identical to the Complainant's famous and highly distinctive trade mark," but the Respondent (Portugal) pointed out that "[t]he word 'ter' brings up many results on Google, none of which relate to the Complainant."

It is true that famous and well-known and even less well-known marks distinctive for their lexical compositions have particular distinction whether or not they have achieved wide consumer recognition in larger markets. "Vogue" (earlier mentioned for this proposition) is famous in the magazine field but as the word also has a dictionary definition of being popular or fashionable, thus <voguetravels.com> and <voguefashionmodels.com> have been found not infringing but simply adjectives qualifying a noun. Unless complainant's proof is persuasive that its choice of word resonates in the wider market nationally or internationally, its distinctiveness is diluted, thus limited to the market it serves or even the goods or services it offers.

In *SNCF Voyageurs* Respondent denied having any knowledge of Complainant or its TER mark, and given the evidence of record, the Panel found the denial unassailable. Inferences that may support a contention of actual knowledge earlier discussed in Chapter 2 are further pursued in Chapters 10 and 11 as they relate specifically to rights and legitimate interests and bad faith.

The 3-member Panel in *TranScrip Partners LLP, TranScrip Limited v. Abstract Holdings International Ltd, Domain Admin*, D2021-2220 (WIPO September 27, 2021) (<transcrip.com>) held that "given Complainant's operation in a narrow niche market largely unknown to the general consuming public) [. . .] leads the Panel to conclude that Respondent did not register the Domain Name in bad faith."

This also follows where marks well-known or famous in one jurisdiction are unknown in another. The Panel in *Institut de Radioprotection et de Sûreté Nucléaire v. Domain Admin, FindYourDomain*, D2021-4361 (WIPO March 14, 2022) (<irsn.com>) observed that

> if a respondent can credibly show that the complainant's mark has a limited reputation and is not known or accessible in the respondent's location, panels may be reluctant to infer that a respondent knew or should have known that its registration would be identical or confusingly similar to the complainant's mark.

It concluded that

> In this case, it appears on balance, that the Respondent, has demonstrated that it was not aware of the Complainant when it registered the disputed domain name, and that it acquired the domain name according to its 4-letter value rather by reference to the Complainant.

Finally, where there is a significant time lag between the registration of the disputed domain name and the commencement of the UDRP there is also an inevitable issue as to complainant's reputation when the domain name was registered and whether it has grown stronger over time. The point is illustrated in *Acqua Minerale San Benedetto S.p.A. v. Privacy Administrator, Anonymize, Inc. / MACROSTEN LTD.*, D2021-2462 (WIPO November 11, 2021) in which the Panel found no proof of targeting:

> After examining the evidence provided by the Complainant, the Panel considers that these publications may show the presence over 65 years and the reputation of the Complainant and its trademark SAN BENEDETTO in connection to mineral water, carbonated and non-carbonated beverages, in Italy.

In the Panel's view, though

> these evidences cannot be considered sufficient in order to assess whether the Complainant and its SAN BENEDETTO mark were reputed or even known in other jurisdictions, like, for example, in Cyprus or the United States (where the Respondent is apparently located), at the relevant time, i.e. the time of the registration of the disputed domain name (in 2001).

Consumer Recognition: Reputation

Goodwill Associated with the Mark

It follows from this discussion that the greater the consumer recognition the more likely there is cybersquatting and the less recognition the less likely respondent had complainant or its mark in mind when registering the domain name. While it is not necessary to provide the extensiveness of proof required in a trademark infringement action, it is necessary that complainants adduce evidence of the market in which they operate as a factor in proving reputation.

The production of that evidence together with other evidence establishing the respondent acquired the disputed domain name primarily for the goodwill associated with complainant's mark respondent will forfeit the disputed domain name unless it adduces rebuttal evidence that undermines complainant's proof. The nature of the market and its location, whether local, general, international, or niche are therefore key factors in assessing infringement. The larger the market for a complainant's goods or services the likelier respondent was plausibly aware of the mark, and *vice versa*.

WIPO has suggested other factors in its Jurisprudential Overview (2017). It added the following sentence to paragraph1.3 (not in earlier versions of the Overview: "(Particularly with regard to brands acquiring relatively rapid recognition due to a significant Internet presence, panels have also been considering factors such as the type and scope of market activities and the nature of the complainant's goods and/or services.)." Thus, for example, the more than 200 crypto currency cases, uniformly transferred.

In the largest markets or in markets in which the parties are resident and where denial of knowledge is implausible, the issue is both fame and opportunism in registering a disputed domain name. In *British Sky Broadcasting Limited v. Domain Reservations*, D2000-0507 (WIPO July 14, 2000) (<skyboxoffice.com> and <sky-movies.com) the Panel pointed out that

> It is well known that following decisions such as the One In A Million decision of the English High Court in November 1997[14] and other similar decisions in other jurisdictions (the import of which was communicated worldwide and rapidly to interested parties via the Internet) domain name holders holding domain names of unique value to trade mark owners were liable to make themselves vulnerable to civil proceedings by making the first approach to the intended purchaser.

The Panel concluded that

> [e]ven if, as the Respondent claims, it was the Complainant who made the first approach, that does not detract from the Panel's view that it was an approach that the Respondent was hoping for and which would enable the Respondent to make extortionate demands of the Complainant as evidenced by John Cummins' email to Katie Cole of February 18 in which the Respondent sought £ 95,000 sterling for each of The Domain Names.

It should be pointed out that this view is not a legal principle that can be applied without reference to the distinctiveness of the mark; or to a claim involving a dictionary word, but within its context the decision could have as easily been authored today as it was 22 years earlier.

In *AutoZone Parts, Inc. v. Ken Belden*, FA1811001815011 (Forum December 24, 2018) (<autozonecoupons.com>) the Panel found that "in light of the substantial fame and notoriety of the AUTOZONE mark, as well as the fact

14 Referred to in Chapter 3, footnote 10. Cases in UK and US courts were influential in sculpting legal principles panelists adopted for the UDRP. As earlier explained, these legal principles were not domesticated as precedent but for encapsulating principles applicable to resolving UDRP disputes.

that Complainant is the largest retailer in the field, Respondent clearly had knowledge of Complainant and its mark before it registered and began use of the at-issue domain name." Similarly, in *Nike Innovate C.V. v. Domains By Proxy, LLC / Jonathan Benloulou*, D2022-0578 (WIPO April 27, 2022) (<nikertfkt.com>):

> The Respondent has coined the Complainant's trademark NIKE with the brand RTFKT, a brand acquired by the Complainant in 2020. The Respondent's use of the Domain Names to host a parked page comprising PPC links further points to that the Respondent has registered the Domain Names to attract Internet users for commercial gain, by creating confusion with the Complainant's well-known trademark.

Famous in a general market, however, does not translate to fame or being well-known in niche markets. In *Agile Software Corporation v. Compana LLC*, D2001-0545 (WIPO July 23, 2001) (<agile.com>) filed a week later. the Panel noted that "[t[he Complainant is still a small company and has offered no evidence of its notoriety other than its Complaint statements about itself." It is not in the same league as British Sky Broadcasting:

> Even if we allow for the fact that the Complainant might be well-known in a niche software market, there is insufficient evidence the Respondent knew of the Complainant's existence or was trying to tap into the goodwill the Complainant may have acquired for its Agile Software products.

Respondent had acquired <agile.com> after it was abandoned by a prior registrant. An element in this decision, though, is the lexical choice. The likelihood of infringing the rights of a third party or creating a likelihood of confusion as to source is clearly greater where the domain name is not a dictionary word or descriptive phrase.

If the facts support the conclusion that the domain name corresponding to complainant's mark is generic and there are multiple users of the term and no evidence of targeting complainant the complaint must be denied. In *Electronic Arts Inc. v. Abstract Holdings International LTD / Sherene Blackett*, FA1111001415905 (Forum January 4, 2012), the Panel found that "[t]he domain name, <ssx.com>, is comprised of common or generic letters . . . . [and that a] number of other persons or entities holding identical if non-competing marks and the number of other users with rights in the name are clear evidence of the limited ownership claims of the Complainant."

Jumping to more recent cases, other examples include, *Grupo Nacional Provincial, S.A. v. Privacydotlink Customer 4270030 / Yancy Naughton*, D2021-1136 (August 25, 2021) (<gnp.com>; and *Gridiron Fiber Corp. and Lumos Telephone LLC d/b/a Lumos Networks v. Yui Quan*, FA2110001970005 (Forum December 20, 2021) (<lumos.com>) where the term "Lumos" (even though not a word found in a standard dictionary) is nevertheless widely employed as a trademark or service mark by numerous entities offering a variety of goods and services in the US and around the world.

In *Insider, Inc. v. DNS Admin / Contact Privacy Service*, FA1912001874834 (Forum February 3, 2020) the dispute involved <businessinsider.tv>. At first glance, the phrase "business insider" may seem like a lawful candidate for registration as a common expression, but here Complainant alleged that Respondent "uses the domain name to redirect Internet users to a webpage with links to the websites of enterprises that compete with the business of Complainant." The content of the website to which the domain name resolved did not reflect that fact when the file was submitted to the Panel:

> Our review of the available evidence convinces us that, although there is some ambiguity in the record on discrete points of the disagreement between the parties [as to the content before it was removed], Complainant has the balance of persuasion in its favor. We are particularly persuaded by the fact that Respondent evidently ignored Complainant's objections to its use of the domain name until it received the second of two cease-and-desist letters, and that the resolving website appears to have changed to its current format ("This site can't be reached.") only coincident with the filing of the instant Complaint.

It concluded from these facts that

> where it is found, as here, that a respondent's modus operandi can be summarized as registration of a domain name that is confusingly similar to the mark of another followed by exploitation of the domain name for profit while awaiting its eventual sale, the "reseller" label will not serve to avoid a finding of bad faith in the registration and use of the domain name.

While "business insider" may be a common expression and could to the first to register have been be used or disposed of, once a mark is earlier present in the market any competition for it favors Complainant's claim. The Panel found that deactivating the website carrying infringing links was a critical factor in its determination as an implicit admission of bad faith hyperlinking.

Once the facts have been determined, and where there is a consensus view as to the timing of knowledge, the Panel can then announce the expected outcome.

Family of Marks

Trademarks that share a common characteristic or dominant element can receive protection as one of a family of marks. However, as with trademarks generally, some are strong and others weak and the same rules apply to "surnames" (implied by the term "family of marks") as to any other choice. But highly distinctive marks such as FOOTLOCKER, MCDONALDS, RAMADA, TEFLON, VIRGIN, etc. have achieved family status for their variety of marks and the marks are strengthened thereby.

In an early case, the Respondent in *Gateway, Inc. v. Bellgr, Inc*. D2000-0129 (WIPO April 28, 2000) (<gateway-computer.com>) argued that "Gateway is generic, and no one can trademark a generic name unaccompanied by artwork such as might be found in a logo." The Panel rejected this argument and explained:

> The Panel concludes that the overall impression engendered by each of [Gateway's other marks] is dominated by GATEWAY. The same must be said with reference to "gateway-computer.com". Members of the public familiar with, for example, the GATEWAY 2000 trademark for computers probably would incorrectly identify the "gateway-computer.com" domain name with Complainant. The same applies with regard to the other marks in the "family".

The linchpin in this case is the added word to "Gateway" in that "computer" describes the product produced by the mark owner.

However, common word trademarks owned by major brand complainants are no more protected from others using identical or confusingly similar words in their ordinary senses than if they were owned by parties without market stature. As complainant's choice of trademark descends the scale, the less protectable it becomes.

For example, an addition to a mark that is equally dominant, "mobile" for example, combined with "Mall," can create a new distinctive name <mobile-mall.com>, *PCI Mall, Inc. v. Pygmy Computer Systems, Inc*, D2004-0437 (WIPO August 25, 2004) (<mobile-mall.com>).The Panel held that the trademark owner of PC MALL did not have a monopoly on the word "mall."

In contrast, "Veterinary manual" added to MERCK does not create a new distinctive name because that phrase is associated with the trademark owner–*Merck Sharp & Dohme Corp. v. Janice Liburd*, D2011-0278 (WIPO April 18, 2011) where MERCK is famous in its niche with a high degree of goodwill. The added words are subordinate to the dominant element: <merckspeakers services.com> and <mercksveterinarymanual.com>.

The more well-known the "surname" the less respondent's credibility in explaining its choice, although a weak surname is not transformed by association with a complainant's strong trademark—for example, claims brought by Mastercard International for domain names incorporating "Priceless" disputes, in which Complainant claimed PRICELESS as one of a family of trademarks had a mixed history, losing <pricelessnewyork.com>, <pricelessparis.com>, but succeeding on <priceless.tld> disputes.

The 3-member Panel in *Mastercard International Incorporated v. PlayRage*, D2011-2309 and D2011-2310 (Consolidated) (WIPO March 30, 2012) explained why this is so:

> To the extent of the Complainant's use of the PRICELESS mark in promotion of the goods or services of others, including travel related services, during this time frame, the record reflects that such offers were targeted to the Complainant's card holders, and thus ultimately used to promote the Complainant's payment card services. There is no indication in the record of the Complainant's operation of any travel information or travel arrangement business independent of the promotion of its financial services.

Simply, where the goodwill associated with the mark accrues to the particular services the rights holder offers, it cannot extend to other services than those the Complaint describes for its registered family—the factor is scope of trademark.

In other respects, protectability is less or more likely depending on whether the mark is generic or descriptive or whether added letters make a difference. More recent cases are in agreement with the views earlier developed. Citigroup, Inc. failed to persuade the Panel that <citifymarketplace.com> infringed its "Citi" family of marks, *Citigroup Inc. v. LYON LESHLEY*, FA1805001788603 (Forum June 29, 2018).

However, where a respondent intrudes into a complainant's market space its use will be found infringing. Thus, in *Rocket Mortgage, LLC v. Registration Private, Domains By Proxy, LLC / Michael Scheumack, Identity Intelligence Group (IDIQ)*, D2022-1840 (WIPO July 7, 2022) (<rocketcreditscores.com>) the Respondent, as in other cases, argued that "Complainant has an extremely narrow trademark claim in ROCKET. Specifically, because of the common use of the word 'rocket' in the context of financial services, Complainant's mark is descriptive and, thus, weak." The Panel found otherwise:

> The Complainant relies on its national reputation, and the fact that the Respondent offers competing or similar services relating to consumer credit, to argue that the Respondent must have been aware of the Complainant's ROCKET brand when the Respondent registered the Domain Name in October 2020. Notably, the Respondent does not deny prior awareness of the Complainant and its ROCKET-formative marks but states that it did not "consider" the Complainant in deciding on the Domain Name, "because there are so many other companies that use 'rocket' in their names".

The argument is "not persuasive" because

> [t]he record shows that the Complainant's ROCKET-formative marks are very well known in relation to residential mortgage lending in the United States; the services are heavily advertised and used by millions of consumers. The ROCKET brand would be valuable in attracting consumers to a credit information website. Checking credit scores and obtaining related credit information are inherently part of the process of house-hunting and home buying and selling. The Complainant itself offers such services under its ROCKET HQ mark, as the USPTO examiner observed in refusing the Respondent's

pending trademark application for its ROCKET CREDIT SCORES logo on the ground of confusing similarity.

Intent and Purpose of Lexical Choices

It is evident from the above cited decisions that a principal consideration in determining rights is a registrant's motivation for acquiring the challenged choice of domain name, and that it has this burden on *prima facie* proof that it lacks rights or legitimate interests and has registered the disputed domain name in bad. The burden is heightened as the corresponding mark elevates to the well-known and famous and lessens as the strength of the mark is found to lack any reputation that would support actual knowledge of the complainant.

Where respondents in defensible circumstances are found to be using their domain names commercially without "intention[ ] [of] creating a likelihood of confusion" which they demonstrate on rebuttal the Respondent-investor in *BTCDRAFT INC. v. Brian Boyer*, D2018-0613 (WIPO June 1, 2018) failed because it lacked the kind of evidence marshaled by the other respondents.

In *BTCDRAFT*, Respondent acquired the domain name to hold for resale. The Panel explained that "[w]hile the term 'Draftcoin' consists of two dictionary words, in the Panel's view the combination is not an obvious one." This is an important point that has been expressed by many other Panels: some word combinations are surprising and not obvious, making it unlikely they could be independently thought of or invented. In any event, Respondent's credibility was also a factor because of its claimed intention for the website without offering any evidence of "demonstrable preparations" (Paragraph 4(c)(i) of the Policy).

The SNAP CHAT combination is also "not obvious." In *Snap Inc. v. Ali Alshumrani/Ali Aleryani*, FA1805001788602 (Forum June 14, 2018) (<snaps.chat>, <snapkm.com>, <snapei.com>, and <snaprz.com>) Respondent attempted to circumvent the claim of bad faith by arguing he was using the domain name "in connection to [its] dictionary meaning in Arabic." Not a particularly persuasive argument when considered in the totality of circumstances: "[Although] Respondent's disputed domain names redirect to websites written in Arabic [they were] displaying logos identical or similar to Complainant's trademarked and copyrighted logos, as well as profiles of Complainant's Snapchat users and links to those profiles on Complainant's own website." Also, the "websites connected to the disputed domain names [. . .] include[d] sponsored advertisements."

<Nanodark.com> illustrates a different, although frequently found situation, *Colin LeMahieu v. NANO DARK*, FA1805001786065 (Forum June 9,2018). Here, Respondent creates the combination by adding "dark" to the mark NANO. Complainant operates a digital currency business. Respondent registered

the domain name a couple of months after the NANO service mark registration. The Panel found that the domain name was registered with actual knowledge of Complainant's mark because it was attempting to "pass itself off as Complainant and divert Internet users to a website offering competing digital currency." Another example of this was noticed in <polkadot.com> discussed in Chapter 3.

The strengths and weaknesses of claims and defenses rest on facts parties are able to marshal in support of their contentions, not what they allege to be the case. In *Web 3 Technologies*, the <polkadot.com> case Respondent "denies that it was the holder of the disputed domain name in April and May 2021 or that it offered to sell the disputed domain name to the Complainant for USD77-80 million":

> Instead, it says it acquired the disputed domain name on June 1, 2021 through its domain broker 4.Cn. It does not explain why it acquired the disputed domain name or how much it paid for it. Instead, it says it has lent, or rented, the disputed domain name for free to "Bruno", a former employee or affiliate of the Complainant to develop a community for people interested in the Complainant's platform.

Not an easily digestible story.

Parties do not prevail on naked assertions. In *INFORMATIZACION DE EMPRESAS, S.L.U. (IESA) v. Whois Privacy Service Protects this domain / Soluciones Corporativas IP, c/o Whois Proxy et al.*, FA2012001925314 (Forum January 11, 2021):

> The disputed domain name <comunidad.app> however is a generic term and this Panel finds that it is not confusingly similar to Complainant's trademark. To find otherwise would be to find that Complainant has the exclusive right to use the word "comunidad", which would be too far to stretch the leniency normally allowed when applying Policy paragraph 4(a)(i). Complainant may have a remedy in another Forum.

What lessons can be drawn from these cases? As a general rule, the more common the string of letters the heavier the burden of proving intention and vice-versa. A second factor concerns the number of other market users of the complained about term. The greater the number, the less the likelihood of consumers associating it with any one of them (always assuming that in the particular dispute there is no evidence that registrant had complainant particularly in mind and was targeting it).

A third factor is the market in which complainant is operating: the general and international market versus local and niche markets, and where that market is. It makes a difference in establishing reputation and the plausibility of its reputation in determining whether respondent could have actual knowledge of it.

In *Grupo Nacional Provincial, S.A.*, *supra.*, the Panel held that

> the evidence does not come anywhere close to establishing that the term GNP was so well-known as to mean a third party based outside Mexico, and

> operating in a completely different field, either was or should have been aware of the Complainant and its use of the term GNP.

Separate and apart from the issue of reputation and the unlikelihood that as a mark it could have been brought to respondent's attention, "gnp" is equally random as capable of applying to other rights holders marketing goods or services in distinct other Classes. Where a term is not associated with any particular brand but is used by many it cannot be said to infringe any one particular mark owner.

Having drawn distinctions between lexical choices and separated out the obvious cases in an attempt to understand what registrations are lawful and which are not, the next field of inquiry is acquiring domain names for their intrinsic value: the art of buying low and selling high. (This issue is pursued further in Chapter 18, "Secondary Market for Domain Names." The Primary market for domain names exceeds $2 billion according to a report issued by the Boston Consulting Group in 2021, and the secondary market is not far behind).

Value: the Ultimate Test

Trade and service marks accrue value measured by their distinctiveness in the marketplaces in which the operate. The Court in *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979) stated: "The strength or distinctiveness of a mark determines both the ease with which it may be established as a valid trademark and the degree of protection it will be afforded." That strength or distinctiveness may be different at its introduction into the market than in its later presence.

It is equally true that marks are stronger or weaker depending on mark owner's lexical choices and certain variables that are taken into account such as registrant's location and use (or passive holding) of the disputed domain name. "Generic and clever domain names" that can be said to be neutrally associative have a value measured by their powers to attract consumers; it is this power (or lack of it) that enhances or devalues their worth. The more distinguishable a domain name is from a corresponding mark as measured by its associational potential, the heavier the complainant's burden to prove the disputed domain name's value is derived from the mark rather than its value on its own terms.

It is unquestioned that where the value of a challenged domainname is reflective of a corresponding mark its registration infringes that mark. The 3-member Panel in *Champagne Lanson v. Development Services/MailPlanet.com, Inc.*, D2006-0006 (WIPO March 20, 2006) (<lanson.com>) found that where the "real purpose of [registering the disputed domain name was] generating click-through revenue based on the value of the trademarks that correspond to the [mark] it is not a legitimate use."

The Panel concluded:

> Complainant has submitted evidence that Respondent has allowed similar advertising on other websites linked to domain names that allegedly were registered because they were surnames but also happen to constitute well-known marks. As with the case of <lanson.com>, the advertising on those other websites relates primarily to the trademark value of the name, and not to the surname value.

The Panel is not condemning click through revenue if the hyperlinks are consistent with the common understanding of the words or phrases, but the wider the extent of a mark's reputation coupled with its distinctiveness the likelier registrants will be called upon to explain their registrations and website content or forfeit the disputed domain names.[15]

Violation cannot be conjectured where there is no evidence of respondent taking advantage of a mark's accrued value. As the Panel in *Media General Communications, Inc. v. Rarenames, WebReg*, D2006-0964 (WIPO September 23, 2006) (<wcmh.com>) stated:

> In the absence of evidence suggesting name selection because of correspondence to a trademark, domain resale and the use of a domain to publish advertising links are both normally legitimate business enterprises.

The takeaway from the cases cited in this chapter, though, is that the closer the correspondence of domain name and (famous or well known) mark the greater the necessity for respondents to justify their lexical choices. It is in that respect that registrants are put on the defensive. Both UDRP Panels and courts recognize registrants' rights to domain names within a legal framework that protects both mark owners and registrants in their separate and distinct areas of commercial activity. But registrants' continued holding of disputed domain names are in jeopardy if they are unable to explain why and for what reason they registered a particular domain name corresponding to a mark that is found to be distinctive in its market.

In all cases parties are entitled to know why one prevails and the other loses, but the reasoning and the law are particularly urgent in those cases in which there are disputed questions of right or legitimate interest; and particularly urgent too where registrants have acquired domain names as high bidders in public auctions without assessing the risk that dropped domain names may be associated with particular mark owners and may have been inadvertently allowed to lapse. In those

15 Website content may be a factor, but whether it is conclusive of bad faith depends on corroborating evidence such as distinctiveness of the mark. See discussions in Chapters 10 and 11.

instances, the more original or distinctive the lexical composition, the likelier the risk of loss will be realized, and the reverse will follow where the mark is less distinctive as I have explained.

Although not in the majority of cases that are obvious instances of cybersquatting, contested or "close" cases or disputed issues involving undistinguished marks demand greater attention to the factual circumstances. The rights that mark owners seek to vindicate must be determined by the spaces in which they are legally entitled to occupy, and this involves taking measuring their metes and bounds. For example, owing a dictionary word or descriptive phrase trade or service mark does not extend the right of enforcement to any lexical construction that is unregistrable.

CHAPTER 6

TRADEMARK RIGHTS VS REGISTRANT RIGHTS

METES AND BOUNDS OF RIGHTS

The surveyor's art centers on locating boundaries separating one property owner's rights from another's. Thus, taking the metes and bounds of rights in cyberspace is an apt metaphor for describing the work of UDRP panelists because they are tasked with defining the boundaries of each party's lawful space.[1]

As I pointed out in Chapter 5, what that space is for mark owners depends on a combination of their lexical choices and the distinctiveness of their marks in the marketplace; and for registrants, the outcome also depends on their lexical choices while taking into account the high or low distinctiveness of the marks corresponding to the disputed domain names.

For the great majority of cases, the boundaries are well-defined. Intrinsic value for marks comes from their lexical formations combined with evidence of their degree of penetration in the market measured by their goodwill and reputation at the time of the registration of the disputed domain name. Complainant prevails where it can be seen that the value of the disputed name derives primarily from the fact that it is the Complainant's trademark. That was the message laid down in Chapter 5.

To get a more visual understanding I would suggest thinking of trademarks and domain names occupying space on a continuum. This will frame the picture I am sketching. At the two ends of the continuum of cases (from those that are certainly cybersquatting to those that are certainly lawfully registered) it is unquestionable whether the disputed domain name is cybersquatting or registered in good faith. SHOPIFY incorporated into a domain name is reserved cyberspace for the mark owner; but the word "Thursday" as in <thursday.com> is not reserved for the mark owner of THURSDAY (a trademark owned by Thursday Boot Co.) unless there is proof of abusive registration.

1 Complainant in *Meta Platforms, Inc. v. 1 1*, D2023-2634 (WIPO August 3, 2023) owns FB. The Panel found <fbforsale.com>, <fbstores.co>, and <fbstores.com> unlawful, but would they be if they did not resolve to "webpages which purport to sell social media accounts including the Complainant's Facebook accounts"? After all, "fb" could conceivably be used non-infringingly. What if they were held passively? Or, would the proceeding be premature?

The center of this continuum is different because here there will be contested facts and possibly (perhaps most likely) rebuttal evidence. Which party "owns" the cyber location depends on the particular facts the parties bring to the record. However, where by virtue of their distinctiveness in the market their location in cyberspace is shown to have value paramount to any value attributable to the disputed domain name, mark owners have a right to evict trespassers from their property.

Once it becomes clear that domain name registrants are targeting trademarks for the value of their goodwill and reputation and profiting from monetizing these registrations, it becomes equally clear that domain names can also have value independent of corresponding trademarks, and that there is a market for "generic and clever domain names" as the US district court of Virginia underscored in *Dorer v Arel.*

While the greater majority of UDRP disputes involve bad actors, as I have already mentioned, there are also claims against good actors, some of whom are lumped in with the bad, which makes it all the more imperative to establish the precise location of each parties rights. This entails clearly defining the boundaries of both trademark protection and allegedly infringing domain names. Although not expressed in this metes and bounds metaphor it accomplishes WIPO's prediction of a jurisprudence specifically tailored to judging the issue of cybersquatting.

In their separate realms both marks and domain names can be distinctive and valuable, and while some clearly share lexical features, proof of cybersquatting demands more than simply having a mark or claiming a domain name is identical or confusingly similar to it. There is good reason that <whatsappstatusdaily.com> is infringing and <whatswhat.com> and <picture.com> are not.

While mark owners have behind them the statutory privilege granted by a national registry, it does not come at the expense of registrant rights to domain names acquired in good faith. Where the claim allegedly invades another's space, the act itself must be defined accurately. Space is invaded when an identical or confusingly similar domain name targets the complainant's mark, which presupposes actual knowledge of its existence.

This chapter widens the perspective in assessing distinguishable spaces by paying attention to the lexical terms of marks and domain names. Mark owners and domain name registrants share the language pool; the difference in their rights lies in their lexical choices, and respondent's motivation for acquiring and using the disputed domain name.

In the majority of cases complainant's marks are distinctive for the reasons discussed in Chapter 5, and if less well-known but whose reputations are secure, they may have some special character to their marks, an inventiveness or unusual or surprising combination of words that sets them apart, but as marks decline to the generic and common, they cannot be walled off from others using them lawfully for purposes unrelated to complainant and without encroaching on any established associations marks may have accrued over time.

Mark owners and noninfringing registrants of identical or confusingly similar domain names each have their well defined spaces. In their native habitats no one would confuse one for the other. But where domain names overlap at the expense of mark owners to mislead consumers, and where they trespass into protected space, as in UDRP proceedings they mostly do, panelists in their capacity as surveyors are there to mark the boundaries. As I have discussed in earlier chapters, there are qualitative differences between targeted marks and "generic and clever domain names" having value independent of corresponding marks.

As a general proposition, the Policy does not endorse canceling or transferring domain names composed of generic words or descriptive phrases that are capable of having or creating associations independent of complainant. Where a mark is composed of common terms, though, the mark owner runs the risk of use by others acquiring the same or confusingly similar terms for lawful purposes.

Defined Spaces

Lexical Sources of Marks

As a basic proposition, all words circulating in a linguistic community have a generic base common to its speakers. It is the manner in which words are assembled (or letters and morphemes constructed into words) and their lexical permutations that raise them to a higher status, sometimes to inventive, or unusual or coined words ("Lego" or "Dune") which in a market sense are more distinctive than common words standing alone.

If combinations of words or coinages are one of a kind used exclusively by a single mark owner they have the highest level of protection. For example, in *BMW AG v. Loophole*, D2000-1156 (WIPO October 26, 2000) the Panel found Complainant's "BMW trademark is well known throughout the world and accordingly so also in the United States, the residence of the Respondent." It is because the value of <bmw.com> resides in the mark and not in the domain name that the Panel concludes it was registered and is being used in bad faith.

The opposite is true where the term is used my many others. In *AFMA, Inc., v. Globemedia*, D2001-0558 (WIPO August 23, 2001) (<afm.com>), the Panel notes that "[t]he Respondent has submitted evidence that there are many other users of a mark consisting of the letters 'afm,'" and concludes that "[t]he existence of multiple users of an AFM mark tends to undermine the Complainant's assertion that Respondent registered <afm.com> with the intent to deprive the Complainant from reflecting its mark in a domain name." AFM as an acronym for Complainant's business is not the equivalent in value of IBM.

Whether and how a domain name is currently used does not enhance a complainant's argument where the registration predates the mark. In *NETtime Solutions LLC v. NetTime Inc. c/o Chad Wagner*, FA0810001230152 (Forum December 19, 2008) (<nettime.com>) the evidence established that the disputed domain name was no longer being used. Complainant argued that a respondent can lose its right to a domain name if

> his company has been dormant for at least 10 years; that his use of the domain name has not been in connection with bona fide offering of goods and services; that the domain name has been crippled by its non-use; [and] that by ceasing to trade Respondent has extinguished his rights in the name.

This argument attempts to align non use of domain names with loss by non use of trademarks, but complainant misapprehends the law applied in UDRP proceedings. The Panel described this litany as "fanciful" and dismissed the complaint.

Where a right or legitimate interest has been established before notice of claim (discussed more fully in Chapter 10), there is no legal basis to deprive respondent of its registration, as noted by the Panel in *GO IN GmbH v. SpiritOfLogic GmbH*, D2022-2752 (WIPO October 5, 2022) (<goin.com>). It held:

> The mere fact that Complainant wishes to also own the disputed domain name which it considers best to present its international website on a "short and easy URL" is no justification whatsoever to find for a bad faith registration of the disputed domain name by Respondent, especially in light of Respondent's credible claims regarding the inherent value of a four-letter domain name comprised of dictionary terms with broad meaning.

It will be noted that the compositions of the domain names in these cases are generic and common. While first come first served operates to protect such lexical choices it does not extend to domain names incorporating famous or well-known marks acquired for warehousing and resale where the facts objectively assessed support abusive registration. Illustrative of this are many early cases in which respondents charged with cybersquatting had no hesitation in freely demanding payment for the disputed domain names.

The Panel pointed out in *Credit Industriel et Commercial S.A. v. Demand Domains, Inc.*, D2009-1184 (WIPO October 19, 2009) (<escic.com>) (Respondent appeared and argued that the registration was in good faith):

> [While] there is nothing per se illegitimate in dealing in domain names [. . .] if there is an intention by reason of the sale or threatened sale of the domain name to take advantage of the third party's rights and reputation in a trade mark represented in that domain name, then that is quite a different matter.

Respondent had argued that "escic" was "a meaningless combination of letters and could stand for a number of different organisations or companies," but the Panel explained that

> usually evidence of this sort is of secondary importance. It can be corroborative of claims by a registrant that it had some such other purpose in mind at the time of registration. But if a Panel concludes as a matter of fact that the domain name was registered to take advantage of the reputation of a complainant's mark, then no amount of evidence of a possible alternative use will save that registration.

For the majority of complaints, respondents are motivated either by the value they can gain by targeting a mark or by a misconception that the domain names they acquire have a value independent of the mark. Objectively in either of these circumstances, the registrant has either accurately gauged the value of its acquisition or misjudged its independent value.[2] This does not discount the value of domain names capable of their own independent use even though they may be identical or confusingly similar to them.

As there is a hierarchy for marks demonstrated in Chapter 5, there is also a hierarchy for domain names. It lies in lexical choices that, as I have previously mentioned, are "generic [and] clever [. . .] [and] do not violate a trademark or other right or interest." Where value of marks is assessed by their use in the market—they are more likely to accrue value over time; value for domain names is a more abstract calculation since that value is tested only someone's interest in purchasing it. Thus, the value of domain names acquired for sale on the secondary market comes from registrants' perceptions that acquiring them for any purpose will fulfill their expectations to meet their market or personal goals.

Although it must be obvious, it is not always appreciated that lexical choices for marks cannot be owned in the sense of monopolizing them to the exclusion of others. Unless the factual circumstances support complainant's contentions of cybersquatting registrants cannot be deprived of holding domain names corresponding to their marks. Yet, ironically, domain names that are "generic and clever," that may be corresponding but not infringing, can be owned by the registrant and its successors for the duration of their contracts; that is, language tied up in domain names can be owned, but complainants' lexical choices cannot.

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2 It will be recalled from Chapter 1 that in affirming transfer of a domain name, a US appellate court held that "[a]lthough [the registrant] may subjectively believe that Direct Niche's use of the Casas Bahia Domain was lawful, the Court concludes that his belief is not objectively reasonable." It is the complainant's burden to demonstrate that respondent's belief is "objectively [un]reasonable."

The Better Right Theory

In defining boundaries, Panels have put to rest the argument that mark owners have a better right to corresponding marks acquired for noninfringing purposes. The issue is not without controversy as so much depends on the facts. In *Neusiedler Aktiengesellschaft v. Kulkarni*, D2000-1769 (WIPO February 5, 2001) (<neusiedler.com>)

> The entitlement to and the admissibility of the use of geographic terms in domain names is an often discussed issue; especially in cases where the geographic region (e.g. a city) itself claims to have a better right [. . .] [But, here] Complainant [. . .] is not factually connected to the geographic term (such as a city would be), but it is the owner of a identical trademark and is therefore merely commercially related to the geographic term at issue.

And in *Nishan Systems, Inc. v. Nishan Ltd.*, D2003-0204 (WIPO May 1, 2003): "The Policy does not inquire [. . .] as to which party has the better right to a trademark in circumstances where both parties have at least some rights to the trademark."

The 3-member Panel in *Jack Brabham Engines Limited v. Sixstroke Engine Developments Pty Limited*, D2007-0292 (WIPO April 25, 2007) pertinently points out it is not Respondent's burden "to establish a better right than the Complainant. It need establish only that it has some right even if it is an inconclusive one and on the facts of the present case it is at least arguable that there is evidence sufficient to establish this element."

In *Well-Link Industry Co. Ltd. v. Jeff Park, Nexpert, Inc.*, D2017-0036 (WIPO March 1, 2017) the "Complainant argued that it has a more justifiable claim to the disputed domain name than Respondent because Complainant is conducting business under the trademark reflected in the second level domain of the disputed domain name," but <welllink.com> predated complainant's mark and as previously noted such mark owners have no actionable claim.

The notion that a rights holder could ever be "a more appropriate owner of [a] disputed domain name [composed of generic elements] than the Respondent [. . .] is misguided," *Dialoga Servicios Interactivos, S.A. v. Finlead AG*, D2018-2768 (WIPO February 8, 2019). Why? Because such a notion presumes a right greater than any granted under trademark law.

In *Dialoga*, Respondent (a reseller of domain names) acquired <dialoga.com> after a prior registrant allowed its registration to lapse but years earlier than Complainant's first use of the mark in commerce. While priority is always a key factor even if not always determinative, it does not displace the principle that domain names are registered on a first-come-first-served basis.

And in *Vacation Pig, LLC d.b.a OOVO v. elmer rubio*, FA2201001981434 (Forum February 14, 2022) (<oovo.com>) the Panel pertinently noted: "The aim of the Policy is not to weigh and determine who has a better right to a given domain name, but only to address abusive domain names that target a complainant's trademark."

LANGUAGE AS A PUBLIC RESOURCE

No Monopoly on Lexical Choices

Underpinning of Doctrine Against Monopolizing Language

The consensus view under the UDRP is in accord with the general view expressed in US court decisions (and most likely in other jurisdictions). Two of these decisions deserve particular notice for establishing the underlying principles as applied in trademark cases, and by extension to UDRP DISPUTES.

The first is an 1889 case from the UK, *Eastman Photographic Material Co., Ltd. v. Comptroller-General of Patents, Designs and Trade Marks*, [1898] AA.C., 571. The question that concerns the Court is the ownership of language:

> [A]ny word in the English language may serve as a Trade Mark; the commonest word in the language might be employed. In these circumstances it would obviously have been out of the question to permit a person, by registering a Trade Mark in respect of a particular class of goods, to obtain a monopoly of the use of a word having reference to the character or quality of those goods.

The Court continued:

> The vocabulary of the English language is common property: it belongs alike to all; and no one ought to be permitted to prevent other members of the community from using it for purposes of description, a word which has reference to the character or quality of the goods."

The same notion of lawful acquisition and use of a name corresponding to a mark is also expressed in *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1147 (9th Cir. 2002) in which the Court noted

> Similarity of marks or lack thereof are context-specific concepts. In the Internet context, consumers are aware that domain names for different Web sites are quite often similar, because of the need for language economy, and that very small differences matter. The descriptive nature and common, necessary uses of the word 'entrepreneur' require that courts exercise caution in extending the scope of protection to which the mark is entitled.

The concept expressed in the *Entrepreneur* case is not remarkable as a general proposition. Where source indicators are common currency, the right to prevent others from using them is increasingly limited as they descend in consumer recognition. The Court concluded: "[T]rademark law does not allow EMI to appropriate the word 'entrepreneur' for its exclusive use. The descriptive nature and common, necessary uses of the word 'entrepreneur' require that courts exercise caution in extending the scope of protection to which the mark is entitled."

Panelists have enforced this doctrine against monopolization of language and it is the consensus view. In *Reliant Energy, Inc. v. Robert Wiggins*, D2001-0769 (WIPO August 27, 2001) the Panel noted: "Trademark rights do not create an absolute monopoly and therefore more than knowledge must be shown to prove bad faith." The underlying concern in this case centered on whether the domain name was being used for commercial gain.

Words and Their Uses

More so than other areas of the law, cybersquatting claims involve parties' choices of language. Dictionary words are not registrable as marks for their defined meanings but for their descriptive, suggestive, fanciful, or arbitrary values. Apple cannot be registered for apples, but it can be registered for computers.

The Panel in *Notar Eiendom AS v. LIPnet*, D2000-1070 (WIPO December 8, 2000) (<notar.com>) stated that the German word

> "Notar" (which means notary public in English) cannot be monopolized as a trademark since it designates a profession and it is not a[sic] protectable as such. In support of this statement, the Respondent provides the definition of the Notary Public according to the German Ministry of Justice (Attachment 1 of the Response), which indicates that "Notar" is an independent officer authorized to certify documents and to perform other acts of administration of justice.

This view also applies to phrases that may ot may not be wholly descriptive but denotatively reference common governmental and public activities.

As a general proposition, words alone or combined are public resources. That they are protectable as source indicators in one context does not give rise to a monopoly over their use in other contexts. Stripped to their essence, trademarks are merely words used for the special purpose of distinguishing one commercial actor and its goods or services from another, but these same words are not limited to those promoted associations, hence available for non-infringing use by others.

For this reason, common lexical material cannot be owned in a literal sense of sole possession. Coinages and fanciful combinations of words stand on a higher footing. Mark owners can near-own them in the sense of controlling their use through statutory remedies, but for the common vocabulary of everyday use they cannot own the language of their marks even though they are said to own heir marks.

By definition "[a]ny word" or "any combination [of words]" can function as a trademark, but whether alone or combined for that purpose no use can overrule their ordinary meanings, support their removal from the public domain, or prevent use of identical or confusingly similar terms by businesses other than mark owners or speculatively acquired by investors unless the marks are found protected as a measure of their strength, goodwill, market presence, and reputation.

Absent proof of infringement, words are in the public domain and cannot be cordoned off. Any discussion of this subject must start from the premise that letters, words, and numbers in regular circulation in a language community cannot be owned ("landscape" is owned by the first to register the domain name but not "lendscape" which is an inventive combination and exclusive to the originator).

Thus, while a mark can be said to be owned it is not the kind of ownership that would prevent others from using the lexical material in noninfringing ways. Registrant of <historichotels.com> is not in violation of mark owner's right when the purpose for acquiring it is "to attract Internet traffic based on the appeal of a commonly used descriptive phrase, even where the domain name is confusingly similar to the registered mark of the complainant," *National Trust for Historic Preservation v. Barry Preston*, D2005-0424 (WIPO August 10, 2006) (<historichotels.com>).

This is true principally for dictionary words and descriptive phrase-marks drawn from the common lexicon, but does not extend to marks that may have been composed from the same sources that have acquired great distinctiveness in the market. While VIRGIN and BLOOMBERG are ordinary as dictionary words and family names[3] their fame or recognition as indicators of source are such that any registration that incorporates these terms would need a plausible explanation to survive forfeiture.

As the 3-member Panel noted in *ACE Limited v. WebMagic Ventures, LLC, c/o WebMagic Staff*, FA0802001143448 (Forum April 8, 2008) (<ace.com>):

> Complainant's claims that it is the only entity permitted to use "ace" are not credible. [. . .] 'Ace' is a very popular mark [. . .] [it] means many things."

The jurisprudence as it has developed has affirmed a well-established principle of trademark law that complainants' statutory rights do not extend to monopolizing the common lexicon. It is not unlawful to have registered domain names identical or confusingly similar to trademarks as long as the registrations are not for any proscribed purposes intended to take advantage of the goodwill and reputation mark owners have built up in their names.

The more generic or ordinary mark owners' lexical choices, the greater the likelihood that they are either used by others or could be used without offending the rights of complaining mark owners. Words like "Ace," Legally," "Luma," and

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3 Mark owners have been tripped up by domain name registrants bearing the same last name. Discussed further in Chapter 10, "Commonly Known By Defense."

"Notar" exemplify this proposition, so it is not surprising that so much analysis of protectability focuses on the goodwill and reputation of the mark, date of its first use, markets in which it operates, and evidence of targeting.

The fundamental challenge for mark owners is that they cannot (in a literal sense) own their lexical choices even though (in a statutory sense) they own their trademarks. If this sounds like a conundrum, it has a solid basis. "Complainant cannot monopolize the use of the common English phrase simply by virtue of registering it as a trademark," (essentially voicing decisional law as already noted) *Aerogroup International, Inc. v. Brave New Consultants, Inc.*, D2006-1216 (WIPO November 11, 2006) (<whatswhat.com>), citing *Jacques Lafitte SA v. 21st Century Communications SCP*, D2000-0443 (WIPO July 25, 2000) (<whoswho.com>).

While words commonly used cannot be owned they can be protected from others appropriating them for unlawful purposes, but "exclusivity of a trademark right does not extend to non-distinctive terms, words, or devices which are subject to the free use of the public," *Fabricators & Manufacturers Association, International v. NameFind*, FA 1728625 (Forum June 1, 2017).[4]

The difficulty facing complainant's allegations of infringement is that trademark law is not designed to prevent others from using words for non-infringing purposes. For panelists this involves as assessment of values. There is always the question of purpose. In *Luma Institute, LLC v. Perfect Privacy, LLC / James Redfern/Luma*, D2021-3129 (WIPO December 29, 2021) the Panel found that "the Domain Name [<luma.com>] has intrinsic value as a short, pronounceable generic Top-Level Domain ('gTLD') '.com' domain name." While having "intrinsic value" is not conclusive, it can be in the absence of concrete evidence of infringement.

While such acquisitions presuppose registrant is genuinely without knowledge of complainant's mark, or even if it has such knowledge, multiple users of the same word or combinations by others, would demands a record supporting targeting the particular complainant and not any of many who may claim a right. At a bare minimum it would require concrete proof that so intertwined by association is the word together with its use that a respondent has a claim to answer. With "Luna" the Respondent offered evidence of multiple use by others in different national territories and for a variety of goods and services, without opposing evidence of targeting the Complainant in particular.

Mark owners with long histories in the market may be confounded by having drawn their marks from lexical and cultural resources and learning that they do not have ownership or exclusive rights to their chosen words. For example, E. Remy

4 Disclosure: Author represented Respondent in this case.

Martin & C° owns LOUIS XIII as a mark but it does not own the phrase. The Panel in *E. Remy Martin & C° v. Ali Hameed*, D2020-3439 (WIPO February 19, 2021) held

> Although the Panel certainly recognizes that the Trademark enjoys broad protection possibly even as a famous mark, it is without further substantiation not a given that the Complainant could oppose the use of the trade name "louis thirteen" for these particular activities by the Respondent that do not according to the evidence before the Panel have any link to the activities of the Complainant.

That a trademark is distinctive by virtue of its having been accepted for registration is not proof that it is strong, even though it may be well-known, even famous, in a niche market. The *E. Remy Martin* Panel pointed out further that "Had Complainant put forward clear evidence that it had registrations for, and engaged in commercial activity in relation to the goods seemingly sold by Respondent, that may have triggered a different analysis; but that is not before the Panel." Where <louisthirteen.com> is lawful, <remy-ciontreau.com> is not, and this for the reason that it specifically identifies the mark owner and its product, thus an obvious case of targeting.

Owning a Right But Not the Words

Trademarks Drawn from the Common Lexicon

It follows from the discussion thus far that the rights mark owners have in registered or unregistered marks are not to be confused with ownership of their word choices. In a strict sense the Policy is not intended to permit a party who elects to register a common term as a trademark to bar others from using it in a domain name, unless it is clear that the use involves capitalizing on the goodwill created by the trademark owner.

The fact is, all words that are not invented or coined but drawn from dictionaries, word lists, encyclopedias, and lexical material freely circulating in world societies and cultures are generic. And the fact that a mark owner may have exploited one of these terms commercially and may have achieved some success in elevating its goodwill, does not give it ownership of the word if the words or combinations can be used by others without exhibiting any association to the mark owner. These lexical choices do not transform their essential nature as common terms.

It is a basic proposition that all words circulating in a linguistic community have a generic base common to its speakers. Rather, it is the manner in which letters, words, and phrases are used and assembled, their associations, and their penetrations in the marketplace as indicators of source that elevate some to higher categories and levels of distinctiveness. If combinations of words or coinages are one of a kind used exclusively by a single mark owner they have the highest level of protection. They may be part of the lexicon, or assembled from it, but as inventive terms they signal a particular exclusiveness that metaphorically reads "private property, do not enter."

Where words are not private property, there can be no exclusivity. The point is illustrated in a succession of cases involving a wide variety of factual circumstances. In *B2BWorks, Inc. v. Venture Direct Worldwide, Inc.*, FA0104000097119 (Forum June 5, 2001) Complainant owns B2BWORKS. It challenged <b2badworks.com>, <b2bmediaworks.com>, <b2badswork.com>, and <b2badwork.com>, but the Panel held "Complainant did not have exclusive rights to use of the terms 'B2B' and 'Works' in association with other words, even with a registered trademark for B2BWORKS." Each of the disputed domain names referenced different niches of business and "are clearly distinct from Complainant's trademark."

While the Complainant in *Macmillan Publishers Limited, Macmillan Magazines Limited, and HM Publishers Holdings Limited v. Telepathy, Inc.*, D2002-0658 (WIPO September 27, 2002) (<nature.com>) is well-known in its niche for publishing NATURE, its right does not extend to preventing others from using the word "nature." The dispute involved <nature.biz>:

> The primary rule in relation to domain name registrations is "first come, first served." The UDRP provides a narrow exception. It is not a per se breach of the UDRP to register the trademark of another as a domain name where the trademark is a generic word. This is even more so with biz domain name registrations.

The Panel concluded that "One purpose of creating new TLDs was to allow new entrants to acquire a generic top level domain name, even if another business owned a domain name for the corresponding dot com domain name."

The protectable rights parties have in registered or unregistered marks are not to be confused with ownership of their word choices, for distinctiveness in a mark cannot be locked up. The Panel in *Aerogroup International, Inc. v. Brave New Consultants, Inc.*, D2006-1216 (WIPO November 11, 2006) (<whatswhat.com>) found that "the mark WHAT'S WHAT is also a common English phrase meaning 'the true facts or actual situation' [. . .] and that Complainant cannot monopolize the use of the common English phrase simply by virtue of registering it as a trademark."

The Panel in *Diners Club International Ltd. v. Mark Jenkins*, FA090600 1266752 (Forum July 27, 2009) (<contactdiners.com>) reminded Complainant that "[t]here are many benign uses of the word DINERS that do not conflict with Complainant's trademark rights." Similarly in *Halo Innovations, Inc. v. Name Administration Inc. (BVI)*, FA1009001344653 (Forum November 3, 2010) (<sleepsack.com>): the "domain name is comprised entirely of common terms that have many meanings and that the registration and use of a domain name comprising such common terms is not necessarily done in bad faith."

Or again, in *Deep Focus Inc. v. Domain Admin, Abstract Holdings International LTD*, D2018-0518 (WIPO June 6, 2018) for the name "Cassandra":

> The Panel is not of the view, in any event, that the name 'Cassandra' could be regarded as associated exclusively with the Complainant in the minds of consumers. This much is clear from the numerous examples provided by the Respondent of the use of the name 'Cassandra' as, or as part of, business names, trademarks, and domain names by parties other than the Complainant.

While successors in interest do not inherit their predecessors' lawful registrations, as their motivation and conduct are judged from every new new acquisition date, for the period the domain name remains registered, no one else can use the identical name for the particular cyber location, a kind of ownership right which confers on domain names a greater or lesser market value depending on their attractiveness for noninfringing brand use.

The point is illustrated in *ATVTracks.net Property, LLC v. Domains By Proxy, LLC, DomainsByProxy.com / Chad Green, FPNW*, D2021-1774 (WIPO October 4, 2021) (ATVTRACKS and <atvtracksystems.com>). The Panel noted that:

> It would be inappropriate to give Complainant a wide monopoly over all domain names that incorporate the descriptive term ATVTRACKS. Thus, Respondent's use of the disputed domain name to describe the goods sold through the domain would be bona fide, as long as it is not for the nefarious purpose of causing confusion or diverting Complainant's business toward Respondent.

If as "Complainant believes that the totality of Respondent's actions, including the alleged instances of actual consumer confusion, might establish a claim of trademark infringement or unfair competition [. . .] any such claim is more appropriately adjudicated in another forum and not through the UDRP."

To take two more simple illustrations: in one, the Panel found that the non-appearing Respondent in *Slingshot Transportation, Inc. v. InBok Lee*, FA1904001841279 (Forum May 26, 2019) was using <slingshot.info> "to point to pay per click links relating to slingshots the weapon," therefore the complaint was denied. Regardless of its non-appearance, Respondent's conduct is approved by Paragraph 4(c)(i) of the Policy.

In contrast, in *Indeed, Inc. v. Mark Conway*, FA1905001843197 (Forum June 10, 2019) the domain was found to be pointing to <indeedconsultant.com> (two dictionary words combined into a generic phrase) to its own competing business website—"and responded to an inquiry from Complainant by attempting to sell the domain name for a sum far exceeding out-of-pocket expenses—therefore the complaint was granted and the domain name forfeited. In both cases, the determination is based on targeting complainant. Respondent (one of many cybersquatters targeting the INDEED mark) was found to violate Paragraphs 4(b)(i), (iii), and (iv) of the Policy.

Small Differences to the Lexically Commonplace

To what extent domain name registrants can be charged with infringement or prevented from using identical or similar terms can only be determined by looking carefully at the facts and assessing alleged infringers' objective intent as that can be determined from the evidence.

In making these assessments, small differences matter, or if there are no differences to lexically commonplace matter, they must be tolerated by market actors who select highly dictionary or descriptive terms for trademarks. This is reflected in trademark norms internationally. Pluralizing and singularizing words, adding or subtracting letters or words, and casting words in different grammatical order may have the effect of creating different responses and associations.

For example: *Tire Discounters, Inc. v. TireDiscounter.com*, FA0604000 679485 (Forum June 14, 2006) where respondent registered its domain name in the singular, TIRE DISCOUNTERS and <tirediscounter>; or pluralizing as in, *Sears Brands, LLC v. Domain Asset Holdings*, FA091200 298052 (Forum January 22, 2010) (NORTHWEST TERRITORY and <northwestterritories.com>).

In *Jake's Fireworks Inc. v. Whois Privacy Services Pty Ltd / Vertical Axis Inc., Domain Administrator, Customer ID: 47520518994762*, D2011-0779 (WIPO August 9, 2011) (WORLD-CLASS FIREWORKS and <worldclassfireworks.com>) "the Panel notes that the disputed domain name does not replicate the hyphenated form of 'WORLD-CLASS' which is used by the Complainant." And in *LivingSocial, Inc. v. chris jensen*, FA1208001456244 (Forum September 10, 2012) Complainant owns LIVINGSOCIAL while Respondent (a real estate company) is holding <livingsocal.com> where "Socal" is a recognized contraction for Southern California.

The difference of even a single letter between a respondent's domain name and Complainant's mark is sufficient to render them non-identical under the Policy. Consider for example: *Forest Laboratories, Inc. v. Natural Products Solutions LLC*, D2011-1032 (WIPO July 29, 2011) (LEXAPRO and "flexapro."); and *Namecheap, Inc. v. KY SONG*, FA1401001537272 (Forum March 12, 2014) (<namechap.com>).

Single-letter additions or substitutions incorporating the mark or allegedly confusingly similar to it, that could conceivably (and very likely will) pass the low bar for standing to maintain a UDRP proceeding, will not to be confused with typosquatting if they are projecting different associations and connotations. Any changes of composition can be fair use where the name creates a different impression from the trademark and there is no evidence of targeting.

Some differences genuinely spell other common words, as is illustrated from omitting the letter "d" from "drug" to form "rug." The made up trademark, NATURALAWN, is not infringed by the domain name, <naturallawns.com>, even though the word "natural" can be said to appear in both, *NaturaLawn of America, Inc. v. Jeff Edwards*, FA1102001372111 (Forum March 16, 2011).

The issue of small difference is illustrated by comparing two cases. The first favored the Complainant and the second favored the Respondent based on the position of the letters on the qwerty keyboard. In *Wachovia Corporation v. American Consumers First*, D2004-0150 (WIPO July 7, 2004) (<qachovia.com>) the letter "q" is on the left-hand side of "w"); and in *Google Inc. v. Andrey Korotkov*, FA1209001463221 (Forum October 31, 2012) (<woogle.com>) the letter "w" is not adjacent to "g" on the qwerty keyboard. In the latter case, "[t]his Panel does not believe Respondent's disputed domain name can be confused with Complainant's mark."

In *Corning Incorporated v. Domain Admin, HugeDomains.com*, D2021-0549 (WIPO July 2, 2021) (CORNING and <corming.com>, the Complainant argued that substituting "m" for "n" was typosquatting (the two letters are adjacent on the qwerty keyboard), but the Respondent showed that "Corming" was a surname.

However, what applies to the common lexicon does not apply to well-known and famous marks. "Samofi" is a typosquatted rendition of SAMOFI as it "Erricson" of "ERICSSON." Similarly with "INSTRUMART" and <instrumarts.com>. In this case, *Total Temperature Instrumentation, Inc. d/b/a lnstrumart v. Laura Dunn, Virtual Office*, D2018-0441 (WIPO April 14, 2018) the Panel concluded "from the undisputed record that the Domain Name was registered and used for fraudulent commercial purposes."

Protecting Rights

Common Use of Common Words

In the universe of trademarks and service marks, dictionary words and combinations (including <words+TLD> where they qualify), descriptive terms, personal names, and geographic terms where they qualify, historical and fictional personalities, etc. far outstrip uncommon, surprising, and creative combinations and coined and fanciful words as marks.

But that words as indicators of goods or services qualify as trademarks is not sufficient to protect them from use by others if they can be used or exploited in noninfringing ways. While only Nike Inc. has an exclusive right to NIKE it has no monopoly on the word if respondent uses the domain name for a website devoted, for example, to the subject of victories. The Panel in *Nike Innovate C.V. v. Contact Privacy, Inc. Customer 1243971962 / Ladinu*, D2020-3067 (WIPO February 16, 2021) (<nike.dev>) noted that

> an important lesson is that a famous trademark, such as MARLBORO or NIKE (or APPLE) which are also dictionary terms, does not necessarily give its owner the right to recover any and all domain names which contain the famous mark and nothing more.

The point is further made in *Warner Bros. Entertainment Inc. v. Karl Allberg*, FA2002001881913 (Forum February 19, 2020)[5] involving the dictionary work "dumbledore" (meaning bumblebee and it can also refer to the kind of beetle known as a cockchafer). More famously, though, Dumbledore is also the name of a character in the Harry Potter sequence of fantasy novels, which is the reason for the complaint. The Complainant owns trademark for ALBUS DUMBLEDORE and PROFESSOR DUMBLEDORE but it

> does not have a trademark for the word "dumbledore" standing alone. It may be that aficionados steeped in Harry Potter lore will instantly associate "dumbledore" with the fictional character, and possibly with the trademark owner [which is not the author of the book], but that is not enough to grant Complainant a monopoly on a word that has meanings beyond that conveyed by the mark.

Although the word "picture" qualified as a mark, it does not (as dictionary words generally do not) remove or restrict its use except under the most demanding evidence of infringement. The Panel in *Picture Organic Clothing v. Privacydotlink Customer 4032039 / James Booth, Booth.com, Ltd.*, D2020-2016 (WIPO October 5, 2020) (PICTURE and <picture.com>" stated: "This failure of evidentiary support is telling given that the word 'picture' is a common term and there is evidence that 'picture' is likely used by many other parties for a wide variety of good and services." It will be see in later chapters that multiple use by others in different market sectors is a critical factor in responding to claims of exclusivity.

The point is illustrated further in *ATVTracks.net Property, LLC v. Domains By Proxy, LLC, DomainsByProxy.com / Chad Green, FPNW*, D2021-1774 (WIPO October 4, 2021) (ATVTRACKS and <atvtracksystems.com>). The Panel noted that:

5 Disclosure: Author was the sole Panel on this case.

> It would be inappropriate to give Complainant a wide monopoly over all domain names that incorporate the descriptive term ATVTRACKS. Thus, Respondent's use of the disputed domain name to describe the goods sold through the domain would be bona fide, as long as it is not for the nefarious purpose of causing confusion or diverting Complainant's business toward Respondent.

If as "Complainant believes that the totality of Respondent's actions, including the alleged instances of actual consumer confusion, might establish a claim of trademark infringement or unfair competition [. . .] any such claim is more appropriately adjudicated in another forum and not through the UDRP."

To what extent domain name registrants can be charged with infringement or prevented from using identical or similar terms composed of ordinary words, descriptive phrases, and alphabetic letters can only be determined by looking carefully at the facts and assessing an alleged infringer's objective intent as that can be determined from the evidence. As Panels have noted, in making these assessments additions and omissions can make a difference to the outcome of the dispute.

In *Global Personals, LLC v. Daniel Carvallo, Skyloop Digital Ltd*, FA2205001995514 (Forum July 18, 2022) (<flingpals.com>) "this Panel finds that despite Complainant's trademark rights on FLING it is clear that it is a descriptive term with respect to Complainant's and Respondent's services of interest. Thus, Respondent could have chosen the word based on that descriptiveness and added a second term PAL to identify its business."

To protect trademark rights composed of common words such as the interjection INDEED but not WHATS WHAT is only understandable in a context in which the evidentiary facts support infringement, as they did in the INDEED case. However, the acquisition and use may be found lawful where the words sought to be protected for their trademark value are as equally associated or not particularly or only associated with the mark owner and equally with others than complainant. In this instance, complaints may be dismissed under the rule that words cannot be monopolized. Under these circumstances, protection of rights cannot be extended to protect against domain names corresponding in whole or part to the marks.

Confounding Views

Given the diversity of panelists' backgrounds and their immersion in different legal systems the tenuousness of consensus may not be surprising. What may be obvious to one panelist may not to be to another in three member Panels. I mentioned *Amadeus IT Group, S.A. v. Domains By Proxy, LLC / Narendra Ghimire, Deep Vision Architects*, DCO2022-0040 (WIPO July 25, 2022) in Chapter 4 as an example. The Civil Law panelist would find <amadeus.com> infringing, but the Common Law majority dismissed the claim. Expectations of outcome can be confounded by a panelist's subtle (and not always persuasive) reasoning to accept complainants' claims, whether they are consistent or not with consensus views.

As neutrality is a central concern it would be appropriate to illustrate the point by examining three decisions by 3-member Panels. In the first, the Panel is unanimous and the issues correctly decided. In the second and third decisions, the Panels split with surprising results: in the second the reasoning of the Panel majority is in inconsistent with consensus; and in the third the dissenting member is in conflict with consensus.

Words that do not exist in any dictionary but coined prior to a complainants adoption of the term even though registered later (acquired for example by auction after being dropped) can make a difference, as so too can there be a difference when complainants with registered marks inadvertently fail to renew their one-of-a-kind domain names. Timing and reputation are certainly key factors, and so too is whether the registrant had a particular mark owner in mind in registering the disputed domain name.

In holding in favor of the Respondent in *Limble Solutions, Inc. v. Domain Admin, Alter.com, Inc*., D2022-4900 (WIPO March 22, 2023) the 3-member Panel compared the facts in the case before it with an earlier case in which the Panel majority held in favor of the Complainant, *Kubota Corporation v. Media Matrix LLC*, D2022-3397 (WIPO November 23, 2022) (<kubota.net>). "Limble" is a coined word and "Kubota" is a Japanese dictionary word, as well as a family name and geographical location. It appears contra-indicative that "Limble" should stay with the Respondent and "Kubota" should be transferred to the Complainant (over a vigorous dissent).

Why did the *Limble* Panel vote to dismiss; and the *Kubota* Panel majority vote to grant the complaint? The different views in these two cases are instructive because the analyses help in defining rights and errors by the majority in *Kubota* and the dissenting member in *Reza IP Holdings LLC v. Taha Alireza, Velvet*, D2022-0945 (WIPO June 28, 2022) (<reza.com>).

The Complainant in *Limble* owned a registered mark that before it had any presence in the market had been earlier registered and dropped. The Respondent acquired <limble.com> as the high bidder on a public auction and in this proceeding is accused of cybersquatting. The Panel concluded:

> Complainant here has given the Panel assertions and speculation but without sufficient evidence to balance. Asserting without evidence that Respondent has no legitimate interests because Complainant has a trademark and Respondent's portfolio contains a domain name that is the same is not enough for this Panel to find Respondent had actual knowledge of Complainant's LIMBLE Mark and targeted Complainant when it purchased the Disputed Domain Name.

The reason for this

> In contrast to the evidence presented establishing the facts in Kubota, Complainant here appears to be a small, relatively little known business with 31 employees and a single recently registered trademark, and Complainant has provided no evidence to support Complainant or its mark as "well-known" or widely recognized by media or consumers such that the Panel could reasonably conclude Respondent had actual knowledge or even reasonably should have known of Complainant.

In *Kubota*, the Panel majority held that acquiring the disputed domain names without performing a trademark search was evidence of bad faith:

> Professional domainers making bulk acquisitions of domain names should not be held to any lesser standard than any other domain name registrant. The blind registration in bulk of domain names some of which obviously incorporate well reputed marks and their subsequent use to trade off the benefit of the reputation attaching to those marks, without any apparent attempt to mitigate the associated risks, should not be condoned under the Policy.

But the Panel dismissed the issues of dictionary word and multiple use by other market actors in favor of the size of the corporate entity:

> A simple Internet search would have identified the very well established and international operations of the Complainant and its use of and interest in the KUBOTA mark.

The consensus view more clearly aligns with the Respondent's contentions as the dissent argues. (In concluding this, I am not discounting the hyperlinks as an element of proof in the Complainant's favor, but the Respondent's evidence appears to support its contention that as soon as it learned about hyperlinks it instructed the registrar to change the links. It registered <kubota.net> on August 9, 2022 and the complaint was filed on September 22, 2022 which arguably in good faith conduct.

The *Reza* case "[a]ll the members of the Panel concur that the Complainant's trademarks ALEXANDRE REZA and REZA are used and known in the jewelry sector but have different views regarding the relevance of such circumstance in the demonstration of the bad faith requirement in the present case."

However, the word "Reza" "is a popular surname in Arabic and Persian-speaking countries and, as also shown by online searches, [. . .] not [to be] a term exclusively referable to the Complainant." The dissent insisted that

> Respondent registered the disputed domain name in bad faith because the Complainant acquired reputation in its trademark, also known and used as REZA to distinguish jewelries products internationally, for years long before 2016 in the jewelry sector.

This view is inconsistent with consensus, yet as I have previously pointed out in the guise of earlier registered marks having both priority and right regardless of multiple use by others some panelists find it supports cybersquatting.

This takes us into consideration of marks and domain names drawn from the common stock.

REGISTERING DOMAIN NAMES FROM THE COMMON STOCK

Words and Descriptive Phrases Corresponding to Trademarks

One of a kind versus None of a Kind

The concept of a hierarchy in measuring the strength of marks discussed in Chapter 5. Beyond the lexical choice, a mark's value rests on its penetration in the market as discussed. The general understanding of the market is that not all trademarks are equivalent in strength, and many claiming infringement are middling to minor in small and niche markets.

It may very well be in many instances that the lexical choice as much as the product or service plays a significant role in a mark's success. Names drawn from the historical record such as Tesla do not attract much attention in UDRP disputes because their secure niches in their markets protect their integrity.

Such names are unique in the same way that Virgin and Zoom are in that any corresponding domain names within the scope of their trademarks would most likely be presumptively unlawful. "Khadi" for example could not be registered for clothing as merely descriptive, although it has been for a wide variety of other products.

It has also been noted in contrast to these names that the trademark lexicon also includes combinations of words in active circulation that cannot be owned in the sense of any one market actor monopolizing their use, but as the combinations become more inventive leading to coined marks their protection from use by others can be. It is not infringing others' rights to register domain names corresponding to marks unless they are chosen for the value they draw from that correspondence.

There are clear differences of quality between categories of words, phrases, and arbitrary strings of letters that have market strength as opposed to those that have none. This is not to say that registrants prevail under all circumstances on less distinctive marks, but if the alleged infringement truly has merit, complainants must provide concrete evidence of their contentions which is not an easy task.

For example, in *Austin Area Birthing Center, Inc. v. CentreVida Birth and Wellness Center c/o Faith Beltz and Family-Centered Midwifery c/o June Lamphier*, FA0911001295573 (Forum January 20, 2010) Complainant owned AUSTIN AREA BIRTHING CENTER while Respondent registered <austinareamidwife>. The Panel found that while "birthing" and "midwife" suggest similar services the disputed domain name does not create any unequivocal association with Complainant. "Birthing includes activities other than those provided by midwives."

Although the Panel found COURSE HERO in *Course Hero, Inc. v. Julius Njeri*, FA2105001945579 (Forum June 29, 2021) "not an intuitive combination of words" which would place it higher in the hierarchy of strength, for the purpose of this discussion it found that Complainant proffered sufficient evidence for the Panel to find that Respondent likely had actual knowledge of the Complainant and its services. It continued:

> it is also clear that the disputed domain name's content attempts to compete with the Complainant and the services it offers. Both the Complainant's and the disputed domain's content purport to provide an online learning platform containing resources for assisting students in writing essays and allowing for interaction between students and educators. The archived version of the disputed domain name's content contains a number of references to the "The Course Hero" mark.

To prevail against interlopers, complainants must establish both targeting of their mark (unsuccessful in *Austin Area Birthing*) and respondent's actual knowledge of complainant or its mark and the use of the disputed domain name following its acquisition (successful in *Course Hero*). Resolution of the issues of rights or legitimate interests and conjunctive bad faith is contingent on factors such as geographic locations, reputation when the domain name was registered, and levels of distinctiveness in their international, national, regional, local, and niche markets.

The Complainant in *Carrefour SA v. Salman Nazari, Carrefour*, D2022-4457 (WIPO February 6, 2023) (<carrefour-world.com>) is a French business that "is a worldwide leader in retail and a pioneer of the concept of a 'hypermarket' which it describes as a combination of a large grocery store with a general merchandise store, also sometimes referred to as a 'big box' store." But the Respondent is a Canadian living in Quebec. "Carrefour" is a "common French word meaning 'intersection' or crossroads. The Panel points out that

> The official website of the government of Québec provides a broad range of Canadian French (or Québécois) language resources including its Grande Dictionnaire Terminologique (GDT). The GDT provides a number of broader, more figurative definitions and usages of the term "carrefour" as used in Québécois. These include, but are not limited to, "meeting place", "encounter", "widely open meeting", "commercial hub", and "business hub".

The Panel concluded: "While the website was certainly not a sophisticated e-commerce site, the Complainant has provided no evidence that it is or was anything other than a small, albeit unsophisticated, business."

Competition for Common Lexical Choices

The majority of cybersquatting cases involve marks that clearly pass the hurdle of being merely common even though they may include generic words, but where they are truly generic standing alone or combined in common phrases and the marks have achieved no distinctiveness in the market the first to register the domain name has a right or legitimate interest in it—<zero.com>, <caribou.com>, <pocketbook.com>, <precedent.com>, <lifeline.com>, <preferredseating.com>, <adminsolutions.com>, <flingpals.com>, <veho.com>, etc. The "Tesla" domain name, for example, was registered in 1992, thus not infringing the later registered TESLA. The Tesla Motor Co. acquired it at great expense in 2016.[6]

It will be recalled that the Dorer Court had foretold that "there is a lucrative market for certain generic or clever domain names." Generic and clever could be either or combined; that is, the decision to acquire <zero.com> or any number of animal, color, fruit, or deceased scientists, etc. are both generic and clever. A good number of denials but minuscule in comparison with filed complaints are claims of cybersquatting against respondents whose domain names predate complainant's mark—<airdna.com>, <tolles.com>, <wanderlist.com>, <handyguy.com>, <ecostream.com>, etc., all drawn from the 2022 docket.

Generic and clever domain names are desirable to both mark owners as magnets to draw consumers to their goods or services and to other market actors for the same reason as well as to investors who foresee other brands emerging in the market. There are, of course, successful claims of infringement where the "clever" domain name is simply too close to a mark to be acceptable—<roguefitness.coach>, <yourcause.finance>, etc., but generally domain names incorporating common words or phrases without instant recognition or association with any particular mark owner are lawful unless proved otherwise <indeed.com>, but not <whatswhat.com>.

Indeed (which I use adverbially to distinguish it from the noun mark), the disputes adjudicated under the UDRP highlight the competition for them. Even the venerable Virgin mark (like "Indeed" heavily targeted in UDRP proceedings) is vulnerable where the use is consistent with the word— *Virgin Enterprises Limited v. Domain Administrator*, D2013-1678 (WIPO December 2, 2013) (<virgincare.com>. "[S]ocial networking website for religious group [. . .] with Christian faith and or worshiper of 'Virgin Mery' [sic])." Similarly, <virginliving.com>.

Many decisions from providers' dockets similarly find no evidence of intent to profit from or otherwise abuse complainant's trademark rights. In these disputes, respondents are either operating businesses (<headkandy.com>, <sumvalley.

6 See Chapter 7 ("First Come, First Served Doctrine").

com>, and <emsprofessionals.net>) or they are domain resellers (<slingshot.info>, <drmuscle.com>, <karma.com>, <cloudinsure.com>, <rdw.com>), etc. Notably in all these cases, complainants offer no proof that respondents registered the trademarks with complainants' marks "in mind." Whatever source-related attraction these claimed-infringing terms may have are limited to the products they sell or services they offer.

Thus, in *The Perfect Potion v. Domain Administrator*, D2004-0743 (WIPO November 6, 2004), although Respondent defaulted, the Panel concluded that there is no "evidence [. . .] to suggest that the Respondent had ever heard of the Complainant or its trademark when the Respondent adopted the Domain Name [<perfectpotion.com>] for its website." Specifically,

> Had the Complainant's trademark been in the COCA-COLA/KODAK category, inferences could have been drawn, but the Complainant's mark is not in that category, nor is it anywhere near it. Inferences adverse to the Respondent could also have been drawn if the Domain Name had been more specific to the Complainant or its field of activity (for example, <perfectpotionaromatherapy.com>).

In close cases, the question of lawful registration turns on whether any of Respondent's acts were pretextual,[7] taken simply to avoid forfeiting the domain name, or clear instances of cybersquatting. In *Sinclair Finance Company v. Nathaniel Young / SumValley*, FA1903001835985 (Forum May 3, 2019) (SUN VALLEY and <sumvalley.com>), the domain name was registered by an operating accounting business—switching an "m" for an "n" was clever but not a deliberate misspelling. The Panel held that the registration was not pretextual. The Panel found "Respondent's explanation for the selection of the business name and corresponding domain name to be entirely plausible."

In turning to divestment of domain names composed of common words (alone or combined) it must be asked, What has the Complainant submitted in proving its case? And What has Respondent lacked in rebutting the adduced evidence?

Two factors top the list in answering these questions, namely 1) website content inconsistent with claims of good faith and 2) lack of credibility based on documentary evidence or omission of evidence. Where a respondent is expected to respond after a burden shift upon *prima facie* proof of material facts or strong inference that respondent lacks rights or legitimate interests, its silence or failure to present a persuasive case, will be seen as proof that it has none to rebut complainant's contentions and evidence of bad faith .

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7 Pretextual discussed in Chapter 4 has a far wider application: where the website presents itself as authentic but its appearance is deceptive.

Inventive, Coined and Uncommon Words and Phrases

Domain names incorporating the following inventive phrases created by combining dictionary words have been found infringing: "Plant Fusion", "Coupon Cabin," "Kidi Doc," "Sales Navigator," "LendScape," etc. Coined words such as "Carvana," "Soddexo," "Uplars," etc. Inventive phrases and coinages have a higher status than common words standing alone. While the words are common the combinations are not.

If these lexical choices are one of a kind used exclusively by a single mark owner they have the highest level of protection. Even if there are several other users but one of them has a dominant market presence while the others are not distinctive in a market sense or in niche markets, Panels have awarded the disputed domain name to the complainant.

In *CouponCabin LLC v. Charles Martin, Net Exclusive LLC.*, D2021-0244 (WIPO March 18. 2021) a prior registrant purchased but passively held <couponcabinet.com> (adding "et" to the trademark). Respondent acquired it as the high bidder when the domain name was dropped and offered at a public auction. He "contend[ed] that he bought the disputed domain name at auction 'because I liked the name and thought it was catchy.'" However, the Panel reasoned that

> the COUPONCABIN mark appears to be a coined term made up of two common words. It is not, however, a common English expression. The disputed domain name mirrors that coined term by using a slight variation that places the word "cabinet" after the word "coupon".

The Panel continued that it

> recognizes that connotatively, the words "cabin" and "cabinet" mean different things. However, the words "cabin" and 'cabinet' in combination with the word 'coupon' both connote some sort of coupon repository. They also share the same root, namely "cabin." Given that there is a close similarity between the disputed domain name and the coined COUPONCABIN mark, it is not unreasonable to surmise that consumers may likely perceive the disputed domain name as connected to Complainant or Complainant's coupon service available at <couponcabin.com>.

The Panel granted the complaint and ordered the domain name transferred to Complainant's account. Where "Coupon Cabin" is an unexpected combination, a coined phrase, "Simple Plan," for example, a lapsed registration, is a common phrase irretrievably lost to the current registrant.

The same point is also illustrated in *Société Librairie Fernand Nathan-Fernand Nathan & Cie v. Domain Administrator, DomainMarket.com*, D2022-0016 (WIPO February 18, 2022) (KIDI DOC and <kididoc.com>) (French trademark, US Respondent). "Kidi" and "doc" separately may be regarded as common alternate spellings, but together they form an inventive combination. Respondent denied actual knowledge of Complainant's mark, but limited its search to the USPTO database. The Panel reasoned that

> the value of disputed domain name derives primarily from the fact that it is identical to the Complainant's trademark, rather than from the fact that it contains a combination of arguably descriptive terms. [. . .] [J]udged objectively, [Respondent] will be considered to have registered the disputed domain name for the primary purpose of selling it to the Complainant, which is deemed by the Policy to be evidence of registration and use in bad faith.

The Respondent pointed out that "it has not put up pay per click links competitive of the Complainant [. . .] [but] the Panel is unable to see how this fact by itself would support a claim not to have registered a domain name with a particular brand owner target in mind."

A further illustration is <panet.com>. The original registrant had allowed the domain name to expire and Respondent acquired it as the high bidder at a public auction. "Panet" is not a dictionary word and it was not coined by Complainant but it adopted the name and is the sole user of the term. The Panel in *Jaber Media Corporation Inc. v. Ahmad Mahameed*, D2021-2971 (WIPO November 5, 2021) in granting the complaint, reasoned:

> The fact that a previous incarnation of the disputed domain name [<panet.com>] might originally have been registered before the Complainant's rights arose or accrued, and that the corresponding website had stated that it was not for sale, as asserted by the Respondent, are not relevant to this proceeding. It cannot be denied that the Respondent acquired the disputed domain name long after the Complainant's rights came into being.

Thus, it can be said as a general rule that the more inventive the combination where complainant is the sole user of the term the likelier the domain name will be forfeited. The corollary is that it is not sufficient for registrant to search only the trademark databases in its national jurisdiction. Where the disputed domain name is inventive, coined, or composed of uncommon combinations registrants have a duty of due diligence pursuant to their representations under Paragraph 2 of the Policy (discussed in Chapter 2) that obligation must extend to searching the Global Brand Database (or the EU TMView) especially for dropped inventive and unusual lexical constructions. That obligation to avoid infringing third-party rights, however, does not extend to performing searches prior to renewals of registration.

But there is a history of inventive names by earlier non-trademark registrants who for reasons unknown abandon them to be acquired by another after a trademark has issued. Such was the case in *Limble Solutions*, earlier referred to for a different issue. The 3-member Panel dismissed the complaint on Respondent's proof that it had rights or legitimate interests in <limble.com>.

Complaints have also been dismissed for inventive names held by the original registrant prior to the complainant's first use of its mark in commerce as there could be no targeting of it. Thus, SECRET LAB (<secretlab.com>) was registered 17 years before the first use of the Complainant's mark in commerce, *SecretLab SG Pte Ltd v. Jason Bright, Secret Lab LLC*, D2018-2807 (WIPO February 7, 2019).

It may be true that lexical choices associated solely with dominant mark owners may very well also be attractive to other market players but Panels do not generally consider that suggestion in respondents' favor where the value of the domain name "derives primarily from the trademark":

> Although the Panel acknowledges that probably many of the Respondent's domain name registrations are for bona fide purposes as their value derives primarily from their generic or descriptive meaning, the present case is different, since the disputed domain name is identical to the Complainant's trademark and the Panel is of the view that the value of the disputed domain name derives primarily from that trademark. *Id.*, *Jaber Media Corporation*.

The issue for determination is not that others may find a term desirable that corresponds to a well-known or famous mark (indeed, a word or combination exclusively associated with a complainant) but whether it can be acquired in good faith despite complaints exclusive right to it.

Nevertheless, however inventive word combinations or arbitrary strings of letters may be, if they are being used by many others (precisely "how many" may be an issue as previously noted) the distinctiveness is significantly diluted according to the number of other users ("Camco," "rcc," and "dspa"), but had the same letters become as distinctive in the marketplace as, for example, IBM, the outcome would favor complainant. The question of dilution is for respondent to demonstrate by producing concrete evidence of use by others in a world-wide search of trademarks and social media platforms.

Dictionary words (<circus.com>. <caribou.com>), personal names (<corning.com>, <titoni.com>, <bette.com>), and strings of letters that have no particular association with any one mark owner ("rcc") have a lower status as already pointed out. In *Royal Caribbean Cruises, Ltd. v. James Booth, BQDN.com*, D2019-1042 (WIPO July 17, 2019) (<rcc.com>), Respondent offered evidence of the

> volume of corresponding trademarks registered in the USA, company names registered in the United Kingdom of Great Britain and Northern Ireland, names of corporations registered in the states of New York and California, USA, Canadian entity names and trademarks, company names on the website 'www.linkedin.com' and various searches on the Google search engine.

Complainant was only able to offer a weak argument: "[It] says that consumers commonly mistake the registered mark 'Royal Caribbean Cruises Ltd.' as 'RCC.'" But even if this were true, it would not satisfy the evidentiary burden to prove that this particular Respondent had this particular Complainant in mind when it registered the domain name. Targeting (having the complaint's mark in mind) is a critical factor in determining bad faith in that it underlies the claim of cybersquatting.

Specializing in Personal and Family Names

Personal names come up in three contexts: 1) where they are associated with personalities who are found to have common law rights (Chapter 3, discussing the Jeanette Winterson, a notable author, and developing common law for personalities with significant market presences), 2) where they are defending their right or legitimate interests in domain names (Chapter 10, the "Commonly Known By Defense"), and 3) domain name resellers specializing in personal and surnames names or operating vanity services for them.

Personal and family names rank with dictionary words and common phrases as lexically generic. Thus, "Buhl" and "Rael" and many others acquired for inventory or used for vanity email services can lawfully be registered (always assuming no evidence of targeting). The Panels in *Buhl Optical Co v. Mailbank.com, Inc.*, D2000-1277 (WIPO March 1, 2001) (<buhl.com>) and *Int'l Raelian Religion & Raelian Religion of France v. Mailbank.com Inc.*, D2000-1210 (WIPO April 4, 2001) (<rael.com> legitimate for sites that sells vanity e-mails to persons with surnames "Buhl" and "Rael"). The 3-member Panel in *Int'l Raelian Religion* noted:

> Respondent has credibly shown that its business model involves registering many surnames for use as surnames, and that it does not rely on the trademark status, if any, of "rael," in its business model.

In *Vernons Pools Limited v. Vertical Axis, Inc.*, D2003-0041 (WIPO March 12, 2003) (<vernons.com>) the Panel noted that "Vernon is a very common name, and the Complainant does not have exclusive use of or rights to the words Vernon or Vernons. An Internet search for 'Vernon' (excluding the words pool; pools; lottery; betting; bet, and game) yielded over 1.7 million third party web pages containing this common name. The same search for "Vernons" yielded over 4,000 third-party web pages."

The Panel in *Sallie Mae, Inc. v. Michele Dinoia*, D2004-0648 (WIPO October 18, 2004) (<sallie.com>) held that

> As long as said domain names are actually generic or common, as long as Respondent does not harm third parties and as long as legitimate trademark owners do not hold rights to any of the names that Respondent owns, Respondent's activity is normally not classified as illegitimate under the Policy.

Many female names have been challenged and complaints dismissed: "Bernette," "Bette," "Candy," "Cassandra," "Cecia," "Clara," "Carli," "Gail," "Sallie," and also surnames names that if personal and surnames were combined would certainly qualify as cybersquatting, such as "Pucci" if the challenged domain name was "Emilio Pucci." Other surnames lawfully acquired in "McGraw."

Mankarious may not be the most common of names but the Respondent (who specializes in names) must have thought there was a market and acquired it from a dropped name service. Complainant in *Ramsey Mankarious v. Stanley Pace*, D2015-1100 (WIPO August 11, 2015) "originally acquired [<mankarious.com>] in February 2000 and used it for his business and personal email address until it lapsed in 2015 apparently due an error by the Complainant's technology provider [and it was] inadvertently allowed to drop and it was acquired by Respondent." However,

> Merely having a famous name (such as a businessperson who does not actually use his or her name as an identifier for the business engaged in, or a religious leader), or making broad unsupported assertions regarding use of such name in trade or commerce, would not necessarily be sufficient to show unregistered trademark rights.

In all these instances the single issue focuses on the generic and common aspects of the domain names. Their value lies in the ubiquity of their cultural presence.

ASSESSING VALUE OF DOMAIN NAMES

In the Eyes of the Beholder

In discussing trademark value in Chapter 5 I emphasized that a key factor is their goodwill and reputation as reflected in the marketplace, and that the larger their market, the duration of their presence, the volume of their sales, etc., all of the factors indeed that are used in assessing fame, the greater the likelihood of their being known to the respondent: that is, given the fame of a mark, how could the Respondent not have known?

For example, the three letter string SAP has achieved great renown in the market. In *SAP SE v. Ashok Kumar Reddy S, Surpapu Technology Services, PVT Ltd*, D2022-0572 (WIPO April 17, 2022) (<sapnuts.com>), the Panel found

> The Respondent's conduct in displaying the Complainant's word and figurative marks on the Respondent's website without identifying the website operator or its relationship with the Complainant must also be taken as further evidence of an intent to exploit the Complainant's mark and take advantage of confusion as to source and affiliation. This also reflects bad faith within the meaning of the Policy.

Where denying knowledge is implausible, actual knowledge is presumptive.

When the lens refocuses on domain names there are different considerations. The respondent has either registered the disputed domain name for its trademark value and is liable for infringement; or has registered it for what it perceives the intrinsic value of the letters, words, phrases, or numbers in that particular lexical configuration independent of any value from the reflected brightness it may receive from a corresponding mark. What that value is in dollars can only be realized by a purchaser interested in acquiring it.

Some of these acquisitions and some of these purposes have undoubtedly infringed third-party rights. It is not necessarily the case that domain names corresponding in whole or in part to marks or even misspellings that may be challenged as typosquatting are evidence of bad faith, even though in the majority of cases they are, but in those disputes there is a clear distinction between the distinctiveness of the mark and the distinctiveness of the disputed domain name.

In the abstract, challenged domain names have two different kinds of value. The first kind of value is derivative of the mark: <aolmaill.live>, <pradagroup.agency>, <apppe.us> (targeting <apple.us>), <sapnuts.com>, and so forth for tens of thousands of domain names, all these marks have notoriety in the market and are extensively known to consumers.

This contrasts with three or four letter strings which have been found lawful where they are truly arbitrary. Where the disputed domain name draws its strength from the word or phrase or string of letters: it has intrinsic worth (regardless whether it is falsely perceived as infringing. To take a few examples from decisions filed in the earliest cases.[8] There are distinctive qualities lexically in all these cases which set them apart from corresponding trademarks.

In *Coming Attractions v. Comingattractions.com*, FA0003000094341 (Forum May 11, 2000) (<comingattractions.com>) the 3-member Panel pointed out two verities that are part of the weave: 1) although the domain name was identical to the mark, "Complainant's trademark is for Class 25 only, and applies specifically to apparel, while 2) "[t]he term 'coming attractions' is a generic term in the field of entertainment, generally associated with movies, television, theatre, and other forms of entertainment. Widespread use of this generic term predated Complainant's trademark registration."

In *Zero International Holding v. Beyonet Servs*., D2000-0161 (WIPO May 12, 2000) (<zero.com>) the Panel held that "[c]ommon words and descriptive terms are legitimately subject to registration as domain names on a 'first-come, first-served' basis."[9] And in *Meredith Corp. v. CityHome, Inc*., D 2000-0223 (WIPO May

8 I underscore again a point made in Chapter 3, Footnote 1 that consensus is made by the plurality of Panels agreeing to certain propositions that may initially have been expressed more fully and elaborately in earlier decisions cited by WIPO as authorities for their consensus views. Whether major or minor, they are all woven into the jurisprudential fabric.

19, 2000) (<countryhome.com>) the Panel rejected Complainant's argument that Respondent ought to have known of its trademark. For good reason discussed more fully in Chapter 12, Panels have rejected the trademark application of constructive notice as proof of a respondent's awareness of the complainant or its mark.

The question to be answered is whether the purpose for registering the disputed domain name is to exploit the value of the mark or the value of the domain name. I cited the BRÉAL case in Chapter 5. In substance <breal.com> has value unreflected from the mark. I also mentioned the BEREAL case in which <bereal.fans> was found to be exploiting the Complainant, *BeReal v. osama abotamim*, D2023-1189 (WIPO May 24, 2023):

> While the expression "be real" can be seen as an ordinary colloquial expression in some contexts, the Panel considers it is highly likely the Respondent was very well aware of the Complainant's trademark when registering the disputed domain name given the extent of the Complainant's reputation including the media coverage, the Respondent's apparent lack of any connection with the expression and use of the disputed domain name with what is effectively a competing social networking service.

Where dictionary words, common (or colloquial) expressions and phrases, place names, given and surnames, etc. are drawn from the cultural storehouse and can conceivably be used in non-infringing ways by other actors in the market, their value is intrinsic unless undermined by evidence of targeting. The value of choices drawn from the common storehouse that by their configuration are distinctive is a mirror image of the distinctiveness of marks in the marketplace. Even though "Be Real" is colloquial, in the form of BEREAL it nevertheless has a distinct value which overrides the colloquial expression.

Trademarks vs Domain Names: Dictionary Words, Common Combinations, and Arbitrary Letters

As domain names can be described as having distinctive qualities, so too do trademarks many of which are also trade names that may or may not be drawn from the common lexicon and even when they are have distinctive qualities that separate them from common lexical material that drives value to noninfringing domain names.

Creative configurations of language and one of a kind signs are greatly prized and highly distinctive. Daily accounting of decisions filed in disputes under the UDRP include (drawn from a variety of years): <bluemartinisoftware.com>, <aolbuys.com>, <legolepin.com>, <dyson-global.com>, <ukcisco.com>, <aetna.

9 This proposition of first come, first served is discussed further in Chapter 7.

health>, <equifaxjobs.com>, <whatsappsdownload.com>, <prada-beauty.com>, <schoologyfree.com> (clever but created by Complainant), all well-known within their niches and beyond, some very well-known and even famous.

But where domain names are composed of dictionary words, common phrases, stock expressions ("ad salutem" in a 2017 dispute), or strings of letters claimed by complainants as acronyms and respondents as arbitrary strings claims of cybersquatting are less certain and more unlikely due to the commonness of the domain name compositions.

There is a continuing supply of examples of challenges to one-word and descriptive phrase marks that exemplify the settled state of the jurisprudence and Panel views, and at the same time underscore the distinctiveness of the domain names when compared to marks without established reputations in the market: *Glory Ltd. V. MicroStrategy Inc.*, D2017-1900 (WIPO January 3, 2018) (<glory.com>); *Air Serbia a.d. Beograd Jurija v. Domains By Proxy, LLC / Meijun Lu*, D2017-1986 (WIPO December 18, 2017) (<jat.com>); *Intocable, Ltd. v. Paytotake LLC*, D2016-1048 (WIPO July 29, 2016) (<intocable.com>); *Association Francaise Contre les Myopathies v. Yemliha Toker*, CAC 102229 (ADR.eu January 3, 2019) (<telethon.online>).

In *Air Serbia*, the Panel accepted Respondent's argument that "Jat" is "capable of being put to multiple different uses, whether as a pronounceable acronym or as a mark for unrelated goods or services which would not necessarily reference or target the Complainant's mark." Moreover, it found that Jat was a common idiom in Respondent's linguistic community:

> What is more, the Panel notes that the word "Jat" has a dictionary meaning referring to an ethnic group of Indo-European people from North India and Pakistan.

"Weighting this factor in the balance,"

> the Panel considers that the Complainant's trademark does not exhibit any notable distinctiveness outside the relatively narrow confines of it use as an identifier of air transport services. Greater emphasis has to be given to the fact that there are likely to be multiple alternative meanings or uses of that term which do not necessarily reference the Complainant's trademark.

The Panel concluded that

> It is of some significance that while the Complainant has been able to produce considerable evidence as to how it has used the JAT mark over the years, it has not provided any evidence showing or tending to show that the term "jat" is more likely than not to be seen by the public as referencing that trademark as distinct from other possible uses or meanings.

In *Intocable*, the Panel held that the "word is not merely an acronym or fanciful term that could refer reasonably only to Complainant and its musical group; it is also a common Spanish language word." This case is "therefore distinguishable from other UDRP cases" that reference distinctive personal names, marks, and acronyms. "Intocable" carries a "common language meaning or plausible use." That cannot be said of "Dyson" in <dyson.global> or the other pending distinctive marks that are not idioms in any language, but solely associated with the trademark owner.

The Complainant in *Glory* was insistent that the Respondent propose a price and was infuriated by the response that triggered the UDRP: "[The Respondent was] willing[ ] to sell the disputed domain name for a sum in excess of USD 10 million while Respondent paid USD 115,000 to purchase the disputed domain name in 2003." The Respondent alleged that "the figure it gave in response to Complainant's inquiry was 'ridiculously high' [because it] had no interest in such sale."

The Panel held that "Complainant's GLORY trademark [. . .] is made up of this very term alone and Complainant has not demonstrated that its GLORY trademark is famous or well known (particularly not in the United States where Respondent is located)." If the parties were competitors that would have been a factor in Complainant's favor, but they are "not competitors in the same business, and [Respondent] is not engaged in the distribution of consumer products." Therefore,

> This Panel [. . .] is willing to accept that Respondent purchased the disputed domain name in February 2003 without any knowledge of Complainant's trademark rights in the term "glory", as it has been laid out in the affidavit of Respondent's Senior Executive Vice President & General Counsel of October 24, 2017.

Further,

> This Panel's finding is also supported by the fact that Respondent undisputedly never attempted itself to contact Complainant with the offer to sell the disputed domain name, but that Respondent quietly held the disputed domain name for 13 years. Upon being contacted by Complainant, Respondent at first ignored Complainant's letter of October 24, 2016, and Complainant's following emails of January 11, 2017, and March 1, 2017, and only finally responded with an unreasonably high demand on March 3, 2017, asking for a sales price greater than USD 10 million, which Respondent says it could not believe the Complainant would accept.

This view of recognizing investors' right to put a value on domain names, even if it is ridiculously high, is squarely the consensus, It is likely to become a more contested factor as original registrants abandon or sell domain names corresponding to later existing marks.

Common dictionary words combined as marks are difficult to protect unless there is solid evidence of bad faith registration or respondents failing to curate their websites, discussed in Chapter 11. In *Association Francaise Contre les Myopathies* the Panel reasoned that

> Telethon is a dictionary word in, at least, English and French languages...the word "Telethon" is not associated exclusively or primarily with the Complainant and is used by different organizations. From the evidence available in this case there is no indication that the Respondent based in Turkey was aware of the Telethon event organized and conducted by the Complainant in France.

In *UAB "BIOK laboratorija" v. Jinsoo Yoon*, CAC 101743 (ADR.eu October 26, 2017) (<ecodenta.com> the word (or phrase, if divided "eco" and "denta") "Ecodenta" does not appear in "dictionaries, whether in English, Lithuanian, or Korean." "Indeed" [the Panel continues] "the word appears to be used by the Complainant for its range of products. There is, of course, the possibility that the word could be used for other purposes, given its simple construction (eco for ecological and denta for matters related to teeth), but the Panel cannot attribute such an approach to the Respondent."

There are two reasons for this: 1) "the presence of pay per click links not associated with (for instance) a genuine meaning such as a dictionary word mitigates against the possibility of legitimate interests being found through such commercial uses", and 2) "[t]he deliberate registration of a name for which there appears to be no current meaning other than the products made and exported by the Complainant is relevant."

Panels will parse the record to determine whether the words carry any "current meaning other than the products made [or services offered]" by complainants. Thus, for <plantfusion.com> or <nudelive.com> the answers rested in large measure on Respondents' explanations for their choices and the contents of the resolving websites. In 2017 there were "pink sheet" and "print factory" ending in respondents' favor and "digi power" and "equip trader" in complainant's favor.

In *Duoserve, Inc. d/b/a ScheduFlow v. Paul Tyrrell / ScheduleFlow Pty Ltd.*, FA1711001759845 (Forum January 17, 2018) (SCHEDUFLOW and <scheduleflow.com>) the mark is a coined but irregular phrase and the disputed domain is a combination of dictionary words. The three-member Panel found that the domain name was not confusingly similar to the mark. Although Complainant failed to make a case for confusingly similar (it conveys no specific meaning or certitude of association with Complainant), the Panel went on to analyze the second and third requirements just to round off the assessment, denied the complaint and found reverse domain name hijacking.

Similarly in *DME Company LLC v. unknown unknown / DME Online Services, Ltd.*, FA1711001759818 (Forum January 19, 2018) (<dme.com>). The majority ruled against rights or legitimate interests[10] but was unanimous in finding no bad faith because

> Complainant's mark is just three letters, susceptible of many meanings and interpretations.... Evidence of actual knowledge typically takes the form of (1) a respondent's web site being almost identical to the complainant's web site, (2) a history of close association, e.g., previous employment or other personal or business relationship, between complainant and respondent, or (3) a trademark that is indisputably famous world-wide, such that a denial of actual knowledge is rendered manifestly implausible. Nothing of that sort exists in the case.

There should be no ambiguity about the views expressed in these decisions. Complainants must have concrete evidence of cybersquatting. It is not enough to argue respondents have no right or legitimate interest because they are only using their websites to sell domain names, or not using the domain names at all (either not resolving to websites or carrying "for sale" banners).

Rebranding

Where there is competition for desirable domain name there will be tension. Emerging market actors and others introducing new brands or rebranding their goods or services must investigate the availability of corresponding domain names before they act, or suffer the consequences of learning later that the cyber addresses are already owned.

The earliest case to confront the rebranding issue was *Telaxis Communications Corp. v. William E. Minkle*, D2000-0005 (WIPO March 5, 2000). The Panel found that "Respondent registered his domain name <telaxis.com> with the registrar NSI on November 1, 1998 which was prior to the dispute arising in October 1999.... Therefore, the requirement of Paragraph 4.a.(ii) is not met."

Similarly, in *Success Bank v. ZootGraphics c/o Ira Zoot*, FA0904001259918 (Forum June 29, 2009) <successbank.com> was acquired prior to complainants rebranding their businesses. Here, the Panel held:

> The Complainant relies on the argument that once a complainant shows good title in a mark, the burden shifts to Respondent to defend use and bad faith. Complainant seeks to stretch that argument to the extreme. While

10 The dissenting Member underscores the majority's error and more closely with consensus on this issue: "[T]he fact that the domain name is a three letter acronym with various reasonably widespread meanings and uses both at the time of the domain name and subsequently[.] [. . .] That being so, it has been widely accepted that acronyms may in appropriate cases be treated by panels in the same way as generic words may be treated, which is that they may give rise to a right or legitimate interest. . . ."

> Complainant has some rights in the SUCCESS BANK mark, those rights are years junior to the rights of Respondent due to registration of the domain.

It concluded:

> To hold for Complainant would be to say that one could peruse the lightly used or parked domains, initiate a trademark registration application years after the disputed domain name was registered and then claim UDRP rights in the domain under the first element of the UDRP.

The Complainant in *SiTV, Inc. d/b/a NUVO TV v. Javier F. Rodriguez*, D2014-1143 (WIPO August 14, 2014) rebranded under the NUVO TV mark in July 2011, but there was no evidence in the record suggesting that its "intentions were publicly known until the latter half of 2010, and no plausible explanation has been offered as to how the Respondent when registering the disputed domain names in July 2008 could have foreseen this development."

Of course, the responsibility for determining the availability of a domain name rests with mark owners before they rebrand or apply for trademark registration. The point is underscored in *Saudi Arabian Oil Co. v. Orizon Multimedia Inc.*, D2020-2035 (WIPO September 15, 2020). The Panel pointed out that the

> Complainant would likely have known (assuming it inquired at the time) when it decided to adopt ORIZON as a trademark in 2020 that the Disputed Domain Name was registered in the name of the Respondent. There is an onus on the mark owner to investigate the availability of domain names before they decide to apply for trademarks.

In *Nextbite Brands, LLC v. Nextbite LLC, Nextbite General Trading Company*, D2021-3114 (WIPO December 10, 2021) (<nextbite.com>), the "Complainant has placed in evidence its correspondence in September 2020 with a broker it instructed at GoDaddy when it attempted to purchase the Disputed Domain Name [following rebranding of its business]. Significantly

> [r]hat shows the Complainant instructing the broker to make a series of increasing offers (culminating in an offer of USD 100,000) on behalf of the Complainant. At no point in this correspondence is there any suggestion by the Complainant that it has any prior rights to the Disputed Domain Name or that there is anything wrong with the Respondent's ownership of it."

While in *Klir Platform Europe Limited v. David Hendrix*, UDRP-15008 (CIIDRC April 20, 2021) Complainant asserted that it "and/or its related entities have been using the KLIR trademark for several years in the United States, Europe, Canada and numerous other countries, *the Complainant has provided no evidence of any such use prior to its 2018 name change or the registration in July 2018"* (emphasis added).

Where the respondent does appear it will have a case to answer as to rights or legitimate interests but not to bad faith if the disputed domain name predates the registration of the mark and the respondent is the creation date registrant. Examples, although the rebranding refers to respondents.

Thus, in *Inversiones MCN S.A.S. v. Domains By Proxy, LLC Domains ByProxy.com / Tamarak Marketing, Tamarak Capital*, D2022-3219 (WIPO October 20, 2022) involving <habi.com>:

> In the circumstances, the price offered by the Respondent to the Complainant for the disputed domain name, although high, is not in the circumstances evidence of bad faith – a sale of the disputed domain name would require the Respondent to rebrand, and the disputed domain name is an intrinsically valuable four-letter domain name with many possible legitimate uses.

And in *Drone Genius, Inc. v. Paul Peterson*, D2022-3525 (WIPO December 2, 2022). The Respondent noted: "Rebranding/renaming is expensive," referring to itself.

However, complainants do succeed on a record that supports their allegations as the Panel explained in *Neometals Ltd v. DOMAIN ADMIN, DOMAIN PRIVACY SERVICE FBO, REGISTRANT / lisa deere*, D2022-2360 (WIPO August 22, 2022) (Respondent did not appear) rests on the totality of facts of record. Complainant rebranded itself in 2014. The creation date of the disputed domain name <neometals.com> (2012) predated the rebranding.

That, however, was not conclusive because it was unclear whether the Respondent was the original or successor holder of the disputed domain name, and if the successor the date of its acquisition. The Panel had no doubt that the disputed domain name was being used in bad faith, but if the respondent was the 2012 registrant it could not have registered it in bad faith.

"Ultimately, the principal party who could answer the question is the Respondent, as the date of registration or acquisition is undoubtedly within its knowledge." For this reason the Panel issued a Procedural Order inviting the Respondent to state when it acquired the disputed domain name:

> The Panel warned that an inference might be taken, if appropriate in the whole circumstances of the case, should the Respondent fail to address the topic. The Respondent did not reply. The Panel makes the reasonable inference that if the Respondent had had any evidence of its registration or acquisition of the disputed domain name in good faith between 2012 and 2014, it would have tendered it in the context of the administrative proceeding.

The Panel further inferred from the first appearance of a website captured by the Wayback Machine after the Complainant rebranded to NEOMETALS that the Respondent was not the 2012 registrant.[11]

Similarly in *Bitrise Limited v. Dalton Kline, Bitrise Trade Ltd.*, D2020-0835 (WIPO May 29, 2020) (<bitrise.trade>):

> In some circumstances [. . .], Respondent may not have had knowledge of the Complainant or its rights at the time when it registered the disputed domain name and that it had coincidentally combined the ordinary English words 'bit' and 'rise' independently of the Complainant's rights. However, the Panel views this as unlikely on the facts of the present case . . . [because] these words appear to be a relatively unusual and distinctive combination."

The problem of identifying the date of acquisition is exacerbated by respondent's nonappearance, and in these cases, depending the distinctiveness of the mark and the totality of direct or circumstantial evidence, Panels generally rule based on "such inferences therefrom as it considers appropriate" (Rule 14(b)).

Distinguishing the Common from the inventive and Creative

Lexical Choices

Where these same lexical choices are registered and used by others they are not necessarily infringing for being identical or confusingly similar to marks, even if some Internet searchers may be confused. Owners run a risk when their marks are composed of descriptive words or phrases and used by others but the likelihood must be accepted for "to do otherwise is to give to one who appropriates to himself descriptive words an unfair monopoly in those words and might even deter others from pursuing the occupation which the words describe."[12]

Words functioning as either marks or domain names achieve value by a party's choice and ordering of lexical material. The descriptive trademark in the case cited below is AIR CHARTER SERVICES. For an owner, choice and ordering influence its mark's strength or attractiveness to consumers. Thus, marks drawn from the common lexicon only rise above their source (despite their being distinctive in a trademark sense) by widespread or lesser recognition in the markets in which they are known. The greater the distinctiveness in these markets, the likelier the disputed domain name infringes the corresponding mark, and *vice versa*.

11 This legerdemain was made necessary because as discussed in Chapter 1, the GDPR strips the Whois directory of historical information, and it can be a guessing game as to the identity of the registrant at any given time. However, although redacted today the information is nevertheless available at a cost from <domaintools.com>. This raises a question as to a complainant's responsibility to incur this expense since it has the burden of proof.

12 Quotation from *Air Charter Service (Aust) Pty Ltd. v. AVMIN Pty Ltd.*, DAU2021-0029 (WIPO November 5, 2021), citing Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd. (1946) 63 RPC 39, at p 42, per Lord Simonds.

This basic understanding underlies the argument that marks composed of common lexical elements are no less common and available to others to use as long as a disputed domain name does not summon up the mark or suggest a relationship with the mark owner or by its use is shown to be exploiting owner's mark.

A few examples will put this into perspective. In *Given Goods, Inc. v. Domain Administrator, Tiburon Holdings, Inc.,* D2021-2589 (WIPO October 1, 2021) (<givn.com>), for example, "the Panel notes that evidence that Complainant's trademark, albeit registered, enjoys any renown is altogether lacking in this record. Complainant asserts that its mark has become 'famous,' but that conclusion simply cannot be accepted on the strength of the evidence presented." Respondent alleged that it registered <givn.com> because it "is an abbreviation of a common word ('given') and the Domain Name has inherent value as a short, four-letter Domain Name." The Panel agreed that the domain name

> may be inherently valuable notwithstanding anyone's trademark rights. Respondent's statement that it was unaware of Complainant and the GIVN mark at the time the Domain Name was registered strikes the Panel as plausible.

As an initial consideration, there is a range of possibilities for words and combinations: some are unusual, unexpected, or even surprising for their inventiveness or creativity while others are simply ordinary and common to which no one party can lay claim. In fact, "givn" could be considered coined but coined by whom if a second user has no knowledge of an earlier user and it is just as understandable in one market context as in another? Where, though, there is a genuine coinage that is associated particularly with one mark owner it cannot but be suspected of targeting that party unless the suspicion is supported by reliable evidence.

Whether words are formally found in dictionaries or not, sequences of letters that are lexically understood as words (such as "givn" whose meaning is instantly recognized and not particular surprising) or other purposeful misspellings that may qualify as trademarks, are also common unless associated solely with a single market player who can claim it exclusively as a fanciful coinage.

Mark owners and domain name registrants alike draw their names from cultural resources. Truly coined words are a rarity in trademarks ("Twitter"? but not "Apple"); rights holders who have them do not have to prove their strength since they are one of a kind. *Voltas Limited v. Tim Treleaven, T2 PROJECTS*, D2020-1485 (WIPO August 7, 2020) (VOLTAS and <voltas.org>). Coined by combining the first three letters of the name Volkart with the last three letters of the name Tatas." In the absence of a plausible explanation the complaint will be granted. *Elkem ASA v. Ray Chiamulera*, D2021-0452 (WIPO April 30, 2021) (ELKEM and <elkemm.com>, simply adding or subtracting letters does not distinguish a domain name from the corresponding mark).

As a complainant's mark recognition descends to local or niche markets or its mark is generic or common, or where the public's association of it as an indicator of source is no greater than others who may use it, the heavier its burden of proving cybersquatting. Had "Transcrip," for example, been a mark in commerce before registration of the domain name and evidence of its reputation, it could have been seen as a coinage even though in a niche market.

A smorgasbord of phrases mark owners have challenged include "citify marketplace," "bank direct", "draft coin," "sail mate," "nutri home," "forest gate," "manor park," "nano dark," "chrome bones," and "snap chat." For different reasons, some of these combinations are infringing and others not.

In *Chrome Bones / CB Luxury Brands, LLC v. Laursen, Shawn / Shawn's pasta & bake shop*, FA1805001787926 (Forum June 27, 2018) (<chromebones>) the phrases can be described as inventive, but the domain name was registered before the mark's first use in commerce. In other cases, Respondents have been found to have rights or legitimate interests in the domain names where they are able to establish rights under paragraph 4(c)(i). "Nutri home" and "sail mate" are in this group, whereas the facts in "draft coin" and "snap chat" supported Complainants' claims.

Distinctive but to no Party in Particular

As a preliminary to proving or rebutting rights/legitimate interests (second limb of the Policy) and cybersquatting (third limb of the Policy) complainant should get right what evidence needs to be offered for cybersquatting. In *Chrome Bones*, the Panel was convinced Respondent was using the domain name in bad faith, but "that is immaterial because a complainant must prove both bad faith registration and bad faith use in order to prevail," which it was unable to do, and although "chrome bones" was distinctive, it was not distinctive to Complainant.

There is also the issue of what is common, generic or ordinary as opposed to common words that may in combination be highly distinctive. To take as examples of this issue, consider "bank direct" and "direct banking." Why is one both confusing (under the first limb) as well as evidencing "likelihood of confusion" (third limb of the Policy)? This question came up in *Texas Capital Bank N.A. v. WhoisGuard, Inc. / Aleksandr Osipov, Private*, D2018-1040 (WIPO June 19, 2018) (<bankdirect.online>) and "anciently" (for those who consider 16 years a lifetime) in *Salem Five Cents Savings Bank v. Direct Federal Credit Union*, FA0112000103058 (Forum February 15, 2002) (<directbanking.biz>).

In *Texas Capital Bank*, the Panel notes that although the "BANKDIRECT trademark comprises a combination of two ordinary English words, 'bank' and 'direct' [that] [. . .] are individually descriptive [. . .] in combination they form a term which the Panel considers is capable of being distinctive and which has been used by the Complainant for many years."

Ordinarily, an answering respondent would attempt to rebut "distinctive" or offer evidence showing common use of the phrase by other banks but here

> Respondent [has not] advanced a claim to having used them for their descriptive meaning ...[and] [t]hose facts are sufficient in the Panel's opinion to at least raise an inference that the Respondent knew of the Complainant and/or its BANKDIRECT trademark when registering the Disputed Domain Name and intended in some way to take improper advantage of the Complainant.

A Google search for "bank direct" brings up *Texas Capital Bank* on top while "direct banking" brings up many banks. There is a direct correlation: as the number of potential users increases the association of particular phrases with any one party claiming exclusive right becomes increasingly tenuous or can be said to be diluted.

A variant is a banking respondent who is the first to register <directbanking.biz>. The Panel in *Salem Five Cents Savings Bank*, found it

> simply makes no sense to this Panel to preclude the Respondent from registering and using a domain name that accurately describes the type of banking services it offers. To do anything else would be to deny a domain name registrant, and correlatively the Internet community, if not the public at large, of the benefit of using a term, consistent with its common ordinary meaning that accurately describes that registrant's services; to do otherwise would unjustifiably withdraw such terms from the public lexicon. Furthermore, this view is particularly telling inasmuch as the Respondent (not the Complainant) is the party which first registered the name.

There is a similar result in *Citigroup Inc. v. LYON LESHLEY*, FA1805001788603 (Forum June 29, 2018) (<citifymarketplace.com>). Citigroup's CITI has no exclusive right to all "citi" formative phrases. For a start, "citify" is a dictionary word and "marketplace" a generic phrase. Additionally, the parties operate in different markets: "Because Respondent's activities are sufficiently unrelated to those of Complainant, and because those activities amount to a legitimate offering of on-line marketing services and goods, Respondent has satisfied the requirements of Policy ¶ 4(c)(i)."

Equally tenuous as exclusive signs are "sailmate" and "nutrihome." In *Myriel Aviation SA v. Olli Jokinen*, D2018-0828 (WIPO May 28, 2018) the term "sailmate" comprises two ordinary English words, "sail" and "mate". The Panel stated that it

> considers these could readily be independently derived by a person developing a software product associated with boating, particularly given that the word 'sail' is commonly used in English (i) as a noun in relation to the fabric structure used to catch the wind in a wind-propelled boat (ii) as a verb (to sail) to refer to the act of traveling by boat; and the word 'mate' is commonly used

> in English (i) as a noun which is a colloquial term for a friend or companion, and (ii) as a noun which is a position or rank occupied by an experienced seaman on a vessel who supervises the vessel's crew and reports to its more senior officers.

Similarly in *Fresenius Kabi S.A. v. Domain Manager*, *EWEB Development, Inc.*, D2018-0491 (May 24, 2018) (<nutrihome>) in which the Respondent was in the business of trading in domain names:

> [It] claims to have registered the disputed domain name, combining the commonplace prefix "nutri-" with the dictionary word "home", as being of potential interest to customers wishing to offering nutrition-related services online. It provides evidence of other "nutri-" related domain names that it registered in the same year as the disputed domain name or in the preceding two years.

Thus, the Panel found:

> Based on the parties' submissions in this case, [it] can find no evidence upon which to conclude that the Respondent was aware of the Complainant's Argentinian trademark NUTRI-HOME at the date it registered the disputed domain name (being the Complainant's only registered trademark at that date) or that it registered the disputed domain name with the intention of taking unfair advantage of that trademark.

Notably, Complainant offered no evidence that it had any market reputation at the time of the registration of the domain name. Timing, therefore, become a significant factor in the determination since prove of actual knowledge must rest on the proposition that whatever the reputation may be it was sufficient to bring it to the Respondent's attention.

The "nutri" Complainant also "provided little or no evidence of its business activities and public profile in 2009 and (while there was a brief period prior to August 2009 during which its website at "www.nutrihome.com" appears to have been active) it adduced no evidence that the Respondent was, in fact, aware of its trademark, or identified circumstances from which to infer that it must have been so aware of it as to have been willfully blind not to have known it.

Also, and as considered further in the next chapter, these trade or service marks, are simply words that can be used by anyone registering them in good faith for purposes unrelated to the complainant's goods or services and, because of their commonness in the linguistic community equally capable of establishing distinctive associations that would not conjure complainant.

CHAPTER 7

COMMODIFICATION OF LANGUAGE

WHO OWNS WHAT?

It is clear from the discussion in Chapter 6 that the commoner the words or phrases the more tenuous are complainants' claims to exclusive use and ownership of their lexical choices. That is one side of the coin. The other side which may sound paradoxical is that whatever the lexical choices may be, except for coinages and one of a kind creations that have a status of their own, they cannot be owned. Marks can be owned but not their language.

The paradox is that while this is so, domain name registrants can own the same kinds of lexical material locked into domain names. This is not ownership in the sense of preventing public use, but ownership in the sense that it is locked away in domain names so that no one else can use it except registrants. The sole contingency on this ownership is continued renewal of registration, and during its term, however long it may last, domain names become marketable assets and even protectable as intangible property, so found by courts in Canada, India, the UK and the US. Some US courts have even metaphorically equated domain name to real property, but that metaphor had a short life. Thus, resellers of domain names can be said to be in the business of selling bits of language, and in so far as this business is legitimate it is no different from selling widgets.

Conversely, as we have earlier seen the greater the distinctiveness of the mark, which generally equates with the breadth of its reputation in the marketplace, although not always as the lexical composition of the mark is a key factor, the greater its protection against misappropriation. Below that level, though, language chosen to market goods or services is only contingently "owned" in the sense that it is protectable against infringement.

We have seen in earlier chapters that the raw material for mark owners and registrants alike comes from the vast hoard of lexical and cultural resources reaching back to antiquity. It includes words and phrases drawn from standard and specialized dictionaries, historical and fictional names, mythical names, first names and surnames, common combinations of words, neologisms, buzz words, foreign words, Latin tags, etc. It is from these resources that names are mined and transformed for marketing and other lawful purposes.

We see in many trademarks the use of everyday language, and that is true also of domain names. It may be offensive to trade and service mark owners to discover that others are using their choices, but in what does the offense lie? They may indeed be identical or confusingly similar, but that only concludes the first test which is no more than performing a side-by-side comparison. From it, the Panel finds it is one or the other or neither.

For example, the word "Man" *Man Marken GmbH v. Gavinji*, 2022-0973 (WIPO May 8, 2022) (<man.energy>) is protectable in some contexts but not in others. The Panel explained:

> First, the fact that a sign may be a dictionary word in one language or another does not necessarily preclude it from being registrable as a trademark. That may depend on whether the trademark is being claimed in respect of goods or services of which the term is descriptive. An example is given in the context of the second requirement under the Policy of the word "orange" in respect of the fruit or, say, telecommunications services (another example is "apple" for phones and computers.

While having a mark drawn from the common lexical can be protected, the Complainant cannot prevent others from incorporating "man" into domain names for use in other business sectors. No more so than, for example, can the mark owner of ONLY FANS lay claim to the word "only" when used in <pornonly.com> even though it may be trolling Complainant's "fans."

This chapter will look more closely at the language and ownership of lexical material. It will focus primarily on lexical selections. Whether complainants have actionable claims depends equally on the quality of their marks as it does on the lexical character of allegedly infringing domain names.

To the question: What distinguishes domain names from marks?, a reasonable answer can be found by looking into UDRP case history. It includes cases of names composed of strikingly original combinations of words that are not original with complainants, but registered by respondents before complainants ever had any market presence. "Chromebones" and "Flying Dog" are two of many examples. In these cases, complainants' were untruthful in setting out the facts and but for respondents appearing and producing evidence of their rights or legitimate interests in the disputed domain names they could have prevailed.

Where domain names are forfeited for cybersquatting it is generally obvious why they are; and similarly where complainants fail of proof there are reasons that hark back to the lexically common choices for marketing their goods or services. "ABC," "ACE," AGILE," "ALLOCATION," and "ARCADE" are perfectly respectable marks that have their markets, but they are common currency. Other marks such as "COSTCO," "EXPEDIA," "SHOPIFY," "STATE FARM," etc. are protected rather than owned, and although the level of protection can be seen as a form of ownership particularly with coined words, this only relates to preventing holding and use of those terms in opposition to complainants' rights.

The underlying rationale against enlarging trade and service rights to common lexical material; that is, allowing mark owners to monopolize their words, is that these words cannot be moated from use by others. Court and UDRP disputes have ruled against claims that would essentially create monopolies to such lexical material.

To take one of numerous illustrations. In *Gunther Marktl, and StepsApp GmbH v. Privacy service provided by Withheld for Privacy ehf / Michael Smirnov (or Michael Smirnoff)*, D2022-1746 (WIPO August 9, 2022), the Panel explained:

> The actually-claimed mark [STEPSAPP] does not confer a monopoly in the words "steps" and "app" in the apparently crowded market of apps involving steps in one way or another. To confer such a broad scope in the context of a summary proceeding such as the UDRP in two demonstrably descriptive and widely-used words in the relevant marketplace is an unwarranted expansion of any commercial rights actually inherent in the Complainants' various figurative, disclaimed, and expressly-limited trademark registrations.

This concern for "unwarranted expansion" is expressed in a variety of ways. Letters, words, and phrases capable of creating multiple and separate associations unrelated to any one market actor cannot be denied use by others acquiring them for lawful purposes.

Statutory Protection of Names and Ownership of Names Locked in Domain Names

Certainly with respect to marks drawn from the common lexicon, the protection afforded to mark owners is always contingent on proving infringement. Complainant was able to do this in *Preston Gates & Ellis, LLP v. defaultdata.com and Brian Wick*, D2001-1381 (WIPO February 13, 2002) (<prestongatesandellis.com>) because Respondent (who specialized for a while with law firm names) had no right or legitimate interest in using the domain name for the purpose for which it argued:

> (a) the Internet is the electronic equivalent of a public access road on which individuals are free to distribute their views (as with physically published flyers); (b) that he is using the disputed domain names to direct Internet users to free speech websites where he criticizes the intrusion of the ACPA, ICANN, the Policy, etc.,

While there cannot be "ownership" of attorneys names or personal names generally where is no individual presence in the market, when the names are collected as a functional entity marks cannot be used without permission or in any unauthorized manner.[1]

Between 2000 and 2004, another prolific registrant of domain names, John Zuccarini was involved in disputes involving over 150 domain names (separate and apart from others as defendant in ACPA actions) specializing in misspellings names such as:

> <hewlitpackard.com>, <guinnes.com>, <nicholekidman.com>, <victoreasecret.com>, <wallstreetjournel.com>, <carttoonnetwork.com>, <poterybarn.com>, etc.

One of the cases, *AOL Time Warner Inc. v. John Zuccarini*, D2002-0827 (WIPO December 1, 2002), involved 33 typosquatted domain names with variants on "America On Line." In Mr. Zuccarini's view "registering domain names that are intentional misspellings of distinctive or famous names [he apparently invented the term 'typosquatting' for this kind of registration] is not actionable under the ACPA [which he obviously believed was also true for the UDRP]." He was wrong.[2]

By no means a runner up in terms of number of claims, Gregory Ricks had over 20 claims against his portfolio of domain names and prevailed on more than he lost, marking him as a more skillful picker of domain names, although one of those in which he prevailed under the UDRP he lost in an ACPA action. That loss illustrates a key difference between the UDRP and ACPA: he acquired <justbulbs.com> before Complainant used its mark, but subsequently commenced using the domain name in bad faith, which is insufficient to prove conjunctive bad faith, but of course sufficient for the disjunctive feature of the ACPA. This issue is pursued further in Chapter 20 ("Aspects of the ACPA").

Wick and Zuccarini (at least in the cited cases) operated businesses that included cybersquatting domain names; Ricks to a greater extent operated (and still does) a more discriminating business as an investor. Another Respondent has survived multiple claims of cybersquatting based on registering "generic [and] clever domain names."[3] To an even greater extent than the Wicks' and the Zuccarinis' Telepathy survived virtually intact, including: <airzone.com>, <craftwork.com>,

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1 This is distinguishable from individual attorneys or prominent business persons whose individual names do not function as marks, thus ineligible for a remedy under the UDRP (discussed in Chapter 9, "Corporate Officers and Attorneys.").

2 *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. 2001): "Although Zuccarini's sites did not involve pornography, his intent was the same as that mentioned in the legislative history [. . .] to register a domain name in anticipation that consumers would make a mistake, thereby increasing the number of hits his site would receive, and, consequently, the number of advertising dollars he would gain."

3 *Dorer v. Arel*, 60 F. Supp. 2d 558, 561 (E.D. Va. 1999). The Court phrase was "generic or clever."

<cygnet.com>, <daf.com>, <libertad.com>, <nature.biz>, <naturedirect.com>, etc. The differences in lexical choices should be immediately striking.

In the first flush of complaints there was a mixture of narratives: respondent did not appear in <worldwrestlingfederation.com> but the claim was indefensible. In another case, the Respondent defended <allocation.com> and prevailed for obvious reasons (both decisions discussed earlier in Chapter 3). There can be no defense that because "world" and "wrestling" are dictionary words that combinations or compounds of this kind are defenses to cybersquatting where the mark as a whole has an established reputation. Neither word is owned but the combination is protectable.

Similarly, in *Stella D'oro Biscuit Co., Inc. v. The Patron Group, Inc.* D2000-0012 (WIPO February 18, 2000) (STELLA D'ORO and <stelladoro.com>). In this case, the dispute involved a domain name virtually identical to Complainant's mark omitting only the apostrophe which cannot be represented in a domain name. It translates in English to "Star of Gold"). While arbitraging <starofgold.com> would very likely be lawful, arbitraging <stelladoro.com> is not, because the first is a common phrase and the other corresponds to a well-known, and in its niche, famous mark.

If a domain name is acquired for its common meaning, with no evidence of exploiting the value of a corresponding mark, a respondent could be found to have rights or legitimate interests in it, but it can have no legitimate interest if the evidence supports an ulterior purpose to take advantage of the mark's value. In *Stella D'Oro*, the panel held:

> Manifestly, it is fair to infer that Patron's real business is to acquire domain names and to sell them for profit. [. . .] [Its] list of domain names [. . .] implies strongly that Patron's policy and practice are to trade on the value of the marks it has registered as domain names by way of selling the domain names to the long-time owners of the marks or by otherwise interfering with the owners' rights to use their marks in commerce.

Respondent's catalog of domain names included "MCI, Merrill Lynch, Hershey Foods, Kraft General Foods, Clorox, Colgate-Palmolive, Ralston Purina, and Revlon." In determining the dispute, the Panel disclaimed "improper[ly] shift[ing] the burden of proof on this requirement to Respondent. It simply requires Respondent to adduce evidence to counter the presumption formed from the evidence." The shift of burden is discussed in Chapter 10.

There is a class of dispute in which the mark is so highly distinctive and well-known to consumers that denial of knowledge or claim to have an independent value would be rejected under the *Telstra* test.[4] There is another class of dispute in which marks are less distinctive generally but have a reputation in niche markets. They cannot claim any privileged right superior to the registrant who acquires a domain name for its inherent value without intent to take advantage of the mark owner: <sobold.com> (the common expression "So Bold"), <transcrip.com>, <click-better.com>, <lumos.com>, and <simpleplan.com>, are some examples.

The issue is whether in registering a particular domain name its correspondence to a mark infringes the owner's right to its exclusive use. In answering the question of what names can be arbitraged, the answer is that it cannot be names identical or confusingly similar to famous and well-known marks (*pace* Zuccarini even with typographical errors), but where a complainant's mark is drawn from the common lexicon the mark owner competes with other market actors offering distinct goods or services.

Arbitraging succeeds where the acquisitions are composed of common lexical parts. In *Koninkljke KPN N.V. v. Telepathy Inc.*, D2001-0217 (WIPO May 7, 2001) (discussed in Chapter 1 in a different context), for example, which involved <moneyplanet.com> and <travelplanet.com> the Panel held:

> Even if the word "Planet" might be seen as having association with the Complainant, there is just no evidence that could lead to an inference that moneyplanet and travelplanet are associated exclusively with the Complainant.

Whether domain names are held by the original registrant or subsequently acquired from earlier holders the first to register has priority rights. Domain names registered from dropped service platforms are considered under a different head for reasons discussed in Chapter 11 (where complainants succeed in recapturing their domain names) and Chapter 18 (where complaints are dismissed for lack of evidence of bad faith registration and use).

The Value of Common Words

It is the Nature of Words to be Free

It is ironic that common words are so much in demand for marketing goods and services that their commodified values can command hundreds of thousands and sometimes millions of dollars. For example, <polkadot.com> which I will return to later (or any other names of colors, animals, flowers, etc.) was initially acquired prior to any trademark rights so that the value of the domain name would be independent of the value of the later registered mark, but once the mark comes into existence, and which by virtue of its services in the market it has great value, then it is the mark that escalates the value of the domain name. The subsequent registrant

4 The rationale for finding bad faith where there is no evidence of rights or legitimate interests is the unlikelihood that the lexical choices can be used without infringing the mark owner's rights, applying the *Telstra* inconceivability test.

is in a different and inferior position than the creator registrant and would have to account for its acquisition.

The fact is, all words that are not coined found in dictionaries, word lists, and circulating in world cultures are generic. And the fact that a market actor may have exploited one of these terms commercially and may have achieved some success in elevating its goodwill, does not give it ownership of the word if the word can as well be used by others without offending any association the word may have to the mark.

The consequences of selecting words for marks and words for domain names, even where they may correspond to marks anywhere in the world, is a recurrent theme in UDRP decisions, and is the cause of tension. While the lexical stock of words, phrases, and letters are a significant cultural asset, it is a fact that the stock is also limited. Strength of mark depends in many respects on the manner in which words are used and assembled. It is that which elevates them to higher categories of distinctiveness in the market and which distinguishes them from the less well-known and so-so marks earlier discussed, or circulating in niche markets.

In the universe of trademarks, dictionary words and common phrases far outstrip coined words, uncommon combinations, one of a kind neologisms as marks, although when they are one of a kind mark owners must prevail (Chapter 6, "One of a Kind versus None of a Kind"). When, however, they are created or acquired by the respondent prior to the mark owner's first use in commerce, the respondent is the senior user.

Examples: "Table for Two" (common), "Secret Lab" (uncommon) and "Presonate" ("consisting of a portmanteau of 'presentation' and 'resonate) were registered years before the registrations of the marks, "Webanywhere" (common?) also predated the trademark registration; and "DKY" is an acronym for "Don't know yet" and "Don't Kid Yourself" (Google search) and has been used by many others for marketing purposes.[5]

In contrast, where words and phrases (and even acronyms) as marks are common (neither unexpected nor surprising in composition and part of the verbal currency in the language community), they will be seen as interchangeable with domain names, a result likely to favor respondent, although the outcome may depend on other factors. Typing errors (<trueevalue.com>) have been found infringing but deliberate misspellings (<cedit.com>) have not.

Where respondents default, and there is no explanation for their registrations and use of uncommon phrasings, and inferences from circumstantial evidence

5 Private communication with the Respondent's representative, John Berryhill, an argument he made in his Response (but not summarized by the Panel) in *Dumankaya Yapi Malzemeleri SAN. VE TIC. A.S v. Domain Administrator, Name Administration Inc. (BVI)*, D2015-1757 (WIPO December 15, 2015).

support targeting, it is more likely Panels will infer bad faith. GOLD FIELDS, for example, not exactly uncommon in the mining industry perhaps but less so as a common phrase in marketing goods or services: thus drawing attention to the identical phrase with no explanation for its registration; and similarly in DATA PATH, common in the data analysis field, but suspicious when used out of context.

For <datapath.net> the Panel suggested the decision could have favored Respondent had it offered affirmative proof of rights or legitimate interests, but the Respondent adduced no such proof.[6] *Gold Fields Limited v. Vivek Narayan*, D2018-2920 (WIPO February 9, 2019) (<goldfields.org>) has been criticized for drawing inferences from Respondent's default but complainants too (although not in this case) are also vulnerable to negative inferences as illustrated in *Airtron, Inc. v. Domain Admin / Whois Privacy Corp*., FA1812001822308 (Forum February 4, 2019) (<airtron.com>) in which the Panel found was incompetently presented: complainant failed to establish a *prima facie* case that Respondent lacked rights or legitimate interests.

In certain cases, there can be uncertainty as to whether words and combinations are trespassing on trademarks or exhibiting value independent of the complainant's mark. The value of <polkadot.com> escalated because it was identical to a mark; but its monetary value could be only be realized by a mark owner who desired it. In that case, though, the successor registrant overplayed its rights and lost the domain name.

The Genericness of Words

Panels quickly reached consensus that strings of letters, dictionary words, alone or combined to form common terms or phrases can be valuable assets with associations independent of any source context. Investor valuation of domains depends on a discriminating choice of linguistic terms that may coincidentally and not intentionally correspond to distinctive marks predating domain name registrations, but at the same time are non-infringing because the terms have no strong association with

6 The Panel make this clear by summarizing the evidence against the Respondent's claim of good faith registration. *Had the Complainant not adduced this evidence the case would have been dismissed*. The Panel found: "The Domain Name resolves to a webpage with pay-per-click links intended to attract Internet users for commercial gain by creating a likelihood of confusion with the DATAPATH Mark. Furthermore, Respondent is incorrect in thinking that owning a trademark 'in one location' should not permit the trademark owner from prohibiting infringing uses of its mark in a domain name by others in other parts of the world. Other indicia of bad faith use here are the facts that: (1) Respondent admits it has requested USD 20,000 to transfer the Domain Name, which is far more than it cost to register it; and (2) it tried to hide its identity by engaging in attempted cyberflight when put on notice of the present proceeding."

mark owners; or if they have some association it is not of the kind that impresses consumers to the point that in other segments of the market they associate the name to a particular source of a complainant's goods and services.

Panelists were conversing with each other as I described in Chapter 4 on a number of contentious issues. This included disagreement on the protection of trade and service marks composed of dictionary words, common combinations, and short strings of letters. While the corps were recognizing these could not be owned, some panelists were of the view that where they corresponded with the mark, they could.

For example, in *Molson Canada v. %2d%2d*, FA0204000112451 (Forum June 11, 2002) the Panel awarded <canadian.biz> to the Complainant, but on challenge to a Canadian court, *Black v. Molson Canada* (2002), 60 O.R. (3d) 457 (Ontario Superior Court of Justice), the judge held that "simply because a domain name is identical or similar to a trademark name should not result in the transfer of the domain name to the trademark owner. [. . .] I doubt that the public would confuse 'canadian.biz' with either 'molsoncanadian.biz' or 'molson.biz.' I find it difficult to understand why it is necessary that Molson Canada also own "canadian. biz" except to prohibit anyone else from owning it."

That terms drawn from the common lexicon are subject to a first come, first served right was quickly accepted in the absence of targeting evidence. This has been a principled position from the introduction of the UDRP and the passage of time and multiple decisions have consolidated this view. There are numerous cases illustrating this point, and the following two are by no means alone on the early UDRP docket: *Meredith Corp. v. CityHome, Inc.*, D2000-0223 (WIPO May 18, 2000) (<countryhome>) and *Audiopoint, Inc. v. eCorp*, D2001-0509 (WIPO June 14, 2001) (<audiopoint>). Both are like "Canadian" in being capable of acquiring associations distinct from complainants' marks.

In *Meredith*, the Panel held that "seeking substantial money for what [Respondent] believes to be a valuable asset is not tantamount to bad faith." This view shines through in among many other cases, *Karma International, LLC v. David Malaxos*, FA1812001822198 (Forum February 15, 2019) in which the Panel held that a reseller is "free to place whatever market value it chose on the name," and that

> [n]owhere in the Policy is there a requirement that a respondent is under a positive obligation to use (or surrender an unused) domain name [or that] [f]ailure to use a domain name is ... per se evidence that its owner has no right or legitimate interest in [it]."

On the contrary "[a re-seller] of generic domain names [. . .] has long been held to conduct a legitimate business, whether the names have been used in connection with their generic meaning, or not used at all." Further, "[r]espondent was under no positive obligation to use the name or to sell it at any particular price." But, even more important, Respondent acquired the domain name earlier (1994) than the Complainant its mark (2018).

The three-member Panel in *Audiopoint* shines a light on a different facet of the same view and extends it. It held that "speculation in domain names when done without any intent to profit from others' trademark rights may itself constitute a bona fide activity [as affirmative proof] under paragraph 4(c)(i)." The qualification of intent and targeting goes to the heart of assessing unlawful conduct.

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WIPO Overview 3.0 memorializes this consensus view implicitly by limiting the "speculation argument" to "distinctive or famous mark[s]." Panels tend to "view [a respondent defense of legitimate speculation] with a degree of skepticism," Paragraph 3.1.1. (Since marks are by definition "distinctive" WIPO is obviously referring to arbitrary and fanciful (inherently distinctive) rather than descriptive (acquired distinctiveness) and suggestive marks (acquired or inherently distinctive depending on the choice of words or phrases).

Marks composed from common terms tend to suggest or are likely to have multiple associative possibilities which are precisely why Panels recognize a "defense of legitimate speculation." Thus, in *Dr. Muscle v. Michael Krell*, FA1903001833036 (Forum April 19, 2019) Respondent did not actually conduct any trademark or social media search at the time of registration, the Panel ruled that the domain name is composed of common terms, and as there was no evidence of targeting, there could be no finding of bad faith:

> [T]o constitute bad faith, the speculation [in acquiring the name] must be targeted at the trademark value of a name – in other words, Complainant must show that the Respondent is trying to profit from the value of the trademark in the sale of the domain name rather than from the descriptive value of the domain name.

Further:

> Domain name speculation alone is not bad faith. Rather, to constitute bad faith, the speculation must be targeted at the trademark value of a name – in other words, Complainant must show that the Respondent is trying to profit from the value of the trademark in the sale of the domain name rather than from the descriptive value of the domain name.

DICTIONARY WORDS AND LETTERS ALONE OR COMBINED FUNCTIONING AS TRADEMARKS ARE NO LESS DICTIONARY WORDS

The takeaway from these cases of dictionary words and common combinations is that while marks are protected against infringement they have no statutory power to prevent the registrations of words and combination that coincidentally correspond to marks drawn from the common lexicon. Rather, trade and service rights are choices of words (or letters) and combinations that are granted protected rights in which case they own their lexical choice but not the individual words.

Marks Drawn from the Common Lexicon

Distinguishing Distinctive from Non-Distinctive

Dictionary words and personal and historical names and letter strings as acronyms have been common sources for trademarks. However, the more common they are the less "likelihood" there will be "of confusion" with later acquired domain names. When decided cases are examined closely, it will be seen that complaints alleging infringement by domain names composed of common lexical material are mostly denied. They are mostly granted in disputes over words and combinations that have an attraction based on the formation of the words or have achieved such a degree of associational fame that denial of knowledge is implausible.[7]

While the owners of APPLE and VIRGIN have no ownership rights to "apple" and "virgin" their marks have achieved such a status in their markets that registrants of any identical or confusingly similar domain names will have a case to answer under the market distinctiveness factor. But dictionary words and common combinations (by which I mean to include unsurprising and "clever" choices) cannot be condemned as cybersquatting without proof of actual knowledge and targeting, and although targeting is the key factor the analysis also takes into account the non-distinctiveness of the mark in its native habitat of the market.

Dictionary words in English and other languages used as marks and challenged as domain names that have been found lawful include "Caribou," "citadel," "dialoga." "Elephant," "Karma," "Kosmos," "legally," "Lerins," "Lumos," "telephon," "Tips," "wallabies," etc.; composite words and descriptive phrases include "power agent," "cloud insure," "Good Life," "in loco," "Next Bite," "secure lock," "top employers," etc. Random letters include "abc," "hdt," "rcc," "rdw," "uax," etc. Two decisions awarding domain names to complainants, <lottoworks.com> and <pocketbook.com> were challenged in ACPA actions and the awards vacated by summary judgment. Both cases are discussed further in Chapter 19.

A further illustration of the point involving a foreign word acquired at a dropped auction sale is *ADITO Software GmbH v. Domain Admin, Mrs. Jello*

LLC, D2008-1771 (WIPO January 12, 2009). Respondent argued that "descriptive marks [such as ADITO] are entitled to very limited protection," although it is likely that over time any combination of lexical material registered by an original registrant (<polkadot.com> for example) will when acquired by successors be found (or likely charged) for cybersquatting.

But the expectation is that terms composed from the common lexicon: dictionary words, communal and cultural expressions, random letters, historical names, geographic locations, etc. cannot be forfeited merely on a showing that they are identical or confusing similar to existing marks. Where they are, as with <polkadot.com>, there is evidence to support the transfer.

If it were otherwise, any holding of domain names corresponding to marks would be infringing, regardless of registrants' intentions or their actual knowledge of rights' owners when acquiring disputed domain names. Hence the need to examine the intrinsic worth or value of domain names and the qualities that distinguish them from marks.

Inherent Value of Domain Names from the Common Lexicon

Decisions dismissing complaints over the years include dictionary such as "dialoga." "karma," "wallabies," "legally," "citadel," and "telephon"; descriptive phrases include "power agent," "cloud insure," and "secure lock." Animal (Caribou), Dumbledore (bumblebee), Gekko); vegetable (Moon Juice), and mineral name (Bakelite) marks have been denied. Similarly with portmanteau words such as Emazing, Polytech, Presonate, etc. The lower the classifications the heavier the demand for proof of cybersquatting.

The Panel in *Dialoga Servicios Interactivos, S.A. v. Finlead AG,* D2018-2768 (WIPO February 8, 2019) (<dialoga.com>) accepted Respondent's rebuttal evidence with the following explanation.

> [T]he disputed domain name has value [Respondent attributes to it] because it consists of a common word in no less than three languages which are spoken by many millions of people. The word itself is particularly attractive as a domain name, implying as it does both communication and dialogue.

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7 It is a well-settled proposition under trademark law and no less applicable under the UDRP that "where a trademark owner itself chooses a word for its trademark that is in common use and open to wide meaning and use, it must accept that there will be some overlap between the various uses that can be made of the word. It would therefore be wrong to attribute any blame to the Respondent for the overlap in the present case." Quoted from a US court decision cited by a Panel member in *360training.com v. DNS ADMIN / BEST WEB LIMITED*, FA2110001968877 (Forum November 24, 2021) (<tips.com>).

The Panel concluded that "[t]his is the nature of [the domain name reseller] business." There is the added censure against Complainant of omitting evidence.

Consistent in all these cases are underlying deficiencies of proof, either because it does not exist, or because the UDRP is the wrong forum for discovering the truth of a registration. For dictionary words and arbitrary strings of letters or numbers, the evidence is unlikely to exist because these lexical choices cannot be owned in a monopolistic sense to prevent others from registering them.

As the Panel noted in *Karma International*, "[t]he explicit claims to bad faith registration and use made in the Complaint are largely specious and the accusations leveled at Respondent are groundless and malicious."And in concluding its analysis, observed:

> This is not the picture of an assiduous infringer slowly engineering the downfall of the rightful trademark owner. Indeed, on one construction of the evidence, it could be said that the Complaint was the design of a party disappointed by its failure, ten years ago, to secure the purchase of the domain name, who has turned the Policy against Respondent, indifferent to the integrity of that party.

Moving to combinations of dictionary words, in *Darryl Davis Seminars, Inc. v. Privacydotlink Customer 656889 / Domain Admin, Abstract Holdings International Ltd.*, D2018-2238 (WIPO January 21, 2019) for the two words "power" and "agent"—<poweragent.com>—that could conceivably fit any number of market circumstances. Complainant did not create the term so there is no argument that it was coined or that it has any association with Complainant in particular. The Panel found

> in view of the circumstances of the case, in particular the common and descriptive nature of the term incorporated in the disputed domain name, the Respondent's offer for sale of the disputed domain name does not demonstrate that it registered and is using the disputed domain name in bad faith, i.e., with a view to selling it to the Complainant.

While Complainant offered only conclusory allegations, "Respondent has satisfied the Panel that it registered the disputed domain name for its inherent value as a domain name incorporating a common descriptive term, as part of its business as an investor in such domain names."

Too Common to Deprive Registrant of its Registration

"[I]t would [. . .] be contrary to the rights of the Respondent to require cancellation or transfer of a domain name in circumstances where the disputed domain name is made up of generic words which a person might use without necessarily seeking to create an impression of an association with the Complainant," *Weider Publications, Inc. v. Nextlevel.com*, D2001-0050 (WIPO March 10, 2010)

Whether arbitraging or acquiring domain names for business purposes from a prior registrant or as a high bidder at a public auction, the view was early formed that if "genericness [. . .] [is] established, [it] will defeat a claim of trademark rights, even in a mark which is the subject of an incontestable registration," *Rollerblade, Inc. v. CBNO and Redican*, D2000-0427 (WIPO August 24, 2000) (<rollerblading.com>).

Complainant in *BSA v. Eric R. Hilding*, D2000-0320 (WIPO June 13, 2000) alleged that "Respondent has registered the Domain Name [<president.com>] for the sole and unique purpose of selling it for profit. because it "purely and simply reproduced [it] [. . .] [and it] could not under any circumstances have been unaware of the existence and use of the PRESIDENT trademark, since it was already solidly rooted in the United States." The Panel agreed with Respondent that "the term 'president' is generic and therefore does not confer to Complainant any rights. In addition to that, the very same term is also *registered and owned as a trademark by an impressive number of entities*" (emphasis added).

This applies to the most well known and in their niches famous fashion designers. The Respondent *Emilio Pucci SRL v. Mailbank.com, Inc*., D2000-1786 (WIPO March 27, 2001) specialized in registering surnames which included, in this case, <pucci.com>. The Panel concluded:

> What the Respondent has done by its wholesale registration of surnames in the <.com> domain may be regarded by many as a worrying development and for a number of different reasons. In some jurisdictions and in relation to certain of the names the Respondent may even be infringing the rights of trade mark owners.

However, "[n]one of that is of any relevance to a complaint under the Policy unless the Respondent has acted in bad faith," which means having the complainant's mark in mind. The issue is whether the intention in registering a domain name corresponding to a mark was to deceive Internet users or had a lawful purpose. Had Respondent registered <emiliopucci.com>, for example, the outcome would have been different for the obvious reason that it particularizes the complainant: not just any "Pucci" but "Emilio Pucci."

This view applies even in those situations in which mark owners have lost their domain names through inadvertent failure to renew their registrations, and even those allegedly stolen, a circumstance illustrated in *Delbert R. Terrill Jr. v. Domain Admin / Privacy Protect, LLC (PrivacyProtect.org)*, FA1803001775784 (Forum April 2, 2018) (<snn.com>.)[8]

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8 Although not discussed in this case, claims of stolen domain names more properly belong in a court of competent jurisdiction to deal with the issue of registrant allegedly acquiring the disputed domain

Proof that Complainant previously held <snn.com> was confirmed by screenshots from the Wayback Machine. However, the Panel found:

> Looking at the series of screenshots on the Archive website for the period during which Complainant owned and controlled the domain name, it is clear that Complainant did not use the letters SNN in a separate or stand-alone form that might suggest that Complainant was using SNN as its trademark.

While "the screenshots certainly carry the expression Summerhome Network with the first letter of each word in capitals"

> [t]here is, however, nothing on the site to show that the public or part of it probably regarded SNN or <snn.com> as the mark or sign under which Complainant promoted and sold its goods and services with respect to letting the property in question.

Other cases include *Dynamic Visual Technologies (Pty) Ltd v. Direct Privacy, Savvy Investments, LLC Privacy ID# 14448338*, D2018-0738 (WIPO June 6, 2018) (<dvt.com>) and *News Group Newspapers Limited v. Privacydotlink Customer 2383026 / Blue Nova Inc.*, D2019-0084 (WIPO April 10, 2019) (<thesun.com>). In *News Group Newspapers* the 3-member Panel held:

> [T]he Respondent's evidence which is not contradicted by the Complainant establishes that the disputed domain name was registered because it referred "to the star that our planet orbits" in our solar system and that the Respondent believed no party could claim exclusive rights in the word "sun."

Noteworthy further in *News Group Newspapers* is that

> Complainant was anonymously bidding to purchase the disputed domain name for a very high amount (USD 300,000) and doubled the bid when it "came out" and offered USD 600,000 for the disputed domain name. This alone demonstrates the Complainant's full awareness that the Respondent had a legitimate interest and was not acting in bad faith when it registered and was using the (highly generic) disputed domain name.

Similarly in *Delta Dental Plans Association v. Domains By Proxy, LLC / Kwangpyo Kim*, D2022-0566 (WIPO May 25, 2022) (<deltalife.com>) in which the 3-member Panel held that

> Where the words in a domain name are used by many businesses extending across a range of business activities and geographical locations, a panel should find that a respondent has a legitimate interest in the domain name.

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name for value. In this case it would be in Virginia District Court, Alexandria Division, the venue for .com domain names. The issue is discussed in Chapter 19.

This confirms that lexical permutations found attractive by others for marketing their goods and services can become so diluted in strength that when domain names come to market—as many do on regular public auctions, such as <thesun.com>—they can be legitimately registered as domain names on a first come, first served basis.

Common Words and Uncommon Combinations

In contrast to the foregoing names drawn from the common lexicon, trademarks composed of uncommon, surprising, creative, coined by mark owner, and inventive combinations have a higher level of protection. Domain names incorporating LEADER IN ME, ROOMS TO GO, and MONSTER ENERGY for example will be canceled or transferred to mark owners because in each case the value of the domain name rests on the mark's reputation in the market and not intrinsic to the domain name.

A contrast can be drawn with XIA TECH which combines the name of an early Chinese dynasty with a common abbreviation. In this case the term is used by a number of market actors, and this diminishes it exclusiveness to the mark owner alone. Where marks are composed of common (neither unexpected nor surprising in composition), they will be seen as interchangeable with domain names, a result likely to favor registrant, although the outcome will also depend on consideration of other factors. NATURALAWN and <naturallawns.com> illustrates a complainant's attempt to create a distinct mark, which it has accomplished by dropping the second "l", but the registrant is not prevented from using the word "Natural" which though it may be similar to the mark is not confusingly similar.

Omitting or adding characters as in <trueevalue.com>, <beachess.com>, <cedit.com>, <transcrip.com>, and <givn.com> that may be perceived as typosquatting were found to be deliberate misspellings or unnecessary vowel (such as the "e" in "givn") and unintended to have any reference to trade or service marks properly spelled. In <cedit.com> the domain name registrant proffered evidence that it specialized in misspellings and on the facts of record there was no reason to discredit it as its evidence was persuasive. However, typing errors evoking marks rather than deliberate errors that do not are likely to favor complainant's argument if shown to have a significant market reputation.

Word combinations that could be considered common in one context may not be considered common in another. For example, where respondent defaults, and there is no explanation for its registering a phrase identical to the complainant's mark, and which mark is associated solely with that owner, it is more likely to be found infringing, absent any explanation for the registration.

The observation is illustrated in *Gold Fields*, *supra*. GOLD FIELDS may be common in the mining industry but not a common phrase in the general market: and in *Datapath Limited v. Naveed Ahmad*, D2018-2362 (WIPO February 15, 2019) (<datapath.net>) DATA PATH may be common in the data analysis field, but suspect when used out of context for other goods or services. It too is more likely than not to be found in violation of the Policy. For <datapath.net> the Panel suggested the decision could have favored Respondent had it offered affirmative proof of rights or legitimate interests, but its explanation supported complainant's evidence supporting faith registration and use.

But marks consisting of words alone or combined as phrases categorized as generic or descriptive and capable of being used denotatively in their generic and descriptive senses can be lawfully registered and used as domain names. In *Simple Plan* (involving inadvertent failure to renew registration and lost in a public auction), for example, the Panel denied the complaint because "[t]he words 'simple' and 'plan' are generic, both separately and together. [. . .] Th[e] trademark registrations do not confer upon Complainant a monopoly on the use of those words in fields other than entertainment and clothing."

These are surgical distinctions in which Panels weigh whether respondents could have had actual knowledge of complainants. Common-word marks are more vulnerable than combined words that convey some degree of originality in their formation. It is essentially a probability test. When complainants assert that respondents must have had knowledge and respondents claim for common-word marks they could not have in view of the facts such as complainant's lack of reputation presently and historically, the absence of the mark in respondent's market, the commonness of the mark, and so on with other factors including use by respondent in marketing its own goods or services distinct from complainant's will determine the outcome.[9] This underscores

That conclusion is less certain with combined words solely associated with one particular mark owner and more certain if the combined or added word or words is directly referential to the mark owner, as with <qnx-phone.com> in which "phone" is referential to the mark, *QNX Software Systems Limited v. Jing Rung*, D2012-1597 (WIPO October 23, 2012). Complainant is a subsidiary of RIM Limited (developer of the Blackberry smart phones and tablets), thus the suffix "phone" is meaningful for establishing bad faith registration. Other examples include <shopify-shopping.com>, <parislasvegascasino.com> and <cheaperlacoste.com>.

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9 This underscores the discussion in Chapter 2. Searching trademark databases to avoid infringing third-party rights does not extend to domain names drawn from the common lexicon.

Running Afoul of Distinctive Marks

In contrast to the foregoing cases involving common terms, coinages such as PAY PAL, for example, are as highly protected as they are highly prized. And, even though they could conceivably be repurposed by others for different classes of goods or services, any use of them would not survive the *Telstra* "inconceivability test." "Pay" and "Pal" used separately, of course, are free to use: "Pay Out" should it ever be registered as a domain name (and perhaps it is!) would not infringe PAY PAL, but simply reversing the words <palpay.com> will—*PayPal, Inc. v. Anonymize, Inc*., FA2206001999827 (Forum July 18, 2022). Unless genericized, no one else can use a mark owner's coinage that has become distinctive to that market actor alone.

The point is further illustrated in *HPD Software Limited v. Dvlpmnt Marketing, Inc*., D2022-0269 (WIPO April 4, 2022) (<lendscape.com>):

> For present purposes, [. . .] the trademark LENDSCAPE is an invented or coined term which has no apparent significance apart from its use as a trademark. The term has no association with the Respondent and no apparent connection with the Respondent's activities.

There are dozen of such examples in the database of decisions where the "coined term [. . .] has no apparent significance apart from its use as a trademark."

In *KitApps, Inc., dba Attendify v. Paddy Nay*. D2019-0536 (WIPO May 30, 2019) Respondent registered <attendify.app> but the second level domain is identical to a coined word. The Panel found that the

> ATTENDIFY mark reflects a coinage, not a dictionary word. Further, Respondent advertises at its website that the Domain Name is for sale and explains to the website visitor why the Domain Name would be desirable – it is a good fit for building 'elegant' event apps. This is precisely the core service that Complainant provides under the ATTENDIFY mark.

As Complainant is the sole user of the sign, regardless how attractive it may be for another user, it is out of bounds to the Respondent, as it would be in the opposite direction if a respondent had invented the word and was being challenged by a mark owner.

In *Supermac's (Holdings) Limited v. Domain Administrator, Domain Market.com, D-2018-0540 (WIPO May 17, 2018)* Complainant inadvertently lost <supermacs.com>by failing to renew its registration. The domain name thereafter appeared in a drop catch auction and acquired by Respondent as the high bidder. Nevertheless

> [W]here (as in this case) the domain name contains another person's trademark and the value of the domain name derives primarily from that [it

> infringes Complainant's rights]. In the latter situation, it is correct to say, as did the panel in Pullmantur [S.A. v. Domain Asset Holdings, LLC, Domain Administrator, Case No. D2015-0053]: "[T]he most likely explanation for the registration and holding of the Domain Name was to take some form of unfair advantage of the association of the term embodied in the Domain Name with the Complainant's trade marks.

Complainant prevails despite a weak mark because the lexical choice which is identical to its mark is expressly associated with it and none other. The mark is distinctive only because of its association. The "none other" is the key factor with dropped domain names, but less significant in a typical claim involving a weak mark.

LOCKING UP THE LEXICON

As a result of the increasing interest in "owning" domain names for commercial and private use, it quickly became apparent to Internet entrepreneurs that domain names could be exploited for their monetizing value and began acquiring domain names for those purposes at a rapid rate. One of the results of this "owning" of domain names is that letters and words have become commodified, by which I mean they became marketable assets.

As the numbers of registered domain names held by domain resellers have increased, the free pool of available lexical material for new and emerging businesses has correspondingly decreased. Put another way, the public domain of attractive words and phrases for use in the dot spaces has steadily diminished. In this sense, the lexicon has become locked up and those attractive names are only now available for a price.

The result of this mass acquisition of domain names is that letters and words have become commodified. Its impact is particularly felt by new and emerging businesses seeking attractive domain names in the dot com space for the marks they wish to be known by. but where once letters and words could be freely drawn from the hoards of culture they must be bought.

This has resulted in what I call a locking up of the lexicon. The alpha-numeric technology that enables interactive communications on the Internet captures numbers, characters, letters, words, and phrases that under contract with registrars cannot be used by anyone other than the registrants of the domain names. This does not affect the use of the lexicon outside of trademark and domain names, but it does mean that the content of the lexicon for the purpose of interacting on the Internet is unavailable to anyone else other than the registrant.

Those domain names are, as it were, taken for the duration of the contractual term which may last (unless inadvertently lost or abandoned) for a great number of years to come. According to the Respondent in *Banco de Chile S.A. v. Eric S.*

Bord, Esq., D2001-0695 (WIPO August 14, 2001) (<bancochile.com>) "One of the commentators on the program [he was listening to] noted that domain names were already becoming scarce, and entrepreneurs would be wise to register any domain they think they might use in a business venture as soon as the idea for use entered their mind."

This has led some panelists to describe domain names as a "scarce resource." In *Aurelon B.V. v. AbdulBasit Makrani*, D2017-1679 (WIPO October 30, 2017) (<printfactory.com>), for example, the 3-member Panel observed:

> Admittedly, the domaining business is less known in Europe than in other parts of the world, and trademark holders keep being surprised by speculative business models that are developed around the scarce resource that domain names are.

The only way to unlock domain names (assuming lawfully registered) is to buy them from the holders. I will deal with the not lawfully registered in Chapter 11.

Certainly contractual rights accruing to the first to register are frustrating to mark owners, but mere holding of domain name that frustrate the efforts of others is not cybersquatting. Thus, in *Goldmasters Precious Metals v. Gold Masters srl*, FA0007000095246 (Forum August 21, 2000) (<goldmasters.com>):

> No bad faith even though Respondent's ownership and purported use of the domain name frustrates Complainant's efforts where the record does not indicate any purpose or intent on the part of the Respondent to prevent Complainant from reflecting its mark in a corresponding domain name, to disrupt the business of a competitor, or to intentionally attract the customers of Complainant to Respondent's site by creating a likelihood of confusion)

And *Loris Azzaro BV, SARL v. Asterix & De Vasconcellos*, D2000-0608 (WIPO September 4, 2000) (Parties continents apart, France and Brazil, <azzaro.com>):

> Mere belief and indignation by Complainant that Respondents have registered and are using the Domain Name in bad faith are insufficient to warrant the making of such a finding in the absence of conclusive evidence.

The Panel in *Lumena s-ka zo.o. v. Express Ventures LTD*, FA0003000094375 (Forum May 11, 2000) (<lumena.com>) dismissed the complaint because there was no proof of intent to resell it to Complainant:

> If the domain name at issue were a common [that is, very distinctive] trademark such as IBM®, evidence of this might well be sufficient to demonstrate a bad faith registration and use. Lumena.com, however, involves a generic term, and there is no direct evidence that Respondent registered the domain name with the intent of capitalizing on Complainant's trademark interest.

The decisive factor in each of these cases is the lack of any evidence that respondents had complainants in mind or capitalizing on the marks in registering essentially common words or descriptive combinations of words, but they are also typical by panelists in later cases adopting these views.

"Indignation" is not limited to complainants. The 3-member Panel in *Robert Bosch GmbH v. Domain Admin, Tucows.com Co*., D2017-2549 (WIPO February 28, 2018) (<bosch.net>

> has considerable sympathy for the Respondent's position in the present case and understands its obvious sense of indignation. It has been put to the time, trouble and cost of defending an entirely unmeritorious Complaint, which is based upon a mischaracterization of the relevant facts.

Generic and Clever Domain Names[10]

First Come, First Served Doctrine

While the owning of letters and words held in domain names is an extraordinary development, acquiring them speculatively or holding them for monetizing or future sale for marketing goods and services is not unlawful. No inference can be drawn of bad faith for offering to sell what one owns.[11] This is reflected in the booming market for domain names by auction and direct sales from companies specializing in certain kinds of generic and clever names. The secondary market for domain names is discussed further in Chapter 18.

There is nothing in the WIPO Final Report or the Policy that outlaws registering generic words, descriptive phrases and/or number and letter combinations that someone sometime in the future will want as a perfect fit to its earlier registered, rebranded, or newly acquired trademark.[12]

Each of the parties in *CRS Tech. Corp. v. CondeNet, Inc*., FA0002000093547 (Forum March 28, 2000) (<concierge.com>) had business reasons for the disputed domain name:

> This is not the case in which [Respondent] selected a domain name incorporating a famous or distinctive mark that, it should have known it was not entitled to use. Rather, [Respondent] selected as its domain name a mark that is somewhat descriptive and is meant to communicate some aspect of the services provided. [. . .]

10 *Dorer v. Arel*, 60 F. Supp. 2d 558, 561 (E.D. Va. 1999).

11 Successors are differently placed because good and bad faith is measured from the date of acquisition, thus lawful registration of a predecessor is not inherited by the successor.

12 See for example *Wirecard AG v. Telepathy Inc., Development Services*, D2015-0703 (WIPO June 22, 2015) (<boon.com>). (1) No fraud in counter-offering to sell domain names for substantial sums; 2) No condemnation of domain name holders for maximizing their profits on domain names acquired many years prior to complainant's trademark rights; 3) No illegitimacy in being a "professional domain grabber."

The Panel concluded: "In these circumstances, the first to register a domain name containing a generic or descriptive mark should prevail absent bad faith and a lack of legitimate interest." Commonness can also be expressed through multiple use by other market actors.

"[I]n general terms, a 'first come, first served system' and, absent pre-existing rights which may be applicable to impugn a registration, the first person in time to register a domain name would normally be entitled to use the domain name for any legitimate purpose it wishes, subject to the right of a trademark owner to seek transfer or cancellation under the Policy (or relief under other applicable laws)," *Billy Bob's Texas IP Holding LLC v. Domain Administrator, Name Administration Inc. (BVI)*, D2016-1221 (WIPO August 9, 2016) (<billybobs.com>).

The "first come, first served doctrine" is a contest between priority of registration and priority of statutory right. While it recognizes that priority of domain name registration may outweigh priority of use in commerce as illustrated in *Billy Bob's*, this proposition does not extend to domain names corresponding to famous and well known marks, unless justified.

Thus, in *America Online, Inc. v. Intellectual-Assets.com, Inc*., D2000-1043 (WIPO December 22, 2000) (<american-online.net>) when confronted by the complaint, Respondent offered to sell the domain name for $1,000,000. And in *Schiavello (Vic) Pty Ltd. v. Gaynor Wedley*, D2000-1634 (WIPO April 5, 2001) (<schiavello.com>) Respondent sent the following email: "As you expand globally, would you be interested in purchasing www.schiavello.com for your main web page? It would be more instantly recognisable in America and Europe."

Timing in Choosing a Domain Name

Priority of domain name registration (as opposed to priority in choosing a domain name earlier than the acquisition of a corresponding mark) is not the sole criterion; if it were "then all registrants would have such rights or interests, and no Complainant could succeed on a claim of abusive registration," *Educational Tertiary Service v. TOEFL*, D2000-0044 (WIPO March 16, 2000):

> Construing the Policy so as to avoid an illogical result, the Panel concludes that mere registration does not establish rights or legitimate interests in a domain name so as to avoid the application of Paragraph 4(a)(ii) of the Policy.

The doctrine simply affirms that complainants' earlier acquired marks are sufficient where the marks are famous or well-known, but will fail in one of three circumstances: against those who 1) operate active businesses with trade names identical or confusingly similar to complainant's mark; 2) have rights or legitimate interests in the name; and 3) own competing marks.

But where the disputed domain name is of a kind that no one person can monopolize it, the right of first come first served applies. The Panel in *Zero International Holding v. Beyonet Servs.*, D2000-0161 (WIPO May 12, 2000) (<zero.com>) explained that "[c]ommon words and descriptive terms are legitimately subject to registration as domain names on a 'first-come, first-served' basis." Similarly, *Asphalt Research Technology, Inc. v. National Press & Publishing, Inc.*, D2000-1005 (WIPO November 13, 2000) (<ezstreet.net>): "common words and descriptive terms are legitimately subject to registration as domain names on a 'first come, first served' basis," citing earlier cases. It must be taken to mean that in the absence of any proof then the earliest to register cannot be divested of its contract rights.

The same point is further underscored in *Shelley Harrison v. Coopers Consulting Inc.*, AF-0121 (eResolution February 26, 2000) (<launchpad.com>). The Panel held that

> when considering the right of a party to obtain domain name registration for a business name or unregistered trademark, the fact that the said party has actually used that mark for its products or services gives that party a legitimate interest in using a similar Internet domain name. This principle also corresponds with the generally agreed "first filed, first served"-rule of domain name registration.

The Panel in *VRL International Ltd. and International Lifestyles, Inc. v. Relevansanalys*, D2009-0974 (WIPO September 3, 2009), noted

> While domain names are registered on a first come, first served basis, all domain name registrations in the gTLD, ".com", are registered amongst other things subject to the Policy. A person who successfully registers a domain name on the basis that they were the first to apply to register it secures the registration subject to the threefold requirements of the Policy.

Whether the stake is lawful depends on answers to a menu of questions such as the scope of trademark rights, strength or weakness of the mark, its reputation at the date of registration, the content of the resolving website, etc.

In *Inbay Limited v. Ronald Tse dba Neosparx International*, D2014-0096 (WIPO March 21, 2014) (<inbay.com>) the Panel held: "[A]bsent pre-existing rights that may be used to revoke a registration, the first person in time to register a domain name would normally be entitled to use the domain name for any legitimate purpose it wishes:"

> Even if the evidence did establish that common law rights had been created in the name "inbay" by 2007, there is no evidence at all to establish that the rights concerned extended beyond the United Kingdom. The Complainant fails to explain how it is, even on its own case, that a limited trading activity within

> the United Kingdom results in an entitlement to prevent others, elsewhere in the world, using the name "inbay".

In *Charles E. Runels, Jr. v. Domain Manager / Affordable Webhosting, Inc., Advertising*, FA1709001749824 (October 23, 2017) (<pshot.com>), the Panel states that "Respondent's legitimate interest, first and foremost, stems from being the first person to register the Domain Name at a time when it was not subject to any trademark rights whatsoever."

Where reputation has not been earned or does not exist, later acquired reputation is not evidence of actual knowledge when the domain name was registered. This was earlier noted in rebranding cases discussed in Chapter 6. Where the Complainant in *Success Bank v. ZootGraphics c/o Ira Zoot*, FA0904001259918 (Forum June 29, 2009) failed because it had no mark when the domain name was registered, Complainant in *Peoples Bank of Mississippi v. Domain Admin / Xedoc Holding SA*, FA2007001906337 (Forum November 11, 2020) (<peoplesbank.com>) failed because it was one of many other banks that used "Peoples Bank" as a trade name. to market. The Panel held that

> based upon the plethora of third-party uses of the phrase "Peoples Bank" in the United States and elsewhere, as noted above, the Panel cannot conclude that a significant number of users who might encounter the disputed domain name would expect to reach Complainant's business or will otherwise be specifically confused about any association Complainant might have to the resolving website.

Where the facts demonstrate widespread use of a term corresponding to a mark and no proof of targeting, registrant has the same right as anyone else under the first to file doctrine.

The circumstances are otherwise for complainants operating in niche markets. This has already been noted in a number of cases, *Simple Plan* and *TranScrip Partners*. In *Endo Pharmaceuticals Inc. v. Tanzim Ahmad*, D2021-0511 (WIPO April 19, 2021) the Panel noted that

> Complainant provided absolutely no evidence to support its allegation that AVEED is a well-known trademark. The Panel observes that the AVEED product appears to be a niche product (male hormone replacement), and it has been on the market for just over seven years. The Panel also notes that five-letter domain names, especially when they have vowels and can be pronounced easily, have inherent value regardless of whether they also reflect a trademark.

Two circumstances are especially important. Being the first to register is a verbal formula. It is not a defense. It means only that the registrant has taken the initiative to register a name that either has not previously been registered or which was dropped or abandoned by an earlier registrant. and if abandoned not necessarily by a mark owner. The *Inbay* and *Simple Plan* Respondents were subsequent registrants. The second circumstance goes directly to the issues of a mark's distinctive in the market, its reputation, and of proof of actual knowledge and targeting.

Short Strings of Letters: Acronyms to Some, Random Letters to Others

Independent Existence of Letters

The right to register strings of letters that coincidentally match acronyms of marks, or even marks composed of letters, cannot be unlimited. Some strings of letters are instantly recognizable. HP, BMW, and SAP, for example, have been frequent targets, but where the strings in question have no particular association with any identifiable mark owner (although it may be alleged otherwise), or where the strings if used have never functioned as trade or service marks and there is no indelible association as marks, the first to register the domain name must prevail.

Thus, which side of the UDRP caption prevails depends on a number of factors such as whether the letters are registered (as with ASH and JLL (Jones Lang LaSalle, discussed below) or functioning as marks (registered or common law) prior to respondents acquiring the disputed domain names.

In undertaking to assess this issue, it is not to deny the value in the marketplace of acronyms, but to assess the extensiveness of complainant's use as proved through its marketing materials, publications, news reports, etc. The burden does not shift to respondents until there is sufficient evidence to establish a *prima facie* case.

The earliest example in the canon is *Kis v. Anything.com Ltd*., D2000-0770 (WIPO November 30, 2000) (<kis.com>). The Panel writes that the "Respondent indicates that he chose the Domain Name because KIS is the abbreviation of Korean Information Site, which perfectly describes the nature and objective of his site." That objectively accurate statement was conclusive in Respondent's favor even though Respondent was also an investor in short strings of letters.[13]

In reaching a conclusion on this issue, fame and status are often relevant considerations in deciding whether the respondent's interest is legitimate or pretextual. Unless a complainant's reputation is associated with the string as opposed to the mark, or if corresponding to the mark the string is simply a common combination of letters equally referable to other parties in the market, there can be no conclusive proof of targeting.

This does not mean it is open season against mark owners for random letters and short strings, but it does mean the facts and evidence of cybersquatting must

13 Perhaps, the outcome would have been different if the 3-letter string was passively held rather than resolving to an active website.

be in proper alignment, and calls for some sober thinking about the evidentiary demands of the UDRP. While consumers instantly recognize the letters "I," "B," and "M" and "A," "I," and "G" among others (as noted above) that are associated with one particular mark owner, they will not be faulted for failing to associate "D," "V," and "T" with Dynamic Visual Technologies.

The key factor in denying complaints is complainants' failure to adduce evidence of any conclusive association beyond its limited market. This issue of acronyms and short strings arbitrary letters has a long history under the UDRP. What may be acronyms to mark owners are arbitrary strings of letters to registrants. A non-exhaustive list of short strings includes "aex," "adm," "agcs," "aro," "ash," "blg," "bper," "clh," "daf," "dll," "dkb," "dvt," "eth," "fxcm," "gnp," "jat," "jtt," "jdm," "ifo," "irjll," "iyzi," "pco," "paa," "snn," "sog," "ssx," "tox," "usu," and more.

In determining whether there is sufficient association of acronym to complainant, the key factors are general reputation in the larger market and multiple use by other market actors in different fields of business. The Panel in *Barlow Lyde & Gilbert v. The Business Law Group*, D2005-0493 (WIPO June 24, 2005) involving <blg.com>) explained

> Complainant's mark is an acronym for the names of partners in its law firm. That same acronym is used by other firms in the field of law in countries other than the United Kingdom, and that acronym is used by a substantial number of businesses in fields outside of law.

Complainant failed to submit evidence

> sufficient to establish that the letters "blg" are sufficiently well known in connection with Complainant that third parties outside the United Kingdom of Great Britain and Northern Ireland should be assumed to have knowledge of this association.

Similarly, in *Banca Monte dei Paschi di Siena S.p.A v. Charles Kirkpatrick*, D2008-0260 (WIPO April 14, 2008) Complainant alleged that it had exclusive rights to the acronym MPS. "Respondent was at the time of registration, of the view that no one company could claim exclusive rights in MPS because it stood for so many things." The Panel agreed: "from its own searches of the term 'MPS', the Panel finds the Respondent's view reasonable." Further, it

> acknowledges that MPS appears to be an extremely common 3-letter combination which can relate to a number of third parties other than the Complainant. MPS is also an acronym for a substantial number of things, including systems, societies, and syndromes.

To prevail complainant must be able to demonstrate that consumers associate the string with its goods or services. Thus, in *Instrumentation Northwest, Inc. v. INW.COM c/o Telepathy, Inc.*, D2012-0454 (WIPO June 1, 2012) (<inw.com>)

found that the short string of letters did not alone create any association with complainant. Rather, "the Panel concludes that Respondent registered this three-letter Domain Name because of its inherent value, quite like registering a common word. In such a case, Respondent is free to sell it at a profit."

And in *SK Lubricants Americas v. Andrea Sabatini, Webservice Limited*, D2015-1566 (WIPO November 23, 2015) (<zic.com>) the Panel concluded that "in the absence of [evidence establishing knowledge and intent to target complainant] [. . .] none [of which] are present in this case [. . .] (the Respondent has as much right as anyone else to use expressions such as acronyms, generic, dictionary words or other domain names made up from a small number of letters."

A similar conclusion was reached in *Electronic Arts Inc. v. Abstract Holdings International LTD / Sherene Blackett*, FA1111001415905 (Forum January 4, 2012). The 3-member Panel held that

> The domain name, <ssx.com>, is comprised of common or generic letters. Complainant clearly does not have an exclusive monopoly on the term. The number of other persons or entities holding identical if non-competing marks and the number of other users with rights in the name are clear evidence of the limited ownership claims of the Complainant.

Further, the Panel found no bad faith registration or use:

> Respondent has shown that it is a generic domain name buyer and seller. Respondent purchased the disputed domain name as part of a portfolio of generic domain names. This is a legitimate use of the disputed domain name, and does not show that Respondent registered or used the<ssx.com> domain name in bad faith pursuant to Policy ¶ 4(b)(iv).

The ultimate question is whether any short string of letters has become so exclusively associated with the complaining mark owner's goods or services that actual knowledge can be reasonably inferred. If such a conclusion cannot be drawn, how else could the mark (registered or unregistered) have been brought to respondent's knowledge? This, in essence, was the Panel's conclusion in *PCO AG v. Register4Less Privacy Advocate*, 3501256 Canada, Inc., D2017-1778 (WIPO October 30, 2017) (<pco.com>)

> While the Panel takes account that, for whatever reason, the Respondent has not appeared in this proceeding to contest the Complainant's allegations, this is outweighed by the fact that the disputed domain name is common three-letter acronym and there is no evidence whatever to link the Respondent's selection of the disputed domain name with the Complainant.

Even if the short string is a registered mark complainant will fail if the "three-letter string is not especially distinctive" and particularly so if unregistered. *Euronext N.V. v. Huang tian wei*, D2018-0348 (WIPO April 12, 2018) (<afx.com>). As the Panel explained:

> The Complainant suggests that the Respondent was aware of the Complainant's AEX mark and, being in a "similar" business, sought to create confusion and "subvert" the Complainant's business. The argument is not persuasive.

It is not persuasive because

> [t]he three-letter string is not especially distinctive. "EX" is used as an abbreviation for a financial "exchange" in many contexts, as in "AMEX" for the American Stock Exchange and "FOREX" for foreign exchange. "AEX" could indeed be suggestive of an automated exchange, as the Respondent claims. The Complainant asserts that the color scheme of the Respondent's website is similar to its own, but there is no obvious similarity between the two websites in color, design, or content. The Complainant's website provides information about traditional capital markets and stock exchanges, while the Respondent's website is a trading platform for nontraditional cryptocurrencies such as Bitcoin and Ether.

That a respondent registers a short string to market its own goods or services negates bad faith, unless the use of the letters is competitive with complainant. For example, in *ETH Zürich (Eidgenössische Technische Hochschule Zürich) v. Andre Luiz Silva Rocha, Construtora Norberto Odebrecht S/A*, D2016-0444 (WIPO April 18, 2016):

> [Respondent] says that to the contrary it has maintained and used the Disputed Domain Name since 2007 for the purpose of selling and advertising its products and services, which do not conflict with those of the Complainant in any way.

The Panel held:

> The Complainant and the Respondent are in wholly different areas of activity – one is an academic institution and the other a sugar processing industrial business. It seems fanciful in the extreme to suggest the Respondent chose its name, or the Disputed Domain Name, because of any perceived connection with the Respondent, and the Complainant has not adduced any convincing evidence as to why the Respondent would have done so or what it might have gained from doing so.

Compañía Logística de Hidrocarburos CLH, S.A. tried in two different disputes to get "clh" against *DropCatcher.Info / Badminton, Inc.*, D2018-0793 (WIPO June 14, 2018) in the dot info space and *Compañía Logística Privacy Administrator, Anonymize, Inc. / Sam Dennis, Investments.org Inc*, D2018-0973 (WIPO June 25, 2018) in the dot com space.

Both Respondents are investor-resellers. Complainant failed in the first dispute to rebut evidence of ubiquity of the 3-letter string, and in the second it failed because it lacked proof that it had any reputation when the domain name was registered. It barely avoided reverse domain name hijacking in both (in the second case, the concurring opinion recommended the sanction). In the dot-com case, the Panel explained that,

> there would be many parties, who either used CLH as a trademark or an acronym in some other context, who might be interested in purchasing the disputed domain name; as the Respondent admits, that was the reason it registered the disputed domain name. However, there is nothing to suggest that the Respondent had any awareness of the Complainant or its business at the time of registration.

Similarly, the Panel found Complainant's argument unpersuasive in *Grupo Nacional Provincial, S.A. v. Privacydotlink, Customer 4270030 / Yancy Naughton*, D2021-1136 (August 25, 2021) because <gnp.com> has no particular association with Complainant outside its niche market and the string is in the same category as a dictionary word. The evidence supported the conclusion that "gnp" (which could stand for anything including "gross national product) was " chosen for [its] generic nature and [did] not seek to capitalize on the Complainant's trademark."

Use of Letters for Marketing Purposes

It is abundantly clear from the preceding discussion that one consequence of choosing common words and phrases and strings of arbitrary letters as indicators of source cannot be a guarantee of protection against others using the same terms for other purposes.

There are certainly businesses with long names that have become known over time by their acronyms, but if the domain names were registered prior to consumers associating the letter strings with particular businesses, industries, or trades, respondents must prevail. Where strings of letters have become interchangeable or so indelibly associated with a particular mark owner; where they have acquired an independent status in the marketplace separate from and parallel to the word marks (registered or not), complainants have the stronger hand ("fxcm," "xrprf," "jll" are examples).

Not because Respondents defaulted, Complainants in *Ripple Labs Inc. v. Jessie McKoy / Ripple Reserve Fund*, FA1806001790949 (Forum July 8, 2018) (<xrprf.com>) and *FXCM Global Services LLC v. WhoisGuard Protected, Whoisguard Inc. / Jenny Sohia*, D2018-1111 (WIPO July 12, 2018) (<fxcm.press>) avoided the evidentiary infirmities in *Allianz SE.* because the domain names are being used for passing off in the first instance (pretending to be Complainant) or redirecting the domain name to respondent's own website in the second instance. Complainants prevail not because Respondents defaulted but for proved infringement. In *FXCM Global Services* the evidence supported Complainant's contention that "Respondent uses the disputed domain name to promote and advertise its own services under the guise that it is Complainant or affiliated with Complainant."

Two other decisions further bolster this view: *SAP SE v. Moritz Honig, VCSB Ltd.*, D2018-1346 (WIPO July 13, 2018) (<sap.app>) (Respondent appeared and argued) and *Jones Lang LaSalle IP, Inc. v. Virginia Wheeler*, D2018-1269 (WIPO July 18, 2018) (<irjll.com>) (Respondent defaulted).

In the first dispute, the Panel accepted "Complainant's submissions to the effect that its trademark SAP has been used for many years and is widely known in commerce" but rejected Respondent's rebuttal that it had rights or legitimate interests:

> [T]he Panel draws the inference that the Respondent, a software developer, registered the disputed domain name in the knowledge of the Complainant's trademark SAP and more likely than not with the intention of taking unfair advantage of that mark by, for example, implying an association between the disputed domain name and the Complainant's trademark and/or by preventing the Complainant from reflecting its trademark in the gTLD ".app".

The Panel applied the principle established in *Telstra Corporation Limited v. Nuclear Marshmallows*, D2000-0003 (WIPO February 18, 2018), namely that if "it is not possible to conceive of any plausible actual or contemplated active use of the domain name by the Respondent that would not be illegitimate" complainant is entitled to its remedy.

The same principle was applied in *Jones Lang LaSalle*: "It is indeed, on the facts [submitted], difficult or impossible to find a good faith explanation of how the Respondent might use the disputed domain name." I mentioned the *Telstra* principle for passive holding last for how highly authoritative it is when Panels are ultimately assessing the totality of facts or circumstances and drawing inferences of good or bad faith.

Both parties have to pay close attention to this principle and draft their pleadings to cover the question "why was this domain name registered when it appears that any use will be infringing?"The answer to that question is found in the factors laid out in *Telstra*. But it would be error to apply this principle in favor of complainants who are neither well-known or famous because if they are neither it is conceivable that the registration of the disputed domain can be used in good faith.

Misspellings

It also is not unlawful to register misspellings of dictionary words, even though by happenstance a mark owner lays claim to the term as typosquatting on its mark. The respondent in *Florim Ceramiche S.p.A. v. Domain Hostmaster, Customer ID: 2439 1572426632, Whois Privacy Services Pty LTD / Domain*

Administrator, Vertical Axis Inc., D2015-2085 (WIPO February 11, 2016) holds a domain name which it claims is a purposeful variant of "credit", but Complainant charges that the omission of "r" infringes its trademark, CEDIT, which does not exist as an English word. The Panel found "the Complainant's trademark does not seem to be well-known and is only designated for some European countries, but not for the Respondent's country of domicile." Apart from the coincidence that the omission of a letter corresponded to a mark in a different national jurisdiction, there was no proof of targeting.

A variant of this is the substitution of one word for another. In *Homer TLC, Inc. v. Andy Dorrani / HomeDept.com Inc*., FA1202001429319 (Forum March 28, 2012) the dispute was over HOME DEPOT and <homedept>. The Panel held that the addition of "dept" to "home" (removing the "o" from "depot" but "dept" is a common abbreviation of "department") was not a simple misspelling of Complainant's mark, but a different identity: a "drugs" and "rugs" issue. Complainant can have no monopoly on the word "home." This concept is deeply ingrained in traditional trademark law and embraced in UDRP jurisprudence as will be seen further below. Letters, words, phrases and larger lexical permutations are free for use by the first to register them as long as they are non-infringing at the date of their registrations.

It could very well be that a respondent lacks rights or legitimate interests yet still have registered the challenged domain name lawfully. For example, in *Hästens Sängar AB v. Jeff Bader / Organic Mattresses, Inc*. FA2005001895951 (Forum July 31, 2020) (HASTENS and <comparetohastens.com>) the Panel concluded

> It is true that such a comparison website, if launched, may attract consumers to it. But, if the website is properly designed, it likely would not cause confusion as to source, sponsorship or affiliation; rather, it should be clear that the website does not come from Complainant but rather from a competitor of Complainant. It also is true that such a comparison website might be designed to divert business from Complainant to Respondent, *but that is not the kind of disruption of a competitor's business contemplated by the Policy as evidence of bad faith registration and use*. (Emphasis added).

The Panel's scalpel distinction elucidates how the registration of a domain name may have consequences that are nevertheless lawful, just as it is for registrations of domain names for fair use and expressive purposes.

CHAPTER 8

SCOPE OF THE UDRP / PANELS' POWERS

NARROW CLASS OF CASES

The UDRP is solely concerned with resolving claims of cybersquatting. Its subject matter is "narrow." Just how narrow is dictated by the definition of actionable claims. It focuses solely on the question of abusive registration of domain names. The WIPO Final Report states that the scope of the procedure is limited so that it is available[1]

> only in respect of deliberate, bad faith, abusive, domain name registrations or "cybersquatting" and [was] not applicable to disputes between parties with competing rights acting in good faith.

ICANN reworded the underlying concept of scope in the Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy. Paragraph 4.1(c) (October 1999).

Many panelist have substituted "clear" for narrow. In the Panel's words in *Educational Testing Service v. TOEFL*, D2000-0044 (WIPO March 16, 2000) (<toefl.com>): "The subject matter scope [. . .] is carefully circumscribed." Further, this reflects

> a cautious approach to a novel form of dispute resolution that was designed to address a rapidly evolving technological environment. This approach was largely developed through the WIPO Internet Domain Name Process and reflects the balancing and synthesis of a wide range of perspectives regarding governance of the Internet environment.

The Panel concluded that "Administrative Panels established by authorized dispute resolution service providers should confine themselves to findings of fact that are necessary to rendering decisions within their limited subject matter jurisdiction."

Panels in many cases have underscored the limited scope of the Policy. It is not designed to adjudicate all types of disputes that relate in any way to domain names. Claims primarily based on the ACPA or other statutes are beyond the scope of the Policy due to their differing standards. Rather, the Policy establishes a streamlined, inexpensive administrative dispute resolution procedure intended only for cases of "abusive cybersquatting."

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[1] WIPO Final Report, Paragraph 34.

Disputes exceeding that scope are more appropriate for courts of competent jurisdiction in which the parties have the benefit of witness testimony, disclosure of documents, or the other appropriate instruments that are typically available to assist a court to resolve such disputes.

There has been a stead buildup of cases illustrative of these points. In *LIBRO AG v. NA Global Link Limited*, D2000-0186 (WIPO May 19, 2000) (<libro.com>) the Panel noted that "[t]he UDRP is very narrow in scope; it covers only clear cut cases of 'cybersquatting' and 'cyberpiracy', and does not cover every dispute that might rise over domain names."[2] This includes complex issues that would require panelists to examine documents of conflicting facts and allegations of fraud or breaches of contract that are outside the scope of the Policy.

This does not mean that "a panel should [. . .] decline to reach a conclusion simply because there are hotly disputed facts," *Dean Hill Systems Ltd. v. Gregory Santana d/b/a Invicta*, D2002-0404 (WIPO September 20, 2002) (<proquis.com>), but "[w]e are however restricted by the record and the limited jurisdiction given to us under the Policy." Another member of the same Panel notes:

> In the face of these disputed facts, it is the Panel's responsibility to resolve those disputes as best it can, drawing reasonable inferences when appropriate and using a preponderance of the evidence standard to make fact findings.

But where the allegations of fact are irresolvable without forensic tools to tease out the truth of parties' contentions, the claim is not suitable for the UDRP. The Panel in *Raidofinance OU v. Domain Admin / Whois Privacy Corp*., FA2111001972094 (Forum December 16, 2021) (<raidopay.com>) notes as a preliminary matter that

> Complainant's allegations that Respondent has submitted fraudulent documents cannot be resolved by the Panel, since there is no prima facie evidence of fraud. Further, it is not within the scope of the Panel to determine whether the first transfer agreement is a valid contract (as it appears to be at first sight), or whether it is not valid (as Complainant alleges). Indeed, determination of complex factual issues, such as the validity of a contract, or the authenticity of a document, are outside the scope of the UDRP.

Claims that raise issues outside this scope are more properly the subject matter for courts of competent jurisdiction.

The point reinforces consensus reaching back to many earlier cases. In *Drayton Nay v. Ice Inc*., FA0501000400432 (Forum March 16, 2005) (<drinkthinkpink.

2 Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy (October 24, 1999), available at <http:www.icann.org/udrp/udrp-second-staff-report-24oct99.htm>.

com>) the Panel notes that "Complainant charges that Respondent engaged in misconduct that would possibly implicate such legal claims as misrepresentation, fraud, breach of contract, or even breach of a fiduciary duty. This dispute also is not covered by the Policy."

Outside the scope of the Policy also affects registrants' defenses as the Panel notes in an even earlier case, *TPI Holdings Inc. v. JB Designs*, D2000-0216 (WIPO May 22, 2000) (<yachtrader.com> and .net)[3]:

> While this Administrative Panel accepts that the Respondent may have merit in the argument that the said trademark is descriptive and that there are other similar trademarks and that the trademark may not be registrable in certain jurisdictions, these are questions outside the scope of this Administrative Proceedings and it concludes that the Complainant has satisfied the first part of the test.

Whichever party asserts a claim that can only be definitively answered by another tribunal must go to that tribunal for the answer. Or as one of the concurring members of the Panel in *Dean Hill Systems* stated: "[. . .] the losing party [can] elect to pursue such a claim in court, as is its right under paragraph 4(k) of the Policy."

Where some issues are inside and others outside the scope of the Policy those within will be adjudicated and those outside may be carried to whichever court has jurisdiction. This would include exotic theories of liability: 1) "hedging a domain name, in itself, is [. . .] bad faith; and 2) "Respondent's technological advantage in capturing domain names as they become available is unfair competition," quoted from *OnAirlines, Inc. v. buydmains*, FA0404000250746 (Forum June 7, 2004) (<onair.com>). The Complainant in that proceeding alleged that it had back ordered the disputed domain names and alleged that Respondent had an unfair advantage by scooping it. These allegation do not state an actionable claim of cybersquatting.

Not All Domain Name Disputes Belong in a UDRP Proceeding

ICANN crafted the UDRP to reflect WIPO's recommendations with minor variations. The Policy is not a forum for resolving every kind of dispute over domain names. Claims that exceed the scope of the Policy belong in a different forum. It should also be borne in mind the force of the adjectives WIPO used—"deliberate, bad faith, abusive"—in considering whether a claim is actionable under the UDRP.

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3 There may be objection to the outcome of this case because of the common phrase "yacht trader." However, the Claimant passes the standing test but the Respondent does pass not the bad faith test: "[I]n the print-outs of the home pages furnished, there is clear evidence of slavish copying of the Complainant's www site by the Respondent which may or may not amount to copyright infringement. This slavish copying extended beyond the links themselves to the text describing the links."

ICANN stated that the Policy is "intended only for the relatively narrow class of cases of abusive registrations." Further,

> Except in cases involving 'abusive registrations' made with bad-faith intent to profit commercially from others' trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts [. . .] and calls for registrars not to disturb a registration until those courts decide.

UDRP 15(e) expressly contemplates that there will be cases where "the Panel concludes that the dispute is not within the scope of Paragraph 4(a) of the Policy [...]" and provides that when such cases arise, the Panel "shall so state."

Just as clearly, the square peg of trademark infringement cannot be fitted into the round hole of cybersquatting. The Panel points out in *Rapido TV Limited v. Jan Duffy-King*, D2000-0449 (WIPO August 17, 2000) (<eurotrash.com>) that "the Policy does not aim to adjudicate between genuine conflicting interests." Generally, panelists have taken "narrow" to mean "clear cases of cybersquatting," *Clockwork IP LLC, One Hour Air Conditioning Franchising, LLC v. Elena Wallace*, D2009-0485 (WIPO June 1, 2009): "UDRP proceedings are for clear cases of cybersquatting, not for resolving trademark infringement and/or trademark dilution disputes or other matters more appropriately dealt with through the courts."

Broadly speaking, out of scope disputes arise between parties "who each have at least a prima facie case for rights in the disputed domain names," *Courtney Love v. Brooke Barnett*, FA0703000944826 (Forum May 14, 2007) (<kittyradio.com>) in which the dispute "hinge[s] mostly on a business or civil dispute between the parties. [. . .] [A] dispute such as the present one, between parties who each have at least a prima facie case for rights in the disputed domain names is outside the scope of the Policy." In a concurrence, one of the Panel members notes that although "Complainant fails to make the necessary showing to prevail in the UDRP action:

> This in no way reflects on the merits of future proceedings, if any, between the parties in other fora. That such proceedings might occur, and that they likely would involve additional evidence, different claims and other factors of proof does not mean that this Panel should refrain from ruling on the merits of the case before us.

Scope issues cover a number of different heads. In the generality of cases, parties are either known to each (partners, board members, former employees, consultants, contractors, agents, and service providers) or strangers. Those known to each other are likely to raise issues requiring interpretation of contracts or present circumstances that are outside the scope of the UDRP.

Disgruntlement can play a role with employees, or falling out among partners, as in *Bootie Brewing Company v. Deanna D. Ward and Grabebottie Inc.*, D2003-0185 (WIPO May 28, 2000) (<bootiebar.com>), discussed further below.

Whether the disputes are within or outside the scope of the Policy re driven by the facts. As the Panel noted: "Just as cybersquatting can occur between strangers, so can it occur between business partners."

The 3-Member Panel in *Emadeldin Abdelfattah Mohamed Elakshar v. Kareem Fouad / Ahmed Yossef, Crius Solutions*, D2018-2262 (WIPO December 28, 2018) (both parties located in Egypt) explains Complainant's challenge:

> [The] complex and contentious dispute between the parties is essentially a commercial dispute that is outside the scope and purpose of the UDRP. It will be seen from a reading of the contentions of the parties that there is certainly a dispute between the Parties, it is essentially a commercial dispute, it covers many potential causes of action and it is one of considerable substance.

The Panel concluded that

> At best, it is a domain name case in only a peripheral manner and in the sense that depending of the outcome of the substantive issues an order might or might not be made concerning the registration of a domain name.

The "range of issues [. . .] [extends to] trademarks, (to determine which parties are entitled to which if any trademarks), company law (to determine the effect of there being several companies apparently overlapping each other with related ownership), employment law (to determine the capacity of the Respondents in registering and using the domain name in question), issues of trusts and the obligations under them, and, almost inevitably in such disputes, defamation."

In *Protanium B.V. v. Lars Munksoe*, D2022-0030 (WIPO March 20, 2022) (<protanium.com>), the Respondent alleged that it acquired the disputed domain name prior to board membership and the Panel concluded

> that, considering the date of registration of the disputed domain name and the nature of the dispute between the parties, this is not a clear cybersquatting case to be handled according to the Policy but a complex dispute that should thus be more properly addressed in a civil Court.

Other narratives are discussed further below.

By far the majority of respondents, though, are strangers. Typical disputes mostly involve famous or well-known marks; or where the marks are less known it will be for reasons that establish targeting of their value. In a smaller number of cases, respondents either have demonstrable rights (Chapter 10) or there is no evidence of bad faith registration and use (discussed further in Chapter 11).

PANELS' POWERS

General Powers

Panels appointed to hear and decide UDRP disputes are required to be independent and impartial. They submit a declaration to that effect. However, a legitimate question has arisen on the issue of partiality and bias. An early Panel noted in *Link Clicks Inc. d/b/a Ad Here and TOTALLYFREESTUFF.COM v. John Zuccarini d/b/a Cupcake Patrol*, D2000-1547 (WIPO January 22, 2001) that "[d]espite what some critics have claimed, the UDRP is not a vehicle which is automatically prejudiced in favour of a Complainant. Each case is to be decided on its own merits."

Nevertheless, the bias issue was a general concern. The Panel in *Britannia Building Society v. Britannia Fraud Prevention*, D2001-0505 (WIPO July 6, 2001) (sole Panel) concluded that it was

> appropriate for a party with concerns about a panelist's impartiality to communicate with the provider in order to raise any such concerns and to seek a prompt and fair resolution. [And, that in] the event the provider declines to disqualify the panelist, it is equally appropriate for the party to move for the panelist's recusal.

Recusal, though, was quickly rejected.

The presiding Panelist in *Kathleen Kennedy Townsend v. B. G. Birt*, D2002-0030 (WIPO April 2002) (Three member Panel) drew the opposite conclusion:

> [Since there was n]othing in the [Rules or Supplemental Rules ... [t]he presiding Panelist therefore has no jurisdiction to deal with this request [for recusal]. Moreover, even if the Presiding Panelist had such jurisdiction, he would decline to exercise it, because such exercise would be inappropriate and unseemly. Accordingly, the Presiding Panelist declines to rule on the Request for Recusal or to consider it for any purpose.

The Panel majority in *Two Way NV/SA v. Moniker Privacy Services, LLC / [4079779]: Domain Administrator*, D2012-2413 (WIPO June 7, 2013) (<yu.com>) concurred that the Panel "has no jurisdiction to entertain Complainant's challenge to the appointment of [the challenged Panelist]." But the Panel in *Grupo Costamex, S.A. de C.V. (COSTAMEX), Operación y Supervisión de Hoteles, S.A. de C.V. (OPYSSA) v. Vertical Axis Inc.*, D2013-1829 (WIPO February 10, 2014) found it "difficult to see how a panel could ensure fair and equal treatment in any sensible way if, notwithstanding each panelist's self certification of independence and impartiality, it was apparent that a panelist was, for example, determined to decide the case in favour of one of the parties because of a pre-existing bias, regardless of the facts."

The Policy, Rules, and the WIPO Supplemental Rules are silent on the issue; but the Forum Supplemental Rules Rule 10 provides for a mechanism for disqualifying a panelist "if circumstances exist that create a conflict of interest or cause the Panelist to be unfair and biased" (Subsection (b), but also including other subsections). The Panel in *Grupo Costamex* identified two approaches to the issue: that there be 1) justifiable doubt (*Britannia Building Society*); and 2) compelling evidence of improper bias (*Two Way NV/SA*). The Panel was not enthusiastic about either approach but pointed out that "a standard that requires compelling evidence of improper bias sets a threshold that would bar nearly all challenges to panelists."

Rules 10 and 12

Allowable (Limited) Research

Except for a limited grant, Panels have no authority to enquire into facts not presented to them. The authority they do have derives from a reading of UDRP Rules 10 and 12. Rule 12 grants Panels discretionary power "in [their] sole discretion [to request] further statements or documents from either of the Parties."

The question is whether Panels are authorized to make any independent investigation that goes beyond the facts of record, and if so the constraints of performing the research. The Panel in *Yakka Pty Ltd v. Carlton Handyman & Hardware Centre*, D2002-0903 (WIPO November 11, 2002) (<yakka.com>) ruled that it is "not permit[ted] [. . .] to make its own independent investigation of the facts, even matters of official record [. . .] ."

However, this view proved too restrictive. It was recognized that there should be reasonable safeguards against the misuse of independent research, but not disallowed *carte blanche*. Thus there evolved a compromise that opened a window authorizing some research to verify allegations, as for example, in undefended cases in which complainants allege trademark rights without disclosing that the mark is not on the Principal Register to verify the allegation.

Unverified contentions of material facts of public records are allowable to avoid granting the disputed domain name in error. In *ONU S.R.L. Online Sale, LLC v. Online Sales, LLC*, AF-0672 (Eresolution January 12, 2001) (<onu.com>) the Respondent called out the Complainant's dishonest statements. Without reasonable safeguards, unopposed dishonest statements create an injustice.

There is an issue, though, that must be carefully checked in performing any authorized search, namely that which is authorized cannot extend to filling in complainant's failure to prove its case. In *Silvie Tomcalov a.k.a. Sylvia Saint v. Juan Campos*, 2006-0379 (WIPO May 5, 2006) (<sylviasaint.com>), for example, the Panel underscored the Complainant's burden of proof under the rights and legitimate interests element. This will receive further attention in Chapter 10, but for my purpose here, the Complainant failed of proof in establishing a *prima facie* case. Simply alleging a fact is not proof that its existence and it is not the Panel's role to research what the Complainant has omitted from its proof:

> Although the Complainant may consider this harsh, the Panel does not think it appropriate to proceed in this fashion [researching use of the domain name] in this case. There is the practical issue that websites change over time. The parties can not be certain what the panelist sees and what the panelist sees may not represent the true position at the relevant time.

A "more fundamental objection," though, is that "[t]he Complainant must prove her case":

> It is not for the Panel to make the Complainant's case for her. It is one thing for a panelist to view a web site to verify a parties' assertions and quite another to embark upon an independent investigation as to what a complainant's case may be.

Complainant filed a second complaint the following month for <silviasaint.com> (D2006-0399), learning perhaps from the criticism of the first Panel (it appears that the "harshness" paid off) to put together a better complaint.

Here, I will focus briefly on the issues of the Panel performing independent research and then touch on Rule 12 Orders requesting supplemental information. These can be independent of each other or applied one after the other. A general rule in commercial arbitration is that it is not good practice to perform independent research without express authorization by the parties who are entitled know the authority the arbitrator is relying on in applying the law to the facts.

While the power to perform some modest research is not specifically set forth in the Rules, Panels have construed Rules 10 and 12 to permit some research. For example, in *Tough Traveler, Ltd. v. Kelty Pack, Inc., Mike Scherer, and Inkling Pen Co*., D2000-0783 (WIPO September 29, 2000) (<kidcarrier.com>) the Panel states (even at this early date): "It is well established that Panels may conduct and rely on independent searches of publicly available information." Panels are permitted to access national registries for trademark registrations to test the reliability of the allegations. Or, less intrusively "confirm[ing] that there is no active website [resolving from the disputed domain name]."

What precisely is within the research and search remit and how it should be employed must be undertaken judiciously, and in the case of Rule 12 Orders, carefully, to avoid allowing a complainant to correct and add evidence that fills in the gaps omitted from its pleading. Panels may go too far by acting *sotto voce* as counsel.

The question is not free of controversy because in the exercise of performing searches a Panel can tip the scale in favor of complainant who has not made out its case; it can also find dispositive proof or draw from the evidence of record a strong inference that unrebutted favors one party over the other. In such event, the Panel has a duty to disclose and permit the effected party to respond to the research, and its failure to do so would be sufficient to support an ultimate inference on the issue. A question may arise, for example, where a non-appearing respondent who alone has knowledge of a material fact, and who would have the burden of production to explain its registration and conduct, but who fails to respond, will result in an inference conclusive in the complainant's favor.

In *Societe des Hotels Meridien SA v. United States of Moronica*, D2000-0405 (WIPO June 27, 2000) (<lemeridien.com>) the Panel researched the USPTO and found that "only the Complainant has registered the trademark LE MERIDIEN, regardless of use." It also

> It also conducted some research *proprio motu* on the Internet via a number of search engines using LEMERIDIEN as search criteria. Results of the searches were almost exclusively dedicated to members of the Le Meridien chain of hotels. While this is not conclusive, it does aid the Panel in deciding whether or not judicial notice should be taken regarding the distinctiveness of LE MERIDIEN.

The Panel granted the complaint.

Independent research on the Wayback Machine[4] made its entry into the case database in *The Prudential Insurance Company of America v. PRU International*, FA0111000101800 (Forum January 18, 2002) (<pru.com>). In other cases, Panels conducted independent searches to determine that the disputed domain name "resolve[] to a GoDaddy 'parking page' with commercial links." In another case, the Panel stated: "By using the valuable tool, the Wayback Machine at <archive. org>, the Panel has readily been able to determine that. . . ." And in *Lacamas Shores Homeowners Association v. Catherine Arnold*, D2017-0855 (WIPO June 20, 2017):

> Other than these bald assertions, the parties have provided little by way of facts or arguments to assist the Panel in adjudicating this question. The Panel has therefore undertaken independent research on the legal question of whether a homeowners association can establish trademark rights in its name.

In the absence of reliable information about a defaulting respondent, where the date of registration may be in doubt because of the GDPR, for example, the consensus view finds it is appropriate to perform a public search to review information

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4 US courts have taken judicial notice of the Wayback Machine. See *O'Toole v. Northrop Grumman Corp.*, 499 F.3d 1218 (10th Cir. 2007) (The court expressly does not require authentication for Wayback Machine documents and sanctions judicial notice of factual information on the Internet.)

on the Wayback Machine (Internet Archive at http://www.archive.org) but less appropriate to use a subscriber's only search service (<domaintools.com>), although some Panels do.[5]

There is also some dispute over proof offered through an online link rather an affixed to the complaint. In *Wilson's Gun Shop dba Wilson Combat v. CEO / Mason Green*, FA2111001973224 (Forum December 21, 2021) (<wilsoncomba-tarms.com>) the Dissent stated:

> The Complaint supplies a link to a USPTO web site where "trademark information can be found," but Complainant furnishes no documentary evidence to support either his claim of a registered trademark or of common law rights in his mark. There is no evidence of the claimed fraudulent use of the Domain Name.

The Majority held:

> the difference between the majority and the Dissent comes down to whether evidence in a Complaint can properly be provided via Internet links rather than by attaching the exhibits to be found at those links. While the latter is certainly preferable, we are not willing to disregard compelling evidence provided by the former, particularly in a process not governed by strict rules of evidence.

In *California Public Employees' Retirement System v. Nette, Nanci*, FA2207002006055 (Forum August 24, 2022) attempting to understand the registration history

> accessed the Internet Archive and determined that the disputed domain name appears to have originally been registered by Complainant, and used by Complainant through August 2005. It was subsequently not used, until sometime in 2022 when it was used to resolve to the parked page referred to above.

Complainant (apparently not represented by counsel) failed to provide this critical information, but having determined that Respondent acquired the domain name subsequent to Complainant's first use of the mark in commerce it became an additional factor in determining bad faith. The resolving websites "offered competing services" thus on the totality of circumstances the Panel granted the complaint transferring <calpers.com> to Complainant.

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5 Domain Tools is an expensive search service. It is regularly used by complainants, but there is a question as to use by panelists. It has been noticed in some cases, as in *Majid Al Futtaim Properties LLC v. Ayman Bajnaid*, D2022-4129) (WIPO December 22, 2022) (Complaint denied for <mata-jer.com>), Footnote 1.

Rule 12 (Further Statements)

UDRP Rule 12 is directed to panelists: "In addition to the complaint and the response, the Panel may request, in its sole discretion, further statements or documents from either of the Parties." It gives Panels the authority to request supplemental submissions; it is not an invitation for complainants to file a further statement and unsolicited submissions are generally discouraged.

The general view is: 1) a panel can determine within its sole discretion whether to admit or reject supplemental submissions; 2) additional evidence or submissions should only be admitted in exceptional circumstances, such as, by way of example, a) where new pertinent facts arise after the submission of the complaint or b) where a party could not have reasonably known of the existence, relevance or veracity of further material when it made its primary submission, and 3) further material should only be admitted to the extent necessary in a proceeding and when such is essential in reaching a fair decision on the facts of the matter.

Requesting further statements and documents through Rule 12, however, goes a step beyond "limited factual research" allowable to Panels and should be used cautiously to avoid giving complainant an opportunity to supplement its case based upon the Panel's request. Thus, in *Viacom International Inc. and MTV Networks Europe v. Rattan Singh Mahon*, D2000-1440 (WIPO December 22, 2000):

> [I]t would, and should, be in exceptional cases only that supplementary submissions are requested by a Panel. If requesting supplementary submissions were to become unexceptional, the dispute resolution procedure under the Uniform Policy and Rules would most likely become significantly more resource-consuming to all the actors (i.e. the parties, the dispute resolution service provider, and the Administrative Panel) than is currently the case, as the unfolding scenario in this case demonstrates. Such an outcome seems contrary."

And in *Precyse Corporation v. Punta Barajas, SA*, D2002-0753 (WIPO October 2, 2002), the Panel "considered using [his] discretion under Rule 12 to request additional submissions, but it ha[s] determined not to do so for three reasons""

> First, the Policy and the Rules clearly impose on each party an obligation to come forward in the one pleading expressly allowed it with adequate evidence to sustain the legal conclusions it desires. Second, I believe that sua sponte requests for additional material should be used sparingly [.] [. . .] Third, the parties here share, almost equally, the blame for [the] unsatisfactory state of the record. In that circumstance I do not believe the Panel should be seen as assisting either party to correct errors in its submission. It is not for a panel to save a party from its own mistakes or the consequences that flow from them."

The issue is further examined in *Karen Millen Fashions Limited v. Belle Kerry*, D2012-0436 (WIPO May 7, 2012) (<karenmillenonline-australia.com>):

> In its Complaint, Complainant averred that Respondent is selling counterfeit Karen Millen merchandise, but, as noted above, supported these allegations with only conclusory statements. [. . .] [For this reason] the Panel considered whether to deny the Complaint outright on the grounds that Complainant did not make a prima facie showing.

However,

> based on the Panel's review of the website at issue and the WhoIs data concerning the identity of the Respondent, it appeared to the Panel that the goods probably were counterfeit, and that justice would not be served by denying the Complaint without at least seeking confirmatory evidence of Complainant's conclusory allegations. The Panel thus concluded that it would be appropriate to give Complainant an opportunity to supplement the record, which is what led the Panel instead to issue the Order.

There must be sufficient evidence—which can come from the nonappearance of respondent and the website to which the disputed domain name resolves—to justify the Order and not give complainant a second bite of the apple.

"[T]o give the Complainant 'a second bite at the apple' would not be in line with the spirit of expediency and efficiency suggested in the Policy," *CAM London Limited and Comgest Asset Management International Limited v. Cam LondonLtd*, D2013-2190 (WIPO February 4, 2014), but in *Fasthosts Internet Ltd v. Jamie Scott, Smudge It Solutions Ltd*., D2008-0841 (WIPO July 24, 2008) the Panel decided to give complainant "an opportunity to address a number of gaps in its case. It did so because complainant was not legally represented "and because the gaps in question were ones that it seemed complainant might have been able to fill." Yet, in its concluding paragraph the Panel expresses a misgiving for issuing the procedural order because

> It is for a complainant to prove its case and it is not for a panel to do so on a complainant's behalf.

Exercised incautiously the procedural order can be viewed as giving an unfair advantage to a party who has failed to marshal a full record.

Whether to issue a Rule 10 Order depends on the facts. It cannot be to assist complainant in its proof. In *Gary J. Player and Gary Player Enterprises, LLC v. Domains Admin / Gary Player Group, Inc*., FA2202001985985 (Forum April 20, 2022). The Panel decided not to file a Rule 12 Order because "complainants have the burden of submitting evidence sufficient to support their claims: Complainant's failure to do so in this case, especially where Complainant is represented by counsel, is a problem of Complainant's own making."

This issue is reprised in *Ford Motor Company, Ford Motor Company of Canada, Limited v. Domain Admin, Whois Protection / Domain Administrator, Radio plus, spol.s r.o*., D2022-0954 (WIPO June 13, 2022). The Presiding Panelist performed independent research which the wings rejected as exceeding her authority. The majority denied the complaint while giving Complainant the right to refile its complaint because "[the process] has been compromised by the use of private research by the Presiding Panelist."

The Presiding Panel would have granted the complaint (as she argues in the Dissent), which the Majority rejected not because the outcome was necessarily wrong but because:

> The private research undertaken was not justified and its use contaminated the entire Final Version. The UDRP makes it plain in paragraph 4 that a complaint must be "proved", which means proved by "evidence." It should not be necessary to spell out to anyone, particularly lawyers, that "evidence" means evidence adduced according to generally accepted principles and in particular so that it can be tested and rebutted.

The majority concluded,

> The so-called evidence used against the Respondent in this case was summoned up in private, without any notice and proposed to be used without either party having the opportunity to rebut it.

The view taken by the majority is a "best practice" in commercial arbitration (of which the UDRP is a branch) for neutrals to refrain from performing "private research" without the authority of the parties, and if performed without authority to bring the fruit of that research to the attention of the parties. If that private research favors one party over the other the failure to disclose it to the party adversely effected is error which may be cured by circulating a Rule 12 order to the parties.

It might be pointed out in *Ford Motor Company* that the majority was only dismissing the complaint because the process was contaminated by the "private research" while at the same time recognizing that Complainant may well have an actionable claim depending on Respondent's rebuttal to the private research: "[W]hen the facts are known, the Respondent [may have] registered and used the domain name contrary to the Policy."[6]

6 The Respondent did not appear and neither did it appear in *Neometals Ltd* discussed earlier. The Respondent also defaulted in *HCL CORPORATION PRIVATE LTD. aka HCL CORPORATION LIMITED, HCL AMERICA, INC. and HCL TECHNOLOGIES LTD. v. Hugo Contreras*, FA2302002033005 (Forum April 12, 2023) but it responded to a second Procedural Order and the Panel accepted it as a response and denied the complaint on substantive grounds, namely: "At the time the Domain Name was registered Complainant had a not insignificant reputation in the field of software development but no registered rights in Argentina (the location of Respondent). Nor did it have, based on the evidence before the Panel, any obvious or significant business presence in

Supplementary (or Additional) Submissions

As it was originally conceived Rule 12 authorizes panelists to request further submissions, but it was quickly transformed by complainants ignoring its express language. Instead of requesting, they generally submit supplemental pleadings unbidden. There is no provision for complainants to file a supplementary submission without permission.[7]

The point was made early by a 3-member Panel in *Rollerblade, Inc. v. CBNO and Ray Redican Jr.*, D2000-0427 (WIPO August 24, 2000) (<rollerblading.com>) that "[t]he Policy and Rules demonstrate a strong preference for single submissions by the parties absent extraordinary circumstances.' The Panel continued:

> We believe this is a wise procedure given the nature of these proceedings. Although Complainant may have been surprised by the breadth of Respondent's response, we do not find this to be an extraordinary circumstance.

The following conditions have been suggested for accepting unrequested submission:

> (i) the Complainant contends it has filed its Reply in order to address certain evidence relied upon by the Respondent in the Response, of which it was unaware at the time of filing the Complaint;
>
> (ii) the Respondent does not object to the filing of the Complainant's Reply and instead seeks to rely upon his own Reply;
>
> (iii) the Complainant does not object to the Respondent's filing of his Reply;
>
> (iv) both Parties have been given a fair opportunity to file Reply submissions; and
>
> (v) the Panel considers that in all the circumstances it is necessary for the Panel to consider the Parties' Reply submissions and evidence in order to fairly and impartially determine this proceeding.

South America." But for the Procedural Orders, and on the evidence before it in response to the First Order, the decision may have favored the Complainant. Did the Second Order not prejudice the Complainant?

7 WIPO has no Rule on this issue, although it has developed a practice of forwarding additional statements to the Panel with notice that acceptance is determined by the Panel. The evolution is reflected in Forum's Supplementary Rules, Rule 7: "If a party requests an additional written submission be considered by the Panel, the additional submission must be sent to FORUM along with proof of service on the opposing party(s). FORUM will forward all additional submissions to the Panel. It is within the discretion of the Panel to accept or consider additional unsolicited submission(s)."

The Panel in *Wall Beds By Wilding, LLC, d/b/a Wilding Wall Beds v. Texas International Property Associates, Keyword Marketing, Inc., and Caribbean Online International Ltd.*, FA0712001124523 (Forum February 27, 2008) explained:

> The evidence sought to be adduced here takes the form of a contact list of customers in Texas dated February 8, 2008. This is not a case of discovery of evidence not reasonably available to Complainant at the time of its initial submission, nor of arguments by Respondent that Complainant could not reasonably have anticipated. [. . .] Further, the list of customers in Texas as at February 2008 is not probative of trademark use prior to registration of the domain name <wildingwallbeds.com> in May, 2005. There is accordingly no basis upon which departure from the "one shot" principle can be justified.

The reference to "one shot" is drawn from *Internationale Spar Centrale B.V. v. Scientific Process & Research, Inc.*, D2005-0603 (WIPO October 6, 2005), and essentially reflects the view in *Grove Broadcasting Co. Ltd. v. Telesystems Commc'ns Ltd.*, D2000-0703 (WIPO November 10, 2000) (<iriefm.com>) dismissing a refiled complaint: "In a case where a party has had every opportunity to put forward its case [. . .] there should not be another opportunity."

The consensus view is that accepting or rejecting a supplemental submission is discretionary with the Panel. The Panel in *CRS Technology Corporation v. CONDENET, INC.*, FA0002000093547 (Forum March 28, 2000) (<concierge.com>) in denying Complainant's supplemental submission pointed out

> In exercising this discretion, the Panel is mindful that one of the promises of the Policy is to ensure the rapid review and adjudication of domain name disputes. That promise would be undermined were parties encouraged to submit replies, which may themselves engender sur-replies. [. . .] As for CRS's protestations that it did not understand the Rules, CRS selected this forum for its complaint and thus must be prepared to accept the applicable rules.

The Panel in *Viacom International Inc. and MTV Networks Europe v. Rattan Singh Mahon*, D2000-1440 (WIPO December 22, 2000) enlarged on the *CRS* case by pertinently noting:

> [I]t would, and should, be in exceptional cases only that supplementary submissions are requested by a Panel. If requesting supplementary submissions were to become unexceptional, the dispute resolution procedure under the Uniform Policy and Rules would most likely become significantly more resource-consuming to all the actors (i.e. the parties, the dispute resolution service provider, and the Administrative Panel) than is currently the case, as the unfolding scenario in this case demonstrates. Such an outcome seems contrary to the clear intention of ICANN in adopting the Uniform Policy and the Uniform Rules in their present form.

However, this straightforward understanding of the Policy and Rules, as I mentioned, has eroded over time.

As conceived, complainant would request permission to file a supplementary statement. Absent special circumstances and a satisfactory explanation from the party seeking to file the supplementary statement, Panels have no reason to accept it. The Panel in *CAM London Limited and Comgest Asset Management International Limited v. Cam LondonLtd*, D2013-2190 (WIPO February 4, 2014) explained: "[T]o give the Complainant 'a second bite at the apple' would not be in line with the spirit of expediency and efficiency suggested in the Policy."

In the event a complainant files a supplement to its pleadings without the Panel requesting a "further submission" it would be prudent for a respondent to do likewise in the event that the Panel reads and accepts a submission without receiving the benefit of an explanatory rebuttal.

The Panel in *5 PRE VIE W AB v. Diego Manfreda*, D2013-1946 (WIPO December 27, 2013) explained why it was not making the Rule 12 request:

> [It] has decided against this course because the principles of the Policy envisage that the Parties shall present their case fully in the first instance and that any invitation to provide further information shall be exceptional and of necessity. The Panel is satisfied that the relevant matters were known to the Complainant and/or should have been in its reasonable contemplation at or before the time of filing of the Complaint.

The 3-member Panel that examined the issue thoroughly in *Akamai Technologies, Inc. v. Cloudflare Hostmaster / Cloudflare, Inc.*, FA220100 1979588 (Forum March 9, 2022) (<edgeworkers.com>, <edgeworkers.net>, <edgeworker.com>, and <edgeworker.net>), reinforcing an earlier decision by the Chair, concluded:

> Under Paragraph 12 of the Rules, the Panel has the sole discretion to request additional statements or documents from the Parties. Parties have no right to require the Panel to consider supplemental submissions; rather, it is within the discretion of the Panel to accept or consider unsolicited additional submissions.

Further,

> Generally, additional submissions are not appropriate unless they raise new issues of law or fact that were not reasonably available or foreseeable to a party at the time it filed its initial submission. [. . .] Allowing parties to submit additional submissions on a frequent basis would undermine the Policy's goal of ensuring rapid review and adjudication of domain name disputes. [. . .] Rebutting a statement made in a response is not a sufficient basis for filing an additional submission, especially where the issue was foreseeable and could have been addressed in the complaint.

More generally complainants (followed by respondents) submit supplemental statements, which may include additional unrequested evidence. It is within the discretion of the Panel to receive these unrequested submissions. Indeed, the Panel in *Dewberry Engineers Inc. v. Dewberry IT, Dewberry Group*, D2022-5016 (WIPO March 13, 2023) put it bluntly that the supplement submission added nothing new to the record:

> The Panel finds that the Supplemental Filing does not contain any new evidence or information necessary to the consideration of this matter, but consists of challenges to Respondent's arguments. Accordingly, the Panel takes into consideration Complainant's request to continue the proceeding and its explanation for why it has changed course but does not find it necessary to consider any other argument of this Supplemental Filing nor refer it to Respondent for comment.

Under the right circumstances, the failure to request a supplemental submission can be fatal. For example, in *Visual Gis Engineering S.L. v. Nitin Tripathi*, D2006-0079 (WIPO March 23, 2006) (<visualmap.com>) the Respondent made a credible submission:

> Whether Respondent's assertions actually are true is an issue that this Panel cannot definitively determine given the procedural rules that govern UDRP proceedings. Because the Respondent's allegations appear credible and Complainant has not submitted a request to submit supplemental information refuting those allegations [the Panel accepts Respondent's rebuttal]," (Omitting cited cases).

Either submitting or requesting permission to submit under these circumstances is no different from a respondent requesting permission to submit a reply. If either the response or the supplemental submission raises issues or submits additional allegations or evidence that the other party has not seen, it has a right to reply or sur-reply to complete the record.

Redaction

Paragraph 4(j) of the Policy reads, "[a]ll decisions under this Policy will be published in full over the Internet, except when an Administrative Panel determines in an exceptional case to redact portions of its decision." Panels have carefully carved out identity theft as an "exceptional case" that justifies redacting of victims' personal information.

In *The Royal Bank of Scotland Group plc v. [Redacted]*, FA0908001282153 (Forum October 28, 2009) the Panel found that the unknown phisher registered <rbs-partners.com> in a third party's name for "a fraudulent scheme that seeks to obtain personal financial information from Internet users in the United States."

In *Accenture Global Services Limited v. Registration Private, Domains By Proxy, LLC / Name Redacted*, D2019-1601 (WIPO September 5, 2019) (<accenturehrteam.info>) (also a fraudulent scheme) the Panel held that not redacting would "unfairly suggest that a decision had been made against the officer of the Complainant whose name was used by the Respondent."

A mechanism for communicating redaction is set forth in *Urban Outfitters Inc. v. Name Redacted*, D2018-0070 (WIPO March 7, 2018) ("[T]he Panel has attached as Annex 1 to this Decision an instruction to the Registrar regarding transfer of the disputed domain name, which includes the name of Respondent. The Panel has authorized the Center to transmit Annex 1 to the Registrar as part of the order in this proceeding, and has indicated Annex 1 to this Decision shall not be published due to the exceptional circumstances of this case." And in *OSilas Foundation v. Redacted for Privacy*, FA2004001892126 (Forum May 6, 2020) ("[However,] in those cases where there is no request, such as the present case, the Panel has a discretion although, as has just been noted, the discretion must be exercised judicially." The Panel concluded Respondent's personal information had to be redacted.

In an unusual case the Panel in *[Name Redacted] v. ludashi us / jack zhang*, FA2208002009845 (Forum October 1, 2022) (<[redacted].com>) the Panel redacted both the Complainant's name and the disputed domain name. The Panel concurred with Complainant's concern about having her name and the pornographic website disclosed:

> My privacy is of grave concern, and I do not want my name to hold any association with the explicit obscene content on the website in question, nor any association with the respondent. I am terrified of the situation escalating. I have evidence and heard from individuals who have received threats in these situations. For this reason, I have a specific request for the Forum to aide my privacy, safety, and identity.

The Panel concluded: "having regard to Complainant's legitimate concerns as to her privacy and safety, the Panel determines that this is an exceptional case in which it is appropriate that the name of Complainant, her trademark and the Domain Name, which both contain her name, should be redacted from the published decision."

The procedure for redacting respondent's name is laid out in *Givelify LLC v. Name Redacted*, D2023-2406 (WIPO July 31, 2023) (<givelify.info>):

> In light of the potential identity theft, the Panel has redacted Respondent's name from this decision. However, the Panel has attached as Annex 1 to this decision an instruction to the Registrar regarding transfer of the Domain Name, which includes the name of Respondent. The Panel has authorized the Center to transmit Annex 1 to the Registrar as part of the order in this

> proceeding, and has indicated Annex 1 to this decision shall not be published due to the exceptional circumstances of this case.

The Panel cites *Banco Bradesco S.A. v. FAST-12785241 Attn. Bradescourgente.net / Name Redacted*, D2009-1788 (WIPO March 7, 2010).

PARTIES SHALL HAVE A FAIR OPPORTUNITY TO PRESENT THEIR CASES

Right to be Heard

Nonappearance by Respondent

The text of the UDRP is not prescriptive in the sense of instructing panelists how to rule, but in ruling to "ensure that the Parties are treated with equality and that each Party is given a fair opportunity to present its case" (Rule 10(b)). They have the right to be heard and their arguments and proof judiciously considered by a neutral arbitrator.

The Rule has been construed to mean that the Panel will deal fairly whether or not the respondent appears and argues in its defense. Even in the absence of a response, the Panel is charged with rendering its decision "on the basis of the statements and documents submitted" Rule 15(a).

As the Panel explains in *DNA (Housemarks) Limited v. Tucows.com Co*., D2009-0367 (WIPO May 5, 2009) (<dunlop.com>) default is not evidence of liability:

> One of [complainant's] arguments, that the failure to provide a response results in a default judgment (as would occur in civil litigation in the United States or Canada), is mistaken as a matter of Policy precedent. Failure to respond in a Policy proceeding does not of itself constitute an admission of any pleaded matter or result in the Policy equivalent of the default judgment.

Under commercial arbitration rules, default in appearance signifies a denial not an admission of liability. The UDRP follows this procedure.

Thus, the Jurisprudential Overview reads at Paragraph 4.3:

> Noting the burden of proof on the complainant, a respondent's default (i.e., failure to submit a formal response) would not by itself mean that the complainant is deemed to have prevailed; a respondent's default is not necessarily an admission that the complainant's claims are true.

The purpose is "to ensure that the UDRP operates in a fair and predictable manner for all stakeholders while also retaining sufficient flexibility to address evolving Internet and domain name practices."

However, while the Respondent's failure to file a Response does not automatically result in a decision in favor of the Complainant, the Panel may draw "such inferences therefrom as it considers appropriate," Rule 14(b). The Panel in *Verner Panton Design v. Fontana di Luce Corp*, D2012-1909) (WIPO November 19, 2012) explains:

> When applying this provision, panelists have generally concluded that the respondent's default does not automatically result in a decision in favor of the complainant. Nevertheless, a panel may draw negative inferences from the respondent's default as per paragraph 14 of the Rules, particularly with respect to those issues uniquely in the knowledge and possession of the respondent.

There is in these accounts an expectation that the evidence of record (whether from complainant alone or fully argued) will be sufficient in reliability (even in the absence of direct evidence) to draw inferences of good or bad faith conduct.[8] Where the evidence is conclusive in complainant's favor and respondent is silent (either for lack of rebuttal evidence or nonappearance) the domain name will be forfeited for the reasons the Panel explains in *Arturo Salice S.p.A. v. Paul Izzo & Company*, D2000-0537 (WIPO August 17, 2000) (<salice.com>):

> When the burden of proof switches to a person who is the sole source of critical evidence supporting any and all bases for the Respondent (domain name holder) to retain registration and use of the disputed domain name, failure to produce such critical evidence of adoption, registration, proposed use or use falls on the Respondent and in the absence of such evidence exclusively within the Respondent's knowledge will support an inference in a proper case that the Respondent has no favorable evidence supporting adoption, registration and use of the disputed domain name.

Respondent's default in responding to a complaint does not by itself mean that the Complainant is deemed to have prevailed; a respondent's default is not necessarily an admission that the complainant's claims are true. The burden remains with Complainant to establish the three elements of paragraph 4(a) of the Policy by a preponderance of the evidence.

The burden, though, is lightened to the extent that silence (failure to respond) on the critical issue of purpose for registering a domain name corresponding to a distinctive mark undercuts good faith registration. Only where the facts become more complicated do Panels have to reach into case authority for applying appropriate principles. They are assisted by two Rules, Rule 14(b) and Rule 15(a). The first authorizes Panels to draw inferences; the second authorizes Panels to decide on the basis of other "rules and principles of law that it deems applicable" if not already incorporated into the jurisprudence.

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8 UDRP Rule 14(b) provides that "If a party, in the absence of exceptional circumstances, does not comply with any provision of, or requirement under, these Rules or any request from the Panel, the Panel shall draw such inferences therefrom as it considers appropriate."

Drawing Inferences

While the Respondent's failure to file a Response does not automatically result in a decision in favor of the Complainant, the Panel may draw "such inferences therefrom as it considers appropriate," Rule 14(b). The Panel in Verner Panton Design v. Fontana di Luce Corp, D2012-1909) (WIPO November 19, 2012) explained:

> When applying this provision, panelists have generally concluded that the respondent's default does not automatically result in a decision in favor of the complainant. Nevertheless, a panel may draw negative inferences from the respondent's default as per paragraph 14 of the Rules, particularly with respect to those issues uniquely in the knowledge and possession of the respondent.

Complainants have no access to respondents' motivations for their registrations of disputed domain names except such that respondents are prepared to disclose in their responses. As there is no direct evidence it must be extrapolated from known facts to probable conclusions. The procedure for drawing inferences from the record rather than resting entirely on documentary evidence is a traditional process of logical reasoning. Meaning can be drawn from what goes into a record or is missing from it; circumstantial evidence satisfies the burden if the inferences it yields are reasonable.

The sole reference to "inference" appears in Rule 14(b) which relates specifically to failure of a party to "comply with any provision of, or requirement under, these Rules or any request from the Panel." Non compliance includes default (which is a form of silence when expected to speak. Where a complainant establishes a *prima facie* case, thereby shifting the burden to the respondent to explain or justify its conduct, silence supports an inference that it has no evidence to offer.

As this procedure is neutral, simply a means to an end, the parties are treated equally. In resorting to inference, alleged facts supported by documentary evidence are more reliable on their face than mere assertions, and where there are inconsistencies between supported and unsupported facts on any given issue, it is natural that those inference that are drawn will favor that which is either more probable than not or more reliable in answering the question of conduct.

Thus, in *VZ VermögensZentrum AG v. Anything.com*, D2000-0527 (WIPO August 29, 2000) (<vz.com>) the Panel stated

> There are two inferences to be drawn from the domain name registration. Either:
>
> the Respondent, as a "wholesaler" of catchy names for domain sites, registered "vz", along with other 2 or 3 letter combinations in the hope of being able to sell the combination of letters to someone wanting a catchy logo or easily-remembered mode of recognition by the public; or

> the Respondent was or should have been aware of the Complainant's logo and registered the domain name "vz.com" with the aim of negotiating a sale to the Complainant at a later date.

In this case, the evidence supported the first and the complaint was dismissed. Random letters that complainants may argue are acronyms for respondents are simply random letters.

In other cases, resort to inference establishes unlawful conduct. Except for paragraph 4(a)(i) which requires direct evidence of a registered or unregistered mark (the only evidence under the direct control of complainant), the evidentiary demands for the other elements of the Policy (which are under the direct control of respondent) must be satisfied with a mix of direct evidence and inferences logically consistent with the facts of record.

It is settled law that that "in the absence of direct evidence, complainant and the panel must resort to reasonable inferences from whatever evidence is in the record,"*Euromarket Designs, Inc. v. Domain For Sale VMI*, D2000-1195 (WIPO October 26, 2000).[9] Reasonable inferences can be both positive and negative.

This is necessary because "matters involving a respondent's motive, intent, purpose and other subjective factors determinative under Paragraphs 4(a)(ii) and 4(a)(iii) will not always be susceptible of direct proof," *Brooke Bollea, a.k.a Brooke Hogan v. Robert McGowan*, D2004-0383 (WIPO June 29, 2004). Indeed, the truth is often obscured and whatever light there is must be teased out of the totality of circumstances.

A respondent put to its proof cannot with impunity ignore what logically can be deduced from the facts. Failure to rebut a contention that is within its power to untie supports an adverse inference. The reasoning is that if there were evidence in its favor, the party would have presented it. Thus, in *AAA Employment, Inc. v. Ahearn and Associates*, FA0507000520670 (Forum September 6, 2005) the Panel stated that it

> draws the inference that there is in reality no evidence that Respondent was given permission to register the domain name in its own name for, if there were any such evidence, it would have been very easy to say what that evidence

9 Consistent with US decisional law. See for example *Quantum Fitness, Quantum Fitness Corp. v. Quantum Lifestyle Centers*, 83 F. Supp. 2d 810 (S.D. Tex. 1999): "Direct proof of bad faith is rarely present. Nor does an inference of bad faith necessarily arise from the junior user's knowledge or awareness of the senior user's trademark. The proper focus is whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff." Also *Daddy's Junky Music Stores v. Big Daddy's Fam*, 109 F.3d 275 (6th Cir. 1997) ("The proper focus is whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff.")

was. Accordingly, Respondent had no rights or interests in the domain name to justify its registration.

Although the Panel in *Public Service Electric & Gas Company v. Definitive Sports Management LLC*, D2012-0617 (WIPO May 4, 2012) (<psegsolutions.com>) denied the complaint, it pointed out an obvious practical issue confronting complainant which is that they have "little or no opportunity to obtain evidence routinely available in civil litigation but ordinarily within the control of the respondent." It is for the same reason, though, that bad faith may be proven inferentially, but at the same time, cautiously.

This process both holds panelists accountable and also authorizes them to exercise discretion when confronted with more complex or novel facts and circumstances particularly in drawing inferences from the evidence of record—"the Panel shall draw such inferences therefrom as it considers appropriate" (UDRP Rule 14(b)).

For this to be realized, two conditions must coexist. First, there must be a qualified pool of panelists who are pledged to follow the law (UDRP Rule 7); and second, a body of legal principles and precepts capable of delivering legally sound results. For consistency and predictability of outcome there must be a body of law that panelists will neutrally apply to the factual circumstances of the dispute.

Drawing inferences from circumstantial evidence carries a degree of risk as the quality of the evidence either degenerates to uncertainty or there is substantial doubt as to the facts. In *Neometals Ltd v. Domain Admin, Domain Privacy Service, FBO Registrant / lisa deere*, D2022-2360 (WIPO August 22, 2022) (<neometals.com>) the Panel noted that "the creation date of the disputed domain name predates the coming into existence of the Complainant's trademarks, and even the Complainant's change of name, by at least some two years."[10]

The uncertainty of the respondent's registration date meant either that it registered the disputed domain name in good faith and later began using it is bad faith (in which event the complaint would have to be dismissed) or it was a subsequent registrant with actual knowledge of Complainant's trademark and announcement to change its name and immediately began using the disputed domain name in bad faith. The only person who could answer the conundrum did not appear. If it was a subsequent registrant "the assessment of registration in bad faith would take place not as at the original date of registration in 2012 but as at the date of such acquisition."

10 This raises a Whois / GDPR issue discussed in Chapter 1. Material evidence may be unavailable in identifying when the Respondent acquired the domain, prior to the mark or after first use. The Panel chose to draw an inference based on the evidence of the Wayback Machine.

Recognizing the risk of drawing the wrong inference, the Panel issued a Procedural Order inviting

> the Respondent to provide any evidence or a suitable explanation pertaining to the matter. The Panel warned that an inference might be taken, if appropriate in the whole circumstances of the case, should the Respondent fail to address the topic.

As the Respondent did not reply,

> [t]he Panel makes the reasonable inference that if the Respondent had had any evidence of its registration or acquisition of the disputed domain name in good faith between 2012 and [renewal in] 2014, it would have tendered it in the context of the administrative proceeding.

The Panel concluded that "[t]he most reasonable assumption to make in the present case is that the Respondent acquired the disputed domain name around the time when the associated website began to display substantive content." In other words it felt safe now to draw a negative inference.

The thinner the record, though, the less appropriate to draw inferences, and the greater need for evidence which is complainant's burden to submit. The failure to marshal that evidence will be fatal to the complaint. In *Luma Institute, LLC v. Perfect Privacy, LLC / James Redfern/Luma*, D2021-3129 (WIPO December 29, 2021):

> The Complainant infers bad faith from the Respondent's use of a domain privacy service, but the Respondent cites good reasons for doing so, to avoid intrusions and unwanted solicitations. The Respondent has not avoided contact to address the UDRP Complaint, and the Panel does not find the inference of bad faith warranted in this case.

When a party urges the Panel to draw an inference in its favor, the evidence it proffers must allow for it. Panelists too must be held accountable for the inferences they draw, which must be appropriate (UDRP Rule 14(b)).

Complainants are also vulnerable to negative inferences as illustrated in *Airtron, Inc. v. Domain Admin / Whois Privacy Corp.*, FA1812001822308 (Forum February 4, 2019) (<airtron.com>) in which Respondent "demonstrate[d] through searches from the Global Brands Database, that other businesses have applied for and some have obtained marks combining the words 'air' and 'tron' to make 'Airtron' for various purposes in various jurisdictions." If "Airtron" was ever a coinage, which at one time it was but not by the Complainant, its use by multiple other market actors diluted it for repurposing when it was offered for sale.

Benefit and Resolution of Doubt

As a general proposition, "the benefit of the doubt must be given to the Respondent, as the onus is on the Complainant to show that the Respondent lacked a right or legitimate interest in the Domain Name," *Infospace.com Inc.*, *supra*. Particularly as trademarks decline in distinctiveness or, as in this case, there was no evidence to disprove Respondent's evidence, there must be greater caution—INFOSPACE and <microinfospace.com>—and this raises the issue of doubt and in whose favor it should be exercised.

The Panel in *Leyton & Associés (SAS), Thésée (SAS), Leyton Consulting UK and Ireland Limited, Leyton Maroc, Leyton Belgium, Leyton UK Limited v. Drela Mateusz, Elephant Orchestra*, D2009-1589 (WIPO January 20, 2010) (<leyton.com>) concluded that

> It seems to this Panel at least as likely as not that the Respondent, who is doing online business in the United Kingdom, acquired the disputed domain name because of its generic meaning and not with a view to complainant's possible rights, and in that sense, the benefit of the doubt on the present record must be afforded to the Respondent.".

However, the benefit of the doubt favors complainants where respondent and complainant are in the same jurisdiction or their is evidence of targeting. In *Columbine JDS Systems, Inc., v. Jin Lu*, AF-0137 (eResolution March 15, 2000) (<ad-serve.com), the Panel explained that

> while the potential registrant of a domain name has no obligation to search the trade mark registries of all the countries of the world, we are of the view that a US business person must be presumed to have knowledge of the existence of the Trade Mark Register of his own country and, as a prudent businessman, should make a search of such register before embarking on a business endeavor involving a domain name.

The Panel was of the "view that an inference may be drawn from a registrant's subsequent actions as to its intent in registering a domain name."

Panels have often noted that the more generic or descriptive a mark, the more difficult becomes complainant's burden of proof to establish registration and use with complainant's mark as a target.[11] This follows because these lexical choices lack the glue for creating association with any one mark owner. Thus, in *Quester*

11 See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004). The U.S. Supreme Court held that "If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well-known descriptive phrase."

Group, Inc. v. DI S.A., D2010-1950 (WIPO February 14, 2011) (<ultimateguitars.com>) the Panel majority found that

> [While the] descriptive use of common dictionary words to link to sites that deal in the described goods may not avoid capitalizing on a similar trade mark using the same words [. . .] that is an exposure that owners of descriptive marks must accept when they select their brands using common product names. In fact, it is the very ability to draw consumers by the descriptiveness that leads mark owners to choose such terms in the first place. Absent some evidence that complainant was specifically targeted, it is the opinion of the majority of the Panel that the benefit of the doubt should favor the descriptive user.

A vigorous dissent focused on the search requirement—"[t]he Respondent cannot turn a blind eye, and escape a finding of bad faith merely because the Respondent acquired a large number of domain names in one transaction" —but the principle argued by the Panel majority attempts a contextual result based on market factors, timing, and reputation.

The 3-member Panel in *PolyTech A/S v. Richard Secor/TechSolutions LLC*, FA2003001887223 (Forum April 15, 2020) (<polytech.com>) stated: "[A]fter considering both sides, and especially if there is any doubt about the matter, the onus of proof remains on the Complainant to prove on the balance of probabilities that the registrant of the domain name has no right or legitimate interest in it," which in this case it failed to do.

Parties' Requests Before and After Submission to Panel

Distinguishing Requests

Requesting termination of proceedings before or after submission of pleadings to the Panel is a double-edged issue: complainants requesting withdrawal of complaints and respondent's objections to dismissal of complaint is one kind of request within the Panel's discretion.[12] Similarly within the Panel discretion is to forego assessment of the Paragraph 4(a) elements on respondent's agreement to transfer the disputed domain name.

In contrast is a request or notice of judicial filings following submission of the case to a Panel which is determined under UDRP Rule 17(a) and (b) :

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12 A distinction must be made here between "terminating a proceeding," "withdrawing a complaint," and dismissing the UDRP. There are no rules or law that would prevent a complainant from withdrawing from the UDRP in favor of a statutory remedy under the ACPA, as did The Prudential Insurance Company of America (D2020-0714). Prudential commenced an in rem action and secured a judgment in *Prudential Ins. Co. of Am. v. PRU.COM*, 546 F. Supp. 3d 476 (E.D. Va. 2021) aff'd No. 21-1823 (4th Cir. Jan. 23, 2023) after it withdrew its UDRP complaint.

> [a] If, before the Panel's decision, the Parties agree on a settlement, the Panel shall terminate the administrative proceeding.
>
> [b] If, before the Panel's decision is made, it becomes unnecessary or impossible to continue the administrative proceeding for any reason, the Panel shall terminate the administrative proceedings unless a Party raises justifiable grounds for objection within a period of time to be determined by the Panel.

"Settlement" in Rule 17(a) has been construed expansively to include any request that may be made, to be granted requires the parties' agreement. Thus, the Panel in *Thomas Wang v. Privacydotlink Customer 546843 / Blue Nova Inc*., D2018-1316 (WIPO August 27, 2028) (<yish.com>): "The requirements of paragraph 17(a) have not been met as the Respondent has not agreed to the withdrawal proposed by the Complainant."

Thus, either party can object to terminating the proceedings. Some providers have dealt with the issue of withdrawal of complaint in their supplemental rules, but there are no supplemental rules for proceeding to decision despite consent to transfer. It is entirely up to the Panel.

A three-member Panel in *Gstaad Saanenland Tourismus v. Domain Administrator, PrivacyGuardian.org / Dimitri Dimitriadis,* D2016-2601 (WIPO May 19, 2017) (<gstaad.com>) noted that "it is within the Panel's authority to grant or deny a unilateral request to terminate a proceeding over the Respondent's objection." It concluded: "[I]f a respondent objects to that course of action, that will frequently be a good enough reason for the panel to proceed to issue a full decision."

This matches the corresponding situation in which Respondent offers to transfer the disputed domain and urges the Panel to terminate the proceedings on these grounds.

Complainant's Request to Withdraw Complaint

It is highly unusual for a complainant to request permission to withdraw its complainant, although understandable (and commendable) if it learns either from direct communications with respondent (or counsel) or receipt of the Whois information or service of the response that it has no actionable claim for cybersquatting. Absent corrosive exchanges, the consensus is to grant the parties' joint request to transfer the disputed domain name to complainant's account.

Timing is a key factor: is the request before or after a response, and if after does respondent agree? Is the request with prejudice or without prejudice? This issue began percolating in early cases and the results are codified in the Forum's Supplemental Rules, Rule 12(a to c).

In *Glimcher University Mall v. GNO, Inc*., FA0107000098010 (Forum August 23, 2001) (<universitymall.com>) Complainant sought to withdraw the complaint without prejudice, Respondent objected and demanded the matter proceed, and upon the objection Complainant withdrew with prejudice. Respondent objected anew, requested a 3-member Panel and moved for reverse domain name hijacking. The Panel held:

> It is the ruling of this Panel that when the Complainant dismisses the Complaint with prejudice prior to a panel being selected, the Complainant cannot be found to have attempted to deprive the Respondent of the domain name in question. Complainant has, by its withdrawal with prejudice, conceded the rights to the domain name to Respondent.

Having withdrawn the complaint with prejudice, "[n]o duty is imposed upon the Panel to treat the allegation of reverse domain name hijacking as one that must be decided at the insistence of Respondent. A claim of reverse domain name hijacking is merely ancillary to a decision on the merits of a complaint."

As a general proposition, complainants are not entitled to withdraw their complaints except with prejudice unless agreed to by respondent (no cases found). The reason for denying withdrawal except with prejudice is explained by the Panel in *Intellect Design Arena Limited v. Moniker Privacy Services/David Wieland, iEstates.com, LLC*, D2016-1349 (WIPO August 29, 2016) (<unmail.com>):

> The mere fact that the Complainant may have taken a 'business decision' to withdraw a complaint under the Policy cannot be a valid consideration for the Panel in the face of an objection of the kind taken by the Respondent in the present case.

In this case, Respondent's counsel warned Complainant's counsel that if it continued with the complaint it would request reverse domain hijacking since the domain name had been registered prior to the existence of the mark. The Panel explained:

> [T]he question of whether or not to allow voluntary termination does not turn exclusively upon whether a complainant qualifies such request as 'termination with prejudice' or 'termination without prejudice.' The issue is also bound up with the fact that, if a panel considers that a complaint may be opportunistic, unmeritorious or brought in bad faith, it will often be fairer to deal with the matter there and then in the context of the live administrative proceeding, in particular addressing any question of RDNH which arises, rather than simply to 'sweep the issue under the carpet' on the ground that this accords with the complainant's wishes.

The explanation is further pursued in *Loco Tecnologia da Informação S.A. v. Perfect Privacy, LLC. / Dermot O'Halloran, ZZG Ltd.*, D2019-2738 (WIPO March 24, 2020) (<inloco.com>). The Panel stated that

> it would be unfair to Respondent to allow Complainant to withdraw a case without prejudice after a response has been filed by a respondent and the

> respondent does not expressly consent to a subsequent withdrawal as being without prejudice.

The reason for this is that to

> allow a complainant to simply withdraw a complaint without prejudice after a response has been filed would allow for the possibility of a complainant refiling a complaint against the same respondent at a later point. Such "eleventh hour withdrawals" of complaints without prejudice invites the filing of potentially abusive complaints for strategic reasons.

Many national courts "do not allow for the withdrawal of a complaint without prejudice after a responsive pleading." In the instant case

> Respondent does not consent to a withdrawal without prejudice and, as such, any termination should be with prejudice to avoid further filings by Complainant against Respondent concerning the disputed domain name. That being said, the Panel has, as explained below, decided in its discretion to issue a ruling in the matter.

The ruling included sanctioning complainant for maintaining the proceeding.

These rulings apply even if complainant agrees not to refile, *Gstaad Saanenland*, *supra.;* or where the request is made and complainant does not commit itself to dismissal with prejudice. In *Türkiye'nin Otomobili Giri'im Grubu Sanayi Ve Ticaret Anonim Sirketi v. The Office of George Gould*, D2021-1949 (WIPO September 1, 2021) (<togg.com>):

> Termination of the proceeding would potentially leave the Complainant free to refile a complaint under the Policy whereas continuing the proceeding will give the Respondent an opportunity to obtain finds regarding the merits of the Complaint and the Respondent's request for consideration under paragraph 15(e) of the Rules [RDNH].

These considerations—"opportunity to obtain finds" and sanctions for abusive use of the UDRP to deprive a respondent of its registration—are the governing reasons for denying complainant's request even where it may stipulate in favor of respondent's rights or legitimate interests. Complainant in *ITF v. Anonymize, Inc. / Domain Admin, Sébastien Schmitt*, D2022-2196 (WIPO September 2, 2022) (<veripro.com>) requested withdrawal of the complaint "for financial considerations resulting from the Respondent's request to appoint a three-member panel." The Respondent objected and the 3-member Panel determined: "[I]t is neither desirable nor necessary to terminate the administrative proceeding, and will proceed to a decision on the merits."

In *Hale Law, P.A v. Roger Hale*, D2023-0084 (WIPO April 20, 2023) (<gotohale.com) the 3-member family denied the Complainant's request to dismiss

the complaint with prejudice because in filing a meritless case it put the Respondent to the expense of having to defend it. Further,

> it is clear from the provisions of the Response, read with Respondent's emails of March 21, 2023, that Respondent's objections lie in the fact that Respondent has been put to the time and expense of preparing a Response to a Complaint which Respondent considers to be wholly lacking in merit, entitling Respondent to a finding of RDNH. Thus, terminating the proceedings at this stage would result in Complainant avoiding consideration of the merits in general and the issue of RDNH in particular, leaving Respondent in a disadvantaged position.

For and against sanctioning the Complainant is discussed in Chapter 17.

Proceeding to Decision Despite "Consent to Transfer"

Proceeding to decision despite consent to transfer is up to the Panel. It depends on the circumstances and reasons for respondent's consent. In both *Deutsche Telekom AG v. Janaslani Enterprises, LLC*, D2008-0219 (WIPO August 18, 2008)) and *Sanofi-Aventis v. Demand Domains, Inc*., D2008-1484 (WIPO December 18, 2008) the panels observed that while they could readily imagine a panel "declining to accede to a complainant's request to terminate a proceeding" in a circumstance in which the complaint "was entirely without merit, to the point that the panel felt that it was bound to consider the possibility of RDNH," there would be reason to terminate.

But these Panels were considering respondents' requests and they declined to terminate the proceedings:

> As for the alternative of "rubber stamping" a respondent's "consent to transfer", the Panel agrees with the panel in Chicago Pneumatic Tool Company LLC, that there does not appear to be any proper basis in the Policy or the Rules justifying such an approach, at least where the respondent is only offering to accede to the relief sought by the complainant, and is not admitting the grounds of the complaint.

In this circumstance, "one can imagine [reasons for] a complainant want[ing]

> to continue, notwithstanding the respondent's unilateral consent to the transfer of the disputed domain name. The obvious example is the situation where the complainant is interested to obtain a decision on the merits in order to support an argument in other cases against the same respondent, that the respondent has engaged in a pattern of abusive domain name registrations (relevant to the example of bad faith registration and use set out at paragraph 4(b)(ii) of the Policy).

Similarly in *Research In Motion Limited v. Privacy Locked LLC/Nat Collicot*, D2009-0320 (WIPO May 8, 2009) the Panel rejected the consent because:

> It is tempting to adopt the BSNL [Bharat Sanchar Nigam Limited (BNSL) v. Domain Hostmaster, WIPO Case No. D2007-1800] approach and treat the consent to transfer as a concession that the three elements of paragraph 4(a) of the Policy are present, but in correspondence between the parties, the Respondent's representative has expressed concern that the Respondent's consent to transfer should not be mis-characterised. Notably, there is nothing before the Panel to merit a finding that the Respondent concedes that he has acted in bad faith within the meaning of paragraph 4(a)(iii) of the Policy.

For this reason, "proceeding to a proper consideration of the three elements of paragraph 4(a) of the Policy reduces the risk of an injustice (e.g., the transfer of a domain name to a complainant with no relevant trademark rights."

Acceding to Request to Transfer

Panel have acceded to respondent's consent to transfer where the circumstances justify termination on the record which may include acknowledging that complainants are correct and that as soon as respondents learned of the claims they immediately contacted complainants' counsel offering to transfer the domain names to their clients' accounts.

While delaying offers to transfer until requesting in the response or making demands in exchange of a transfer will not support dismissing a complaint without reviewing the Paragraph 4(a) elements, where respondent's request is genuine, there is no reason to examine the underlying facts. The Panel in *Williams-Sonoma, Inc. v. EZ-Port*, D2000-0207 (WIPO May 5, 2000) found that the "situation [was] not directly addressed by the Rules," but since "Respondent has consented to the relief requested by Complainant, it is not necessary to review the facts supporting the claim. [. . .] I believe the better course is to enter an order granting the relief requested by the Complainant so that the transfer may occur without further delay."

And in *Disney Enterprises, Inc. v. Elmer Morales*, FA0505000475191 (Forum June 24, 2005) the Panel "felt it to be expedient and judicial to forego the traditional UDRP analysis and order the transfer of the domain names." This was also the view of the Panel in *Cartoon Network v. Mike Morgan*, D2005-1132 (WIPO January 5, 2006). It Panel concluded that respondent's offer was genuine and that such unilateral consent "provides a basis for an immediate order for transfer without consideration of the paragraph 4(a) elements." It noted that "[w]here the Complainant has sought transfer of a disputed domain name, and the Respondent consents to transfer, then pursuant to paragraph10 of the Rules the Panel can proceed immediately to make an order for transfer."

And, in *Dryvit Systems, Inc. v. Texas International Property Associates*, D2008-0599 (WIPO June 17, 2008) (<wwwdryvit.com>) the Panel found that "[p]rior panels have determined in appropriate cases to grant the requested transfer without discussion and findings under paragraph 4(a) of the Policy." This continues to be the consensus.

Language of the Proceeding (Rule 11(a))

Rule 11(a) contains two clauses.[13] The first clause provides that "[u]nless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement, the language of the administrative proceeding shall be the language of the Registration Agreement." "Shall be" has the measure of a Biblical command, but panelists quickly agreed that the underlying intention of the Rule is one of fairness, and in so doing read the imperative out of the paragraph. In its place, Panels construed paragraph 11(a) together with paragraphs 10(b) and 10(c) which allows them to determine the language of the proceeding having regard to all the circumstances and not simply the language of the registrar's agreement.

The Panel in *Deutsche Messe AG v. Kim Hyungho*, D2003-0679 (WIPO November 13, 2003) notes that the "Respondent asserts that all documents in the arbitration proceeding should be filed in the Korean language, which is the language of the registration agreement for the domain name in dispute, whereas the Complainant asserts that English should be the language of the proceeding." However:

> The spirit of Paragraph 11 is to ensure fairness in the selection of language by giving full consideration to the parties' level of comfortability with each language, the expenses to be incurred and possibility of delay in the proceeding in the event translations are required and other relevant factors.
>
> In the present case, it is without question that the registration agreement for the domain name in dispute was made in the Korean language. However, it is also apparent from the written communications exchanged between the parties with respect to a possible voluntary transfer of the domain name in dispute that the Respondent has no difficulties in communicating in the English language.

Similarly, the Panel in *Finter Bank Zurich v. Shumin Peng*, D2006-0432 (WIPO June 12, 2006) decided that the proceeding should be in English, stating: "It is important that the language finally decided by the Panel for the proceeding is not prejudicial to either one of the parties in his or her ability to articulate the arguments for the case."

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13 Rule 11(b) addresses the issue of documentary evidence in a foreign language: "The Panel may order that any documents submitted in languages other than the language of the administrative proceeding be accompanied by a translation in whole or in part into the language of the administrative proceeding."

"Not prejudicial to either one of the parties" means that there is evidence in the record that the respondent is proficient in the requested language. The Panel in *Argento Wine Company Limited v. Argento Beijing Trading Company*, D2009-0610 (WIPO July 1, 2009) decided that the language of the proceedings shall in English "based on evidence that respondent has command of the language."

The evidence in *Farouk Systems, Inc. v. QYM*, D2009-1658 (WIPO January 19, 2010) demonstrated that respondent 1) used English to "promote and sell its unauthorised and/or counterfeit products on the Websites"; 2) "advertise[d] and accept[ed] US dollars as the currency for payment"; and 3) stated in its "Conditions of Use" that "any activities or transactions occurring on the Websites will be resolved by arbitration in the State of Victoria, Australia."

Fairness, though, is a two-way street as the Panel noted in in *Morgan Stanley v. Marcelo Augusto Dibbern / MS SERVICOS FINANCEIRO*, FA2110001968545 (Forum November 19, 2021):

> Convenience and expense are important factors in determining the language of a UDRP proceeding. Of paramount importance, however, is fundamental fairness. Requiring a party to conduct a UDRP proceeding in a language in which it is not proficient enough to enable it to do so, to understand the claims and defences asserted by the other party and to assert its own claims and defences, is simply not fair."

It was clear to the Panel in this case that the Respondent was not conversant in English:

> Complainant has provided no evidence of Respondent's proficiency in English. Rather Complainant has asserted that the Respondent is capable of understanding English because the Domain Name uses the .com generic top-level domain and because the Respondent purports to provide financial services. These assertions do not amount to evidence of a level of proficiency sufficient to enable a party to participate in a contested administrative proceeding in any meaningful or effective way. Respondent failed to respond to the Written Notice of the Filing of the Complaint herein, which was sent to it in both the English and Portuguese languages, but in and of itself this is not sufficient cause to order the proceeding to continue in English.

Other Rules and Principles of Law

Construing Rule 15(a)

Rule 15(a) states: "A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and *any rules and principles of law that it deems applicable*" (my emphasis). The first half of the clause is clear but the second half in italics which early panelists applied to support local law is not.

How is the Rule to be construed? It is is not an invitation to apply any particular national law and none is officially centric in adjudicating parties' rights under the UDRP. Indeed, attempts to align the UDRP with local law have been rejected. The question is: Does the rule support introducing into UDRP law principles drawn from case law of other jurisdictions. The question is pertinent because many decisions include citations to case law from US courts and numerous principles drawn from those cases have been domesticated to UDRP law.

Decisions in many earlier cases applied the Rule to support local law where the parties resided in the same jurisdiction. For example: in *Which? Limited v. James Halliday*, D2000-0019 (WIPO March 30, 2000) (<goodfoodguide.net>) the Panel noted:

> It is legitimate under paragraph 15(a) of the Rules that the Panel should look at principles of law deemed applicable. Since the Respondent is domiciled in the United Kingdom, and any legal action would have to be taken against him in that country, the Panel considers principles of law set out in decisions of Courts in the United Kingdom.

The Panel noted, though, in concluding his analysis that "[i]t is not strictly necessary" to look at UK law, but "I believe that the case law in the United Kingdom supports the view I have taken." In other words, the Panel concluded that UDRP law on this issue was consistent with the principles it found in the case law.

Similarly with respect to US law in *Asphalt Research Technology, Inc. v. National Press & Publishing, Inc.*, D2000-1005 (WIPO November 13, 2000) (<ezstreet.net>): "[S]ince United States courts have recent experience with similar disputes, to the extent that it would assist the Panel in determining whether the Complainant has met its burden as established by Paragraph 4(a) of the Policy, the Panel shall look to rules and principles of law set out in decisions of the courts of the United States."

As I pointed out in Chapter 4, panelists in the first years of the UDRP were experimenters in determining the law that ought to be applied, and local law was part of the conversation. In *Westfield Corporation, Inc and Westfield Limited v. Graeme Michael Hobbs (Dynamic Marketing Consultants)*, D2000-0227 (WIPO May 18, 2000) (<westfieldshopping.com>) the Panel referred to Rule 15(a), noting: "A question arises here as to what is the applicable law." Its answer:

> As the dispute is one concerning the similarity between a domain name and a trade mark, it is clearly appropriate that the principles of law to be applied should be those derived from the law of trade marks and unfair competition. As the Respondent is located in Australia and as the Complainants are each subsidiaries of an Australian corporation, it is also appropriate that the Panel should look to the Australian law for guidance on the question of whether or not the name and the marks are identical or confusingly similar.

"That said however, the principles adopted by the Australian courts do not differ significantly from that adopted by the courts in other common law jurisdictions," and concluded:

> Guidance may therefore be sought from the Australian trade mark law in determining the question of whether or not marks and names are identical or confusingly similar.

However, the Panel also took guidance from other UDRP decisions:

> Applying the principles of law enumerated above and observing the decision of the Panel in comparing the domain name walmart.canada.com and the trade mark "Wal-Mart" in Case D2000-0150, the Panel decides that the domain name is confusingly similar to the trade mark "Westfield" owned in the United States by the First Complainant and in Australia by the Second Complainant.

Here again, the Panel found it was unnecessary to take as guidance the "principles adopted by the Australian courts" since developing UDRP law guided his decision, but nevertheless the Panel found that such an approach was sanctioned by Rule 15(a).

The Panel in *McMullan Bros. Limited, et al. v. Web Names Ltd.*, D2004-0078 (WIPO April 16, 2004) (Irish residents) found this approach "unattractive":

> [t]o import a national rule simply because both parties come from the same jurisdiction may result in similar cases being decided [under the UDRP] in a different manner dependent upon geographical accident. This is a conclusion that this Panel finds inherently unattractive.

Other Panels, though, continued applying Rule 15(a) in favor of local law, for US and Canadian law. The Panel in *Sports Holdings, Inc. v. MB*, D2006-1262 (WIPO November 28, 2006) (<hibbettsporting.com>) noted: "Since both Complainant and Respondent are based in the United States of America, the Panel finds it appropriate to make reference to United States law."

In 2008 the Panel in *1066 Housing Association Ltd. v. Mr. D. Morgan*, D2007-1461 (WIPO January 18, 2008) (1066 HOUSING and <1066ha.com>) proposed a more nuanced construction:

> The first thing to say about this paragraph is that it leaves the issue of whether to apply "rules or principles of law" to the relevant panelists. Whether or not they should actually do is, of course precisely the question that this decision is seeking to address. Second, the wording of this paragraph does not actually make reference to national laws at all. It instead refers to the "rules and principles of law".

The Panel found this "to be a somewhat more abstract notion":

> It brings to mind the concept of "general principles of law" that is well known in many legal systems and which is also to be found in the Statute of the

> International Court of Justice. Therefore, this Panel would suggest that this provision provides scant basis upon which to import a principle that local law should apply where both parties are in the same state.

As the Panel found "no real justification for such a local laws approach either in the Policy or the Rules,"

> such approach should be avoided wherever possible. It risks the UDRP fragmenting into a series of different systems, where the outcome to each case would depend upon where exactly the parties happened to reside. That way chaos lies."

Consensus formed around this construction as earlier discussed in Chapter 4. This is reflected in *The Chemours Company LLC v. WhoIs Agent, Domain Protection Services, Inc. / Gabriel Joseph, Clearer Technology*, D2022-3013 (WIPO October 31, 2022) (<chemoursemployees.com>)

> Respondent has invited the Panel to make an assessment under this first element of the Policy while applying principles of US trademark law. Respondent has also included references to US federal court cases (and US law) in support of its submissions under the second and third elements of the Policy in this case.

The Panel disagreed with this approach, resting its decision on the earlier authority of *1066 Housing* and *McMullan*.

It would be pointless to argue that Panels are not influenced by their reading of cases in their own jurisdictions and assimilating their reasonings and even adopting or domesticating principles therein found.[14] As WIPO states in the Jurisprudential Overview, 4.1. (WIPO speaking in both its international and provider roles): the UDRP jurisprudence is sufficiently flexible "to address evolving Internet and domain name practices."

Consolidation

Multiple Registrants / Common Holder of Domain Names

The Policy and Rules address consolidation from a number of mutually applicable perspectives. Thus, Paragraph 4(f) of the Policy provides:

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14 The certification rules at Rule 3(xii) and Rule 5(viii) provide that parties' pleadings "are warranted under these Rules and under applicable law, as it now exists or *as it may be extended by a good-faith and reasonable argument*," (emphasis added). Panels have referenced decisions from US law and European Union directives (Trademark Directive, 89/104/EEC, Article 5.2), which provision grants protection outside the scope of a trademark owner's own use of his mark). Decisions referencing court decisions and directives have undoubtedly become native to the UDRP.

> In the event of multiple disputes between [a respondent] and a complainant, either [the respondent] or the complainant may petition to consolidate the disputes before a single Administrative Panel. [. . .] [The] Administrative Panel may consolidate before it any or such disputes in its sole discretion, provided that the disputes being consolidated are governed by this Policy or a later version of this Policy.

The understanding of this provision is assisted by Rules 3(c) and 10(e). Rule 3(c) provides: "The complaint may relate to more than one domain name, provided that the domain names are registered by the same domain-name holder." Rule 10(e) advances this procedural right by adding: "A Panel shall decide a request by a Party to consolidate multiple domain name disputes in accordance with the Policy and these Rules."

Panels have found that these different and overlapping perspectives have to be carefully parsed for commonality. In a detailed analysis of earlier decisions, the Panel in *Speedo Holdings B.V. v. Programmer, Miss Kathy Beckerson, John Smitt, Matthew Simmons*, D2010-0281 (WIPO May 18, 2010) (<speedopics.com>) concluded that

> the consolidation of multiple registrants as respondents in a single administrative proceeding may in certain circumstances be appropriate under paragraph 3(c) or 10(e) of the Rules provided the complainant can demonstrate that the disputed domain names or the websites to which they resolve are subject to common control, and the panel, having regard to all of the relevant circumstances, determines that consolidation would be procedurally efficient and fair and equitable to all parties.

The Panel pointed out that

> Although paragraph 10(e) of the Rules generally empowers panels to consolidate multiple domain name disputes in accordance with the Policy and the Rules, neither the Policy nor the Rules expressly provide for the consolidation of multiple respondents per se in a single administrative proceeding.

However, (the Panel continues): "A number of panels nonetheless have concluded that the Policy and Rules do not preclude multiple complainants in appropriate circumstances from jointly seeking relief in a single administrative proceeding."

The consolidation provisions were initially tested in *Yahoo! Inc. and GeoCities v. Data Art Corp., DataArt Enterprises, Inc., Stonybrook Investments, Global Net 2000, Inc., Powerclick, Inc., and Yahoo Search, Inc.*, D2000-0587 (WIPO August 10, 2000) (involving 36 identical or typographic variations of Yahoo and GeoCities, such as <eeeyahoo.com> and <geocities.com>). This consolidation involved domain names registered by a single respondent.

In *Ty Inc. v. Joseph Parvin d/b/a Domains For Sale*, D2000-0688 (WIPO November 9, 2000) (BEANIE BABIES and <ebeaniebabies.com> and three others).

Two of the four "are registered in the name of Respondent individual and two are registered in the name of Domains For Sale, with the Respondent individual as the designated representative:

> Because the Panel believes it to be efficient to resolve all such claims in one proceeding, and because the Respondent expressed no opposition to such consolidation, the Panel unanimously agrees to consolidate the claims as to the four domain names at issue.

A variant of different registrants was presented in *Edmunds.com, Inc. v. WWWEDMUNDS.com and DMUNDS.com*, D2001-0937 (WIPO August 31, 2001) involving two different registrants. The Panel exercised its discretion and consolidated the two domain names:

> The main factors relied upon by the Complainant to treat the Respondent as one entity are the identical addresses, telephone number and facsimile number and the fact that the domains both resolve to the same domain "www.pointcom.com". Moreover, the Complainant alleges that the domain names are registered with the business of Offshore Professionals at the same address and contact numbers.

A further variant of complainants and registrants was presented in *Coles Myer Limited and Myer Stores Limited v. Dominic Main and Mr. William Savage t/a SAV. Trading*, D2002-0124 (WIPO MAY 6, 2002). The Panel summed up the tangled relationships as follows:

> Nominally, these proceedings involve two separate disputes between two different sets of parties, over two different trade marks and two different domain names. [. . .]

The Panel found that there could be "no prejudice to the First Respondent,

> since his organization has asserted that the registrant of the disputed domain names is the Second Respondent. Nor can there be prejudice to the Second Respondent since he has been content to deal with the First Complainant in communications concerning both domain names, over which he asserts control.

The Panel reached the following conclusion:

> [I]t was the Second Respondent who approached the First Complainant in November 2001, only two months after registration of the domain names, offering to transfer the domain name <colesmyer.info> to the First Complainant and indicating a willingness, for an undisclosed fee, to transfer the domain name <myer.info>. In these circumstances the Panel finds that the Second Respondent (by his agent, the First Respondent) registered the domain name <myer.info> primarily for the purpose of selling that domain name to the owner of the trade mark MYER (or marks incorporating the word

> MYER) for valuable consideration in excess of his documented out-of-pocket costs directly related to the domain name.

Consolidation of multiple domain names by (supposedly) multiple domain-name holders was the next step-up of facts. In *Dr. Ing. h.c. F. Porsche AG v. Kentech, Inc. a.k.a. Helois Lab a.k.a. Orion Web a.k.a. Titan Net a.k.a. Panda Ventures a.k.a. Spiral Matrix and Domain Purchase, NOLDC, Inc.*, D2005-0890 (WIPO September 25, 2005) (22 domain names found to be controlled by the same person, some of which were switched into different registrant names to obstruct complainant following service of a cease-and-desist e-mail):

> The Panel concludes from these facts [. . .] that these 18 domain names are all controlled by the same entity and that some of these were switched into different names to obstruct the Complainant following its cease and desist email of February 21, 2005.

Undisclosed beneficial or controlling ownership has been found by matching addresses, telephone numbers, and e-mail accounts across a spectrum of domain names, within voice mail directories of associated business entities and reverse e-mail look-up services (which have been made impossible post-2018 enactment of the GDPR).

The Panel in *General Electric Company v. Marketing Total S.A.*, D2007-1834 (WIPO May 18, 2007) advanced the discussion further in the following analysis:

> If these entities were, in fact, separate legal entities the Policy would usually require the Complainant to initiate separate proceedings against each (absent a successful request for the consolidation of multiple disputes under paragraph 10(e) of the Rules). Neither the Policy nor the Rules otherwise make explicit provision for proceedings against legally separate respondents to be combined. Some Panels have partially dismissed complaints to the extent that they included additional respondents. [. . .]

However, "the mere fact of registrants being differently named has, in various previous cases, not prevented a finding that there is one proper Respondent, in circumstances which indicate that the registrants may be regarded as the same entity in effect." Thus,

> [since] "the 7 named registrants are, essentially, the same., [and since] several registrants share identical mailing addresses, and previous panels have found that some or all of these entities function as aliases for the Respondent [they can be considered to have a single domain name holder]."

Particularly where there is evidence that the registrations in different names are not coincidental Panels have construed the phrase "same domain name holder" liberally to include registrants who are not the same person but where the circumstances suggest they are controlled by a single person or entity.

Drawing on the analyses of earlier Panels, the Panel in *Guccio Gucci S.p.A v. Andrea Hubner, et al.*, D2012-2212 (WIPO February 8, 2013) (128 domain names) listed the following factors for proving common control:

> (1) The use of common registration information such as administrative contact details, technical contact details, postal addresses, email addresses, IP addresses, and telephone and fax numbers;
>
> (2) The use of the same or similar names in the registration information;
>
> (3) That the disputed domain names resolve to the same or similar websites;
>
> (4) The same domain name servers are used;
>
> (5) The same registrars are used; and that
>
> (6) There is a close similarity between the disputed domain names, each of which incorporates the trade mark in its entirety in conjunction with non-distinctive, generic or geographical terms.

These factors are succinctly threaded by the Panel in *Scribd, Inc. v. Robert Brink, Host Master, 1337 Services LLC, Ly Tran, Oscar, Enriquez, and Minh Le, Home*, D2022-3887 (WIPO May 16, 2023) into clear explanation for granting the request:

> Common control may be indicated where various commonalities are present among the domain names concerned. This may include shared registrant data, such as administrative or technical contacts, postal addresses, telephone numbers, or email addresses. A proximity in the dates of registration may be relevant.

"Equally,"

> shared technical arrangements and configurations may be relevant, such as common webserver IP addresses, nameservers, registrars, or web hosting arrangements. Finally, commonalities of use indicating a sufficient unity of interests may be of significance, such as similar activities and designs among the websites associated with the domain names concerned. Where sufficient commonalities are found, the domain name holders concerned may essentially be treated as a single domain name holder for purposes of paragraph 3(c) of the Rules.

There is also as noted below an element of fairness to the distinguishable respondents if the evidence is inconclusive. Thus, in *O2 Worldwide Limited v. Dan Putnam / Rodolfo a. Barcenas / Rhonda Peterson / Bob Terry / Whois*

Privacy Service / Eric Chan / Cecil Morgan / Whois Privacy Service / Christopher Redding / Domain ID Shield/ Dotty Krause / Jess Brown / Whoisguard Protected Whoisguard, Inc. / Andrew Rollinson, LetUsClose, D2017-0658 (WIPO June 29, 2017), the Panel held:

> [G]iven the diversity of the Respondents and their relatively loose connection to each other (membership of a multi-level marketing scheme), the Complainant should have understood that consolidation of this Complaint would not be procedurally efficient and would not be fair and equitable to all parties."

Multiple Registrants / No Common Holder of Domain Names

Consolidation is efficient when the multiple registrants are "registered by the same domain-name holder" (Rule 3(c)) but there can be no consolidation where the respondents have separate identifies. Thus, in *Valeant Pharmaceuticals International, Inc. / iNova Pharmaceuticals (Australia) Pty Limited v. Luca Radu / Fundacion Private WhoIs / Maxim Conovalov / Vasju Pere*, D2013-1918 (WIPO February 3, 2014) the Panel found that this burden was not carried:

> The Complaint does not sufficiently address the question of consolidation in respect of the four Respondents. The Complainants, which have the onus of doing so, have not advanced any significant and specific evidence that would link any two or more of the Respondents together convincingly.

The Complainant argued that the Respondents displayed a common interest. The Panel rejected this as evidence consistent with UDRP 4(f) and Rule 3(c): "A common interest does not equate with the same person, and the Panel has not been provided with sufficient information to decide between these alternatives."

Similarly, in *Bitrise Limited and Bitrise Inc v. BitRise Network, David Koeman, Lora Mutner, [Chinese characters] (Lei Shi), Emmanuel Ewusi, Leland Li and Danny Harris*, D2021-4051 (WIPO March 10, 2022) (<bitrise.exchange> and 17 other domains) in which the Panel stated: "However, [it] does not find a sufficient basis in the record to infer that the other four disputed domain names are under common control with the first eight."

As a general practice where complainant has added domain names for which there is insufficient evidence of common ownership, the practice is to dismiss them from the proceedings without prejudice to commencing new proceedings, *Sullivan & Cromwell LLP v. Whitney Chatterjee / Sullivan&Cromwell / Sullivan & Cromwell / Gareth Rothweiler / ROSE CASTELLANOS*, FA2212002022604 (Forum January 3, 2022).

Consolidation of Complainants

The final step is to address consolidation of complainants in a single proceeding. It is warranted where unrelated complainants share "common grievances." The issue was first examined in 2008 in a case under the Australian Domain Resolution Policy (auDRP), *National Dial A Word Registry Pty Ltd and others v. 1300 Directory Pty Ltd*, DAU2008 -0021 (WIPO March 6, 2009). The Panel divided the issue into two parts:

> First, the panel should answer the question: do these complainants have a truly common grievance against the respondent? If the answer to that question is 'no', consolidation should not be permitted. If the answer to that question is 'yes', it is necessary to answer the second question: would it be equitable and procedurally efficient to permit consolidation of complainants? If the answer to the second question is 'no', consolidation should not be permitted. If the answer to the second question is 'yes', consolidation should be permitted.

In the absence of any "overarching legal structure" or "overarching legal entity" persons and entities would have to qualify (if they could) by having a "truly common grievance." This requires proof of infringing conduct common to complainants, which in the case of *National Dial A Word* complainants were unable to provide.

It has been pointed out that in many salient respects the auDRP mirrors the UDRP. When consolidating unrelated complainants subsequently arose as an issue under the UDRP, Panels adopted the analysis in *National Dial A Word*. It was first applied to a group of complainant football clubs in the U.K., *Fulham Football Club (1987) Limited, Tottenham Hostpur Public Limited, West Ham United Football Club PLC, Manchester United Limited, The Liverpool Football Club And Athletic Grounds Limited v. Domains by Proxy, Inc./ Official Tickets Ltd.*, D2009-0331(WIPO May 12, 2009).

Where multiple parties unrelated except for their "common grievance" do not have a common legal interest since each is protecting its own trademark their interest must be found in "common conduct" and involve readily identifiable commonalities. As formulated in *Fulham Football Club*, if there are readily identifiable commonalities and a clear pattern of registration and use of all the disputed domain names the Panel should turn to the following set of questions:

> (i) whether there is any apparent reason why it would not be equitable to permit consolidation of complainants;
>
> (ii) the extent to which complainants' substantive arguments made under each of the three elements of the Policy appear to be common to the disputed domain names;
>
> (iii) whether all complainants are represented by a single authorized representative for the purpose of the proceedings;

> (iv) whether complainants clearly stipulate each disputed domain name, the individual complainant making a claim thereto, the right or rights relied upon by that complainant, the remedy sought in respect of the disputed domain name, and the registrar with whom the disputed domain name is registered;
>
> (v) whether the case involves a relatively small number of domain names;
>
> (vi) that relevant filings, including any annexes, would not appear to be unreasonably voluminous;
>
> (vii) whether there is an applicable fee schedule covering the complaint as filed.

Judged by these criteria the Panel in *Fulham Football Club* found in favor of consolidation and ordered the domain names transferred each to the corresponding Complainants.

Adding New Domain Names

The issue of adding new domain names after the commencement of proceedings first arose in *Archipelago Holdings LLC, v. Creative Genius Domain Sales and Robert Aragon d/b/a/ Creative Genius Domain Name Sales*, D2001-0729 (WIPO September 7, 2001), where the addition to the Complaint was refused with the following reasoning:

> If the Panel were to grant Complainant's request, it would cause substantial delay in the final resolution of this dispute. The Center would have to submit new Registrar Verifications, and the Respondent would have to be given 20 days to respond to Complainant's claims that these domain names are identical or confusingly similar to its trademarks, that Respondent has no legitimate interest in these domain names, and that Respondent registered and used them in bad faith.

The Panel suggested: "Had this request been made shortly after the filing of the initial complaint, then the amendment likely would have been acceptable, as it would have caused neither prejudice nor delay." This was an understandable decision, though, because "Complainant knew of these domain names at the time of the Complaint; in fact, they are expressly discussed in the Complaint."

The Panel in *A & F Trademark, Inc., Abercrombie & Fitch Stores, Inc., Abercrombie & Fitch Trading Co., Inc. v. Party Night, Inc*., D2003-0172 (WIPO May 28, 2003) was working with a different set of facts: the Respondent had registered another domain names after receiving the complaint. This called for different approach on this procedural issue. In contrast to *Archipelago Holdings* in which the Complainant's request to add two new domain names was made in response to a procedural order, the "[t]he Center informed the Panel that it had come to the

Complainants' attention that the Respondent had registered a third domain name [and] [. . .] the Complainants were asking whether it would be possible for them to amend the complaint to include this domain name." The answer was No.

In A & F, though, though, since the Center had received the Complainants' request it delivered a response that passed the decision making responsibility to the Panel:

> The Center replied to the Complainants that the Rules do not explicitly provide for a Complaint to be amended, after the commencement of proceedings, to include additional domain names. Accordingly, the Center transmitted the request to the Panel, stating that it was at the discretion of the Panel to consider the request in accordance with Rules, paragraph 10.

As the decision was "at [its] discretion," the Panel reasoned first, that to its "best knowledge, there was no case-law on additional Complaints[,] [but] there was case-law on consolidation, in accordance with Policy, paragraph 4 (f) and Rules, paragraph 10 (e), of separately filed Complaints against different Respondents" (citing decisions to that effect).

The Panel proceeded from this initial observation to reflect on procedure: "In terms of procedure, such a consolidation required the Complainant to file a Petition for Consolidation. The issue seemed accordingly to be whether acceptance of an additional Complaint to include additional domain names should be subject to the Complainant filing a separate Complaint together with a Petition for Consolidation." It concluded "that an additional Complaint may be accepted without the Complainant filing a separate Complaint together with a Petition for Consolidation, where

> (i) the additional Complaint is clearly liable to be consolidated with the principal Complaint; the additional and principal Complaints are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings (to put it in the terms of Council Regulation (EC) No 44/2001 of December 22, 2000, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Article 28.3); and furthermore
>
> (ii) the additional Complaint is not only based on, but its resolution is also supported by, mutatis mutandis exactly the same legal and factual grounds as the principal Complaint; in more trivial words, this is a sort of "copy & paste" test to be carried out by the Panel; and finally
>
> (iii) the additional Complaint complies with the Schedule of Fees under the ICANN UDRP Policy; an upgrade (if any) in the "1 to 5", "6 to 10" and "more than 10" thresholds has given rise to an adjusting payment.

Implementation of this reasoned decision required the Complainant to pay its fee to the provider (in this case WIPO) and for the provider to verify the identity of the respondent.

In *Société Air France v. Spiral Matrix*, D2005-1337 (WIPO April 13, 2005) the Panel, citing *A & F Trademark,* allowed the addition of a domain name to a case involving five domain names. Instead of an order to the Center, it took the additional step of issuing a Procedural Order to the parties:

> In the proceeding at issue, a separate Complaint is clearly liable to be consolidated with the principal Complaint, the additional and initial Complaints are closely connected as to the factual background in a way that it is expedient to hear and determine them together in order to avoid the risk of irreconcilable decisions resulting from separate proceedings and the additional Complaint is filed against the same Respondent.

Without referring to *A & F Trademark*, and introducing a new consideration into the decision-making (i.e., a respondent's right to request a 3-member Panel), the Panel in *Department of Management Services, State of Florida v. Digi Real Estate Foundation*, D2007-0547 (WIPO June 6, 2007) concluded it must "reject the request for an amendment" because

> the addition of a new domain name after a sole panelist has been appointed is inconsistent with the Panel's duty to ensure the Parties are treated with equality. Procedural equality means that each party must have the option of having the dispute determined by a three member panel (see paragraph 3(b)(iv), 5(b)(iv) and (v) and 5(c) of the Policy). However, if the amendment to the Complaint were now allowed, and a new domain name added, then the Respondent would have lost the right to have the dispute regarding the additional domain name determined by a three member Panel.

The Panel was being overly cautious because the Respondent did not appear in the noticed proceeding. The Panel did not issue a Procedural Order that would have alerted the Respondent to requested inclusion of the additional domain name and given it an opportunity to respond.[15]

Department of Management Services was shortly followed by *mVisible Technologies Inc v. Navigation Catalyst Systems Inc.*, D2007-1141 (WIPO November 30, 2007). In this case, there was already a 3-member Panel (the Presiding Panelist had in fact been the sole Panel in *Archipelago Holdings*). The Panel held:

15 This same Panel, taking the opportunity of citing himself, maintained his rejection of adding additional domain names despite the evolving consensus in favor of adding domain names. He failed to issue a Procedural Order or take other relevant procedural steps, *Apple Inc. v. Private Whois Service*, D2011-0929 (WIPO July 21, 2011).

> The Panel is mindful of the need for procedural efficiency in these proceedings. Forcing Complainant to file a new Complaint with respect to the six new domain names would be inefficient, especially since the legal and factual issues governing the resolution of that dispute would be exactly the same as the legal and factual issues this Panel already is considering with respect to the other 29 Disputed Domain Names.

Moreover,

> in considering the Complainant's assertion that Respondent's registration of all the domain names was in bad faith, it is relevant to consider the fact that the Respondent registered five additional domain names after the Complaint was filed and served on Respondent.

For this reason,

> the Panel decided to include the six additional domain names that were registered just before or after the filing of the Complaint. On November 21, 2007, the Center informed the parties of the Panel's decision to accept these additional domain names, and the Panel extended the deadline for submission of its decision to November 30, 2007.

The Respondent was vehemently opposed to adding the additional domain names but failed to explain why.

Subsequent cases have followed the practice of submitting a Procedural Order providing the respondent an opportunity to state its position. Since the matter is returned to the provider for additional administration, there should be no reason for denying its request for a 3-member Panel if it so elects. Thus in *Société des Produits Nestlé S.A. v. [Chinese characters] (guo li)*, D2022-1992 (WIPO August 26, 2022).

> Following the Complainant's request of July 27, 2022 to add the Domain Name <nestlerancha.com> ("Additional Domain Name") to the proceeding, on August 4, 2022, the Panel requested the Center to obtain registrar verification for the Additional Domain Name. Following the Registrar's verification response on August 5, 2022 confirming that the Respondent is listed as the registrant and providing the contact details, on August 8, 2022 a Panel Order was issued granting the Respondent seven days to submit its potential comments to the adding of the Additional Domain Name to the proceeding. The Respondent did not submit any response.

Privacy/Proxy Services

Defining the Respondent

Using a privacy shield or proxy registration service is not evidence of bad faith and may be consistent with good faith, but where the record *prima facie* reflects bad faith, the respondent has a case to answer. Where upon request of the provider the registrar discloses the beneficial or true owner of the disputed domain name, the issue reverts to evidence of actionable conduct, but where the veil is not lifted the question first of all is "Who is the registrant?" and secondly the conduct that supports or undermines evidence of cybersquatting.

As previously noted in Chapter 1 ("The Whois Directory and the GDPR"), where a registrar or the privacy service fails to disclose the underlying Whois information and the respondent appears by proxy, the Panel has discretion to determine the identity of the beneficial or true registrant, which may be the proxy as stand-in for the undisclosed principal.

The Panel in *Padberg v. Eurobox Ltd.*, D2007-1886 (WIPO March 10, 2008) asked:

> So who is the Respondent for the purposes of 3(b)(v) of the Rules? In the Panel's opinion the only sensible answer to this question is that it is prima facie the entity that is recorded in the registrar's register as revealed by a Who-Is search.

The Rules do not include a definition of Respondent "at the time the complaint is submitted to the provider," But the Forum's Supplemental Rule 1(d) defines "[t]he Holder of a Domain Name Registration" as used in the Rules as "the single person or entity listed in the WHOIS registration information at the time of the filing of the Complaint with the Forum; and once the Registrar has verified the information, is limited to the single person or entity as verified by the Registrar."

This raises an issue when the beneficial owner is not "the single persons or entity listed in the WHOIS registration." This rule cannot be inflexibly applied. If the beneficial owner also makes an appearance, and on the totality of facts it rebuts complainant's contentions, it must be given the right of substituting for the proxy even though it is not the sole person verified by the Registrar.[16]

Beneficial Owners Or/And Proxy

UDRP Rule 1 (Definitions) defines Respondent as "the holder of a domain name registration against which a complaint is initiated." Ordinarily, this information must be disclosed by the registrar upon the provider's request for verification (Rule 4(b)), but occasionally it is not and the only information is the identity of the proxy or privacy service. Who, then, is the Respondent?

16 This raises a difficult issue. If the proxy has populated the resolving website with hyperlinks that support cybersquatting, this implicates the beneficial owner for the links even though created by the proxy. The resolution of this issue (condemned to forfeiture by the links) depends on the totality of facts which the respondent must address.

The Panel in *Puma SE v. Client Care, Web Commerce Communications Limited*, D2022-0015 (WIPO February 17, 2022) (<pumaicolombia.com>) considered the proxy as only Respondent. Similarly, *Brooks Sports, Inc. v. Domain Admin / Whoisprotection.cc*, FA2102001932380 (Forum March 15, 2021) (<brooks runningoutlet.com>). In a number of cases on this issue, Panels have elected to proceed on the basis "that the principles applicable to privacy and proxy services are applicable and adopts the approach of most UDRP panels, as outlined in WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0") at section 4.4.5, as follows:

> Panel discretion
>
> In all cases involving a privacy or proxy service and irrespective of the disclosure of any underlying registrant, the appointed panel retains discretion to determine the respondent against which the case should proceed.

However, privacy and proxy are distinguishable services, as noted in the Final Report on the Privacy & Proxy Services Accreditation Issues Policy Development Process, December 7, 2015[17]:

> "Privacy Service" means a service by which a Registered Name is registered to its beneficial user as the Registered Name Holder, but for which alternative, reliable contact information is provided by the privacy or proxy service provider for display of the Registered Name Holder's contact information in the Registration Data Service (WHOIS) or equivalent services
>
> "Proxy Service" is a service through which a Registered Name Holder licenses use of a Registered Name to the privacy or proxy customer in order to provide the privacy or proxy customer use of the domain name, and the Registered Name Holder's contact information is displayed in the Registration Data Service (WHOIS) or equivalent services rather than the customer's contact information.

Thus, the beneficial owner will be reflected as the registrant under a privacy service agreement but the proxy will be reflected as the registrant in a proxy service agreement.

And in *The Hartman Media Company, LLC v. Host Master, 1337 Services LLC*, D2018-1722 (WIPO September 24, 2018) (<jasonhartmanproperties.com>) the Panel noted:

> In the present case as no other respondent has been notified the Panel considers it appropriate to proceed against "Host Master". References to the Respondent

17 https://gnso.icann.org/sites/default/files/filefield_48305/ppsai-final-07dec15-en.pdf. See also Section 3.7.7.3 of the 2013 RAA.

should be understood as also including the person or persons who caused the registration to be effected in the name of "Host Master".

Presumptive Evidence of Bad Faith

Using a privacy or proxy registration service and shielding a beneficiary's name and contact information from disclosure where the "true owner" of the disputed domain name appears by proxy is suspicious of abusive conduct—a rebuttable presumption that is confirmed or denied by the totality of facts.

Thus, the presumption in *Antonio de Felipe v. Registerfly.com*, D2005-0969 (WIPO December 19, 2005) was confirmed. The Panel explained:

> The proposition that underlies these services is that the provision of registration details that are accessible through Whois services may result in unsolicited e-mails, regular mail or even phone calls. Therefore, these so called "privacy" or "masking" services involve the "true owner" of a domain name transferring the registration of the domain name into the name of the service provider. The service provider then holds the domain name on behalf of the "true owners" and the Whois details are amended accordingly.

Neither the masking service nor the beneficial owner appeared but the disputed domain name resolved to a website that "uses the Disputed Domain Name in order to direct internet users who believe that the Disputed Domain Name is associated with the Complainant to the "www.gifmania.com" site in an attempt to sell downloads and the like to those users."

The privacy service that appeared in *Video Only, Inc. v. Domain Name Systems*, D2007-0607 (WIPO June 16, 2007) (<videonly.com>) thought is had a complete defense because:

> the true owner of the Domain Name is New World Solutions of Spain, which, on registration of the Domain Name, opted for a privacy service provided by the Respondent whereby the Respondent's name features in the registrant field on the Whois database in place of the name of the true registrant. The object of the service is to protect the registrant's identity.

According to this argument the complaint could not succeed because it was not the true owner even though it was the registrant of record. The Panel framed the Respondent's argument thusly:

> The Respondent contends that in the legal action it has produced to the Complainant undisputed evidence that it is merely a subcontractor for the Registrar and is neither the registrant of the Domain Name nor the entity that controls the Domain Name or the website associated with the Domain Name.

But to the Panel, this argument made no sense:

> In all the circumstances of this case, the Panel agrees with the Complainant that in all likelihood the Respondent/New World Solutions registered the Domain Name as a deliberate erroneous version of the Complainant's domain name and with a view to unfairly attracting Internet visitors to the Respondent's/New World Solutions' 'adult' website for commercial gain. In so doing the Respondent/New World Solutions has taken unfair advantage of the Complainant's service mark rights and has put at risk the Complainant's reputation and goodwill.

False contact information that prevents service of the complaint supports bad faith as explained by the Panel in *H & M Hennes & Mauritz AB v. Whois Privacy Protection Service, Inc. / Dvl Den*, D2016-2474 (WIPO January 31, 2017):

> In connection with this finding, it also carries weight in the eyes of the Panel that Respondent not only made use of a WhoIs privacy shield apparently in an attempt to conceal his true identity, but also provided false WhoIs contact information, since the delivery of the notification of the Complaint sent to Respondent via DHL on November 16, 2016 failed due to an apparent invalid postal address.")

The failure to disclose and the absence of any serious rebuttal may justify a finding of bad faith. Thus, in *Phoenix Niesley-Lindgren Watt v. Contact Privacy Inc., Customer 0150049249*, FA1808001800231 (Forum September 6. 2018) (<zencat.com>):

> In a commercial context, using a WHOIS privacy service raises the rebuttable presumption of bad faith registration and use of the disputed domain name. An honest merchant in the marketplace does not generally try to conceal the merchant's identity. Good faith requires honesty in fact. Respondent did nothing to rebut this presumption of bad faith. Therefore, the Panel will find bad faith registration and use for this reason.

The Panel concluded: "Respondent's target audience for its offer of sale undoubtedly was and is the Complainant." Although unsaid, the reason is the uncommon combination of dictionary words "Zen" and "Cat."[18]

The issue widens when the "true owner" is absent and the only alternative is to record the proxy as the registrant. In *Thursday Boot Company v. Domain Admin, WHOISprotection.cc, Cynthia Wagner, Michelle Gordon, Rita Gilbert, Rudy Fry, Rose Turner, Alice Murray, Gary Dillon, Lisbeth Rose, Gilbert Frasier, Gladys Sipes, Chauncey Thomas, Mark Copeland, Embla Gottfrid, Web Commerce Communications Limited, Benjamin Bachmeier, Karen Clark,*

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18 This is a flawed decision because the Panel fails to record the date of the disputed domain name. If, for example, <zencat.com> predated the Complainant's mark it would have had no actionable claim. Thus, my comments assume that the uncommon phrase is original with the Complainant.

Marina Klein, Birgit Hartmann, Silke Austerlitz, Matthias Schwarz, Jan Meyer, and Enid Walsh, D2021-4291 (WIPO February 28, 2022) the Panel explained:

> Depending on the facts and circumstances of a particular case, e.g., where a timely disclosure is made, and there is no indication of a relationship beyond the provision of privacy or proxy registration services, a panel may find it appropriate to apply its discretion to record only the underlying registrant as the named respondent. On the other hand, e.g., where there is no clear disclosure, or there is some indication that the privacy or proxy provider is somehow related to the underlying registrant or use of the particular domain name, a panel may find it appropriate to record both the privacy or proxy service and any nominally underlying registrant as the named.

Together with false contact information, the Panel found that the "Respondents' Websites are all part of a scheme to create a range of websites that masquerade as websites operated by or with the authority of the Complainant when that is not the case."

Presumption of Bad Faith Rebutted

Even where as in the case of domain name investor-respondents availing themselves of a privacy service, it cannot by itself be evidence of bad faith. In *Bright Horizons Family Solutions Inc., Allmont Limited, Bright Horizons Limited Partnership and Bright Horizons Family Solutions Ltd. v. Vertical Axis, Inc*, D2007-0795 (WIPO October 12, 2007) (<brighthorizon.com>):

> The Respondent's record in domain name disputes indicates that he registers a large number of domain names, some in bad faith and some in good faith. In the Panel's view, this record does not establish that the Domain Name in this case was registered in bad faith.

And in *Steven Samblis v. Domains By Proxy, LLC / Friends Of PNCH*, D2016-0579 (WIPO May 23, 2016) (involving a refiled complaint discussed further in Chapter 12, "Refiling Complaint"), the Complainant argued "that after the decision in the Prior Case Respondent put its registration of the Domain Names under a privacy guard." Respondent appeared anonymously by proxy. It "explains that it put the Domain Names under a privacy protection precisely in order to stop harassment from Complainant." The Panel dismissed Complainant's argument as "even less impressive than the trademark registration." And further,

> The Panel attaches little weight here to Respondent's decision to put the Domain Name registrations under a privacy guard.

Similarly, the Complainant in *Rockhard Tools, Inc. v. jeff mcclure*, FA220500 1998526 (Forum July 8, 2022) argued:

> Respondent registered and uses the <rockhardtools.com> domain name in bad faith [. . .] [because] Respondent also makes use of a privacy service to hide its identity.

The Panel noted that while "[p]ast decisions have considered the concealment of a respondent's identity as a supporting factor in finding bad faith," as the Respondent has rebutted the presumption "the Panel does not consider Respondent's use of a WHOIS privacy service to be an indicator of bad faith."

Panels' Powers are ultimately displayed in their assessments of the three elements of the Policy. Whether the claim is within or outside its scope is an initial consideration; and if within the scope of the Policy to then proceed with assessing the sub-elements in each of the three major elements. Heading its General Powers in Rule 10 is that "(a) [It] shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and these Rules."

STRANGERS AND FAMILIARS

Parties Known to Each Other

Business Partners

As between parties known to each other there is a continuing question as to whether or even when these disputes have reached a point that they should be denied as outside the scope a UDRP proceeding.[19] The line that separates claims for cybersquatting from business disputes is not easy to gauge and has sometimes been misjudged.

In *Bootie Brewing Company* earlier cited the Panel notes: "Unlike many cases that concern traditional allegations of cybersquatting, this case instead concerns a business dispute between two parties who started with the best of intentions, but regrettably found their relationship in tatters." Further,

> As is the norm in such business disputes, the facts are hotly contested, which creates a challenge for the trier of fact given the expedited nature of these proceedings and the limited record presented to the Panel.
>
> That does not mean, however, that the Panel should abdicate its responsibility to analyze the record as best it can to determine whether cybersquatting

19 Business disputes are also likely to be outside the scope of the ACPA. See *Ar2, LLC d/b/a Liv Institute v. Rudnick*, 14-80809-civ, 15 (S.D.FL, August 7, 2014) ("At bottom, this case is a business dispute between partners which has morphed into an acrimonious divorce. Notwithstanding any other claims Plaintiff might assert against Defendant related to his retention of the domain names, this case does not involve the type of cybersquatting that the ACPA was intended to redress.")

> has occurred. *Just as cybersquatting can occur between strangers, so can it occur between business partners*. . . .

Moreover,

> just because the record is complex does not mean that the Panel should decline to review it. Rather, the Panel's obligation when faced with such disputed facts is to make the best findings it can, by a preponderance of the evidence, *based on the record submitted*. (Emphasis added).

And, having noted that "cybersquatting can occur between business partners" the Panel held "Respondent admits that she registered the domain names at Complainant's request. Nevertheless, she registered them in her own name and subsequently transferred them from 'Bootie Brewing Co.' to 'Grabebootie, Inc.' on false pretenses—that is, under the misrepresentation that 'Bootie Brewing Co.' was 'never started.' That conduct alone is sufficient to support a finding of bad faith registration and use."

But disputes that are both complex and contested exceed the scope of the Policy. It is generally agreed that disputes that involve the "ownership of the business and its assets," *ITMetrixx, Inc. v. Kuzma Productions*, D2001-0668 (WIPO August 2, 2001) (involving partners) or *Careflight Australia Limited v. Domain Admin, Protection Service INC d/b/a Protect.org / CareFlight Australia Limited*, D2016-1624 (WIPO December 5, 2016) (involving shareholders); or "distill[] down [. . .] to just one dispositive issue [that does] not implicate cybersquatting at all," *The Estate of Marlon Brando v. WhoisGuard c/o WhoisGuard Protected*, FA0506000503817 (Forum August 29, 2005):

> When stripped of all its irrelevancies with which the record is quite rife, this dispute distills down, at its kernel, to just one dispositive issue and one which does not implicate cybersquatting at all: did Mr. Brando make a valid inter vivos gift of the disputed domain name to Ms. Corrales? Unfortunately, this issue is one which the Panel lacks jurisdiction to address.

The Panel in *Thread.com, LLC v. Poploff*, D2000-1470 (WIPO January 5, 2001) pertinently noted that

> This Panel is not a general domain name court, and the Policy is not designed to adjudicate all disputes of any kind that relate in any way to domain names. Rather, the Policy is narrowly crafted to apply to a particular type of abusive cybersquatting.

Further,

> To attempt to shoehorn what is essentially a business dispute between former partners into a proceeding to adjudicate cybersquatting is, at its core, misguided, if not a misuse of the Policy.

The dispute in *Roger Martin v. Sandra Blevins, Social Design*, D2016-0181 (WIPO April 7, 2016) "involves the Parties' divorce and corresponding settlement agreement." The 3-member Panel held that "there are far wider issues which have been placed before the Panel in the present case" and dismissed the complaint. Issues relating to divorce and separation of assets which may include domain names are outside the scope of the Policy

Also outside the scope are factual circumstances involving respondents whose conduct is related to business disagreements. Thus, in *BubbleMania and Company LA, LLC ® v. Caroline Dues / BubbleMania and Company Inc*., FA1603001663923 (Forum April 11, 2016) the Panel found that "[b]ased upon the aforementioned cases and the record, the Panel here concludes that the instant dispute contains questions of contractual interpretation, and thus falls outside the scope of the UDRP." Respondent did not appear but the complaint alleges a classic business dispute with questions about the legitimacy of Respondent's registration, which appears to have been authorized on instructions from the prior owner:

> Complainant claims to have purchased all rights in the BUBBLEMANIA AND COMPANY mark, and all associated intellectual property, which includes the disputed domain name. Complainant argues that Respondent was hired by the former owner of the BUBBLEMANIA AND COMPANY mark to register the domain name, but that Respondent retained ownership of it, and then after Complainant's purchase, promised, and then refused, to transfer ownership of the domain name to Complainant.

The explanation for Respondent retaining the disputed domain name cannot be ascertained without the underlying contractual agreements, thus outside the scope of the UDRP.

Respondent in *Healthgrades Operating Company, Inc. v. Erick Hallick*, FA1604001672836 (Forum June 9, 2016) is a member of Complainant's Board of Directors. Complainant admitted that Respondent "originally registered the domain incorrectly but in good faith" but also accused it of hacking and fraudulently taking control of the domain name. However, as Respondent sits as a representative of the former owner of the company the dispute is outside the scope of the Policy.

Where the parties, for example, have entered into a business arrangement without defining their rights on a going forward basis, the issue as it relates to an earlier registered domain name cannot be resolved in a UDRP proceeding. The Panel in *Adventurous Entertainment LLC v. Marco Pirrongelli, FA220900 2013597 (Forum November 9, 2022)* (<mercury.cash>) notes:

> The parties have not raised it, but [the] first question that arises is whether the Panel should hear this proceeding on the ground, if established, that the dispute is not a domain name dispute coming within the meaning and intent

> of the UDRP Policy, but a general commercial dispute which is not subject to the UDRP and which should be litigated in an appropriate court.

In this particular case, though, the disputed domain name predated the mark and for this reason ""the domain name could not have been registered with the motivation of undermining or compromising the MERCURY CASH trademark as it did not exist at that time.

Where Panels do find cybersquatting liability, however, as in *Science, Engineering and Technology Associates Corporation v. John Freeman*, FA0601000637300 (Forum March 14, 2006), there is clear evidence that the registration of the disputed domain name was unauthorized. In this case, Respondent, the Chief Financial Officer of complainant, was not authorized or licensed to register or use domain names that incorporate Complainant's mark and therefore did not have rights or legitimate interests in the domain name containing the complainant's mark.

Distribution/Dealership Agreements

In early cases, two kinds of disputes arose concerning distribution and dealership agreements: they either provided for a divorce contingency and specifically addressed the issue of domain names; or they failed to specify post termination rights to domain names lawfully registered to perform services under the agreement. If contracts failed to specify the disposition of domain name post-termination of an agreement, the matter was outside the scope of the Policy.

For example, in *Private Media Group v. Anton Enterprises Inc. d/b/a Private USA*, D2002-0692 (WIPO September 10, 2002) the Panel found that the dispute centered on contract terms and dismissed the complaint as outside the scope of the Policy. Similarly, in *Innovative Marketing and Distribution, Inc d/b/a Engel Coolers v. Michael Harrington*, FA1606001678152 (Forum July 5, 2016) (<buyengelcoolers.com>) the Panel found

> the contentions of the Parties and the evidence submitted show that there exists a business and/or contractual dispute between Complainant and Respondent concerning the extent and effects of their relationship under the distributorship agreement, including the effects of Complainant `s revocation.

For distribution agreements properly terminated the continued registration of the disputed domain name is generally found to be abusive. In *MasterCraft Boat Company, LLC v. Debbie Hayes*, FA1610001696484 (Forum November 23, 2016) (<mastercraftaz.com>) under "the 2010 Dealership Agreement, Respondent was to immediately discontinue all use of the MASTER CRAFT mark following the termination or expiration of the 2010 Dealership Agreement." If a distribution agreement is properly drafted for domain name use to cease upon termination, then continuing use without renewing will be a violation of the Policy.

Even where the contract provides for conveyance, circumstances may dictate denial of the complaint. In *International E-Z UP, Inc. v. PNH Enterprises, Inc.*, FA0609000808341 (Forum November 15, 2006), the Panel found that transfer would be economically harmful to a respondent who had registered the domain name with consent, noting:

> [Respondent] is merely unwinding the detail that comes from having stock already acquired that it must dispose of. [. . .] [It] is not claiming a legitimate interest that comes from a right to resell Complainant's goods, but a legitimate interest in maintaining its reputation and avoiding disruption."

Whether a complainant's demand that respondent turn over a domain name without notification that it had unilaterally terminated a distributor agreement is actionable is an issue discussed in *Vorwerk International AG v. Jose Luis Martin*, D2023-1419 (WIPO July 31, 2023):

> Complainant asserts that, in 2019, it "stopped the production of the reference products and, therefore, the distributor agreement has been terminated by the Complainant in the same year". There is nothing in the record to reflect Complainant's notification to Respondent in 2019 or thereafter formally terminating the Distribution Agreement. As will be noted below (in the "Parties' Contentions" section), Respondent asserts that it never received an "official cancellation letter" from Complainant.

The Panel concluded: "Whether Respondent is in breach of the Distributorship Agreement by refusing to transfer the Domain Name to Complainant is an issue beyond the purview of the UDRP."

Employee, Vendor, and Service Provider Disputes

Refusing to Return Domain Name

An actionable claim for abusive registration against a former employee, vendor, or service provides rests on the proposition that it has no right or legitimate interest in the domain name registered during or after employment or engagement. However, whether the claim is within or outside the scope of the Policy depends on the circumstances of the registration. A review of the cases on this issue indicates a possible range of outcomes depending on the evidence.

Panelists in early cases were uncertain whether the issues were within or outside the scope of the Policy. Initially, there are decisions on both sides of this question. The prevailing view is that employees perform designated services and have no independent rights to the property they work with. In the words of the Panel in *Ruby's Diner, Inc. v. Joseph W. Popow*, D2001-0868 (WIPO August 29, 2001):

"An employee or former employee is not a licensee and thus has no authorization to use a company's trademark or a confusingly similar variation thereof without permission."

There are variations to this observation. In *Latent Technology Group, Inc. v. Bryan Fitchie*, FA0007000095285 (Forum September 1, 2000), for example, the Panel found that it lacked jurisdiction. While the Respondent was an employee of Complainant he registered <hogcall.com> but on the employer demanding that it be turned over, the Respondent claimed a contractual reason for refusing to do so when he resigned:

> the dispute concerned employee's registration of domain name in his own name and subsequent refusal to transfer it to employer raises issues of breach of contract and breach of fiduciary duty that are more appropriately decided in court, not before a UDRP panel.

But in *Sonic-Crest Cadillac, LLC v. Hayes*, FA0311000212652 (Forum January 14, 2002) (<cadillacofnashville.com>) the "Respondent registered the disputed Domain Names on behalf of and with instruction from Complainant, but registered them in the name of Respondent's entity." The Panel held that the "Respondent's registration of the Domain Names for any other entity than Complainant is evidence of a bad faith."

Whether an employer has an actionable claim under the UDRP depends on the circumstances under which the employee became listed as the registrant; as, for example, it was instructed to register the domain name in the account of the employer who paid for the registration. Thus, in *Telhio Credit Union, Inc. v. Braden McParlin*, D2007-1224 (WIPO October 27, 2007) the Panel found that there was "no dispute that Respondent was Complainant's employee at the time the disputed domain names were registered [. . .] [and] was not authorized to register or use any of the domain names under his own name."

As a general rule, when a respondent is instructed to register a domain name on behalf of a complainant but then chooses to register that domain name in its own name, it can have no independent right or legitimate interest in it. *Scientific Specialties Service, Inc. v. Marc Grebow / PrivacyProtect.org*, FA2005001896015 (Forum June 24, 2020). Under those circumstances failure to return the disputed domain on demand is abusive. Ruling in favor of Complainant in *Blue On Highland LLC v. Matthew Sullivan*, D2021-3168 (WIPO November 8, 2021) the Panel explained:

> [The] failure or refusal to transfer the disputed domain name which clearly belongs to Complainant and was used at all relevant times to promote Complainant's restaurant and bar suggests that Respondent knew what he was doing when he registered the disputed domain name under his own name and not under the name of his employer.

Other circumstances include former employees with "ongoing grievances." Whether these disputes belong in a UDRP will depend on the factual circumstances, but leveraging for settlement supports abusive registration. In *National Securities Corporation v. Registration Private, Domains By Proxy, LLC / Ridgeway Support, Richard (Rick) Garber*, D2018-0290 (WIPO March 23, 2018), the Panel found

> ample evidence that the Respondent, as a former employee with ongoing grievances against the Complainant, was aware of the trademark value of the Domain Name and more likely than not selected the Domain Name for its trademark rather than generic value.

After registering the disputed domain name, Respondent "promptly informed the Complainant that he had acquired the Domain Name and then in the same email demanded 'monies due' and threatened various legal actions unless the parties reached a settlement."

Prior knowledge through a family member formerly employed by the mark owner is also sufficient to support forfeiture. In *I@D International v. Monica Da Costa*, D2022-0033 (WIPO March 29, 2022) the Panel held "that the Respondent had previous knowledge of the Complainant's prior rights on the I@D Trademarks since her spouse is currently an employee of the Complainant."

The dispute in *Craft Multimodal LTDA. v. Alexandre Guandalini, ALGX CORP*, D2023-1691 (WIPO July 5, 2023) (e-craft.com) involved a provider rather than an employee who performed technology information services for Complainant:.

> [U]pon termination of the service relationship between the Parties the Respondent placed the disputed domain name for auction seeking to unduly profit from the Complainant's trademark and goodwill expressed in the disputed domain name.

Under circumstances other than with an employee, vendor, or service provider the genericness of the mark would have protected the respondent.

This proposition, though, does not extend to domain names registered with complainant's permission for the employee to register the disputed domain name in his or her own name. In such event, the domain name will remain with respondent under the conjunctive rule of 4(a)(iii) of the Policy, namely that while respondent may be charged with use in bad faith, it cannot be charged with registration in bad faith.

The Panel in *Macado's Inc. v. C. B. Henderson*, FA0804001180994 (Forum June 17, 2008) (<macados.com>) found that "the disputed domain name was registered by Respondent when he was an employee and Respondent had written authorization from Complainant to transfer the disputed domain name into his name for management purposes."

Vendor Claims for Unpaid Fees

There has been a mixed reception on this issue, whether it is outside the scope of the Policy as a contract dispute or within it as a cybersquatting claim. If the facts support withholding the domain name as pressure to settle an alleged claim on work performed it will likely be in bad faith. Even if respondent genuinely believed it had a right to hold onto a domain name as security for unpaid fees, "it is effectively taking the law into its own hands." But there were some early cases that dismissed complaints on the contract theory.

Thus, in *Clinomics Biosciences, Inc. v. Simplicity Software, Inc.*, D2001-0823 (WIPO September 10, 2001): "To decide this issue would require additional evidence and an evaluation of the commercial law of liens." (Complaint dismissed). Other panelists took a different view of the dispute. While there is a contractual component there is also and more importantly a cybersquatting issue.

This is reflected in *Nova Banka v. Iris*, D2003-0366 (WIPO June 30, 2003): "Finally, as Complainant has contended and Respondent has not denied, Respondent stated that the control over the Domain Names 'is the one and only protection' of its 'interests in Nova Banka.'"

The Panel in *Alaska Health Fair, Inc. v. Chris Jacobson*, FA1305001500868 (Forum June 24, 2013) explained further:

> [Respondent] is claiming a lien or some kind of security interest in the Domain Name to secure the payment of his fees. Here again, while the parties have significant disagreement as to many of the terms of their contract or agreement, there is no evidence anywhere of discussion among them before the work began about Respondent taking a lien or security in the Domain Name.

Similarly in *Athena Infonomics India Private Limited v. Registration Private, Domains By Proxy, LLC / Renji Mathew*, D2017-1779 (WIPO November 1, 2017) the Respondent "asserts that he held the Disputed Domain Name in order to recoup some of the money he lost from his dealings with OrangeLab." The Panel held:

> Although Respondent claims that he is only trying to recoup money that Respondent claims is owed to him by OrangeLab, this alleged dispute does not justify the bad faith conduct towards Complainant.

Strangers to Each Other

Theories of Action

For the generality of domain name disputes, parties have no former or formal relationship with each other. Accepting the complaint or dismissing it depends entirely on the facts either supporting or rebutting complainant's claim. It is unnecessary to cite obvious cases of cybersquatting. These disputes are mostly within the scope of the Policy. Those that are outside the scope fail for the same reasons discussed above with business disputes, but also include disputes that assert theories of action more properly dealt with in courts of competent jurisdiction.

It has already been noted that claims framed as cybersquatting which actually concern trademark infringement or other theories such as breaches of fiduciary duty or contract disputes are outside the scope of the Policy. It can also extend into other areas of the law such as *inter vivos* gifts as earlier noted in the case of *The Estate of Marlon Brando*.

Claims of copyright infringement are similarly outside the scope of the Policy. The point is illustrated in *Union Square Partnership, Inc., Union Square Partnership District Management Association, Inc. v. unionsquarepartnership.com Private Registrant and unionsquarepartnership.org Private Registrant*, D2008-1234 (WIPO October 22, 2008) in which Complainant had split its claims to avoid dismissal in the UDRP, by commencing a federal action in which it did not seek transfer of the disputed domain names. That being the case, "there is thus no reason for the Panel to defer to the court or to exercise his discretion to stay these proceedings."

The Panel in *Ascension Health Alliance v. Prateek Sinha, Ascension Healthcare Inc.*, D2018-2775 (WIPO January 25, 2019) (<ascensionhealthcare.com>) explains the reason for denying the complaint:

> Although Complainant may have the starting ingredients of an ordinary, trademark infringement case against Respondent, the Complainant has not demonstrated to the satisfaction of the Panel that Respondent is not making a bona fide offering of services. The UDRP is not appropriate to resolve such ordinary trademark infringement claims, which would be better resolved by a court of competent jurisdiction.

This both reinforces the limited scope of the UDRP while at the same time explaining why the word "ascension" cannot be appropriated by complainant to prevent noninfringing uses: "The base line fact is that Complainant appears to concede that Respondent is in fact offering a real world service via the disputed domain name."

In contrast, parties actually engaged in pending litigations or who have filed complaints in courts of competent jurisdiction after filing UDRP proceedings will be subject to UDRP Rule 18(a) which states that "the Panel shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision."

The Panel retained jurisdiction in *Rejuve Clinics LLC v. Merlin Kauffman, Rejuve Inc.*, D2019-2607 (WIPO February 6, 2020) (<rejuve.com>) because "[i]t appears that the Parties' case will not come before the TTAB for hearing until May

2021, at the earliest. And, while the TTAB may eventually rule on issues of trademark ownership and priority, the TTAB will not address cybersquatting issues."

Concurrent Court Proceedings

Rule 18 (Effect of Court Proceedings) addresses two different circumstances. 18(a) concerns concurrent court proceedings already pending or newly initiated by one of the parties (generally this would have been by complainant); and 18(b) concerns respondent removing the UDRP proceeding to a court of competent jurisdiction by exercising its right under UDRP 4(k).

Under Rule 18(a) "the Panel shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision," while under Rule 18(b) the party initiating the removal which for all practical purposes would be the respondent "it shall promptly notify the Panel and Provider."

Complainant in *DNA (Housemarks) Limited v. Tucows.com Co*., D2009-0367 (WIPO May 5, 2009) "[sought] to distinguish Rule 18 request based upon the timing of the institution of related civil proceedings." It argued that

> the Panel should treat differently those already commenced prior to institution of the Policy proceeding as opposed to the situation here, in which Respondent chose to initiate those proceedings only after the filing of the Complaint.

However, the Panel pointed out that this

> is not a distinction made in paragraph 18(a) of the Rules, which grants a panel discretion to determine whether to decide, suspend or terminate in the event of legal proceedings initiated "prior to or during an administrative proceeding".

The Panel recognized the possibility of "gaming or abuse" but "this Panel does not find evidence of such gaming and abuse on the part of Respondent in this Proceeding" and terminated the proceedings.

The Respondent was also the initiator of a US federal action in *AmeriPlan Corp. v. Gilbert*, FA0203000105737 (Forum April 22, 2002) in which it alleged breach of contract without touching directly on the disposition of the disputed domain name or on the parties' intellectual property rights and without seeking removal.

In exercising its discretion, the 3-member Panel decided to terminate the proceeding. It reasoned:

> When evidence of a court proceeding is submitted ICANN "will not implement the Administrative Panel's decision, and [. . .] take no further action until [. . .]" the court proceeding is resolved. No purpose is served by our rendering a decision on the merits to transfer the domain name, or have it remain, when as here, a decision regarding the domain name will have no practical consequence. This coupled with the complexity of the issues involved in this case

> which in our view require the testing of the credibility of both sides and the determination of a number of legal issues that require much better evidence and argument, leads us to the conclusion that this is not a case on which this Panel should rule.

The Panel concluded that "[r]endering a decision on the merits when there is already a court action pending does violence to the one function of the UDRP–to reduce the cost and effort required to resolve domain name disputes issues by offering a simplified mechanism in lieu of litigation."

Similarly, in *Sun Ray Chinese School, Inc. v. Hui Chiu / Mei Hsu*, FA1604001668860 (Forum May 16, 2016):

> After analyzing the facts as well as the evidences brought by the parties, the Panel finds that it seems more reasonable to defer to the concurrent court case. The rationale for this decision is that a panel should not enter a decision when there is a court proceeding pending because no purpose is served by the panel rendering a decision on the merits, whether to transfer the disputed domain names, or otherwise. . . . Furthermore, the Panel finds that the case seems to present a legitimate trademark dispute.

As the Panel also noted "it is hard to properly adjudicate a dispute where two parties claim to be entitled to the disputed domain names and rights over the SUN RAY trademark and where little opportunity is given in a forum such as this to adequately test and assess the wide-ranging and conflicting assertions made by the parties."

In *NZ Manufacturing, Inc. v. Eric Snell*, FA1604001670641 (Forum June 3, 2016) (involving a trademark for STRETCHCORDZ) Respondent notified the provider that it had filed a Petition with the USPTO for Cancellation of Complainant's Trademark on grounds of genericness. In terminating the proceedings, the Panel reasoned "the existence of rights and/or legitimate interests turns on resolution of a legitimate trademark dispute."[20]

The Panel in *NZ Manufacturing* concluded that there was "more at stake in this dispute" and that the TTAB's determination was important because here there was a "conflict between legitimate interests of two fair users." Basically,

> Complainant as a holder of registered trademarks, who has been fairly using its marks for an extended period of time, challenges the disputed domain name which is confusingly similar to its marks and, at the same time, consists of generic terms. There is no doubt as to the generic nature of the words "stretch

20 *Family Watchdog LLC v. Lester Schweiss*, D2008-0183 (WIPO April 23, 2008) (The Panel analogized the TTAB proceeding to a pending lawsuit and denied the complaint.) The reverse situation, Complainant's challenge to Respondent's application for a trademark, is not grounds for suspending a UDRP proceeding, *Debbie Morgan Macao Commercial Offshore Limited, Missguided Limited v. Samir Vora*, D2013-0737 (WIPO June 14, 2013).

> cordz", even in view of the alternative spelling of the last letter in the word "cords". Neither Complainant, nor Respondent are the "authors of this alternative form of spelling" widely used in commerce.

Deeply embedded in this decision is a policy first enunciated in the WIPO Final Report that

> the scope of the procedure is limited so that it is available only in respect of deliberate, bad faith, abusive, domain name registrations or "cybersquatting' and is not applicable to "disputes between parties with competing rights acting in good faith."

This includes contract disputes where there is more "at stake" than simply the disputed domain name.

However, where there is reason for continuing an administrative proceeding it should not be terminated or suspended. Proceeding to a determination is a proper course where it "concerns only control of the Domain Name, not any of the other remedies at issue in the federal litigation." This was the Panel's decision in *W. Fla. Lighting v. Ramirez*, D2008-1122 (WIPO October 2, 2008). And in *Quadrific Media Private Limited v. Rajat Agarwal*, D2017-1050 (WIPO August 31, 2017) the "Panel [found] that it is able to make a determination in these proceedings based on the UDRP principles, without needing to go into an in-depth analysis of the surrounding dispute and other legal issues, which would be beyond the Panel's remit. Therefore, the Respondent's request for termination of these administrative proceedings is denied."

Similarly in *St. Louis University d/b/a Saint Louis University v. SLUCOMPLIANCE PROJECT.ORG c/o Privacy Protect, LLC / Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Micheal Todd Rice*, D2017-1759 (WIPO November 15, 2017). The 3-Member Panel noted that

> the pending, simultaneously-commenced litigation in federal district court between the Complainant, the Respondent, and the Respondent's spouse goes well beyond the question of entitlement to the disputed domain names. The domain name dispute is part of and generally ancillary to broader disputes between the Parties encompassing pending litigation in both state and federal court, with the federal court litigation primarily concerning the Complainant's efforts to enjoin the Respondent's use of the Complainant's marks on the Respondent's websites, which the Respondent asserts are criticism sites.

The Panel concluded that

> [w]hile it is not altogether clear to the Panel why the Complainant chose to institute parallel proceedings by filing a UDRP complaint in tandem with its federal court lawsuit, it is evident to the Panel that the disputed domain names are tied up in a larger and more complex dispute than the issue of cybersquatting that the UDRP is designed to address.

In *SDT International limited company v. Telepathy, Inc.*, D2014-1870 (WIPO January 13, 2015) the Panel explained that

> The court proceeding launched by the Respondent in the United States District Court for the district of Columbia seeking relief under the United States Anticybersquatting Consumer Protection Act is a legitimate action, not something dreamt up by the Respondent to frustrate this administrative proceeding.

It explained that the

> issues at the heart of this proceeding, namely the parties' competing claims to the Domain Name and whether or not the Complainant is guilty of Reverse Domain Name Hijacking, are at the core of the court proceeding.

Moreover,

> the court is in a far better position than the Panel to adjudicate those issues in that the court litigation will provide the parties with the opportunity for "the exchange of discovery, examination of witnesses, presentation of reply arguments, and examination and cross-examination of live witnesses, all of which are unavailable in a proceeding under the UDRP.

The Panel terminated the proceedings over a vigorous dissent citing earlier authority that held that "a failure by the Panel to address the merits of the case before it, would serve to frustrate the intended effect of the Policy, to which the Respondent as domain name registrant has submitted on its part."

CHAPTER 9

ARCHITECTURE OF THE UDRP: LIMB 1

THE THREE-PART STRUCTURE

In assessing merits, WIPO recommended a simple three-tier architecture for the proposed protective mechanism for mark owners, and ICANN essentially adopted the elements of proof word for word (Final Report paragraph 171). The slight variation between WIPO's phrasing and the Policy is of no consequence:

> (1) The registration of a domain name shall be considered to be abusive when all of the following conditions are met [ICANN dispenses with this introduction as redundant]:
>
> (i) the [ICANN replaces "the" with "your"] domain name is identical or misleadingly similar to a trade or service mark in which the complainant has rights; and
>
> (ii) the holder of the domain name [ICANN replaces "the holder" with "you have"] has no rights or legitimate interests in respect of the domain name; and
>
> (iii) the [ICANN replaces "the" with "your"] domain name has been registered and is used in bad faith.

WIPO also laid out the terms for each of these requirements. For rights or legitimate interests it recommended:

> [1] [T]he behavior of innocent or good faith domain name registrants is not to be considered abusive. For example, a small business that had registered a domain name could show, through business plans, correspondence, reports, or other forms of evidence, that it had a bona fide intention to use the name in good faith.
>
> [2] Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would likewise not be considered to be abusive.
>
> [3] [G]ood faith disputes between competing right holders or other competing legitimate interests over whether two names were misleadingly similar would not fall within the scope of the procedure.

For the culminating requirement, WIPO laid out the circumstances that would support bad faith registration and use. Importantly, it insisted on a conjunctive requirement for abusive registration. As I noted in Chapter 1, the trademark constituency lead by INTA unsuccessfully petitioned ICANN to replace the "and" with an "or" prior its implementation of the UDRP. The disjunctive model is a feature of the ACPA and country code Policies but except for the discredited retroactive theory discussed in Chapter 4, it has no place in the UDRP.

This chapter (proving that complainant has standing to maintain a UDRP proceeding), Chapter 10 (proving that respondent lacks rights and legitimate interests in the disputed domain name) and Chapter 11 (proving conjunctive bad faith registration and use of the disputed domain name) will separately focus on the three-part architecture of the UDRP.

In each of these requirements, the three elements of the Policy, proof means establishing a claim of cybersquatting by a preponderance of the evidence. This demand for concrete evidence is relaxed in the second element by requiring the complainant to offer presumptive proof, a *prima facie* case, which if it does successfully shifts the burden to the respondent, and if rebutted concludes the proceeding in the respondent's favor.

Issues raised in earlier chapters: discussing WIPO's contributions, describing the Policy and registrants' contract obligations, detailing the rise and development of a jurisprudence, summarizing the distinctive values of marks and domain names, outlining the scope of the administrative proceeding and general powers of the Panel, will now be considered in the different context of this architectural framework.

Jurisdictional Issues

To maintain a civil action in a court of law—technically, to have standing to maintain an action—plaintiffs must show, first, that the court has subject matter jurisdiction, and second that the court has personal jurisdiction over the defendant. If there is proof of neither, or if one but not the other, the plaintiff is in the wrong venue and the case must be dismissed without prejudice to filing the claim in the proper venue.

For the UDRP, the jurisdictional issues are simplified. The Policy expressly grants jurisdiction to Panels to hear and determine claims of cybersquatting (subject matter jurisdiction) and the contractual requirement that binds respondents to having claims of cybersquatting heard and determined in the administrative proceeding provides the basis for personal jurisdiction. Moreover Panels have jurisdiction regardless whether respondents appear or default. In the absence of a respondent Panel have jurisdiction over the *res* and the proceedings are conducted *in rem* (Chapter 1, Footnote 32).

If the complainant has a mark and if the disputed domain name is identical or confusingly similar to that mark it has standing. The right is not limited to registered marks, as the Panel noted in *PASSION GROUP INC. v. USEARCH, INC.*, AF-0250 (eResolution June 20, 2000) (<jobpostings.com>):

> Had ICANN intended the Policy to be restricted to cases involving only registered trademarks or service marks, it could easily have used narrower language than "a trademark or service mark in which the complainant has rights". The Panel finds the Policy applies to marks in which there are common law rights as well as to marks in which there are rights arising from registration.

Further: "The Policy's requirements appear to be minimal," *ISL Marketing AG, and the Union des Associations Europ'ennes de Football v. The European Unique Resources Organisation 2000 B.V.*, WIPO D2000-0230 (WIPO July 5, 2000). And the Panel in *Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale*, D2000-0662 (WIPO September 19, 2000) (<wal-martsucks.com>) explained:

> the issue under the first factor is not whether the domain name causes confusion as to source (a factor more appropriately considered in connection with the legitimacy of interest and bad faith factors), but instead whether the mark and domain name, when directly compared, have confusing similarity.

However, while the bar for proving these elements is low for complainants holding registered marks, it is significantly raised for alleged unregistered (common law) marks. Unless a complainant satisfies these two elements it cannot state an actionable claim. In this first requirement, respondent generally has no role if complainant has a registered mark since the registration is presumptively valid, but respondent does have a role if the alleged mark is unregistered, is pending, or on the supplemental register since timing is a critical factor in determining whether complainant "has a mark in which it has a right." Unregistered marks are discussed separately below.

Paragraph 4(a)(i) has two elements: if the disputed domain name is identical or confusingly similar to a mark in which complainant has a right (registered or unregistered) it has standing to maintain the proceeding. Unless a complainant has a right it cannot state an actionable claim and the complaint must be dismissed.

The phrasing of the first requirement—"a mark in which [complainant] has a right"—element is a critical factor. In the words of the Panel in *British Heart Foundation v. Harold A Meyer III*, AF0957 (eResolution November 13, 2001):

> Thus, complainant must produce evidence proving that, prior to the filing of the Complaint, it has provided goods or services under the unregistered mark and had thereby acquired a reputation such that members of the public would associate those goods or services with complainant and not with others not authorized by complainant to use the mark. That is to say, complainant must prove that, prior to filing the Complaint, it had acquired a right in the unregistered mark such as would enable it to bring a legal action against a third person using the mark without its consent"

"[T]he intent behind [the first requirement] is to ensure that the Complainant has a bona fide basis for the Complaint," *The Perfect Potion v. Domain Administrator*, D2004-0743 (WIPO November 6, 2004).[1]

Questions as to the scope of the trademark rights, its reputation, the market in which it operates, geographical location of the respective parties, and other considerations that may be material to Paragraphs 4(a)(ii) and 4(a)(iii) are not relevant in determining whether complainant has rights, except to such extent they may be relevant in determining unregistered rights in which event it is appropriate for respondent to argue its position that any rights complainant may have (assuming it has any) postdate the registration of the domain name.

Entitled to a Remedy

The discussion thus far has underscored WIPO's policy recommendations: it "was not to create new rights of intellectual property, nor to accord greater protection to intellectual property in cyberspace than that which exists elsewhere." The crafted mechanism offers mark owners a nonexclusive means of canceling or having the disputed domain name transferred to their accounts on proof of conjunctive bad faith.

To be entitled to this remedy, complainants must first satisfy two preliminary tests (Paragraph 4(a)(i) of the Policy): first, they must demonstrate they have a mark in which they have a right; and if they do, the disputed domain name is either identical or confusingly similar to that mark. It is a conjunctive requirement. Demonstration of one but not the other is insufficient to maintain a UDRP. Complainants demonstrate a right by proving (not simply alleging) a registered trademark or service mark; and if unregistered, the complainants have the added burden of proving that the alleged mark has been used in commerce prior to the registration of the disputed domain name.

Standing to maintain a proceeding is a low-bar for registered marks and a relatively high bar for unregistered marks. This is because unregistered marks to

1 Initially, there was some uncertainty as to whether the mark had to be distinctive before the registration of the domain name, which would align the UDRP with the ACPA. For example, in *Firstgate Internet A.G. .v. David Soung*, D2000-1311 (WIPO February 28, 2001) ("Whilst the Panel agree that this issue is not necessary to its Decision, given its view on complainant's failure to satisfy the third element of paragraph 4(a) of the Policy, they disagree as to when trademark rights must exist for the requirements of paragraph 4 (a)(i) of the Policy. The Presiding Panelist and Panelist Chrocziel believe that such trademark rights must be in existence at the time the domain name is registered, i.e. here March 6, 2000. Panelist Creel believes that such trademark rights need only exist at the time of the Complaint"). Not all Panels agree with the consensus on this issue and prefer to follow the view that "the right must be in existence at the time the domain name is registered."

qualify as marks require complainants to prove that the alleged mark has acquired "secondary meaning"—which under trademark law means that the mark has acquired distinctiveness in the market. Secondary meaning is a term of art. The same factors applied under trademark law are applied under the UDRP, although less severely.

With element one satisfied, complainants proceed to Paragraphs 4(a)(ii) and (unless the respondent rebuts the complainant's prima facie case) to a reasoned decision under 4(a)(iii) of the Policy. While having a trademark (registered or unregistered) is the prerequisite for maintaining a UDRP proceeding, having one is not conclusive of either respondent's lack of rights or legitimate interests or that respondent registered and is using the domain name in bad faith. These elements are satisfied by adducing probative evidence that the respondent lacks rights and legitimate interests and registered and is using the disputed domain name in bad faith. Each element must be independently proved.

The greater the distinctiveness of the mark the likelier the merit of complainant's presumptive claim of cybersquatting, but as that distinctiveness declines or weakens, the acquisition of the corresponding domain name is likelier to favor the respondent (Chapter 5). The ultimate question concerns motivation for acquiring the disputed domain name, and because this is hidden if not obvious or disclosed or evident from the record, it becomes central to the issue of bad faith.

In the progression through 4(a)(ii) and 4(a)(iii), the evidence is analytically tested. The complainant has the burden of proof which it satisfies first by prima facie evidence in the second element and by preponderance of evidence standard in the third element. Respondent's burden of production is triggered only when these thresholds have been reached.

Each party is taxed by answering a variety of questions: Was respondent authorized to register a disputed domain name corresponding to the mark? Is respondent commonly known by the mark? Or, Did it register the disputed domain name for noncommercial or fair use purposes? These are the non exclusive circumstances or factors set forth in Paragraph 4(c) of the Policy. And for bad faith, there are comparable questions for both parties, but the complainant has the onus of proof. These questions and the evidence supporting their contentions will be separately discussed in Chapters 10 and 11.

For the generality of complaints, the answers to these questions and the evidence adduced overwhelmingly support cybersquatting, but "generic and clever domain names" composed of dictionary words (alone or combined), common phrases and expressions, descriptive terms, and random letters, are more likely to be lawful registrations (Chapter 6). Facts clearly presented and supported by credible evidence prevail while supposition and conjecture, the twin flaws of presentation, will fail. "Flaws" and deficiencies are discussed in Chapter 12.

In its service provider role, WIPO states in the Introduction to the Jurisprudential Overview (2017) that "it is considered important for the overall credibility of the UDRP system that parties can reasonably anticipate the result of their case." It also notes "the existence of similar facts and circumstances or identifying distinguishing factors, panels strive for consistency with prior decisions." This is achieved by advancing progressively through the three tiers of increasingly demanding proof.

Applicable Factors

For each successive stage the UDRP provides lists of nonexclusive circumstances (sets of factors) that upon unrebutted proof that the contentions are more likely than not true, will satisfy a claim of cybersquatting; or on any unrebutted rebuttal the presumptions are defeated, and the complaint dismissed.[2] Given the purpose for the UDRP, the complaint is for the mark owner to lose.

This raises a two-part question as to these factors: What contentions must be asserted? And, What proof satisfies them? When complainants fail of proof, it is not necessarily because they lack rights, but rather it is because, in a Panel's assessment of evidence and balancing of rights, complainants either do not have sufficient proof of abusive registration, or respondents have persuasive rebuttal evidence that their registrations are lawful (4(a)(ii) of the Policy). Registrations may be lawful whether or not respondents have rights or legitimate interests if complainant fails to substantiate its claim that the registration of the disputed domain name was abusive (4(a)(iii) of the Policy).

As with trademarks generally, one is aware as I pointed out in Chapter 5, that not all names are equally distinctive in a market sense, and some of them are distinctly commonplace when drawn from the cultural lexicon. There are a variety of factors that determine which marks succeed and which fail; and equally, there are factors that determine registrants' intentions in acquiring specific domain names that are claimed to be infringing complainant's rights.

The consensus rule is that complainants with registered marks have standing to maintain a UDRP proceeding regardless of the strength or weakness of those marks *or of the dates of those rights*; and for unregistered marks, complainants will be granted standing *as long as the rights predate the registration of the disputed domain*

2 This harks back to an earlier discussion about pleadings: there is a complaint and an response. Replies are discouraged, and if submitted are received only if the Panel agrees to accept them. If there is no reply to a robust response any presumption of bad faith based on a *prima facie* showing, will have been defeated. It is for this reason that I have earlier noted, and will reinforce in Chapter 12, the necessity to anticipate defenses and build them into the complaint.

name. I underscore these assertions because if the mark postdates the registration of the disputed domain name the complainant cannot prove the Paragraph 4(a)(iii) element, except under limited circumstances of anticipatory infringement which will be discussed below.

STANDING TO MAINTAIN A UDRP PROCEEDING

Registered (no bar) / Unregistered (high bar)

There are five possible factual patterns for the first test. Complainant 1) has a registered mark predating the registration of the disputed domain name (the majority of cases); 2) has both a registered mark postdating registration of the domain name and proof of unregistered rights predating the disputed domain name; 3) satisfies its standing requirement by having a registered mark, although its registration postdates the registration of the domain name (requires proof of secondary meaning); 4) complainant establishes that it has an unregistered right that predates the registration of the domain name; and 5) makes a naked claim of use in the market predating respondent's registration of the disputed domain name but has adduced insufficient proof to establish an unregistered mark.

The general rule is explained by the Panel in *Digital City, Inc. v. Smalldomain*, D2000-1283 (WIPO November 6, 2000):

> The Respondent suggests that the fame of the Complainant does not extend outside its user base in the US, and that the term "digitalcity" is merely generic outside this group. The emphasis of the Respondent's claim however, is not on the genericness of the expression "digitalcity", but rather that it is not well known outside the US.

The Panel rejected this argument: "Unfortunately for the Respondent's claim, it is not necessary to show that the Complainant's mark is internationally famous." If that were the criterion that would

> provide the protection of the UDRP only to world famous marks, which is demonstrably not the intention behind the UDRP. *It is necessary for the Complainant only to show rights in a mark in any jurisdiction*, which the Complainant has satisfied here. So the argument, as structured by the Respondent, fails. (Emphasis added).

For other reasons, though, the Panel denied the complaint, finding that consumers are "not likely to be confused" by DIGITAL CITY and <digitalcitymaps>. The addition of the word "maps" spells out a business distinctive from the complainants description of the actual use of the mark. While it has a mark, and while the disputed domain name is confusingly similar to it, the respondent's motivation was not to infringe on the complainant's mark, but to use it for a different purpose.

National Registrations

There is no dispute that where a complainant demonstrates that it owns a registered trademark in any national jurisdiction it has satisfied the "rights" test under Paragraph 4(a)(i).[3] Thus, we find that panelists in many cases note that "Complainant's registration of the trademark on the Principal Register at the PTO establishes a presumption of validity of the mark in U.S. law" (or for this read any national registry).

The respondent has the opportunity of refuting this presumption, but if supported by a copy of a registration certificate (which must be exhibited if the claim is made), it would be unassailable on this element. The same presumption applies equally for trade and service mark registrations in other national registries. However, where the domain name registration predates the certification of the mark, the complainant must rest its case on the alleged first use in commerce date. For this, it must offer evidence of secondary meaning consistent with claim.

The Panel in *Imperial College of Science and Technology and Medicine v. Zahid Khan (for Imperial College Management School Alumni Association-ICMSAA)*, D2000-1079 (WIPO November 16, 2000) held: "Where the relevant mark is a registered trademark, [. . .] [it] plainly provide[s] sufficient evidence of the existence of applicable rights."

The Panel in *America Online, Inc. v. John Deep d/b/a Buddy USA Inc.*, FA0103000096795 (Forum October 3, 2001) observed:

> [T]he US PTO is charged, in the first instance during examination of a federal trademark application, with ensuring that the mark, if registration is sought on the Principal Register (as the Complainant has sought and ultimately achieved for its "AIM" marks) that, under §2(e)(1) of the Lanham Act (15 U.S.C. §1052(e)(1)), that the mark is not "merely descriptive or deceptively misdescriptive if it describes an ingredient, quality, characteristic, function, feature, purpose or use of the specified goods or services".

Panels do not have jurisdiction to question judgments of official governmental bodies with specialized expertise in examining and issuing trademark applications, although they do have jurisdiction to query state or local registrations granted without examination: "[O]nce a trademark office 'has made a determination that a mark is registrable, by so issuing a registration [. . .] an ICANN panel is not empowered to

3 Proof means complainant has annexed a copy of the registration to the complaint not merely alleging as fact what is not demonstrated by proof, and if resting on unregistered rights that it has demonstrated secondary meaning as discussed further below. It is unnecessary to document this observation further except to note, not merely as it applies to the first element, that there are among complaints denied a fair number that if properly supported by proof would have been successful.

nor should it disturb that determination,'" *U.S. Office of Pers. Mgmt. v. MS Tech. Inc.*, FA0310000198898 (Forum December 9, 2003).

"Registration of a mark with a governmental authority (or, in this case, multiple governmental authorities) is sufficient to establish rights in the mark for purposes of Policy ¶4(a)(i)," *Vanguard Trademark Holdings USA LLC v. Wang Liqun*, FA1506001625332 (Forum July 17, 2015).

In contrast, the 3-member Panel in *Madonna Ciccone, p/k/a Madonna v. Dan Parisi and Madonna.com*, D2000-0847 (WIPO October 12, 2000) (<madonna.com>) disregarded the Tunisian trademark registration because

> [It] is issued upon application without any substantive examination. Although recognized by certain treaties, registration in Tunisia does not prevent a finding of infringement in jurisdictions outside Tunisia. Under the circumstances, some might view Respondent's Tunisian registration itself as evidence of bad faith because it appears to be a pretense to justify an abusive domain name registration.

Rights in unregistered marks are no less actionable rights regardless of the jurisdiction in which they originated and irrespective of whether the jurisdiction subscribes to common law practice. Cancellation of a mark in one jurisdiction where there are registrations in other jurisdictions does not affect a complainant's rights nor are those rights affected if the trademark registration postdates unregistered rights.

In *Alstom v. NetSupport AskMySite, AskMySite.com LLC*, D2020-3206 (WIPO March 2, 2021) (French company claiming both unregistered and registered rights in the CORADIA mark challenging <coradia.com>), the Panel held:

> It is also of no consequence for the first element analysis that any such trademark may not be registered in the Complainant's jurisdiction. Furthermore, the Panel finds that the Complainant has established unregistered trademark rights in the CORADIA mark dating from 1999 by virtue of its substantial global activities under such term."

The above cases illustrate claims by complainants of well-known or famous marks, but as marks decline in distinctiveness as I pointed out in Chapter 5 it is immaterial that they have national registrations predating the registrations of domain names. The issue then turns on the distinctiveness of the mark. The reader will recall the discussion in Chapter 1 of *Koninkljke KPN N.V. v. Telepathy Inc.*, D2001-0217 (WIPO May 7, 2001) (Netherlands Complainant, US Respondent) involving <moneyplanet.com> and <travelplanet.com>). While the Complainant satisfies the Paragraph 4(a)(i) element, it cannot satisfy the two other elements. Similar results have been found for <thea.com> (the Greek word for goddess, French and US parties), <gofit.com> (US and Luxembourg parties), and <hero.com> (Swiss and US parties), etc. As the first test only concerns rights and correspondence between the mark and the domain name, though, the assessment proceeds to the next element.

US State Registrations

While national trademark registrations satisfy the first test of Paragraph 4(a)(i) of the Policy, it is uncertain whether trademark registrations by inferior governmental agencies can qualify without proof that the applied-for marks have also achieved secondary meaning within the markets in which they operate. The consensus view is that state registrations may qualify only if state law requires the approving office to examine an applied-for mark, as the following cases illustrate.

The Complainant in *Realmark Cape Harbour L.L.C. v. Lawrence S. Lewis*, D2000-1435 (WIPO December 11, 2000) (<capeharbour.com>) "has not registered the trademark or service mark 'Cape Harbour' on the Principal Register at the USPTO." For this reason,

> Complainant's asserted mark does not enjoy a presumption of secondary meaning under federal law. Complainants filing of a trademark registration application with the Florida Secretary of State similarly establishes no presumption of secondary meaning [. . .] [although] [c]ommon law rights may arise under the federal Lanham Act or state law.

However, the Panel continued that it

> is satisfied by the evidence in this proceeding that Complainant has established common law trademark rights in "Cape Harbour" for use in connection with the marketing and sale of real property and residential property in a geographical area at least encompassing the area in which Respondent principally conducts its real estate brokerage activities

No deference is paid to the Florida registration without receiving additional proof of secondary meaning.

The no deference rule "is due because State registrations, which are usually granted automatically or only after a cursory review for exact matches on the State's trademark registry, are unexamined and thus are not deserving of any presumption of validity," *Town of Easton Connecticut v. Lightning PC Inc.*, FA0808001220202 (Forum October 12, 2008) (<eastonct.org>). For the same reason, unexamined registrations of business or trade names are also denied common law trademark rights unless they are found to function as trademarks as already discussed.

The Panel in *All Day $49 Montana Registered Agent, LLC v. Nathan Resnick, 1DollarMontana, Street Legal Registration and Wasatch Real Estate LLC*, D2022-4302 (WIPO January 23, 2023) rejected Complainant's offer of proof:

> The Complainant refers to its Montana registered marks as "regionally registered", but that term is used for marks registered by multinational trademark offices such as the Benelux Organization for Intellectual Property, EUIPO (European Union Intellectual Property Organization), and OAPI (African Intellectual Property Organization). The Complainant's service marks are state registrations in the State of Montana, and such registrations are effected without the same level of examination as national or regional trademark registrations.

The Panel continued:

> Mindful of this difference, the Panel looks to the record for supporting evidence that the Complainant's state-registered service marks have acquired distinctiveness, beyond simply registering online with a state, paying a fee, and claiming a first-use date. [. . .] All of the Complainant's marks could be characterized as descriptive. The Panel considers that such unexamined, state-registered marks of a descriptive nature are not entitled to deference with regard to standing for purposes of the first element of the Complaint but require evidence of acquired distinctiveness, which is lacking on this record.

Notwithstanding the general view about state registrations, Panels have found that they may qualify in some instances. For example: *Teresa Christie, d/b/a The Mackinac Island Florist v. James Porcaro, d/b/a Weber's Mackinac Island Florist*, D2001-0653 (WIPO September 17, 2001) (<mackinacislandflorist.com >) (Panel has no power to nullify Michigan state registration); and *Paul McMann v. J McEachern*, D2007-1597 (WIPO February 9, 2008) (Massachusetts state registrations not issued "automatically" in that the Secretary of the Commonwealth exercises some scrutiny), although the Panel dismissed the complaint because the dispute was ongoing in state court and involved more than a domain name issue.[4]

Where complainants' marks are found to function as trademarks, they are not precluded from establishing standing by proving unregistered rights. Compare *Mark C. Spicher v. Frogi Design, s.r.o. / The Artwork Factory, s.r.o.*, D2015-0606 (WIPO June 3, 2015) (<the-artwork-factory.com>) with *Missouri Lottery Commission v. SED Domain Services / Common Law*, D2014-0118 (WIPO March 7, 2014) (<missourilotteryonline.net>) (Missouri and USPTO registrations.

In *Missouri Lottery* Complainant "demonstrated longstanding and very substantial use and promotion of the MISSOURI LOTTERY trademark to the extent that the Panel is satisfied that it has established a reputation such as to confer common law rights in that trademark for purposes of the Policy." In contrast with

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4 The Panel in *Erase Technologies, LLC v. Web Presence LLC, NetReputation.com*, D2022-3797 (WIPO January 2023) (<guaranteedremoval.com>) found that a New York registration qualified as a mark because it is not automatically granted. Disclosure: Author was a member of the Panel on this case.

Spicher in which the Complainant offered no evidence of commercial activity at the time that Respondent registered the domain name.

Later cases are in accord with these views. In *Empire Wine & Spirits, LLC v. Domain Administrator, See PrivacyGuardian.org / Telesphore TETA*, D2022-0543 (WIPO April 19, 2022) (<empirewineliquor.com>) the Complainant owned a New York State registration but also adduced evidence of its long-term presence in the market.

In this case, the facts supported standing not solely because of the registration but because, first, the registration was evidence of use in commerce as of that date and, second, that Respondent was a New York resident of New York and found to be impersonating Complainant. Complainant's evidence supported long-term use of EMPIRE WINE & LIQUOR OUTLET within and outside its New York market, thus satisfying the requirement for establishing secondary meaning.

Complainants with Rights

Related Persons or Entities[5]

The Policy provides: "Any person or entity may initiate an administration proceeding by committing a complaint in accordance with the Policy and these Rules" (UDRP Paragraph 3(a)). "Any person" has been clarified to mean one or more persons with a verified relationship to the mark holder or is qualified in some manner by that relationship.

WIPO Supplemental Rules do not enlarge on this, but the Forum Supplemental Rules, Rule 1(e) does:

> [Any person] means the single person or entity claiming to have rights in the domain name, or multiple persons or entities who have a sufficient nexus who can each claim to have rights to all domain names listed in the Complaint."

There are two closely aligned circumstances: 1) related persons or entities, 2) licensees, and 3) others authorized by the mark holder to protect its trade or service mark.

The general proposition of related persons or entities is set forth in *Grupo Televisa SA v. Party Night Inc*, D2003-0796 (WIPO December 2, 2003) (4 Complainants) (<televisadeporte.com>) expanded on this conclusion by explaining:

> The words in paragraph 4(a)(i) of the Policy in which Complainant has rights] do not require the Complainant to be the owner of the mark and would include, for example, a licensee of the mark. It has been accepted in several

5 See also Chapter 10 ("Chain of Title or Possession") relating to subsequent registrants defending their right or legitimate interest in the disputed domain name.

> decisions that a company related as subsidiary or parent to the registered holder of the mark may be considered to have rights in the mark.

The Panel based this holding on limited precedent indicating a right may exist either under a theory of implied license, the reasoning in *DigiPoll Ltd. v. Raj Kumar*, D2004-0939 (WIPO February 3, 2005) (<digipoll.com>), or a more general notion based on corporate control and common sense explained in *Miele, Inc. v. Absolute Air Cleaners and Purifiers*, D2000-0756 (WIPO September 20, 2000) (<miele.net>) where Complainant's grandparent corporation had a long established U.S. trademark registration for the mark for vacuum cleaners.[6]

Complainant and trademark owner in *HQUK Limited v. Head Quarters*, D2003-0942 (WIPO February 5, 2004) (<hq-hair.com>), were "sister companies" and the latter had consented to the UDRP proceeding. The Panel in *Vancouver Org. Comm. for the 2010 Olympic and Paralymic Games & Int'l Olympic Comm. v. Malik*, FA0603000666119 (Forum May 12, 2006) suggested an "if" in finding a right: "it is permissible for two complainants to submit a single complaint if they can demonstrate a link between the two entities such as a relationship involving a license, a partnership or an affiliation that would establish the reason for the parties bringing the complaint as one entity."

The proper analysis is advanced further in *BSH Home Appliances Corporation v. Michael Stanley / Michael Sipo*, D2014-1433 (WIPO October 6, 2014). Complainants raised "a preliminary issue about this Complainant's right to invoke the Policy when its German parent holds the trademarks upon which the Complaint is based." The Panel stated:

> While it is clear that not only a mark owner may have sufficient rights in a mark to maintain a Policy proceeding, little case law focuses on the issue presented here: whether a wholly-owned subsidiary may do so when the parent holds the trademarks.

Citing the earlier decisions,

> This Panel will follow [the *Grupo Televisa*] approach and allow the Complainant, the mark owner's wholly-owned subsidiary, to maintain this proceeding. This is not a case where there exists an obvious impediment to the mark owner's bringing the Complaint directly, and nothing in the record suggests any advantage sought or gained by having the subsidiary rather than the parent file the Complaint.

This approach is also adopted by the Panel in *Linklaters LLP v. WhoisGuard, Inc / David Balevic, edcc*, D2021-0723 (WIPO May 4, 2021) (<linklatar.com>),

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6 However, in this case the Panel held that while the disputed domain name was being used in bad faith, it had been registered in good faith, and the complaint was dismissed.

but it also considered the nature of proof a complainant should offer in support of its right and concluded:

> In the absence of any response challenging the Complainant's standing, the Panel finds it is probable that the Complainant, being the parent company of the registered owner of the LINKLATERS marks, is authorized by that owner to use the marks (and indeed has been doing so extensively).

This was reasonable because

> The Complainant's control of the owner of the marks puts it, if anything, in a stronger position than the subsidiary company complainant in BSH Home Appliances case, and there could be no realistic suggestion that the Complainant's entitlement to commence this proceeding could be challenged by its own wholly-owned subsidiary. In these circumstances the Panel is content to apply the approach adopted in Grupo Televisa and BSH Home Appliances cases.

The Panel in *Bunge Limited, Bunge SA and Bunge Deutschland GmbH v. eric ochoki*, FA2208002009194 (Forum September 22, 2022) found Complainants "are all indirectly wholly owned by their ultimate parent company Bunge Limited and are thus related companies" and this satisfied the "sufficient nexus" for "each to claim to have rights to the <bunge-group.com> domain name listed in the Complaint."

Similarly in *Guess? IP Holder L.P. and Guess?, Inc. v. Client Care / Web Commerce Communications Limited*, FA2208002010206 (Forum October 19, 2022) (<guessportugal.com> and 3 others) found:

> In the present case, the Complainants has provided a Declaration explaining the corporate structure and specific relationship between the Complainants, namely that Guess? IP Holder L.P. is a Delaware limited partnership that is effectively wholly owned by Guess?, Inc.

While there must be evidence of the relationship between complainant and mark owner, it is satisfied by demonstrating a "sufficient nexus." The Panel in *Comme Des Garcons Co., Ltd. v. liang jian she*, FA2211002019836 (Forum December 15, 2022) (<commedegarconss.com>) concluded that there was proof of one Complainant having a right but not the second named Complainant:

> After considering the evidence submitted, and for the limited purposes of this UDRP case, the Panel cannot assume that the entity named Comme Des Garcons, Ltd. has a current ownership interest in any of the cited trademark registrations or in the COMME DES GARCONS trademark itself, or that it has a current relationship with Comme Des Garcons Co., Ltd. However, sufficient evidence does exist to conclude that the entity named Comme Des Garcons Co., Ltd. has relevant and current trademark ownership rights.

This follows because an infringement claim can only be asserted by a party having a trademark right or authorized by association or contract to protect it.

Licensees[7]

A licensee (filing alone with permission or with the trademark owner) may maintain a UDRP proceeding if it is invested with the right to protect an owner's trademark from unauthorized third parties. But, without the mark owner's permission, a complainant has no actionable claim. Thus, for example, in *Blue Mountain Coffee, Inc. v. Fundacion Private Whois / Domain Administrator*, FA 1204001439829 (Forum May 21, 2012) (<blue-mountain-coffee>), the Panel explained that while it had "no reason to doubt that Complainant has the right to import, market and sell products marked with the Coffee Marks Limited JAMAICA BLUE MOUNTAIN COFFEE trademark," there was no "clear rights to represent" the mark owner."

The Panel in *Toyota Motor Sales U.S.A. Inc. v. J. Alexis Productions*, D2003-0624 (WIPO October 16, 2003) that "as a matter of U.S. law [. . .] even a non-exclusive licensee has the right to assert trademark rights in a licensed mark and to take action to protect the mark." Whether this would be sufficient under UDRP law is questionable. There is also an issue as to whether a "standalone subsidiary may do so when the parent holds the trademarks." The Panel in *BHE GT&S v. SS Ruprai*, FA2306002048675 (Forum July 25, 2023) held that it had rights under a theory of implied license (citing cases referred to earlier under "Related Persons or Entities") but denied the complaint on other grounds.

In *American Family Health Services Group, LLC v. Logan*, FA0312000 220049 (Forum February 6, 2004) (<toughlove.com>) the Panel found a sufficient link between the complainants where there was a license between the parties regarding use of the TOUGHLOVE mark. Similarly in *American Civil Liberties Union of New Mexico v. Vilma Morales/e:boom, S.A.*, D2004-0473 (WIPO August 23, 2004) (<aclunm.org>) in which the Panel noted:

> The first question to be answered is whether Complainant has rights in a mark to which the disputed domain name is alleged to be identical or confusingly similar. These rights need not be rights of ownership and need not be exclusive. A licensee having the right to use a mark under its license is clearly a party having a right in the service or trademark. A Complainant, through its

7 A licensee as complainant can be regarded as the obverse of a licensee as respondent. For the former it is a matter of proving a right and for the latter of proving a right or a legitimate interest. The evidentiary demands are similar in both cases.

> affiliation with its grandparent corporation which owns a trademark registration, has been held to have rights in and duties concerning the mark

This case has been cited as authority in many other cases including: *AAA Employment, Inc. v. Ahearn and Associates*, FA0507000520670 (Forum September 6, 2005); *YMCA of Metropolitan Chicago v. Robert Milideo*, FA1609001693986 (Forum October 19, 2016).

In *Kimmel Center, Inc. v. Tech Support, Trade Out Investments Ltd.*, D2011-0293 (WIPO April 22, 2011) (<merriamtheater.com>) the Complainant submitted a "License Agreement between The University of the Arts and Kimmel Center, Inc., [which the Panel describes as] a comprehensive document running to some 27 pages plus 20 pages of exhibits."

Proving a Right

Registered Rights

The consensus view as expressed in the Jurisprudential Overview 1.2.1 (and as Panelist Creel stated) is that "Where the complainant holds a nationally or regionally registered trademark or service mark, this prima facie satisfies the threshold requirement of having trademark rights for purposes of standing to file a UDRP case." This applies regardless whether the mark predates or postdates the registration of the disputed domain names, but they have different consequences. Postdated marks are discussed separately below.

There is no controversy on this issue, but there is for marks that postdate the domain name, the idea expressed by the Presiding Panelist and Panelist Chrocziel (referred to above in Footnote 1). Even though complainant has standing, it has no actionable claim for cybersquatting. There may also be debate in those cases in which complainant has an incipient trademark based on some commercial action undertaken in the market at the time of the registration of the domain name. This is discussed below under "Anticipatory Infringement."

In the colorful words of the Panel in *RapidShare AG, Christian Schmid v. N/A Maxim Tvortsov*, D2010-0696 (WIPO June 22, 2010) complainant gets to "first base." It is not complainant's "burden to show rights in the infringing domain name, only rights in the mark," *Scripps Networks, LLC v. Chief Architect, Inc.*, D2009-0633 (WIPO June 29, 2009).

Lack of significant reputation in its own market or great distances separating parties operating in different markets raise questions of actual knowledge and targeting as measured by the criteria earlier discussed. In *Interbanking S.A. v. Alexander Lerman*, D2013-1884 (WIPO January 23, 2014) (<interbanking.com>) the Panel noted that "the Complainant has established a substantial reputation in Argentina, but at the time the disputed domain name was registered by the Respondent [a US resident], the Complainant's business had only recently started, and was only operating in Argentina."

Although complainants are not limited territorially in asserting claims for abusive registration, nevertheless geographic distances, timing of domain name registration and mark acquisition, and identity or similarity of goods/services can be significant factors in assessing a respondent's knowledge of the trademark.

In *Rueducommerce v. Chain Avocats*, 100866 (ADR.eu December 31, 2014) (<rdecommerce.com>) the Panel cautioned that

> [i]t must not be forgotten that the Complainant focuses on the French market and has no presence or trade marks in the USA where the Respondent is based. Thus the Panel is convinced that the Respondent is being honest in stating that it had never heard of the Complainant when it registered the disputed Domain Name.

Unless the trademark has demonstrably traveled out of its local market there is no basis for discrediting a respondent's denial of knowledge.

Common Law Right

Unregistered Rights Must Be Earned

The question that arises in claims of common law rights is whether the name qualifies as a trademark or service mark. Names are not elevated to marks by simply having a presence in the marketplace. While they may have potential as marks, they achieve distinctiveness only by proving the name has acquired secondary meaning. A related but separate issue concerns applications for filing under U.S. Trademark Act, 15 U.S.C. 1052, 2(f) which addresses the issue of distinctiveness:

> Except as expressly excluded [in other subsections] [. . .] nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's good in commerce.

UDRP law is consistent with US law on this issue.

That currency, however, must be earned. Marks composed of generic or descriptive terms (even if they were to qualify for trademark registration as suggestive or arbitrary marks) are weak to the greater or lesser extent of their circulation in a language community. To prevail on this test, complainants must demonstrate long histories predating the registration of the disputed domain name and evidence that they have "developed sufficient goodwill in [their] name[s] to give rise to common law trademark rights." The "mere act of incorporati[ng] [a name that could arguably function as a mark] does not create a trademark," *Powrachute Incorporated v. Buckeye Industries*, AF-0076 (eResolution January 21, 2000). I will examine personal names that qualify for common law rights separately below. The issue in these cases is whether the names function as trademarks.[8]

The Panel in *County Bookshops Limited v. Guy Loveday*, D2000-0655 (WIPO September 22, 2000) held that "[a]s the mark [<countybookshops.com>] is unregistered [. . .] there can be no [. . .] presumption of entitlement to rights under English law and the onus is on the Complainant to provide convincing evidence that it should be entitled to such rights."

Qualification for common law rights must take into account the distinctiveness of the terms claimed to be recognized by the general public indicators of source or simply a general category of merchandise. For example, the Panel majority in *Shoe Mart Factory Outlet, Inc. v. DomainHouse.com, Inc. c/o Domain Administrator*, FA0504000462916 (Forum June 10, 2005) (<shoemart.com>) explains:

> [T]he sine qua non of a complainant prevailing in a UDRP case is that the complainant establish conclusively that the complaint is based upon ownership of either a registered trademark or a mark which would be recognized by a court as a common law trademark.

However,

> a mark which is either generic or descriptive cannot be registered and cannot become a protected common law trademark unless it is conclusively shown to have become distinctive in the sense that it has achieved a secondary meaning such that consumers identify those common terms exclusively with the goods or services of the owner of the mark.

Panels generally require complainants to make a strong showing with relevant evidence to qualify for acquired distinctiveness. Thus, in *Timec Oil and Gas, Inc. v. Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Guy Ngassa, The Solution Engineering Group*, D2022-0064 (WIPO February 23, 2022):

> Proving the existence of such common law or unregistered rights requires a complainant to show with actual evidence when its claimed mark became a distinctive identifier which consumers associate with the complainant's goods or services. . . .

For this reason

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8 Some complainants have argued that their earlier registered domain names qualify as evidence of common law rights, but this argument has been rejected. See *Decision Analyst, Inc. v. Doug C. Dohring*, D2000-1630 (WIPO February 6, 2001): "The only documentary evidence it did submit (beyond the conclusory allegations of the Complaint) was proof that it registered the domain names <opinionsurvey.com> and <opinion-survey.com>, but it is well established that mere domain name registration alone does not constitute 'use' that creates U.S. common law trademark rights."

> Panels have generally required that a complainant make a strong showing with relevant evidence demonstrating such acquired distinctiveness (also referred to as secondary meaning) through a range of factors, such as (i) the duration, extent and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys. [See section 1.3 of WIPO Overview 3.0. Proof of such rights cannot be based on conclusory allegations].

Proving acquired distinctiveness is by no means an easy task. In *Xiatech Consulting Ltd v. Privacy Administrator, Anonymize, Inc.*, D2022-1072 (WIPO May 23, 2022) (<xiatech.com) Complainant alleged common law rights but failed to offer supporting evidence that its alleged right predated the registration of the domain name:

> Even its unsubstantiated assertions (regarding its annual turnover, its sale volume, its marketing budget and its industry accolades) relate to the period after the registration of the disputed domain name.

To clear the bar demands the kind of robust narrative and evidentiary support complainants frequently have trouble producing, but is nevertheless expected they produce. They must as a prerequisite have reputations that predate the registrations of the disputed domain names. Failure to produce such proof naturally supports an inference that their past history does not support the extent of their claimed reputations. (This can be equally true of respondents who similarly allege past or current circumstances but proffer no evidence to support their contentions).

The difficulty of the task is also illuminated in *Melinda French Gates v. John Clendenon*, FA2207002003541(Forum October 3, 2022) (<melindagates.com>). Complainant is a well-known author, philanthropist and human rights activist but she is undone by the timing of the domain name registration. The disputed domain name was registered in 1999. The Panel concluded the Respondent had failed to prove common law rights even though in an earlier case, *Melinda Gates v. Bruce B*, FA 1738284 (Forum August 17, 2017), the Panel held that she had common law rights. The reasoning for the denial is set forth in the fewest possible words, but cogent:

> The Panel is aware that in the reported case denominated Melinda Gates v. Bruce B, FA 1738284 (Forum August 17, 2017) an experienced panel found that our Complainant had developed a common law mark in her personal name and went on to conclude that a respondent had registered the domain name <melindagates.org> in bad faith.

"Importantly,"

> in that case the disputed domain name was, as recorded in the pertinent WHOIS information, first registered on September 3, 2011. This means that

> our Complainant's common law mark had thirteen years to ripen (1997 to 2011) in that instance whereas in this one it had only less than three years to do the same (1997 to 1999). These two decisions are therefore consistent on the facts.

The Panel concluded: "We note in passing that this decision does not mean that Complainant has no means for redressing her grievance against Respondent, as to the merits of which we offer no opinion. We decide only that Complainant must, if she so chooses, seek relief for her claim in a court of competent jurisdiction because the facts supplied to us do not allow her to pursue it here."[9]

This decision is prefigured in *Microcell Solutions Inc. v. B-Seen Design Group Inc.*, AF-0131 (eResolution February 25, 2000) (<fido.com>):

> Even when a common name has become highly distinctive of a particular product because massive advertising has generated substantial secondary meaning, another party might legitimately register the common name because of its primary meaning.

In concluding, the Panel notes

> that at the time B-Seen registered fido.com, Microcell had only recently launched the promotional campaign it documents so thoroughly in the material attached to its complaint.

Complainant lacked the associational criteria discussed in Chapters 5 and 6. It was at the beginning of its reputational assent.

Evidence of Secondary Meaning

Does the Name Function as a Mark?

The underlying principle for unregistered rights is that the claimed mark is shown to function as a trademark; that is, it has acquired secondary meaning as that term is understood under trademark law. The proof demands to qualify as a trademark are well developed and have been imported into UDRP jurisprudence. An early UDRP case cited *Ralston Purina Co. v. Thomas J. Lipton, Inc.*, 341 F. Supp. 129, 133 (SDNY 1972): "[T]he crux of the secondary meaning doctrine is that the alleged mark comes to identify not only the goods but the source of those goods."

9 The Lanham Act provides a remedy for cyberpiracy of personal names that do not qualify for trademark protection, formerly codified at 15 U.S.C. 1129 (1)(A), now 15 U.S.C. 8131 (Cyberpiracy protections for individuals). Section 8131 provides that "Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person."

A simple illustration for qualification are people in culture service fields previously discussed. In their niches they are well known and some are even famous for their work. They can be said to have achieved that level of distinctiveness that qualifies for their names to be recognized by the consuming public. In other instances, other names may have potential as marks but fail to demonstrate "that the alleged mark [has] come[ ] to identify not only the goods but the source of those goods."[10]

The issue in these cases is not whether the domain names are identical or confusingly similar to the alleged mark, but whether the alleged marks qualify as marks for the purposes of standing to maintain a UDRP proceeding? Thus for this reason, proof of right precedes comparing the mark and the disputed domain name. There is the additional question as to whether the same expectation of proof demanded in trademark litigation is also demanded at the same level for the UDRP.

Is the "failure to function" test of the USPTO the test to be applied at the same level of strictness to UDRP complainants? It depends on the factual circumstances, the lexical quality of the mark, and the relationship if any with the respondent. Panels have answered this by assessing the lexical choice and the circumstances of the dispute. "Mundo Natural," "Lawyers Services," "Your Delivery Services," etc. do not pass the test, but descriptive trade names may if they include lexical indicators that establish their credentials to consumers for those particular goods or services.

In *Link Clicks Inc. d/b/a Ad Here and TOTALLYFREESTUFF.COM v. John Zuccarini d/b/a Cupcake Patrol*, D2000-1547 (WIPO January 22, 2001) (<totalyfreestuff>), the Panel explained:

> If either of the Complainant's marks was a registered trade mark, in force and not subject to any opposition or revocation action, then it would also be readily possible to conclude that the Complainant has relevant rights in the mark(s) which would be protectable under the Policy. However, in this case the marks are not registered and the applications were in any event filed after the Respondent registered the domain name at issue.

In contrast to *Link Clicks*, all of the ingredients for concluding that Roland Mouret had common law rights to his name were present in *Roland Mouret v. Domains by Proxy, Inc. and Sonia Long*, D2009-1435 (WIPO December 10, 2009) (<rolandmouret.net>, one of many fashion designers):

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10 Marks in the application process or on the supplemental register in the US do not qualify as a right. See *Jewelry.com v. Idealab!*, FA0007000095242 (Forum September 1, 2000) (<jewelry.com>): "Complainant Jewelery.com has applied for trademark rights for 'JEWELRY.COM'; however, the application has been initially denied by the United States Patent and Trademark Office. The USPTO's rejection of the Complainant's application for service mark registration denies a presumption of validity to Complainant's claim of exclusive rights in that mark."

> [1] The uncontested evidence reveals that the name Roland Mouret is commonly and consistently associated with the Complainant's fashion design business. Internet search result supports the conclusion that the Complainant is well-known both in the U.S. and around the world.
>
> [2] The evidence shows that the Complainant has regularly been featured in articles (both printed and on the Internet), fashion shows, fashion events, runway appearances and has received substantial media attention for his designs since late 1999 and 2000.
>
> [3]The Complainant's career, spanning over a decade, supports the conclusion that his common law rights in the name Roland Mouret are well-established.

While this was sufficient in itself, in addition the resolving website provided a click-through link to other websites offering clothing products of Complainant's competitors. Unregistered marks apply equally to persons whose presence in the marketplace is based on cultural and other contributions. It includes authors, sports and media personalities, and other celebrities, etc.

There are two familiar factual situations for unregistered rights, namely the rights were unregistered when respondents purchased the allegedly infringing domain names and remain unregistered—*Matthew James Spratt* is in this class, so too is *NYBEST Services, LLC v. Jun Zhu*, FA1603001667008 (Forum April 29, 2016) for (NYBEST and <nybest.org>)—or the rights were unregistered when the respondent purchased the domain name but complainant subsequently obtained a registered mark. The second class includes *Degani Designs, LLC v. Chris Morling / Dot Zinc Limited*, FA1603001664293 (Forum April 13, 2016) for (CHOOZE and <chooze.com>).

In *NYBEST* and *Degani Designs*, both represented by counsel presumably with some knowledge of UDRP precedent, failed to recognize the evidentiary requirement of the UDRP. In *NYBEST*, Complainant claimed to have common law rights dating back to 1999 (and even appears to have held the disputed domain name <nybest.org> at one time) but it submitted such a thin narrative of its operation and so little evidence that the Panel dismissed the complaint for failure to satisfy the rights element.

In *Degani Design*, while "Complainant has established its rights in its CHOOZE trademark to the Panel's satisfaction by submission of evidence of registration for the mark with the USPTO" in 2012 it produced no evidence of use in commerce at any time predating the disputed domain registered in 2001. Priority is a major factor in determining registration in bad faith. The Panel continued:

> In its rather terse Complaint, Complainant furnishes no evidence that it achieved a secondary meaning, or resulting common law rights with respect to its trademark before obtaining registration for that mark. Thus, there is no reason for the Panel to believe that Complainant had acquired any defensible rights in its trademark prior to registration of the disputed domain name.

Long-Term Continuous Use

As a general proposition, a complainant who rests its case on unregistered rights has the significant burden of proving distinctiveness of its mark by adducing evidence of secondary meaning predating the registration of the disputed domain name.

Complainant clears the bar by various proofs including scope of online viewers on social media platforms, the amount of revenue obtained, the extent of promotional advertising, the degree of media awareness/comment, or other indicia typically cited in measuring whether a mark has achieved the secondary meaning required to confer common law rights, in short the famous mark test previously discussed repurposed to determine common law rights.

The Panel noted in *Tuxedos By Rose v. Nunez*, FA 95248 (Forum August 17, 2000) that "Complainant's rights to the trade name and service mark 'Tuxedos By Rose' are ongoing and continuous in that it has been used for approximately 43 years in New Jersey relating to the rental and sales of tuxedos [. . .] [thus] has sufficient secondary association with the Complainant and the Complainant's services that common law rights exist."

Similarly, the Panel in *Roberts v. Boyd*, D2000-0210 (WIPO May 29, 2000) found that "trademark registration was not necessary and that the name 'Julia Roberts' has sufficient secondary association with the Complainant that common law trademark rights exist." This decision was followed by many other creative personalities recapturing names but also a realization by others that they needed trademark protection which led to their registering their names.

Where the mark is not distinctive or cannot qualify as a mark, the complaint must be dismissed, for among other reasons, the reason stated in *The Medicis Pharmaceutical Corporation v. MRX Technologies, Inc., and Neil Gerardo*, D2002-0462 (WIPO August 22, 2002) (<mrx.com>): "Complainant's claim of common law rights [for MRX] is supported only by the existence of a ticker symbol whose sole use is alleged to be with investors in the context of investing." Complainant argued that its MRX stock ticker term satisfied the standing requirement. The Respondent argued and the Panel found:

> The Panel finds that Complainant has failed to establish that the MRX ticker symbol functions as a common law trademark in which Complainant has rights. The Panel questions whether mere use of a stock ticker symbol with

> investors can ever rise to the level of creating common law "trademark rights" within the meaning of Paragraph 4 of the Policy because the ticker nickname use is not use of a brand name to identify the particular product or service of the proprietor. In any event, a finding that a stock ticker symbol has been used in a trademark sense sufficient to give rise to common law rights would require more compelling proof than has been presented by the Complainant here.

The Panel in *MCP Holding Ltd. v. Linh Wang*, D2010-1999 (WIPO February 4, 2011) held that "under highly specific circumstances, unregistered trademarks based in civil law jurisdictions may yet be protected under the Policy if narrowly defined requirements are fulfilled. In order to qualify for such protection, Complainant would have to show successfully that its name for example has become a distinctive identifier associated with its business or services."

A complainant cannot support this contention by "provid[ing] a screenshot of its own website [and neither is the] [m]ere registration of [its own] domain name without more [sufficient to] establish common law rights," *Caleb Marshall v. c/o Weebly Domains*, FA1901001826454 (Forum March 4 2019) (<thefitnessmarchall.com>). Similarly, the Complainant in *Air Serv International, Inc. v. Stu Willcuts*, FA1902001831670 (Forum March 31, 2019) argued that <alserve.org> was confusingly similar to its <airserv.org> domain name.

In *Xiatech Consulting Ltd v. Privacy Administrator, Anonymize, Inc.*, D2022-1072 (WIPO May 23, 2022) (<xiatech.com) the Panel held that "While [it] does not discount this possibility [that there may have been market activity preceding registration of the disputed domain name], it is incumbent on the Complainant – especially when relying on common law rights – to support such a claim with sufficient evidence. This it has not done."

The factors of proof are succinctly set forth in *Timec Oil and Gas, Inc. v. Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Guy Ngassa, The Solution Engineering Group*, D2022-0064 (WIPO February 23, 2022):

> Panels have generally required that a complainant make a strong showing with relevant evidence demonstrating such acquired distinctiveness (also referred to as secondary meaning) through a range of factors, such as (i) the duration, extent and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys. *Id.*, and cases cited therein.

Strength of a complainant's mark at the time the disputed domain name was registered must always a consideration in evaluating the second and third elements."

First Use in Commerce

To overcome this deficiency of secondary meaning proof complainants have attempted to use their unverified statements of first use in their applications. The USPTO Trademark Manual of Examining Procedure 903.06 notes that where there is a dispute between parties as to the validity of a mark in the period prior to the filing date, "a date of use must be established by appropriate evidence. A date of use set forth in an application or registration owned by applicant or registrant is not evidence on behalf of that applicant or registrant."

The question is: What must complainant offer in proof where first use anyway predates the registration of the disputed domain name? In *Richard L. Kane v. Nick Devine*, D2001-1028 (WIPO October 2, 2001), the Panel explained that the "Complainant has not produced any supporting or corroborative evidence as to his promotion or use of this mark in the United States other than the brief statement [to the effect that it] is 'known throughout the financial industry for the Wealth Wizard' but the Panel has no material for verifying the extent of this claimed reputation or when it arose."

Alleging a fact or contending a conclusion a complainant wishes the Panel to draw from the record is not proof that either is true. Its need verification through documentary proof as already noted. Thus, in *Riveron Consulting, L.P. v. Stanley Pace*, FA1002001309793 (Forum April 12, 2010) (<riveron.com>) "Complainant logically needs to show [. . .] that it had common law trademark rights in RIVERON at the time the disputed domain name was registered despite the first use date reflected on its USPTO registration."

And in *Sell House Fast, LLC v. Billie Funderburk*, FA1603001667961 (Forum May 5, 2016) (<sellhousefast.com >) the Panel stated bluntly that a "date of first use on a trademark registration record, without more, establishes only what it says, which is the date the registrant first used the mark," but this is unacceptable. In

Unless the alleged "first use in commerce" is supported by evidence it has no probative value. The Panel in *JumpCloud, Inc. v. Peter Irion / SCS LLC*, FA FA2009001914971 (Forum November 27, 2020) (with reference to the date of first use in commerce recited in Complainant's US trademark registration certificate, the Panel noted that such "dates claimed by the trademark owner and not supported by evidence, has always been treated in UDRP proceedings with some reserve, rather than as evidence of when a trademark was in fact first used as a trademark.")

This is also the 3-member Panel's view in *Handy Guy Inc. v. Merlin Kauffman*, FA 1998214 (Forum July 20, 2022)[11]: "Nor is the claimed date of first

11 Disclosure: the Author was a member of the Panel in this case.

use in the application definitive evidence that the mark actually was used and valid prior to the filing of the application." And in *Empower Media Partners, LLC v. M. Jarrar*, FA2301002030007 (Forum March 7, 2023) the Panel focused its attention of the failure to adduce "any evidence to support the contention":

> It is certainly not evidence that the Complainant stated in its filing for the registered trademark that it had a first use and a first use in commerce from January 3, 1999. It is not evidence because it is now well established that the claimed date of first use in commerce on a US trademark registration certificate is, alone, not evidence of common law rights as of that date.

The Complainant in *Massachusetts Port Authority ("Massport") v. Jay Taylor, Travel411.com, Inc*. D2023-0859 (WIPO April 27, 2023) argued that its earlier registered domain name supports its contention of having common law rights. The Panel disagreed: "While Complainant points to its claimed date of first use of 1964, that claim is not itself evidence of such actual use, nor is its registration of a dot net domain name evidence of common law rights."

Failing to Prove Secondary Meaning

First use in commerce also backfires on complainants where that date is later than the registration of the domain name. In *DuWop, LLC v. Jayson Online*, D2001-1315 (WIPO December 19, 2001) (<duwop.com>), for example, Respondent registered the disputed domain name on July 6, 1999, but

> This is prior to the date of first use of the mark claimed by Complainant (i.e., August 20, 1999) in its ITU application, and the date of filing the application for trademark registration (i.e., August 20, 1999).

Thus,

> Complainant could not have acquired common law trademark rights prior to use of the mark in commerce. While Complainant asserts in its complaint that it began to use the mark in March 1999, it does not explain the discrepancy with its application at the USPTO. Even as of October 2001, Complainant had not satisfied the USPTO that it has used the mark in commerce.

And in *British Heart Foundation v. Harold A Meyer III*, AF-0957 (eResolution November 13, 2001) (<bhf.com>) the Panel explained:

> Thus, complainant must produce evidence proving that, prior to the filing of the Complaint, it has provided goods or services under the unregistered mark and had thereby acquired a reputation such that members of the public would associate those goods or services with complainant and not with others not authorized by complainant to use the mark. That is to say, complainant must prove that, prior to filing the Complaint, it had acquired a right in the unregistered mark such as would enable it to bring a legal action against a third person using the mark without its consent.

However,

> Given the complete absence of any evidence proving that the Complainant has a reputation in the mark BHF of the type described above, it is not possible for this Administrative Panel to conclude that BHF is an unregistered trademark owned by the Complainant.

The Panel in *Kip Cashmore v. URLPro*, D2004-1023 (WIPO March 14, 2005) (<usacashservice.com>) explained in dismissing the complaint that "Complainant has not presented any credible evidence establishing acquired distinctiveness." In assessing whether complainant's alleged mark has acquired the distinctiveness necessary to qualify as a mark, Panels approach the issue of proof of unregistered trademark rights "in a slightly more relaxed manner than does the USPTO [or comparable registries in other jurisdictions] when it requires proof of secondary meaning," *NJRentAScooter v. AM Business Solutions LLC*, FA0909001284557 (Forum November 4, 2009), but "slightly more relaxed" is still a substantial burden.

It "is particularly important where a trademark is not inherently distinctive" to offer evidence of targeting. The parties in *Matthew James Spratt v. Stephen Dainty, HHB Holidays & Travel Ltd*, D2016-0306 (WIPO April 20 2016) were located in the United Kingdom and Bulgaria. Even though Complainant alleged BANSKO EXPRESS was inherently distinctive and had a market presence predating registration of the domain name, <banskoexpress.com>, it produced no evidence that Respondent had any knowledge of the mark when it registered the disputed domain name. The Panel held that Complainant's contentions were insufficient to support common law right. The Panel stated that

> Complainant must provide evidence in support of this acquired distinctiveness, which may include the production of sales and advertising expenditure, examples of advertising and business literature, evidence of third-party use of the trade mark, such as correspondences from suppliers or customers, press cuttings, consumer surveys and the like.

The respective residences of the parties was also a key factor. If Complainant does not operate in Bulgaria, how could Respondent have actual knowledge of the mark's existence and what proof is there of targeting?

The Panel in *CW & Associates Consulting and Recruiting Inc. v. Lynda Pitchford / ITSR*, FA1505001619758 (Forum June 29, 2015) dismissed the complaint because "Complainant has failed to provide evidence of any sales figures or advertising expenditures or any indication of the extent of use aside from what may be implied from the business name registration and placement of the name(s) on social media." It explained that "Mere use of social media alone is not acceptable proof of secondary meaning, a/k/a/ acquired distinctiveness, in the mind of the general public."

In *Liberty Puzzles, LLC v. Domain Manager / Data Point Limited*, FA2204001994151 (Forum June 7, 2022) (<libertypuzzles.com>) the question revolves around the threshold issue of right in a trademark. The Panel's explanation is equally advice to future owners of common law rights, that is "Errors to avoid":

> Markedly absent from its presentation is any proof of its sales revenues and advertising expenditures as well as a showing of public recognition of the mark in the critical period between creation of its business in 2005 and registration of the Respondent's Domain Name in 2007. This failure of proof cannot support a finding of secondary meaning in the mark, and, therefore, of common law rights in it satisfying the requirements of Policy.

Similar deficiency of proof is also illustrated in *Harima Chemicals Group, Inc. v. Domain Administrator, DomainMarket.com*, D2021-3512 (WIPO January 31, 2022) (<harima.com>)—"Harima" is a geographic location in Japan—the Panel underscored the deficiency of proof:

> Apart from the printout of the Complainant's website, there is no evidence about the nature and extent of advertising using the HARIMA trademark, and the Complainant has not submitted any evidence from independent sources about the degree of actual public recognition of the designation HARIMA or consumer surveys that would establish that the public in the United States recognizes it as a symbol that distinguishes the Complainant's goods and services from those of others and that it has acquired a secondary meaning exclusively referring to the Complainant.

While other panelists have accepted the possibility that an earlier registered domain name could tip the scale in complainant's favor as some evidence of a trademark's earlier use in commerce, it is insufficient if that is all there is.

In *Wasatch Shutter Design v. Duane Howell / The Blindman*, FA170500 1731056 (Forum June 23, 2017) (<wasatchshutters.com>), in addition to the unregistered issue, there is the issue of generic, descriptive, or geographic words:

> The Panel finds that, in cases involving claimed common law trademarks that are comprised of generic, descriptive, or geographic words such as the words WASATCH, SHUTTERS(S) and DESIGN in the case at hand, there is an even greater onus on Complainant to present compelling evidence of secondary meaning or distinctiveness. The Panel notes in this regard that both parties operate a business selling shutters and that both parties are based in the greater Salt Lake City area, a region often identified as being located in the Wasatch Front.

On the surface, the claimed mark is unregistrable, and as such would fail the test of acquired distinctiveness, and having none also fails to prove that another user marketing shutters in the same geographical region registered the domain name in bad faith.

Failure to produce evidence is lethal for the reasons already noted and which the Panel goes on to explain:

> Many UDRP panels have found such circumstances to prohibit any possible finding of bad faith registration of a disputed domain name. The Panel finds itself compelled to adhere to this reasoning, especially since the registration of the disputed domain name in this case precedes the registration of the operative trademark by more than a decade.

Case law supports the proposition that standing (where there is no registered right) has to be earned.

Certificates of registration alleged and attached to the complaint suffice to establish the rights element, but where the right flows from alleged unregistered use of a mark in commerce predating registration of the domain name the burden is significantly greater. Where the evidence falls short, the complaint must be dismissed for lack of standing to maintain the proceeding.

Goodwill and Reputation

Where a party not registered claims common law rights predating registration of the challenged domain name, its reputation and when earned are critical factors. The Panel found in *American Home Shield Corporation v. Domains By Proxy / Morris Chera*, D2017-1142 (WIPO September 3, 2017) (<americanhomeshield.reviews>)

> Complainant has provided substantial evidence of its use of the trademark and trade name "American Home Products Corporation" in connection with the promotion and sale of products in commerce. The words "American", "home", "products" and "corporation" are each generic or commonly descriptive.

For these dictionary words

> to receive legal protection as a trademark, either through registration or by common law, these words in combination must have acquired distinctiveness or secondary meaning.

But the Panel found "evidence of long usage by Complainant"

> including active use of the mark in connection with the promotion of products on its website, and in the absence of any objection by Respondent, the Panel determines that Complainant has common law trademark rights in "American Home Products Corporation".

A comparatively weak mark but proof marshaled and well presented is illustrated in *Quality Nonsense Limited v. Jerry Sandusky*, FA1604001668646 (Forum May 5, 2016) (WHO IS HOSTING THIS and <whoishostingthisblog.com>) the Panel noted that

> Complainant has provided [it] with evidence of its continuous use of the WHOISHOSTINGTHIS mark since 2008 through its domain name <whoishostingthis.com> and argues that it has built up considerable good will around the mark, thereby establishing secondary meaning in [the] mark. The Panel agrees with Complainant's contentions and finds that continuous use, holding an identical domain name, and media recognition all serve to establish secondary meaning.

The Respondent defaulted and the Panel was persuaded that the Complainant had been using the mark in commerce by the fact that it

> provided evidence of secondary meaning by providing evidence of length of use in the mark; evidence of holding an identical domain name; media recognition; and promotional material/advertising (including letterhead and business cards).

Even though default alone is not probative of bad faith, the natural inference is that the Respondent defaulted because it has no explanation for registering a domain name varying from the trademark only by adding "blog" to what otherwise is not a particularly strong mark. (Another way of looking at this case is that a strong rebuttal may have resulted in a different outcome.

While a complainant in its own market may be well known, and in *American Home Products* the mark was clearly known to Respondent, weak marks cannot travel very far. The expression "casual Friday," for example, registered as a trademark in France makes no impression on consumers in the United States where it is an everyday phrase. *DK Company Vejle A/S v. Cody Favre, C4 Squared*, D2019-2676 (WIPO December 17, 2019) (<shopcasualfriday.com>). Reputation builds slowly and over time and what amounts to reputation in one jurisdiction does not necessarily extend to remoter markets.

Marks Postdating Registration of Domain Names

Contradictions of Granting Standing

That all trademark owners whose rights accrue prior to commencing a proceeding have standing to maintain a proceeding, even if their marks postdate the registration of the disputed domain name, may sound paradoxical since this class of complainant has no actionable claim except in cases of anticipatory breach earlier noted. If complainants have no actionable claim and cannot prove bad faith some panelists have taken the possession that it makes no sense to rule on rights or legitimate interests.

Indeed, it would be nonsensical to hold a domain name registrant liable for not having anticipated the future use of a term as a commercial indicator of source. These cases do, however, play an outsize role in reverse domain name hijacking sanctions discussed further in Chapter 17. This issue does not arise in ACPA actions because the statute expressly conditions standing on having a mark distinctive at the time of the registration of the disputed domain name.[12] If neither registered nor unregistered complainant does not have standing.

Moreover, allowing a proceeding to go forward knowing that the complaint must be dismissed appears to contradict WIPO Final Report paragraph 80 which states that

> "***The availability of the date of registration is useful as a means of protecting the interests of both the domain name holder and any third party that considers its rights to have been violated. For example, the date of the registration of a domain name may indicate that the domain name holder has established use of a name before any corresponding use or registration of that name as a trademark by a third party."

Where complainant's right postdates the registration of the disputed domain name it will be found to have standing by virtue of its registration of its mark but "such rights do not magically relate back to the time that Respondent first registered the <riveron.com> domain name, a time well prior to Complainant's first use of its mark," *Riveron Consulting, L.P. v. Stanley Pace*, FA1002001309793 (Forum April 14, 2010).

Similarly, in *Mobisy Technologies Private Limited v. Ibrahim Kazanci*, D2019-0273 (WIPO March 6, 2019) complainant's mark postdated the registration of the disputed domain name. The Panel found that it had standing by reason of the fact it has a registered mark but "[a]t the time the Domain Name was registered, there simply was no BIZOM mark out there to target or infringe."

The point is further highlighted in a spectacular way in *Sahil Gupta v. Michal Lichtman / Domain Admin, Mrs Jello, LLC*, D2020-1786 (WIPO September 15, 2020) (<spase.com>) in which Complainant refiled its complaint with a different provider. Complainant "asserts that the Respondent registered and is using the disputed domain name in bad faith [because it] has acquired a well-known and longstanding reputation of 'domain squatting' for the sole purpose of hoarding domains names to extort the trademarks of business owners." After losing with the WIPO Panel the Complainant tried again with another provider (unsurprisingly) with the same result. It was sanctioned with RDNH twice.

It is an anomaly that while complainants are granted standing, they have no actionable claim. Panels have explained this policy of granting standing as a

12 Under the ACPA rights holders only have standing if the "mark is distinctive at the time of the registration of the domain name." 15 U.S.C. § 1125(d)(1)(A)(ii)(I). Distinctiveness is inclusive of registered and unregistered as already mentioned.

mechanism for protecting complainants having nascent rights from registrants with advance knowledge of impending trademark applications from opportunistically registering infringing domain names. The issue is discussed further below in Anticipatory Infringement.

Some panelists deny standing under these circumstances for respectable reasons, namely that if a mark owner lacks rights, anything that a panelist would have to say about rights and legitimate interests is irrelevant. It has the effect of elevating dictum to the status of a holding, as it did in *Digital Vision, Ltd. v. Advanced Chemill Systems*, D2001-0827 (WIPO September 23, 2001) which WIPO cites as the first case to announce the doctrine and which concluded that the Respondent lacked rights and legitimate interests and was using the domain name in bad faith.

Nevertheless, some panels deny standing to complainants with postdated rights since the outcome is forgone. *SD Wheel Corp. supra.*: "[B]ecause Complainant is obliged by the terms of the Policy to prove all of the three points set out immediately above, a failure to prove any of them must be fatal to Complainant's cause. And, in that event, it becomes unnecessary for the Panel to address the others." The Panel cited earlier WIPO cases in support of this proposition, *Post.Com Limited v. Peter Neilson*, D2002-0690 (WIPO September 17, 2002) and *Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd.*, D2010-0470 (WIPO May 19, 2010).

In theory this is a logical conclusion. Where domain name registrations predate accrued rights, complainants could have had no rights and where there are no rights it would be otiose to examine whether the domain name is identical or confusingly similar to a mark that only later comes into existence. Or put another way: Complainant has no actual rights to begin with, so why give it standing? If this is the case, and there is no standing, why even submit the matter to a Panel?[13]

That mark owners have claims for disputed domain names postdating complaints but none on predated registrations is illustrated in *Idaho Home Realty LLC v. Michael James Ohlson / Michael Ohlson / Bob Adams, VVG*, D2021-2768 (WIPO November 18, 2021) (<idahomereality.com>). The disputed domain name was registered earlier than Complainant's mark and other domain names in issue were registered later:

> There is [. . .] no evidence before the Panel that conceivably could suggest that Respondent was acting in bad faith in January 2013 when he registered the <idahomerealty.com> disputed domain name, such as evidence that would show that Respondent was making some sort of anticipatory registration of

13 The answer to this question, of course, is that it has grown into consensus only to be disturbed if the UDRP is amended.

> the <idahomerealty.com> disputed domain name to take advantage of possible rights Complainant might develop in the future in the IDAHO HOME REALTY, IDAHO HOME REALTY GROUP, and IDAHOME REALTY GROUP, such as by way of example public announcements by Complainant or news articles regarding Complainant's plans.

However, for ten other domain names registered in retaliation of Complainant commencing the proceeding, Complainant had an actionable claim and those domain names were ordered transferred. Nevertheless, for the domain name that predated the mark, the Panel found Complainant's position sanctionable for abusing the Policy. (RDNH is discussed in Chapter 17).

Ordinarily, the threshold for standing is reached *pro forma* for registered marks, but for unregistered marks it is reached only upon qualifying proof of secondary meaning. In the simplest cases, rights holders of well-known and famous marks predating the registration of disputed domain names are ushered through to the second element, but in other cases, common law rights for example, the determination depends on the evidence.

Several different questions must be asked and answered and understood as critical to the outcome of the case: Does the mere application for a mark create a right? What about the supplemental register or intent to use a mark under US trademark law? What if the domain name is composed of dictionary words or common combinations used by others, and accepted for registration on an intent to use or 2(f) basis? What if the domain name is similar to a mark but not so confusing to the ordinary observer to rank as confusingly similar? The intent to use application is discussed further below and the 2(f) basis for a mark is discussed in Chapter 12.

Succeeding on standing, though, is a low bar test and applying a micrometer too rigidly upsets the balance. The Panel in *Kentech Group Limited v. Qtechweb*, D2019-1609 (WIPO August 30, 2019) explains that "[t]he threshold for satisfying this first element is low and generally panels have found that fully incorporating the identical mark in a disputed domain name is sufficient to meet the threshold." However, while the disputed domain name was identical to its registered mark, the registration postdated the domain name. It had standing but it failed to offer proof of common law rights, and the complaint was dismissed.

Anticipatory Infringement

As a general proposition, bad faith is not likely to be found where a complainant relies on a trademark that did not exist at the time a disputed domain name is registered,[14] but there are exceptions that recognize a 4(a)(i) right for standing. Even though complainant's trademark rights may not have issued it has an actionable claim under common law principles where it has establish a market presence.

This form of opportunistic registration was defined in some early cases as speculating on impending commercial initiatives such as mergers and acquisitions although in later cases the concept has extended to other kinds of commercial activities such as real estate projects and other business enterprises that stake out new brands broadly advertised or published to the public or privately known to the domain name registrant but currently unregistered or pending registrations are also protected.

For the purposes of the Policy, a domain name registration can be found abusive where a registrant bases its registration of the disputed domain name on insider knowledge personally known to it or gained through publicity or publically disclosed intentions. In such cases, registrants will not be rewarded for anticipating a complainant formalizing its rights. It is clearly irrelevant whether a registrant intended to abuse an existing trademark right or one which that registrant specifically knew would arise based on its commercial enterprise.

Whether or not complainant has actually applied for a trademark, the foreknowledge of its rights however derived through public or private means is sufficient to qualify for standing under common law principles. In *ExecuJet Holdings Ltd. v. Air Alpha America, Inc.*, D2002-0669 (WIPO October 7, 2002), for example, a new trademark arose from the proposed merger of two companies where the domain name included a combination, in whole or in part, of the former company names.

The Panel in *General Growth Properties, Inc., Provo Mall L.L.C. v. Steven Rasmussen/Provo Towne Centre Online*, D2003-0845 (WIPO January 15, 2004) noted that there are many exceptions to the general rule.[15] One such exception may be found when a portion of the domain name is a registered trademark, even though the mark as a whole is not yet a new trademark. This is illustrated in *SBC Knowledge Ventures LP v. John Huberdeau aka J. Johnston*, D2003-0642 (WIPO October 8, 2003), in which Respondent registered <sbclaboratories.com>

14 Under US trademark law this includes applications for Intent to Use a mark (ITU basis). This creates a problem for prospective mark owners vulnerable to persons who register attractive domain names that first publicly appear on the USPTO TESS website. For example, in *Xoft Inc. v. Name Administration Inc. (BVI)*, FA1154179 (Forum April 25, 2008) (<xoft.com>) the Panels ruled that "the date of registration does not relate back to the date that the application was filed unless there is clear evidence of use in commerce sufficient to create a secondary meaning in the mark."

15 The Panel found that construction had begun on the mall when Respondent registered the disputed domain name. Respondent subsequently commenced an ACPA action for declaratory judgment in which General Growth counterclaimed and was awarded the domain name (<provotownecentre.com>) by summary judgment. *Rasmussen v. General Growth Properties, Inc.*, 2005 WL 3334752 (D. Utah, December 7, 2005).

on the same day that Complainant issued a press release announcing that the new name of its research arm was "SBC Laboratories."

In *Madrid 2012, A.A. v. Scott Martin-MadridMan Websites*, D2003-0598 (WIPO October 8, 2003) he Panel found that Respondent registered the domain name two days before the Complainant filed the first application for a trademark. It concluded that Respondent sought to "hinder" the registration by the owners of Madrid 2012 and that this constituted registration for "blocking purposes."

In *Thermo Electron Corp. and Fisher Scientific Co., LLC and Fisher Scientific Intl v. Charlie Xu*, FA 0605000713851 (Forum July 12, 2006) the evidence that "the registration was on the same day the news leaked about the merger is a compelling indication of bad faith that Respondent has to refute and which he has failed to do. The Panel finds a negative inference from this."

In *Photographic Solutions, Inc. v. Fariborz R-Dehghan*, D2008-0333 (WIPO April 29, 2008) the Panel found it

> significant that the Complainant announced its launch of the "Sensor Swab Plus" product line during a photo marketing association in Las Vegas between January 30 and February 2, 2008 and that to the Complainant's knowledge individuals connected to the Respondent and its business and present at the trade show and had access to the Complainant's posters and press releases.

And in *Pro Confort SRL v. P-IER56, Ion Robu*, D2008-0801 (WIPO August 8, 2008) Panel found that it was obvious that Respondent was aware of the official opening of a new hotel because as it was "notoriously advertised by Romanian media."

In *Melanie Martinez v. Michael Casasnovas*, D2017-0905 (WIPO June 23, 2017) the Panel concluded that

> In light of the substantial public attention focused on Complainant and her singing performances on or before December 4, 2012, the Panel concludes that Complainant established unregistered or common law rights as of that date and had acquired sufficient rights in her trademark prior to December 6, 2012, when Respondent registered <melaniemartinez.com>.

Introduction of new products receiving wide attention from the public and identified by brand name are also protected. An example is *Jam City, Inc. v. Aleksei Prokudin*, D2022-0414 (WIPO April 7, 2022). There was clear evidence that Complainant had brought to market a new product and filed a trademark application but it was pending. Nevertheless, the Panel found that

> [t]he disputed domain name is identical to the CHAMPIONS ASCENSION trademark and was registered less than a month after the Complainant filed applications for registration of the CHAMPIONS ASCENSION trademark and announced and widely publicized its new CHAMPIONS ASCENSION game. It is registered in the ".shop" gTLD, which creates an impression that

> the associated website is an official website of the Complaint offering its CHAMPIONS ASCENSION game for sale.

Either word alone for the reasons discussed in the <allocation.com> decisions would support dismissal of the complaint but the combination is inventive and fanciful. Its value is inherent in the combination.

However, where there are neither public announcements nor insider information proof of independent fixation on the disputed domain name is not actionable as cybersquatting. In *Akamai Technologies, Inc. v. Cloudflare Hostmaster / Cloudflare, Inc.*, FA2201001979588 (Forum March 9, 2022) (<edgeworker.com>) the Panel noted that

> Respondent has come forward with credible evidence that it had selected the EDGEWORKERS name before Complainant filed its trademark application [for intent to use mark], and before Respondent had any knowledge of Complainant's plans. As such, the Panel finds that the timing that Complainant characterizes as suspicious is rather simply a coincidence.

Where there is no proof of advanced knowledge there is no reason to question the probity of a respondent's assertions that it had none.

Pending Applications and Supplemental Register

Pending applications are of two kinds: those in which the mark is in current use and those in which the use is intended. To the extent that the first kind has a market history, it can claim common law use, but the second kind cannot since it is only an "intent" in the future to use the mark. Unregistered rights discussed further below may include trade names and personal names if they are found to be functioning as trademarks under common law principles of use.

Applications for trademarks awaiting approval by trademark registries are not deemed to qualify as a right. General views are that "mere application give rise to no rights," "absent a showing of secondary for a descriptive term it is ineligible for federal trademark protection," "application for registration on the Supplemental Register is evidence there were no rights at common law at the time of application," and "complainant relied solely on the Supplemental Register and presented no evidence that the mark had acquired distinctiveness."

In *Bar Code Disc. Warehouse, Inc. v. Barcodes, Inc.*, D2001-0405 (WIPO July 27, 2001) (<barcodediscount.com>), the Panel held that "[a]lthough Complainant might eventually overcome [the USPTO's] initial refusal with adequate evidence of secondary meaning in its proposed mark, the USPTO refusal is certainly material to this proceeding as evidence of the descriptive character of

Complainant's proposed mark, and Complainant should have disclosed this refusal to the Panel."

The Panel in *Aspen Grove, Inc. v. Aspen Grove*, D2001-0798 (WIPO October 17, 2001) added that "[while] [p]roof of a valid and subsisting trademark registration is prima facie evidence of trademark rights, no such presumption arises from a pending application to register a mark." And in *PRGRS, Inc. v. Pak*, D2002-0077 (WIPO April 24, 2002), the Panel noted that a "trademark application alone is not sufficient to establish rights in a mark,".

The Panel noted in *Take-Two Interactive Software Inc. v. Name Administration Inc.*, D2010-0845 (WIPO August 6, 2010)

> Complainant has not proven the ownership of prior trademark rights to the Domain Name. In fact, the first trademark registration for BIOSHOCK was filed, as an intention-to-use, on November 16, 2005, about one year after the registration of the Domain Name by the Respondent, and the first use in commerce claimed by the Complainant was August 21, 2007.

Furthermore, any claimed right earlier than the registration of the disputed domain name cannot rest solely on the unverified statement of first use in commerce made in the application.

In *eSnipe, Inc. v. Modern Empire Internet, Ltd.*, D2009-0719 (WIPO August 5, 2009) the Panel pointed out that "claimed dates of first use are meaningless without supporting evidence [that the use commenced on a date earlier than the domain name registration]." And in *Neal & Massy Holdings Limited v. Gregory Ricks*, FA1403001549327 (Forum April 12, 2014): "In filing the ITU [Intent to Use] application Complainant thereby admits that it has not yet used the MASSY mark in commerce, but instead intends to use the mark at some point in the future."

Where there are no rights, there is no actionable claim. Further illustrations include: *Jireh Industries Ltd. v. DVLPMNT MARKETING, INC. / Domain Administrator*, FA1703001719671 (Forum Apr. 14, 2017) ("Pending trademark applications do not confer rights under Policy ¶ 4(a)(i)."). The Panel in *Dolopain LLC (an Ariz. Co.) v. T. J. Griffin Sr., Griffin IT Media, inc.*, D2021-1776 (WIPO August 17, 2021) held that "a pending intent-to-use application does not create trademark rights, nor does it establish that Respondent registered the Domain Name in bad faith."

Moreover, a pending US trademark application is insufficient and one in which the applicant is compelled to change its designation to a 2(f) basis demands significantly more proof under Paragraphs 4(a)(i-iii) to establish priority, and a plain intent to use application (assuming it matures to certification) reaches forward but not backward in time.

Addressing the issue of marks registered on the Supplemental Register, the Panel in *Nicolas Karl Reep v. Ali Bazzi*, FA2004001891242 (Forum May 19, 2020) (<employeefax.com>) explained:

> Registration with the USPTO is sufficient to demonstrate rights in a mark under Policy Paragraph 4(a)(i) but not if the trademark is on the Supplemental Register. If all that a complainant has is a registration on the Supplemental Register then that complainant does not have standing to file a Complaint under the Policy as by definition it has not acquired distinctiveness. That proposition has been clearly established for many years.

This would not preclude proof of common law rights. Rather, a registration on the USPTO Supplemental Register means that at the time of application the mark was deemed descriptive but capable of acquiring secondary meaning over time, thus not barred from proving common law rights.

In *Black Foodie, Inc. v. Braxston Richmond, Black Chef / Black Foodie Finder*, D2022-3536 (WIPO November 10, 2022) (<blackfoodie.com>) Complainant failed in its trademark application for the Primary Register and in respect to secondary meaning of BLACK FOODIE it

> offers little supporting documentation for its conclusory claims about the audience and media recognition for the Complainant's website and social media sites. Importantly, the USPTO recently found that the asserted mark was not registrable because it is merely descriptive, and it appears that both United States and Canadian trademark offices found the Complainant's attempts to identify its goods or services deficient.

To satisfy its burden under Paragraph 4(a)(i) complainants have to include "[s]pecific evidence supporting assertions of acquired distinctiveness [. . .] in the complaint; conclusory allegations of unregistered or common law rights, even if undisputed in the particular UDRP case, would not normally suffice to show secondary meaning."

Word-Plus Design Mark

Design-plus-word trade and service marks are registrable as combinations of figurative and textual elements, but the right attaches to the whole, not to the textual part, unless the isolated or dominant word or phrase is itself capable of being registered as a mark. This follows because design elements are incapable of representation in a domain name.

As a practical matter, if the text element is capable of being separated from the stylized element, it will satisfy the standing requirement even if the text is generic or descriptive. Whether the complainant can succeed on the second and third elements of the Policy depends on the particularly circumstances of the case, thus the question of which is dominant: the text or the design is likely to control the outcome.

It has been noted that confusing similarity "can be difficult [to assess] where a complainant relies on a figurative mark comprising a logo and a descriptive [. . .] expression," *Ville de Paris v. Salient Properties LLC*, D2009-1279 (WIPO December 3, 2009). This difficulty may determine whether the complainant has standing to maintain a UDRP proceeding: "[T]he protection granted by the registration of a mixed mark is for the composition as a whole, and not for any of its constituting elements in particular," *Marco Rafael Sanfilippo v. Estudio Indigo*, D2012-1064 (WIPO July 25, 2012).

In the early case of *MAHA Maschinenbau Haldenwang GmbH & Co. KG v. Deepak Rajani*, D2000-1816 (WIPO March 2, 2001) the Panel noted that

> The relevant (name) part of this domain name is "MAHA". The Complainant's numerous trademark registrations concern word/device trademarks, they are not word marks consisting of the single word "MAHA"—a fact that the Complainant has withheld in his complaint and which only becomes evident in checking the Annexes. These trademarks consist of the word "MAHA" - looking in fact rather like a picture - surrounded by figurative elements. A figurative mark, however, is not identical to the domain name in question consisting of the generic term "MAHA". Dominant elements of the marks are the words "Maschinenbau Haldenwang". This is probably, how the public would see the trademarks.

For this reason,

> A device trademark is hard to compare with a single word, especially when the word in that device trademark consists of an abbreviation, referring to the kind of business and the geographic origin of the trademark holder.

In *Meat and Livestock Commission v. David Pearce aka OTC / The Recipe for BSE*, D2003-0645 (WIPO October 27, 2003) (<britishmeat.com>) the Panel stated that while it

> [was] satisfied that the Complainant has registered rights in the logo comprising the words BRITISH MEAT in white capital letters over red and blue bands [. . .] [as] the phrase BRITISH MEAT is obviously descriptive, the Panel considers that the whole combination of features comprising the logo is capable of being distinctive.

However,

> the Panel considers that the Complainant's rights exist only in the whole combinations which constitute its marks. The Panel is not satisfied by the evidence that the term BRITISH MEAT has itself become distinctive of the Complainant. As Jacob J. pointed in the Treat case, British Sugar v Robinson [1996] RPC 281, even extensive use of a common English word or phrase does not of itself show that the word or phrase has acquired a secondary meaning distinctive of the user, in the absence of evidence that this has in fact led to its being regarded as a trademark by the relevant public.

The Complainant's principal argument in *Fine Tubes Limited v. Tobias Kirch, J. & J. Ethen, Ethen Rohre GmbH*, D2012-2211 (WIPO January 30, 2013) (<finetubes.com>) is that

> "Fine Tubes" is the "dominant, fundamental and distinctive" part of its registered trademark, and that the oval/ellipse design portion is extremely basic, common to many trademarks that coexist in the marketplace, is not highly distinctive, and "therefore does not form an especially prominent or distinctive part of the trademark overall.

The Panel points out[16] that

> [t]here is a class or type of terms that may not be reserved as trademarks because they are commonly descriptive of a genus or class of thing. [. . .] This principle of international trademark law is embodied in the Article 7(c) of the Community Trademark Regulation. If a term is commonly descriptive or generic for a genus or class of thing it simply may not take on trademark status regardless of the amount of a party's advertising, promotion and use of the term.

Finally,

> The Panel is unwilling to extract from the word and design combination those elements necessary to establish confusing similarity with the disputed domain name, i.e. the words "fine tubes", because this would effectively grant Complainant enforceable trademark rights which it has been denied by OHIM and (implicitly) by the UK IPO.

A registered mark composed of stylized generic or descriptive elements is not elevated in strength by the stylization and may very well suggest that but for the stylization it would never have been registered. Thus, the Panel in *BioSafe Systems LLC v. Donald Clark*, FA1907001853762 (Forum August 24, 2019) (BIOSAFE SYSTEMS and <biosaphe.com>) note: "[I]t is very likely that [the stylization] … is the principal reason Complainant was able to secure registration with the USPTO of what is otherwise a descriptive mark."

And in *Federación Nacional de Cafeteros de Colombia v. Vince Harasymiak, Domain Capital*, D2022-4022 (WIPO January 18, 2022) underscores this point:

> [W]here design elements comprise the dominant portion of the relevant mark such that they effectively overtake the textual elements in prominence, or where the trademark registration entirely disclaims the textual elements (i.e.,

16 Citing *Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 194 (1985), citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (CA2 1976). The Panel points out in footnote 7 that "Neither party has made reference to case law of the European Court of Justice or national courts of the EU member states in its pleadings. However, such case law is referred to in various administrative panel decisions referenced later in this decision."

the scope of protection afforded to the mark is effectively limited to its stylized elements), panels may find that the complainant's trademark registration is insufficient by itself to support standing under the UDRP

Disclaimer to Marks

Some words and designs in a mark are not registrable because they are needed by other persons/businesses to be able to describe their goods, services, and/or business. While a disclaimer does not physically remove the unregistrable portion from the applied-for mark or affect the appearance of it or the way in which it is used the disclaimer does announce to the world that the disclaimed words are freely available for other businesses to use in marketing non-competing goods or services.

The effect of a disclaimer is that the applicant claims only the whole composite mark and not the particular portion(s) disclaimed.[17] In *Thomas Cook Holdings Limited v. Sezgin Aydin*, D2000-0676 (WIPO September 11, 2000) (<hot18to30.com>) the Panel noted that "Complainant's UK trade mark registrations [. . .] are each subject to the explicit disclaimer: 'Registration of this mark shall give no right to the exclusive use, separately, of the word and the numerals 'Club', '18' and '30'," citing to the European Court of Justice judgment in *Sabel B.V. v. Puma A.G.* (Case C-251/95):

> ***the appreciation of the likelihood of confusion "depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified". The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.
>
> That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - "..... there exists a likelihood of confusion on the part of the public ....." - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of

17 Panels have cited to *Lone Star Steakhouse v. Longhorn Steaks*, 106 F.3d 355 (11th Cir. 1997) in which the Court held that "Plaintiff has no federal registration for the words 'Lone Star' by themselves. In determining whether a composite mark such as LONE STAR CAFE [disclaiming the word 'Café'] is entitled to protection, courts do not assess the individual parts of the name. [. . .] Instead, the validity of a composite mark is determined by looking at the mark as a whole."

> confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

Similarly, Claimant in *Capt'n Snooze Management Pty Limited v. Domains 4 Sale*, D2000-0488 (WIPO July17, 2000) (<snooze.com>) disclaimed "Snooze; and in *Salem Five Cents Savings Bank v. Direct Fed. Credit Union*, FA 103058 (Forum February 15, 2002) (<directbanking.biz>) disclaimed "DIRECTBANKING. COM."

Other disclaimers include "Fetish" in FETISH FACTORY, *Fetish Factory, Inc. v. The Fetish Factory a/k/a Stanford Stuart a/k/a Pamela Hancock a/k/a Internetwork Partners*, FA0108000099610 (Forum November 8, 2001) (<thefetishfactory.com>); "High Class" in *High-Class Distributions S.r.l. .v. Onpne Entertainment Services*, D2000-0100 (WIPO May 4, 2000) (H HIGH CLASS BY CLAUDIO BUDEL" and "Minni Bar" in *Minibar North America Inc. v. Ian Musk & GEMS Global Electronic Minibar Systems AS*, D2005-0035 (WIPO March 2, 2005). The standard formula of disclaimer is: "No claim is made [. . .] apart from the mark as shown."

More recent cases are in accord with this view of disclaimers. Thus, in *My Green Lab, Corp. v. Domain Administrator, See PrivacyGuardian.org / Green Your Lab*, D2022-1262 (WIPO May 18, 2000) (<greenyourlab.org>) Complainant "stat[ed] that no claim is made to the exclusive right to use "Green Lab" apart from the mark as shown." The Panel noted:

> With regard to the instances of actual confusion, these are also typically not factored into the Panel's analysis under the first element of the Policy, where the comparison process is conducted on the more objective basis described above. In any event, the Panel notes that the alleged actual confusion in this particular case arises out of the Respondent's communications described in the factual background section and not directly as a result of any perception of similarity between the disputed domain name and the Complainant's MY GREEN LAB mark.

No Actionable Claim: Should Complainant have Standing?

The anomaly of granting standing but having no actionable claim distinguishes the UDRP from the ACPA which denies standing absent proof that the mark "is distinctive at the time of the registration of the domain name." I will deal with this further below, but whether or not the respondent is found to lack rights or legitimate interests, the case must be dismissed. For the rejected dead end theory that measured bad faith from the date of renewal of a registration see Chapter 4.

But whether complainants who have both standing and an actionable claim can prove a *prima facie* case under the second limb of the Policy that respondents lack rights or legitimate interests in the contested domain names or evidence that respondents registered and are using the domain names in bad faith (third requirement) awaits proof.

One final note before examining the proof requirement for the first element: it is customary for a UDRP panel to "take up the issues [presented by Policy Paragraph 4(a)] *seriatim*, in the order in which they appear in the text of the Policy," *SD Wheel Corp. v. Dustin Hoon / TrailBuilt.com*, FA2109001967151 (Forum November 24, 2021) (<trailbuilt.com>), but the Panel bypassed the issue entirely by holding that it was unnecessary to consider the first element

> because Complainant is obliged by the terms of the Policy to prove all of the three points set out immediately above, a failure to prove any of them must be fatal to Complainant's cause. And, in that event, it becomes unnecessary for the Panel to address the others.

Citing for this proposition *Post.Com Limited v. Peter Neilson*, D2002-0690 (WIPO September 17, 2002) (no evidence of bad faith, therefore no need to assess the other elements); *Burn World-Wide, Ltd. d/b/a BGT Partners v. Banta Global Turnkey Ltd.*, D2010-0470 (WIPO May 19, 2010) finding it unnecessary to delve deeply into the facts.

The 3-member Panel in *Knud Jepsen A/S v. Rick Schwartz, Virtual Dates Inc.*, D2017-0679 (WIPO June 20, 2017) (<queen.com>) was even blunter:

> The Panel finds that the Complainant has by a large margin failed to demonstrate that the Disputed Domain Name was registered and is being used in bad faith, as will be elaborated below. As a result, its claim will fail, regardless of Respondent's rights or legitimate interests (or indeed lack thereof) in the Disputed Domain Name. The Panel therefore considers it unnecessary to discuss this element.

The 3-member Panel in Skillful Communications, Inc. v. Redacted for Privacy, Aquent / Aquent Aquent, Aquent, D2022-0910 (WIPO May 26, 2022) (<SKILL.COM>) also found it unnecessary to discuss "this element":

> These requirements are conjunctive; all must be satisfied. As the Panel finds that Complainant has not proven bad faith registration of the disputed domain name, the Complaint fails. For that reason the Panel need not address the first two requirements of Paragraph 4(a).

While it makes sense to bypass the first element where there is clearly no actionable claim for cybersquatting, indeed there is more logic in simply dismissing the claim, the general view as I have already mention is more conservative. : if the complainant has rights, the three elements will be considered *seriatim*.[18] Under the ACPA the plaintiff would lack standing for the reasons discussed in Chapter 19, namely distinctiveness must precede the registration of the domain name.

IDENTICAL OR CONFUSINGLY SIMILAR

A domain name can be similar and confusing, similar and not confusing, or neither similar nor confusing. How much dissimilarity in letters or words removes a domain name from the taint of confusing similarity may be difficult to measure. There are different views in assessing this issue. Some Panels limit their assessment to the "is it identical or confusingly similar" question. Other Panels count the differences between the mark and domain name to determine confusing similarity. Is there one substitution or omission of letters or more than one, for example. How many differences must there be to move similar and confusing to neither similar nor confusing?

To answer this question panelists generally consider the totality of facts analysis before returning to paragraph 4(a)(i) of the Policy. When they examine the respondent's conduct they may conclude that there is concrete evidence supporting abusive registration and on this basis find confusing similarity where there is uncertainty on a straightforward side by side examination.

I will return to the counting of differences and the look forward to bad faith analyses further below.

Comparing Domain Names to Marks

Proof that a complainant has a right satisfies the first of the two elements for standing. It must then show that the disputed domain name is either identical or confusingly similar to that mark.[19] Identical needs no gloss. It simply means that the lexical material in the second level domain (or sometimes including the extension discussed below in "Reading Across the Dot") is composed of words, letters, or numbers that are identical character by character to the mark.

The confusing similarity test under the first element is a low bar. If on a visual and aural comparison of the mark and the disputed domain name the Panel finds

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18 A variant on this view is where the alleged right postdates the registration of the domain name. The Panel majority in *WEX Inc. v. Tom Soulanille*, FA2204001991413 (Forum May 16, 2022) was of the view that if the Complainant is going to allege that "was "opportunistic and designed to trade on Complainant's goodwill in the WEX marks…" then it had to proffer proof of that contention, but its rights postdated the registration of <wex.com> and it had no such evidence to proffer. The Author was in the majority in this case. One member of the Panel in *WebSec Holdings, B.V. v. Marty Martin, Adapt Partners*, D2023-0813 (WIPO May 1, 2023) took the position that "the first prong [can] be satisfied only with proof of prior trademark rights. . . ."

19 The Complainant in *Chisholm Chisholm & Kilpatrick LTD v. SuZhi Hong*, D2018-1357 (WIPO July 29, 2018) (<cck.com>) asserted that "the disputed domain name is confusingly similar to one of the Complainant's domain names," to which the Panel noted the first element of the Policy requires identity or confusing similarity with a trademark or service mark, not with another domain name."

there is similarity that would be confusing to the ordinary viewer it meets the criteria of the first element. This test is narrower than and thus different to the question of "likelihood of confusion" under trademark law, a question discussed in Chapter 11 ("Paragraph 4(b)(iv)"). The concept of "confusion" in Paragraph 4(a)(i)[20] is no more than a test to determine whether an ordinary observer on a side-by-side comparison of mark and disputed domain name would accept the second level of the domain name is confusingly similar to the mark. It is a low bar, but it is nevertheless a bar that has to be cleared.

The determination of this element, though, does not require mathematical exactitude. If the disputed domain name is visually or aurally confusing to claimant's mark as viewed by an "objective bystander" (which includes the Panel) it will satisfy the Paragraph 4(a)(i) requirement of the Policy. The issue is simply whether the objective bystander finds that the disputed domain name would mislead a visitor into believing that the respondent is related to or sponsored by the mark owner.

Where the mark is distinctive in the marketplace and not simply formed of common words assembled as common phrases, any incorporation into a domain name with or without affixes can readily be seen as both similar and confusing. For example, the Panel in *eDreams, Inc. v. CK Ventures Inc*., D2009-1508 (WIPO January 8, 2010) (edrams.com>) held that "there is a real risk that Internet users seeking the Complainant's website may be confused and diverted to the web page located by the Domain Name through mistyping the Complainant's primary mark." The apparent deletion of the letter "e" preceding "c" is sufficient to establish a similarity that is confusing, but this did not herald success in proving bad faith since the word "edrams" has an established meaning in a professional dictionary, Embedded Dynamic Random Access Memory.

To marks that are commonplace and respondent has added another word to create a distinctive combination, a different consideration must be applied. For example, in *Digital City, Inc. v. Smalldomain*, D2000-1283 (WIPO November 14, 2000) the Complainant alleged that <digitalcitymap.com> was confusingly similar to its mark, DIGITAL CITY. If the bar is cleared under all circumstances it would have the effect of "stop[ing] any other registrations of domain names which add suffixes to registered marks and that are quite generic." The Panel then reasoned that

20 Another test for confusion is applied in the bad faith analysis. Under Paragraph 4(b)(iv) "likelihood of confusion" supports bad faith use. This test is not applied under 4(a)(i). The Panel in *Smoky Mountain Knife Works v. Carpenter*, AF-230ab (eResolution July 3, 2000), citing *In re. West Point-Pepperell, Inc*., 468 F.2d 200 (C.C.P.A. 1972) Panel held that "Respondent's use of the Contested Domain Names appears to satisfy even the more stringent test of likelihood of confusion."

> It would provide the unfortunate result that the Complainant would essentially be given a monopoly on domain names that add words to the expression "digital city". As a matter of policy, this is undesirable and unacceptable. The scope of the concept of "confusing similarity" must take account of policies such as this. I decline therefore to adopt the broadest interpretation of the principle from the suffix cases, and instead conclude here that consumers are not likely to be confused.

Where a domain name "comprises a [distinctive but weak] mark and a suffix," the mark has "not acquired such distinctiveness as to merit broader protection," and the "suffix (or the domain name as a whole) does not relate specifically to the business of the Complainant," then Complainant does not clear the bar. The word "map" creates a business indicator distinct from the mark.

But where "a respondent's domain name incorporates a mark in its entirety and merely adds a generic top-level domain (gTLD), '.com', then the Panel may find that the disputed domain name is identical to Complainant's mark," *Marquette Golf Club v. Al Perkins*, FA1706001738263 (Forum July 27, 2017). And similarly in *Heaven Hill Distilleries, Inc. v. Contact Privacy Inc. Customer 0157950512 / Andrea Latimer, Latimer*, D2020-1612 (WIPO September 14, 2020) in which the Respondent added an "s" to the Complainant's HEAVEN HILL. This "does not change the sight, sound, or meaning of the Trademark for purposes of this factor.")

But in *MAN Truck & Bus SE v. danyang manka qiche bujian youxian qonqsi*, CAC-UDRP-105012 (ADR.eu February 3, 2023) (<dymanka.com>) the Complainant failed to satisfy the first element:

> When a trademark is also descriptive of a word that is commonly used by the public [in this case "MAN"], the Panel considers that it is not as straight forward to merely pick out the textual parts that is identical to the trademark and ignore the broader case context. . . .

The broader case context includes "other textual parts of the disputed domain name, the identity of the respondent vis-à-vis to the disputed domain name, the disputed domain name website content in the language they appear, the respondent's intent to provide its own legitimate offering of goods, which will also be relevant for the second and third elements."

Similar and Confusing

Straightforward Comparison

The concept of confusing similarity lies at the very heart of all cybersquatting disputes. It is central to assessing standing to maintain a UDRP proceeding. It does not foretell abusive registration of the challenged domain name. Nor should it be confused with the classic test for trademark infringement, "likelihood of confusion" discussed in Chapter 11. The distinction is that while a domain name may be confusingly similar to a mark it does not foretell abusive registration of the challenged domain name, whereas if the same domain name creates a likelihood of confusion it supports bad faith registration and use.

If there is similarity and it is confusing to the objective bystander (i.e. the Panel) it satisfies the second element of Paragraph 4(a)(i) of the Policy. The Panel in *bet365 Group Limited v. Domains by Proxy, Inc. / Steve Prime*, D2011-1242 (WIPO September 14, 2011) found <365bets365.com> confusingly similar to BET 365, but the further addition of words creates names that are only similar. Thus <365casino365.com>, <365poker365.com>, <365wager365.com> are similar but not confusing.

The question of identity and confusing similarity is evaluated based solely on a comparison between a complainant's word mark and the alpha or numeric string constituting the domain name at issue. At the threshold it is necessary only to consider "whether a domain name is similar enough in light of the purpose of the Policy to justify moving on to the other elements of a claim for cancellation or transfer of a domain name," *Nicole Kidman v. John Zuccarini, d/b/a Cupcake Party*, D2000-1415 (WIPO January 23, 2001). No consideration is given to "extraneous factors such as the types of goods or services on which the mark is used or the contents of the website to which the domain name resolves," *Verridian Plc v. Nadine Leech*, D2008-1539 (WIPO November 20, 2008).

When a domain name incorporates, in its entirety, a distinctive mark, that creates sufficient similarity between the mark and the domain name to render it confusingly similar. Application of this test typically involves a straightforward visual or aural comparison of the trademark with the alphanumeric string in the domain name. If in comparing the mark and the domain name the mark is discernible in the domain name it is sufficient to pass the test.

The test is whether the name bears a similarity that may be confusing rather than confusion in the mind of a consumer as to the source of particular goods or services signified by a particular mark. Source related confusion is a factor "properly [to] be addressed at other stages of the analysis (such as factors that bear on a registrant's legitimate interest or bad faith)," *Magnum Piering, Inc. v. The Mudjackers and Garwood S. Wilson, Sr.*, D2000-1525 (WIPO January 21, 2001).

Confusion in the sense demanded for this element is a low bar. It simply means that complainant gets to "first base," *RapidShare AG, Christian Schmid v. N/A Maxim Tvortsov*, D2010-0696 (WIPO June 22, 2010) (RAPIDSHARE and <rapidbay.net>, but satisfying the requirement allows complainant to move forward with its evidence to the second and third requirements of proof.

The Panel in *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, AF-0096 (eResolution February 7, 2000) (<tourplan.com>) reminds parties that

> neither the ICANN Policy nor the general principles of trademark law implies that only the strongest of marks can engender confusion. Confusion can arise within particular segments of a market, among consumers in particular geographic areas, within groups who share a common interest or business, or in other limited but non-trivial ways. Even though acknowledging and accepting the domain name holder's evidence that "TourPlan" lacks strength, I nonetheless find that the domain name "TourPlan" is identical or confusingly similar to the complainant's mark "TourPlan."

As a general proposition, though, "when a mark is a relatively weak non-distinctive term, courts have found that the scope of protection may be limited to the identical term and that the addition of other descriptive matter may avoid confusion," *Webvan Group, Inc. v. Atwood*, D2000-1512 (WIPO February 20, 2001) (HOMEGROCER and <internethomegrocer.com>):

> As a descriptive term, the mark should receive limited protection even though it is a registered mark. This weakness, however, seems to be offset by the promotion and media attention that the mark has received. Moreover, given that both business are Internet-based, Internet users are likely to believe that <internethomegrocer.com> is related to <homegrocer.com>.

In other words, Complainant passes under the bar because it has been heavily promoted. It has made itself known in the marketplace.

Similarly, *QNX Software Systems Limited v. Jing Rung*, D2012-1597 (WIPO October 23, 2012). The trademark does not have to be instantly recognizable, but an added word that is referential to the trademark supports both confusing similarity and targeting: QNX + phone as in <qnx-phone.com> highlights rather than distinguishes the domain name from the mark.

Adding a generic term associated with a particular complainant's mark is both similar and confusing, although ultimately unavailing in *Webvan* on anti-monopoly grounds. In *Fifth Street Capital LLC v. Fluder (aka Pierre Olivier Fluder)*, D2014-1747 (WIPO November 8, 2014) (<fiftstreet.finance>) Complainant is well-known in its niche, but its mark standing alone is weak:

> The Panel accepts that the expression "Fifth Street" is or can be descriptive. The fundamental problem for the Respondent in the present case is that it is not descriptive of finance products or services. It has significance in relation to "finance" only through its association with the Complainant as the Complainant's trademark.

Another illustration but with a legacy TLD is *Fifth Third Bancorp v. Lisa Shackelford, Fifth Third Fidelity*, D2015-2107 (WIPO January 5, 2016)) adding "fidelity" to the Mark, <fifth-third-fidelity.com>. Complainant argued and the Panel accepted that it was confusingly similar:

> The only difference is that Respondent adds the term "fidelity" to the Mark. The addition of "fidelity" does not make the Domain Name any less confusing. This is especially true because it is typical for Complainant to use variations of the Mark, as is evident from Complainant's list of trademarks.

However,

> the Panel has difficulty in accepting the Respondent's claim that he was unaware of the Complainant's trademarks when registering the disputed domain name, if that is in fact what he is claiming.

The Panel in *Kentech Group*, *supra*. (reflecting consensus on this issue) explained that the "threshold for satisfying this first element is low and generally panels have found that fully incorporating the identical mark in a disputed domain name is sufficient to meet the threshold." This applies regardless of the strength of the mark. The complainant may clear the bar of the first element even though its mark is a common word, but fail to satisfy the third element of bad faith. Thus, the Panel in *Man Marken GmbH v. Gavinji*, D2022-0973 (WIPO May 8, 2022) (<man.energy>) noted:

> Obviously, the Complainant and its corporate group have been using the MAN trademark for many years prior to any of the Respondent's companies. Nonetheless, "man" is a dictionary term and, as the Respondent's first company illustrates, can be an acronym for many different things.

Typically, adding another word "does nothing to reduce the confusing similarity of the Domain Name with Complainant's Mark, *at least in terms of the first element of the Policy*," (italics added, a frequently expressed observation). Where the trademark is the dominant element, adding "cheaper" to LACOSTE or "New York" to VOGUE results in no more than the well-known trademark with dictionary word affixes.

Thus, in *T.M. Lewin Shirtmaker Ltd. v. Hello Giller*, D2023-1695 (WIPO July 6, 2023) (<tmlcloth.online>):

> The addition of the term "cloth" does not prevent the confusing similarity. Further, Complainant is a renowned retailer of men's clothing and accessories which directly links the term "cloth" to Complainant's brand and Trademark. As such, the additional term "cloth" serves to underscore and increase the confusing similarity between the Domain Name and Complainant's Trademark.

Dominant Term in the Mark

Respondents' attempts to differentiate themselves from marks have ranged over a variety of lexical tactics. Many and uncreative are the rule. Additions to dominant terms have generally been found to summon up complainant's rather than respondent's business. SONY is the dominant term of Sony Kabushiki Kaisha's mark. Any addition to it, such as "my" in <mysony.com> has "the effect of focusing the reader's attention on Complainant's trademark," *Sony Kabushiki Ka v. Sin, Eonmok*, D2000-1007 (WIPO November 16, 2000). Similarly, *Certified Financial Planner Board of Standards, Inc. v. Career Professionals, Inc.*, FA0106000097354 (Forum July 12, 2001) for the domain name <gocfp.com>):

> The salient, dominant feature of each is "cfp". The addition of "go" and ".com" is likely to be viewed by Internet users as little more than an indicator that the domain name links to a web site related to CFP. While the use of "go" as a prefix to a domain name is not so common as the use of another prefix, "my", the function of each is essentially the same: to direct the user to a web site and its contents.

Such additions "merely compound the confusion created by the incorporation of complainant's trademark," *Fairmont Hotel Management L.P. v. Puts*, D2001-0431 (WIPO May 17, 2001) which in this case are the words "hotel" and "resort" (<fairmonthotels.com> and <fairmont-resort.com>).

Addition of Descriptive Word or Phrases Strengthens Confusion

Generally, where the domain name or any part of it corresponds to the dominant term of a well- known or famous mark it more than likely is confusingly similar to the mark. As noted by the Panel in *Credit Lyonnais v. Jehovah Technologies Pte LTD.*, D 2000-1425 (WIPO December 29, 2000) (<creditlyonnaisonline.com>): the addition of the phrase "online" to "Credit Lyonnais" "is not sufficient to avoid confusion. On the contrary, the word 'online' strengthens the confusion since it induces e-banking services offered by this worldwide known banking operator."

The trademark in *Clad Holdings Corporation v. Administration Local*, D2005-0124 (WIPO May 9, 2005) ALL-CLAD is used in the niche cookware market. The Respondent added the word "cookware" which supports the conclusion that the Respondent had actual knowledge of the mark:

> The addition of "cookware" to Complainant's trademark ALL-CLAD does not overshadow the impact on observers of the element "allclad" as the dominant part and as the element that indicates a connection to the Complainant. The addition of the word "cookware" rather strengthens the impression that it

> is a domain name of the Complainant, since the added word describes the very product for which Clad Holdings is most widely recognized: cookware.

And, in *QNX Software Systems Limited v. Jing Rung*, D2012-1597 (WIPO October 23, 2012) (<qnx-phone.com>), the Panel explained: "The addition of the generic term 'phone' does not dispel confusion but strengthens it to the contrary as it exactly suggests the product manufactured by RIM, parent company of the Complainant."

The trademark does not have to be instantly recognizable or famous. The trademark in *R.T.G Furniture Corp. v. Oleg Techino*, D2006-0886 (WIPO September 4, 2006) (<roomstogofurniture.com) is a descriptive phrase ROOMS TO GO but

> [t]he addition of the word "furniture" to "rooms to go" is insufficient to distinguish the disputed domain name from the Complainant's trademark registered in the United States of America and numerous other countries around the world. Indeed, the addition of that word strengthens the case against the Respondent since that word describes the very product for which the business of the Complainant is known: furniture. The likelihood of confusion on the part of Internet users is therefore actually increased.

Any added words or phrases referential to the trademark also supports targeting, an issue more properly dealt with in the second and third elements. Whether referential additions support rights or legitimate interests under a nominative fair use theory or bad faith as evidence of likelihood of confusion depends on the totality of provable facts. As the Panel in *R.T.G Furniture* states: "The likelihood of confusion on the part of Internet users is therefore actually increased."

Prefixes and Suffixes: Simply the Mark With Additions -

When a disputed domain name wholly incorporates a mark or a dominant part of it, additions of other terms can be consequential in strengthening a finding of confusing similarity, for the reasons explained above, at the same time the additions fail to distinguish the disputed domain names from the mark.[21] For example, the addition of "sucks" which may prelude protected speech, is nevertheless confusingly similar, even though the facts ultimately support its legitimate interest (as discussed in Chapter 10, "expressive and Critical Speech."

If the "relevant trademark is recognisable within a disputed domain name, the addition of other terms (whether descriptive, geographical, pejorative, meaningless, or otherwise) does not prevent a finding of confusing similarity under

21 This is also true with typosquatting which is separately discussed in Chapter 16. Both additional terms and typosquatting can also be evidence of bad faith, but I will use typosquatting for the discussion of bad faith.

the first element," *Bloomberg Finance L.P. v. Nexperian Holding Limited*, FA1804001782013 (Forum June 4, 2018) (<bloombergvoice.com>).

Early cases set the stage for these views. In *Wal-Mart Stores, Inc. v. Walmarket Canada*, D2000-0150 (WIPO May 2, 2000) the Responded added "Canada" to WAL-MART). The Respondent in *Caterpillar Inc v. Roam the Planet*, D2000-0275 (WIPO May 26, 2000) (<catmachines.com>) added "machines" to the mark. The Panel held that combining "Cat" and "machines" rather reinforced than distinguished the domain name from the trademark. And in *Expedia, Inc. v. Mandanice*, FA0302000146598 (Forum April 7, 2003) the Respondent added "uk" to the domain name, <expedia-uk.com>. An in *Arthur Guinness Son & Co. (Dublin) Ltd. v. Healy/BOSTH*, D2001-0026 (WIPO March 23, 2001) the domain name contained the identical mark of Complainant combined with generic words or terms—"Stout," "Irish Pubs," and "guide." which are terms associated with the Complainant.

In other instances, prefixes and suffixes are simply the mark with the additions. The Panel in *Toyota Jidosha Kabushiki Kaisha d/b/a Toyota Motor Corporation v. S&S Enterprises Ltd.*, D2000-0802 (WIPO September 9, 2000) explained:

> Neither the generic prefix "i" (for "internet") nor the suffix ".com" nor (in the case of the name itoyotas.com) the plural suffix "s"detract from the overall impression of the dominant part of the name in each case, namely the well known trade mark TOYOTA, instantly recognizable around the world as denoting the goods of the complainant.

Similarly, in *Rada Mfg.Co. v. J.Mark Press a/k/a/ J. Mark Cutlery*, D2004-1060 (WIPO February 2005) (<radacutlerysales.com>), the evidence showed that the respondent had taken the trademark RADA, a trademark owned by the Complainant which made cutlery and had simply made up a series of domain names such as <radacutlerysales.com> and <radaknives.com>. The Panel held that such additions did not sufficiently distinguish the domain names from the trademark and that the words that were added exacerbated the similarity, for it was widely known that Rada made cutlery and knives.

In *Lacoste Alligator S.A. v. Priscilla, Ranesha, Angel, Jane, Victor, Olivier, Carl, Darren, Angela, Jonathan, Michell, Oiu, Matthew, Pamela, Selima, Angela, John, Sally, Susanna*, D2010-0988 (WIPO August 11, 2010) the Respondent added "cheap" to "Lacoste' (<cheaperlacoste.com>). The Panel pointed out that it is "is long established by past panel decisions that a domain name incorporating a trademark in its entirety with the addition of generic and non-distinctive prefixes and/or suffixes is confusingly similar to the trademark." In many other cases, as here, the additions simply reinforce the distinctiveness of the mark.

In *Mediacom Communications Corporation v. ORM LTD / ORM Ltd.*, FA1509001640219 (Forum October 31, 2015) (<wwwmediacomcc.com>) the Respondent merely added the prefix 'www,' the suffix 'cc,' and the generic top-level domain ('gTLD') .com.'" In *Educational Testing Service v. Domains By Proxy, LLC / M S*, D2022-0867 (WIPO May 16, 2022) the Panel noted:

> Putting to one side how long and extensively the Complaint has been using its trademark, the very essence of the Respondent's service presupposes knowledge of the Complainant's trade mark. As the prefix "take my" reinforces, the very point of the Respondent's service is predicated on knowledge of the Complainant and its tests, including of course the GRE tests.

Registrations Incorporating Two Brands

Unrelated to the issue of anticipating a formal trademark application by a new combined entity (discussed above in "Anticipatory Infringement") are cases in which respondents have registered domain names incorporating two separate and unrelated trademarks. The question is whether a single mark owner unrelated to the other mark in the domain name has an actionable claim. The answer has received a mixed reception.

The Respondent in *Lilly ICOS LLC v. Tudor Burden, Burden Marketing*, D2004-0794 (WIPO December 20, 2004) registered two domain names combining Complainant's mark with CIALIS and VIAGRA. Rather than transferring (which Complainant requested) the Panel cancelled the registrations:

> Complainant has not submitted authorization from the holders of the APCALIS and VIAGRA marks to relieve potential concern that transfer of the disputed domain names to Complainant would interfere with the rights of the third party trademark holder.
>
> The Panel considers that the transfer of names <cialisapcalis.com> and <cialis-viagra.info> would violate third parties rights. In the absence of a letter of support from the owner of the marks or a co-action, the transfer is not the appropriate remedies

The Panel in *Incase Designs Corp. v. Rogenie LLC, Rogenie Cordero*, D2012-1491 (WIPO September 12, 2012) reached a similar conclusion, although some panelists have taken a different approach.

In *Decathlon SAS v. Nadia Michalski*, D2014-1996 (WIPO January 27, 2015) (<decathlon-nke.com>) the Panel held:

> It is the consensus view among UDRP panelists that neither the Policy nor the Rules expressly require the consent of a third party and previous panels have accepted complaints request that a domain name may be transferred to the

> complainant, noting that such decision would be expressly without prejudice to any rights, which may be asserted by third party trademark holder

The Panel in *Kabbage, Inc. v. Oneandone Private Registration, 1&1 Internet Inc. - www.1and1.com / Robert Hanssen, Ridiculous File Sharing*, D2015-1507 (WIPO November 20, 2015) (<kabbage4amazon.com>:

> [W]here Complainant has fulfilled all the elements of Policy paragraph 4(a), expressed a strong preference for transfer over cancellation, and demonstrated to the satisfaction of the Panel that it is cognizant of its obligations to respect the rights of third-party trademark holders, the Panel is willing [to grant the request].

The *Decathlon* and *Kabbage* decisions has been followed by a number of subsequent Panels but appears to be the minority view.

The Panel in *NIKE, Inc. and Nike Innovate, C.V. v. Mattia Lumini and Yykk Snc*. FA1606001679233 (Forum July 15, 2016) (<nikegoogle.com>) rephrased the issue. Since there was no "nexus" between the owners of the two brands the case must be dismissed absent a letter of support from the other trademark owner:

> Complaint alleges no nexus between it and the owner of the [co-joined] mark. [. . .] As such, Complainant essentially has standing to bring this claim regarding the NSK mark but not the SKF mark.

Therefore,

> [As] Google, Inc. has not been joined as a Complainant in this matter and there is no nexus available through which Complainant can claim to have rights to the transfer of the <nikegoogle.com> domain name [the complaint is dismissed].

There is no precedent for the "nexus" theory; it appeared out of nowhere in late 2016 and has had a short life. It was cited by a couple more Panels but other panelists preferred following the *Kabbage* view. The Panel in *Target Brands, Inc. v. M. V. P. / MV Professional Marketing Services*, FA1510001644580 (Forum December 8, 2015). Citing *Kabbage* the Panel held:

> The disputed domain names all contain both Complainant's trademark and the trademark of a company that is not a party to this proceeding. While it may be preferable for a complainant to obtain the consent of a third-party rights holder before seeking transfer of a domain name, such consent is not necessary.

The Panel also noted "the alternative remedy of cancellation is properly viewed with disfavor." It is uncertain as to whether this is the case.

Neither Similar nor Confusing

The issue of neither similar nor confusing has been raised in a number of instances. How much similarity is necessary for it to be confusing? By "confusing" is meant confusing to the ordinary consumer in whose shoes panelists stand.

In *VFS Global Services PLC v. David Killam*, D2022-3969 (WIPO December 22, 2022) (<visasdept.com>), the Panel noted that while it

> readily accepts that the email address is likely to be mistaken for an email address associated with the Complainant or at least the VFS Group. Given the way it is being used, ultimately to connect visa applicants to a fraudulent website to extract money from the applicants in the false belief they are paying for a visa, the Panel accepts that the Respondent appears to be using the email address in connection with a fraudulent enterprise.

"Unfortunately,"

> the Policy is concerned with the abusive registration of domain names, not email addresses. The domain name at issue here is <visasdept.com>. It is this which must be at least confusingly similar to the Complainant's trademarks.

However,

> Disregarding the ".com" gTLD, the disputed domain name consists of "visas-dept". It is not possible to recognise the Complainant's trademarks in that expression. It neither looks nor sounds like "VFS Global".

Aural and Phonetic Similarity

Aural and phonetic similarity are frequently offered as fulfilling the requirement of the test. For example, in *Quicken Loans Inc. v. Laura Yun / Offshore Hosting Solutions Ltd*., FA1510001644564 (Forum December 11, 2015) (QUICKEN LOANS and <clicknloan.org>) the Panel found confusing similarity—"Past panels have found that phonetic similarities can form a basis for confusingly similarity under the Policy" because phonetically after omitting "Qui" the lexical remainder is similar.

It may be true that the difference between confusingly similarity and similar but not confusing defies easy measurement, and in those cases complainant will receive the benefit of the doubt, and is permitted to make its case. In *Al-Dabbagh Group Holding Company v. Leo Radvinsky / Cybertania Inc*, FA2009001913317 (Forum November 3, 2020) (STARS FOUNDATION and <stars.com>) the Panel (citing the Jurisprudential Overview and noting that the issue "is not easy to resolve") stated[22]:

> While generic in nature, the word "stars" is the dominant element of Complainant's mark, and it is clearly recognizable within the Domain Name.

> [. . .] [Thus] the Domain Name is identical or confusingly similar to the STARS FOUNDATION mark

The "Stars" example is unusual in that the word is both generic and dominant in the mark. Nevertheless, in this case and others, marks drawn from common sources are not *ipso facto* weak. In surveying earlier decisions it cannot be discounted that highly distinctive marks even those that are drawn from the common lexicon, fame achieved in the marketplace (VIRGIN for example) plays a decisive role in the determination of cybersquatting not just for the first element but also for the second and third elements.

In *Federación Nacional de Cafeteros de Colombia v. Vince Harasymiak, Domain Capital*, D2022-4022 (WIPO January 18, 2023) (<columbiancoffee.com>) the Complainant "says it owns several trademarks for the term CAFÉ DE COLOMBIA (which translates into 'Colombian Coffee' in English," but

> In the present case it is perhaps debatable whether the design elements of the Café de Colombia figurative mark do comprise the dominant portion of the relevant mark such that they effectively overtake the textual elements in prominence, noting also that the words "Café de Colombia" are descriptive.

The Panel decided it it did "not need to reach a conclusion on this issue given its further reasoning as to legitimate interest and bad faith." This is because

> Even if the Panel were to accept that the design elements of the mark do not overtake the textual elements in significance, an additional difficulty for the Complainant is that in either language those words are descriptive.

STARS squeaked through on standing because it was the dominant feature of the mark, but ultimately the Complainant was defeated on its genericness. In the other cited decisions, the Panel's rejected standing because the dominant feature was generic. Where a generic or descriptive domain name contains the dominant generic feature of the mark it is similar only with respect to that feature.

It is different if the dominant feature by itself is recognized by consumers for its accrued distinctiveness in the market. For example, Rocket Mortgage, LLC. owns various ROCKET branded service marks. In its UDRP proceeding against *Registration Private, Domains By Proxy, LLC / Michael Scheumack, Identity Intelligence Group (IDIQ)*, D2022-1840 (WIPO July 7, 2022) (<rocketcredit-scores.com>) the Respondent argued that "because of the common use of the word 'rocket' in the context of financial services, Complainant's mark is descriptive and, thus, weak." The Panel rejected this argument:

22 Disclosure: Author was a member of the Panel on this case.

> The record shows that the Complainant's ROCKET-formative marks are very well known in relation to residential mortgage lending in the United States. [. . .] Taken together, these facts strongly suggest that the Domain Name was not selected primarily for its dictionary sense of accelerating results but for a false implication of association with the Complainant, in an effort to misdirect Internet users to the Respondent's websites for commercial gain.

Although not argued, it could also have been pointed out that the wording of the disputed domain name "credit scores" is directly referable to Complainant's business.

Similar but not Confusingly Similar

In addressing the issue of similar but not confusingly similar there is a tension "that is not easy to resolve." The WIPO Jurisprudential Overview, Para. 1.7 states: "Issues such as the strength of the complainant's mark [. . .] are decided under the second and third elements. [. . .] [And that] [w]here at least a dominant feature of the relevant mark is recognizable in the domain name, the domain name will normally be considered confusingly similar to that mark for the purposes of UDRP standing." Yet, the presence of the same word in a mark and domain name that is not a "dominant feature," hence similar for that reason, would not ordinarily in any other way suggest confusion.

This issue has been explored in a number of cases, and in some of these, Panelists have expressed distinct differences of view. For example, is "go milf" confusingly similar to GO MILK. The majority in *The California Milk Processor Board of San Clemente v. Domains By Proxy, LLC / Del Polikretis*, D2012-2285 (WIPO February 19, 2013) rejecting the complaint, concluding: "[I]n Internet user confronted with this Domain Name is likely to be grinning, or groaning, or nonplussed – not confused."

The issue is not easy to resolve because the meaning of the term "confusingly similar" depends on where the emphasis lies: on "confusing" or "similar." A trademark is distinctive on its own terms, but if words or letters are added or subtracted it can create a different impression. Example: GOLF SOCIETY OF THE US and <golfsociety.com>. The Panel in *SportSoft Golf, Inc. v. Sites to Behold Ltd.*, FA0006000094976 (Forum July 27, 2000) (GOLF SOCIETY OF THE US and <golfsociety.com>) agreed with Respondent that "the term golf society is used throughout the world to identify various associations interested in golf." Complainant's mark clearly referred to an entity or organization, whereas the domain name clearly referred to the generic nature of a society interested in golf or the general body or community of golfers. "

The Panel in *UK Betting PLC v. Pam Oldfield*, D2005-0637 (WIPO August 31, 2005) (UK BETTING and <ukbet.com>) explains that

> [W]here the name in question is very descriptive, the ambit of protection to be afforded to it is likely to be very narrow. [. . .] UK BETTING is a highly descriptive name. Such rights as subsist in the name will be weak. The Panel doubts that a Court would restrain use of a name such as UK BET at the suit of the Complainant without cogent evidence of likelihood of confusion/deception.

The Panel concluded: "In the view of this Panel, in circumstances such as this where the Complainant's trade mark is at the descriptive end of the scale of distinctiveness, the extent of the Complainant's trade mark rights and the issue of confusing similarity needs to be looked at very carefully, if injustice is not to result."

The addition of letters and words clarifying distinctions between mark and subject domain name is also a consideration in refuting confusing similarity even though confusing in part. In *Hotels Unis de France v. Christopher Dent / Exclusivehotel.com.*, D2005-1194 (WIPO February 23, 2006) (<exclusivehotel.com> and <exclusivehotels.com>)

> The Panel notes the Respondent's argument that neither of the domain names is confusingly similar to the Complainant's trademark ["EXCLUSIVE HOTELS, charm and character"] because the additional components of the Complainant's trademark mean that the domain names are sufficiently distinguished from it.

In the Panel's view

> it is significant that the words that are common to the Complainant's trademark and the domain names – namely, "exclusive hotel(s)" – are words that are descriptive or at least laudatory of the subjects (in this case, hotels) of the services in respect of which the trademark and the domain names are used.

It concluded that

> [t]his fact, together with the fact that there are non-trivial components to the Complainant's trademark that are not present in the domain names, means that the Panel is of the view that the domain names are not confusingly similar to the Complainant's trademark.

Similar but not confusingly similar can also mean words, letters, or numbers similar to words, letters or numbers forming part of the mark, as in *Barnesandnoble.com, LLC v. Rosenblum*, FA0710001089020 (Forum November 15, 2007). Complainant challenged <noble.com>. The Panel explained that

> The domain name simply consists of one of the four words that go to make up the trademark, showing that it has virtually no similarity to the trademark.

The Panel compares this case with *Barnes & Noble College Bookstores, Inc. v. Leasure Interactive*, D2001-1216 (WIPO March 25, 2002) challenging the registration of

<bunsandnoble.com> which was found confusingly similar to Complainant's mark "in so far as the domain name is similar in sound to Complainant's marks."

The dissent in *eDreams, supra.*, (EDREAMS and <edrams.com> (a one letter difference) concurred on dismissing the complaint but disagreed on the issue of confusing similarity. He offered an important corrective that is not always accepted, but is necessary to underscore (this panelist was the creator of the "Objective Bystander"). The Complainant argued that the disputed domain name is similar to the mark and the "purposeful[ ]" omission of an "e" makes it confusingly similar.

The majority agreed but the dissent stated that the problems with the argument "are twofold":

> First, it cannot be said that a domain name is confusingly similar simply because the spelling is similar; the plain words of the Policy require that the domain name must also be confusing and it is a well established principle of interpretation that words included in a document such as the Policy are there for some reason and in this case the reason is to add the requirement of confusion in addition to the requirement of similarity.

Secondly,

> it is equally well established that in making the comparison, extraneous matters such as the intention of the registrant in registering the domain name are to be disregarded; thus it is said that a straight comparison must be made between the domain name and the trademark.

The dissent concludes:

> When that is done in the present case, by the panellist placing himself in the position of the objective bystander, which is the only way the task can be performed, it cannot be said on the balance of probabilities that the domain name is confusingly similar to the trademark. The matter is not entirely free from doubt, but there are several factors that tilt the scales in favour of the Respondent.

The Panel found no confusion in *Homer TLC, Inc. V. Andy Dorrani / HomeDept.com Inc.*, FA1202001429319 (Forum March 28, 2012) between HOME DEPOT and <homedept>. It explained that the addition of "dept," an abbreviation of "department," is not a simple misspelling of Complainant's mark, but a different identity. The domain name is similar only with respect to the word "Home," but Complainant has no monopoly on that word.

In *State Farm Mutual Automobile Insurance Company v. Christensen*, FA 1840727 (May 22, 2019) the Panel found that <thestatefarmbowl> could be read as "the state" "farm bowl." In a second case, *State Farm Automobile Insurance Company v. Kephart / Temping Teachers*, FA2003001887692) (Forum April 17, 2020) the Panel found that <bigstatefarmagent.com> could be read as "big state" "farm agent". Thus in neither case were the domain names identical or confusingly similar to the STATE FARM mark.

And in *One Freelance Limited v. TrafficTerminal*, CAC 102537 (ADR.eu November 28, 2019) the Panel had to compare AFFORDABLE PAPERS and <affordablepapers4U>. What is the effect of the suffix "4U"? The Panel concluded, first, that the words constituting the mark "consist[ed] of rather generic terms." A domain name corresponding to a weak mark together with another common word consistent with the meaning of the term should not in general be held confusingly similar to the mark.

The Panel and offered the following analysis:

> (1) Where that trademark is essentially generic within the online world and has not acquired such distinctiveness as to merit broader protection (i.e. in particular, where such originally generic trademark has not yet - through its use, advertising good name, etc. - acquired such distinctiveness that it is exclusively attributable to its trademark holder – Complainant); and
>
> (2) Where the suffix (or the domain name as a whole) does not relate specifically and exclusively to the business of the Complainant,

The Panel concluded: "[F]or a domain name to be regarded as confusingly similar to the Complainant's trademark, there must be a risk that Internet users may actually believe there to be a real connection between the domain name and the Complainant and/or its services. As it follows from the above, this is not the case."

Assessing Confusing Similarity

Counting Differences Between Mark and Domain Name

I mentioned earlier that Panels have made use of two analytical strategies for dealing with claims of confusing similarity where they are uncertain whether the disputed domain name is confusingly similar, similar but not confusing, or neither similar nor confusing. The first is counting the differences between mark and domain name. What are the differences? And are they major or minor? If minor, the omission of a letter or transposition of one, the similarity will be found to be confusing.

For example, the Panel in *LittleThings, Inc. v. East Softwear*, D2016-2254 (WIPO December 23, 2016) (<litthings.com>) found that despite the "absence of three letters 'tle'" the disputed domain name was "[v]isually and aurally [. . .] very similar to the Complainant's LITTLETHINGS.COM trademark." This was also found to be the case in *LivOn Laboratories, Inc v. Mike Kearl*, D2018-1981 (WIPO October 27, 2018) (LIVON LABS and <livlabs.com>) (denied for other reasons); *ArcBest IP Holdings LLC v. Azinue Bamu*, FA220600 1999386 (Forum July 6, 2022) (ARCBEST and <arcbst.com>); and *ULIONA LTD. v. Ettouil Oualid*, FA 2032922 (Forum March 28, 2023) (SAVEFROM and <svfromnet.com>); and *E*Trade Financial Holdings, LLC v. Alex Drown*, FA2209002013318 (Forum October 21, 2022) (E*TRADE and <etredae.com>). All involving omissions of few letters without seriously weakening the dominance of the mark.

While Panels have held that misspelling, omitting, adding, and transposing letters do not negate confusing similarity between a domain name and a mark there is a limit beyond which they do. Comparing YAHOO! and <yprog.com> for example in *Yahoo! Inc. v. Bill Skipton d/b/a Cowboy Clothing*, FA0510000575666 (Forum November 23, 2005) the Panel held that the "differences between the mark and domain name [<yprog.com>] are simply too many and too profound."

That limit was also reached by the Panel in *Stateside Merchants, LLC v. rong liu*, FA2305002043263 (Forum June 7, 2023) comparing PAIR OF THIEVES and <paihvesshop.com>. The number of differences were simply too great:

> All of the examples cited by Complainant [. . .] involve significantly more minor alterations to the corresponding trademark than is the case here.

Concluding:

> The fact that users searching for Complainant's mark may find themselves at Respondent's website (a claim made by Complainant without supporting evidence) is likely attributable more to the content of Respondent's website, including its prominent and frequent use of Complainant's marks, than to any similarity between the <paihvesshop.com> domain name and Complainant's PAIR OF THIEVES mark.

In comparing mark and domain name the question is whether the domain name is similar and confusing, similar and not confusing, neither similar nor confusing, or similar but uncertain as to whether it is confusing. The Panels in *Yahoo!* and *Stateside Merchants* held the domain names outside the scope of the Policy. However, there is also another line of reasoning: looking ahead to the totality of the evidence, but this applies only to the uncertainty of confusion.

Looking Ahead to the Bad Faith Evidence

Where there is uncertainty or doubt about confusing similarity the assessment can stop at paragraph 4(a)(i) if on further review the Panel finds evidence to read back into the domain name.

The 3-member Panel in *Fondation Le Corbusier v. Monsieur Bernard Weber, Madame Heidi Weber*, D2003-0251 (WIPO July 4, 2003) stated:

> The test of confusing similarity under the Policy is confined to a comparison of the disputed domain name and the trademark alone, independent of the other marketing and use factors usually considered in trademark infringement

> or unfair competition cases. Thus, the content of the Respondents' web site is irrelevant to this issue.

There was no need to examine Respondent's website because the comparison supported confusing similarity. The view that "Website [is] irrelevant to this issue" is at best dictum.[23]

The strategy of looking ahead to bad faith evidence is to determine whether a disputed domain name is confusingly similar or similar but not confusing. The concept is summarized in Jurisprudential Overview, Sec. 1.15: "In some instances, panels have however taken note of the content of the website associated with a domain name to confirm confusing similarity whereby it appears prima facie that the respondent seeks to target a trademark through the disputed domain name."[24]

In *Kames Capital PLC v. Tom Harrison / Kames Capital Plc Limited*, FA1604001671583 (Forum May 20, 2016) (KAMES CAPITAL and <kclfx.com>), the Panel noted that it was faced with the unusual situation of having to consider whether Complainant had standing to maintain the proceeding. There is some similarity but not necessarily (or apparently) to find confusing similarity:

> Panels have shown great reluctance in granting a complainant exclusive rights to acronyms [here "kc"] in the absence of registration with a trademark authority.

The central question here was whether <kclfx.com> is confusingly similar to the trademark or simply similar, and if only the latter it would preclude standing to maintain the proceeding.

The Panel concluded "it has some, although limited, discretion in determining whether or not to consider the content of the resolving webpage in making a Policy ¶ 4(a)(i) decision." Taking into account "all the circumstances [. . .] including the evidence of the fraudulent activities for which the domain name has been used, the Panel finds that it may have regard to the contents of the website and having done so finds that the disputed domain name is confusingly similar to Complainant's trademark." In other words, Complainant prevails based on similarity that is only fully established by examining the contents of the website.

The strategy is further illustrated in *Everytown for Gun Safety Action Fund, Inc. v. IGI NA / IGI NA CORP*, FA200500 1897076 (Forum June 23, 2020):

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23 The Panel in *Delta 9 Bio-Tech Inc. v. N trading BV*, UDRP-17880 (CIIDRC July 28, 2022) (< d9thccarts.com>) held that the Panel in Fondation Le Corbusier was misled by the Complainant into denying the complaint by failing to look ahead at the website.

24 Panels also look ahead to the bad faith elements in determining whether the respondent lacks rights or legitimate interests. As with confusing similarity, if in looking ahead there is evidence of bad faith complainant succeeds on the second requirement (Paragraph 4(a)(ii) of the Policy).

> The Panel finds that the <everyfamily.org> domain name is confusing similar to Complainant's EVERYTOWN mark as the Domain Name incorporates a dominant portion of the mark, EVERY, along with the descriptive term "family" (which is a term associated with Complainant's activism) and the ".org" gTLD. . . .

Citing the Jurisprudential Overview.

The domain name is not identical, but is it confusingly similar? After all, "Every Family" is not "Every Town." Armed with the conclusion that Respondent registered and is using the disputed domain name in bad faith, the answer is that it is both similar and confusing :

> In the present case, by reason of the facts outlined under the elements below, it is clear that Respondent has sought to target and indeed pass itself off as Complainant through the use of the Domain Name. The Panel finds that the intention of Respondent to mislead Internet users into thinking it is Complainant or connected with Complainant confirms the confusingly similar nature of the Domain Name.

The Panel in a different case reached the same conclusion, *Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc. Customer 1249561463 / Steve Coffman*, D2022-0473 (WIPO April 4, 2022) (<momsdemand.org>), discussed earlier in Chapter 4 on a different issue concerning impersonation as grounds for forfeiting the disputed domain name.

A succinct explanation on the looking ahead issue is stated in *Alticor Inc. v. Domain Admin, Whois Privacy Corp.*, D2021-4157 (WIPO February 28, 2022) (AMWAY and <mall-way.com>). The Panel acknowledges that while the test typically involves a side-by-side comparison of the domain name and the textual components of the relevant trademark in some cases "such assessment may also entail a more holistic aural or phonetic comparison of the complainant's trademark and the disputed domain name to ascertain confusing similarity." The Panel continued:

> In specific limited instances, while not a replacement as such for the typical side-by-side comparison, where a panel would benefit from affirmation as to confusing similarity with the complainant's mark, the broader case context such as website content trading off the complainant's reputation, or a pattern of multiple respondent domain names targeting the complainant's mark within the same proceeding, may support a finding of confusing similarity.

Although the Panel in *On AG, On Clouds GmbH v. Nguyen Luu, Withheld for Privacy Purposes, Privacy service provided by Withheld for Privacy ehf, Vuong Hoang, AN NGUYEN, NEO CORP., and Ngoc Tam Nguyen*, D2021-1714 (WIPO July 28, 2021) did not expressly look ahead to conclude that Respondent lacked rights or legitimate interests in the disputed domain name, it agreed with Complainant that "a use cannot be deemed bona fide if the disputed domain names constitute trademark infringement," citing earlier authority. "[B]ona fide use is predicated on honest adoption of the name," *Sai Machine Tools Pvt. Ltd. v. Mr. Sudhir Jaiswal, Shree Sai Extrusion Technik Pvt. Ltd*, D2018-2560 (WIPO January 19, 2019).

What is true for confusing similarity can be extended to rights or legitimate interests. In *James Squires v. John Zuccarini*, AF-218 (eResolution May 29, 2000) pointed out that

> one can engage in a "bona fide offering of goods or services" while at the same time offering those goods or services in connection with "the registration and use of a domain name in bad faith."

This is to say that on occasion when it is uncertain that a respondent demonstrates legitimate interests it may be necessary to "look ahead" at the evidence of bad faith: that is, how respondent is using the domain name. In some respects, it will be found that the second and third limbs are mutually independent, but at the same time they can be interactive depending on the outcome of complainant's claim that respondent lacks rights or legitimate interests in the disputed domain name.

It should be assumed, though, that for the majority of cases the requirements of the second and third limbs are mutually independent. Each limb demands proof according to different standards. At the most basic level, complainants succeed under the third limb by offering an unrebutted prima facie case that respondent lacks rights or legitimate interests in the disputed domain name, while for the third limb, complainant must prove by a preponderance of the evidence that respondent registered and is using the disputed domain name in bad faith.

Top Level Domain

The dot that separates the second from the top level domain is a mere formality. Whether three- or four-letter legacy gTLDs (.com, .org, .edu, .info, etc.), the thousand or more gTLDs that began coming online in 2013, or two-letter country codes it has no source indicating significance, but is merely a functional element in the Internet Protocol address.

In the words of the Panel in *The Forward Association, Inc. v. Enterprises Unlimited*, FA0008000095491 (Forum October 3, 2000) the "[prefix www and gTLD suffix] are "merely devices that every Internet site provider must use as part of its address." And in *Tumblr, Inc. v. Above.com Domain Privacy/Transure Enterprise Ltd., Host Master*, D2013-0213 (WIPO March 29, 2013) "the use of the generic top level (gTLD) '.com' in a disputed domain name does not affect a finding of similarity."

Reading Across the Dot

While top level domains are generally regarded as functional elements in the Internet Protocol address and while they are ordinarily disregard in comparing the second-level domain with the trademark, they are not disregarded where the letters of the top level domain together with the second level spell out the trademark.

Even before the introduction of new generic top level domains in 2014, Panels had begun grappling with respondents' practice of adding certain country code suffixes that if read together with the second level domain appear identical or confusingly similar to complainant's mark.

An example is <tes.co> where the second and top level domains read together spell out the trademark TESCO, *Tesco Stores Limited v. Mat Feakins*, DCO2013-0017 (WIPO October 4, 2013). Other examples of gTLDs forming part of relevant trademarks include <minnesota.life> which (ignoring the dot) are identical to the trademarks of those complainants. Confusing similarity was also found in <canyon.bike> where a dictionary word suffix is associated with the trademark owner's business. In all these cases respondents' fallback arguments have relied on identity or confusing similarity of characters to the left of the dot without consideration of the top level domain.

Panels have rejected this reading of the UDRP. The dot is not a barrier to a finding of identity or confusing similarity. Where a dictionary word which is also a trademark (Canyon, in the example) and a word associated with the trademark owner's business is added as a suffix ("bike"), if the whole string of characters is identical or confusingly similar to the trademark, the first element will have been established. The significance of top level domains must always be considered where in combination with the second level they are taking advantage of complainants' trademarks, that is actively targeting the value of the mark.

The point is further reinforced in *24 Hour Fitness USA, Inc. v. veronica rosignoli / veronicareidweb design.com*, FA1512001653945 (Forum January 28, 2016) (24 7 FITNESS and <fitness247.fitness>). Reversing the 24/7 and adding a suffix that duplicates the nature of the business does not create a distinctive non-infringing name. This is similar to the practice of typosquatting in which letters are reversed, transposed, or omitted or other letters added or substituted. In *24 Hour Fitness*, "this Panel concludes that Respondent has registered and is using the disputed domain name in bad faith in order to take predatory advantage of Complainant's rights in the 24/7 FITNESS mark."

In two cases against the same respondent, Respondent argued for the isolation of the gTLD from the second level domain. In the first, *Aspect Capital Limited v. Fluder (aka Pierre Fluder)*, D2015-0475 (WIPO April 14, 2015) Respondent pointed out that "Aspect" was a dictionary word and available to the first to register it, but as the Panel explained

> the Domain Name considered as a whole is virtually identical to the trademark ASPECT CAPITAL — the differences being (1) the addition of the "dot" to signify the gTLD ".capital" and (2) the omission of the spaces between the words. While (as already noted) it is usual practice to disregard the gTLD component as a functional aspect of the domain name system, in this case the combination of the gTLD with the word "aspect" naturally suggests the Complainant's second trademark. One may argue that the addition of the "dot" to indicate the gTLD component is more significant than the omission of the spaces [the Icelandic Panel's view] but, in the present context, it is largely as insignificant as other elements of punctuation such as spaces and hyphens.

The next year the Respondent returned with *Raincat Online Services v. fluder*, CAC 101125 (ADReu February 1, 2016) (AD6MEDIA and <ad6.media>), a different provider with a different roster of panelists, perhaps hoping for a different reading of the law. In this case, Respondent drew inspiration from a country code case, *SNIC Zoetis Products, LLC, no. 1/2013* (decision written in Icelandic and no translation available).

The thrust of Respondent's argument in *Raincat* is that "[t]he disputed domain name is neither identical nor confusingly similar to the protected mark . . . [because] [t]he ICANN rules only apply to what's left of the dot [and that any other reading would be] an abuse of the administrative proceeding." For example, "[u]nder general policies if you have a trademark on 'Merry Christmas' you can make a sunrise claim on MerryChristmas.Christmas but not Merry.Christmas." Respondent supported this construction by citing *SNIC Zoetis Products*.

The decision apparently reads that "if the suffix 'is' [the country code for Iceland] were viewed as part of the website name . . . it would be unavoidable to view the dot that separates the word 'zoet' from the suffix as a part of the website name [and not the trademark because the "is" is always the country code]." The Panel commented that "[i]If this summary accurately reflects the Icelandic Panel's decision it cuts against the grain of UDRP jurisprudence on this issue."

As in *Aspect Capital*, the Panel in *Raincat* rejected Respondent's reasoning as specious and accepted none of its arguments. The characters to the left of the dot can, when the facts allow, be inseparable from the characters to the right of the dot. This is what I meant by the dot as fiction, where it is not operating as a functional element. "There is nothing in the rules to say that it must never be taken into account where the gTLD underlines and emphasizes the confusing similarity between the domain name and the trademark. The Panel believes that in some cases, such as the present, it should be considered, especially where the presence of the new gTLD goes to make up a complete expression that is identical with a trademark."

In *Intercontinental Exchange Holdings, Inc. (ICE) v. Withheld for Privacy Purposes, Privacy service provided by Withheld for Privacy ehf / You Are, Not*, D2021-1332 (WIPO June 11, 2021) (<ice.loans> where Complainant is in the financial sector) Respondent redirected the domain name to Complainant's website: "[S]uch redirection is often used by malevolent parties to suggest that the disputed domain name is connected to the Complainant in aid of phishing schemes or other fraudulent activity."

The Respondent appeared in *Société des Produits Nestlé S.A. v. Boris Postolov*, D2023-0212 (WIPO March 8, 2023) (<nes.cafe>) with the following argument:

> If a person conducts an Internet search on "NESCAFE" then, in the 1,000 or more search results, one will not be able to find the word "NES.CAFE". This demonstrates that the disputed domain name is not confusingly similar to the NESCAFE trademark.

But similarity takes into account the lexical stream and ignores the dot affixing the gTLD.

But what is correct in the foregoing decisions is not necessarily so in all instances. For example, in *Delta Air Lines, Inc. v. Chad Meyerson*, FA1509001636800 (Forum October 19, 2015) the Panel found that Respondent offered a plausible explanation for acquiring <delta.tours> as it was in the business of "profil[ing] travel destinations around the world."

TRADE AND PERSONAL NAMES FUNCTIONING AS TRADEMARKS

Qualifying for a Trademark

Exclusions of Personal Names

The Policy excludes personal names as trademarks, but includes them when they function as trademarks.[25] The question, then, is what names function as trademarks? Where, for example, is the demarcation between authors who produce books, and executives whose companies produce cars? And to what extent does renown matter in assessing whether a personal name has achieved the status of a trademark?

Trade and personal names qualify as marks when their presence in the marketplace is perceived as distinctive and function as indicators of source for the goods

25 WIPO Second Report Internet Domain Name Process: The Recognition of Rights and the Use of Names in the Internet Domain Name System (Sept. 3, 2001), Para. 179: "[T]he clear weight of authority of many decisions is in favor of the application of the UDRP to the protection of personal names when they constitute trademarks."

and services offered. However, in its Final Report WIPO defines "abusive registration by reference only to trademarks and service marks" (Paragraph 167) Thus,

> registrations that violate trade names [. . .] rights would not be considered to fall within the definition of abusive registration for the purposes of the administrative procedure. (Bold in the original).

As noted in the footnote, the Second Report softened WIPO's earlier certainty. Gone is the categorical exclusion that trade names "would not be considered to fall within the definition of abusive registration." The new consensus is found to be more nuanced, namely that distinctiveness rests not only on lexical choices but circumstances; essentially recognizing what after all is a deep-rooted concept under trademark law:

> Where a trade name is used in widespread markets, it [. . .] often . . .] satisfies the conditions for protection as an unregistered trademark so as to qualify, in appropriate circumstances, for protection against bad faith, deliberate misuse under the UDRP (WIPO Second Report, Paragraph 318(ii)).

The WIPO Report recognizes that it may result in an "injustice" and is undoubtedly an unhappy limitation: "many sensitivities [will be] offended by the unauthorized registration of personal names as domain names" and the "result is that there are some perceived injustices. This being said, however, among the earliest UDRP decisions Panelists granted unregistered trademark status to notable personalities and celebrities in the fields of sports, entertainment, culture, and media whose names are branded by their contributions, discussed below under Personal Names.

Corporate Officers and Attorneys

There are corporate officers and there are principals of corporations who have corporate titles, but their names are not indicators of source even though in their fields they are renowned. A couple of early cases favored granting rights,[26] followed by further decisions questioning whether personal names of executives and wealthy businessmen functioned as trademarks.[27]

26 *Philip Berber v. Karl Flanagan and KP Enterprises*, D2000-0661 (WIPO August 8, 2000) (a wealthy businessman with significant reputation in the field of electronic trading of stocks over the Internet), and *Steven Rattner v. BuyThisDomanName (John Pepin)*, D2000-0402 (WIPO July 3, 2000) (Famed executive in the building industry).

27 Rejected: *Israel Harold Asper v. Communication X Inc.*, D2001-0540 (WIPO June 11, 2001) and *"R.E. 'Ted' Turner and Ted Turner Film Properties, LLC v. Mazen Fahmi*, D2002-0251 (WIPO July 4, 2002).

The view that executives can be accorded trademark rights was forcefully argued in *Chung, Mong Koo and Hyundai Motor Company v. Individual*, D2005-1068 (WIPO December 21, 2005) (<chungmongku.com>) in which the Panel found in favor of the Complainant on the grounds that

> the commercial community identifies the individual with the company, [and] the extent to which the individual is seen by relevant media and sections of the public as the alter ego and driving force behind the company ....

While this was regarded as the leading case in arguing for the "nexus analysis," it was rejected by the Panel in *David Pecker v. Mr. Ferris*, D2002-0184 (WIPO January 15, 2007) (<davidpecker.com>). Complainant's contention that he has a common law trademark "by virtue of his position as being one of the leaders in the publishing industry" falls short of qualifying as an indicator of source. His name does not function as a mark.

The Chung nexus analysis was further rejected by the Panel in *Thomas Pritzker, The Pritzker Organization, LLC v. Richard Brown*, D2009-0911 (WIPO October 12, 2009) in a decision that essentially settled the issue against any "special exception for prominent business persons." The Panel stated that it

> believes that the Chung, Mong Koo line of cases creates a special exception for prominent business persons from the requirement that a personal name must be used as a trademark or service mark to be entitled to protection under the UDRP. The panel believes that such an exception is inconsistent with the WIPO Internet Domain Name Processes and their recommendations, with the WIPO Overview, with the majority view of panelists, and with paragraph 4(a)(i).

The Complainant in *Jonathan Ive v. Harry Jones*, D2009-0301 (WIPO May 5, 2009) is renowned for his contributions to Apple Inc., but complaint dismissed. Similarly, the Panel in *Philippe Pierre Dauman v. Dinner Business*, D2013-1255 (WIPO September 6, 2013) (<philippepierredauman.com>) concluded that the president and chief executive officer of one of the largest and best-known entertainment and media companies in the world which has been the subject of hundreds of newspaper and magazine articles over many years did not demonstrate that his personal name was used as a mark in trade or commerce. Similarly,

Executives' remedy is an action under a branch of the ACPA that was moved to another statute.[28] A similar consensus has been formed with attorneys who have

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28 The Lanham Act provides a remedy for cyberpiracy of personal names that do not qualify for trademark protection, formerly codified at 15 U.S.C. 1129 (1)(A), now 15 U.S.C. 8131 (Cyberpiracy protections for individuals). Section 8131 provides that "Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar

no actionable claim despite their renown. Thus, in a triplicate of cases,[29] the Panel concluded:

> The evidence in th[ese] case[s] falls short. The record[s] before the Panel[s] suggest[ ] that Complainant[s] [are] highly respected, prominent lawyer[s] who [are] partner[s] with a major law firm. There is insufficient evidence here that Complainant[s] market[ ] or provide[ ] services independently of the Proskauer law firm. Rather, it appears that the Proskauer firm is the platform on which Complainant[s] provide[] [their] legal services."

Trade Names

Businesses and trade names have two personalities: for some, they simply identify the entity ("tupelo honey") or describe their products or services ("Gotham Construction"). These are not registrable as marks, and this is true of many trade names, but the further question for descriptive names is whether they can be said to be distinctive in a market sense. Do they function as trade or service marks? In *Lang v. Retirement Living Publishing Co., Inc.*, 949 F.2d 576 (2d Cir. 1991) the Court pertinent noted: "[E]extensive third party use of the words "Choice" and "Choices" weighs against a finding that Lang's trade name [New Choices] is strong."

The USPTO applies a "failure to function" test to applied-for marks and in an infringement dispute over names the same would be applied to trade names. "New Choices" does not make the grade. This is equally true for cybersquatting disputes, but does the UDRP require the same level of strictness to pass the 4(a)(i) test for secondary meaning?[30]

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thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person

29 *Gregg M. Mashberg v. Crystal Cox*, D2011-0677 (WIPO June 30, 2011), *Allen Fagin v. Crystal Cox*, D2011-0678 (WIPO June 30, 2011), *Joseph Leccese v. Crystal Cox*, D2011-0679 (WIPO June 30, 2011): "[Also there is no] "evidence of record that Complainant[s] ha[d] spent money advertising [their] name[s] apart from the Proskauer firm, or billed clients in [their] own name[s] [. . .] [and] there is no evidence in the record that the legal community regards Complainant as the driving force behind, or alter ego of, the Proskauer firm."

30 Report of the Second WIPO Internet Domain Name Process: Recognition of Rights and the Use of Names in the Internet Domain Name System, dated September 3, 2001, Paragraph 306: "In the case of competing claims to a trade name among legitimate users, the first-come, first-served principle of domain name registration applies. However, conflict arises when a trade name has been registered or used in bad faith as a domain name by a third party with no rights to the name, resulting in potential damage to the trade name owner's business reputation, or limiting its capacity to establish a trading presence on the Internet.

If trade names function as marks they will be recognized for the purposes of the UDRP. "Just Vacation" does not succeed by "Circle Back" does. In *CircleBack Lending, Inc. v. Andy Tang*, FA1603001667870 (April 28, 2016). The Panel found "[the] term 'circleback' [is] quite unique [in the context in which it is being used], with almost no currency in the English language." Further, the

> Google Books Ngram database, a tool for measuring the frequency of word usages, shows the term's scarcity: it has only recently risen to the point where it appears in one hundred-thousandth of a percent of books annually.

In this case, the Panel agreed that "circle back" was protected as an unregistered trademark.

Similarly with trade names conveying information about source, *Elan, LLC v. Al Perkins*, FA1705001731999 (Forum June 26, 2017) ("Elan Studio" and <elan-studionola.com>) where "Elan" has a connotative meaning; or other instances of rights holders using the first part of a company name, *Caldsoft Way3D Sistemas Eireli EPP v. JInsoo Yoon*, D2016-2514 (WIPO January 23, 2017) (<caldsoft.com>); or visually distinctive spellings of words that are essentially denotative, *Nu Mark LLC v. Bui, Long*, D2013-1785 (WIPO December 22, 2013) (NU MARK and <numarkcigs.com>).

In *Elan Studio* Complainant offered sufficient proof that its business name functions as a trademark by being distinctive of its activity. That Complainant entered the marketplace with a trade name registered in the office of the Louisiana Secretary of State does not undercut the claim because it did not rely on the state filing as evidence of a common law right; it offered evidence of "appropriate circumstances."

The Panel in *Nu Mark* found that "Complainant's trade name [. . .] had become a distinctive identifier associated with its business and products on its website and thus demonstrated complainant's unregistered trademark rights." In *Caldsoft* the Panel found that "the Complainant acquired unregistered trademark rights in the trade name CALDSOFT beginning in 2000 for the purpose of the Policy." That there was a short period in which the trade name "was not a component of the Complainant's company name does not act as an abandonment or waiver of rights." The evidence shows "the Caldsoft name was the predominant commercial impression of a valid trademark registration during the intermezzo. Moreover, the evidence shows the Complainant used the name Caldsoft on its 'www.caldsoft.com.br' website as a trademark during that time."

Also, prior UDRP panels have found the use of a term in connection with specific products can give rise to unregistered trademark rights. Examples are *Uitgerverij Crux v. W. Frederic Isler*, D2000-0575 (WIPO October 30, 2000) finding that complainant demonstrated unregistered trademark rights in a term based on evidence that complainant had been using the mark in association with its business for years prior to the registration of the domain name in dispute; also *Endeavors Technology, Inc. v. Dick In Jar*, D2001-0770 (WIPO July 21, 2001) <endeavorstechnology.com> finding that complainant's use of a term as a trade name in connection with its product on its website was sufficient evidence that complainant had tied its business name to its product in advertising and promotion and, consequently, there was sufficient evidence of complainant's rights in the trade name as an unregistered trademark.

For the same reasons *Acko Technology & Services Pvt. Ltd. v. Shashank Singh*, D2017-0821 (WIPO June 13, 2017) (<ackoinsurance.com>) and *Quikr India Private Limited v. Ujjwal, Green Apple Info*, D2016-2631 (WIPO February 10, 2017) (<quikrbazaar.com>) prevail and trade names on the other end of the continuum composed of generic, descriptive, or geographic terms, *Wasatch Shutter Design v. Duane Howell / The Blindman*, FA1705001731056 (Forum June 23, 2017) (<wasatchshutters.com>, <wasatchshuttersdesign.com>) fail.

Earlier examples that are simply too generic include *Diversified Mortgage, Inc. v. World Fin. Partners*, FA 118308 (Forum October 30, 2002) ("diversified" and "mortgage") and *WorldClaim Global Claims Management v. Bishop, Atticus / Bishop*, FA1609001694577 (Forum November 7, 2016) ("world" and "claim").

The Panel in *WorldClaim* held that "[o]ne would need very compelling evidence to show that the combination of two descriptive words" supported a common law claim. The Panel in *Wasatch Shutter Design* held that "in cases involving claimed common law trademarks that are comprised of generic, descriptive, or geographic words such as the words WASATCH, SHUTTERS[ ] and DESIGN in the case at hand, there is an even greater onus on Complainant to present compelling evidence of secondary meaning or distinctiveness." Complainant failed to do that and the complaint was dismissed on the first requirement: it had no right to support a claim.

The "very compelling evidence" demanded in *WorldClaim* and other cases is the price complainants pay to succeed in proving rights. These views have a solid foundation in UDRP jurisprudence, even for businesses well known in the marketplace whose marks are common terms such as Target and High Life: *Target Brands, Inc. v. Eastwind Group*, FA 267475 (Forum July 9, 2004) (<target.org>) and *Miller Brewing Co. v. Hong*, FA 192732 (Forum December 8, 2003) (<high-life.com>).

Personal Names as Marks[31]

Personal names and surnames are not ordinarily protected as trade or service marks, unless they function as trade or service marks and have acquired secondary meaning before the registration of the disputed domain name. Where they do, as with cultural personalities, they are found to have common law rights to take possession of corresponding domain names or to reclaim dropped or lapsed domain names. Personal names (surnames) as a defense to cybersquatting are discussed in Chapter 10.

The 3-member Panel in *Ahmanson Land Company v. Save Open Space and Electronic Imaging Systems*, D2000-0858 (WIPO December 4, 2000) (<ahmanson.org>) citing US decisional law explained: "[A] mark comprising a personal name [is said to have] [. . .] acquired secondary meaning if a substantial segment of the public understands the designation, when used in connection with services or business, not as a personal name, but as referring to a particular source or organization." It also noted, again from US decisional law: "The mere fact that a mark incorporates a form of a common word does not render marks similar."[32] In this particular case, the Panel found in Respondent's favor.

The Panel in *Fox News Network, L.L.C. v. C&D International Ltd. and Whois Protection Service*, D2004-0108 (WIPO July 22, 2004) (<tonysnow.com>) noted:

> As the degree of fame decreases from clearly identifiable celebrities with worldwide renown, to nationwide renown or to less well-known authors, actors or businessmen with limited renown in a specific field, the burden of proof on complainant increases and the need for clear and convincing evidence becomes paramount.

This reasoning covered a significant number of personalities seeking to reclaim unauthorized registrations of their names in the early years, although as previously noted for executives and key personnel (non-marquee business leaders) including in-house attorneys and partners, their claims have generally been rejected.

Authors, athletes, musicians, entertainers, and other celebrities have been successful in obtaining disputed domain names. Julia Roberts was successful in *Julia Fiona Roberts v. Russell Boyd*, D2000-0210 (WIPO May 29, 2000), but

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31 See Chapter 6 ("Specializing in Personal and Family Names).

32 The *Ahmanson* Panel cites *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 and 877 (9th Cir. 1999); *Abraham Zion Corp. v. Lebow*, 761 F.2d 93, 104 (2d Cir. 1985) for principles that have been domesticated in UDRP law: "Appellants use words that happen to be trademarks for their non-trademark value."

the majority in *Bruce Springsteen v. Jeff Burgar and Bruce Springsteen Club*, D2000-1532 (WIPO January 25, 2001) (dismissed the complaint over a strong dissent) which was roundly criticized in *Kevin Spacey v. Alberta Hot Rods*, FA0205000114437 (Forum August 1, 2002). The consensus, though, settled down to protecting personalities in all cultural fields in which one of the panelists in *Kevin Spacey* also sat on the Springsteen Panel as the Presiding Panelist.

Other famous personalities included movie stars [Nicole Kidman][Morgan Freeman], best-selling authors [Margaret Drabble], and sports personalities [Dan Marino] [Tiger Woods], and many others, continuing into the present. The Complainant in *David Michael Bautista, Jr. v. Quantec LLC / Whois Privacy Services Pty Ltd / Lisa Katz, Domain Protection LLC.*, D2016-0397 (WIPO April 30, 2016) (wrestler, entertainer, and movie star) was granted common law status.

Complainant in *Angela D. Justice-Burrage, dba A.D. Justice v. Al Perkins*, D2016-0545 (WIPO May 1, 2016) succeeded as "a published author with several novels available for sale under the same name A.D. Justice. She notes in support of her claim to a trade reputation, that currently her Facebook page indicates a following of more than 13,000 fans and she has provided in support details of various websites that feature her novels for sale and help demonstrate her fan following."

Non trademark registrants who fail to renew their registrations, though, have no recourse in reclaiming dropped domain names. In *Ramsey Mankarious v. Stanley Pace*, D2015-1100 (WIPO August 11, 2015) (<mankarious.com>), Complainant had held the domain name for fifteen years before losing it inadvertently by failing to renew his registration. The Panel ruled that he "falls squarely into the category of a businessperson (potentially) having a famous name but who does not actually use his/her name as an identifier for the business engaged in, which is insufficient to constitute unregistered trade mark rights.

Similarly for Mr. John McGinnis Halliday Gibson in *John McGinnis Halliday Gibson v. Domain Admin*, D2022-4274 (WIPO December 23, 2022) (<mojac.com>) who explained: "[T]he narrative part of the disputed domain name 'MoJac' was created by the joining of the Complainant's and his wife's names and holds significant sentimental value." However,

> The Complainant admits that he has not traded through the disputed domain name, and provides no information or evidence about his activities through his other domain names such as <mojac.co.uk> that is mentioned in the Complaint, and no information or evidence about the activities of the company Mojac Limited of which the Complainant was the director and whether and how this company may have used the disputed domain name.

The Panel concluded

> The mere registration of the disputed domain name and its maintenance, even for a long period, is not in itself sufficient for such a finding, as it does not show that even the Complainant, let alone third parties, has associated the disputed domain name with any product or service offered by him.

This brings together two aspects of inadvertent failure to renew a registration: the personal impact on the complainant of such a loss and the consequences. In this case (but not for Mankarious, also represented by a professional representative) the Panel sanctioned Complainant for "abuse of the administrative proceeding."[33]

Excluded from protection are politicians unless their contributions can be described in trademark terms. Former President Bill Clinton failed in his cybersquatting claim for <williamjclinton.com> but Hillary Rodham Clinton succeeded as an author rather than as a mere politician. Trademark protection granted to former political leaders has been extended to include activities on a wider scale such as "paid speaker, consultant, published author, legal advisor, and lobbyist," *George Pataki v. Trend Black*, FA2112001978698 (Forum January 25, 2022).

33 Particularly where complainants are represented by counsel, there has been an uptick of sanctions. In some cases Panels have been critical of counsel for filing the complaint although it is the complainant who is officially sanctioned. Discussed further in Chapter 17.

CHAPTER 10

ARCHITECTURE OF THE UDRP: LIMB 2

RIGHTS AND LEGITIMATE INTERESTS

That a domain name is confusingly similar to a mark in which complainant has rights does not necessarily mean that respondent cannot have rights to or legitimate interests in it, but proving that proposition demands proof sufficient to establish a prima facie case that respondent lacks rights or legitimate interests in the disputed domain name.

Whereas evidence of trademark rights is solely within the exclusive control of the complainant under Paragraph 4(a)(i) of the Policy, for the second element, Paragraph 4(a)(ii), complainant may have no conclusive evidence that respondent lacks rights or legitimate interests in the disputed domain name. How complainants marshal their proof in a regime in which there is no opportunity to engage in discovery of unknown facts was one of panelists' initial tasks.

Absent a prior relationship (Chapter 8, "Parties Known to Each Other"), complainants are in the dark as to who respondents are and their motivations. It can deduce certain facts from the use or non use of the disputed domain names. This obscurity is the basis for a rule lightening the burden.

I will take up the solution in a moment. In the absence of any discovery procedure complainants must advance two forms of proof, one positive and the other negative. The positive proof is based on complainant's actual knowledge that it has no business relationship with respondent and did not authorize it to register and use the disputed domain name.[1]

The concept of negative evidence arises from the respondent's failure to respond. If it had a defense it would have presented it. Its failure to do so is presumptive proof based on the absence of any circumstances in defense set forth in paragraph 4(c). Paragraph 4(c) is introduced with the following statement: "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):

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1 Where there are evidentiary surprises in respondent's response to the complaint complainant's failure to request permission to submit a supplementary statement to correct or counter the record will be fatal to its claim. See Chapter 8 discussion on Supplemental Submissions.

> [4(c)(i)] [B]efore 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.

Only respondent can demonstrate the truth.

> [4(c)(ii)] [Y]ou (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.

This question may be answered by the disclosure of the registrant in the Whois directory.

> [4(c)(iii)] [Y]ou 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.

This question is answered by the use of the domain name. If passive, respondent does not qualify for the defense because respondent is not "making" a legitimate noncommercial use of the domain name.

The concept that casts on the respondent a shifting burden of production was debated from the earliest case. The Panel in *Educational Testing Service v. Netkorea Co*., D2000-0087 (WIPO April 7, 2000) (<toeic.com>) explained:

> It is relatively difficult for any complainant to prove beyond a shadow of a doubt that a respondent has no rights or legitimate interests in a domain name. By and large, such information is known to and within the control of the respondent.

For this reason, "the burden on a complainant in respect of this element must, by necessity, be relatively light." The complainant must proceed by offering by positive and negative proof that the respondent lacks rights and legitimate interests.

The concept was further elaborated in *Do The Hustle, LLC v. Tropic Web*, D2000-0624 (WIPO August 23, 2000) (<pollyester.com>). The Panel noted that the absence of evidence "would require complainant to prove a negative, a difficult, if not impossible, task." Further, "[f]aced with [these] seeming contradiction[s], Panels have taken different approaches." The Panel first laid out the different approaches then offered its own solution:

> Some have held, either effectively or directly, that respondents need do nothing if the complainant does not furnish affirmative proof that the respondent has no rights or legitimate interest in respect of the domain name at issue. [. . .] Other Panels have taken different tacks. Some have held that the burden on the complainant is a "relatively light" one as regards proof of 4(a)(ii). [. . .] Still others have held that the panel should assess the failure of the respondent to demonstrate that he comes within Paragraph 4(c), when the Panel [ ] assesses whether the complainant has met its burden of proof under Paragraph

> 4(a)(ii), proof that the respondent has no rights or legitimate interest in respect of the domain name at issue.

Of these approaches, the Panel opted for a blend of the second and third:

> Where a complainant has asserted that the respondent has no rights or legitimate interests in respect of the domain name [and these assertions satisfy complainant's burden], it is incumbent upon the respondent to come forward with concrete evidence rebutting this assertion. This information is uniquely within the knowledge and control of the respondent. Failure of a respondent to come forward with such evidence is tantamount to admitting the truth of complainant's assertions in this regard.

Continuing this line of reasoning, the Panel in *Beijing Pernot Ricard Winery Co. Ltd. v. Capital Enterprises Group, Inc.*, AF-0177 (eResolution June 1, 2000) (<dragonseal.com>) added: "Although [Paragraph 4(c)] is couched in terms of the respondent 'demonstrating' its rights or legitimate interest, it is for the complainant to establish their absence."

And in *Intocast AG v. Lee Daeyoon*, D2000-1467 (WIPO January 17, 2001) the Panel explained the legal principle:

> [Because] it is very hard for the Complainant to actually prove that Respondent does not have rights or legitimate interests in respect of the domain name [. . .] [m]any legal systems therefore rely on the principle negativa non sunt probanda.

That is,

> [i]f a rule contains a negative element it is generally understood to be sufficient that the complainant, by asserting that the negative element is not given, provides prima facie evidence for this negative fact. The burden of proof then shifts to the respondent to rebut the complainant's assertion.

The pragmatic solution that emerged from a succession of similar observations credited complainant for tweezing out a *prima facie* case that respondents lack both rights and legitimate interests in the disputed domain names, and on acceptance of that presumptive proof the burden shifts to respondent. This solution was by no means controversial or radical, but is consistent with judicial practice in civil actions.

The Panel in *Croatia Airlines d.d. v. Modern Empire Internet Ltd.*, D2003-0455 (WIPO August 21, 2003) rephrased the respective burdens without changing the approach that had by that time become the consensus view:

> Since it is difficult to prove a negative [. . .] especially where the Respondent, rather than complainant, would be best placed to have specific knowledge of such rights or interests—and since Paragraph 4(c) describes how a Respondent can demonstrate rights and legitimate interests—a Complainant's burden of proof on this element is light." By "light" is meant that complainant satisfies

> its burden by offering a *prima facie* case that respondent has neither a right nor a legitimate interest.

Black's Law Dictionary defines the burden as follows: "A litigating party is said to have a prima facie case when the evidence in his favor is sufficiently strong for his opponent to be called on the answer it." The question, then, is what precisely must a complainant do to satisfy its burden, and if it does what must a respondent do in rebuttal of the presumption.

But while a *prima facie* case can be conclusive that the respondent lacks rights or legitimate interests if unrebutted, it can also be defeated by an unanticipated rebuttal if the complainant has failed to request or submit a timely Supplemental Submission upon service of the response (Chapter 8). Even if in the respondent's estimation the complaint fails to state a claim, and even though rebuttal is only necessary upon acceptance of the *prima facie* case, failure to adduce evidence demonstrating a right or legitimate interest will have consequences if the estimation proves wrong. Only the respondent knows for sure what the particular facts are and has the means to prove it. To satisfy its burden, though, it must adduce evidence from which positive inferences can be drawn in its favor.

A Panel's acceptance of complainant's *prima facie* proof shifts the burden to respondent to adduce rebuttal evidence that it has either a right or a legitimate interest in the disputed domain name. To assist respondent, the Policy provides instructions for demonstrating its rights or legitimate interests. Paragraph 4(c) (which is associated with Paragraph 4(a)(ii) as Paragraph 4(b) is associated with Paragraph 4(a)(iii)) reads:

> When you receive a complaint, you should refer to Paragraph 5 of the Rules of Procedure in determining how your response should be prepared. 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).

Proof of the non-exclusive circumstances answer the following questions: the right or legitimate interest accrued 1) "before any notice [. . .] of the dispute"; 2) before acquisition of the disputed domain name; and 3) the disputed domain name was registered for noncommercial or fair use.

Evidence of any one of these circumstances is dispositive of the claim of cybersquatting. This does not exclude other legitimate purposes for acquiring the disputed domain name, such as nominative fair use and acquiescence. The simplest though is the existence of a going business. For example, in *Mimic Skateboards Inc. v. Domains By Proxy, LLC / Travis McGlothin, Point Distribution*, D2019-0722 (WIPO May 23, 2019) (CUSTOM SKATEBOARDS.COM and

<customskateboard.com> (plural mark, singular SLD), but the Respondent actually manufactured "custom skateboards" before notice of the dispute.

Silence in defense or offering an insufficient rebuttal draws a negative inference: "It is a general principle of United States law [which is consistent with the law developing in UDRP jurisprudence] that the failure of a party to submit evidence on facts in its control may permit the court to draw an adverse inference regarding those facts," *Mary-Lynn Mondich and American Vintage Wine Biscuits, Inc. v. Shane Brown, doing business as Big Daddy's Antiques*, D2000-0004 (WIPO February 20, 2000) (<americanvintage.com>).

PROVING RESPONDENT LACKS RIGHTS OR LEGITIMATE INTERESTS

Prima Facie Proof and Burden of Production

Complainant's Burden

It is not the complainant's burden to prove that it has rights to the disputed domain name (a Paragraph 4(a)(i) requirement), but to prove that the respondent lacks rights or legitimate interests in it (a Paragraph 4(a)(ii) requirement).[2] Nor is the rights and legitimate interests test whether complainant has "more of an interest than Respondent in the domain name" but whether respondent has any right or legitimate interest in it at all. *Choice Courier systems, Inc. v. William H. Kirkendale*, 2002-0483 (WIPO July 23, 2002).

The critical importance of this middle element is that complainant's failure to make a *prima facie* showing that the respondent lacks rights or legitimate interests in the disputed domain names or respondent's success in rebutting it ends the case. "[I]f Complainant fails to establish an element necessary for a finding of abusive domain name registration and use, the Panel need not address the element of bad faith registration and use," *Saltworks, Inc. v. Gary Pedersen, Salt Works*, D2013-0984 (WIPO July 15, 2013) (<saltworks.us.com>)

The manner in which complainants are expected to proceed received a significant amount of attention before it consolidated into a procedural rule. A complainant cannot know what can only be known by the respondent. It is for this reason that the burden is lightened to a *prima facie* showing which can be established negatively.

2 See *Scripps Networks, LLC v. Chief Architect, Inc.*, D2009-0633 (WIPO June 29, 2009): "Respondent argues that because Complainant has no trademark rights in the Domain Name (<hgtv-software.com>) its Complaint must fail. Respondent's argument turns this element of the Policy on its head. Complainant does not have the burden to show rights in the infringing domain name, only rights in the mark HGTV that Respondent has infringed by using it in the Domain Name."

The Panel in *Do the Hustle supra*. explained that "[t]he majority of Panel decisions on this point have taken the position that while the complainant has the burden of proof on this issue, once the complainant has made a *prima facie* showing, the burden of production shifts to the respondent to show by providing concrete evidence that it has rights to or legitimate interests in the domain name at issue."

It then further explained by way of clarification "what is meant by 'concrete evidence' under this approach":

> [It] constitutes more than mere personal assertions. Just as a Panel should require a complainant to establish by means other than mere bald assertions that it is the owner of registered marks, so should the panel require that a respondent come forward with concrete evidence that the assertions made in the response are true.

This equivalency is equally true for uncontested cases although the scope is wider in drawing inferences. If as alleged the respondent is not using the disputed domain name for any bona fide purpose, is not commonly known by the name, and is not using the name for any noncommercial or fair purpose, the complainant has made out a prima facie case.

The concept is succinctly described by the Panel in *Julian Barnes v. Old Barn Studios Limited*, D2001-0121 (WIPO March 26, 2001) (<julianbarnes.com>):

> While the overall burden of proof is on the Complainant, this element involves the Complainant proving matters, which are peculiarly within the knowledge of the Respondent. It involves the Complainant in the often impossible task of proving a negative.

In "the Panel's view the correct approach is as follows":

> the Complainant makes the allegation and puts forward what he can in support (e.g. he has rights to the name, the Respondent has no rights to the name of which he is aware, he has not given any permission to the Respondent). Unless the allegation is manifestly misconceived, the Respondent has a case to answer and that is where paragraph 4(c) of the Policy comes in. If the Respondent then fails to demonstrate his rights or legitimate interests in respect of the Domain Name, the complaint succeeds under this head.

A *prima facie* showing is conclusive in uncontested cases against respondent, and equally conclusive in respondent's favor on a successful rebuttal.

In *Malayan Banking Berhad v. Beauty, Success & Truth International*, D2008-1393 (WIPO December 8, 2008) the Panel stated:

> 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.

Even though the respondent may be silent by nonappearance, the burden remains with complainant. The Panel in *Johnson & Johnson v. Chad Wright, WebQuest.com, Inc.*, D2012-0010 (WIPO April 5, 2012) noted that Complainant "ma[de] the broad assertion that the burden of proof is on Respondent. [. . .] However, this Panel is in agreement with the general consensus among UDRP panels that complainants bear the burden of proving that a respondent lacks rights or legitimate interests under the Policy."

Proving and Rebutting Prima Facie Case

Offensive and Defensive Use of Lawful Circumstances

Under the shifting burden rule, complainant satisfies its burden by asserting that respondent is not making a bona fide offering of goods or services, is not commonly known by the domain name, and is not making a noncommercial or fair use of it. These allegations unrebutted are sufficient to put the respondent to its proof. Silence supports the contention, while rebuttal undermines it.

Panels have made a point of defining and refining terms as well of putting parties on notice of what is expected of them. For example, the 3-member Panel in *Medtronic, Inc. v. Aytekin Yilmaz of Medo Tekstil Elektronik Al. Sat. Tic. Ltd.*, D2021-1758 (WIPO September 28, 2021) (<medotronic.com> addresses the meaning of "bona fide use." It must :

> encompass the Respondent's knowledge and motives in choosing the name in question – if done deliberately to trade off, or take advantage of the Complainant's name or reputation, then the "bona fide" requirement is not met.

It is a neutral definition. If the evidence establishes that respondent's use is bona fide it prevails, but if not the complainant prevails. In this case, the respondent demonstrated with evidence of its business in Turkey that it was reasonable to conclude that its registration was in good faith.[3]

These will be developed further below in separate sections. There are two approaches to proving respondent lacks rights or legitimate interests. The first approach is based on presumptive knowledge of facts (that is, what is evident to the complainant such as it has no business relationship with respondent and did not authorize it to register or use the disputed domain name); or if it did have

3 It might be noted that a different configuration of facts would result in an opposite outcome. If the respondent was an investor, for example, and was offering the domain name for sale, the Panel would normally assess whether the domain name was a typosquatted version of the trademark.

a relationship with the respondent, the nature of the relationship and the reason respondent lacks rights or legitimate interests is evident from its conduct.

The first approach is based on presumed knowledge from which the ultimate conclusion can be inferred. This approach is assisted by the same circumstances that would be respondent's defense if it had the requisite proof (the nonexclusive circumstances set out in paragraph 4(c) of the Policy. In other words, complainant alleges offensively as material facts the negative to the three circumstances of defense: 1) respondent is not using and has made no demonstrable preparation to use the disputed domain name "before notice [. . .] in connection with a bona fide offering of goods or services"; 2) respondent has not been commonly known by the disputed domain name; and 3) respondent is not using the disputed domain names for "non-commercial or fair use."

Whether complainant can succeed on the minimal burden of a *prima facie* case is contingent on the sufficiency of the record it creates and respondent's rebuttal if any. It must prove that respondent has *neither* a right *nor* a legitimate interest; while the respondent has the shifting burden when the *prima facie* case is accepted of proving that it has *one or the other or both*.

Upon the Panel's acceptance of the *prima facie* case, the burden shifts (technically the respondent will have a burden of production) which calls upon respondent to produce evidence to the contrary. Rebuttal takes the positive side of the circumstances: respondent does have rights or legitimate interests for either one of the three stated defenses or any other circumstance that supports the ultimate conclusion in its favor.

The procedure for shifting the burden to respondent under Paragraph 4(a)(ii) of the Policy entered the UDRP vocabulary tentatively in April 2000 in two decisions by the same Panel: *EAuto, Inc. v. Available-Domain-Names.com, d/b/a Intellectual-Assets.com, Inc*., noted earlier in this Chapter and *EAuto, L.L.C. v. EAuto Parts*, also previously mentioned. In the first *Eauto LLC* the Panel noted that a registration is *prima facie* evidence that a mark is inherently distinctive and creates a rebuttable presumption of its validity, but disputed domain names formed by adding to the mark another common word such as "lamps" the resulting descriptive phrase <eautolamps.com> is no less common and resistant to being monopolized. The Panel held:

> For ten years, Respondent has operated a business of selling automobile lamps. When Respondent elected to expand its business to offer e-commerce capabilities, it selected the descriptive domain name eautolamps.com. That, coupled with the undisputed fact that Respondent had been using the domain name in the bona fide offering of goods for sale over the Internet before Respondent received notice from Complainant, is persuasive evidence of a Respondent s

> legitimate interest in the domain name pursuant to the Policy, Paragraph 4(c)(i).

Complainant argued that "Respondent should be deemed to have no legitimate interests in the domain name because its corporate name is not "EAutoLamps." The Panel rejected this reading:

> That Respondent does not use "EAutoLamps" in its corporate name is immaterial. A person or entity may legitimately register and use many domain names that are different from its corporate name. Thus, while the registration of a domain name that mimics one's corporate name may provide proof of legitimacy, Policy Section 4(c)(ii), the inverse is not also true: the absence of a corporate name from which a domain name was derived does not render the registration and use illegitimate.

It took only a few more months to harden as a rule in the decision process. D2000-0252, 0270, 0374, 0624. Thus, *Deutsche Telekom AG v. Britt Cordon*, D2004-0487 (WIPO September 13,2004): "[O]nce a complainant establishes a prima facie case that none of the three circumstances establishing legitimate interests or rights applies, the burden of production on this factor shifts to the Respondent."

If respondent is silent (it either appears and fails to rebut or defaults) the evidence that it lacks rights or legitimate interests is affirmed. If Respondent appears and argues, though, that it has a preexisting right or legitimate interest, it raises the additional question as to whether that right is a continuing right or legitimate interest or has by reason of inactivity lacks rights or legitimate interests (in the present).

The issue is touched on in *Luma Institute, LLC v. Perfect Privacy, LLC / James Redfern/Luma*, D2021-3129 (WIPO December 29, 2021) (<luma.com>): "[Although] [t]he Panel did not find under the second element that the Respondent established commercial use of the Domain Name at the time of this proceeding [. . .] [t]he Respondent's evidence of prior legitimate interests is [nevertheless] relevant on the issue of bad faith registration." Yet, Respondent's registration of <luma.com> predated Complainant's mark.

The view accepted by *Luma Institute* rejects a continuing interests which is in line with an apparent consensus. Thus: "While the evidence of the Respondent's current legitimate interests or commercial use of the Domain Name may be challenged on this record, it is persuasive in earlier periods, for example from 2014 to 2018 when Luma Exact was a live corporation." This issue, though, deserves more attention, particularly where respondent is first to register.

Respondent's Burden of Production

Sufficiency of Evidence

The Panel in *Shirmax Retail Ltd./Detaillants Shirmax Ltee v. CES Marketing Group, Inc.*, AF-0104 (eResolution February 7, 2000) (<thyme.com>) the Panel found Respondent proof sufficient to support its legitimate interests:

> given the generic nature of the domain name [. . .] CES has at least a tenable argument that its use on the web merely for the purpose of redirecting visitors to a different site constitutes a legitimate fair use, as long as this use is not misleading to consumers and does not tarnish a trademark.

Respondent "claims that it had made preparations to use thyme.com for the bona fide offering of goods or services, supporting this claim by pointing to other web sites that it has developed, and by presenting a list of other, related domain names that it has registered and intends to develop in conjunction with thyme.com."

Similarly, in *Micron Technology, Inc. v. Null International Research Center*, D2001-0608 (WIPO June 20, 2001) (<crucialtechnology.com>) the Panel explained:

> [T]he domain name was registered as part of Respondent's complement of descriptive and suggestive technology-related domain names. Thus, unlike the situation in the Telstra case, the Panel does not infer that the domain name was registered and is being held for "ransom".

Indeed, "Complainant has failed to show that Respondent lacks a legitimate interest." It would not be illogical to conclude from that failure to prove a negative that the opposite is implied, that Respondent has legitimate interests.

It has been generally accepted since the implementation of the UDRP that if a respondent could show "Complainant's acquiescence to Respondent's use of the domain name" this could give rise to a right or legitimate interest in a disputed domain name. In *Draw Tite Inc.,v. Plattsburg Spring Inc.*, D2000-0017 (WIPO March 20, 2000) (<drawtite.com>) the Panel noted:

> Whether or not a formal license agreement exists, the evidence submitted to this Panel, coupled with Complainant's failure to take action against Respondent's website prior to July 1999, indicate Complainant's acquiescence to Respondent's use of the domain name.

And in *Celebrity Signatures International, Inc. v. Hera's Incorporated Iris Linder*, D2002-0936 (WIPO January 3, 2003): "It does not appear that she (the Respondent) did so with the intent to be a cybersquatter or to unfairly trade on Complainant's good will. To a significant degree, Complainant's own actions created the circumstances in which Respondent could reasonably conclude that her conduct was permitted."

In *Bialetti Industrie S.p.A. v. Gary Valenti Inc.*, D2019-0190 (WIPO March 25, 2019) the Panel noted that "the Complainant has not satisfied the Panel that the Respondent's registration of the disputed domain name was unauthorized by the Complainant or that it fell outside the ambit of what may reasonably have been expected from the nature of the Parties' very long-standing prior relationship."

Where the proof establishes that the disputed domain name was registered with complainant's knowledge and consent in respondent's name acquiescence is a complete defense to bad faith registration, although depending of the use of the disputed domain name, mark owner may be able to state a claim under the ACPA if the trademark predated the registration of the domain name.

In *Lyca Productions Private Limited v. Louis Caous*, D2021-3544 December 20, 2021) (Complainant in India and Respondent in the Netherlands, <lycaproductions.com>). In this case, Respondent alleged a business purpose for registering <lycaproductions.com>: "[It]has been used continuously for business email addresses in the Respondent's software and web design business." The Panel found

> that the Respondent's conduct with respect to the Domain Name and the other "lyca" formative domain names is more consistent with the Respondent's explanation of original intentions and changed business plans, as opposed to the Complainant's narrative.
>
> [. . .]
>
> The Respondent established a business with a corresponding name and actually operated an associated website, which it closed down at the end of 2019, retaining email use of the Domain Name. This is not a typical Telstra passive-holding case, then, as the Complainant asserts.

More critically, there was also an issue of timing: Complainant's mark postdated the registration of the domain name, but the significant point, putting aside that the timing negates cybersquatting, Complainant has no reputation.

"Making a bona fide offering of goods or services" has been taken to include the business of reselling domain names earlier discussed in Chapter 6 and developed further in Chapter 18.

Insufficient Evidence

Where *Shirmax Retail* and *Micron Technology* illustrate the proof necessary to rebut a *prima facie* case, the proffer of proof in *World Wrestling Federation Entertainment, Inc. v. Ringside Collectibles*, D2000-1306 (WIPO February 5, 2001) (<wwfauction.com>) illustrates the deficiency of the Respondent's rebuttal. The Panel held

> The Policy clearly provides that, to show a legitimate interest, a Respondent must come forward with evidence of 'use, or demonstrable preparations to use, the domain name [. . .] in connection with a bona fide offering of goods or services.' Although the burden of proof remains upon the Complainant at all times, the Complainant's prima facie showing that Respondent lacks a legitimate interest places upon the Respondent a burden of production on this factor.

Respondent failed to show either rights or legitimate interests, which carries forward as a circumstance that together with other circumstances determine the ultimate requirement under the third element (Chapter 11).

Where the respondent has a past history of use, but that use is no longer current, it has no right or legitimate interest in the disputed domain name. The Panel explained in *Maple Mountain Group, Inc. v. Kendra Roman, Roman Creative*, D2022-4112 (WIPO March 9, 2023) (<modereco.com>):

> It is not clear that this business continues to be active, however. At the time of this Decision, the "Modere Co" Facebook and Instagram sites no longer appear on those platforms, and the Modere Co website has been replaced with an uncompleted Shopify landing page, as mentioned above. Thus, in the absence of a Response with evidence of current rights or legitimate interests, the Panel cannot find that the Respondent has met its burden of production and concludes that the Complainant prevails on the second element of the Complaint.

Where the *prima facie* offer is unrebutted, complainant moves on to the third limb. The Panel in *G.D. Searle v. Martin Mktg*., FA0208000118277 (Forum October 1, 2002) observed that "[b]ecause Complainant's Submission constitutes a prima facie case under the Policy, the burden effectively shifts to Respondent. Respondent's failure to respond means that Respondent has not presented any circumstances that would promote its rights or legitimate interests in the subject domain name under Policy ¶ 4(a)(ii)" citing *Parfums Christian Dior v. QTR Cor*p., D2000-0023 (WIPO Mar. 9, 2000). The Panel found that by not submitting a Response, Respondent had failed to invoke any circumstance which could demonstrate any rights or legitimate interests in the domain name. The logic behind this is that if contentions are made that are untrue, they can only be corrected by respondent as the one person who would know the truth.

Later Panels have recognized that respondent's rebuttal cannot be satisfied by assertions of fact unaccompanied by proof. Once the burden shifts respondent has a case to answer by sufficient evidence to rebut complainant's *prima facie* case. The Panel in *Bold Limited v. Toni Georgiev / Outsourcing International Ltd*, FA1709001749693 (Forum November 3, 2017) (<myresumenow.com>) observed the obvious:

> The Panel recognizes that it is easy for a respondent to say that it had no knowledge of a complainant's business or trade name when it registered its domain name. The plausibility of such denial, however, diminishes as the fame or notoriety of the complainant increases.

For Complainant, success on this limb of the Policy is pivotal in the sense that respondent's affirmative proof that it has rights or legitimate interests in a disputed domain name is conclusive of lawful registration. For a Panel to find rights or legitimate interests in a domain name comprised of a string of letters, dictionary words, or common phrases, respondents must affirmatively show that it acquired the disputed domain name in connection with their commonly understood meanings and not to trade off third-party trademark rights.

Lawful Uses of Domain Names

Registrants acquire domain names for several purposes: they can be held in inventory without offending others' rights or acquired for an unrealized specific purpose . These "uses" are legitimate as long as their acquisition is lawful (a determination that may require looking ahead to the totality of circumstances). What does this variety look like for rights or legitimate interests?

The Panel in *Zero International Holding GmbH & Co. Kommanditgesellschaft v. Beyonet Services and Stephen Urich*, D2000-0161 (WIPO May 12, 2000) (<zero.com>) stated: "We do not accept that complainant's contention that registration of a domain name which is only to be used for [e-mail and file transfer operations] is in some way improper and constitutes bad faith." This comes with the proviso that legitimacy depends on the use which the registrant "may ultimately make of a domain name," *Government of Canada v. David Bedford a.k.a. DomainBaron.com*, D2001-0470 (WIPO June 30, 2001) (three member Panel); *Mechoshade Systems, LLC v. DNS Admin / Mecho Investments*, FA1805001784649 (Forum June 18, 2018) (<mecho.com>) to the same affect: "Complainant continued to pursue this case, including with the frivolous and demonstrably incorrect argument that use of a Domain Name for purposes of a family email address is not a legitimate interest."

The Panel in *Magic Software Enterprises Ltd v. Evergreen Technology Corporation*, D2000-0746 (WIPO October 4, 2000) (<magic.com>) reminds Complainant that there are more uses of domain names than it presupposes in its complaint:

> [Its] contentions to the contrary appear to proceed from the false assumption that legitimate interests in a domain name can only stem from an interest in

> the use of the domain name to resolve to a web-site. [. . .] [But here,] [t]he Respondent has clearly demonstrated long standing and widespread use of the domain name as his electronic address and in file transfer operations.

The underlying policy in registering domain names that by coincidence and not by design correspond to trademarks is that they are not *per se* unlawful without proof respondents registered them with complainants' trademarks in mind, and for this reason there is no breach of registrants' representations. There is settled law that registrants have a right to acquire noninfringing domain names and to incorporate marks in their domain names that spell out the businesses they operate which are distinct from those of the mark owners.

As a general rule, parties purchasing domain names for personal or business purposes and using them in ways that are consistent with their trade or brand associations and not inimical to complainant's rights, will prevail. This can be observed in *Hallmark Licensing, LLC v. EWebMall, Inc*., D2015-2202 (WIPO February 12, 2016) (<hallmarkgift.com>)[4] and *SummerTech Inc. v. Jimmy Hill / iD Tech Camps*, FA1512001652542 (Forum February 2, 2016) (<summertechcamp.com> and <summertech.net>) both of which involve common combinations of dictionary words. It is because "gift" and "camp" to HALLMARK and SUMMER TECH create distinctly different associations that bad faith can be proved.

In *SummerTech Inc.* the Panel found that

> the Panel is left to conclude that Complainant's operations are not of a size that they command such significant deference for its mark. Under the Policy, size does matter. The Panel is hard pressed to conclude that Respondent is using the disputed domain name to usurp or intrude upon Complainant's relatively modest clientele. Instead, the Panel believes that Respondent is indeed using the name, descriptive of its services, to fairly expand its legitimate business.

Here, as in earlier cases, a grammatical change, converting the noun "Summer tech" to an adjective to describe the kind of "Camp" the Respondent operates" distinguishes it by creating a new source identification.

In *Dollar Bank, Federal Savings Bank v. Host Master / Jason Duke*, D2016-0701(WIPO May 16, 2016) (<dollarbankaccount.com>) the Panel found that the Respondent

> registered a combination of dictionary terms as a domain name, and used the Disputed Domain Name for a purpose related to those terms, i.e., to provide

4 Hallmark, the company and mark owner of a common word is limited in its remedy. It cannot prevent the use of the term by others that is not infringing its specific right as claimed in its application for the mark. This issue was examined in Chapter 6, "A Hierarchy in Measuring Strength of Marks."

> "dollar bank accounts". The Respondent has provided evidence that, for a number of years following registration and before contact from the Complainant, he operated a business via a website at the Disputed Domain Name which assisted Internet users to set up bank accounts which would receive US dollars for little or no fee.

Regardless of the timing of the Complainant's trademark, the Respondent acquired the domain name and used it to conduct business consistent with the name "before notice."

The Complainant in *Honest History Co. v. Registration Private, Domains By Proxy, LLC / Barron Douglas, Mercury*, D2021-3028 (WIPO December 29, 2021) alleged that the Respondent "should have known" about the impending trademark when it acquired <honesthistory.com>, the Respondent adduced evidence that it acquired the disputed domain name for its own publication. While

> [t]he Complainant's trademark application was published a few weeks before the Domain Name acquisition [. . .] panels have not readily imputed "constructive notice" to the publication of trademark applications even in the same jurisdiction, and the Complainant's inference that the Respondent "should have known" about the "impending" trademark is not persuasive, especially as the mark is based on dictionary words and had a limited reputation.

Here, the allegation of "ought to have known" is undermined by facts of improbability as to how it could have been known.

Similarly, in *Bremer Toto und Lotto GmbH v. Birrell Nigel, Cavour Ltd.*, D2019-2391 (WIPO December 24, 2019) (<lotto.com>):

> The problem in this instance is that the Complainant has not made a prima facie case that the Respondent lacks rights or legitimate interests. It has flatly denied that the Respondent has any rights or legitimate interests in the disputed domain name *but it has not explained why*. Had it consulted the Wayback machine at "https://web.archive.org/" it would have found (as this Panel has just done) clear evidence that the Respondent was actually using the disputed domain name in association with an active website as recently as mid-2019. (Emphasis added).

Lack of proof undercutting any Paragraph 4(c) circumstances, and failure to answer the "why?" question defeats complainant's *prima facie* showing, while respondent's demonstration that "this is why I have rights or legitimate interests" succeeds.

RIGHTS AND LEGITIMATE INTERESTS

To succeed on this element, the complainant must prove that the respondent lacks rights or legitimate interests in the disputed domain name. While it can satisfy the disjunctive burden by offering an unrebutted *prima facie* case that the respondent has neither one nor the other, the respondent may prevail on proof that it has either a right *or* a legitimate interest. The consensus view, though, is that in the absence of any probative evidence to the contrary from the respondent, the Panel may find that respondent's use of the disputed domain name for any bona fide purpose supports lack of rights or legitimate interests.

The term "rights" signifies legal rights (a registered trademark, for example, or a license to register or use the mark) whereas the term "legitimate interests" has reference to an interest that justifies the acquisition and holding of a disputed domain name. Legitimate interests are principally determined not simply by the purpose for the acquisition but also by registrant's lawful right to the name. As the Panel notes in *BECA Inc. v. CanAm Health Source, Inc*, D2004-0298 (WIPO July 23, 2004) the question of right is "whether the application is bona fide or merely a way of bolstering the respondent's domain name registration." The Panel found that it was: "The Respondent applied to register the Canadian trademark some six months before registering the Domain Name and some nine months before the Complaint."

In contrast, the Respondent in *Ciccone, p/k/a Madonna v. Parisi and "Madonna.com"*, D2000-0847 (WIPO October 12, 2000) failed to make the grade because the registration of a trademark in Morocco was "merely a way of bolstering respondent's domain name registration," but also because "Respondent began operating an "adult entertainment portal web site."

Right versus legitimate interest is further illustrated in *Gapardis Health and Beauty, Inc. v. Frantz Boulos*, FA2010001917653 (Forum November 23, 2020) (<minoplus.com>):

> Respondent has come forward with evidence that he owns rights in the corresponding mark (MINOPLUS) in Haiti; that he owns and uses similar marks (MINOVAL and MINOVAL PLUS) for similar products in Haiti and (through a licensee) the United States; and that his use of the marks predates any use by Complainant or its predecessors of the MINO PLUS mark.

But a right can also be illustrated by proof of contract authorizing registration and use.

There is too, a distinction between a formal legal right and an informal right. The Panel in *Cream Holdings Limited v. National Internet Source, Inc.*, D2001-0964 (WIPO September 28,2001) (<cream>) stated that "anyone has a right to register common words in the language." Further:

> The domain name was registered at the same time as the Respondent registered as domain names other commonly descriptive words. This circumstance negates any conclusion that the Respondent was targeting the trademarks of others.

This simply acknowledges an informal rather than a categorical or legal "right." Rather legal rights presuppose a statutory (trademark) or contractual (assignment or license) basis for registering the disputed domain name. It may even apply to a right by priority of use in the market that would support an unregistered mark.

Thus, while it is not inappropriate for complainants to allege and panels to hold that a respondent with neither rights nor legitimate interests lacks both, it is inaccurate to say that a respondent has both rights and legitimate interests if it has only legitimate interests. The reason for insisting on this distinction even though it is generally ignored is that rights and interests carry different possessory consequences, which are explained below.

Exploring the Meanings of "Right" and "Legitimate Interest"

Distinguishing a Right from a Legitimate Interest

Words Chosen with Care Have to be Given Some Work to Do

ICANN drafted Paragraph 4(a)(ii) (reflecting the consensus in the WIPO Final Report) disjunctively: the respondent either has a right or a legitimate interest. This parallels the disjunctive requirement in Paragraph 4(a)(i) in which complainant has standing if the domain name is either identical or confusingly similar to the domain name, but here the burden is both greater and lighter. Lighter for the reason already explained that a prima facie case can be made negatively and greater because it must demonstrate that respondent has *neither* rights *nor* legitimate interests while on rebuttal the respondent has the burden of producing evidence that it has one or the other.

The terms "rights" and "legitimate interests" have reference to different entitlements. The term "rights" means legal rights, whereas the term "legitimate interests" means an interest that justifies acquiring the challenged domain name. The reason for insisting on this distinction even though it is generally ignored is that rights and interests carry different possessory consequences. Whether a respondent has a right as distinguished from a legitimate interests, of course, is a narrower issue.

The Panel in *International E-Z UP, Inc. v. PNH Enterprises, Inc.*, FA0609000808341 (Forum November 15, 2006) (<ezup-canada.com>) explains:

> The intention was that, first, if the registrant had an actual legal right to the domain name, that would defeat the trademark owner's claim by itself. But, secondly, the Policy went further and added another criterion, that of legitimate interest.

Words chosen with care "have to be given some work to do or they serve no purpose." The Panel (citing earlier authority) continues:

> [t]he intention here was to cover cases where the registrant may not have a legal right, but where it nevertheless has a bona fide association or connection

of some sort with the domain name, where for example '… respondent has not registered the domain name for merely speculative reasons [. . .] .

In *Soft Trust Inc. v. Todd Hinton, Ikebana America LLC*, D2020-2640 (WIPO December 4, 2020) (<ecourier.com>) the Panel found that Respondent had both a "right" and a "legitimate interest" but the "right" is emphatically the predominant factor: "The facts at hand do not align neatly with one of the scenarios enumerated in paragraph (c) of the Policy. However, these scenarios are non-exhaustive and on balance, the Panel finds that the Respondent has established rights or legitimate interests in the Disputed Domain Name."

Subparagraph 4(c)(i) of the Policy – Bona Fide Use

Subparagraph 4(c)(i) of the Policy addresses the issue of bona fide use. "Before notice" or "demonstrable preparations" is relevant only if that use is "in connection with a bona fide offering of goods or services."

Respondents in *First American Funds, Inc. v. Ult.Search, Inc.*, D2000-1840 (WIPO April 20, 2001) (<firstamerican.com>) and *JumpCloud, Inc. v. Peter Irion / SCS LLC*, FA2009001914971 (Forum November 27, 2020) (<jumpcloud.net>) were either the first to register <firstamerican.com> and <jumpcloud.net> prior to the existence of complainant's mark or if following the complainant's first use in commerce, acquired for the semantic value of the name. In either event, use for any purpose other than targeting complainant is defensible.

The Panel (majority decision) in *First American Funds* concluded:

> Even if [Respondent had knowledge of Complainant], its adoption of a corresponding name for its portal service would not, per se, constitute bad faith, having regard to the widespread use by others. Such wide-spread use has the necessary consequence that the rights of the users are circumscribed and, absent other circumstances, there is no reason why a new entrant into a new field should not adopt those words.

The "situation would of course be different"

> if the words were well known and unique to one trader. Respondent in its submission draws a distinction between the case of a well known and fanciful term such as "Panavision" and the widely adopted and used expression "First America" of the present case.

The Panel found that Respondent had legitimate interests even though the domain name was passively held. "Well -known and unique to one trader" is a critical factor in determining bad faith, and will be covered in greater detail in Chapter 11.

A respondent can legitimately claim a generic or descriptive domain name that is non-referential to the complainant if it acquires it for marketing or reselling purposes. In *Cream Holdings, supra.*, the Complainant offered "no evidence, and no basis for inferring, that the Respondent was aware, or should be deemed to have been aware, of the Complainant or its trademark prior to the registration of the disputed domain name. Moreover,

> Were the trademark a well-known invented word having no descriptive character, these circumstances would shift the onus to the Respondent to demonstrate its rights or legitimate interest in the disputed domain name. But that part of the mark comprising the word CREAM is commonly descriptive and, standing alone, not well-known as a trademark.

The "right" (the informal styling of a right) found in this case is a legitimate interest.

While using "a confusingly similar Domain Name on a website offering for sale overlapping products and services is neither a bona fide offering of goods or services, nor is it a legitimate non-commercial or fair use pursuant to Policy" —*Option One Mortgage Corporation v. Option One Lending*, D2004-1052 (WIPO February 27, 2005) (OPTION ONE MORTGAGE and <optiononelending.com>)—acquiring and using a domain name for lawful purposes is not infringing. For example, in *Target Brands, Inc. v. Eastwind Group*, FA0405000267475 (Forum May 25, 2004) the links on the disputed domain name <target.org> "relate[d] to target practice, hunting, archery, and other sports equipment.

In *Personal GmbH v. Zhaohua Luo*, D2010-1953 (WIPO February 3, 2011) (<7s.com>), a panelist concurring as a member of the majority noted "we are presented with such use of the disputed domain name over a long period of time, together with the paucity of evidence that the use was pretextual or otherwise illegitimate."

Absent proof of targeting, these general observations apply regardless of the nature of the business. Thus, the Panel in *Inbay Limited v. Ronald Tse dba Neosparx International*, D2014-0096 (WIPO March 21, 2014)concluded:

> The fact that the Respondent has been in the business of a domain name trader does not result in the Respondent lacking rights and legitimate interests when there is no evidence that the Respondent has ever engaged in a pattern of abusive domain name registrations.

Similarly in *Picture Organic Clothing v. Privacydotlink Customer 4032039 / James Booth, Booth.com, Ltd.*, D2020-2016 (WIPO October 5, 2020) (<picture.com>). The Panel notes that "the fact that Respondent [a subsequent registrant] has listed the disputed domain name for sale without more does not in and of itself prove a lack of legitimate interest." It affirms that Respondent retains control of the registration:

> Complainant, here, has failed to provide any evidence that would establish or suggest that Respondent registered the disputed domain name in order to profit from the disputed domain name at the expense of Complainant as opposed to registering and attempting to sell a generic domain name as a valuable asset.

Also to be mentioned: *Ternio, LLC v. Domains by Proxy, LLC / Sedo GmbH*, D2020-2215 (WIPO November 16, 2020) (<blockcard.com>) in which the Panel held that "[t]he evidence filed by the Respondent makes clear that the Respondent independently devised such a plan and it chose the name 'Block Card' for that project. It did so prior to the Complainant filing its application for the BLOCK CARD trademark."

Although the Complainant in *American Honda Motor Co. Inc. v. Piazza Management Company*, FA2010001917164 (Forum December 7, 2020) owned a mark that predated Respondent's acquisition of the disputed domain name, Respondent also had a registered mark that matched <wrighthonda.com>:

> Complainant contends in its supplemental submission that any rights Respondent had in the WRIGHT HONDA mark have been abandoned due to lengthy disuse. This argument fails for two reasons. First, even under applicable trademark law, [Complainant] fails to meet the high burden to show trademark abandonment. The record suggests that Respondent has continued to make some uses of the term WRIGHT in connection with its Honda automobile sales, as the name of one of the founders, owners, or affiliates of Respondent, up to and including recently. Secondly, trademark abandonment, even if shown, does not retroactively render a good-faith domain name registration improper.

The 3-member Panel in *News Group Newspapers Limited v. Privacydotlink Customer 2383026 / Blue Nova Inc.* D2019-0084 (WIPO April 10, 2019) (<thesun.com>) held that the "Respondent's evidence which is not contradicted by the Complainant establishes that the disputed domain name was registered because it referred 'to the star that our planet orbits' in our solar system and that the Respondent believed no party could claim exclusive rights in the word 'sun'".

Respondent had acquired the disputed domain name 18 years earlier: "[T]he Complainant's long delay particularly demonstrates that laches is appropriate, because after 18 years, the Complainant improperly seeks, with the assistance of highly sophisticated counsel, to appropriate the disputed domain name from the Respondent." The Panel noted: "a complainant would need very good arguments why it has waited for 18 years to file a Complaint under the UDRP."[5] The Respondent's rebuttal was also bolstered by the circumstances preceding the commencement of the UDRP:

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5 As a general rule, laches is not applicable as a defense in a UDRP proceeding, although circumstances may determine otherwise. Delay makes a case on the merits more difficult to establish in relation to the second and third elements. See *Board of Trustees of the University of Arkansas v. FanMail.com*, D2009-1139 (WIPO November 2, 2009): "[I]n some instances [. . .] the laches question might be no more difficult than disposition of other questions that routinely come before UDRP panelists." See Chapter 12 "Limitations and Laches as Defenses."

> Even if the Respondent knew about the Complainant's trademark rights, the Complainant was anonymously bidding to purchase the disputed domain name for a very high amount (USD 300,000) and doubled the bid when it "came out" and offered USD 600,000 for the disputed domain name. This alone demonstrates the Complainant's full awareness that the Respondent had a legitimate interest and was not acting in bad faith when it registered and was using the (highly generic) disputed domain name.

By negotiating to acquire the disputed domain name the Complainant clearly recognized that Respondent had an interest that could be said to be a right greater than the statutory right granted under trademark law.

Subparagraph 4(c)(i) of the Policy – Mala Fides Use

The term "legitimate interest" in paragraphs 4(a)(ii) and 4(c) of the Policy refers to a respondent entitled to its choice of domain name, rather than the legality of the business it carries out on the resolving website. A business may be lawful but respondent's use of the domain name mala fides.

If legality of business were the standard, then "any cybersquatter that conducted a lawful business could always find refuge," *The New England Vein & Laser Center, P.C. v. Vein Centers for Excellence, Inc.*, D2005-1318 (WIPO February 22, 2006). A respondent may very well have in mind a legitimate business in the future, but to rebut the assertion that it lacks rights or legitimate interests it must demonstrate that in registering the domain name it had no "exploitative intent" when it made its choice."

Even a geographic name as a mark can be protected even though under other circumstances it may not be registrable as a mark. For example, the Respondent in *Kabushiki Kaisha Hitachi Seisakusho (Japan Corporation), d/b/a Hitachi, Ltd. v. Hilaire Shioura*, DWS2004-0002 (WIPO July 23, 2004). argued that it intended to use <hitachi.ws> for its geographic meaning but offered no evidence to satisfy a paragraph 4(c)(i) defense. While "Hitachi" is a place name in Japan it is also a trademark with an international reputation in the automobile industry.

Similarly in *Abu Dhabi Future Energy Company PJSC v. John Pepin*, D2008-1560 (WIPO December 22, 2008) the Panel held that the geographic term "Masdar City" can be protected "as the trademark and brand for a project that encompasses various defined concepts and plans." The Panel continued:

> This term is not a reference to a so-called geographical area. While the word "city" has been used in connection with this term, this use denotes a project or a zone, which as explained has become common practice in the UAE. While this zone will be placed in a certain location, it is not the location that defines the term. The location is simply one of the aspects of the project that fall under the umbrella of the term Masdar, as used by Complainant.

It is *mala fides* to register and use a domain name identical or confusingly similar to a complainant's trademark that resolves to a website or redirects to another website that advertises or offers competing goods or services. It is by now well established that PPC parking pages built around a trademark (as contrasted with PPC pages built around a dictionary word and used only in connection with the generic or merely descriptive meaning of the word do not constitute a bona fide offering of goods or services pursuant to paragraph 4(c)(i) of the Policy, nor do they constitute a legitimate non-commercial or fair use pursuant to paragraph 4(c)(iii)," *Ustream. TV, Inc. v. Vertical Axis, Inc.*, D2008-0598 (WIPO July 29, 2008).

By itself "[c]ontinuous use adverse to the interest of Complainant is not a basis from which Respondent can acquire rights in the domain name," *Avaya Inc. v. Holdcom*, FA0806001210545 (Forum August 9, 2008) (<magiconhold.com>) in which "Respondent acknowledges that it was aware of Complainant's claim of rights at the time of registration, [but] it nevertheless asserts that it believed that Complainant's mark was generic."

Legitimate Interest in Abeyance

Where there is no legal (enforceable or recognizable) right legitimacy becomes an issue, and if that question is unresolved, if the answer "largely hinges on the question of bad faith," it will be considered under the third limb of the Policy. The Panel in *Media General Communications, Inc. v. Rarenames, WebReg*, D2006-0964 (WIPO September 23, 2006) (<wcmh.com>) found that his determination "largely hinges on the questions of bad faith." In this case, the Panel set out the following guidelines which applies equally for analysis under paragraph 4(a)(ii) as it does for paragraph 4(a)(iii).

> [The business of aggregating domain names is] most likely to be deemed legitimate under the Policy when:
>
> [1]- the respondent regularly engages in the business of registering and reselling domain names, and/or using them to display advertising links;
>
> [2]- the respondent makes [demonstrable] good-faith efforts to avoid registering and using domain names that are identical or confusingly similar to marks held by others;
>
> [3]- the domain name in question is a "dictionary word" or a generic or descriptive phrase;
>
> [4]- the domain name is not identical or confusingly similar to a famous or distinctive trademark; and

> [5]- there is no evidence that the respondent had actual knowledge of the complainant's mark.

In these cases, enforceable rights favor owners whose marks have significant reputation in the marketplace. Respondent in *Media General Communications* did not meet these qualifications.

First to Register But Not Currently in Active Use

As I mentioned earlier, the WIPO Jurisprudential Overview reports a "tend[ency] to assess claimed respondent rights or legitimate interests in the present." It does not state categorically that this is a consensus view, but it is an issue of some importance. There are two possible factual patterns: 1) the domain name predates any use of a corresponding mark, in which case no amount of argument can undercut the priority of right (the informal right to register noninfringing domain names); and 2) the domain names postdates the corresponding mark and is passively held, in which case there may be an argument that respondent lacks rights or legitimate interests even though there is no evidence of abusive registration.

Panels have construed the term "bona fide" (Paragraph 4(c)(i)) to include a range of commercial activity from registrants marketing their noninfringing goods or services to investors marketing domain names. The consensus view is that respondents have a right to acquire dictionary words for their semantic or ordinary meanings that are capable of communicating distinctive associations unrelated to the complaining mark owners, and who may lawfully resell them for branding or other purposes.

The point is illustrated in *ELCOMAN Srl v. Marc Ellis*, D2020-1628 (WIPO September 7, 2020) (<kobra.com>) in which, the Panel citing the "consensus" position, advocated in the WIPO Overview concluded: "the Respondent has not made such use of the Domain Name since [it acquired it for its business] [. . .] and does not demonstrate plans to do so in the future. The Panel follows the consensus view that the Respondent's rights or legitimate interests must be present ones which can be established at the time of the proceeding." The problem with this position is that it affirms that a legal right is equally contingent with a legitimate interest, whereas a legal right once vested is irreversible as a matter of law.

The Panel in *Tecme S.A. v. Stephen Bougourd*, D2020-2597 (WIPO November 24, 2020) (<tecme.com>) reached a similar result. It concluded that while the "Respondent plausibly recounts that he acquired the Domain Name [<techme.com>, a coined word] as the abbreviated form of a business name that he registered in 1996 [. . .] it does not appear that he has [used it] since 2005." The Panel continues: "[i]f he were still using that business name, this would likely suffice to establish his rights or legitimate interests in the Domain Name," but "[i]t is generally held that the Respondent's rights or legitimate interests must be current at the time of the UDRP proceeding."

The right to register a domain name and have it acknowledged as a legitimate interest presupposes that the motivation for registering the disputed domain name is to benefit from its intrinsic value either for registrant's business and brand or to monetize or resell it on the secondary market. The WIPO Jurisprudential Overview, section 2.11 states "that Panels tend to assess claimed respondent rights or legitimate interests in the present, i.e., with a view to the circumstances prevailing at the time of the filing of the complaint."

While this "consensus" may be correct when applied to certain factual situations it cannot apply in all circumstances. For example, a respondent with priority of interest (the first come first served principal) cannot be ousted of its right by passively holding a domainname it may have actively used in the past. Even were the construction applied, respondent cannot be found to have registered the domain name in bad faith; nor prima facie does it support a conclusion that respondent lacks rights or legitimate interests in the disputed domain name.

In *Riveron Consulting, L.P. v. Stanley Pace*, FA1002001309793 (Forum April 12, 2010) (<riveron.com>) the Panel concluded:

> Without evidence of either Complainant's trademark rights at the time of the at-issue domain name's registration, or a showing that Respondent somehow lost any rights and interests in the domain name, there is no foundation from which to conclude that Respondent [lacks rights or legitimate interests in the disputed domain name].

The Panel made no determination that Respondent discharged its onus of proof (although there is every indication that it did) because "the Panel finds that Complainant fails to meet its burden of proof concerning bad faith registration and use under Policy ¶4(a)(iii)."

Since for investors the disputed domain names are part of inventory, thus sometimes passively held, their legitimate interest is current (that is, they are in the business of reselling domain names) and are generally found to have rebutted complainant's *prima facie* case. In *Thorpe Technologies, Inc. v. Domains By Proxy, LLC / Gregory Kudasz, Irukandji-USA*, D2022-1456 (WIPO June 26, 2022) (<jtt.com>):

> The Panel finds that the Respondent has a credible interest in the Domain Name for its resale value as an intrinsically valuable, short domain name, which the Respondent has attempted to sell through domain name brokers, and that this represents on the facts of this case a legitimate interest for purposes of the Policy.

Commonly Controlled Persons in Chain of Title[6]

Acquired from Related Person

In the majority of cases, respondents have no connection to any earlier registrants and have no claim of reliance on their predecessors' good faith registrations. The usual rule under the Policy is that a registration in a new, independent person's name, albeit a re-registration of an existing domain name, is treated as a separate act and to be assessed as such. But this does not address the issue of transfers between corporate or even individual related persons. The two circumstances which should be treated separately are sometimes confused with each other.

It is then, in this new context, that a question arises as to how the new corporate or personal registrants are to be treated. Are they new registrants whose good faith must be tested against the circumstances existing at the time of registration or do they inherit their corporate predecessors' good faith registrations? This assumes, of course, that the transfer of registration is not infected with bad faith intent, an issue that may arise in cases of subsequent registrants and dealt separately in Chapter 12 ("Unconnected Successor Registrants").

As a general proposition, "where [there is] an unbroken chain of underlying ownership by a single person [. . .] a change in the recorded WhoIs details will not be considered a new registration for the purposes of the UDRP," *Bankwell Financial Group, Inc. v. Whois Privacy Protection Service, Inc. / Domain Manager, Affordable Webhosting, Inc., Advertising*, D2015-1664 (WIPO November 13, 2015) (<bankwell.com>).

Thus, in *Schweizerische Bundesbahnen SBB v. Gerrie Villon*, D2009-1426 (WIPO January 11, 2010) drew a lesson from the ownership of trademarks:

> [i]n the absence of some exceptional circumstance, there is no reason to conclude that transfers of domain names between commonly-controlled entities extinguishes pre-existing rights or legitimate interests in those domain names,"

It continued:

> Complainant has presented no compelling legal grounds in the present case for distinguishing the treatment of assignment or transfer of domain names from the treatment typically accorded trademarks.

The Panel in *FTR v. Synopsys Inc.*, D2010-1264 (WIPO October 7, 2010) (<lmc.com>) developed this observation further:

> Acquisition through merger of Logic Modeling Corporation (and therefore the disputed domain name) by respondent was for a legitimate business purpose.

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6 See also Chapter 9 ("Related Persons or Entities").

> Therefore, there was no bad faith when respondent acquired its registration of the disputed domain name as part of this acquisition.

Indeed, where the transfer does not "effect any material change in the beneficial ownership of the domain name" and its use "throughout [the] years has consistently promoted" the same goods "it is appropriate [. . .] to consider [as one and together] Respondents' and the prior, related registrants' rights and interests in the Disputed Domain Name."

The principle also applies to changes of registrar as noted by the Panel in *Angelica Fuentes Téllez v. Domains by Proxy, LLC / Angela Brink*, D2014-1860 (WIPO December 18, 2014) (<angelissima.com>):

> Whilst it is well established that the transfer of a domain name to a third party does amount to a new registration, it is also generally accepted that such is not the case where there is evidence to establish an unbroken chain of underlying ownership by a single person, and any change in the WhoIs registrant data is not being made to conceal the underlying owner's identity.

Transfer within the family is treated in the same way as any commercial enterprise---*Sadig Alakbarov v. Yuxue Wang*, D2019-2253 (WIPO November 18, 2019). This includes descent from deceased husband,*Avomex, Inc. v. Tina D. Pierce Widow of Barry E. Pierce*, D2011-1253 (WIPO September 23, 2011); or from a brother as in *Kitchens To Go, LLC v. KTG.COM, Whoisguard Protected / HUKU LLC*, D2017-2241 (WIPO February 6, 2018) (<ktg.com>).

> [T]he Panel does not accept the Complainant's submission that, on inheriting a large portfolio of domain names, this imposed on Mrs. Haggippavlou a duty of due diligence to search worldwide to see if any of them might infringe any third party rights, prior to registering them in her name.

Such transferees not only succeed to their predecessors' good faith registration, but hold the domain name as an asset to use or sell as it determines in its own best interests. This is not conclusive because it is conceivable that the the transfer between two commonly-controlled enterprises may nevertheless be deemed a new registration where the intention is to engage in bad faith use, but the evidence must be persuasive.

This countervailing view holds that a transferee is not entitled to capitalize on a complainant's reputation in the marketplace on the theory that its related predecessor registered the domain name in good faith when at the time of registration no such trademark existed. The *Fieldd* dissent cited in support of its position two controversial cases (one by him) that on challenge to courts of competent jurisdiction were settled favorably to the registrants.

Nevertheless, the dissent raises an important and question concerning related parties and offers an uncontroversial guideline where the bad faith use occurs prior to the transfer and continues following the transfer:

> (i) There has been supervening bad faith of the disputed domain name by the original registrant; and
>
> (ii) The disputed domain name is transferred to another entity within the original registrant's business organization; and
>
> (iii) The transferor acts in bad faith in acquiring the disputed domain name and in subsequently using it.

He recognizes

> (i) A change in registration details where the same person or legal entity remains the registrant (for example, where a company has changed its name) is not a fresh registration for the purposes of the Policy. This is a mere formal change or update as referred to in section 3.9 of the WIPO Overview 3.0.

But then offers the controversial view that

> (ii) A transfer of a domain name between connected persons if they are separate legal entities will be a fresh transfer for the purposes of the Policy even if the domain name remains under the same de facto control.

Again, recognizing that "whether there is registration in bad faith at that time, still needs to be separately assessed and will depend upon the particular facts of the case." The third and fourth points may have some merit:

> (iii) Where a domain name is registered in the name of a registrar's privacy service, the mere use of such a service without any change in the underlying registrant will not normally result in their being a fresh registration. The position may be different if the change in registration is being used to disguise the identity of the registrant;
>
> (iv) However, a change in the details of the registrant behind a privacy shield may will amount to a fresh registration. In such a case, points (i) and (ii) will equally apply.

The Panel's determination reflects his view in those cases in which the facts align in the complainant's favor. Where a transfer is "undertaken for reasons that are unconnected with the complainant and the complainant's marks, [it] is unlikely to be a registration in bad faith." He cited for this proposition footnote 7 in *BMEzine.com, LLC. v. Gregory Ricks / Gee Whiz Domains Privacy Service*, D2008-0882 (WIPO August 21, 2008) (<bme.com>):

> A panel might ignore a transfer from one subsidiary to another within a conglomerate not timed coincidentally or otherwise with an event pertinent to the matters claimed to constitute bad faith.

Absent any extraordinary set of facts that would affect continuation of good faith use, the "usual rule" applies. The Panel in *Skillful Communications, Inc. v. Redacted for Privacy, Aquent / Aquent Aquent, Aquent*, D2022-0910 (WIPO May 26, 2022) (<skill.com>) explained:

> [W]hile a transfer could result in a new registrant being listed, panels have recognized that where a respondent can provide satisfactory evidence of an unbroken chain of possession of the disputed domain name, such "formal" changes or updates to registrant contact information will not be treated as a new registration. This is often the case when a transfer is between entities within the same corporate control group and has been done for a legitimate business reason and not simply for purposes of evading a procedure," citing WIPO Overview 3.0 at section 3.9. applied this "usual rule."

Subsequent Registrant: Impact of US Law

The question of subsequent holding of domain names has been variously answered in US appellate courts. The Third Circuit Court of Appeals in *Schmidheiny v. Weber*, 319 F.3d 581 (2003) takes the position that a transfer to a new entity (even though the underlying beneficial owner remains the same) is a new registration. In contrast, the Ninth Circuit Court of Appeals holds in *GoPets Ltd. v. Hise*, 657 F.3d 1024 (9th Cir. 2011) that a successor's right is determined from the creation date of the disputed doman name. I will return to this issue in Chapter 19 for a further discussion, but it leaves in its wake a question: Why should any US court decisions have any bearing on the UDRP?

Shortly following the Ninth Circuit decision, the 3-member Panel in *Twitter, Inc. v. Geigo, Inc.*, D2011-1210 (WIPO November 2, 2011) noted the different approaches to the transfer issue. The creation date for <twiter.com> predated the Complainant's mark, but the successor registrant, who had no relationship with its predecessor, acquired the disputed domain name after Twitter had a market presence. The Panel found the Third Circuit holding "more convincing":

> A UDRP panel owes great deference to the national courts. Their rulings may well be part of 'applicable law' that a panel must consider (Rules, paragraph 15(a)), may become directly relevant in relation to mutual jurisdiction in the event of a court challenge (Policy, paragraph 4(k)), and are forged upon a record developed through full adversary proceedings. [. . .] This Panel finds the Third Circuit's reasoning in Schmidheimy more convincing than the Ninth Circuit's in GoPets."

Although *Twitter* is not a corporate or personal transfer case the Panel's unanimous decision nevertheless addresses a central concern, namely: Is a family successor a new registrant?

Expressly relying on the reasoning in *Schmidheiny* the Panel in *Pade Publishing, LLC, a Colorado limited liability company v. Desert Resorts Inc*., FA1411001588977 (Forum January 15, 2015) found

> the present circumstances are so extraordinary as to warrant consideration of Complainant's re-registration argument that Respondent's use of the disputed domain name to feature links such as "Spa Vacations," "California Golf," and "Course Tee Times" is in competition with Complainant, and therefore disrupts Complainant's own offerings in violation of Policy ¶ 4(b)(iii).

Whether or not the "circumstances are [. . .] extraordinary" the reasoning is inconsistent with UDRP jurisprudence.

The Panel in *Dynamic Visual Technologies (Pty) Ltd v. Direct Privacy, Savvy Investments, LLC Privacy ID# 14448338*, D2018-0738 (WIPO June 6, 2018) (<dvt.com>), a case involving a new registrant unrelated to the original creator of the disputed domain name, but referring to both *Schmidheiny* and *GoPets*,[7] explained:

> In these circumstances, the Panel considers it is appropriate not to depart from the usual rule under the Policy as it has been interpreted by many Panels. The Policy operates in an international sphere between parties often in very different jurisdictions which have, or may have, different approaches or concerns.

In this particular case, unlike *Twitter*, the factual circumstances exonerated the Respondent from bad faith registration and use.

Schmidheiny did not go unnoticed by other panelists and is in tension in later cases. The dissent in *Fieldd Pty Ltd v. Jessica Duarte*, D2022-4980 (WIPO March 22, 2023) took a different approach. Without referring to *Schmidheiny* it made a distinctly *Schmidheiny* argument. He begins by pointing out that the jurisprudence has developed apace since the 2009 retroactive bad faith cases (discussed in Chapter 4) and he correctly points out that "[i]t is [. . .] now clear beyond any doubt that to succeed under the UDRP both bad faith registration and use must be shown." However (and regardless that the facts in the case involve a corporate transfer),

> if there has been a change of registrant in respect of a domain name, that may constitute a fresh registration for the purposes of the UDRP. In such a case the

7 "With the greatest deference owed to the national courts, this Panel observes that the Ninth Circuit Court of Appeals decision in GoPets v. Hise was interpreting the ACPA, not the Policy. The precise holding addressed the situation of related party transfers and in that regard was consistent with general WIPO UDRP panel practice under the Policy.

> clock is potentially reset when it comes to the assessment of whether a registration was in bad faith.

The dissent then proceeds with an analysis in which he concludes that transfers within the family should be treated as new registrations, the *Schmidheiny* rather than the *GoPets* determination.

Before I go further into the dissent's argument, I will detour to the consensus position, which WIPO approves in the Jurisprudential Overview.[8] The dissent's deviation in *Fieldd* is arguably an attempt to resuscitate a discarded view, namely retroactive bad faith.

Legitimate Use other than Active Website

Respondents acquire domain names for lawful purposes other than use as websites. Complainant in *Zero International Holding GmbH & Co. Kommanditgesellschaft v. Beyonet Services and Stephen Urich*, D2000-0161 (WIPO May 12, 2000) (<zero.com>) argued that Respondent "has never established a web site by reference to the domain name" and that "insofar as the zero.com has been used as, or as part of an e-mail address, e-mail usage of a domain name cannot be regarded as legitimate." The Panel rejected this reading of the UDRP:

> We do not accept that complainant's contention that registration of a domain name which is only to be used for [e-mail and file transfer operations] is in some way improper and constitutes bad faith.

This comes with the proviso that legitimacy depends on the use to which the registrant "may ultimately make of a domain name," *Government of Canada v. David Bedford a.k.a. DomainBaron.com*, D2001-0470 (WIPO June 30, 2001) (three member Panel). Similar holdings were made by the Panels in *Innotek, Inc. v. Sierra Innotek*, D2002-0072 (WIPO April 22, 2002) the Panel held: "[T]he lack of a formal web page does not detract from these real and viable commercial uses"; *Thrive Networks, Inc. v. Thrive Ventures, Inc.*, D2003-0534 (WIPO August 26, 2003): "Although it may not be easy to discern whether a domain name is being used for email, FTP services, or simply as a host, such uses are legitimate"; and *Wilserve Corporation v. Willi Kusche*, D2007-0004 (WIPO Feb. 26, 2007) : "The policy, paragraph 4(c), does not require that the Domain Name be used for a website; using the Domain Name for business email addresses also satisfies the letter and spirit of the Policy."

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8 Section 3.9 reads: "Where the respondent provides satisfactory evidence of an unbroken chain of possession, panels typically would not treat merely "formal" changes or updates to registrant contact information as a new registration."

These views were reinforced in *Viking Office Products, Inc. v. Natasha Flaherty a/k/a ARS N6YBV*, FA1104001383534 (Forum May 31, 2011): "The presence or absence of a web site is therefore irrelevant in determining if a domain name is in active use. Respondent has consistently maintained Simple Mail Transfer Protocol (SMTP) email services associated with the <viking.org> domain."

The Respondent in *LE TIGRE 360 GLOBAL, LLC v. LeTigre*, FA160600 1681089 (Forum August 8, 2016) (<letigre.com>) stated that "it operates as an integrated technology sales and business practices consulting company in Texas [. . .] [and] has used the disputed domain for business inbound and outbound email, ftp, for more than 20 years, and does not need to associate the website with active content to establish rights and legitimate interests." The Panel agreed and dismissed the complaint.

Pursuing a case for cybersquatting on these rejected grounds is sanctionable conduct as the Panel explained in *Mechoshade Systems, LLC v. DNS Admin / Mecho Investments*, FA1805001784649 (Forum June 18, 2018) (<mecho.com>): the Panel noted that "Complainant continued to pursue this case, including with the frivolous and demonstrably incorrect argument that use of a Domain Name for purposes of a family email address is not a legitimate interest."

Except where there is concrete evidence of targeting the corresponding mark, it is lawful to use of domain names for any legitimate purpose.

Constructions

Before Notice / Bona Fide Use Defense

Current Use

Paragraph 4(c)(i) is specifically crafted with an equity dimension. The phrase "before notice" is a proto-laches defense in that it provides safe harbor if "before notice [respondent] has use[d] or [has made] demonstrable preparations to use the domain name [. . .] in connection with a bona fide offering of goods or services." However, future contemplated use without proof of "demonstrable preparation" is not a meritorious defense, but noninfringing use is prima facie evidence of legitimate interest.

Black's Law Dictionary defines "bona fide" as acting "[i]n or with good faith, honestly, openly, and sincerely; without deceit or fraud. Truly; actually; without simulation or pretense. Innocently; in the attitude of trust and confidence; without notice of fraud, etc. Real, actual, genuine, and not feigned."

Panels have construed "bona fide" (Paragraph 4(c)(i)) to include a range of commercial activity from registrants marketing their noninfringing goods or service to investors acquiring and marketing domain names. The consensus view is that respondents have a right to acquire dictionary words for their semantic or ordinary meanings that are capable of communicating distinctive associations unrelated to the complaining mark owners and who may lawfully resell them for branding or other purposes.

To satisfy the defense, the notice must come before the bona fide use of the domain name. It can be agreed, for instance, that when a party is put on notice by a cease and desist letter—or as in *Harvest Dispensaries, Cultivations & Production Facilities, LLC v. Rebecca Nickerson / Rock City Harvest,* FA2004001892080 (Forum June 26, 2020)[9] during a telephone call—it is only at that moment in time that actual knowledge is confirmed (absent, of course, other evidence of earlier communications), but if respondent's earlier pre- and post-registration conduct supports a right or legitimate interest in the contested domain name then it cannot be said that it acted in bad faith in acquiring it:

> Accepting for these purposes that Respondent was not aware of Complainant when it adopted the HARVEST mark in September 2017, Respondent's subsequent actions are consistent with the actions of a party that has made preparations to use that name in its business. [. . .] All of those activities occurred prior to the February 19, 2019 call between the parties, which is the latest date by which Respondent definitely was aware of Complainant and its trademark.

Further, the defense is phrased in the past tense, "has used," or for demonstrable preparations, meaning it has already taken the prerequisite steps to use the disputed domain name. The use that qualifies as legitimate must be continuous from past to present for the reasons already explained. Intended future use unaccompanied by evidence of demonstrable preparations is not a good defense.

A protected use "must subsist at the date of the commencement of the administrative proceeding." *Grupo Costamex, SA de C.V. v. Stephen Smith and Oneandone Private Registration / 1&1 Internet Inc*., D2009-0062 (WIPO March 25, 2009) "[a] previously held right or legitimate interest which has been lost by that date will not avail the respondent," although this does not portend bad faith registration and use.

Paragraph 4(c)(i) should be read on two levels. The first level explicitly addresses the economic issue, namely respondent's right to continue using the disputed domain name as long as it is "in connection with a bona fide offering of goods or services." A respondent that satisfies the three elements of the defense—1) "Before any notice", 2) "has used" and 3) "in connection with a bona fide offering"—has

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9 Disclosure: Author was a member of the Panel on this case.

a legitimate interest in the disputed domain name, but not necessarily a right as previously noted.

"Notice" has been construed to mean actual notice brought to respondent's attention by complainant commencing a UDRP proceeding if not by prior communications. According to one Panel a "complainant has an affirmative duty not only to object to a respondent's conduct but equally importantly to actually notify respondent of that objection." Notice, meaning actual notice, is not conveyed by a complainant who has a registered mark. The statutory concept of "constructive notice" does not apply in UDRP proceedings (Chapter 12), although notice can be established by implication or inference where the facts support such a conclusion.

The Panel in *Leap Real Estate Systems, LLC. v. BytePlay Limited*, D2009-1290 (WIPO November 25, 2009) pointed out that "Notice of a mark is not necessarily notice of a dispute." The smaller presence in the marketplace or lower classification of the trademark the greater the need for prompt notice. Conversely, the greater complainant's presence in respondent's market the less credibility respondent would have in denying knowledge of complainant's rights.

Panels construe the "before any notice to you" literally. It is "totally unavailing" for complainant to argument that "Respondent registered the disputed names after Complainant commenced use of its marks in commerce." *Michael Machat v. Jaden Thompson a/k/a Vaden Vampes, a/k/a Vampes Domains by Proxy*, FA0508000542036 (Forum October 6, 2005). This is because the "operative time point referenced in paragraph 4(c)(i) of the Policy is not the date on which a complainant commenced use of its mark but rather the date on which a respondent received notice of the dispute."

In *Educational Testing Service (ETS) v. Morrison Media LLC*, D2006-1010 (WIPO December 5, 2006), the Panel found "Respondent has been conducting, since well before he received notice of this dispute, a legitimate business" using the trademark nominatively to sell test preparation materials, although post-notice sanitizing of the website is evidence of bad faith.

Demonstrable Preparations to Use

Unsuccessful Demonstration of Bona Fide Use

Panels quickly fleshed out the principles to be applied under this head: "If before notice" and proof of "demonstrable preparations" respondent satisfies its going forward burden it prevails. The term "demonstrable preparations" means some tangible act that establishes respondent's present intention (even if that intention is delayed). It is not sufficient that it will in the indefinite future use the disputed domain name "in connection with a bona fide offering of goods or services." Moreover, the demonstrable preparations must be shown to commence "before notice."

The Panel in *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, AF-0096 (eResolution February 7, 2000) (<tourplan.com>) explained that he understood the word "demonstrable"

> to mean that it will not be sufficient for a domain name holder merely to assert that it has plans for the commercial use of the domain name. Presumably because a domain name holder in a domain name dispute easily could and likely would make an assertion of planned use, the Policy wisely indicates that more tangible evidence of planned use must be put forward.

He noted

> that the respondent domain name holder here has put forward only the bald assertion that it has plans for commercial use of the name. No evidence is offered of advertising campaigns, market tests, focus groups, logo designs, or even of plans for advertising campaigns or plans for market tests or any other plans for outlays or commitments of resources made before receiving notice of this dispute toward the use of "TourPlan" in connection with a bona fide offering of goods or services.

The "before notice" element is insurmountable where respondent has no documentary proof of its intentions. The Panel in *World Wrestling Federation*, *supra*.: "Mere assertions of preparations to make a legitimate use are not enough. [. . .] In these circumstances, the failure to present any credible evidence of demonstrable preparations to offer auction services is fatal to Respondent's claim of a legitimate interest in the domain names." But the Panel adds the following important observation:

> Respondent's evidence that he sells WWF collectibles is insufficient because the domain name at issue is not WWFColllectiblesForSale.com, but rather, WWFAuction.com (and .net).

It is one thing to incorporate the mark and another to explain the purpose for it. Thus, where the domain name is consistent with the business for which it has been acquired (as the Panel suggests) it is more likely to be accepted with some minimal demonstration; particularly where, again as the Panel suggests, lawful registration rests on nominative use through a domain name that accurately describes the nature of the business.

"What evidence is sufficient to constitute proof of demonstrable circumstances will of course depend on the particular circumstances of each case and will vary from case to case," *DigiPoll Ltd. v. Raj Kumar*, D2004-0939 (WIPO February 3, 2005) (<digipoll.com>). In this case, Respondent's intentions were not sufficient to support its para. 4(c)(i) defense:

> Clearly, it is not necessary to show a fully operational business, for it is sufficient if the steps taken are only preparations. At the other end of the scale, an idea without any real preparations to put the idea into practice cannot be sufficient.

In *Société des Produits Nestlé S.A. v. Boris Postolov*, D2023-0212 (WIPO March 8, 2023) (<nes.cafe>)

> The Respondent asserts that the Respondent has plans to use the disputed domain name for a project, but he does not have the financial resources “for its rapid implementation”. The project is vaguely described in the Response as connected with “pop genre Standup”. According to the Respondent, the abbreviation NES stands for New Epoch Standup. This is a term that the Panel does not understand. The Response includes an undated hand-drawn logo that the Respondent asserts is for this project. It is not stated when this logo was created.

It fails to qualify because the contentions are “not independently verifiable by the Panel.” This being the case

> preparations to use the disputed domain name in connection with a bona fide offering of goods or services cannot be merely self-serving statements but should be inherently credible and supported by relevant pre-complaint evidence [. . .] The Respondent has not provided any documentary evidence to substantiate these assertions beyond the undated hand-drawn logo (discussed above). The hand-drawn logo is not sufficient to demonstrate rights or legitimate interests in the disputed domain name.

The Respondent failed to include in the Response any “project plans, business plans or other evidence of this project.”

Successful Demonstration of Bona Fide

The educational pointers in the foregoing cases that have been recognized as satisfying the respondent’s burden of production—“business plan,” “potential partners,” “proposed technology or how it would function,” “finance[ing],” “timetable,” and a “draft website”—are useful in defining expected evidence for establishing the “demonstrable preparation” defense.

In *DigiPoll’s* terms the successful evidence can be less than “a fully operational business,” indeed the concept expressed in the phrase “demonstrable preparations” does not contemplate an operating business, but one that is in process of formation. Thus, Respondent’s burden of production is satisfied where it has made “preparations” to use the domain name for a newly formed business. The point is illustrated in *Genting Berhad v. Tan Kim Sin*, FA0005000094735 (FORUM June 28, 2000):

> In September, 1998, the Respondent decided to base his dive center at one of Tioman Island villages known as Kampung Genting (Genting Village). His marketing strategy included web site publishing and he secured the domain name "GENTING.COM". He registered his business with the Registrar of Business, Ministry of Domestic Trade and Consumer Affairs (Johor Bahru) under the name of "Genting Dive Discoveries" on May 11, 1999.

In *Canal + Image UK Ltd. v. VanityMail Servs., Inc.*, FA 94946 (FORUM July 18, 2000) (<avengers.com>) the Panel found that a draft of an unimplemented business plan was sufficient to show the respondent's legitimate interest in the domain name; and in *Gullivers Travel Associates v. Gullivers Travel/Gulliver's Travel Services, Gullivers Travel Agency and Metin Altun/GTA*, D2004-0741 (WIPO December 16, 2004), citing earlier authority[10] the Panel held: "Even perfunctory preparations have been held to suffice for this purpose,"

The threshold for providing demonstrable preparations is not high. "Even perfunctory preparations have been held to suffice for this purpose," *Télévision Française 1 (TF1) v. Khaled Bitat*, D2007-0137 (WIPO March 20, 2007) (<ushuaiavoyages.com>); similarly in *My Health, Inc. v. Top Tier Consulting, Inc.*, FA1006001332064 (FORUM Aug. 26, 2010) in which the Panel agreed that even though "Respondent has been unsuccessful in these endeavors, the Panel finds that Respondent has demonstrated that its preparations to use the disputed domain name to create a healthcare portal site"; and in *Asbach GmbH v. Econsult Ltd., d.b.a. Asbach Communities and Whois-Privacy Services*, D2012-1225 (WIPO August 7, 2012) the Panel found demonstrable preparations where Respondent submitted evidence of a joint venture agreement, despite providing "no evidence that it ha[d] commenced this business."

Directing or Redirecting to other Websites

To Respondents and to Complainants

Evidence of directing or redirecting domain names corresponding to marks may or may not be actionable depending on the facts, but actionable or not there are two issues for consideration. The first is whether the respondent's use of the disputed domain name supports or undermines a contention that the respondent lacks rights or legitimate interests in the disputed domain name (discussed in this section); or, second, whether the respondent's registration and use supports or undermines a

10 *Shirmax Retail Ltd. v. CES Marketing Group, Inc.*, AF-0104 (eResolution February 7, 2000) (<thyme.com>); *Lumena s-ka so.o. v. Express Ventures Ltd.*, FA00030000094375 (Forum May 11, 2000) (<lumena.com>).

contention that the respondent registered and is using the disputed domain name in bad faith (Chapter 11).

As a general proposition, directing or redirecting domain names corresponding to a trademark to another's website, even to the complainant's, must be justified under either subparagraphs 4(c)(i) or 4(c)(iii). In *American Home Products Corporation v. Haymont Veterinary Clini*, D2000-0502 (WIPO July 31, 2000) the Respondent redirected the disputed domain name to its own website. As an act inconsistent with any use covered by Paragraph 4(c)(i) of the Policy it would be found to lack rights and legitimate interests, but also evidence of bad faith under Paragraph 4(b) of the Policy. Similarly, in *Gamesville.com, Inc. v. John Zuccarini*, FA0007000095294 (Forum August 30, 2000):

> The domain names redirect users to sites that trap them within a number of advertisement web pages. The user must close many advertisement "pop-up" windows before he or she can move on.

The Respondent in *ESPN, Inc. v. Danny Ballerini*, FA0008000095410 (Forum September 2000) linked the domain name to another website <iwin.com>. Presumably,

> the Respondent receives a portion of the advertising revenue from this site by directing Internet traffic to the site. Using a domain name to attract Internet users, for commercial gain, to another Internet location by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, endorsement, or affiliation with the location of the website is evidence of bad faith. Policy ¶ 4.b.(iv).

The Panel cited *America Online, Inc. v. Tencent Communications Corp.*, FA 93668 (Nat. Arb. Forum March 21, 2000) (finding bad faith where the Respondent attracted users to a website sponsored by the Respondent).

The Panel in *Toronto-Dominion Bank v. Karpachev*, D2000-1571 (WIPO Jan. 15, 2001) found no rights and legitimate interests where the Respondent diverted Complainant's customers to his websites. This view was reiterated in *Reed Elsevier Properties Inc. v. David Allen*, FA0102000096667 (Forum March 21, 2001): "In short, there is no legitimate basis for Respondent's registration and/or use of the varietymagazine.com and variety-magazine.com domain names, as required by Policy ¶ 4(a)(ii)."

In *Summit Group, LLC v. LSO, Ltd.*, FA0607000758981 (Forum Sept. 14, 2006) the Panel found that the Respondent's use of the complainant's LIFESTYLE LOUNGE mark to redirect internet users to respondent's own website for commercial gain does not constitute either a bona fide offering of goods or services pursuant to Policy ¶ 4(c)(i), or a legitimate noncommercial or fair use pursuant to Policy ¶ 4(c)(iii)); and in *Invesco Ltd. v. Premanshu Rana*, FA1705001733167 (Forum

July 10, 2017) the Panel held that "[u]se of a domain name to divert Internet users to a competing website is not a bona fide offering of goods or services or a legitimate noncommercial or fair use."

However, where the lexical choice is a common word such as "slots" the burden is heavier to prove a prima facie case. In *Novomatic AG v. DomainClip Domains Inc*., D2022-4590 (WIPO March 6, 2023):

> The Panel notes that the disputed domain name, which comprises the word "slots", is a dictionary word. The evidence demonstrates Respondent registered a domain name comprised of a dictionary word and has, over a period of several years, used it to redirect to a website displaying information about online gaming, including slot machines, thereby using it in connection with the relied-upon dictionary meaning of "slots." The content of Respondent's website, while clearly of a commercial nature, does not reflect any connection to Complainant or any of Complainant's trademarks.

Pay Per Click (PPC) Links

Even though PPC links provide "little societal benefit" (quoting from *mVisible Technologies,* a view shared by many panelists) the question is whether they are evidence of bad faith. The consensus view is that where the links reflect the meaning of the lexical choice their use is irrelevant to the outcome of the case. "As long as the domain names have been registered because of their attraction as dictionary words, and not because of their value as trademarks, this is a business model that is permitted under the Policy," *The Landmark Group v. DigiMedia.com, L.P*., FA0406000285459 (Forum August 6, 2004), citing *Gen. Mach. Prods. Co. v. Prime Domains*, FA0001000092531 (Forum March 16, 2000). However, liability can be found where the links connect to businesses competitive with complainant or other evidence establishes a purpose inimical to a complainant's rights.

In *Asset Mktg. Sys., LLC v. Silver Lining*, D2005-0560 (WIPO July 22, 2005) the Panel held

> Unless the trademark owner or its mark are targeted by the domain name registrant, the offering for sale to the general public of a domain name and the generation of pay-per-click advertising revenue from a domain name do not constitute evidence of bad faith registration or use.

11 This presupposes that hyperlinks are clean of any reference to complainant, its goods or services, or its competitors. Thus, in *Javier Narvaez Segura, Grupo Loading Systems S.L. v. Domain Admin, Mrs. Jello, LLC*, D2016-1199 (WIPO August 31, 2016): "A respondent has a right to register and use a domain name to attract Internet traffic based on the appeal of commonly used

PPC advertising consistent with the meaning of the name is not evidence of targeting.[11]

Similarly, in *McMullen Argus Publ'g Inc. v. Moniker Privacy Servs.*, D2007-0676 (WIPO July 24, 2007) (<europeancar.com>): "pay-per-click websites are not in and of themselves unlawful or illegitimate." The general rule is clearly set out in *Advanced Personnel Systems, Inc. v. Domain Admin / Mighty Products, Inc.*, FA1804001780243 (Forum May 25, 2018) (<smartsearch.com>:

> If a PPC parking website shows only advertising links that are based on or related to the descriptive meaning of the domain name, a registrant may be found to have a legitimate interest in the domain name because it is making a fair use of the domain name. That is because use of a domain name for PPC advertising, where the links are related to the descriptive meaning of the domain name and are not seeking to take advantage of Complainant or its trademark rights, reflects a legitimate effort to capitalize on the descriptive meaning of the domain name rather than an effort to capitalize on the goodwill associated with another entity's trademark.

In this case,

> None of the links appear to be related to Complainant, its trademark or its business. Instead, the links seem to reflect descriptive matters that one might search for on the Internet, such as "games" and "movies." Because these links are sufficiently related to a website that offers "smart" "search" on the Internet, and because none of the links are related to Complainant or its personnel staffing program, the Panel finds that Complainant has failed to establish that Respondent lacks rights or legitimate interests in the disputed domain name.

"European car" and "Smart Search" are on one end of the scale. On the other end are domain names corresponding to the mark with a high reputation in the market discussed in Chapter 11 ("PPC Links as Evidence of Targeting"). PPCs also trigger

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descriptive or dictionary terms, in the absence of circumstances indicating that the respondent's aim in registering the disputed domain name was to profit from and exploit the complainant's trademark."

12 A federal judge in *Dent v. Lotto Sport Italia SpA*, CV-17-00651-PHX-DMF (D. Arizona March 10, 2020) annulling the UDRP award in *Lotto Sport Italia S.p.A. v. David Dent*, D2016-2532 (WIPO February 13, 2017) noted that "Defendant [prevailing party in the UDRP] cites to no case authority discussing or holding that a domain name owner's utilization of a GoDaddy or a similar noncash parking page constitutes 'use' of the domain name in the context of a claim under the ACPA. Further, the evidence indicates that: (1) Plaintiff has not developed a public website using the domains; (2) Plaintiff has not advertised or sold any goods or services using the domains; and (3) under his agreements with GoDaddy, Plaintiff has no authority to modify the content on the parked pages and may only inquire of customer support what further options "might be available."

another theory of liability: that registrant is liable for the content of the website to which the disputed domain name resolves.[12]

But weight of this factor depends on the totality of circumstances. Even wayward links do not unquestionably lead to abusive registration. In *Experimental Aircraft Association (EAA) v. EAA.COM*, FA0310000206309 (Forum December 16, 2003) (<eaa.com>), the Panel was unanimous "that the brief appearance of aviation links on Respondent's Web sites was automatically provided by a pay-per-click search engine provider and was not intended by Respondent. Further, since there is no evidence that Respondent's business is in connection with aviation, we do not find that the Respondent had a duty to be aware of Complainant's mark."

In *CNRV, Inc. v. Vertical Axis Inc.*, FA0912001300901 (Forum May 3, 2010) (<adventurerrv.com>) a 3-member Panel noted that "PPC advertising keyed to the descriptive meaning of the domain name can constitute a legitimate interest for purposes of the policy." It concluded that "regardless of whether Complainant's mark is descriptive or inherently distinctive for purposes of the Lanham Act, 'adventure' and 'RV' are dictionary words with a common meaning, and Respondent's PPC landing page does appear to have advertising that is related to that dictionary meaning."

Similarly, *Visual Systems, Inc. v. Development Services Telepathy, Inc.*, FA100400 1318632 (Forum June 28, 2010) (<cygnet.com>):

> It is accepted by both Parties that a link to Complainant's website appeared on Respondent's web page in the year 2005. In the circumstances outlined above, this Panel accepts Respondent's submission that the single, isolated, unintended non-misleading link does not support a finding of bad faith registration and use under the Policy.

Single, recent, and inadvertent links are not sufficient grounds for finding bad faith. The Panel in *Aqua Engineering & Equipment, Inc. v. DOMAIN ADMINISTRATOR / PORTMEDIA HOLDINGS LTD*, FA1805001785667 (June 25, 2018) (<acqufx.com>) found such inadvertence "de minimus":

> [Moreover] any links to Complainant's competitors on Respondent's website were de minimus and that the content posted on Respondent's website was overwhelmingly generic in nature.

And in *Oystershell Consumer Health, Inc. v. Titan Networks*, CAC 103658 (ADR.eu May 19, 2021) (<rim.com>) the Panel noted:

> Complainant's reliance upon a single screenshot which shows an inadvertent link referencing Complainant is insufficient in and of itself, to warrant the transfer of the domain name for 'bad faith'. At most this would constitute only unintentional 'bad faith use' and not 'bad faith registration' since there is clear evidence of an intention to register a common three-letter and dictionary word domain name for reasons that have nothing to do with the relatively

> little-known Complainant brand. An inadvertent link that long post dates a domain name is not determinative of bad faith registration in the first place.

These cases are among the innocuous even if in some instances there is an errant link. Thus, the Panel in *PAULINE v. Domain Vault, Domain Vault LLC*, D2022-4231 (WIPO February 9, 2023): "[E]ven if there was such redirection (in 2020 per the Complaint) this may show knowledge at the time but not necessarily some 20 years prior)." They are neither registered in bad faith nor used in bad faith, but using domain names for fraudulent purposes are entirely different. In those cases, registrants are actively engaged in causing harm to either or both the mark owner and consumers (Chapter 11).

Disclaimer on Website

Not Effective Disclaimer

Disclaimers provide no comfort to consumers who are deceived into believing that Respondent is sponsored by or associated with the mark owners. Since "the appropriate behavior to consider is Respondent's behavior prior to its receipt of notice from complainant," *Universal City Studios, Inc. v. G.A.B. Enters*., D2000-0416 (WIPO June 29, 2000), "a disclaimer added after respondent's notice suggests a conscious effort to bolster rights or legitimate interests in the domain name and avoid any implication of bad faith," although there may be circumstances that justify it.

The Panel noted in *United States Olympic Committee (USOC) v. Tri B-U-N Eco. Project*, D2000-0435 (WIPO July 13, 2000) (<usaolympiconlinestore.com>) that

> It is especially likely that an individual who is using the Internet to find genuinely licensed Olympic merchandise would, by reason of the inclusion of the word OLYMPIC in Respondent's website, discover Respondent's site.

But a disclaimer where a respondent has registered a disputed domain name without receiving mark owner's permission reinforces rather than cures a violation of the Policy.

Even if the disclaimer is properly positioned it would do nothing to correct the domain name being confusingly similar to complainant's trademark, "mitigate the initial interest confusion the name creates," or "cure the initial and illegitimate diversion," *Estée Lauder Inc. v. estelauder.com, estelauder.net and Jeff Hanna*, D2000-0869 (WIPO September 25, 2000).

While a post-notice disclaimer is not necessarily conclusive of bad faith it is evidence that respondent had actual knowledge of complainant's mark. Having once "attracted Internet traffic to [a] site by trickery, respondent cannot resort to disclaimers at the web site, however explicit, [. . .] to clothe the domain name with legitimacy," so stated by the Panel in *Arthur Guinness Son & Co. (Dublin) Limited v. Dejan Macesic*, D2000-1698 (WIPO January 25, 2001).

In *Pliva Inc v. Eric Kaiser*, D2003-0316 (WIPO June 9, 2003) the Panel held that a disclaimer is particularly ineffective where "the disclaimer appears only towards the bottom of the home page, after the customer's ordering option"; and in *Société pour l'œuvre et la mémoire d'Antoine de Saint Exupéry-Succession Saint Exupéry D'Agay v. The Holding Company*, D2005-0165 (WIPO June 9, 2005). the Panel pointed out that "in fact, the disclaimer itself actually proves the knowledge of complainant's mark."

The Panel also in *International Organization for Standardization ISO v. ISO Easy*, D2005-0984 (WIPO November 8, 2005) (<isoeasy.com>) pointed out that "[t]he brand recognition in this case centers on complainant and not the Respondent." Of the two disclaimers, one was written at the

> very bottom of the first page of the sites in question: A visitor to these sites would only see it after going through all the language about ISO and how the respondent can help in this regard by providing various consultancy and other services. Giving such low profile to such a significant disclaimer only serves to belittle its importance in considering the third test of the Policy.

The settled rule is that respondent's failure to centrally position a disclaimer that should properly be made on a website to distinguish itself from the complainant undercuts its good faith intentions. To be accepted, the disclaimer must appear in an appropriate setting that at once explains respondent's legitimate interest in the domain name and justifies its use of complainant's trademark.

The point is made in *USA DANCE, INC. v. Rhapsody Ballroom*, FA1102001372072 (Forum April 4, 2011) that a "disclaimer [should be positioned] in a prominent, conspicuous place disclaiming any affiliation with Complainant to avoid confusion," although where respondent incorporates complainant's trademark and copies its logo and images a disclaimer fails to be a renunciation of bad faith and directly impugns its conduct, *Ganz v. Schuessler Enterprises, Inc.*, FA0810001230809 (Forum December 10, 2008).

If the website is being used for criminal purposes such as phishing a disclaimer furthers the deception; in fact its presence "fails to [but rather increases] consumer confusion [and assists the fraud]," *Staples, Inc. and Staples the Office Superstore, LLC v. Cpn Now*, FA0904001257595 (Forum July 1, 2009).

A website designed to confuse the Internet user into believing that it is sponsored by the mark owner or associated with it "cannot be absolved of abusive registration by a disclaimer, and a disclaimer is nonsensical where a respondent attempts to disown responsibility for the contents of its website," *Frontline GmbH v. Gem Domains*, D2009-0991 (WIPO September 4, 2009).

Respondent in *Coolmath.com LLC v. PrivacyGuardian.org / Aamir Munir Butt, cool math games*, D2016-2203 (WIPO December 4, 2016) (<cool-math-mathgames.com>) argued that "Cool math" was a common phrase, but the Panel found that its "disclaimer [. . .] serves no practical purpose since the reader will by then have reached the Respondent's website and been exposed to the advertisements and games on offer."

And in *Kramer America, Inc. v. Eugeniy Alyamin*, D2022-0340 (WIPO July 28, 2022) (<smartlinermats.com>) the Panel concluded that

> the Respondent cannot rely on the disclaimer, which is far from prominent and unlikely to be seen by most users of the site. Furthermore, the disclaimer gives no information whatsoever as to the identity of the operator of the website.

Moreover,

> [t]he disclaimer is also incorrect in that the Complainant's name is not being used merely "for informational purposes" but rather to enable the Respondent to profit from the sale of the Complainant's products via affiliate links; and the claim to be "an independent enthusiast website" is contradicted by the Respondent's above-mentioned description of itself as: "Official Manufacturer". The Panel finds that the Respondent has not undertaken sufficient steps to avoid causing confusion to Internet users.

Effective Disclaimer

Disclaimers are effective where they truthfully reflect they are what they claim to be, and ineffective where they do not. In *Realmark Cape Harbour L.L.C. v. Lewis*, D2000-1435 (WIPO December 11, 2000) Panel stated: "Although a disclaimer of association generally may not be an adequate defense to trademark infringement, Respondent's use of a disclaimer in this case did serve to alert users of its services that it was not Complainant or its affiliate."

In *Goldline International, Inc. v. Gold Line*, D2000-1151 (WIPO January 4, 2001) (goldline.com>) Respondent "allegedly added [a disclaimer] after [it] was made aware of Complainant's objections." The Panel noted that under these circumstances "it cannot be said to show bad faith," although

> If the disclaimer were used on a website offering goods and services in competition with Complainant or in a related field, it might be ineffective to defeat an otherwise credible showing of bad faith. But, as applied to a website offering divergent services under a mark with multiple legitimate uses, the presence of a disclaimer provides no evidence of bad faith.

In *Covance, Inc. and Covance Laboratories Ltd. v. The Covance Campaign*, D2004-0206 (WIPO April 30, 2004) (<covancecampaign.com>), a fair use case the Panel found that the disclaimer

> makes it clear from the very outset that this site has no connection with complainant and is against the use of animal testing by complainant. In these circumstances it is extremely difficult to see how members of the public could be misled into thinking that the site is associated with, or has any connection with complainant.

The second level domain also announces the content of the website: it is not Covance but a “campaign” against its use of animal testing.

“Commonly Known By” Defense - Paragraph 4(c)(ii)

Business Names

“Mere ownership of a domain name is not sufficient to show that a respondent has been ‘commonly known by the domain name’; if it were, every domain name registrant automatically could claim protection under paragraph 4(c)(ii) of the Policy,” *Vestel Elektronik Sanayi ve Ticaret AS v. Kahveci*, D2000-1244 (WIPO November 11, 2000), followed in *Neiman Marcus Group, Inc. v. Neiman-Marcus*, FA0212000135048 (Forum January 13, 2003) in which Respondent claimed to be known by that name.

The defense of “commonly known by” can be satisfied on proof of sufficient commonality between the domain name and the name of the business or the person. The Claimant in *Thursday Boot Company v. Domain Admin, WHOISprotection.cc, Cynthia Wagner, et al.* D2021-4291 (WIPO February 28, 2022) argued that “Respondent must provide proof of being commonly known by the Domain Name.” However, “this assertion is without merit”:

> Respondent may use any of the defenses under in paragraph 4(c) of the Policy, since they are listed “in particular but without limitation,” and each separated by the word “or”, not “and”., but this commonality must exist prior to the registration of the domain name.

In these and similar registrations incorporating marks highly distinctive in the marketplace respondents have a case to answer unless in other instances in which complainants have no case to make. The point is made in *Ritchey Design, Inc. v. Vertical Axis, Inc.*, D2014-077 (WIPO August 8, 2014) (<ritchey.com):

> the Panel agrees with the Respondent that sale of domain names containing common surnames without proof of targeting of a trade mark and use of privacy services are normal business practices and since there has been no suggestion of the Respondent giving false contact details or not participating in these proceedings this is not evidence of bad faith in itself.

The issue first arose in *Digitronics Inventioneering Corporation v. @Six. Net Registered*, D2000-0008 (WIPO March 2, 2000) (SIXNET and <six.net> and <sixnet.com>). In this case, Respondent adduced evidence that "even though it has acquired no trade mark or service mark rights [. . .] [it] has produced evidence of commercial invoices showing that the company name as known by its customers as "SIX.NET." Also its name [which is] registered with the Quebec "L'Inspecteur General des Institutions Financieres" is "@SIXNET [and it] has been using the domain names since they were registered at the beginning of 1996 as its web site and other internet locations address."

In *Sony Kabushiki Kaisha aka Sony Corporation v. Sony Holland*, D2008-1025 (WIPO October 2, 2008) (<sonyholland.com>) the Panel dismissed the complaint on proof that Respondent's nickname "Sony" derives from "Sonia" and that her married name was "Holland," which is also the name of a country in which Complainant does business.

To be commonly known by the domain name must be supported by sufficient evidence as noted in the Sixnet Case. In *Adam Summers v. Georgina Nelson, CEO and Founder of truRating Limited*, D2015-0592 (WIPO May 24, 2015) (<trueratings.com>) Respondent submitted company records. Based on these the Panel found

> the Respondent has been operating this business since before the Complainant's trade mark was registered. As the Complainant does not appear to have any online presence, it seems highly unlikely that the Respondent registered the Disputed Domain Name with knowledge of the Trade Mark and with the intention to trade off the Complainant's reputation.

Similarly, in *Traveling Coaches, Inc. v. Arpit / FindMind Analytics Pvt Ltd*, FA191200 1873740 (Forum January 23, 2020) (<legalmind.tech>), Respondent adduced evidence showing that it "has been using the disputed domain name in connection with their business prior to this dispute. Respondent also provides social media pages that show the number of followers who know and recognize the brand. Therefore, the Panel finds that Respondent has shown that it is commonly known by the disputed domain name per Policy."

In the earlier cited *Medtronic, Inc.* case involving MEDTRONIC and Medotronic as in <medotronic.com>, the company "Medo" markets "consumer electronic devices," hence "tronic" short for "electronic" and is not a case of typosquatting; and *Bartko Zankel Bunzel & Miller v. Perfect Privacy, LLC / Jan Bartko*, D2022-0043 (WIPO March 17, 2022) (<bartko.com>) was of the view that because it was known by its first name it had a preemptive right to the corresponding domain name. However,

> [o]nce the Registrar identified the underlying registrant as the Respondent Jan Bartko, an individual with a family name corresponding to the Domain Name, the Complainant should have amended the Complaint to address the obvious implications for its arguments concerning the Respondent's prima facie legitimate interests and bad faith.

The Panel found that the maintenance of the complaint under these circumstances was abusive.

Personal Names as a Defense

'Commonly known" extends to individuals as well as businesses. Thus, in *Japan Airlines Company Limited v. TransHost Associates, JAL Systems and John A Lettelleir*, D2000-0573 (WIPO August 21, 2000) (JAPAN AIR LINES and <jal.com>) Respondent "chose his initials as they were easy to remember and simpler to spell than his own last name." And in *Modefine S.A. v. A.R. Mani*, D2001-0537 (WIPO July 20, 2001) (ARMANI and <armani.com>) Respondent used the initials of his given and middle names plus surname.

This view expresses a consistent principle under UDRP law. In *Shakespeare Company LLC v. Bob Pflueger*, D2010-1126 (WIPO Aug. 19, 2010) the Panel cited *Modefine*: "The use of one's own surname in a domain name is in accordance with a legitimate customary practice and is, as a rule, sufficient evidence of a right or legitimate interest in the domain name. [. . .] Trademark owners shall not be allowed to use the Policy to dispossess summarily a third party of a domain."

In *Law and Business Enterprises Worldwide S.L. v. Ann Labe*, D2022-1040 (WIPO May 27, 2022) challenging <labe.com> (Complainant's acronym) "Respondent had every right to register her surname to promote her business on the Internet even if the trademark predated the registration of the name, but here <labe.com> predated the trademark. In failing to perform even the most cursory research into the identity or use of the domain name, the Panel sanctioned the Complainant with reverse domain name hijacking.

Noncommercial and Fair Use Defense - Paragraph 4(c)(iii)

Expressive and Critical Speech

General Considerations

WIPO Final Report states without qualification: "Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would likewise not be considered to be abusive." Under the UDRP, protected use is expressed in the disjunctive, either as "legitimate noncommercial or fair use."

If use of a domain name is fair it must by definition be noncommercial: "without intent for commercial gain to misleadingly divert consumers" or "creat[e] a likelihood of confusion" with owner's mark. In this respect, Paragraph 4(c)(iii) is the antithesis of Paragraph 4(b)(iv) of the Policy (discussed in Chapter 11). Where the defense of fair use is accepted the complainant fails on this element, otherwise respondents are candidates for a Paragraph 4(b)(iv) finding.

The phrasing "noncommercial or fair use" sweeps in a variety of lawful use, but it also focuses attention on "unfair use" and impersonation as already noted. How panelists construe these very different noncommercial and fair use circumstances opens a window into the process of assessing both claims and defenses. Where a domain name is identical to a mark without advertising the content of the website, the use may be considered unfair, and if unfair cannot support a right or legitimate interest.[13] But a domain name confusingly similar to a mark that includes a pejorative affix as giving notice that the resolving website is of the mark owner but not sponsored by it, it will be considered fair.

The jurisdictional issue was played out in a spirited debate over whether it was fair to disguise commentary and criticism by not identifying the comment/criticism purpose of a domain name identical to the mark. I pointed out in Chapter 4 that early in the jurisprudence a split had occurred regarding protected speech—the "Domain Name itself is misleading" approach versus the content of the website approach.

WIPO Overview, 1.0 (2005) reported these different views as Views 1 and 2. WIPO Overview, 3.0 (2017) found the consensus to have resolved into a semi-*modus vivendi.* The composition of domain names that may pass as fair in a US court and not actionable under trademark law is likely to be found unfair in a UDRP proceeding, *but not always*.

While both views agree that commentary and criticism are protected speech, they diverge principally as to the lexical composition used to convey the speech. Domain names incorporating the mark and nothing more suggests an affiliation with the mark owner, and as such creates a likelihood of confusion that supports a claim of cybersquatting (Chapter 11) .

The principle drawback with the different views is that it fractures the jurisprudence. Critical speech is protected if conveyed in the right form: <trademark+discriptiveaffix.com>, but <trademark.com> is not fair. The "fairness

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13 What if the domain name is typographically different <vallhallan.com> (an additional "l"), is that unfair? The Panel in *Valhallan, LLC v. Casey Strattan*, D2023-0977 (WIPO May 12, 2023): "Moreover, albeit somewhat as an aside (noting that this is a typo case, and there is no evidence it presents a pretext for cybersquatting." The parties are both US based.

doctrine" which is re-formulated in WIPO Overview 3.0 as an "impersonation test" is not an entirely satisfactory solution.

The history of this disagreement is reflected in the opposing views. The Panel in *Bridgestone Firestone, Inc., Bridgestone/Firestone Research, Inc., and Bridgestone Corporation v. Jack Myers*, D2000-0190 (WIPO July 12, 2000) (<bridgestone-firestone.net>, first and second named Complainant US and third named complainant Japan) based its analysis for dismissing the complaint on applying law developed in US judicial decisions. The Panel stated (bluntly):

> The Panel is aware of the line of trademark infringement cases holding that <trademarksucks.com> domain names may be protected as free speech because of their "communicative content" while <trademark.com> domain names serve merely as "source identifiers" and are thus unprotected.

But "sees no reason to require domain name registrants to utilize circumlocutions like <trademarksucks.com> to designate a website for criticism or consumer commentary."

This view would appear consistent with the WIPO Final Report, as already noted. However, View 1 of the split introduced a qualification. It rejected the view (View 2) that a respondent has a right or legitimate interest in a domain name that conveys commentary or criticism in a domain name identical to a complainant's trademark.

View 1 is illustrated (among other decisions so holding) in *Skattedirektoratet v. Eivind Nag*, D2000-1314 (WIPO December 18, 2000) (Both parties, Norway). The 3-member Panel held that while it

> accepts that it is, in principle, legitimate to operate a domain name for the purposes of lawful criticism of a trademark owner [. . .] [it] does not, however, believe that this right extends to occupying a domain name identical to a sign identifying a trademark owner.

Rather,

> the Panel believes that anyone wishing to contact a trademark owner, has the right to contact the owner by addressing himself to the owner's exact identifier, followed by the top level suffix, in this case .com, and to thereby reach the trademark owner, and not a third party, which itself does not have rights in that mark.

As I pointed out in Chapter 4, the "exact identifier" view is a clear divergence from US law. It will be recalled that in *The Reverend Dr. Jerry L. Falwell*,[14] the

14 *The Reverend Dr. Jerry L. Falwell and The Liberty Alliance v. Lamparello International.*, FA0310000198936 (Forum November 20, 2003) (<fallwell.com>. Referred to as *Falwell* 2) and and

Panel had no ambivalence in ordering the domain name transferred on grounds of typosquatting. When the award was challenged in US federal court under the ACPA, the district court agreed with the Reverend Dr. Falwell by dismissing the complaint on summary judgment, but the Fourth Circuit Court of Appeals reversed for failure of the district court to address plaintiff's free speech rights, and held:

> use of another firm's mark to capture the mark holder's customers and profits [ ] simply does not exist when the alleged infringer establishes a gripe site that criticizes the mark holder.

In an earlier Fallwell UDRP case that had been dismissed (over a trenchant dissent arguing that the incorporation of the Complainant's name was unfair) the Panel concluded: "Whether the commentary is in good taste, whether it is funny, whether it is effective, all is beside the point" (See Chapter 4, Footnote 3).

In *David Foox v. Kung Fox & Bill Hicks*, D2008-0472 (WIPO July 25, 2008) (Netherlands and Turkey), the Panel stated: "Essentially, any use which gives rise to a right or legitimate interest must be fair and impersonation is not fair." Thus, for the "domain name itself is misleading" approach, pure commentary or criticism on the website is not sufficient to sustain a paragraph 4(c)(iii) defense.

Similarly, in *XNT LTD. v. Ekaterina Shelud'ko, ForexAW.com*, D2022-4133 (WIPO January 23, 2023) the Panel ordered <exante.pro>) transferred to the Complainant's account on the grounds cited in *Falwell* 2:

> Even if it could be argued that the Respondent is using the disputed domain name for non-pretextual, noncommercial criticism of the Complainant, it is necessary to consider the disputed domain name in the context of the "impersonation test"

If a domain registrant intends to criticize the mark owner it has to be out-front about it. It has to signal that the resolving website is not affiliated with the mark owner.

The outcome of these different approaches is the new formulation reported in the Jurisprudential Overview (WIPO Overview 3.0) that the critical factor is impersonation—Is it fair if there is no warning? The impersonation test is a three-part assessment of the facts: likelihood of confusion, pretextual intention, and the form of message. The formulation and encouragement to apply the impersonation test is discussed in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019) as noted in Chapter 4.[15]

Lamparello v. Falwell, 420 F.3d 309 (4th Cir. 2005). *Falwell* 1 is an earlier case, *The Reverend Dr. Jerry Falwell and The Liberty Alliance v. Gary Cohn, Prolife.net, and God.info*, D2002-0184 (WIPO June 3, 2002) ("*Falwell* 1"). The Panel dismissed *Falwell* 1 applying US law.

Regardless of the composition of the disputed domain name, whether it is identical or confusingly similar to the complainant's mark, if it is seen to be impersonating and pretextual the complaint will be forfeited, with a curious twist that returns us to the *Bridgestone Firestone* view, namely that if the contents are judged genuine and not pretextual, the respondent satisfies Paragraph 4(c)(iii). That being so, the complaint will be dismissed as outside the scope of the Policy. The respondent may not have rights or legitimate interests but the complainant has not proved abusive registration of the disputed domain name.

The impersonation test is not contradicted in later cases, but as the Panel noted in *Everytown for Gun Safety Action Fund, Inc. v. Contact Privacy Inc., Customer 1249561463 / Steve Coffman*, D2022-0473 (WIPO April 4, 2022) (<momsdemand.org>), commenting on *Dover Downs*, while the "use of an 'impersonation test' is an important factor to be considered [. . .] the Panel nevertheless has reservations about adopting a blanket use of an "impersonation test.""

This analytical development has encouraged some Panels to revert to US law (where the parties are US based).[16] Thus, in *Ryan Kavanaugh v. Proxy Protection LLC, Proxy Protection LLC / Love Ostlund cunow, web10media AB*, D2022-0056 (WIPO April 15, 2022) (<doesryankavanaughlooklikeharveyweinstein.com>) the 3-member Panel dismissed the complaint:

> [I]t is the Panel's view that United States law is relevant and applicable [ ]. Even if United States law did not apply in this matter, Respondent's use of the disputed domain name for a noncommercial criticism site is protected under the Policy.

Similarly, in *Roman Polanski v. Matan Uziel*, D2022-4360 (WIPO January 26, 2023) (<imetpolanski.com>) concluded that

> It is not the Panel's role, nor within its capacity, to rule on whether the criticism is right or wrong; the question before the Panel is whether the disputed domain name is being genuinely used for a fair use purpose.

In dismissing the complaint, the Panel reprimanded the Complainant: "It is a source of considerable concern that the Complainant brought this proceeding

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15 The Panel in this case was an early advocate of View 2 and still favors it but has acceded to the consensus view. See discussion in Chapter 4 of *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019).

16 An irony may be noted here. If the Panel finds against the respondent on the three-part test and the respondent believes the Panel got it wrong the respondent has recourse under the ACPA (in the words of the Panel in *Dover Downs*), but if the Panel finds impersonation and no pretextual intention and the message is genuine the complaint will be dismissed unless US law is applied.

notwithstanding the failure of his defamation proceedings against the Respondent and, more so, after several years' delay."

In whatever form the domain name may take, the question is whether to grant the remedy (View 1) or dismiss the complaint (View 2). In *Law Office of Graham C. Fisher, LLC v. Jack Toering / FindLocal, Inc*, FA2212002023163 (Forum January 5, 2023), the Panel noted that it "reaffirms that it agrees with the case law cited by the panel in *Bridgestone Firestone*.

"Why" and "What" Questions

Protected speech analysis rests on answering "why" and "what" questions. Why has the respondent registered a domain name that is identical to a well-known or famous mark? What is the purpose for incorporating the mark in a domain name that without warning opens to a criticism or commentary website? Panelists generally favored with exceptions as I have discussed an approach that denied good faith to expressive domain names that incorporated the mark without including a pejorative indicating it is not sponsored by complainant.

As the Panel in *Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale*, D2000-0662 (WIPO September 19, 2000) (<wal-martsucks.com>) implied: there are genuine pejoratives and false pejoratives. In this case, the issue was whether a faux domain name supports respondent's claim to a right or legitimate interest where the pejorative is only a pretense of legitimacy:

> The Panel is cognizant of the importance of protecting protest sites that use a trademark to identify the object of their criticism. The "legitimate interest" and "bad faith" factors should adequately insulate true protest sites from vulnerability under the Policy, especially as the Complainant retains the burden of proof on each factor.

However,

> Where, as here, a domain name registrant does not use a site for protest but instead offers it for sale for substantially more than the costs of registration, the site does not further the goal of legitimate protest; rather, it constitutes trademark piracy.

But in earlier cases, legitimate criticism funneled through domain names identical to the mark was fair: "Use of the Policy to provide such insulation would radically undermine freedom of discourse on the internet and would undercut the free and orderly exchange of ideas that the Policy seeks to promote," *Britannia Building Society v. Britannia Fraud Prevention*, D2001-0505 (WIPO July 6, 2001) (<britanniabuildingsociety.org>). The Panel (the same as in *Wal-Mart* and the future Panel in *Dover Downs*, earlier cited) found:

> The web site Respondent operates at the Domain Name is, and so far as the Panel can tell from the record always has been, maintained as a genuine criticism site. [. . .] The goals of the Policy are limited and do not extend to insulating trademark holders from contrary and critical views when such views are legitimately expressed without an intention for commercial gain.

Concluding: "A genuine criticism site, undertaken by its proprietors with no intent other than to protest, ridicule and mock its targets, does not fall astray of the dictates of the Policy, regardless of the outrageousness of the allegations it contains or the vigorousness with which they are made."

In *Robo Enters., Inc. v. Tobiason*, FA0010000095857 (Forum December 24, 2000), though, the Panel rejected the respondent's asserted rights or legitimate interest in the domain name <roboenterprises-investors.com>, noting that "while the content of the respondent's website may enjoy First Amendment and fair use protection, those protections do not create rights or a legitimate interest with respect to a domain name which is confusingly similar to another's trademark."

In *Preston Gates & Ellis, LLP v. defaultdata.com and Brian Wick*, D2001-1381 (WIPO February 13, 2002) (<prestongatesandellis.com>) the Respondent advanced the following theories:

> (a) the Internet is the electronic equivalent of a public access road on which individuals are free to distribute their views (as with physically published flyers); (b) that he is using the disputed domain names to direct Internet users to free speech websites where he criticizes the intrusion of the ACPA, ICANN, the Policy, etc., on protected free speech rights protected by the U.S. Constitution, and (c) there is no commercial aspect to his use of the disputed domain names

The Panel explained:

> Respondent does not reasonably need to register and use the service marks of many of the major law firms in the United States because he wants to make the point that lawyers are evil. While this might facilitate his task, it interferes in a substantially too great way with the legitimate rights of the service mark holders to control the use of their names to conduct business.

This conduct is actionable as targeting a mark with the intention of delivering a message through impersonation of complainant, further discussed in Chapter 11.

Protected and Unprotected Speech

All critical speech is protected but in the UDRP the packaging determines whether there is an actionable claim for cybersquatting. Taking this as consensus (according to the Jurisprudential Overview and *Dover Downs*) lthough there are renegades who disagree) what speech is protected?

There are different registers of speech distinguished by their higher or lower intensities of volume and tone. As a general rule, commentary, criticism, parody, and satire are protected (as long as they meet certain packaging qualifications as to the composition of the domain name) even though to the mark owner it may be outrageous, irksome, intolerable, and even (allegedly) defamatory. It is not within panelists' authority to determine whether registrants have gone too far in the direction of defamation and invasion of privacy. These disputes are issues for courts to decide so that even strong or biting commentary and criticism is out of UDRP's subject matter jurisdiction, assuming respondent obeys the rules.

Thus, there is no merit to complainant's counter argument that the registration of the disputed domain name is "an attempt to attract or divert internet users to the Respondent's website for the purpose of disrupting the Complainant's business and in order to make unproven allegations of criminal activity and potentially defamatory remarks."[17]

Notwithstanding the split described above and in Chapter 4, and the qualification for good faith registration, Panels continue to protect speech even if its conveyance does not include any forewarning of the kind of speech it is. For example, in *Tatian Botton v. Mozur contactor: OlegMozur*, FA2006001900809 (Forum August 4, 2020) (<tatiana-botton.com>) the Panel noted that "while some of the material is disturbing, it nonetheless qualifies as protected free speech under the standards of the Policy"), citing *Petroleo Brasileiro S.A. v. Ivo Lucio Santana Marcelino Da Silva*, D2014-1331 (WIPO September 23, 2014) in which the Panel held that "Respondent's website seems to contain information on Complainant's business practices [. . .] [including] [. . .] purported corruption. [. . .] The Panel views the protection for such speech [. . .] to be sufficiently broad to cover the present situation."

In *Fraternal Order of Moai, Inc v. Tim Glazneraim*, FA1607001686147 (Forum August 30, 2016) (<fraternalorderofmoai.com>, both U.S. citizens; and *White Ribbon Australia v. Whois Privacy Protection Service, Inc / Erin Pizzey*, D2016-1234 (WIPO September 5, 2016) (<whiteribbon.org> in which the parties are Australian and U.S. citizens. In both cases the domain names are identical to the trademarks. The Panel in *White Ribbon* "acknowledg[ed] that the Respondent has the right to freedom of speech, [but] is of the view that there is a clear distinction between a right to express critical views and freedom of speech, and a right or legitimate interest in respect of a domain name which is identical to a complainant's trademark. The Respondent's right of free speech can be exercised by using a domain

17 *Britannia Building Society v. Britannia Fraud Prevention*, *supra*.

name which suggests very clearly to visitors the content and intent of the website thereby obviating any risk of deception."

In *Fraternal Order* the "Panel [found] that Respondent uses the domains in connection with a legitimate criticism website [therefore] it holds that Respondent has rights or legitimate interests in the disputed domain names." Of course, the Panel cannot mean that criticism is "legitimate" in any objective or absolute sense only that it appears so. Whether commentary/criticism is legitimate or genuine sometimes appears except for suspicious inconsistencies that support the opposite.

In *Law Office of Graham C. Fisher, LLC v. Jack Toering / FindLocal, Inc.*, FA2212002023163 (Forum January 5, 2023) (<grahamcfisher.com>) the Panel states: "The question of whether or not criticism sites violate the Policy is a controversial issue, with Panels taking opposite views on the matter." It, though, "affirms that it agrees with the case law cited by the panel in Bridgestone Firestone, Inc. v. Myers, D2000-0190 (WIPO July 6, 2000) that is, in favor of protecting expressive speech.

Tarnishment

Protected Speech

The term "tarnishment" is found in the final phrase of the paragraph 4(c)(iii) defense, which reads that the "legitimate noncommercial or fair use [. . .] [must be] without intent [. . .] to tarnish the trademark or service mark at issue." Complainants frequently misapply the term "tarnish" to conduct that is not condemned under the UDRP. Nothing in the WIPO Final Report or in the ICANN Second Staff Report is intended to stifle criticism which is otherwise protected speech, although a line is drawn between fair and unfair use. Staff pointed out that the term "tarnishment" "is limited to acts done with intent to commercially gain" (End note 2).

The Panel in *Britannia Building Society*, *supra.*, construed tarnish to mean that the

> phrase [. . .] has a specific meaning that does not apply here. Tarnishment in this context refers to such unseemly conduct as linking unrelated pornographic, violent or drug-related images or information to an otherwise wholesome mark."

The Panel specifically had in mind *Nicole Kidman v. John Zuccarini, d/b/a Cupcake Party*, D2000-1415 (WIPO January 23, 2001) ("[S]exual implications

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18 Dubbed by the Panel in *Hostelworld.com Limited v. huangbo, huangbo*, D2022-3341 (WIPO November 11, 2022) as "porno-squatting." Other cases have identified gambling as potential tarnishment.

of the domain name <nicolekidmannude.com> and the sexually explicit advertisements to which it was connected threaten to tarnish Kidman's mark."[18]

Otherwise, it is not "tarnishment" to criticize however it may be received. For example, in *Amylin Pharmaceuticals, Inc. v. Watts Guerra Craft LLP*, D2012-0486 (WIPO April 29, 2012) (<byettacancer.com>, the Panel noted: "Although the Respondent may be critical of the Complainant and its drug, that is not the kind of 'tarnishment' to which the Policy refers."

The Panel in *Concierge Auctions LLC v. Registration Private, Domains By Proxy, LLC / Wesley Donehue, Donehue Direct*, D2020-1020 (WIPO August 17, 2020) (<conciergeauctionscam.net>) explained:

> Merely referring to a trademark product or service using information that is unflattering to the trademark owner is not actionable tarnishment. Were that the case, the doctrine of fair use would be significantly undermined.

And in *Phantom Fireworks Showrooms, LLC / Phantom I.P., LLC v. Frank Elliott / Jurassic Fireworks, Seasonal Sales Inc.*, D2021-4104 (WIPO January 31, 2022) (<phantomfireworksscams.com>)

> The Complainant alleges that the Respondent's website "tarnishes" the Complainant's mark. UDRP and trademark decisions treat tarnishment as a kind of trademark dilution, diminishing the value of a mark by false and negative association… There, as in the present case, all parties were located in the United States, where the concept of tarnishment does not apply to legitimate critical fair and noncommercial use of a trademark: "under Section 43(c) of the Lanham Act, there is no cause of action for trademark dilution (which encompasses both blurring and tarnishment) if a party is making a '[n]oncommercial use of a mark' which is the case if the site is a legitimate gripe site."

There is a far distance between the language used and the circumstances alleged in the cited decisions and more extreme speech which can be found unprotected under free speech principles. US courts have drawn distinctions as to the balancing of rights[19] as have Panels, but some have drawn a line in the sand when the tenor of the website content changes from expressive (even harsh) criticism and commentary to the unfolding of accusations charging mark owners and their employees of engaging in criminal acts and vile conduct.

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19 *Taubman v. Webfeats*, 319 F.3d 770 (6th Cir. 2003) (<taubmansucks.com>; the Court held that "[even if] economic damage might be an intended effect of Mishkoff's expression, the First Amendment protects critical commentary when there is no confusion as to source, even when it involves the criticism of a business. Such use is not subject to scrutiny under the Lanham Act.") But see *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270 (5th Cir. 2002) ("[T]he fact that [defendant] hosted a web site using Gallo's trademarked name, at which it disparaged the instant litigation and alcohol, is evidence of intent to harm Gallo's goodwill and to tarnish its mark.")

Extreme (Unprotected) Speech

Thus, notwithstanding the noted consensus, not all panelists are prepared to grant a blanket right of speech in all its registers. If there are limits to criticism, what are they? And, are extreme and abusive expressions actionable violations of complainants' rights under the UDRP?

The general rule is that critical speech (free speech) if not pretextual or impersonating complainant is outside the scope of the Policy. Whether they would pass muster under the First Amendment of the US Constitution or support a claim for defamation are determinations for the court.[20] However, there is a sharp distinction between criticism and commentary that is outside the scope of the UDRP and (as some Panels would have it) accusatory statements of criminal acts and vile conduct that is within the scope.

I noted in Chapter 4, Footnote 3, that there is a line of persuasive authority that extreme speech is not an issue for the UDRP: "even if the gripes and commentary may be untrue—the proper cause of action in that circumstance would be one for defamation, not dilution or cybersquatting." This line of reasoning, though, involves commentary and criticism and some of it hinging on political commentary.

Nevertheless, some panelists have awarded disputed domain names regardless whether they are identical or confusingly similar to corresponding marks (ignoring the View 1 consensus previously discussed); and secondly they have granted common law rights to individuals employed in business dealings and not themselves engaged in commerce who would otherwise be denied any trademark right.

These panelists have reasoned respondents' website contents may be condemned as abusive and the disputed domain names registered in bad faith where the content consists of calumnious and accusatory statements of criminality and vile conduct.

It can be found particularly abusive where respondents default in appearance and absent from the record are any explanations or justification for the website contents such as a jury verdict in a court of law or judicial decision, some direct evidence that justifies the language; or if they do appear respondents fail to address

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20 There is a rich vein of thought on the interaction between trademark law and the First Amendment. In *Name.Space, Inc. v. Network Solutions, Inc*., 202 F.3d 573, 585-86 (2d Cir. 2000) the Court held: "`Domain names . . . per se are neither automatically entitled to nor excluded from the protections of the First Amendment. . . . Whether a particular domain name is entitled to protection under the First Amendment depends on the extent of its communicative message." See among other US cases, *Planned Parenthood Federation of America Inc. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313 (S.D. N.Y. Mar. 24, 1997), aff'd, 152 F.3d 920 (2d Cir. 1998); *Coca-Cola Co. v. Purdy*, 382 F.3d 774 (8th Cir. 2004).

the underlying motivations for their accusations or submit proof that explains the justification for the abusive language. The question is whether the demand for relief impinges on respondent's First Amendment rights (where they are US domiciliaries.

The Panel in *Council of American Survey Research Organizations [CASRO] v. The Consumer Information Organization, LLC, aka Pinelands Web Services*., D2002-0377 (WIPO July 19, 2002) held:

> not all so-called criticism is "legitimate" or "fair" within the terms of the Policy. While the "right to criticize is fully enjoyed when expressed on the author's own web site under a domain name unique to the author [. . .] the right to criticize does not carry with it the right to tarnish another's mark, as we find Respondent is here doing, by the use of that mark as the domain name for a web site to criticize and disparage the mark and its proprietor."

In *Triodos Bank NV v. Ashley Dobbs*, D2002-0776 (WIPO October 3, 2002) (<triodos-bank.com>) the Panel commented:

> In the view of the Panel there is a world of difference between, on the one hand, a right to express (or a legitimate interest in expressing) critical views and, on the other hand, a right or legitimate interest in respect of a domain name. [. . .] Depriving the Respondent of the ability to deceive internet users by his use of the Domain Name does not in any way deprive him of his right to free speech.

And in *The Royal Bank of Scotland Group and National Westminster Bank v. Pedro Lopez and A&A System Solutions and Alberto Rodriguez*, D2002-0823 (WIPO December 2, 2000) the Panel held:

> Freedom of speech must be balanced with some degree of control, manner and regulation to avoid the arising of abuses; limits must be set. Moreover, Respondents neither specify nor explain Complainants' "reprehensible behaviour" on their website. Without support, this innuendo serves no purpose other than to potentially tarnish the reputations of Complainants and their trademarks.

Assessing that balance is a delicate call. The question is, How far is too far? In *Jody Kriss and East River Partners, LLC v. Felix Sater / Larissa Yudina*, FA1602001660728 (Forum Mar. 22, 2016) the Panel found the language abusive. It held:

> A criticism site does not become one merely by asserting that it is, just as a fan site does not become one simply by carrying material about its subject, if its real purpose is something different [. . .] [such as] where the site is clearly intended for denigration and disparagement, and probably as Complainant submits, revenge, by means of using extreme language, up to and including an allegation of murder.

The balance is pursued further in *TM Web Properties, Ltd. v. dlp/donald seoane*, FA1909001861963 (Forum October 14, 2019) (<webzillahosting.com>) the Panel found calumnious assertions unsupported by evidence:

> Commentary on Respondent's web site to the effect that Complainant engages in predatory business practices is related to the business of Complainant but the references to hacking, raping children, scamming and evading justice in foreign countries are not. They plainly link vile criminal acts to Complainant and its mark. They also are made in an intemperate and provocative manner, using terms such as "child rapist scammer" and provide no evidence or explanation in support. This type of expression cannot rationally be regarded as honest, genuine criticism entitled to protection as fair use under the Policy.

The Panel in *Optimistic Investments, LLC v. Justin Ligeri*, FA2203001989447 (Forum April 18, 2022) (<kangaroomanufacturingincorporated.com>) explained that "Respondent registered the disputed domain name in order to take revenge on Complainant's principal and disrupt his business."

None of these instances support fair use protection where the unstated motivation is incendiary expression. In *Charter Communications Holding Company, LLC v. Michael Presley*. FA2211002020166 (Forum December 12, 2022) (<stop-spectrum.com> and <spectrumkills.com>, on Respondent's default) the Panel held:

> the Respondent was aiming at the Complainant with the sole objective of damaging it and disrupting its business by lessening public confidence in the Complainant and its employees and branding it as some sort of criminal enterprise.

This line of reasoning is of the view that the balance give domain name registrants room to express themselves, but as surely as that is true there is expression that is actionable in a UDRP proceeding that supports an award forfeiting the domain name.

That balance favored the complainant in *Ted Britt Ford Sales, Inc. v. Contact Privacy Inc. Customer 0155442277 / Guy Emerson*, D2020-0732 (WIPO April 28, 2020) (<tedbritt.net>). The Panel held that "[Respondent] crossed the line when

> Without detailing a single act of supposed business misconduct, the Respondent published home addresses and personal contact information, not all of which may be publicly available, for individuals including spouses of business owners" [emphasis added]. In doing this, "the Respondent crossed [the] line. The Respondent's website does not meet the standards for 'fair use' of the Domain Name."

In *Mr. Daniel Imhof, v. Name Redacted*, D2023-1209 (WIPO May 16, 2023) (<danielimhof.com>) the Panel found that Complainant proved that he had common law rights although he was an employed banker and not a person with any commerce presence in the marketplace. Having found that the Complainant qualified for standing the Panel was then able to find the Respondent acted in bad faith:

> The fact that the Respondent registered a domain name identical to the Complainant's mark, rather than one clearly indicating that the Domain Name was intended for criticism, is a further indicator of bad faith. The identity of the Domain Name to the Complainant's mark means that the Domain Name is particularly suited to the Respondent's apparent goal of attracting traffic intended for the Complainant; an inherent risk of impersonation.

Parody and Satire

When we turn to parody and satire we are conscious that their success depends on the registrant adhering to the requirements of their genres. The Panel explains these requirements in *A & F Trademark, Inc. and Abercrombie & Fitch Stores, Inc. v. Justin Jorgensen*, D2001-0900 (WIPO September 19, 2001) (<abercombieand-filth.com>): a "parody must convey two simultaneous–and contradictory–messages: that it is the original, but also that it is not the original and is instead a parody."

There are two steps to assessing parody.[21] The first is "whether the domain name itself has the capacity to constitute parody." The second is whether the content is parodic. The Respondent passed the first test on account of the substitution of "filth" for "Fitch" as it forewarns the Internet searcher of what it might expect on the resolving website. This is the same test that we met with in View 1.

The Panel rejected Respondent's parodic defense with regard to content because there was "no content conceivably poking fun at Complainant." It explained:

> In the second step, we look to the content of Respondent's web site to determine whether Respondent's use of the domain name and of Complainants' marks is consistent with its claim of parody. In order to constitute parody, the web site must poke fun at the goods or services associated with Complainants' marks: use of another's trademark to poke fun at something unrelated to Complainant's mark is not parody. (Emphasis added).

As the requirement is binary (a conjunctive requirement), success of one test is insufficient to rebut complainant's contentions that the respondent lacks right or legitimate interests in the disputed domain name.

Whereas, in *Harry Winston Inc. and Harry Winston S.A. v. Jennifer Katherman*, D2008-1267 (WIPO October 18, 2008) (<hairywinston.com>), the Panel found playful parody for use as a business name–a dog salon–and since it was semantically appropriate, it supported a legitimate interest.

21 To be noted: in assessing the issue of parody, the Panel drew on precedent from US case law and as approved by subsequent Panels has been absorbed into UDRP law.

And in *The Resource Center for Pregnancy and Personal Health v. Abigail Hutchings*, FA200200 1885848 (Forum March 30, 2020) (TESTS4 GREELEY.COM and <truth4greeley.com>) (parodying "Tests" with "Truth") the Panel held: "[T]here is no principle that equates bad faith with criticism."

However, the disputed domain name in *Everytown for Gun Safety Action Fund* (discussed earlier in connection with a different issue) <momsdemand.org> is virtually identical to the Complainant's mark—omitting the word "Action"—but it fails both tests sunder *A & F Trademark* (not cited by the Panel):

> With regard to Respondent's claim that he intended to engage in some form of parody, such is not evident from the disputed domain name or the content of the web page that the disputed domain name resolves to. There is nothing in the disputed domain name that would alert a web user that the disputed domain name is part of a parody and that the associated web page is not affiliated with or approved by Complainant.

However, the Panel in *Scrum Alliance, LLC v. Contact Privacy Inc. Customer 1247644697 / Matthew Barcomb*, D2021-2932 (WIPO October 25, 2021) (US parties), concluded:

> Non-pretextual criticism is not prohibited by the Policy and does not render the parodist or critic a "competitor." Id. (the activities of a "competitor" under paragraph 4(b)(iii) of the Policy "would not encompass legitimate noncommercial criticism").

The Panel cited US law on this issue.

Political Speech

Political speech is a further test of rights. The Panel in *Sutherland Institute v. Continuative LLC*, D2009-0693 (WIPO July 10, 2009) (<sutherland.com>), dismissed the complaint as "pure political speech") even though the domain name is identical to the mark: "[I]n the world of debate about public affairs, many things done with motives that are less than admirable are protected by the First Amendment." Here, the emphasis is on content and not the second level conveyor.

The Panel in *Courtney Cox, Ivy Lane Living v. Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Betsy Riot, Betsy Riot*, D2018-1256 (WIPO August 16, 2018) (<ivy-lane-living.com>) a domain name virtually identical to Complainant's mark (by adding hyphens), held:

> given the totality of circumstances in this case, the Panel is not persuaded by the argument that use of the disputed domain name to create user confusion is sufficient to overcome the intention of Respondent to use the disputed domain name in connection with protected political speech.

The Complainant had argued:

> Respondent's websites malign and disparage Complainants and "deliberately cause actual and potential customers to stop using their goods and services" and "contained extremely vulgar and offensive material that essentially claims that Complainants have profited from the deaths of children who were killed in recent mass shootings."

But the Panel aligned itself with US law, citing *Howard Jarvis Taxpayers Association v. Paul McCauley*, D2004-0014 (WIPO April 22, 2004) (which the its author reluctantly abandoned in *Dover Downs*).

But the Panel in *Desert Community College District aka College of the Desert v. Christopher Parman*, FA2210002015615 (Forum November 21, 2022) (<collegeofthedesert.com>) was of a different view. The composition of the disputed domain name counts:

> Respondent further argues that his free speech rights are superior to Complainant's trademark rights, and as such Respondent should be able to use the Disputed Domain Name for his political speech even though the Disputed Domain Name is identical to Complainant's Mark.

This is a view that "[s]ome panels believe [. . .] is the correct approach." However,

> Without meaning any disrespect to Panels who hold this view, this Panel does not subscribe to this approach for the following two reasons. Firstly, this approach is not necessary to protect Respondent's free speech rights on the Internet. Respondent can use any available domain name that does not include Complainant's Mark or even that does include Complainant's Mark but in combination with an additional word or words creating a clear differentiation from Complainant, such the <trademark+sucks> format. And secondly, this Panel believes that the creation of a strictly national approach to this issue is inconsistent with the borderless nature of the dispute resolution system embodied in the Policy.

The rational for this view is that the domain name implies (at least insofar as diversion by initial interest confusion) an affiliation with the mark owner and the Internet searcher is disappointed when reaching the website to find criticism and not the target of the criticism.

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22 See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999) (holding that initial interest confusion causes a sufficient trademark injury even though no actual sale is consummated). However, later decisions in U.S. courts have repeatedly held that in the Internet context initial interest confusion that arises from a defendant's use of a domain name is not legally significant where it is apparent once the consumer reaches a website that they are at the wrong site and have not reached the party they are looking for. As one court noted, "Internet surfers are inured to the false starts and excursions awaiting them," See *Chatam International,. Inc. v. Bodum, Inc*, 157 F. Supp. 2d 549, 558 (E.D. Pa 2001).

Initial Interest Confusion

The doctrine of initial interest confusion migrated to the UDRP from a US federal court decision.[22] It initially found application in early conversations concerning the split of views over protected speech (discussed in Chapter 4), but it was also useful as a complainant argument in support of abusive registration. To be persuasive, arguments for initial interest confusion need to be accompanied with proof that the registration was "primarily for [a proscribed] [ ] purpose" or the use creates a likelihood of confusion.

This section collects some decisions in which Panels rejected the initial interest confusion argument. Cases in which complainants prevail on the initial interest argument are gathered in Chapter 11). In *Donald J. Trump and Trump Hotels & Casino Resorts, Inc. v olegevtushenko a/k/a Oleg Evtushenko*, FA0110000101509 (Forum December 11, 2001) argued that <porntrumps.com> creates an initial interest confusion with its mark. The Panel stated:

> [I]f the Complainant is really making an initial interest confusion argument, he would have to be suggesting that the web surfing public would be expecting that his distinguished moniker and service mark would be readily associated with "porn."

It concluded: "Even with his service mark registrations in hand, Complainant does not have the exclusive right to use every form of the word 'trump'".

The Panel in *Legal & Gen. Group Plc v. Image Plus*, D2002-1019 (WIPO December 30, 2002) the Panel held:

> [S]ome Internet users might initially be confused into thinking that, because of the use of the mark in the disputed domain name, <legal-and-general.com> is the Complainant's official website is, in the view of the majority of the Panel, of no moment. First, any such confusion would, in the view of the majority of the Panel immediately be dispelled by the content on the Respondent's website. Second, and in any event, such a low level of confusion is, in the view of the majority of the Panel, a price worth paying to preserve the free exchange of ideas via the Internet.

In a 2003 case, *Pfizer Inc. v. Van Robichaux*, D2003-0399 (WIPO July 16, 2003) (U.S. parties) the Panel held that in favor of Respondent where it had registered <lipitorinfo.com> for the "purpose of providing information to the public concerning legal rights and treatment options should it ultimately be learned that 'lipitor' causes injuries to the consumer." In denying the complaint the Panel noted that although incorporation of the trademark in the domain name raises an issue of initial interest confusion, that fact alone "cannot act as a per se preclusion."

The same Panel member dissented in *Actelion Pharma-ceuticals, Ltd v. Hackard & Holt*, D2007-0838 (WIPO September 7, 2007) (<tracleerinfo.com>), objecting to an order of transfer because it is preferable "to err on the side of fair use" where "the public has a compelling interest in information concerning products that have a substantial impact on public health, and the public has a strong interest in legal representation with respect to those products."

In *Leidos, Inc. v. Gabriel Joseph / Clearer Technology*, FA2207002005102 (Forum September 8, 2022), Respondent registered <leidosemployees.com> for "the purpose of commenting on the corresponding policies of the business and to inform and elicit information regarding employment discrimination, and to enquire if employees of certain companies were interested in forming a union as allowed under the National Labor Relations Act." The Panel found that

> The central question in this case is whether Respondent's website has the appearance of being a genuine criticism site. [. . .] It is apparent that the website purports to inform internet users and Complainant's employees about Complainant's social policies, prominently posing the question: "Do you believe that Leidos suppresses, persecutes and silences its employees that that (sic) have a faith in God and support traditional family values?" In addition, [. . .] across the top of the page is the following disclaimer "THIS WEBSITE IS NOT ASSOCIATED WITH NOR ENDORSED BY LEIDOS".

The Panel answers the question in the positive: "In the Panel's view it is reasonably apparent that the website is critical of Complainant, and it presents a very different view to the one espoused by Complainant." And that "it appears that Respondent is using the Domain Name to host a noncommercial critical website, and while one might question the content of the website it does purport to inform Complainant's employees of what Respondent alleges are their rights."

Nominative Fair Use

Foundation of the Theory

Nominal use of another's trademark is an exception to the general rule which holds "it is generally not permissible to register a domain name that is the same as another's trade mark rights, knowing of those trade mark rights, to seek traffic to a commercial website," *Pangaea Laboratories Ltd, Pacific Direct Intertrading Pty Ltd v. Astrix Pty Ltd*, DAU2015-0013 (WIPO June 3, 2015). It is a theory domesticated from US decisional law.[23]

The Panel in *Electronic Frontier Foundation v. WhoisGuard Protected, Whoisguard Inc. / Jan Hasko*, D2017-1355 (WIPO September 13, 2017) summarizes the key points of the theory:

23 *New Kids on the Block v. News American Publishing, Inc.*, 971 F.2d. 302 (9th Cr. 1992), and *Toyota Motor Sales, U.S.A., Inc .v. Tabari*, 610 F.3d. 1171 (9th Cir. 2010).

> [T]he referential use of another's trademark is permissible where (1) the trademark owner's product or service cannot be readily identified without using the mark, (2) the mark is used only so much as is necessary for such identification, and (3) such use does not suggest sponsorship or endorsement by the mark owner.

It became domesticated through a progression of early cases until established in *Oki Data Americas, Inc. v. ASD, Inc.*, D2001-0903 (WIPO November 6, 2001), discussed below. It is not unlawful to incorporate a mark in a domain name if the product or service for which it is a vehicle in commerce is genuinely what it claims to be without pretense of association with the mark owner.

In *Adaptive Molecular Technologies, Inc. v. Machines & More*, D2000-0006 (WIPO February 28, 2000) "Respondent retails Complainant's MILITEC-1 product on the website at militec.com:

> While Respondent does not own MILITEC as a trademark, questions remain as to whether Complainant legally acquiesced in Respondent's registration and use of the domain, at least initially, or whether Respondent's use is a nominative fair use.

The following month, the Panel in *Motorola Inc. v. NewGate Internet, Inc.*, D2000-0079 (WIPO April 27, 2000) held that the right to resell or market a product does not create the right to use a mark more extensively than required to advertise and sell the product.

That some registrants may be legitimate and others not depends on the extent to which the disputed domain names accurately reflect registrants' lawful use. Panels early began pondering on the appropriate test. The Panel In *R.T. Quaife Engineering, Ltd. and Autotech Sport Tuning Corporation d/b/a Quaife America v. Bill Luton*, D2000-1201 (WIPO November 23, 2000) (<quaifeusa.com>) noted that the "extent to which a purveyor of legitimate goods can reflect that fact by using the manufacturer's or licensor's name as part of a domain name is a difficult issue."

The Panel began its analysis by distinguishing *Adaptive Molecular Technologies* on the facts:

> [E]ven if Luton's status as a reseller gave him some legitimate interest for purposes of the Policy, that interest does not extend to the domain name quaifeusa.com. That is because, unlike a name such as quaifedifferentials.com, which communicates that the website owner provides Quaife brand differentials, quaifeusa.com suggests a much broader affiliation with Quaife U.K.: it suggests that the quaifeusa.com site is the U.S. presence for Quaife, and the place where U.S. consumers can go to get all their questions about Quaife products answered. Thus, whatever rights Luton may have had do not extend to use of the deceptive domain name quaifeusa.com.

The Panel in *World Wrestling Federation*, *supra*. explained: "If Respondent had shown demonstrable preparations to offer WWF collectibles through an auction, the Panel might conceivably have concluded that Respondent had a legitimate interest, or it might instead have concluded that wwfauction implies too great a connection between Complainant and Respondent."

The concept of nominative fair was first formulated under US and EU trademark law.[24] It took a more definite form for the UDRP in *Oki Data Americas, Inc. v. ASD, Inc*., D2001-0903 (WIPO November 6, 2001) (<okidataparts.com>). Although the Panel in *Oki Data* makes no explicit reference to adopting the concept of nominative fair use from US law, Panels in later cases, indeed the *OKI Data* Panel himself, have cited US precedent in subsequent cases: the "standards are functionally equivalent, and [. . .] shaped by the same underlying policy concerns," *YETI Coolers, LLC v. Ryley Lyon / Ditec Solutions LLC*, FA1605001675141 (Forum July 11, 2016) (<yeticuphandles.com>).

In *Oki Data* The Panel formulated the following four-part test:

> (1) [It] must actually be offering the goods or services at issue;
>
> (2) [It] must use the site to sell only the trademarked goods; otherwise, it could be using the trademark to bait Internet users and then switch them to other goods;

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24 The Panel in *General Electric Company v. Japan, Inc*., D2001-0410 (WIPO June 26, 2001) (<japan-ge.com>) references EU law: "A reseller of trademarked goods that is unaffiliated with or unauthorised by a trademark holder may well have certain fair use rights regarding the mark, depending upon the specific context of the use. If resellers were unable to refer to marks they would not be able to properly identify their resale goods to the public. There is a substantial body of judicial authority in the United States and elsewhere that establishes this fair use right, and the Respondent has cited some of that authority to the Panel. […]

"However, this fair use right is carefully bounded by the requirement that a reseller not make use of the mark in a way that is likely to confuse consumers as to an affiliation between the trademark holder and the reseller. Courts have generally disallowed the use by an unaffiliated reseller of another party's trademark on a sign identifying a business, unless the signage expressly includes language sufficient to notify the consumer that the business is not affiliated with or authorised by the trademark holder …." Noting further: "This approach seems also consistent with trademark case law of the European Union. See for instance the Decision of the European Court of Justice *in BMW v. Deenik*, [Case c-63/97 1999 1 CMLR 1099] of February 1999. This concerned a mechanic and trader in second-hand / used BMW automobiles, who was not a part of BMW's authorised Dealer Network. He was also involved with the repair / servicing of BMW vehicles. Was the respondent entitled to promote his activities using the name descriptor 'BMW Specialist?' Held, that a party can make use of a third party trademark only where necessary to indicate the origin of the goods or services. Such was fair use. It was not fair use to advertise the business as 'BMW Specialist' when this was not necessary and could well be understood as indicating the respondent was an authorised BMW Distributor / Repairer, which he was not."

> (3)[Its] website must accurately disclose the registrant's relationship with the trademark owner; it may not, for example, falsely suggest that it is the trademark owner, or that the website is the official site, if, in fact, it is only one of many sales agents;
>
> (4) [It] must not try to corner the market in all domain names, thus depriving the owner of reflecting its own mark in a domain name.

The decision harmonizes a number of earlier views in establishing an unauthorized reseller's or service provider's right to incorporate a complainant's trademark in its domain name.

The Panel in *Franke Technology and Trademark Ltd v. hakan gUlsoy*, CAC 101464 (ADR.eu May 11, 2017) (<franke-servisi.com>) in dismissing the complaint, referred to *Bayerische MotorenwerkeAG (BMW) and BMW Nederland BV v. Ronald Karel Deenik*, C-63/97 (European Court of Justice, 3 December 1998) and Oki Data for the proposition that "no trade mark owner (in the EU) [. . .] has the right to monopolise the servicing or repair or resale (of previously sold) of its products [. . .] [where another is using the mark to] promote valid and honest competition."

Development of the Theory

Over time the right has expanded from dealing in owners' products (authorized dealers in the case of *Oki data* but expanding to include unauthorized resellers, service providers, and distributors, and further to include what is now also permitted under US law, namely incorporating marks in domain names with additional descriptive language identifying the nature of respondent's business and distinguish it from that principally offered by mark owner.

The development of the nominative theory to include a variety of different users in a range of goods and services represented a significant expansion of lawful registration. Instructional services: *Secondary School Admission Test Board, Inc. v. Joanna Severino and Richard Hosko*, FA0501000408094 (Forum March 24, 2005) respondent registered the disputed domain name <prepssat.com> to offer services assisting students in preparing for the SSAT ("Secondary School Admission Test"). In this class of dispute, the law recognizes rights to incorporate a mark "in a truthful, nominative sense" without offending the mark owner or deceiving consumers.

Financial services: in *Chicago Bd. Options Exch. Inc. v. Private*, FA 804703 (Forum November 29, 2006) the Panel found that

> For seven years, Respondent has been providing services to persons who wish to know more about or trade on the Options Exchange. Any website dealing with the options exchange directly which uses the "OEX" as part of its domain

> name, but does not appear to brand itself as related to the domain name nor does it attempt to steal business or customers from the Chicago Board of Options Exchange, is not acting in bad faith.

Respondent's use of the domain name was to provide information on the complainant's Options Exchange and not to compete with the complainant was a nominative use.

Packaged tours: *National Association for Stock Car Auto Racing, Inc. v. Racing Connection/The Racin' Connection, Inc.*, D2007-1524 (WIPO January 28, 2008); Software consulting services: *SAP AG v. UniSAP, Inc.*, D2009-0297 (WIPO April 28, 2009) (<unisap.com>); *SAP AG v. SAP User List*, D2009-1285 (WIPO November 8, 2009) (<sapuserlist.com>); Vendor consulting services: *Wal-Mart Stores, Inc. v. Sergio Cabrera*, FA1008001344053 (Forum November 8, 2010) (<walmartvendor.com>).

There is, as can be seen, a wide spectrum of cases following *Oki Data* that illustrate lawful use. In *N.V. Organon and Schering Plough Corporation v. Fields Law Firm and Stephen Fields*, FA0904001259266 (Forum June 16, 2009) (<nuvaringsideeffects.com>) the Panel explains what the registrant may and may not do: "A person may not, by using a domain name, attempt to trade on the goodwill of a trademark holder by creating confusion or misleading the public about the source or sponsorship of his website,"

> but if his purpose is to offer criticism or express concern about the safety of a given product in the marketplace he is entitled to use the name of that product in his domain name, so long as the domain name, taken as a whole, is clear as to the purpose of the website and does not imply sponsorship or endorsement thereof by the proponents of that product.

Similarly, in *Amylin Pharmaceuticals, Inc. v. Watts Guerra Craft LLP*, D2012-0486 (WIPO April 29, 2012) (<byettacancer.com>) the Panel explains that "[t]he use [the domain name] is a nominative fair use because the Respondent is using the trademark to refer to the trademarked goods and services, and the Respondent needs to use the mark in order for Internet users to understand the goods to which the Respondent is referring." It illustrates its point by describing the content of the website:

> Beneath the banner, on the right of the page is a form offering a "Free Case Evaluation," and on the left, the following text is displayed: "If you are a Type II Diabetic who has taken Byetta injections to control your blood sugar and later developed pancreatitis, pancreatic cancer, or thyroid cancer, you may be entitled to compensation for your injuries."

The domain names in this and *N.V. Organon* can also be seen as commentary on Complainants' products "side effects" and "cancer" so that in passing the nominative test they also pass the impersonation test.

Other respondents that pass the these tests include the following: *Volvo Trademark Holding AB v. Auto Shivuk*, D2005-0447 (WIPO October 14, 2014) (<volvo-auto-body-parts-online.com>) in which the Panel found that Respondent operates a business unrelated to that of the mark owner, thus not unlawful in registering a domain name incorporating the mark if it is necessary to identify the different and noninfringing business.

The *Oki Data* Panel returned to the issue of nominative fair use in *YETI Coolers* (2016). Complainant argued that Respondent's handles are not designed exclusively for use on YETI cups. "That, though, does not implicate the policy underlying this factor" because there is not in this case a "bait and switch scam[ ]":

> Here, the nature of the handles is that they can be used for other brands of cups and tumblers as well. In that context, Respondent has a legitimate interest in using the term "YETI" in the Disputed Domain Names in order to communicate that the handles can be used as an accessory for YETI (and other brands) cups.

The Panel also noted: "Indeed, there is no reason to distinguish between nominative fair use principles whether the user is authorized or unauthorized. Either way, if the use is fair and non-confusing, it should be permitted." The law recognizes rights to incorporate a mark "in a truthful, nominative sense" without offending the mark owner or deceiving consumers.

Fairness of use may lawfully extend to consumer services that do not "offend Complainant's rights." In *Coachella Music Festival, LLC v. Michael Gonzalez*, FA2306002050418 (Forum July 25, 2023) Respondent provides transportation services to the festivals. Complainant's assertion

> that [Respondent] uses the trademark in connection with transportation services spurious since what the evidence shows is nothing more than third parties such as Valley Music Travel, Any Line Shuttle, and Cardiff Limousine and Transportation, using their own names to provide transportation to and from the festival venue.

In this case, the Panel finds Respondent's incorporation of the mark inoffensive because it offers services distinct from any Complainant offers. And, as the Panel underscores, respondent's nominative use "does not require Complainant's consent or approval."

The Oki Data test has also been applied for registrants offering repair services, traveling services, advertising hotel near an airport, etc.

Without Merit for Nominative Use

However, respondents cannot claim nominative use of another's mark without demonstrating that the goods or services they are offering are distinctive from those of the owners. The use cannot convey the false impression that the goods or services respondents offer through their websites are sponsored by complainants. That would be an impersonation issue.

The concept is illustrated in *Swarovski Aktiengesellschaft v. Registration Private, Domains By Proxy, LLC, DomainsByProxy.com / Steve Hosie, CJ, LLC*, D2015-2351 (WIPO March 7, 2016) (<swarovski.jewelry>). The Respondent contended that "(i) the disputed domain name was purchased legally and within the legal fair use laws concerning domain names, and is being used by the Respondent under 'Nominative Fair Use.'" The Respondent continued with a list of other reasons the registration was lawful.

However, the three-member Panel in *Swarovski* was not impressed:

> The Respondent's primary contention, putting it at its highest and in its most relevant form, would appear to be that it has rights or legitimate interests in the disputed domain name because the domain name is descriptive of the use to which the Respondent intends to put the domain name. The Respondent's asserted intended use of the disputed domain name is to resolve to a website at which the Respondent will advertise and sell jewelry items that are either made by the Complainant or that are made by the Respondent and which incorporate gemstones and crystals that are made by the Complainant.

Respondent fails the test because,

> [First, the] asserted intended use (resale of the Complainant's jewelry), the Complainant has indicated that the Respondent is not, and will never be, an authorized reseller of jewelry made by the Complainant. . . . In particular, the Respondent's asserted intended use would not satisfy the requirement that the Respondent sell only the trademarked goods (because of the Respondent's second asserted intended use, discussed below).
>
> [Second, the] asserted intended use (sale of the Respondent's jewelry), items made by the Respondent that incorporate gemstones or crystals made by the Complainant could not legitimately be described as "Swarovski jewelry", since SWAROVSKI is the trademark of the Complainant and the items being sold are made by the Respondent not the Complainant.

Respondent fails the "why" test by admitting it intended to sell its own jewelry thus misleading consumers looking to purchase Complainant's jewelry, which is both a violation under paragraph 4(b)(iv) and a classic example of trademark infringement.

The Panel in *The Royal Edinburgh Military Tattoo Limited v. Identity Protection Service, Identity Protect Limited / Martin Clegg, WM Holdings*, D2016-2290 (WIPO January 5, 2017) (<edinburghmilitarytattootickets.com>) pointed out that "[a]n overarching principle of the Oki Data approach is that a use of a domain name cannot be 'fair' if it suggests affiliation with the trademark owner; nor can a use be 'fair' if it is pretextual."

In *Instagram, LLC v. Brian Breiter, Law Offices of Brian Breiter*, D2022-2149 (WIPO August 24, 2022) (<instagramlawyers.com>) Respondent contended that its use was fair but the Panel disagreed:

> Here, Respondent is using Complainant's well-known INSTAGRAM trademark in the Domain Names, not solely to provide services in relation to Complainant's Instagram offerings, but instead to promote its own unrelated services focusing on a general personal injury law practice.

"It bears noting,"

> in this regard, that Respondent's law practice does not focus exclusively on alleged injuries arising from use of Complainant's Instagram offerings – in fact, Respondent has not indicated that he has handled a single case related to Complainant and Respondent's website does not mention cases involving Complainant.

Although the Respondent did not appear in *Trader Joe's Company v. Contact Privacy Inc. Customer 7151571251 (Unknown) / Michelle Cheung*, D2022-3235 (WIPO October 20, 2022) the Panel noted that even if it had and argued for nominative fair use it would have failed "because the Respondent's website does not 'accurately and prominently disclose the registrant's relationship with the trademark holder'."

In the different context of merchandising goods, the point is illustrated in "store" and "sale" cases. For example, in *Pandora Jewelry, LLC v. Debbie Sanford*, D2010-0641 (WIPO June 10, 2010) (<salepandora.com>) "the Complainant brought evidence of past use of the disputed domain name to publish a page that reproduces the look and feel of the Complainant's official website and where there are reproductions of the Complainant's logos and trademarks, which also proves that the choice of the word 'pandora' to compose the disputed domain name was not a coincidence."

And in *ECCO Sko A/S v. ShiHua Ren / RenShiHua*, D2017-0225 (WIPO April 10, 2017) the Panel noted:

> The Respondent uses the disputed domain name, which is confusingly similar to the Complainant's ECCO trademark, in connection with a website that is an online store falsely presented as if it were the Complainant's Romanian website or a website connected with the Complainant.

The respondents in these cases are engaged in targeting mark owners as well as committing fraud on consumers, and to the extent that consumers are injured by the fraud, it also causes secondary injury to mark owners affecting their reputations.

CHAPTER 11

ARCHITECTURE OF THE UDRP: LIMB 3

CONJUNCTIVE BAD FAITH

When ICANN implemented the UDRP in 1999, it explained its purpose as combating "abusive registrations" of domain names which it defined as registrations "made with bad-faith intent to profit commercially from others' trademarks (e.g., cybersquatting and cyberpiracy)." In his testimony on July 28, 1999 to the United States House of Representatives Congress Subcommittee on Courts and Intellectual Property, Mr. Francis Gurry of the World Intellectual Property Organization (then WIPO Counsel, later Director-General of WIPO) stated inter alia :

> The most egregious manifestation of this problem is the exploitation in bad faith of the ease and simplicity of obtaining a domain name registration in order to register, as a domain name, the trademark of another person with a view to extracting a premium from the owner of the mark.

The legislative tool for combating this scourge rests on the third limb requirements of the Policy. The Policy states at Paragraph 4(b) that "For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith." I italicize critical elements within each of the circumstances as qualifiers of proof:

> (i) [C]ircumstances indicating that you have registered or you have acquired the domain name *primarily for the purpose of* selling, renting, or otherwise transferring the domain name registration to complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name."
>
> (ii) [Y]ou have 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 you have engaged in a pattern of such conduct*."
>
> (iii) [Y]ou have registered the domain name *primarily for the purpose of* disrupting the business of a competitor."
>
> (iv) [B]y using the domain name, *you have intentionally attempted to attract, for commercial gain*, Internet users to your web site or other on-line location,

> *by creating a likelihood of confusion with* complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

The first three of these circumstances concern bad faith registration; the fourth concerns bad faith use.[1]

Central to each of these circumstances is targeting and using the complainant's mark for its market value. This is the function of the italicized qualifiers in the above quotations They underscore that absent targeting of the complainant there can be no bad faith. It is not the respondent's burden to prove that it registered the disputed domain name in good faith, although as with the second element, that respondent lacks rights or legitimate interests in the disputed domain name, the respondent may have a case to answer if there is *prima facie* evidence of bad faith. The onus of proof remains with the complainant, but a respondent's silence when it has the opportunity to state its case may condemn it.[2]

Importantly, though, respondents are not *ipso facto* liable for infringement for domain names that are identical or confusingly similar to corresponding marks, nor where they lack rights or legitimate interests to them. Although these facts taken together with other facts or circumstances may support a finding that respondent lacks rights or legitimate interests in the disputed domain name, the complainant must prove conjunctive bad faith. In the words of one Panel:

> Generally speaking, a finding that a domain name has been registered and is being used in bad faith requires an inference to be drawn that the respondent in question has registered and is using the disputed domain name to take advantage of its significance as a trademark owned by (usually) the complainant.

The four circumstances are merely illustrative of bad faith. What that conduct is may be demonstrated by other allegations of bad faith under the totality of the circumstances analysis.

The point is explained in my detail by the 3-member Panel in *Document Technologies, Inc. v. International Electronic Communications Inc.*, D2000-0270 (WIPO June 6, 2000) (<htmlease.com>):

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1 The interplay between Paragraph 4(a)(iii) and 4(b)(iv) was at the center of the rejected theory of retroactive bad faith discussed in Chapter 4.

2 See *Mary-Lynn Mondich v. Brown*, D00-0004 (WIPO February 16, 2000). "It is a general principle of United States law that the failure of a party to submit evidence on facts in its control may permit the court to draw an adverse inference regarding those facts. Here, the potential evidence of good faith registration and use was in respondent's control. Respondent's failure to present any such evidence or to deny complainant's allegations allows an inference that the evidence would not have been favorable to respondent."

> Seeking to prove that Respondent registered and is using the Domain Name in bad faith, the Complainant referred to the circumstances listed in paragraphs 4(c)(i) and (ii) of the Policy. These circumstances are (i) that the Respondent, before any notice of the dispute, used or prepared to use the domain name in connection with a bona fide offering of goods or services, and (ii) the Respondent has been commonly known by the domain name, even if it has not acquired trademark or service mark rights in it. The Complainant argued that, because neither of those circumstances applied in this case, it could be inferred that the Respondent had registered and was using the Domain Name in bad faith.

However,

> These allegations reflect a misunderstanding of the kind of proof required to show bad faith. Bad faith is not proven by showing that Respondent lacks any rights to or legitimate interests in the Domain Name. That is a separate and distinct factor, with its own proof requirements. If the Panel adopted Complainant's approach, it would have the practical effect of conflating the second and third requirements. Such an approach is not supported by the clear wording of the Policy, which separates the requirements in Paragraph 4(a) into three distinct elements, and provides separate examples (Paragraphs 4(b) and 4(c)) of how to satisfy the second and third factors.

The point is further underscored in *Enrique Bernat F., SA v. Marrodan*, D2000-0966 (WIPO October 6, 2000):

> Finally, in relation to bad faith, it is important to get one thing quite clear. A number of other panel decisions, some of which have received quite high profile coverage, have given an indication that the burden of proof lies with the Respondent to establish good faith, rather than for the Complainant to establish bad faith.

But this is not the case. The "UDRP guidelines are quite clear":

> [T]he burden of proof lies with the Complainant in all cases to establish actual bad faith by the Respondent. There is no obligation whatsoever on the Respondent to prove good faith, and in any event it is equally important to note that the absence of good faith does not constitute bad faith. The two concepts are not related in such a direct fashion.

However, based on the totality of the evidence in this case, the Panel awarded the disputed domain name, <chupa-chups.com> to the Complainant.

Given the lexical permutations and their uses in the majority of disputes, the adduced evidence generally supports targeting and conjunctive bad faith. It will be recalled that before registrants take possession of domain names they sign a registration agreement that contains a set of representations that are incorporated into the UDRP as Paragraph 2.

In this provision, the registrant represents that in acquiring the disputed domain name it is acting lawfully: "you are not registering the domain name for an unlawful purpose; and [. . .] you will not knowingly use the domain name in violation of any applicable laws or regulations." Paragraph 2 concludes: "It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights."

Paragraph 2 has been construed to mean that the representations relate to the acquisition of the disputed domain name. The representations do not extend to renewals of registration. For the UDRP, renewals of registration are not regarded as re-registrations that would have the effect of restarting the assessment of bad faith. In other words, good faith registration insulates the registrant from subsequent bad faith use as earlier discussed in Chapter 4.

In contrast, the Third, Fourth, and Eleventh Circuit Courts of Appeal in the United States hold that liability for cyber-piracy may be triggered on re-registration by a subsequent registrant. The Ninth Circuit holds that renewal is a continuation of the registration whoever subsequently holds the registration if the creation date predates the trademark. The issue is discussed further in Chapter 19.

Even if the Panel finds that respondent lacks rights or legitimate interests in the disputed domain name, respondent may still have registered the disputed domain name in good faith, although if respondent has rights or legitimate interests its registration of the disputed domain name is *ipso facto* lawful, thus there can be no bad faith in acquiring the disputed domain name; either that or complainant fails on lack of evidence to prove bad faith registration. Also: there may be evidence of good faith registration separate from current non-use or later bad faith use; the latter being condemnable but not actionable in a UDRP proceeding.[3]

Further: a respondent could for example, even if it lacks rights or legitimate interests, argue the incontestable fact that complainant's rights postdate the registration of the disputed domain name. If there is no evidence of bad faith use respondent could demonstrate that the trademark lacks distinctiveness (discussed in Chapter 5) or that the term is multiply used by others which would contradict any evidence that in registering the domain name respondent had this particular, or any mark owner in mind.

3 See *Guru Denim Inc. v. Ibrahim Ali Ibrahim abu-Harb*, D2013-1324 (WIPO September 27, 2013): "Even though the Respondent's subsequent use might be considered to be a diversion of Internet users for commercial purposes in terms of paragraph 4(b)(iv) of the Policy, the majority [. . .] does not consider that this provision can be interpreted to deem evidence of use in bad faith as evidence of both registration and use in bad faith in circumstances that there is clear evidence of good faith registration."

Thus, the 3-member Panel in *HSM Argentina S.A. v. Vertical Axis, Inc.*, D2007-0017 (WIPO May 1, 2007) held:

> the evidence of third party use of the letters "hsm" mitigates against a finding that the Respondent knew specifically of the Complainant or its mark when the disputed domain name was registered. This evidence suggests that the combination of the letters "hsm" may have a number of potential associations, unconnected with the Complainant.

In assessing the merits under Paragraph 4(a)(iii) and the noninclusive circumstances of bad faith under Paragraph 4(b) there is, however, a question when it comes to non-appearing respondents as to what facts can be accepted as alleged.

This can be a difficult question in cases in which the respondent defaults in appearance involving a weak trademark because only respondent can answer for its motivation in acquiring the disputed domain name, and while this missing evidence may potentially create uncertainty, silence operates against respondents as they had the opportunity to make their cases, but failed to appear.

The general view is that Panels may accept as true all the allegations of the complaint that can reasonably be inferred from the record while others prefer a more cautious approach of assessing the totality of evidence before drawing a conclusion. In the words of the Panel in *Euromarket Designs, Inc. v. Domain For Sale VMI*, D2000-1195 (WIPO October 26, 2000): "[I]n the absence of direct evidence, complainant and the panel must resort to reasonable inferences from whatever evidence is in the record." The emphasis is on "reasonable." Allegations alone without evidence sufficient to support a reasonable reliance on it truth, should not be accepted.

In assessing the facts in *Firstgate Internet A.G. .v. David Soung*, D2000-1311 (WIPO February 28, 2001) (<firstgate.com>) the Panel was cryptic in its judgment:

> First, the Complainant's business is quite dissimilar to a computer game site and public confusion will plainly not arise. By analogy, identical trademarks are permitted to be registered by different proprietors for different goods and services. Here, the trade channels are very different.
>
> Second, FIRSTGATE is not a notorious mark such that there may be greater likelihood of confusion.
>
> Third, there are already third party FIRSTGATE or phonetically equivalent trade marks and domain names

Where facts are in contention, their totality becomes the key tool for decision-making. "As the Policy clearly states, a Panel is not limited exclusively to the elements set forth in 4(b). In analyzing the totality of circumstances in the record, the Panel finds the following additional factors relevant in reaching its final decision with regard to the elements of bad faith registration and use," *Pizza Hut, Inc. v. RJ, Inc.*, D2000-0939 (WIPO December 6, 2000) (<pizzahut.org>): "The first factor the Panel considers is the strength of the PIZZA HUT mark."

I noted in Chapters 9 and 10 that elements satisfied for one requirement may carry over to another. For example, if complainant has standing the finding of identity and confusing similarity may contribute some of its weight to the more stringent "likelihood of confusion" element in Paragraph 4(b)(iv) of the Policy; or a finding that respondent lacks rights or legitimate interests could also suggest an unlawful purpose. The carryover is not conclusive, but both are part of the totality upon which the outcome is built.

If the complainant satisfies the requirements of the third limb respondent suffers forfeiture (either cancellation or transfer) of its domain name under the administrative procedure. The UDRP has no provision for damages although Panels have discretionary authority to sanction complainants for reverse domain name hijacking (RDNH discussed further in Chapter 17). And there is no built-in right to appeal the award within the UDRP, although such a feature would be valuable in reviewing awards granted in error as a matter of law.

Nonexclusive Circumstances of Bad Faith

Intentional Conduct

As a general proposition, offers to sell domain names to the general public (which of course by definition includes prospective and registered mark owners, may under circumstances set out in subparagraph 4(b)) support a complainant's claim of bad faith, but the issue may never be reached if the respondent demonstrates either a right or legitimate interest in the disputed domain name.

As cybersquatting is an intentional tort, the evidential focus must be on proving that the registration and bad faith use of the disputed domain name is intentionally directed against the complainant. The word "intentionally" is found in subparagraph 4(b)(iv)—"intentionally attempted to attract"—but the principle is implicit in the other three circumstances. Intention otherwise directed does not state a claim under Paragraph 4(a)(iii) of the Policy.

The point is underscored in the earliest cases. Thus, "[B]y knowingly choosing a domain name which solely consists of Complainant's trademark, Respondent has intentionally created a situation which is at odds with the legal rights and obligations of the parties"; "It is apparent from Respondent's reply materials that he, in fact, has intentionally adopted contractually and statutorily protected trade names, marks, and identities"; "[T]he Respondent is intentionally diverting business from the Complainant"; "[T]he inclusion of the [dominant letters of the Complainant's mark] is consistent with Respondent intentionally targeting Complainant's trademark," etc.

Whether there is targeting is more evident the stronger the mark. For example, in *QAS Systems Limited v. Hopewiser Limited*, D2001-0273 (WIPO April 29, 2001) (<quickaddress.net>) the Panel stated: "a complaint under the Policy cannot succeed in relation to bad faith unless, at the very least, complainant is able to prove that at the time of registration/acquisition of the Domain Name respondent had complainant in mind." The Panel continued:

> Had the name in issue been a name such as KODAK with both parties engaged in competition in the area of camera film, it may be that little or no further information would have been needed. However, in this case the name is a very descriptive one, one which anybody operating in this field might reasonably and innocently wish to use.

Bad faith presupposes intentional conduct knowingly directed toward the mark owner: that respondent acquired the disputed domain name for one or more proscribed purpose set forth in Policy, and this purpose is equally communicated through respondent's lexical choice.

"[T]he essence of the complaint is an allegation of bad faith targeted at complainant," *The Way International, Inc. v. Diamond Peters*, D2003-0264 (WIPO May 29, 2003) (< thewayministry.org>). Similarly, in *CNR Music B.V. v. High Performance Networks, Inc*., D2005-1116 (WIPO January 23, 2006) (<arcade.com>): "the registration of the [disputed] domain name appears to have been aimed at exploiting the ability of the word itself to attract Internet users, and not aimed at taking advantage of the Complainant's reputation or trademark."

The plain vanilla type of abusive registration is represented by tens of thousands of cases. To take a typical example involving a strong mark. In *Guess? IP Holder L.P. and Guess? Inc. v. Domain Admin: Damon Nelson—Manager, Quantec LLC, Novo Point LLC*, D2017-1350 (WIPO August 24, 2017) (<guessaccessories.com>) Complainant's product line includes "accessories," thus the addition of that word reinforces the targeting. In these types of cases, respondents are essentially looking for visitors by exploiting the value of the corresponding marks rather than "exploiting the ability of the word itself to attract Internet users."

Demands for Evidence - General Requirements

Each of the Paragraph 4 subparagraphs (any one of which satisfies the burden under Paragraph 4(a)(iii)) has different demands of proof. Subparagraph 4(b)(i) demands complainant adduce evidence of respondent's "primary purpose" to sell the disputed domain name to it. Thus, it is bad faith if Respondent solicits complainant to purchase the domain name (but not if the negotiation to purchase is initiated by complainant). It is not bad faith to respond to a Complainant's inquiry about the price of the domain name. I will illustrate this further below.

Subparagraph 4(b)(ii) focuses on pattern of registrations that "prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name." Respondent in *Jeffrey Dean Lindsay v. Lisa Katz / Domain Protection LLC*, FA1805001787275 (Forum July 3, 2018) "has been involved in 28 WIPO cases. Complainant provided evidence that Respondent has been party to hundreds of previous adverse UDRP proceedings." The test for pattern includes cases in which respondent has registered multiple domain names corresponding to complainant's mark in a single case as opposed to marks in multiple other UDRP proceedings.

Subparagraph 4(b)(iii) is satisfied if Respondent is a competitor and there is no justification for registering the domain name. Examples: In *Texas Wind Power Company v. Wind Works c/o Savvy Dog Design, LLC.*, FA0903001252746 (Forum May 12, 2009) (<texaswindworks.com>) (both 4(b)(iii) and 4(b)(iv)):

> The Panel finds that Complainant and Respondent are competitors in the same business in the same geographic area. This likelihood of confusion, and the resultant intended commercial benefits that inured to the Respondent, constitutes sufficient cause for the Panel to find that Respondent has registered and used the disputed domain name in bad faith.

In *Toner Connect, L.L.C. v. Privacy Protect, LLC / Realogue Corporation*, D2018-2829 (WIPO February 21, 2019) (<tonerconnect.com>):

> Given that the evidence submitted shows that Respondent's sole owner and president is a direct competitor of Complainant, it is highly likely that Mr. Steffens knowingly registered or acquired the disputed domain name based on the TONER CONNECT mark and then started using the disputed domain name to gain a competitive advantage over Complainant.

Subparagraph 4(b)(iv) is satisfied if Respondent's use of the domain name raises a likelihood of confusion with the consuming public. The stronger the mark the greater the likelihood that the registration of the domain name was intended to target it; the weaker the mark and its composition of dictionary words (examples "incanto" and "Dr. Muscle" (cases previously cited in Chapter 6) the likelier the complaint will be denied. Thus, it is not bad faith to 1) to populate the website with links referable to the semantic meanings of the words or phrase but 2) it is to link to Complainant's business competitors.

Proving registration in bad faith but not use in bad faith is fatal to the complaint, *Camon S.p.A. v. Intelli-Pet, LLC.*, D2009-1716 (WIPO March 12, 2010) ("[U]se in bad faith is insufficient if the respondent originally registered the domain name for a permissible purpose.")

But, even if use were found to be in bad faith this would in no way undermine respondent's right to its registration in the face of other facts. For example, the Panel in *Riveron Consulting, L.P. v. Stanley Pace*, FA1002001309793 (Forum April 12, 2010) (<riveron.com>) explains that

> [t]o prove [. . .] that Respondent lost any rights it might have had [. . .] Complainant must at least suggest some circumstance which divested Respondent of its rights and interests in the domain name since such rights and interests are acquired at the time of registration, by the fact of registration, and are maintained by conduct consistent with the terms and conditions of the registration agreement.

The concern of "divest[ing] [a] Responding of its rights and interests in the domain name" is particularly the case where the registration of the disputed domain name predates the registration of the mark. Such statutory rights "do not magically relate back to the time that Respondent first registered" the disputed domain name.

Passive Holding

Non-use of the Domain Name by itself does not support a finding of bad faith, but if other evidence demonstrates respondent had complainant in mind at the time it registered the domain name, then passive holding may be a confirming factor of abusive registration. The Panel in *Telstra Corporation Limited v. Nuclear Marshmallows*, D2000-0003 (WIPO February 18, 2000) (discussed earlier in Chapters 3 and 4) held that "the concept of a domain name 'being used in bad faith' is not limited to positive action; inaction is within the concept. That is to say, it is possible, in certain circumstances, for inactivity by the Respondent to amount to the domain name being used in bad faith."

The Panel construed the term "use" to include passive holding when it is "not possible to conceive of any plausible actual or contemplated active use of the domain name by respondent that would not be illegitimate." The "not possible to conceive" test presupposes the mark is famous or well-known, for if not either and the domain name is constructed from the common lexicon, it is certainly possible to conceive of other uses.[4]

The kind of passive holding that is actionable under the Telstra test presupposes that the domain name postdates the registration of the mark, for if it predates

4 As the Panel in *Gordon Sumner, p/k/a Sting v. Michael Urvan*, D2000-0596 (WIPO July 24, 2000) (<sting.com>) pointed out: "In this case the mark in question is a common word in the English language, with a number of meanings. Unlike the situation in the Telstra case, therefore, it is far from inconceivable that there is a plausible legitimate use to which the Respondent could put the domain name."

the mark passive holding is irrelevant to the issue of cybersquatting. Early cases noted that "passive holding" does not fall within any of the circumstances specifically enumerated in paragraph 4(b) of the Rules and developed a practice of deciding these cases on the totality of facts.

Nor are domain names limited in use to websites. The Panel in *Zero International Holding GmbH & Co. Kommanditgesellschaft v. Beyonet Services and Stephen Urich*, D2000-0161 (WIPO May 12, 2000) (<zero.com>) pointed out that

> [Website are] by no means the only possible use. As the Respondent's activities indicate, the Internet can be used for many other purposes, e-mail and file transfer operations being two examples. We do not accept that the Complainant's contention that registration of a domain name which is only to be used for such purposes is in some way improper and constitutes bad faith.

Actionable non use is found where the proof establishes "1) the strong reputation of Complainant's trademark and its use internationally; and 2) the Respondent's failure to provide evidence of any actual or contemplated good faith use by it of the domain name." The Panel in *Compaq Computer Corporation v. Boris Beric*, D2000-0042 (WIPO March 28, 2000) (<smartpaq.com>) continues that relevant circumstances in finding bad faith include:

> Both of those circumstances are of equal application here, together with Respondent's failure to submit any evidence to rebut Complaint's allegations. Indeed, from the outset in his correspondence with Complainant, the Respondent indicated that third parties were offering to buy the domain names with the clear implication that Respondent would sell for the best price, a price inevitably greater than Respondent's out-of-pocket costs related to acquiring the domain names.

While there "is nothing in the Policy that suggests a registrant may be divested of a domain name simply because he failed to use it actively online [. . .]" when a registrant, such as the Respondent here, obtains a domain name that is confusingly similar to a famous mark, with no apparent rights or legitimate interests in the name, and then fails to respond to infringement claims and a UDRP Complaint, an inference of bad faith is warranted," *National Football League v. Thomas Trainer*, D2006-1440 (WIPO December 29, 2006) (<nflnetwork.com>)

But where complainant's mark lacks distinctiveness in the mark passive holding as a theory of liability has no merit. In *The Atlantic Paranormal Society and Pilgrim Films and Television, Inc. v. Domain Admin*, FA0901001242901 (Forum March 5, 2009) (<taps.com>) the 3-member Panel held that "there [is no] evidence that the TAPS mark is well known or associated with Complainants in France or the United Kingdom, let alone that this was so back in 2002." The timing of the mark is a critical factor in assessing its distinctiveness and reputation. If it has any it is complainant's burden to place its evidence in the record.

Some panelists either misinterpreted or failed to appreciate *Telstra*'s subtle distinctions. They construed passive holding as any lengthy period of time as satisfying the conjunctive bad faith requirement. For example, the Panel in *Pueblo International, Inc. v. xtra-Net Internet Service GmbH*, FA0006000094975 (Forum July 17, 2000) (<xtra.net>) held: "The Respondent has failed to develop the site within a two-year period since registering the domain name." Delay in developing a website (even passive holding) may raise an inference of bad faith, but unless there is other proof such as the strength of the mark, drawing an adverse inference of targeting is error. The consensus, though, immediately and certainly over time recognized the logic of *Telstra as it relates to well-known and famous marks*.

The Panel in *Soft Trust Inc. v. Todd Hinton, Ikebana America LLC*, D2020-2640 (WIPO December 4, 2020) (<ecourier.com>) noted that it was "not convinced that the factors identified in the Telstra Case support a finding of bad faith use" for the following reasons:

> - The Complainant has not provided sufficient evidence to demonstrate that the Trade Marks have a strong reputation or are widely known (as in the Telstra Case) and it appears that a number of other business around the world operate under the names "ecourier" and "e-courier".
>
> - Unlike the Telstra Case, the Respondent in this case provided some evidence of actual or contemplated good faith use of the Disputed Domain Name, including an application for a trade mark for ECOURIER.COM as part of a now discontinued business venture.
>
> - There is no evidence that the Respondent provided any false or misleading contact details to the Registrar, as was the case in the Telstra Case.

The timing between purchasing the disputed domain name and activating for a website may be an issue supporting bad faith, but it cannot alone be dispositive of abusive registration. Thus, in *Natixis Wealth Management v. Viljami Ylönen*, D2021-1719 (WIPO July 23, 2021) (VEGA INVESTMENT MANAGERS and <vega.investments>):

> The Panel notes the Complainant's reliance on the case of Arm Limited v. Super Privacy Service LTD c/o Dynadot / Ya Lin, D2021-0969 (WIPO May 11, 2021) for its proposition regarding the swiftness of the disputed domain name being offered for sale after the date of registration. The time period in that case was some six months, whereas the period in the present case is even shorter and therefore potentially significant.

Noting these time periods, however,

> the Panel does not consider that any general rule can be derived from the period between registration and the offering of a domain name for sale. Each case requires to be determined on its own facts."

The critical issue separating these two cases is that in *Natixis Wealth Management*, the Respondent appeared and defended its registration which the Panel found persuasive based on the generic choice of the word "Vega" and the lack of evidence of targeting the Complainant. In *Arm Limited*, the facts supported bad faith registration and use.

Bad Faith Use Alone[5]

ICANN made a subtle change to the recommendation in the WIPO Final Report (Paragraph 171(1)(iii)). For "is used in bad faith" which implies present use, it substituted "is being used," which Panels have construed as use commencing with registration of the disputed domain name. The Panel in *Ingersoll-Rand Co. v. Frank Gully, d/b/a Advcomren*, D2000-0021 (WIPO March 9, 2000) (<ingersoll-rand.net>) noted "the fact that 4.a(iii) uses the present tense—"is being used"—when referring to use"

> does not refer to a particular point in time (such as when the Complaint is filed or when the Panel begins deliberations), but refers to the period of time following registration of the domain name at issue.

When a proscribed use commenced, whether it is continuing, or when it stopped is a critical factor in determining whether any inference can be drawn about respondent's intention in registering the domain name, but if the use when registered was in good faith but subsequently respondent began using the domain name in bad faith that unrelated event does not give rise to an actionable claim because there is no conjunctive bad faith.

For instance, the mark may not have been in existence at the registration of the domain name, but respondent takes advantage of it when it later gains a reputation in the market. This follows because subsequent bad faith use separated in time from lawful registration is not actionable under the UDRP.[6] If the mark predates

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5 See Chapter 4, "Retroactive Bad Faith." Bad faith use is associated with Paragraph 4(b)(iv). However, the determination of whether a domain name was registered in bad faith pursuant to Policy Paragraph 4(a)(iii) refers solely to the original registration of the domain name.

6 However, where there is proof of good faith registration that later morphs to bad faith while the claim is not actionable in a UDRP proceeding, it is liable under the ACPA. For example, the Panel in *Newport News, Inc. v. Vcv Internet*, AF-0238 (eResolution July 18, 2000) dismissed the complaint because it was (at that time) both registered and was being used lawfully) but mark holder prevailed in a later ACPA action on proof of subsequent bad faith use, *Newport News Holdings Corporation*

the domain name and has a long time market presence the stronger the inference of abusive registration.

If there is good faith registration but bad faith use the timing of the alleged bad faith use is a key to the outcome. As the Policy has been construed, and distinguished from the ACPA, bad faith use alone is not a predicate for abusive registration.[7] That assessment depends on the timing of the bad faith use: whether immediately following creation-date registration, prior to renewal of domain name registration, or after renewal.

As a general rule the use of the domain name is considered first, except in those instances in which the domain name was registered before complainant acquired its trademark. In that event the timing of acquisition is a significant factor weighing against abusive registration.

In contrast, for domain names registered after the trademark, the use to which the domain name is put and the respondent's knowledge or awareness of complainant or its trademark either implicates or exonerates the respondent. The facts in *Cisco Technology, Inc. v. Nicholas Strecha, E-Careers LTD*, D2010-0391 (WIPO May 7, 2010) illustrate a classic case of impersonation. Respondent offered IT training through <ciscouk.com> to help students understand and use Cisco technologies in competition with Cisco, but had no business relationship with Complainant.

The reason for the order in which the elements are addressed is straightforward. Domain name registration postdating trademark acquisition may not be conclusive of registration in bad faith, but if the use to which respondent put domain name at any time infringed complainant's rights by displaying links to its competitors (or is itself a competitor, which implicates paragraph 4(b)(iii) of the Policy) the probability strengthens that from the date of registration respondent intended to mislead Internet users into believing it had an existing relationship with complainant, which is proscribed under paragraph4(b)(iv).

Non-use of a domain name that demands explanation because of its correspondence with a mark which is unforthcoming either because of default or adduced evidence lacks credibility favors complainant; temporal distance between registration and proscribed use favors respondent because it undercuts the notion the two acts were united. That such an intention existed after the date of registration does

v. Virtual City Vision, Incorporated, d/b/a Van James Bond Tran, 650 F3d 423 (4th Cir. 2011), cert. denied, 132 S.Ct. 575, 181 L.Ed.2d 425 (2011).

7 In contrast, the ACPA is an either/or model. Assuming trademarks were distinctive when domain names were registered, domain names can be forfeited on proof registrants either registered, trafficked in, or used them in bad faith.

not automatically lead to the conclusion that this intention existed at the time of registration.

In *Ingersoll-Rand Co. v. Frank Gully, d/b/a Advcomren*, D2000-0021 (WIPO March 29, 2000) the Panel construed the provision as referring to the period of time following registration of the domain name at issue:

> If at any time following the registration the name is used in bad faith, the fact of bad faith use is established. Thus, the fact that upon remonstrance by Complainant's counsel, Respondent ceased using the domain names at issue as links to pornographic sites, cannot alter the fact that the bad faith act had occurred during the period following registration.

But, if a domain name has been registered in good faith but bad faith use commences at a later time and separated from the registration, the complainant fails to make its case and the complaint must be dismissed.

In the curious case of *e-Duction, Inc. v. John Zuccarini, d/b/a The Cupcake Party & Cupcake Movies*, D2000-1369 (WIPO February 5, 2001) Respondent registered what he alleged was a misspelling of "education" <eduction.com> and in any event the domain name was registered prior to Complainant's trademark. It was nevertheless using the domain name in bad faith, which elicited the following determination:

> The Panel concludes that the domain name is confusingly similar to a mark in which Complainant has rights, that Respondent has no legitimate interest in the domain name, and that Respondent has made bad faith use of the domain name. Nevertheless, because Respondent did not also register the domain name in bad faith, the Panel denies the Complainant's request that the domain name be transferred from Respondent to Complainant.

A further point of emphasis is made in *Spirit Airlines, Inc. v. Spirit Airlines Pty. Ltd.*, D2001-0748 (WIPO July 25, 2001). If bad faith use alone was the applicable law then "all 'innocent registrants would be at risk of becoming branded 'cybersquatters'":

> Renewal of a domain name registration in this respect is no different from renewal of a trade mark registration. It represents a continuation of the original registration. Were the Complainant's argument [that bad faith renewal satisfies the bad faith registration element of ¶ 4(a)(iii)] to succeed, all 'innocent' registrants of domain names would be at risk of becoming branded 'cybersquatters' as a result of a letter of notification coming in out of the blue.

Identifying the line that separates fair use from abusive registration is illustrated in *Ted Britt Ford Sales, Inc. v. Contact Privacy Inc. Customer 0155442277 / Guy Emerson*, D2020-0732 (WIPO April 28, 2020) (<tedbritt.net>). The Panel identified what that line is through close examination of the facts and subtly distinguishing the verbal acts that move speech from fair to foul. First, the narrative of the dispute:

> The Respondent's website featured a banner copied from the Complainant's website, with the Complainant's trademarked name, in the same font and style used on the Complainant's website, the Complainant's domain name, and its registered trade name, "Ted Britt Automotive Group," along with logos of the automotive brands that the Complainant sells and services in its dealerships. The postal address of one of the Complainant's dealerships was displayed as well. A copyright notice at the bottom of the page claimed copyright in the name of the Complainant, "Ted Britt Automotive Group". But the header was noticeably different from the Complainant's: rather than a seal referring to 60 years of service, it read, "Cheating Customers for Over 60 Years".

On the surface, this dispute could be a typical fair use case under Paragraph 4(c)(iii) of the Policy. It is not (the Panel explains) because Respondent's unlawful conduct was deduced from the facts:

> Without detailing a single act of supposed business misconduct, the Respondent published home addresses and personal contact information, not all of which may be publicly available, for individuals including spouses of business owners."

In doing this, "the Respondent crossed [the] line. The Respondent's website does not meet the standards for 'fair use' of the Domain Name." Respondent's conduct amounted to doxing, which means searching for and publishing private information. The Panel found that this "is a dangerous and indefensible practice."

The Concepts of Targeting and Having the Trademark "In Mind"

Evolution of a Key Factor

Targeting a mark or having it in mind with a preformed intention of capitalizing on its market value is the basic factor for determining bad faith, but it also calls into question what targeting is and what "having in mind" means. Because this form of exploitation demands evidence, the answer lies in part in parsing the strength or weakness of the mark in its marketplace habitat. It calls upon respondent to disclose its intentions when the facts of record clearly or inferentially demand evidence of intention solely in respondent's possession and control.

There is no question that where the value of the disputed domain name is seen to be reflective of the mark (that is, when the value of the domain name is not intrinsic but owing to the mark's reputation) the registration is *prima facie* abusive. The concept of "targeting" is a juridical construction. It emerged as a factor together with the "in mind" concept. Purpose is inferable from use, and if that use presumptively demonstrates bad faith, respondent answers or forfeits the registration.

There is a long history of decisions on this issue. The question arises in two different kinds of circumstances: where the mark owner is the principal user of the lexical term even though it may not be the only user; and where there are many users of the term in other business fields and other markets.

Targeting presupposes that the mark is of such a quality that a respondent's denial of knowledge of it would be implausible, or in the case of *Eauto, LLC v. Triple S. Auto Parts*, *d/b/a Kung Fu Yea Enterprises, Inc*., D2000-0047 (WIPO March 24, 2000) involving a descriptive mark that the word can be monopolized to the exclusion of use by other market actors. The Panel made it clear in dismissing the complaint that it expressly rejected

> Complainant's contention that Respondent's registration of dozens of other e-something domain names is evidence of its bad faith. To the contrary, Respondent's registration of these other domain names, all of which use a generic word, provides strong evidence that Registrant registered and used the domain name eautomotive.com in connection with its overall Internet hosting operations, *and not to target*, harass, or profit at the expense of Complainant. This is further evidence of Respondent's legitimate interest in this domain name. (Emphasis added).

The same panelist as Presiding Panelist in the following year took the earlier explanation one step further when he wrote that "Complainant has not submitted evidence that the mark is so famous (like other abbreviation marks such as TWA, NFL, and IBM) that the Respondent likely registered the name in bad faith to specifically target the Complainant."

From this kernel developed targeting as the essence of cybersquatting; sometimes expressed as having the complainant "in mind." It is one of a number of synonyms for exploiting or appropriating the value or goodwill of marks. It quickly became a key factor in determining bad faith from the earliest cases.

In *Do The Hustle, LLC v. Monkey Media*, D2000-0625 (WIPO September 5, 2000) (<cultureclub.com>) the domain name was identical to the mark, but the registration did not target Complainant—"the evidence suggests instead that Respondent registered the Domain Name because it was the same as the name of a well-known rock band and could be useful in attracting persons to its adult websites." The Panel pointed out further that the "evidence may support bad faith with respect to the rock band, but it is not bad faith with respect to Complainant's service mark."

In *Kalahari, A Division Of Nasboek Ltd. (Sa) -V- Host Start Internet Services, Inc*., D2001-0992 (WIPO October 25, 2001) (<kalahari.com>) the Panel found that

> All the examples of cybersquatting set out in paragraph 4(b) of the Policy involve the Respondent, at the time of registration of the Domain Name,

> targeting the Complainant in some way, whether it be with intent to damage the Complainant, to extract money from the Complainant or to derive some unfair benefit on the back of the goodwill of the Complainant.

This explanation is central to the conjunctive requirement. If the registration and allegedly bad faith use are separated in time the proof falls short of satisfying the Paragraph 4(a)(iii) element and the complaint must be dismissed.

In other early cases panelists focused on the concept of exploitation—"seeking to profit from and exploit." The Panel in *Match.com, LP v. Bill Zag and NWLAWS.ORG*, D2004-0230 (WIPO June 2, 2004) (<insurematch.com> plus eight other "match" plus domain names) explained that the main concern of the Policy is "curb[ing] the abusive registration of domain names in circumstances where the registrant is seeking to profit from and exploit the trademark of another." However, in this particular dispute

> Respondent has registered nine domain names which contain the descriptive term and common English word 'match' in combination with other common English words or numbers in the generic Top Level Domain (gTLD) .com. This Respondent is entitled to do. By registering the service mark MATCH.COM, Complainant cannot thereby preclude anyone else from ever registering the common term 'match' in combination with other common words in the .com gTLD.

This decision draws inspiration from earlier decisions defining the reach of trademarks, such as <allocation.com> discussed in Chapter 3. By 2004 the core principle was already agreed upon by consensus: where the mark is drawn from a dictionary, any addition that as a whole is distinctive negates any basis for a claim of cybersquatting.

As a general proposition, "an inference of targeting may be drawn from the inherent distinctiveness of the mark in question or from the circumstance that the mark is famous or well-known," *Terana, S.A. v. RareNames, WebReg*, D2007-0489 (WIPO June 6, 2007) (<terana.com>). But a negative inference of targeting can be drawn from a mark lacking in distinctiveness.

Having Complainant or its Mark "In Mind"

The claim of cybersquatting if conceptualized as a trespass presupposes a specific target, namely the owner's property and non other. For this reason, there must be evidence that the alleged target is the complaining mark owner whose property it is claimed to be. This demand for proof of targeting is implicit in the Policy. Although the term "targeting" is not found in the Policy, the demand for such proof was quickly construed as elemental to a claim of cybersquatting. It is a key factor in determining bad faith.

The first circumstance can be divided between complainants whose marks are truly distinctive—those that are one-of-a-kind (fanciful marks or marks distinctive for their creative use of words)—and complainants who are one of many others using the mark. The greater the distinctiveness of the mark the more likely an unauthorized registration of a domain name corresponding to it will be found targeting it. The greater the number of users, the less likely the respondent had any one of them in mind.

As a general proposition, "an inference of targeting may be drawn from the inherent distinctiveness of the mark in question or from the circumstance that the mark is famous or well-known," *Terana, S.A. v. RareNames, WebReg*, D2007-0489 (WIPO June 7, 2007) (<terana.com>). Moreover,

> In respect of registration in bad faith, the Complainant must show that the Respondent had the Complainant's rights in mind when it registered the disputed domain name and that it proceeded with bad faith intent to target such rights.

The Panel concluded

> Unless the trademark owner or its mark are targeted by the domain name registrant, the offering for sale to the general public of a domain name and the generation of pay-per-click advertising revenue from a domain name do not constitute evidence of bad faith registration or use.

In this case, though, there was no question of fame and "Terana" has a dictionary meaning and is used as a "geographical, botanical and personal name."

Further: What may happen in the future is not a consideration under the Policy. Complainant in *Paragon Micro, Inc. v. Julian Pretto*, D2010-0721 (WIPO July 1, 2010) "argues that Respondent could 'at any time' begin using the disputed domain name in a manner that would disrupt its business and cause confusion as to the source of the parties' respective goods and services," but the Panel "declines to find bad faith simply because a disruptive or confusing use is possible."

However, where the circumstances fit an infringing pattern the outcome is different. In *Grundfos A/S v. Texas International Property Associates*, D2007-1448 (WIPO December 14 2007) (GRUNDFOS and <groundfos.com>), the Panel accepted the *Terana* proposition, indeed it is "an appropriate starting point in most cases." But,

> those who register domain names, and particularly those who register domain names in large numbers using automated programs and processes, are not allowed to simply turn a blind eye to the possibility that the names they are registering will infringe or violate the rights of trademark owners. That responsibility derives from paragraph 2 of the Policy, and in particular the words: "It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights".

The Panel continued:

> if the Respondent in fact chose the Domain Name because of its attractiveness as a descriptive expression meaning "ground forward observation site", one would have expected to find links at the Respondent's website having some relationship to that claimed meaning. The Panel has not noted any such links. On the contrary, the vast majority of the links appear to relate specifically to the complainant, or to the field of pumps, in which the Complainant is clearly a very significant player.

Examples of targeting include a litany of proscribed conduct: 1) populating the website with hyperlinks to competing goods and services, 2) mimicking the "look and feel" of complainant's website, 3) diverting the domain name to websites related and unrelated to complainant's goods and services, 4) pretending to be complainant or associated with it, and 5) acquiring dropped domain names of famous or well-known mark.

However, whether or not a respondent appears, if website content clearly demonstrates it is active in a completely different line of business, does not interfere with complainant, and is directed to a different audience, registering a domain name confusingly similar to a trademark does not for that reason alone support lack of rights or legitimate interests and may well establish the opposite. This point is underscored in *General Electric Company v. Estephens Productions*, D2009-1438 (WIPO December 17, 2009) (<geentertainment.com>), Respondent did not respond. Panel noted:

> It is by no means obvious, as complainant asserts, that anyone choosing a company name and logo prominently featuring the letters 'GE' must be targeting the GE mark, no matter the nature of the business.

The record indicated that the initials GE are for "General Entertainment" not "General Electric."

A closer call is illustrated in *Hyperdoc Inc. v. Siroker*, FA1972428 (Forum December 21, 20210) (<perfectrecall.com>). Here, the Panel found that "use is illegitimate, not bona fide, where respondent adopted allegedly descriptive term with knowledge of complainant and its mark (a Paragraph 4(b)(iii) violation):

> The likelihood of Respondent having such knowledge at the time of registration of the Domain Name is supported by the fact that the parties supply a similar competitive product. This not only points to a motive to choose a similar name but it indicates that Respondent was in all probability aware of the key players in the market and what they were up to at the time the Domain Name was registered.

Bad faith is also illustrated in *Duke University v. David Hanley*, FA160900 1692961 (Forum November 9, 2016) (<dukecareers.com>) in which Respondent created "confusion by suggesting a connection between the website and Complainant through the display of Complainant's trademarks and mimicry of Complainant's use of such trademarks and the targeting of graduates of Complainant's university. The added element of bad faith is likely a fraudulent intent to scam job seekers.

Where the mark is neither descriptive nor common the outcome will reflect that evidence. In *IDR Solutions Ltd. v. Whois Privacy Corp*, D2016-2156 (WIPO December 12, 2016) involving an unregistered trademark for JPEDAL, the Panel held that it is not to be presumed

> that all erroneously lapsed domain name renewals are evidence of the bad faith registration of the domain name by a new holder. Nor does the Panel believe that the Policy is designed primarily to make up for the mistakes or negligence of Registrars or Complainants in ensuring that domain names get renewed, however unfortunate that may be.

However, the Panel agreed with Complainant that bad faith can be premised on the "'relative weighing of harms' caused to each party":

> The Panel also finds relevant the relative weighing of the harms to the parties. Complainant being deprived of the Domain Name after 14 years of consecutive use whereby important trademark rights have accrued through no apparent error of its own suffers a much greater harm than Respondent (assuming for argument's sake that he would be acting in a bona fide manner) being deprived of the Domain Name that appears to have been used for a matter of weeks.

Even though no amount of searching would have disclosed an unregistered mark, and even though "relative weighting of harms" is a dubious factor (no other instances having been found), the Panel examined the website to which the domain name resolved and on the totality of evidence (Respondent having not appeared to rebut the *prima facie* evidence of bad faith), it awarded <jpedal.org> to Complainant.

In *iFinex Inc. v. xu shuaiwei*, FA 1760249 (Forum January 1, 2018) the Panel found

> Respondent's prior knowledge [. . .] evident from the notoriety of Complainant's BITFINEX trademark as well as from Respondent's use of its trademark laden domain name to direct internet traffic to a website which is a direct competitor of Complainant.

But in *E. Remy Martin & C° v. Ali Hameed*, D2020-3439 (WIPO February 19, 2021) there was no evidence of targeting or having the complainant or its mark "in mind." E. Remy Martin produces a cognac called Louis XIII and claims exclusive right to that name. The Panel

> considers that the evidence advanced by the Respondent appears to be credible and provides a clear explanation as to how the Respondent chose a domain name which it turns out is coincidentally similar to the Complainant's trademark.

The phrase "Louis Thirteen" standing alone, except to consumers, probably amounting to a significant number though a niche product, has no exclusive association with Complainant as Respondent demonstrated.

There can be no presumption of targeting and if made the contention that there is is rebuttable. The Panel in *So Bold Limited v. Daniel Lahoti, TechOps, VirtualPoint Inc.*, D2022-1100 (WIPO June 6, 2022) (<sobold.com>) cautioned that

> the mere existence of third party usage of a trademark would not give a would-be registrant a free pass, but that each such case must be judged on its own merits and if the facts show an intent to target a trademark owner (or owners) the registration would be considered to be in bad faith.

Word(s) Added to the Mark

Additions which summon up complainant's rather than respondent's business merely compound the confusion created by the incorporation of complainant's trademark. Thus, in *Pivotal Corporation v. Discovery Street Trading Co. Ltd.*, D2000-0648 (WIPO August 17, 2000) (<pivotalsoftware.com>) the Panel sets out a core principle.

> [W]here the derivative name consists of a registered trademark and a second term which indicates the business for which the trademark was registered [it will support bad faith registration and use]. [. . .] [But} if the secondary term in a derivative domain name indicates a business which is different from that for which the trademark was registered, then that could lead to a different conclusion, except in the case of famous marks where the secondary term is of lesser importance[ ].

Although, whether or not an addition summons up complainant's rather than respondent's business it incorporates the mark (is confusingly similar to it) and this is a supporting factor of bad faith.

In *Fairmont Hotel Management L.P. v. Puts*, D2001-0431 (WIPO May 17, 2001) (a well-known mark in its niche) Respondent added the words "hotel" and "resort" (<fairmonthotels.com> and <fairmont-resort.com>). Instead of creating a distinctive name, they build on the mark:

> If the underlying mark is one that would be recognized by consumers and Internet users as distinguishing goods or services of one enterprise from another any addition will be found confusingly similar to the trademark and support both elements of bad faith.

However, in another hotel chain, *Marriott International Inc. and Marriott Worldwide Corporation v. Avalon Resorts Pvt. Ltd.*, D2010-0172 (WIPO March 22, 2010), the addition of "avalon" to Complainant COURTYARD mark is not infringing. "The crux of the Complainant's argument [. . .] is that its COURTYARD mark is so well-known that the Respondent must have been aware of it":

> However, the Panel does not accept this argument. Firstly, the Panel considers that there is no strong inference that the Respondent was targeting (or necessarily aware of) the Complainant's mark when it registered the disputed domain name, as the Respondent directly uses the disputed domain name in connection with its legitimate business, and because the Complainant's mark is comprised of a common dictionary term which might have any number of associations not connected with the Complainant.

Also, of course, "Avalon" has a cultural meaning as well as a dictionary meaning.

Targeting Whom?

Particular Owner, Not any Mark Owner

The "widely accepted view among panelists under the Policy" is that "for bad faith registration and use to be made out, a degree of targeting of the Complainant or its mark by the Respondent must be evident from the record, or at the very least that there must be sufficient grounds to infer that the Respondent had the Complainant or its trademark in mind when the disputed domain name was created," *Franki Global Inc. v. Privacy service provided by Withheld for Privacy ehf / Golden Dream, The Stay Gold Co / Samantha Jurashka*, D2021-2901 (WIPO December 13, 2021).

The issue of targeting and whom concerns the phrasing of Para. 4(b)(i) and whether a registrant should be charged with cybersquatting where the disputed domain name may infringe some mark holder's rights even if not the complainant's. The paragraph reads that it is a violation for a registrant to solicit a mark owner to sell a domain name corresponding to the mark if the domain name was "acquired [. . .] primarily for the purpose of selling [. . .] the domain name registration to complainant who is the owner of the trademark or service mark." But the 3-member Panel in *Etam, plc v. Alberta Hot Rods*, D2000-1654 (WIPO January 31, 2001) (<tammy.com>) reminds parties that "a bad-faith cybersquatter may also wait for a trademark owner to act before making demands."

In *Agile Software Corporation v. Compana LLC*, D2001-0545 (WIPO July 23, 2001) a Complainant in a smaller niche market

> mainly contends the Respondent is in bad faith because it registered the disputed domain name to sell it to the Complainant or a competitor in violation of the Policy at 4(b)(i). The Complainant attempts to flesh out this argument by pointing out that although the Complainant assiduously tracked the

> disputed domain name and attempted to register it when it was abandoned by Lucent, the Respondent succeeded in registering the domain name first.

The Complainant further claims that "the Respondent's practice of placing counting devices on its other websites is evidence the Respondent is attempting to contrive a price for the disputed domain name in order to sell it.

The Panel was unconvinced by this argument because the "name agile can readily be seen to fit in with the many other names the Respondent seems to have registered for their generic meaning." Where marks are nondescript in market distinctiveness and complainant is one of many using the term incorporated into the domain name, and where the term is as easily associated with one mark owner as with another, it cannot succeed without proof of targeting.

Hypothetically, targeting another mark owner but not the complainant does not support cybersquatting, as earlier noted in *Do The Hustle, supra.*, and in *OVB Vermögensberatung AG v. Michele Dinoia and SZK.com*, D2009-0307 (WIPO May 6, 2009) the Respondent used the domain name for "a portal site containing advertising links for knives and cutlery." The target was not complainant but a trademark owner in the cutlery business.) Similarly in *Yeshiva University University v. SS Media, Joy Dhivakar S Singh*, D2010-1588 (WIPO November 24, 2010). The Panel explained that "[w]here respondent appears to have been targeting the Einstein College of Engineering [located in or near Tirunelveli, Tamil Nadu, India] and not complainant, there is no proper basis for an order directing the transfer of the Domain Name to complainant."[8]

The theory that targeting any rights holder is actionable would lead to an absurd result, that the first rights holder to sue would win the domain name even though it was not the one targeted. The point is underscored in *Centroamerica Comercial, Sociedad Anonima de Capital Variable (CAMCO) v. Michael Mann*, D2016-1709 (WIPO October 3, 2016) in which the Panel rejected "Complainant's argument that the Respondent should be deemed to have been targeting any person who might in the future have an interest in registering the disputed domain name."

More recent cases reinforce the consensus for the "in mind" principle. The Panel in *Mountain Top (Denmark) ApS v. Contact Privacy Inc. Customer 0133416460 / Name Redacted, Mountaintop Idea Studio*, D2020-1577 (WIPO September 1, 2020) (<mountaintop.com>) explained:

8 *Yeshiva University*: "There is no evidence that the Respondent registered the Domain Name with a view to selling it to the Complainant for a profit, and nor are there any sponsored links to third party websites on the College website from which the Respondent might have been deriving pay per click revenue. The Domain Name simply resolves to a website (the College website) that appears to be operated by a real 'Einstein' college [of Engineering]."

> To succeed in a complaint under the Policy, it is well established that under the third element of the Policy, a complainant must prove on the preponderance of the evidence is that the domain name in issue was registered in bad faith, i.e., was registered with the complainant and/or its trade mark in mind.

Similarly, the Panel in *Tarmac Trading Limited v. Maureen Twist / Michael & Paul Wilson trading as Abbey Tarmac & Asphalt*, D2021-3768 (WIPO December 30, 2021) (<abbeytarmac.com>) held that

> Complainant must show that the Respondent had the Complainant's rights in mind when it registered the disputed domain name and that it proceeded with bad faith intent to target such rights,

And in *Flexspace No 2 LLP v. Michael Angelo Justiniano, Flexspace AS*, D2021-4135 (WIPO February 29, 2021) (<flexspace.tech>) the Panel held

> in essence a finding of bad faith requires that there is a degree of targeting of the Complainant or its mark, or at the very least that the Respondent must have had the Complainant or its trademark in mind when selecting the disputed domain name.

The Panel in *Franki Global Inc. v. Privacy service provided by Withheld for Privacy ehf / Golden Dream, The Stay Gold Co / Samantha Jurashka*, D2021-2901 (WIPO December 13, 2021) observes:

> It is widely accepted among panels under the Policy that, for bad faith registration and use to be made out, a degree of targeting of the Complainant or its mark by the Respondent must be evident from the record, or at the very least that there must be sufficient grounds to infer that the Respondent had the Complainant or its trademark in mind when the disputed domain name was created.

The preliminary question as framed in *Franki Global* is: Did the registrant have the mark in mind when it registered the challenged domain name? Could it have?

While it is correct that complainants have the burden of proof on each of the three Paragraph 4(a) limbs of the Policy, it is equally correct that when it has satisfied those burdens by a preponderance of the evidence, the burden shifts to respondent to produce evidence rebutting complainant's proof.[9] This drama mainly plays out in the second limb for and against the contention that respondent lacks rights or legitimate interests in the disputed domain name.

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9 "Were the trademark a well-known invented word having no descriptive character, these circumstances would shift the onus to Respondent to demonstrate its rights or legitimate interest in the disputed domain name," *Do The Hustle, LLC v. Tropic Web*, D2000-0624 (WIPO August 23, 2000) (the first of two "*Hustle*" cases, <pollyester.com>, not to be confused with D2000-0625).

It can also play out in the third limb where, for example, respondent is the senior user of the term corresponding to a later acquired mark; or, respondent proffers evidence as to the implausibility of its having actual notice of the complainant's less than well known mark when it registered the disputed domain name, not only based on timing and location of the parties, but also complainant's lack of distinctiveness in any market that would or could have brought its presence to respondent's attention.

Whether the disputed domain name predates or postdates the first use of a mark in commerce is a critical factor. Thus, in *Charles E. Runels, Jr. v. Domain Manager / Affordable Webhosting, Inc., Advertising*, FA1709001749824 (October 23, 2017) (<pshot.com>) the Panel held that "Respondent's legitimate interest, first and foremost, stems from being the first person to register the Domain Name at a time when it was not subject to any trademark rights whatsoever." If the disputed domain name predates the trademark "the first person in time to register a domain name would normally be entitled to use the domain name *for any legitimate purpose it wishes*" (emphasis added), *Inbay Limited v. Ronald Tse dba Neosparx International*, D2014-0096) (WIPO March 21, 2014) (<inbay.com>).

The *Inbay* qualification—"would normally be entitled"—is illustrated in those cases already mentioned in which respondents have failed to explain or justify their registrations but also, and with a different outcome, in cases such as *Securus Technologies, LLC v. Domain Administrator*, D2021-3383 (WIPO December 16, 2021) in which there is unequivocal bad faith but no actionable claim for cybersquatting. The Panel noted that while

> it has no difficulty in accepting the Complainant's unchallenged contention that the Respondent is using the Domain Name in bad faith [. . .] it is barely conceivable that the Respondent can have registered it in bad faith, registration having taken place on September 28, 1995 almost nine years prior to the Complainant's first use claim (August 6, 2004) in respect of its SECURUS trade mark.

In *Web 3.0 Technologies Foundation v. Registration Private, Domains By Proxy LLC / Su Tingting, Hangzhou Midaizi Network Co., Ltd.*, D2021-3593 (WIPO February 3, 2022) the Respondent interposed itself between parties negotiating to purchase <polkadot.com>. Complainant had negotiated with the prior registrant to acquire <polkadot.com> for $600,000 dollars. Before it could conclude the transaction, it learned that the prior holder flipped it to another party who was now demanding 77 or 80 million for it. The Panel found that

> it does not seem plausible that the Respondent would acquire it in June 2021 for a lesser sum. It seems even less plausible that the Respondent would "lend" out the disputed domain name to someone for free.

The Panel found that the more plausible reason for acquiring the domain name was its perceived value to the rights owner: "Registration for this purpose constitutes registration in bad faith under the Policy as it impermissibly seeks to take advantage of the trademark significance of the disputed domain name without the Complainant's permission."

The domain name in issue in *Alstom v. NetSupport AskMySite, AskMySite.com LLC*, D2020-3206 (WIPO March 2, 2021) (<coradia.com>) was registered 20 years before the commencement of the proceedings but the Respondent's submission, a pretense that it had acquired <coradia.com> for an unidentified patron, failed to explain

> how the alleged customer came up with the name "coradia", nor does the Respondent mount any substantive challenge to the Complainant's submissions that the term is singular and refers to the Complainant alone.

Directing or Redirecting Disputed Domain Name

Conduct Supports Bad Faith

Any use (or passive use as defined by *Telstra* test) offered in redirected websites competes with complainant for attracting Internet users looking for the complainants website. The Panel in *ALTAVISTA COMPANY v. GRANDTOTAL FINANCES LIMITED et. al.* D2000-0848 (WIPO October 17, 2000) found:

> The Complainant has provided sufficient evidence that entering the Domain Names in a browser had the effect of directing the user's browser towards a website which contained a link to a banking website obviously affiliated with the Respondent. It is quite obvious that the only intent of the Respondent was to appropriate the goodwill of the Complainant and redirect traffic intended for the Complainant for his own purposes.

In *ESPN, Inc. v. Danny Ballerini*, FA0008000095410 (Forum September 2000) the "Respondent has linked the domain name to another website <iwin.com>." The Panel noted:

> Presumably, the Respondent receives a portion of the advertising revenue from this site by directing Internet traffic to the site. Using a domain name to attract Internet users, for commercial gain, to another Internet location by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, endorsement, or affiliation with the location of the website is evidence of bad faith. Policy ¶ 4.b.(iv).

The Panel cited for this proposition, *America Online, Inc. v. Tencent Communications Corp*., FA 93668 (Forum March 21, 2000) (finding bad faith where the Respondent attracted users to a website sponsored by the Respondent).

In *Invesco Ltd. v. Premanshu Rana*, FA1705001733167 (Forum July 10, 2017) the Panel noted that "[u]se of a domain name to divert Internet users to a competing website is not a bona fide offering of goods or services or a legitimate noncommercial or fair use."

PPC Links as Some Evidence of Targeting

As a general proposition, the use of a complainant's trademark to offer for sale competing products or populating the associated website with hyperlinks to a complainant's competitors is objectionable and considered *male fide*. Such use supports a reasonable inference of bad faith, and if this use follows from the registration of the disputed domain name it supports conjunctive bad faith.

It is by now well established that PPC parking pages built around a trademark (as contrasted with PPC pages built around a dictionary word or phrase and used only in connection with the generic or merely descriptive meaning of the word or phrase (Chapter 10) do not constitute a bona fide offering of goods or services pursuant to paragraph 4(c)(i) of the Policy, nor do they constitute a legitimate non-commercial or fair use pursuant to paragraph 4(c)(iii).

Bad faith is established where there is evidence that the respondent is hyperlinking to the complainant's famous or well-known mark or redirecting it for commercial gain while creating the likelihood of confusion that the associated website is sponsored, affiliated, or endorsed by the mark owner, it will have a case to answer.

The respondent will also have a case to answer if before the registrar locks the disputed domain name (a procedure that was added to the Rules in 2013), the it changes the content of its associated website to clean it up. The changes in *Chernow Communications, Inc. v. Jonathan D. Kimball*, D2000-0119 (WIPO May 18, 2000) occurred in the pre-lock era:

> It is curious that, in the middle of panel deliberations, the Respondent (or his agent or assignee) changed the link to the web site, so that www.ccom.com now resolves to a site offering computer products for sale copyrighted by vstore.com. Such changes in conduct following the onset of proceedings cannot be allowed to affect their outcome.

"The fact that a third party is effectively operating the website on behalf of Respondent, and making payments to Respondent on the basis of that use, does not insulate Respondent from the conduct of its authorized agent," *Park Place Entertainment Corporation v. Anything.com Ltd.*, D2002-0530 (WIPO September 16, 2002) (<flamingo.com>). This may follow even though the respondent has no control over the populating of the website (see below "Registrar Landing Pages").

The reasoning is that someone derives a benefit from the parked domain at complainant's expense even if not the respondent directly. How or why and under what set of facts and concerning what levels of distinctiveness the marks have obtained must surely be an issue.

In *Sanofi-Aventis Aventis Pharma SA, Aventis Pharma Deutchland GmbH v. IN4 Web Services*, D2005-0938 (WIPO November 24, 2005) the Panel found that respondent either passively condoned or was indifferent to the material posted to its domains by another party. But in its niche, Sanofi is a well-known if not famous mark. The Panel held:

> The Panel believes that registrations made as part of such a scheme [to drive traffic through the website] are made and used in bad faith for the purposes of this Policy if it is held that the domain name in point is confusingly similar to a mark in which a third-party complainant has rights.

In practical terms an infringing website is deemed to benefit the holder whether it does or not and without regard to other beneficiaries. That the offending content occurred in the past but the domain name is presently parked and inactive is not a defense regardless the length of time respondent has held it, a view expressed in *Maurice Mizrahi / Mizco International, Inc. v. Chi Hyon*, FA1710001754962 (Forum November 20, 2017) (<digipower.com>. Held for 16 years).

In *Sunrise Senior Living, LLC v. Domain Administrator, See Privacy Guardian.org / Zhichao Yang*, D2020-1508 and D2020-1619 (WIPO August 19, 2020) (<sunriseseniorsliving.com) the Panel concludes:

> The object has to be commercial gain, namely pay-per-click or referral revenue achieved through the visitors to the site clicking on the sponsored advertising links. Even if visitors arriving at the websites to which the disputed domain name resolve become aware that these websites are not such of the Complainant, the operators of these websites will nonetheless have achieved commercial gain in the form of a business opportunity, namely the possibility that a proportion of those visitors will click on the sponsored links".

Similarly, *Sodexo v. Daniela Ortiz*, D2021-0628 (WIPO May 3, 2021) (<sodexo-spa.com>)

> In this case, the notoriety of the Complainant's trademark and its distinctiveness along with the implausibility of any good faith use to which the disputed domain name may be put are compelling considerations.

Citing *SAP SE v. Domains by Proxy, LLC / Kamal Karmakar*, D2016-2497 (WIPO January 31, 2017) (<sapbusinessonecloud.com>) for the "well established [proposition] that where a domain name is used to generate revenue in respect of 'click through' traffic, and that traffic has been attracted because of the name's association with the Complainant, such use amounts to use in bad faith."

Panels tend to overlook an errant link, as inconclusive in light of the totality of facts favoring respondent's good faith. Thus, *Oystershell Consumer Health, Inc. v. Titan Networks*, CAC 103658 (ADR.eu May 19, 2021) (<rim.com>. "Complainant's reliance upon a single screenshot which shows an inadvertent link referencing Complainant is insufficient in and of itself, to warrant the transfer of the domain name for 'bad faith'".).

But the presence of many errant links will support bad faith registration and use. The Panel stated in *4IMPRINT, INC. v. richard olivo / rockpoint apparel inc.*, FA2104001942146 (Forum May 18, 2021) that a respondent "attracting internet traffic for commercial gain through the use of competing hyperlinks may be indicative of bad faith per Policy ¶ 4(b)(iv)."

Registrar Landing Pages

Typical registrar agreements provides in words or substance that "If you do not direct your domain name away from [the Registrar's] name servers as described above, [the Registrar] will direct your domain name to a 'Parked Page.'" (Paraphrasing Paragraph 10, GoDaddy - Domain Name Registration Agreement). In such an event, the registrant must rely on the registrar to populate the landing pages with noninfringing hyperlinks.

Two lines of reasoning have developed on the issue of liability for landing pages manifestly displaying infringing hyperlinks. The first is captured such cases as *Diners Club International Ltd. v. O P Monga*, FA0603000670049 (Forum May 22, 2006). By agreeing to its registrar's "parking policy" and not "un-park[ing]" Respondent violated the Policy.

Similarly in *Hoffmann-La Roche Inc. v. Alan Truskowski*, FA0609000808287 (Forum November 14, 2006) in which the Respondent asserted that he had not requested or approved sponsored links on the parking website. The Panel rejected this argument on the grounds that Internet users were likely to be misled as to the source or sponsorship of the website and that this was likely the Respondent's intention, in the hope of generating "click-through" fees.

Stated differently, the "relationship between a domain name registrant and the Registrar does not affect the rights of a complainant under the Policy," *Villeroy & Boch AG v. Mario Pingerna*, D2007-1912 (WIPO February 14, 2008) (<villeroy-boch.mobi>)[10]: "The Respondent contends that he was never informed by the Registrar and was therefore not aware of the content of the disputed domain

10 "Clause 3.6 of the registration contract between the Respondent and the Registrar reads as follows: "If, upon registering a Name, the Customer abstains from linking such Name to a specific website or web page, EuroDNS shall be entitled to display a web page whose express purpose is to avoid

name's web page." However, whether the Respondent was informed or not, the Complainant has a heavy footprint in its market. The Panel found

> that the Respondent's registration of the disputed domain name with knowledge of the Complainant's trademarks, its authorization to the Registrar to host a parking page at the disputed domain name, and then its failure to act when the Complainant complained of the links of this parking page to its competitors is an independent ground of bad faith.

Note, though, the marks in all three of these cases are highly distinctive in their markets and have reputations internationally. The question is whether the outcome is, or should be, different where the marks are drawn from the common lexicon? And what if complainants of such marks are well known in their own jurisdictions but have no reputation in the jurisdictions in which respondents are located?

The Panel in *ElectronicPartner Handel GmbH v. Antonio Loffredo*, D2007-0380 (WIPO April 24, 2007) pointed out that "COMTEAM [. . .] [u]nlike COCA-COLA, for example, it is a trademark susceptible of use in many different industries by many different people." The disputed domain name, <comteam.biz>

> appears to have been used solely to default to a parking page of the Registrar. The Complainant asserts that the Respondent has been earning revenue via the advertising links on the site. The Respondent acknowledges that the Registrar may have been earning money via those links, but denies that he has earned anything. The Panel is inclined in the circumstances to accept the Respondent's denial on this point.

The reason for this inclination "is the nature of the advertising links links featuring on the Registrar's parking page:

> Ordinarily, the principal links are selected to match the Domain Name. Accordingly, if the domain name in question is a name such as <xyzinsurance.com>, one would expect the principal links to be insurance-related links. In the case of the parking page connected to the Domain Name the links most prominently featured are almost all sports-related links. None of those links are related to IT/telecommunications.

In *Lotto Sport Italia S.p.A. v. David Dent*, D2016-2532 (WIPO February 13, 2017) the Respondent (located in Vancouver, Canada) was the high bidder for <lottostore.com> and <lottoworks.com>. The Complainant has trademarks for LOTTO and LOTTO WORKS. The Panel found that

> the parking page to which the Disputed Domain Name <lottoworks.com> resolves includes many references to shoes, and links to the Complainant's and

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a situation in which web surfers encounter an error 404 message. Such page shall, at EuroDNS's discretion, offer various services such as a search engine and may contain advertising."

> its competitors' website. This amounts to bad faith registration and use. It is well established that even if the registrant is not exercising direct control over the content, the registrant remains responsible for the content appearing on any website to which its domain name resolves (e.g. sponsored links that are automatically generated).

The registrar in this case was GoDaddy.

On "appeal" under the ACPA the court had a different take on the issue of hyperlinks created by the registrar, *Dent v. Lotto Sport Italia SpA*, No. CV-17-00651-PHX-DMF, at *16 (D. Ariz. Mar. 10, 2020): "[T]his Court concludes that Defendant misstates evidence regarding Plaintiff's control over the content of GoDaddy's parking page." Further:

> Defendant cites to no case authority discussing or holding that a domain name owner's utilization of a GoDaddy or a similar noncash parking page constitutes "use" of the domain name in the context of a claim under the ACPA.

There cannot be a bright line test that registrants are *ipso facto* liable for hyperlinks on registrar landing pages for the reasons stated in the trending consensus and underscored by the Panel in *State Farm Mutual Automobile Insurance Company v. Robert Goldman / A4M*, FA2207002003300 (Forum September 13, 2022). There are distinctions that must be made:

> registrants, especially those that do not buy or sell domain names for a living, should not be held responsible for parking pages that are stood up by default by its domain name registrar, especially where registrants derive no financial or other benefit from the content or links contained on the website other than letting others know that the domain name has been registered.

In the Panel's view

> it is an unfortunate common practice of registrars to place advertising on the landing pages of its customers' domain name where its customers have not published any content of its own on the domain. Most registrants are likely unaware of this practice and like the Respondent receive no benefit, financial or otherwise, from such a landing page. Nor are most registrants aware that they can change their settings at a registrar to not allow this to happen. It would be unfair to hold registrants that are unaware of this practice accountable for the actions of its registrar.

In a case similar in some respects to *Lotto Sport* and with the same outcome and for the same reasons the Panel in *Decathlon v. Doug Gursha*, D2023-0987 (WIPO May 12, 2023) found that <decathlons.org>) "resolves to parked pages with links directly related to the Complainant's business activities" evidence of abusive registration. The Panel held that Complainant had a "world-wide reputation" but the Respondent resides in the United States where Complainant has no market presence.

Opportunism and Willful Blindness

The WIPO Final Report recommended an evidentiary presumption that would lower the proof requirements for rights holders of famous and well-known marks. In essence it would shift the burden of proof to respondent to rebut the presumption, as opposed to the rights holder having to offer proof of bad faith. It recommended

> granting [. . .] an exclusion giv[ing] rise to an evidentiary presumption, in favor of the holder of an exclusion . . . in such a way that, upon showing that the respondent held a domain name that was the same as, or misleadingly similar to, the mark that was the subject of an exclusion and that the use of the domain name was likely to damage the interests of the holder of the exclusion, the respondent would have the burden of justifying the registration of the domain name.

Although ICANN did not write this higher standard into the UDRP it nevertheless underlies complaints in which the record supports the conclusion that the registration was opportunistic, and if the claim is implausibly denied that registrant was willfully blind in not recognizing the distinctiveness of the mark. It generally applies to disputed domain names demanding an explanation from respondent which is missing from the record.

The concept of opportunism entered the UDRP vocabulary together with willful blindness in 2001; although to be discussed, there is a distinction between the two in that the opportunist knows precisely what it is doing and the latter fails to recognize in the face of evidence that its registration infringes a distinctive mark. An opportunist may also be willfully blind by subjectively believing that its registration is lawful. But these terms are also used interchangeably to register an objective conclusion that the registration of disputed domain names are unlawful.

The first use of "opportunistic bad faith" was employed in the case of <veuveclicquot.org>, *Veuve Clicquot Ponsardin, Maison Fondée en 1772 v. The Polygenix Group Co*., D2000-0163 (WIPO May 1, 2000). The sobriquet is a stock finding in cases in which it is inconceivable to incorporate the mark without it being infringing. 2022 cases include the following domain names: <barclaysfinances.com>, <statefarmonlineautoclaims.com>, <guessandcocorp.com>, <homedepot-us.com>, <amundi-management.com>, <fxddtrading.online>. These are very different from dictionary words: "Circus," "Caribou," etc., personal and family such as "Mcgraw," "Normani," "Dagostino" but not "Disney" or "McDonalds," and common phrases "Whats What," "Indoor Billboard," "Simple Plan," "Sleep Sack," "Vogue Travels," "Natural Lawns," etc., and arbitrary strings of letters ("MPS") occupy the lower rungs of protection.

Dot app has proved fertile for opportunistic bad faith, but with this new gTLD the outcome is dictated by the distinctiveness of the mark. Thus, "shop style" (<shopstyle.app>), "Pret" (<pret.app>) (meaning "ready" in English) and "Village Hotels" (<villagehotels.app>) are weak but "Shopular" (<shopular.app>) and "Attendify" (<attendify.app>) are built on coined words.

The Panel in *Compact Disc World, Inc. v. Artistic Visions, Inc.*, FA0107000097855 (Forum August 15, 2001) (<cdworld.com>) stated:

> Just as Respondent could not create rights or legitimate interests by turning a blind eye to the possibility of rights of others, neither can Respondent be found to act in good faith in these circumstances.

The concept was slow to be established. It picked up significantly in 2004 (there is no reference to willful blindness in WIPO Overview 1.0 (2005), but increasingly after 2006 and 2007 (it was noted in WIPO Overview 2.0 (2011) and is prominent in the Jurisprudential Overview.

There are numerous examples from early cases. In *LEGO Juris A/S v. Kamal Mahmoud*, D2021-2354 (WIP0 October 4, 2021)(<legoip.com>) (Respondent argued the term was generic!) the Panel noted[11]:

> The mark LEGO is so closely linked and associated with the Complainant that the Respondent's use of this mark, or any minor variation of it, strongly implies bad faith. Where a Domain Name is obviously connected with such a well-known name and products… its very use by someone with no connection with the products suggests opportunistic bad faith.

The point is also made in *Fenix International Limited v. DAVID STABOLITO, XTREME*, D2022-0343 (WIPO March 15, 2022) (FANS ONLY and <fansonly.club>):

> Even if one were to accept the unbelievable proposition that the Respondent was unaware of the Mark, willful blindness is no excuse and does not avoid a finding of bad faith registration and use. [. . .] A simple Internet search, normally undertaken before registering a domain name, would have disclosed the Complainant's Mark.

11 The Panel rested its determination on two early cases: *Parfums Christian Dior v. Javier Garcia Quintas*, D2000-0226 (WIPO May 17, 2000) (<christiandior.com>). "[Where a domain name is] "obviously connected with such a well-known name and products [. . .] its very use by someone with no connection with the products suggests opportunistic bad faith"): and *Deutsche Bank Aktiengesellschaft v. New York TV Tickets Inc.*, D2001-1314 (WIPO February 2002)) (<duetsche-bank.com>), in which it was determined that given the notoriety of the complainant's mark therein, any use of that mark that the respondent would make in a domain name would likely violate the complainant's exclusive trademark rights, and thereby show a lack of any legitimate rights or interests."

In some cases, the infringement is so obvious to the Panel (and to the reader) that merely showing evidence that the mark is registered— ONLYFANS.COM—that has a significant reputation on social media platforms—"Complainant owns and operates the popular website 'onlyfans.com' which has more than 180 million registered users— is sufficient to forecast the outcome that <fansonly.club> will be forfeited to Complainant. This does not extend Complainant's right to the use of "only" as in <xpornonly.com>, although the same Panel unaccountably found the acronym "of" protected in <nudeof.com>.

But the allegation of willful blindness is also asserted recklessly by mark owners lacking distinctiveness in the market while alleging a reputation they fail to prove they have. In *Harima Chemicals Group, Inc. v. Domain Administrator, DomainMarket.com*, D2021-3512 (WIPO January 31, 2022) (<harima.com>):

> According to the Complainant, the Respondent knew or should have known the HARIMA trademark of the Complainant, and has acted in willful blindness by failing to search for and avoid trademark-abusive domain name registrations. . . [but [t]he Complainant has however failed to provide evidence supporting a conclusion that the Respondent was aware of the Complainant or that the Respondent has somehow targeted the Complainant through the registration and use of the disputed domain name.

"Knowing or should have known" is not made evident by asserting it, and as this is a key factor in determining opportunistic conduct, the lack of evidence supports dismissal of the complaint.

Acquiring Dropped or Lapsed Domain Names

The issue of opportunism may also be a consideration in acquiring dropped or lapsed domain names. Although the acquisition is not necessarily abusive where the domain name is drawn from the common lexicon, and the high bidder plausibly lacks any knowledge of the identity of the prior registrant, it may be abusive where the mark is highly distinctive in the market. The availability of these domain names arises in one of two circumstances. Either the complainant inadvertently missed the renewal date for the domain name; or, a person other than the complainant drops a domain name corresponding to complainant's highly distinctive mark.

The high bidder most likely does not know the identity of the prior registrant or whether the dropped domain name was inadvertent or abandoned. In Reduxio Systems Ltd. (Now doing business as Ionir Systems) v. Ron Peleg, D2023-2165 (WIPO July 10, 2023) (<reduxio.com>) the Panel explained:

> the Respondent argued that it took the disputed domain name in good faith 18 days after the Complainant had failed to renew it. Panels have found that the registration by a respondent of an expired domain name, in particular,

> a recently-expired domain name, which incorporates a distinctive mark, can serve as evidence of bad faith.

Whether an inadvertent dropped domain name can be reclaimed depends on the value of the mark (that is, its distinctiveness in the market). If from the common lexicon the domain name will likely stay with respondent.

There are also other considerations concerning the dropped name itself, whether a) it was dropped by the complainant or an unrelated party, and b) if dropped by the complainant whether it has acted promptly to reclaim it; and by whomever whether the trade or service mark is 1) coined or fanciful or drawn from the common lexicon, 2) registered or unregistered, and 3) the mark is a word or a phrase, and what kind of word.

I have divided this discussion into two parts. In this chapter, I will discuss acquisitions found to have been in bad faith by commercial users (which could include investor resellers); and in Chapter 18 I will discuss acquisitions found to be in good faith by investors.

As a general proposition, reclaiming lapsed domain names demands the same quantum of evidence as is expected of originally registered domain names, except in one regard: while high bidders know that the domain names have previously been registered, they do not know whether the prior registrants abandoned or inadvertently allowed the domain names to lapse. Therein lies the cause for dropped domain name cybersquatting complaints.

The general rule for dropped domain names that cannot plausibly be claimed to be owned by the prior holder is that the first to register has a priority right to the domain name.[12] If inadvertently dropped by a trade or service mark owner, there are two outcomes depending on the distinctiveness of the mark and perhaps timing: the less distinctive the mark the greater the likelihood the loss cannot be reversed. The more distinctive the mark, the greater the likelihood that the complainant can reclaim the domain name. A domain name dropped by a non-mark owner regardless of that person's length of holding has no actionable claim under the UDRP.

The difficulty of reclaiming dropped domain names is illustrated in *Displays Depot, Inc. v. GNO, Inc*., D2006-0445 (WIPO June 29, 2006) (<displaydepot.com>). Here, the dropped domain name is drawn from the common lexicon and previously registered to a third party. In response to Complainant's assertion that "Respondent's registration must have been in bad faith because it registered the

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12 The high bidder has a right of priority to the domain name, but there may be circumstances that support reclamation by a complainant, who for example, is exclusively associated with that term.

Domain Name after Complainant inadvertently allowed its registration to lapse," the Panel held: "This argument has no merit":

> The registration of a domain name that was previously registered to a third party cannot constitute bad faith absent a showing that the registration was specifically done to take unfair advantage of an obviously inadvertent expiration, and to trade on the goodwill of the underlying trademark.

The Complainant offered a more novel argument in *IDR Solutions Ltd. v. Whois Privacy Corp*, D2016-2156 (WIPO December 12, 2016) (<jpedel.org>). It contended that it had a strong case for bad faith based on the "relative weighting of harms" caused to each party." The Panel disagreed:

> [It is not to be presumed] that all erroneously lapsed domain name renewals are evidence of the bad faith registration of the domain name by a new holder. Nor does the Panel believe that the Policy is designed primarily to make up for the mistakes or negligence of Registrars or Complainants in ensuring that domain names get renewed, however unfortunate that may be.

But there was circumstantial evidence of bad faith:

> The Panel notes that Complainant is active in software and technology and Respondent's website (assuming it would be legitimate) under the Domain Name also appears to be connected with that field. The Panel is persuaded that it cannot be mere coincidence that purchase of the Domain Name which has been used consistently for 14 years and suddenly available is not a deliberate purchase in which Respondent was unaware of Complainant and its use and mark.

Panels have taken one of four positions when complainants fail inadvertently to re-register domain names: 1) favoring claimants whose domain names have been extensively used before lapse and have acted promptly (*Red Nacional De Los Ferrocarriles Espanoles v Ox90*, D2001-0981 (WIPO November 21, 2001); 2) favoring complainants whose marks are distinctively associated with them (*Donna Karan Studio v. Raymond Donn*, D2001-0587 (WIPO June 27, 2001) (<dkny-jeans.com>); 3) disfavoring the generic and descriptive (*Paper Denim & Cloth, LLC v. Pete Helvey*, FA1201001425020 (Forum March 5, 2012); and 4) rejecting excuses altogether. *Corbis Corporation v. Zest*, FA0107000098441 (Forum September 12, 2001). The 3-member Panel held: "There is an element of 'finders keepers, losers weepers' in this decision. We believe that is as it should be."

The consensus view has remained steady. For example the Panel in *Enuygun Com Internet Bilgi Hizmetleri Teknoloji Ve Ticaret Anonim Sirketi v. Kamran Agali, Ornek Teknoloji AS*, D2023-0770 (WIPO April 28, 2023) (<enuygun.net>) citing *Food and Wine Travel Pty Ltd v. Michael Keriakos, Keriakos Media Ventures*, D2016-1953, (WIPO November 21, 2016) stated:

> That will no doubt disappoint the Complainant but is a consequence of its failure (for whatever reason) to renew the Disputed Domain Name. The Policy is not intended to provide a remedy for that sort of mistake, save in the narrow circumstances where it can be shown that such a mistake has been capitalized on by a respondent who has acted in bad faith.

The domain name is built on a common term and the Panel called the mark weak: "[T]he disputed domain name contains the term 'enuygun', which may be used descriptively in the field of commerce or registered with additional terms or designs by different proprietors in various classes."

Inadvertent Lapse and Abandonment of Disputed Domain Names

Business Drops

I quoted a view in Chapter 1 from an early UDRP decision expressing a view that was more common in 2001 than it is today:

> I am of the view that the interests of internet users (and trade mark owners in particular) would best be served if the Respondent's activity under review here [acquiring inadvertently dropped domain names] be prohibited.

But having said this, the dissenting member of the Panel) checked himself. He concluded that the UDRP "as currently framed" does not condemn this activity and he would have dismissed the complaint even though he was "not favourably disposed towards the Respondent's modus operandi."[13]

The prevailing view is that acquiring inadvertently dropped domain names is lawful but the new registrant carries a risk of forfeiture depending on the distinctiveness of the mark and other factors. In *Future France v. Name Administration Inc.*, D2008-1422 (WIPO December 8, 2008), for example, the Complainant reclaimed <renfe.com> (a one of a kind mark, the subject of the dissent noted above) but the Complainant who lost <joystick.com> could not because of its genericness.

The Complainant in *Paramount Stations Group of Fort Worth/Dallas, Inc. v. Netico, Inc.*, D2001-0715 (WIPO July 18, 2001) (<ktxa.com>) "inadvertently let its registration lapse" and the Respondent offered to sell it back for $5,000 which the Complainant rejected. This is a quintessential narrative in bad faith under Paragraph 4(b)(i) of the Policy. The Respondent did not appear and the Complainant reclaimed its domain name.

In *Westchester Media Company, L.P. v. Infa dot Net Web Services*, FA 0106000097759 (Forum August 3, 2001) (<polomagazine.com>) the Complainant

13 Dissent in *Red Nacional De Los Ferrocarriles Espanoles v Ox90*, D2001-0981 (WIPO November 21, 2001) (<renfe.com>, which is both a mark and also an acronym).

reclaimed its domain name "because Respondent took advantage of Complainant's lapse in registration" for a domain name that was obviously association with a single mark owners. And similarly, in *Daily Racing Form LLC v. na and Virtual Dates, Inc.*, D2001-1032 (WIPO November 6, 2001) (<racingform.com>):

> Respondent effectively argues that it has rights or legitimate interests in respect of the domain name because, before it had any notice of the dispute, it had been using the domain name in connection with a bona fide offering of goods or services. Policy, 4(c)(i). The Panel does not agree. The domain name is being used to link to a web site at which virtual horse racing is conducted.

The Complainant's publication "dispenses information and news regarding thoroughbred horseracing."

The prevailing view for highly distinctive marks or marks solely associated with particular owners is further illustrated in *Supermac's (Holdings) Limited v. Domain Administrator, DomainMarket.com*, D2018-0540 (WIPO May 17, 2018) (<supermacs.com>), the Complainant had for many years been the registrant of the disputed domain name, <supermacs.com>, and inadvertently failed to renew the registration.

The Panel in this case found support for the forfeiture because the value of the domain name derived from the mark; that is, the domain name had no independent value except that which was conferred by the mark. Registrant was the high bidder at a public auction following Complainant's inadvertent failure to renew its registration. The Panel's reasoning expresses the consensus view on this issue and rejects the insular view expressed by the Respondent:

> [C]ritical to its reasoning and its conclusion in this case is that the Respondent acquired the disputed domain name through drop-catching. Registration of a domain name in that circumstance is not the same as "ordinary" registration of a domain name (i.e., registration of a domain name which is not held by another person immediately prior to registration).

This distinction is particularly important because it underscores a critical factor in assessing rights and legitimate interests.

The complainant of a previously held domain name distinctively associated with non other than it, is in a better position to reclaim its lost domain name than would a mark owner seeking transfer of a newly registered domain name not previously registered to it. This is because,

> Where registration occurs through drop-catching, the registrant is objectively aware that another person held the registration immediately prior. This, in effect, puts the registrant on notice that another person (the immediately prior registrant) may have rights in a trademark to which the domain name is identical or confusingly similar.

In *Lauren Singer v. Belsheba Nyabwa*, D2020-0244 (WIPO March 16, 2020) (<thesimplyco.com>) the Panel concluded:

> Respondent is not attempting to suggest that it had decided to form a business by that name, independently of the Complainant, and/or to rebrand its website accordingly, nor does the evidence suggest that it has done anything of that sort with the disputed domain name. On the contrary, the Respondent has merely pointed the disputed domain name to its existing website at "www.beddingnbeyond.com" . . .]

This lexical analysis suggested to the Panel that the Respondent

> is seeking to benefit from the Internet traffic previously developed by the Complainant's use rather than from the fact that a word such as "simply" can connote "basic", "rudimentary", or "straightforward" as it asserts.

Cultural Persons with a Heavy Market Presence

It has been long established that persons who own unregistered trademarks as artists, athletes, musicians, entertainers, and writers are in a favored position to capture abusive registrations of their names. This applies equally to lapsed domain names, depending on the extent of their fame.

The Panel in *Fox News Network, L.L.C. v. C&D International Ltd. and Whois Protection Service*, D2004-0108 (WIPO July 22, 2004) explained:

> As the degree of fame decreases from clearly identifiable celebrities with worldwide renown, to nationwide renown or to less well-known authors, actors or businessmen with limited renown in a specific field, the burden of proof on complainant increases and the need for clear and convincing evidence becomes paramount.

There is no issue with Leonardo DiCaprio. The Panel in *Leonardo DiCaprio v. sandi monkey*, FA2301002026351 (Forum February 3, 2023) found in the Complainant's favor because, and in addition to other evidence:

> Here, Complainant submits screenshots of websites that formerly resolved from the <leonardodicaprio.org> domain name but after Respondent's acquisition of the disputed domain name. The first shows graphics and links for online slot machines and other games of chance along with extensive text in the Indonesian language. The second shows a pay-per-click page with links to categories such as "Famous Actors", "Celebrity Scandals", and "Box Office". The Panel finds that these uses do not constitute a bona fide offering of goods or services or a legitimate noncommercial or fair use of the disputed domain name as they seem calculated to draw in traffic to these commercial sites based on Complainant's name alone.

Dropped By Persons Other than Mark Owners

Where a domain name is dropped by a person other than a complainant and acquired as high bidder at a public auction, the question before the Panel must be, Why should complainant have a right superior to the right or legitimate interest of respondent? The 3-member Panel in *Goodr LLC v. Michael Rader, Brandroot*, D2018-1171 (WIPO August 28, 2018) (US citizens) answered this as follows:

> Respondent promoted the disputed domain name on its website at the disputed domain name as a premium domain name with a high brand ranking and not as a domain name based on an alleged common or descriptive term. Such promotion and premium pricing would suggest that Respondent viewed "goodr" as more distinctive or arbitrary in nature, particularly as Respondent ranked the disputed domain name on its "comprehensive branding scale" as a 10 in "uniqueness" and an 8 on "brandability."

In other words, Respondent breached its representations under Paragraph 2: "from the available record before the Panel that Respondent simply registered the disputed domain name without conducting any due diligence and then put it up for sale as a premium domain name."[14]

The *Goodr* Panel concludes "that Respondent's conduct, on the balance of the probabilities, in deliberately failing to search and/or screen the disputed domain name amounts to bad faith registration in the circumstances of this case." Setting aside the arguable commonness of "goodr," in assessing which another Panel may on the same facts have ruled in respondent's favor, the concept is that registrants cannot just register a domain name regardless of its lexical composition just that it is available simply because it believes the domain name would be attractive to new brand owners. To this Panel, if it were otherwise, it would be a license to infringe mark holder' rights.[15]

In *Terrafinity Pty Ltd v. Jinsoo Yoon*, D2021-1632 (WIPO July 15, 2021 (<terrafinity.com>) the Panel stated that it "is unable to conceive of any reasonable explanation for the Respondent having selected for the Domain Name a name so peculiarly associated with the Complainant." In words or substance this thought "so

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14 Of note: "[t]he disputed domain name was originally registered in October 16, 2009 [that is, before the mark came into existence]. The registration of the disputed domain name expired in 2017 and the disputed domain name was then put up for sale through an online auction facilitated by GoDaddy.com. Complainant and Respondent both participated in the auction, and on November 20, 2017 Respondent acquired the disputed domain name with a winning bid of USD 1,358." But, as the mark predates the successor's registration of <goodr.com> the Panel held that the Respondent had an obligation to perform some due diligence, and had it done so it would have discovered that Complainant was the sole trademark registrant for that term. To some commentators, this is a questionable proposition.

peculiarly associated with the Complainant" is a principal factor in finding bad faith whether in the context of expiration or otherwise.

One of a kind marks even though they may combine dictionary words demand some cautionary due diligence. This is particularly true where the mark is "peculiarly associated with the Complainant" as found in *Mercado Libre, Inc.; Mercado Libre SRL; Mercado Libre Chile, Ltda.; Mercado Libre, S. de R. L. C.V.; Mercado Libre Venezuela, S.R.L.; Ebazar.com.br, Ltda.; Tech Fund, S.R.L. v. Alex Mariasov*, D2021-1699 (WIPO August 9, 2021).

In this case, Respondent (an investor) caught <mercadolibre.info> at an expiration auction but it was not dropped by the rights holder which means that an earlier registrant had made an abusive registration of a domain name that never resolved to an active website. The Panel held

> It is correct that the Disputed Domain Name comprises two dictionary Spanish words in combined form – which translate into English as "marketfree". The Panel also accepts that whilst the evidence establishes the term "mercadolibre" is well known in Latin America as relating to the Complainants there is insufficient evidence to show that is the case in the US where the Respondent resides. [. . .] There is no evidence before the Panel of any other person using the term "mercadolibre" or any variation thereof for a business. (Emphasis added to underscore what I mentioned above about the phrase "so peculiarly associated with the Complainant.").

Similarly, the Panel agreed with Complainant in *Fundación EOI v. Kamil Gaede*, D2021-3934 (WIPO December 21, 2021) that FUNDSARTE "is an ad hoc, unique word." If such a "unique word" or inventive (arbitrary) phrase is offered, bidders take a risk that it corresponds to a mark. In *DFDS A/S v. PrivatebyDesign, LLC / Han Zhiyu*, D2021-3841 (WIPO February 14, 2022) (<dfds.live>) the "Complainant's trademark DFDS is a coined term, without any apparent descriptive meaning, that enjoys international recognition in association with the Complainant's transport services." A "mere cursory search in any reputable Internet search engine would reveal that the letters 'DFDS' are widely associated with the Complainant."

Where disputes involve domain names acquired for commercial use to market goods or services the resolution depends on a number of factors discussed in *Ubiquiti Inc. v. Reilly Chase / Locklin Networks, LLC*, FA2110001970506 (Forum December 9, 2021). First of all, Complainant admitted to abandoning the domain name many years earlier:

15 Where a complainant is the sole mark owner omitted "e"s have favored mark owners: see <foldr.com> discussed in Chapter 2 footnote 32.

> Complainant alleges that, from 2004 to 2006, it was the owner of the challenged <ubiquiti-networks.com> domain name, and that Respondent did not register the domain name until April 30, 2019, about thirteen years after Complainant had surrendered it. Complainant also alleges that Respondent may, under the legal doctrine of fair use, employ Complainant's UBIQUITI NETWORKS trademark to identify the products for which Respondent provides cloud hosting services.

From these facts, the Panel concluded that "Complainant has failed to demonstrate that Respondent registered the disputed <ubiquiti-networks.com> domain name in bad faith":

> Insofar as the record shows, the domain name was abandoned by Complainant and left in the public domain for more than a decade before Respondent bought it at public auction. The record thus makes clear that Respondent did not register the domain name in order to prevent Complainant from doing so on its own behalf.

Impersonating / Impersonation

I noted in Chapter 10 that Paragraph 4(c)(iii) of the Policy is not a defense to impersonating complainant's mark, and if without justification will not be a defense to bad faith registration and use. The issue can be seen as misleading visitors to believe that respondent is associated with or sponsored by complainant, a Paragraph 4(b)(iv) violation.

Impersonation underlay the contentious issue of registering and using domain names identical to complainant's mark for commentary and criticism. For the exercise of free speech rights, speakers have to declare themselves by "signal[ing] to potential visitors that the associated website is likely to contain content critical of the trademark owner (the example often cited of such a signal is a domain name containing the trademark together with the word 'sucks'", *Société civile particulière monégasque "MC 2020" v. Smiljan power solutions*, D2023-0316 (WIPO March 17, 2023) (<tibtecag.com>).

The ground work for applying an "impersonation test" can be traced to the split discussed in Chapter 4. It does not withdraw or restrict free speech rights but balances those rights against the mark owner's rights for the domain name to accurately reflect a website associated with the right's holder.

The Panel in *Banque Cantonale de Geneva v. Primatex Group S.A.*, D2001-0477 (WIPO June 29, 2001) (<bcge-connection.com> and others) explained:

> Although not specifically mentioned as an indication of bad faith, it is the Panel's belief that the misleading domain name as well as the other elements mentioned above are indications of bad faith in the registration and use of the Domain Name By deliberately using Complainant's trademark as a designation

> for its protest site without, at the same time, adding a component identifying the true nature of the website, Respondent created a likelihood of confusion with Complainant.

Appearance of being what one is not is a violation of the Policy, and also coincidently a breach of respondent's representations under Paragraph 2 of the Policy.

In *Société civile particulière monégasque* cited above the Panel concluded that

> creates an impermissible risk of user confusion through impersonation. The disputed domain name, consisting of the Complainant's mark and a non-distinctive business legal form, will be perceived by the public as being affiliated with or authorized by the Complainant. The associated website depicts the Complainant's mark in the browser's tab and website menu, as selected by the domain name holder.

This implied affiliation is not removed by a disclaimer on the website. Rather,

> The Respondent has also concealed its identity and the Complainant cannot determine whether or not it is a competitor and therefore that the website associated with the disputed domain name has a commercial aim. The only reason for said website is to harm the Complainant's reputation.

This takes us into the darker acts that includes perpetrating fraudulent schemes of one kind or another.

NONEXCLUSIVE BAD FAITH CIRCUMSTANCES

Privileged and Confidential Communications

As a general proposition settlement discussions are encouraged and under rules of evidence in the United States parties are forbidden to disclose written communications.[16] ICANN Panels with some exceptions have taken a different approach.

The Panel in *Magnum Piering, Inc. v. The Mudjackers and Garwood S. Wilson, Sr.*, No. D2000-1525 (WIPO January 29, 2001) held:

> Respondents claim that the Panel should disregard its offers to lease because, pursuant to Rule 408 of the Federal Rules of Evidence, settlement negotiations are not admissible in evidence in U.S. courts. This is true, but it does not bind this Panel. Under paragraph 10(d) of the Rules, the panel "shall determine the admissibility of evidence." Thus, as a technical matter, Rule 408 is not binding on this Panel.

16 Federal Rules of Evidence, Rule 408: "(a) Prohibited Uses. Evidence of the following is not admissible — on behalf of any party — either to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction."

Thus, assertions and statements made in communications prior to the initiation of a UDRP proceeding by or between the parties or their counsel are admissible regardless of notations of confidentiality, particularly where the evidence provides insight into a party's motivation either in acquiring the disputed domain name or conduct in filing a complaint. *Cooper's Hawk Intermediate Holding, LLC v. Tech Admin / Virtual Point Inc*. FA2010001916204 (Forum November 17, 2020) (finding abuse of the administrative proceedings).

The Panel in *United Industries Corporation v. James Katz*, FA2103001936864 (Forum April 28, 2021): "[W]hereas this Panel generally agrees with the policy of protecting settlement discussions, the issue of the amount demanded by Respondent in exchange for transferring the Disputed Domain Name is made expressly relevant by the language of Policy ¶ 4(b)(i), and as such it would not make sense to exclude evidence about it."

"Shall be Evidence"

Abusive registration is measured by one or more of four nonexclusive circumstances. On Panel has properly noted: "The Complainant may show any of the non-exclusive circumstances outlined in paragraph 4(b) of the Policy, which may be evidence of registration and use in bad faith, or it may show that other indicia of bad faith are present." Paragraph 4(b) states: "For the purpose of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith."

"Shall be evidence" signals that the conduct or use described are factors in determining registration in bad faith. That is, bad faith registration is learned or discovered through conduct and use. This section contextualizes conduct and use. The same conditions apply: famous and well-known marks are protected (assuming no justification such as nominative fair use) as opposed to "generic and clever" domain names that demand a higher level of proof, both of themselves in terms of reputation in the market, and of respondent's bad faith conduct.

Bad faith presupposes that in registering a domain name respondent had complainant specifically in mind and registered the domain name to take advantage of its mark. The Panel in *Solon AG v. eXpensive Domains.com Project*, D2008-0881 (WIPO August 1, 2008) (<solon.net>) pointed out:

> Complainant evidently takes the view that domain name dealers are cybersquatters, because they acquire domain names without any intention of making any genuine active use of them and for no reason other than to sell them [ ] at a profit. [. . .]

But, "[t]hat is not the definition of a cybersquatter envisaged by the Policy."

Paragraph 4(b)(i): Offering to Sell Disputed Domain Name

For what purpose was the disputed domain name registered? Paragraph 4(b)(i) requires proof of three elements: Respondent has registered the disputed domain 1) "primarily for the purpose" of 2) "selling, renting, or otherwise transferring [it] to the complainant [. . .] or to a competitor" for 3) "a valuable consideration in excess of [respondent's] documented out-of-pocket costs directly related to the domain name."

One of the earliest Panels to reflect on complainants' burden under 4(b)(i) considered whether it was to be read expansively or narrowly. How was the provision to be construed? Where direct offer is evidence of bad faith, does it also apply to general offers to the world?

The Panel in *Educational Testing Service v. TOEFL*, D2000-0044 (WIPO March 16, 2000) (<toefl.com>) answered the question in a lawyerly way by concluding that it depends on the facts. An offer to sell a disputed domain name to anyone is not a violation, except it is when is value is derivative from the mark. It reasoned, first, that

> if the drafters of paragraph 4(b)(i) of the Policy had intended to broadly cover offers to any and all potential purchasers as evidence of bad faith, it would have been a simple matter to refer to all offers to sell the domain name, and not offers to sell to specific parties or classes of parties.

However, this Complainant has a significant presence in the education market. The Panel reasoned further that since "the Policy indicates that its listing of bad faith factors is without limitation [. . .] we must still ask whether a general offer for sale in the circumstances of this case constitutes bad faith use of the domain name." It answered in the affirmative by granting the complaint.

In other words, expansive or narrow is irrelevant since a general offer to sell a disputed domain name can be equally conclusive of bad faith, assuming that the acquisition was "primarily for [the proscribed] purpose." This does not relieve complainant from proving that it was the intended target of respondent's acquisition of the disputed domain. In *Educational Testing Service* the Panel found that "[t]he value which Respondent seeks to secure from sale of the domain name is based on the underlying value of Complainant's trademark."[17]

In essence, "primary purpose" is tested by asking "what has the respondent done to bring its holding of the domain name to complainant attention?" In *Channel 5*

17 This case is frequently cited for a proposition that only applies to domain names corresponding to famous or well-known marks. It is not the law that "a general offer of sale combined with no legitimate use of the domain name constitutes registration and use in bad faith" if the "[value of the] domain name is based on the value of Complainant's trademark."

Broadcasting Limited v. PT Pancawana Indonesia, FA0107000098415 (Forum October 3, 2001) (< channel5.com>) the Panel explained that the phrase "ircumstances indicating" (the initial words of Paragraph 4(b)(i)) had a wider meaning than the literal understanding of the words that follow:

> Nowhere does this paragraph limit a panel's scrutiny to just those acts that constitute a legalistic "offer" and nothing else. "Circumstances", as contemplated by this paragraph broadly encompasses those commercial negotiations, when viewed in their entirety and regardless of the specific negotiating nuance of who actually proposed what contractual term, through which a respondent's intention, as manifested by its actions, was to transfer a domain name to a complainant for consideration in excess of its costs of registration to its present holder.

In this case, a broker had initially contacted Complainant and "Respondent acknowledges that Mr. Sarid was evidently attempting to broker a sale transaction." It then follows:

> If ICANN panels were to confine their view of the term "circumstances", as being limited to a legalistic "offer", i.e., to having been made by only those individuals who set forth sufficient exacting terms on which a contract could be based, then those panels would be creating a large "safe harbor" through which cybersquatters could effectively escape liability under the Policy by a simple expedient of having a complainant, rather than a respondent, put forth a specific monetary amount, and other terms, that constitute an "offer" for a domain name. This result is one that this Panel will simply not countenance, and likely no other panel will.

While advertising one's portfolio of domain names (passive selling) was consistent with familiar market models, actively offering to sell goods by reaching out to possible buyers with substantial weight in the market could be *prima facie* evidence of violation of Paragraph 4(b)(i) of the Policy. But it would not apply where a mark owner initiated the negotiations.

Who Contacts Whom?

Offering Domain Names for Sale

It quickly became apparent to Panels deciding close cases that communications between parties concerning the pricing a domain names was an essential element of proof in determining bad faith. This was particularly the case for marketplace transactions for domain names.

Where, for example, complainant commenced the negotiation it must bear the consequences. Thus, the Panel in *Container Research Corp. v. Markovic*, FA0409000328163 (Forum November 2, 2004) (<aerodek.com>) pointed out that"Complainant cannot prod respondent into offering a transfer price and then invoke paragraph 4(b)(i) of the Policy to show respondent's bad faith registration and use." And in *Gold Coast Tourism Corporation Ltd. v. Digimedia.com L.P.*, D2013-1733 (WIPO November 13, 2014) (<goldcoast.com>) the Panel noted:

> The Complainant engaged in exchanges with the Respondent to purchase the disputed domain name. The Complainant's own evidence indicates that the Complainant was willing to purchase the disputed domain name for USD 10,000. In those exchanges, the Complainant made no suggestion that it considered the Respondent's registration to have been made in bad faith, or that the Respondent was otherwise infringing the Complainant's rights.

This brought into the conversation the question of passive versus active selling of inventory. Thus, the Panel in *PACIFIC PLACE HOLDINGS LTD. v. RICHARD GREENWOOD*, D2000-0089 (WIPO April 3, 2000) (<pacificplace.com>) explained:

> the fact that, when approached by someone on behalf of the Complainant, Source Internet was agreeable to selling the domain for $1500 is not evidence that Source Internet registered the domain name primarily for the purpose of selling it to the Complainant (see paragraph 4(b)(i) of the Policy). Nor is there any other evidence of bad faith.

This view is summed up by the Panel in *SK Lubricants Americas v. Andrea Sabatini, Webservice Limited*, D2015-1566 (WIPO December 15, 2015) (<zic.com>): "the statement that an offer to sell a domain name which corresponds to a trademark is itself evidence of bad faith is simply wrong."

If the alleged purpose for registering domain names is selling them, then registrants and trademark owners should be clear on the consequences of first contact. Panels draw a distinction between soliciting to sell to a particular mark owner which raises the question of having acquired the domain name with purposeful intent and knowledge of the mark (or finding any such denial implausible), and a circumstance in which the domain name was acquired for its inherent value independent of any association with or reflected value from the mark—that is, it was not acquired "primarily for the purpose of selling" the domain name to the mark owner. The first is persuasive evidence of cybersquatting while the second is merely a factor among others in determining bad faith.

If the respondent has priority of use—the First Come, First Served Doctrine—it makes no difference that it is offering to sell the domain name to the world, which includes the mark owner. However, if the mark owner has priority, it makes all the difference who initiates contact in offering the domain name for sale.

Example: the Respondent in *Club Jolly Turizm ve Ticaret A. v. Whois Agent, Whois Privacy Protection Service, Inc. / Fred Millwood*, D2016-1256 (WIPO August 12, 2016) (JOLLY INTERNATIONAL TOURS) acquired <jollytour.com> following inadvertent lapse of registration). It insisted it had rights and legitimate interests in the domain name on the theory it was in the business of selling automobiles and Amazon was not but the facts told a different story:

> Respondent registered the disputed domains within days of widespread auto industry and mainstream press regarding Complainant's vehicle-related services, just two days after Complainant's Amazon Vehicles car research destination and automotive community site was first publically [sic] visible, and just hours before the service was officially announced.

Further, "the fact that domain name registrants may legitimately and in good faith sell domain names does not imply a right for such registrants to sell domain names that are identical or confusingly similar to trademark or service marks of others without their consent" *CBS Broadcasting, Inc. v. Gaddoor Saidi*, D2000-0243 (WIPO June 2, 2000). And the Panel in *Insider, Inc. v. DNS Admin / Contact Privacy Service*, FA1912001874834 (Forum February 3, 2020) (BUSINESS INSIDER and <businessinsider.tv>) explained that while it is not probative of bad faith that a respondent is in the business of buying and selling domain names, neither is it a defense to a claim of bad faith:

> [W]here it is found [. . .] that a respondent's modus operandi can be summarized as registration of a domain name that is confusingly similar to the mark of another followed by exploitation of the domain name for profit while awaiting its eventual sale, the 'reseller' label will not serve to avoid a finding of bad faith in the registration and use of the domain name.

Soliciting a mark owner (as one of others who may have an interest) arouses suspicion that in acquiring the disputed domain name respondent had complainant in mind.[18] A *prima facie* showing to that effect puts respondent to its proof. While it is not moot that there may be many other users of the same term, evidence to that effect may be compelling to negate a "primary purpose" that respondent had complainant in mind in acquiring the disputed domain name. The *prima facie* showing merely raises a rebuttal presumption of bad faith and if unrebutted suspicion without a credible response ripens into certainty if the facts point in that direction, although the nature of the solicitation also has to be taken into account.

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18 As pointed out in Chapter 7, arbitraging is not unlawful. The Court in *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1230, 1234 (N.D. Ill. 1996) noted that "becoming rich [in arbitraging domain names] does not make one's activity necessarily illegal. Speculation and arbitrage have a long history in this country." But "Toeppen's intention to arbitrage the <intermatic.com> domain name constitutes a commercial use. [. . .] Toeppen's desire to resell the domain name is sufficient to meet the 'commercial use' requirement of the Lanham Act. *Id.*, 1239. Nevertheless, it can be explained: Chapter 11 "Excusable Circumstances.")

Initiating Contact

For this reason, who initiates contact can be the critical factor in determining bad faith. The issue first arose in the first submitted case, *World Wrestling Federation Entertainment, Inc. v. Michael Bosman*, D1099-0001 (WIPO January 14, 2000) in which Respondent "innocently" disclosed its intentions:

> [T]hree days after registering the domain name at issue, respondent contacted complainant by e-mail and notified complainant of the registration and stated that his primary purpose in registering the domain name was to sell, rent or otherwise transfer it to complainant for a valuable consideration in excess of respondent's out-of-pocket expenses.

Directly contacting the mark owner after acquiring a domain name corresponding to its mark represents a direct violation under Para. 4(b)(i) as it invites an inference that it had that owner and its mark in mind in acquiring the disputed domain name.

This contrasts with a different narrative of a respondent who restrains itself from directly soliciting the mark owner and denies the alleged purpose but nevertheless forfeits the disputed domain name because the choice of name is identical or virtually so to a well known or famous mark and its denial of knowledge and intent is implausible.

In *Stella D'oro Biscuit Co., Inc. v. The Patron Group, Inc*. D2000-0012 (WIPO February 18, 2000) the Panel concluded taking into account the totality of circumstances that Respondent registered <stelladoro.com> (a common phrase in Spanish) in bad faith for because "[r]egistration and use of the domain name [which is] an issue in bad faith is also a matter of the appropriate inference to draw from circumstantial evidence."

Panels have also drawn a distinction between domain names that are identical to a mark and those that are merely confusingly similar. The Panel in *CBS Broadcasting, Inc. v. Gaddoor Saidi*, D2000-0243 (WIPO June 2, 2000) (<cbs.org>) held that "the fact that domain name registrants may legitimately and in good faith sell domain names does not imply a right in such registrants to sell domain names that are identical or confusingly similar to trademark or service marks of others without their consent," particularly where the incorporated mark is famous or well-known.

This becomes a particular issue if in combination with a domain name corresponding to a weak mark held by a complainant with high market recognition. Either crafting content on the resolving website to attract the attention of the one mark holder for whom it is ideally suited or solicits the mark owner or reaching out to the complainant, as was the case in *Bank of Scotland Plc v. Shelley Roberts, Diversity Network*, D2015-2310 (WIPO February 15, 2016) (<halifax.com>) and *Dollar Bank, Federal Savings Bank v. Paul Stapleton, The New Media Factory*, D2016-0518 (WIPO April 24, 2016) (<dollarbankers.com>) signals a "primary purpose."

In both *Bank of Scotland* and *Dollar Bank*, respondents registered common terms, respectively a geographic identifier and a descriptive phrase. I will return to the *Bank of Scotland* in a moment because it attracted critical comment against the Respondent from the community that ordinarily supports resellers even though the Complainant prevailed in gaining a valuable geographic indicator which it would not otherwise have been entitled to.

While it is not probative of bad faith that a respondent is in the business of buying and selling domain names, neither is it a defense to a claim of bad faith. In *Dollar Bank*, the Panel noted:

> Respondent wishes to claim legitimate business interests as a buyer and seller of domain names, yet at the same appears to rely on a lack of knowledge regarding how to determine whether a third party has service mark rights.

Woe be to the impatient respondent! Even domain name bloggers and industry insiders who are generally quick to criticize panelists who award generic domain names to complainants agree that the Respondent in *Bank of Scotland* had only itself to blame for losing <halifax.com>. Domain Name Wire which is one of the more prominent domain name industry blogs summarized the situation in its March 1, 2016 as follows:

> A company in the United Kingdom just lost a domain name it paid $175,000 for in a UDRP. It should be viewed as a lesson on what not to do with a domain name that has both a generic/geo value as well as that of a brand. What did the Respondent do that it should not have done? Diversity Network acquired Halifax.com in September 2015 for $175,000 and then proceeded to make a series of stupid attempts to get Bank of Scotland, which operates a financial services company called Halifax, to buy the domain name.

These included registering other domain names "squarely aimed at the complainant in this case, Bank of Scotland." Diversity Network then reached out to Bank of Scotland offering Halifax.com (and other "Halifax" domains) for sale. It said it was preparing to use the domain names, and that it was receiving lots of emails about problems with logins to the Complainant's service and added that this must be a security concern for the bank.

Not in Violation of Paragraph 4(b)(i) of the Policy

As a general rule, the UDRP does not discourage registrants selling domain names to the world, where lawfully registered. Panels quickly recognized that counteroffers did not violate Paragraph 4(b)(i). This view is traceable to the earliest cases on the UDRP docket. *SOUTHBank v. Media Street*, D2001-0294 (WIPO April 11, 2001) is an early example:

> The fact that the Southbank.com domain name was placed on the Greatdomains.com site does not prove that the Respondent is engaged in a pattern of warehousing and sale for excessive profits. The Greatdomains.com site clearly offers sale and valuation services. The Respondent's reference to this site in the 22 December 1999 email is consistent with its claim that this was done to establish a fair market value after the Complainant made an offer that the Respondent considered was too low to compensate for loss of its intended use.

That respondents fail to respond to expressions of interest or demands is not evidence of any "primary purpose." The Complainant in *AFMA, Inc., v. Globemedia*, D2001-0558 (WIPO August 23, 2001) (<afm.com>) complained that Respondent failed to return phone calls. The Panel explained:

> There is no obligation that a party respond to letters or otherwise provide information to a challenger in advance of a lawsuit (although doing so is often a good way to persuade a putative challenger of the existence of a legitimate interest or the absence of bad faith, and would strengthen a claim of Reverse Domain Name Hijacking as it would put the Complainant on notice as to the weakness of its allegations).

And, in *Pocatello Idaho Auditorium Dist. v. CES Mktg. Group, Inc.*, FA0112000103186 (Forum February 21, 2002) the Panel held that

> when a Complainant indicates a willingness to engage in a market transaction for the name, it does not violate the policy for a [the respondent] to offer to sell for a market price, rather than out-of-pocket expenses. [. . .] It would be irrational for any Panel to so hold, since any business person certainly has the legal right to respond to inquiries asking if something they own is for sale or lease."

The Panel in *Wirecard AG v. Telepathy Inc., Development Services*, D2015-0703 (WIPO June 22, 2015) found that the Complainant had made an anonymous offer to purchase <boon.com>. It concluded:

> In the absence of any evidence from the Complainant that the Respondent had registered the disputed domain name with reference to the Complainant, the Respondent was fully entitled to respond to the unsolicited approach from the Complainant by asking whatever price it wanted for the disputed domain name.

Similarly, the 3-member Panel in *CORPORACION EMPRESARIAL ALTRA S.L. v. Development Services, Telepathy, Inc.*, D2017-0178 (WIPO May 15, 2017) (<airzone.com>) held that "by submitting an offer to the Respondent, the Complainant expressly disclaimed any legal rights over the disputed domain name."

The Panel in *Rockhard Tools, Inc. v. jeff mcclure*, FA2205001998526 (Forum July 8, 2022) (<rockhardtools.com>) noted that

> The mere fact that Respondent entertained the possibility of selling the disputed domain name to Complainant, particularly when viewed in the broader context of the circumstances surrounding this case [the Respondent broke off negotiations], does not suffice as evidence that Respondent has acted in bad faith.

What that price is, is irrelevant. In *Diamond Trust Consultancy (UK) Limited v. Kim, James*, D2015-2051 (WIPO January 27, 2016) (<diamondtrust.com>) the Panel noted "that the Respondent's offer to sell the disputed domain name for USD 95,000 was elicited by request of the Complainant and does not amount to targeting of the Complainant by the Respondent. The mere fact that the proposed sale price represents many multiples of the registration costs is not in the absence of other factors necessarily indicative of bad faith."

Similarly with strings of letters. In *Vantage Mobility International, LLC v. Michael Bilde / Embrand*, FA1806001790831 (Forum July 29, 2018) the domain name was <vmi.com>. The Panel dismissed the complaint because the

> only allegation in the Complaint that could possibly support a finding of bad faith registration and use is Complainant's allegation that a broker, representing the Respondent, reached out to the Complainant and offered to sell the Domain Name to the Complainant given that the Domain Name is the same as the abbreviation of the Complainant's company name. [. . .] If these facts were true, they would be powerful evidence of bad faith.

But there was no evidence in the record to support this contention.

One can easily understand these assessments as they reflect a commercial view that values and pricing are market driven: "As in any market for commodities, domain name broking is about matching supply with demand," *Informa Business Information, Inc. v. Privacydotlink Customer 640040 / Domain Manager, Web D.G. Ltd.*, D2017-1756 (WIPO December 11, 2017) (<pinksheet.com>).

Marks Postdating Registration of Disputed Domain Name

Trademark rights that postdate domain name registration cannot be infringed since cybersquatting is an intentional act upon an existing mark. This will not, of course, protect successors to the original registrant whose possession postdates the mark, but the original registrant cannot be charged with having a term "in mind" that has no marketplace presence. The anomaly in these cases is that the complainant is granted the right to maintain a proceeding without any purpose except harassment. The Panel in *Uline, Inc. v. Hulmiho Ukolen*, D2016-0065 (WIPO March 13, 2016) (<uline.net>) pointed out that although "Uline" appears to be a coined word, Complainant's rights postdate the registration of the domain name by many years.

In *Mark Overbye v. Maurice Blank, Gekko.com B.V.*, D2016-0362 (WIPO April 15, 2016) (<gekko.com>), the Panel found that "Respondent's offer to sell the disputed domain name to Complainant is not relevant as Respondent was first approached by Complainant to sell the disputed domain name." Complainant had priority of use in commerce (trademark registered in 1996, but its mark for GEKKO is a stylized NOT a word mark).

Although Respondent in this particular case is not a domain name reseller—it registered the domain name in 2001 for a business in an entirely different field—the Panel's assessment is equally applicable. It pointed out that "the dominant word element of Complainant is descriptive, as it refers to a type of reptile." There is no monopoly on dictionary words. As the Panel stated,

> normally a respondent has a right to register and use a domain name to attract Internet traffic based on the appeal of commonly used descriptive or dictionary terms, in the absence of circumstances indicating that the respondent's aim in registering the disputed domain name was to profit from and exploit the complainant's trademark.

Two other cases are illustrative of the consensus, *Bryn Mawr Communications, LLC v. Linkz Internet Services*, D2016-0286 (WIPO March 29, 2016) (<eye-tube.com>) and *Fiberstar, Inc. v. Merlin Kauffman*, FA1602001663188 (Forum April 11, 2016) (<fiberstar.com>). In the first case, "Respondent's offer to sell the Disputed Domain Name for USD 145,200 does not, without more, constitute bad faith." And in the second case, although Complainant alleged common law rights predating its trademark registration it,

> has provided no evidence, in terms of notoriety, revenues, promotion, etc., to the Panel which might sustain a finding that Complainant had obtained common law rights in the FIBERSTAR mark prior to trademark registration in 2006, let alone prior to the disputed domain name registration in 2002.

In both cases, Complainants approached Respondents but were unable to negotiate a price and resorted to the UDRP, a classic example of what has been coined a Plan B strategy (discussed further below in "Reverse Domain Name Hijacking"). *Bryn Mawr*: "Respondent's 'unreasonable and exorbitant' asking price for the Disputed Domain Name of USD 145,200 constitutes additional evidence of bad faith." *Fiberstar*: "Respondent's price for the disputed domain name is far in excess of other such [ways of] assess[ing] [value of the domain name]." The not unexpected results are, as the Panel states in *Fiberstar*, that "Respondent, as a legitimate reseller of generic-word domain names, is free to set the prices it deems reasonable for names in his inventory."

Excusable Circumstances

There are circumstances that are excusable. In *Royal Caribbean Cruises, Ltd. v. James Booth, BQDN.com*, D2019-1042 (WIPO July 17, 2019) a three-member Panel held that

> approaches to potentially interested parties to purchase a domain name which has been registered without intent to target a particular rights owner do not automatically constitute registration and use in bad faith in terms of the Policy, even where the manner of approach is particularly ill-judged.

Similarly, in *Scott Dylan v. K-Ventures FZE LLC*, D2021-2977 (WIPO December 6, 2021) (<caribou.com> the three-member Panel (disclosure: author was a member of the Panel) found the explanation for the solicitation to be plausible:

> On July 27, 2021, the Respondent's broker had actual knowledge of the Complainant, as he sent an unsolicited email to the Caribou parcel delivery and courier service on that date and corresponded with the Complainant. The evidence shows that this contact was part of a sequence of events triggered by an announcement made on July 23, 2021 on Twitter by an unrelated party (Caribou Biosciences, which referred to itself as "Caribou").

The notice triggered Respondent's broker to reach out to the several parties who might have an interest:

> That evidently prompted the broker to tweet a reply offering to help it acquire the disputed domain name, which is not displayed on the broker's website. The broker then sent emails on July 27-28, 2021 touting the disputed domain name as an "exact match brand" to three businesses: the Caribou parcel delivery and courier service, Caribou Coffee and Caribou Biosciences.

Solicitation without justifying cause is nevertheless regarded as favoring complainants absent a persuasive demonstration of good faith, while offering to the world a domain name that has no fixed associational value to any one rights holder may not be.

This does not answer the original question about offering a domain name to the one party (a major corporate entity, for example, with an international presence) who may be the logical acquirer. The solicitation could be considered, and may be found in violation of Paragraph 4(b)(i), if on the balance of probabilities respondent is found to have acquired the domain name "primarily for purpose" of selling it to the mark owner. Panels are likely to be skeptical where the domain name is not a common word or combination (<stelladoro.com> for example) and less so if it is (<kosmos.com> for example).

At the strong end of the spectrum of protectability, it is respondents who need significantly more persuasive narratives to avoid forfeiting their registrations, which they can rarely offer unless they are able to satisfy the paragraph 4(c) circumstances or rebut the contention that they acquired the domain names "primarily for the purpose" of selling them to complainants which was the case in *Virutex Ilko* but not in *Bank of Scotland*.

In a more recent case, *Kosmos Global Holding, S.L. v. Jewella Privacy - 00a3b, Jewella Privacy LLC Privacy ID# 924265 / Domain Manager, Orion Global Assets*, D2022-2408 (WIPO September 8, 2022) (<kosmos.com>), a broker contacted Complainant:

> The Complainant claims that the Respondent "contacts potential buyers through a supposedly independent broker". The Complainant suggests that it was contacted by a broker from the company Lumis with regard to the sale of the Disputed Domain Name and attempts to show that this broker is not independent and in fact linked to the Respondent.
>
> However, based on the evidence provided by both parties, the Panel is inclined to believe in the broker's independence. In the correspondence between the Lumis broker and the Complainant, the broker explicitly states that "we do not own Kosmos.com nor are we representing the owner of this domain." [. . .] In the Panel's view, the Complainant does not show that the Respondent actively contacted the Complainant regarding the Disputed Domain Name.

Paragraph 4(b)(ii): Pattern of Conduct

The term "pattern of conduct" can occur along two distinct dimensions: first, a domain registrant can operate 'horizontally', targeting multiple entities, perhaps in multiple industries; and second, a domain registrant can operate 'vertically', targeting a single entity, but registering multiple domains which reflect either different aspects of the target's business, or different alphabetic variations of the target's trademark. Horizontal targeting reinforces the claim of vertical infringement.[19] .

Whether or not the domain name is active, complainant satisfies paragraph 4(a)(iii) (specifically, paragraph 4(b)(ii)) if the evidence demonstrates respondent is "engaged in a pattern of like conduct" toward complainant or other trademark owners. The theory is structurally the opposite of Paragraph 4(c)(ii) of the Policy (the defense of being commonly known by that name).

Resting its analysis on US decisional law, the Panel in *Smokey Mountain Knife Works v. Deon Carpenter*, AF-0230 (a, b) (eResolution July 3, 2000) found

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19 In a number of UDRP cases over the years, respondents have been found to serially target complainants and other trade and service mark owners. The "pattern of conduct" is strengthened by proof of such conduct against other mark owners. That was the case in *Smokey Mountain*. See *Pinterest, Inc. v. Qian Jin*, C12-04586 (N.D. CA SF Div. 9/30/13) (Serial cybersquatter; 100 domain names including plaintiff's).

that the Respondent engaged in a pattern of both horizontal and vertical infringement, in that it targeted both the Complainant (vertical) and other mark owners in the cutlery business (horizontal). Proof of either dimension satisfies the "pattern of such conduct" requirement and supports a finding of abusive registration.

Similarly, in *Australian Stock Exch. v. Cmty. Internet (Australia) Pty Ltd*, D2000-1384 (WIPO November 30, 2000) the Respondent registered multiple infringing domain names containing the trademarks or service marks of other widely known Australian businesses: "These registrations prevent those businesses from reflecting their trademark or service mark in a corresponding domain name. This Administrative Panel finds that this evidence demonstrates that the Respondent has engaged in a pattern of conduct of the type specified in paragraph 4(b)(ii) of the Uniform Policy."

What number of domain names constitutes a pattern of infringing conduct depends on a number of variables, but it could be as few as two to innumerable. For example, the Panel in *Magnum Piering, Inc. v. The Mudjackers and Garwood S. Wilson, Sr.*, D2000-1525 (WIPO, January 29, 2001) (<magnumpiering.com>) found that registration of fourteen domain names constituted "cornering the market."[20]

It is not "cornering the market" where the "pattern" involving, for example, multiple domain names that are being used to market used products of the complaining mark owner. (Chapter 10, "Nominative Fair Use"). Thus, in *Dr. Ing. h.c. F. Porsche AG v. Del Fabbro Laurent*, D2004-0481 (WIPO August 20, 2004) (<porschebuy.com>) the Panel found that as "Respondent is using the websites under the Domain Names as a market place for used PORSCHE cars only [. . .] the registration of these three to five domain names, under which a corresponding offering of goods and services is conducted, for which the domain names are descriptive, cannot be qualified per se as an abusive pattern of conduct."

However, where a pattern of cybersquatting may be shown against some other domain names respondent holds that is insufficient by itself to establish respondent registered the particular disputed domain name in order to prevent the complainant from reflecting its trademark in a corresponding domain name. The caution "by itself" is answered favorably to complainants owning famous and well-known marks.

Vertical violation includes: *Harcourt, Inc. v. Fadness*, FA0007000095247 (Forum September 8, 2000) (registering more than one domain name [6 in this

20 "In their defense, Respondents allege that the domain names at issue are neither identical nor confusingly similar to Complainant's mark. Respondents argue that the domain names are not identical to Complainant's mark because Complainant's only registration is for 'MAGNUM,' not 'MAGNUM PIERING,' and piering is a common English word."

case] of complainant's various magazines, supporting the inference that Respondent knew of Complainant's marks upon registering the domain names.

And in *Caterpillar Inc. v. Miyar*, FA0009000095623 (Forum December 14, 2000) (<caterpillar-americas.com> and 17 more domain names) the Panel held that "registering multiple domain names in a short time frame indicates an intention to prevent the mark owner from using its mark and provides evidence of a pattern of conduct." Or, according to the Panel having a history of multiple registrations involving a diversity of trademarks over a period of time is evidence of abusive registrations.

Similarly, the Panel in *Little Acorns Fostering Ltd. v. W P, The Cloud Corp / Al Perkins*, D2017-1776 (WIPO October 18, 2017) (<littleacornfostering.com>) held: "[I]t is unfortunate that the business practices of Mr. Perkins appear to have carried on for the most part unchecked for many years, notwithstanding the multiple findings made against him in UDRP proceedings and the brazen nature of his conduct."

In *AXA SA v. Nanci Nette, Name Management Group*, D2022-4885 (WIPO February 9, 2023),

> The Panel has independently established that the Respondent has been the unsuccessful respondent in at least 46 prior UDRP cases, including, relatively recently: Majid Al Futtaim Properties LLC v. Nanci Nette, WIPO Case No. D2022-4104. The Respondent is a serial cybersquatter and this case would appear to be a continuation of that trend.

Horizontal pattern includes, *Siemens Aktiengesellschaft v. Telmex Management Services, Inc*., D2003-0995 (WIPO February 14, 2004) in which the Panel found that Respondent had against it "18 Panel decisions under the Policy, concerning instances of [. . .] domain names incorporating well known marks in which it was found not to have any rights or legitimate interests."

In *LEGO Juris A/S v. DomainPark Ltd, David Smith, Above.com Domain Privacy, Transure Enterprise Ltd, Host master*, D2010-0138 (WIPO March 10, 2010) (10 domain names incorporating LEGO), the Panel held:

> perhaps the most compelling evidence of Respondents' bad faith is evidenced in its long pattern of abusive registration, infringement and cybersquatting. Domain names of Respondent incorporating famous and distinctive marks have been the subject of approximately 38 UDRP proceedings and in each case the panel ordered Respondent, Transure Enterprise Ltd to transfer the respective domain names to the complainant. Such conduct is evidence of Respondent's use of the domain names in bad faith under paragraph 4(a) of the Policy.

The Panel in *Ditec International AB / Global Preservation Systems, LLC v. ADAM FARRAR / HOSTGATOR / FRITS VERGOOSSEN / DITEC*

INTERNATIONAL CORPORATION / Christopher Alison, FA1712001763998 (Forum February 1, 2018) found that "Respondent registered six domain names that all include Complainant's DITEC mark. Therefore, the Panel finds that Respondent's multiple registrations using the DITEC mark indicates bad faith registration and use." And in *DIRECTV, LLC v. michal restl c/o Dynadot*, FA180500 1788826 (Forum July 5, 2018) the Panel found that the "record contains evidence of Respondents previous eleven UDRP actions, all of which resulted in the transfer of the domain names, thus establishing bad faith per Policy ¶ 4(b)(ii)."

Contentions of such a pattern, though, are not conclusive. It is not simply a matter of counting up successful cases against registrants where there are also cases in which they prevail. Asserting a claim under Paragraph 4(b)(ii) of Policy is a factor among others, but not conclusive without other supporting evidence. The Respondent in *Costa Crociere S.P.A. v. Yoshiki Okada*, D2018-1632 (WIPO September 27, 2018) pointed out that while it lost two cases in 2000 and 2002 it prevailed on two other cases in 2004 and 2006.

Also to be noted in the Panel's observation in *Energysquare v. Management Team, Easy Property*, D2021-1219 (WIPO June 15, 2021) (<energysquare.com>):

> Finally, the Complainant indirectly implies that the Respondent has engaged in a pattern of conduct of registering domain names for the purpose of reselling, as the Respondent owns many domain names, which are for sale.

But this does not implicate an abusive pattern because

> simply owning a number of domain names is not of itself evidence of bad faith. In order for the Panel to find that the Respondent has engaged in a pattern of conduct for the purpose of paragraph 4(b)(ii) of the Policy, the domain names which the Respondent has registered would need to reflect third party trademarks, and an abusive conduct based on to the similarity of such domain names with the third party trade-marks. Here, there is no such evidence, nor that the domain names were registered by the Respondent to prevent existing third party trademark owners from the registration of the corresponding domain names.

Paragraph 4(b)(iii): Competitor

It is not competition *per se* that is actionable but conduct that targets complainant. If there is no targeting there is no unlawful competition. A finding of nominative fair use, for example, is a complete defense as there is no intention to "disrupt[ ] the business of a competitor."

Subparagraph 4(b)(iii) provides: "[Y]ou have registered the domain name primarily for the purpose of disrupting the business of a competitor." In the strictest sense a competitor is a person engaged in the same business as complainant who acquires a confusingly similar domain name in pretense by giving the impression that it is the complainant or associated with it. It is targeting in another form.

The classic case is described in *Geniebooks.com Corporation v. William E. Merritt*, D2000-0266 (WIPO July 27, 2000) in which the parties compete in the book trade. Respondent registered <geniebooks.com> to thwart Complainant:

> The evidence shows that Respondent merely registered this domain name as a tactical move in the struggle between Complainant and Respondent [. . .] and/or to preclude the competitor or potential competitor geniebooks.com from using the name on the Internet.

Similarly, *Southern Exposure v. Southern Exposure, Inc*. FA0005000094864 (Forum July 18, 2000) (<southernexposure.net>):

> The Respondent is using the domain name to market similar goods and services as those offered by Complainant and to profit from the Complainant's established reputation.

And *Perfumania, Inc. v. Piotr Mentek*, D2006-0316 (WIPO May 16, 2006) (<perfumenia.net>): "[I]if Respondent had conducted the search it claims it conducted, it would have learned about Complainant's mark. Further, Complainant and Respondent are both centered in Florida and are in direct competition with each other. These facts cast doubt on Respondent's credibility."

However, there are different colorations ranging from obvious cybersquatting to obvious registrations in good faith. Local businesses performing the same services as mark owners with nationwide coverage are not authorized to appropriate identical or confusingly similar domain names and redirect them to their own websites, but where each is performing the same services in their geographic areas the later of the two is not prohibited from using descriptive or suggestive terms that describe its services.

Catering to different segments of the market, for example, weakens the argument of competition. The Panel in *PC Mall, Inc v. NWPCMALL LLC*, D2007-0420 (WIPO May 15, 2007) (<nwpcmall.com>) explained that

> Though both parties sell computers, the appearance and focus of the sites are quite different. The results of Respondent's web searches [. . .] provide compelling evidence that an Internet user seeking Complainant is not likely accidentally to land at Respondent's site.

The point is illustrated in *Critter Control, Inc. v. Lori DeMoor*, D2023-0838 (WIPO June 2, 2023) (<crittercontrolorlando.com> and *Scoop Soldiers Service Company, LLC v. Carl Gregory*, FA2307002053790 (Forum August 29, 2023) (<scoopsoldier.com>) where one has a nationwide reputation and the other does not.

The mark owner in *Critter Control* markets its services under <crittercontrol.com>. Respondent registered <crittercontroorlando.com> and redirects to <drcritter.com>. Respondent argued that "'critter control' and 'critter control Orlando' are 'generic' or 'descriptive' terms, similar to 'pest control' or 'wildlife control', applied to the Orlando metropolitan area that the Respondent serves." The 3-member Panel held:

> The inclusion of a geographic term following a trademark often has been found to suggest that the domain name is affiliated with a local affiliate of the trademark owner. . . . [T]he confusion engendered by the Respondent's use of the disputed domain name exploits the Complainant's investment in marketing and reputation, and leads consumers to an immediate competitor, and this represents bad faith for Policy purposes.

Although the parties in *Scoop Soldiers* are both in the pet waste removal business they are operating in different geographic markets:

> [T]here is no evidence before the Panel to support Complainant's assertion that it has been doing business since 2020 under the SCOOP SOLDIERS mark in Arizona, which is separated by an entire state (New Mexico) and much of Texas itself from Complainant's home base near Dallas, Texas.
>
> More importantly, both Complainant's mark and the domain name are descriptive in nature, describing the business in which both parties operate. This constitutes a plausible basis for Respondent to have selected the domain name on its own merits, despite the domain name being registered 3 years after Complainant's mark and domain name were registered and resolving to Respondent's "www.poopydoo.com" website. There is no impersonation, no pattern of bad faith conduct, no evidence that Complainant is famous, or even well-known in Arizona.

For a similar reason, the Panel majority held in *Fluke Corporation v. Erwin Bryson / fixmyfluke / Nelson Bryson*, FA2203001988399 (Forum July 6, 2022) that

> [w]hile Respondent does seek to attract consumers to its website for commercial gain, for the reasons noted [. . .] in the previous section [discussing Oki Data Americas], the Majority does not find that it is doing so by creating a likelihood of confusion with the FLUKE mark or that its intent is to divert customers who are seeking Complainant's own repair services.

Complainant produces electronic test and measuring instruments and it also services them. The disputed domain names, <flukerepair.com> and <fixmyfluke.com> incorporate the FLUKE mark, but "the notice on Respondent's website, combined with other statements that appear there, do indicate that it is not operated by Complainant." Can Complainant use the UDRP to prevent others from servicing their products and advertising their services? The dissent was of the view that it could.

Where there is a finding of bad faith under this head it may also be grounded under 4(b)(iv), the "likelihood of confusion" factor. If there is no likelihood of confusion as it is construed under the UDRP which is distinct from its construction under trademark law there is no bad faith under this head.

Interaction Between 4(b)(iii) and 4(b)(iv)

In those cases in which respondents are either outright competitors or are offering competing goods or services they are chargeable under either or both 4(b)(iii) and 4(b)(iv).[21] The issue is addressed by the Panel in *Passion Group Inc. v. Usearch, Inc.*, AF-0250 (eResolution June 9, 2000) (<jobpostings.com>), and followed in *Viz Communications, Inc., v. Redsun dba www.animerica.com and David Penava*, D2000-0905 (WIPO December 29, 2000) (<animerica.com>).

The *Viz Communications* Panel agreed that it is

> assisted in forming a view as to how to interpret paragraphs 4(a)(iii) and 4(b)(iv) by the contrast between the introductory words of paragraph 4(c): "any of the following circumstances [. . .] shall demonstrate your rights or legitimate interests" and the introductory words of paragraph 4(b): "the following circumstances [. . .] shall be evidence of the registration and use of a domain name in bad faith".

It finds that

> [t]his contrasting language indicates that use of the kind described in 4(b)(iv) is to be taken as evidence of bad faith registration as well as evidence of bad faith use. But this evidence is not necessarily conclusive. Furthermore, the panel is not required to assign substantial weight to evidence of constructive bad faith registration furnished by paragraph 4(b)(iv), and the panel may have regard to other evidence in determining whether the requirements of 4(a)(iii) have been proved.

"This approach" (the Panel concludes) "accords with the Policy by enabling a finding of bad faith registration to be made where bad faith use within 4(b)(iv) is the only evidence tending to show the purpose for which the domain name was registered." However, where

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21 See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999): "[When a party] uses a competitor's trademark in the domain name of its web site, users are likely to be confused as to its source or sponsorship."

> there is other relevant evidence, such as evidence that the domain name was registered for a permissible purpose, it must be weighed against any evidence of bad faith registration constituted by evidence of bad faith use within 4(b)(iv). It is difficult to imagine circumstances in which, under this approach, subsequent bad faith use within 4(b)(iv) would suffice to prove that a domain name was originally registered in bad faith".

The term "disruption" carries a meaning as complex as the purpose for the registration. The proscription applies to respondents acting intentionally against competitors in the same markets regardless of the strength of the mark. It does not apply to respondents who are competitors by happenstance in a distant market using descriptive terms to market their goods or services.

The points are illustrated in *Mentor ADI Recruitment Ltd (trading as Mentor Group) v. Teaching Driving Ltd.*, 2003-0654 (WIPO September 29, 2003) (LETS DRIVE and <letsdrive.com>) and *Dating Direct.com Ltd. v. Aston*, FA 593977 (Forum December 28, 2005) (DATING DIRECT and <sexdatingdirect.com>)

The parties in *Mentor ADI* are both residents of the U.K. While "the Respondent is fully entitled to publish critical statements regarding the Complainant's accreditation as a driving school, as long as they are true," it is not entitled

> to acquire a domain name which is likely to be taken to be that of the Complainant and, by means of such confusion, to use it to divert Internet users seeking the Complainant to the Respondent's own commercial website.

Compared to: *Dating Direct.com* in which "Respondent is appropriating Complainant's mark to lead Internet users to Respondent's dating service."

The issue is further illustrated in *Toner Connect, L.L.C. v. Privacy Protect, LLC / Realogue Corporation*, D2018-2829 (WIPO February 21, 2019) (<tonerconnect.com>) in which the Panel held:

> Given that the evidence submitted shows that Respondent's sole owner and president is a direct competitor of Complainant, it is highly likely that Mr. Steffens knowingly registered or acquired the disputed domain name based on the TONER CONNECT mark and then started using the disputed domain name to gain a competitive advantage over Complainant.

The consequence is not merely an interruption of complainant's business but an interference designed to have a negative impact on it.

The Panel noted in *Bentley Systems, Incorporated v. Anton Rodyanskiy*, FA2212002022830 (Forum January 26, 2023) (<benltey.com>): "Previous Panels have determined that a respondent's use of a domain name to attract Internet traffic to a site that passes itself off as a complainant evinces bad faith disruption of a complainant's business pursuant to Policy ¶ 4(b)(iii)." The passing off is designed to phish consumer victims:

> Respondent's webpage displays a "Sign In" screen that is nearly identical to a previous "Sign In" page used by Complainant, using similar text, layout, and colors. As Respondent has not participated in this case to explain its actions, the Panel finds sufficient evidence upon which to conclude that Respondent is passing itself off as Complainant and taking advantage of the BENTLEY mark in an attempt at phishing the login credentials of unsuspecting users. This clearly supports a finding of bad faith registration and use under Policy ¶ 4(b)(iii) and ¶ 4(b)(iv).

Paragraph 4(b)(iv): Registering Domain Names for Commercial Gain

Factors in Determining Bad Faith Use

As I noted earlier, Paragraph 4(b)(iv) is a use focused test in contrast to the other three circumstances which are registration focused. If respondent appropriates complainant's "logical URLs" it will have a case to answer. In *Preston Gates & Ellis, LLP v. defaultdata.com and Brian Wick*, D2001-1381 (WIPO February 13, 2002) (<prestongatesandellis.com>), the Panel held:

> Respondent registered the disputed domain names incorporating Complainant's service mark so that when Internet users entered the logical URLs identifying Complainant, they would not find Complainant, but instead Respondent. He must have understood and assumed that by registering the logical identifiers for Complainant's business, he would thereby prevent Complainant from registering its service mark in those names. It is not important that Complainant may have used a shorter version of its name in an alternative domain name. It was well within Complainant's rights to register more than one logical URL identifier for its service mark.

Focusing on "logical URL identifier" captures the essence of bad faith. There are three elements to the Paragraph 4(b)(iv) theory of liability:

> 1) intentionally attempting to attract for commercial gain,
>
> 2) creating a likelihood of confusion with complainant's mark, and
>
> 3) deceiving Internet users as to the source, sponsorship, affiliation, or endorsement of the website to which the domain name resolves.

"A guiding principal of law is that a Complainant must prove his, hers, or its claims by the greater weight of the evidence, in short by a preponderance—it follows of course that a decision must be based on evidence—devoid of speculation or conjecture," *Sociedad Papiros Ltda v. Ivan Rico*, FA 0003000094365 (Forum May 16, 2000).

"[T]o attract [ ] for commercial gain" is the counterpart of respondent's defense under Paragraph 4(c)(iii)—"without intent for commercial gain to misleadingly divert consumers or to tarnish[22] the trademark or service mark at issue." If there is no proof of the likelihood of confusion element there can be no deception of Internet users. The conduct must align with the elements to state a claim for cybersquatting.

Typical factors in support of bad faith use (which if found is also "evidence of the registration [. . .] in bad faith") include:

> Appropriating a complainant's mark to divert complainant's customers to respondent's competing business.
>
> Diverting Internet users to commercial parking pages with links related to products and services that compete with those offered under the complainant's mark.
>
> Providing the Panel with screenshots of the disputed domain name's resolving webpage where Respondent offers a rewards program and sells competing products with Complainant.
>
> Entirely reproducing the mark [ ] by adding the generic Top-Level-Domain ".shop" is undoubtedly suggestive of the Respondent's bad faith.
>
> Changing the content of the website to which the disputed domain name resolves after the receipt of the Complaint.
>
> Using Complainant's mark as the dominant, and only distinctive element in the disputed domain name.
>
> Failing to respond to the Complainant's [cease and desist] letter. However, the Panel in this case immediately qualifies this by stating that it "accepts that failure to respond to a "cease and desist" letter may provide evidence that supports a finding of bad faith registration and use. However, that failure is rarely determinative and how much weight is given to this will depend upon a number of factors, including what exactly is alleged and demanded in that letter and whether it is reasonably likely that the letter would have come to the attention of the Respondent."
>
> Redirecting Internet users (in particular those seeking the Complainant) to the Websites associated with the Respondent, whilst, contrary to the fact, representing that there is a connection to the Complainant.
>
> Cashing in on a complainant's reputation or seeking to achieve leverage over complainant.

22 Consensus view on tarnishing and the definition of fair use in assessing protecting under the First Amendment to the US Constitution are discussed in Chapter 10.

> Having failed to establish any legitimate domain name-related use for Complainant's trademark, in a context in which such legitimization might be possible, or presenting any such justification, the Panel may reasonably infer that Respondent neither intended to make nor has made any legitimate use of Complainant's trademark in connection with the domain name.

Intentionally Attempting to Attract

Only paragraph 4(b)(iv) includes the word "intentional" as an element of proof—"intentionally attempted to attract." This is intention as evidenced by use as opposed to intention evidenced by registration, and is determined by the facts that evidence "likelihood of confusion." A factor may not be decisive by itself but to the weight of any one of them is added the fact of respondent's silence, for if there was justification only the respondent could explain its purpose.

For famous and well-known marks, the implied motivation is the value added factor. In *Educational Tertiary Service v. TOEFL*, D2000-0044 (WIPO March 16, 2000) (<toefl .com>) the Panelist held:

> The value which Respondents seeks to secure from sale of the domain name is based on the underlying value of Complainant's trademark. This value is grounded in the right of Complainant to use its mark to identify itself as a source of goods or services.

This does not rule out possible nominative use as discussed in Chapter 10 (<toeflinstructionalguidance.tld> for example), but it does for appropriating the mark itself.

Tort law instructs that a person is considered to intend the consequences of an act whether or not they had a particular consequence in mind. Use is instructive because it compels examination of content or undisclosed motivation. Panelists have found different ways of defining the requisite proof that supports the conclusion of abusive registration. Thus, the view expressed by the Panel in *eGalaxy Multimedia Inc. v. ON HOLD By Owner Ready To Expire,* FA 157287 (Forum June 26, 2003): "Because Complainant did not produce clear evidence to support its subjective allegations [. . .] the Panel finds it appropriate to dismiss the Complaint")

The Panel in *Paule Ka v. Paula Korenek*, D2003-0453 (WIPO July 23,2003) (<paulekacreations.com>) asked, How is the term "intentional" to be defined? It answered the question as follows:

> a subjective test of intent (thus considered more or less as a mens rea element) would be difficult if not impossible to apply given that credibility must be assessed only on the basis of documentary evidence. It is difficult to enter the minds of the parties to determine their subjective intent.

Therefore, the proper test

> is whether the objective consequence or effect of the Respondent's conduct is to free-ride on complainant's goodwill, whether or not that was the primary (subjective) intent of the Respondent.

It is clearly evident that determining "primary (subjective) intent" is only truly achievable when infringing conduct is admitted (which no Respondent would willingly offer) and that in its absence the most persuasive evidence is based on the actual and likely consequences of use. The phrase "primary (subjective) intent" can be considered cognate with "primary purpose" found in paragraphs 4(b)(i) and 4(b)(ii) of the Policy where infringement is discoverable indirectly through circumstantial evidence of respondent's intention in acquiring the disputed domain name. The same reasoning is applied in assessing conduct under paragraph 4(b)(iv).

Since the issue is conduct (referring to use and its consequences), the respondent's tax status is not a defense against infringement. A charitable organization has no greater rights than any other entity to use complainant's mark for commercial gain, because "the charitable organization is still running a business to make money." The Panel in *The Professional Golfers' Association of America (PGA) v. Provisions, LLC.*, D2004-0576 (WIPO September 13, 2004) (<ryder2004.com>) explained:

> In fact, the Panel finds that previous UDRP decisions have not recognized commercial use of a trademark by a charitable organization to be a "fair use" under the Policy at paragraph 4(c)(iii).... What the charitable organization does with the money after it makes it does not concern the Policy, but using complainant's trademark and identity at the disputed domain to derive income is a commercial use under the Policy, not a fair use.

Similarly, *Share Our Gifts Foundation, Inc. v. Freedom Bands Inc., Fan Bandz Inc a/k/a fanbanz*, D2004-1070 (WIPO March 18, 2005): "[W]hile Respondent claims that its business is charitable, it was not until after the Complaint was filed that Respondent incorporated the not-for-profit foundation that is allegedly in charge of the sale of its "FREEDOMBANDS™."

In considering Paragraph 4(a)(iii) and the noninclusive circumstances of bad faith under Paragraph 4(b)(iv) Panels cannot simply accept all allegations of the complaint as true as against a defaulting respondent without assessing each of the circumstances separately and particularly in (b)(iv) the "likelihood of confusion."

The proposition for which the early case of *Talk City, Inc. v. Robertson*, D2000-0009 (WIPO February 29, 2000) (<talk-city.com>) is often cited is that Panels may "accept as true all the allegations of the complainant." There is a tendency to misinterpret this endorsement. It does not literary mean "all" without consideration of the reliability of the proffered proof; it means all that can reasonably be accepted based on the totality of facts. Thus, on default the Panel "is left to render its decision on the basis of the uncontroverted contentions made, and the evidence supplied, by complainant." In this case,

> Respondent's [informal]e-mail made no attempt to respond directly to the allegations of the complaint. Nor has Mr. Robertson articulated any legitimate reason for his registration of this domain name or countered the charge that he registered the domain name in bad faith.

The Policy requires evidence, not just allegedly factual but unsupported contentions. One line of cases emphasizes that default permits Panels to draw "reasonable" inferences in favor of a complainant, unless the evidence is clearly contradictory. Typically, Panels reference the Policy and Rules. Thus, in *First Premier Bank v. Temi Tope*, FA2110001970442 (Forum November 22, 2021) (<firstpcbank.com>) the Panel "may deny relief where a complaint contains mere conclusory or unsubstantiated arguments.

While lack of rights or legitimate interests may be conclusive for Paragraph 4(a)((ii) it is not for Paragraph 4(a)(iii)---example, domain names with priority over corresponding marks and failure of proof of bad faith registration. However, as a general proposition lack of rights or legitimate interests can nevertheless be a harbinger of abusive registration for domain names acquired after a mark's first use in commerce.

Likelihood of Confusion

Confuse People versus Confuse Domain Name with Mark

When applied to trademark infringement actions the concept of likelihood of confusion makes evidentiary demands significantly greater than the demands in a UDRP context in which the burden is more easily satisfied. If on the totality of evidence the Panel finds that the respondent is 1) intentionally attempting to attract visitors for commercial gain, and 2) it is deceiving them by impersonating the mark owner, it will also conclude that there is a likelihood of confusion

The distinction between confusing similarity in paragraph 4(a)(i) and likelihood of confusion in this element is described by analogy in *Smokey Mountain Knife Works v. Deon Carpenter*, AF-0230 (a, b) (eResolution July 3, 2000) (<www.smokymountainknife.net> and <www.smokymountainknifes.com>). It rests on US case law[23]:

> One way of articulating this distinction between "confusingly similar" and "likelihood of confusion" is that the former looks to whether "people will

23 *In re. West Point-Pepperell, Inc.*, 468 F.2d 200 (C.C.P.A. 1972).

> confuse the marks", while the latter looks to whether "the marks will confuse people."

This cryptic explanation is decrypted by substituting "domain name" for mark, where the domain name is likely to confuse people "as to the source, sponsorship, affiliation, or endorsement of [the resolving] website."

Likelihood of confusion is "increased by the fact that Respondent and [Complainant] operate within the same industry," *Slep-Tone Entm't Corp.v. Sound Choice Disc Jockeys, Inc.*, FA2002000093636 (Forum March 13, 2000), but regardless of the respondent's circumstances (in this case it was a competitor) the focus is on the ordinary Internet user and what it expects to find on reaching the desired destination. Impersonation or the appearance thereof demands an explanation, and if none complainant satisfies its burden.

In *Singapore Airlines Ltd. v. European Travel Network*, D2000-0641 (WIPO August 29, 2000) the Panel held that "[t]he registration of domain names obviously relating to the Complainant is a major pointer to the Respondent's bad faith and desire to 'cash in' on the Complainant's reputation"; and in *Perot Sys. Corp. v. Perot.net*, FA0007000095312 (Forum August 29, 2000) (<perot.net>) the Panel found the domain name in question is obviously connected with Complainant's well-known marks, thus creating a likelihood of confusion strictly for commercial gain.

In *Pfizer, Inc. v. Papol Suger*, D2002-0187 (WIPO April 24, 2002) the Panel found that because the link between Complainant's mark and the content advertised on Respondent's website was obvious, Respondent "must have known about the Complainant's mark when it registered the subject domain name."

The Panel in *Global Investment Research Corp. v. 000-RD31280 aka DomainsRuS.com*, FA0308000183738 (Forum September 30, 2003) (OPTIONETICS and <optionetiques.com>) added another factual circumstance:

> Along with its knowing registration of an infringing domain name, Respondent has gone so far as to market Complainant's proprietary products at the disputed domain name, at costs drastically below those charged by Complainant. Using the goodwill Complainant has built up around its mark to attract Internet consumers to a domain name that then undercuts Complainant's business is evidence that the domain name was used in bad faith.

These and other factors are generally aspects of opportunistic registrations of domain names identical or confusingly similar to marks distinctive in the market. The disputes cited above involve respondents who have no relationship with complainants. A small number of disputes are against former employees, vendors, and clients whose bad faith is expressed in leveraging their demands, as discussed earlier in Chapter 8.

For example, "registration in bad faith occurs when a respondent is instructed to register a domain name on behalf of a complainant but then chooses to register that domain name in its own name," *Scientific Specialties Service, Inc. v. Marc Grebow / PrivacyProtect.org*, FA2005001896015 (Forum June 24, 2020); and in *Royal Bank of Canada - Banque Royale Du Canada v. Registration Private, Domains By Proxy, LLC / Randy Cass*, D2019-2803 (WIPO February 23, 2020) (<investease.com>), the Panel noted:

> It is clear that where the facts of the case establish that the respondent's intent in registering or acquiring a domain name was to unfairly capitalize on the complainant's nascent [. . .] trademark, panels have been prepared to find the respondent acted in bad faith.).

In *Vitamin Well AB v. Privacy service provided by Withheld for Privacy ehf / Wen Batiz vegas*, D2022-2148 (WIPO August 22, 2022) (<vitarninwell.com>)

> The fact that the disputed domain name incorporates the virtually identical word combination "vitarnin well", giving the impression that it is in some way related to the Complainant, and the fact that the Respondent has attempted to impersonate the Complainant through fraudulent email correspondence sent from an email address containing the disputed domain name, lead this Panel to conclude that the Respondent registered and used the disputed domain name in bad faith.

Generally, respondents do not appear to defend their registrations and generally the registrations are for unlawful purposes.

Unlawful and Dishonest Purposes

Deceiving Complainants and Internet Users

There are many ways to cause harm to mark owners and consumers on the Internet. To appropriate a mark for commercial gain and no other intention may be the least noxious. They run the gamut from the fairly innocuous: deceiving to increase revenue streams; to the criminal, through scams and malware. In some instances, Internet searchers are warned to avoid websites: "This is a known dangerous webpage. It is highly recommended that you do NOT visit this page." But in the absence of such a warning, Internet searchers run a risk of harm by those who intend to inflict it.

In their less noxious form, they are more troublesome than malicious. In *Toronto-Dominion Bank v. Karpachev*, D2000-1571 (WIPO January 15, 2001) (<tdwatergouse.com>) the Respondent justifies its use of the disputed domain name as "bona fide, with the honorable purpose of defending personal dignity, recovering the property stolen and taking money damages." The Panel held: "No matter how sincerely the Respondent believes in the righteousness of his cause, resort to such trickery does not deserve the appellation honorable nor does it justify a finding of a legitimate interest in the disputed domain names."

The Respondent in *Volkswagen AG v. Richard Roberts, HD Home Theater*, D2016-0231 (WIPO April 21, 2016), dishonest but not criminal, explained to the ICANN certified Provider that he was

> willing to transfer the distributed domain name volkswagen.forsale over to Volkswagen A.G.. How do I do this? I never sold a domain, or transferred a domain. (I am not a broker) I am willing to transfer for $524.17 US. The cost of domain and out of pocket expenses ($24.17 for domain registration + $500 for legal consultation). My only intention for the use of this domain was to partner with Volkswagen A.G., or Volkswagen Group of America, in creating a global sales, and marketing channel, for Volkswagen dealerships.

The Respondent concluded his plea with "Can you help in resolving this issue?" To which the answer is invariably No because Panels are appointed to hear and determine, not to settle claims.

A notch more nefarious (more sophisticated than Mr. Roberts claimed to be) involves a business model based on inducing trademark owners to pay them something on the theory that it is quicker and less expensive for complainants to settle and move on. But settlement does not always work, either, a scenario illustrated in *Thule Sweden AB v. Cameron David Jackson*, D2016-0414 (WIPO April 12, 2016) (<thulegroup.club>).

In this case, after Complainant paid the extortion fee on the first registration the Respondent simply turned around and purchased another infringing domain name, and the extortion continued. Complainant requested that the Panel include the new registered domain name in the pending complaint, and the Panel agreed to accept it over the Respondent's objection: The Panel held:

> One final equitable consideration favoring allowing such addition [to the complaint] is that this instance is not the first time, or the second, that this Respondent has employed a new registration for this very purpose [of continuing the extortion]. See Statoil ASA ("Statoil") v. Cameron Jackson, WIPO Case No. D2015-2226, in which this Respondent registered two additional domain names involving the same prominent trademark within three weeks after selling a domain name to the mark owner complainant.

Respondent, outraged at the request to add the new extortion domain to the pending complaint stated: "I think" quoting from the response, "it is very unfair that Thule group can or could possibly include another name in the same WIPO case. They should have to lodge another or separate WIPO case." The issue is further discussed in Chapter 8 ("Consolidation").

In a number of other cases respondents asked for settlement discussions only to be rebuffed by complainants not interested in giving respondents the satisfaction of avoiding a UDRP. In *William Grant & Sons Limited v. Dave Chandler*, D2016-0476 (WIPO April 17, 2016) the "Complainant informed the Respondent that it would settle the dispute provided that the Respondent transfer the Disputed Domain Name and pay for the Complainant's cost of bringing the proceeding." Registering clearly infringing domain names is not a good investment model, although if it is done on a large enough scale and allowed to continue for a long enough time it is likely to be profitable.

Phishing, Spamming and Related Fraudulent Schemes

More noxious are models dedicated to phishing, spamming, and related fraudulent activities.[24] Phishing is an impersonation scheme that appears to be genuine but induces consumers into revealing personal and/or proprietary information. In *Anchor Drilling Fluids USA, Inc. v. anchordf, anchor drills*, D2012-0385 (WIPO April 12, 2002) the Panel found that

> The evidence demonstrates that the disputed domain name was used for a website which was plainly intended to mimic the Complainant's genuine website, but with changes made so that emails would be diverted to the Respondent, with obvious deceptive intent.

This conduct "clearly [had] potential for diversion of, and significant damage to, the Complainant's business" in that

> [t]he Respondent was operating a website using the Complainant's name and mark, for unauthorized and abusive purposes, which could certainly have included facilitating spamming, phishing and related fraudulent activities.")

Where there is evidence of fraud respondent's knowledge of the complainant and its trademark is generally revealed by its conduct. In *Capital One Fin. Corp. v. Howel*, FA0406000289304 (Forum August 11, 2004) the Panel found "bad faith registration and use because the respondent used the domain name to redirect

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24 Impersonation through emails is described in ICANN Security and Stability Advisory Committee Report (May 2008). New gTLD Registry Agreement, Specification 11, 3(b) identifies security threats as "…phishing, pharming, malware, and botnets", and requires registries to monitor their zones for such threats. See also On October 17, 2019 a group of leading domain name registries and registrars issued a "Framework to Address Abuse" in which they identified five DNS abuses: malware, botnets, phishing, pharming, and spam, although as to spam it notes that "spam alone is not DNS Abuse, we include it in the five key forms of DNS Abuse when it is used as a delivery mechanism for the other four forms of DNS Abuse. In other words, generic unsolicited e-mail alone does not constitute DNS Abuse, but it would constitute DNS Abuse if that e-mail is part of a phishing scheme." The worst is spamming, spoofing, phishing, and distribution of malware.

Internet users to a website that imitated the complainant's website and to fraudulently acquire personal information from the complainant's clients." Such conduct is neither a bona fide offering of goods and services (Paragraph 4(c)(i) of the Policy), nor a legitimate noncommercial or fair use of the domain name (Paragraph 4(c)(iii)).

The schemes of deception have many routes and are of several kinds. Impersonating or deceiving visitors and injuring complainants in one of a number of ways is played out in a number of different scenarios. I have mentioned commentary and criticism as one example of this, but of the different scenarios this is the least noxious. In *Abbvie, Inc. v. James Bulow*, FA 1701075 (Forum Nov. 30, 2016) "Respondent uses the <abbuie.com> domain name to impersonate Complainant's CEO." The Panel remarks that "[s]uch use is undeniably disruptive to Complainant's business," but of course it goes beyond simply disruptive as Respondent has an intentional purpose to injure Complainant or visitors to the website. In *Microsoft Corporation v. Terrence Green / Whois Agent / Whois Privacy Protection Service, Inc.*, FA1602001661030 (Forum April 4, 2016) the Panel found that Respondent used the disputed domain names to send fraudulent emails to Complainant's suppliers.

The Complainant in *Oracle International Corporation v. Above.com Domain Privacy / Protection Domain*, D2017- 1987 (WIPO December 26, 2017) (<oraacle.com>) cited Wikipedia for a technique in carrying out these criminal activities: "Fast flux is a DNS technique used by botnets to hide phishing and malware delivery sites behind an ever-changing network of compromised hosts acting as proxies."

These and other schemes are used for fraud schemes of one type of another. For example, in *Crayola Properties, Inc. v. Domain Contact, Protected WHOIS @ INR*, D2018-2091 (WIPO December 2, 2018) (<crayolla.com>) the Complainant argued that "Respondent's actions are not a bona fide offering of goods or services because Respondent's website redirects users to a rotating series of third-party websites. The Panel notes that Complainant refers to this as "'Automatic Rapid Reduction to Malware' (or 'ARRM') and that this practice has been also referred to as 'fast-flux DNS' (or 'FFDNS'")].

And in *TotalEnergies SE v. Domain Administrator, Registrant of purchase-totalenergies.com / Albert Clement, Purchase Total Energies; Privacy service provided by Withheld for Privacy ehf / Harry Moore, Total; Junior Stephane, Total Energies Procurements; David Hahn, Global Data; Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Sylvester Galphin; Zandie Dlamini; Proxy Protection LLC / Sharon Mohale; Junior McDonald; MARIN ABELANET*, D2022-3069 (WIPO October 14, 2022):

> [T]hree [of the] Domain Names were used by Respondent to impersonate Complainant in an email fraud scheme. This further removes any doubt that Respondent knew of Complainant and chose the Domain Names with knowledge of Complainant and its industry. Similarly, the Respondent's information disclosed by the Registrars also included organizations under the Complainant's trademarks, reinforcing the intent of the Respondent to impersonate the Complainant when registering the Domain Names.

Spoofing and phishing schemes are assessed in *Arla Foods Amba v. ESMM EMPIRE staincollins*, CAC 101578 (ADR.eu August 14, 2017); optionsXpress Holdings, Inc. v. David A., FA1701001711999 (Forum February 15, 2017) (<optionexpress.net>); *Goodwin Procter LLP v. GAYLE FANDETTI*, FA1706001738231 (Forum August 8, 2017) (Targeting law firm to "to misdirect funds in an e mail for an illegal and fraudulent purpose").

The Pane in *Intersystems Corporation v. Contact Privacy Inc. / Maree F Turner*, D2017-1383 (WIPO September 18, 2017) found that "on numerous occasions, Complainant's customers received notices to pay licensing fees for Complainant's products in an email that appeared, to a casual observer, to come from Complainant. [. . .] The confusion arises when recipients mistakenly believe they have received an email from Complainant. Recipients appear to be subjects of an effort to get them to send funds to Respondent believing they are sending the funds to Complainant.") And targeting job seekers has a steady number of complaints including *Novartis AG v. CHRIS TAITAGUE*, FA170800 1744264 (Forum September 11, 2017) (<sandoz careers.com>).

In *Kames Capital PLC v. Tom Harrison / Kames Capital Plc Limited*, FA1604001671583 (Forum May 20, 2016) (KAMES CAPITAL and <kclfx.com>), the Panel found that phishing is an impersonation scheme that induces "consumers into revealing personal and/or proprietary information." Similarly in two other instances of phishing. In *The Trustees of Columbia University in the City of New York v. George Billis*, FA160400 1671587 (Forum May 25, 2016) (<columbiauniversity.nyc>), Respondent appeared) and *3M Company v. Above.com Domain Privacy*, FA1604001668805 (Forum May 4, 2016) (<scotchbrandtape.com>) Respondents' tactics include mimicking well-known trademarks).

In *Columbia University* Respondent defended its conduct by alleging 1) Complainant did not have a trademark—apparently believing that the extension dot nyc distinguished the domain name from the trademark—with 2) a backup position that he had registered the domain name for a criticism site but

> [t]he disputed domain name currently resolves to a page that invites visitors to enter their name and email address in an attempt to phish for personal information.

Respondent is also the registrant of other dot nyc domain names mimicking well-known brands in proceedings conducted under the Uniform Rapid Suspension System (URS).

In the *3M* case Respondent's current use of the <scotchbrandtape.com> domain name is equally blatant. The disputed domain name redirects Internet users to a website displaying an error message that reads: "'A serious malfunction has been detected,' which advises users to 'call the toll-free number below for a Microsoft-certified technician' and provided a telephone number." This "constitutes phishing, which is evidence of bad faith registration and use."

Finally, Complainant in *Diamond Hill Investment Group, Inc. v. Richard Stroud*, D2016-0510 (WIPO April 25, 2016) (<diamondhil.com>), a typosquatting domain name omitting the final "l" on HILL) alleged the domain name "resolves to a website that is a virtually identical copy of Complainant's website and that this website is being operated to further a possible criminal enterprise." The "criminal enterprise" is allegedly a continuation of an earlier attempt by a different Respondent—*Diamond Hill Investment Group, Inc. v. Carole Elkins,* D2015-1191 (WIPO September 12, 2015) (<diamond-hil.com>)—allegedly in league and once again using bogus contact information to perpetuate the same fraudulent criminal phishing enterprise. The Panel agreed.

In all these phishing cases, adding proof of criminal acts not just reinforces bad faith but establishes a per se violation of the Policy. The strong inference from typosquatting (equally with domain names found confusingly similar to marks by adding words that reinforce respondents knowledge of complainant's mark) is that respondents are presumed targeting (virtually mimicking) the corresponding marks.

Respondent's fraudulent emails in *Morgan Stanley v. robert*, FA220100 1980641 (Forum February 9, 2022) contracting the mark to "ms" (<ms-management.com>) contained "the signature block [and] [. . .] display[d] Complainant's mark and the actual physical address of one of Complainant's offices; a form attached to the fraudulent emails displays Complainant's mark and logo."

In *Solidium Oy v. Privacy Service Provided by Withheld for Privacy ehf / EstormH Etormhosting, Estorm Programming*, D2022-3139 (WIPO October 10 2022) the Panel held

> Respondent's replication of the look and feel of Complainant's website, as well as Complainant's corporate address and certificate of registration, is evidence that Respondent has engaged in a dishonest impersonation of Complainant with the intent to mislead Internet users.

On the other end of the spectrum are registrations intending to victimize complainant, visitors, and consumers. In *Valero Energy Corporation, Valero*

Marketing and Supply Company v. Mike Farnworth, D2022-2768 (WIPO October 4, 2022) (<valerooilgas.com>) the Panel found

> potentially fraudulent or criminal usage of the disputed domain name and the sending of an email communication impersonating an employee of Complainant in an attempt to scam an Internet user, to constitute use in bad faith consistent with paragraph 4(b)(iv) of the Policy.

And in *Whatsapp LLC v. elie galam*, D2022-3684 (WIPO November 22, 2022) (<whatsappgroup.org>),

> the Respondent is using the Disputed Domain Name to attract consumers to a commercial website featuring various advertisements and offering links to WhatsApp groups and downloadable files that potentially pose security risks for users. Such conduct by the Respondent evidences a clear intent to disrupt the Complainant's business, deceive individuals, and trade off the Complainant's goodwill by creating an unauthorized association between the Respondent and the Complainant's WHATSAPP Mark.

These decisions which go beyond simply taking advantage of the mark for "commercial gain" illustrate *per se* violations of the Policy, that is a step beyond mere presumption for which there may be an innocent explanation for the registration of the disputed domain name.

Harmful Conduct But Out of Policy's Scope - Subdomains

The UDRP has a limited subject matter jurisdiction as discussed in Chapter 1. Trademark claims disguised as domain name infringements, for example, and business disputes in which domain names are minor issues, must properly be brought in court. But there are also disputes involving harmful conduct which are also outside the scope of the Policy.

These include, for example, third level or post domains issues. Thus, in *Romantic Tours, Inc. v. Whois Protection Service, Inc.*, FA1003001316557 (Forum April 28, 2010) the Panel explained: "[The] UDRP does not offer relief for infringements via use of registered trademarks in post-domains. [. . .] [T]he proceedings under the UDRP may be applied only to domain names."[25]

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25 But see *Yahoo! Inc. v. YAHOO.COM / YAHOO! INC.*, FA1311001532273 (Forum January10, 2014) (<ymail.com.co>): "[T]he registry administrating the '.co' top-level domain [Cci Reg S.A.], has agreed to the application of the UDRP to its third-level domain names, such as the '.com.co' domain names, the Panel finds that the UDRP is applicable to this dispute." Third level domains are not actionable under the ACPA. See *Goforit Entertainment LLC v. Digimedia.com LP*, 750 F. Supp.2d 712 (N.D. Tex. October 25, 2010): "Because third level domains–whether specifically designated or using Wildcard DNS–are not 'registered with or assigned by any domain name registrar,' a straightforward reading of the text shows that GEL cannot recover under the ACPA for

In *Comfort Window Co., Inc. v. AL-SADEQOUN LIL-TASWEEQ LLC*, FA1206001447758 (Forum July 25, 2012) the Panel stated that "UDRP rules do not apply to subdomain names. In order for the UDRP Policy to apply, there must be evidence that these subdomains are registered with a registrar." However, subdomain claims may be brought into the scope of the Policy where second level domain names are found to be confusingly similar to complainant's subdomains.

The point is illustrated in *Deutsche Telekom AG v. Britt Cordon*, D2004-0487 (WIPO September 13, 2004) (<bild-t-online.info> and subdomain <bild.t-online.de>); and *American Airlines, Inc. v. Registration Private, Domains By Proxy, LLC / Online Resource, Online Resource Management Ltd.*, D2021-3234 (WIPO November 22, 2021) (<prefundsaa.com>): "[T]he disputed domain name is almost identical to the subdomain <prefunds.aa.com> operated by the Complainant).

Although not involving a third level domain, the Panel in *VFS Global Services PLC v. David Killam*, D2022-3969 (WIPO December 22, 2022) (<visasdept.com>) with "very considerable reluctance [. . .] finds that the Complainant has failed to establish that the disputed domain name is confusingly similar to the Complainant's trademark rights." The variant to the third level domain was an email address, "vfsglobal@visasdept.com" which is virtually identical to Complainant's mark:

> Unfortunately, the Policy is concerned with the abusive registration of domain names, not email addresses. The domain name at issue here is <visasdept.com>.
>
> It is this which must be at least confusingly similar to the Complainant's trademarks.

An earlier case (not cited by the Panel) is on point, *Yahoo! Inc. v Bill Skipton d/b/a Cowboy Clothing*, FA0510000575666 (Forum November 23, 2005) (YAHOO! and <yprog.com>) (earlier noted in Chapter 9 to illustrate another proposition). The Panel states that the "differences between the mark and domain name [<yprog.com>] are simply too many and too profound" even though Respondent was using the domain name to target Complainant and harm consumers.

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defendants' use of Wildcard DNS in a third level domain;" *United 'ed'n of Churches, LLC v. Johnson*, No. 2:20-cv-00509-RAJ, at *13 (W.D. Wash. Feb. 26, 2021) the Court (citing *Goforit Ent.*) stated that it "has found no authority suggesting that the ACPA extends to any URL component beyond top-level and second-level domains. Indeed, the Court has found the opposite."

CHAPTER 12

EVIDENTIARY DEMANDS

PLEADINGS AND PROOF

The lesson from chapters 9, 10, and 11 is that the law applied to cybersquatting is tailored to assessing evidence of a respondent's motivation in acquiring a disputed domain name and its objective conduct *at the time of acquisition*. The complainant has the burden of proving unlawful conduct by first demonstrating that respondent lacks any right or legitimate interest in the disputed domain name before proceeding with evidence of abusive registration as we saw in Chapter 10 and 11.

It would be fair to note, though, that as a general proposition complainants succeed where actual knowledge of their marks cannot plausibly be denied. However, the implausibility or inconceivability test is properly applied to well-known and famous marks, but as marks descend on the classification scale from strong to weak, from inherently distinctive to acquired distinctiveness, complainants' proof of cybersquatting must correspondingly increase in quality. That an act or non-act "may be" evidence of bad faith should not be elevated to certainty that it is. "May be" is not a standard of proof, but merely a hypothesis of bad faith.

Success in satisfying the evidentiary burden rests on complainant's pleading, and whether the allegations and annexed evidence support its contentions. If we were to compare this to a stage in litigation we would say that the pleading functions as a dispositive motion. It should contain all that must be marshaled to prevail on the claim. If the pleading contain less, or the theory of liability is without merit under settled law, the complainant must fail.

The respondent's burden of proving lawful registration (taking into account both paragraph 4(a)(ii) and 4(a)(iii)) depends on the complainant's pleading and proof (whether it has stated a claim), although respondent is cautioned to craft its own pleading and proof on the possibility that the Panel may accept the complaint's arguments. It would be strategically unwise for the respondent to view complainant's pleading as deficient if it can be read as presenting a *prima facie* or conclusive case.

The deficiencies of pleading and proof are captured in a continuing stream of rejections: "Mere assertions of bad faith, even when made on multiple grounds, do not prove bad faith"; "Complainant makes conclusory allegations of bad faith but has adduced no specific evidence that warrants a holding that Respondent proceeded in bad faith at the time it registered the disputed domain name"; "Complainant could not establish the respondent registered and used the disputed domain name in bad faith because it failed to present evidence that would support such a holding"; "Whatever the merits of Complainant's arguments that Respondent is using the Domain Name in bad faith, those arguments are irrelevant, as a complainant must prove both bad faith registration and bad faith use in order to prevail"; and so on.

The consensus view as I have laid it out is a simple progression: the complainant demonstrates 1) the domain name is either identical or confusingly similar to a mark in which it has rights; 2) the respondent lacks rights or legitimate interests in that domain name; and 3) the respondent registered and is using the domain name in bad faith. There is no room for exotic theories such as those discussed in Chapter 4.

This chapter concentrates on the pleadings. Where domain names are cancelled or transferred it is generally obvious why they are; and similarly why complaints are dismissed. It is traceable to deficiencies in the pleadings. The most common of these include a mistaken belief that assertions have the same power of persuasion as documentary evidence; or they make conclusory allegations of bad faith without adducing any specific evidence warranting a holding respondent intended to target complainant at the time it registered the disputed domain name; or they assume their marks have greater value than they do; or they fail to understand their evidentiary burden. Of course, I address a small number of complaints in the region of ±6% annually of those that proceed to award.

Panels generally perform two tasks in their decisions. The first is to announce who prevails and who fails; and the second, the educational part of the decision, is to explain why this is so. Their instructional observations which to some extent are captured in the WIPO Overviews are intended to educate the bar and parties of Policy requirements and the jurisprudence applied in determining cybersquatting disputes. Parties ignore this cumulative learning at their peril.

In one case, the Panel noted "had there been a suitable quality of evidence suggesting that the notoriety of the Complainant" the outcome "would more probably than not" have come out differently. And in another case, the Panel stated that Complaint "alleges it has used [the trademark extensively] [. . .] but does not submit any evidence about this." These are well-treaded deficiencies.

Complainants succeed on meeting evidentiary expectations by understanding what those expectations are; and where it has been satisfied, whether respondents are able to satisfy their corresponding expectation by mounting a rebuttal. But the onus of proof is on the complainant. In the words of another Panel: "[I]t is not the Panel's role to search online for the respective sources of information [to verify the relevant and material facts]" (an issue discussed in greater length in Chapter 8).

We start with the proposition that where the evidence is *prima facie* inculpatory and where the respondent has a case to answer, the pleadings are conclusive to the outcomes. The Panel in *Pleasure Cake SL v. TechTools*, D2009-0580 (WIPO July 14, 2009) addressing the Complainant pointed out that "[t]he UDRP is based on the adversary system and not on the inquisitorial system." In an earlier case (addressing the Respondent, although it could equally apply to complainants), the Panel pointed out: "A party is under a duty to produce evidence in support of its case. It is not for the Panel to undertake an inquisitional role," *Randgold Resources Limited and Randgold & Exploration Co.Ltd. v. Pico Capital Corp.*, D2001-1108 (WIPO October 24, 2001).

Whether or not defended, complainants prevail or their complaints are denied based on the quality of their pleadings and reliability of their evidence. Their failure to support their allegations, even in obvious cases in which "Respondent has been an abusive registrant," will be fatal to their claims.

For example, the Panel in *Jones Apparel Group, Inc. v. jonesapparelgroup.com*, D2001-0719 (WIPO July 19, 2001) explained in dismissing the complaint that "the Complainant goes on, in its extremely sparse and poorly-drawn pleading, to assert that the domain name is identical to the "JONES APPAREL MARKS [when] [i]t is obvious [that it is not]." The Complainant's deficiency of proof rested on its failure to prove that it had a registered trademark in "Jones Apparel Group" and it presented no evidence that it had common law rights, although it was clear to the Panel that it most likely did, and that but for the deficiency of evidence it should have prevailed.[1]

The purpose for discussing deficiencies in pleadings is to underscore the consequences to the outcome of the case. In an early UDRP case, *Link Clicks Inc. d/b/a Ad Here and TOTALLYFREESTUFF.COM v. John Zuccarini d/b/a Cupcake Patrol*, D2000-1547 (WIPO January 22, 2001) Complainant alleged a common law right for a common phrase that is unregistrable as a trademark and which in one lexical construction or another is used by numerous market actors on the Internet. As noted earlier, Mr. Zuccarini specialized in misspellings (in this case, "totaly" instead of "totally"), but misspellings and alleged typosquatting are irrelevant if complainant has no rights.

The deficiency that the *Link Clicks* Panel is underscoring, and which will be pointed out in later cases, is not simply the failure of proof but of imagination.

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1 So instructive was the Panel in setting out the Complainant's deficiencies, that it refiled a revised complaint that was accepted by the new Panel as discussed further below. This comes with a warning, though. Later cases have established a consensus that unless there is new evidence that was not previously available to the complainant it cannot succeed on a refiled complaint that simply corrects its deficiencies. Panels have attempted to avoid this outcome by dismissing complaints without prejudice. The issue is discussed further below. There are among complaints denied a fair number that if properly supported by pleadings and proof would have been successful.

Where it is not obvious, claims of infringement have to be earned by proving that the respondent was motivated by the domain name's trademark value and not by any value intrinsic to the domain name itself.

UDRP Rule 10(d) provides that Panels "shall determine the admissibility, relevance, materiality and weight of the evidence" adduced by the parties to prove the merits. In failed cases, much that is offered is irrelevant or omitted and if either it will have only negative weight to the advantage of the adversary party.

Each of these evidentiary tests rest on the quality of proof adduced to support claims and defenses. Black's Law Dictionary defines "proof" to "mean anything which serves, either immediately or mediately, to convince the mind of the truth or falsehood of a fact or proposition." There is a technical difference between proof and evidence. Proof is the end product of evidence. That which is offered to "convince the mind" is proof, but evidence "includes only such kinds of proof as may be legally presented [. . .] through the aid [. . .] of such concrete facts as witnesses, records, or other documents."

This evidence is relevant or material, or neither; it is accorded weight in determining an outcome, or has no weight at all. The following quotations are drawn from a range of cases to illustrate the point:

> Most if not all of this material postdates the date the Respondent acquired the Disputed Domain Name and hence is of no relevance to the Respondent's likely knowledge when it acquired the Disputed Domain Name.

> It is immaterial that Respondent may reside outside the jurisdiction of the trademark's registrar.

> Respondent argues it has developed a history of good faith registration and use of domain names. Respondent has prevailed in all but three instances of the nearly two dozen UDRP proceedings to which it has been a party. This Panel believes each case must be judged on its merits. The fact Respondent is a frequent party to UDRP proceedings is immaterial.

> [T]he combination of the Complainant's mark followed by terms describing its services in the disputed domain name should be given some weight to establishing confusing similarity but more importantly to the intentional targeting of Complainant's mark through this combination of terms.

> The Complainant suggested in unattested correspondence that the Respondent had actual knowledge of the Complainant, but this cannot be given weight without a witness declaration attached to the Complaint's certification of accuracy and completeness, to which the Respondent is given an opportunity to reply.

> This is a troubling case. [. . .] Although one is reluctant to condone such conduct, we are constrained in this proceeding by the terms of the Policy which places the burden on Complainant to show some intended commercial gain or effect to establish bad faith.

There are proof demands for each of the elements, as we have seen, and how these are satisfied depends on the mark and circumstances of respondent's use and registration. The Panel in *EAuto, L.L.C. v. Net Me Up*, D2000-0104 (WIPO April 13, 2000) points out that "[a]lthough evidence of actual confusion would be persuasive evidence [. . .] that the name and mark are confusingly similar, the absence of actual confusion does not preclude such a finding." However,

> the domain name eautomotive.com is descriptive of a business that offers, through the Internet, information or sales related to automotive goods and services. Given that this is precisely what Respondent does [. . .] it appears that Respondent has a legitimate interest in this domain name.

And in *Creo Products Inc & anor v. Website in Development*, D2000-0160 (WIPO May 1, 2000):

> In this case, despite Complainant's bald assertions to the contrary, the evidence is quite inadequate to show that the Respondent registered the domain name for the primary purpose of selling, renting or otherwise transferring it to the Complainant or one of its competitors. There is circumstantial evidence of a chronology of events which, if corroborated by other evidence, might lead to the conclusion for which the complainant contends. However, no such evidence has been presented to the Panel.

Panels Rule on the Facts and Evidence Not On Supposition or Conjecture

While there are circumstances that support a Panel's issuance of a Rule 12 Procedural Order (Chapter 8), it is not empowered to assist the complainant as underscored in *Pleasure Cake* earlier cited: "[I]t is not for the Panel to complete the evidentiary record of complainant's case." Failure to meet the minimal level of proof is fatal to a party's argument. So for example, in response to a complainant's assertion that there is no conceivable non-infringing use of the disputed domain name (the *Telstra* test discussed in Chapter 3), a Panel's assessment or rebuttal evidence can prove otherwise; and in this way, assertions are compromised and undermined.

The Panel in *Bulmers Limited and Wm. Magner Limited v. (FAST-12785240) magnersessions.com 1,500 GB Space and 15,000 Monthly Bandwidth, Bluehost.Corn INC/Jason LaValla*, D2010-1885 (WIPO January 17, 2010) points out that the Respondent has adduced evidence that other uses and associations are indeed conceivable:

> [the] difficulty with this argument is that respondent has put forward a plausible reason for his registration and use of the disputed domain name. [And, the] evidence of the Respondent's website also supports his story. [. . .] The website otherwise does not suggest to the Panel that there is an ulterior motive behind it.

And in *Dean & Simmons, Sàrl and Heintz Van Landewyck S.à.r.l. v. Domain Capital / Moniker Privacy Services*, D2015-0080 (WIPO March 27, 2015) (<fiesta.com>) the Panel stated that "Few things are more settled, or more fundamental under the Policy and Rules, than the requirement that material factual allegations must be proven, not simply alleged."

As UDRP parties have none of the forensic tools familiar in civil litigation or commercial arbitration to develop facts and obtain documentary and testimonial evidence to support their allegations,[2] they must be fully armed for confrontation in preparing the complaint and responding to it, as Bulmers Limited was not. What goes into parties' pleadings is all there is: there are no motions to dismiss, no depositions to respond to, and no skirmishes over discovery. This puts a premium on the papers and documentary evidence marshaled to prove or counter the claim of cybersquatting. If there are contentions of material facts, they must be supported with evidence demonstrating the trustworthiness of alleged facts.

The submission in *Total S.A. v. Gustavo Cerda*, D2011-2073 (WIPO February 8, 2011) (<totalsa.net>) further illustrates the point. In this case, Complainant alleged that Respondent's purpose in acquiring and using the disputed domain name for the "scam of phishing [. . .] is one of fraud and dishonesty." Although the evidence was sufficient, it was "not as full and easy to follow as it might have been," nevertheless

> such material as has been provided by the Complainant is consistent with and broadly supportive of the Complainant's contentions. By way of example, although the Complainant does not exhibit a copy of the website that is said to be a copy of its own site, it does exhibit a copy of an email dated October 4, 2011 that appears to have been sent to the "abuse team" of the ISP hosting that site. In that email it complains about the "web site totalsa.org [that] encapsulates our corporate web site "www.total.com" by using frames.

In *dictum* (the educational part of the decision) the Panel noted regarding extravagant allegations that "[t]he test is no different when fraud or dishonesty is alleged. However, as many legal systems have recognised, the more serious the allegation, the

2 *The Vanguard Group, Inc. v. Emilio* Sa D2001-1453 (WIPO April 7, 2002) "Parties in federal court litigations have other tools, including discovery and cross-examination, to help bring the true facts to the surface, thus making submission of settlement offers less important; UDRP Panels, in contrast, can rely only on a truncated paper record."

less likely it is to be true and therefore the more cogent the evidence must be before the balance of probabilities test is satisfied."

This proposition of "the more serious the allegation" can be extended to cover allegations or contentions generally. Adducing proof that the facts are as claimed requires of a party the evidentiary strength of "putting up or shutting up." Under Paragraph 4(a)(iii) the satisfaction of this element rests primarily on the complainant, as counterpoint to Paragraph 4(a)(ii) which rested on respondent's ability to rebut complainant's *prima facie* case with proof positive of its rights or legitimate interests.

The concern here is understandable: burdens of proof and burdens of production are heavy by design. If they are not satisfied, the burdened party fails. There is, of course, a difference between a civil complaint familiar to litigators in common law regimes and a UDRP complaint. The latter is not simply a notice of a claim, but a package of pleading and documentary proof supporting the claim for relief. Allegations and contentions intending to persuade the Panel how to rule have no probative value where the pleader lacks sufficient supportive evidence.

Thus, in *Texans For Lawsuit Reform, Inc. v. Kelly Fero*, D2004-0778 (WIPO October 31, 2004), the Panel explained that an attorney's statement has no probative value if not separately made on personal knowledge:

> To be sure, paragraph 3(b)(xiv) of the Rules requires a party's certification of the accuracy and completeness of the information in the pleading. That certification, however, cannot overcome a dearth of hard evidence, especially when counsel (who usually lacks personal knowledge of the factual allegations for which the party is responsible) submits a pleading on a party's behalf. Panels regularly require a respondent to produce evidence of legitimate use to overcome a complainant's prima facie case to the contrary under paragraph 4(a)(ii) of the Policy [no less is demanded of complainant].

And of respondents who may have a good defense but who fail to appear or if appearing fail to marshal the proper evidence risk forfeiting the disputed domain name on a Panel's finding that respondent's silence is sufficient to draw adverse inferences in complaint's favor.[3]

Arguments a litigator may make in a federal or state action in the US will not work in a UDRP proceeding where the entire case is concentrated in the pleading and affixes of proof. More so than in civil actions in which there may be a number of stages preceding a dispositive motion or trial, the UDRP pleading launches

3 Illustrative cases include *Irving Materials, Inc. v. Black, Jeff / PartnerVision Ventures,* FA171000 753342 (Forum November 7, 2017) (Respondent alleged in a later ACPA action challenging the UDRP award that it was out of the country and did not receive notice), *Black v. Irving Materials, Inc.*, 1 7-CV-06734-LHK (N.D. Cal 2019/2020) (<imi.com>. Award nullified, discussed in Chapter 19).

immediately into the final chapter. The different kinds of pleading are discussed further below ("UDRP Complaint: Actually a Motion for Summary Judgment.")

For this reason, outcomes hinge on the marshaling of evidence and its quality, and ultimately the credibility of a party's contentions. For this reason, the pleadings must be significantly more than simple allegations of fact. Where allegations of fact are unsupported by direct or circumstantial evidence they are no more than conjecture and supposition.

Direct and Circumstantial Evidence

Direct evidence is that which supports the assertion of a fact material to the outcome of a dispute. It is the most reliable, and where it is expected to be produced its non-production has consequences to complainant's credibility. Keeping in mind complainant has the burden of proof, which if successful shifts the burden to respondent, any rebuttal by respondent returns the burden, and if not challenged undermines complainant's contentions.

Circumstantial evidence may also be documented but it is indirect. The use of a domain name that resolves to an active website or is passively held is an informative act, a deliberate choice: as for example, between a website's first viewing and following the commencement of a proceeding it has been changed will support a negative inference.

Or another example: respondents who submit copies of trademark databases to show the claimed distinctive terms are not distinctive in the marketplace. And in another case, a complainant's website is shown to historically overstate its reputation by claiming to have a trademark years earlier than its application. Each of these yield inferences that support or undermine contentions by one or the other party.

This point is underscored by the Panel in *Visual Gis Engineering S.L. v. Nitin Tripathi*, D2006-0079 (WIPO March 23, 2006) (<visualmap.com>):

> Whether Respondent's assertions actually are true is an issue that this Panel cannot definitively determine given the procedural rules that govern UDRP proceedings. Because the Respondent's allegations appear credible and *Complainant has not submitted a request to submit supplemental information refuting those allegations*. (Emphasis added).

Footnote 1 of the decision continued: "If Complainant wants to test the veracity of these allegations, it can pursue its claim in court, where the availability of discovery, the Complainant's right to cross-examine Respondent, and the court's ability to make credibility determinations based on live testimony, would allow a more definitive resolution of any factual dispute."

The "*has not submitted*" verdict is a kiss of death. As earlier discussed in Chapter 8, supplemental submissions are within the Panel's discretion to receive and consider, but where it is necessary to sustain its argument complainant's failure to submit a refutation can be read as an admission that it has no refutation to make.

Particularly as marks decline in value—composed of lexical material in common circulation, for example, or the marks lacks the kind of distinctiveness and market value discussed in Chapter 5—evidence of reputation will be a key factor. Since this knowledge is totally in the complainant's control, it will be expected to establish 1) its reputation, 2) the associational connection of the lexical material specific to the complainant, and 3) persuasive evidence that respondent's denial of knowledge would be implausible.

It is already clear from the discussions in the earlier chapters that the strength or weakness of the record dictates the outcome of the dispute. As complainant has the burden of proof it is not the role of the Panel to infer facts unsupported or unattested in complainant's favor. To the extent that the complainant relies on circumstantial evidence, the more persuasive it must be. The consensus view is that "in the absence of direct evidence, complainant and the panel must resort to reasonable inferences from whatever evidence is in the record," *Euromarket Designs, Inc. v. Domain For Sale VMI*, D2000-1195 (WIPO October 26, 2000) (<crateandbarrel.org>), and by "reasonable" the Panel means tangibly persuasive. The distinction is justified where the disputed domain name is identical or confusingly similar to a famous or well-known mark since registrant has a case to answer.

As a general rule, what goes into a record or expected to be there but is unaccountably missing is has negative consequences. Thus, for example, silence can be potent evidence unfavorable to the party with the burden of proof or production. Since the determination is made entirely on paper submissions—there is no discovery, no cross-examination and no confrontation in open hearing—it is imperative to pay close attention to the marshaling of evidence in support and opposition to parties' contentions.

Where for weak trademarks a contention is made that a particular fact is true, complainant is expected to adduce corroborative evidence. This can come, for example, from historical snapshots of the registrant's webpages from the Wayback Machine or its social platform history. Of its own reputation, it is its sole custodian.

The Panel makes this point in *Reliance Telecom Limited v. Domains ByProxy.com and Sukhraj Randhawa*, D2013-1470 (WIPO October 8, 2013) (<reliancegroup.com>). It held that "[t]he failure to adduce any evidence of the reputation of the RELIANCE Mark at the time of registration would be less of an issue if the Domain Name was a coined word, such that there was no other logical reason for the Respondent to register the Domain Name."

But circumstantially, respondent's actual knowledge of complainant or its mark can be deduced (if it can at all) from respondent's conduct; that is, the information available of its website. For example, in *Kabushiki Kaisha Square ENX* *dba Square ENX Co. Ltd. v. NOLDC, Inc.*, D2006-0630 (WIPO July 14, 2006) (Japanese Complainant; US Respondent: "Respondent's website does not simply contain references to 'Valkyrie Profile' but also has a tab or 'button' labeled with the title of another of complainant's games, 'Star Ocean.'"

The Panel in *QlikTech International AB v. shenzhen kejianuoyouxian-gongsi / liang wu*, FA121200 1478158 (Forum February 7, 2013) similarly inferred actual knowledge "by Respondent's numerous uses of Complainant's mark, including the use of Complainant's distinctive Q design logo."

But a contention of reputation alone cannot yield the inference complainant is urging the Panel to draw. In *AOL LLC v. Joe DiMarco*, FA0907001275978 (Forum September 9, 2009), for example, Complainant alleged that <autoblogreviews.com> infringed its unregistered rights, but the Panel concluded that "[I]t is Complainant's burden to not only plead, but also prove that its descriptive mark has acquired distinctiveness and thereby is a protectable trademark."

Similarly, in *WEX Inc. v. Tom Soulanille*, FA2204001991413 (Forum May 16, 2022) (Disclosure, author was a member of the Panel) Complainant asserted its rights predated registration of <wex.com>. The Panel concluded:

> It is true that the Complainant started what looked as if it would be a case for showing that it had some trademark rights in WEX prior to June 25, 1994. It does this by submitting that it, the Complainant, has "continuously used the WEX mark since at least as early as 1989." (emphasis added). The Panel therefore reasonably expected that there would then be some evidence produced to support that proposition.

Rule 14(b) (Default) authorizes the Panel to "draw such inferences [from parties' submissions] as it considers appropriate." The evidence from this source may bolster or undermine parties' contentions. Proof of cybersquatting may be found in respondent's website which indirectly impeaches its denial of bad faith, such as hyperlinking to competitors as just noted. Such evidence can come from offering domain name history research in the Wayback Machine. Or, in a WEX scenario indirect evidence could come from third party (independent) commentary on complainant's presence in the market or its mark that supports its contentions.

Evidence proffered or missing supports or undermines a party's contention. The "inconceivability" factor formulated by the Panel in *Telstra Corporation Limited v. Nuclear Marshmallows,* D2000-0003 (WIPO February 18, 2000) is an important test for drawing a negative inference but its value depends on the strength of the mark. What may seem inconceivable to a complainant in one context may be highly conceivable by the Panel where the mark is composed of common lexical material.

For example, in *Juraj Králik-ZAJO v. Deep Frontier, Jay Dove*, D2015-1377 (WIPO October 20, 2015) the disputed domain name, <zano.com> translates into English as "Bunny." The Panel distinguished this case from *Telstra*:

> The Complainant's trademark is evidently based on a common word and does not appear to be a distinctive or invented word. Whilst it may indeed be impossible, in the context, to conceive of any legitimate unauthorised use of a trademark having the strength and degree of protection of TELSTRA, the same cannot reasonably apply to a word evidently translating to "bunny". Contrary to the scenario in Telstra, it is at least possible to foresee plausible legitimate use of the disputed domain name.

Equally in applying the more likely than not standard, based on the evidence proffered, the less distinctive a common-word mark's presence in the marketplace the more likely the domain name is noninfringing. So in *CECIA v. Abid, AbidNetwork.com*, D2021-2504 (WIPO)September 21, 2021) (Complainant French, Respondent Pakistan), Respondent argued that he registered <cecia.com> "because he saw that 'Cecia' had been listed among names for auction and it corresponds to a female name." The Panel held that

> [i]n view of the above circumstances [which included the location of the parties], the Panel is unable to find it more likely than not that the Respondent intended to benefit unfairly from the Complainant's mark and/or to damage the business of the Complainant when he registered the disputed domain name.

Complainant also raised pricing as an issue, but the Panel concluded that "the asking price does not allow the Panel to infer that the Respondent acquired the disputed domain name 'primarily' for the purpose of selling it to the Complainant or to a competitor of the Complainant within the terms of paragraph 4(b)(i) of the Policy."

Balance of Probabilities or Preponderance of the Evidence

Civil Standard of Proof

Famous Marks

Neither WIPO's Final Report nor the UDRP mentions standard of proof in determining cybersquatting. The WIPO Final Report raised but abandoned granting an evidentiary presumption that would lower the proof requirements for rights holders of famous marks, although the exclusion would be limited to exact names.[4] In essence the proposal would shift the burden to respondent to rebut the presumption, as opposed to the rights holder having to offer proof of bad faith. It stated:

> granting [. . .] an exclusion giv[ing] rise to an evidentiary presumption, in favor of the holder of an exclusion [. . .] in such a way that, upon showing that the respondent held a domain name that was the same as, or misleadingly similar

> to, the mark that was the subject of an exclusion and that the use of the domain name was likely to damage the interests of the holder of the exclusion, the respondent would have the burden of justifying the registration of the domain name. (Background (ix)).

ICANN did not write this standard into the UDRP, although it nevertheless surfaces in cases in which there are exact matches to internationally recognized marks and to national marks where the parties are resident in the same country. Thus, in *Société des Produits Nestlé S.A. v. Boris Postolov*, D2023-0212 (WIPO March 8, 2023) (<nes.cafe>) in which the Respondent appeared and argued that Complainant did not own a mark for "Nes" The Panel explained

> The NESCAFE trademark is sufficiently distinctive and well known such that, noting that the disputed domain name is identical to the NESCAFE trademark apart from one dot, it is difficult to conceive of any use that the Respondent might make of the disputed domain name without the Complainant's consent that would not involve bad faith.

And in *Scribd, Inc. v. Robert Brink, Host Master, 1337 Services LLC, Ly Tran, Oscar Enriquez, and Minh Le, Home*, D2022-3887 (WIPO May 16, 2023) (Respondents defaulted) the Panel held:

> The Complainant has been substantially, exclusively, and continuously using the SCRIBD mark since at least as early as 2006. [. . .] The Respondent has offered its users the ability to avoid paying the Complainant's subscription fees via the Disputed Domain Names [. . .] [and] specifically target the Complainant and prove that the Respondent was aware of the Complainant when it registered the Disputed Domain Names.

While famous marks can be drawn from the common lexicon, VIRGIN for example, it cannot include marks that may be "famous" in a niche industry that have no currency beyond that, and is limited to consumers with knowledge of the mark, such as AMADEUS, for example in *Amadeus IT Group, S.A. v. Domains By Proxy, LLC / Narendra Ghimire, Deep Vision Architects*, DCO2022-0040 (WIPO July 25, 2022) discussed in earlier chapters (argued to be famous by the dissenting panelist but drawn from the common lexicon and multiply used by other market actors).

The hierarchy of value that I mentioned in Chapter 5 is significant because reputation of famous marks is already established.

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4 The exclusion, though, would be limited to exact match and not to close variations. For those "the owner of the famous or well-known mark would be obliged, even after obtaining an exclusion, to resort to either litigation or the administrative procedure in order to seek to cancel or otherwise remedy the damage being done by the close variation that is registered as a domain name" (*Id*. 288).

Standards as Applied

More generally, though, reputation is a matter of proof. The highest standard, "beyond a reasonable doubt" is the standard applied to prove a defendant guilty of criminal conduct; clear and convincing, the next standard down, is reserved for civil actions asserting a punitive claim. Panelists quickly settled on preponderance of the evidence as the appropriate standard. (The Editor of the Overview equated the preponderance standard with "on balance or balance of probabilities or preponderance of the evidence."[5]).

The Panel in *Sociedad Papiros Ltda v. Ivan Rico*, FA0003000094365 (Forum May 16, 2000) held that

> A guiding principle of law is that a Complainant must prove his, hers, or its claims by the greater weight of the evidence, in short by a preponderance[—] it follows of course that a decision must be based on evidence —devoid of speculation or conjecture.

For Paragraph 4(a)(ii), though, the rights and legitimate interests requirement, complainants' burden is lessened (for the reasons already explained in Chapter 10) to offering a *prima facie* case—an offering of proof and inferences sufficient to shift the burden to respondents to rebut the evidence that it lacks rights or legitimate interests. Acceptance of a prima facie case does not diminish the complainant's burden as its proof together with a respondent's insufficient rebuttal or silence must preponderate to succeed on this element.

Black's Law Dictionary defines preponderance as "rest[ing] with that evidence which, when fairly considered, produces the stronger impression, and has the greater weight, and is more convincing as to its truth when weighed against the evidence in opposition. That which best accords with reason and probability." It also offers synonyms for preponderance: that which "is more credible and convincing to the mind" and that "which best accords with reason and probability."

The preponderance standard requires complainant to offer sufficient evidence to tip the scale in its favor. The term "burden of proof" is frequently said to have two distinct meanings: (1) the duty of producing evidence as the case progresses,

5 WIPO Overview First Edition (2005) was silent on the standard issue, but it appeared in the Second Edition 2011 as a "consensus view": "The general standard of proof under the UDRP is "on balance" - often expressed as the "balance of probabilities" or "preponderance of the evidence" standard. This was slightly modified in the Third Edition (2017), Para. 4.1: "The applicable standard of proof in UDRP cases is the "balance of probabilities" or "preponderance of the evidence"; some panels have also expressed this as an "on balance" standard. Under this standard, a party should demonstrate to a panel's satisfaction that it is more likely than not that a claimed fact is true." It should be noted that the standard for claimed facts applies equally to complainant as to respondent, although the onus of proof remains with complainant throughout the proceeding.

and (2) the duty to establish the truth of the claim by a preponderance (superiority in weight) of the evidence.

The Panel in *Universal City Studios, Inc. v. G.A.B. Enterprises*, D2000-0416 (WIPO July 3, 2000) was "persuaded (by a preponderance of the evidence submitted) that Respondent did have such a bad faith motive in registering and using this Domain Name." In *Bootie Brewing Company v. Deanna D. Ward and Grabebottie Inc*., D2003-0185 (WIPO May 28, 2003), though, the concurring Panelist suggested that in close cases Panels should apply the higher standard, clear and convincing: She explained:

> If the Policy is truly intended to apply to clear cases of cybersquatting or cyberpiracy where a streamlined dispute resolution procedure is appropriate, then it would seem that a higher standard than mere preponderance should be applied [to close cases].

"That is,"

> relief should not be awarded in close cases with many disputed facts such as this one. I believe that in order to achieve the drafters' objective, it would be more appropriate to apply a "clear and convincing" standard. Panels should only grant relief when they believe that it is highly probable that abusive registration has occurred, not simply when they think that it is more likely than not that it has occurred.

He "urge[d] ICANN to clarify the standard of proof to be applied in these proceedings at the earliest opportunity." However, "[i]n [the] absence of such clarification, I will follow the majority rule." The invitation to apply the higher standard has never been accepted for the UDRP (although clear and convincing is the standard applied in the URS discussed in Chapter 15). Nevertheless, it is evident that Panels became more sensitive in recognizing the challenge distinguishing clear cases from close cases.

The Panel in *Paule Ka v. Paula Korenek*, D2003-0453) (WIPO July 24, 2003) (<paulekacreations.com>) dissected the issue further:

> [T]he question [. . .] is whether the Respondent "has intentionally attempted to attract, for commercial gain, Internet users to the Respondent's web site." In other words, did she intend to divert Internet users.

To put the question differently, how is the "intentional" element proved under paragraph 4(b)(iv) to be defined?

> The Panel is guided in its consideration of the issue by the fact that a subjective test of intent (thus considered more or less as a mens rea element) would be difficult if not impossible to apply given that credibility must be assessed only on the basis of documentary evidence. It is difficult to enter the minds of the parties to determine their subjective intent. The proper test in this Panel's view is whether the objective consequence or effect of the Respondent s conduct is

> to free-ride on the Complainant's goodwill, whether or not that was the primary (subjective) intent of the Respondent.

"Objective consequences," though, "requires "knowledge of the mark at the time of registration."

In *DME Company LLC v. unknown unknown / DME Online Services, Ltd.*, FA1711001759818 (Forum January 19, 2018) (<dme.com>) the majority ruled against rights or legitimate interests but was unanimous in finding no bad faith because

> Complainant's mark is just three letters, susceptible of many meanings and interpretations. [. . .] Evidence of actual knowledge typically takes the form of (1) a respondent's web site being almost identical to the complainant's web site, (2) a history of close association, e.g., previous employment or other personal or business relationship, between complainant and respondent, or (3) a trademark that is indisputably famous world-wide, such that a denial of actual knowledge is rendered manifestly implausible. Nothing of that sort exists in the case.

The Complainant in *Sampo Oyj v. Alexander Alekseev, Sampo*, CAC 104559 (ADR.eu June 13, 2022) (<sampo.finance>) urged the Panel to apply an "objective test" (a close relative of retroactive bad faith discussed in Chapter 4):

> [E]ven if it was not the Respondent's original intention to cause harm to the Complainant and its trademarks, the consequences of the Respondent's actions have resulted in doing so and have prevented Complainant from reflecting its "SAMPO" trademark in a corresponding domain name.

The Panel rejected this theory of liability.

Empire Flippers, LLC v. Ansh Gupta / Jamkain Media Ventures, FA2012001925050 (Forum January 27, 2021) the Panel found the issue of cybersquatting "a close question":

> Respondent's assertion that it chose the word "empire" simply for its descriptive properties is not fully credible. Respondent concedes that it was aware of Complainant and its website prior to registering the disputed domain name. [. . .] It is equally plausible, though, that Respondent did not act with objective bad faith and that Respondent believed its conduct was permissible; after all, not every effort at mimicry rises to the level of trademark infringement, and it may simply be that Respondent wanted to communicate that it was a different company that offered similar services.

"Given these alternative, plausible inferences,"

> whether Respondent registered and used the disputed domain name in bad faith is a close question. Because the burden of proof is on Complainant, though, and because Respondent has put forward a credible explanation, the Panel concludes that, on this record, Complainant has not proven that Respondent registered and used the disputed domain name in bad faith.

Refiling Complaint

Appropriate Rules

Ordinarily, complainants have a single opportunity to make their case. In some instances Panels conclude their decisions by denying complaints without prejudice, although with or without prejudice any "'reapplication', 'rehearing' or 'reconsideration' of a Complaint" is subject to appropriate rules. These were initially formulated by the Panel in *Grove Broadcasting Co. Ltd. v. Telesystems Commc'ns Ltd*., D2000-0703 (WIPO November 10, 2000) (<iriefm.com>). For the purposes of the Policy, a refiled complaint is a complaint concerning a domain name, involving the same complainant and respondent, that was the subject of a previous UDRP complaint denied by the prior panel.

The *Grove* Panel began its discussion by stating: "Once a party has been given a defended hearing [. . .] and a decision rendered, then a case cannot be re-litigated," but it continued by reflecting on what the circumstances would be to warrant a new hearing:

> In the present situation, there are no Rules relating to a 'reapplication', 'rehearing' or 'reconsideration' of a Complaint. It is therefore appropriate to consider by analogy well-understood rules and principles of law relating to the re-litigation of cases determined after a defended hearing,"

In arriving at a "appropriate rule," the Panel noted that "it [would] not be appropriate to refer to a particular legal system in order to resolve the present problem [. . .] but one must resort to the broad principle found in most common law jurisdictions":

> [O]nce a party has been given a defended hearing in a Court and a decision rendered, then a case cannot be re-litigated unless either (a) the decision is overturned on appeal and (b) limited grounds for rehearing or reconsideration by the first-instance court have been established.

The Panel continued:

> Such limited grounds are usually specified in Rules of Court and can include, for example: (a) serious misconduct on the part of a Judge, juror, witness or lawyer; (b) perjured evidence having been offered to the Court; (c) the discovery of credible and material evidence which could not have been reasonably foreseen or known at trial and (d) a breach of natural justice. Usually, before ordering a new trial, a Court would have to be satisfied that a miscarriage of justice had occurred.

The Panel completed its discussion by noting:

> The integrity of the ICANN Policy and procedure requires that if a reconsideration of the same Complaint is to be entertained, there should be proof that one of the strict grounds discussed in this decision has been made out.

The *Grove Broadcasting* test was further refined in *Creo Products Limited v. Website in Development* ("Creo 2"), D2000-1490 (WIPO January 19, 2001) and *Jones Apparel Group Inc. v. Jones Apparel Group.com*., D2001-1041 (WIPO October 16, 2001). In *Creo 2* the Panel held that "In order for such a refiled complaint to be entertained under the Policy, it is the refiling complainant's burden to demonstrate that the refiled complaint constitutes 'a truly new action' under the Policy, and not just an application for readjudication of the previous complaint." It formulated the following test:

> 1) the burden of establishing grounds for entertaining a refiled complaint rests on complainant; 2) the burden is "high"; and 3) complainant should clearly identify the grounds for entertaining the refiled complaint.

To support the rehearing under the third ground would require:

> 1) proof the evidence could not have been obtained with reasonable due diligence for use during the initial arbitration; 2) proof that, if the evidence had been presented at the initial arbitration, it would probably have had an important influence on the result of the arbitration (though not necessarily decisive); and 3) the evidence must be credible, although it need not be incontrovertible.

In *Jones Apparel* the Panel reaffirmed the value of upholding the principle of res judicata and deterring UDRP "forum shopping" by carefully scrutinizing refiled complaints. It noted the four conditions named in Grove for accepting a refiled complaint and argued sensibly for applying "common sense" to the circumstances of each case. Substantial injustice has also been found to support a refiling of the complaint, but exercised with care.

Justifying a Reconsideration

The qualifications dictated in *Grove Broadcasting* and succeeding decisions are finely tuned. The Panel in *Grove Broadcasting* "decline[d] to consider the fresh Complaint on its merits [. . .] [because] [t]he Complainant should have presented all of its evidence the first time. It chose not to do so. It has to live with the result. If it does not like this result, the Complainant remains free to take Court proceedings against the Respondent."

To qualify there has to be a change in circumstances that brings the claim into the orbit of the UDRP, not facts that if earlier marshaled would have have changed the outcome. This view is reflected in *Neusiedler Aktiengesellschaft v. Kulkarni*, D2000-1769 (WIPO February 5, 2001) (<neusiedler.com>) in which the Panel explained that it "decides this case based on the contentions and evidence before it at the present stage." However,

> [n]othing in this decision shall prevent Complainant from filing another complaint if the factual basis of the case should change in the future, e.g. if

> Respondent starts to use the Domain Name in any way contradicting the Policy.

Although the mark predated the registration of the disputed domain name, the "trademark—as well as the company name—'Neusiedler' of Complainant can not grant a right of exclusive use of the geographic term. Geographic names can not be monopolized by registering a trademark or company name."

But the outcome must be entirely contrary where the disputed domain name predates the first use of the mark in commerce. Thus, in *Bulbs 4 East Side Inc., d/b/a Just Bulbs v. Fundacion Private Whois/ Gregory Ricks*, D2013-1779 (WIPO January 13, 2014) Complainant refiled its complaint (earlier denied in a 2003 proceeding) and it was again dismissed:

> [T]he Panel is prepared to accept that Respondent is now using the Domain Name in bad faith [. . .] [but] the Policy requires a showing of bad faith registration and use. This conjunctive requirement is fatal to Complainant's complaint in this refiled proceeding.

The Panel in *Novartis AG v. Contact Privacy Inc. Customer 1246111874 / Andrew C. Sikula, Negotiation Matters Inc*., D2020-1738 (WIPO August 27, 2020) determined that Complainant had satisfied its burden on the following grounds

> 6.7 In the present case, the Complainant contends that there is new material evidence that was reasonably unavailable to the Complainant (and panelist) during the original case. This evidence is said to be that after it filed a complaint in the CAC Proceedings and before the CAC Decision was issued, the website operating from the Domain Name changed so as to display some content related to the Complainant that had not previously been there –, and that after the CAC Decision the website was changed yet again back to its original form.
>
> 6.8 The Panel accepts that the change in the content of the website after the CAC Decision was published amounts to new material evidence. This new material is highly relevant to, and calls into question, the factual conclusions of the panel in the CAC Decision as to for what reasons the Domain Name was registered.
>
> 6.9 That is sufficient to justify this refiling. But the Panel is also concerned that there appears to have been a breach of natural justice which would also justify a refiling.

It was unclear in *Carvana, LLC v. Privacy Administrator, Anonymize, Inc*., D2022-3657 (WIPO December 19, 2022) (<caravana.com>) when Respondent acquired the disputed domain name. If prior to the mark it must prevail ("Caravana" is a Spanish dictionary word) but if following the first use of the mark in commerce is must forfeit the disputed domain name.

This uncertainty led to the Panel denying the complaint,[6] but with a twist: it invited the Complainant to refile if the unavailable evidence disclosed that Respondent's acquisition of the disputed domain name postdated the mark's first use in commerce:

> [W]hile Complainant's complaint fails on the third element, the Panel notes that in making this decision it has serious reservations on whether the disputed domain name has remained with the same owner since 2000, particularly in light of Respondent's complete silence in this matter, and noting the redirection to Complainant's own site.

The Panel posited that

> it may be possible that evidence establishing a change of ownership of the disputed domain name (such as through archival Whois records) after Complainant developed trademark rights in the CARVANA mark could cast a different light on the Panel's assessment of Respondent's registration and use of the disputed domain name (certainly if the timing of the acquisition or registration of the disputed domain name occurred just before Respondent's bad faith use in September 2022, as noted above).

For this reason,

> the Panel concludes that its ruling is without prejudice to Complainant potentially refiling a Complaint in the event Complainant is able to establish with credible evidence that the ownership of the disputed domain name changed after Complainant developed rights in the CARVANA mark.

In a different set of facts, where the Panel finds insufficient proof on the record of bad faith registration, it may be invited to try against. Thus in *Nalli Chinnasami Chetty v. Brian Nally, IT Smart (ABN 51 225 934 240),* D2022-4768 (WIPO February 2, 2023) (<nally.store>):

6 The Panel in *Itron, Inc. v. Super Privacy Service LTD c/o Dynadot / Nanci Nette, Name Management Group*, D2022-1920 (WIPO July 26, 2022) (<actaris.com>) was faced with the same issue, and issued a Procedural Order: "After initial review of the case file including the Registrar's verification response, the Panel was unable to determine the date on which the Respondent registered the disputed domain name (a fact critical to the assessment of bad faith registration). Accordingly, the Panel issued an Administrative Panel Procedural Order on July 13, 2022, requesting that the parties specifically address the ownership and use history of the disputed domain name, and identify when the Respondent registered the disputed domain name. The Complainant submitted a declaration as well as supplemental exhibits on the evening of July 18, 2022. The Respondent did not submit any additional declarations or evidence by the requested deadline of July 21, 2022."

> the Respondent should bear in mind that any future site which would target the Complainant's NALLI trademark in a way that would suggest pretextual or mere opportunistic use of the Respondent's name, or that otherwise renders the original registration questionable, as discussed in the preceding section may cause the Complainant to consider a refiling of the Complaint.

While there are circumstances that support a return visit to the UDRP, no amount of verbal legerdemain can give life to a claim for cybersquatting where the mark postdates the registration of the disputed domain name. Thus, in *The Posture Lab Pte Ltd. v. Privacy Administrator, Anonymize, Inc.*, D2022-4181 (WIPO December 19, 2022) (<bodynetic.com>) the Panel cautioned the Complainant against refiling in the future:

> In these circumstances, had it been necessary to go beyond the question of the Complainant's standing in the first element assessment, the Complaint would also have failed on the third element in that the disputed domain name does not appear to have been registered in bad faith. For that reason, the Panel does not consider it appropriate to indicate that the Complainant may consider refiling the present Complaint if it should be able to overcome the threshold issue, namely its lack of trademark rights, in future. . . .

As we have seen in Chapter 9, regardless whether a party is granted standing to maintain a proceeding, if it has no actionable claim it cannot "overcome the threshold issue."

The Panel in *CEMEX UK Operations Ltd. v. Privacy Service Provided by Withheld for Privacy ehf / Cargo Logistics Transportation Services, Cargo Logistics Transportation Services; South Coast Shipping Company, South Coast Shipping Company; and Cargo Logistics, Cargo Logistics Transportation Services*, D2022-1445 (WIPO August 1, 2022) (<south-coast-company.com>) posits a possible refiling of the complaint in the future but the legal basis is undermined by failing to note that while an owner of a postdated mark may have standing, it has no actionable claim:

> If the Complainant is able to overcome its lack of trademark rights, for example by obtaining a relevant registered trademark the Panel concludes that, if the Respondents' activity in question is continuing, then the Complainant should not be barred by this decision from filing a further complaint.

The questionable statement: "In this context note that the requirement for a relevant trademark right is satisfied by a registered trademark which post-dates the activity complained of."

Dismissing Complaint Without Prejudice

Ordinarily, dismissal of a complaint is with prejudice, but panelists have the authority to dismiss complaints without prejudice. A variety of reasons have been identified. For example, in *Shopping.com v. Internet Action Consulting*, D2000-0439 (WIPO July 28, 2000) (<shopping.com>) the Panel noted "that, although the Panel has found on this record that shopping.com is generic, this is not a definitive determination." Rather, the

> ultimate decision as to whether Complainant does or does not have proprietary rights in that designation is better left to the Trademark Office or a court. In the event that the Trademark Office should agree to register shopping.com as a trademark on the principal register without requiring a disclaimer of the word "shopping," or should a court hold that shopping.com is a protectable trademark, then Complainant may refile this proceeding and seek transfer of the domain name, and this decision is without prejudice to any such further proceedings.

Neither the Trademark Office nor the court came to the Complainant's rescue and there was no reconsideration, but the Panel's analysis was prescient because he was counsel of record in the US Supreme Court decision that ruled in favor of BOOKING.COM, in *United States Patent & Trademark Off. v. Booking.com B.V.*, 140 S. Ct. 2298, 2307 (2020), although in securing that victory the Supreme Court also held that there is no trademark rights in the generic term "booking" for a website at which consumers can book travel reservations, but BOOKING.COM, when evaluated in its entirety, can be protected as a trademark if it has acquired distinctiveness.

Refiling, of course, raises an issue of res judicata, and what may be sufficient to support a new complaint is indicated in *Micron Technology, Inc. v. Null International Research Center*, D2001-0608 (WIPO June 20, 2001) (<crucial-technology.com>):

> It is worth noting that Respondent's ability to exploit the domain name may be limited given Complainant's trademark registrations for CRUCIAL TECHNOLOGY for computer components. Respondent, or any purchaser of the domain name, should ensure that it does not use the domain name in a way that gives rise to confusion, lest the use of the domain name create infringement under state or national law. [. . .] [S]hould a subsequent purchaser acquire and use the domain name in bad faith, such as to divert consumers for commercial gain by creating a likelihood of confusion as to the source of its goods or services [a new complaint can be filed based on those new facts].

How the pleadings of returning complainants will be received depends on whether the factual contentions are genuinely based on new evidence as earlier discussed. The Panel in *Scottish Provident Limited v. Scottish Provident Ministry*, D2002-1059 (WIPO January 9, 2003) concluded its decision with the words, "If it (the Complainant) were to discover new facts that were evidence of bad faith it could consider requesting another Administrative Panel to consider the matter, whether that Administrative Panel could or would do so is an issue to be resolved at the time."

The Panel in *UpsideOut, Inc. v. Lin Han*, D2009-0388 (WIPO July 7, 2009) found it "difficult [. . .] to resolve [the issue of bad faith] on the present record" and invited the Complainant to return

> if, for example it was to come to light only after the issuing of the present decision that respondent had in fact been aware of and utilizing complainant's Terms of Service at or prior to the registration of the first disputed domain name, or other new evidence of actual knowledge of complainant's marks and business."

The new Panel in *Jones Apparel Group Inc. v. Jones Apparel Group.com*, D2001-1041 (WIPO October 16, 2001) granted the complaint (the first complaint was denied, discussed earlier and in Footnote 1), but the Panel in *WorldClearing US LLC v. Oskar Duris a/k/a World Clearing US LLC. a/k/a WorldClearing Holding Inc.org zlozka a/k/a Matt, Johannes a/k/a Global Infoservice Establishment a/k/a WorldClearing Limited*, FA0912001298015 (Forum February 8, 2010) denied it: "Complainant presents no new evidence in the instant proceedings."

The explanation for these dismissals is underscored by the Panel in Scottish Provident Limited v. Scottish Provident Ministry, D2002-1059 (WIPO January 9, 2003). Dismissing a complaint without prejudice is demanding of new proof: "If it (the Complainant) were to discover new facts that were evidence of bad faith it could consider requesting another Administrative Panel to consider the matter, whether that Administrative Panel could or would do so is an issue to be resolved at the time."

The consensus on this issue consolidated early in the history of the jurisprudence as already explained. This has not stopped Panels in later cases from granting complainants the opportunity to refile, but in all instances the greater likelihood is that a new Panel will dismiss the refiled complaint on *res judicata* grounds unless there have been intervening facts not available upon the filing of the original complaint. An alternative to dismissal without prejudice is to issue a Procedural Order (discussed in Chapter 8), but this may give the complainant an opportunity to add and correct its pleadings which could be seen as favoring the complainant.

My comment about intervening facts does not apply to any subsequent complaint earlier dismissed on substantive grounds that the complainant's mark postdated the disputed domain name. In those cases a new complaint cannot be considered, as explained in the "Just Bulbs" case; but it can be actionable under the ACPA as it was in that case (discussed in Chapter 20).

MAKING AND DEFENDING A CLAIM FOR CYBERSQUATTING

General Considerations

Making a Case and Answering a Case

Getting it Right the First time

The evidentiary demands on complainants become increasingly greater as the marks are formed from the common lexicon which together with lack of distinctiveness and reputation favor respondents. In every dispute there is applied a palette of factors. Some of these have already been discussed. They include the tests and questions residing in the nonexclusive circumstances listed in paragraphs 4(c) (three nonexclusive defenses) and 4(b) (four nonexclusive tests of bad faith).

Whether registrants lack rights or legitimate interests and whether the registration and use of any particular domain name qualifies as cybersquatting include the following factors[7]:

> 1) the marks in question are (a) well-known or famous, (b) highly distinctive in a market sense, (c) inventive, coined, or fanciful associated with a single mark owner, or (d) drawn from the common lexicon both as to words in general circulation and to combinations of words.
>
> 2) Respondents operate businesses offering bona fide goods or services distinct from those of owners of marks corresponding to disputed domain names; or are domain name investors operating bona fide businesses offering noninfringing domain names.
>
> 3) the markets in which complainants operate are either local, national, niche, or international near to or remote from the locations of registrants in determining the probability or improbability that respondent could have been aware of the mark prior to registering the disputed domain name.
>
> 4) complainants either have or have no relationship with respondents.

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7 See *ElectronicPartner Handel GmbH v. Antonio Loffredo*, D2007-0380 (WIPO April 24, 2007): "In assessing denials [. . .] there are various factors which need to be considered, including the nature of the Complainant's trademark, the fame of that trademark, the respective fields of activity of the parties, their geographical locations, the use made of the Domain Name, the behaviour of the Respondent and, generally, his credibility." In this case, the Panel dismissed the complaint.

8 *Marathon Tours, Inc. v. Steve Hibbs / The Official 7 Continents Marathon Club / The Official 7 Continents Marathon, 1/2 Marathon & Ultra Marathon Club, Inc*., D2014-0603 (WIPO June 30, 2014) (<official7continentsmarathonclub.com>).

> 5) (a) the marks are either provably and exclusively associated with complainants or they are not; or (b) there are multiple users of the same lexical choices.
>
> 6) registrant is either targeting complainant's mark for its value independent of any inherent value to its lexical choice or it is unlikely that it had complainant or its mark in mind when registering the domain name; and
>
> 7) mark's first use in commerce either predated or postdated the registration of the challenged domain name.

While complainants are not relieved of their burden of proving that respondents registered and are using disputed domain names in bad faith, respondent's failure to mount a defense or remain silence (default or failure to mount a defense) generally assists complainants even though bad faith is not presumed and continues to rest on adduced evidence.

The Panel in *Grove Broadcasting*, *supra*. held that complainants should "'get it right' the first time and should have provided all the information necessary to prove its case from the material contained in the Complaint and its annexes alone." Similarly, on the shifting of proof to respondent it too must offer sufficient evidence to rebut complainant's prima facie case. The expectation is explained in *The Vanguard Group, Inc. v. Emilio Sa*, D2001-1453(WIPO April 4, 2002) (<vanguardfund.com>)"

> Whilst the overall onus of proof rests on the Complainant, nevertheless failure by a Respondent to demonstrate that he comes within para.4 (a) (iii) dealing with demonstrated rights or interests in the Domain Name can assist the Panel in deciding whether on consideration of all the evidence a Complainant has discharged the onus of proof.

Complainant's Burden of Proof

It is evident from the evidentiary demands immediately placed on complainants that their UDRP pleadings will be different from those filed in civil court in which pleadings are essentially designed to give notice of claim and elements of the relevant theories of action but not including the evidence that would support a remedy.

A civil litigation in the US commences with allegations typically

> continues with the discovery of documents and witnesses, depositions under oath with opportunities for cross-examination, motions decided by the judge or magistrate, and ultimately a settlement or trial. In this process, the parties and the judge or jury have the opportunity to test those assertions initially advanced "on information and belief" and can assess the credibility of the relevant documents, physical evidence, and witnesses.[8]

A UDRP complaint, on the other hand, acts like a motion for summary judgment in that it *must* include sufficient proof for the demanded remedy: it combines the essential facts with evidence supporting the claim. Unless complainants submit evidence establishing their contentions of fact that support cybersquatting the complaint must be dismissed. It is not good enough to allege naked contentions as a party may do in the familiar notice pleadings.

Rather, UDRP Rule 3(b) states that: "The complaint [...] shall: [...] (xv) Annex any documentary or other evidence, [...] upon which the complaint relies, [....]" The requirement distinguishes the UDRP complaint from the familiar notice pleadings of civil litigation. Once the pleadings are submitted, complainant does not have the luxury of returning to the Panel to add documentary evidence unless there is a surprise submission by respondent that would allow it. "The complaint represents the only assured opportunity for the complainant to establish the three elements of its claim and meet its burden of persuasion on each," (*Id.*, *Marathon Tours*).

The Panel in *Limited Stores, LLC v. Infinite Wireless*, D2013-1269 (WIPO August 29, 2013) noted that "The Complainant's allegations of bad faith are all said to be on the basis of 'upon information and belief'. What information and by whom was it provided? The Complaint does not say. In fact, on this topic the Complaint is remarkably short of information."

Similarly, in *Universa Investments L.P. v. c/o WHOIStrustee.com Limited, Registrant of universablockchain.com / Alexander Borodich, Universa Corporation Ltd. / Alexander Borodich*, D2020-1567 (WIPO August 20, 2020) the Panel pointed out that

> The Complainant's case is based on "information and belief" but without evidence or reasons. The Complaint does not set out any relevant information or belief that the Complainant relies upon to make assertions "on information and belief". . . . [I]t is possible that the Complainant misunderstood the effect or scope of the Court Order and pleadings under the Policy (as different from courts where "information and belief" can be asserted prior to discovery).

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9 See *Breazy Inc. v. Domains by Proxy, LLC, DomainsByProxy.com / VR PRODUCTS I LLC*, D2021-1486 (WIPO July 6, 2021) ("Given the Respondent's frivolous arguments with respect to the Complainant's trademark rights and with respect to the confusing similarity of the disputed domain name and the Complainant's federally registered trademark, the Panel would not in any event consider it appropriate to enter a finding of Reverse Domain Name Hijacking in favor of the Respondent) (Complaint dismissed); *Compart AG v. Compart.com / Vertical Axis, Inc.*, D2009-0462 (WIPO July 9, 2009) (Domain name transferred).

So too in *Function 4, LLC v. Michael McGrath*, D2020-2725 (WIPO January 17, 2021) (<function4.com>) in which the Panel noted that "the UDRP is not managed on a notice pleadings basis [. . .] where there is subsequent discovery."

The Panel in *Gary J. Player and Gary Player Enterprises, LLC v. Domains Admin / Gary Player Group, Inc*., FA2202001985985 (Forum April 20, 2022) (essentially an intra-family squabble) noted that its adjudication of the dispute "has been hampered by the parties' failure to address a number of critical facts in their submissions, and by the parties' submission of incomplete copies of key documents":

> Given the incomplete record, the Panel considered issuing a procedural order to request supplemental submissions to address these deficiencies. The Panel ultimately elected not to do so for two reasons.

First,

> under the Policy, complainants have the burden of submitting evidence sufficient to support their claim; Complainant's failure to do so in this case, especially where Complainant is represented by counsel, is a problem of Complainant's own making.

Second,

> and in any event, after reviewing the record, the Panel concluded that supplemental submissions were very unlikely to change the outcome of this case (even if they might provide greater clarity and certainty). Accordingly, the Panel opted not to request supplemental submissions but rather rules on the record as submitted by the parties.

These precautionary warnings are generally not so much intended for mark owners of well-known and famous marks as they are for complainants holding less well-known and weaker marks. They are also intended for respondents whose acquisitions may be forfeited for their silence in responding to complaints. Notably, as Panels frequently point out "complainants have the burden of submitting evidence sufficient to support their claim." And, deficient complaints are not, or should not be, amendable absent good cause to request further statements and evidence (UDRP Rule 12), and this should be sparing.

Similarly, the response must be more than simply admitting or denying allegations. A respondent should be reasonably equipped to understand complainant's arguments and evidence to recognize how it must respond when complainant has presented 1) *prima facie* proof that respondent lacks rights or legitimate interests in the disputed domain name; and 2) sufficient evidence of registration and use in bad faith.

The consequences can be seen in *Wix.com v. Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Luciana Gomes*, D2019-0264 (WIPO March 20, 2019) in which the Panel explained:

> Apart from the trademark summaries annexed to the Complaint, the record contains no information about Complainant or its activities. It is not known how extensively, in a particular jurisdiction or even in general, Complainant has used the WIX mark. Nor is it known from the record whether and to what extent the WIX mark has acquired actual recognition in any particular jurisdiction as a distinctive source identifier. There is no allegation in the Complaint, nor any support in the annexes thereto, that Complainant's WIX trademark is well-known in any particular jurisdiction in the world

Generally, proof is lighter with the well-known and famous marks, but as marks decline in strength to dictionary words and descriptive phrases, the burden grows heavier. (I am using "lighter" and "heavier" figuratively since the preponderance standard remains at all times and applies to each requirement).

The reason for this, as I have explained, is that marks composed of ordinary words never lose their commonness as words, and the more common, generic or descriptive, they are the likelier a mark owner's choice of words will be capable of multiple associations unconnected with them; it would have a low associational ranking.

This can also occur with coined words that have lost their uniqueness (in a trademark sense, genericized). In *Mr. Gildo Pallanca-Pastor v. Tech Admin, Virtual Point Inc.*, D2020-1698 (WIPO August 20, 2020) the Panel held that although "Voxan" is a coined word Complainant is not alone in using it:

> Some are using the term as a business name and others as a product name. . . . [i]n the context of domainers, panels have generally assessed the issue of registration in bad faith objectively."

It therefore follows that the more common the indicator, the greater complainant's need to establish its reputation with proof sufficiently reliable to support an inference that respondent had actual knowledge of complainant; and additionally that its registration of that mark was targeting complainant in particular.

Moreover, whatever reputation a mark may have in the present is not probative of its reputation at any past time. In *Brooksburnett Investments Ltd. v. Domain Admin / Schmitt Sebastien*, D2019-0455 (WIPO April 16, 2019) (<incanto.com>) the Panel noted

> The fact that the complainant now holds numerous trademarks in many countries does not mean that the Complainant's INCANTO mark is necessarily "world-famous," much less that it was "recognized throughout the world" at the relevant time, 16 years ago, when the Respondent registered the Domain Name.

In failing to understand what the pleading must include, complainant cannot establish its claim of cybersquatting.

Similarly in considering respondent's pleadings. In requesting a finding of reverse domain name hijacking it cannot rail against complainant's conduct while overlooking its own. There must be some proof that complainant knew of or was reckless in disregarding respondent's unassailable right or legitimate interest in the disputed domain name or the clear lack of bad faith registration and use, and nevertheless (even with this knowledge) brought the complaint anyway. Panels have also applied the principle of unclean hands to respondent in requesting sanctions.[9] Even with some evidence supporting the sanction, respondent's own conduct cannot be ignored (Chapter 8).

I had noted in Chapter 4 that over a three of four year period commencing in 2009 an attempt was made by a small number of panelists to redirect the jurisprudence from a binary concept of the UDRP to a unitary concept that advocated for retroactive bad faith. The Panel in *Validas, LLC v. SMVS Consultancy Private Limited*, D2009-1413 (WIPO June 1, 2010) (one of a number of other panelists pushing back on the theory) held:

> the fundamental question that arises for determination here can be stated simply: does the absence of bad faith intent by the Respondent at the time of acquisition of the disputed domain name in 2000 inevitably preclude the Complainant, whose mark was first used in 2007, from succeeding under the Policy, even though the Respondent has subsequently used the domain name in bad faith?

The Panel concluded that in it view

> in the absence of any evidence of advance knowledge of the Complainant's plans . . . the answer to that question is provided by the express terms of the Policy itself, and that answer is 'yes'.

The Panel in *MD On-line, Inc. v. Yenta Marketing, Inc.*, D2014-1468 (WIPO November 8, 2014) found that "although Respondent may have registered the Domain Name innocently and without targeting Complainant and its common law mark, it has since used the Domain Name in bad faith." By consensus, while lawful registration followed by bad faith use condemns the use it falls short of abusive registration. The Panel rejected Complaint's argument that it "should follow the line of UDRP cases in which panels have interpreted the Policy so that bad faith registration can be deemed to have occurred even without regard to the state of mind of the registrant at the time of registration."

The rejection of this line of argument is consistent with the jurisprudence for the reasons discussed in Chapter 4. Registrations predating first use in commerce of corresponding trademarks are invulnerable to forfeiture. The Panel in *Platterz v. Andrew Melcher*, FA1705001729887 (FORUM June 19, 2017) (<platterz.com>) explained: "Whatever the merits of Complainant's arguments that Respondent is using the Domain Name in bad faith, those arguments are irrelevant, as a complainant must prove both bad faith registration and bad faith use in order to prevail."

Respondent's Burden of Production

The Panel states in *Derivados, S.A. de C.V. v. Apple Inc.*, D2017-1351 (WIPO October 23, 2017) (<lala.com>): "[I]t is easy for a respondent to say that it had no knowledge of a complainant's business or trade name when it registered its domain name [. . .] [but] [the plausibility of such denial [. . .] diminishes as the fame or notoriety of the complainant increases."

Panels have also observed that mere acts without conclusion of what they add to a respondent's defense, such as incorporating a company without more, would be insufficient for a finding of rights and legitimate interests and good faith under the Policy, while producing documentary evidence of a respondent's bona fides would undermine a complainant's claim that a respondent acted in bad faith, a point underscored in *CitiusTech Healthcare Technology Private Limited v. Rex Kersey*, D2022-3773 (WIPO December 28, 2022) (<citiestech.com>), citing *Royal Bank of Canada v. RBC Bank*, D2002-0672 (WIPO November 20, 2002) in which the Panel noted that

> All that has been proved in respect of the period prior to the date of registration of the domain name, is that a company called RBC Alliance Bank was registered in the Republic of Montenegro in June of 2000.

In *7Spiliadis v. Androulidakis*, FA0708001072907 (Forum October 17, 2007) the panel accepted respondent's explanation that it did not know until receiving a cease-and-desist notice from the complainant that, without instructions, its registrar "had posted unauthorized third party links on the website and that when it discovered this fact it was 'shocked,' demanded that they be removed and when they were not removed, [the] respondent changed its registrar."

While Respondent in *Epitec, Inc. v. EPITEC*, FA1209001463139 (Forum October 24, 2012) did not respond to the complaint, the email exchange made it clear that it had a right or legitimate interest in the disputed domain name:

> Certainly, there is no explanation in the Complaint as to why a business established in 1978 delayed until 2012 to contact the owner of a domain name which was so manifestly adapted to suit its business or why Administrative Proceedings were not brought before now if the domain name was considered to be an abusive registration.

The cease-and-desist notice in *TOBAM v. M. Thestrup / Best Identity*, D2016-1990 (WIPO November 21, 2016) (<tobam.com>) for example elicited a response denying Complainant's claim and warning it of its right or legitimate interest, but Complainant "ploughed on regardless" with a complaint and was sanctioned.

What evidence suffices in responding to a *prima facie* case of cybersquatting must be of such weight as to shift the burden back to the complainant, which in the above cases it did, but it depended on concrete evidence rebutting complainants' allegations.

Constructive Notice versus Actual Knowledge

Claims of cybersquatting rest in part on proof that respondents are motivated in their acquisitions by the values of marks corresponding to disputed domain names; and it is that awareness of complainant's right that is said to support a finding of abusive registration. Ordinarily, what a respondent knows cannot be known with any certitude absent its disclosing its reasons for the acquisition in dispute, and this is more than complainant can expect an alleged cybersquatter to do. There are, though, circumstances in which actual knowledge is implicit, such cases include impersonation and anticipatory registrations of domain names.

It is more likely than not that respondents can be charged with knowledge of famous and well-known marks, and indeed this can be found in the majority of cases. Denial of knowledge in those circumstances are most often implausible. There is one circumstance, however, that calls attention to actual knowledge by making explicit what is generally hidden, and that is when respondent mimics complainant's website.[10] By that act respondent demonstrates actual knowledge; that is, mimicking is self-evidence of knowledge.

Under trademark law knowledge is constructively presumed by public notice of the issuance of a trade or service mark, but constructive knowledge is rejected under UDRP law which requires more definite proof that respondent has the complainant in mind in acquiring the disputed domain name. In the absence of evidence to the contrary, it cannot be assumed that because there is a correspondence between the mark and the domain name that respondent had the requisite knowledge for liability.

To take an early example, the Complainant in *Porto Chico Stores, Inc. v. Otavio Jambon*, D2000-1270 (WIPO November 15, 2000) (US and Brazil, LOVELY GIRL and <lovelygirls.com>) argued that "in the Internet context, courts have recognized that the intentional registration of a domain name knowing that the second-level domain is another company's valuable trademark weighs in favor of

10 Mimicking is discussed in Chapter 10 in connection with nominative fair use which some respondents have argued applies, illustrated in *Instagram, LLC v. Brian Breiter, Law Offices of Brian Breiter*, D2022-2149 (WIPO August 24, 2022).

likelihood of confusion." While this may be true with the right alignment of facts, it is not true under all circumstances, particularly where the "registrations themselves are limited in relation to the goods and services specified but they are also limited to the particular stylized form registered." Given the nature of the website,

> Even if the respondent had constructive knowledge of the complainant's registered trademark rights, the use by the respondent of the disputed domain name so as accurately to describe the content of the pictures it offers negates any presumption of an intent to deceive the public or to derive benefit from the complainant's mark.

The final piece of proof, though, is that "[t]he words themselves are, of course common descriptive words of the English language."

The same issue arose again in a contested case with a vigorous dissent in favor of denying the complaint. The majority in *Alloy Rods Global, Inc. v. Nancy Williams*, D2000-1392 (WIPO February 8, 2001) (<alloyrods.com>) granted the complaint:

> based on the nonexhaustive character of the express list of bad faith factors in paragraph 4(b) of the Policy, and the lack of a justification for awarding financial gain to persons for the mere act of registration of the marks of others.

In the Panel majority's view Respondent ought to have recognized, constructively known, that "Alloy Rods" was a trademark even though like her other acquisitions it was merely a descriptive phrase. The dissent reasoned:

> Unfortunately for Respondent, generic terms, sometimes, can be trademarked Paperback Software, for example. The trademark does not attach, of course, to the items generically described; nobody can trademark "paperback" in connection with soft-cover books, or "pump valves" in connection with pump valves. One of the generic terms Respondent chose ("alloy rods") fell into that category. It had been trademarked by Complainant, not, of course, in connection with "alloy rods" themselves but with welding wire.

But,

> There is no evidence that Respondent knew of Complainant's ownership of this trademark, and the entire pattern of Respondent's behavior suggests just the opposite; presumably, she made the reasonable (though ultimately incorrect) judgment that this, too, was a generic term over which there would likely not be any trademark rights (and therefore no trademark owner from whom money might be forthcoming).

In the dissent's view "the most reasonable inferences to be drawn from Respondent's conduct here do not support Complainant' s assertion of 'bad faith,' [it] dissent[ed].

Like the Panel majority in <crew.com> the determination centered on speculation and like Respondent in that case Respondent lost <alloyrods.com> because "the lack of a justification for awarding financial gain to persons for the mere act of registration of the mark of others." The consensus view (as in <crew.com> has not endorsed this reasoning.

In the earliest decisions, panelists appeared willing to accept construction notice if the parties were located in the same jurisdiction and the disputed domain names are identical or virtually identical to the mark. Thus, the Panel in *The Planetary Society v. Salvador Rosillo Domainsforlife.com*, D2001-1228 (WIPO February 12, 2002) (US based parties) was prepared to accept presumption of notice where Respondent was a reseller of domain names, the Panel held that

> As for the Domain Name <theplanetarysociety.com>, the record shows that Respondent had at least constructive notice of Complainant's rights in the mark as a matter of law when Respondent registered this Domain Name.

It is where coincidence strains credulity of ignorance that constructive notice becomes an acceptable inference.

The Panel in *The Way International, Inc. v. Diamond Peters*, D2003-0264 (WIPO May 29, 2003) (THE WAY and the <thewayministry.org>) offered a more subtle analysis which is generally accepted even as to US based parties. The Panel noted that

> As to constructive knowledge, the Panel takes the view that there is no place for such a concept under the Policy. The essence of the complaint is an allegation of bad faith, bad faith targeted at the complainant. For that bad faith to be present, the cybersquatter must have actual knowledge of the existence of the complainant, the trade mark owner. If the registrant is unaware of the existence of the trade mark owner, how can he sensibly be regarded as having any bad faith intentions directed at the complainant?

And concluded

> [i]f the existence of a trade mark registration was sufficient to give respondent knowledge, thousands of innocent domain name registrants would, in the view of the Panel, be brought into the frame quite wrongly."

There can be no presumption of actual knowledge.

Complainant in *Advanced Education Products and Training, Inc v. MDNH, Inc. (Marchex)*, FA0509000567039 (Forum November 10, 2005) argued that actual knowledge by Respondent is not required (implying that constructive notice is sufficient). But, while the Panel "acknowledges that the concept of constructive notice is sometimes used," he noted that

> [t]he Policy, though, is designed to prohibit cases of abusive cybersquatting, and has as its centerpiece a requirement that Respondent be found to have acted in bad faith [. . .]. The Policy makes no mention of constructive notice being enough to satisfy this requirement.

Moreover:

> if Complainant's position were adopted, it would essentially establish a per se rule of bad faith any time a domain name is identical or similar to a previously-registered trademark, since constructive notice could be found in every such case. Such a result would be inconsistent with both the letter and the spirit of the policy, which requires actual bad faith.

And should "Complainant believe[ ] that its constructive notice argument is sufficient under U.S. trademark law, it may test that proposition by seeking appropriate relief in the U.S. courts under the Lanham Act."

It is also clear that plausible denial of actual knowledge and lack of evidence of targeting undercuts any "in mind" presumption of bad faith. Registrants are not charged with knowledge of a mark because it is registered, but because the proof leads ineluctably to that conclusion. "Constructive knowledge of the mark may [not] fairly be imputed to Respondent [where] [. . .] the field in which Complainant operates is a rather narrow one," *Instrumentation Northwest, Inc. v. INW.COM c/o Telepathy, Inc.*, D2012-0454 (WIPO June 1, 2012) (<inw.com>). Alleging knowledge without proof raises issue that complainant is urging constructive rather than actual knowledge.[11]

In *BlankPage AG v. Waleed Altywaijri*, D2012-2189 (WIPO November 11, 2012) ("Is there anything to suggest that the Respondent was even aware of the existence of the Complainant when he registered the Domain Name? Again, the Panel [has no information on the topic.") Significantly missing from the narrative is any proof of when events happened:

> Complaint gives no indication as to the date of the Complainant's trade mark registration. The Panel conducted an online search of the registry and found it to be July 5, 2012, eight years after "creation" of the Domain Name. Was it the Respondent who first registered the Domain Name back in 2004 or has the Respondent acquired the Domain Name more recently, as suggested by the Registrar's parking page to which the Domain Name is now connected ("THIS DOMAIN HAS JUST BEEN REGISTERED FOR ONE OF OUR CUSTOMERS!")? The Panel simply does not know. The Complainant has made no attempt to investigate the matter, or if it has, has thought it neither necessary nor appropriate to inform the Panel.

In *Blue Ridge Fiberboard, Inc. v. Domain Asset Holdings, LLC*, FA1602001661150 (Forum March 20, 2016), Complainant operated in a niche market. Except for its alleged longevity as a common law mark it apparently offered

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11 *Meredith Corp. v. CityHome, Inc.*, D2000-0223 (WIPO May 18, 2000): "Although constructive knowledge may be relevant to certain issues under U.S. trademark law [. . .] constructive knowledge is insufficient to support a finding of actual knowledge and bad faith under Policy."

no evidence how Respondent could have become aware of the mark. Nevertheless, the Panel concluded (in an "ought to have known" analysis):

> Respondent must have had constructive notice of Complainant's rights in the SOUNDSTOP mark prior to registration of the <soundstop.com> domain name because of Complainant's widespread use of the mark and its trademark registrations with the USPTO.

Based on the summary of facts in the decision—that "Respondent must have had knowledge"—is clear error. The case was settled in an ACPA action by the UDRP award being annulled.

Addressing the issue of timing of actual knowledge, the 3-member Panel in *Harvest Dispensaries, Cultivations & Production Facilities, LLC v. Rebecca Nickerson / Rock City Harvest*, FA2004001892080 (Forum June 26, 2020)[12] found that Respondent learned about the registered mark in a telephone conversation. That call was more than 17 months after Respondent adopted the HARVEST mark for its dispensary business in Arkansas. The 3-member Panel dismissed the complaint.

This is consistent with Paragraph 4(c)(i): "Before notice" Respondent made "demonstrable preparations." Where knowledge of a mark postdates the registration of the domain name, even though the use of the mark in commerce predates the registration of the domain name, complainant has a greater burden to establish facts that support a claim of cybersquatting.

Multiple Users of a Term

Multiple users of a term signify currency in the market, which supports respondents' defense of commonness of domain names acquired for use by other market actors in the future. Inventiveness of terms as already discussed supports complainants whose rights are being invaded.

To take an early example. In *Pet Warehouse v. Pets.Com, Inc.*, D2000-0105 (WIPO April 14, 2000) (<petwarehouse.com>) Respondent, in opposition to Complainant's contention that its rights predated the registration of <petwarehouse.com> rights

> presented evidence of well over a dozen U.S. businesses that use the words "pet warehouse" as at least part of their name . [. . .] In addition, Respondent has presented substantial evidence in the form of reprints of news reports that the term "pet warehouse" is commonly used in American English as a generic term to refer to large pet supply stores

12 Disclosure: Author was a member on this Panel.

In denying the complaint, the Panel established a critical factor in determining rights to marks multiply used by others for their own businesses. The greater the number of users the more diluted a mark must be until it fails to qualify as a mark. The first to register the disputed domain name has priority over all others.

Thus, in *Bauhaus AG, Zweigniederlassung Mannheim v. Robert Desideri*, D2001-1177 (WIPO December 3, 2001) (<bauhaus.com>) the 3-member Panel notes: "Bauhaus is word of worldwide use. It is commonly used in trade for names and trademarks as well as in domain names having no known connection to either the Complainant or the Respondent. Whether there be a legitimate interest in using 'Bauhaus' for a certain business depends upon the similarity in goods and services to other users of the word within a narrow commercial setting. [Here, [t]here is no similarity between Complainant's goods or services and those of the Respondent, current or planned."

To hold complainant has a better right in a common name would have the effect of "den[ying] all other users the use of a generic word on the internet," *Deutsche Post AG v. NJDomains*, D2006-0001 (WIPO March 6, 2001) (<post,com>). And where the term in question is actually used by many others, no one person can claim a superior right over the registrant. Thus, in *Snap-on Incorporated v. Jeffrey Scotese*, D2013-0577 (WIPO May 9, 2013) the "Respondent points out that there are twenty resellers selling 'Snap- On socks' on eBay, all of which identify the socks using the SNAP-ON mark." Thus,

> Respondent could have registered the Disputed Domain Name under the reasonable good faith belief that Complainant gave general tacit permission for this type of resale activity using its SNAP-ON mark.

Beyond that, though, the phrase "Snap on" after all is descriptive of an action: "Respondent could also have reasonably believed that the Disputed Domain Name is not confusingly similar to Complainant's SNAP-ON mark because that mark is primarily associated with tools, not clothing."

Research into trademark databases and evidence of multiple use of marks by other commercial actors gives credence to a party's allegations. In *Airtron, Inc. v. Domain Admin / Whois Privacy Corp*., FA1812001822308 (Forum February 4, 2019) (<airtron.com>) proof of multiple use of a term by others demonstrates its commonness and is a necessary antidote to exaggerating a mark owner's reputation. Although Complainant's mark predated the registration of the disputed domain name it failed for "utter lack of evidence in support [its] submissions," while Respondent successfully rebutted Complainant's contentions:

> Respondent's declaration says that Respondent registered the domain name because it comprised two common terms, namely, "air" and "tron" to create an attractive made-up term that was capable of lawful use and adoption for

> any number of things. Respondent provides evidence to show that the suffix "-tron" is a common suffix regularly combined with other words, including the word "air".

That "Respondent provides evidence" is the key to undercutting Complainant commonness of expression.[13]

The Complainant in *Datacap Systems, Inc. v. Domain Admin, XYZ Invest LLC.*, D2023-0858 (WIPO May 2, 2023) failed on two fronts. Not only was the term "Datacap" widely used, but it had no registered trademark at the time the Respondent acquired <datacap.com>:

> As Respondent explained, it acquired this Domain Name, while knowing that someone else had previously held it, because it was short and reflected a term widely used, both by businesses as a trademark, and as a common term in business parlance. Further, as noted above, while it claims use and some renown since as early as 1985,

Unless a respondent has actual knowledge of an unregistered right (see "Anticipatory Infringement" in Chapter 9) it would not have known of a complainant's right:

> Complainant had no registered trademark for DATACAP at the time Respondent acquired the Domain Name (and, apparently, Complainant still has no such registered mark). As such, Respondent's standard search procedures did not reveal Complainant and its (common law) trademark.[14]

Implausible Denial of Having Knowledge of Complainant

While trademark harassment and bullying cannot be denied, and are dealt with by sanctioning complainants for abusing the proceedings Rule 15(e) (Chapter 8, Reverse Domain Name Hijacking), denial where it is implausible is only a defense where a respondent is in lawful possession of the disputed domain name. Arguing bullying and harassment by brand owners into giving up domain names incorporating their marks may make entertaining narratives but cannot overcome proof of

13 The case of *Aspen Holdings Inc. v. Rick Natsch, Potrero Media Corporation*, D2009-0776 (WIPO August 20, 2009) (<firstquote.org>) is an illustration of Respondent failing to support the defense that the phrase "first quote" is a common expression. The Panel explained: "[There is] no evidence in the record establishing that the term 'first quote' is a descriptive phrase commonly recognized or used by third parties in connection with insurance products and services."

14 The issue here noted by the Panel concerns a respondent's obligation to perform a due diligence search (Chapter 2) with specific reference to acquiring dropped domain names (Chapters 11 and 18). Even if respondents have search procedures to identify registered marks, they would not capture information for unregistered marks.

bad faith registration and use, any more than offering to settle a UDRP proceeding in exchange for payment.

Implausibility covers a wide area. Denying knowledge of complainant is undercut if the value of the domain name derives from the complainant's reputation, to argue otherwise would be fruitless. It would not be fruitless if to the Panel there are other uses of a domain name that the complainant is denying. So, in response to a Complainant's argument that "[t]he only plausible explanation for Respondent's actions appears to be an intentional effort to trade upon the fame of Complainant s name and mark for commercial gain," the Panel observed "it is plausible that the Respondent independently coined the same suggestive word."

It is more likely than not that a disputed domain name is infringing if it incorporates a famous or well-known mark and less likely for marks lacking distinctiveness in the marketplace or limited in distinctiveness because of presence in a niche market. Thus, *Gannett Co., Inc. v. Henry Chan*, D2004-0117 (WIPO April 8, 2004) (ARIZONA REPUBLIC and <arizonarepblic.com>): "In order to make such modifications to Complainant's trademarks, respondent necessarily knew these trademarks prior to registering the contested domain names.") In *PayPal, Inc. v. David Weiss / Paybyweb, Inc.*, FA1707001740061 (Forum August 17, 2017) (<paypals.com>) the Respondent stated

> [it] only redirected the website to a gripe site after it was harassed by Complainant and believed that the diversion was necessary to prevent Complainant from taking the disputed domain name.

The Panel was not impressed: "More importantly, one does not establish good faith merely by changing the content of a site in an attempt to make it non-infringing, especially after the receipt of a cease and desist letter." Respondent also breached the cardinal rule of offering to sell the domain name to Complainant, a violation under Paragraph 4(b)(i) of the Policy.[15]

In *Airbnb, Inc. v. Norman King / Target Marketing Group*, FA1707001738345 (Forum July 27, 2017) involving <air-bnb.com> Respondent was indignant at being called out as a cybersquatter and underscored that the domain name was "available for sale at $25,000" (and he had in fact offered it to Complainant). Moreover,

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15 "[C]ircumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to complainant who is the owner of the trademark or service mark or to a competitor of that Complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name."

> This domain name was offered to both Brian Chesky and airbnb.com several months ago, along with Jonathan Mildenhall and Joe Gibbia and each one declined the offer, and they further indicated in their response that they were not interested in the domain name. They said it was not important to airbnb.com and they were cool with that decision. I thought they must be crazy? Now suddenly you are interested… Or maybe you simply intend to Bully us into submission with your lawyers, your huge might and your 30 Billion Dollar Valuation. (Emphasis added).

Further remonstrating, Respondent threatened,

> If you continue to Bully me I promise you that I will attach copies of all the emails between myself and Brian Chesky and Jonathan Mildenhall and I will publish this complaint on all Public Forums on the Internet. I will publicly post my response, and all documents filed in this dispute will be published on ALL public forums. I am an SEO expert so I expect to rank these articles on Page One of Google. So, To make a long story short… If you wanted this domain you should have bought it 10 years ago.

Length of time holding a domain name can be a factor but not for well-known or famous marks, and not even for those marks composed of generic terms (as with the "Halifax" domain names noted above) where respondents are found to have offered the domain names to complainants in violation of paragraph 4(b)(i) of the Policy. It is also true as the Panel in *Bank of Scotland* noted

> had the evidence shown that this disputed domain name was acquired and used in connection with such a purpose [for its geographical associations with City of Halifax] then this would have been sufficient to demonstrate the Respondent's rights and legitimate interests under the Policy.

In the case of <halifax.com> the economic value rested on its association with the Bank of Scotland not on the domain name so that Respondent's offer to sell to the Bank supported its forfeiture to the Bank.

Trademark owners prevail when the facts support a finding of infringement, and that generally comes down to answering the question "for what reason was the domain name registered?" An illustrative point is made in *American Society of Hematology v. Maneet Tikku*, D2018-1209 (WIPO July 16, 2018) (<ashmeeting.com>), combining two dictionary words but the first is also an acronym) in which the Panel found that the domain name "collects names, emails, telephone numbers, countries and special requirements information for registration for the 2018 ASH Annual Meeting and related housing." Clearly, a phishing expedition.

There are also instances in which respondents lose in the UDRP proceedings against complainants with weak marks but prevail in ACPA actions. The awards in *Blue Ridge Fiberboard, Inc. v. Domain Administrator/Domain Asset Holdings, LLC.*, FA1602001661150 (Forum March 29, 2016) for SOUND STOP (discussed in Chapter 1); and in *Camilla Australia Pty Ltd v. Domain Admin, Mrs Jello,* *LLC.*, D2015-1593 (WIPO November 30, 2015) for CAMILLA were vacated with registrants retaining control of the domain names.

No one is likely to disagree that there is a marked difference between PAYPAL and SOUND STOP. The first has achieved great distinctiveness in the market and the other is limited to its niche. Even though both phrases "pay pal" and "sound stop" are composed of dictionary words, one has become associated exclusively with a payment service and the other lacks any particular association that would prevent others from developing the term for noncompeting brands or uses.

Unconnected Successor Registrants

The learning from the database of decisions is that no good faith rights of any earlier registrant are carried over to subsequent registrants, excepting where the subsequent registrant may be related to the original registrant and there is an unbroken chain of title (discussed in Chapter 10). The Panel in *Motorola Inc. v. NewGate Internet, Inc.*, D2000-0079 (WIPO April 27, 2000) stated in granting the complaint:

> [R]espondent knew when it acquired, for consideration, the domain name from CFR that Motorola was requesting its transfer.... This fact, together with the respondent's subsequent conduct, lead[s] the panel to infer that respondent already at that time had the intention of obtaining payments from Motorola in exchange for the transfer of the domain name.

The Panel in *Edward Nugee QC and the other members of Wilberforce Chambers v. Administrator System*, D2004-0780 (WIPO December 15, 2004) stated: "[Acquiring a domain name previously held constitutes] a fresh act of registration . . . [and it is] that act [. . .] by the new registrant that must be examined for the requisite bad faith motivation,"

Similarly, the Panel in *The Knot, Inc. v. In Knot We Trust LTD*, D2006-0340 (WIPO June 26, 2006) explained: "The issue is not whether Respondent's predecessor registered and used the Domain Name in bad faith, but rather, whether Respondent itself registered and used the Domain Name in bad faith." The consensus view is that "[A] new registration [by an unrelated party] is tested under the terms of the Policy," *Diet Center Worldwide, Inc. v. Jason Akatiff*, D2012-1609 (WIPO October 5, 2012)

For this reason, all subsequent acquisitions of domain names identical or confusingly similar to marks. that upon their acquisition postdate a mark's first use in commerce, carry a risk of infringement. The issue is foretold by the Panel in *Micron Technology, Inc. v. Null International Research Center*, D2001-0608 (WIPO June 20, 2001) (<crucialtechnology.com>) (earlier discussed in Chapter 12):

> [S]hould a subsequent purchaser acquire and use the domain name in bad faith, such as to divert consumers for commercial gain by creating a likelihood of confusion as to the source of its goods or services [it will be vulnerable to forfeiture].

Where domain names are lawful to the first to register them, even to successors of the original registrant whose acquisitions postdate the trademark, successors does not inherit the good faith of their predecessors in interest. For example, in *HSBC Finance Corporation v. Clear Blue Sky Inc. and Domain Manager*, D2007-0062 (WIPO June 4, 2007) (<creditkeeper.com>) the Panel recounts the following narrative:

> The original registrant of the domain name made no active use of the disputed domain name for more than three (3) years following its registration, and then only after the Complainant had launched its "www.mycreditkeeper.com" website. The disputed domain name was used to direct internet users to a pay-per-click website advertising products or services competing with those offered by the Complainant.

The "Panel believe[d] a fair inference may be drawn from the record"

> that the aim of the original registrant of the disputed domain name in launching this pay-per-click website was to take advantage of the Complainant's trademark rights. The Respondent acquired the disputed domain name approximately nine (9) months later for the sum of $48,000 (USD), with the stated intention of continuing to use of the domain name in a manner consistent with that of the original registrant.

The continuing use of bad faith use coincident with the acquisition of the domain name infected successor's registration.

And in *Food Express, Inc. v. Nashville Boot Co*., FA0611000852588 (Forum January 29, 2007): "If [. . .] the renewal of the registration were effected by a new party, it is appropriate to look at the actual state of knowledge of that party to determine if it was taking on the role of domain name holder in good or bad faith."

Communications Without Prejudice

The dominant policy interest behind the making of "without prejudice" communications privileged is that it encourages parties to resolve their private disputes outside of litigation. It is generally agreed that "this is as or more important now than ever before," *The Vanguard Group*, *supra*. However, the Panel continued:

> This rule does not require the exclusion of any evidence otherwise discoverable merely because it is presented in the course of compromise negotiations. This rule also does not require exclusion when the evidence is offered for another purpose, such as proving bias or prejudice of a witness, negativing a contention

of undue delay, or proving an effort to obstruct a criminal investigation or prosecution.

At the point the Panel was writing "[t]he majority of decisions which have addressed this issue have, by far, come down against the application of privilege to 'without prejudice' communications." It set down a number of reasons each with illustrative cases:

- An offer to sell the name may go to the heart of the issue, which the Panel must decide, therefore the efficacy of the Policy would otherwise be severely undermined.

- As registrants must be aware of the issue of offering the name for sale at an excessive price, they cannot sensibly object to Panels looking at all potentially relevant evidence and whether or not it emerges, "without prejudice"bb correspondence.

- The registrant is protected from the effect of a Panel looking at this evidence if he has a right or legitimate interest in the name.

- Where a Respondent fails to object to the inclusion of such evidence by failing to file a Response.

- Where an offer to sell the Domain Name for valuable consideration in excess of the documented out-of-pocket costs directly related to the Domain Name is not only evidence of, but conclusively establishes that the Domain Name has been registered and is being used in bad faith;

- Where the application of such a Rule could have a material effect on the ability of Complainants to prove bad faith registration and use.

- Where the Policy's goal of preventing cyber-squatting would not be furthered by excluding such evidence.

The Panel in *McMullan Bros. Limited, et al. v. Web Names Ltd.*, D2004-0078 (WIPO April 16, 2004) found "the policy arguments set out in The Vanguard Group decision as to why no general without prejudice rule akin to that which exists in the United Kingdom and Ireland should be incorporated into the UDRP, compelling." It noted further that "Panels are fully capable of assessing whether an offer of sale reflects a good faith effort to compromise or part of a bad faith effort to extort." The Panel in *Novartis AG v. Domain Admin ContactID 5923835, FBS INC, Whoisprotection biz / Adem Kizilay*, D2018-1940 (WIPO November 2, 2018) reframed this observation as "panels are competent to decide whether settlement discussions represent a good faith effort to compromise or a bad faith effort to extort."

The examples of disregarding "without prejudice" written communications concern negotiations for selling domain names thus the disclosure of their contents implicates respondent's bad faith, but as the Panel in *Cooper's Hawk Intermediate Holding, LLC v. Tech Admin / Virtual Point Inc.*, FA2010001916204 (Forum November 17, 2022) (<coopershawk.com>) points out what is good for the gander is good for the goose. Complainant resisted disclosure of a letter as evidence against it and the Panel held:

> [W]here purported settlement discussions were used to determine bad faith of the [Respondent], the Panel finds that if settlement discussions are admissible to demonstrate bad faith on the part of the Respondent, then it should equally be admissible in determining whether the Complainant acted in bad faith for purposes of RDNH.

UDRP COMPLAINT: ACTUALLY A MOTION FOR SUMMARY JUDGMENT

Trademark Office Actions (USPTO)

Under US law applicants may reserve a trademark or service mark by filing an "intent to use" application (ITU) signifying that the applicant has no presence in the market; or, if the applicant already has a presence in the marketplace it may file a use-based application. I previously noted in Chapter 10 that a certificate of registration satisfies the threshold requirement; but that mere application to register a trademark confers no rights: "[I]t is the preponderant view of panels under the Policy that unless such applications have proceeded to grant they do not constitute trademarks in which a complainant has UDRP-relevant rights," *Intellect Design Arena Limited v. Moniker Privacy Services / David Wieland, iEstates.com*, LLC, D2016-1249 (WIPO August 29, 2016).

Further, in certifying rights there is a distinction between inherently distinctive and acquired distinctiveness. Marks composed of descriptive phrases are inherently weak and if certified as trademarks or service marks are accepted on a 2(f) basis. The Panel in *Tribeca Film Center, Inc. v. Lorenzo Brusasco-Mackenzie*, D2000-1772 (WIPO April 1, 2001) (<tribecafilmcenter.com>) explains the typical process:

> Complainant has applied for federal registration of the "Tribeca Film Center" mark. Complainant filed its application on February 22, 2000. The United States Patent and Trademark Office (the "PTO") issued a non-final office action on August 28, 2000, refusing to register the mark because (i) it is geographically descriptive, and (ii) there may be a likelihood of confusion between Complainant's mark and the mark in another party's pending, earlier-filed application ("Tribeca Records"). On February 28, 2001, Complainant amended its application to include a claim of acquired distinctiveness under Section 2(f) of the Lanham Act.

Similarly, in *B&V Associates, Inc. v. Internet Waterway, Inc.*, FA0303000 147531 (Forum April 15, 2003) (<ewaterways.com>):

> Although Complainant received a USPTO registration for the EWATERWAYS.COM mark, the registration was granted subsequent to Respondent's registration of the <ewaterway.com> domain name. Respondent registered the subject domain name on June 18, 1999 while Complainant applied for its registration on July 26, 2000, which was granted on June 18, 2002. Complainant's USPTO registration supports its assertion of rights in the EWATERWAYS.COM mark since "first use" is indicated as 1996. However, Complainant's mark is listed on the Principal Register under section 2(f) of the U.S. Trademark Act. By registering the mark pursuant to 2(f) of the Trademark Act, Complainant admits that the term is descriptive (but that it has acquired secondary meaning as a source indicator for its products).

The Panel in *Xoft Inc. v. Name Administration Inc. (BVI)*, FA1154179 (Forum April 25, 2008) explained that even if the application predates the disputed domain name "the date of registration does not relate back to the date that the application was filed unless there is clear evidence of use in commerce sufficient to create a secondary meaning in the mark."

It is even less sufficient if the registration postdates the acquisition of the disputed domain name. In *Harvard Lampoon, Inc. v. Reflex Publishing Inc.*, D2011-0716 (WIPO July 26, 2011) (<lampoon.com>) the Panel noted:

> Respondent registered the Domain Name in 1998 before the USPTO issued Complainant trademark registrations under Section 2(F) of the Lanham Act for the LAMPOON Mark. And, as discussed below, there is no evidence of Complainant's "many years of using the LAMPOON Mark" from which the Panel might possibly infer that Respondent knew of Complainant's rights in the LAMPOON Mark and intended to exploit it.

In *Law Offices of Jeffrey J. Antonelli, Ltd., Inc. dba Antonelli Law, Ltd. v. The Law Offices of Stephen C. Vondran, P.C.*, D2021-2428 (WIPO October 4, 2021) the 3-member Panel noted, as had prior Panels:

> Complainant's claim of acquired distinctiveness under Section 2(f) of the Lanham Act is effectively an admission that the TORRENT DEFENDERS trademark lacks inherent distinctiveness and was initially considered a descriptive term.

While this does not affect standing to maintain an action, a 2(f) filing undercuts claims of use prior to registration of the disputed domain name.

Pleadings Must Support the Remedy

Cease and Desist Notice

There is no rule that requires service of cease-and-desist notices, but their timing (or decision not to serve one, or if serviced respondent's failure to respond) can be a critical factor in determining respective rights to disputed domain names; it is equally critical for respondents to respond or ignore notices.

They have also been found to be important for establishing an outside date in that it stops the clock on the paragraph 4(c)(i) defense, although they also draw inculpatory responses. Whether responded to or not, respondents may have a burden of proving continuous non-infringing use "before any notice to you of the dispute." The issue was first debuted in *Wal-Mart Stores, Inc. v. Walmarket Canada*, D2000-0150 (WIPO, May 2, 2000). The Respondent argued in responding to the notice and later in its UDRP response that he would then use <walmartcanada.com> in a noninfringing manner by operating a business in Thailand, but the Panel pointed out that this did not cure the infringement.

The point the *Wal-Mart* Panel was making applies to marks well known or famous in their markets. For example in *Nike, Inc. v. Azumano Travel*, D2000-1598 (WIPO February 17, 2001): "Failure to positively respond to a complainant's efforts to make contact provides strong support for a determination of 'bad faith' registration and use." But it does not apply to marks composed from linguistic material in the common lexicon.

Thus, in *Souq.com FZ LLC v. Ruiling Wang, Comcom Communications LLC*, D2016-2085 (WIPO December 12, 2016) (SOUQ and <kingsouq.com>) the Panel held that failure to send notice "has allowed the Respondent to solidify its rights to the Disputed Domain Name." But "solidify[ing] [. . .] rights" turns on the distinctiveness of the mark. While NIKE is a distinctive mark, "King" added as a prefix is simply an intensifier of "Souq." A Souq is a cultural artifact in the Arab world meaning a marketplace. King Souq is not an uncommon expression.

The contrast between marks highly distinctive in their markets and one drawn from the common lexicon underscores the challenge in cease and desist notices. The Respondent in *Freshfields Bruckhaus Deringer LLP, Freshfields International Limited v. Eric Rabkin*, D2010-1870 (WIPO December 22, 2010) (a well-known law firm) registered two domain names incorporating the FRESHFIELDS trademark and adding "arbitration" and "arbitrations." Rather then creating a term distinctive from the mark, the additions accentuate their association with the law firm.

After receiving notice the Respondent "altered the way he uses the disputed domain names." The Panel explained

> Respondent's contention that he never will use the disputed domain names in a way that infringes the Complainants' trademarks belies the way he has in fact used them. The fact that he has altered the way he uses the disputed domain names after receiving a letter of demand from the Complainants does not help him. First, paragraph 4(c)(i) of the Policy requires the use relied on to have been engaged in before notice of the Complainants' claims. Secondly, as discussed below, the use of the parking page which contains click-through links to the providers of legal services who are not associated in any way with the Complainants is equally not bona fide use in terms of the Policy.

In this case, the notice prompted Respondent to take further inculpatory acts conclusive of cybersquatting.

Again in contrast, where complainant has not served a cease and desist notice, and the first date of respondent's awareness of an alleged corresponding mark is service of the complaint, respondent has potentially been deprived an opportunity to respond with a meritorious defense. This has been interpreted unfavorably to complainant.

Thus, the Panel in *Hôpitaux Universitaires de Genève v. Aydin Karadeniz*, D2016-1620 (WIPO October 10, 2016) (<hug.com>) explained:

> [O]n the one hand, the Complainant did not send any cease-and-desist letter or put any allegation of misconduct to the Respondent before filing the Complaint; and, on the other hand, it does not appear that the Complainant carried out any investigation itself before filing the Complaint that might have revealed whether the Respondent was acting in good or bad faith.

The Panel in *Empire Flippers, LLC v. Ansh Gupta / Jamkain Media Ventures*, FA2012001925050 (Forum January 21, 2021) framed the question differently. To support a defense under subparagraph 4(c)(i) Respondent has the burden of producing evidence of bona fide prior to notice:

> Respondent alleges, and Complainant does not contest, that Complainant did not send Respondent a cease-and-desist letter prior to filing the Complaint, and neither party has alleged that Complainant and Respondent otherwise communicated regarding Respondent's use of the disputed domain name prior to the filing of the Complaint. Accordingly, the Panel finds that Respondent was first notified of the dispute on December 17, 2020, when Respondent received notice of the Complaint in this case.

Thus,

> [t]he central question [. . .] is whether Respondent's offering of services before the filing of the Complaint was bona fide. If Respondent's use of the disputed domain name was infringing on Complainant's trademark rights, then that use would not be bona fide for the purposes of establishing Respondent's rights or interests in the disputed domain name.

Respondent's evidence, though, was conclusive in proving good faith registration: "Respondent has provided uncontested documents demonstrating, among other things, its preparations for use of the disputed domain, its sales through the website to which the disputed domain name resolves."

The mirror image of this analysis is a situation in which a cease and desist notice is served without response. This raises a negative inference against the respondent. In *Associated Newspapers Limited v. Makhdoom Babar, Mail Group*, D2019-0049 (WIPO February 25, 2019) (<dailymailnews.com>) the Panel held that in its "experience"

> someone using a domain name in a non-infringing manner and in furtherance of a legitimate enterprise would have responded to a cease-and-desist letter by asserting its bona fides. Respondent's failure to do so here undermines its claim of legitimacy.

Thus, there are benefits and detriments to serving or not serving a cease-and-desist notice. The more recent cases are consistent with the historical view on the issue. On the benefit side "replies and/or subsequent conduct by a Respondent can often help to prove or infer bad faith registration," *21 Club Inc. v. 21 Club*, D2000-1159 (WIPO November 22, 2000). Correspondence can prove decisive in complainant's favor when respondent threatens complainant or registers another domain name incorporating its mark. In *Carso S.A. de C.V. v. RusliCyber.com and Trisakti University, Mr. Ahmad Rusli*, D2008-1767 (WIPO January 5, 2009) Complainant did not respond to Respondent's communication and in retaliation Respondent threatened to divert traffic from the domain name to an "unpredictable destination."

Although a domain name registrant has no obligation to respond to complainant's cease-and-desist notice—non-response is merely one circumstance among others—silence can have consequences as it did in *Certamen Miss España, S.L. v. P1ESOFT.COM*, D2006-0679 (WIPO September 12, 2006).

Responding to cease and desist letters by making changes to content or redirecting it to a non-infringing website is equally revealing. The Panel in *Julie & Jason, Inc. d/b/a The Mah Jongg Maven v. Faye Scher d/b/a Where the Winds Blow*, D2005-0073 (WIPO March 6, 2005) (<themahjonggmaven.com>) stated that :

> Respondent's belated effort to come within paragraph 4(c)(iii) of the Policy is easily answered. Respondent's modification of the disputed domain name, to resolve to an alternate site, not only occurred after this dispute arose but also did not cure the fatal taint in her earlier competing use of the disputed domain name.

Attempts to cure infringement by adding a disclaimer in similarly rejected in *SmartContract Chainlink, Ltd. v. Zolmeister Zolmeister*, FA2208002009185 (Forum September 27, 2022) (<linkstake.com>) in which Respondent modified its website following receipt of the cease-and-desist notice. The Panel held

> While Respondent changed its website content and added a disclaimer of affiliation after Complainant sent its initial demand letter placing Respondent on notice of the present dispute, such post hoc alterations do not cure the initial bad faith use of the disputed domain name. [Citing LEGO Juris A/S v. Cuong Nguyen Viet, D2018-0097 (WIPO Mar. 2, 2018) (Finding of bad faith supported by Respondent's modification of its website content subsequent to receiving Complainant's initial cease-and-desist letter)].

Limitations and Laches as Defenses

Consensus View

Although as a formal matter WIPO recommended in the Final Report (Paragraph 199) that "claims under the administrative procedure [not] be subject to a time limitation," some panelists have found circumstances where laches may be appropriate. As a general proposition, though, the UDRP follows WIPO's recommendation. The concern is to avoid ongoing or future confusion as to the source of communications, goods, or services. Nevertheless, lapse of time has consequences for marks undistinguished in the market or distinguished but whose mark is drawn from the lexical commonplace.

Famous and well known brands are unaffected by any lapse of time. Toyota Motor Sales waited 20 years to capture the typosquatting <toyotta.com> domain name, but in other circumstances where the disputed domain name is confusingly similar to a predated mark but the mark is undistinguished there may be defenses to forfeiture including laches.

An initial question concerning laches was whether it could be interposed as a defense. The3-member Panel in *The Hebrew University of Jerusalem v. Alberta Hot Rods*, D2002-0616 (WIPO October 7, 2002) held that it cannot:

> The Policy is part of the domain name registration agreement. The Administrative Proceeding is brought pursuant to that agreement, the issue for determination being whether the grounds set out in the Policy for transfer or cancellation have been established. There is no limitation period in the Policy. The remedy available in an Administrative Proceeding under the Policy is not equitable. Accordingly, the defence of laches has no application.

Later Panels have been rethinking this view. Certainly in this case laches could not apply because (citing US decisional law):

> Laches is established when two conditions are fulfilled. There must first be unreasonable delay in the commencement of proceedings; second, in all the circumstances the consequences of delay must render the grant of relief unjust.

Since the Respondent in *The Hebrew University of Jerusalem* could not satisfy either condition, the Panel's view must be disregarded because if those conditions *could* be met (as is contemplated in paragraph 4(c)(i) of the Policy) whether invoking laches as a defense or the Policy would make no difference. Lapse of time in this sense equals laches.

This can be seen as an emerging issue that is still being debated. The Panel in *The New York Times Company v. New York Internet Services*, D2000-1072 (WIPO December 5, 2000) (<newyorktimes.com>) noted that "[e]ven if NYIS's contentions as to laches had been properly pleaded, it is apparent that NYIS could not prove laches." That is, it could not establish the elements for an equitable remedy as its continuing unauthorized use is impersonating the mark owner and it is that which attracts searchers to the website.

Similarly in *Compact Disc World, Inc. v. Artistic Visions, Inc.*, FA01070000 97855 (Forum August 15, 2001) (<cdworld.com>). In this case, the Respondent applied to register CD WORLD which Complainant opposed and was vindicated in a decision by the United States Trademark Trial and Appeal Board dismissing Respondent's application. Not withstanding this dismissal, the Respondent continued using the domain name. On the issue of laches, the Panel held:

> The fact this [use] continued for approximately six years until after the TTAB decision, does not assist Respondent, because nothing occurred during that time to create for the Respondent any rights or legitimate interests in the domain name. Respondent's attempts now to sell the disputed name to Complainant and to threaten to advertise the name for sale to third parties, is merely evidence of continuing bad faith.

Thus, underscoring the absence of "before notice" evidence.

The Panel in *Empire Flippers*, referred to above, also addressed this issue of timing. While "Complainant's long delay in filing the Complaint as a factor weigh[s] in favor of Respondent's claim of bona fide use of the domain name [,] [m]ere delay between a respondent's registration and a complainant's filing of a complaint does not bar complainant's success in a UDRP action [. . .] [However] Complainant's two-year delay in filing the Complaint undermines Complainant's claim of obvious trademark infringement and supports Respondent's contention that its use of the disputed domain name was bona fide."

Generally, though, although laches does not apply, delay in acting against the registrant can have consequences. As the concurring Panel in *Rocket Lab USA, Inc. v. RocketLab Inc.*, FA2303002036243 (Forum June 5, 2023) stated: "it is possible on an appropriate set of facts to make out the defence of laches and that, although they are not precedents, there are numerous UDRP decisions where that defence has been recognized and applied."

Although this view is not adopted in *Ideal Nutrition, LLC v. Khaled Alshahri / Khaled Group, LLC*, FA2306002048379 (Forum August 3, 2023) the 3-member Panel noted that waiting 20 years "is a factor to consider in Respondent's favor…especially when looking at Respondent's rights and legitimate interests in the disputed Domain Name and evaluating whether the disputed Domain Name was registered and used in bad faith."

Consensus View Not Inflexible

Nevertheless, the consensus view is not inflexible. Paragraph 4(c)(i) "before notice" is itself a strong defense in the right circumstances. Notwithstanding the consensus on the inapplicability of laches, some Panels have come to believe the "no limitations" principle is "unsound."

In *The New York Times Company v. Name Administration Inc. (BVI)*, FA1009001349045 (Forum November 17, 2010) (<dealbook.com>. 2010 decision, the 3-member Panel held that laches "should be expressly recognized as a valid defense in any domain dispute where the facts so warrant." It concluded that there was no "sound basis for ignoring the potential defense."

While not immediately endorsed by other Panels, and by no means universally accepted, the Panel in *Mars, Incorporated v. Ben Chen*, FA1109001405770 (Forum October 17, 2011); *Avaya Inc. v. Moayyad Hamad*, FA1207001456063 (Forum September 14, 2012) (AVAYA and <ayava.us>) noted that the defense "has gained a foothold":

> Because the Complainant was a tech leader in the relevant marketplace yet did nothing for an extended period of time in regards to Respondent's business, either because of Respondent's small size, or the difference between Respondent's domain name and Complainant's mark, the facts that give rise to a laches defense further support Respondent's rights and legitimate interests in the disputed domain name.

The 3-member Panel in *Instrumentation Northwest, Inc. v. INW.COM c/o Telepathy, Inc.*, D2012-0454 (WIPO June 1, 2012) (<inw.com>), for example, although it denied ruling on laches, explained that it was "unnecessary to do so in view of the Panel's other Rulings":

> Having said that, a majority of the Panel would have been prepared to apply the laches defense here, given the fact that Complainant sat on its perceived rights for many years (indeed, 15 years if one goes back to the original registration of the Domain Name). Because laches requires not only an untoward delay but also prejudice to the party asserting the defense, the Panel majority

would also have to conclude that Respondent suffered prejudice as a result of the delay.

However, length of time unchallenged favors noncompeting respondents for domain names on the lower end of the classification scale where the disputed domain name is being used for purposes consistent with respondent's business and unrelated to complainant's or held for its semantic rather than its trademark value. The issue is not laches but the passage of time undermines complainant's ability to prove bad faith registration.[16]

The point is illustrated in *C. Brewer and Sons Ltd. v. Vertical Axis, Inc.*, D2009-1759 (WIPO April 11, 2010) (WALL PAPER DIRECT and <wallpaperdirect.com>, 8 years); *Vanguard Trademark Holdings USA LLC v. Nett Corp.*, FA0905001262162 (Forum July 26, 2009) (NATIONAL CAR RENTAL and <nationalrentacar.com>, 9 years). However, the stronger the mark the more likely laches will not apply. So, for example, *DNC Services Corporation v. Donald Peltier / 021web design*, FA2006001901303 (Forum July 22, 2020) (<democraticnationalcommittee.net [and .org]>, even though held for 18 years); *Pet Plan Ltd v. Donna Ware*, D2020-2464 (WIPO November 30, 2020) (<petplanprogram.com>, even though held for 11 years.).

Later cases include *Lowa Sportschuhe GmbH v. Domain Admin, Whois Privacy Corp.*, D2017-1131 (WIPO August 1, 2017) (<lowa.com>) and *Mile, Inc. v. Michael Burg*, D2010-2011 (WIPO February 7, 2011) (Panels have "generally declined to apply the doctrine of laches.") In *Pet Plan Ltd*, the Panel recognizes that the [laches] issue has been addressed in previous UDRP decisions and that the doctrine or policy of laches or estoppal has not been applied to proceedings under the UDRP.")

As the time of holding continues to lengthen, it is likely that more long-held domain names either in possession of original registrants or their investor successor will be challenged. Whether they are forfeited to complainants depends on the factual matrix, the distinctiveness of the mark, and also on the appointed Panel.

The disputed domain name in *Bolex International SA v. Kurt Hall & Nathan Lafionatis*, D2019-2650 (WIPO December 16, 2019) (December 16, 2019) (<bolex.com>) was registered in 1988. The Panel held that "since the Respondent has not argued and shown to have relied on the Complainant's delay in

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16 Although laches may be applied, the facts must support its elements. See *Bulbs 4 E. Side, Inc. v. Ricks*, 199 F. Supp. 3d 1151, 1165 (S.D.Tex. 2016): "The limitations period begins to run when a cause of action accrues, except for continuing torts, which involve conduct that creates a separate cause of action, and thus restarts the limitations period, each day it is repeated."

any manner, the Panel concludes that this delay does not prevent the Complainant from prevailing on the merits."

But, of course, BOLEX is a well-known, even famous brand in its niche and is likely to prevail regardless of the passage of time, while the owner of a descriptive mark with a nondescript reputation will not. The issue may be closer where the complainant's mark is well known in its niche but the evidence supports nominative use. The Panel majority concluded in *Fluke Corporation v. Erwin Bryson / fixmyfluke / Nelson Bryson*, FA2203001988399 (Forum July 6, 2022) although deciding the case on other grounds would apply the laches defense where a respondent has relied, to its detriment, on a complainant's delay in pursuing a dispute and would be prejudiced thereby," citing earlier cases noting that in which Panels "have begun to apply laches in contrast to earlier cases to the contrary."

Inordinate Delay in Commencing Proceeding

Where there is delay in challenging a domain name and particularly where it is inordinate, there will be different consequences, as is also the case depending on the strength or weakness of the mark to which the disputed domain name is alleged to be identical or confusing similar.

Complaints filed many years after the registration of the domain name composed of descriptive phrases or common lexical material call into question whether there can ever be sufficient evidence to support a cybersquatting claim. Thus, in In *Meat and Livestock Commission v. David Pearce aka OTC / The Recipe for BSE*, D2003-0645 (WIPO October 27, 2003) (<britishmeat.com>) the Panel pointed out that "Although laches is not a defence in itself under the Policy, the absence of any complaint over a long period of time in which domain names are in active use can suggest that such use does not give rise to a serious problem."

How can a respondent's intentions be proved under those circumstances where the registration is as likely to be innocent than abusive, and that possibility must negate a more likely than not conclusion in complainant's favor?

The point is illustrated in *Javier Zetter Casillas v. Domain Hostmaster/ Vertical Axis Inc*., D2014-0400 (WIPO June 6, 2014). In this case, the Panel "finds the long delay unexplained and detrimental since it makes it harder to ascertain the motives of the parties so long ago," Complainant waited over eight years from the date the Respondent purchased <bigbang.com> to file a Complaint). To be noted, though, as an additional reason for denying the complaint that the "big bang" is a weak mark as was "British meat."

In *Flying Dog Brewery, LLLP v. WhoIs Privacy Protection Services, Inc. / Phil Allen, Flying Dog Enterprises*, D2018-1683 (WIPO September 22, 2018) (<flyingdog.com>) the Complainant inquired about purchasing the domain name in 2001. Its offer was rejected and it attempted again in 2018 through a broker who invited the Respondent to submit its asking price, which it did and the UDRP followed. The Panel held:

> The Complainant submitted a barebones complaint unsupported by any evidence, and blatantly misrepresented to the Panel that the Respondent had hired an undisclosed agent seeking to sell the disputed domain name to the Complainant at an exorbitant price. The record, however, confirms that it was the Complainant who retained a domain name broker. The Complainant's blatant and intentional misrepresentation as described above constitutes a clear violation of section XIII, paragraph 21 of the Complaint.

While the Panel in *Green Bay Packers, Inc. v. Moniker Privacy Services / Montgomery McMahon*, D2016-1455 (WIPO October 21, 2016) (<packers.com>) rejected a laches defense it nevertheless found for Respondent on the delay:

> Here, the Panel determines, in view of the particular circumstances of this case, that Respondent's use of the Domain Name (for a period of eight years (and 6 years before any contact from Complainant)) in connection with a genuine fan site, providing news and commentary about the Packers, has given rise to a legitimate interest in the Domain Name.

This decision revolves around the fan use of the disputed domainname and the Complainant's long term acquiescence of that use.

And in *Majid Al Futtaim Properties LLC v. Ayman Bajnaid*, D2022-4129 (WIPO December 22, 2022) (<matajer.com>, the word "Matejer" means "shops" in Arabic), a case that should never have been brought, the Panel explained

> If the Complainant believed the disputed domain name was used in conflict with its trademark rights it would have acted long ago. The Panel may consider the doctrine of laches as additional evidence towards the Respondent. Delay in bringing proceedings is likely to place a higher burden on a complainant attempting to prove a state of affairs long ago and may make it more difficult for a complainant to establish its case on the merits, particularly in relation to the second and third elements.

Because the domain name was registered before the mark, the Panel sanctioned the Complainant.

Dismissing Complaint

Consider a factual matrix in which a respondent has used the disputed domain name for many years ("before notice" of the claim). Or, another factual matrix in which the respondent is an investor in lexically common domain names. The law is more subtle than decreeing infringement for registering a domain name corresponding to a mark and held by the respondent for many years before it is sued for cybersquatting.

This raises an important issue, namely: What evidence is necessary, or what from the record can be inferred, that would support granting or denying the complaint. Clearly, a respondent cannot simply allege limitation or laches; and it certainly puts itself at risk by defaulting in appearance where it may have evidence supporting good faith registration.

To start with, delay by itself is simply a lapse of time. A respondent is not an infringer simply because many years earlier it acquired a domain name that a complainant presently claims cybersquats on its mark. Hence, in *Impala Platinum Holdings Limited v. Domain Admin, Privacy Protect, LLC (PrivacyProtect.org) / Domain Admin, Domain Privacy Guard Sociedad Anónima Ltd.*, D2020-2268 (WIPO November 13, 2020) (<implats.com>) the Panel noted that

> [i]n certain circumstances, it may be that a respondent can point to some specific disadvantage which it has suffered as a result of a delay by a complainant in bringing proceedings, which may be material to the panel's determination.

One disadvantage to a mark owner sleeping on its rights is that in the extended interval between a possible claim and filing a complaint respondent has built a business; and is using "the domain name in connection with a bona fide offering of goods or services." While the circumstances were not present in *Impala Platinum*, the concept is a central feature of the jurisprudence (as indeed it is in trademark infringement cases).

Where the proof establishes detrimental reliance, respondents cannot be deprived of their domain names. The Panel in *Dealhunter A/S v. Richard Chiang*, D2014-0766 (WIPO July 17, 2014) noted that "[o]pinions have differed on the applicability of laches or delay in UDRP proceedings":

> This Panel's view is that delay in filing a complaint is not an automatic bar to a complaint, but nor can it be ignored, for all the facts must be taken into account in all proceedings and a decision made in the light of all the circumstances of the individual case.

It is useful to take note that no amount of accusation is sufficient to support a claim of cybersquatting, but it should also not be forgotten that some respondents have lost their domain names in some instances after holding them for over twenty years. This naturally raises serious concerns of bias in favor of trademark owners.

While "delay by itself" is not a defense—noting however that delay of any long duration may undermine claims of cybersquatting—it is not the only factor in determining the outcome. In passing the baton in April 2000 for combating cybersquatting to ICANN, WIPO recommended that "claims under the administrative procedure [should not] be subject to a time limitation" (Final Report, Paragraph

199). ICANN agreed and the UDRP contains no limitation period for making a claim.

Rather, determining whether complainants "state a claim" depends on the factual circumstances each party marshals in support of its position. In *Square Peg Interactive Inc. v. Naim Interactive Inc*., FA 209572 (Forum December 29, 2003) (to take one of many examples) the Panel held that "[a]lthough laches by itself is not a defense to a complaint brought under the Policy, Complainant's delay in seeking relief is relevant to a determination of whether Respondent has been able to build up legitimate rights in the Domain Name in the interim, and whether it is using the Domain name in bad faith."

In *AF Gloenco, Inc. v. CT PACKAGING SYSTEMS, INC*., FA180500 1785831 (Forum June 28, 2018) (<shrinkfast.com>) the Panel held that the delay "has cemented Respondent's business reliance upon the disputed domain name to conduct crucial online operations and constitutes an implied authorization for that use of the name by Respondent." "Implied authorization" means "acquiescence" (an equitable defense). This holding is not alone. See also *Wiluna Holdings, LLC v. Privacy.co.com, Inc Privacy ID# 1100134*, FA1805001789612 (Forum July 16, 2018) ("Respondent points to the nine-year delay in bringing legal proceedings. Therefore, the Panel may consider the doctrine of laches as additional evidence towards Respondent.") And in *Green Bay Packers, Inc. v. Moniker Privacy Services / Montgomery McMahon*, D2016-1455 (WIPO October 21, 2016) (<totalpackers.com>) the 3-Member Panel pointed out that

> Complainant's first cease and desist letter sent in April 2014, while generally objecting to use of Complainant's trademarks in the content of Respondent's website, did not object to use of the Domain Name; objection to use of the Domain Name was not made until January 11, 2016.

In *COLAS v. Domain Administrator, Daruna, LLC*., D2020-0560 (WIPO June 6, 2020) (<colas.com>), "the Respondent states that the disputed domain name was registered more than 18 years ago and calls for the 'doctrine of laches' to be applied to the case." Although the Panel declined to rule on laches it nevertheless found that Complainant failed to prove bad faith:

> Where PPC links directly target a complainant's rights, this may lead to a reasonable inference, in and of itself, that the domain name used for the corresponding website was registered in the knowledge of such rights, and with intent to target them. However, it is not clear from the evidence in the present case that the PPC links do target the Complainant's mark.

The issue of delay and the application of limitations and laches has (not surprisingly!) become obsessive in some quarters urging a Policy amendment that would have the effect of limiting rights holders in UDRP proceedings to claims within a declared limitations period. But, what would that period be, and should there be one? And if there were such a limitation would it also be applied to famous and well known marks?

In a dispute involving (<aquafx.com>), to take another example, *Aqua Engineering & Equipment, Inc. v. DOMAINADMINISTRATOR/PORTMEDIA HOLDINGS LTD*, FA1805001785667 (Forum June 25, 2018), Respondent vigorously argued that Complainant had the burden of explaining why it had waited so long citing numerous cases including *Bosco Prod., Inc. v. Bosco email Servs.*, FA94828 (Forum June 29, 2000) ("Without determining if the passage of considerable time would alone bar Complainant from relief in this proceeding, the Panel notes that Complainant does not explain why it has waited nearly four years to try and resolve [the domain name dispute]." As it happens, though, as with other cases already cited, the decision did not turn on delay. The Panel denied the complaint for Complainant's failure to pass the "rights" test under paragraph 4(a)(i) of the Policy.

Proof, Not Conjecture or Speculation, is Demanded

Parties are on notice that alleging non-facts but contentions based on conjecture or supposition is a failing strategy. For complainants it assumes a greater right than accorded under trademark law. The point is noted in *Scandinavian Leadership AB, Mindo AB v. Internet Masters*, D2012-1273 (WIPO November 5, 2004) (<mindo.com>): "The entirety of the Complaint is that Complainants have a mark, Respondent does not, and the five-letter disputed domain name is valuable [to it]." If an inference is to be drawn, the question is from what?

Thus, in *ACE Limited v. WebMagic Ventures, LLC c/o WebMagic Staff*, FA0802001144016 (Forum April 22, 2008) (<ace.us>). "Merely relying on unattested to statements by counsel for a party is not evidence, but conjecture, and we decline to make any rulings on conjecture, since we are constrained to rely on evidence."

Similarly, in *Rejuve Clinics LLC v. Merlin Kauffman, Rejuve Inc.*, D2019-2607 (WIPO February 6, 2020) (<rejuve.com>)

> The Complainant [. . .] contends that the Respondent knew about the Complainant's REJUVE trademark application and "swooped in and purchased" the disputed domain name to deprive the Complainant of it. [. . .] The Respondent subsequently registered the disputed domain name [. . .] after it became available for purchase in the "Afternic.com" secondary domain market. . . .

But Complainant "certainly has offered nothing other than conjecture to support a finding that Respondent knew about the Complainant's REJUVE trademark application when it purchased the disputed domain name."

The same reasoning is applied to respondents claiming lawful registration but using the disputed domain name in bad faith. Thus, in *Serta Inc. v. Charles Dawson*, D2008-1474 (WIPO November 20, 2008) (<ilovemyserta.com>) the Panel "decline[d] to conjecture some future use that is in full conformity with the Policy, and, in any event, such use cannot cure the illegitimate use of the PPC parking page pending the implementation of Respondent's plans." Moreover,

> Where an entity intends to argue that it is entitled to use a domain name in relation to genuine products it is incumbent upon that entity to bring evidence before the panel to the effect that the domain name has been, or will be, used in a manner that satisfies the conditions of use laid down in Oki Data. The Respondent has brought no such evidence before the panel in this case.

Deficiencies of Proof

How can deficiencies be characterized? It is both in what is included in the pleading (mischaracterizing evidence, for example, or overstating one's distinctiveness and reputation) and what is omitted (edited out for strategic reasons) or more simply failing to adduce evidence of bad faith. Claims of rights or strong reputation without evidence supporting such contentions have been denied, as have conjecture and speculation as the sole basis for arguing bad faith registration even in the absence of proof of bad faith use.

A pleading is quintessentially deficient where the complainant's right did not exist at the time the domain name was registered. registration they did not exist, the commencement of a proceeding for which they have no actionable claim is quintessentially deficient. Thus, as the Panel notes in *Aspen Grove, Inc. v. Aspen Grove*, D2001-0798 (WIPO October 5, 2001):

> And finally, the Panel notes yet again that the Respondent registered the disputed domain name some two years before the Complainant came into existence and thus could not have been in bad faith at registration relative to the Complainant.

This exasperation is expressed in numerous cases. For example, in *Faster Faster, Inc. DBA Alta Motors v. Jeongho Yoon c/o AltaMart*, FA1612001708272 (Forum February 6, 2017):

> Respondent registered the domain name more than a decade before Complainant introduced the ALTA MOTORS mark in commerce. Respondent therefore could not have entertained bad faith intentions respecting the mark because it could not have contemplated Complainant's then non-existent rights in [the mark] at the moment the domain name was registered.

To prevail a complainant has to make its case in the pleading; and if the evidence of record points to a violation of complainant's rights, the complaint will be granted unless respondent offers persuasive rebuttal proof. But equally any deficiencies of proof will be noted in favor of the non-moving party. Abusive registration is conjunctive, not disjunctive.

Respondents can be divided into two classes: they are either parties who have acquired disputed domain names for marketing purposes or they are investors who have acquired disputed domain names for resale on the secondary market. The first class have, or if not currently active in business) are able to demonstrate bona fide offering of goods or services. I will discuss the second class in Chapter 18).

Both complainants and respondents when they are the non-prevailing parties fail in misunderstanding differences between trademark infringement and cybersquatting, or confusing the difference between subjective and objective rights. For respondents, these misunderstandings bring up difficult issues as to whether they ought to have known that domain names they are about to register correspond to well-known or famous marks or (where inadvertently dropped) were abandoned by the prior registrant.

Complainants, though, have the burden of proof and it is their deficiencies or failures of proof that must be considered. The Complainant in *Telaxis Communications Corp. v. William E. Minkle*, D2000-0005 (WIPO March 5, 2000) branded itself after Respondent had already registered <telaxis.com> and telaxis.net> for its real estate business. And in *General Machine Products Company, Inc. v. Prime Domains (a/k/a Telepathy, Inc.)*, FA0001000092531 (Forum March 16, 2000) an investor was already the registrant of the descriptive domain name <craftwork.com>. The Panel found that the word 'craftwork' has widespread use in a descriptive or generic sense."

Pleading and evidence deficiencies become more apparent where complainants are unable to document their contentions. In neither of the two above disputes was there any evidence of targeting. In *Weeds, Inc. v. Registration Private, Domains By Proxy, LLC / Innovation HQ, Inc*, D2017-1517 (WIPO November 23, 2017) the Complainant alleged that Respondent, a domain name investor, acquired <weeds.com> "in bad faith and with the intent of making commercial gain by unlawful brokering, sale and/or auction, for exorbitant prices, in an extortive manner, and clearly evidenced by 'for sale' in gross and not appurtenant to any substantive enterprise." These contentions are not the ingredients of bad faith. The Panel notes that

> offering for sale a domain name registered for its value as a generic and descriptive term and without a mark should not be considered an evidence of bad faith, in particular where the registrant used the domain name in its meaning as a generic / descriptive / dictionary word. i.e., in a non-distinctive sense, as

> [Respondent] appears to have consistently done [. . .] since the domain name registration in 2004.

The deficiency of the complaint, however, was Complainant's failure to offer any evidence of its common law claim: "[I]t is well established that invoking a common law mark – as did Complainant – requires providing the Panel with concrete evidence of secondary meaning / acquired distinctiveness, which Complainant failed to submit." If Complainant did not exist, there could be no infringement. Nothing can be made of nothing.

In *Dialoga Servicios Interactivos, S.A. v. Finlead AG,* D2018-2768 (WIPO February 8, 2019) (<dialoga.com>) there is the added defect of omitting exonerative evidence. For some complainants, if facts do not fit the wished-for-narrative they fabricate ones that do, which is the basis for reverse domain name hijacking Similarly in *Karma International v. David Malaxos*, FA1812001822198 (Forum February 15, 2019) (<karma.com>):

> [t]he explicit claims to bad faith registration and use made in the Complaint are largely specious and the accusations leveled at Respondent are groundless and malicious.

As to complainants deficiency, it is a failure to recognize respondent's rights obvious by facts in plain view.

And in *Darryl Davis Seminars Inc. v. Privacydotlink Customer 656889 / Domain Admin, Abstract Holdings International Ltd*, D2018-2238 (WIPO January 21, 2019) (<poweragent.com>) a failure to comprehend its own reputation and the weakness of its mark:

> Complainant has not provided any evidence of use of its trademark and has failed to demonstrate that the Respondent was likely to have been aware of the Complainant and its trademark at the time of its registration of the disputed domain name based on the Complainant's alleged reputation.

It is particularly clear that mark owners with marks composed from the common lexicon often fail to appreciate that the unique attraction is not to their mark but inherent in the domain name and of lexical strings that, while identical or confusingly similar to their marks, have inherent magnetism free of any exclusive association with any particular mark owner.

In *Ternio, LLC v. Domains by Proxy, LLC / Sedo GmbH*, D2020-2215 (WIPO November 16, 2020) (<blockcard.com>) the Panel noted that Complainant's misstatements as to its reputation can lead to an injustice in the absence of a response: "Overall [it] has reached the conclusion that the Complaint deliberately overstates the Complainant's case in a way which could well have misled the Panel, *particularly if no response had been filed*," (my emphasis).

Another instance of overreaching is illustrated in *Peoples Bank of Mississippi v. Domain Admin/Xedoc Holding SA*, FA2007001906337 (Forum November 11, 2020) (<peoplesbank.com>). Even accepting that Complainant has common law rights, its "mark [is] diluted nearly to the vanishing point based upon the number of third-party users thereof." Where a term is so diluted by use of others the evidentiary burden increases:

> [The] number of United States trademark registrations for marks that are owned by third parties and consist, in whole or in part, of the phrase "Peoples Bank" [are in the] hundreds of other banks by the relevant authorities of the United States and other countries which use this phrase in their titles.... Based[upon this evidence, Respondent states that "Complainant chose a 'mark' that is incredibly weak, knowing that it was descriptive and in widespread use by others.

Thus, "Peoples Bank" is not a term "uniquely [linked] to Complainant." Not "uniquely linked" or not "having a unique association with" is the operative concept. The Panel concludes that "its mark [is] diluted nearly to the vanishing point based upon the number of third-party users thereof."

The deficiency in *Virutex Ilko S.A. v. Dynadot, LLC (Super Privacy Service LTD c/o Dynadot) / Embrand, Michael Bilde*, D2020-3379 (WIPO April 9, 2021) concerned failure to offer any evidence at all of bad faith:

> The Complainant's core argument on bad faith is that the Respondent offered the disputed domain name for sale to the general public for in excess of USD 20,000, an amount far greater than the going rate charged for registration of an available domain. But the Complainant makes no allegation and offers no proof [of bad faith].

The Complainant in *Bartko Zankel Bunzel & Miller v. Perfect Privacy, LLC / Jan Bartko*, D2022-0043 (WIPO March 17, 2022), a law firm specializing in IP law, failed to recognize a core feature of the UDRP. There can be no abusive registration by a person commonly known by the domain name. It failed to take into account that "Bartko" is Respondent's family name:

> The Panel observes, however, the unlikelihood of establishing that the Respondent acted in bad faith by registering a Domain Name corresponding to his own family name in 1998, purportedly to attack a common law mark of a California law firm that has sought to register such mark decades later."

The Panel sanctioned these IP experts for their failure to recognize they had no case against Respondent.

From these circumstances, there are three possibilities in which the outcome either likely favors or is outright favorable to respondent: 1) the domain name registration predates the mark and there is no anticipatory bad faith (Chapter 8); 2) the mark comprises a dictionary word or common combination of words or even diluted coinages (multiple users even though coined and no longer one-of-a-kind); 3) complainant mis- or overstates its rights or reputation; and 4) complainant alleges a common law right in the mark, but fails to back the assertion up with evidence of use prior to the registration of the domain name.

In the first circumstance the claim of cybersquatting is not actionable as a matter of law, although complainant is granted standing. In the second instance, the complainant has standing but the determination rests on the strength of the mark. The weaker the mark, the less its distinctiveness in the marketplace, the more persuasive must be the evidence of cybersquatting. In the third instance, allegations of fact unsupported nevertheless in the absence of a respondent may persuade a Panel to accept the complainant's facts; and in the fourth instance, the complainant only has standing on proof of secondary meaning that it had a market presence earlier than the registration of the domain name.

Errors of Law

Commentators have criticized a god number of decisions awarding lexically common and short strings of letters to mark owners where the evidence is inconclusive, at best, or at worst biased in complainant's favor. Dissents represent a good measure of majorities' errors, but there are also majorities that reject errors of law espoused by dissenting panelists. Disputes close to call from weak records should favor respondents. The benefit of doubt which implies deficiencies of evidence should not be credited to complainants.

I will illustrate with a few examples of error and leave for the commentators to highlight them as decisions are filed. These errors, incidentally are not confined to respondents, as I will note further below. The cases of <crew.com> and <fallwell.com> are discussed in other chapters and I will not repeat my comments. In the first, the dissent was correct and in the second the majority was correct.

Equally classic are majorities that find complainants entitled to dictionary words and short strings because they have well known marks (a preview of the "unitary" theory). In *Hearst Communications, Inc. and Hearst Magazines Property, Inc. v. David Spencer d/b/a Spencer Associates, and Mail.com, Inc.*, FA0093763 (Forum April 13, 2000) the majority awarded <esquire.com> to the Complainant. The dissent pointed out:

> While recognizing that Esquire Magazine is well-known, the word "esquire" by itself is too generic and widely used to be exclusively associated with the magazine.

The dissent correctly states the law, that mark owners are not entitled to ownership rights to words or letters except under extremely limited circumstances. The law expressly excludes rights to monopolize language as previously discussed in Chapter 7.

The dissent in *Netvault Ltd v. SV Computers and Sunil Walia a/k/a Baldev S. Ahluwalia*, D2000-0095 (WIPO July 7, 2000) (<netvault.com>) pointed out

> Trademark rights are not "rights in gross." The UDRP must not provide a mechanism for anyone without rights or with rights limited in commercial scope and/or geographic reach to wrestle domain names away those who may or may not have trademark rights in such name, but who nevertheless can reasonably use its domain name in a manner which does not impermissibly interfere with another's rights.

That rights are not "rights in gross" did not trouble the Panel in *Louis Vuitton Malletier S.A. v. Manifest Information Services c/o Manifest Hostmaster*, FA0609000796276 (Forum November 7, 2006) (<lv.com>). It unanimously agreed with Complainant's contention that "[t]he contraction 'LV' to identify Las Vegas is not a trademark use entitled to priority over Complainant's prior, incontestable and world famous trademark." The Respondent had argued that the website had been used to identify businesses in Las Vegas.

Non-unanimous Panels are also instructive in both finding for the complainant and against it. For: In *Deutsche Lufthansa AG v. Future Media Architects, Inc.*, FA080200 1153492 (Forum April 17, 2008) the Panel majority ordered <lh.com>) transferred to the Complainant. The dissent disagreed:

> I reach this conclusion primarily for two reasons: First, based upon the evidence before the Panel I doubt that Respondent was even aware of Complainant's LH trademark when it acquired the domain name, and mere constructive notice of a trademark is insufficient under the Policy. [. . .] Second, usage of LH as Complainant's mark appears to be quite rare compared to other senses in which LH is used, making it unlikely that Respondent would have selected the disputed domain name in order to target Complainant's mark even if it had been aware of the mark at the time.

The dissent in *Aveve N.V. v. Privacy Administrator, Anonymize, Inc. / Dennis Koorn*, D2020-1115 (WIPO September 2, 2020) (<arvesta.com>)

> There is an air of unreality about the Complainant's claim in this case. [. . .] [I]t decided to change its name from Aveve to Arvesta, announcing in a press release on 21 September 2018 [] that its new name was based on three words that are clearly generic and descriptive and which were meant to be interpreted in that way : "harvest", being the same word in English and the same word, "harvest", in the Dutch version of the press release6 and in the German version of the press release7 , "arvus" the Latin word for plough and "invest" to connote "investing in people, brands, and innovation."

The outcome in this case was contested in an ACPA case: the mark owner decided not to appear, and the UDRP award was annulled.

Dismissing the complaint over a dissent that misstates the law, the Panel in *Reza IP Holdings LLC v. Taha Alireza, Velvet*, D2022-0945 (WIPO June 28, 2022) (<reza.com>) dissected what it viewed as error:

> One of the Panelists is of the view that the Respondent registered the disputed domain name in bad faith because the Complainant acquired reputation in its trademark, also known and used as REZA to distinguish jewelries products internationally, for years long before 2016 in the jewelry sector. Indeed, in 1997, press reviews mentioned the Staff at REZA's Paris reaction after the information of Lady Diana's death in Paris (as she was wearing one of REZA's rings) and the consultation of any pages including Wikipedia relating this tragic event refers to REZA.

But as the majority pointed out, "Reza" is a popular family name in Saudi Arabia and in any event the evidence established that the disputed domain name was being used in connection with a family business.

It will be noticed that the errors of judgment involved names drawn from the common lexicon which includes family names and not of famous or well known marks. While distinctiveness in the market determines the outcome as previously mentioned, the ultimate determinant is proof that others than the complainant are equally entitled to register and use domain names identical and confusingly to marks. Rights existing side by side with the marks, but not targeting them are part of the ecology of the Internet.

A necessary follow-up is that registrants (respondents in the UDRP) that believe their registrations are lawful must act defensively, by which I mean that if a complainant's evidence is persuasive and likely if not rebutted to support an award in its favor, the burden shifts to respondent to produce evidence of lawful registration, and in the error cases cited they have done that.

CHAPTER 13

PRESENTING A CASE

THE WORK OF NARRATIVES

Disputants in a UDRP proceeding confront each other with contentions and evidence on written submissions. The record they jointly create (or is created solely by complainant in the majority of cases) determines the outcome of a complainant's claim of cybersquatting. Where respondents appear and argue they prevail or lose in ways similar to complainants, by which I mean they must present their arguments and proof in persuasive narratives. Exaggerating assets; arguing contentions unsupported by any material evidence; or omitting or distorting inconvenient evidence, does not satisfy Policy expectations.

Regardless whether respondents appear their absence is nevertheless part of the narrative panelists will be assessing, by which I mean that silence itself is not empty of meaning. As the distinctiveness of a mark increases in consumer recognition, silence in the face of a demand to explain one's purpose for acquiring a disputed domain name can be a powerful statement in favor of the complaining party.

In earlier chapters I focused on the law and standards for determining rights, but as law is applied to verifiable facts it is equally necessary to consider the manner in which disputants relate their claims and defenses. It is imperative that narrators impress their readers as reliable and truthful and this depends not merely on the allegations that introduce facts, but on evidence that proves their truth. The complainant has a single opportunity to make its case, as does respondent its defense.

A persuasive narrative is a combination of allegations/contentions and direct or circumstantial evidence. This involves marshaling proof, which in turn involves selecting the type of evidence that supports allegations/contentions. The organization and selection of material is central to the narrative form. How parties present themselves and what proof they offer is critical to the outcome of the dispute. What they say, how they say it, what they select, and what they omit saying or selecting goes directly to the issue of a speaker's reliability.

If in support of its claim for cybersquatting, a complainant cannot establish that its right predated the registration of the disputed domain name, and regardless that in the course of assessment the Panel finds respondent lacks rights or legitimate interests in the disputed domain name, no amount of extraneous argument and evidence, however interesting the narrative may be, will save its complaint. But if its rights predate the registration of the domain name and its argument and evidence prove the merits of its claim, it prevails.

It is no surprise that parties come to the UDRP with different skills which are mirrored in their pleadings, but whatever skill level that is, the first rule is that the evidentiary demands cannot be satisfied by allegations and contentions alone. Complainants are generally represented by counsel who are trained and skillful in selecting, organizing, and presenting facts and crafting narratives.

And more likely respondents rather than complainants, are unschooled in the art of asserting and defending themselves, although there are always surprising exceptions. For this reason, respondents are at a disadvantage if they are not professionally represented in defending their property and at risk of having valuable domain names forfeited, and even though with recourse under UDRP 4(k) (discussed in Chapter 2) they are put in the disadvantageous position of having to commence a de novo lawsuit: <airfx.com>, <barcelona.com>, <cello.com>, <corinthians.com>, <imi.com>, <lottostore.com>, etc.

In every dispute there are counter stories, and where contested with rebutting evidence, the quality of those stories will make a difference. Once narratives are submitted parties are locked into them except where on receiving a response with unforeseen allegations and evidence complainant may request permission to submit a supplemental statement (Chapter 8). Omitting, distorting, ignoring or failing to counter a respondent's narrative may be fatal.

The Panel in one case noted that complainant "supported [its] narrative that the Respondent continually sought to 'entice' the Complainants to buy the disputed domain names, [but there was unacknowledged evidence filled in by the Respondent that Complainants] omitted their own emails of [. . .] enquiring about purchase of the disputed domain names." The Panel in another case found Respondent's story "akin to someone proverbially being caught 'with his hand in the cookie jar' and then trying to create a narrative to argue otherwise." In both instances, parties were undone by false narratives

If respondents default in appearance, or having appeared are silent on the material issues, they are in jeopardy of forfeiting their domain names even against weak marks where panelists may draw inferences favoring complainants' rights. An untold story measured against one that to the Panel appears credible, thus arguably reliable for its unrebutted cogency, supports a negative inference because if the absent registrant had a more convincing story to tell it would have told it.

But where respondents do respond, their task is to create a persuasive narrative, either that have rights or legitimate interests lawful or complainant has failed to prove otherwise (second element) or that complainants have failed to prove conjunctive bad faith (third element). As respondents are custodians of personal knowledge for their own motivations, and as they control their narratives, they are expected to respond to *prima facie* evidence by adducing counter evidence justifying their registrations and conduct.

As an example, in *Lolo, LLC v. Domain Admin, Xedoc Holding SA*, D2022-3621 (WIPO January 23, 2023) (<lolo.com>), the Panel accepted Respondent's explanation that

> the composition of the disputed domain name, consisting of consonant-vowel-consonant-vowel, under the generic Top-Level Domain ("gTLD") ".com", or alternatively "CVCV.com", and asserts that it registered the disputed domain name as part of a long-term investment strategy. The Respondent notes in this regard that there are only 120 possible "CVCV.com" domain names, a number of which are already held by the Respondent, and that they are inherently valuable as rare, four-letter domain names.

Complainant lacked any counterargument to this evidence. It had no IBM-like presence in the market: "Moreover, trademark searches for 'lolo' via the USPTO website or WIPO's Global Brand Database would have returned a substantial number of results for trademark registrations comprising the verbal elements 'lolo', registered by independent entities from a wide range of jurisdictions."

In focusing on narrative and persuasion, I am taking into account a variety of circumstances that if unexpressed (or poorly expressed) will prejudice the presenter's case. It is met in both contested and uncontested cases. In contested *Lolo* the Complainant engaged in abusive conduct by failing to appreciate the availability of public evidence that supported the Respondent's position. And in uncontested *VeriSign Inc. v. VeneSign C.A.*, D2000-0303 (WIPO June 28, 2000) the "Respondent can point to the fact that the domain name equals its company name 'VeneSign C.A.', which could give Respondent rights to the domain."

Without actually framing complaint and response as narratives, the Policy encourages it. Thus, Rule 3(ix) for example advises complainant to "Describe [. . .] the grounds on which the complaint is made including in particular"

> (1) the manner in which the domain name(s) is/are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
>
> (2) why the Respondent (domain-name holder) should be considered as having no rights or legitimate interests in respect of the domain name(s) that is/are the subject of the complaint; and
>
> (3) why the domain name(s) should be considered as having been registered and being used in bad faith.

Implicit in this three-prong list of dos is that complainant must be accompany its narrative with evidence that its statements are verifiably true.

Guidance for respondent's narrative is found in Paragraph 4(c) of the Policy and Rule 5(c). Again, the suggestions focus on "circumstances" and telling a story. Paragraph 4(c) reads:

> 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).

Rule 5(c)(i):

> Respond specifically to the statements and allegations contained in the complaint, and include any and all bases for the Respondent (domain-name holder) to retain registration and use of the disputed domain name.

Respondent could well ask: "How do I do that?"

The answer to the question "how do I do that" cannot be, as the Respondent asserted in *IPF ONLINE LTD v. APPLYING THOUGHT.COM*, AF-0198 (eResolution May 12, 2000) ("IPF 1") (<industrialproductsfinder.com>) that it has "the right [. . .] to ply [its] trade and 'compete' with established businesses by being the first to register a particular domain name." The Panel described Respondent's narrative as a "polemic"

> in which it contends that this proceeding violates "natural human rights" because of some initial clerical confusion over the accurate domain name. The Respondent further essentially defends the right of domain name pirates to ply their trade and "compete" with established businesses by being the first to register a particular domain name.

It concluded: "The response contains other utterly irrelevant observations." Nevertheless, as a cautionary message to complainants, and based on the totality of facts, the Panel dismissed the complaint because Complainant "has not established that it has a legally protectable registered trademark." It held:

> [O]n the present record and in the absence of any allegation or evidence that the Respondent has established a website using the domain name or communicated any intention to sell, rent or transfer the name for an improper consideration, the record fails to sustain a reasonable inference that the Respondent has acquired and is using the domain name in bad faith.

The Panel offered a valuable piece of advice—"in the absence of any allegation or evidence"—because it corrected its deficiency in *IPF* 2 against a subsequent registrant, John Hitfield, AF-0291 in which the claim was sustained. In *IPF* 1 the Complainant's narrative could not sustain its burden, but in the return visit it did.

The Panel's task is to parse narratives and test the evidence for their truth or falsity, and by this logical method determine the outcome of disputes. The Panel's reaction to the pleadings of a well-known, and in its niche famous, mark, it may be recalled from Chapter 2, in which it found Complainant's assertion of bad faith "bizarre" because, it asserted in *haec verba* "the standard articulated in Paragraph 4(b)(iv) of the Policy," *Agfa-Gevaert N.V. v. Pascal Olaf Schubert, Schubert UG*, D2020-1413 (WIPO July 27, 2020) (<agfatype.com>). Despite the admonition, though, the Panel granted the complaint because no amount of counter narrative could overcome the distinctiveness of the mark without a cogent explanation for registering the disputed domain name.

In the world of cybersquatting narratives may be varied in detail, and no two exactly alike, although in whole or in part they generally conform to stock factual patterns. The ±95% of cases fit this pattern. When they do not, which is sometimes the case—when something new is added, a nuance perhaps, or an entirely unexpected subset of facts not previously seen is presented—that new pattern and its outcome are then added to the stock and incorporated in the knowledge base, resulting in incremental enlargement to settled law. This is more likely to describe the minority of disputes in which respondents are exonerated.

NARRATIVES AND THE LAW

In suggesting that pleadings should contain well-crafted narratives, I am not suggesting that stories alone are ever conclusive in establishing or upending a claim, but a badly crafted narrative will surely undermine a party's credibility. The internal demand of narrative is coherence: it persuades when it makes logical sense and the more sense it makes the more credible the speaker is; and the reverse when it is not.

The Panel found Respondent credible in *BYLT Performance LLC v. Grant Vollmer, BYLT*, D2019-1851 (WIPO October 14, 2019) (<byltbasics.com>):

> On the available record, the Panel finds the Respondent's account credible, that it was unaware of the Complainant's recent trademark registration when the Respondent started a business in an unrelated field and had its own legitimate reasons for selecting the company name and corresponding Domain Name. Consequently, the Panel concludes that the Respondent prevails on the third element of the Complaint, as well as on the second element of the Complaint.")

And in *Altron Limited, Altron TMT Limited v. ALTRON LIMITED DOOEL export-import Skopje*, D2022-4163 (WIPO February 26, 2023) (<altron.ltd>) the Complainant presented a *prima facie* narrative of cybersquatting, but the Respondent countered with an equally credible rebuttal.

Two consecutive observations stand out in *Altron*:

> [W]hile the Panel accepts that the mark ALTRON is a coined term which may well have been devised by the Complainant's predecessor, the Panel does not find the Complainant's use of the name to be so notorious or so distinctive that

> the Respondent must be assumed to have registered the disputed domain name (or its business) with the Complainant's trademark in mind.

This is because

> [t]he Respondent has offered an explanation for its choice of the disputed domain name, the veracity of which it is beyond the scope of the UDRP further to investigate.

This did not end the analysis:

> The Panel has also considered whether there are grounds to find that the Respondent, even if commonly known by the disputed domain name, is in fact a "sham" company which was created merely as pretext for abusively registering the disputed domain name. That is not a conclusion which the Panel is able to reach, on the evidence presented to it by the Parties.

In other words, the Complainant lacked any ultimate proof on the second and third elements of the Policy and its narrative was credibly countered.

To tell a good story is to amuse; but in a dispute-context one or the other disputant prevails not because it amuses (although it can also do that), but the story a party tells is reliable and persuasive because the proffered evidence establishes the truth of its contentions. It is reliable because it is complete; and if incomplete, it is unreliable.

For a significant percentage of cases, though, panelists only have a one-sided narrative, either because respondents frequently fail to appear, or if they do their responses are incoherent. While non-appearance is not conclusive of bad faith, the absence of a narrative can itself tell a story, or if the respondent does appear the story it tells may not be convincing in light of the distinctiveness of the corresponding mark and its reputation in the market or markets it serves.

Contending Narratives

Introducing Oneself

The narrator always has a presence in its narration. It must introduce itself: Here is who I am? The *Altron* Respondent made a good impression by responding to a Procedural Order with a full explanation together with documentary evidence of its legitimate interest in the disputed domain name. In *BinckBank N.V. v. Silue Tiessolikaabdoul*, D2011-1980 (WIPO December 29, 2011), for example, the "Complainant was given ample opportunity to provide such evidence [in response to a Procedural Order], but did not use it; as a result, it has to bear the consequences of its own action (or inaction) in that regard."

When we talk about narratives and counter-narratives it is always having in mind the persuasiveness of the presentation and this begins with the patient development of contention and proof. Panels begin their UDRP determinations by parsing contending narratives, or in the case of default, from inferences that can reasonably be drawn from the evidence submitted, the strength or weakness of the mark, and respondent's silence. These basic ingredients are present in every dispute, yet it may not strike parties that failing to tell their stories effectively is likely to negatively affect their claims and defenses.

All assessments of narratives begin with questions that are expected to be answered in the submissions: Who are you? Is the mark famous or well-known? And if neither, What reputation does it have in the market or niche? Is its mark common to the community of speakers: generic, descriptive, one of a kind, an acronym, etc?

And similarly for respondents: What is the reason for acquiring this domain name that corresponds to complainant's mark which is famous or well-known? Is its use consistent with the semantic meaning of the name? Is there any conceivable use that would not be infringing of complainant's mark? Generally, the answers are obvious from the record, but as the matrix of facts grows denser failure to address the questions or pass the various tests that have been established will be insufficient to support the desired outcome.

In *Pfizer Inc v. Deep Soni and Ashok Soni*, D2000-0782 (WIPO August 29, 2000) (<pfizerindia.com>) the Panel questioned the integrity of the Respondent co-opting a famous name and its "unsubstantiated narrative":

> Respondents do not provide any evidence to support their version of their motivations for registering the disputed domain name. While it is uncertain whether Respondents wanted, as Complainant alleges, to sell the disputed domain name back to Complainant, this Panel still is highly skeptical regarding Respondents' unsubstantiated narrative.

This skepticism elicits the following question:

> Why would a charitable foundation seek a registration in the international top level domain for commercial entities? More importantly, even if the Panel accepts as true Respondents' version of how it came to register the disputed domain name, this Panel still can not agree that this charitable foundation is an acceptable reason for their registering the famous trademark "pfizer" in the top-level commercial domain.

In *World Wrestling Federation Entertainment, Inc. v. Ringside Collectibles*, D2000-1306 (WIPO February 5, 2002) (<wwfauction.com>) Respondent's narrative is that "[I have] the right to use WWF marks to promote and advertise [my auction] business because [I am] selling legitimate WWF goods." And further: "[my] wwfauction.com site existed before Complainant unveiled its 'WWF AUCTION' site at auction.wwf.com." But this conflicts with Complainant's narrative which is that Respondent has appropriated its well-known mark to benefit from its goodwill by attracting Internet users who would not otherwise visit the website.

In other cases the assessment revolves around complainant's pleading, whether it is complete or insufficient to support its contentions. In *Worldcom Exchange, Inc v. Wei.com, Inc.*, D2004-0955 (WIPO January 5, 2005) (<wei.com>) the Panel explained that it "would have been helpful to see more detailed evidence about the level of activity on the website, such as number of hits, number of customers with special access etc." In this case, though, "the narrative evidence, supported by exhibits, is adequate to support the Panel's conclusion that the Complainant has common law rights in the service mark and domain name."

While "adequate" is sufficient to proceed, more is expected as the Panel explains in *Anachusa Ltd. v. Ashantiplc Limited / Ashantiplc Ltd.*, D2011-0005 (WIPO March 8, 2011) (<pokersrategy.com> and four others). Complainant

> begins its narrative with several documents filed in Germany in February 2006. The earliest hint of any mere allegation of use by the Complainant, let alone possession of an issued registration, is in its United States trade mark No. 3297648.

But this "was filed years after registration of the disputed domain name." Moreover, the narrative

> does not even claim to have been used as a mark by the Complainant until long after registration and use of the disputed domain names by the Respondent,

And further, the mark

> consists of a compound [. . .] and bears the prominent disclaimer that no claim is made as to the exclusive right to use "poker strategy" except as shown.

"[Slant[ing] factual assertions in the complaint to Complainant's preferred narrative" is no more than "one expects in a pleading," but the problem in *Australian Broadcasting Corporation v. Hussein Elburai*, D2019-1181 (WIPO July 11, 2019) (<abc.com>) is that

> [t]he Complaint fails on the third element. [. . .] [H]ere, there is little if any basis to conclude that the Respondent had the Complainant's ABC mark in mind when registering the Domain Name.

Respondent "asserts that Complainant has no right to monopolize the letters ABC," and the Panel agreed: "[I]t is common knowledge that the world is full of businesses trading under the name and/or with the mark ABC."

The Panel is pointing out a pleading and narrative defect: it is incomplete in that it highlights Complainant's rights without "describ[ing] why the Respondent [. . .] should be considered as having no rights or legitimate interests" in the disputed domain name (Rule 3(ix)(2)). There is missing narrative: "Yes, but what more can you tell me about a respondent who registers a particularly common string of letters

(“ABC”) to take advantage of complainant’s particularly weak mark?” (Interjection by the author).

The Panel found a similar defect in Respondent’s response in *iFixit v. Sarkes Mkrdichian, iFixitUSA / Sarkes Mkrdichian, Combine Performance & Sarkes Mkrdichian Golf*, D2021-0381 (WIPO May 2, 2021) (IFIXIT and <ifixitusabusiness.com> and <ifixitusa.com>): “[S]etting out the facts, allegations, and arguments in a single narrative was, in this unusual case, the clearest manner by which to tee up the issues to be decided.” However,

> The Panel has difficulty accepting [Respondent’s] statement [of being unaware of Complainant]. First, as noted above in the “Consolidation” discussion, Respondent’s credibility is in some doubt. Second, Complainant has provided a fair amount of evidence of its renown, as of August 2016, for offering computer and device repair tools and manuals under the IFIXIT mark.

The Panel concluded that “it strikes [it] as unlikely that someone in Respondent’s position,”

> i.e., a party about to go into the business of selling computers (and, later, repairing computers), would be unaware of Complainant’s trademark in the same field.

The reasoning must be: if respondent had any rights or legitimate interests, it would surely present them. This dispute has been “appealed”[1] in an ACPA action but the facts of record are unlikely to impress a federal judge as the narrative and evidence alleged to support the claim is not persuasive.

It us essential that parties’ narratives be consistent with their proof. In *Lyca Productions Private Limited v. Louis Caous*, D2021-3544 (WIPO December 20, 2021) (<lycaproductions.com>):

> The Panel finds that the Respondent’s conduct with respect to the Domain Name and the other “lyca” formative domain names is more consistent with the Respondent’s explanation of original intentions and changed business plans, as opposed to the Complainant’s narrative.

Or, complainant is unreliable in other ways, such as exaggerating or inventing facts. If complainant’s presentation is unpersuasive, relies on supposition rather than facts, overstates or misstates the evidence, or is unreliable in other ways, the complaint will be denied. This, of course, is no less true with respondent’s rebuttal if it appears with an indifferent pleading that fails to connect the dots of its defense.

In *APT Advanced Polymer Technology Corp. v. Sean McGinty*, D2022-2809 (WIPO November 7, 2022): “At best, this case is akin to someone proverbially

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1 Not really an appeal but a “de novo” action challenging the UDRP award.

being caught 'with his hand in the cookie jar' and then trying to create a narrative to argue otherwise." Where proof *prima facie* demonstrates bad faith, the absence of narrative plus proof to the contrary cannot support a good faith defense.

The key to narrative making is marshaling, organizing and selecting evidence presented in such a fashion that the intended reader, the Panel, is put into possession of the facts and given what it needs to find in a party's favor (or the reverse). If one party tells a good story supported by evidence sufficient in weight to reliably convey its argument and the other party has no story to tell and no evidence to support its contentions (or is silent) the former must prevail.

The elementary instruction in these decisions underscores the basics by pointing out why a party's narrative succeeds; and when and why it does not. Organization is clearly paramount: 1) facts have to be both orderly and supported by proof; 2) material facts have to be presented clearly; and 3) the inferences parties urge Panels to draw from the narrative must make logical sense in light of the direct and indirect proof adduced.

Convincing and Unconvincing Stories

It must be clear that consistency and coherence of narrative and voice reinforced (or undermined) by evidence are significant factors in contributing to the outcome; as is silence or omission of evidence. Complainants claiming infringement under the Policy where their rights postdate the registrations of the disputed domain names illustrate maximum incoherence as it assumes a right that by law does not exist. But so too for respondents where they misstate facts or fail to support contentions in their rebuttal.

The facts together must be convincing; that the component parts are credible in light of the totality of evidence presented in the record. That any one part may be documented is not sufficient if in another part it is contradicted, or in response to a respondent's evidence, the story adjusts by alleging new facts which shift the burden back to complainant.

Complainant's Narrative

Inconsistencies create incoherence. Thus, in *Martin Stevens d/b/a Forum Publishing v. forumpublishing.com / NULL NULL*, FA1112001418982 (Forum January 25, 2012) (<forumpublishing.com>) the Panel noted that

> Complainant asserts that the disputed domain name resolves to a website which is under construction but states that it will eventually offer copyrights and other CD based software publications. Additionally, the disputed domain name allegedly causes downloading of malicious software. However, Complainant fails to submit any evidence which corroborates this claim.

Nor does it make for coherence that a complainant changes its story from the complaint to Supplementary Submission as the Complainant did in *Chandler Horsley v. Fundacion Private Whois / Domain Administrator*, FA1305001497825 (Forum June 12, 2013) (<degreesearch.com>)

> This Panel, emphasizes on the contradictions found between the Complaint and the Additional Submission to the Complaint, where Complainant adapts Complainant's services identified with the alleged trademark DEGREESEARCH.ORG, from "school matching services, online directory of schools and tools, information and resources for assisting with the school selection process" to "lead generation service" as to fit the new arguments set forth in the Additional Submission to counter arguments in the Response. This conduct shows lack of seriousness from Complainant and is not sponsored by the Panel.

In *Michael Jastremski v. Jaisen Mathai*, DME2014-0006 (WIPO November 10, 2014) Complainant is not in command of the facts and resorts to a pleading formula familiar in trial practice but foreign in UDRP practice:

> The Complainant argues 'on information and belief' that the Respondent had prior knowledge of the Complainant's mark and so registered the Domain Name with the intent to disrupt and mislead.

However,

> Assertions 'on information and belief' are not helpful in the context of a UDRP proceeding. 'Information and belief' is a formula that is common in 'notice pleading' at the commencement of legal actions in the United States. It is designed only to put opposing parties on notice of the claims and defenses to be asserted and tested in the course of the proceeding.

Nor is it helpful to invent or enhance one's rights. In *Agencias Universales S.A. v. Perfect Privacy / Jeff Williams*, D2020-0811 (WIPO June 22, 2020) (<gen.com>), the Panel stated that Complainant "should have appreciated the level of evidence necessary to prove under the UDRP." Its narrative was a fiction:

> Instead, the Complainant came up with a number of contrived arguments which fell far short of constituting bad faith, including an assertion that, of itself, use of the name "GEN" by the Complainant's group with its alleged worldwide presence reinforced the Complainant's right to own the disputed domain name with its "important" .com suffix.

As complainants' narratives become more incoherent and correspondingly less convincing, and/or respondent's rebuttal and proof more persuasive if they are called upon to rebut contentions, the question of rights shifts in respondent's favor. In *TranScrip Partners LLP, TranScrip Limited v. Abstract Holdings International Ltd, Domain Admin*, D2021-2220 (WIPO September 27, 2021) (<transcrip.com>): "Without belaboring the point, the Panel concludes that, if Complainant had any viable common law trademark rights prior to 2014, Complainant utterly failed to introduce evidence of such rights in this proceeding."

These deficiencies of narrative are illustrated further in *JHO Intellectual Property Holdings, LLC, Elite IP Holdings LLC v. Mahad Taheri*, D2020-3504 (WIPO February 16, 2021) (<noo.com>) in which the "Panel observes that Complainants' trademarks date from the year 2020, which is approximately 15 years after Respondent purchased the Domain Name in 2005. [. . .] This evidence indicates that Respondent did not target Complainants' NOO marks when purchasing the Domain Name in 2005."

Where an allegation is made without documentary evidence, a negative inference will be drawn against that party and it will be assumed the evidence is missing because it does not exist. This inference was drawn in *Brickworks Building Products Pty Ltd. v. Brickworks LLC.*, FA2106001951356 (Forum August 16, 2021) (<brickworks.com>). The Panel notes that "[a]lthough Complainant alleged first use in commerce as 1934 it failed to offer supporting evidence." A significant factor in drawing this inference, though, is that the mark is essentially a descriptive phrase.

In *Nextbite Brands, LLC v. Nextbite LLC, Nextbite General Trading Company*, D2021-3114 (WIPO December 10, 2021) (<nextbite.com>), the Complainant failed to anticipate the strength of the Respondent's defense, although it was clear what it would be:

> Complainant has placed in evidence its correspondence in September 2020 with a broker it instructed at Godaddy when it attempted to purchase the Disputed Domain Name [following rebranding of its business].

The Panel points out that this

> shows the Complainant instructing the broker to make a series of increasing offers (culminating in an offer of USD 100,000) on behalf of the Complainant.

But:

> At no point in this correspondence is there any suggestion by the Complainant that it has any prior rights to the Disputed Domain Name or that there is anything wrong with the Respondent's ownership of it.

Instead of withdrawing the complaint, the Complaint added further unsustainable allegations:

> Faced with a Response which clearly set out the Respondent's case and which would, if correct, be likely to succeed, the Complainant then sought to deal with the problems with its case by making allegations of forgery and fraud.

And in *Zydus Lifesciences Ltd. (formerly known as Cadila Healthcare Ltd.) v. Jewella Privacy LLC / DNS, Domain Privacy LTD.*, D2022-0880 (WIPO

June 24, 2022) (<Zydus.com>) the Panel criticized Complainant for placing into evidence "a very large volume of material without highlighting what within that material is of particular relevance. [. . .] [Its] sheer volume [. . .] without a proper referencing to indicate the key parts of this material, tended to obfuscate matters in a manner the Panel found unhelpful."

Respondent's Narrative

Credible and Unacceptable Stories

In their responses to complainants' presumptive proof of cybersquatting the stories respondents are expected to tell, and the proof that accompanies them must be both credible and persuasive. By way of illustration, the Respondent in *Monster.com (India) Private Limited v. NVS Consultants Pvt Ltd.*, D2009-1222 (WIPO December 23, 2009) misstated as a material fact that it possessed a trademark in the disputed domain name, but was compelled to qualify this claim in responding to a procedural order:

> It is unfortunate that the Respondent in its reply to the Complaint stated that its trademark JOBSAHEAD.NET was registered in Class 42. The Panelist wanted to verify this fact and upon verification, it learned that the Respondent's mark was only pending registration. [. . .] This may not necessarily have been a deliberate concealment, but nonetheless does damage to the Respondent's credibility, as in a suitable case, the panelist may have acted erroneously on this representation.

And in *Datapath Limited v. Naveed Ahmad*, D2018-2362 (WIPO February 15, 2019) (<datapath.net>) the Respondent argued that "Owning a trademark in one location should not be considered a license to kill other online businesses in other parts of the world," but the Panel pointed out that registering a domain name corresponding to Complaint does not cure infringement:.

> Respondent is incorrect in thinking that owning a trademark "in one location" should not permit the trademark owner from prohibiting infringing uses of its mark in a domain name by others in other parts of the world. Other indicia of bad faith use here are the facts that: (1) Respondent admits it has requested USD 20,000 to transfer the Domain Name . . . .

In contrast to these stories, Respondent in *CitiusTech Healthcare Technology Private Limited v. Anthony Moussa, Moo Companies, Inc.*, D2022-3813 (WIPO November 22, 2022) (<citus.com>) (although it did not formally appear) submitted emails copiously explaining why it chose the disputed domain name. To the Panel, Respondent's narrative was logically consistent with the facts and of its business:

> Various facts are relevant to the Panel's determination. First, "citus" and "citius" are not the same word [the first means "quick" in Latin and the second means "faster"] [. . .]
>
> Fifth, and in part because of the prior four factors, Respondent's explanation why he registered the Domain Name strikes the Panel as plausible. [. . .] [Moreover,] [t]he Panel cannot find any holes in Respondent's story, and cannot find any internally inconsistent statements that could otherwise undermine Respondent's credibility."

In terms of "holes in the story," the opposite is true in *Ampol Management Services Pte. Ltd. v. Australia Online*, D2022-3942 (WIPO January 5, 2023) (<ampol.com>):

> What the Panel finds remarkable about the Respondent's submissions, however, is that nowhere in its detailed Response does it provide any explanation for its choice of the disputed domain name, how the disputed domain name may have been relevant to the purpose of document depository, or how the disputed domain name may be relevant to its future business plans.

Where respondents appear and argue, the record is generally fleshed out with competing narratives as we have seen, but where respondents are silent or evasive (which itself is a form of narrative), their silences are more likely to be read against them (which would likely have been the fate in *CitiusTech Healthcare Technology* without Respondent's explanations). In this respect, inferences can be conclusive (even if in error) where the evidence supporting a possible defense is absent from the record.

Laundering Past Infringement

Caught red-handed for infringing use, respondents have responded by making post-notice changes to their websites in the belief that the past can be redacted by correcting their infringements. I discussed this issue in Chapter 12 in relation to cease and desist notices. Here, I want to focus on use and website changes upon service of the complaint to assess the narratives that inculpate bad faith or support good faith.

The consensus view is that no correction of course from infringing content or use can meet the conditions of subparagraph 4(c)(i) or 4(c)(iii) of the Policy or rebut presumptive evidence of bad faith. Thus, in *Ciccone, p/k/a Madonna v. Parisi and "Madonna.com"*, D2000-0847 (WIPO October 12, 2000): "The web site featured sexually explicit photographs and text, and contained a notice stating 'Madonna.com is not affiliated or endorsed by the Catholic Church, Madonna College, Madonna Hospital or Madonna the singer.' By March 4, 1999, it appears that Respondent removed the explicit sexual content from the web site."

In *IslandAir, Inc. v. Flanders*, FA0011000096098 (Forum February 8, 2001) the 3-member Panel concluded: "[M]aking changes to a web site after notice of a dispute may negate a finding of rights or legitimate interest." And in *MB Financial Bank, N.A. v. MBBANK*, FA0602000644517 (Forum April 4, 2006), the Pane found that "the proper record for review of this dispute should be based on the website at the Domain Name as it existed on the date the Complaint was filed, not on the post hoc website that the Respondent created after the fact."

"[T]he intent of paragraph 4(c)(i) of the Policy is that action taken after notice of the dispute cannot, of itself, evidence a right or legitimate interest in the disputed domain name," *Vitacost.com, Inc., v. Ronald Lee Bradley*, DAU2012-0003 (WIPO April 2, 2012); and in *Freshfields Bruckhaus Deringer LLP, Freshfields International Limited v. Eric Rabkin*, D2010-1870 (WIPO December 22, 2010) (changes following a cease and desist notice discussed in Chapter 12) the Respondent's altered use is irrelevant to determining if respondent has rights and legitimate interest.

The Respondent in *Nintendo of America Inc. v. Sebastian Pozzi*, FA2302002030700 (Forum March 27, 2023) (<cpokemon.com>)

> admits that the website to which the Disputed Domain Name resolves has been used to engage in online piracy. He nevertheless maintains that he now is making a fair use of the Disputed Domain Name for a news site for Pokémon fans, and that the Panel should therefore disregard his prior facilitation of illegitimate activity.

The Panel rejected Respondent's *mea culpa* narrative: "Those arguments are without merit. The Respondent cannot launder his prior illegitimate use of the Disputed Domain Name by reforming his ways and converting all of his use to an alleged fair use."

MARSHALING PROOF

Establishing Contentions

Hierarchy of Evidence

Except in the most obvious cases of cybersquatting (or where in pre-complaint communications respondents inform complainants of their rights or legitimate interests and complainants proceed with their complaints anyway[2]), complainants go into UDRP proceedings blind as to respondent's motivation or exonerating facts with little if any (or no) direct evidence of its purpose except what can be deduced from the Internet and use of the disputed domain name.

Where does evidence come from? The Wayback Machine is a valuable resource that has been referenced in numerous cases and given judicial notice. In an early decision, *The Prudential Insurance Company of America v. PRU International*, FA0111000101800 (Forum January 18, 2002) (<pru.com>) the Panel reminded Complainant in dismissing its complaint that "copies of [Respondent's] active web page that Respondent submitted, one can consult the Wayback Machine archives at http://www.archive.org which show active web pages on Dec. 5, 1998, Feb. 8, 1999, June 17 and Dec. 15, 2000, and May 16, 2001."[3]

Although there may a genuine vacuum of evidence, there are a variety of online resources that the complainants are expected to search and their failure to do so undermines their claims. In *Mind Gym plc v. Intuition Publishing Limited*, D2022-3598 (WIPO November 23, 2022) (<mindgym.com>)the complaint, the Panel notes that "screenshots of the website associated with the Domain Name available from the Internet Archive's Wayback Machine do not show redirection to the Respondent's website until late 2011." The disputed domain name predated the first use of the mark in commence.

There is a hierarchy of evidence for proving contentions for and against cybersquatting, with direct evidence at the top. This includes testimonial statements by respondent either in the form of a declaration, or (as in *CitiusTech Healthcare Technology* cited above) directly by Respondent certifying on personal knowledge to the facts.[4]) In the middle, there is circumstantial or indirect evidence culled from the record that yields positive or negative inferences. And at the bottom there is conjecture or suspicion of a wrong, which is not evidence at all. The question is, What must be marshaled to persuade a Panel to accept one narrative and reject the other?

Alleging that a respondent registered and is using a disputed domain name in bad faith demands an answer to: "What proof do you, complainant, have that supports the contention that given this particular lexical choice respondent is liable for cybersquatting and must forfeit the disputed domain name?" When there is no answer complainant must fail of its expectation of a remedy. For respondent, the

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2 Example: *Candy Cloud IP LLC v. Mike Morgan*, D2022-3368 (WIPO November 14, 2022) (<candycloud.com>): "[T]the Respondent pointed out to the Complainant, in correspondence before the Complaint was filed, that the disputed domain name predated the asserted trademark. Nonetheless, the Complainant persisted.

3 Respondent subsequently sold <pru.com> to a foreign investor and Complainant first commenced then discontinued a UDRP proceeding in favor of an ACPA action. The matter is discussed in Chapter 19, "In Rem Jurisdiction."

4 See *United Services Automobile Association v. Harris Claims Service*, FA2208002007801 (Forum September 27, 2022) (<usaainsuranceadjusting.com>). Author was the Panel on this case.

first question, if it is called upon to answer the *prima facie* showing is: "Why is that evidence not conclusive that you have no rights or legitimate interests and registered and are using the disputed domain name in bad faith?"

The Respondent in *Bold Limited v. Toni Georgiev / Outsourcing International Ltd*, FA1709001749693 (Forum November 3, 2017) (<myresume-now.com>) "is in the same line of business as Complainant [. . .] [so] the question of its actual awareness of Complainant and its marks naturally arises." But there is no evidence that "Complainant's marks are [. . .] famous to a general audience." The Panel suggested what the missing narrative could have been:

> Certainly, Complainant's marks are not famous to a general audience, but considering that Respondent is in the same line of business as Complainant, the question of its actual awareness of Complainant and its marks naturally arises. Nevertheless, Complainant has the burden of proof, and it submitted no evidence of its standing or presence in the online resume market. It might have provided data about its marketing, advertising, gross receipts, hit rates on its web site, or any other factors that might tend to demonstrate a notable, well-known presence in this field of endeavor, but it did not.

Complainant "might" have but did not produce any evidence supporting reputation such that its mark would be known to Respondent.

Similarly in *ProjectPay Pty Ltd. v. Rohit Sur*, D2022-2900 (WIPO October 17, 2022) (<projectpay.com>):

> The Panel finds that the Complainant in fact knew or at least should have known at the time that it filed the Complaint that it could not prove one of the essential elements required by the UDRP, namely, it is very clear that the Respondent registered the Domain Name many years before the Complainant came into existence, filed and registered the Trademark.

Facts that can be researched must be for a plausible argument of cybersquatting, but on presenting a *prima facie* case, any facts that would rebut complainant's contentions can only come from the respondent. The Panel in *Global Car Group Pte Ltd., Cars24 Services Private Limited v. Scott Simmons, ilearnProject*, D2022-0445 (WIPO April 6, 2022) (Respondent failed to appear) (<cars24.biz>) concluded

> There is no plausible reason for the registration and use of the disputed domain name other than the ulterior motive of gaining revenue through redirections and sale.

In other cases there can be plausibility even if the domain name corresponds to the mark as previously mentioned. "Given the notoriety of the Complainants' mark, had any such claim been made, the Panel would have been unlikely to have accepted it in the circumstances of the present case." For this reason, "[t]he Panel infers no plausible reason from the absence of any evidence to the contrary and of course that the domain name is identical to the mark."

In contrast, Complainant in *Dr. Frank Lipman, Be Well Health & Wellness, LLC v. Be Well by Dr. Frank Lipman Company, Be Well by Dr. Frank Lipman Media, Brett Sandman Sandman*, D2022-0753 (WIPO April 30, 2022) failed to explain why Respondent could be liable for cybersquatting when it appeared that its trademark postdated the registration of the domain name. There was clearly something missing from Complainant's presentation. Because the Panel

> suspects that there is more to this story than what has been submitted, as it looks like there may have been an update in the disputed domain name information in 2021 [. . .] the Panel denies the Complaint, based on the evidence provided, [but] does so without prejudice and with a limited leave to refile should Complainant be able to provide genuine evidence of prior common law rights in the Dr. Frank Lipman name and mark or proof of a change in the ownership in the disputed domain name since its original registration on March 23, 2011.

Complainant is expected to show every link in its chain of argument. There must be a cohesive narrative, but in the absence of this evidence, the Panel dismissed the complaint.[5]

Not infrequently facts that would settle an issue are omitted from the pleading as was the case in *Bold Limited*. A reasonable inference from absence (which is also a form of silence) is that complainant can adduce no evidence to support its claim. This is not because the evidence may not exist (Panels cannot speculate on that) but because if it does exist it has not been marshaled, as for example in establishing common law rights as a basis for standing to maintain a proceeding, or by omitting any reasonable explanation for acquiring a domain name, an omission which suggests an unlawful purpose.

Complainants either succeed or fail on each successive limb. Where the burden shifts, the respondent is expected to explain its registration of the disputed domain name. Thus in *Jaber Media Corporation Inc. v. Ahmad Mahameed*, D2021-2971 (WIPO November 5, 2021) involving <panet.com>, the Panel pointed out that where the burden shifts, it is the respondent who must come forward:

> The problem for the Respondent in its attempt to make out a case of this nature on the present record is that, beyond the holding page published after it acquired the disputed domain name, which itself described forthcoming similarities to the Complainant's site sufficient to call into question whether it

5 The Panel did not use the Rule 12 mechanism to order an explanation but invited Complainant to refile to fill in the apparent gap of evidence. However, Complainant did not do so within the time allowed.

> could be said to be bona fide and noninfringing, it has provided no evidence whatsoever of preparations to operate a bona fide noninfringing site.

These deficiencies of proof that I am illustrating indicate narrative incoherence. Either complainant with its contentions and evidence (or what it may omit) and respondent in arguing in defense of its registration of the disputed doman name, will suffer the consequences.

Credibility (Reliability of Evidence)

Evidence must be reliable to be accepted as proof of a proposition, and that reliability is measured against its content. UDRP Rules do not include any guidance on reliability, but in addressing the four Rule 10(d) tests—"admissibility, relevance, materiality and weight"—credibility and its antithesis, incredulity, are a principal test that ultimately determines the outcome.

So we find in one case that "unsubstantiated and self-serving statements in an informal email" are unacceptable where "the evidence before the Panel that Respondent registered and used the disputed domain name opportunistically [. . .] is likely to be seen as connected to Complainant." And in another case "[t]here is indeed nothing in the case to support a conclusion that in 2009 the Respondent might have anticipated that the Complainants would eventually start a business under the [given] trademark several years later." The evidence offered in both narratives are incredible as a matter of law.

The greater "weight" lodges with narratives that are logically consistent with the transaction of everyday affairs. The reader will recall an earlier observation that the addition of a geographical term is "only the mark with a geographic term." For example, in *Critter Control, Inc. v. Lori DeMoor*, D2023-0838 (WIPO June 2, 2023) the 3-member Panel held that the addition of "Orlando" to an otherwise descriptive mark, CRITTER CONTROL is a key (even though "not determinative") to the infringement:

> Importantly, the disputed domain name is comprised of not only "critter control," but also "Orlando." While not determinative, the adding "Orlando," suggests the "critter control" modifies an entity that exists at a location, rather than a type of service. The inclusion of a geographic term following a trademark often has been found to suggest that the domain name is affiliated with a local affiliate of the trademark owner.

Citing earlier UDRP authority quoting US law, the Panel continued:

> Importantly, the disputed domain name is comprised of not only "critter control," but also "Orlando." While not determinative, the adding "Orlando," suggests the "critter control" modifies an entity that exists at a location, rather than a type of service. The inclusion of a geographic term following a trademark

> often has been found to suggest that the domain name is affiliated with a local affiliate of the trademark owner.

The Respondent's narrative is undermined and not credible because it is a local Orlando business that competes with Complainant which provides a nation-wide service.

Complainant's mark is a descriptive phrase CRITTER CONTROL. The mark (<crittercontrolorlando.com>) Where the can an assertion of a contrary fact undermine it what is being offered? It cannot be contentions or allegations alone, although it could be a declaration on personal knowledge of the facts if the parties have interacted with each other prior the the UDRP proceeding.

These conclusions are consistent with early cases testing parties' credibility. For example, the Panel in *InfoSpace.com, Inc. v. Tenenbaum Ofer*, D2000-0075 (WIPO April 24, 2000) (<info-space.com>) issued a Procedural Order:

> The purpose [of which] was to give Respondent an additional ten days to submit evidence in support of its claim that it registered the <info-space.com> domain name with a legitimate interest in developing a non-commercial site for use by family members to remain in contact while traveling.

But Respondent "failed to follow through with its offer to provide legal proof that it [. . .] registered the domain name in good faith [. . .] to use the name for a non-commercial family intranet site." Had it

> presented any of the evidence it claimed it had, perhaps my conclusion would be different, but Respondent's unsupported and unverified argument is inadequate when weighed against the factual support presented by Complainant.

The underlying legal principle applies regardless of party. The Panel in *Imperial College of Science, Technology and Medicine v. Zahid Khan (for Imperial College Management School Alumni Association - ICMSAA)*, D2000-1079 (WIPO November 16, 2000) (<imperialcollege.com>)

> The nonsensical distortions of meaning presented on behalf of the Complainant in its submissions on the issue of bad faith use, in particular, add nothing to the credibility of the Complainant's case in this regard. What the Complainant expected to gain from such manifestly absurd contentions as "non-use of the domain name amounts to bad faith use" [sic], is difficult to imagine.

The Panel's derision stems from the submission from the Complainant's representatives (a law firm established in the Inns of Court), but reflects the high expectations to support a claim. In this particular case, though, the Panel granted the complaint based on sufficient evidence that the registration and use of the disputed domain name was in bad faith.

Either strategically of by inattention, misstating or concealing facts undermines credibility, as explained by the 3-member Panel in *ACE Limited v. WebMagic Ventures, LLC*, FA0802001143448 (Forum April 8, 2008) (<ace.us>):

> Pre-dispute communications between Complainant and Respondent are highly relevant, and concealment of such communications by Complainant erodes Complainant's credibility. In this case, Complainant has concealed from this Panel the many communications that it had with Respondent in the weeks and months prior to the filing of this Complaint.

The outcome of these cases centers on credibility. Is the party with the burden of proof or production telling a credible story? The Respondent in *Chopard International SA v. Patrick Lam*, D2015-1277 (WIPO September 21, 2015) (<happydiamonds.com>) is not using the disputed domain name for any bona fide purpose but seeks protection for "demonstrable preparations" which has a higher requirement for proof since it looks to the future rather than the present. However:

> it has not provided any evidence about the business other than an intention (supposedly ongoing for the last 12 years) to develop it at some indeterminate time in the future. For example, the Respondent has not provided a business plan or any evidence regarding potential partners, the proposed technology or how it would function, how the business would be financed, a timetable, a draft website, or indeed, an explanation of the delay in developing the business or a website since 2002.

Instead of focusing on evidence of bad faith, Complainant's narrative in *Gainvest Legal Corporation v. John Sozanski, Gainvest, LLC.*, D2020-2958 (WIPO December 22, 2020) (<gainvest.com>) focused on accusations:

> [T]he accumulation of frivolous arguments, including those noted above ['a series of utterly frivolous allegations along the way.'] For instance, Complainant asserts, with no argument or evidence, that Respondent's 'primary purpose' vis-à-vis the Domain Name was to disrupt Complainant's business. Complainant also chides Respondent for registering the Domain Name in 1999 but failing to adopt a corresponding business name until 2008. This argument misses the vital point that Complainant itself did not exist and was not using GAINVEST as a trademark for another 11 years after 2008.

There is also an "ero[sian]" of credibility where complainant fails to "put in [. . .] documentary evidence regarding its activities or actual use of its claimed marks [at an earlier time]," *Chevra Hatzalah Inc. v. Registration Private, Domains By Proxy, LLC / Susan Green, Marketing Specialty*, D2021-0524 (WIPO April 28, 2021) (<hatzolah.org>). Given these deficiencies of proof "the Panel is faced with the difficulty of assessing credibility of the Parties and bad faith registration based on what evidence has been submitted." The credibility in this case supported Respondent's narrative.

The Panel in *Gibson Brands, Inc. v. Domain Administrator, AssuredPartners Inc.*, D2022-2678 (WIPO September 29, 2022) had this to say about the Complainant

> First, Complainant asserts, with absolutely no proof, that its TOBIAS mark is "famous." That sort of bald assertion is, in this case, an overreach, and it undermines Complainant's credibility from the outset.

But otherwise, as previously seen in the *Citius* case discussed earlier, the manner in which Respondent established its credibility by explaining in its email submission (speaking with personal knowledge of the facts) the background and reasons for its registration of the disputed domain name.

PARSING CONTENDING NARRATIVES

Unlawful versus Lawful Registration of Disputed Domain Name

Embedded in the Complainant's narrative in *J. Crew International, Inc. v. crew.com*, D2000-0054 (WIPO April 20, 2000), a case I have spoken about before and will again in Chapter 18, is a concept that arbitraging domain names for speculative purposes, even dictionary word names such as "crew" that it could not possibly own, is actionable. Speculation or risk taking, though, is not *per se* proof of bad faith and, indeed, is a much admired business model.

The Panel majority in *J. Crew* agreed with the Complainant that where the acquisition "prevents the trademark holder from having a domain name that corresponds to its registered mark" it registered and is using the name in bad faith. The Panel majority's erroneously view supports the notion that mark owners have the right to prevent others from registering dictionary word even where in its naked form it can have many other associations distinct from a particular rights holder's goodwill. J. Crew owns J. CREW, but not "Crew." But its narrative was presented to a Panel receptive to an "or" construction of the UDRP.

In reaching its decision in *Crew*, the majority's narrative purports to rest its conclusion on US law in that "it is consistent with the scope of protection afforded consumers and trademark owners," which of course is not the case, and even if it were the UDRP operates under its own law and in any event the majority misconstrued US law.

"J. Crew" is protected; not "crew." The dissent was correct that the majority's view "creates a dangerous and unauthorized" condition by giving mark owners the ability "to own their generic trademarks in gross." The majority's view has been soundly debunked in later cases. Arbitraging names acquired for their semantic value and capable of branding for noncompeting goods or services are not infringing even though they may correspond to an earlier registered mark.

Nevertheless, the *Crew* narrative is a vivid illustration that on the way to consensus certain views are initially expressed and only later discarded and become what I described in Chapter 4 as "dead-ends." Later panels have made it clear that mark holders have no monopoly rights on non-infringing generic or common terms; that having a mark is only the first step in a process that must conclude, if favorable to complainant, with proof that respondent registered and is shown to be using the challenged domain name in bad faith as to its trademark.

The Respondent in *Tiger Media, Inc. v. Manas, Profitz*, D2020-1426 (WIPO July 21, 2020) (<juicyads.online>) stated in an "informal email communication to the Center [. . .] that he purchased the Disputed Domain Name because he is developing an online juice drink cart store where users can order juice drinks online." The Panel found this dubious where the "Disputed Domain Name is identical to the Trademark.":

> While the Trade Mark is made up of two common words or terms, JUICYADS as a whole has no dictionary meaning and is not an obvious choice for an online juice store as the Respondent asserts; notably, the "ads" portion does not fit that narrative. The Respondent has not provided any credible evidence as to why he chose the Disputed Domain Name.

As for example in *Vacation Pig, LLC d.b.a OOVO v. elmer rubio*, FA2201001981434 (Forum February 14, 2022) (<oovo.com>), Complainant argued that Respondent's renewal of its registration during redemption period constituted a new registration and new date to measure bad faith. The Panel rejected this narrative of the Expired Domain Name Deletion Policy (ERRP):

> it is clear from the plain language of the ERRP, that the redemption of an expired domain name during the grace period restores it to its prior state thus permitting a renewal thereof that is retroactive to the expiration date.

One generally thinks of the ERRP as a shield for avoiding registration lapse, but in this case Complainant attempted to use Respondent's redemption as a sword to prove its renewal was untimely, but "[t]his process does not, as posited by Complainant, start a new registration."

Whether a narrative is cookie-cutter alike others or a complex set of facts or law, contending narratives are parsed by asking a roster of questions that have been framed in a menu of factors. These include (and are by no means a complete list) the degree of market presence, timing of trademark or service mark rights relative to domain name registration, reputation of the mark at the time of the registration of the domain names, the location of the parties—where they are located in the world and whether the domain name registrant had the requisite knowledge to sustain a claim of cybersquatting.

In *Frisby S.A. v. Registration Private, Domains by Proxy LLC / Michael Appolonia*, D2020-0706 (WIPO May 12, 2020) (<frisby.com>. Columbia and United States):

> The Panel notes that the Complainant is just one of a number of businesses using the mark FRISBY worldwide, *that there is no evidence that the Complainant's undoubted fame in Colombia has spread further afield* and that the disputed domain name has never been used in connection with the Complainant's industry – fast food restaurants. (Emphasis added).

From Narrative to Legal Principle

As we have seen, legal principles are found nascent in unrebutted narratives from either party. There was no UDRP law in 1999, but it was (as it still is) drawn out from the narratives of dispute. Where a complainant merely alleges the circumstances it has to prove it has not proved its case, and similarly with respondent's rebuttal. In each case, the outcome rests on principles of law that are either established or are yet to be announced. This follows because the evidence necessary to "convince the mind" is either present in the narrative or has failed to persuade. When it is present and embedded in rich narrative without rebuttal or rebuttal with a poor narrative, complainant must prevail.

The Panel in *EAuto, L.L.C. v. EAuto Parts*, D2000-0096 (WIPO April 11, 2000) (<eautoparts.com>) (a case earlier discussed in Chapter 3) underscored the Respondent's rich narrative and at the same time reveals an emerging legal principle, namely that words added to words can be distinct from words solo and that each composition has its own lawful space.

To a different end this principle is also found in disputes of nominative use, which the *EAuto* Panel formulated in *Oki Data Americas, Inc. v. ASD, Inc.*, D2001-0903 (WIPO November 6, 2001). "[T]his domain name eautoparts.com is descriptive of a business that offers, through the Internet, information about or sales of automobile parts, and it is inappropriate to give Complainant a wide monopoly over all domain names, even descriptive ones, that incorporate the mark EAUTO."

If we research the database of decisions we will find that this principle essentially establishes a benchmark for measuring, or rather distinguishing marks and lawful domain names. That a mark is incorporated into a domain name may be sufficient to establish confusing similarity, but it is insufficient to disprove, as the respondent will argue, that the domain name is distinguishable from the mark.

That it is indistinguishable is obvious in *Cellular One Group v. Paul Brien*, D2000-0028 (WIPO March 10, 2000). In this case, Respondent added "China" to the mark CELLULARONE to form <cellularonechina.com>, but a geographic term adds nothing to the mark: it is simply a mark with a geographic indicator. Unlike "lamps" or "parts" which connote goods or services distinct from those offered by mark owners, in this case the domain name is only the mark with a geographic term.

The dueling contentions in *CyberTrader, Inc. v. Gregory Bushell*, D2001-1019 (WIPO October 15, 2001) involve domain names composed of intuitively common expressions: <cybertrader.com> and <cyberbroker.com>). Respondent (who identifies himself as an investor in domain names) illustrates a variation on the theme. The Panel summarizes the opposing narratives as a platform for identifying the legal principle:

> Complainant contends that Respondent [. . .] seeks to "interfere with and disrupt Complainant's business by preventing Complainant from using the most obvious and logical names for Complainant's business," and [that this] constitutes bad faith use of the Domain Names. [Complainant's marks are on the Supplemental Register].
>
> Respondent contends Complainant has no rights in the CYBERTRADER and CYBERBROKER marks, arguing that these terms are merely descriptive and Complainant has failed to submit evidence "to establish either fame or strong secondary meaning."

The legal principle is drawn from trademark law and domesticated into UDRP jurisprudence:

> Mere applications for registration do not prove any protectable rights. In fact, the applications were ultimately refused. Under these circumstances, without evidence of prior use to support a claim for common law rights, it is again difficult to find bad faith.

Equally obvious, though, as the Panel points out, "Respondent is at risk if Complainant does in fact have prior use to establish prior common law rights."

Complainant in *LivingSocial, Inc. v. chris jensen*, FA1208001456244 (Forum September 10, 2012) owns LIVINGSOCIAL while Respondent (a real estate company) is holding <livingsocal.com> (a one-letter difference) which appears to resolve to a pay-per-click page and Complainant claimed typosquatting, but as Respondent explained in its narrative,

> [the] domain name resolves to two different websites depending on how the Internet users access the website. According to Respondent, if the Internet user types in "www.livingsocal.com," Respondent's real estate website will come up, but if the Internet user types in "livingsocal.com," the parking page comes up. Respondent asserts that it did not know that this was possible, did not have any control over the content of the parked page, and did not receive any commercial benefit.

Unexpectedly, the facts are more complicated than the Complainant imagined. Respondent's narrative undercut Complainant's contentions. it operated a real estate business in Southern California, i.e., "SoCal" and the Panel dismissed the complaint. In this case the nascent legal principle comes under the head of "first to register" common terms consistent with Respondent's business.

For a different reason, a complainant may have standing but no actionable claim if its right postdates the registration of the domain name or if, in the US, its mark is not on the Principal Register. In *Nicolas Karl Reep v. Ali Bazzi*, FA2004001891242 (Forum May 19, 2020) (<employeefax.com>) Complainant's "mark" is registered on the Supplemental Register which has the potential of offering a rich narrative supportive of common law rights, but the competing narratives are distilled to a single issue: Timing. Thus, :

> Registration with the USPTO is sufficient to demonstrate rights in a mark under Policy ¶ 4(a)(i) but not if the trademark is on the Supplemental Register. If all that a complainant has is a registration on the Supplemental Register then that complainant does not have standing to file a Complaint under the Policy as by definition it has not acquired distinctiveness. That proposition has been clearly established for many years.

An underlying principle of the UDRP centers on the nature of the right and respondent's motivation for registering the disputed domain name. In *Bartko* for example, a case discussed earlier, the law firm failed to recognize that it could not possibly state a *prima facie* case against Respondent because "Bartko" is Respondent's family name. Thus, its narrative could not overcome the legal principle written into subparagraph 4(c)(ii). While it is surely inconvenient for complainants that family names used by respondents bearing those names, it is not actionable cybersquatting.

The core fact in *Compañía Logística v. Privacy Administrator, Anonymize, Inc./ Sam Dennis, Investments.org inc.*, D2018-0793 (WIPO June 14, 2018) is s short string of letters that is also Complainant's acronym, "clh." Complainant argued that it has attempted to purchase <clh.com> but was rebuffed and when it pursued the purchase it learned that the price was "USD 225,000." It "then decided to bring this Complaint." It contended that "owing to the foregoing, it 'deems that the domain name <clh.com> was registered and is being used in bad faith.'"

Although "[t]he acquisition and offering for sale of a particular domain name would cease to be bona fide in the event a complainant could show that it had been targeted specifically by a respondent" in this case the Panel implicitly sided with Respondent by dismissing the complaint for failure to prove conjunctive bad faith. In other similar cases, Panels have found professional domainers to have rights or legitimate interests, an issue pursued further in Chapter 9.

The third requirement calls for proof that the respondent registered and is using the domain name in bad faith. Here, too, there have been many variations on the four circumstances of bad faith. To take a recurring example, complainant alleges respondent is offering to sell the challenged domain name for an incredibly high price; respondent does not deny it wants to sell the domain name but offers convincing proof that its offer was in response to complainant's inquiry.

The earlier discussion on Plan "B" cases also illustrates the emergence of legal principles. It is formulated from narratives of complainants who withhold material facts of their contacts with respondents to purchase the domain names they now seek to obtain through the UDRP. They become the abusers. In *Gary Chupik v. Shant Sarkuni*, FA1910001868583 (Forum November 18, 2019) (<elitemindset.com>):

> [T]his Panel finds that Complainant, being aware that he was not entitled to succeed, nonetheless brought this Complaint with the hope that he may secure the transfer of the disputed domain name, after he had failed to purchase same in open commercial arms-length negotiations.

To the majority in *Dubai Aerospace Enterprise (DAE) Ltd. v. Registration Private, Domains By Proxy, LLC / Deven Patel*, D2020-0041 (WIPO April 20, 2020) there was insufficient proof of reverse domain name hijacking; the concurring member disagreed. In other instances, the narratives support abusive registration of disputed domain names.

Even where Panels are confronted with narratives presenting more complex circumstances they are tasked to ferret out elements of consensus as a basis for their determinations. The Panel in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019) (discussed earlier in more detail in Chapter 4) explains why (reinforcing the Jurisprudential Overview on this point): "this Panel [. . .] strongly believes that it is [. . .] important for the UDRP to articulate a consistent view rather than to allow" schisms to develop."

These illustrations are drawn from a variety of decisions covering a wide range of narrative deficiencies. For complainants, describing why they are entitled to the requested relief (UDRP Rule 3(iv)), and for respondents why their registrations are lawful (Paragraph 4(c)) are key recommendations, but lacking a narrative frame parties will surely be disappointed at the story's end.

Rights and Legitimate Interests Surviving Death

Rights and legitimate interests in domain names do not expire at death: they are heritable; or if inheritance is not established at the time of the filing of the complaint, and absent proof of bad faith registration, dismissed for insufficiency. It would defy logic if the law were otherwise, and the legal successor liable to dispossession on the theory that as a new registrant it had to account for its registration.

After assessing the Complainant's argument in *Viking Office Products, Inc. v. Natasha Flaherty a/k/a ARS-N6YBV*, FA1104001383534 (Forum May 31, 2011) that the Respondent was holding <viking.org> that she and her husband jointly owned before his death "in an apparent attempt to gain a 'six or seven figure' windfall" the Panel held:

> Complainant's argument in the Additional Submission that Dr. Flaherty acted in good faith, or that his actions are irrelevant in this matter, but Respondent developed bad faith after the death of her husband is patently absurd. There is no support in the law for this at all.

The Complainant in *Avomex, Inc. v. Tina D. Pierce Widow of Barry E. Pierce*, D2011-1253 (WIPO September 23, 2011) (<whollyguacamole.com>) argued that "Respondent failed in a duty to perform due diligence to ensure that the new domain name 'acquisition' would not violate existing trademark rights," but the Respondent "acqui[red] [. . .] the new domain name" after her husband's death through his estate. The 3-member Panel rejected these and other arguments:

> Complainant has not shown convincing evidence of bad faith conduct by Respondent. The parties do not dispute that (i) Barry Pierce acquired the Disputed Domain Name before Complainant's first use of the Mark in connection with its products; (ii) Respondent has always used the Disputed Domain Name as a parked domain name for substantially the same purposes; [etc].

In *6 Société Du Figaro S.A. v. Cut Company*, DTV2013-0007 (WIPO February 2, 2014) (<figaro.tv>), "[t]he Respondent seems to be a sole-man company who operated a hairdresser business in Krefeld, Germany. It is not known to the Panel whether the company still exists, as its owner, Mr. Blumtritt, seems to have passed away on June 28, 2013." The Panel points out that

> "Figaro" is a recognized male name in the Italian language which refers in particular to the world-famous Mozart Opera, "Nozze di Figaro". Given that various panels have acknowledged that complainants cannot, in certain circumstances, assert exclusive rights under the UDRP in fairly short, non-fanciful names in respect of unrelated fields of business [. . .] on the current record the Panel is not persuaded by the Complainant's contentions that the Respondent does not (or in this case, did not) have rights or legitimate interests in the disputed domain name.

The Panel concluded:

> As to the absence of a reply to the Complainant's email of January 15, 2013, the Panel does not find that this evidences bad faith on the part of the Respondent. Furthermore, the Panel is of the opinion that the Complainant should have undertaken more efforts to identify and contact the successors of the Respondent, before filing the Complaint.

The Complainant in *Kitchens To Go, LLC v. KTG.COM, Whoisguard Protected / HUKU LLC*, D2017-2241 (WIPO February 6, 2018) (<ktg.com>) argued that

> bad faith can be imputed to Mrs. Haggipavlou because the Response does not suggest that she took any steps to check for third party rights at the point when the disputed domain name was transferred to her.

"Furthermore,"

> she took action to monetize the disputed domain name and allow her broker to approach the Complainant when it knew that the Complainant used its <k-t-g.com> domain name. Mrs. Haggipavlou was also in breach of paragraph 2 of the Policy which provides that, by applying to register a domain name, the applicant thereby represents and warrants that its registration will not infringe upon or otherwise violate the rights of any third party.

The 3-member Panel rejected "the Complainant's submission that, on inheriting a large portfolio of domain names, this imposed on Mrs. Haggipavlou a duty of due diligence to search worldwide to see if any of them might infringe any third party rights, prior to registering them in her name."

The core argument in each of these disputes is that death severs the connecting bond of the marital or familial relationship. Rather the test of bad faith registration remains as it does with all respondents, namely the deceased's motivation for acquiring the disputed domain name. Renewals of registration subsequent to a death in the family are not a re-registration by an unrelated party but a continuation by inheritance of a right as a matter of law.

CHAPTER 14

FAILURE TO FULFILL EXPECTATIONS

WINGING IT!

The evidentiary demands of the UDRP cannot be taken for granted and ignoring them can be fatal. There are guiding principles, rules, and a jurisprudence. The vast majority of complaints are granted because of the obviousness of intention and conduct. But as disputes become more contestable with rebutting evidence that returns the onus to complainants, familiarity with the law as it is applied to cybersquatting, the drafting pleadings and marshaling of evidence cannot be winged.

It must be clear in light of the many decisions cited in the earlier chapters that proving cybersquatting in a UDRP proceeding exacts an evidentiary toll. As I explained in Chapters 3 and 4, in the early years Panels were themselves on a learning curve in construing the Policy, but from the first decision they began formulating fundamental principles. On some legal principles the consensus took some contentious turns that later became settled.

Parties and their professional representatives were (and are) expected to be familiar with the Policy and the jurisprudence that was then quickly developing and is now vastly expanded, yet it is clear from pleadings in many of the dismissed complaints and transfers already cited that some parties and their representatives lack a clear understanding of the UDRP.

Although this censure applies to a very small percentage of the total number of cases submitted for adjudication it likely include disputes that could have ended differently with a better understanding of the Policy: not every disputant comes to the task prepared and the penalty for this is either dismissal of the complaint or forfeiture of the disputed domain name to the complainant.

This chapter expands on Chapter 12 and 13 to briefly review the evidentiary expectations by examining some typical deficiencies of presentation or proof. Judging from the number of deficient pleadings, it is likely that some parties and their representatives take a quick look at the UDRP and misconceive its demands, or having briefly examined the provisions and rules, think it simple to state their cases for and against cybersquatting.

If complainant or its counsel is encouraged by the apparent simplicity of the UDRP into making a case without understanding the demands it will fail; and equally so for respondents in arguing their defenses and marshaling evidence of their rights or legitimate interests or their good faith in registering disputed domain names. In these cases, and generally, Panels tend to offer good advice about pleading and proof deficiencies even while denying requested remedies. This is ostensibly done for the parties, but more important it is offered to future disputants.

In one case, the Panel noted: "Although Complainant holds a trademark registration for [the trademark], that does not automatically resolve the question of bad faith registration of the Domain Name. It is axiomatic that, under the UDRP, a complainant must show that the respondent more likely than not had the complainant's mark in mind when registering the disputed domain name." In another case the Panel explained: "In order to demonstrate the existence of common law trademark rights, Complainant must provide sufficient proof thereof to the Panel." And in yet another case, the Panel explains: "[T]he disputed domain name is part of a wider and more complex dispute between two distributors, each with an authorization from the same company in different terms. The Panel recalls that the Policy is not designed to adjudicate all disputes of any kind that relate in any way to domain names."

Complaints are dismissed for several kinds of deficiencies of pleadings and proof: 1) failure to appreciate the weakness of marks or inflating their goodwill in the market; 2) failure to marshal the right evidence to prove their contentions or to recognize that what they have marshaled is insufficient to prove their contentions; 3) failure to anticipate respondent's rebuttal evidence or to reply with counter-evidence or argument; and 4) failure to have researched or understand the law as it is applied to claims and defense of cybersquatting under UDRP jurisprudence.

In *Goldline International, Inc. v. Gold Line*, D2000-1151 (WIPO January 4, 2001) (<goldline.com>):

> Respondent has submitted evidence that he has prepared to operate a high-end consulting business under the "Gold Line" mark. Preparations for developing a business that could logically be marketed under a certain domain name can constitute legitimate preparations for use, even if the proposed business has no need to use the exact name at issue. [. . .]

The Panel states that "[t]his is particularly true in the case of a laudatory terms such as 'Gold Line'" because it

> can legitimately be adopted to describe a wide range of businesses that do not overlap with current registered users. In other words, it is legitimate to build a service mark out of the highly suggestive and diluted mark "Gold Line" for products or services not the same as or closely related to those covered by any existing registrations.

If "Complainant and Respondent [were] competitors or in closely related fields [. . .] it would be unlikely that Respondent could develop a legitimate interest in using a domain name confusingly similar to Complainant's mark." However, those were not the facts:

> Not only would a reasonable investigation have revealed these weaknesses in any potential ICANN complaint, but also, Respondent put Complainant on express notice of these facts and that any further attempt to prosecute this matter would be abusive and would constitute reverse domain name "hijack[ing]."

In *The World Phone Company (Pty) Ltd v. Telaccount Inc.*, D2000-1163 (WIPO October 29, 2000) (<worldphone.com>) Complainant based its case on:

> the fact that the disputed domain name was for sale for over a year, and the absence of any evidence within paragraph 4(c) of the Policy.
>
> Against these are the facts that:-[1] on the evidence, the "For Sale" sign did not appear until over 3 years after the domain name was registered; [2] the respondent's activities lie in the general field of communication via the Internet, in relation to which the domain name is an appropriate description; [3] the name worldphone is a combination of ordinary descriptive words and therefore, unlike an invented or arbitrary name, not immediately recognizable as denoting the goods or services of any particular trader.

Moreover,

> The weakness of the mark is shown by the fact that the complainant was required to disclaim exclusivity in the word phone separately and apart from the mark WORLDPHONE as a condition of registration of that trademark.

The Panel explained: "With the material before the panel thus balanced, the panel finds the complainant has not discharged the onus of satisfying the panel that the respondent has no rights or legitimate interests in respect of the domain name."

In neither of these cases are the outcomes unanticipated given the evidence adduced for finding cybersquatting. But in *ITF v. Anonymize, Inc. / Domain Admin, Sébastien Schmitt*, D2022-2196 (WIPO September 2, 2022) (<veripro.com>) Complainant's representative is "a law firm which claims a particular specialization in intellectual property," yet it has the Complainant

> mak[ing] the sweeping assertion that it "enjoys a high reputation in its field of specialty" (a very narrow field indeed) and yet produces no substantive evidence to support this. The Complainant submits that its VERIPRO service has been implemented since 2007, and likewise does not evidence this in any way."

The 3-member Panel concludes by pointing out that "[t]he Complaint was peppered with citations from the WIPO Overview 3.0 and citations of no less than 24 previous cases, suggesting that the Complainant should have appreciated the importance of policy jurisprudence. Yet the Complainant failed to address the topics concerned with any degree of adequacy."

The Panel's observations and comments come from that part of its decision sanctioning Complainant for reverse domain name hijacking (Chapter 17), but they equally address the issue of Panel expectations of evidence the Complainant and its representative failed to produce. For the purposes of this chapter, however, Complainant's representative lacked knowledge of the UDRP even though it pretends to be knowledgeable of the Policy's requirements, for which it was appropriately sanctioned.

These decisions are cautionary warnings mainly to complainants and their professional representatives, but it can also apply to respondents who fail to appreciate the demands of evidence required to defend their registrations. I will return to deficiency issues in Chapter 17 in discussing reverse domain name hijacking.

Certification of Pleadings

Failure to Disclose: Omitting Evidence

UDRP Rules require the parties to certify to the completeness and accuracy of their pleadings. It is similar to Rule 11 under the US Federal Rules of Civil Procedure. UDRP Rules 3(xiii) (for complainant) and 5(viii) (for respondent) require the parties to certify that the

> information contained in [the complaint or response] is to the best of [complainant's or respondent's] knowledge complete and accurate, that this [pleading] are warranted under these Rules and under applicable law, as it now exists or as it may be extended by a good-faith and reasonable argument.

Its practical purpose is to induce parties on pain of having their claims or defenses disregarded or complainant sanctioned to offer concrete evidence of provable facts. Non-disclosure, withholding documents, mischaracterizing reputation, perjurious representation of status of trademark, or reckless disregard of material facts are among the circumstances that undermine claims by raising issues of reliability and credibility..

The purpose underlying certification is succinctly made in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019):

> When parties advance baseless arguments, fail to address critical legal issues, or fail to disclose key facts, those parties will harm their credibility before the Panel. Such behavior also runs contrary to the Policy and Rules, which necessarily rely on the good faith participation of the parties in order to ensure that the UDRP provides both fair and cost efficient dispute resolution,

Twenty years earlier (although not expressly referencing the certification requirement) the same Panel noted in *Commonwealth Communications Group,* *Inc. v. David Lahoti dba eSecure*, FA0109000100124 (Forum November 5, 2001) (<intelilink.com>) that "the balance [in deciding on sanctioning Complainant] is tipped by Complainant's conduct towards the Panel":

> Complainant appears to have attempted to mislead the Panel with respect to its rights in this trademark when it stated, in its September 17, 2001 Complaint, that it "has an 'Intelilink' trademark pending as filed with the United States Patent and Trademark Office [("PTO")] on September 14, 200[0], [Serial No.] 79/132947."

However,

> according to the PTO's website, this application was abandoned effective August 15, 2001 by virtue of Complainant's failure to respond to a February 15, 2001 office action. Complainant's citation to this application, already abandoned as of the date of the Complaint, and its false statement that the application was "pending," is inexcusable, and strong evidence of reckless disregard, if not bad faith, by the Complainant.

In the absence of certifications, Panels must disregard the parties' contentions. The Panel in *ACE Limited v. WebMagic Ventures, LLC.*, : FA0802001143448 (Forum April 8, 2008) (<ace.com>) noted:

> The certification required by ¶ 3(b)(xiv) of the Rules is the minimum to demonstrate the admissibility of the factual contentions made by a complainant, and the certification required by ¶ 5(b)(viii) of the Rules is the minimum to demonstrate the admissibility of the factual contentions made by a respondent. Without certification, a Panel may choose not to consider any factual statements, even in the case of pro se parties, under its authority to determine the admissibility of the evidence given by ¶ 10(d) of the Rules.

The consequences of failing to comply with the terms of the certification fall most heavily on complainants, and in egregious lapses and for other reasons, some of which have already been noted, support reverse domain name hijacking (Chapter 17). The Panel in *Liquid Nutrition Inc. v. liquidnutrition.com/Vertical Axis Inc.*, D2007-1598 (WIPO June 28, 2016) held: "On the uncontested facts (all contained in the Complaint) there was no basis for Complainant's counsel's certification, required by paragraph 3(b)(xiv) of the Rules."

In *TOBAM v. M. Thestrup / Best Identity*, D2016-1990 (WIPO November 21, 2016) "the Complainant's repeated failure to disclose details of its registered trade marks in response to the Respondent's requests [in pre-complaint correspondence] [was a] warning [that] should have given the Complainant serious pause for thought but it ploughed on [with the complaint] regardless [of knowing that <tobam.com> predated the trademark]."

For the Panel in *Religare Health Insurance Company Limited v. Name Administration Inc. / Domain Administrator*, D2019-2073 (WIPO November

29, 2019) "certification requires at least minimal due diligence into both the factual background justifying [or not] charges of illegitimate use and bad faith." It continued;

> The Complainant here has failed to engage in sufficient due diligence and this has led it to bring a Complaint which, once the true facts emerged, had only limited foundation at least on the basis of the present record. In the Panel's opinion, this, too, points in the direction of a finding of RDNH.

Evidentiary omissions are particularly concerning to Panels, not simply because of the false certifications, but the possibility of unopposed claims persuading panelists to step into error. In *Proeza, S.A. de C.V. v. Domain Admin*, D2018-0535 (WIPO June 12, 2018) (<proeza.com>) the 3-member Panel found that "it was misleading for Complainant to omit all discussion of the Parties' previous communications regarding the Domain Name." And in *Cheapstuff, Inc. v. Admin, Domain / NG9 Communications Pvt. Ltd.*, D2020-1354 (WIPO July 14, 2020) (<cheapstuff.com>), the Panel stated that in its view: "the evidence submitted [was] brought with disregard for the truth, and contains false statements and evidence designed to mislead the Panel." For example

> the Complainant says that the Complainant paid all renewal registration fees to the Registrar, including the recent renewal fee, but through some fault of the Registrar the Disputed Domain Name was not renewed. As part of the Complaint, the Complainant provides a purported invoice to show the payment of the renewal fees to the Registrar. The purported invoice is dated after the Respondent acquired the Disputed Domain Name at auction and after the Disputed Domain Name expired.

The Panel recommended: "[T]he Respondent may have reason to report Complainant's representative who certified the Complaint to the appropriate (e.g., bar association or otherwise) authorities" (a Rule 11 application for sanctions).

The demand to certify applies equally to complainants and respondents. Thus, in *SkillSoft Corporation v. R & S Mica Inc. and Julie Radhakrishnan*, D2002-1065 (WIPO February 11, 2003) (<skillsoft.net>) the Panel rebuked an unrepresented Respondent:

> The Response served by Respondents alleges that "our companies' expertise of services is to supply skilled software consultants to implement software to companies and corporations"; however, the Response did not comply with Paragraph 5 of the Rules, which requires a certification that information put forward in a Response is "complete and accurate" and "is not being presented for any improper purpose."

The Panel pertinently noted that

> The Response also did not annex any documentary or other evidence confirming factual assertions made by Respondents, even though Respondents'

> assertions were of a type which, if truthful, would ordinarily be reflected in documentary evidence.

Assertions of fact are not evidence and its absence cannot establish their truth or falsity or support inferences in the offerer's favor.

In *Express Scripts, Inc. v. Windgather Investments Ltd. / Mr. Cartwright*, D2007-0267 (WIPO April 26, 2007) the Panel held that Respondent's failure to comply with the requirements of UDRP Rule 5(b) "is something that the Panel has very much borne in mind when considering the evidential weight of the assertions of fact made by the Respondent in this document."

Undermining Complainant's Case

How critical certification is illustrated in *CRS Technology Corporation v. Condenet, Inc.*, FA0002000093547 (Forum March 28, 2000) (<concierge.com>) in which the Complainant in failed to "comply with Rule 3 (b) (xiv), in that the Complaint does not contain the required certification." For this reason the 3-member Panel rejected a request to file additional pleadings and dismissed the complaint.[1]

It is also critical for complainant to make a truthful case which it vouches by signing the complaint, and where it falls short, it invites being sanctioned. Lacking "this basic certification of accuracy is significant [because] it leaves little room for a panel to confer credibility on anything a respondent has asserted," *The American Automobile Association, Inc. v. 555 Metro Airport Transportation Service LLC.*, D2011-0588 (WIPO May 17, 2011) (<aaametrocars.com>. Respondent failed to submit a certification. All of these situations raise issues of credibility that undermine a complainant's case or a respondent's rebuttal.

Panels have declared that the failure to certify truthfully to the facts is particularly pernicious where misleading contentions could have been conclusive if respondents had not appeared. But where there is certification it is expected to be truthful. For example, in *Redgrass SA v. Domain Admin, HugeDomains.(com*, D2022-2433 (WIPO September 5, 2022) (<redgrass.com>), the concurring member of the Panel (concurring fully but adding an additional argument to the Panel finding of reverse domain name hijacking) explained:

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1 Cf: *Visual Gis Engineering S.L. v. Nitin Tripathi*, D2006-0079 (WIPO March 23, 2006) (<visualmap.com>): "Respondent's submission does not include the required certification and is not signed. Although panels have sometimes refused to accept responses that were similarly deficient, e.g., Talk City, Inc. v. Michael Robertson, WIPO Case No. D2000-0009 (February 29, 2000), the Panel concludes that it is appropriate to give the Respondent an opportunity to remedy this procedural deficiency given that the Respondent is appearing pro se. See Herbalife Int'l v. Farmaha, WIPO Case No. D2005-0765 (October 3, 2005)."

> Finally, not the least reason why the domain name is generic is the very concerning way in which the Complainant has argued to the contrary. It has said and has certified that what it is saying is true and correct and in good faith.

"Under cover of that certification"

> it says that not only is "redgrass" not generic, when it clearly is, but that it is "an indication of commercial origin of products and services, and specifically of the products commercialised by the Complainant.(.)" which it clearly is not. Such a statement, so obviously false and without any evidence cited to establish it, could only be made irresponsibly and is a grave departure from the obligations of counsel to assist the Panel by presenting a good faith argument.

In *Whispering Smith Limited v. Domain Administrator, Tfourh, LLC*, D2016-1175 (WIPO September 27, 2016) (<bravesoul.com> the Panel found the "Complainant (or rather, its attorney) has tried to mislead the Panel by mischaracterizing its trademark rights along with having made unsupported arguments under the third element of the UDRP Policy."

Panels "should be able to rely upon the certification that a Complainant gives" as the Panel notes in *Anyclean Premium Limited v. Jethro Denahy, Any-Clean*, D2017-0581 (WIPO April 28, 2017) (<any-clean.com>). Further:

> that 'the information presented in this Complaint is to the best of the Complainant's knowledge complete and accurate'. The Panel considers this is a case where such certification could not properly have been given [. . .].

Similarly, in *Flying Dog Brewery, LLLP v. WhoIs Privacy Protection Services, Inc. / Phil Allen, Flying Dog Enterprises*, D2018-1683 (WIPO September 22, 2018) (<flyingdog.com>) the Panel held that the "Complainant submitted a bare bones complaint unsupported by any evidence, and blatantly misrepresented to the Panel that the Respondent had hired an undisclosed agent seeking to sell the disputed domain name to the Complainant at an exorbitant price."

In *Oy Vallila Interior Ab v. Linkz Internet Services*, D2017-1458 (WIPO October 20, 2017) (<vallila.com>), the 3-member Panel held:

> The failure to disclose [information] had the potential to mislead the Panel in a way which could be, and in this case is, highly material to the Panel's decision. The Complainant has not offered any explanation for that partial and highly prejudicial disclosure. Given the nature of administrative proceedings under the Policy as proceedings on the written submissions and supporting papers only, such partial disclosure cannot be condoned and warrants a finding that the Complainant has acted in bad faith in bringing this proceeding.

And equally explicit of deficiency, the Panel in *Proeza, S.A.*, *supra*. held:

> The Panel finds it troubling that a Mexican Complainant could omit the fact that 'proeza' is a dictionary word in the Spanish language – Mexico's official language. Arguably, if Respondent had not filed a response, the dictionary

> meaning of 'proeza' would not have been brought to the Panel's attention, the Domain Name more likely would have been transferred, and an injustice would have been done.

PARTIES EXPECTED TO HAVE A WORKING KNOWLEDGE OF UDRP JURISPRUDENCE

What Panelists Look for in Assessing Parties' Rights to Disputed Domain Names

Clear Policy Precedent

I pointed out in Chapter 3 that in response to WIPO's expectations of a "body of persuasive precedents" such a jurisprudence has in fact developed. To be prepared means having a fair familiarity with the provisions of the Policy and their constructions. There are two dimensions to "familiarity" with the Policy and "precedents."

The first is understandable because it affects the outcome of cases if the parties have no familiarity with the body of law and are winging it in the belief that the Policy is clear to them, Where there is obvious unfamiliarity or where there may be familiarity of sorts, Panels express little tolerance for their professional faults. It is not just a matter of deficiencies of presentation but in applying the right law to the facts that would support the outcome a party is urging.

In the words of the Panel in *Pick Enterprises, Inc. v. Domains by Proxy, LLC, DomainsByProxy.com / Woman to Woman Healthcare / Just Us Women Health Center f/k/a Woman to Woman Health Center*, D2012-1555 (WIPO September 22, 2012), The requirements "are not Policy arcana [. . .] [but] precedent[s] of long standing [. . .] derived from scores of cases, and [. . .] address[ing] [. . .] fundamental Policy requirement[s]." The Panel further noted:

> [t]he Policy has been in force for more than a decade and the thousands of cases decided under it now constitute a workable body of (to use a legal term) precedent. What should not be surprising (but to some it clearly is) is that the jurisprudence is comprehensive and complex.

It continued

> any complainant, and even more so any professional representative of a complainant, should be at least minimally versed in the Policy, the Rules, their scope, and their limits. It is no excuse that a party or its representative is unfamiliar with clear Policy precedent, much less the clear language of the Policy and the Rules themselves....

Familiarity with the jurisprudence, or at least the appearance of it, is the norm—it does not call attention to itself. Unfamiliarity is conspicuous by its obviousness—it is raucously noisy and calls attention to itself. Sometimes complaints should never have been filed because the mark owner has no facts to support a claim for cybersquatting, such as the relative timing of domain name registration and trademark certification or the lack of any reputation of the mark.

These points are illustrated further in *The Procter & Gamble Company v. Marchex Sales, Inc*, D2012-2179 (WIPO February 22, 2013) (<swash.com>) and *Patricks Universal Export Pty Ltd. v. David Greenblatt*, D2016-0653 (WIPO June 21, 2016) (<patricks.com>). In *Procter & Gamble* the Panel noted that

> [h]ad the Respondent failed to respond, there is a very real risk that the Panel, relying upon the 1993 International registration and the substantial sales volumes claimed for the brand, would have found in favor of the Complainant. This Complaint fell very far short of what the Panel was entitled to expect from a Complainant of this stature. (Emphasis added)

The Panel in *Patricks Universal* stated that "Professional representatives of parties in UDRP proceedings are expected to be aware of or at least familiarize themselves with the Policy and Policy precedent, and to abide by the Policy and Rules."

The issue in *Adventure SAS v. Mike Robinson, BlackHawk Paramotors USA Inc*., D2019-2489 (WIPO December 12, 2019) involved a dispute over a soured distributorship in which the Panel noted that "those responsible for the drafting of the Complaint [Complainant was represented by counsel] and/or the person who authorized the filing of the Complaint knew that the Complaint should not succeed because on any fair reading of the available facts the Respondent registered the Domain Name in good faith."

Similarly, in *Nalli Chinnasami Chetty v. Anthony Nalli, FourPoints Multimedia Corp*., D2019-2642 (WIPO December 18, 2019) (<nelli.com>):

> Complainant and its counsel [. . .] provided no evidentiary support whatsoever to support their argument that the Respondent must have registered and used the disputed domain name in bad faith. [. . .] T]hey [also] completely ignored the requirements set out in the Policy for establishing bad faith registration and use of a domain name [and] disregarded precedent and unfavorable facts in concluding that the webpage (which makes no connection whatsoever to the Complainant) was an attempt to misappropriate its trademark reputation, and offered no more than unsupported allegations.

The consensus as to what is expected of complainants (implicit in *Adventure SAS* and *Nelli* has been expressed succinctly in a number of memorable decisions: "[Complainant] should at least be minimally versed" and "[i]t is no excuse that a party or its representative is unfamiliar with clear Policy precedent, much less the clear language of the Policy and the Rules themselves" [*Pick*, *supra*], or "[i]t is no excuse that Complainant may not be familiar with clear Policy precedent, the Policy, or the Rules" [*Andrew Etemadi, Founder and Chief Technology Officer* *for Eyemagine Technology LLC v. Clough Construction and Deanne Clough*, D2012-2455 (WIPO February 14, 2013)].

"[A]larming unfamiliarity" is the Panel's conclusion in *HSIL Limited, Somany Home Innovation Limited / SHIL Ltd., Brilloca Limited v. GOTW Hostmaster, Get On The Web Limited*, D2020-3416 (WIPO April 4, 2021) (<hsil.com> and <shil.com>). It held that Complainant's professional representative

> betrays an alarming unfamiliarity with the UDRP and the two decades of precedent under it, to the point of including the Registrar as a respondent merely for performing its non-discretionary function of registering an available domain name. Such conduct in any court would result in a swift dismissal and appropriate sanctions for wasting the parties' and the court's time.

The facts in *A Mediocre Corporation v. Domain Admin / Domain Registries Foundation*, FA190600 1849931 (Forum July 27, 2019) (MORNING SAVE and <morningsafe.com>), Complainant represented by counsel) looks like a textbook example of typosquatting, substituting an "f" for a "v" (which on the Qwerty keyboard sits immediately below the "f"). Although the Panel rejected Complainant's argument, it more appears the dismissal was based on Complainant's failure to offer the necessary proof to support its claim. Complainant's contention based on constructive notice was rejected as not applicable in a UDRP proceeding (counsel should have known this!).

And in *Bartko Zankel Bunzel & Miller v. Perfect Privacy, LLC / Jan Bartko*, D2022-0043 (WIPO March 17, 2022) (in which the Respondent failed to appear the Panel noted that "[t]his Complaint is unusual in that it was brought both by and on behalf of a law firm that practices in the field of intellectual property law," but it fails in the most elementary way of failing to recognize that the non-appearing Respondent registered the dispute domain name in his family name and there is no evidence of targeting complainant.

Respondent's Burden of Production

The evidentiary demand is not one-sided. Respondents also have a burden upon proof of a *prima facie* case, which is to demonstrate they either have rights or legitimate interests or complainant has insufficient proof of bad faith. The question is, what must a party do?

Panels draw their conclusions from the record and if the only record is that which is marshaled by complainant and respondent is silent complainant will prevail. Since it is incumbent on respondents to explain their acquisitions for domain names that incorporate well-known marks, what they fail to marshal for their argument is an admission that there is no evidence to counter complainant's proof.

This is illustrated in *Geo Global Partners, LLC v. Ruby Administrator / Ruby Advertising*, FA1807001797850 (Forum August 29, 2018) (<gardenique.com>) and *Pilot Fitness, LLC v. Max Wettstein / Max Wettstein Fitness*, FA1808001799942 (Forum August 30, 2018) (<pilotfitness.net). Both complainants submitted deficient and poorly researched complaints.

In *Geo Global*, the original registration of the disputed domain name predated the complainant's mark. Complainant (represented by counsel) contended it had common law rights but it failed to marshal any evidence that the mark was used in commerce at the time of the registration of the disputed domain name. However, as one commentator pointed out, this is only part of the story: "[B]ased on historical Whois records at Domain Tools, it appears the current owner of the domain acquired it in late 2016 or early 2017."[2] If that is correct, and respondent was a subsequent registrant of the disputed domain name, then the registered mark would have predated its registration by this respondent.

Complainant in *Pilot Fitness* was represented by counsel, likely not a "specialist" because in the Panel's view the complaint should never have been brought since the domain name registration predated Complainant's use of the trademark in commerce. Mr. Allemann also commented on this case:

> There's a lot of nuance to UDRP, and if you hire someone who's not an expert in cybersquatting, your results will vary. You'll also likely pay that person to research stuff that other lawyers already know.

What Complainants in *Geo Global* and *Pilot Fitness* have in common, and several other decisions that have been cited, is a failure to understand the unusual nature of the UDRP complaint and response, already noted in an earlier section. While a judicial complaint is intended solely to give defendant notice of the asserted claim and the requested relief, a UDRP complaint combines notice pleading with probative proof of complainant's contentions. In other words, a UDRP complaint is not simply a complaint but a complaint plus a motion for the equivalent of summary judgment as already explained in Chapter 12.

In *Pilot Fitness* Respondent alleged and proved that it had priority of right—the "right" incident to first to register the disputed domain name. Except under a limited number of circumstances, trademarks acquired after the registration of corresponding domain names have no actionable claim, as already noted in Chapter 5.

What if a respondent who lacks priority fails to create a record of any right? Silence (either by failing to appear or failing to marshal evidence if it has it) will most likely be conclusive against respondent. Several cases can be cited in which

2 Domain Name Wire, Andrew Allemann August 31, 2018.

non-appearance or appearing but offering insufficient proof has resulted in respondents losing their domain names.

In *Playboy Enterprises International, Inc. v. Alano Fernandez, E-Magine*, D2018-1457 (WIPO August 21,2018) (<centerfolds.com>) Respondent combined "Playboy" with "centerfolds" which obviously invokes the principal attraction to Complainant's consumers, but this would not make "centerfolds" standing alone infringing. Could an argument not have been made? The oldest extant registrations for CENTERFOLD alone dates from November 1996, but the defaulting Respondent registered the domain name on April 25, 1995 (24 years ago!).

The Panel in Playboy observed that

> Generally speaking, a finding that a domain name has been registered and is being used in bad faith requires an inference to be drawn that the respondent in question has registered and is using the disputed domain name to take advantage of its significance as a trademark owned by (usually) the complainant.

In based its inference on finding that it was "highly unlikely" that

> Respondent was not aware of the Complainant's (or its predecessor in title's) adoption and use of "Centerfold" when he or it registered the disputed domain name in 1994 (assuming the Respondent was the original registrant of the disputed domain name). By that stage, the Complainant had been using and promoting the term for almost 20 years all round the world [although not as a trademark]. The Respondent has not denied the Complainant's allegations in that respect [because it defaulted in appearance].

However, where there is explanation, as there was in *Aurelon B.V. v. AbdulBasit Makrani*, D2017-1679 (WIPO October 30, 2017) (<printfactory.com>) respondents will most likely prevail:

> The Complainant may have erroneously believed that the use of the Disputed Domain Name for a PPC website was an unconditionally strong argument in support of bad faith together with the fact that the Respondent acts as a domainer [but that is not the law].

The Confused, the Clueless, the Hapless, and the Inept

It is plain based on the decisions already cited that the gamut of mark owners failing to recognize the weakness of their claims is quite broad. Included in this range are arguments for cybersquatting based on confusion as to the scope of the Policy (mistaking the UDRP as a trademark court, for example). There also others who "betray an alarming unfamiliarity" with the UDRP; and again a category of registrants who are clueless of the process and the jurisprudence of the Policy; and there are the hapless (insofar as marshaling proof and arguing their cases). To one extent or another, their ineptness has consequences.

The "confused" may be forgiven since while domain names are central to their complaint, their claims actually sound in trademark infringement. I distinguish between complainants who may genuinely have (or believe they have) a trademark claim and those who may believe they have a cybersquatting claim based on their trademarks except their rights postdate the registrations of their marks. Whether the clueless, the hapless, and the inept can be forgiven depends on the particular facts, but in most instances they are not forgiven as discussed further in Chapter 17 "Reverse Domain Name Hijacking."

Examples of the confused are: *Altiplano Voyage v. Terra Holding Ltd. / Pierre Boyer*, D2019-2141 (WIPO November 12, 2019) (<voyagealtiplano.com>) and *Taffo SRL v. Contact Privacy Inc. Customer 0141464573 / Agenzia Funebre Taffo di Taffo G. & C. SAS Societa/Ditta*, D2019-2266 (WIPO November 19, 2019) (taffo.com>). As a general rule, where domain names are incidental to the offense the claim is outside UDRP's subject matter jurisdiction which is limited to claims of cybersquatting.

In *Altiplano Voyage*, the Panel notes that "this case presents a more nuanced trademark dispute (at least on the papers presented) than that for which the Policy is equipped." The Panel also comments on Complainant's evidentiary deficiencies. In *Taffo*, the Panel "incidentally notes that the Policy is designed to resolve standard cases of abusive domain name registrations, while the present one is a complex trademark matter that will be more appropriately handled by the Court of Rome before which an Ordinary Proceeding is already pending." If there is a remedy at all it must be for trademark infringement.

The same point is also made in *Beautiful People Magazine, Inc. v. Domain Manager / PeopleNetwork ApS / Kofod Nicolai / People Network Aps / Nicolai Kofod / People Network*, FA1502001606976 (Forum May 4, 2015) (<beautifulpeople.com>): "Whether or not Respondent's current use of the domain names constitutes trademark infringement is an issue which only a court can determine."[3]

The "clueless" are of two kinds: those whose rights predate the disputed domain name and those whose rights postdate the disputed domain name. They share the belief in the better right theory, and while both have standing to maintain

3 Complainant challenged the UDRP award and its complain was dismissed, *Joshua Domond and Harold Hunter, Jr v. PeopleNetwork APS d/b/a Beautifulpeople.Com, Beautiful People, LLC, Greg Hodge, and Genevieve Maylam*, 16-24026-civ (S.D. FL. Miami Div. 11/9/17), Aff'd No. 17-15576 (11th Cir. Sep. 20, 2018). The federal action is further discussed in Chapter 19,

a proceeding, neither have actionable claims. Of note in the below cited decisions are their instructional contents, generally framed by respondents' counsel who are instrumental in arguing for the metes and bounds of rights (discussed in Chapter 6). How do the antagonists know what constitutes theories of action and defense, unless the decisions are instructive on those issues?

The point is illustrated in cases reaching back to the earliest decisions. In *PROM Software, Inc. v. Reflex Publishing, Inc.*, D2001-1154 (WIPO March 4, 2001) the Complainant (unrepresented) was rebuffed a number of times to purchase <prom.com>. The following exchange occurred before the Complainant filed its complaint:

> On or about February 29, 2000, Mr. Symmes again contacted Respondent, via email, as follows:
>
> "We are interested in acquiring the above domain name <prom.com> for our company. We have approached you previously, but have always been told that the domain was not for sale. I notice today that the domain is apparently being forwarded to another company, which appears to be unrelated to Reflex Publishing, Inc.
>
> We have used the name PROM for 25 years [an inaccurate statement since it had rebranded itself in 1999 from P*ROM] and have a US Federal Trademark Serial Number 75783304 for the name.
>
> Under the new ICANN Rules, we feel we would prevail in an arbitration procedure concerning this domain, but would rather work something reasonable out with you."

Again, Mr. Grant responded on behalf of Respondent, as follows:

> "I'm sorry but the domain is not for sale. Yes, we have established an affiliation with <4anything.com> to promote their PROM site, and eventually will be developing a similar site ourselves. Neither of these uses infringes your trademark, which is for Software for computational uses in the financial service industry and in aviation."

The Panel concluded that

> Complainant's argument that Respondent's failure to use the domain until some time after Complainant's initial inquiry, and Respondent's current use of the site to post superficial content, manifest a lack of legitimate interest, is misplaced.

The reason for this is that

> There is content on Respondent's website that would be likely to appeal to Respondent's purported target audience: teenagers. While the Panel notes that the site does not appear to be devoted to high school dances, the fact remains

> that the content is geared toward teenagers, an audience for whom the word "prom" likely would signify a school dance.

The Panel found that the "record is devoid of any evidence of bad faith on Respondent's part" and tells the Complainant why its complaint must be dismissed and sanctions imposed.

A mark owner asserting a claim of cybersquatting on facts that those familiar with the jurisprudence know it cannot prevail, but asserts claims on the misbelief of its rights, deserves what it reaps. The Complainant in *Beautiful People Magazine* cited above was particularly aggressive in stating its rights despite Respondent's priority of history of use. It rested its case on facts that even if they had the consequences alleged could not support bad faith.

The USPTO examiner had denied the Respondent's application to register BEAUTIFUL PEOPLE for dating services on grounds of mere descriptiveness, while the Complainant had subsequent registrations for BEAUTIFUL PEOPLE IN ACTION and BEAUTIFUL PEOPLE MAGAZINE. But "the question to be decided is not whether Respondent has a valid trademark but whether Respondent has rights or legitimate interests in the domain names." The Panel noted:

> Given the descriptive nature of Complainant's marks, even if Respondent were shown to have had knowledge of Complainant or either of its marks when registering the <beautifulpeoplegay.com> and <gaybeautifulpeople.com> domain names, such knowledge alone would not suffice to establish bad faith registration, as would be the case were Complainant's marks inherently distinctive and very well known.

The Complainant incurred the ultimate rebuke, sanctioned because it "was well aware, when it filed this Complaint [. . .] that Respondent is and has long been using the domain names descriptively in commerce to provide legitimate dating services."

Similarly in *Gary Chupik v. Shant Sarkuni*, FA1910001868583 (Forum November 18, 2019) (<elitemindset.com>) Complainant tried another, equally unpersuasive argument by applying for a trademark after unsuccessfully attempting to purchase the domain name, believing perhaps that having a trademark would be conclusive of a right to the corresponding domain name:

> a. the disputed domain name was registered on April 18, 2017;
>
> b. Complainant made unsolicited offers to purchase the disputed domain name which were rejected by Respondent;
>
> c. Complainant filed his trademark applications with the USPTO on January 30, 2019, after his offers to purchase the disputed domain name were again rejected;
>
> d. Complainant filed the complaint on or about October 28, 2019.

Complainant appears to have believed that because "he made an offer to purchase the disputed domain name from Respondent" and because the "Respondent refused to sell the disputed domain name to him for the highest price that he was willing to offer" that he had asserted a claim for cybersquatting. The Panel found the conduct sanctionable:

> In the circumstances, this Panel finds that Complainant, being aware that he was not entitled to succeed, nonetheless brought this Complaint with the hope that he may secure the transfer of the disputed domain name, after he had failed to purchase same in open commercial arms-length negotiations.

In *Advice Group S.P.A. v. Privacy Administrator, Anonymize, Inc. / Michele Dinoia, Macrosten LTD*, D2019-2441 (WIPO December 2, 2019) (<advicegroup.com>) the Panel explains

> The Amended Complaint inappropriately relies on accusations of "cyber-squatting" by the "Respondent", citing proceedings that did not involve Mr. Dinoia and failing to show how the Respondent targeted the Complainant's mark when the Registrar indicates that the Respondent acquired the Domain Name some two years before the Complainant obtained a trademark, and nine months before the Complainant even filed its trademark application.

The Complainant's (or rather its counsel's) failing is not understanding the scope of the Policy.

Other Complainants represented by counsel (include *Pet Life LLC v. ROBERT RIESS / blue streak marketing llc*, FA181000181087 (Forum November 11, 2019) (<petlife.com>) registered more than 5 years after registration of domain name) and *Glovoapp23, S.L. v. Wang Shun*, D2019-1986 (WIPO September 30, 2019) (<glovo.com> registered 17 years before trademark right). Complainants in both these cases were sanctioned for asserting claims they could not possibly prove.

Two law firm cases also illustrate ineptness in that both failed to recognize the significance of the Respondents names. In the first, a law firm specializing in intellectual property represented itself to an inglorious end, *Bartko Zankel Bunzel & Miller v. Perfect Privacy, LLC / Jan Bartko*, D2022-0043 (WIPO March 17, 2022); and in the second, the firm retained counsel that first of all missed the creation date of <gotohale.com> and then only attempted to withdraw the complaint after putting the Respondent to the trouble and expense of serving a response, *Hale Law, P.A v. Roger Hale*, D2023-0084 (WIPO April 20, 2023) (<gotohale.com). (See earlier discussion on withdrawal in Chapter 8 and its consequences).

The second group of mark owners, the hapless, may have meritorious claims, but either lack proof or have not marshaled what they need to establish bad faith. The inference drawn from deficiency of evidence is that if no proof is offered, none exists. The point is illustrated in A*ssurity Life Insurance Company v. DOMAIN*

MAY BE FOR SALE, CHECK AFTERNIC.COM Domain Admin / Whois Foundation, FA1911001872882 (Forum December 21, 2019) (<assuritylife.com>): "Complainant asserts both registered and common law trademark rights. Complainant owns several USPTO registrations but none earlier in time than ... March 21, 2006 and so even its filing date postdates the registration of the domain name [May 2004]."

However, in this case, Complainant's assertion of common law rights is premised, not on proof of public awareness and reputation, but on the above statement, which in turn rests on the claim of first use in commerce date of June 12, 1996, shown in Reg. No. 3,070,343, the date provided by the applicant. However, a date of use set forth in an application or registration owned by applicant or registrant is not evidence on behalf of that applicant or registrant. If that date becomes an issue, date of first use must be supported by evidence.[4]

One of the questions here which the Panel frames as a preclusion issue can also be thought of as a credibility issue: if Complainant really believed it had a claim, why did it wait so long to assert it. "[A]lthough opinions have differed as to whether the equitable doctrine of laches applies to UDRP proceedings, it has been recognized [that is, the consensus among panelists is] that delay in bringing proceedings is likely to place a higher burden on a complainant attempting to prove a state of affairs long ago." Nevertheless, sleeping on one's right can have consequences. That issue has to be addressed, and if omitted can affect the outcome of the case.

The same point is also made in *NovAtel Inc. v. Registration Private, Domains By Proxy, LLC / Domain Admin, FindYourDomain.com*, D2019-1939 (WIPO October 4, 2019) (<novatela.com> and *DK Company Vejle A/S v. Cody Favre, C4 Squared*, D2019-2676 (WIPO December 17, 2019) (<shopcasualfriday.com>). In *NovAtel*, "[w]hile the Complainant asserts that its NOVATEL trademark has been in use since 1992, it provides no evidence as to how widely the mark was known at that time or, more importantly, in 2007."

In *DK Company Veile*, the Panel explains that

> [t]he difficulty with that case is that the Complainant has provided no information as to the size or reputation of its business, and such limited evidence as it does provide indicates its business is entirely European. The Complainant says that its CASUAL FRIDAY trademark is "widely known" in the European Union but provides no evidence to substantiate that assertion. There is nothing before the Panel to suggest that a United States retailer would have had any knowledge of the Complainant or, had it carried out searches, would have found any reason to conclude it could not adopt the words as part of a name for use in the United States.

4 USPTO Trademark Manual of Examining Procedure 903.06

In failing to produce supporting evidence necessary to establish common law rights or the repute of a mark at the time of the registration of the domain name or any other indicia of consumer recognition, the inference must be that there is none. The consensus is as the Panel states in *Adventure SAS*, namely that "the natural inference in the absence of any evidence to the contrary would be that the Respondent registered the Domain Name in good faith."

The third group, less hapless because they simply do not have enough information until the response is filed, are mark owners complaining of domain names held or used by commercial businesses offering bona fide goods or services (distinguishing these respondents from investors reselling domain names). Where the Whois or the response fills in the gaps of complainant's lack of knowledge and the complainant becomes aware it has no actionable claim, the complaint should be immediately withdrawn *if permissible* (see Chapter 8 ("Complainant's Request to Withdraw Complaint").

The point is illustrated in *Lexon v. Registration Private, Domains By Proxy, LLC / Surety Management*, D2019-2365 (WIPO December 12, 2019) (<lexon.com>) in which Respondent offered proof that "the Disputed Domain Name was acquired as part of a legitimate business transaction when the Respondent purchased the Lexon Surety company and its trademarks"; and *DSN Software, Inc. v. Rob Bay*, FA1910001865961 (Forum December 10, 2019) (<practicesnapshot.com>) in which the descriptive phrase identified the services Respondent offered.

Also included in this group are complainants whose marks are composed of common words, descriptive or common phrases, and arbitrary letters (to distinguish marks composed of coined words or nationally or internationally famous). These choices are notoriously hard to prove that disputed domain names were registered to target particular mark owners rather than for their semantic (rather than trademark) values.

In *Service Spring Corp. v. hao wang*, D2018-2422 (WIPO December 17, 2019) (<ssc.com>) the "Complainant submits that bad faith should be inferred from (i) the Respondent's use of a privacy service, (ii) the Respondent's provision of incomplete address details in the WhoIs record and (iii) the Respondent's failure to respond to the Complainant's cease and desist letters," but these factors, even if considered, are not conclusive of liability absent evidence of targeting; and on the totality of the facts do not add up to bad faith.

Satisfying the Evidentiary Demands of the UDRP

Predated Domain Name: Postdated Trademarks

Mark owners with registered marks postdating registration of the disputed domain name have standing to maintain a UDRP proceeding but they have no actionable claim unless they have provable common law rights (Chapter 9). Ordinarily, Panels will make a determination at to whether or not respondent has rights or legitimate interests,[5] but even if respondent is found to lack either, the complaint must still be dismissed because there can be no bad faith registration. Cybersquatting is an intentional act: registrant could not have intended to infringe mark owner's rights if that right did not exist at the time of the registration.

In *Well-Link Industry Co. Ltd. v. Jeff Park, Nexpert, Inc.*, D2017-0036 (WIPO March 1, 2017) "Complainant argues that it has a more justifiable claim to the disputed domain name than Respondent because Complainant is conducting business under the trademark reflected in the second level domain of the disputed domain name." As this "better right" theory has no basis in UDRP law (or US law) for either predated or postdated marks, the complaint was dismissed.

Examples: *Puretalk Holdings, LLC v. Domain Administrator / Fundacion Privacy Services LTD*, FA1906001848525 (Forum August 5, 2019) (<puretalk.com>), mark postdating domain name registration by15 years); *Art-Four Development Limited v. Tatiana Meadows*, D2019-1311 (WIPO July 29, 2019) (<aizel.com>), also postdating by almost 15 years). In *Femida a/k/a International Legal Counsels PC v. Reserved for Customers / MustNeed.com*, FA1906001847829 (Forum July 25, 2019) the postdating is quite short, but still "Respondent's domain name was registered before the first use and registration of the Complainant's mark."

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5 This is a panel made rule that has solidified into consensus. See *Digital Vision, Ltd. v. Advanced Chemill Sys*, D2001-0827 (WIPO September 23, 2001) ("Complainant has provided the registration documents for its DIGITAL VISION marks, within the USA and the EU. Registration for these marks postdates the domain name registration; however, Paragraph 4(a)(i) does not require that the trade mark be registered prior to the domain name."

Not all Panels are in agreement that complainants whose marks postdate the registration of the disputed domain name have standing. Rather than proceeding with a full decision, they will terminate the discussion at the 4(a)(i) stage: *Post.Com Limited v. Peter Neilson*, D2002-0690 (WIPO September 17, 2002): "In this Panel's view, the Complainant has not established … that the Domain Name was registered by the Respondent in bad faith. [...] In the light of this finding the Panel does not need to consider paragraphs 4(a)(i) and (ii) of the Policy"; *SD Wheel Corp. v. Dustin Hoon / TrailBuilt.com*, FA2109001967151 (Forum November 24, 2021) (<trailbuilt.com>. "[A] failure to prove any of [elements of Paragraph 4(a)(iii)] must be fatal to Complainant's cause. And, in that event, it becomes unnecessary for the Panel to address."

Note the difference, however, between dismissal for postdated marks as opposed to lengthy holdings of domain names that are forfeited where there is no defense against best faith registration. Laches is discussed in Chapter 16.

Claiming cybersquatting against domain names predating marks in commerce is obviously misguided, indeed sanctionable, but challenging domain names with deficient evidence of a mark's right or a respondent's bad faith is careless or worse. It is no more sufficient for a mark owner to have a naked current right than it would be for it to succeed on respondent's default. Respondents did not appear in *Pure Talk* and *Art-Four*; Complainants failed because it was impossible for them to succeed.

Higher Bar for Weak and Unregistered Marks

Notably, one of the principal reasons complainants fail to persuade Panels of their rights depends in part on their linguistic brand choices, and another part on their failure to marshal proof supporting their claims. It infects their pleadings whether they have registered or alleged common law rights. For marks composed of dictionary words, descriptive phrases, and short strings of letters, the evidentiary bar for proving Paragraphs 4(a)(ii) and 4(a)(iii) is higher because complainants are not alone in choosing those terms or having chosen them have no exclusive right to them for the reasons discussed in Chapter 7.

The Panel in *Facele SPA v. Jason Owens*, D2019-0140 (WIPO July 28, 2019) (<facele.com>) (Complainant represented by counsel) gives a thoughtful explanation of these expectations as it applies to alleged common law rights:

> Even if the Complaint had only included details of the Complainant's pre-2010 sales and advertising figures accompanied by examples of how the mark has been used, that would have been helpful.

It pertinently noted: "[I]t is for the Complainant to prove its case, not for the Respondent to prove his defence." Since the facts the Panel references are fully within the complainant's knowledge and control, failure of proof, omissions without understanding the evidentiary burden or for strategic reasons, supports an adverse inference that the mark was not used before the registration of the domain name; for if it were, the proof would have been submitted. The absence of proof confirms that none exists.

A good illustration of this deficiency of proof is *Empire Engineering LTD v. Liamuiga LLC*, FA1906001847862 (Forum July 22, 2019) (<empireengineering.com>). In this case, Complainant (represented "internally" presumably by an attorney lacking knowledge of the evidentiary burden) had to deal with the descriptive nature of the alleged mark.

While the phrase "empire engineering" is hardly striking as an indicator of source, it is certainly capable of functioning as a mark in a niche field. However, the

Panel dismissed the complaint because "Complainant has not provided evidence of secondary meaning with respect to the expression 'Empire Engineering.'" As in *Facele SPA*, Complainant (but more particularly its representative) failed to take into account the quality of and demand for proof to establish rights under paragraph 4(a)(i) of the Policy.

Failure to establish common law rights also sank Complainant in *Aurora Cannabis Inc., Aurora Marijuana Inc., Aurora Cannabis Enterprises Inc. v. Byron Smith*, D2019-0583 (WIPO July12, 2019) (<auroradrops.com>). The Panel held

> If there was indeed common law use of the AURORA DROPS at any relevant time by the Complainants, proof of that use was also deficient. This may be a function of the fact that the marijuana market in Canada was only operational at full scale beginning in October 2018. In any event, the Complainants' evidence of common law rights has not satisfied the Panel that there was a substantial reputation as of April, 2017, when the disputed domain name was registered. The Complainants' belated attempt to register AURORA DROPS has only served to muddy the waters.

The underlying concept of secondary meaning (as earlier discussed in Chapter 9) is proving reputation in the marketplace, not as it currently is but as it was at the time of the registration of the domain name. The evidence must be sufficient to show that the mark would have been recognized by consumers as a source of complainant's goods or services and by a registrant that would have brought the unregistered mark to its attention. A contention of such a reputation is not evidence that it is.

These deficiencies are charged against complainants although in many instances the responsibility lies with professional representatives. In *Dakota Access, LLC (c/o Energy Transfer LP) v. John Saldis*, FA1906001849464 (Forum August 6, 2019) (<dakotaaccesspipeline.com>). "Complainant has not adduced any evidence of trademark registration." While it "contends [it] has used the DAKOTA ACCESS PIPELINE name in publicity materials, contracts, and filings with state and federal regulatory agencies," it has not produced them:

> The only supporting evidence adduced by Complainant is a presentation deck named "Energy Transfer LP Investor Presentation — June 2019". It is unclear to the Panel how this presentation deck supports Complainant's contention. This 45-page presentation deck seems to only have one reference to "Dakota Access Pipeline" in a map, without any elaboration as to the relationship of "Dakota Access Pipeline" with either *Dakota Access*, *LLC* or *Energy Transfer LP*.

In addition to this deficiency,

> while the timing of when a complainant has acquired common law rights in a mark is not relevant for the panel in deciding on this element, the Panel notes that this presentation deck is dated June 2019, which is later than the creation date of the disputed domain name (September 18, 2016).

The Panel's "note" about timing concludes (properly) that Complainant fails to satisfy the low bar for standing to maintain the proceeding.

Even where marks allegedly predate domain name registrations, complainants must still anticipate legitimate interests and rights defenses squarely undercutting their claims of cybersquatting. In *Royal Caribbean Cruises, Ltd. v. James Booth, BQDN.com*, D2019-1042 (WIPO July 17, 2019) (<rcc.com>) Complainant argued that the three-letter string infringed its unregistered four-letter acronym, "rccl." This raised a problem as summarized by the three-member Panel:

> the Respondent raises a reasonable question regarding whether a four-character mark which is an initialism or acronym can be found to be confusingly similar to a three-character domain name which, as here, shares part of the same character set. The Respondent points out that, if a finding of confusing similarity is made in those circumstances, the logical extension is that all four-character initialisms / acronyms would be regarded as confusingly similar to all partially corresponding three-character domain names. (Emphasis added).

For these reasons, the Panel declined to make a ruling under Paragraphs 4(a)(i) and 4(a)(ii) and rested its dismissal of the complaint on 4(a)(iii):

> The Panel is inclined to favor the Respondent's case on registration in bad faith [and] accepts that the Respondent more probably than not acquired the disputed domain name due to its value as a short, ubiquitous and memorable three-letter string which would be attractive to a wide variety of existing and potential entrants to the marketplace rather than in a bad faith attempt to target one specific rights owner in the form of the Complainant.

In fact, such findings under either 4(a)(ii) or 4(a)(iii) have been made "in multiple past cases." For example, the panel noted in *Compañía Logística de Hidrocarburos CLH SA v. Privacy Administrator, Anonymize, Inc. / Sam Dennis, Investments.org Inc*, D2018-0793 (WIPO June 13, 2018) (<clh.com>) that "it is commonly accepted that absent factors to the contrary in a particular dispute [of which there are none offered in this case], trading in domain names is a legitimate activity that has grown into a substantial market over the years."

Panelists make their determination based on the record submitted to them. They have limited authority to perform research (except to verify allegations or to confirm a fact material to the outcome of a case). It is as basic as that: if parties fail to submit evidence for their contentions, their deficiencies cannot be cured. I would extend this observation by also noting that a respondent's silence where on objective grounds it could make a case but defaults in appearance, its loss may very well be the cause of a Panel stepping into error as I have argued in Chapter 13.

CHAPTER 15

THE UNIFORM RAPID SUSPENSION SYSTEM

CLEAR AND CONVINCING

ICANN describes the Uniform Rapid Suspension System (URS) as a complementary process to the UDRP designed "for rights holders experiencing the most clear-cut cases of infringement."[1] In contrast, the UDRP is limited to "a relatively narrow class of cases of 'abusive registrations.'" The URS was implemented in 2013 in conjunction with ICANN delegating eighteen hundred new generic top level domains ("New gTLDs") to the Domain Name System (DNS).[2] It is not available for disputes with any genuine issues of fact.

When introduced, the URS was not intended for legacy gTLDs (.com, .net, .org, etc.), and for new gTLDs it applies only to that class of dispute colloquially referred to as a "slam dunk."[3] By way of illustration, in a rare case of denying the complaint, the Examiner in *Warner Bros. Discovery, Inc. v. Privacy Protect, LLC (PrivacyProtect.org)*, FA2306002049347 (Forum July 9, 2023) held:

> Aside of expressing the Complainant's concern as regards the fact that the use of the Scooby-Doo character on the website may create the potential for consumer confusion, no arguments were provided to demonstrate why it is considered that the Registrant does not have a legitimate right or interest to the domain name.

It continued:

> Even though the URS provides an expedite solution to issues involving the registration of domain names which are identical or similar to trademarks owned by third parties, it is a duty of the Complainant to explain why the Registrant has no rights or legitimate interest over a given domain name, and not a task of the Examiner to automatically infer that conclusion.

And concluded:

1 https://newgtlds.icann.org/en/announcements-and-media/announcement-05mar13-en.

2 Described on the ICANN website at https://newgtlds.icann.org/en/program-status/delegated-strings.

3 ICANN implemented the URS in June 2013. It is an ad hoc rather than a consensus policy which means that it cannot be upgraded to include legacy gTLDs without multi-stakeholder input and ultimate approval of ICANN's Board.

> Indeed, arguing the similarity (or even the identity) of a given domain name with a registered trademark does not suffice to demonstrate the lack of rights or interest of the Registrant. In light of this, the Complaint does not meet the requirement of URS 1.2.6.2.

This dispute involved a .tech domain name, <scooby.tech>).

By way of registrar contract revisions negotiated in 2019, ICANN opened the URS to two legacy extensions, .org and .info. It is speculated that this move presages a future ICANN decision to make the URS a "consensus policy"—that is, to open it up to the remaining legacy extensions (dot com and dot net). That has not happened as of the publication of this book.

Although the URS serves a useful purpose, its use has been declining since its introduction. Some of its features have come under intense scrutiny, but it appears that there is little appetite to amend the Procedure or Rules as became evident in the ICANN Working Group's review of them. Essentially, nothing of substance came from the lengthy review. Those that did are discussed in this chapter. ICANN has not acted on any of the proposals although they are currently being reviewed.

URS and UDRP in Context

The URS "complements" the UDRP, but its subject jurisdiction is narrower. It is intended for "rights holders experiencing the most clear-cut cases of infringement." It is not available for disputes with any genuine issues of fact. For disputes outside its scope, the remedy must be sought in administrative proceedings under the UDRP or courts of competent jurisdiction.

It has a unique feature that is worth commenting on although rarely used, namely that it can be used to shut down a website (a kind of preliminary injunction). Complainants can use each mechanism successively: if they lose the URS they have a second chance under the UDRP[4] and if they prevail under the URS, they can then commence a UDRP to obtain the transfer remedy.[5]

4 *Bloomberg Finance L.P. v. zhang guo jie*, FA1703001721683 (Forum March 31, 2017) (<bloomberg.site>. A URS proceeding: "The Complaint is . . . devoid of any allegations or proof of facts tending to show, even prima facie, either that Respondent has no right to or legitimate interest in the <bloomberg.site> domain name, or that the domain name was registered and is being used by Respondent in bad faith.") Complainant then commenced a UDRP with the same result, *Bloomberg Finance L.P. v. zhang guo jie*, FA1704001727926 (Forum June 8, 2017) ("[E]ven taking account of the public use which has been made of the trademark, it is a common family name . . . which might remain open to use in good faith by any number of traders. [. . .] This is not a case of an invented word with no connotation other than the goods or services of a single trader where it is difficult to perceive of any good faith use. Absent any use or other telling indicia, an inference of likely bad faith use could here only rest on supposition.

The URS is not what ICANN calls a "consensus" policy; that is, its application does not extend to the legacy extensions. It is limited to the new gTLDs approved in the 2013 round of extensions, although as noted above in 2019 ICANN negotiated new registry agreements that extended the URS to include .org and .info, so it is likely at some future point to become a "consensus" policy.

The UDRP, on the other hand, is available for all extensions, legacy and new. There are two circumstances under which complainants can use both successively: if they lose the URS they have a second chance under the UDRP (*Elodie Games, Inc. v. Wood Gavin*, FA2202001986021 (Forum April 6, 2022); and if they prevail under the URS, they can then commence a UDRP to obtain the transfer remedy.

The URS is similar to the UDRP in both the language and elements of its three-part structure and its evidentiary demand for proving conjunctive bad faith, but it is dissimilar in being heavily prescriptive, in opposition to the UDRP which is minimally prescriptive. What this means for the URS is that Examiners (instead of Panels) are not authorized to leave the track laid out for them in the URS Procedure and Rules. They may cite to UDRP decisions and even quote from the WIPO Overview for the purpose of citing core principles and applying factors long agreed upon by consensus, but they do not have the same license as UDRP Panels to construe the language of the URS. No "Overview" has been developed for the URS, but consensus views have certainly been staked out.

Overall, Examiners are instructed by the terms of the URS that 1) Complainants must prove their claims by submitting clear and convincing rather than a preponderance of the evidence; and 2) the URS is not available a) to unregistered marks or registered marks for which there is no proof of "current use." or b) for any dispute "with open questions of fact" or in which there are "genuine issues of material fact."

One change of language (an adjectival transposition) from the UDRP for the second limb is worthy of note. Instead of "rights and legitimate interests" (UDRP), URS Procedure 1.2.6.2 demands "legitimate right and interest." Moving the qualifier to the front of the phrase changes the emphasis: not just a "right" but the right

5 *Casale Media, Inc. v. PERFECT LLC et al.*, FA1608001689725 (Forum September 6, 2016) (<casalemedia.support> Complainant won suspension, then commenced a UDRP for transfer of the domain name, *Casale Media, Inc. v. (Name redacted) / PERFECT PRIVACY, LLC*, FA1610001696719 (Forum November 10, 2016); *Boursorama S.A. v. GDPR Masked et al.*, FA1807001794828 (Forum July 18, 2018) and *Boursorama S.A. v coupe*, CAC 102082 (ADReu September 4, 2018) (<redirect-bourso.tech>, <redirect-bourso.space>, redirect-bourso.site>, and <redirect-bourso.online>). Though not done often, there is good reason for proceeding in this manner in that suspension (an injunction equivalent) is effective immediately upon filing the award and has the effect of taking down the website, while locking under the UDRP does not. Injunction first, then take the domain names out permanently by transfer through a UDRP proceeding.

that respondent lacks must be "legitimate." Respondents so rarely appear that this lexical change has little meaning, but if it does appear and argues a right, that right must be legitimate to assert a meritorious defense.

If Complainant prevails it is limited to a single remedy, of suspension for the duration of the registration as opposed to cancellation or transfer of registration available under the UDRP although it has the option "to extend the registration period for one additional year" which in essence means extending the suspension of the infringing domain name. This is not an appealing provision to mark owners.

UDRP's Younger Sibling: Rapid Suspension of Cybersquatting Domain Names Under the URS

Introduction

For reasons that I will outline below, the URS as it is presently constituted has not proved particularly popular with the general population of rights holders, but it could conceivably improve in popularity if certain changes were made, although there may not be an appetite to make any.

Regardless whether a claim could be brought in a URS proceeding, rights holders continue to have a choice of either mechanism to shut down cybersquatting. There is no particular mystery for the lack of enthusiasm for the URS. The URS remedy is limited to suspension for the life of the registration; whereas, for the UDRP, it is either cancellation or transfer of the domain name to complainant's account.

The difference is temporary as opposed to permanent relief. It appears that for most complainants the permanent relief offered by the UDRP is better than the temporary relief offered by the URS. Added to this is another concern that when the domain name returns to the general pool it will be recycled by another cybersquatter or even re-registered by the offending cybersquatter.

The mandate of the RPM WG was divided into two parts. Phase 1 examined the 2013 RPMs (completed with the publication of Final PDP Recommendations, November 24 2020); Phase 2 was to be devoted to reviewing the UDRP (as of the publication of this book it has not yet been scheduled to commence).

As initially proposed for public comments, the Recommendations (and Individual Proposals) included revising the default provisions of the URS; the Individual Proposals mainly address substantive changes to the URS such as reducing some respondent protections and extending the URS to include all legacy gTLDs. The Final Recommendations (the Individual Proposals not advancing to recommendations) stuck to certain basic improvements.

What the Generic Names Supporting Organization, the policy making body of ICANN (GNSO), ultimately does with the Final Recommendations is anyone's guess but none of them is likely to inspire enthusiasm for using the URS.

Jurisdiction and Remedy

ICANN describes the URS as "complement[ing] the existing UDRP by offering a lower-cost, faster path to relief for rights holders experiencing the most clear-cut cases of infringement."[6] The words have been carefully chosen. By its terms, the scope of the URS is significantly narrower than the UDRP. It is only available to mark holders with word marks. Thus, figurative marks are outside the scope.[7] It is also not available to mark holders claiming unregistered marks since these kinds of marks raise triable issues of fact, and the proof is better examined under the UDRP.

Current experience with the URS is slim because of its low usage. Since its introduction in 2014 there have been fewer than 3,000 cases, diminishing in number each year. Rights holders prevail in approximately ninety-nine percent of URS claims. At the same time and in disproportionate numbers rights holders use the UDRP for challenging domain names with New gTLD extensions. Why the preference?

On the surface, "lower cost" and "faster path" sound like sales pitches, encouraging rights holders to use the mechanism. Important though these two features are, the major discouragement appears to arise from combination of differences between the URS and the UDRP. The URS demands a higher standard of proof and has only the single remedy. The third phrase, "clear-cut cases" is a substantive statement about the subject matter jurisdiction of the URS, and given the percentage of cases that are intentionally cybersquatting under the UDRP it would seem the URS would be particularly attractive to a greater number of rights holders than has actually occurred. A quick suspension it would be thought has all the hallmarks of a permanent injunction under the Lanham Act. It instantly shuts down any infringement which would be perfect for websites offering counterfeit goods. That it has not proven attractive must nevertheless be fastened on the remedy.

I will return to the three phrases in a moment after developing some context. Rights holders pay less and have a heavier burden with the URS, but they get less. The question is, if mark owners had their druthers, what would they want? A partial answer is found in the RPM WG Preliminary Recommendations and Individual Proposals, particularly the latter.

6 ICANN website at https://newgtlds.icann.org/en/applicants/urs.

7 URS 1.2.6.1: "the domain name is identical or confusingly similar to a word mark"

I. Higher Standard of Proof

To prevail under the URS, mark owners are required to support their claims of cybersquatting by clear and convincing evidence; while under the UDRP, the burden is satisfied by a preponderance of the evidence. This higher standard has defeated some parties who submit deficient pleadings but this involves only a handful of cases.[8]

The URS tracks the UDRP in dismissing claims from rights holders whose rights postdate registrations of alleged infringing domain names.[9] Other complainants are flummoxed by the conjunctive requirement that demands proof of both registration in bad faith and use in bad faith. And, of course, the complainant must be able to show a trademark right. In *BestReviews Inc. v. Domains By Proxy, LLC et al.*, FA1602001659117 (Forum February 17, 2016) (<bestreviews.guide>) the Examiner noted that "[the] lack of a Trademark on the Principal Registry [is] dispositive of the matter in this forum."

These bars to rapid suspension are repeated for emphasis in several different provisions: there must neither be "open questions of fact," "genuine contestable issues" or "genuine issues of material fact." For the avoidance of doubt as to the meaning of "clear and convincing evidence" the URS includes the following instructions to Examiners (the name of decision makers under the URS)[10]:

> To restate in another way, if the Examiner finds that all three standards are satisfied by clear and convincing evidence and *that there is no genuine contestable issue*, then the Examiner shall issue a Determination in favor of the Complainant. (Emphasis added).

If the claim is not slam dunk it either belongs in a UDRP proceeding or in an action in a court of competent jurisdiction.

8 See *Dr. Seuss Enterprises, L.P. v. Contact Privacy Inc. Customer 0156025452*, FA2003001868801 (Forum November 14, 2019) (<gringe.store>. Submitted the wrong screenshot of a web site resolving from the domain name to <seussville.com>).

9 See *Central Florida Educational Foundation, Inc. v. Matthew Klein et al.*, FA2003001887817 (Forum April 2, 2020) (<livingworship.org>).

10 URS Procedure 8.3: "For a URS matter to conclude in favor of the Complainant, the Examiner shall render a Determination that that there is no genuine issue of material fact." URS Procedure 8.5: "Where there is any genuine contestable issue as to whether a domain name registration and use of a trademark are in bad faith, the Complaint will be denied…. The URS is not intended for use in any proceedings with open questions of fact, but only clear cases of trademark abuse."

II. Suspension

The second principal difference between the URS and the UDRP is the available remedy. Where the UDRP offers two remedies, cancellation or transfer of the domain name, the URS offers only suspension for the duration of the registration.[11] The concern here is that the same domain name could be registered by another potential infringer once it is released to the general pool following the expiration of the registration. This is not a paranoiac concern since there have been a couple of instances of domain names returning to the URS under different respondent names.[12] The URS has no provision for putting the domain name out of reach for further exploitation. Individual Proposal #13 therefore proposes that the losing Respondent "cannot re-register the same domain name once it is no longer suspended."

In the discussions by WIPO[13] that ultimately led to ICANN implementing the UDRP, commentators considered three remedies to combat cybersquatting: suspending, canceling, and transferring infringing domain names. Of the three, suspension appears to have been considered separately. Final Report Paragraph 189 states:

> A number of commentators were in favor of the possibility of an expedited application under the administrative procedure, whereby a complainant could obtain a suspension of a domain name registration on short notice pending a final decision on the merits.

However, the Final Report concluded that "the scope of the administrative procedure to cases of abusive registration makes this possibility unnecessary." While suspension did not make its way into the UDRP, ICANN nevertheless incorporated all three remedies in the Registrar Accreditation Agreement (RAA), and it is a standard fixture in domain name service agreements.[14]

The unused remedy of suspension came in handy when ICANN began considering an expedited mechanism for rights holders challenging registrations of domain names in new gTLD extensions, and it found its place in the URS. While mark holders would like to enlarge the remedy and limit reopening of default suspensions, domain name holders would like to strengthen protections against trademark

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11 URS Procedure 10.2, 10-4.

12 <cfa.business> has come around twice within months of each other (same registrars); and also <skx.science> with different respondents and registrar.

13 WIPO published its recommendation in The Management Of Internet Names And Addresses: Intellectual Property Issues (Final Report, Apr. 30, 1999).

14 RAA, 3.7.7.11.

overreaching and assure that respondents get a fair opportunity to defend their domain names.

Benefits and Burdens of the URS

There are two principal features of the URS—lower cost and faster path—both raise due process issues and it is this that the RPM WG focused on. "Lower cost" is a benefit to trademark owners but not so to domain name holders. As for the faster path, because, for the most part, respondents are likely to be unrepresented, it can affect their ability to gather sufficient information to defend themselves. The RPM WG found deficiencies in this area.

I. Lower Cost

The "lower cost" (The Forum charges $375 for 1 to 14 domain names[15] as against $1,300 for a sole Panel or $2,600 for a three-member Panel for the UDRP). The lower cost buys "faster path to relief" but a rush to judgment comes at a cost of error discussed further below. As there must be effective means of suspending infringers, there likewise must be effective protections. No one denies the efficacy of the URS. If the evidence supports cybersquatting, and Examiners are cogent in explaining their decisions, that should be applauded.

Not surprisingly, there are different opinions on cost. It is mainly mark owners who incur them and who may wish to even the score by shifting some of it to respondents. So, for example, the RPM WG report asks for community input on the question of penalties for abusing the URS process (Question #10, referring to URS Article 11, which targets overreaching mark owners, similar to reverse domain name hijacking under the UDRP). Individual Proposal # 22 suggests that the "URS should incorporate a 'loser pays' model." This would be a radical departure from the UDRP, but such a provision as a contingent remedy is written into the Canada country code policy so there is some precedent.[16]

15 Forum Supplemental Rules, Paragraph 18: http://www.adrforum.com/resources/URS/URS%20Supplemental%20Rules.pdf.

16 Canada Internet Registration Authority ((CIRA), Paragraph 4.6: "the Panel may order complainant to pay to the Provider in trust for the Registrant an amount of up to five thousand dollars ($5000) to defray the costs incurred by the Registrant in preparing for, and filing material in the Proceeding."

II. Faster Path to Relief

Respondents have fourteen days from service to file a response[17]; and Examiners have a three (3) day turnaround to file decisions[18] as compared with fourteen (14) days for UDRP Panels. Given the speed for turning around the URS administrative review—the provider has to act within two business days of submission of the complaint,[19] and the Examiner has, as noted, three days for the decision—the examination is unnecessarily hurried, resulting in a perfunctory analysis of the record (with exceptions). For this reason, the RPM WG recommends (Preliminary Recommendation #7) that "all URS Providers require their examiners to document their rationale in sufficient detail to explain how the decision was reached in all issued Determinations." This recommendation made it into the Final PDP Recommendations.

It could reasonably be argued that this "rush to judgment" comes with unintended (although foreseeable) consequences. The lower cost means there is less money to pay Examiners for their services, and the faster path means Examiners have less time to consider the merits of a dispute. Speed can be the enemy of sound judgment.

These combined shortcomings can diminish confidence in the process. For example, in *The Prudential Insurance Company of America v. REDACTED PRIVACY*, FA1809001806523 (Forum October 11, 2018) (<prudential.app>) the domain name did not resolve to an active website and, except for the second level domain being identical with the well-known PRUDENTIAL mark, the Examiner was unilluminating on how it arrived at its decision to suspend the domain name because

> [t]he PRUDENTIAL mark is famous all around the world and has been used for year[s]. Therefore, the Respondent knew or should have known of the Complainant's mark when registering [the domain name].

However, while PRUDENTIAL may be "famous all around the world" it cannot own "prudential" any more than Entrepreneur Media, Inc. can own the word "entrepreneur."[20]

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17 URS Procedure 6.1.

18 URS Procedure 9.6: "A Determination shall be rendered on an expedited basis, with the stated goal that it be rendered within three (3) Business Days from when Examination began. Absent extraordinary circumstances, however, Determinations must be issued no later than five (5) days after the Response is filed."

19 URS Procedure 3.2."

20 *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1147 (9th Cir. 2002) ("Although EMI has the exclusive right to use the trademark 'ENTREPRENEUR' to identify the products described in

Had the domain name resolved to an active website, the content of the site would have been a critical factor in assessing bad faith, but passive holding without other evidence is inconsistent with the jurisdictional limitations of the URS. Indeed, Examiners have found that in passive holding cases in which the domain name is composed of dictionary words, which "prudential" is, that it raises triable issues of fact that preclude suspension.

The deficiency in the decision is illustrated in an earlier Prudential case in which the Examiner dismissed the complaint on the grounds that the "Policy was not intended to permit a party who elects to register or use a common term, 'rock solid,' in this case as a trademark, to bar others from using the common term in a domain name, unless it is clear that there is the case of the bad faith use."[21]

Mitigation and Initial Default

ICANN recognized that the rush to judgment favored complainant and crafted some provisions to strengthen and balance due process by (1) allowing respondents to cure a default after the initial determination of suspension; and 2) allowing for a *de novo* appeal from a final determination of suspension. *De novo* review is permissible if the defaulting respondent either filed an answer within six (6) months (for a modest fee) or makes a request for another six-month extension (Paragraph 6.4 and 6.5, for another less modest fee). Thus, respondents have up to twelve (12) months after default to establish a defense. *De novo* reviews are rare; and if they occur, it is rarer still to file for a *de novo* appeal, which is a separate level of review and further fees.[22]

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its registration, trademark law does not allow EMI to appropriate the word 'entrepreneur' for its exclusive use."

21 *The Prudential Insurance Company of America v. Terrance McQuilkin et al.*, FA150500 1618256 (Forum May 29, 2015) (<rocksolid.financial>). This point is made again in a claim involving <bnp-paribas.icu>. The Examiner dismissed the complaint even though the second level domain is identical to Complainant's mark because "[while] [t]he evidence submitted by the Complainant show[s] a picture showing a parked page with pay-per-click links which appears to target the Complainant [. . .] the website under the disputed domain name does not resolve to a parked page." For this reason, "[a]s noted by other Panels … [w]hen the evidence submitted by the Complainant is not in line with the actual use of the disputed domain name the case must fail, *BNP PARIBAS v. GDPR Masked*, FA1810001810412 (Forum October 29, 2018) (<bnp-paribas.icu>).

22 Under URS Procedure Paragraph 12, either party can file for de novo appeal (Paragraph 12.1) within fourteen (14) days after a default or final determination (Paragraph 12.4). The Forum charges differential fees depending on whether the appellant uses the hearing record or elects to enlarge the record (Forum Supplemental Rules).

To trademark owners, the *de novo* review—essentially giving respondents a second and third chance—constitutes an existential threat in that it prolongs the process; time waiting for a remedy is also a cost. There is also the possibility that the URS will become a consensus mechanism. If the URS were extended to legacy gTLDs it would create the potential for gaming the proceeding. Hence, there are several Individual Proposals to reduce the risks. *De novo* review (according to these proposals) should either be eliminated or revised to a single and shorter period.[23]

De novo appeal[24] (a step beyond *de novo* review) is an interesting and inventive concept. It is not offered under the UDRP, but it is not *sui generis*. It has been a feature of Australia, New Zealand, and the U.K. country code policies from the beginning. The RPM WG did not recommend these structural changes.

RPM WG Individual Proposal #36 would significantly reduce respondents' right to enter the fray after default. It seeks to "[e]liminate the existing post-default *de novo* review period and instead replace the current URS appeal as a filing period to 60 days, with the possibility of obtaining an additional 30 days to file a URS appeal as a matter of right, upon request within the initial 60 day filing period." This Individual Proposal was not accepted into the Final Recommendations.

Due Process

Well over ninety five percent of respondents default. In most cases this is likely because (as in UDRP proceedings) they have no defensible rights or legitimate interests to their choices, but a small number of undefended or even defended disputes could very likely raise the kinds of issues that may not be so obvious.

In these cases—such as the Prudential case cited above exemplifies the issue—there is good cause to insist on reinforcing due process, for two obvious reasons: first, the possibility that respondents did not receive actual notice of the proceedings (emails going into spam, for instance) or unable to respond within the stipulated fourteen days; and second, that respondents may not understand what the proceedings are about (the default language of the proceedings is English[25]) UDRP Rule 11).

It is essential that respondents receive notice of complaint in their own language (Preliminary Recommendation #3, which was accepted into the Final Recommendations), and are advised of their right to respond and defend their

23 Individual Proposal #36.

24 URS Procedure 12.

25 See UDRP Rule 11 (Language of the proceedings). Where a respondent fails to appear, and for good reason based on complainant's request, the default under the UDRP is English.

domain names. It is not unlikely for a respondent to learn its domain name has been challenged when it sees it has been suspended.

For 95 plus % of the cases—those involving marks of famous and well-known brands —undue speed probably makes no difference because it would be implausible for respondent to deny targeting. However, there are other cases in which a cursory examination is not sufficient, specifically those involving domain names identical or confusingly similar to marks composed of dictionary words or common phrases that could conceivably be used for other businesses without infringing third-party rights.

The RPM WG considered several fixes: 1) transmitting complaint only after the Registrar has forwarded the relevant WHOIS/RDDS data (Recommendation #2); 2) transmitting notice of complaint with translation in the predominant language of the respondent (Preliminary Recommendation #3); 3) developing a uniform set of educational materials for parties, practitioners, and examiners (Preliminary Recommendation #6); and 4) developing clear, concise, easy-to-understand informational materials (Preliminary Recommendation #10). Not surprisingly, these fixes will have an economic impact on the service providers in the costs associated with the cumulative effect of changes they will have to make to their online filing systems.[26]

URS Jurisprudence as Applied

I. Clear Cut Cases

As already noted, the URS jurisdiction is more limited than that of the UDRP: "rapid suspension" is only available to mark owners with registered rights and proof of actual commercial use.[27] It is not, therefore, as previously mentioned available to mark owners claiming unregistered (common law) rights or design marks. To qualify for standing, rights holders must prove a set of additional elements beyond those necessary to meet the "standing" requirement of the UDRP. The "identical or confusingly similar" element remains, but "Complainant [must] hold[ ] a valid national or regional registration [. . .] that is in current use."[28]

Proof of use can be shown "(a) by demonstrating that evidence of use—which can be a declaration and one specimen of current use in commerce—was submitted

26 Private conversation with Renee Fossen, Director of Arbitration for the Forum.

27 URS Procedure 1.2.6.1: "The registered domain name(s) is/are identical or confusingly similar to a word mark: (i) for which the Complainant holds a valid national or regional registration and that is in current use."

28 URS Procedure 1.2.6.1.

to, and validated by, the Trademark Clearinghouse; or (b) [. .] submit[ing] [proof] directly with the URS Complaint."

Recent clear cut cases on the docket include <lockheedmartin.ooo >, <kohls.cloud>, <bloomberg.page>, and <cleanmypc>. It should be noted that the first three of these incorporate well-known, perhaps famous marks. "Clean my PC" is more like "rock solid" in being a common expression, but the Examiner explained its decision: "While the Complainant's mark appears to be weak as it comprises a combination of the words "clean," "my" and the acronym "pc", the evidence provided clearly shows that the Respondent was targeting the Complainant."

The Examiner in *Katten Muchin Rosenman LLP v. Privacy service provided by Withheld for Privacy ehf et al.*, FA2306002050218 (Forum July 7, 2023) dismissed the complaint on the grounds that there was no proof of bad faith use:

> Complainant relies on URS 1.2.6.3(d) but has provided no evidence of any use by Respondent of the domain name. The mere fact of registration of the domain name and the notification by the Registrar to Respondent at the time of registration of the domain name do not, in the Examiner's opinion, amount to clear and convincing evidence of bad faith registration and use by Respondent.

The law firm has not refiled for a UDRP decision, but as a regular representative for its clients it may sense that without proof of use the filing may be premature.

For marks on the lower end of the spectrum complainant has to work even harder. In *Principal Financial Services, Inv. v. T YS et al.*, FA1407001570598 (Forum Aug. 11, 2014) <principal.services> the Examiner held that "[h]olders of protected marks which are also commonly used, generic terms should ensure prompt registration of their desired domains, as their trademarks, on their own accord, will not suffice to succeed on claims against legitimate registrants of such domain names."

This is aptly illustrated in *Central Florida Educational Foundation, Inc. v. Domain Administrator / NameFind LLC et al.*, FA200300 1887839 (Forum, Mar. 26, 2020) <laz.org> in which the Complainant argued that its marks, LA ZETA and THE Z were confusingly similar to <laz.org>. It came to this conclusion based on a "belief" the string was truncated to "laz" from "la zeta" (omitting the "eta") and that the "la" (a "the" in Romance languages) was confusingly similar to THE Z. The Examiner rejected these contentions, thereby reinforcing another, and most important point, well established in UDRP jurisprudence that it is not an actionable claim for investors to sell domain names from inventory lawfully registered.

II. The Evidentiary Burden

The URS essentially demands direct evidence of infringement: that it be specific and concrete that the challenged domain name. Although Examiners are authorized to draw inferences, if a material fact can only be proved by inference it raises a genuine issue that puts the complaint outside the scope of the URS. If inferences of infringement are to be drawn it must flow directly from concrete proof and satisfy the higher standard of clear and convincing evidence.

The Examiner in *Canon Kabushiki Kaisha v. North Sound Names et al.*, FA1507001628473 (Forum September 13, 2015) (<eos.blackfriday>) found cybersquatting by inferring from the second level domain which is identical to the mark that the only reason for the extension "blackfriday" was to attract consumers interested in purchasing the Complainant's products. The inference was also supported by the content of the website to which the domain name resolved.

The URS prescribes two sets of factors that support conjunctive bad faith, a general set shared with the UDRP and a specific set that is unique to it. The specific set reads:

> 5.9.1 Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves not indicia of bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner must review each case on its merits.
>
> 5.9.2 Sale of traffic (i.e. connecting domain names to parking pages and earning click- per-view revenue) does not in and of itself constitute bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner will take into account:
>
> 5.9.2.1. the nature of the domain name;
>
> 5.9.2.2. the nature of the advertising links on any parking page associated with the domain name; and5.9.2.3. that the use of the domain name is ultimately the Registrant's responsibility.

As noted above with respect to <laz.org>, "belief" in the correctness of one's position does not satisfy the evidentiary burden to show bad faith because it rests on conjecture. In *MISSLER SOFTWARE SA v. Jonas Kropf*, FA1707001738392(Forum February 17, 2016) (<topsolid.xyz>) the Examiner noted that "[t]he Complainant has not provided any information with regard to its scope of business activity, especially in Switzerland, where the Respondent is located.

Furthermore, the disputed domain name is a combination of the generic words 'top' and 'solid' and the Complainant provided no evidence that the Respondent deliberately targets its trademark."The Examiner reached a similar conclusion in

Grey Global Group LLC v. i-content Ltd. et al., FA1606001681062 (Forum July 8, 2016) (<grey.email>). It is particularly difficult to prove bad faith involving generic terms regardless how well-known a mark may be if used "solely in a descriptive way and not in connection with the Complainant's services."

Mis-drawn inferences are illustrated in *The Boston Consulting Group, Inc. v. yanmingcui*, FA1811001815095 (Forum November 26, 2018) (<bcg.top>) in which the Examiner held that "[g]iven the longstanding worldwide use by Complainant of the BCG mark, it may also be assumed that the domain name was registered in bad faith." But the rule is: "nothing can be assumed."

Assumptions, though, are not probative of contentions of reputation. While it may be true that a complainant may have many trademarks globally, in the case of "bcg" Complainant is only one of many other companies using the same three letters. Similarly in *The Bureau of National Affairs, Inc. v. [Name Omitted]*, FA1811001815436 (Forum November 27, 2018) (<blaw.space>) in which the Examiner does not even explain how the four character string could be identical or confusingly similar to the registered acronym BNA.

Three days after <blaw.space>, the Examiner in another Bureau of National Affairs case, FA1811001815433 (Forum November 30, 2018) (<bna.ooo) the Examiner illustrates how inferences should properly be drawn:

> Although this Panel recognizes that Complaint's mark has been extensively used over decades and enjoys considerable reputation and fame among the relevant public, there is no evidence on the record clearly showing that Respondent registered its domain aiming to profit from its reputation and goodwill, particularly in view of the following.

However,

> BNA is an abbreviation standing for a whole number of shortened words or phrases. Also, Complainant is active in a specific niche sector of news services focusing on law, tax and environment. Given this, proving bad faith under the circumstances of this case puts a higher burden of proof on Complainant, hence making a decision in this case within the URS procedure may be not possible. Therefore, it is found that Complainant has not proved that Respondent acted in bad faith when registering and using the domain name by clear and convincing evidence.

Respondents also have two sets of circumstances as defenses, general and specific. The general defenses are identical to the UDRP and need not be repeated. The specific defenses which are peculiar to the URS although well established under UDRP jurisprudence are:

> 5.8.1 The domain name is generic or descriptive and the Registrant is making fair use of it…

> 5.8.2 The domain name sites are operated solely in tribute to or in criticism of a person or business that is found by the Examiner to be fair use.
>
> 5.8.3 Registrant's holding of the domain name is consistent with an express term of a written agreement entered into by the disputing Parties and that is still in effect.
>
> 5.8.4 The domain name is not part of a wider pattern or series of abusive registrations because the Domain Name is of a significantly different type or character to other domain names registered by the Registrant.

Expressions of these defenses are well illustrated in two cases that went all the way to rare appeals. Respondent succeeded in one and failed in the other. Both claims were defended by able counsel through the *de novo* appeal. In <grey.email>, Respondent relied on 5.8.1 and 5.8.4. It is particularly difficult to prove bad faith involving generic terms regardless how well-known a mark may be if used "solely in a descriptive way and not in connection with the Complainant's services."

<Grey.email> is counter balanced by <eos.blackfriday> which has already been discussed above.

From the Mark Holder's Perspective

There is an ongoing tug of war between rights holders and domain name registrants over domain names composed of generic and descriptive phrases in the new Generic spaces. An observant reader will notice that the Recommendations are essentially focused on deficiencies of due process (mostly I suspect the competing interests reached an accommodation that the recommendations make sense to them).

In contrast, the Individual Proposals (where they are not technical in nature) are mostly offered by rights holders to expand the remedies and reduce protections in preparation for the URS becoming a consensus Policy, which it appears they favor but which, if it happens at all, is in the far future.

There are two Individual Proposals of particular interest: Proposal #16 states:

> The URS should allow for additional remedies such as a "right of first refusal" to register the domain name in question once the suspension period ends or the ability of the Complainant to obtain additional extensions of the suspension period.

Individual Proposals #31 proposes that ICANN declare the URS a consensus Policy because data developed by a sub-team "indicates that URS in practice has proven viable, efficacious, and fit-for-purpose as a rapid remedy for clear-cut instances of protected mark abuse." This is true even though mark owners have not embraced the URS for the reasons mentioned, but the final recommendations from RPM WG are very likely to propose amending it in some of the ways indicated while maintaining a delicate balance among different interests.

Conclusion

The URS is similar to the UDRP in both the language and elements of its three-part structure as well as its evidentiary demand for proving conjunctive bad faith. However, it is dissimilar in being heavily prescriptive, whereas the UDRP is is based on developing a jurisprudence through construction of the Policy guidance.

What this means for the URS is that Examiners are not authorized to leave the track laid out for them in the URS Procedure and Rules. They may cite to UDRP decisions and even quote from the WIPO Overview for the purpose of citing core principles and applying factors long agreed upon by consensus, but they do not have the same license as UDRP Panels to construe the language of the URS.

Nevertheless, there is a discernible development of a set of views that Examiners draw upon even though never cited as "precedent." Although there has been a buildup of decisions that are well worth consulting. there is no equivalent for the URS as the WIPO Overview for the UDRP. (WIPO is not a provider of services for the URS). Such an "Overview" could provide guidance for parties, practitioners, and Examiners, which in itself would be the kind of educational material the RPM WG is aiming at.

CHAPTER 16

WHAT CONSTITUTES INFRINGING ACTS?

QUINTESSENTIAL AND OTHER ACTS OF BAD FAITH

Quintessential was introduced into the vocabulary of cybersquatting in US cases and thence domesticated into the UDRP. It describes the kind of registration that simply by its nature constitutes infringement of third party rights. The Court in *Utah Lighthouse v. Foundation*, 527 F.3d 1045, 1058 (10th Cir. 2008), citing earlier authority noted: "The quintessential example of a bad faith intent to profit is when a defendant purchases a domain name very similar to the trademark and then offers to sell the name to the trademark owner at an extortionate price."

Other courts added that quintessential bad faith also includes registrations "intend[ing] to profit by diverting customers from the website of the trademark owner to the defendant's own website, where those consumers would purchase the defendant's products or services instead of the trademark owner's."

The Policy captures these definitions of quintessential in subparagraphs 4(b)(i) and 4(b)(iv). These registrations ordinarily involve domain names corresponding to well-known and famous marks, either to hold as ransom or use to exploit the value of the trade or service mark. Panels have expanded quintessential acts to include a portfolio of misconduct claims including fraud and other pernicious conduct.

Quintessential includes: "Respondent [who] asserts that he has been using the domain name for several months, and 'ha[s] developed a strong reputation for my business under this name'" but the Panel holds "[this] does not support good faith registration where the use to which it is being put is quintessential cybersquatting"; "[U]s[ing] the disputed domain name as part of fraud, impersonating an employee of Complainants and using unauthorized email addresses associated with the disputed domain name to attempt to purchase goods on [another's] account"; "Complaint presents a quintessential example where Respondent has engaged in a pattern of bad faith registration and use within paragraph 4(b)(ii) of the Policy."

In contrast, "Protest and commentary is the quintessential non-commercial fair use envisioned by the Policy. Protest and commentary are also considered typical fair use under U.S. law relating to domain names." Quintessential bad faith is not applied to registering domain names corresponding to marks drawn from the common lexicon even if the pricing is "extortionate" (see "Pricing Business Assets" in Chapter 18), but where marks are highly distinctive (a threshold issue in assessing bad faith) the term has open parameters by including in its definition all kinds of use that traffic in domain names whose values derive from the mark rather than from any inherent value. The quintessential is always qualified by concrete evidence of targeting rather than suspicion that respondent may have had complainant in mind.

Although infringing complainant's website by copying its content is a factor in determining bad faith, copyright infringement is not an actionable theory under the UDRP. If respondents forfeit their disputed domain names, it is not for copyright infringement but because on the totality of facts it is infringing complainant's trademark rights. However, where there is copyright infringement complainants have a remedy under the Copyright Act by demanding the website be taken down under the Digital Millennium Copyright Act of 1998 ("DMCA").

The use of the DMCA has been noted in a number of cases. The website was taken down by *GoDaddy in BzzAgent, Inc. v. Bzzing, Inc., Diego Berdakin*, D2009-0295 (WIPO April 22, 2009) and by eNom in *US Publishers, Inc. v. US Immigration Organization*, D2011-1214 (WIPO September 23, 2011). In *Six Continents Hotels, Inc. v. Ahmed Marzooq*, D2012-0757 (WIPO May 16, 2012) the Panel noted that "Copies of the notices and responses have been provided to the Panel. Such blatant copyright infringement and DMCA action is further evidence of bad faith."

And in *VS Media, Inc. v. Juan Chavarria, VGMedia*, D2023-2124 (WIPO July 20, 2023), the Panel held:

> In the present circumstances the evidence as to the extent of the reputation the Complainant enjoys in the FLIRT4FREE trademark, and the fact that the Disputed Domain Name was linked to the Respondent's Website which contained content taken from the Complainant's own website (resulting apparently in several DMCA notices being sent by the Complainant) lead the Panel to conclude the registration and use were in bad faith.

However, in addressing the issue of infringing acts it is necessary to account for the different economic spaces of mark owners and registrants who acquire domain names lawfully for marketing their own goods or services or for resale in the open market. In a truly competitive situation between mark owners who covet registered domain names and registrants who control their disposition, the first question is whether complainants have an actionable claim. This is particularly the case with disputes in which complainants' marks postdate the registrations of corresponding domain names but we have seen it also applies to marks composed from the common lexicon.

For example, the Complainant in *Karma International, LLC v. David Malaxos*, FA1812001822198 (Forum February 15, 2019) argued that this dispute over <karma.com> presented a

> unique situation wherein the Respondent may have acted in a manner where bad faith registration can be inferred [since it] was willfully blind to any current or future trademark rights.

The Panel properly held that "this submission [is] fanciful since it lacks any reasonable basis."

More will be said about *Karma International* further below but it is important to note that dictionary and cultural sources of disputed domain names are typically ordered to remain with respondents. Even if the registration of <karma.com> or any other name drawn from the common lexicon had postdated the mark, a complainant would still be confronted by the respondent's generic choice. As in many of this family of disputes no proof of bad faith is possible absent direct evidence of infringement.

Mark owners do not always recognize the independent value of these domain names. This is evident in *Karma International*. The Complainant argued that it is bad faith *per se* to have registered domain names for future resale because it deprives them of the ability to match domain names with their marks. However, Panels have rejected this nonsense argument out of hand.

What precisely are quintessential (sometimes expressed as "paradigmatic") acts, though, that demand suppression? They are acts that on an objective accounting are intentionally designed to take advantage of the commercial value of the mark whether or not that intent is acknowledged.

Condemnation of Cybersquatting

In its Final Report, WIPO started with the proposition that it is "in the interests of all, including the efficiency of economic relations, the avoidance of consumer confusion, the protection of consumers against fraud, the credibility of the domain name system and the protection of intellectual property rights, that the practice of deliberate abusive registrations of domain names be suppressed."

The US Senate's Report accompanying the bill that became the ACPA noted that

> Cybersquatters hurt electronic commerce.--Both merchant and consumer confidence in conducting business online are undermined by so-called "cybersquatters" or "cyberpirates," who abuse the rights of trademark holders by purposely and maliciously registering as a domain name the trademarked name of another company to divert and confuse customers or to deny the company the ability to establish an easy-to-find online location.

And it acknowledged the WIPO Final Report in characterizing cybersquatting as a "predatory and parasitical practices by a minority of domain registrants acting in bad faith'' to register famous or well-known marks of others--which can lead to consumer confusion or downright fraud. The Senate Report continued:

> Under the bill as reported, the abusive conduct that is made actionable is appropriately limited to bad faith registrations of others' marks by persons who seek to profit unfairly from the goodwill associated therewith. In addition, the reported bill balances the property interests of trademark owners with the interests of Internet users who would make fair use of others' marks or otherwise engage in protected speech online.

These originally conceived quintessential acts account for the majority of disputes and represent a very high percentage of forfeitures under the UDRP.

As we saw in Chapter 4, quintessential can be expanded in the UDRP forum beyond the original definition. As we saw in Chapter 4, where respondents fail to communicate their expressive purpose sin their domain names, regardless of the genuineness of content, they are quintessentially in bad faith. The test is not genuineness but impersonation.

But it is not quintessential bad faith under the ACPA to use domain names for genuine comment and criticism. Bad faith is expressly excluded in the WIPO Final Report and the Senate Report for exercising free speech rights. Thus, we can see that Courts ask a different question than do Panels when it comes to expressive use of domain names. For courts, the issue resolves to harm as the Court held in *Lucas Nursery and Landscaping, Inc. v. Grosse*, 359 F.3d 806, 810 (6th Cir. 2004): "The paradigmatic harm that the [Anticybersquatting Consumer Protection Act] was enacted to eradicate [was] the practice of cybersquatters registering several hundred domain names in an effort to sell them to the legitimate owners of the mark."

It is also the case that over the years, the definition of quintessential acts has expanded to include a variety of malicious acts such as spoofing and phishing scams designed to target businesses and consumers by distributing malware, mislead customers and clients to redirect payments to third-party accounts, offering counterfeit goods, and other such acts extending to the criminal discussed further below with exemplary cases.

Illustrations of Abusive Registration[1]

It has been shown in the earlier chapters that the essence of cybersquatting is not simply the unauthorized incorporation of another's mark, but its use for an

1 ICANN's Registry Agreement for new TLDs, Specification 11, 3(b) identifies security threats as "phishing, pharming, malware, and botnets", and requires registries to monitor their zones for such threats. Copy of the Registry Agreement is available at https://newgtlds.icann.org/sites/default/files/agreements/agreement-approved-31jul17-en.html#specification11

unlawful purpose. While it is not unlawful *per se* to incorporate a mark where the taking is justified by its use as explained in Chapter 10 either by direct or circumstantial evidence respondent must be shown to have had complainant's trademark in mind when it registered the domain name.

If the dominant word or phrase of a mark is evident from the composition of the domain name it is *prima facie* evidence of bad faith (subject of course to rebuttal), *regardless how it is characterized by the respondent*. The Registrant in *Chernow Communications, Inc. v. Jonathan D. Kimball*, D2000-0119 (WIPO May 18, 2000) (C-COM and <ccom.com>) argued that the omitted hyphen distinguished the domain name from the mark. The dissent would have denied the complaint because the "Complainant has alleged identicality but has not alleged confusing similarity." The Panel majority citing earlier authority "believe that the discussion of the dissent and those cases it cites elevates form over substance." Moreover,

> this disagreement over what is necessary for a second level domain name to be identical to a trademark or service mark, rather than merely confusingly similar, is more than academic. If the dissent's reasoning were accepted it would be very easy in the future for a prospective cybersquatter, by inserting or deleting a hyphen. [. . .] If the dissent's reasoning were to be adopted, a would-be cybersquatter could simply eliminate the hyphen in "Hewlett-Packard" or insert a hyphen in "Microsoft" and thereby avoid an automatic finding of bad faith under ¶4(a)(i) of the Policy. Such conduct should not be encouraged.

Even at this early date, the use of a hyphen to distinguish the domain name from the mark had already been thoroughly examined. Indeed, the dissent itself noted: "[A] domain name that merely adds or subtracts a hyphen from a trademark is almost certain to be found confusingly similar to that trademark, but it clearly is not identical to the trademark."

The principle enunciated in *Chernow Communications* underscores that additions and subtractions of grammatical markers as well as typing errors are some evidence of bad faith, and in that context language on the website can make a difference to the Panel's determination. The Panel majority continued:

> The facts that the domain name at issue resolves to a web site at which the SLD name does not appear, that the site indicates it is "under construction," that it is suggested that the Respondent be contacted regarding domain name availability, that a counter is prominently featured which registers the number of visits to the site, and that the Respondent has failed to make a bona fide use of the domain name at issue for almost three years, when taken together constitute bad faith use.

It is bad faith "when taken together" aptly underscores the syntax of bad faith because any factor alone may be insufficient to deprive the respondent of its domain name.

Typographical Infringement

Qwerty Keyboard

Hyphens, of course, can be part of the grammar of second level domains, but as attempts at distinguishing them from marks they illustrate the deceit of typosquatting. This strategy is defined as the "intentional misspelling of words with intent to intercept and siphon off traffic from its intended destination, by preying on Internauts who make common typing errors," *Nat'l Ass'n of Prof'l Baseball League, Inc. v. Zuccarini*, D2002-1011 (WIPO January 21, 2003) (<minorleauge-baseball.com>).

Omitting, adding, replacing, rearranging, and transposing letters are general strategies to take advantage of Internet users' typing errors. The law on this practice has remained steady since the filing of the first complaints. Where intent to take advantage of the trademark is evident actual knowledge of complainant and its mark is implied.[2]

The Panel in *Bank of Am. Corp. v. InterMos*, FA0006000095092 (Forum August 1, 2000) found that <wwwbankofamerica.com> is confusingly similar to Complainant's registered trademark BANK OF AMERICA because it "takes advantage of a typing error (eliminating the period between the www and the domain name) that users commonly make when searching on the Internet." Typosquatting "is inherently parasitic."

Where the "only apparent purpose would be to trade on mistakes by users seeking Complainant's web site" the registration is abusive, *Oxygen Media, LLC v. Primary Source*, D2000-0362 (WIPO October 16, 2000) (<0xygen.com>) (holding: "The substitution of the digit zero for the letter "o" appears calculated to trade on Complainant's name by exploiting likely mistake by users when entering the url address.")

Ordinarily, typographical manipulations of characters—letters adjacent to each other on the qwerty keyboard, is one strategy— involve fractional changes to corresponding trademarks. Examples include: "leauge" as in <minorleaugebaseball.com> (reversal of "u" and "g") and "jounal" as in <wallstreetjounal.com> (omission of letter). The Panel noted *Dow Jones & Company, Inc. and Dow Jones LP v. John Zuccarini*, D2000-0578 (WIPO September 10, 2000) that it "is plain that [in

2 "Zuccarini" has played a decisive role in the registrations of misspelled words. See *Nicole Kidman v. John Zuccarini, d/b/a Cupcake Party*, D2000-1415 (WIPO January 23, 2001) (<nicholekidman.com>) adding an "h" to Nicol. Zuccarini invented "typosquatting," *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. 2001) (On appeal, Zuccarini argues that registering domain names that are intentional misspellings of distinctive or famous names (or 'typosquatting,' his term for this kind of conduct) is not actionable under the ACPA. The Court disagreed.

registering the domain names] Zuccarini [was] taking advantage of the tendency of Internet users to misspell."

De minimis changes "immediately raise[ ] suspicions and call[ ] for an explanation," *CareerBuilderLC v. L. Azra Kha*, D2003-0493 (WIPO August 5, 2003). In *Estee Lauder Inc. v. estelauder.com, estelauder.net and Jeff Hanna*, D2000-0869) (WIPO September 25, 2000) <estelauder.com>), the Respondent simply omitted the final 'e' from 'Estee' to create the domain name <estelauder.com>.

Another respondent omitted a middle initial of a trademark, *CHUCK E. CHEESE, CEC Entertainment, Inc. v. Peppler*, FA0202000104208 (Forum March 21, 2002) (<chuckcheese.com>). And another respondent changed a "c" for a "k", *Ecolab USA Inc. v. Tomasz Kluz / Ekolab s.c. Tomasz I Aleksandra Kluz*, FA1105001386906 (June 3, 2011). The Respondent in *Caesars World, Inc. v. Lester Bakator*, D2005-0125 (WIPO March 18, 2005) (<ceasas-palace.com>) reversed the 'a' and the 'e' of the trademark 'CAESARS' to create the 'ceasars.'

Current cases are not different. The Panel in *Traxys North America LLC v. Joao Mota / Joao MotaInc*, 14373-URDP (CIIDRC January 16, 2021) (TRAXYS and <tarxys.com>) held that "Respondent's 'typosquatting' on Complainant's strong and distinctive mark, standing alone, is sufficient to establish Respondent's bad faith intention to confuse Internet users."

Typosquatting is not to be confused with deliberate misspelling of words that may be confusingly similar to marks drawn from the common lexicon. The Panel in *Florim Ceramiche S.p.A. v. Domain Hostmaster, Customer ID: 24391572426632, Whois Privacy Services Pty LTD / Domain Administrato, Vertical Axis Inc*., D2015-2085 (WIPO February 11, 2016) held:

> [Respondent] holds a domain name which it claims is a purposeful variant of "credit." It explained that it registered <cedit.com> "in good faith based on the inherent value of the common dictionary word 'credit'. This is not a case of a 'typosquatter' profiting from the typo of a trademark; the disputed domain name is rather a typo of a highly valuable and regularly searched dictionary word.

The Panel in *OANDA Corporation v. Da Peng Wang*, D2022-0339 (WIPO March 18, 2022) stated:

> The mere addition of the letter "n" together with a number regarding the disputed domain names <oandan6.com>, <oandan8.com> and <oandan9.com> or the letter "o" as prefix and "n" as suffix with regard to the disputed domain name <ooandan.com> even strengthens the impression that the Respondent must have been aware of the Complainant and its distinctive and fanciful mark OANDA.

Substitution of Letters But not Typosquatting

The issue is framed as earlier discussed in Chapter 6 that small differences matter. What appears to the complainant as typosquatting may under the right factual circumstances be shown to be a good faith acquisition. Two circumstances stand out: domain names newly created and domain names created prior to the complainant's presence in the market, but subsequently acquired by a new registrant for its own purposes. The first may be more suspect than the second.

Thus, Respondent in *One.com Group AB v. Stan N*, CAC 103567 (ADR.eu April 31, 2021) (<0ne.com> [Zero not "o"]) acquired <0ne.com> [Zero not "o"] in a dropcatch auction. Complainant was not the prior registrant, but the evidence established that the original registrant used the domain name in bad faith. There are circumstances under which this may form the basis for bad faith.

In this case, however, the Respondent established that he is active in the cryptocurrency market and "holds Crypto related domain names" in many associated keywords: "the ETH wallet address always starts with '0' (numeric) and 'X' (alphabet), so zero (0) is the most commonly used starting number in crypto space." On these ground, the Panel rejected Complainant's contention of typosquatting.[3] The Respondent explained:

> that he uses a similar handle for his social media where his usernames all tend to include a zero in numeric form and that it stems from his professional interest in cryptocurrency etc. [. .] [Although it] has not yet [. . .] used [the domain name] in connection with a website [,] [t]is is not a typosquatting case however and the Panel finds the Respondent had his own reasons for wanting it, due to its inherent value and to use as part of his portfolio of handles or identifiers, which implicates use under Paragraph 4(c)(ii) of the Policy.

Phishing and Spoofing

"Phishing" is a form of Internet larceny that aims to steal valuable information such as credit card numbers, social security numbers, user Ids, passwords, etc. Such registrations are a step up in that they introduce a new, more disturbing, and even criminal element into the cyber marketplace. It is typically carried out by email spoofing, and it often directs users to enter details at a fake website whose "look"

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3 This is in contrast, for example, to the facts in *Brambles Ltd. v. Feng Zhang*, D2016-0360 (WIPO May 3, 2016) which also includes a zero rather than an "o" but displays pornographic material. The Panel found (<ifc0.com>) (Zero not "o" in the second level domain) to be typosquatting. See also *Inter IKEA Systems B.V. v. Jan Everno (The Management Group II)*, CAC Case No. CAC-UDRP-105061) ("the mere substitution of the consonant 'I' with the number '1' results to be a common, obvious or intentional misspelling of the trademark 'IKEA'").

and "feel" are almost identical to a legitimate one. They appear to have reached the Internet in the 2004-2005 period. The target victims are typically financial institutions such as banks or insurance companies and consumers and this information is used for identity theft and other nefarious activities.

The malicious conduct is not confined to the website to which the disputed domain name resolves but further afield to email recipients. The point is illustrated in *Halifax plc v. Sontaja Sanduci*, D2004-0237 (WIPO June 3, 2004). The Panel found that phishing was "not just evidence of bad faith but possibly suggestive of criminal activity." And in *CareerBuilder, LLC v. Stephen Baker*, D2005-0251 (WIPO May 6, 2005) (<job-careerbuilder.com>) the Panel found that the "disputed domain name is being used as part of a phishing attack (i.e., using 'spoofed' e-mails and a fraudulent website designed to fool recipients into divulging personal financial data such as credit card numbers, account user names and passwords, social security numbers, etc."

This conduct has been found to be a *per se* violation of the Policy: "No explanation can bring it into the ambit of paragraph 4(c)," *Pfizer Inc. v. Michael Chucks / Whoisguard Protected, Whoisguard Inc*, D2014-0887 (WIPO July 28, 2014), cited in later cases (among others) in *Traxys North America LLC v. Joao Mota / Joao MotaInc*, 14373-URDP (CIIDRC January 16, 2021) (TRAXYS and <tarxys.com>). In *CommScope, Inc. of North Carolina v. Chris Lowe / comm-scope / Chris Lowe / comm-scopes / Chris Lowa / commmscope*, FA1707001742149 (Forum September 7, 2017) Respondent "used the domain names as an email suffix and has solicited third parties to submit personally identifiable information."

The general complaint is that Respondent is engaged in a "fraudulent scheme to deceive Internet users into providing their credit card and personal information." Respondent was using the domain name to "send emails in the name of Complainant's employees, in an attempt to commit fraud and deceptively steal sensitive information by 'impersonat[ing]' the Complainant and fraudulently attempt[ing] to obtain payments and sensitive personal information" or by "solicit[ing] payment of fraudulent invoices by the Complainant's actual or prospective customers."

Payment Instruction Fraud

Spoofing (payment instruction fraud) involves using confusingly similar domain names to perpetrate fraud. It is a phishing variant. The practice is also known as "spear phishing." In involves sending emails to complainant's distributors and customers in the guise of complainant fraudulently attempting to create the impression that the emails originate from Complainant and requesting payment from the recipients.

The conduct is illustrated in *Hill-Rom Inc. v. Jyoti Bansal*, FA1703001724573 (Forum May 3, 2017) <hillrom.org>) and similarly in *The Travelers Indemnity Company v. jack Halua / Google Inc.*, FA1707001739643 (Forum August 21, 2017) (<travelerschampionshipgolf.org>). In *Hill-Rom*

> The disputed domain name is nearly identical to Complainant's mark. It was registered without Complainant's authorization, and it is being used in an apparent attempt to impersonate Complainant in connection with a fraudulent phishing scheme.

In *Arla Foods Amba v. ESMM EMPIRE staincollins*, CAC 101578 (ADR.eu August 14, 2017) Respondent was both spoofing the mark owners and phishing for personal information:

> According to the records, the Respondent has used the disputed domain name to send email communications purporting to be from the Complainant and requesting to pay a false invoice. [. . .] [I]t appears that the Respondent has used the disputed domain name to impersonate the Complainant and fraudulently attempt to obtain payments and sensitive personal information. The use of the disputed domain name in connection with such illegal activities cannot confer rights or legitimate interests on the Respondent.

The Respondent in *Valero Energy Corporation and Valero Marketing and Supply Company v. Registration Private, Domains By Proxy LLC / Valero Energy Corporation*, D2017-0087 (WIPO March 15, 2017) (<valeroenergyin-corporation.com>) was engaged in a fraudulent fee scam; and in *Steelcase Inc. v. Cimpress Schweiz GmbH*, FA1706001737556 (Forum July 25, 2017) (<steelcasee.com>) Respondent used the disputed domain name to "impersonate an employee and officer of Complainant."

In one manner or another the targeted persons are drawn into these schemes in the belief they are receiving emails from complainants. Respondent in *Goodwin Procter LLP v. GAYLE FANDETTI*, FA1706001738231 (Forum August 8, 2017) targeted the law firm to "to misdirect funds in an e mail for an illegal and fraudulent purpose." In *Intersystems Corporation v. Contact Privacy Inc. / Maree F Turner*, D2017-1383 (WIPO September 18, 2017) the proof established that

> [O]n numerous occasions, Complainant's customers received notices to pay licensing fees for Complainant's products in an email that appeared, to a casual observer, to come from Complainant.... The confusion arises when recipients mistakenly believe they have received an email from Complainant. Recipients appear to be subjects of an effort to get them to send funds to Respondent believing they are sending the funds to Complainant.

The scheme has also been used for targeting job seekers, *Novartis AG v. Chris Taitague*, FA1708001744264 (Forum September 11, 2017) (<sandozcareers.com>).

In *CSI Leasing Mexico, S. de R.L. de C.V. v. Withheld for Privacy Purposes, Privacy Service Provided by Withheld for Privacy ehf / Cristina Montalvo*, D2021-2962 (WIPO November 16, 2021) (<csileesing.com>) the Panel noted that

> Respondent was spoofing its email address to appear as if the sender was from "@csileasing.com" and not the actual email address "@csileesing.com" related to the disputed domain name. The Respondent also used the name of an employee of the Complainant's company to confuse customers familiar with the CSI LEASING brand into paying fabricated invoices to an account unassociated with the Complainant.

The Panel in *DISH Network L.L.C. v. Alon Garay Garay*, D2022-3437 (WIPO November 14, 2022) (<dishwirelesssholding.com>) has described the conduct as "bad faith use incarnate," and continues that "Policy precedent is now clear that bad faith use need not involve conduct at a website that incorporates a domain name."

Phishers, spoofers, scammers, and others have been found to employ a variety of techniques including "fast flux" technique (also known as fast flux DNS ("FFDNS") to automatically redirect Internet users attempting to access the domain names to a series of rotating third party websites. It is described in Wikipedia:

> Fast flux is a DNS technique used by botnets to hide phishing and malware delivery sites behind an ever-changing network of compromised hosts acting as proxies. [Spoofing] can also refer to the combination of peer-to-peer networking, distributed command and control, web-based load balancing and proxy redirection used to make malware networks more resistant to discovery and counter-measures.

The conduct can be likened to a Trojan Horse as illustrated in *Sodexo v. WhoisGuard Protected, WhoisGuard, Inc. / Gabriella Garlo*, D2020-2706 (WIPO January 4, 2021) (<sodexo.careers>):

> The Complainant has produced evidence in the form of a screen capture showing that the disputed domain name resolved at that time to a website with a ".php" extension that caused malicious code to be sent to the user's computer, preventing the mouse or keyboard from functioning, known as mouse-trapping, and effectively locking the computer. A notice appeared on the screen dressed up to appear to be an official notification, bearing the Windows operating system logo, that the computer had been infected

It is a form of ransomware that renders the computer "uncontrollable by a malicious technique known as mouse-trapping."

Malicious Registrations

Malicious registrations include the delivery of malware to users' computers. The Panel in *Humble Bundle, Inc. v. Domain Admin, Whois Corp*., D2016-0914 (WIPO June 21, 2016) (<humble-bundle.net>): "[Spreading malware] implies abusive conduct of a particularly serious nature [. . .] that goes well beyond the activities of the typical cybersquatter." And in *Google Inc. v. 1&1 Internet Limited,* FA1708001742725 (Forum August 31, 2017) (<web-account-google.com)> in which

> respondent used the complainant's mark and logo on a resolving website containing offers for technical support and password recovery services, and soliciting Internet users' personal information). [. . .] Complainant's exhibit 11 displays a malware message displayed on the webpage, which Complainant claims indicates fraudulent conduct.

The term "abusive registration" has enlarged in meaning (and, thus, in jurisdiction) to include malicious conduct generally. To take some examples of the various forms of malicious conduct. In *Novartis AG v. Chris Taitague*, FA1708001744264 (Forum September 11, 2017) (<sandozcareers.com>) Respondent targets job seekers. In *Goodwin Procter LLP v. Gayle Fandetti*, FA1706001738231 (Forum August 8, 2017) Respondent targets a law firm to "misdirect funds in an e mail for an illegal and fraudulent purpose."

The target is not necessarily the mark owner, or not the mark owner alone, but consumers drawn to the website because of what the domain name implies. In the case of *Yahoo Holdings, Inc. v. Registration Private, Domains By Proxy, LLC / Technonics Solutions*, D2017-1336 (WIPO August 11, 2017) (<yahoodomain-support.com>) it offers "support":

> The evidence supports the inference that Respondent sought to use the disputed domain name to create a false association with Complainant to perpetuate a phishing scam. Although Respondent has no affiliation with Complainant, the website associated with the disputed domain name purports to offer technical support for Yahoo-branded services and urges customers seeking assistance to call a provided phone number.

The Panel in *Oracle International Corporation v. Above.com Domain Privacy / Protection Domain*, D2017-1987 (WIPO December 26, 2017) (<oraacle.com>) cited Wikipedia "Fast flux is a DNS technique used by botnets to hide phishing and malware delivery sites behind an ever-changing network of compromised hosts acting as proxies." And more specifically, the Panel in *Crayola Properties, Inc. v. Domain Contact, Protected WHOIS @INR*, D2018-2091 (WIPO December 2, 2018) (<crayolla.com>) explained that

> Complainant argues that Respondent's actions are not a bona fide offering of goods or services because Respondent's website redirects users to a rotating series of third-party websites; Complainant refers to this as 'Automatic Rapid Reduction to Malware' (or 'ARRM') and that this practice has been also referred to as 'fast-flux DNS' (or 'FFDNS').

At bottom, respondents are engaged in a hunt to siphon funds from mark owners and anyone who deals with them such as distributors and customers. In *Shotgun Software Inc. v. Domain Admin / Hulmiho Ukolen, Poste restante*, D2017-1273 (WIPO August 23, 2017) (<shotgunstudios.com>) Respondent added another layer of deceit by diverting visitors to "sponsored links" for the purpose of distributing malware:

> The disputed domain name resolves to different successive websites after repeated access, named by the Complainant as a "Scam Page", a "Disable Tracking Page", "Malware Pages", and sponsored links. The "Scam Page" is designed to trick the visitor into taking action, through a specified telephone number, to eliminate a virus but is an attempt to phish for confidential information.

Further,

> The "Disable Tracking Page" is designed to trick visitors into supposedly disabling their Internet search history but leads to a phishing attempt. The "Malware Pages" may attempt to download malware on to the visitor's computer. The sponsored links pages lead to advertisements including those of the Complainant's competitors.

The business model employed by these registrants (if it can be dignified as such) is using domain names to commit fraud and larceny by testing how much they can get away with before they are shut down; only to reappear with other fraudulent and larcenous schemes. Cyber security is not just a matter of data protection; it extends to protection of reputation and general public on the Internet.

More egregious examples include a variety of spoofing and phishing scams. In *Steelcase Inc. v. Cimpress Schweiz GmbH*, *supra*., the Panel concluded on the evidence that "[i]n light of the mark's notoriety and Respondent's overt use of the domain name to impersonate an employee and officer of Complainant, there can be no doubt that Respondent was well aware of Complainant's STEELCASE mark when it registered the confusingly similar <steelcasee.com> domain name."

Respondent in *DaVita Inc. v. Cynthia Rochelo*, FA1706001738034 (Forum July 20, 2017) (<davitahealth.com>) "uses the disputed domain name to fraudulently send emails to Complainant's customers in hopes of receiving personal or financial information." The Panel explains that this "practice is also known as "spear phishing." Similarly *Traxys North America LLC v. Joao Mota / Joao MotaInc*, 14373-URDP (CIIDRC January 16, 2021) (TRAXYS and <tarxys.com>), citing

Pfizer Inc. v. Michael Chucks / Whoisguard Protected, Whoisguard Inc, D2014-0887 (WIPO July 28, 2014) finding "phishing" a per se violation of the Policy: "No explanation can bring it into the ambit of paragraph 4(c)."

In *Wärtsilä Technology Oy Ab v. McKeith Powers*, D2020-1525 (WIPO August 7, 2020)

> The Complainant has [. . .] presented prima facie evidence the Respondent is using the Disputed Domain Name to send out email communications purporting to originate from the Complainant, specifically, a senior employee from the Complainant's business, to contact clients of the Complainant in an attempt to request money transfers to be redirected to an unauthorized bank account through the process of sending "spoofing emails" which incorporate the Disputed Domain Name.

And in *Brabners LLP v. Privacy Service Provided by Withheld for Privacy ehf / Saracens Saracens*, D2021-3547 (WIPO January 26, 2022)

> Respondent has copied the whole of the Complainant's genuine website (almost in its entirety) and published this on the website at the disputed domain name.

However (rising to criminality), it has changed "the contact details and email addresses have been changed [. . .] in order to redirect users to it rather than to the Complainant."

These examples of fraudulent and malicious acts go well beyond the initial crop of complaints. They demonstrate the outer limits of cybersquatting. In its least noxious form cybersquatting (which includes typosquatting and criminal acts) is simply as attempts at extortion or worse. They pop up in whack a mole fashion in a continuing stream of disputes.

"The fraudulent scheme carried out by Respondent is quintessential evidence of bad faith," *Charter Fund, Inc., d/b/a Charter School Growth Fund v. Withheld for Privacy Purposes, Privacy service provided by Withheld for Privacy ehf / Jackson Mike, Right Consultation*, D2021-2855 (WIPO October 13, 2021). In one formulaic example of cybersquatting or another (targeting is always the key act even if one factor in among others), the complaints in these cases are regularly granted.

Whether quintessential or worse, extorting money from the mark owners or committing fraud on consumers, whatever model of dishonesty is employed, is conduct is far removed from the more innocent occupation of acquiring and warehousing noninfringing domain names for resale to current and emerging brand owners for use in launching new products or services.

Offering Counterfeit or Pirated Goods

Although respondent's actual knowledge of complainant is generally can be an issue, in cases involving counterfeit or pirated goods (posing as discounted genuine products, for example), offering goods through domain names corresponding to famous and well-known marks removes any doubt: <chanelfashion.com>, <dior.org>, <dcburberry.com>, <discountlacoste.com>, <hpmilenium.com>, <uggshop.com>, <officialacomplia.com>, etc.

The Panel in *Wellquest International, Inc. v. Nicholas Clark*, D2005-0552 (WIPO July 10, 2005) noted that "Respondent's sale of counterfeit goods on a website accessible through the domain name is paradigmatic bad faith." (The Panel also expressed a view that may be considered controversial said out loud but nevertheless most likely applied *sub silentio*: "Because both parties are American citizens, it is fully appropriate to rely upon and apply American legal principles and precedents in evaluating the parties rights.).

Either hyperlinking to domain names offering pirated goods or directly offering counterfeited goods qualifies as actionable infringement. In *Nokia Corp. v. Eagle*, FA0801001125685 (Forum February 7, 2008) the Panel found "Respondent is using the <nokian100.com> domain name to 'pass itself off' as Complainant in order to advertise and sell unauthorized purported products of Complainant."

As another Panel noted: "[T]here can be no legitimate interest in the sale of counterfeit goods," *Karen Millen Fashions Limited v. Belle Kerry*, D2012-0436 (WIPO May 7, 2012) (<karenmillenonline-australia.com>). And in *Oakley, Inc. v. Victoriaclassic.Inc*., D2012-1968 (WIPO November 25, 2012) the Panel found that the Respondent

> offers and sells products that have not been made under authority of Complainant or authorized for sale under Complainant's trademark (i.e. Complainant has established by strong circumstantial evidence, unrebutted by Respondent, that Respondent is offering "counterfeit" trademark products on its websites).

Similarly, in *Mattel, Inc. v. Magic 8 ball factory*, D2013-0058 (WIPO February 21, 2013) (<magic8balls.biz>) in which the Panel noted that "Panelists in other decisions have found bad faith registration where the respondent sells counterfeit merchandise." In this particular case the violation involved the redirection of the domain name to an "online pharmacy site"

> on which the Respondent sells a large variety of drugs including counterfeit products and placebo products clearly indicates that Respondent's primary intent was to redirect Internet users to his website and thus capitalizing on the goodwill of Complainant's trademark.

And in *Paul's Boutique Limited v. yang zhi he*, D2013-0088 (WIPO February 21, 2013) (<pauls-boutique.org>) the Panel noted that "Panel decisions have held that the offering for sale of counterfeit goods on a web site [. . .] constitutes bad faith registration and use under paragraph 4(b)(iv) of the Policy."

In these cases in which disputed domain names resolve to websites offering counterfeit goods there is violation of rights regardless of the identity of goods on the resolving website: that is, the goods may not be counterfeits of complainant's products, but products of another mark owner. The intentional act is enticing consumers to purchase counterfeit goods which concerns an obvious attempt to mislead and defraud consumers, simply using the complainant's famous name to give consumers a false sense of security that they are dealing with the complainant.

The evidence in *Farouk Systems, Inc. v. QYM*, D2009-1658 (WIPO January 19, 2010) demonstrated that respondent 1) used English to "promote and sell its unauthorised and/or counterfeit products on the Websites"; 2) "advertise[d] and accept[ed] US dollars as the currency for payment"; and 3) stated in its "Conditions of Use" that "any activities or transactions occurring on the Websites will be resolved by arbitration in the State of Victoria, Australia."

But there are cases in which respondents advertise that the goods on their websites are fake, and in these cases the outcome is different. Thus, the Panel's analysis in *Oakley, Inc. v. H intel*, FA1207001454892 (Forum August 21, 2012) points to a stark distinction between abusive registration and trademark infringement. The Panel denied the complaint because it found that <myfakeoakleysunglasses.com> is not confusingly similar to OAKLEY: "While it would seem obvious there is trademark infringement, that is not the test under the UDRP." See in contrast the other *Oakley* case cited earlier, <oakleyglassescool.com> which create the impression of genuine products.

Fraudulent Transfers

There is a common theme in losing a domain name whether by hacking the registrar to fraudulently transfer it to another account or by acquiring an inadvertent dropped domain name (discussed in Chapters 11 and 18). In both, domain names formerly registered in complainants' names are latterly found in another's account, but the different factual circumstances demand a different approach to assessing respondent's intention. While respondent's post-lapse registration of a dropped domain name is not inconsistent with good faith, fraudulent schemes and hacking are conclusive of bad faith.[4]

4 See *LDW Software, LLC v. Stella Chang*, D2017-0430 (WIPO April 29, 2017) (<ldw.com>. "[Hijacking/hacking] is of itself evidence of the bad faith registration and use of a domain name"

Panelists have not hesitated to condemn fraudulent transfers and restore domain names to complainants on the theory of abusive registration, except for a threshold issue: does complainant have trademark rights? Unless complainant has such right, it does not have standing.[5] *In rem* jurisdiction under the ACPA has been kinder to investors as discussed in Chapter 20. However, in the UDRP context where there is functional use evidence of the domain name sufficient to establish common law rights the fraudulent transfer has been treated as evidence of abusive registration.

In *Anglotopia, LLC v. Artem Bezshapochny*, D2013-0168 (WIPO March 13, 2013) (<anglotopia.net>) the Respondent argued that the "Policy was not designed to deal with allegations of fraud or theft. The Panel acknowledges that in some circumstances, such as where a complainant does not have trademark rights and is seeking to recapture a hijacked domain name, a complaint will fall outside the Policy," (citing *Gurreri* below footnote) but here where Complainant operates a business and has common law rights:

> Applying the nemo dat principle [Nemo dat quod non habet, literally meaning "no one can give what they do not have"], this Panel finds that the Respondent has no right to claim ownership of the Disputed Domain Name (because purchase of a possession from someone who has no ownership right to it also denies the purchaser any ownership title). If the Respondent has a claim for loss resulting from fraud of theft, it is against [the fraudster]. Under the circumstances of this case, such a claim against a third party does not deprive the Complainant of its rights to recover the Disputed Domain Name pursuant to the Policy.

Complainant in *GPZ Technology, Inc. v. Aleksandr Vedmidskiy / Private Person*, FA1504001612935 (Forum May 11, 2015) established that it was "a leader in customized software solutions" and the Panel found that Respondent acquired <gpz.com> by hacking into Complainant's account:

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citing *Worldcom Exchange, Inc. v. Wei.com, Inc.*, D2004-0955 (WIPO January 5, 2005) and *United Computer Products, Co Inc. v. Domain Name Proxy, Inc Domain Name Proxy, Inc Domain Name Proxy, Inc Domain Name Proxy, Inc*, D2008-0017 (WIPO February 22, 2008) and cases cited therein);

5 Complaints dismissed in *Jimmy Alison v. Finland Property Services (Pty) Ltd.*, D2008-1141 (WIPO September 8, 2008), *Taeho Kim v. Skelton Logic*, FA1002001305934 (Forum March 22, 2010) and *Lawrence Gurreri v. To Thai Ninh*, FA1006001328554 (Forum July 12, 2010) (<internationalcircuit.com>): "[T]he alleged theft of a domain name falls outside the narrow scope of the UDRP policy," but Complainant had no functional trademark. See Alexis Kramer, *Cybersquatting, Computer Fraud Laws, Offer Hope for Domain Name Theft Victims* (Electronic Commerce & Law Report, 20 ECLR , 7/15/15) quoting: David Weslow, a Partner in Wiley Rein LLP: "Theft clearly is not envisioned as something that would be covered under the UDRP in its current form"

> [W]hile Complainant does not make any contentions that fall within the articulated provisions . . . , the Panel notes that these provisions are meant to be merely illustrative of bad faith, and that Respondent's bad faith may be demonstrated by ancillary allegations considered under the totality of the circumstances.

And in *EDP - Energias de Portugal, S.A. v. Huhan, Yuming Zhong*, D2016-1536 (WIPO October 28, 2016) (<edp.com>) the Panel held:

> Although it would appear the Complainant may not have possessed trade mark rights in respect of the Trade Mark at the time of the first registration of the disputed domain name in 1994, the Complainant did possess relevant rights in the Trade Mark at the time of transfer of the disputed domain name to the Respondent, in 2014.

In *PacketVideo Corporation v. PacketVideo Corporation*, D2023-2702 (WIPO August 24, 2023) (<packetvideo.com> and <pv.com>) PACKET VIDEO was registered on the Supplement Register but PV was a trademark registration as part of a logo: "although there are significant questions regarding the strength of Complainant's claimed rights in PACKETVIDEO and PV, the Panel based on the foregoing is prepared to accept that Complainant has some rights in those marks for purposes of the first element."

These cases are distinguished from the cases commenced in federal court in that complainants in these case have a trademark foothold, whereas the cases regularly heard in the Eastern District of Virginia, Alexandria are generally investors.

Inferences Drawn from Circumstantial Evidence

Reasoning inferentially to a logical conclusion—the art of connecting dots to understand a respondent's motivation[6]—is a major concern in this book. Where in the absence of material evidence, or with some but not of conclusive weight, but where it is supplemented by significant circumstantial evidence of motivation and infringing conduct, found for example in the content and use of the website, it is permissible to draw inferences without offending rules of fairness.

At its best the drawing of inferences is an exercise in logic; but at its worst it is a guessing game. It would be preferable in the words of the Panel in *EAuto, Inc. v. Available-Domain-Names.com, d/b/a Intellectual-Assets.com, Inc*., D2000-0120 (Forum April 17, 2000) (<e-auto-parts.com>) to "have direct evidence":

> Given Respondent's failure to submit a Response, and the contents of the two e-mail messages it sent after the filing of the Complaint [i.e., offered to sell the

6 See Chapter 2 for an introduction to the subject.

> e-auto-parts.com domain name at a price in excess of its actual registration costs] it is not unreasonable for the Panel to infer a lack of legitimate interest. Although the Panel would have preferred direct evidence addressing this issue in the form of a Response, the lack of a Response constrains the Panel to draw this inference, and any resulting prejudice to Respondent is a result of its own failure to company with the Rules.

In *Fabricas Agrupadas de Muñecas de Onil S.A. (FAMOSA) v. Gord Palameta*, D2000-1689 (WIPO March 23, 2001) the dissent would have granted the complaint:

> In this Panelist's opinion, when a registrant cavalierly ventures into many foreign languages and cultures for domain names without appropriate trademark searches or legal assistance, the probability of trademark infringement by blunder or design is so high that, under facts such as ours, the Respondent can be said to have registered and to be using the mark in bad faith.

However, the majority (citing *Crew* and other early cases of clear error) "disagrees with these decisions, at least to the extent that they hold that bad faith registration may be found in the case of a domain name registrant who, at the time of registration, lacks actual knowledge of the Complainant and its trademark."

The same point is made in *Macmillan Publishers Limited, Macmillan Magazines Limited, and HM Publishers Holdings Limited v. Telepathy, Inc*., D2002-0658 (WIPO September 27, 2002). The Panel explained that it "prefers the dissent in the Crew case. The primary rule in relation to domain name registrations is 'first come, first served.' The UDRP provides a narrow exception. It is not a per se breach of the UDRP to register the trademark of another as a domain name where the trademark is a generic word."

A respondent's motivation for acquiring a domain name is relevant if the lexical choice raises questions that it must respond to; its motivation for what to do with it in the future and how much to ask for the domain name is not. There are logical inferences and there are illogical inferences; they can be strong or weak.

A good account of how inferences (logically) are drawn is illustrated in *CSP International Fashion Group S.p.A. v. Domain Administrator, NameFind LLC*, D2018-0163 (WIPO March 13, 2018)[7] claiming cybersquatting for the common expression,<myboutique.com>:

> Before the Complainant can claim unregistered or trademark status in "myboutique", it must therefore demonstrate that it has acquired secondary meaning. That in turn requires the Complainant to prove that the term "myboutique", in the context, distinctively identifies primarily the Complainant with the goods or services it supplies.

7 Disclosure: Author represented the Respondent in this case.

The consensus view of UDRP panels as to the sort of evidence required in order to establish unregistered or common law rights is described in WIPO Overviews 3.0 at section 1.3 as including "a range of factors such as (i) the duration and nature of use of the mark, (ii) the amount of sales under the mark, (iii) the nature and extent of advertising using the mark, (iv) the degree of actual public (e.g., consumer, industry, media) recognition, and (v) consumer surveys."

Strong inferences are drawn from the totality of circumstances. Some factual circumstances may indeed support suspicion but that alone cannot be conclusive. In *Autobuses de Oriente ADO, S.A. de C.V. v. Private Registration / Francois Carrillo*, D2017-1661 (WIPO February 1, 2018) (Mexican Complainant, French Respondent) a three-member Panel ordered <ado.com> transferred. It was particularly impressed with the asking price for the domain name. Instead of assessing the evidence, the Panel fell back on a constrained concept of willful blindness to inculpate Respondent:

> [I]n view of Respondent's position as a professional domainer who admittedly focuses on branding, the Panel considers, on the balance of the probabilities, that it more likely than not that Respondent was aware of Complainant and its ADO mark when purchasing the Domain Name, which Respondent is currently offering for sale for USD 500,000.

"Alternatively,"

> even in the event that Respondent may not have been personally familiar with Complainant and its ADO marks, that does not excuse willful blindness in this case, as it seems apparent from the record that even a cursory investigation by Respondent would have disclosed Complainant's mark especially given the use made of the Domain Name of which Respondent was aware when negotiating for the Domain Name.

The "ought to have known" or willful blindness concepts are poor substitutes for evidence; and without evidence lack objective reliability.

The Panels in both *Autobuses* and *J. Crew* share the same bias, namely that speculation is actionable. The Panels failed to consider the motivation for acquiring the domain name, namely the value of either dictionary words or generic strings of letters. It penalized Respondent for what it regarded as an excessive demand for the domain name. In neither case was there any evidence to support abusive registration. The Panels fixated on the wrong dots to arrive at their conclusion.[8]

While the respondent has no burden except in the case of a *prima facie* evidence, its silence is part of the record. This situation of a silent respondent and

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8 The Respondent (a French investor) challenged the award in US federal court and the settlement left <ado.com> in its possession.

the inferences drawn from its default is illustrated in *Hallmark Licensing, LLC v. Jarod Hallmark*, FA2101001929310 (Forum February 22, 2021) (<hallmark.tv>). The Whois record in this case reflects that "Hallmark" is Respondent's surname. Should it not have been given the benefit of the doubt under Paragraph 4(c)(ii) that it has as much or better right to the name as Complainant? The Panel thought not and drew a negative inference because the domain name suggested Complainant's television programming. The Panel "[could not] envisage any use of the disputed domain name which would be in good faith."

From such a brew, and absent a direct evidence, there is no avoiding the drawing of inferences. It is a normal cognitive process. It would be difficult without them to form opinions in the absence of any probative evidence. In the best reasoned decisions under the UDRP Panels are equally concerned with the path taken to conclusion. Even if the word "inference" was not explicitly authorized under the UDRP at least for default, Rule 14(b) (Default)), it would still be used by decision makers.

Unless strings of letters, dictionary words alone or combined, generic phrases, or common expressions have high recognition in the marketplace such that denying targeting would amount to willful blindness, liability should not rest on superficialities such as "Respondent's position as a professional domainer," particularly if the letters in issue are used as commercial marks by many other businesses.

A similarly false inference was made in *Irving Materials, Inc. v. Black, Jeff / PartnerVision Ventures*, FA1710001753342 (Forum November 7, 2017) involving a three-letter string, <imi.com>, acquired over twenty years prior to the complaint. Both Respondents challenged the awards in US federal court under the ACPA. Respondent in <ado.com> was represented in the UDRP and put in its evidence, but Respondent in <imi.com> did not appear and the Panel interpreted the evidence (such as it was) against it. Registrant in <imi.com> also challenged the UDRP award and ultimately after trial prevailed (addressed in Chapters 19 and 20).

False inferences suggest bias in complainant's favor, or giving too much weight to complainant's arguments over the absence of concrete evidence. Parties should be careful about what goes into the record and Panels should be careful what they read into allegations and thin proof. (Admittedly, panelists are working under extreme time pressure (14 day turnaround for decisions)). Nevertheless, they should avoid dubious application of willful blindness, allegations and assumptions, and elevate unsubstantiated evidence into certainty.

At the opening of any litigable/arbitral dispute, there is a mixed brew of alleged facts, some supported others not, and where supported parties may offer either direct or circumstantial evidence tending to prove the truth of the facts they rely on. When the facts come from one party only, for example complainant because respondent has defaulted, it is more likely than not complainant's facts will control the decision, but the more attenuated or debatable the evidence, the more the alleged facts have to be weighed carefully in an unbiased manner.

Where allegations and inferences proposed or drawn are supported by unrebutted documentary evidence they can be accepted as resting on a logical base. To take an example: in *Dominique Tillen v. Administrator Administrator*, D2018-2181 (WIPO November 12, 2018) (<brush-baby.com>), not exactly a common phrase, thus an issue the Respondent must address) the parties had been negotiating a distribution agreement when Respondent registered the domain name but the negotiations did not proceed further than a draft memorandum of understanding:

> The Complainant has provided an MOU regarding this distribution arrangement, which refers to a full distribution agreement which was yet to be drafted. The MOU provided in the Complaint is not signed by either party. The Complainant states that the distribution arrangement did not proceed. As such, the Panel assumes [that is, inferred] that the full distribution agreement was never prepared.

This naturally leads to the conclusion (not based on supposition but on direct evidence of a fact) that "the preparation of an MOU did not give the Respondent the right to register the Disputed Domain Name." Further, "[e]ven if the MOU had been signed, it would be open for the Panel to consider that the Respondent only had permission to use the Trade Mark (including in the Disputed Domain Name) during the term of the distribution arrangement."

Where there are allegations of fact but no follow through with evidence, no inference can or should be drawn. Complainant in *Zoyo Capital Limited v. A. Zoyo*, D2018-2234 (WIPO November 13, 2018) (<zoyo.com>) alleged bad faith on the grounds that "[o]ffering of the disputed domain name at an inflated price suggests the Respondent's knowledge of the business value of the disputed domain name and that the Respondent intended to make commercial gain from it," which is not the law. The Panel concluded that

> On the face of the record the Respondent's family name is Zoyo. If this is correct, then prima facie, the Respondent may have a legitimate interest in the disputed domain name. The Complainant has provided no evidence suggesting that the Respondent's name is fictitious. In these circumstances whereby the Complainant is silent as to this issue and absent any indication in the record that the name is false, notwithstanding that the Respondent has failed to rebut the Complainant's contention, the Panel has difficulty in concluding that the Complainant has made out a prima facie case that the Respondent has no rights or legitimate interests in the disputed domain name.

(Note: Although complainants and their representatives should not count on it, *Zoyo* is one of many cases in which panelists have allowed deficiencies of proof to be corrected by authorizing complainants to refile their complaints. Even with such permission, complainants must still pass the bar for refiled complaints discussed in Chapter 12).

What Due Diligence Satisfies Registrant's Representations?

Contractual Obligations

Not infrequently rights holders in disputes under the UDRP claim that respondents should have been aware that the domain names they registered corresponded to their marks; and from this, urge panelists to draw the inference that the registrations were designed to take advantage of their goodwill and reputation. This argument rests on a questionable proposition that the distinctiveness of marks is inherent regardless of their reputation in the marketplace. If this were the law it would shift the burden of proof to the registrant.

As originally conceived by WIPO in its Final Report registrations of domain names were not to "be made conditional upon a prior search of potentially conflicting trademarks." It "recommended that the domain name application contain appropriate language encouraging the applicant to undertake voluntarily such a search," which ICANN implicitly adopted in Paragraph 2 of the Policy and requires registrars to include in their registration agreements.

A typical registrar registration agreement provides (among many other things) that "You agree to comply with the ICANN requirements, standards, policies, procedures, and practices." (GoDaddy Domain Name Registration Agreement, Para. 4). The registrant agrees to be bound by the current Dispute Resolution Policy (Para. 6). As the UDRP is incorporated into the registration agreement it is part of the contractual agreement between the registrant and registrar. More specifically registrant represents (UDRP Paragraph 2 ("Your Representations"):

> By applying to register a domain name, or by asking us to maintain or renew a domain name registration, you hereby represent and warrant to us that (a) the statements that you made in your Registration Agreement are complete and accurate; (b) to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) you are not registering the domain name for an unlawful purpose; and (d) you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights. (Emphasis added subparagraphs (c) and (d).

While searching is strictly voluntary the failure to search has consequences of forfeiture. The concept is reported in the Jurisprudential Overview:

> Noting registrant obligations under UDRP paragraph 2, panels have however found that respondents who (deliberately) fail to search and/or screen

> registrations against available online databases would be responsible for any resulting abusive registrations under the concept of willful blindness; depending on the facts and circumstances of a case, this concept has been applied irrespective of whether the registrant is a professional domainer.

The point is illustrated in *The Law Society v. S.H. INC.*, D2009-1520 (WIPO January 22, 2010).

In that case, the Panel pointed out that "[h]ad the Respondent conducted even minimal Internet searches before registering the Disputed Domain Name, such searches would have alerted the Respondent to the Complainant's existing mark and the Respondent would have been aware of the likelihood of confusion between the Disputed Domain Name and the Complainant's THE LAW SOCIETY mark." Registrant challenged the UDRP award but it was "affirmed" (using that term lightly as the challenge is not an appeal but a de novo action) in an ACPA action, *S.H., INC. v. The Law Society, United Kingdom*, CV10-0248 (W.D. Washington, at Seattle July 15, 2010).

For this failure to conduct searches Panels invented the willful blindness standard. It is one of the many tests Panels have devised to measure bad faith intent. UDRP Paragraph 4(b)(i) makes registering a domain name a violation if it is acquired "primarily for the purpose of selling" it to the rights holder or competitor. The term "primarily for the purpose" is also written into Paragraph 4(b)(iii): "primarily for the purpose of disrupting the business of a competitor." The other two bad faith circumstances condition liability to intention as previously discussed. These terms are satisfied whether or not respondents disclaim intent to cybersquat, which is consistent with tort theory that liability is based on the consequences of a party's act. As it may not have been intended in firing a gun that it would kill someone, so too is registering a domain name identical or confusingly similar to a well-known or famous mark.

Of the various registrants charged with cybersquatting, two particularly stand out: those in the business of monetizing domain names regardless that they may be infringing; and investors who are in the business of acquiring and selling attractive domain names, who are mindful of third-party rights. Both registrants have been referred to as domainers which is unfortunate because although in a general sense that is what they are, it erases the important distinction that one is a cybersquatter and the other conducts a legitimate business.

Among the questions that need answering are: What steps should registrants have taken? And what due diligence is enough to avoid the imputation of cybersquatting? Two factors in particular are important: one is motivation and the other is timing.

"Primarily for the purpose of selling" implies the registrant has actual knowledge of the mark and is targeting it. For motivation: if the purpose for acquiring the disputed domain name is its semantic value independent of any value added by the mark then Paragraph 4(b)(i) does not apply. For timing: if a registration is lawful it cannot be retroactively declared unlawful if at a later date a mark having no renown on acquisition is solicited later when it acquires an elevated reputation.

Investors

The term "Domainer" in its first outing in 2007 was used descriptively and neutrally. The Panel in *Mercer Human Resource Consulting, Ltd., Mercer Human Resource Consulting Inc. v. Konstantinos Zournas*, D2007-1425 (WIPO November 23, 2007) noted that the "Respondent is a domainer in the sense he has a substantial portfolio." It dismissed the Complaint because "Complainants did not file any evidence showing that their trademark MERCER was commonly known among the general public at the time of registration of the domain name in dispute."

The UDRP database contains thousands of references to domainers, not all of them complimentary, but complainants have the burden of proving the disputed domain names were registered in bad faith. In *Mercer*, Complainant's mark lacked distinctiveness. It illustrates an important point that not all trademarks that are distinctive in a trademark sense of having been issued or have demonstrated the mark has acquired second meaning are distinctive in a market sense. I will return to this in a moment in talking about "reputation," by which I mean the degree of consumer recognition at the time of registration of the disputed domain name and not at the initiation of the UDRP proceeding. Timing can be a critical factor in determining abusive registration.

Mercer again: "While the Panel is not comprehensively persuaded by the Respondent's various statements of intent, the onus is nevertheless on Complainants to establish on a balance of probabilities that Respondent registered the domain name in dispute in bad faith." However, in close cases respondent's silence may tip the balance in complainant's favor. This is addressed in two frequently cited cases from 2005 and 2007 granting the complaints and transferring the domain names.

Panelists are divided upon the amount of searching required for registrants to be in compliance with their representations: UDRP Paragraph 2 "***(c) you are not registering the domain name for an unlawful purpose." In *Mobile Communication Service, Inc. v. WebReg, RN*, D2005-1304 (WIPO February 24, 2006) (<mobilcom.com>), for example, the Panel explained that respondents must be able to show that

1. They made good faith efforts to avoid registering and using domain names that are identical or confusingly similar to marks held by others;

2. The domain name in question is a dictionary word or a generic or descriptive phrase;

3. The domain name is not identical or confusingly similar to a famous or distinctive trademark; and

4. There is no evidence that respondent had actual knowledge of complainant's mark.

Paragraph 3 of this list is particularly interesting for the phrase "famous or distinctive trademark." For "famous" there is the statutory definition, but a distinctive trademark is only defined by its presence in the market as I discussed in Chapter 5. It would make no sense to call a trademark "distinctive" only because it is registered, but otherwise lacks any reputation that would make it distinctive.

Panelists generally agree with the *Mobile Communication* conditions. The list makes sense particularly for marks highly distinctive in the marketplace. The greater the reputation (or even a less known mark associated with one particular rights holder, and none other) the more likely the registrant has registered the challenged domain name with the rights holder in mind.

In *mVisible Technologies Inc v. Navigation Catalyst Systems Inc.*, D2007-1141 (WIPO November 30, 2007) the Panel stated that "a sophisticated domainer who regularly registers domain names for use as PPC landing pages cannot be willfully blind to whether a particular domain name may violate trademark rights," adding that "a failure to conduct adequate searching may give rise to an inference of knowledge [of complainant's mark]"). I cannot think this is disagreeable to anyone, but would underscore that the marks in *Mobile Communication* and *mVisible* and the many other cases imposing a higher degree of due diligence on domainers are well-known or famous either because their distinctiveness is significantly greater than any other user of the same term *Mobile Communication* because the mark is composed of uncommon words or combinations. In *Mobile Communication* the outcome would of course been different if the domain name had been <mobile.com>, but <mobilecom.com> is associated with the Complainant and none other.

So too in *mVisible*. The mark is MYXER TONES and the 35 domain names in issue are infringing because they incorporate a string confusingly similar to the mark, one of which is <mymyxxer.com>. The inference drawn by the Panel discounting Respondent's disclaimer of knowledge which lacks credibility is on target. There is no mystery who Respondent had in mind even as he claimed a right to register them and disclaimed bad faith.

The same can be said of Respondent in *General Electric Company v. Marketing Total S.A*, D2007-1834 (WIPO February 1, 2008) (17 domain names including <generalelecctric.com>):

> The circumstances of this case suggest that it was the Respondent's intention to bulk-register domain names that had some value in directing Internet traffic to its portal websites. Domain names that include, or are confusingly similar to, trademarks naturally have more value for this purpose. There is no evidence in this case that the Respondent took any measures to avoid exploiting the value of others' trademarks.

No one is likely to dispute that GENERAL ELECTRIC is famous although the words that comprise the compound are drawn from the dictionary. It is the combination, though, that determines the mark's strength. On the USPTO database it is the sole owner of that brand name. Neither would anyone be surprised, and no one would question the inference, that any domain name corresponding to such a mark is cybersquatting (absent of course evidence of specific defenses to the contrary). Or, RED BULL, which is famous because it has gained great distinctiveness in the market and its UDRP complaints have been granted many times; and similarly with NOVARTIS and other national and international brand names.

The Panel found the opposite in *Süta Süt Ürünleri Anonim Sirketi v. Privacy Administrator, Anonymize, Inc. / Independent Digital Artists*, D2022-0615 (WIPO April 24, 2022): the "trademark usage of the term [. . .] YOVITA is by no means exclusively or particularly referable to the Complainant, such that it would not be reasonable for the Panel to infer that the Respondent had the Complainant in mind (or had any intent to target the Complainant) when it acquired the disputed domain name."

Not "exclusively or particularly referable" goes to the issues of reputation and market distinctiveness. Reputation in this context is measured as of the registration of the domain name as opposed to any later time when it may have accrued greater reputation by reason of its longevity and expanded market presence. Where there are many users of the same term, it becomes increasingly unlikely (absent evidence to the contrary) that the domain name registrant has any one trademark owner in mind.

Because weak marks have less protection—that is their distinctiveness or reputation in the market fall short of widespread consumer recognition or the domain name's attractiveness rests on its semantic value—who approaches whom is likely to be a material factor in determining bad faith. It is complainant's burden to prove the ultimate issue, but in the face of *prima facie* evidence of bad faith, respondent remains silent at its peril since failure to come forward with rebuttal evidence can be inferred as a window to its intentions.

The question to be answered, and this by concrete evidence, is how does a registrant acquire the kind of knowledge about a mark owner if the rights holder is little known, whose reputation is in a niche market, or is one of many other market players using the same term to market its goods or services?

Reputation and Willful Blindness

"Willful blindness" is defined by the facts. It is found where a person seeks to avoid liability for a wrongful act by intentionally keeping themselves unaware of facts that would render them liable or implicated. One Panel referred to it as Nelsonian blindness: putting the telescope to one's blind eye.

The concept applies to disputes involving marks having a distinctive presence in the marketplace such that denying knowledge would be implausible. The concept developed early in UDRP discourse. The greater that reputation is shown to be, the less plausible respondent's denial that it had actual knowledge of complainant's mark. It is generally discussed in connection with a registrant's representations under the registration agreement that "to your knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party." The obligation may require respondent to perform a due diligence search as discussed in Chapter 2.

In *Compact Disc World, supra.*, the Panel held that "Respondent cannot acquire rights or legitimate interests in a mark by willful blindness to the existence of the rights of others." Further,

> Just as Respondent could not create rights or legitimate interests by turning a blind eye to the possibility of rights of others, neither can Respondent be found to act in good faith in these circumstances.

The evidence clearly established that Respondent was on notice after it registered the domain name, but continued using it despite knowledge that it infringed Complainant's rights.

The Panel in *Media General Communications, Inc. v. Rarenames, WebReg*, D2006-0964 (WIPO September 23, 2006) (<wcmh.com>) rejected respondent's defense on the grounds it failed to "indicate that it explored the possibility of third-party rights in any way before registering the Domain Name and offering it for sale." Further:

> The fact that the Complainant's mark is an easily discovered, US-registered trademark of exactly the kind frequently trademarked by the owners of US broadcast stations leads the Panel to conclude that the US-based Respondent, when registering the domain name, acted in disregard of the rights of third parties and therefore in bad faith.

Panelists are generally careful to avoid drawing inferences from weak records where it cannot be said respondent is intentionally keeping itself ignorant "of facts that would render [itself] liable" for cybersquatting. Two cases of many illustrate the point, *Pharmactive Biotech Products, S.L. v. HugeDomains.com*, D2020-3529 (WIPO March 23, 2021) (<affron.com>) and *Breezy Inc. v. Domains by Proxy,* *LLC, DomainsByProxy.com / VR PRODUCTS I LLC*, D2021-1486 (WIPO July 6, 2021) ("Complainant has not adduced sufficient evidence of the renown of its mark at that time [acquisition of the domain name] to support such an inference [of actual knowledge].").

The *Pharmactive* Panel filed a split decision on the question of actual knowledge with the Dissent citing *mVisible* and *Media General*. The Panel majority determined as follows with emphasis on reputation:

> [T]he Complainant has failed to establish that the term "Affron" is uniquely associated with it and its product. There is no evidence before the majority of the Panel to show that the Complainant has any reputation outside the specialized field in which it operates, and the earliest evidence about the use and public recognition of its Affron product dates from 2018. There is no evidence that the wider public in general, or the Respondent in particular, must have known of the Complainant at the time when the disputed domain name was registered in 2013.

The Dissent argues: "[It] respectfully does not consider that this bare assertion by the Respondent rebuts the Complainant's prima facie case. The Respondent's statement that the Complainant's mark is generic should not advance its case, since there is a prior valid trademark registration by the Complainant, which must confer the right to the latter to admit the case." In other words, the Dissent would reverse the burden of proof; instead of Complainant having the burden, it demands that Respondent prove it has no actual knowledge.

To defeat the imputation of bad faith registration, as formulated by the Panels in *Media General* and *mVisible* and the Dissent in *Pharmactive Biotech*, respondents must be able to show for claimed distinctiveness in the market that they have conducted an adequate search, but if it appears to them that the word or words are not distinctive no search is required, although the risk of making that assessment lies with the respondent.

Blindness is willful if there is a more than likely certainty that in view of the factual circumstances a denial of actual knowledge would be implausible. So, for example, the Panel in *Virgin Enterprises Limited v. Derek Kagimoto, Virginiorbit*, D2021-1828 (WIPO August 12, 2021) (<virginiorbit>) was correct to explain that "in certain circumstances, registrants of domain names have an affirmative duty to abstain from registering and using a domain name which is either identical or confusingly similar to a prior trademark held by others and that contravening that duty may constitute bad faith." While this is correct for a mark as highly distinctive as VIRGIN, it would not support an argument for a mark that lacks that degree of distinctiveness.

In considering a mark's reputation, it rises as events occur that enhance its distinctiveness, such for example an enlargement of the mark owner's market but reputation takes time to develop. It always starts on a lower rung. *Majid Al Futtaim Properties Llc v. Domain-It Hostmaster, Domain-it!, Inc.*, D2021-0591 (WIPO April 30, 2021) (<citycentre.com>). “Complainant has . . . not demonstrated that the Respondent, which acquired the disputed domain name in 2001, when the Complainant apparently only had a single trademark registration in Lebanon (for BEIRUT CITY CENTER), was, or ought to have been aware of the Complainant and its trademarks at the time of registering the disputed domain name.”

It cannot be said of a mark beginning its commercial journey that goodwill adheres instantly upon its entry into the market. A reputation in the making is less than a reputation achieved. It would follow from this that later events solidifying reputation cannot be applied retroactively in charging a registrant with actual knowledge when it acquired the domain name.

In *Green Tyre Company Plc. V. Shannon Group*, D2005-0877 (WIPO Oct. 5, 2005) the Panel found the “Respondent did not have the requisite bad faith when it registered the Domain Name [. . .] [because the] the circumstances as mentioned by the Complainant which are of a later date than the registration of the Domain Name, cannot lead to the conclusion that the original registration in good faith in retrospective has become a registration in bad faith.”

The following rule has emerged: for well-known and famous marks a registrant’s “failure to conduct adequate searching may give rise to an inference of knowledge [of complainant’s mark]” (*mVisible*). While “adequate searching” cannot mean “no searching” neither does it mean “exhaustive searching.” It means conducting a reasonable search to rule out the likelihood that the domain name corresponds with a mark that has achieved such a reputation or distinctiveness in the market at the time of the search that on a balance of probabilities it is more likely than not the registrant had actual knowledge of the mark and had it in mind in registering the domain name. This standard accommodates both parties for if registrant’s burden was to rule out infringement *conclusively* that would reverse the onus of proof.

It is precisely because reputation grows over time that panelists are careful in noting its stages. It is only at that point in the trajectory of a mark owner’s reputation that it can be said that denial of knowledge is implausible. Complainant in *Fundación EOI v. Kamil Gaede*, D2021-3934 (WIPO December 21, 2021) inadvertently allowed <fundsarte.org> to lapse and Respondent acquired it in public auction.

Complainant filed the complaint after it reached out to Respondent. It will be remembered from the discussion in Chapter 11 that who contacts whom is a critical factor in the outcome of a dispute. But this is specific to soliciting to sell the disputed domain name to the complainant. It does not apply where a party is seeking to recover a dropped domain name. The issue is more basic.

The Complainant characterized and the Panel accepted that FUNDSARTE was "an ad hoc, unique word." Unless the domain name can truly be used without infringing trademark rights, it lacks rights or legitimate interests. The Panel held:

> Even if the Respondent was not actually aware of the Complainant and its trademark rights, the Respondent is charged with knowledge if it was willfully blind to the Complainant's rights.

Bad faith lies in the exchange of requests and demands after Complainant contacted Respondent. During this exchange, Respondent put a price on selling <fundsarte.org> and sought to extort Complainant by threatening to use the domain name in a manner intended to disparage Complainant's Foundation:

> [T]he Respondent's registration of a business name in Australia and claim that he would use the disputed domain name to sell weight loss and erectile dysfunction products is a clear pretext. He registered the business name on December 2, 2021, well after receiving notice of this dispute. Moreover, beyond summarily stating that he was planning to use the name Fundesarte – coincidentally, during the brief window in twenty years that the domain became available – Respondent has offered no explanation for what FUNDESARTE – an ad hoc acronym standing for Fundación Española para la Innovación de la Artesanía (Spanish foundation for innovation in craftsmanship) – has to do with either weight loss or erectile dysfunction in Australia.

Underlying this and similar decisions is the concept of opportunism. The Panel pointed out: "The Respondent's assertion that he was not familiar with the Complainant is not credible given that he included the Complainant's contact information on his website and that his website was originally in Spanish, which is the Complainant's, but not the Respondent's, language." Not just the coined word (actually an acronym) but the conduct is abusive.

One of a kind word formations whether standing alone or composed of common words in combination with other words that create uncommon and surprising phrases are regarded as inventive coinages and in that respect require potential acquirers to perform a due diligence search, as earlier discussed in Chapter 2.

CHAPTER 17

ABUSE OF THE ADMINISTRATIVE PROCEEDING

THE CONCEPT OF SANCTIONS

The WIPO Final Report recognized the potential harm to registrants by trademark owners overreaching their rights. At the same time, the Senate Report underscored that the bill (the future ACPA) "protects the rights of domain name registrants against overreaching trademark owners" (Section 5, p. 17). The sanction provision for reverse domain name hijacking under the UDRP is introduced in Rule 1 and elaborated in Rule 15(e):

> 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 was brought primarily to harass the domain-name holder, the Panel shall declare in the decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

While the application of the sanction provision affects an increasingly smaller minority of cases, it is nevertheless a significant tool in a Panel's arsenal, to rebuke complainants where they have overstepped the bounds in claiming cybersquatting; where in fact the evidence rather supports their abuse of the administrative proceeding.

Some context: of all the complaints filed in the UDRP that go to decision (approximately 4,500 annually), an increasingly fewer number of complaints are dismissed (390 in 2001 and 250 in 2022); and of the registrants who succeed in defending their domain names, an increasingly smaller percentage of cases result in RDNH decisions, although that small percentage results in a larger number of sanctions.[1]

The website <rdnh.com> reports that in 2000 there were only 6 RDNHs, with a steadily increasing number over the years and particularly from 2015: 2013 (fifteen), 2014 (seventeen), 2015 (nineteen), and then suddenly in 2016 (twenty-eight).

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1 In a private communication John Berryhill, Esq. charted the diminishing percentage of complaint denials. In the first full year of the UDRP, 17.434% of complaints were denied; and in 2023 the percentage has declined to 3.722%, while at the same time the number of RDNH sanctions have increased from 14 in 2000 to 44 in 2022.

2 Muscovitch and Cohen, Celebrating the 500th RDNH, https://circleid.com/posts/20220602-the-udrp-celebrates-its-500th-reverse-domain -name-hijacking-case. Mr. Muscovitch is general counsel to the Internet Commerce Association.

In 2020 there were 38, and 2021 (44) sanctions. 2023 is in line to match 2022. While the number is fractional compared to the number of determined complaints it is nevertheless significant. Most likely it comes about due to an increased unwillingness to tolerate meritless complaints.[2]

Overreaching trademark rights is first defined in UDRP Rules Paragraph 1: "Reverse Domain Name Hijacking means using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name." This definition is followed by an elaboration in Rule 15(e):

> 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 was brought primarily 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.

Abusive use of the proceedings presupposes complainant is acting in willful disregard of respondent's right, whatever its subjective belief of its own right.

While weakness in a complainant's case does not alone provide a basis for a finding of RDNH, meritless arguments and the manner in which a case is presented will support the sanction. The question is whether the commencement and maintenance of the UDRP proceeding was "objectively reasonable."[3] Panels have expressed a number of views on this question. In the early years, panelists tended to refrain; were even reluctant to sanction first time offenders.[4]

One explanation for this reluctance was the uncertainty of definition and burden. Is it respondent's burden or the Panel's duty? In an emerging jurisprudence it takes time to develop a consensus view. Some of the explanations for rejecting RDNH sound thin to 2020 ears: "Complainant may have been ill-advised to have acted as it has done [but] it would seem that the Complainant genuinely believed [. . .] [it had] rights in the name YOUR MOVE in relation to its estate agency business." *CGU Insurance plc v. Irving Remocker*, D2000-1515 (WIPO February 19, 2001).

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3 See Zak Muscovitch and Nat Cohen, "The Rise and Fall of the UDRP Theory of Retroactive Bad Faith" (CircleID, May 8, 2017), https://circleid.com/posts /2017 0507_ rise_ and_fall_ of_ udrp_theory_of_retroactive_bad_faith.

4 The Panel in *Happy as Clams, Inc., a California Corp., DBA Date Like a Grownup v. Heather Dugan*, D2014-1655 (WIPO November 1, 2014) explained that it could have sanctioned Complainant but refrained: "A finding of abuse of the administrative proceeding is always discretionary with the Panel. . . . [However], [i]n recognition that [. . .] this appears to be the first time this Complainant or its representative has brought a proceeding, the Panel will refrain from making one in this case."

Other panelists were hesitant for other reasons. In *Loblaws, Inc. v. Presidentchoice.inc/Presidentchoice.com*, AF-0170a to 0170c (eResolution, June 7, 2000) (<presidentchoice.com> and others) the Panel dismissed the complaint but stated "because the UDRP is new, and Complainant was proceeding on an incorrect but common misapprehension as to its scope, I am reluctant to find that it filed the complaint in bad faith."

The Panel in *Fabricas Agrupadas de Muñecas de Onil S.A. (FAMOSA) v. Gord Palameta*, D2000-1689 (WIPO March 14, 2001) (<famosa.com>) denied RDNH because "such an exceptional determination was not clearly requested by Respondent." And in *CGU Insurance plc v. Irving Remocker*, D2000-1515 (WIPO February 19, 2001) (<yourmove.com>) the Panel explained that "[w]hile the Complainant may have been ill-advised to have acted as it has done, it would seem that the Complainant genuinely believed that its rights in the name YOUR MOVE in relation to its estate agency business were being threatened. In the circumstances, the Panel declines to find there has been "reverse domain hijacking."

In this line of cases, consideration is granted to complainant even though the marks are drawn from the common lexicon, and when so employed cannot be shown as uniquely associated with it, anymore than it could be by any other market actor. Other panelists began defining the metes and bounds of conduct by focusing on pleading and proof deficiencies.[5] As a result application of the sanction has become more common with the passage of years.

Initially, as I will discuss, the concept of abusive conduct had to await the definitional work that supports such a conclusion. Sanctioning complainants for maintaining a UDRP proceeding despite the merits is said to be discretionary, although that should not mean granting complainants a free pass. Neither does it condemn complainants to sanctions where their claims raise genuine issues of rights.

A further question was raised by the 3-member Panel in *Glimcher University Mall v. GNO, Inc.*, FA0107000098010 (Forum August 23, 2001) (<university-mall.com>) as to whether the sanction is "a remedy available to a respondent." This is because

> There is no requirement that a respondent allege reverse domain name hijacking as part of a response. There is no indication in the Rules that such an allegation is properly made in a response. Rule 5.

Rather, "The decision on reverse domain name hijacking is addressed entirely to the discretion of the panel deciding the dispute." The case was unusual in that

5 *Cyberbit Ltd. v. Mr. Kieran Ambrose, Cyberbit A/S*, D2016-0126 (WIPO February 26, 2016) (<cyberbit.com>. "[T]he deficiencies [of proof] must have been obvious to anyone remotely familiar with the Policy"

Respondent insisted on RDNH even though Complainant had agreed to withdraw its complaint with prejudice. See earlier discussion of this issue in Chapter 8 ("Complainant's Request to Withdraw Complaint").

There can be no single conclusion of what it means for a complaint to incur the penalty of a sanction. What supports the sanction emerges from the allegations asserted and evidence adduced in support of the claim. Where the commencement and maintenance of a proceeding is without credible evidence of abusive registration, it calls into question the complainant's purpose in commencing the proceeding which is the basis for the sanction. That complainant may believe the merits of its case even though it has none, or that it is unfamiliar with the jurisprudence, are not defensible excuses for putting a respondent to the expense of responding to a meritless claim.

The sanction targets mark owners whose rights either predate or postdate the registration of the challenged domain names whose pleadings misstate, embellish, or grossly distort facts of reputation, allege outlandish accusations against respondent, ignore evidence, initiate complaints in ignorance of the Policy demands and the jurisprudence, and so forth as illustrated in the decisions cited below.

While the mere lack of success of a complaint is not itself sufficient for a finding of RDNH, it may be warranted in circumstances where the claims should never have been brought for reasons discussed below or having been brought continue to prosecute the proceeding dishonestly; for example, by failing to withdraw the complaint after learning from the response that there is no actionable claim.

The controlling factor is abusive conduct, either of the process as a means of achieving a proscribed end (even if the conduct is not acknowledged as abusive) or "brought primarily to harass the domain-name holder." The Rule implies a scaling of conduct; it should be something beyond a simple failure of proof and more in the nature of a deliberate act (speaking objectively).

Panels have affirmed that their rulings apply "[r]egardless of actual intent," although whatever the complainant's motivation abusive conduct is confirmed by the pleading. This follows because "Respondent has been put to time and expense to address a Complaint that the Panel finds objectively groundless," *Pick Enterprises, Inc. v. Domains by Proxy, LLC, DomainsByProxy.com / Woman to Woman Healthcare / Just Us Women Health Center f/k/a Woman to Woman Health Center*, D2012-1555 (WIPO September 22, 2012) (WOMEN TO WOMEN and <womantowomanhealthcenter.com>):

> Regardless of actual intent, Respondent has been put to time and expense to address a Complaint that the Panel finds objectively groundless, one as to which this Panel believes "the complainant in fact knew or clearly should have known at the time that it filed the complaint that it could not prove one of the essential elements required by the UDRP.

In *In Loco Tecnologia da Informação S.A. v. Perfect Privacy, LLC. / Dermot O'Halloran, ZZG Ltd*., D2019-2738 (WIPO March 24, 2020) (<inloco.com>):

> Complainant and/or its representative made several prior attempts since 2014 to purchase the disputed domain name from Respondent, and in fact wrote directly to Respondent using his name -- a fact that was not disclosed by Complainant in its Complaint. Nevertheless, Complainant initiated and maintained this proceeding when Complainant knew, or ought to have known, its case was doomed to fail given the underlying facts and, in particular, Respondent's registration of the disputed domain name many years before Complainant adopted the IN LOCO name and mark for its services.

Finally: "Once it [has been] disclosed to Complainant that Respondent was the registrant of the disputed domain name, Complainant ought to have known that it would not succeed under any fair interpretation of the facts reasonably available."

In *Mr. Gildo Pallanca-Pastor v. Tech Admin, Virtual Point Inc*., D2020-1698 (WIPO August 20, 2020) (<voxan.com>), the Panel stated that it "will review objectively the whole circumstances of the case, to determine whether the Complaint was brought in bad faith." And in *Consensys Software Inc. v. Justin Pietroni, Netymology Ltd*., D2021-3337 (WIPO December 9, 2021) (<metamask.com>) the Panel found groundlessness where the "Complainant's accusations of criminal conduct are objectively baseless":

> Either the Complainant did not engage in a reasonably prudent investigation into its evidence of criminal activity, or it ignored the plain evidence that the Respondent was not the guilty party.")

In another case the Panel found: "Even the Complainant's research, selective and cursory as it is, demonstrates an awareness of the Respondent's prior commercial structure and its activity in an unrelated and noncompeting field."

Objectively baseless includes complaints of owners whose marks postdate the registration of the disputed domain names (excepting anticipatory knowledge and targeting as earlier discussed). What precisely triggers the sanction depends certainly on the merits of the claim, but it also depends on other factors that support good faith registration and undermine claims of bad faith. Fundamental to a claim of cybersquatting is evidence of targeting. The reverse of that against complainants is that it had little reason to belief that it had an actionable claim, thus itself a form of targeting "brought primarily to harass the domain-name holder."

As the jurisprudence of domain names advanced, so has the consensus as to what constitutes RDNH; reluctance has markedly diminished; and Panels have become less tolerant of complainants (particularly those represented by counsel) for failing to appreciate the evidentiary demands or are unfamiliar with the practices of the UDRP.

USING THE POLICY TO DEPRIVE RESPONDENT OF ITS PROPERTY

General Considerations

Awareness of Respondent's Rights

The WIPO Overview 1st Edition (2005) did not include a section on RDNH, but the subject was covered in the 2nd Edition (2011) and later edited for greater clarity in the Jurisprudential Overview (2017). As already noted, panelists were initially reluctant to apply RDNH. I will address this issue further below. It revolved around the question of burden of proof. Whose burden is it? It is either respondent's to establish the merit of its request; or the record is such that the Panel concludes that the complainant has abused the administrative proceeding, or not.

The question posed in one of the earliest decisions to consider the issue of objective baselessness of a complaint is whether the complainant has "launched a claim that is so groundless that it amounts to a form of harassment or a blatant attempt to acquire the rights of a legitimate name-holder?" The Panel in *ONU S.R.L. Online Sale, LLC v. Online Sales, LLC*, AF-0672 (Eresolution January 12, 2001) (<onu.com>) continued:

> Whether deliberate or not, the Panel finds that the conduct of the Complainant amounts to bad faith in and of itself, and is tantamount to Reverse Domain Name Hijacking.

Where the domain name cannot be shown to have any particular association with a complainant or any proof of targeting, one could reasonably infer that the association is generalized, and if generalized then respondent too must have rights, and these must be known to the complainant even though this is not admitted.

The first RDNH was found in *QTrade Canada Inc. v. Bank of Hydro*, AF-0169 (eResolution June 19, 2000) (<qtrade.com>). The Panel explained:

> I am more troubled by the Complainant's over-statement of the status of its application for a trademark for "QTRADE" in Canada in the Cease and Desist Letter and in the Complaint itself. For these reasons, I am reluctantly inclined to agree with the Respondent that if this case does not rise to the level of bad faith and reverse domain name hijacking, it is difficult to imagine a set of facts and circumstances that would.

"I am reluctantly inclined to agree." The controlling factor turned on Complainant's dishonesty about its trademark rights which it misrepresented.

This decision was followed by a couple of other Panels, in one case a split on the RDNH issue, and several months later by *Smart Design LLC v. Hughes*, D2000-0993 (WIPO October 18, 2000). The question in this case was whether renewal of registration amounted to a new registration; if it did, it could then be argued that the domain name postdated the mark—querying whether renewal of registration restarts the analysis of bad faith, an issue discussed in Chapter 4, "Dead Ends" (an early example of debunked retroactive bad faith)

However, the facts supported respondent's showing that it had rights or legitimate interests in the domain name and thus had not acted in bad faith. The Panel issued a scathing assessment of the complainant's claim that has been repeated in different words in many subsequent RDNH decisions:

> The Panel is unable to assess the Complainant's state of mind when the Complaint was launched, but in the view of the Panel the Complaint should never have been launched. Had the Complainant sat back and reflected upon what it was proposing to argue, it would have seen that its claims could not conceivably succeed.

The Panel concluded that

> Even assuming that its potpourri of constructive and quasi-constructive bad faith arguments were valid, they all start from the renewal, the renewal being treated for these purposes as a re-registration.

But a couple of months later another Panel declined to sanction Complainant although it dismissed the complaint, *Teranet Land Information Services Inc. v. Verio, Inc.*, D2000-1123 (WIPO January 25, 2001) (<teranet.com>). However, one of its members stated that since claims of cybersquatting are "relatively easy and inexpensive [. . .] [i]t is, therefore, absolutely essential for panelists to ensure that it be carefully restricted to cases of abusive, bad faith registration." The dissent continued: "In particular, we must not allow it to be used by complainants to seek control of names that happened to be registered by someone else first." For him,

> [a]ll [he saw was] an attempt to lower the price of acquiring the domain name by substituting adjudication for market transactions. That is an abuse of the UDRP and should be recognized as such.

Cream Holdings Limited v. National Internet Source, Inc., D2001-0964 (WIPO September 28, 2001) (<cream.com>) is a poster case for Complainant disingenuousness. Complainant represented by counsel alleged it had a trademark for "Cream" standing alone which it did not and had no prior market use predating the registration of the domain name. The Panel found

> The course of correspondence between the parties reveals some dissembling on the part of the Complainant in the form of repeated claims by representatives of the Complainant that the Complainant had registered trade mark rights in the mark CREAM in the UK (without disclosing that its rights were confined to the combination of that word and the device forming part of the registered mark) while making increased offers to acquire the domain name registration, coupled with failure to comply with repeated requests by the Respondent to

> supply copies of the trademark registration documents so the Respondent might consider its legal position.

The case had all the ingredients of what was later designated as a "Class B scheme."

Disingenuous representations and outright misrepresentations by professional representatives also became a factor in finding RDNH. (See discussion in Chapter 14 "Certification of Pleadings.") The Panel in *Proto Software, Inc. v. Vertical Axis, Inc./PROTO.COM*, D2006-0905 (WIPO October 10, 2006) sanctioned Complainant "represented by Counsel who even on a rudimentary examination of the Policy and its' application in this area should have appreciated that the Complaint could not succeed." Moreover,

> [i]nitiating domain name dispute resolution proceedings necessarily involves putting the parties to a considerable expenditure of time and in many cases cost and the Policy must not be used unless the complainant has a reasonable and credible belief it is entitled to succeed.

The sanctioned Complainant in *Scalpers Fashion*, (a 2019 case mentioned above in footnote 5) "insinuates that the Respondent's change of registrar and IP addresses over time is somehow significant, but the Complainant does not explain how it is significant and offers no evidence or argument whatsoever that the Respondent is not, as claimed, the original and continuous registrant of the Domain Name."

Not Aware of Respondent's Rights

However, if the complainant is not aware of registrant's rights, and could not have been for a variety of reasons, RDNH is not appropriate. The following questions may be relevant in considering this issue. Is it plausible that given the reputation of the complainant the respondent could have been unaware of it? In advance of the response, should complainant have been aware that it could not succeed in proving cybersquatting? Before commencing the UDRP, did complainant approach registrant to purchase the disputed domain name and fail to disclose the extent of its knowledge of the respondent? Did respondent solicit complainant? Has complainant submitted materially false evidence? Has complainant omitted relevant evidence?

For example, in *Frisby S.A. v. Registration Private, Domains by Proxy LLC / Michael Appolonia*, D2020-0706 (WIPO May 12, 2020) (<frisby.com>. Columbia and United States) the Panel found that

> Respondent has not suggested that the Complainant had any reason to be fully aware of the Respondent's potential legitimate interest in the disputed domain name, which was held through a privacy service, before seeing the Respondent's position as set out in a formal Response.

Whether the complaint should be withdrawn upon respondent's disclosure is a separate issue, for even with the facts fully aired, there may still be questions of infringement.

The Panel in *Ponthier S.A.S. v. Domains By Proxy, LLC / Shannon Ponthier*, D2022-1787 (WIPO July 28, 2022) (<ponthier.com>) explained:

> For the record, the Panel does not consider this is an appropriate case for a finding of Reverse Domain Name Hijacking under paragraph 15(e) of the Rules. First, it does not appear to have been possible for the Complainant to ascertain the Respondent's identity until receipt of the Registrar's verification response. In addition, the only use being made of the disputed domain name apparent to the Complainant was the resolution of the disputed domain name to a parking page with PPC links to the Complainant's competitors.

Similarly in *Gazey and Partners LLP trading as Privacy Partnership v. Privacy service provided by Withheld for Privacy ehf / Muthu Balasubramaniam, One Trust*, D2022-3138 (WIPO October 7, 2022) (<smartprivacy.com>). The Panel denied the request to sanction Complainant because

> the relationship between the Parties involves complex issues of fact and law regarding concurrent and possibly conflicting trademark rights (better addressed in a court) and there is no basis to conclude that the Complainant could not believe in good faith that it may succeed in this proceeding.

And in *Adventurous Entertainment LLC v. Marco Pirrongelli*, FA220900 2013597 (Forum November 9, 2022) the Panel RDNH because "[t]he case has failed not because the claim should not have been brought but for a lack of evidence on a major issue."

Standards for Granting RDNH

Filing a complaint in "bad faith to attempt to deprive a registered domain name holder of a domain name" (UDRP Rules, Paragraph 1 "Definitions") presupposes complainant either acted with knowledge of respondent's preexisting rights or legitimate interests or failed to recognize that it could not possibly prove its claim. In the most egregious cases, Panels have criticized complainants for failing to withdraw complaints upon learning from responses that their claims are hopeless.[6]

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6 *Scalpers Fashion, S.L. v. Dreamissary Hostmaster*, D2019-2937 (WIPO January 30, 2020) (<scalpers.com>) ("the Respondent's legal representatives wrote to the Complainant's legal representatives after the filing of the Complaint, on December 16, 2019, pointing out that, in light of the undisputed facts, a finding of bad faith registration and use was impossible, and inviting the Complainant to withdraw the Complaint."); *Mechoshade Systems, LLC v. DNS Admin / Mecho Investments*, FA1805001784649 (Forum June 18, 2018) (<mecho.com.>. "At the bare minimum, after receipt of Respondent's Response, Complainant knew or ought to have known that Respondent

However, where the parties have communicated with each other prior to commencement of the proceedings but respondent has withheld information it later submits in its defense, RDNH will be denied because "Complainant had no actual knowledge of Respondent's prior use" of the mark in its own business.[7] In effect respondent must show it disclosed evidence to complainant of such quality that *a fortiori* it was abusive to have commenced the administrative proceeding.[8]

Undisclosed facts favor complainant because "it cannot be said that [it] should have been aware of Respondent's likely case before the Complaint was filed."[9] Plausible uncertainty about a respondent's right or legitimate interest in a domain name has been found to justify maintaining the proceeding[10] as has evidence that respondent is using the disputed domain name in bad faith—"bearing in mind the way the Respondent has sought to use the disputed domain name since January 2021 [which involves targeting the Complainant], this is certainly not a case for reverse domain name hijacking."[11]

Other Panels have rejected this view[12]:

> The Panel is aware that some panels have taken the view that bad behaviour on the part of the Respondent should neutralise any criticism of the behaviour of the Complainant, but that is not how the Panel reads Paragraph 15(e) of the Rules, which makes no reference to the behaviour of the Respondent.

It does not work this way because

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has rights or legitimate interests in the Domain Name, and that Respondent's registration and use of the Domain Name could not, under any fair interpretation of the available facts, been undertaken in bad faith. Yet Complainant nevertheless persisted with its Complaint.").

7 *Intellogy Solutions, LLC v. Craig Schmidt and IntelliGolf, Inc.*, D2009-1244 (WIPO November 24, 2009).

8 Complainant in *Altametrics, Inc. v. Ryan Sveinsvoll*, FA1008001343628 (Forum November 11, 2010) argued and the Panel agreed that it is "unreasonable to expect Complainant, who originally filed this proceeding against a 'Domains by Proxy' undisclosed registrant, to know the myriad individual and corporate identities he maintains."

9 *Affin Bank Berhad v. Affinity Partners*, D2009-1266 (WIPO March 19, 2010).

10 *Dentaid S.L. v. Domains by Proxy, Inc., Yoon Jinsoo, Michael Grady*, D2011-1270 (WIPO October 7, 2011).

11 *Observe, Inc. v. Your Whois Privacy Ltd, Anaklaudia Filadoro, Domain Leasing Ltd. / Domain Leasing Limited*, D2021-2588 (WIPO October 16, 2021) (<observe.com>).

12 *Securus Technologies, LLC v. Domain Administrator*, D2021-3383 (WIPO December 16, 2021) (<secures.com>. "(finding RDNH where complainant acknowledged the domain name was registered before complainant's claimed date of first use and did not provide arguments justifying departure from the general rule.").

> Paragraph 15(e) of the Rules provides the only means by which a panel can seek to register formal disapproval of serious shortcomings in a complaint. Criticism of those shortcomings in this case cannot sensibly be watered down simply because the Respondent has given good cause for the Complainant to take action in another forum.

Whether a complainant should have appreciated at the outset that its complaint could not succeed, will often be an important consideration. If the facts supporting RDNH are clear and complainant fails to rebut them its failure supports the sanction.[13] Two examples sufficiently illustrate the point: *Airpet Animal Transport, Inc. v. Marchex Sales, Inc / Brendhan Hight*, FA1211001470056 (Forum January 2, 2013) and *TOBAM v. M. Thestrup / Best Identity*, D2016-1990 (WIPO November 21, 2016).

In *Airpet Animal Transport* the 3-member Panel was unanimous in finding RDNH: "Complainant applied for a trademark after knowing about Respondent's domain name and did not disclose that fact to [. . .] the Panel. Once again, the question is why not? Presumably, Complainant wanted to improve its chances in registering its mark and this proceeding." In *TOBAM* Respondent responded to a cease and desist notice, warning Complainant of its right and legitimate interest in <tobam.com>: "This warning should have given the Complainant serious pause for thought but it ploughed on regardless."

Serious pause is also at the center in *ITF v. Anonymize, Inc. / Domain Admin, Sébastien Schmitt*, D2022-2196 (WIPO September 2, 2022) (<veripro.com>). What Complainant could have done but failed to do:

> There are two ways in which the Complainant might have become aware of the date of acquisition of the disputed domain name before it filed the Complaint. Had it issued a cease-and-desist notice, the Respondent would presumably have provided it with the same evidence of the acquisition date which it produced in the Response.

Complainant's failure to perform elementary research is similar to the same failure in other cases in which respondents fail to perform due diligence searches (discussed in Chapter 2).

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13 See *Tupras Turkiye Petrol Rafinerileri A.S. v. See PrivacyGuardian.org / Wizarc Computing*, D2017-0818 (WIPO June 6, 2017) (<hexmon.com>. "Although the Respondent does not make any allegation of Reverse Domain Name Hijacking (RDNH) against the Complainant, the Response by the Respondent acting in person makes it clear that he regards the Complaint as totally unjustified and oppressive. The Rules do not require the Respondent to have made an express allegation of RDNH. In the circumstances, the Panel considers it appropriate to consider the issue of RDNH of its own volition."

FOUNDATIONLESS CONTENTIONS

Complaint Based on an Improper Purpose

Falsely Asserting Superior Rights

A claim of RDNH ultimately rests on complainant's false certification that "the information contained in th[e] Complaint is to the best of [its] knowledge complete and accurate [and] that th[e] Complaint is not being presented for any improper purpose, such as to harass [the respondent]."[14] "Improper purpose" (which includes omitting or misstating evidence) connotes an intentional act, whether taken willfully, from lack of knowledge, or just plain ignorance of its own and respondent's rights.[15]

It is applicable to circumstances in which complainant "knew or should have known" it could not "prove one of the essential elements required by the UDRP."[16] A finding is warranted when complainant initiates a UDRP proceeding when it should have known respondent has a superior claim to the domain name[17]; or was

14 Paragraph 3(b)(xiv) of the Rules of the Policy (discussed in Chapter 14): "Complainant certifies that the information contained in this Complaint is to the best of Complainant's knowledge complete and accurate, that this Complaint is not being presented for any improper purpose, such as to harass, and that the assertions in this Complaint are warranted under these Rules and under applicable law, as it now exists or as it may be extended by a good-faith and reasonable argument." Compare Rule 11 of the Federal Rules of Civil Procedure and the ABA Model Rules of Professional Conduct 3.3, which is essentially a certification and expansion of the duty of candor by legal counsel.

15 *Jazeera Space Channel*, *supra.*: "[T]he question for the Panel is whether the more likely explanation for those discrepancies is malice or mistake or muddle.... [T]his may not reflect well on the Complainant if the most likely explanation for the discrepancies is mistake or muddle...."

16 Jurisprudential Overview 3.0, Paragraph 4.16. Where respondent provides plausible evidence of actual use and complainant is aware of that use, complainant will itself be chargeable with abusive conduct. *JJGC Industria E Comercio de Materiais Dentarios S.A. v. Yun-Ki Kim*, D2013-1838 (WIPO December 20, 2013) (<neodent.com>. "No such inference can be made here as the Respondent appears to have used the mark to promote his own clinic, as likely a reason for selecting the disputed domain name as to take advantage of the Complainant's marks.")

17 *Aspen Grove, Inc. v. Aspen Grove*, D2001-0798 (WIPO October 17, 2001) ("The Panel finds the Complainant, even though apparently knowledgeable and assisted by reputable counsel, nonetheless chose to file a complaint without a colorable claim and thus abused the ICANN proceeding"); *News Group Newspapers Limited v. Privacydotlink Customer 2383026 / Blue Nova Inc.*, D2019-0084 (WIPO April 10, 2019) (<thesun.com>. "Even if the Respondent knew about the Complainant's trademark rights, the Complainant was anonymously bidding to purchase the disputed domain name for a very high amount (USD 300,000) and doubled the bid when it 'came out' and offered USD 600,000 for the disputed domain name. This alone demonstrates the

brought substantially if not solely on the theory that it has a better right because it holds the mark corresponding to the domain name.

For good reason RDNH is most likely to be found where respondent registers the domain name prior to complainant's right coming into existence,[18] the domain name is composed of a generic term or descriptive phrase,[19] or complainant is caught making a material misrepresentation.[20] Material misrepresentation is not limited to asserting untruths or exaggerating facts supporting complainant's claim but extends to omitting or concealing material facts which if disclosed would undercut complainant's allegations.[21]

In *Procter & Gamble* the Panel noted "[h]ad the Respondent failed to respond, there is a very real risk that the Panel, relying upon the 1993 International [trademark] registration [which Complainant acquired by assignment in 2008] and the substantial sales volumes claimed for the brand, would have found in favor of the Complainant." Where the domain name registration precedes trademark rights complainants fall afoul of the ineluctable inference that a registration prior in time has superior rights.[22] Unless respondent has "psychic powers" to predict a future

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Complainant's full awareness that the Respondent had a legitimate interest and was not acting in bad faith when it registered and was using the (highly generic) disputed domain name.")

18 *Urban Logic, Inc. v. Urban Logic, Peter Holland*, D2009-0862 (WIPO August 17, 2009); *Insight Energy Ventures LLC v. Alois Muehlberger, L.M.Berger Co. Ltd.*, D2016-2010 (WIPO December 12, 2016) (<powerly.com>. "In this case the Complainant made no attempt to prove the existence of any trade mark rights prior to 2015, yet asserted without any supporting evidence that the Disputed Domain Name was registered in bad faith."

19 For example, there is no "constructive notice" under the UDRP as there is under the Lanham Act. As a result, use of a common word or generic phrase to position a business in cyberspace does not constitute an abusive registration unless complainant is able to show that respondent is a competitor for the same client base and registered the domain name to take advantage of complainant's trademark.

20 *The Procter & Gamble Company v. Marchex Sales, Inc.*, D2012-2179 (WIPO February 22, 2013) (Abuse of the process as well as maintaining the proceedings for an improper purpose); *Jetgo Australia Holdings Pty Limited v. Name Administration Inc. (BVI)*, D2013-1339 (WIPO September 17, 2013) (Deliberate concealment of facts).

21 *DealerX Partners, LLC v. Domain Manager, Visionamics/Citytwist Inc. / Lyndon Griffin*, D2017-1680 (WIPO December 26, 2017) (<conquestautomotive.com>. Complainant failed to disclose that "the word 'conquest' has a special meaning within the argot of automotive marketing.")

22 *General Media Communications, Inc. v. Crazy Troll c/o CrazyTroll.com*, FA0602000 651676 (Forum May 26, 2006) (PENTHOUSE and <penthouseboutique.com>. Complainant alleged it had common law rights to "Penthouse boutique," but the Panel held that Complainant had only used the phrase for a short time as a trade name, which is non-actionable under the UDRP); in *Airpet Animal Transport, Inc. v. Marchex Sales, Inc / Brendhan Hight*, FA121100 1470056

event it could not possibly have "contemplated complainant's then non-existent trademark."[23]

In *Sothys Auriac v. Nonie Crème*, D2022-3862 (WIPO December 8, 2022) (<beautygarde.com>) the Panel found:

> the Complainant failed to disclose the crucial point that the Respondent owned some six registered trade marks for BEAUTYGARDE, i.e., aside from the one invalidated by the EUIPO Decision. The Panel thinks it inconceivable that the Complainant was unaware of the existence of those marks when it filed its Complaint, and indeed the Complainant's supplemental filing does not deny the Respondent's assertion that the Complainant did know about them.

It concluded: "If this case had not been defended, as happened with the EUIPO proceeding, an injustice may well have been done."

Objectively Groundless Complaint

There can be no single definition of what it means for a complaint to be objectively groundless or baseless. It emerges from the allegations asserted and evidence proffered in support of the claim. Departure from this standard for *pro se* complainants by exempting them from incurring the ultimate penalty of reverse domain name hijacking is discussed below.

The question posed in one of the earliest decisions to consider the issue of objective baselessness of a complaint is whether the complainant has "launched a claim that is so groundless that it amounts to a form of harassment or a blatant attempt to acquire the rights of a legitimate name-holder?"[24] While RDNH will not follow where there is an objective basis for the complaint, "[o]nce it [has

(Forum January 2, 2013) (alleged common law trademark) the three-member Panel was unanimous in finding RDNH: "Complainant applied for a trademark after knowing about Respondent's domain name and did not disclose that fact to [. . .] the Panel. Once again, the question is why not? Presumably, Complainant wanted to improve its chances in registering its mark and this proceeding."

23 The sanctioned Complainant in *GoSecure Inc. v. Billa Bhandari*, FA2107001954083) (Forum August 19, 2021) (<gosecure.com>) subsequently commenced a trademark infringement action and prevailed, *GoSecure Inc. v. Bhandari*, Civil Action 1:21-CV-01222 (E.D. Va. Oct. 26, 2022). The Court criticized the Panel's finding of reverse domain name hijacking: "The UDRP panel's conclusion that Plaintiff engaged in bad faith behavior through reverse domain name hijacking is ultimately unconvincing. The panel failed to consider the possibility that Plaintiff was unaware of Defendant's other uses of the domain when it initiated the proceedings, and thus earnestly believed it could demonstrate that Plaintiff had abandoned use of the domain name for purposes of claiming ownership rights over it." But the Court itself failed to recognize the different standards under the UDRP. RDNH was appropriate given the facts before the Panel. Disclosure: Author was a member of the UDRP Panel.

been] disclosed to Complainant that Respondent was the registrant of the disputed domain name, Complainant ought to have known that it would not succeed under any fair interpretation of the facts reasonably available."[25]

Panels have affirmed that their rulings apply "[r]egardless of actual intent," *Pick Enterprises*, *supra*. This follows for the reasons noted by the Panel in *Proto Software*, *supra*.: "Initiating domain name dispute resolution proceedings necessarily involves putting the domain registrant to a considerable expenditure of time and in many cases costs [. . .]." A finding of groundlessness is appropriate where the "Complainant's accusations of criminal conduct are objectively baseless." [26] In another case the Panel found that "Even the Complainant's research, selective and cursory as it is, demonstrates an awareness of the Respondent's prior commercial structure and its activity in an unrelated and noncompeting field."[27]

The RDNH Rule specifically addresses the issue of complainant's "improper conduct" toward respondent but it has also been interpreted to mean abuse of process.[28] The classic improper conduct is using the Policy to increase leverage in negotiations to purchase a domain name. This has evolved into a more abusive stratagem, the so-called "Plan B" ploy discussed further below by which trademark owners whose rights postdate the domain name attempt to obtain the domain name after failing to negotiate its purchase.

It is unjustifiable to use the Policy "to pressure a domain name owner into releasing a legitimately held domain name predating any trademark rights held by

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24 The Panel found the complaint "groundless", *ONU S.R.L. Online Sale, LLC v. Online Sales, LLC*, AF-0672 (Eresolution January 12, 2001) (<onu.com>. "Whether deliberate or not, the Panel finds that the conduct of the Complainant amounts to bad faith in and of itself, and is tantamount to Reverse Domain Name Hijacking.")

25 In *Loco Tecnologia da Informação*, *supra*.

26 *Consensys Software Inc. v. Justin Pietroni, Netymology Ltd.*, D2021-3337 (WIPO December 9, 2021) (<metamask.com>. "Either the Complainant did not engage in a reasonably prudent investigation into its evidence of criminal activity, or it ignored the plain evidence that the Respondent was not the guilty party.")

27 *Screen-It Graphics of Lawrence, Inc. d/b/a Grandstand v. Registration Private, Domains By Proxy, LLC / Dorinda Brews, Spadion Corporation*, D2017-1709 (WIPO October 16, 2017) (<grandstand.com>.

28 *The Procter & Gamble Company*, *supra*; *Aspen Grove*, *supra*. Note, however, that in U.S. federal and state practice abuse of process requires an act "beyond the initiation of a lawsuit."

29 *Sustainable Forestry Management Limited v. SFM.com and James M. van Johns "Infa dot Net" Web Services*, D2002-0535 (WIPO September 13, 2002).

30 *Labrada Bodybuilding Nutrition, Inc. v. Glisson*, FA 250232 (Forum May 28, 2004) (The Panel found that in spite of its knowledge Complainant "persisted and intentionally filed its Complaint. Accordingly, the Complainant's intentions are clear: use of the Policy as a tool to simply

the complainant"[29] or "as a tool to simply wrest the disputed domain name [from respondent] in spite of [complainant's] knowledge that [it] was not entitled to that name and hence had no colorable claim under the Policy"[30]; or "in the hope that the reviewing panel would overlook Complainant's lack of rights at the time the domain name was registered and erroneously rule in Complainant's favor."[31] Panels have pointedly stated some complaints "could never have succeeded" and should not have been brought.[32] One Panel "wishe[d] to place on record [its] firm view that a complainant should not commence UDRP proceedings unless believing on reasonable grounds that the Complaint is justified and that the allegations made against respondent are legitimate and based on fact."[33]

The most egregious examples of abusive use of the proceedings are by complainants whose trademark rights come into existence many years after domain name registration.[34] It is not an unimportant consideration that "complainant should have appreciated at the outset that its complaint could not succeed."[35] The Panel in *Altru*

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wrest the disputed domain name in spite of its knowledge that the Complainant was not entitled to that name and hence had no colorable claim under the Policy"); "[A]larming unfamiliarity with the UDRP and two decades of precedent under it," *SHIL Limited, Somany Home Innovation Limited / SHIL Ltd. Brilloca Limited v. GOTW Hostmaster, Get On the Web Limited*, D2020-3416 (WIPO April 4, 2021).

31 *Horizon Publishing, LLC v. Opulence Communications Ltd.*, FA1302001487500 (Forum April 2, 2013) ("[Or] to intimidate an unwitting domain name holder into making a favorable deal with Complainant, rather than risk an unfavorable decision where he or she would get nothing.").

32 *David Robinson v. Brendan, Hight / MDNH Inc.*, D2008-1313 (WIPO October 27, 2008). See also *Avaya Inc.*, supra.

33 *Deutsche Post AG v. NJDomains*, D2006-0001 (WIPO March 1, 2006); *Collective Media, Inc. v. CKV / COLLECTIVEMEDIA.COM*, D2008-0641 (WIPO July 31, 2008).

34 *Success Bank v. ZootGraphics c/o Ira Zoot*, FA0904001259918 (Forum June 29, 2009) (To succeed on a claim of bad faith Respondent would have had to have had "psychic powers," which, for the record, it denied); *Consuela, LLC v. Alberta Hot Rods*, FA1306001504547 (Forum August 3, 2013) (Domain name registered in 1999; Complainant first used its mark in commerce in 2006. "[N]ot only did the Complainant present its Complaint when it was obvious that it could not succeed, it actually pressed its case by submitting an Additional Submission which did not address the key issue raised by the Respondent. The Complainant thus harassed the Respondent by pursuing the Complaint after the Complainant knew it to be insupportable.").

35 *Yell Limited v. Ultimate Search*, D2005-0091 (WIPO April 6, 2005). This is particularly true because Complainant's own research "clearly demonstrate[s] that the Respondent (or its corporate predecessor) began to use the disputed domain name in the context of a business using the term 'Futuris' within a short period after registration of the disputed domain name and furthermore that this use continued over a period of many years." *Futuris Automotive Interiors (Australia) Pty Ltd v. X9 Interactive LLC*, D2011-0596 (WIPO June 20, 2011); *Reboxed Limited v. Adesoji Adeyemi*, D2021-0886 (WIPO June 2, 2021) Respondent acquired <reboxed.com> prior to "any

Health System held that while at "first sight" it may appear as though complainant "had fair reasons to file the Complaint," on second sight it did not. Complainant made false statements about its trademark which it compounded by making "deliberately false accusations of Respondent's commercial activities" at the website to which the domain name resolved.[36] What finally outraged the Panel was that

> Complainant's actions were made in an attempt to convince the Panel to decide in Complainant's favour in spite [of] the fact that the case had obvious flaws. It is this Panel's opinion that Complainant's behaviour constitutes an abuse of the administrative proceeding.

In another case complainant had the further opportunity to support its allegation of bad faith in response to a Procedural Order but failed to do so.[37] Complainant has to proffer some evidence "as to how respondent could possibly have been aware of complainant and complainant's mark when registering the disputed domain name, which occurred more than three years before complainant started using its [trademark]."[38] Failing to do so or proceeding with a complaint with knowledge respondent was operating a business under the domain name is "at least a reckless disregard of the likelihood that the Respondent had rights or legitimate interests in the name."[39]

Pet Life LLC v. ROBERT RIESS / blue streak marketing llc, FA1810001810870 (Forum November 11, 2019) (<petlife.com>)registered many years before Complainant used the mark in commerce. Complainant argued there was no merit to an RDNH because "Respondent has failed to use the domain name

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potential claim by Complainant [. . .] [it] is entitled to deal with the disputed domain name in any manner it sees fit." In sanctioning Complainant, Panel concluded that a complaint launched under these circumstances was "doomed to failure under the terms of the Policy and relevant jurisprudence"

36 FA0805001195584 (Forum July 15, 2008).

37 *Genomatix Software GmbH v. Intrexon Corporation*, D2010-0778 (WIPO July 8, 2010); *Tiny Prints, Inc. v. Oceanside Capital Corp. c/o Web Admin.*, FA1007001337650 (Forum October 8, 2010): "This Panel provided Complainant with a second chance, by interlocutory order, to provide evidence of its alleged trademark usage upon which it based its claim of common law rights. Even after this second chance, Complainant failed to provide any evidence of use of the mark whatsoever prior to Respondent's registration of the domain name." Procedural Orders are discussed earlier in Chapter 8.

38 *X6D Limited v. Telepathy, Inc.*, D2010-1519 (WIPO November 16, 2010).

39 *OnePhone Holding AB v. IndiGO Networks*, D2007-1576 (WIPO December 22, 2007) ("In the Panel's view, it was reckless for the Complainant to consider, if it did, that this was not a bona offering of services."). See also *Coöperative Univé U.A. v. Ashantiplc Ltd/ c/o Domain Privacy LLC*, D2011-0636 (WIPO June 30, 2011) ("The Complainant failed to provide any argument or evidence which could support its Complaint and its attempt to mislead the Panel and/or its willful recklessness in making incorrect factual allegations is a clear demonstration of bad faith.")

when it intended to use it at the outset, and desired to sell the domain for unreasonable amounts." However,

> Given PET LIFE's trademark registration date and first use in commerce date being years after Respondent's registration of <petlife.com>, Complainant --who is represented by competent counsel-- knew or should have known at the time it filed the instant complaint that it would be unable to prove each of the three elements of Policy ¶ 4(a) necessary to prevail.

In circumstances that have previously been discussed involving personal names matching well known, or even famous marks, it is sanctionable to pursue a claim. In *Charles Schwab & Co., Inc. v. Simon Schwab*, FA2210002017845 (Forum January 23, 2023), the Complainant initially withdrew the complaint, but then refiled on allegations the Panel found "disingenuous":

> The Complaint disingenuously refers to "Schwab" as "Respondent's purported surname." Complainant did not include any screenshots of Respondent's website, despite having itself accessed the website and having previously received such screenshots from Respondent.

Respondent's website supported its defense of using his personal name to operate a business distinct from Complainant's business.

Exaggerating Reputation / Disparaging Respondent

While a mark that predates the registration of the challenged domain name supports standing to maintain a UDRP proceeding, the mere correspondence of domain name to mark is simply a threshold issue. If complainant claims a fact material to its argument, if it makes false assertions of fact "that might have misled the Panel had not the Respondent provided the evidence,"[40] or omits facts readily available to it but fails to offer evidence material to its claims, or puts into evidence foundationless contentions, it will be sanctioned.

In *Emazing B.V. v. Joe Pierce*, D2015-1252 (WIPO August 25, 2015) the parties had an exchange of emails on Complainant's interest in acquiring <emazing.com> in which Respondent stated:

> We have operated an email newsletter publishing business @ EMAZING.COM since July 1998. Additionally, we hold a registered trademark on the term EMAZING in the United States. This mark (2316782) was granted by the United States Patent and Trademark Office on February 8, 2000."

Complaint did not disclose this email in the complaint and

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40 See *Ryan P. Boggs v. Name Administration Inc. (BVI)*, D2013-0583 (Forum June 4, 2013).

> no attempt was made [. . .] to disclose or address the previous use of the term "emazing". Although that email was sent over twelve years ago, there has been no material change in the use of the Domain Name since that date. Therefore, the Panel considers the failure to disclose the email or address this issue to be a significant and material omission on the part of the Complainant. No excuse or explanation is offered for that failure in the Complainant's supplementary submission.

Failure of this kind as well as exaggerating distinctiveness supports abusive conduct in that it either implicitly or explicitly accuses respondent of falsely denying knowledge of the mark. In *Deep Focus Inc. v. Doman Admin, Abstract Holdings International LTD*, D2018-0518 (WIPO June 6, 2018) the dispute centered on the word "Cassandra." Complainant contended that "it believes the Respondent has infringed its legitimate trademark rights by purchasing the disputed domain name "with the sole intent to sell it to a trademark owner at an exorbitant fee." But contentions and suspicions are not proof:

> The Panel is not of the view, in any event, that the name "Cassandra" could be regarded as associated exclusively with the Complainant in the minds of consumers. This much is clear from the numerous examples provided by the Respondent of the use of the name "Cassandra" as, or as part of, business names, trademarks, and domain names by parties other than the Complainant.

In *Brooksburnett Investments Ltd. v. Domain Admin / Schmitt Sebastien*, D2019-0455 (WIPO April 16, 2019) (<incanto.com>), for instance, Complainant made sweeping assertions about its business and trademark rights that simply did not match the facts in 2003 when the Domain Name was registered, and failed to offer any evidence to support its claims for the "worldwide" fame of the trademark in 2003. The Panel commented that "[t]his does seem to be a 'Plan B' filing, after the Complainant recently tried without success to purchase the Domain Name from the Respondent some 16 years after the Respondent added the Domain Name to his portfolio." I will return to Plan B further below. The popularity of the term "Plan B" increased significantly after a 2016 WIPO case, although it made its first appearance in a Forum case many years earlier.

In *Sarah Lonsdale & Stuart Clark t/a RocknCrystals v. Domain Admin / This Domain is For Sale, HugeDomains.com*, D2019-1584 (WIPO September 6, 2019) (<rockncrystals.com>) the Panel notes that "Complainant's goal in attributing to the Respondent the intention to 'kill' their business was evidently aimed at creating the impression of deliberate, targeted wrongdoing, when in fact there was no evidence to support this sort of characterization."

> In the view of the Panel, the Complainant has disclosed no reasonable grounds for believing that the Respondent registered the disputed domain name with the Complainant or its trademark THE CASSANDRA REPORT in mind

> or with the intention of taking unfair advantage of the Complainant's trademark. Nor, for the reasons set out above, has it disclosed reasonable grounds for believing that the Respondent has used the disputed domain name in bad faith.

On the the contrary, "the Panel infers on balance that the Complainant commenced the current proceeding in the hope of acquiring the disputed domain name without paying the full price legitimately demanded by the Respondent for the sale of the disputed domain name." The Panel found Complainant's conduct abusive.

There are also complainants who believe that asking prices are ridiculously inflated only to learn it is not for them to appraise but for the respondent to value its asset. The *Cassandra* Respondent priced <cassandra.com> at USD 200,000. There is a view that speculating in domain names is somehow uncivilized because it imposes a tax on commercial actors of later acquired trademarks unable to register domain names corresponding to their marks, but this is too parochial a view of the market. A newly certified rights holder or one rebranding itself discovers that the corresponding domain name is already registered. It has to accommodate itself to the market, not the other way round. This issue is pursued further in Chapter 18.

And in *Scalpers Fashion, S.L. v. Dreamissary Hostmaster*, D2019-2937 (WIPO January 30, 2020) (<scalpers.com>) "the Respondent's legal representatives wrote to the Complainant's legal representatives after the filing of the Complaint, on December 16, 2019, pointing out that, in light of the undisputed facts, a finding of bad faith registration and use was impossible, and inviting the Complainant to withdraw the Complaint." Complainant did not withdraw the complaint.

The Invention of the Plan B Scheme

The classic improper conduct by complainant is to increase leverage in negotiations to purchase a domain name. Plan B was introduced into the lexicon in *Gigglesworld Corporation v. Mrs Jello*, D2007-1189 (WIPO November 16, 2007) (<giggles.com>)[41] which describes a complainant using the UDRP as an alternative acquisition strategy after its failure to negotiate to purchase the domain name. It was next applied without citation to the earlier case in *Viking Office Products, Inc. v. Natasha Flaherty a/k/a ARS - N6YBV*, FA1104001383534 (Forum May 31, 2011).

The phrase did not catch on immediately. It was next used in *Progressive Specialty Glass Company, Inc. v. Progressive Specialty Co Inc.*, FA1507001629046 (Forum August 25, 2015) again without citation to the earlier case. The phrase was

41 The term "Plan B" appears to have been a lexical invention of Respondent's representative in this case, Ari Goldberger, Esq.

then elevated to become "Classic Plan 'B'" in *Patricks Universal Export Pty Ltd. v. in this David Greenblatt*, D2016-0653 (WIPO June 21, 2016), and from there has become part of the regular syntax of the UDRP.

Plan B complaints are particularly egregious by mark holders whose rights postdate the registrations of the domain names, although it is not limited to them. A standard complaint by this class of complainants and others whose rights pre-date the registrations of disputed domain names is that respondents are demanding excessive prices for the disputed domain names. The alternative view of respondents is that domain names are assets priced according to their value.

The Panel in *AIRY GreenTech GmbH*, *supra.*, addressed the issue of a complainant whose rights by assignment of an earlier registered mark postdated the acquisition of <airy.com>. The AIRY trademark was first registered in 1998 and acquired by complainant in 2015. The disputed domain name was registered in 2003. In presenting its case the Complainant

> made no attempt to explain how or where its predecessor in title had used the mark, or, in particular, to discuss how it was being used when the disputed domain name was created in 2003. In all of these circumstances, it is not possible for the Panel to imagine how the Complainant could reasonably have believed that it was being targeted via the disputed domain name and that it would be able to prove registration in bad faith.

Complainant "only launched the Complaint after unsuccessfully attempting to acquire the disputed domain name at its own preferred price. In the Panel's opinion, this points in the direction of a finding of RDNH." The Panel concluded: "this is a Complaint which was destined to fail and should never have been brought."

Also consider the Plan B scheme in *Cooper's Hawk Intermediate Holding, LLC v. Tech Admin / Virtual Point Inc*. FA2010001916204 (Forum November 17, 2020). Finding RDNH in which the Panel noted:

> The fact that the Respondent offered to sell the domain name for an excessive fee years after the domain name was acquired does not in and of itself mean that the domain name was registered in bad faith, especially when it was the Complainant that initiated the contact for purchase of the domain.

The Complainant in *Reboxed Limited v. Adesoji Adeyemi*, D2021-0886 (WIPO June 2, 2021) "submit[ted] that in [. . .] negotiations between the parties [. . .] the Respondent attempted to sell the disputed domain name to the Complainant for various excessively high prices [. . .] or to force the Complainant into an unwanted business arrangement whereby the Respondent would take a percentage share in the Complainant's business." Respondent stated that it acquired <reboxed.com> prior to "any potential claim by Complainant [. . .] and is entitled to deal with the disputed domain name in any manner it sees fit." In sanctioning Complainant, Panel concluded that a complaint launched under these circumstances was "doomed to failure under the terms of the Policy and relevant jurisprudence." Pricing, though, is irrelevant when demanded by a registrant in lawful possession of the disputed domain name. This issue is examined further in Chapter 9.

The Panel in *Enodo v. Perfect Privacy, LLC / Golden, Mitchell, Mitchell Golden*, D2022-1966 (WIPO July 8, 2022) found Complainant's initiation of the proceedings "particularly egregious":

> In the light of the fact that the disputed domain name was registered over 20 years before the Complainant came into existence or applied for an ENODO trademark, the Complainant's misrepresentation that the term ENODO had no meaning in any language (being a matter the Complainant could certainly have verified before making that submission and certifying it as true), and the clear evidence of its approaches to the Respondent seeking to buy the disputed domain name, the Panel is in no doubt that the Complainant has brought this proceeding in bad faith, in what is known as a "Plan B" scenario, having failed in its attempts to negotiate a purchase of the disputed domain name from the Respondent.

Furthermore,

> Given that the Complainant is legally represented, the Panel finds this to be a particularly egregious case of attempted Reverse Domain Name Hijacking.

The Complainant in Healthyr, LLC v. Jonathan Curd, D2023-1802 hit a reverse trifecta: "because Complainant made factually misleading allegations and key arguments that lacked a plausible legal basis." The found

> First, Complainant had no basis for its critical allegation that "Respondent registered the Disputed Domain Name while Complainant was preparing to launch its business, and shortly before Complainant filed its application for registration with the USPTO [.... and therefore] registered the Domain Name for the sole purpose of extracting a large sum of money from Complainant for that Disputed Domain Name". Complainant knew that this was incorrect.
>
> [. . .]
>
> Second, it was misleading for the Complainant to submit an incomplete record of communications with Respondent.

And third,

> Based on the record evidence, Complainant was well aware of Respondent's ownership of and use of the Disputed Domain Name on the same date it first used the HEALTHYR mark in United States commerce, and before Complainant filed its trademark application for the same.

Where from an objective standpoint a complainant ought to have known at the time it commenced the proceeding that it lacked any legal basis for its claim (even though it may subjectively believe it does) it has incriminated itself of reverse domain name hijacking. That is, complainant's purpose is revealed from the omissions of evidence and the tortured argument in support of its claims.

Increased Recognition of Panels' Obligation under Rule 15(e)

Post-*Glimcher* Panels increasingly accepted that Rule 15(e) was obligatory and not merely discretionary. Thus, in *Goway Travel*, *supra.* the Panel held that the "Rules specifically put the burden on the Panel to determine whether a complainant has tried to use 'the Policy in bad faith to attempt to deprive a registered domain name holder of a domain name.'"

Certainly by the mid-teens, Panels were becoming more critical of complainants unfamiliar with the Policy and the jurisprudence. In *Pick Enters.*, discussed earlier (a 2012 case) the Panel held: "The fact that Complainant is represented by counsel makes the filing of this Complaint all the more inexcusable." One of a panelist's broader responsibilities it stated was "to preserve the integrity of the entire UDRP process."

According to other panelists, this preservation is accomplished by taking into account complainant's conduct regardless whether a request for RDNH has been made. In *Andrew Etemadi, Founder and Chief Technology Officer for Eyemagine Technology LLC v. Clough Construction and Deanne Clough*, D2012-2455 (WIPO February 14, 2013) the Panel noted that "[i]t is no excuse that Complainant may not be familiar with clear Policy precedent, the Policy, or the Rules." And the concept is further underscored in *Chuan Sin Sdn. Bhd. v. Internet Admin (not for sale), Reflex Publishing Inc.*, D2014-0557 (WIPO May 29, 2014) (<spritzer.com>) in which the Panel held:

> The Respondent does not seek a finding of RDNH, but as can be seen from the above quote from Rule 15(e) this obligation upon the Panel is not dependent upon the Respondent seeking a finding of RDNH. If a panel finds abuse of the process, the panel should say so in the decision.

A further clarifying definition was proposed by the Panel in *Andrew Etemadi, Founder and Chief Technology Officer for Eyemagine Technology LLC v. Clough Construction and Deanne Clough*, D2012-2455 (WIPO February 14, 2013) in which it noted: "It is no excuse that Complainant may not be familiar with clear Policy precedent, the Policy, or the Rules."

In *Cognate Nutritionals, Inc. v. Martin Zemitis / Entria.com*, FA160200 1660055 (Forum March 17, 2016) (<fuelforthought.com>) the three-member Panel found reverse domain name hijacking on the following grounds: "Respondent not only operated a fueling business but had priority of right for the domain name.

Although not expressly stated, Panels expect that complainants (and their professional representatives) be familiar with the Policy and its jurisprudence."

This expectation is explored further a few months later in *Intellect Design Arena Limited v. Moniker Privacy Services / David Wieland, iEstates.com, LLC*, D2016-1349 (WIPO August 29, 2016) (<unmail.com>). In this case, he Panel concluded that there were several grounds for reverse domain name hijacking. Although the certification requirement of Rule 3(b)(xiii) is not specifically mentioned it is implicit in the Panel's finding:

> [I]t is not unreasonable for the Panel to expect and require that the Complainant and its counsel will be familiar with Policy precedent and will neither ignore nor gloss over matters on which well-established Policy precedent weighs directly against the Complainant's contentions [...].

The Panel continued:

> Here, the Complainant has entirely disregarded established Policy precedent regarding the need to prove registration in bad faith in that its submissions on that topic exclusively relate to the use of the disputed domain name. The Complainant also disregarded such precedent in its extensive citation of registered trademark applications, which it ought to have known would not provide the necessary foundation for UDRP-relevant rights.

For its failure to understand or meet these expectations, the Panel in *Vudu, Inc. v. WhoisGuard, Inc. / K Blacklock*, D2019-2247 (WIPO November 15, 2019) (<vudo.com>) the Panel scolds Complainant for not recognizing "that at the time of registration the Respondent could not have been attacking a trademark that did not exist and was not in contemplation for years to come." It also found that Complainant's "insinuat[ion] that the Respondent's change of registrar and IP addresses over time is somehow significant, but the Complainant does not explain how it is significant and offers no evidence or argument whatsoever that the Respondent is not, as claimed, the original and continuous registrant of the Domain Name."

Decisions following the earlier breakthrough cases focused on the poor quality of the evidence submitted to impose sanctions whether or not the respondent defaulted in appearance or did not request the sanction. The Panel in *Mountain Top (Denmark) ApS v. Contact Privacy Inc. Customer 0133416460 / Name Redacted, Mountaintop Idea Studio*, D2020-1577 (WIPO September 1, 2020) held that although Respondents did "not specifically [seek] a finding of RDNH [. . .] it is open to the Panel to make such a finding without a request from the Respondents," citing *Yapi Malzemeleri San. VE TiC. A.S v. Domain Administrator, Name Administration Inc. (BVI)*, D2015-1757 (WIPO December 15, 2015): "[i]f abuse is apparent on the face of the case papers, the Panel is under an obligation to declare it."

Also, the lessening of reluctance to sanction complainants is brought about by the brazenness of complainants' claims, their lack of familiarity with the UDRP and its jurisprudence, and their omissions of evidence. So, in *GSL Networks Pty Ltd. v. Domains By Proxy, LLC / Alex Alvanos, Bobservers*, D2021-2255 (WIPO September 27, 2021) (<streamlineservers.com>) the Panel concluded

> that the Complainant's failure, or that of its representatives, to carry out basic research into the history of the disputed domain name before resorting to its Complaint under the Policy, together with the representatives' apparent lack of familiarity with Policy precedent on the relevant issue, places this particular case into RDNH territory [warranted sanction].

Persistent but Diminishing Reluctance to Find RDNH

Denying RDNH Even If Warranted or Not Requested

Although there was (and continues) resistance to the implications of the *Glimcher* construction, it has become the dominant view. Before I review the consensus cases, it is worth looking at the reasoning for resisting these implications. Pre-*Glimcher University Mall*, there was great reluctance to find RDNH unless it was staring panelists in the face, although even here that was not always the case.

In *Decision Analyst, Inc. v. Doug C. Dohring*, D2000-1630 (WIPO February 6, 2001) (<opinionsurveys.com>), while the Panel initially appeared to be heading in the RDNH direction because "the allegations of bad faith are so conclusory that they appear to lack any merit" and though "[t]he Complaint thus borders on Reverse Domain Name Hijacking," it changed direction. Why? Because

> [G]iven that the Respondent did not request such a finding, the Panel will refrain from reaching that conclusion sua sponte.

Similarly in *Fabricas Agrupadas de Muñecas de Onil S.A. (FAMOSA) v. Gord Palameta*, D2000-1689 (WIPO March 14, 2001) (<famosa.com>) in which the Panel denied RDNH because "such an exceptional determination was not clearly requested by Respondent."

While the sanction may have been appropriate in *My Health, Inc. v. Top Tier Consulting, Inc.*, FA1006001332064 (FORUM Aug. 26, 2010) the Panel noted "the Respondent has not alleged Reverse Domain Hijacking and the Panel declines to make this determination where the parties have not raised the issue or been given the opportunity to brief the Panel on their respective positions. And in *Tip Vy Spots LLC Vy v. Super Privacy Service c/o Dynadot*, D2016-0872 (WIPO June 29, 2016), although exonerating the Respondent of bad faith, the majority decided against RDNH because "we do not read the Response as expressly requesting such a finding. Inasmuch as proceedings under the Policy are adversarial and party-driven, we believe it is not up to the panel to make findings not expressly requested by a party."

The concurring panelist in *Tip Vy Spots* disagreed with this finding:

> A respondent is concerned primarily with winning his case and keeping his domain. A panel bears broader responsibilities. One of these is to preserve the integrity of the entire UDRP process. Another is to call out irresponsible behavior by a complainant. And a third is to identify blameworthy conduct for the benefit of future panels and thus create Policy precedent. When the Rules require a panel to examine the record for abuse, I see no reason for a panel to superimpose a requirement that a respondent expressly request a finding.

While the majority's line of reasoning has a continuing attraction to some panelists it is an aberration to the consensus view. Although the consensus is clear as to the Panel's obligation there remains some degree of reluctance among panelists as indicated in *Philip Colavito v. Domain Management, Oceanside Capital Corp*., D2020-2295 (WIPO November 30, 2020). In this case, the Panel declined to find that the case was brought in bad faith (even though the domain name was registered years before the mark and was commenced even though it lacked any actionable claim)

> largely because the Complaint appears to be the product of Complainant (not represented by counsel) misunderstanding domain names, how they are acquired and transferred, and the difference between a domain name and a URL.

This reasoning has been criticized because it unaccountably gives complainant a free pass for its ignorance in serving a meritless complaint that requires respondent to defend itself against claims that should never have been brought.

Complainants represented by counsel are more likely to be sanctioned than individuals appearing *pro se*. The Panel in *Sixsigma Networks Mexico, S.A. DE C.V. v. DYNAMO.COM, AUTORENEWAL AND DNS*, D2022-4534 (WIPO February 28, 2023) stated in dicta: "legally represented [. . .] Complainant[s] [are] held to a higher standard than an unrepresented party."

Nevertheless, whether this is the case under all circumstances, the consensus view is that it is inexcusable to commence an action without a clear understanding of the UDRP and its jurisprudence. It cannot be argued that where the mark postdates the registration of a challenged domain name (as was the case in *Philip Colavito)*, the domain name cannot have been registered in bad faith, and to allege otherwise is pure ignorance of the law.

RDNH Imposed Without Request or Appearance

Ordinarily, in an action at law, if a party fails to request relief the court will not entertain granting it. UDRP panelists generally follow this practice, although they are more willing to find RDNH, *even if not requested*. This appears to have influenced panelists to some extent particularly after 2016 (when the number of RDNHs began rising) except for a few Panels before 2013 who did not question their authority to sanction complainants for abusive filing of complaints. Panels generally add another factor, that complainants were hoping that in the event of respondent's nonappearance Panels would accept complainant's facts as asserted.

As I mentioned earlier, the issue initially surfaced in *Glimcher University Mall*. Even though Respondent appeared, the 3-member Panel reasoned that "there is no requirement that a respondent allege reverse domain name hijacking as part of a response." The 3-member Panel in *Goldline International, Inc. v. Gold Line*, D2000-1151 (WIPO January 4, 2001) (<goldline.com>) (which included a panelist who participated in *Glimcher University Mall*) found that "[p]rior to filing its Complaint, Complainant had to know that Complainant's mark was limited to a narrow field, and that Respondent's registration and use of the domain name could not, under any fair interpretation of the facts, constitute bad faith." Further, even though "Respondent has not requested such a finding [. . .] [t]he Rules specifically put the burden on the Panel." It continued:

> Complainant's effort to obtain transfer of the Domain Name on the basis of alleged cybersquatting of a generic word may in itself be indicative of RDNH. Even worse, Complainant did not disclose in the text of its Complaint the material fact that Complainant was forced to disclaim any exclusive rights to "downunder" in both of the trademark registrations upon which the Complainant relies. Taken together, these facts, along with the unsupported arguments made by the Complainant under the second and third factors of the Policy, are sufficient to show that the Complaint was filed in a bad faith attempt to deprive the Respondent of a domain name to which it is entitled.

The Panel in *Rodale, Inc. v. Cambridge*, DBIZ2002-00153 (WIPO June 28, 2002) (<scubadiving.biz>) agreed that

> the Complaint was brought in bad faith. First, Complainant conspicuously failed to mention in the Complaint the material facts that (1) that it disclaimed any exclusive rights to the phrase "scuba diving" in the two trademark registrations on which it relied, and (2) that <scubadiving.com> is registered only on the supplemental registry. The failure to bring these material facts to the Panel's attention constitutes a bad faith abuse of the STOP process.

The Panel concluded

> Moreover, in light of the frivolous nature of Complainant's Complaint and Complainant's attempt to mislead the Panel by omitting material evidence

> from its Complaint, the Panel finds Complainant to have been guilty of Reverse Domain Name Hijacking.

In *M. Corentin Benoit Thiercelin v. CyberDeal, Inc.*, D2010-0941 (WIPO August 10, 2010) (<virtualexpo.com>) the "Complainant knew that the Domain Name was registered nearly 10 years before the Complainant acquired his registered rights." The Respondent did not respond to the complaint. The Panel held:

> Instead, a flagrantly insupportable claim was made as to the Respondent's bad faith intent at time of registration of the Domain Name and the Panel can only assume that it was hoped that the Panel would miss the point.

For marks postdating the registrations of domain names the complainants are "doom[ed] to fail" on their complaints.

The Complainant and its advisors in *Airtango AG v. Privacydotlink Customer 2290723 / Gustavo Winchester*, D2017-2095 (WIPO December 11, 2017) (<airtango.com>) "should have appreciated from the very outset

> and particularly in light of the cases cited in the Complaint and quoted above, that the Complaint was doomed to fail for failure to demonstrate on the balance of probabilities that the Domain Name was registered with the Complainant in mind."

Here too the Respondent did not respond to the complaint.

Similarly, the Complainant in *Tecme S.A. v. Stephen Bougourd*, D2020-2597 (WIPO November 24, 2020) (<tecme.com>) failed to

> recognize[ ] that establishing bad faith in the registration of a 20-year-old Domain Name would require persuasive evidence that the registrant was likely to have knowledge of the Complainant at that time, a Complainant in a specialized industry, one which lacked even an online presence at the time.

The Panel held: "Although the Respondent did not request a finding of Reverse Domain Name Hijacking, the Panel considers this an appropriate case to enter such a finding."

In *Mister Auto SAS v. Wharton Lyon & Lyon*, D2018-1330 (WIPO August 3, 2018) (<misterauto.com>) the Panel held that the Complainant commenced the UDRP proceeding

> out of desperation as its prior attempt to contact the Respondent went unanswered (and the webpage did not resolve—revealing no clues as to the Respondent's possible motives) but without a reasonable chance of success and as such in the circumstances constitutes an abuse of the Administrative Proceeding.

Although Respondent defaulted, the record included the Whois information (a required Annex) that demonstrated that Complainant's right postdated the registration of the domain name.

CHAPTER 18

VALUABLE ASSETS

THE RISE OF A SECONDARY MARKET IN DOMAIN NAMES

The consensus view is that offering disputed domain names for sale is not by itself sufficient to support a conclusion they were registered and are being used in bad faith. Nor is it bad faith for a respondent to seek a price for a disputed domain name that is more than a complainant is willing or prepared to pay.

Panels have generally noted that "respondents may have a legitimate interest in a domain name if the domain name is used to profit from the generic value of the word, without intending to take advantage of complainant's rights in that word." If a domain name is lawfully registered, it is a business asset to the registrant, to be held or sold at a time and at a price of its choosing. The Jurisprudential Overview states:

> Generally speaking, panels have found that the practice as such of registering a domain name for subsequent resale (including for a profit) would not by itself support a claim that the respondent registered the domain name in bad faith with the primary purpose of selling it to a trademark owner (or its competitor).

It is the function of markets to offer consumers what they seek to acquire and there is no disagreement that selling domain names is a legitimate business defensible under Paragraph 4(c)(i) of the Policy. As the Panel explained in *Solon AG v. eXpensive Domains.com Project*, D2008-0881 (WIPO August 1, 2008) (<solon.net>):

> Using and/or selling a domain name for commercial gain is only caught by the Policy if the registrant registered or acquired the domain name, when he knew or should have known, that he would be taking unfair advantage of the complainant's trade mark rights.

The Jurisprudential Overview does not specifically identify resellers as such but lumps them together with Doppelgangers as "domainers." This is unfortunate because, as I pointed out in Chapter 1, resellers of domain names operate under different business models. Rather, they are actors in a substantial economic "secondary" market.

Indeed, of all domain names in inventory in the hands of resellers, a minuscule number are actually challenged as cybersquatters for infringing third-party rights, and as I have noted in earlier chapters, those that genuinely draw their value from their lexical choices, are found to have been registered in good faith and for lawful purposes.

A secondary market presupposes the existence of a "primary market." While this book is not concerned with the primary market, it is an essential partner to the secondary market. The two operate in tandem. The first is composed of registrars who sell and auction new domain names to registrants which includes resellers of domain names, but its customers are inclusive of all who wish to use or "own" property in cyberspace. The secondary market is composed of resellers of domain names.[1] Their inventory is in constant flux of selling and acquiring new inventory.

Between mark owners and domain name registrants there may be a general perception on the part of the former that acquiring domain names identical or confusingly similar to their marks (or even to marks that have not yet entered the market) is suspect of cybersquatting—that speculation is *ipso facto* a sure indicator of targeting regardless whether there is concrete proof of prior or actual knowledge and intent, although Panels have increasingly accepted arbitraging as a business model conferring legitimate interests on domain name registrants.

Before the commercialization of the Internet, brand owners had the lexical and cultural resources to themselves in choosing attractive and desirable names to market their goods and services. This changed with the commercialization of the Internet. Perhaps not immediately recognized, domain name entrepreneurs became competitors for dictionary words, random letters, misspellings, common combinations, acronyms, neologisms, etc., and began acquiring vast portfolios of domain names which for the most part are rarely challenged.

As it has developed, arbitraging domain names carries no stigma in itself, but it can be said without fear of contradiction that buying and selling assets of any kind has both Jekyll and Hyde sides. Panelists that believe speculation is actionable cybersquatting rest their conclusions on the following arguments: 1) complainant has priority of use, thus a better right to the domain name; 2) respondent reregistered the domain name continuously after the registration of the mark and is depriving the complainant from reflecting its mark in a corresponding domain name; and 3) respondent's offering price for the domain name is disproportionate to its value and "in excess of [its] documented out-of-pocket costs directly related to the domain name."

Even as the number of cybersquatting complaints were accelerating on the cusp of ICANN implementing the UDRP and the US Congress enacting the ACPA, a

1 The secondary market matches the primary market in value. See "What's in a (Domain) Name? The $2 Billion Secondary Market for Dot-Com Domains," https://media-publications.bcg.com/pdf/DotCom_domain_market_Report.pdf.

federal judge predicted the future for the buying and selling of domain names. He stated that "[s]ome domain names [. . .] are valuable assets as domain names irrespective of any goodwill which might be attached to them." He observed further (and quite remarkably) that "of course, domain names can be freely transferred apart from their content." The Court concluded that "there is a lucrative market for certain generic or clever domain names that do not violate a trademark or other right or interest, but are otherwise extremely valuable to Internet entrepreneurs."[2]

The Senate Report that summarized the provisions of the forthcoming ACPA did not condemn arbitraging domain names that have value independent of any value accrued to trademarks. One Court in a pre-ACPA action stated that "becoming rich [in arbitraging domain names] does not make one's activity necessarily illegal. Speculation and arbitrage have a long history in this country,"[3] although in this particular case the Court found in mark owner's favor as there was evidence of targeting the mark. Recognizing arbitraging as a legitimate business model carries through to the UDRP as already demonstrated in the earlier chapters.

Registrants genuinely in the business of exploiting value and marketing noninfringing domain names are protected from forfeiture but vulnerable to challenge for the reasons earlier discussed. The market for "clever and generic domain names" is a story of growth. It developed rapidly with the realization of domain names' potential economic value as predicted by the *Dorer* court. That value as I have pointed out in earlier chapters is inherent in lexical choices having distinctive worth unrelated to any associations created by marks corresponding in some fashion to the domain name.

In this universe, domain names are drawn from a variety of cultural resources but also include creation of new coinages and creative combinations of words. As a general proposition, selling domain names for profit is not condemned by the Policy: "[I]f the drafters [. . .] had intended to broadly cover offers to any and all potential purchasers as evidence of bad faith, it would have been a simple matter to refer to all offers to sell the domain name, and not offers to specific parties or classes of parties," *Educational Testing Service v. TOEFL*, D2000-0044 (WIPO March 16, 2000). In this particular case, however, "[t]he value which Respondent seeks to secure from sale of the domain name is based on the underlying value of Complainant's trademark."

Similarly in *Apple Computer, Inc. v. DomainHouse.com, Inc.*, D2000-0341 (WIPO July 18, 2000) (<quicktime.net>). The Panel pointed out:

2 *Dorer v Arel*, 60 F. Supp. 2d 558 (E.D. Va 1999). WIPO D2000-0016 crystallized the point about generic terms with the decisions cited in Footnote 1.

3 *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1230, 1234 (N.D. Ill. 1996).

> There is nothing inherently wrongful in the offer or sale of domain names, without more, such as to justify a finding of bad faith under the Policy. However, the fact that domain name registrants may legitimately and in good faith sell domain names does not imply a right in such registrants to sell domain names that are identical or confusingly similar to trademarks or service marks of others without their consent.

While this respondent failed to meet that criteria, the Panel's analysis supports the notion of different economic spaces. This allowed for a steady growth in favor of the view that acquiring domain names formed from the common lexicon is lawful as long as there is no evidence of taking advantage of the value accrued to a mark's goodwill.

The consensus formed in the earliest cases is that "offer[ing] to sell [. . .] a common word domain name, itself, can constitute a legitimate interest, where there is no evidence the Respondent registered it to sell to a trademark holder," *Ultrafem Inc. v. Warren R. Royal*, FA0106000097682 (Forum August 2, 2001) (<instead.com>). And in *Alphalogix, Inc. v. DNS Services*, FA0506000491557 (Forum July 26, 2005) (<versona.com>) the Panel noted that

> Respondent is in the business of creating and supplying names for new entities, including acquiring expired domain names. This is a legitimate activity in which there are numerous suppliers in the United States.

Or, in the Panel's words in *True North Media, LLC and Good Universe Media, LLC v. 1soft Corporation, Greg Thorne*, D2012-1457 (WIPO September 28, 2012) (<gooduniverse.com>): "[S]peculating on the future commercial value of a domain name based on common words is simply a business risk, not an act in bad faith, unless the registrant has reason to know that a particular party has plans to use those words as a mark."

Indeed: "Trading in domain names happens in a marketplace. Prices are struck between buyer and seller and it is not a function of the Policy to interfere in people's bargains," *CSP International Fashion Group S.p.A. v. Domain Administrator, NameFind LLC*, D2018-0163 (WIPO March 13, 2018) (<myboutique.com>)[4].

I pointed out in Chapter 6 ("Owning a Right But Not the Words") and Chapter 7 ("Commodification of Language") that mark owners do not "own" the terms they choose to market their goods or services, but registrants can lock lexical material into domain names, and thus own them in the operations of their businesses. By way of this ownership, domain name registrants control their destiny to an extent even greater than mark owners their lexical choices for the reasons already discussed. The person who first registers a domain name lawfully presumptively owns it (in the

4 Disclosure: Author represented the Respondent in this proceeding.

sense of having control of it for the duration of its registration) and can "freely transfer[]" it unless the registration is shown to have demonstrably infringed accrued intellectual property rights and crossed the line into cybersquatting.[5]

Early cases evidenced a range of views toward entrepreneurial registrations of domain names as it did of a number of other issues, until, as I explained in Chapters 3 and 4, a better understanding of the metes and bounds of rights was arrived at. The WIPO Final Report (para. 170) noted that some commentators included warehousing "within the notion of cybersquatting" but WIPO did not recommend it and it is not condemned.

That the selling of domain names has grown to become a vibrant market is evident from the annual sales numbers. Professional domainers both created demand and grew to meet it. They created demand by commodifying the content of cultural storehouses, as I discussed in Chapter 7. But the growth of the secondary market can also be understood as a consequence of the development of the law which facilitated its rise and consolidation. When registrants acquire domain names their rights are contingent on compliance with their contracts and compliance is tantamount to ownership.

It is paradoxical that the emergence and consolidation of a secondary market lies in the convergence of five intertwined circumstances:

- First, there is a well-established trademark law principle that has been imported into the UDRP that parties cannot monopolize words to the exclusion of their lawful use by others;

- Second, there was a consensus among competing interests that the UDRP was to be a conjunctive regime. Both WIPO and ICANN rejected arguments from the trademark constituency to have a disjunctive requirement for defining abusive registration.

- Third, the commodification of the lexicon which I discussed in Chapter 7,

- Fourth, the defining of space that separates the trademark demesne from the domain name demesne; and

5 Rights to domain names originally acquired prior to first use of marks that subsequently are characterized as well-known or famous can upon a change of registrant after a mark has become distinctive in a market sense be vulnerable to forfeiture under the ACPA in actions commenced in the Third, Fourth, and Eleventh Circuit Courts of Appeal. The issue is discussed further in particular relation to *Prudential Insurance Company of America v. PRU.COM*, Civil Action No. 1:20-cv-450, at *10 (E.D. Va. June 30, 2021), aff'd No. 21-1823 (4th Cir. Jan. 23, 2023), discussed in Chapter 19.

- Fifth, the emergence of a jurisprudence of domain names based on an ever expanding base of well-reasoned decisions available in publicly accessible databases.

I am not suggesting that there would be no secondary market without this convergence, but a fair argument can be made that such a market would never have become what it has if there had been no convergence.[6]

We must approach the five circumstances underlying the secondary market by first recognizing that there is a direct correlation between the shrinkage through commodification of available lexical resources that businesses once drew upon for finding appropriate names for marketing their goods and services and the secondary market's emergence and consolidation.

This had an immediate impact on both owners of the earlier acquired marks and emerging needs for new brand names over the course of time. Mark owners discovered they had to live with a new reality that others could legitimately hold domain names identical or confusingly similar to weak marks drawn from the common lexicon.

Certainly by 2005 when WIPO published the first of its Overviews it was evident that the UDRP was not a rubber stamp forum for owners whose marks were capable of having unrelated and therefore noninfringing associations. So, for example, there are numerous decisions involving what complainants alleged were acronyms and respondents claimed as random letters—"lgg," "dw," "lfo," "ssx," "usu," "ktg," jat," "ivi," "dll," and many more. More recent words and combinations include <cityutilities.com>, <industrialproducefinder.com>, <libro.com>, <glory.com>, <fabricator.com>, <myboutique.com>, <wellpath.com>, <insuremyfood.com>, etc., and many more.

As the jurisprudence matured and consolidated, so too did the secondary market for domain names. The reason for this is understandable. Consistency in determining disputes stabilizes markets by giving confidence to parties that they can rely on the application of a stable body of law. As a result, we find that domain names sold on the secondary market are rarely contested in UDRP proceedings. It is rare (very rare!) for complaints against domain names acquired in the secondary market, if after registration the domain names are used for legitimate purposes without intent to infringe third-party rights.

6 Thirty-five years ago (before the commercialization of the Internet) words, random letters, phrases, and descriptive expressions were free to use in commerce for noncompeting goods or services. The only competitors for such common lexical parts were other businesses looking for suitable marketing terms to identify and distinguish themselves from others. The Internet brought commodification of language as discussed in Chapter 7.

The Panel in *Graftex Prodcom SRL and Graffitti – 94 R.B.I. Prodcom S.R.L. v. Piazza Affari srl, Michele Dinoia*, D2017-0148 (WIPO March 22, 2017) (<bigotti.com>) "agree[d] with the panels in the prior cases cited above, and considers the business of registering domain names including dictionary words to be, in itself, a legitimate commercial activity."

Speculating on Domain Names

Legitimate Speculation

"Legitimate speculation" is not an oxymoron. It has long been settled that "mak[ing] money" out of selling domain names (which complainants not infrequently urge Panels to condemn) is not bad faith either of registration or use. In a 1996 case several years before the implementation of the UDRP and enactment of the ACPA,[7] the court noted that "[o]ne of [the defendant's] business objectives is to profit by the resale or licensing of these domain names, presumably to the entities who conduct business under these names."

In short, the Court held that the defendant "arbitrage[s] the 'intermatic.com' domain name," although (as I earlier noted) the Court also observed that "becoming rich [in arbitraging domain names] does not make one's activity necessarily illegal. Speculation and arbitrage have a long history in this country."

Panels in early UDRP cases expressed conflicting views as to whether speculating on domain names corresponding in part or in whole to marks was lawful, but as I also noted once Panels began defining the metes and bounds of trademark rights there came into view a more refined understanding of the rights and limitations of both trademark owners and registrants.

In parsing legitimate and abusive speculation, panelists are called upon to measure parties' spaces (Chapter 6). It is legitimate speculation to acquire domain names distinct in value from corresponding marks, but as marks and domain names are compositions of lexical material and nothing else, it is necessary to address their linguistic, commercial, and personal qualities. Common words and phrases corresponding to marks do not lose their commonness because a mark owner has used the same terms in commerce.

As I have pointed out in earlier chapters, investors are in the business of acquiring domain names in various categories that have value independent of any value associated with corresponding trademarks. This includes common words and

7 *Intermatic Inc. v. Toeppen,* 947 F. Supp. 1227, 1230, 1234 (N.D. Ill. 1996). In this particular case, cited in many UDRP decisions, the Court found registrant acquired the disputed domain name for its trademark value and forfeited it to the rights holder, but the concept that lawful registrations can be acquired for future sale nevertheless survives.

phrases, acronyms, surnames, etc. In this last category for example, Panels have rejected cybersquatting claims on "Buhl," "Grasso," "Ilko," "Ritchie," and many others.

In *Grasso's Koninklijke Machinefabrieken N.V., currently acting as Royal GEA Grasso Holding N.V. v. Tucows.com Co*., D2009-0115 (WIPO April 10, 2009) (a case among many that established consensus on this issue), the 3-Member Panel explains:

> [T]here is little to suggest that the Respondent (or its predecessor in interest) had the Complainant in mind when it registered and then used the disputed domain name. The Respondent is well-established in a different field of business. There is no apparent relationship between the nature of the Respondent's business and that of the Complainant. The Complainant has not pointed to any registered marks owned by it in the jurisdiction where the Respondent is based (the United States and Canada) and provided little evidence of having any significant trading presence there.

It is no different in turning to common phrases. The Panel in *Dr. Muscle v. Michael Krell*, FA1903001833036 (Forum April 19, 2019) (<drmuscle.com>) nam(one of whose members sat on the *Grasso* case) pointed out that "[d]omain name speculation alone is not bad faith. Rather, to constitute bad faith, the speculation must be targeted at the trademark value of a name." But what is common remains common:

> the components of the domain name, "Dr." and "Muscle," are common terms [. . .] [and that] Respondent's claim [is] credible that he registered the domain name because of the descriptive nature of those terms.

In *So Bold Limited v. TechOps, VirtualPoint Inc*., D2022-1100 (WIPO June 6, 2022) (<sobold.com>) Complainant accused Respondent of being a "serial cybersquatter [. . .] [who] uses several business aliases and works with family members to amass a vast portfolio of domain names with the hopes of extorting large sums from trademark owners." However, the Panel found that Respondent did not "run[] afoul of good faith" because "So Bold" is a common expression.

An initial view of speculation focused on respondents' lexical choices that in whole or in part included names corresponding to marks. Some panelists took the position that even dictionary word-domain names could support infringement of long established marks. Thus, in *Hearst Communications, Inc. and Hearst Magazines Property, Inc. v. David Spencer d/b/a Spencer Associates, and Mail.com, Inc*., FA0093763 (Forum April 13, 2000) involving "Esquire" the majority concluded the the registration was in bad faith. However, the dissent's view which emerged as consensus explained the error:

> For the domain name "esquire.com" to qualify as "confusingly similar", we would have to believe that anyone who uses the domain name esquire.com would be confused with the owners of Esquire Magazine. This is plainly not true, as the proposed use of the domain name by Mail.com would not create any confusion with the magazine. While recognizing that Esquire Magazine is well-known, the word "esquire" by itself is too generic and widely used to be exclusively associated with the magazine.

The dissent also observed that "[t]here is growing precedent within US law and within the UDRP that resale of domain names per se is not evidence of actionable bad faith."

A week later, another Panel (again by majority) made a similar finding in *J. Crew International, Inc. v. crew.com*, D2000-0054 (WIPO April 20, 2000) The majority accepted Complainant's argument that as a speculator Respondent lacked legitimate interest in <crew.com> and registered it in bad faith. It explicitly rejected Respondent's argument that speculation was not condemned under trademark law. In its view,

> Speculation is not recognized by the Policy as a legitimate interest in a name, and the Policy should not be interpreted to hold that mere speculation in domain names is a legitimate interest.

Indeed

> To hold otherwise would be contrary to well-established principles that preclude mere speculation in names and trademarks and would encourage speculators to appropriate domain names that others desire to put to legitimate use. Ultimately, speculation in domain names increases costs to the operators of websites and limits the availability of domain names.

The dissent rejected this construction of the UDRP. "In my judgment" (a judgment that quickly became and remains the consensus view)

> the majority's decision prohibits conduct which was not intended to be regulated by the ICANN Policy. This creates a dangerous and unauthorized situation whereby the registration and use of common generic words as domains can be prevented by trademark owners wishing to own their generic trademarks in gross. I cannot and will not agree to any such decision, which is fundamentally wrong.

The forfeiture would have been understandable if the disputed domain name had been <jcrew.com> (the name of the company and its trademark) but dictionary words and common phrases do not support claims of cybersquatting absent evidence that the domain name's value is merely a reflection of the corresponding mark.

As I argued in Chapters 3 and 4, there was significant fluidity of reasoning in the opening years of the UDRP, and a considerable amount of experimentation of views in the process of reaching consensus on the issue of speculation. In contrast to the "Esquire" and "Crew" decisions, the Panel in *LIBRO AG v. NA Global Link Limited*, D2000-0186 (WIPO May 19, 2000) (<libro.com>) found that

> Respondent's explanation that it selected the domain name because it is the Spanish and Italian word for "book" appears prima facie acceptable. It is a fact that registrations of generic words have acquired considerable commercial value and represent an important asset in electronic commerce especially in a trade sector where product marketing through the Internet has become vitally important as it is for the book industry.

And in *Meredith Corp. v. CityHome, Inc.*, D2000-0223 (WIPO May 18, 2000) (<countryhome>) the Panel held that "seeking substantial money for what [Respondent] believes to be a valuable asset is not tantamount to bad faith."

In *Audiopoint, Inc. v. eCorp*, D2001-0509 (WIPO June 14, 2001) (<audiopoint>), the three-member Panel held that "speculation in domain names *when done without any intent to profit from others' trademark rights* may itself constitute a bona fide activity [as affirmative proof] under paragraph 4(c)(i)" (emphasis added). The qualification of intent that targets a particular complainant—primarily for a proscribed purpose— goes to the heart of assessing unlawful conduct.

Similarly, *Solon AG v. eXpensive Domains.com Project*, D2008-0881 (WIPO August 1, 2008). Complainant contended that

> Respondent 'eXpensiveDomains.com Project' is an extremely active cybersquatter whose entire business lies in the grabbing of domains for the only reason of resale. We once more direct the Panels's (sic) attention to the Respondent's homepage [. . .] on which he describes his idea of good business.

It complained about Respondent's history. It registers

> thousands of domain names without any genuine interest in them besides their resale value [which] cause[s] significant shortages in the domains available to genuine businesses such as the Complainant. They do not generate any value but only try to profiteer from the scarcity they create in the first place."

While noting Complainant's argument of bad faith, the Panel reminded it "[t]hat is not the definition of a cybersquatter envisaged by the Policy":

> While domain name dealing carries with it the disadvantages to which the Complainant has drawn attention, it is of itself a lawful activity in most countries and it is not, of itself, a vice at which the Policy is directed.

"Even if that business, in the relevant context here, were to comprise the registration, for sale, of generic domain names either generally or to its customers, that would not be an illegitimate use of the domain name," *Newstoday Printers and Publishers (P) Ltd. v. InetU, Inc.*, D2001-0085 (WIPO May 23, 2001)

(<newstoday.com>). The Panel points out that even at this early date this view "has been accepted in a number of prior panel decisions including those cited by Respondent."

No Per Se Violation for Arbitraging Domain Names

In determining cybersquatting, a respondent's business is not in issue, only its conduct if it fails to rebut complainants *prima facie* case. The Complainant argued in *ACE Limited v. WebMagic Ventures, LLC*, FA0802001143448 (Forum April 8, 2008) (<ace.us>) that "Respondent's business is merely a front for trading trademark domain names [. . .] [and] characterizes Respondent's business as cybersquatting." In focusing on the lexical choice, the 3-member Panel found the acquisition lawful without stain on Respondent's business practice:

> Even if Complainant's aversion that Respondent engages in a clear pattern and practice of trading in domain names might suggest some nefarious purpose and imply a similar purpose in the registration and use of the at-issue domain name, such evidence is in no way conclusive. [. . .] Importantly, there is no per se proscription against buying and selling domain names. While such activities may be indicative of cybersquatting, without more they are in no way sufficient to prove cybersquatting or an improper purpose on the part of Respondent.

Marks composed of common terms tend to suggest or are likely to have multiple associative possibilities which is precisely why Panels recognize a "defense of legitimate speculation." In *Karma International, LLC v. David Malaxos*, FA1812001822198 (Forum February 15, 2019) challenging the registration of <karma.com> the Panel held that a reseller is "free to place whatever market value it chose on the name," and that

> [n]owhere in the Policy is there a requirement that a respondent is under a positive obligation to use (or surrender an unused) domain name [or that] [f]ailure to use a domain name is [. . .] per se evidence that its owner has no right or legitimate interest in [it].

On the contrary

> [a re-seller of generic domain names [. . .] has long been held to conduct a legitimate business, whether the names have been used in connection with their generic meaning, or not used at all.

Further,

> [r]espondent was under no positive obligation to use the name or to sell it at any particular price.

But, even more important, Respondent acquired the domain name earlier (1994) than the Complainant did its mark (2018).

The distinction between "intrinsically valuable domain names" and corresponding marks, is marked by the commonness of chosen words or combinations. The choice of common words or phrases does not change their character: they remain common. Judging from respondents' arguments the concept of intrinsic value derives from choices that have the ability to market anything rather than any one something. The Panel in *Brooksburnett Investments Ltd. v. Domain Admin / Schmitt Sebastien*, D2019-0455 (WIPO April 16, 2019) (<incanto.com>) held that "[s]peculating in intrinsically valuable domain names represents a legitimate business interest in itself, unless the evidence points instead to a disguised intent to exploit another party's trademark." What this means is that "Incanto" and other choices can be used by others without trespassing on complainant's rights.

And, in *Advice Group S.P.A. v. Privacy Administrator, Anonymize, Inc. / Michele Dinoia, Macrosten LTD.*, D2019-2441 (WIPO December 2, 2019) (<advicegroup.com>) the Panel noted that the "Amended Complaint inappropriately relies on accusations of 'cybersquatting' by the 'Respondent,'" but

> [t]he Domain Name is a common English two-word term, and the Complainant offered absolutely no evidence to indicate that the Respondent had advance knowledge of the Complainant's trademark plans and no reason to believe the Domain Name would ultimately be more valuable in relation to the Complainant, once those plans came to fruition, than for its generic sense.

The Complainant in *Privity Pty. Ltd. v. Whois Agent, Domain Protection Services, Inc. / Rightside Group, Ltd.*, D2020-2742 (WIPO December 23, 2020) (<haircaregroup.com>) urged the Panel to draw what it contended was "the only plausible inference from the Respondent's registration of the domain name [namely] that the Respondent registered the domain name primarily for the purposes of disrupting the business of the Complainant." But the Panel found the Complainant's contention implausible since "it seems to the Panel that the Disputed Domain Name was registered by someone who for whatever reason thought the name 'haircare group' was worth registering without any knowledge of, or reference to the Complainant."

Contra Views

The mirror opposite of the dissents in the *Esquire* and *Crew* cases which have become the consensus view holds that speculation is inherently bad faith. Thus, in *The American Automobile Association, Inc. v. QTK Internet c/o James M. van Johns*, FA0905001261364 (Forum July 25, 2009) (<aaa.net>) the dissent opined that speculative registrations of generic words and/or letter combinations with the intention of selling them at a profit "[o]nce someone wants to acquire the domain name [. . .] were intended to be prohibited by the policy."

Such views, though, are now mainly expressed in dissents, have not been accepted and are inconsistent with the emerged jurisprudence. In *Religare Health Insurance Company Limited v. Name Administration Inc. / Domain Administrator*. D2019-2073 (WIPO November 29, 2019) involving <carehealth-insurance.com>, the Panel characterized the case as "I have a mark, you don't, pay-per-click is involved, and therefore I'm entitled to your domain." In fact, "[t]he Complaint thus fails on its face and would have failed in the absence of a response.

BUILDING AN INVENTORY OF DOMAIN NAMES

Timing: Registration Domain Name / First Use in Commerce Trademark

The Rise of Cyber Entrepreneurs

Distinct Personalities of Trademarks and Domain Names

In the first months of the UDRP, Panels decided a succession of cases that established the core principles of a jurisprudence yet to come into being (Chapters 3 and 4). It quickly became clear in defining the metes and bounds of trademark rights that there are two basic and distinct economic spaces. Domain name registrations corresponding to famous and well-known marks are immediately suspected of infringement. For this class of complaint, the Panel in WIPO case number 0003 (<telstra.org>) formulated the inconceivability test for deciding whether passive holding of domain names could ever be lawful.

In case number 0005 (<telaxis.com>), the Panel determined that complainants whose marks postdated the registration of domain names had no actionable claim; and case number 0016 (<allocation.com>) mentioned in Footnote 2 determined that domain names composed of words or letters from the common lexicon are lawful absent evidence of targeting. A Panel appointed by another provider, eResolution case number AF-0169 "reluctantly agree[d]" with Respondent and found reverse domain name hijacking for <qtrade.com>.

"Generic and clever" domain names have a different "look and feel" (a trade dress concept but also applicable to domain names in this context) although, understandably, there are always going to be some examples of uncertainty that can only be resolved on the totality of facts as already discussed. With the secondary market having reached a degree of maturity, beginning in 2015 larger businesses began acquiring earlier portfolios of domain names. Offering prices range from a few hundred to many thousands, even hundreds of thousands, and sometimes millions of dollars.

Examples of historical sales in the secondary market include <myworld.com> and <super.com> both for $1.2 million, <great.com> at $900K, <pisces.com> at $80K, and <resolution.com> at $50K, but there are numerous sales reported regularly in the low hundreds or less and others acquired at public auctions. In January 2023, <help.com> sold for $3,000,000.[8]

It is clear in reviewing the 22 years of decisions that Panels have respected the twin propositions from the WIPO Final Report and ICANN's Second Staff Report that 1) it was not the goal of the recommended process "to accord greater protection to intellectual property in cyberspace than that which exists elsewhere" and 2) there are many reasons for registering domain names that coincidentally (without intention to take advantage of any owner's trademark) correspond to marks with priority in the market.

As Panels immediately began construing the minimalist prescriptions of the Policy and Rules, there emerged as I discussed in Chapters 3 and 4 a jurisprudence that mark holders and investors could rely on for producing consistent and predictable outcomes. It quickly became apparent that as marks descended in market distinctiveness to the lexically common the less protection they have in comparison to the famous and well-known.

Inherent versus Reflected Value

Where the value of the disputed domain name is inherent in its lexical composition as opposed to reflected value of a corresponding mark it cannot be said to be infringing. The point was early made in *First American Funds, Inc. v. Ult.Search, Inc*., D2000-1840 (WIPO April 20, 2001) (<firstamerican.com>). In this case, the majority explains that it would "[c]reate a tremendous scope of protection around existing owners of marks of common words and mundane expressions and prevent new entrants from using these words and terms even in entirely different fields from existing uses."

The term FIRST AMERICAN is not solely associated with Complainant and there was no proof that Respondent acquired <firstamerican.com> to target this particular mark owner. But, as already noted, where a number of parties claim a right to a shared term complainant has the burden of demonstrating that it was the one targeted by respondent, not merely one of many who would be advantaged by having the domain name to itself. Some hedging is necessary on this proposition; for it may be true that there are many users, but only one is dominant in the market, and

8 These sales have been reported (where information is available) in a number of online publications, including DNJournal (Ron Jackson), Domain Investing (Elliott Silver), and Domain Name Wire (Andrew Allemann). In the <polkadot.com> dispute discussed in Chapter 14 Complainant had been negotiating to acquire the domain name for $600,000; the (unexpected) new registrant with knowledge of the negotiation was looking for $80 million dollars.

in that event the question is whether respondent had that one in mind in registering the disputed domain name.

The Panel in *Argenta Spaarbank NV v. Argenta, Mailadmin Ltd.*, D2009-0249 (WIPO June 8, 2009) "suggest[ed] that Respondent has engaged in the speculative registration of domain names, including such that correspond to Community trademarks and to Community trademark applications of third parties." But, "[g]iven the Latin origin of the word, Complainant's ARGENTA trademark is not very distinctive for financial services and banking, and certain third parties also have trademark registrations containing the ARGENTA word element."

Respondent in *Rising Star AG v. Moniker Privacy Services / Domain Administrator*, D2012-1246 (WIPO August 16, 2012) acquired <risingstar.com> in an auction of dropped domain names, but the domain name is "a word that bears a positive connotation, meaning either a person, who succeeds in his or her job ('the rising star of the xyz company') or gives an outstanding performance in the entertainment sector, to which the links 'recordsong', 'karaoke' or 'casino' relate" are consistent.

In such a circumstance, while complainant may be aggrieved by the use of a domain name identical or confusingly similar to its mark it has no actionable claim. Thus, in *PLAINWELL OVERSEAS CORP. v. NameTrust, LLC*. CAC 102207 (ADReu February 22, 2019) (<options.events>), the Panel found that "the evidence on record indicates that it is more likely than not that the domain name was registered in light of its dictionary meaning, for use in connection with the Respondent's link-shortening services forming part of the Respondent's domain name portfolio."

Similarly, in *Scalpers Fashion, S.L. v. Dreamissary Hostmaster*, D2019-2937 (WIPO January 30, 2020) (<scalpers.com>): "[T]he facts demonstrate that the only use made by the Respondent of the disputed domain name has been in respect of the dictionary meaning of the word 'scalpers' comprised therein."

Source of Value

Respondents whose domain names predate later trademarks are free to price their inventory to reflect market values. Trademarks on the lower end of the classification scale where they postdate the domain name registrations have a more difficult task of establishing their preemptive rights. This sometimes requires proof of reputation in respondent's jurisdiction or content of respondent's website; there has to be some proof of intention and of what motivated the choice.

Lacking proof of reputation or consumer recognition of any particular term, though, value must be centered on the lexical composition as it may appear to any prospective purchaser, if to no one else, but in acquiring a domain name that to a mark owner is evidence of cybersquatting there must be something beyond suspicion to persuade a Panel that "the real reason" for the high price "is because of that domain name's potential association with [Complainant's] trade mark rights."

I noted in *Robin Food* that there was no "something else" and the complaint was dismissed. In part this was because "Robin" is a common name and in other part because the parties reside in different jurisdictions (which carries more weight for weak marks than strong) and Complainant offered no proof that Respondent registered the domain name intentionally to take advantage of Complainant's mark.

A principal theme throughout the book is that where the source of value is the distinctiveness of the mark there can be no defense, but where the value lies in the lexical composition there can be no actionable claim. As I noted in Chapter 11 ("Who Contacts Whom"), the party that initiates contact to purchase or sell a domain name ordinarily determines the ultimate issue of the proceedings. I cited *Club Jolly Turizm ve Ticaret A. v. Whois Agent, Whois Privacy Protection Service, Inc. / Fred Millwood*, D2016-1256 (WIPO August 12, 2016) (JOLLY INTERNATIONAL TOURS and <jollytour.com>) to underscore the point. In that case, the Panel reasoned:

> the USD 139,000 price suggested by the Respondent was, in the words of the Complainant, "excessive". In the absence of any evidence from the Respondent on this point it appears to the Panel to go way beyond its value in the absence of the trade mark rights of others.

The price is a giveaway of the source the attributable value.

The question with such offers is: What is it about the domain name that gives it value? In *Club Jolly* that value was found to be the mark not the lexical composition. But the value investors seek must be independent of any such association. While "jolly" on its own is weak if claimed as a trademark in the combination "jolly tours" it is strong. "Dollar city" is weak; and because there was no evidence of targeting the Panel left the domain name with Respondent, *Centroamerica Comercial, Sociedad Anonima de Capital Variable (CAMCO) v. Michael Mann*, D2016-1709 (WIPO October 3, 2016) (<dollarcity.com>).

In *Centroamerica Comercial* the Panel found that "the offer of the disputed domain name for sale in accordance with the Respondent's general business activities does give rise to a legitimate interest in this case." Since there is "no targeting of the Complainant's trademark, the price sought by the Respondent is not of relevance." In other words, "excessive" or "high price" is not a relevant factor where the proof supports a right or legitimate interest or lack of bad faith proof.

It is relevant for domain names mimicking trademarks on the high-end, and coincidently showing a truly "excessive" price. Thus, in *Amazon Technologies, Inc. v. Robert Nichols*, FA1609001693499 (Forum October 20, 2016) (<amazon-carsandtrucks.com> and <amazonvehicles.com>) the Panel found cybersquatting.

Under the right circumstances, here the inclusion of a well-known, even famous mark, "Panels have considered exorbitant offers to sell disputed domain names as a further indication of a lack of a bona fide purpose."

The Respondent insisted it had rights and legitimate interests in the domain name on the theory it was in the business of selling automobiles and Amazon wasn't but the facts told a different story:

> Respondent registered the disputed domains within days of widespread auto industry and mainstream press regarding Complainant's vehicle-related services, just two days after Complainant's Amazon Vehicles car research destination and automotive community site was first publically [sic] visible, and just hours before the service was officially announced.

Respondent argued in an attempt to avoid disclosure that it had offered to sell the domain names in protected communications: "[n]egotiations in the litigation context are generally inadmissible." As shown earlier, this is not the consensus of Panels for the UDRP.

Respondents whose domain names predated later trademarks are free to price their inventory to reflect market values. Trademarks on the lower end of the classification scale have a more difficult task of establishing their preemptive rights. This sometimes requires proof of reputation in respondent's jurisdiction or content of respondent's website. There has to be some proof of intention: what motivated the choice. Trademarks on the higher end of the classification scale come with established reputations and are in the best position to prevail, although in these disputes respondents are likely to default.

Dictionary words and common phrases as trademarks are on the lower end of protectability and accordingly the evidentiary demands for proof of abusive registration is significantly greater than it would be for well-known or famous marks. A look at other recent sales underscores this point. They are generally composed of common words as I discussed in Chapter 6. Recent examples: <giveaway.com> ($400,000), <tactic.com> ($303,295), <skywin.com> ($275,000), <airPlay.com> ($202,000), <archies.com> ($98,400) (private sale), etc. (Reported in DN Journal).

Landing Pages

Although "[PPC] landing pages arguably provide little societal benefit" (so the 3-member Panel stated in *mVisible Technologies, Inc. v. Navigation Catalyst Systems, Inc.*, D2007-1141 (WIPO November 30, 2007)) they are not *prima facie* evidence of bad faith. The Panel continued:

> but the relevant question here is whether they represent a 'use [. . .] in connection with a bona fide offering of goods or services' sufficient to give rise to rights or legitimate interests under paragraph 4(c)(i) of the Policy. If the links

> on a given landing page are truly based on the generic value of the domain name, such use may be bona fide because there are no trademark rights implicated by the landing page.

The Presiding Panelist was also one of the panelists in an earlier case which is a leading case on this issue, *Landmark Group v. DigiMedia.com, L.P.*, FA0406000285459 (Forum August 6, 2004).

In *Landmark Group* the 3-member Panel held that "PPC landing pages are legitimate if 'the domain names have been registered because of their attraction as dictionary words, and not because of their value as trademarks.'" But (as earlier discussed in Chapter 11, PPC Links as Evidence of Targeting) PPC landing pages are infringing where the "ads are keyed to the trademark value of the domain name," *Champagne Lanson v. Development Services/MailPlanet.com, Inc.*, D2006-0006 (WIPO March 20, 2006) and *The Knot, Inv. v. In Knot we Trust Ltd*, D2006-0340 (WIPO June 26, 2006) (same panelist in both cases).

PRIORITY, DROPPED, AND EXPIRATION SERVICES

Inadvertently dropped or Advertently Abandoned?

Nature of the Services

Dropcatch and expiration services have been around for many years and are used by investors acquiring domain names for inventory and later resale on the secondary market or privately as well as businesses looking for domain names appropriate for their products or services. There has been a marked uptick in the number of UDRP complaints starting in 2018 involving dropped domain names when it became more common to monetize them through public auctions.

The term "dropcatch" appears to have entered the UDRP vocabulary in 2005 with <ambiance.biz> (complaint denied), then again in 2014 with <purva.com> (complaint granted). To what extent respondents can avoid forfeiture of caught domain names depends, of course, on the circumstances of expiration (i.e., whether it is a lapse case or an abandonment case) and the strength or weakness of complainant's mark.

There is a critical distinction between a domain name inadvertently dropped after long usage by mark owners with highly distinctive marks[9] and one that is abandoned or dropped by an earlier registrant unrelated to complaining mark owner. The risk of forfeiture (as it is with original registrations) depends on the strength of the mark. Thus, in *Orchard Supply Hardware LLC v. RareNames, Web Reg*, FA0804001178941(Forum June 27, 2008) (<orchardsupply.com>) the Panel notes

9 Cases in which Panels have found bad faith are discussed in Chapter 11.

that "[d]eletion can be the consequence of a deliberate abandonment but also of an unintentional mistake." Thus, in this regard engaging in the expiration market is not without risk.

In *Victron Energy B.V. v. Privacy Administrator, Anonymize Inc. / SARVIX, INC.*, D2022-1186 (WIPO June 2, 2022) (<victron.com>), the majority ruled in favor of the Complainant in a case in which the disputed domain name had been abandoned by an earlier business. But, where marks are drawn from the common lexicon (and "Victron" can arguably be so characterized), the issue is whether a registrant without actual knowledge of complainant or its mark can be charged with cybersquatting.[10]

Only following the auction would a purchaser learn the domain names had been inadvertently dropped. In *Mutineer Restaurant v. Ultimate Search, Inc.*, FA0205000114434 (Forum August 23, 2002), for example, Complainant inadvertently failed to renew its registration for <mutineer.com> and Respondent acquired it at a public auction. The Panel described Respondent's "generic portal site [as] [. . .] post[ing] hundreds and perhaps thousands of different domain names." It has developed a business model of waiting

> for domain names incorporating common words, generic terms, short terms and useful phrases to be released after their registration has lapsed. Then Respondent immediately registers those names and uses each of them to host a generic portal web site, presumably gaining revenue from banner advertisements and affiliate links.

The found that Respondent lacks rights or legitimate interests,[11] but "this activity has not been found to be bad faith," citing earlier cases.

In *Minka Lighting, Inc. v. Jon Hall*, D2005-0684 (WIPO September 21, 2005) (<ambiance.com>) the 3-member Panel noted that "it is not apparent the Complainant's trademark and goods ever attracted the Respondent's interest. While the Complainant has shown that it has a registered trademark for AMBIANCE and that it sells furniture and lighting using that name, it does not appear to the Panel the Complainant is broadly known [. . .] [or] [e]ven if it were, the Respondent is using the disputed domain name mainly to connect to music-as-ambience or pornographic

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10 Cf: *Le Géant des Beaux-Arts, SARL v. BRUCE WONG*, D2022-4632 (WIPO February 22,2023) (<iloveart.com>): "It appears that the disputed domain has been used by third parties in the past. The Panel finds that the Respondent, legitimately, registered the disputed domain name based on its value as a common [expression].".

11 The Panel in this case also held that "Respondent's generic portal site wherein it posts hundreds and perhaps thousands of different domain names is not sufficient to give it a legitimate right or interest in the domain name." This view has been superseded. The acquiring and holding of domain names for future sale is a legitimate business activity under Para. 4(c)(i) of the Policy.

websites, goods and services only marginally related to the Complainant's furniture and lighting."

In *Future France v. Name Administration Inc.*, D2008-1422 (WIPO December 8, 2008) (<joystick.com>) the Panel explained:

> [B]ad faith registration is a question of intent. In the case of the disputed domain name [. . .] the Respondent claims to have bought it at an auction of abandoned domain names. [. . .] There is no assertion by the Complainant that this abandonment was in error or in any way inadvertent.

These circumstances undermine a claim of cybersquatting:

> In these circumstances, the Panel believes that the Complainant cannot sustain a contention that the Respondent bought (or indeed registered) this disputed domain name in bad faith.

Similarly, in *Diamond Trust Consultancy (UK) Limited v. Kim, James*, D2015-2051 (WIPO January 27, 2016) Respondent acquired <diamondtrust.com> as the high bidder at a public auction. The 3-member Panel noted that

> Previous UDRP panels have gone so far as to suggest that where a party registers a lapsed domain name, and it is not attempting to use the name to compete with the mark holder or disrupt its business, then ordinarily the trade mark holder should be denied relief, whether the mark is a common law or a registered mark, whether the mark is 'strong' or 'weak.

In this particular case, the term "Diamond trust" is descriptive and common.

In *Ubiquiti Inc. v. Reilly Chase / Locklin Networks, LLC*, FA2110001970506 (Forum December 9, 2021) the Panel noted that "bad faith registration is a question of intent":

> In the case of the disputed domain name […] the Respondent claims to have bought it at an auction of abandoned domain names…. There is no assertion by the Complainant that this abandonment was in error or in any way inadvertent. In these circumstances, the Panel believes that the Complainant cannot sustain a contention that the Respondent bought (or indeed registered) this disputed domain name in bad faith.

Reclaiming Dropped Domain Names

Looking for a Good Catch

Auction participants are looking for a good catch, which is sometimes at the expense of mark owners inadvertently failing to renew their registrations. I reviewed this issue earlier in Chapter 11 ("Priority, Dropped and Expiration Services") focusing on well known and famous marks and underscored that in those circumstances it would be more than likely dropped domain names can be reclaimed. That is not the case with domain names drawn from the common lexicon. Investors are at no greater risk of forfeiting their registrations of dropped domain names than new or ongoing businesses.

For example, the inadvertently dropped domain name in *Simple Plan Inc. v. Michel Rog*, FA2111001973743 (Forum January 4, 2022) (<simpleplan. com>), was acquired for commercial use, not by an investor but if it had been an investor there is no reason to believe the result would have been different. The Complainant argued that <simpleplan.com> lapsed as a result of miscommunication between it and the registrar. This miscommunication allegedly caused the domain name to be dropped and subsequently transferred to GoDaddy for auction where it was acquired by a travel agency. But, this is of no account. The Panel held that

> [it] finds [respondent's] use in the <simpleplan.com> domain name in relation to a travel-related website operating in the way described [as] entirely legitimate.

The outcome in *Simple Plan* is consistent with *European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) v. Virtual Clicks / Registrant ID:CR36884430, Registration Private Domains by Proxy, Inc*., D2010-0475 (WIPO July 7, 2010) (<emcdda.com>):

> While the Respondent's activity might reasonably be viewed as unfair practice, it is not a practice that is within the scope of the Policy to resolve.

In an earlier case, *Mercer Human Resource Consulting, Ltd., Mercer Human Resource Consulting Inc. v. Konstantinos Zournas*, D2007-1425 (WIPO November 23, 2007) (<mercer.com>) the Complainant failed "to renew the domain name in dispute through an incident with the registrar." It argued that Respondent was "the second highest catcher of dropped .us domain names, registering 7 dropped domain names in the specified period," but here "Mercer" is a geographic location and also a generic family name. Further, the Complainant has adduced "no evidence from which the Panel can infer that the trademark MERCER is a famous trademark among the general public."

The Complainant in *DSPA B.V. v. Bill Patterson, Reserved Media LLC*., D2020-1449 (WIPO August 13, 2020) "sought to present this case as an opportunistic case of 'drop catching.'" The majority, however, dismissed the complaint on the grounds that it "knew or should have known that the Respondent did not obtain the Disputed Domain Name until two years after the Complainant lost the registration through non-renewal—however inadvertently." It found that Respondent

> acquired the Disputed Domain Name [<dspa.com>] at auction two years after the Complainant let the Disputed Domain Name lapse, and has owned the Disputed Domain Name for over two years without ever contacting the Complainant to try to sell the Disputed Domain Name to the Complainant.

Here,

> The Complainant has not provided any evidence that the Complainant or its Trade Mark is well known internationally or in the United States or demonstrated that the Respondent's intention was to trade off of the Complainant's reputation. In short, there is nothing to suggest that the Respondent registered the Disputed Domain Name to target or take advantage of the Complainant.

The Panel also sanctioned Complainant with reverse domain name hijacking. (Chapter 17).

And in *Cloudfm Group Limited v. Barry Garner, MyMailer Ltd.*, D2021-3251 (WIPO December 14, 2021) (<cloudfm.com>): "It is entirely feasible, from the Panel's perspective, that the Respondent may only have known that the disputed domain name had expired in the hands of its original registrant and was now being auctioned by the Registrar." The Respondent explained that "fm" stands for the radio broadcasting method named frequency modulation. This is perfectly reasonable for marks composed of common elements, although the Panel found it a close case:

> Despite the indications in the Respondent's favor, however, this case does represent a close call in the sense that the Respondent did not mention that it was a domain name investor and had offered all of its "fm" related domain names for sale via the website of the other company which it controls, something which could not be said to be wholly consistent with its submission that it has plans to develop them.

This concerned the Panel because

> it raises the possibility that the Respondent is being less than candid in its submissions. That said, the Panel does not believe that this omission necessarily means that the Respondent registered the disputed domain name in bad faith.

However,

> It does not lead to a reasonable inference that the Respondent knew or should have known of the Complainant's rights in the mark CLOUDFM or that it registered the disputed domain name with intent to sell it to the Complainant in particular. It seems more probable to the Panel that the Respondent was intent upon offering the disputed domain name for general sale in respect of its value as a radio-focused domain name comprised of a dictionary word and an acronym widely understood to denote radio.

Recapture Argument Weakens as Mark Declines in Strength

As a mark declines in strength to a more common lexicon or the same term is multiply used by other market actors so too the argument is weakened. The weaker the mark the greater the likelihood the domain name will remain with the respondent. The point is illustrated, referring again to *Simple Plan, supra*. which the Respondent argued has many uses. In other words, because the phrase has no specific association with complainant even though it has a trademark registration, it cannot prove targeting. Loss under these circumstances is irretrievable, although there may be circumstances under trademark law for infringement if the use subsequently becomes bad faith use.

Respondents' motivations for their choices are for the most part disclosed by their conduct: that their acquisitions are not targeting particular complainants' marks but acquired for the value inherent in the domain names themselves. But as these disputes become increasing unclear as to motivation, different considerations come into play.

Several cases of interest for domain names composed of common words and letters include *The Hype Company, S.L. v. Ehren Schaiberger*, D2021-1850 (WIPO September 13 2021) (<thehypecompany.com>). In this case Respondent identified the domain name as a good descriptive keyword and brandable domain name. It argued that "the disputed domain name was attractive as it followed the popular branding convention of 'the [blank] company', and notes in this regard that he has registered a number of other domain names following such a naming pattern, as well as other domain names including the word 'hype'."

The theory of recovering the disputed domain name or denying the complaint is consistent with consensus. The more well-known or famous the mark the more likely the disputed domain name will be recovered; the less marks are known, the more likelihood they will stay with the respondent. The issue in the *The Hype Company* concerned timing. Respondent prevailed because it registered the disputed domain name "three days prior to the incorporation of the Complainant company" without any evidence it had knowledge of Complainant.

THE SECONDARY OR AFTER MARKET

The Rise of a Secondary Market for Domain Names

Tale of Competing Interests

My focus in this section is on sales of domain names through a secondary market that is now well established and thriving. It is a curious fact, and may come as a surprise, that the emergence and rise of this secondary market for domain names has been facilitated by panelists' decisions, and particularly the defining of rights discussed in Chapter 6 ("Metes and Bounds of Rights"). In what follows, I will examine how panelists appointed to hear cybersquatting complaints have created a body of law that has permitted the domain name secondary market to thrive.

This secondary market in domain names was not a planned or deliberate outcome of the new medium. It grew from a vision that domain names could be commodified, thus both creating a demand and satisfying it. No such commodification of words could have existed before the Internet. It can be seen as having two aspects that are important to consider.

The first is that investors early began amassing vast numbers of domain names in every conceivable lexical configuration. The second is the curation of inventory awaiting their sale. The Panel's comment in *Insider, Inc. v. DNS Admin / Contact Privacy Service*, FA1912001874834 (Forum February 3, 2020) states the consensus view:

> [W]here it is found [. . .] that a respondent's modus operandi can be summarized as registration of a domain name that is confusingly similar to the mark of another followed by exploitation of the domain name for profit while awaiting its eventual sale, the 'reseller' label will not serve to avoid a finding of bad faith in the registration and use of the domain name.

The question is how did this market come about? I have suggested that there is a combination of answers. At the top of the list is the UDRP's model of liability. There is no infringement of rights for anticipating demand or having in inventory domain names corresponding to current or future trademarks or service marks. If domain names are active in PPC websites—"exploitation of the domain name for profit while awaiting its eventual sale"—they must be properly curated (as earlier discussed in Chapters 6 and 11).

In their separate dominions, marks and domain names can be valuable property. The conflict occurs when mark owners claim that respondents (1) have registered strings identical or confusingly similar to marks; (2) lack rights or legitimate interests in them; and (3) have registered and are using them in bad faith. The resolution of such disputes requires a balancing of each party's rights. There is nothing in the law that necessarily prohibits persons from registering strings of lexical or numeric characters identical or confusingly similar to marks, but it is unlawful for investors to acquire domain names for the sole purpose of capitalizing on the goodwill and reputation of corresponding marks.

Soon after the introduction of the internet, and increasingly after investors began realizing that web addresses were potentially valuable assets (sometimes even before mark owners came to the same realization only to find themselves under siege), they went on acquisition sprees for domain names composed of generic terms, which occasionally brings them into conflict with mark owners. As I will explain more fully below, the value of domain names for investors is principally realized in two commercial ways: (1) monetizing through pay-per-click advertising and (2) acquiring and reselling them.

Origins of the Competition

Before the Internet, the sole competition for strings of characters employable as marks were other businesses vying to use the same or similar strings for their own products and services. National registries solved this competition by allowing businesses in different channels of commerce to register the same strings (Delta Airlines/Delta Faucets, Apple Computers/Apple Vacations, Apple Bank, etc.) but prohibiting competitors in the same industries from using identical or confusingly similar marks on the grounds that they were likely (at best) to create confusion and (at worst) to deceive the public as to the source of the goods.

The lexical choices by which market actors are known draw strength from their distinctiveness in the marketplace but always balanced by their inherent strength or weakness. These terms "strong" and "weak" are relative. All marks are distinctive in the sense of certification, but the distinctiveness that counts is their strength or weakness in the markets they serve. "Vogue" and "Match" are strong in consumer recognition but as dictionary words they can conceivably be used associatively for goods or services unrelated to the mark holder. The same is true for all marks composed of dictionary words, descriptive phrases, common combinations, etc. Within their markets they have attractive power to sell their goods and services, but otherwise they are merely denotative as lexical fixtures with connotative possibilities.

The emergence of a domainer class dedicated to acquiring addresses in cyberspace disrupted mark owners' privileged position by mining strings of lexical and numeric characters. Disregarding the Doppelgangers whose model purposely trades on the value of marks, the Investor class focuses on the independent value of lexical arrangements. The domain business has grown from a niche into an industry which, like the real estate market (to which it has been analogized), has developed a range of secondary service providers (databases, brokers, escrow agents, etc.) established to perform due diligence, facilitate sales, mitigate risks, and assure smooth closings and transfers of property.

This secondary market in domain names matured over time to compete with businesses and mark owners in a way that could hardly have been anticipated, and to some rights holders, continues to be bewildering. That there is tension between rights holders and registrants of domain names became evident once the Internet began its ascendancy.

I noted in Chapter 1 that this tension reached a point of urgency in 1998 with the publication of a United States Government White Paper analyzing the nature of the problem.[12] The White Paper led WIPO to convene panels of representatives

12 WIPO Final Report, supra note 3.

from different constituencies and interests for a two-year study of issues arising from the intersection of trademarks and domain names.

The consensus reached by these constituencies together with their reasoning and recommendations is contained in a WIPO Final Report published in 1999:

> It has become apparent to all that a considerable amount of tension has unwittingly been created between, on the one hand, addresses on the Internet in a human-friendly form which carry the power of connotation and identification and, on the other hand, the recognized rights of identification in the real world.[13]

This tension, the Final Report continued, "has been exacerbated by a number of predatory and parasitical practices that have been adopted by some to exploit the lack of connection between the purposes for which the DNS was designed and those for which intellectual protection exists."[14] The intention (in the words of the Final Report) was "to find procedures that will avoid the unwitting diminution or frustration of agreed policies and rules for intellectual property protection."[15]

While there is nothing in the Final Report that specifically contemplates a secondary market in domain names, it is nascent in the policy and underscored in many UDRP decisions and the WIPO Overview. The more common the word (or combination of words or even arbitrary characters) the heavier the burden to prove cybersquatting.

"Print" and "factory" for example in *Aurelon B.V. v. AbdulBasit Makrani*, D2017-1679 (WIPO October 30, 2017) (<printfactory.com>) are not only the dictionary words but the phrase itself is descriptive and common. The 3-member Panel noted in dismissing the complaint but denying an application for reverse domain name hijacking that "the domaining business was not an activity which was intended when the Domain Name System was created [. . .] and trademark holders keep being surprised by speculative business models that are developed around the

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13 Sec. 23. See also Background: "The tension between domain names, on the one hand, and intellectual property rights, on the other hand, have led to numerous problems that raise challenging policy questions. These policy questions have new dimensions that are a consequence of the intersection of a global, multipurpose medium, the Internet, with systems designed for the physical, territorial world."

14 The report is hereinafter referred to as the WIPO Final Report. It is available on the Internet at http://www.wipo.int/amc/en/processes/process1/report/finalreport.html.

15 Statement of Policy on the Management of Internet Names and Addresses, U.S. Department of Commerce, National Telecommunications and Information Administration (June 5, 1998) (White Paper). The Policy is available on the Internet at http://www.ntia.doc.gov/federal-register-notice/1998/statement-policy-management-internet-names-and-addresses.

scarce resource that domain names are." "Scarce resource" has also been noted for three and four character strings.

Although it may not have been foreseen, consensus grew that owning marks did not equate to a superior right to corresponding domain names absent proof of registration and use in bad faith. In fact, the direction of domain name jurisprudence through dispute resolution under the UDRP has been to delineate and define the conflicting rights as previously mentioned. For marks this delineation has turned out to be more confined than what some marks owners would have wished for—and from what had existed for hundreds of years before the Internet. This is apparent in a further statement in the Final Report, namely, that the emerging jurisprudence will be "concerned with defining the boundary between unfair and unjustified appropriation of another's intellectual creations or business identifiers."[16]

The situation described here mainly affects two types of complainants: holders of marks that are on the weak end of the spectrum and new businesses that are searching for the right mark or that may have already registered a mark but find that investors (or even earlier businesses) got there first by registering corresponding domain names that now are unavailable except at a market price.

I do not include in this discussion holders of marks postdating the registration of corresponding domain names because they have no actionable claim for cybersquatting under the UDRP or the ACPA. Earlier registered domain names and postdated trademarks are discussed in Chapters 3 and 4.

Domain Names as Virtual Real Estate

It is evident that as between trademark holders and domain name registrants there are different expectations in valuing strings of letters, words, and phrases. Mark holders focus on their statutory rights, while domain name registrants focus on analogies of valuation to real estate. Domain names were described by Steve Forbes in a 2007 press release as virtual real estate. It is, he said, analogous to the market in real property: "Internet traffic and domains are the prime real estate of the 21st century."[17] Mr. Forbes was not the first to recognize this phenomenon. Federal courts had already expressed a similar view.

I have already suggested the reason "generic and clever domain names" are valuable, but how have they become so? The answer I think lies in the commodification of letter strings and words. Before the Internet, businesses had the luxury of

16 *Id.* ¶ 13.

17 Further, "[t]his market has matured, and individuals, brands, investors and organizations who do not grasp their importance or value are missing out on numerous levels." Reported in circleid.com at http://www.circleid.com/posts/792113_steve_forbes_domain_name_economics/.

drawing on cultural resources of such depth (dictionaries, thesauruses, and lexicons, among them) that it never appeared likely they would ever be exhausted or "owned." However, what was once a "public domain" of words and letters has become commodified, as investors became increasingly active in vacuuming up every word in general and specialized dictionaries as well as registering strings of arbitrary characters that also can be used as acronyms.[18]

Even the definite article "the" is registered—<the.com>— although it has never been the subject of a cybersquatting complaint. The Whois directory shows that it was registered in 1997 and is held anonymously under a proxy. The result of commodifying words and letters is that investors essentially control the market for new names, particularly for dot-com addresses, which remain by far the most desirable extension. This is what the Panel meant when it stated that domain names are a "scarce resource."

As the number of registered domain names held by investors has increased, the free pool of available words for new and emerging businesses has decreased. Put another way, there has been a steady shrinking of the public domain of words and letters for use in the legacy spaces that corresponds in inverse fashion to the increase in the number of registered domain names. This is not to criticize registrants who have legitimately taken advantage of market conditions.

They recognized and seized upon an economic opportunity and by doing so created a vibrant secondary market. Nevertheless, as I have noted the emergence and protection of this market for domain names has been facilitated by panelists working to establish a jurisprudence that protects both mark holder and registrants.

Facilitating the Secondary Market

Panels facilitated the rise and enlargement of the secondary market by defining parties' rights within particular boundaries, as I have explained. The development of domain name jurisprudence insofar as drawing the boundaries of rights is therefore based on some ten percent of the adjudicated disputes. Chief among the principles of domain name jurisprudence for investors are rights or legitimate interests founded on (1) a "first-come, first-served" basis (not necessarily limited to registrations postdating marks' first use in commerce); (2) registration of generic strings used (or potentially usable) in non-infringing ways for their semantic or ordinary

18 See *Verisign, Inc. v. Xyz.com LLC*, 848 F.3d 292 (4th Cir. 2017). The evidence in that case indicated that "99% of all registrar searches today result in a 'domain taken' page." The Court noted further that "Verisign's own data shows that out of approximately two billion requests it receives each month to register a .com name, fewer than three million – less than one percent – actually are registered."

meanings; and (3) making bona fide offerings of goods or services (which by consensus includes pay-per-click websites and reselling domain names on the secondary market).

This is reflected in a number of earlier UDRP decisions. For example, in *Meredith Corp. v. CityHome, Inc.*, D2000-0223 (WIPO May 18, 2000) challenging Respondent's registration of <countryhome.com> the Panel found that

> The fact that Respondent is seeking substantial money for what it believes to be a valuable asset is not tantamount to bad faith. Rather, it tends to show a reasonable business response to an inquiry about purchasing a business asset where Respondent had already expended time and money to develop a new part of its business, including the sums it spent on an outside law firm to search the possible trademark and in obtaining the domain name registration.

Where the disputed domain name consists of dictionary words, generic terms, descriptive phrases, or random letters, and the complainant contacts the respondent to negotiate purchasing the domain name, the respondent has every right to capitalize on the inherent value of the lexical string regardless of whether the domain name is identical or confusingly similar to the complainant's mark.

The final point to be made is that the value of domain assets is market driven. Since dictionary words (alone or with qualifying words), descriptive phrases, and many combinations of random letters useful as acronyms are already unavailable for the dot-com space, new businesses are compelled to buy domain names from investors and bid through auction websites. As noted, claims of outlandish, exorbitant, and unreasonably high prices are not a factor in proving bad faith, as several other recent cases make abundantly clear.

In *General Machine Products Company, Inc. v. Prime Domains (a/k/a Telepathy, Inc.)*, FA0001000092531 (Forum March 16, 2000) (<craftwork.com>) the 3-member Panel held that

> General Machines' trademark is not fanciful or arbitrary, and General Machines has submitted no evidence to establish either fame or strong secondary meaning in its mark such that consumers are likely to associate craftwork.com only with General Machines.

For this reason Respondent's "offer[ ] to sell this descriptive, non-source identifying domain name does not make its interest illegitimate."

Similarly against the same Respondent, *Wirecard AG v. Telepathy Inc., Development Services*, D2015-0703 (WIPO June 22, 2015) (<babyboom.com>) the panel held that "[i]n the absence of any evidence from the Complainant that the Respondent had registered the disputed domain name with reference to the Complainant, the Respondent was fully entitled to respond to the unsolicited approach from the Complainant by asking whatever price it wanted for the disputed domain name."

When competitors vie for the same commodity, it becomes increasingly scarce, but scarce or not a UDRP determination depends on proof of infringement. The view that domain names are a scarce commodity thus mark owners have a right to a domain name corresponding to their mark is expressed by the dissent in *Shoe Mart Factory Outlet, Inc. v. DomainHouse.com, Inc. c/o Domain Administrator*, FA0504000462916 (Forum June 10, 2005) (<shoemart.com>:

> With all due respect to my brother Panelists, I must dissent. As an overall matter, I believe the UDRP was designed to regulate a scarce resource (domain names) rather than to provide a mechanism to protect registered trademarks.

To which, the majority responded"

> For the sake of completeness, it should be noted that the Panel Majority also disagrees philosophically with our dissenting brother on what he deems to be the key issue here -- whether it is illegal to register domain names for the purpose of selling them later, as he seems to suggest is the case.

On the contrary

> We think it is well established by UDRP decisions that the registration of common descriptive or generic terms and holding them for the purpose of sale is perfectly legal. What is prohibited is only the registration of protectable common law marks or registered marks for sale to the owners. In fact, even the cases cited by Complainant acknowledge that there is nothing inherently wrong with registering domain names for the purpose of selling them so long as the names registered are not trademarks.

The Panel majority points out that "there is ample evidence that use of the term 'shoe mart' is currently not exclusive to Complainant and has not been exclusive to Complainant in the past."

In *Personally Cool Inc. v. Name Administration Inc. (BVI)*, FA121200 1474325 (Forum January 17, 2013) (<coldfront.com>) the panel held that "[i]f the Respondent has legitimate interests in the domain name, it has the right to sell that domain name for whatever price it deems appropriate regardless of the value that appraisers may ascribe to the domain name." And in *Micah Hargress v. PARAMOUNT INTERNET*, FA1509001638609 (Forum November 13, 2015) (<hargress.com>) the Panel stated:

> Respondent is in the business of registering valuable non-infringing generic domain names and surnames because Respondent knew that they are inherently scarce, attractive, and useful to many parties and it is a fully acceptable practice in the domain name industry, consistent with UDRP guidelines and established precedents."

Counter-intuitive though it may sound, and for the reasons I have explained, the cultural resources from which names were once mined without charge has become exhausted. Where there is opportunity to create demand (by buying up addresses and controlling supply), there is bound to develop a business niche, which for the Internet is filled by investors of different ranks.

The hard lesson for businesses is that investors have competing rights. When it comes to advising clients, the best counsel can do is urge them not to register marks before acquiring corresponding domain names. For businesses with newly minted marks with no corresponding domain names, there is no legal remedy except to pay the pipers who had the prescience to register desirable names and are holding them for resale at (sometimes) "exorbitant," "excessive," and "unreasonable" prices (not the Author's words!)

Example: *Shesafe Pty Ltd v. DomainMarket.com*, D2017-1330 (WIPO August 22, 2017) (<shesafe.com>). Before Respondent received the complaint it was offering <shesafe.com> for around $10,000 dollars. Following its dismissal, the value of the domain name escalated into the stratosphere as graphically described in a post on DomainGang: "Since the decision, Mike Mann has jacked up the price tenfold, seeking now no less than $94,888 dollars!"

The Panel in *Brooksburnett Investments Ltd. v. Domain Admin / Schmitt Sebastien*, D2019-0455 (WIPO April 16, 2019) (<incanto.com>) held that "[s]peculating in intrinsically valuable domain names represents a legitimate business interest in itself, unless the evidence points instead to a disguised intent to exploit another party's trademark.") This is particularly the case with dictionary words. *Picture Organic Clothing v. Privacydotlink Customer 4032039 / James Booth, Booth.com, Ltd.*, D2020-2016 (WIPO October 5, 2020) (PICTURE and <picture.com>): "This failure of evidentiary support is telling given that the word 'picture' is a common term and there is evidence that 'picture' is likely used by many other parties for a wide variety of good and services."

Other cases include *Sahil Gupta v. Michal Lichtman / Domain Admin, Mrs Jello, LLC*, D2020-1786 (WIPO September 15, 2020) (<spase.com>), seeking to deprive respondent of its lawful registration: "The Complainant contends that the Respondent has acquired a well-known and longstanding reputation of 'domain squatting' for the sole purpose of hoarding domains names to extort the trademarks of business owners." This is a bit of a stretch: "hoarding" is not unlawful, and the Panel dismissed the complaint with an RDNH sanction.

This brief overview draws attention to linguistic terms found to be lawful. Common words in any language can be commodified. The decisions illustrate two important points: 1) owners of weak marks cannot without more establish bad faith registration; and 2) complainants will be sanctioned with RDNH if their complaints should never have been launched. Where the linguistic terms are not tied by association to the mark owner but are capable of having multiple or independent associations without infringement, there can be no bad faith without concrete evidence of it. Where the linguistic terms are not tied by association to the mark owner but are capable of having independent associations without infringement, there can be no bad faith without concrete evidence of it.

A final point is that these alleged infringing but non-associational terms make up a very small fraction of the cybersquatting universe, and are a fraction of a fraction of cases overall. Thus, although these comments highlight a certain class of linguistic terms, they should not be taken as a magic key for defending rights.

Nevertheless, at the same time, the jurisprudence is clear that pricing domain names is not a litigable issue unless respondent solicits complainant. When complainant initiates the negotiation, it is for the parties to come to agreement; and if they cannot there is no cause of action to compel a domain name registrant to be more reasonable. It may be that the sellers have a better understanding of market value. This issue is pursued further in Part 6 (Pricing of Domain Names).

Domain Names as Business Assets

Legitimate Speculation

Presumptions that if unrebutted may support cybersquatting, are reduced to mere speculation in assessing strings of letters, words and phrases drawn from the common or cultural lexicon. Although there were retrograde views, Panels quickly reached a consensus that "[o]ffers to sell [domain names] are not of themselves objectionable under the Policy," *Teradyne, Inc. Teradyne, Inc.[sic] v. 4Tel Technology*, D2000-0026 (WIPO May 9, 2000).

The Panel in *General Machine Products Company, Inc. v. Prime Domains (a/k/a Telepathy, Inc.*, FA0001000092531 (Forum March 16, 2000) (<craftwork>) held: "Were that the case, trade in domain names would of itself be objectionable, which it is not." And in Newstoday Printers and Publishers (P) Ltd. v. InetU, Inc., D2001-0085 (WIPO June 11, 2001), the 3-member Panel held:

> It appears clear that Respondent conducts a bona fide business and that it has an established web site and an established physical presence for its business. *Even if that business, in the relevant context here, were to comprise the registration, for sale, of generic domain names either generally or to its customers, that would not be an illegitimate use of the domain name*. (Italics added).

Citing earlier cases, the Panel in *FreedomCard, Inc. v. Mr. Taeho Kim*, D2001-1320 (WIPO January 20, 2002) (<freedomcard.com>) held: "[A]nyone has a right to register common words in the language, a legitimate interest is even established where a Respondent's only purpose in registering a common word domain name is for resale." And in *The Monticello Group, Ltd. v. Teletravel, Inc.*, D2002-1157 (WIPO April 16, 2003), the Panel held: "to sell [. . .] descriptive, non-source identifying domain name[s] does not make [a respondent's] interest illegitimate."

The majority in *Greenfort Partnerschaft von Rechtsanwälten mbB v. CheapYellowPages.com*, D2016-0796 (WIPO June 16, 2016) (<greenfort.com>) concluded:

> domain name resellers in general may have legitimate interests in the domain names being offered for sale at least where such domain names do not consist of coined terms, so that such domain names could be re-sold to many possible legitimate users rather than being of value only to particular trademark owners.[19]

And the 3-member Panel in *Patricks Universal Export Pty Ltd. v. David Greenblatt*, D2016-0653 (WIPO June 21, 2016) (<patricks.com>) underscores this point:

> Selling of a domain name is a legitimate business unless it is done in bad faith. Demanding a high price (particularly in response to an inquiry begun by the mark owner) is not in itself bad faith since the registration of the Domain Name was legitimate and at no time was the Complainant targeted.

Indeed, "the business of registering domain names including dictionary words to be, in itself, [is] a legitimate commercial activity," *Graftex Prodcom SRL and Graffitti – 94 R.B.I. Prodcom S.R.L. v. Piazza Affari srl, Michele Dinoia*, D2017-0148 (WIPO March 22, 2017) (<bigotti.com>).

And, as we have seen, these observations extend beyond the cultural borders. Thus, in *Armor v. Ozguc Bayraktar, Rs Danismanlik*, D2019-1803 (WIPO September 17, 2019) (<kimya.com>), a generic Turkish word meaning "chemistry" in English] the Panel explained that "the business of monetizing domain names consisting of generic terms can be legitimate and [. . .] [this] obviously still applies if

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19 The majority's decision was met with a vigorous argument by the dissenting member of the Panel: "[T]he Respondent is arguing that it is merely based in the United States and that it cannot be obliged to research worldwide on any possible conflicting third parties' trademark rights. Such line of argumentation is not convincing to the Dissenting Panelist insofar as the Respondent is not trading domain names under the country code Top-Level Domain ('ccTLD') '.us', but that its business obviously is built upon trading the usually much more valuable domain names under the gTLD '.com'. Doing so, certainly broadens the Respondent's duty to look even across the United States boarders in order to find out about possible third parties' conflicting trademark rights." The consensus view is that a "Respondent's duty [. . .] [is not] broaden[ed]" where the disputed domain name is based on lexically generic material.

the requested sales price appears too high from the point of view of the prospective buyer, here the Complainant."

Market Prices for Domain Names

Pricing Business Assets

Offering Price: A Market Factor

Complainant's subjective belief that a disputed domain name is worth less than it is willing to pay has no evidentiary weight. Thus, offering a disputed domain name for sale at a price that is more than a complainant is prepared to pay is not an indicator of bad faith either of registration or use. Buying low and selling high "is a very common business practice," *Barlow Lyde & Gilbert v. The Business Law Group*, D2005-0493 (WIPO June 24, 2005).

This can extend to well-known trademarks drawn from the common lexicon. In *The Coca-Cola Co. v. Svensson*, FA0201000103933(Forum February 27, 2002) (<sprite.nu>), for example, the Complainant alleged that the Respondent offered to sell or rent <sprite.nu> "for well in excess of his legitimate out of pocket costs associated with the name as soon as he was contacted by TCCC's counsel." But "sprite" is not a word solely associated with a soft drink. The Panel offered two observations that were current then and remain the law today.

First, while the Complainant "does have exclusive rights in relation to the uses for which it has registered trademarks," it "does not hold exclusive rights in SPRITE." Secondly:

> [T]he word SPRITE itself is a generic word. For example, the evidence before me establishes that SPRITE is a generic term in the computer software industry, that it is a scientific term for flashes of light during a thunderstorm, and that it is commonly known to be a word to describe a fairy, nymph or elf. There is also evidence before me that the word SPRITE is used in other trademarks in connection with other business ventures outside of Complainant's use of the mark for soft drinks.

Also factoring into the decision: the Complainant reached out to the Respondent, an issue discussed in Chapter 11 ("Who Contacts Whom?").

Ordinarily (and for good reason) Panels do not wade into claims of alleged excessive pricing if that is the principal claim of cybersquatting, nor is there any merit to an allegation that respondent refused to accept a reasonable offer to purchase the disputed domain name or refuse to negotiate to sell it. Initially, this was a fluid issue.

Thus, the Panel's observation in *Microcell Solutions Inc. v. B-Seen Design Group Inc.*, AF-0131 (eResolution February 25, 2000) (<fido.com>) that it was

> aware of the fact that other arbitrators have interpreted the UDRP to support a conclusion that offering to sell a domain name, without more, can constitute bad faith use under the UDRP, [. . .] [but] [n]othing in the UDRP, however, permits us to conclude that not offering to sell a domain name, without more, constitutes bad faith use. There is no basis for construing B-Seen's refusal to sell the fido.com domain as bad faith use under the UDRP.

This view steadily consolidated to consensus. In *Etam, plc v. Alberta Hot Rods*, D2000-1654 (WIPO Jan. 31, 2001) (<tammy.com>) the Panel held that "Respondent's offer to sell the domain name does not constitute bad faith, in light of the fact that it has a legitimate interest in the domain name." Where there is a legitimate interest respondents hold an asset that is immune to forfeiture.

In the words of the Panel in *Credit Agricole Indosuez Luxembourg s.a. v. Patrick G O Regan*, D 2000-1300 (WIPO November 28, 2000) it is not speculation that is condemned, but speculating *with a particular target in mind*: "Attempting to sell a legitimately acquired domain name is not of itself illegitimate, whatever the price being sought," The view that registrants of lawfully acquired domain names have a right to dispose of them at the price decided by them was bolstered by many other early decisions.

In a proceeding challenging the registration of <newstoday.com> the Panel in *Newstoday Printers and Publishers (P) Ltd. v. InetU, Inc.*, D2001-0085 (WIPO May 23, 2001) held that

> Even if that business, in the relevant context here, were to comprise the registration, for sale, of generic domain names either generally or to its customers, that would not be an illegitimate use of the domain name. This has been accepted in a number of prior panel decisions including those cited by Respondent.

Where a respondent has a legitimate interest in a dictionary word, descriptive, or non-source identifying domain name, offering to sell it does not make its interest illegitimate. The Panel in *Pocatello Idaho Auditorium Dist. v. CES Marketing Group, Inc.*, FA0112000103186 (Forum February 21, 2002) (<pocatello.com>) explained that "when a Complainant indicates a willingness to engage in a market transaction for the name, it does not violate the policy for a [Respondent] to offer to sell for a market price, rather than out-of-pocket expenses."

In *PROM Software, Inc. v. Reflex Publishing, Inc.*, D2001-1154 (WIPO March 4, 2002) (<prom.com>) Respondent rejected mark owner's request to purchase <prom.com>, but Complainant persisted. The Panel held that Complainant's "entire argument hinges on Respondent's running a domain name registration service, and possibly also selling domain names containing common words." But in persisting:

> Not only has Complainant failed to meet its burden of demonstrating that Respondent has no right or legitimate interest in the domain name,

> Complainant actually has established the apparent legitimacy of Respondent's interest.

It did this because

> [t]he email exchange between the principals of the two companies, initiated by Complainant, unequivocally shows both that Complainant was well aware that it had no entitlement to the domain name, and that Respondent quite politely rejected Complainant's inquiries to purchase the domain name, responding that the domain name was not for sale and that Respondent was working on putting up a site.

Pricing is not an Issue

There has been a steady progress in rejecting pricing as an issue: "the mere pricing of the Domain Name at a very high level cannot in itself indicate bad faith at the time of registration." *Camper, S.L. v. Detlev Kasten*, D2005-0056 (WIPO March 3, 2005). In fact, a "totally excessive and unreasonable demand" in response to an unsolicited offer (not an infrequent grievance) is not evidence of bad faith."

And in *Barlow Lyde & Gilbert v. The Business Law Group*, D2005-0493 (WIPO June 24, 2005) (<blg.com>) the Panel held that "[s]tanding alone, there is nothing wrong with offering to sell a domain name at a high price. It is a very common business practice." Where respondents acquire domain names composed of dictionary words or random letters without any evidence of trading on complainant's reputation, even if identical or confusingly similar, they have a legitimate interest, and every right to sell them as they would any other asset, on their own terms.

This is also the view of the Panel in *X6D Limited v. Telepathy, Inc.*, D2010-1519 (WIPO November 16, 2010). In this case, the Complainant contends that the disputed domain name, <xpand.com> has been used in bad faith because respondent indicates on its website that it "is likely to ignore offers below USD 40,000 for a domain name." But, the Panel also noted that "given the commercial value of descriptive or generic domain names it has become a business model to register and sell such domain names to the highest potential bidder."

This view is further expressed in *Bible Study Fellowship v. BSF.ORG / Vertical Axis Inc.*, D2010-1338 (WIPO November 29, 2010) in which the Respondent was offering <bsf.org> for sale through the website "www.domainbrokers.com" for the minimum price of USD 10,000.actice." In another 2010 case, *Pantaloon Retail India Limited v. RareNames, WebReg*, D2010-0587 (WIPO) (<pantaloon.com>), the Panel noted that "[w]hether [the consensus in holding that a respondent in the domain name business] is justified may be a matter for debate, but in the opinion of the Panel there is a strong body of precedent which, though not binding, is strongly persuasive."

There has an historical continuity of this view. The rule is that "a person who legitimately owns a domain name is entitled to sell it for as little or as much as he likes or thinks he can get away with." And in *Robin Food B.V. v. Bogdan Mykhaylets*, D2016-0264 (WIPO April 1, 2016) (<robinfood.com>) the Complainant argued that "it is clear that the Domain Name was registered for the purpose of selling it." Here, the alleged trademark is based on common law right allegedly predating the domain name but the mark is on the weak end of the classification scale: "Nevertheless, high offers of this sort are often telling." For instance,

> If the price sought by a domain name trader for a domain name appears to be way beyond that which appears to be its intrinsic value in the absence of the trade mark rights of others, then a trader should not be surprised if a panel concludes that the real reason why such a high price is being sought is because of that domain name's potential association with the trade mark rights of others.

But the issue is not simply that the price "appears to be [way beyond] its intrinsic value."

Reaching forward to the present, these conclusions have continuing confirmation. In *Whispering Smith Limited v. Domain Administrator, Tfourh, LLC*, D2016-1175 (WIPO September 27, 2016) (<bravesoul.com>) the Panel noted that "Respondent was engaged in legitimate speculation and the Complainant can only fault itself for not contacting the Respondent prior to adopting its brand." In other words, had Complainant done its due diligence before it adopted its brand it would have learned that <bravesoul.com> was taken.

Other Panels have reached a similar conclusion about asking prices. In the matter of *N2COM v. Xedoc Holding SA*, D2017-1220 (WIPO December 18, 2017) the Panel held that "it is not in itself illegitimate to offer to sell a generic domain name at a high price." The Panel in *iCommand Ltd v. Johnny Gray, ArtWired, Inc*., D2020-1438 (WIPO August 11, 2020) (<downpat.com>) found that

> A complainant may take exception to the fact that a domain name corresponding to its mark is for sale at what, in its opinion, is a "highly inflated" price. This again, is not a ground of bad faith and in any event, whether the price demanded by a seller of any commodity is excessive is, like beauty, in the eye of the beholder, and a panel could never determine whether a price was high or low, especially when there is no valuation evidence submitted. A domain name is worth what someone is prepared to pay for it.

In the absence of any kind of evidence of bad faith registration and use there can be no issue of cybersquatting; certainly, no likelihood of confusion with complainant's recently acquired or even earlier mark where the mark is not, in a linguistic sense, distinctive under Paragraph 4(a)(iii). How could there be when the parties live in different regions for example or the mark is active in a niche field or complainant may be one of many other users of the same commercial sign?

The 3-member Panel in *Patricks Universal*, *supra*., concluded:

> The proper price for any domain name is determined by market forces and not the opinion of the Complainant or of a UDRP panel. The Respondent's offer to sell the Domain Name and the price it demanded from the Complainant do not amount to bad faith.

Demand and Supply

Characterizing alleged "inflated price" as tantamount to cybersquatting is a retrograde argument that some panelists have accepted, but absent evidence of targeting there can be no actionable claim. The 3-member Panel in *Informa Business Information, Inc. v. Privacydotlink Customer 640040 / Domain Manager, Web D.G. Ltd*., D2017-1756 (WIPO December 11, 2017) (<pinksheet.com>) explained:

> As the Respondent is in the business of domain name broking, this is hardly surprising. Neither is the fact that the Respondent requested a purchase price of USD 100,000 following the Complainant's unsolicited enquiry of it in August 2017. As in any market for commodities, domain name broking is about matching supply with demand; in the absence of any indicia of bad faith, there is nothing wrong per se with what the Complainant characterises as an "excessive offer."

And, by way of a further illustration, the assessment of the panel in *Virgin Enterprises Limited v. Domain Admin/This Domain is for Sale, Hugedomains.com*, D2017-1961 (WIPO December 11, 2017) (<virginliving.com>, one of the rare instances in which Virgin was unsuccessful in capturing the disputed domain name, for good reason):

> The Respondent is a domainer which regularly registers domain names that include generic words for the purposes of selling them. Such business activities can be legitimate and are not in themselves a breach of the Policy, so long as they do not encroach on third parties' trade mark rights.

These observations find expression in many cases. The Panel in *Reflex Marketing, LLC v. Mars Nic / Fei Guo / Ming Guo*, D2019-2621 (WIPO January 6, 2020) (<reflexmarketing.com>) added a further corrective to the principle: "The fact that third party valuation tools may put a different value on the name (which the Complaint relies upon) does not alter this principle." And in summing up the Panel in *Association pour la défense et la promotion de l'œuvre de Marc Chagall* *dite "Comite Marc Chagall" v. Miri & Isaac Shepher*, D2021-4216 (WIPO February 14, 2022) (<chagall.com>) explained:

> [I]f the Respondent genuinely registered the disputed domain name for the purpose he claims, then the Respondent was entitled to offer the disputed domain name for sale and to do so at whichever price he wished. [. . .]
>
> The issue, therefore, is not the level of the price sought by the Respondent of itself but, rather, whether the Respondent's price indicates that his original purpose was not primarily to sell the disputed domain name to the world at large but, rather, to an entity officially connected with the painter.

Although unnecessary because the mark had no presence in the market when the Respondent acquired the disputed domain name, the Respondent in *LAWCLOUD B.V. v. Wenjie Jiang*, D2022-4908 (WIPO February 22, 2023) (<lawcloud.com>) justified her counteroffer by producing evidence of comparable sales: "such as <automationcloud.com> (sold for USD 90,000 in 2020), <cloudlet.com> (sold for USD 50,000 in 2016), <livecloud.com> (sold for USD 92,000 in 2011), and <upcloud.com> (sold for USD 100,000 in 2011)."

In *Limble Solutions, Inc. v. Domain Admin, Alter.com, Inc*., D2022-4900 (WIPO March 22, 2023) (<limble.com>):

> The Panel further notes that it appears the substance of Complainant's arguments here relate to the sale price of the Disputed Domain Name and would require the Panel to make a determination whether a particular price during negotiations between a willing buyer and willing seller should be used to determine bad faith.

Furthermore,

> The Panel considers such analysis in this case beyond its province, unwise, and unnecessary given the more useful and less problematic factors present here that are more than sufficient for the Panel to reach its decision. One prior UDRP panel has held where an investor in domain names legitimately registers a domain name which appreciates in value, it is reasonable to expect the registrant to seek the full price it believes to be achievable for the sale of that name, specifically where respondent made no approach to the complainant and quoted the price in question in response to an enquiry from the complainant.

Responding to Unsolicited Offers

I pointed out in Chapter 10 and 11 that responding to unsolicited offers is not condemned under the Policy. It is were, WIPO and ICANN would have written the proscriptions differently. Rather, the consensus is: "Domain names plausibly registered without intent to infringe a trademark are not the intended targets of the Policy and respondents are not condemned for offering to sell a domain name at a high price, particularly where the initial contact is made by complainant," *Id.*, *Barlow*. This is particularly so where there is no evidence that respondent's acquisition of the domain name violated complainant's trademark rights.

Nor does "responding to an unsolicited offer to sell a domain name [. . .] exhibit bad faith," *Mirama Enterprises Inc, d/b/a Aroma Housewares Company v. NJDomains, Abuse Contact: abuse@mail.com c/o Gerald Gorman*, FA0510000588486 (Forum January 16, 2006).

The Panel in *Personally Cool v. Name Administration*, FA1212001474325 (Forum January 17, 2013): "When contacted by any third party, the Respondent was entitled to set whatever price it would be satisfied to receive as consideration for the above stated reasons and engaged in good faith commercial negotiations. There is absolutely no obligation for a Domain Name owner to accept whatever price a buyer demands."

Respondents only run afoul of the Policy "when domain names are registered for resale with knowledge that the names consist of another's trademark," *Primal Quest, LLC v. Gabriel Salas*, D2005-1083 (WIPO December 15, 2005). Dissenting voices to this principle on the theory that domain names are a "scarce resource" have received no encouragement.[20]

The "Speculation-is-abusive" Meme

The "speculation-is-abusive" meme has never really died out. Two further examples illustrate the point, *Calzaturificio Buttero SRL. v. Yang Chao Wei*, CAC v. 103520 (ADR.eu February 23, 2021) (<buttero.com>) and *N.V. Nutricia v. Rob Monster*, FA2106001952511 (Forum August 2, 2021) (<fortini.com>).

In *Calzaturificio Buttero*, the Panel repeated Complainant's allegation that

> the disputed domain name has not been resolved to an active website since its registration 18 years ago. In addition, the Complainant claims that the Respondent set the asking price for the disputed domain name via the eName, the Registrar, at RMB 200,000 (approximately equal to Eur 25,000 or USA 18,400) to sell the disputed domain name. Both actions evince that selling and speculation were the main purpose of the Respondent.

The Panel further noted that "the Complainant is the party who showed the willingness to acquire the disputed domain name but the first [dollar] offer was made

20 *Shoe Mart Factory Outlet, Inc. v. DomainHouse.com, Inc. c/o Domain Administrator,* FA0504000462916 (Forum June 10, 2005) (<shoemart.com>): "With all due respect to my brother Panelists, I must dissent. As an overall matter, I believe the UDRP was designed to regulate a scarce resource (domain names) rather than to provide a mechanism to protect registered trademarks.")

by the Respondent via the Registrar." Ordinarily, if the complainant is the initiating party in a negotiation, respondent's response cannot be a factor in determining bad faith. Nevertheless, because

> the Respondent set an asking price which exceeds the documented out-of-pocket costs related to the disputed domain name [the Panel found it liable for cybersquatting].

In *N.V. Nutricia*, the Panel accepted Complainant's allegations as proof that the assertion was true:

> Complainant asserts that Respondent is using the <fortini.com> domain name to profit off the goodwill associated with Complainant's FORTINI mark by selling the domain name for $350,000. According to Complainant, Respondent has not provided justification for such a value.

The Panel then drew the further conclusion that

> these facts prove that Respondent knew well of the Complainant's trademark's reputation, when initially registering and/or when annually renewing the disputed domain name. Therefore, the Panel finds that Respondent acted in bad faith under Policy Para. 4(b)(iv).

In drawing this conclusion, the *N.V. Nutricia* Panel found warm comfort in the correctness of its decision by citing two earlier decisions that found that an unjustifiably high offering price was the key factor in determining bad faith: *Vanguard Trademark Holdings USA LLC v. Wang Liqun*, FA1506001625332 (FORUM July 17, 2015) (<goalamo.club>). "A respondent's general offer to sell a disputed domain name for an excess of out-of-pocket costs is evidence of bad faith under Policy Para. 4(b)(i)") and *Galvanize LLC, dba Galvanize v. Brett Blair / ChristianGlobe Network*, FA1405001557092 (Forum June 26, 2014) (<galvanize.com>).

In *Galvanize*, the Panel found that the respondent registered and used the disputed domain name in bad faith under Policy Para. 4(b)(i) "because Respondent countered with an offer of $100,000 when Complainant offered to buy the disputed domain name for $2,500." Really? "Countered Complainant's offer to buy the disputed domain name"! If this were the law the secondary market would soon dry up.

Offering the domain name for a price the Panel considered excessive was the key factor in the three-member Panel finding in *Autobuses de Oriente ADO, S.A. de C.V. v. Private Registration / Francois Carrillo*, D2017-1661 (WIPO February 1, 2018). The Panel found the $500,000 offer evidence of cybersquatting. It found unanimously for Complainant:

> In light of the foregoing, and in view of Respondent's position as a professional domainer who admittedly focuses on branding, the Panel considers, on the balance of the probabilities, that it more likely than not that Respondent

> was aware of Complainant and its ADO mark when purchasing the Domain Name, which Respondent is currently offering for sale for USD 500,000. Alternatively, even in the event that Respondent may not have been personally familiar with Complainant and its ADO marks, that does not excuse willful blindness in this case. (Emphasis added).

In this particular case, Respondent challenged the UDRP award in an action under the ACPA and the case was "amicably" settled by the defendant (previously Complainant) agreeing to annulment of the award.

This does not mean that a price the mark owner deems excessive coupled with proof the domain name was "primarily [acquired for the proscribed] purpose" may not factor into the decision. It does, but to take pricing as the determining factor is an error because it elevates its importance over other factors that support the opposite conclusion.

CHAPTER 19

ENACTMENT OF THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT

COMBATING CYBERSQUATTING

Picking up the story from Chapter 1: the ACPA was enacted as the last piece of legislation in a furious rush to put in place mechanisms to combat cybersquatting. The National Telecommunications and Information Administration (NTIA) published its White Paper on the Management of Internet Names and Numbers on June 5, 1998 (it had begun studying the issues in July 1997) (Cybersquatting cases had begun reaching the federal docket in 1995), and WIPO published its Final Report on April 30, 1999.

Senator Spencer Abraham (R. Michigan) introduced the "Anticybersquatting Consumer Protection Act" in the Senate on June 21, 1999. On July 28, 1999, Frances Gurry, then WIPO Counsel, later Director-General of WIPO, testified to the Committee on the Judiciary U.S. House of Representatives Congress of the United States on WIPO's recommendations. And on August 5, 1999 Senator Orrin Hatch (R. Utah) submitted a report of the Committee on the Judiciary summarizing the shortly to be enacted ACPA.

In this Report, the Senate defines cybersquatters as those who:

> [1] "register well-known brand names as Internet domain names in order to extract payment from the rightful owners of the marks;"
>
> [2] "register well-known marks as domain names and warehouse those marks with the hope of selling them to the highest bidder;"
>
> [3] "register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner's site to the cybersquatter's own site;" and
>
> [4] "target distinctive marks to defraud consumers, including to engage in counterfeiting activities."

The registrants referred to in the Report were described as quintessential squatters. Notably, and for good reason, as I pointed out in Chapter 16, and as the law has developed in the UDRP, the list of abusive conduct does not include arbitraging domain names that have value independent of any value accrued to trade and service marks.

The Committee further stated:

> Current law does not expressly prohibit the act of cybersquatting. [. . .] [And] [t]rademark holders are battling thousands of cases of cybersquatting each year, the vast majority of which cannot be resolved through the dispute resolution policy set up by Internet domain name registries.

The "thousands of cases" referred to in the Report were complaints of infringing conduct received by the Committee and noted in the WIPO Report. However, there was no inundation of filed cases in federal courts before the enactment of the ACPA. Many complaints were in process of determination under the NSI rules (implemented in 1995) discussed in Chapter 2. Neither was there an inundation of cases on the federal dockets following the enactment of the ACPA.[1]

The Committee noted in its Report: "While the Federal Trademark Dilution Act [of 1995] has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability," with the result that this

> uncertainty as to the trademark law's application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike. (Senate Report, p. 7).

The Committee highlights a number of egregious incidents of cybersquatting, including *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998):

> This bill would not allow a person to evade the holding of that case—which found that Mr. Toeppen had made a commercial use of the Panavision marks and that such uses were, in fact, diluting under the Federal Trademark Dilution Act—merely by posting noninfringing uses of the trademark on a site accessible under the offending domain name, as Mr. Toeppen did.

As I have noted in earlier chapters, this and other early ACPA cases were also cited as authority by UDRP Panels and, although not offered as "precedents" in any formal sense as I discussed in Chapters 3 and 4, their holdings were nevertheless influential in weaving the jurisprudential fabric of the UDRP.

Although Congress crafted the ACPA for mark owners, it also recognized registrants' rights where their acquisitions were in good faith. It built this right of

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1 The ACPA has developed a rich jurisprudence. I can only sketch out a few aspects of this body of law in this and Chapter 20. A more detailed accounting must await a book on the subject. For the present there is no book to recommend, although the Author understands there may be one in progress.

action into another section of the Lanham Act § 1114 as a counter provision to the ACPA. This suggests a symmetry of protection, but this is only partly true: there is a remedial bias in favor of mark owners which is expressed in the disjunctive basis of liability.

This does not mean that acquiring a domain name corresponding to a mark is tantamount to infringing. The Senate Report stated:

> Indeed, there are cases in which a person registers a name in anticipation of a business venture that simply never pans out. And someone who has a legitimate registration of a domain name that mirrors someone else's domain name, such as a trademark owner that is a lawful concurrent user of that name with another trademark owner, may, in fact, wish to sell that name to the other trademark owner.

It concluded;

> This bill does not imply that these facts are an indication of bad-faith. It merely provides a court with the necessary discretion to recognize the evidence of bad-faith when it is present. (*Id*, p. 15).

Many of the cases on the pre-ACPA dockets were of the kind that following the implementation of the UDRP would be arbitrated online. Indeed, following the enactment of the UDRP, federal dockets were relieved of the obvious cases of cybersquatting. In contrast to the vast number of UDRP decisions, the number of ACPA decisions is relatively modest.

Challenges to UDRP awards began almost immediately. The initial issue concerned registrant's right to maintain an action. The district dismissed the complaint on the grounds that it did not have jurisdiction. The Court in *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 28 (1st Cir. 2001) concluded that it did:

> This case raises an issue of first impression, requiring us to determine whether a domain name registrant, who has lost in a WIPO-adjudicated UDRP proceeding, may bring an action in federal court under § 1114(2)(D)(v) seeking to override the result of the earlier WIPO proceeding by having his status as a nonviolator of the ACPA declared and by getting an injunction forcing a transfer of the disputed domain name back to him.

In remanding the case to the district court, the Second Circuit held:

> [Section] 1114(2)(D)(v) provides disappointed administrative dispute resolution participants with a chance to have any unfavorable UDRP decision reviewed in a U.S. court. We think this provision means that a federal court's decision that Sallen was in compliance with the ACPA necessarily contradicts the WIPO panel's finding that Sallen lacked a legitimate interest in corinthians.com. Congress has defined in the ACPA what it means to lack a legitimate interest in a domain name under U.S. law. For that reason, should a federal court declare that Sallen is in compliance with the ACPA, that declaration would undercut the rationale of the WIPO panel decision.

The Second Circuit returned to the issue in *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 381 (2d Cir. 2003).[2] In this case the defendant moved to dismiss plaintiff's action. In denying the motion, the Court specified precisely how the statute was intended to apply:

> Unlike traditional binding arbitration proceedings, UDRP proceedings are structured specifically to permit the domain-name registrant two bites at the apple. The UDRP administrative proceedings are "mandatory," but only in the sense that all registrants are obliged by virtue of the agreement to recognize the validity of a proceeding initiated by a third-party claimant. UDRP proceedings, however, need not be the exclusive remedy: an administrative proceeding does not preclude the registrant from vindicating his rights under the ACPA or trademark law in court.

The Court stated further: "Congress intended the cybersquatting statute to make rights to a domain-name registration contingent on ongoing conduct rather than to make them fixed at the time of registration." This is a material difference as I will discuss. Where a mark owner has standing to maintain a claim, bad faith is n not the timing of registration is not as the consequence of disjunctive liability. "Fixed at the time of registration is the model of the UDRP as I have described. It is not the model of the ACPA: conduct is a significant factor regardless of the date the alleged bad faith conduct commenced.

As I have already mentioned about the ACPA: while it is a standalone Act, statutory damages and attorney's fees (either party), and injunctive and declaratory relief for registrants, are drawn from other provisions of the Lanham Act. When the claim moves from the UDRP to the ACPA, there is no collateral estoppel or *res judicata* defense to a *de novo* action."[3] We must delve into these differences more deeply because the remedies for registrants are only tangential to the ACPA in denying cybersquatting and contained in other sections of the Lanham Act.[4]

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2 Challenge from adverse UDRP award, *Rick Adams for and on behalf of Cello Holdings, LLC. v. Lawrence A. Story, D.B.A. Lawrence - Dahl Co*., AF-0506 (eResolution October 16, 2000) (<cello.com>).

3 An argument in favor of issue preclusion was accepted in *Fuccillo v. Silver*, No. 8:18-cv-1236-T-36AEP (M.D. Fla. Sep. 28, 2020) and rejected in *Pocketbook Int'l SA v. Domain Admin/SiteTools, Inc. and Philip Ancevski*, No. CV 20-8708 (CD Cal. April 13, 2021).

4 §1114(2)(D)(iv) and (v) and §1117)(a). "Profits; damages and costs; attorney fees" referring to both 1125(a) and (d). Subsec. (D)(v) differs from (D)(iv) in that it provides only for injunctive relief, whereas (D)(iv) is essentially an action for fraud: "[T]he person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action."

STATUTORY LIABILITY FOR CYBERSQUATTING[5]

Section 1125(d)(1)(A)(i)-(iii) provides that a person is liable to the owner of a trademark or service mark if (but not otherwise) it "(1) has a bad faith intent to profit from that mark [. . .] and registers, traffics in, or uses a domain name that

> (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;
>
> (II) in the case of a famous mark that is famous at the time of the registration of the domain name, is identical or confusingly similar to or dilutive of that mark.

The intent to profit" element was early construed by the *Storey* court to mean "a trademark rights-holder's ACPA claim may be premised on the domain-name registrant's ongoing use of the domain name. In this respect ACPA rights differ from traditional property rights in land, to which ownership of a domain name is often analogized."

The term "distinctive at the time of registration of the domain name" is a critical factor. To "acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services," *Sengoku Works Ltd. v. RMC Int'l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir.), as modified, 97 F.3d 1460 (9th Cir. 1996). Thus, there can be no actionable claim for cybersquatting unless the mark predates the registration of the disputed domain name.

Factors in Assessing Bad Faith

The Court in *Volvo Trademark Holding AB v. VOLVOSPARES.COM*, No. 1:09cv1247 (AJT/IDD), at *5 (E.D. Va. Apr. 1, 2010) pointed out: "There is no applicable statutory definition of 'bad faith' or 'bad faith intent to profit.' Rather, it is determined by assessing the factors set for in 15 U.S.C. § 1125(d)(1)(B):

> The court "may consider factors such as, but not limited to —
>
> (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
>
> (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

5 Registries and registrars "shall not be liable to monetary relief [. . .] to any person [. . .] regardless of whether the domain name is finally determined to infringe or dilute the mark," 15 U.S.C. §. 1114(D)(i)(III). See (among other cases) *Scott Rigsby, et al v. GoDaddy Inc., Et al*, No. 21-16182 (9th Cir. 2023).

> (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
>
> (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
>
> (V) the person's intent to divert consumers from the mark owner's on-line location to a site [. . .] that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark;
>
> (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used ... the domain name in the bona fide offering of any goods or services ...;
>
> (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name ...;
>
> (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others ...; and
>
> (IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous....

The first four factors center on the registrant's good faith registration of the disputed domain name and the remaining five center on registrant's bad faith registration. Courts quickly united on the view that the statutory factors "are given to courts as a guide" and need not be exhaustively considered in every case. This view of the factors is emphasized and reflected across the Circuits.

The earliest discussion on the factors is found in a Second Circuit decision, *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 498-499 (2d Cir. 2000). The Court emphasized that "the most important grounds for [its] holding [of bad faith intent were] the unique circumstances of [the] case, which [did] not fit neatly into the specific factors enumerated by Congress but may nevertheless be considered under the statute." These may be considered the "most important grounds" showing bad faith intent.

An act not considered by the actor as intentional or willful, which nonetheless injures a third party, is the classic definition of a tortious wrong.[6] This is crystallized in another early case, *Broadbridge Media, L.L.C. v. Hypercd.com*, 106 F. Supp. 2d

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6 The Court in *NextHome, Inc. v. Jenkins*, No. 1:20-cv-01210-CCB, at *12 (D. Md. Apr. 12, 2021) stated that "claims for trademark infringement and unfair competition under the Lanham Act exist to protect the consumer as well as the competitor, and they do not require a showing of willfulness at all."

505, 512 (S.D.N.Y. 2000) (Initiated as a UDRP but withdrawn, <hypercd.com>). The Court found "particularly relevant"

> Henderson's attempt to hold the domain name hostage until BroadBridge either pay him an exorbitant amount of money (discussed above) for the transfer or rental of the domain name, or share with him the use of plaintiff's mark for his own apparently competing goods, which would give him the immediate benefit of plaintiff's good will flowing from the mark, but promise not to sue him regardless of how he uses plaintiff's mark.

On these grounds, "Henderson's use of that domain name was unquestionably the type of bad faith use Congress intended to prohibit."

In rejecting a mark owner's complaint involving a domain name resolving to a criticism website, the Sixth Circuit—*Lucas Nursery and Landscaping, Inc. v. Grosse*, 359 F.3d 806, 811 (2004)—pointedly reminded parties what the Factors were not. It was not "[t]he role of the reviewing court [. . .] to simply add [up] factors and place them in particular categories, without making some sense of what motivates the conduct at issue." Rather,

> [t]he factors are given to courts as a guide, not as a substitute for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit. [. . .] Perhaps most important to our conclusion are, Grosse's actions, which seem to have been undertaken in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard. [. . .] The practice of informing fellow consumers of one's experience with a particular service provider is surely not inconsistent with this ideal.

A year later the Fourth Circuit explained in *Lamparello v. Falwell*, 420 F.3d 309 (2005) (registrant's challenge to an earlier UDRP decision) that these "factors attempt 'to balance the property interests of trademark owners with the legitimate interests of Internet users and others who seek to make lawful uses of other's marks, including for purposes such as comparative advertising, comment, criticism, parody, news reporting, fair use, etc.'" The Court annulled the UDRP award.

Later decisions are in accord with these constructions of the Factors. Parties must carefully identify facts and relevant circumstances in their pleadings and be prepared to demonstrate their application to provable facts. As the Court noted in *Fabick, Inc. v. Fabco Equip., Inc.*, 16-cv-172-wmc, at *6-7 (W.D. Wis. May 7, 2017):

> Defendant JFTCO contends that the four factors indicating an absence of bad faith all weigh in defendant's favor and that plaintiff has failed to allege facts showing bad faith under the other factors. [. . .] In opposition to defendant's motion, plaintiff challenges defendant's reference to the factors, implicitly arguing that such an approach requires a review of the merits.

The court disagreed:

> Considering plaintiff's allegations in light of the statutory factors for alleging bad faith under the ACPA is not inherently suspect. The factors described above inform that element of the ACPA claim. The court is not requiring any proof of that element at the pleading stage, but simply is considering what minimal allegations are necessary to sustain that element in the face of a motion to dismiss. [. . .] For the purpose of deciding defendant's motion, therefore, the court solely considers whether plaintiff has alleged sufficient facts to support a finding of bad faith intent to profit.

Factor V played a decisive role in *Mercury Luggage Mfg. Co. v. Domain Prot., LLC,* Civil Action No. 3:19-cv-01939-M (N.D. Tex. Dec. 4, 2020) (mark owner's challenge to dismissal of the complaint in *Mercury Luggage Manufacturing Company v. Lisa Katz / Domain Protection LLC.*, FA1904001838010 (Forum May 14, 2019) (<sewardtrunk.com>)). The Court found:

> None of the factors which tend to indicate that the holder of a domain name is acting in good faith weigh in favor of Defendant, and a factor which tends to indicate bad faith weighs against it.

Defendant stipulated that the Court should weigh the eighth factor against it, and the Court "finds that Defendant has registered or acquired multiple domain names, with knowledge at the time of registration that they are identical or confusingly similar to the distinctive marks of others."

It should be noted as I review the ACPA docket that domain names that correspond to distinctive marks will be found infringing (reversing UDRP awards if originally commenced in administrative proceedings), and that domain names composed of ordinary words (even if found infringing in UDRP proceedings) may for these reasons be found infringing.

Defining "Intent to Profit"

"Intent to profit" analysis starts with the proposition that "[i]t is in the public's interest to protect consumers from confusion and protect the right of a trademark owner to control its own product's reputation." *Paccar, Inc. v. Telescan Technologies, L.L.C.*, 115 F. Supp. 2d 772, 780 (E.D. Mich. 2000), citing among other authority *United States v. Hon*, 904 F.2d 803, 806 (2d Cir. 1990). It follows that it is in the public's interest to protect the integrity of the marketplace for both rights holders and consumers.

The term "intent to profit" has an elastic meaning. The concept of profit includes any attempt to procure an advantageous gain or return. It can, simply, mean using domain names because there is a profit to be made from them. The Court in *Broadbridge Media, supra.*, pointed out:

> The "bad faith" statutory list not being exclusive, I may take into account other factors bearing on bad faith intent to profit. I find the following particularly relevant: Henderson's attempt to hold the domain name hostage until BroadBridge either pay him an exorbitant amount of money (discussed above) for the transfer or rental of the domain name, or share with him the use of plaintiff's mark for his own apparently competing goods, which would give him the immediate benefit of plaintiff's good will flowing from the mark, but promise not to sue him regardless of how he uses plaintiff's mark.

The defendant in *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 276 (5th Cir. 2002) (<ernestandjuliogallo.com>) "admitted that Gallo had a valuable trademark, and that when they registered the domain name they hoped Gallo would contact them so they could 'assist' Gallo." This was a direct case to the ACPA, but Gallo Winery also prevailed in many UDRP cases.

Other obvious cases of infringement include: *Verizon Cal. Inc. v. Navigation Catalyst Sys., Inc.*, 568 F. Supp. 2d 1088, 1097 (C.D. Cal. 2008) (also a direct case to the ACPA) in which the Court held:

> It is clear that [Defendants] intent was to profit from the poor typing abilities of consumers trying to reach Plaintiffs' sites: what other value could there be in a name like verizon.com>.

The Court in *DSPT Int'l, Inc. v. Nahum*, 624 F.3d 1213, 1219-20 (9th Cir. 2010) held: "As for whether use to get leverage in a business dispute can establish a violation, the statutory factors for 'bad faith intent' establish that it can."

Intent to profit can also mean acquiring a domain name as leverage to obtain reimbursement for alleged services performed or dissatisfaction over an agreement with the mark owner, which was the motivating circumstance in *Harrison v. Microfinancial, Inc.*, Civil Action No. 03-11437-GAO, at *8 (D. Mass. Feb. 24, 2005). The UDRP Panel had awarded <microfinancial.org> to defendant. The Court concluded that:

> The undisputed evidence is clear that Harrison sought to use the offered transfer of the domain name to Microfinancial as leverage to obtain a financial benefit for himself and others (whom he described as victims). That fact, together with the other factors previously discussed, compels only one conclusion: Harrison had a bad faith intent to profit from his use of the domain name. No reasonable jury could find otherwise.

The Panel in *Volvo Trademark Holding AB v. Volvospares / Keith White*, D2008-1860 (WIPO February 10, 2009) (<volvospares.com>) dismissed the complaint on a nominative fair use analysis, but in *Volvo Trademark Holding*, *supra.*, the Court granted summary judgment to plaintiff:

> With respect to the timing of the registration of volvospares.com relative to other Volvo domain names, the critical inquiry is whether volvospares.com

> infringes the VOLVO mark, which predated volvospares.com by several decades.

The Court concluded: "Volvo has established that White registered the domain name in bad faith with the intent to profit and that volvospares.com is confusingly similar to the registered mark, VOLVO."

"Worth noting [in these cases] is that the result reached in the WIPO proceeding is neither admissible, nor entitled to any deference, with respect to the merits issues presented in this suit," *Eurotech, Inc. v. Cosmos European Travels Aktiengesellschaft*, 213 F. Supp. 2d 612, 618 n. 10 (E.D. Va. 2002).[7]

Cyber-Piracy

Subject matter jurisdiction under the ACPA for cybersquatting does not comprehend an action for trademark infringement which is separately actionable under 15 U.S.C. § 1125(a), although if such a claim is made it can be asserted in the same complaint with the ACPA claim. Section 1125(d)(1)(C) provides:

> In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

And in §1125(d)(1)(D):

> [3] The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.
>
> [4] The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.

On a judgment of cybersquatting, the rights holder may also be entitled to reasonable attorney fees under §1117(a). For the mark owner the burden is lighter because if cybersquatting is found the remedy which is within the Court's discretion to grant is either monetary or statutory damages under §1117(d) in the range of $1,000 to $100,000 per domain name in an amount discretionary with the court.

In "appealing" a UDRP award the losing party is vulnerable either to attorney's fees and/or statutory damages. I will address this issue further in Chapter

[7] *Barcelona.com, Inc. v. Excelentisimo Ayuntamiento De Barcelona*, 330 F.3d 617, 624-25 (4th Cir. 2003) (Holding in favor of domain name holder and vacating the UDRP award); *Strong Coll. Students Moving, Inc. v. CHHJ Franchising, LLC*, CV-12-01156-PHX-DJH (D. Ariz., May 15, 2013) ("[T]his Court will give no deference to the UDRP's [. . .] findings.")

20, but in examining ACPA cases generally, and particularly those adjudicated in UDRP proceedings, the financial risk involved can be significant.

The defendant in *CloudCover IP LLC v. Buchanan*, 2:21-cv-00237-DBB-JCB, at *1 (D. Utah Jan. 4, 2023), the prevailing party in *CloudCover IP, LLC v. Scott Buchanan*, FA1604001669031 (Forum May 18, 2016), moved to dismiss the action. Although acquiring domain names corresponding to marks is not necessarily prologue to a finding of bad faith (and it was not in the UDRP proceeding), US federal courts take a different approach. If a trade or service mark "is distinctive at the time of registration of the domain name" the merits will not be prejudged in a threshold motion to dismiss the complaint. In denying Defendant's motion for summary judgment the Court concluded:

> Given the totality of the circumstances, the court cannot find as a matter of law that Mr. Buchanan did not act with a bad faith intent to profit from the "CloudCover" mark. *Id.*, at *19.

Recognizing the financial risk involved to the non-prevailing party, the parties settled the case.

A different issue is presented in *Vondran v. Antonelli*, No. CV-22-00790-PHX-DJH, at *1 (D. Ariz. Dec. 23, 2022). Here, plaintiff the prevailing party in the earlier UDRP proceeding (*Law Offices of Jeffrey J. Antonelli, Ltd., Inc. dba Antonelli Law, Ltd. v. The Law Offices of Stephen C. Vondran, P.C.*, D2021-2428 (WIPO October 4, 2021)) commenced an action for wrongful institution of civil proceedings against the Antonelli and Robinson defendants. It is not an ACPA case for the reasons noted by the Court). Plaintiff argued that in filing the UDRP complaint the Antonelli law firm and attorneys representing it had stipulated to the "mutual jurisdiction" in Arizona. The Court disagreed and dismissed the complaint.

The case is instructive because it answers an important question about the application of the mutual jurisdiction stipulation. The Court pointed out that its application "is explicitly limited to 'challenges [. . .] made by the Respondent to a decision by the Administrative Panel to transfer or cancel the domain name(s) that is/are the subject of [the] Complaint." But in this case there was no transfer or cancellation of the domain name, and for this reason the Plaintiff was required to establish personal jurisdiction, which it was unable to do in its venue of choice.

Overreaching Mark Owner

Registrants' remedies are set forth in § 1114 of the Lanham Act. It was initially summarized in the previously mentioned Senate Report which states that the "amended bill goes further [. . .] to protect the rights of domain name registrants against overreaching trademark owners":

> Under the amended bill, a trademark owner who knowingly and materially misrepresents to the domain name registrar or registry that a domain name is infringing is liable to the domain name registrant for damages, including costs and attorneys' fees, resulting from the suspension, cancellation, or transfer of the domain name.

It concluded:

> In addition, the court may award injunctive relief to the domain name registrant by ordering the reactivation of the domain name or the transfer of the domain name back to the domain name registrant.

Section 1117 of the Lanham Act provides for monetary or statutory damages and reasonable attorney's fees to the prevailing party. I will return to this subject of monetary damages and attorney's fees in Chapter 20: registrants have a heavy burden to prove statutory damages, but in some cases they have been awarded attorneys fees

There are two lines of argument for a declaration of lawful registration of disputed domain names: RDNH light and RDNH heavy, and they produce different remedies. For RDNH light §1114(2)(D)(v), the basic remedy is a declaratory judgment that the holder's registration of the domain name was not unlawful and an injunction to restore the registration:[8]

> A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

The domain name holder may also be entitled to attorney's fees,[9] but not statutory damages under the "light" form.

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8 *Id.*, §1114(2)(D)(v).

9 See for example *Walter v. Ville de Paris*, 4:2009cv03939 (S.D. Texas Houston Div.) (<parvi.org>. Respondent in *Ville de Paris v. Jeff Walter*, D2009-1278 (WIPO November 19, 2009) (<villedeparis.com>. UDRP award vacated on default; judgment included award of damages in the amount of $100,000, although plaintiff's counsel advised the author that it was never collected.

To prevail on RDNH heavy (§1114(2)(D)(iv)) the burden is weightier in that the registrant has to prove "knowing and material misrepresentation" which is an extremely high bar:

> If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any other person that a domain name is identical to, confusingly similar to, or dilutive of a mark, the person making the knowing and material misrepresentation shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.

The heaviness of the burden is underscored in *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936, 954 (D. Nev. 2010): "'The plain language of 1114(2)(D)(iv) covers [. . .] only misrepresentations about whether the domain name is identical to, confusingly similar to, or dilutive of a mark.' Thus, Plaintiff's allegations are insufficient to state a claim for relief for fraud in the domain dispute proceeding, and will be dismissed."

Should the domain name holder fail to establish a claim under RDNH heavy but prevail for RDNH light it may still be entitled to attorney's fees under §1117(a) but only if the case is "exceptional." However, the bar for proving an "exceptional case" although lighter than proving statutory damages, is also extremely high (discussed in Chapter 20).

Mark owners are relieved of having to pay a statutory remedy for RDNH light, but they may be exposed to reasonable attorney's fees. In the contrary outcome, if registrant is held to be a cybersquatter, it is exposed to statutory damages in addition to attorney's fees. For registrant, the burden to prove RDNH heavy is so heavy that the remedy is essentially unavailable.

NOT AN APPEAL: A DE NOVO ACTION

The UDRP 4(k) right to challenge an adverse award is seconded by the statutory grant of subject matter jurisdiction (not accorded under UK decisional law as earlier noted). However, in a first impression holding, a district court held that the arbitral dispute was governed by Federal Arbitration Act (FAA) and dismissed the action. The UDRP Panel in *CMG Worldwide, Inc. v. Eric Dluhos*, FA0005000094909 (Forum October 2, 2000) had ordered <leestrasberg.com>) transferred to Complainant.

The Third Circuit concluded in *Dluhos v. Strasberg*, 321 F.3d 365, 373 (2003) that the FAA did not apply and remanded the matter to the district court for further proceedings under the ACPA. It held: "Because the UDRP—a private covenant

— cannot confer federal jurisdiction where none independently exists, the remaining question is whether the Congress has provided a cause of action to challenge its decisions. In the Anticybersquatting Consumer Protection Act, we hold that it has." Further:

> Although Dluhos did not expressly invoke the ACPA, his allegations and demand for the return of the domain name can reasonably be construed as such a request; Dluhos' end goal is the return of www.leestrasberg.com to him, bringing his cause of action squarely under the ACPA.

Other district and appellate courts during this time reached the following conclusions: 1) their "interpretation of [the ACPA] supplants a WIPO panel's interpretation of the UDRP"; 2) "because a UDRP decision is susceptible of being grounded on principles foreign or hostile to American law, the ACPA authorizes reversing a[n] [arbitration] panel decision if such a result is called for by application of the Lanham Act" ; 3) a UDRP hearing is not an "arbitration" as envisioned by the Federal Arbitration Act; 4) the review "must be de novo and independent of any WIPO panel conclusion"; and 5) "the UDRP explicitly contemplates independent review in national courts."

Standing to Maintain an ACPA Action

Personal and Subject Matter Jurisdiction

A mark owner initiating an ACPA action qualifies for standing if its mark "is distinctive at the time of registration of the domain name [. . .] [and the disputed domain name is] identical or confusingly similar to that mark," but to maintain its claim for cybersquatting in a direct action it must be venued where the defendant may be found, or if not within the jurisdiction of the United States, the claim may be maintained in an in rem action against the *res* (discussed below)

However, a mark owner whose mark postdates the registration of the domain name has no cause of action under the ACPA, although it may have an action for trademark infringement. Thus, as the mark in *Stenzel v. Pifer*, No. C06-49Z (W.D. Wash. July 26, 2006) postdated the registration of <colchester.com>, Defendant's countervailing argument that "Plaintiff is not entitled to the relief requested in [. . .] the Complaint" belied the facts, thus

> [t]he Court concludes that, based on the allegations and admissions in the Complaint and Answer, Defendant cannot establish the "distinctive or famous" element of an ACPA claim under 15 U.S.C. § 1125(d) as a matter of law.

This decision annulled the UDRP award in *Gary L. Pifer d/b/a Colchester Rubber Co., Inc. v. M.A. Stenzel*, FA0510000588409 (Forum December 27, 2005).

Similarly, although not an "appeal" from a UDRP award, plaintiff in *New World Solutions, Inc. v. Namemedia Inc.*, 11-cv-2763 (SDNY December 15, 2015) owns NEW WORLD SOLUTIONS but cannot claim any right to <newworld-solutions.com> because the domain name was already taken when it acquired its trademark. Further, plaintiff's application for trademark registration stated that its first use of the mark in commerce occurred later than the registration of the domain name. Similar consequences follow rebranding goods and services without first securing a corresponding domain name.

Marks registered on the Supplemental Register and "intent to use" applications do not qualify for standing, although marks unregistered on the Principal Register and those on the Supplemental Register may qualify on proof of secondary meaning (that is, on proof that they have acquired distinctiveness). The burden of proof is weightier than under the UDRP.

Rebranding cases similar to those brought under the UDRP have been filed in federal court with essentially the same result. If the rebranding postdates the acquisition of the domain name there cannot be any actionable claim. In *Digital Telemedia Inc. v. C I Host, Inc.*, 04 Civ. 1734 (CSH) (S.D.N.Y. Feb. 8, 2006) the parties stipulated to voluntary dismissal following the Court's denial of plaintiff's motion for summary judgment, the same short shrift plaintiff would have received in a UDRP proceeding.

Similarly, and more dramatically because the case was snuffed out early by motion granted to dismiss the action, is *Office Space Solutions, Inc. V. Kneen*, 15-cv-4941 (S.D.N.Y. July 14, 2015). In this case, plaintiff discontinued its action with prejudice after the Court stated that "quite obviously [the plaintiff] just went out and registered a mark that he undoubtedly knew was nearly identical to the domain name registered and used by the defendant for many years for perfectly legitimate reasons." The Court continued: "There are good cybersquatting cases and there are bad ones. And this is really one of the bad ones."

Construing the Meaning of "Transfer"

For registrants challenging UDRP awards in an ACPA action there is no issue as to standing as prevailing mark owners have consented to personal jurisdiction in their stipulations of Mutual Jurisdiction. An initial question raised by the paragraph 4(k) stay provision concerned the meaning of "transfer." If there is a stay, has the domain name been "transferred" so as to trigger jurisdiction under the ACPA? Or is the ACPA action premature until there is a transfer?

The circuits are in accord that a registrant may bring an action under § 1114(2)(D)(v) so long as the domain name has been ordered to be transferred or deactivated pursuant to UDRP even if the actual transfer or deactivation has not occurred. The Court in *Mann v. AFN Investments, Ltd.*, Case No.: 07cv0083-BEN (CAB) (S.D.

Cal. July 27, 2007) found "the other Circuits' reasoning persuasive and notes such ruling is in the interest of preserving scarce judicial resources."

More recently the issue arose in *Baklan v. All Answers Ltd.*, No. CV-20-00707-PHX-JZB, at *4 (D. Ariz. Oct. 14, 2020):

> There is no dispute that Godaddy.com has been ordered to transfer the disputed domain name and paused the transfer process pending resolution of this action. [. . .] Under the ACPA, then, the domain name has "been transferred" because the process of transferring has begun.

Accordingly, "Under the ACPA, then, the domain name has 'been transferred' because the process of transferring has begun."[10]

Where registrant-plaintive is in jeopardy of having its domain name transferred and where the process of transfer has begun, it can be said to be in suspended .animation awaiting only the court's endorsement declaring the registration of th disputed domain name lawful or infringing.

In Rem Jurisdiction[11]

On application to the court and proof that the mark owner "is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action" it may "file an in rem civil against a domain name in the judicial district in which the domain name registrar, domain name registry [. . .] is located." In the case of *in rem* actions the court of choice will likely be the Eastern District of Virginia, Alexandria Division the location of Verisign, the registry of the dot com TLD. I will return to *in rem* jurisdiction in Chapter 20 to discuss the issue of fraudulent transfer of domain names.

In anticipation of that discussion, two *in rem* cases illustrate the range of disputes. The mark owner in *Prudential Insurance Company of America v. PRU.COM*, Civil Action No. 1:20-cv-450, at *10 (E.D. Va. June 30, 2021) initially commenced a UDRP proceeding, changed its mind after receiving the response, abruptly terminated the UDRP, and filed an *in rem* action.[12]

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10 Plaintiff (losing Complainant in UDRP proceeding) argued that "[C]ourts have interpreted the ACPA not to provide a reverse domain name hijacking claim for injunctive relief where a party's domain name is not shut down or transferred." The Court rejected this proposition in *Pocketbook Int'l SA v. Domain Admin/Sitetools, Inc.*, 2021 WL 6103078, at *3 (C.D. Cal. Oct. 19, 2021).

11 Some district courts initially construed *in rem* as limited to violations of § 1125(d)(1), but the Fourth Circuit concluded that the statute "authorizes in rem actions for certain federal infringement and dilution claims," *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 228 (4th Cir. 2002). No Circuit has stated otherwise.

The *res* involved the domain name <pru.com> which a foreign registrant had acquired privately from a Texas company unrelated to plaintiff. Registrant (as it has a right to do) intervened and moved to dismiss the *in rem* action or alternatively have it transferred to Arizona, the mutual jurisdiction under the terminated UDRP. The district court of Arizona lies within the jurisdiction of the Ninth Circuit Court of Appeals. By withdrawing from the UDRP, and having the domain name transferred directly to its account, Prudential avoided a more drawn out litigation by way of a Paragraph 4(k) challenge and also avoided having to submit the dispute to the jurisprudence of the Ninth Circuit

On defendant's motion to dismiss or transfer the matter, the Court held

> Zhang's post hoc decision to consent to personal jurisdiction in Arizona does not vitiate in rem jurisdiction in the Eastern District of Virginia in this case. To conclude otherwise would allow any foreign defendant to choose their desired forum for litigation after being sued in an ACPA action. That interpretation stretches Section 1125(d)(2) far beyond what the drafters of the statute could have reasonably intended.

Shortly thereafter, Prudential filed its own motion for summary judgment which the Court granted. Zhang filed a notice of appeal to the Fourth Circuit which issued its decision on January 24, 2023 affirming the judgment. The circuits are split on the proper construction of the term "registration." Discussed further below ("Registration Date Test versus Creation Date Test").

In the second case (a direct action), plaintiff (a prominent law firm in New York City) had an urgent need for speed and injunctive relief to take down phishing websites and commenced an *in rem* action against the offending domain names, *Debevoise & Plimpton LLP. v. DEBEVOISE-LAW.COM and DEBEVOISE-LAWS.COM*, 1:21-cv-01386 (E.D.Va, Alexandria Div. 12/13/21):

> The <debevoise-law.com> and <debevoise-laws.com> domain names were registered in an effort to profit from Debevoise's goodwill and to trick unsuspecting visitors and recipients, who are under the impression they are transacting with a legitimate Debevoise contact, into giving their valuable sensitive information and/or funds to the registrant and/or their affiliates.

The action was commenced on December 13, 2021 and the Court granted judgment ordering the domain names transferred to Plaintiff's account on August 29,

12 Prudential was the non-prevailing party in a 2002 UDRP proceeding, *The Prudential Insurance Company of America v. PRU International*, FA0111000101800 (Forum January 18, 2002), in which the 3-member Panel held "Respondent has supplied evidence of its continuing activity, including a recent certificate of good standing from the Texas Comptroller of Public Accounts." This case poses a potential problem for investors vulnerable to in rem actions who acquire disputed names subsequent to the market presence of distinctive marks.

2022. It raises the interesting question as to whether the remedy would not have been swifter under the UDRP?

No ACPA Standing: Trademark Infringement

The limitation on standing under the ACPA that a mark must be "distinctive at the time of registration of the domain name" does not preclude asserting a claim under § 1125(a) of the Lanham Act for trademark infringement if a predated domain name is subsequently used in bad faith. There is ACPA law that addresses this issue, discussed further in Chapter 20, "UDRP / ACPA Distinct and Separate Bodies of Law."

Thus, in *GoSecure Inc. v. Billa Bhandari*, FA2107001954083) (Forum August 19, 2021) plaintiff's mark postdated <gosecure.com>. For this reason, Complainant had no standing to maintain a UDRP proceeding. However, on "appeal" in *GoSecure Inc. v. Bhandari*, Civil Action 1:21-CV-01222 (E.D. Va. Oct. 26, 2022) the facts supported a claim for trademark infringement. Registrant had used the domain name in connection with a business in that field of commerce, although it had discontinued the business in 2011.

In this respect *GoSecure* differs from *Vondran* mentioned earlier. Although the Court held that the use of the domain name was a trademark infringement it did not enter a judgment transferring it. Instead, in a subsequent Order, it dictated the form of disclaimer that it ordered the website to carry. While the mark owner proved trademark infringement it did not prove cybersquatting and the domain name remained with the registrant.

In finding liability (and "reversing" the UDRP award dismissing mark owner's complaint), the Court explained that

> Defendant's liability does not arise from the mere fact that he used to sell cybersecurity goods on his website. All of that conduct took place prior to the mark's registration, and is therefore protected from a federal trademark infringement claim.

Instead,

> Defendant's liability stems from a combination of his website's history of cybersecurity sales coupled with the fact that his website, affiliated blog, and affiliated twitter account, all remained accessible with the same content post-registration. The analysis remains the same even though the website, blog, and twitter account were not able to host any transactions post-registration.

The lesson of *GoSecure Inc.* is that registrants of domain names predating trademark rights cannot escape liability if their domain names are subsequently found to be infringing plaintiff's trademark. In this particular case, though, this judgment does not deprive the registrant of its domain name as long as it has no presence in the US market.

Reverse Domain Name Hijacking

While errors of Panel reasoning are not common (at least they are rarely challenged), although some errors would likely be reversed had the UDRP featured an internal appeal mechanism), there have been a number of questionable determinations corrected in ACPA actions. Most likely, the cost of challenging a UDRP award in US federal court (and equally likely in other jurisdiction) would have to be considered in view of the expense, but neither is that a deterrent to pursue injunctive and declaratory relief under § 1114(2)(D)(v) as earlier discussed.

The applicable law, though, may depend on the Circuit in which the challenge is mounted as I will discuss further below. I have already noted that a finding a reverse domain name hijacking claim is sufficiently pled where UDRP panels had ordered the plaintiff's domain transferred to the mak owner, *Baklan supra.* Earlier cases include *AIRFX.com v. AirFX LLC*, No. CV 11-01064-PHX (FJMx), 2011 WL 5007919, at *3 (D. Ariz. Oct. 20, 2011) (Registrant's de novo action from UDRP award in *Airfx, LLC v. Attn Airfx.com*, FA1104001384655 (Forum May 16, 2011) (Plaintiff prevailed), and *Strong Coll. Students Moving Inc. v. Coll. Hunks Hauling Junk Franchising LLC*, No. CV-12-01156-PHX (DJHx), 2015 WL 12602438, at *4, 7-11 (D. Ariz. May 15, 2015) (Registrant's de novo action from UDRP award in *CHHJ Franchising LLC d/b/a College Hunks Hauling Junk v. Shaun Robinson*, FA1204001437943 (Forum May 17, 2012) (Defendant prevailed).

What can the parties expect in federal court under the ACPA and what monetary provisions under the Lanham Act can parties expect to receive or have to pay? It has already been noted that the ACPA is not entirely symmetric even while acknowledging registrant rights on proof of lawful registration of the domain name in issue. In the twenty plus years of the ACPA, there have been very few registrant decisions annulling UDRP awards; those that have will be discussed further below.

There are several cases pending in district courts that may add to that number (<trx.com> complaint filed December 2, 2022, *Fitness Anywhere LLC v. au tuu*, FA2210002016615) (Forum November 11, 2022)). In those cases that have advanced to decision in federal courts and adjudicated in registrants' favor it is found that panelists have misconstrued the reach of the UDRP by stretching its jurisdiction in mark owners' favor. Procrustes-like decisions tend to give complainants too much credit.

For example, in *Airfx, LLC*, referred to above, the Panel held:

> Complainant's submitted screen-shot of the resolving website shows that Respondent is using [<airfx.com>] to display various third-party links to unrelated businesses. Therefore, the Panel finds that Respondent has registered and is using the domain name in bad faith.

Also in *Lotto Sport Italia S.p.A. v. David Dent*, D2016-2532 (WIPO February 13, 2017). Both awards "reversed on appeal" in ACPA actions (I use the terms "reversed" and "appeal" loosely, as challenges to UDRP awards in federal courts are not "appeals" but *de novo* actions).

Ironically, several UDRP decisions cite to *Lotto Sport* as authority for the proposition that "[i]t is well established that where the distinctive and prominent element of a disputed domain name is Complainant's mark, and the only difference is a generic term that adds no distinctive element, then such a generic term does not negate the confusing similarity between the disputed domain name and the mark." This is only partly true as a factor among others but taken as true for itself it carries a poisonous tail if the Panel stretches "confusingly similar" to mean "a likelihood of confusion."

If we had to take a count, the majority of challenges to UDRP awards have resulted in settlements in favor of domain name holders. Few cases go the distance to trial; they are more likely to be won or lost on summary judgment: *Dent v. Lotto Sport Italia SpA*, CV-17-00651-PHX-DMF (D. Arizona March 10, 2020) and a couple of other cases. Except for a handful of landmark ACPA cases, prominently *AIRFX.com v. AirFx LLC, CV 11-01064-PHX-FJM (*D. Ariz. March 7, 2013) (<airfx.com>) and *Black v. Irving Materials, Inc.*, 17-CV-06734-LHK (N.D. Cal 2019/2020), it has been rare for actions to proceed to trial and judgment.

The most dramatic situations are claims by trademark owners who are granted standing to maintain a UDRP proceeding even though they have no actionable claims because their marks postdate the registrations of the domain names. Under both UDRP and ACPA law, such registrations cannot, as a matter of law, be unlawful.

On "appeal" from a dismissed complaint in *Beautiful People Magazine, Inc. v. Domain Manager / PeopleNetwork ApS / Kofod Nicolai / People Network Aps / Nicolai Kofod / People Network*, FA1502001606976 (Forum May 4, 2015) the district court in *Joshua Domond and Harold Hunter, Jr v. PeopleNetwork APS d/b/a Beautifulpeople.Com, Beautiful People, LLC, Greg Hodge, and Genevieve Maylam*, 16-24026-civ (S.D. FL. Miami Div. 11/9/17) dismissed the complaint with attorney's fees which was affirmed on appeal, No. 17-15576 (11th Cir. Sep. 20, 2018) (Unpublished). The Circuit Court stated:

> Domond and Hunter's litigation position was unusually weak -- their amended complaint admitted that BP.com used the marks first and a nonjudicial panel in another dispute between the two parties had concluded that BP.com used

> the marks first. [. . .] Domond and Hunter's threats that BP.com would be begging for mercy, demand for a licensing fee to settle the dispute, and their baseless accusation on appeal that the district court conspired to help BP.com in exchange for payment, further support that this was an "exceptional case" under the totality of the circumstances.

The reverse side of this coin is highlighted in two other instructive cases in which, in the first, the Court expressed skepticism about a domain name plaintiff's claim of reverse domain name hijacking, *Pace v. Lundh*, No. C18-5965RBL, at *1 (W.D. Wash. Mar. 4, 2020) (<lascal.com>), but which resulted in a plaintiff decision on default. And in *Pace v. Daniel*, Case No. 2:20-cv-01455-TL (W.D. Wash. Sept. 9, 2022) (<celluvation.com>), which was also won on defendant's default in appearing for trial.

Resolving Disputes by Settlement

Disputes resolved by settlement far outnumber the challenges to UDRP awards that go to summary judgment and trial. In some of these settlements, it can be deduced that disputed domain names have been retained by registrants, awards annulled, and registrants have received attorneys fees. In other settlements, the terms are generally private but in all settlements in federal court or otherwise, there are strategic reasons which include an objective assessment of the likelihood of prevailing and the cost of litigation in so-so cases.

Examples of settlements concluded in favor of registrant:

Telepathy, Inc. v. SDT International SA-NV, 14-cv-01912 (D. Columbia July 9, 2015) (Respondent in *SDT International SA-NV v. Telepathy, Inc*., D2014-1870 (WIPO January 13, 2015)) ACPA action settled by Consent Judgment of permanent injunction and $50,000 attorneys fees to Plaintiff. The same plaintiff in *Telepathy, Inc, Development Services v. Corporacion Empresarial Altra S.L.*, 1:17-cv-01030 (D. District of Columbia, November 28, 2017). And in a third case *Corporacion Empresarial Altra S.L. v. Development Services, Telepathy, Inc*., D2017-0178 (WIPO May 15, 2017) involving <airzone.com> registrant prevailed but the Panel sanctioned Complainant. Registrant counterclaimed for reverse domain name hijacking in the ACPA action and the parties settled by Plaintiff (earlier Complainant in the UDRP) stipulating to pay $40,000 attorney's fees.

In *Hugedomains.com, LLC. v. Wills*, 14-cv-00946 (D. Colorado July 21, 2015) (Respondent in *Austin Area Birthing Center, Inc. v. CentreVida Birth and Wellness Center c/o Faith Beltz and Family-Centered Midwifery c/o June Lamphier*, FA0911001295573 (Forum January 20, 2010): "Plaintiff did not register or use <austinpain.com> domain name in bad faith and had no bad faith intent to profit from the domain name." Parties agreed to a consent judgment in which Defendant agreed to pay plaintiff $25,000.

In *Mrs. Jello, LLC v. Camilla Australia Pty Ltd*. 15-cv-08753 (D. NJ 8/1/2016) (Respondent in *Camilla Australia Pty Ltd v. Domain Admin, Mrs Jello, LLC*., D2015-1593 (WIPO November 30, 2015) involving a dispute over the name "Camilla," the action was discontinued with prejudice with the plaintiff retaining the domain name.

And in *Domain Asset Holdings, LLC. v. Blue Ridge Fiberboard, Inc*., 2:16-cv-00520 (W.D. Washington July 15, 2016) (Respondent in *Blue Ridge Fiberboard, Inc. v. Domain Administrator / Domain Asset Holdings, LLC*, FA1602001661150 (Forum March 29, 2016) (<soundstop>) the parties settled with registrant (plaintiff) retaining control of the domain name.

The inferences drawn in these cases reflected biases against respondents' business practices. In *Blue Ridge Fiberboard* the 3-member Panel rested its decision in awarding <soundstop.com> to Complainant on several propositions at that time competed for attention: 1) held that resellers "do[ ] not have the right to sell a domain name containing another's registered trademark" (apparently without regard to the lexical commonness of the name) 2) accepted that the "USPTO list[ing] of [. . .] the date of first use in commerce for Complainant's mark [reflected the date of its] common law trademark rights"[13]; 3) that two disputes lost in prior WIPO cases represented "a pattern of domain name misuse"; and 4) that "Respondent must have had constructive notice of Complainant's rights in the SOUNDSTOP mark prior to registration of the <soundstop.com> domain name because of Complainant's widespread use of the mark and its trademark registrations with the USPTO," even though Complainant's business was limited to a niche market and "widespread" an exaggeration.

The above cases illustrate presumptions about registrations of common words and phrases (or at least phrases that have, or have the potential of having) independent associations without fixation to complaining owners' marks. If in *Blue Ridge Fiberboard* Complainant had inadvertently dropped <soundstop.com> and promptly commenced a proceeding to reclaim the lapsed domain name, the transfer would have been understandable, but the URL (Uniform Resource Locator) was created by someone else who abandoned it thus equally available to the first to acquire it under the first come, first served doctrine (Chapter 7).

13 A Panel in a later case *Flexspace No 2 LLP v. Cem Arslan*, DNU2022-0001 (WIPO June 6, 2022) noted with respect to "flexspace" that "[e]ven if the Respondent in this case had made a search for "flexspace" on an Internet search engine, he would be none wiser as it leads to millions of results…." In *Sound Stop*, a search of the USPTO database would not have shown any registration for a corresponding mark.

However, where the name in dispute is independently and solely associated with one particular market actor, as, for example, with "Celgene" and the mark owner in *Celgene Corporation v. PRIVACYDOTLINK Customer 3639471 / Domain Administrator, Portmedia Holdings Ltd.*, D2018-2673 (WIPO February 11, 2019) is claiming that <cellgene.com> (adding a middle "l") was infringing, the error was against the mark owner. The 3-member Panel fixated on the Complainant's transactional interaction with Respondent instead of the lexical composition of the domain name and the hyperlinks. The Panel brushed off the links to "Celgene Jobs" (appears twice), "Celgene", "Jobs Now Hiring", and "Career Jobs Hiring" as the "recent and brief appearance of the Complainant-related PPC links is [in]sufficient to delegitimise the Respondent's use."

Thus, the mark owner's federal *in-rem* action (Respondent had no physical US presence) was understandable, *CELGENE CORE v. CELLGENE.COM, an Internet Domain Name*, Case 1:19-cv-00673 (ED Va. Alexandria Div.) The parties settled the matter in mark owner's favor: Registrant agreed (a) to transfer all rights to the domain name CELLGENE.COM to Celgene; (b) pay Celgene the amount of $5,000.00; (c) agreed to dismiss with prejudice all counterclaims asserted against Celgene; and (d) acknowledged that Celgene had a reasonable basis for filing the claim set forth in the UDRP proceeding.

I have a confession to make. I have not been altogether honest in summarizing the Celgene case or of accusing the Panel of committing error, and this failing on my part calls for an explanation. First of all, Celene's complaint was deeply flawed. Evidence that a Panel expects to receive in support of a claim, particularly on the issue of reputation where the disputed domain name was registered many years earlier than the complaint, was not submitted; nor did the Complainant submit the exchange of correspondence relating to its attempt to purchase the domain name.

In the absence of this evidence, Complainant could not prevail on its claim. Indeed, the Panel found this deeply flawed complaint, dishonest which is why it decided to sanction it. But a claim under the ACPA calls for a different pallet of evidence. It prevailed in the ACPA because <cellgene.com> was confusingly similar to a well-known mark with a high degree of distinctiveness in the market (Chapter 5).

I should explain also that this case, and it is not alone as I will discuss, underscores a significant difference between the UDRP and the ACPA and a complainant's own failures in presenting its case. It may not in 2002 when the domain name was registered have had any significant reputation but by 2018 it had, and because of this the registrant had no choice other than to fold its tent in the ACPA action.

Before getting into the details of the filed cases and their outcomes in the ACPA some explanation may be helpful in understanding what parties can expect in either asserting or defending claims of cybersquatting.

REGISTRATION DATE TEST VERSUS CREATION DATE TEST

Registered, Renewals, and Re-Registrations

As we have seen in the earlier chapters discussing the scope of the UDRP, acquiring a domain name for its inherent value unrelated to any value associated with a then existing trademark or service mark, the registration is invulnerable to a claim of abusive registration. This outcome is without regard to any future bad faith use even if that bad faith use continues following successive renewals, as such a claim is outside the scope of the UDRP.

The ACPA is not so forgiving. The reader will recall that a domain name holder corresponding to a mark is liable if "it has a bad faith intent to profit from that mark [. . .] and (ii) registers, traffics in, or uses a domain name that [. . .] is distinctive at the time of registration of the domain name [and] is identical or confusingly similar to that mark." 15 U.S.C. § 1125(d)(1)(A)(i) and (ii). The question early raised concern the meaning "registered." Does it include renewal of registration to a successor?

The law as it applies to subsequent bad faith use under the ACPA exposes the domain name holder to liability of losing the disputed domain name and possible statutory damages and attorney's fees. The circuit courts of appeal are in agreement with this proposition. The Ninth Circuit's *DSPT* (2010) holding already discussed affirms the contingency aspect of holding domain names, but the Third Circuit and the Ninth Circuit depart on the construction of the term "registration."

The opposing cases are *Schmidheiny v. Weber*, 319 F.3d 581 (3rd Cir. 2003) (continent rights) and *GoPets Ltd. v. Hise*, 657 F.3d 1024 (9th Cir. 2011) (domain names as property). According to the Third Circuit the term "registration" addresses the issue of re-registration—that is, the creation of a new "contract at a different registrar and to a different registrant"—whereas the Ninth Circuit construes the term as the creation date—that is, if the disputed domain name was registered in good faith and there is no evidence of subsequent bad faith use, successors in interest take the domain name from the creation date.

The importance of the Third and Ninth Circuits split is that it can produce (or at least have the appearance of producing) different outcomes to challenges to UDRP awards depending on the location of the registrars. GoDaddy, LLC for example is located in Arizona; another registrar, Enom is located in Washington, both of which are in the Ninth Circuit. Several UDRP awards have been annulled in Ninth Circuit districts—*AIRFX.com, Dent, Pocketbook,* already discussed and an action against Automobili Lamborghini S.p.A is pending—the outcomes of which may have been different under the Third Circuit jurisprudence.

I will first sketch out the Third and Ninth Circuit law, and then briefly look at cases in other jurisdictions that follow one or the other circuit. They have taken conflicting positions on the issue of registration. For the Third, Fourth, and Eleventh Circuits registration means re-registration by a subsequent registrant, For the Ninth Circuit registration means the creation date.

In all other respects, the circuits are in agreement that conduct governs the outcome of the dispute.

Third, Fourth, Seventh, and Eleventh Circuits

In *Schmidheiny*, defendant was accused of re-registering <schmidheiny.com> (the re-registrant is not the same as the creation registrant but related as will become clear) and offering to sell it to plaintiff, a billionaire who is "ranked among the wealthiest individuals in the world by Forbes magazine" *Id.*, at 581: "At the time, the schmidheiny.com domain name was registered to Appellee Famology.com, Inc." The creation date registrant had previously been "Weber Net," an entity owned by Stephen Weber who was also the President and Treasurer of Famology.com, Inc. In dismissing the action, the district court found that "the plain meaning of the word 'registration' as used by Congress imparts to us no other meaning but the initial registration of the domain name." *Id.*, at 582. The Third Circuit disagreed. In reversing and remanding the case, it noted: "[T]he words 'initial' and 'creation' appear nowhere in § [1125(d)], and Congress did not add an exception for 'non-creation registrations'" *Id.*

Further, "[t]he District Court's rationale that 'if Congress chose to treat re-registrations as registrations, it could have used words appropriate to impart that definition,' is not a sufficient reason for courts to infer the word 'initial.' Instead, we conclude that the language of the statute does not limit the word 'registration' to the narrow concept of 'creation registration.'" *Id.*, at 583. Rather, "the word 'registration' includes a new contract at a different registrar and to a different registrant" *Id.* Of particular note is that the domain name was originally registered to target Mr. Schmidheiny.

While this decision concerned cybersquatting on a personal name, the same considerations apply to domain names corresponding to trademarks and service marks:

> To conclude otherwise would permit the domain names [corresponding to trademarks and service marks] to be sold and purchased without [mark owners'] consent, ad infinitum, so long as the name was first registered before the effective date of the Act. We do not believe that this is the correct construction of the Anti-cybersquatting Act. We are therefore satisfied that Famology.com, Inc. engaged in a "registration" that is covered by the Anti-cybersquatting Act.

Plaintiff, of course, was known by his name prior to the registration of the disputed domain name. It has to be because to have standing to maintain an ACPA action the mark owner must still show that its mark was "distinctive at the time of the registration of the domain name." Under the reasoning of *DSPT* (2010) and its line of cases renewal in bad faith is also actionable along with re-registration under the ACPA. The critical issue is actionable conduct.

Ninth Circuit

GoPets began its legal journey in a UDRP proceeding in which the Panel dismissed the complaint for <gopets.com> reasoning that since the disputed domain name was registered prior to the first use of the mark in commerce mark owner "inevitably fails." Subsequent to the UDRP award, and in retaliation for the UDRP, Hise registered 18 other "go pets" formative domain names, and also transferred <gopets.com> to his and his brother's corporation, Digital Overtures. The new registration qualifies as a re-registration under the Third Circuit analysis, but was it such a one as to fail the bad conduct test?

The district court thought so. It held that "re-registration of gopets.com by Digital Overtures violated § 1125(d)(1)." The Circuit court reversed and remanded for <gopets.com> but affirmed the district court's holding that "the Hises acted in bad faith, in violation of § 1125(d)(1), by registering the Additional Domains, and we affirm the award of $1,000 for each of those registrations."

While noting that the text of § 1125(d)(1) considered in isolation does not answer the question whether "registration" includes re-registration, it reasoned (and this is the principal difference from *Schmidheiny*) that

> Looking at ACPA in light of traditional property law, however, we conclude that Congress meant "registration" to refer only to the initial registration. It is undisputed that Edward Hise could have retained all of his rights to gopets.com indefinitely if he had maintained the registration of the domain name in his own name.

As it concerned <gopets.com> (but not the additional domain names which were registered in bad faith) the Court drew from this the following conclusion

> We see no basis in ACPA to conclude that a right that belongs to an initial registrant of a currently registered domain name is lost when that name is transferred to another owner. The general rule is that a property owner may sell all of the rights he holds in property. GoPets Ltd.'s proposed rule would make rights to many domain names effectively inalienable, whether the alienation is by gift, inheritance, sale, or other form of transfer. Nothing in the text or structure of the statute indicates that Congress intended that rights in domain names should be inalienable. *Id.*, 1031-32.

If domain names are property akin, say, to land then it follows that their owners cannot be divested of their rights. The Ninth Circuit has in the past pointedly analogized domain names to "staking a claim to a plot of land at the title office," *Kremen v. Cohen*, 337 F.3d 1024, 1030 (9th Cir. 2003). A number of courts have affirmed that domain names are intangible property. Property is involved even if it is not real property.

Circuit Court Offspring of Schmidheiny and GoPets

When we turn to the offspring of *Schmidheiny* and *GoPets* we find two sets of opposing facts: 1) the evidence establishes that the re-registrant has acted in bad faith—the conduct test; and 2) the evidence establishes re-registrant's right to the domain name as successor to the original registrant—the property or alienation test.

In adopting the Third Circuit's reasoning, the Eleventh Circuit in *Linen v. Dutta-Roy* held: "Including re-registrations under the registration hook comports with the purpose of Congress in enacting the ACPA—to prevent cybersquatting." This was an easy call because the facts presented were not dissimilar to *Schmidheiny* in that Dutta-Roy re-registered the disputed domain name in his own name knowing that it was Linen's asset:

> On April 9, 2012, Dutta–Roy's registration of bydesignfurniture.com expired, which caused Jysk's website to go down. Jysk immediately discovered that it did not own the registration because it was in Dutta–Roy's name, and asked Dutta–Roy to re-register bydesignfurniture.com in its name. Dutta–Roy refused. On April 20, he re-registered bydesignfurniture.com and on April 26 he registered the domain names bydesignfurniture.org, bydesignfurnitures.com, and bydesign-furnitures.com. *Id*., 772.

District court cases in other circuits have weighed in on this issue and on January 24, 2023 the Fourth Circuit joined the Third and Eleventh in finding that re-registration is a registration, *Prudential Insurance Company of America* referred to earlier. In that decision, the Court rejected the Ninth Circuit's construction of the statute:

> Where a successive registration of a disputed domain name postdates the trademark registration of the corresponding mark, the mark owner may show that the successive registration was done in bad faith. This interpretation furthers the ACPA's purpose of eliminating cybersquatting and protecting American businesses, consumers, and online commerce.

This does not condemn all re-registrations: "a registrant will only lose their rights to a domain name [. . .] if they act in bad faith," as is also true for renewals under the *DSPT* line of cases.

The Court's focused analysis in *WorkForce Software* highlights the differences between *Schmidheiny* and *GoPets* without rejecting the property test. Although the facts in *WorkForce* align with those in *Schmidheiny* in that bad faith is found in the re-registration (really, the re-registrant's conduct), the Court's discussion goes much deeper into the issue.

It points out that the "[t]he Ninth Circuit's position fails to fulfill [the purpose of the ACPA] in all circumstances" implying that in some circumstances it does. Congress explained it "narrowly tailored" the ACPA

> "to extend only to cases where the plaintiff can demonstrate that the defendant registered, trafficked in, or used the offending domain name with bad-faith intent to profit from the goodwill of a mark belonging to someone else." S. REP. 106-140, 13. The purpose of the statute is to protect trademark holders from predatory registrants seeking to profit from distinctive marks.

The Court continues,

> A case involving bad faith conduct after a re-registration leads to the same consequences [whichever test is applied]. For example, in this case Defendants are alleged to have acquired an existing domain name that is similar to marks held by WFS and then transformed that domain's use from a magazine to a direct competitor with WFS.

For this reason,

> [t]he alleged misconduct and harms that followed are identical to a creation registration action: misuse of a distinctive mark and harm to WFS's goodwill. In short, the way in which the registrant comes into possession of the domain does not change the potential harm. As a result, it is the bad faith conduct, not the definition of the word registration, which narrows the statute's focus.

The critical insight of the Court (which I think deserves underscoring) is "it is the bad faith conduct, not the definition of the word registration, which narrows the statute's focus."

If the same consequences follow it makes little sense in talking about opposing constructions. The Court then takes up the dispute before it: "Having concluded that the definition of registration extends beyond the initial creation and registration of a domain name, the Court turns to the elements of a Section 1125(d) claim":

> First, it is undisputed that WFS's marks were distinctive at the time the <workforce.com> domain was transferred and re-registered with Defendants. Second, WFS has sufficiently alleged that Defendants' use of <workforce.com> as a platform for its own employee management software is confusingly similar to its own marks. Third and finally, WFS has adequately alleged that Defendants acted in bad faith. [. . .] These allegations set out a plausible set of facts from which the Court can draw the logical inference that Defendants acted in bad faith.

While it may appear surprising, no disputes (other than the "additional domain names" in *GoPets*) have been presented to any Ninth Circuit court that match the sets of facts presented in any Third, Fourth, or Eleventh Circuit courts. If such facts were to be presented, the policy issue test expressed in *GoPets* would likely be further refined to address the issue of subsequent bad faith.

One further case should be mentioned, *Empower* earlier noted was settled but not before the parties cross-moved for summary judgment. The case is emblematic in its reasoning. Where does it fit in the 3rd Circuit /9th Circuit divide? First of all: What are the facts? And having digested them, what could have been expected had the dispute continued to summary judgment or trial? This carries with it, of course, the great risk of being wrong, but if the foregoing analysis is correct, the outcome should conform to it.

In *Empower* defendant moved to dismiss the action on the grounds that

> The defendants in this case have continuously owned the domain name <empower.com> since 2002. In 2014, twelve years after the defendants had been using the domain, the Great-West insurance company decided it wanted to re-brand some of its businesses using the word "empower." The executives at Great-West made this decision despite knowing three things: (1) the empower.com domain was registered to a duly-formed and senior corporation by that name; (2) the word "empower" is a non-exclusive dictionary word; and (3) as a consequence of the wide-spread use of the word, any trademark using the word "empower" would be, in Great-West's own words to the Patent and Trademark Office "inherently weak."

In its answer, Plaintiff argues

> Defendants abandoned their original use and continued to renew and use the Empower Domain well after the development of Plaintiffs' distinctive trademark rights. That is cybersquatting, and the ACPA provides a remedy. A vast majority of courts have rejected Defendants' argument that the ACPA is limited to the facts at the point of initial registration. Rather, it creates an ongoing obligation to act in good faith.

This argument implies that the registration and holding of a domain name is contingent on its good faith use even though the domain name predates the first use of EMPOWER in commerce. In other words, had Defendant continued to use <empower.com> for its business, there could be no claim of cybersquatting, but because it closed or transformed its business and is offering its domain name asset for sale, its continued renewals violate the ACPA. There is no law, however, to support this proposition. Defendant responded:

> The cases which are said to "follow" Schmidheiny involve either complete "re-registration" of a domain name, an originally-registered domain name that has been transferred or acquired in a "re-registration" by an unrelated party junior to the mark in question, or pre-existing contractual obligations among

> the parties. None of those cases is in actual "conflict" with the circumstances in *GoPets*, in which the domain name in question had simply been maintained by the same party in interest since well prior to the mark in question.
>
> For its top-most argument, Defendant urges the Court to dismiss based on statutory grounds, namely that the domain name registration predated Plaintiff's first use of its mark in commerce. In a technical sense, Plaintiff lacks standing because the mark was not "distinctive at the time of registration of the domain name."

Only if the Court rejects this argument is it necessary to proceed with the *Schmidheiny / GoPets* analysis. Since there is no re-registration (renewal of registration is simply a continuation of the creation-date registration) and the domain name has been continuously held by Defendant it would not run afoul of the conduct test of Schmidheiny. Further, its continuous holding of the domain name puts it squarely under the Ninth Circuit policy of domain names as property rights.

As there is no law for the proposition that simply holding a domain name corresponding to a postdated mark is cybersquatting for offering to sell its asset, and as Defendant passes both the *Schmidheiny* and *Go Pets* tests (as elucidated in *WorkForce*), had Great West's motion been determined, the complaint would surely haven been denied, which may have motivated the parties to settle and dismiss the action with prejudice.

District Court Offspring of GoPets

In the subsequent district court decisions of the Ninth Circuit we find that the disputes involve domain names that either predate the first use of the corresponding trademark (<airfx.com>), or are composed of common words (<lambo.com>) and phrases (<lottostore.com>) or strings of random letters (<imi.com>). None of these registrations support findings of "bad faith intent to profit" and all support creation-date rights where the registrants are successive and noninfringing holders.

In all cases in which creation date has been in issue within the Ninth Circuit, district courts have ruled in favor of registrants—Airfx, Dent, Pocket Book, etc. In *Pocketbook Int'l SA v. Domain Admin/SiteTools, Inc. and Philip Ancevski*, CV 20-8708 (CD Cal. February 2, 2022) the Court held:

> The only logical understanding of the Ninth Circuit's reasoning is that the time of initial registration is the only time an ACPA bad faith claim will arise. The text of the ACPA's cyberpiracy provision accords with the Ninth Circuit's interpretation. The ACPA makes distinctiveness at the time of registration of the domain name a condition for liability.

It concluded:

> If distinctiveness at the time of re-registration constitutes distinctiveness at the time of registration, as Pocketbook argues is the case in other circuits, then bad faith that arises after the initial registration may give rise to a new ACPA claim. But in this circuit, where distinctiveness at the time of registration means at the time of initial registration, distinctiveness at the time of initial registration is a condition for liability, and bad faith that arises after initial registration will not give rise to ACPA liability.

The difficulty with Plaintiff's reading of *GoPets* is that it conflicts also with other Ninth Circuit law from the *DSPT* line of cases. Unless there is any evidence of cybersquatting by a subsequent holder the mark owner will have no actionable claim. Subsequent to the Court's decision the case was settled.

This issue is reprised in *Richard Blair v. Automobili Lamborghini S.p.A*. Case 2:22-cv-01439-ROS (D. Arizona July 14, 2023) (Plaintiff "appealing" a UDRP award moved to dismiss the complaint on the theory that the "definition of 'registration' in § 1125 should dictate the meaning of 'domain name registrant' in § 1114." The Court rejected this reading because "[t]his argument runs into an immediate problem:

> There is a "normal rule of statutory construction that identical words used in different parts of the same act are intended to have the same meaning." [. . .] But the relevant words here are not identical. As used in ACPA, "registration" is referring to an event, i.e. the initial registration of a domain name. "Domain name registrant," however, is referring to an individual or entity. While the two terms share the root word "register," they cannot have precisely the same meaning because they are referring to two distinct concepts.

Plaintiff took a further step in its argument that the Court found equally unpersuasive:

> In addition to claiming Blair may not proceed under § 1114, Lamborghini seeks dismissal of Blair's claim for declaratory relief. In that claim Blair seeks a judgment that his ownership and use of lambo.com are lawful. According to Lamborghini, the request for declaratory relief is duplicative of Blair's claim under § 1114. Blair disagrees, arguing his request for declaratory relief reaches other issues beyond "cyberpiracy." In particular, Blair explains he is seeking declaratory relief that his ownership and use of lambo.com do not constitute "trademark infringement or dilution." (Doc. 24 at 18).

"As best as the Court can determine, the disagreement between the parties depends in large part on a small change in statutory language that occurred when ACPA was codified." The Court's reasoning provides a much needed layer of analysis missing from the *GoPets* decision and makes it more understandable:

> Here, everyone agrees § 1114 grants a cause of action to the initial registrant of a domain name. Viewing that cause of action as something akin to a property

> right as GoPets instructs, the initial registrant must be free to sell or otherwise transfer that right.

Thus,

> A subsequent owner of a domain name should take all the property interests in the domain name, including the right to sue under § 1114 when "an overreaching trademark owner" prevails in front of an administrative panel and obtains ownership of a domain name. [. . .]

Were the Court to accept

> Lamborghini's argument [it] would mean an initial domain name registrant has special legal rights that, if the domain name were transferred, would be lost forever. In other words, domain names would no longer be freely alienable.

However,

> Based on ACPA's purpose to protect against overreaching trademark holders, as well as the rationale in GoPets of ensuring the alienability of domain names, the better interpretation of "domain name registrant" as used in § 1114 is that it refers to the current registrant of the domain name, even if the current registrant was not the initial domain name registrant. This construction "makes more sense" than concluding Congress meant to grant special privileges to a select group of registrants. [. . .] Accordingly, Blair is the "domain name registrant" as that phrase is used in § 1114 and he is entitled to file suit under § 1114.

It is also clear that the Ninth Circuit's *GoPets* decision cannot be read independently of its decision in DSPT (2010) and the Fourth Circuit's Newport News decision the following year. Where there is no evidence of bad faith on the part of any subject holder of a disputed domain name, there can be no cybersquatting, at least under the jurisprudence of the Ninth Circuit.

CHAPTER 20

ACPA: CLAIMS AND REMEDIES

DISTRIBUTION OF BURDENS

The disjunctive element of the ACPA draws into the litigation arena claims of infringing conduct as well as abusive registration of domain names. I will return to this in a moment. It means that an ACPA owner whose mark predates the registration of the domain name has an actionable claim against a registrant who may have registered the disputed domain name in good faith but later uses it in bad faith.

The ACPA procribes any one of three acts for the remedy of cyber-piracy: trafficking in, registering, or using domain names in bad faith. In its report on the then-forthcoming ACPA, the US Senate identified two quintessential (sometimes referred to as paradigmatic) acts of cyber-piracy:

> 1) "purchas[ing] a domain name very similar to the trademark and then offer[ing] to sell the name to the trademark owner at an extortionate price"; and 2) "diverting customers from the website of the trademark owner to the defendant's own website, where those consumers would purchase the defendant's products or services instead of the trademark owner's."

These quintessential acts constitute the bulk of disputes decided in UDRP proceedings. They are not the usual fare litigated under the ACPA and might be considered beneath the dignity of the court until confronted with the exotic issues in complaints challenging UDRP awards .

The Circuit split discussed in Chapter 19 has a special context. The disputes in the Third, Fourth, and Eleventh Circuits are generally[1] direct claims to district courts involving creation date and re-registration issues. In contrast, disputes that reach the Ninth Circuit and its district courts are challenges to UDRP awards on issues of lawful registrations. This results in a high number of annulments from UDRP awards in the Ninth Circuit because the mutual jurisdiction stipulations in those cases place venue in the District Courts of Arizona and Washington the home bases of the registrars GoDaddy and Enom. These districts are within the Ninth Circuit Court of Appeals that applies the creation date jurisprudence.

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1 Exceptions include protected speech challenges and also see *Retail Services, Inc. v. Freebies Pub*., 247 F. Supp. 2d 822, 827 (E.D. Va. 2003), aff'd 364 F.3d 535 (4th Cir. 2004) (Annulling the UDRP award for the common word "Freebies."

Where disputed domain names incorporate well-known or famous marks, the outcome is foretold in the distinctiveness of the marks as measured by the nine Factors quoted in Chapter 19. For example, to take an easy case such as *Web-Adviso v. Trump*, 927 F. Supp. 2d 32, 40 (E.D.N.Y. 2013), the Court (not surprisingly) "affirmed" the UDRP award for <trumpindia.com> and three other geographical affixes.

However, on other issues, notably on fair use, the outcome under the UDRP is likely to be different than judgments under the ACPA. This is because of the "split" in the UDRP that denies free speech claims delivered through domain names identical to the mark. Impersonation and initial interest confusion are factors that support bad faith in a UDRP proceeding but not in an ACPA action.

As a result, there may be forfeiture under the UDRP that could potentially be "reversed" on First Amendment grounds in either cybersquatting or trademark infringement claims in US federal court.[2] See, for example, *TMI Inc. v. Maxell*, 368 F.3d 433, 440 (5th Cir. 2004) reversing transfer of <trendmakerhome.info> website used to criticize plaintiff's TrendMaker Homes houses because defendant's website was noncommercial (Factor 1V). Although the reversal in this case was from a district court judgment, it can as easily apply to UDRP awards depriving registrants of their domain names.[3]

The "noncommercial use" exception argument was not endorsed by the Ninth Circuit. The Court in *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672, 680 (9th Cir. 2005) held that the exception appears in a different part of the Lanham Act and is in direct conflict with the language of the ACPA:

> The ACPA makes it clear that "use" is only one possible way to violate the Act ("registers, traffics in, or uses") [the domain name is bad faith]. Allowing a cybersquatter to register the domain name with a bad faith intent to profit but get around the law by making noncommercial use of the mark would run counter to the purpose of the Act.

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2 The issue is thoroughly explored in *Dover Downs Gaming & Entertainment, Inc. v. Domains By Proxy, LLC / Harold Carter Jr, Purlin Pal LLC*, D2019-0633 (WIPO May 22, 2019).

3 See for example, *Neon Network, LLC v. Aspis Liv Försäkrings*, No. CV-08-1188-PHX-DGC (D. Arizona July 22, 2009) in which the registrant challenged the UDRP award and was vindicated by the mark owner defaulting in appearance. The dissenting member of the Panel argued: "[R]espondent has been improperly deprived of the Domain Name, in violation of his or its U.S. Constitutional rights of free speech, and feels that if this case were brought in virtually any court in the U.S., the result would be different." The default judgment included: "Plaintiff's use of the domain name www.aspis.com is in compliance with the Anticybersquatting Consumer Protection Act and Plaintiff is entitled to use the www.aspis.com domain name."

The unresolved question in *Bosley* was whether the content of the disputed domain names' websites were genuine fair use. The Court remanded the case to the district court to consider the issue of genuineness, and on remand the parties settled the case allowing the defendant to keep one of the two domain names.

This final chapter expands on the experience of cybersquatting claims in federal court and briefly touches upon a number of issues that affect both plaintiffs and defendants. For mark owners, the ACPA offers incentives beyond the UDRP. The most important of these are: mark owners are not limited to a single theory of action—other theories can be combined with cybersquatting[4]—and the *in rem* feature of the ACPA authorizes actions against parties where the owner is not able to obtain *in personam* jurisdiction over a person who would have been a defendant in the action (either unknown or not domiciliaries of the US).

No domain name disputes have reached the US Supreme Court. Certiorari has been denied in one case, leaving in place a judgment in favor of the mark owner where the registrant registered the disputed domain name in good faith but subsequently began using it in bad faith. The split of jurisprudence on the issue of re-registration among the Third, Fourth, and Eleventh Circuits and the Ninth Circuit is also unlikely to reach the US Supreme Court in any current case although the district court's recent denial of Complainant's motion to dismiss in *Richard Blair v. Automobili Lamborghini S.p.A.*, CV-22-1439-PHX-ROS (D. Arizona) (discussed in Chapter 19) has the potential of advancing discrete issues to the Ninth Circuit.

Whatever the outcome of a case, there is invariably the issue of damages and reasonable attorney's fees to the prevailing party. Although the ACPA is drafted to protect domain name registrants as well as mark owners there is a bias in favor of trademarks. As a result domain name registrants have a heavier burden of proving damages if they prevail on lawful registration than do mark owners in proving cyber-piracy if they prevail.

Awarding statutory damages to mark owners is more likely than it is to registrants for the reasons to be discussed, and although some prevailing registrants have been awarded attorney's fees, others have been denied for a variety of reasons articulated by the US Supreme Court in *Octane Fitness, LLC v. Icon Health and*

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4 See *Harrod's Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420, 421-22 (E.D. Va. 2000), Aff'd 302 F.3d 214, 232 (4th Cir. 2002): "The district court dismissed the infringement and dilution claims with prejudice, holding that § 1125(d)(2) provided in rem jurisdiction only for bad faith claims under § 1125(d)(1). The Circuit Court disagreed: "[T]he legislative history of the ACPA specifically discussing the in rem provision speaks in terms of domain names that violate 'substantive Federal trademark law' or that are 'infringing or diluting under the Trademark Act.' S. Rep. No. 106-140, at 10-11. This reinforces the language of subsection (d)(2)(A)(i), which suggests that the in rem provision is not limited to bad faith claims under subsection (d)(1)."

Fitness, Inc., 572 U.S. 545, 555 (2014). The practical meaning of this inequality is that a judgment of cybersquatting is more likely "exceptional" than a declaratory judgment of reverse domain name hijacking.

ACPA Docket

Other Cybersquatting Claims on the Docket

Cybersquatting claims began appearing on US district court dockets in the mid-1990s applying trademark and dilution law, but it was only with the enactment of the ACPA that a separate jurisprudence emerged parallel with trademark infringement and dilution law.[5] *In rem* jurisdiction adds another layer of principles to ACPA jurisprudence particularly in claims of fraudulent transfers of domain names.

The ACPA docket is not principally made up of challenges to UDRP awards and overall they contribute only a small part to the jurisprudence. The larger docket consists of domain names acquired 1) for unlawful purposes, including counterfeit goods and capitalizing in one fashion or another on the goodwill value of the targeted marks; 2) for legitimate free speech purposes (where the UDRP does not (or may not) recognize legitimacy where the domain name is identical to the mark[6])); 3) for an assortment of malicious purposes combined with proof of other torts; 4) for competitive purposes; 5) business partners falling out with each other; and 5) fraudulent transfers from domain registrants' registrar accounts which I have already touched upon and will discuss further below.

In what court a claim will be heard depends on the location and identity of the defendant, and whether the mark owner is able to obtain *in personam* jurisdiction over the registrant, and if not whether the action will be against the person (*in personam*) or the domain name (*in rem*).

Where an action originated in the UDRP, venue in a court of competent jurisdiction is predetermined by mark owner's stipulation to a mutual jurisdiction. No more needs to be said about this as it has already been discussed, but for the ACPA (alone or combined with other theories of action) federal court rules dictate the venue in which the claims will be heard. For *in rem* actions, the requirements are set forth in 15 U.S.C. § 1125(d)(2).

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5 The US Congress had concluded that "uncertainty as to the trademark law's application to the Internet has produced inconsistent judicial decisions and created extensive monitoring obligations, unnecessary legal costs, and uncertainty for consumers and trademark owners alike." Senate Hearing Report 106-140 (August 5, 1999) at 5-6.

6 See Chapter 4 discussing the split in the UDRP in fair use cases between identical and confusingly similar domain names.

The discussion on this subject begins with a pre-ACPA case (referred to in the Senate Report and cited in a number of UDRP decisions), *Panavision International v. Toeppen*, 141 F.3d 1316, 46 U.S.P.Q. 2d 1511 (9th Cir. 1998) which involved a California trademark holder suing an Illinois resident in California federal court. With some fine-tuning by the US Supreme Court,[7] the Ninth Circuit concluded that cybersquatting claims can be heard in the jurisdiction in which the injury occurs as opposed to the location of the defendant. In essence, the alleged cybersquatter has entered mark owner's jurisdiction through the Internet.

Toeppen argued that "all he did was register Panavision's trademarks on the Internet and post web sites using those marks; if this activity injured Panavision, the injury occurred in cyberspace." The Ninth Circuit recognized the legal principle animating Toeppen's argument before rejecting it on the totality of facts. The Court held it is correct that

> simply registering someone else's trademark as a domain name and posting a web site on the Internet is not sufficient to subject a party domiciled in one state to jurisdiction in another [unless there was something more that the defendant had done].

That something more was engaging

> in a scheme to register Panavision's trademarks as his domain names for the purpose of extorting money from Panavision.

Further, Toeppen's actions

> are anything but "random, fortuitous or attenuated" [citation omitted] [. . .]. He is not engaged in "untargeted negligence" but has "expressly aimed" his tortious activities at California. . . [citation to Calder omitted]. Jurisdiction is proper because Toeppen's out of state conduct was intended to, and did, result in harmful effects in California. Panavision should not now be forced to go to Illinois to litigate its claims.

Toeppen made his post-9th Circuit UDRP debut in *CBS Broadcasting, Inc. v. Dennis Toeppen*, D2000-0400 (WIPO July 11, 2000) involving <twilightzone.com>. He appeared chastened by the 9th Circuit decision by changing some of his spots, but not entirely because "twilight zone" was a common expression:

> The record shows that the domain name was registered as part of a pattern of conduct to profit through the resale of well-known trademarks. Prior to the Ninth Circuit decision in Panavision International, L.P. v. Toeppen, 141 F.3d

7 *Calder v. Jones*, 465 U.S. 783 (1984) and *Walden v. Fiore*, 134 S. Ct. 1115 (2014). While these decisions establish the key principles, there are differences among the circuits as each is applying specific state long-arm statute law to the facts of the cases and may not be in alignment on all issues

> 1316 (9th Cir. 1998), Respondent admits it was his practice to register second level domains that corresponded to the trademarks of others. According to the federal court, it was his "business" to register trademarks as domain names and then to sell the domain names to the trademarks' owners. Panavision International v. Toeppen, 945 F. Supp. 1296 (C.D. Cal. 1996).

After the Ninth Circuit decision,

> Respondent voluntarily canceled his registration of many domain names, not including the domain name at issue. He continued to hold this domain name, because, in his view, the domain name was not the same as or confusingly similar to Complainant's mark.

He was wrong because his business model was based on a faulty understanding of both trademark and cybersquatting law. The *Panavision* case has been multiply cited through 2022 and remains influential in defining infringing domain name business models.

In making determinations of rights and wrongs, courts are guided by the terms of the governing statutes, and in the case of the ACPA the tests are set forth in the Factors discussed in Chapter 19.

Pleading an Actionable Claim

15 U.S.C. § 1125(d)(A)(1) provides in part that "a person shall be liable in a civil action by the owner of a mark [. . .] if, without regard to the goods or services of the parties, that person (i) has a bad faith intent to profit from that mark." Liability can be predicated on proof of any one of the three bases: "(ii) registers, traffics in, or uses a domain name - that (I) in the case of a mark that is distinctive at the time of the registration of the domain name, is identical or confusingly similar to that mark."

If these elements are demonstrated and the relevant factors consistent with the facts, the domain name will be forfeited cancelled, or transferred to the plaintiff. The terms "registers and uses" need no commentary, although as noted in Chapter 19 there is a split on the construction of the term "registers." The definition of "traffics in" set out in §1125(d)(E) indicates it is closely aligned with "use":

> the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

The consensus view is that trafficking in and using elements dictate whether the domain name is infringing regardless of whether at an earlier point in time the domain name may have been registered in good faith.

In a pre-UDRP proceeding under the NSI Policy, NSI had suspended <vw.net> on a complaint by Volkswagen of America. This suspension was sustained in

Virtual Works, Inc. v. Network Solutions, Inc., 106 F. Supp. 2d 845 (E.D. Va. 2000) in which the Court granted summary judgment to Volkswagen of America, and affirmed in *Virtual Works, Inc. v. Volkswagen of America*, 238 F.3d 264 (4th Cir. 2001):

> The ACPA was not enacted to give companies the right to fence off every possible combination of letters that bears any similarity to a protected mark. Rather, it was enacted to prevent the expropriation of protected marks in cyberspace and to abate the consumer confusion resulting therefrom. The resolution of this case turns on the unique facts and circumstances which it presents. Ultimately, we believe the evidence is sufficient to establish that, as a matter of law, Virtual Works attempted to profit in bad faith from Volkswagen's famous mark.

Virtual Works had admitted "that at the time of registration it was aware of the potential confusion with the VW mark, and by its statement to Volkswagen that users would instinctively use the vw.net address to link to Volkswagen's web site."

Plaintiff (non-prevailing party in a UDRP proceeding) in *Dynamis Inc. v. Dynamis.Com*, 780 F. Supp. 2d 465 (E.D. Va. 2011) alleged cybersquatting, but defendant argued that its registration of <dynamis.com> predated plaintiff's mark:

> Although the complaint's allegations survive threshold attack, it appears that they are hotly disputed, especially with respect to bad faith. In this respect, it appears that plaintiff's allegation of bad faith will be sharply disputed with Brenner contending that he and BBTT acquired the DYNAMIS.COM domain name well before plaintiff began using the DYNAMIS mark. It is important to note that resolution of this and other factual disputes will require the presentation of competent testimonial and documentary evidence.

But as it was clear to plaintiff that it would lose on that evidence, it voluntarily dismissed the action.

A number of recent cases illustrate the kinds of evidence necessary to establish a claim of cybersquatting. In *Passport Health, LLC v. Avance Health System, Inc*., 823 F. App'x 141, 150 (2020) (direct case to the ACPA), the Fourth Circuit stated that "[w]hen dealing with domain names, [. . .] a court must evaluate an allegedly infringing domain name in conjunction with the content of the website identified by the domain name." The Court cites earlier authority in which the underlying issue centered on ridiculing a person by misspelling his name and concluding that it fell short of proving cybersquatting.[8]

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8 *Lamparello v. Falwell*, *supra*., discussed in more detail in Chapter 10. The UDRP Panel awarded the domain name to the Reverend Falwell. The Fourth Circuit disagreed and entered declaratory judgment in favor of registrant (Plaintiff).

To state a claim (*Passport Health*) "a court should not consider how closely a fragment of a given use duplicates the trademark, but must instead consider whether the use in its entirety creates a likelihood of confusion." The term "likelihood of confusion" in this context is a cited Factor (Factor V in the list of nonexclusive factors set out in the statute).

The term "likelihood of confusion" which is a demanding element under trademark infringement is less so to prove under the ACPA. For the ACPA, the test asks whether the disputed domain in the context of its use is likely to confuse an ordinary Internet visitor. It is a lower threshold than expected in a trademark infringement case, but it means more than "confusing similarity" which is a threshold element for standing.

The Court in *Direct Niche, LLC v. Via Varejo S/A*, 15-cv-62344 (S.D. Fla., August 10, 2017), aff'd 898 F.3d 1144 (11th Circuit August 3, 2018) (<casasbahia.com>) transferred to Complainant defendant in *Via Varejo S/A, v. Domain Admin*, D2015-1304 (WIPO October 17, 2015)) found:

> Whether or not Direct Niche had any intention of selling the Casas Bahia Domain to Via Varejo, it clearly had the intention to profit from the goodwill associated with the CASAS BAHIA mark, which comprised the domain name.

Further,

> Direct Niche's "business model relied upon diverting internet users (presumably, among others, those who were attempting to access the website[] of [Casas Bahia] to [its] own website—which . . . at the very least was not what the searchers sought to find—in order to profit from the 'pay-per-click revenue' that their increased web traffic would bring his site."

In *Marchex Sales, Inc. v. Tecnologia Bancaria, S.A.*, 14cv1306 (E.D. Va. Alexandria Division May 21, 2015), Complainant in *Tecnologia Bancaria S.A. v. Marchex Sales Inc.*, D2014-0834 (WIPO September 24, 2014) (now defendant) defaulted and the award was annulled. Of particular interest in this case, plaintiff not only sought a declaration that its registration and use of the subject domain names was lawful and proper and the domain names should not be transferred to the defendant as ordered by the WIPO panel, it also sought an award of damages and attorney's fees and costs under the Lanham Act which the Court rejected:

> The language [of the Mutual Jurisdiction stipulation] is specific; it involves only a challenge to a panel's decision to transfer a domain name. To find that such a provision would subject a party to anything more than a challenge to the panel's decision would be unfair and would be inconsistent with the due process clause of the U.S. Constitution.

"Based on the foregoing, the undersigned magistrate judge recommends limiting recovery to the available declaratory and injunctive relief under subsection (v)." In so doing, the Court rejected statutory damages under subsection (iv).[9]

ASPECTS OF THE ACPA

UDRP / ACPA Distinct and Separate Bodies of Law

Registered in Good Faith / Used in Bad Faith

Congress crafted the ACPA as a disjunctive model of liability: "either/or" as opposed to the conjunctive "and" model of the UDRP. A registrant can prevail under the UDRP and forfeit the disputed domain name under the ACPA if it is found to have "a bad faith intent to profit from that mark" and "registers, traffics in, or uses a domain name [. . .] that is distinctive at the time of the registration of the domain name [. . .] [and] is identical or confusingly similar to or dilutive of that mark." Where bad faith is defined as use, good faith registration is not a defense.

The distinction between "either/or" and "and" is illustrated in those claims in which respondents are found to have registered the disputed domain name in good faith, but later commenced using the website in bad faith. Thus, in *DSPT International v. Nahum*, 624 F.3d 1213 (9th Cir. 2010) (a direct case to the ACPA, tried to a jury) the Court found:

> Though there was no evidence of anything wrong with Nahum's registration of the domain name to himself, the evidence supported a verdict that Nahum subsequently, years later, used the domain name to get leverage for his claim for commissions.

Since the disjunctive "or" in the phrase "registers, traffics in, or uses" is "between the term" this means that "use alone is enough to support a verdict, even in the absence of violative registration or trafficking."[10] The Court concluded:

> Even if a domain name was put up innocently and used properly for years, a person is liable under 15 U.S.C. §1125(d) if he subsequently uses the domain name with a bad faith intent to profit from the protected mark by holding the domain name for ransom.

The issue was further considered with a different set of facts involving a change of business model rather than leveraging a vendor's claim. In *Newport News Holdings*

9 In another default case, the court awarded damages in the amount of $100,000: *Walter v. Ville de Paris*, 4:2009cv03939 (S.D. Texas Houston Div. July 5, 2012).

10 Cited by district courts in other circuits: *Emerald City Mgmt., LLC v. Kahn*, No. 4:14-CV-358, 2016 WL 98751, at *14 (E.D. Tex. Jan. 8, 2016) ("Evidence of bad faith may arise well after registration of the domain name.")

Corporation v. Virtual City Vision, Incorporated, d/b/a Van James Bond Tran, 650 F3d 423 (4th Cir. 2011), cert. denied, 132 S.Ct. 575, 181 L.Ed.2d 425 (2011), the mark owner's UDRP complaint had been dismissed —*Newport News, Inc. v. Vcv Internet*, AF-0238 (eResolution July 18, 2000) (<newportnews.com>) on a finding that the Respondent was using the contested domain name in furtherance of a legitimate business interest.

However, when that use changed, and the claim was brought under the ACPA, plaintiff prevailed on proof of bad faith use. In granting summary judgment to NNHC, the district court found

> VCV demonstrated its bad faith intent to profit from the use of the NEWP0RTNEWS.COM domain name when it completely changed the website from one giving information about Newport News, Virginia to a website dominated by advertisements and articles about women's fashion….

Further,

> In spite of the ICANN determination, and in direct contradiction to the written opinion from the ICANN proceeding, VCV transformed its NEWPORTNEWS.COM website into one dedicated to women's fashion. This Court views VCV's conduct as an egregious violation of the ACPA, which demonstrates a blatant disregard for NNHC's rights as the holder of the NEWPORT NEWS mark.

Based on the district court's findings, the Fourth Circuit concluded that VCV "cannot escape the consequences of its deliberate metamorphosis."[11] This included statutory damages in the amount of $80,000: "[T]he district court found that damages at the high end of the statutory range were proper because VCV's conduct was 'exceptional and egregious.'"

Another Complainant tried twice, a dozen years apart, to obtain <justbulbs.com>: *Superiority, Inc. d/b/a Just Bulbs v. none/Mother boards.com*, D2003-0491 (WIPO October 9, 2003) and *Bulbs 4 East Side Inc., d/b/a Just Bulbs v. Fundacion Private Whois/ Gregory Ricks*, D2013-1779 (WIPO January 13, 2014), both denied for the same reason that the disputed domain name was registered in good faith.

However, in a very thorough and detailed analysis, the Court in *Bulbs 4 E. Side, Inc. v. Ricks*, 199 F.Supp.3d 1151 (S.D. Tex., Houston Div. July 18, 2017) granted plaintiff's motion for summary judgment. Ricks' "claims that [he did not intend to infringe plaintiff's mark] are self-serving, and are unconvincing to the Court":

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11 See also the Court's discussion in *Symantec Corp. v. Johns Creek Software, Inc.*, No. C 11-03146 WHA, at *4 (N.D. Cal. Jan. 3, 2012).

> In this case the Court finds that Plaintiff has conclusively demonstrated that Defendant acted in bad faith under the ACPA. An overwhelming majority of the factors suggest bad faith, and the Court is particularly convinced that Defendant's egregious pattern of cybersquatting shows bad faith. The prior WIPO decisions are also relevant to the "totality of the circumstances," because they clearly demonstrate that Defendant knew or should have known that his conduct was illegal, but continued to use his website to advertise light bulbs.

The defendants in *Soter Techs. v. IP Video Corp*., 20-cv-5007 (LJL), 19 (SDNY February 26, 2021) (<flysense.com>) (a direct case to the ACPA) tried a different tactic. They did not dispute that Plaintiff's registered mark is entitled to protection but moved to dismiss the ACPA because,

> (1) Defendants did not make any "use in commerce" of Plaintiff's mark by causing the domain name www.flysense.com to reroute web browsers to defendant IP Video Corps.' website, because the Flysense Mark nor anything resembling it actually appeared in the content of that website, and (2) there was no likelihood of confusion by any customer over the origin or affiliation of the HALO Device advertised on the IP Video Corp. website.

The focal attack in this case sought to sideline the cybersquatting claim by arguing that plaintiff failed to plead trademark infringement. The Court found neither argument persuasive:

> A domain name is not categorically only an address that a consumer can use to navigate to a store whose name it already knows; it can also serve as a sign used by a retailer to identify the contents of a store to those who might browse the web (much like one browses a shopping center) and has a choice to make whether to enter.

And further explained:

> Although the means by which the customer both searches for the location to purchase the desired goods and enters the store may differ—by foot in the physical world and by entering text in the address bar of a web browser or a search engine in the virtual world and then using a finger to click—the company's use of in commerce of a trademark is the same whether it is selecting text to go into a domain name or onto a store sign. The intent of the retailer and the effect of its action is to advertise to the would-be consumer that the store (physical or virtual) that she is contemplating entering will have the desired products emanating from the desired origin and thereby to induce her to shop in that store and buy the products found therein.

A similar contention is also made in *Heritage All. v. Am. Policy Roundtable*, No. 1:18-cv-00939-RP, at *11 (W.D. Tex. Nov. 30, 2020). Defendant contended that "it cannot have a bad faith intent to profit from registration of iVotersGuide.com because it is a nonprofit corporation. [. . .] ('First, and most tellingly, APR is a non-profit.' [. . .] [stating further] that "APR's usage of its trademarks is not for any commercial profit or gain').” The prevailing view, however, is that “the ACPA does not require commercial activity or gain as an element of liability.”

Good and Bad Cases of Cybersquatting

Different Timbre of ACPA Disputes

The Court's pronouncement in *Office Space Solutions, Inc. V. Kneen*, 15-cv-4941 (S.D.N.Y. July 14, 2015) that “[t]here are good cybersquatting cases and there are bad ones. And this is really one of the bad ones” is an instructive lesson because it underscores an elementary deficiency, namely that to have standing to maintain an ACPA action, the mark must be “distinctive at the time of the registration.”

This “distinctiveness,” moreover, refers to rights that are recognized under US law. Thus, in *Schreiber v. Dunabin*, 938 F. Supp. 2d 587, 598 (E.D. Va. 2013) a dispute between a Canadian plaintiff and a UK defendant, the fact that the plaintiff has no commercial presence in the US market disqualifies it from access to US courts, but even it if did have a presence, the Court would have no personal jurisdiction over the UK defendant or its dot uk domain name:

> Plaintiff erroneously relies on his use of the Landcruise mark in Canada and his registration of Landcruise.com domain name to confer trademark rights in the United States. Plaintiff alleges such conduct gives him worldwide rights to the Landcruise mark, as well as exclusive rights over all second-level domain names and subdomain names, including Dunabin's Landcruise.uk.com. However, operating a website available on the Internet is not equivalent to use in United States commerce.

In *Alpha Recyclying, Inc. v. Timothy Crosby*, 14-cv-5015 (S.D.N.Y. March 23, 2016) (a direct action litigated under the ACPA) the parties started out in a business relationship that soured when the defendant registered domain names virtually identical to plaintiff's trademark and began diverting consumers to his own website offering competing services. Defendant justified itself by claiming that Alpha “had taken away a very large portion of [Crosby's] business and it was the only way [he] thought to get back at them.” Even if this were true, it is not a defense that defendant “was motivated by malice, but not profit.”

Good cybersquatting claims have merit where the registration or use of the disputed domain name carries a threat of continuing harm to the mark owner. In *Mrs. U.S. Nat'l Pageant, Inc. v. Miss United States Org., LLC*, 875 F.Supp.2d 211 (W.D. N.Y. 2012) (a direct action) the court granted a preliminary injunction against use of <missunitedstates.com> that incorporated plaintiff's trademark. There were additional trademark components to the case.

Similarly in *Natural and Tasty, LLC v. Moshe Parnes*, 15-cv-4388 (D.N.J. August 10, 2015) (also a direct case), the court found that “[g]iven that Plaintiff's website is an important method of communicating to customers about its brand, the potential for harm to Plaintiff's reputation is likely if the website is left in the control of Defendant."

Even where the use a domain name obviously infringes a mark, if the mark postdates the registration of the domain name (thus, "not distinctive at the time of the registration of the domain name"), it cannot state an ACPA claim. The point is illustrated in *Thompson v. Does 1–5*, 376 F. Supp. 3d 1322, 1324 (N.D. Ga. 2019). While plaintiff's unregistered mark was conceived before, it was not actually used in commerce until after the registration of the domain name. The Court, noting registrants bad faith in registering the domain name, held nevertheless that it

> is compelled by the structure of the ACPA and the operating principles of trademark law to arrive at its conclusion, though it is satisfied that Defendants did something "wrong." Judicial intuitions, however, do not create a basis for sustaining a cause of action. And as this Court understands the statute, in the absence of evidence that Thompson used the mark at the time the domains were registered, he fails to state a claim.

This case makes it clear that a mark owner generally cannot sue for and recover damages for an alleged cybersquatting claim that occurred prior to its first use of the mark in commerce.

For registrant plaintiffs "appealing" adverse UDRP awards, the deficiency is less procedural and more substantive. It lies in a misbelief that domain names incorporating marks but not identical to them, or because the mark also has a dictionary meaning, that this supports a lawful right. "Stephens, most assuredly, would not be the first to bemoan that the entrepreneurial spirit embodied in his business model had been snuffed out by an entanglement of intense federal regulation," *Stephens v. Trump Org. LLC*, 205 F. Supp. 3d 305, 313 (E.D.N.Y. 2016) (<trumpestates>). The Panel added:

> Stephens alleges that the phrases "trumpestates," "trump estates," and "trumpestates.com" have not been trademarked. [. . .] Moreover, Stephens does not offer any factual allegations that he acted in good faith when he registered the cybersquatting domain name. Instead, Stephens actually admits that his business is the reselling of domain names, and ACPA recognizes, as an indication of bad faith, that the registrant offered "to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services." 15 U.S.C. § 1125(d)(1)(B)(VI).

The issue for registrants centers on the use (or impossibility of use) of domain names incorporating distinctive or famous marks without infringing on the mark owners' rights. In another Trump case, *Web-Adviso, supra.,* the Panel explained that even though "the word 'trump' is defined in the dictionary as, inter alia, 'all the cards of a suit [. . .] that if legally played will win over a card that is not of this suit' and 'to get the better of,'" the registration of domain names in the form of <trump+geographicterm.com> is not using the dictionary word but referring to the mark. (Of course, a mark owner of a dictionary word "does not have the exclusive right to use every form of the word 'trump,'" as the Panel explained in *Trump v. olegevtushenko*, FA0110000101509 (Forum December 11, 2001) in deciding the dispute over <porntrumps.com>)). Thus, owners of generic marks can be trumped under the right set of facts and choice of domain name.

Venue and Standing Issues

Registrants challenging a UDRP award have standing to maintain a de novo action in the mutual jurisdiction stipulated by the mark owner which includes the business location of the registrar. The venue is likely to be Arizona (GoDaddy) or Washington (Epix). The stipulation is essentially unassailable. In *Pace v. Daniel.*[12] the court responding to a motion to dismiss, held:

> Mr. Daniel does not make any showing that enforcement of this forum selection clause would be unreasonable or unjust; instead, he purports that the complaint fails to state sufficient facts showing that personal jurisdiction exists. . . . The court disagrees. The complaint states that Mr. Daniel, as the complainant, consented to the jurisdiction of this court, which is where Epik, the domain name registrar, is located.

But there are circumstances of convenience that may warrant a different outcome. The Ninth Circuit held in *McNeil v. Stanley Works*, 33 F. App'x 322, 324 (9th Cir. 2002) that a defendant's "consent to jurisdiction is permissive, rather than mandatory, because it does not specify that the courts of San Francisco, California will have exclusive jurisdiction." In *Proulx v. Nrip LLC.*, CV-21-01211-PHX-DJH, at *4 (D. Ariz. Oct. 20, 2021) the District Court of Arizona transferred a case to the District Court of Nevada despite the mutual jurisdiction because the parties reside in Nevada hence the reason for defendant's motion to transfer. The Court agreed:

> The only issue concerns whether Plaintiff's registration and use of the Disputed Domain Name is lawful.... To that end, all the facts and circumstances regarding Plaintiff's registration and use of the domain name occurred within Nevada.... Similarly, all non-party fact witnesses and evidence are in Nevada.

For prevailing non-US mark owners in a UDRP proceeding, though, their consent means they may be called to defend their success in registrant's home court,

[12] No. C20-1455JLR, at *6 (W.D. Wash. Feb. 19, 2021), citing cases.

its place of business or the principal office of the registrar, entailing an added and unwelcome expense which is not, as already explained, reimbursable unless (in the US) the court finds in its favor and the case is exceptional. In the cited *Pace* dispute, UDRP Complainant (now defendant) is US based but represented by a Ukraine based law firm (defendant defaulted and judgment was entered for *Pace*).

Two illustrations put the issue in perspective. In *Koorn v. Aveve NV Belgium et al*., 3:20-cv-05946 (Washington W.D. 2020) involving <arvesta.com> the winning Complainant whose home base is Belgium was compelled to appear in a US court. Whether for cost or merit reasons, the parties entered into a stipulation dismissing the action, vacating the UDRP award, with defendant-mark owner paying plaintiff's attorney's fees. In *Finwise* previously noted, the Respondent was shut out of the ACPA because its business is located in the Netherlands, the stipulated location of the mutual jurisdiction.

One other circumstance should be mentioned. In any challenge to a UDRP award, the plaintiff must be the domain name registrant. The issue arose in *Shenzhen Big Mouth Techs. Co., et al.. v. Factory Direct Wholesale, LLC*, 21-cv-09545-RS (N.D. Cal. Apr. 5, 2022). Respondent failed to appear in *Factory Direct Wholesale, LLC v. decai fu*, FA2111001971788 (Forum November 30, 2021) and on the record before it the Panel awarded <bestoffice.com> to Complainant.

Upon receiving notice from GoDaddy of imminent transfer of <bestoffice.com>, Mr. Fu commenced an action in the location of his business in his and his business's name. Defendant moved to dismiss Shenzhen Big Mouth from the action. In granting the motion, the Court opened its analysis with the comment that "[the motion to dismiss Big Mouth from Count Two presents a single legal question: whether section 1114(2)(D)(iv) allows a person or entity other than the domain name registrant to sue" and it found that it did not:

> This motion addresses who is allowed to bring a claim under section 1114(2)(D)(iv), which concerns the statute's restrictions on who may sue, not Article III standing. Whether framed in terms of statutory standing or whether an entity is a real party in interest under the statute, the question here is not jurisdictional. . . . The question of who may sue under section 1114(2)(D)(iv) involves the elements of the claim for relief, making this a question of "whether a plaintiff states a claim for relief[,]" which "relates to the merits of a case, not to the dispute's justiciability[.]"

Big Mouth is an office lighting and furniture business founded and operated by Mr. Fu. Its dismissal from the action was the death knell of the lawful registration claim.

Other Outcomes: UDRP Award "Affirmed"

When plaintiff domain name registrant loses in federal court, the consequences can be intimidating. Statutory damages range from a low of $1,000 to a high of $100,000 per domain name, 15 U.S.C. § 1114(d).

In *Web-Adviso v. Trump, supra.*, already noted the district court rejected plaintiff's argument of reasonable grounds to believe his conduct was lawful. The court awarded Trump damages in the amount of $32,000, affirmed by the 2nd Circuit (April 2016). Similarly, in *Lahoti v. Vericheck*, C06-1132JLR (WDWA, 2007), aff'd 586 F.3d 1190 (9th Cir. 2009) challenging a UDRP award in *Vericheck, Inc. v. Admin Manager*, FA0606000734799 (Forum August 2, 2006) plaintiff Lahoti was assessed the full $100,000 for cybersquatting.

The reverse also happens. Mark owners who prevail in UDRP proceedings can lose in ACPA actions: *Tecnologia Bancaria S.A. v. Marchex Sales Inc.*, D2014-0834 (WIPO September 24, 2014) (<banco24 horas.com> over a vigorous dissent) and *Marchex Sales Inc. v. Tecnologia Bancaria S.A.*, 14-cv-01306 (E.D. VA, Alexandria Division June 15, 2015). If defendant rights holder is located outside the US there is law for and against monetary liability depending on the court's jurisdiction, either *in rem* or *in personam*.

The Court in *Marchex Sales* found no penalty in annulling the UDRP award. The reason for this (the Court explained) is that in agreeing to a mutual jurisdiction, foreign trademark owners have not agreed to *in personam* jurisdiction. To construe the UDRP as "subject[ing] a party to anything more than a challenge to the panel's decision would be unfair and would be inconsistent with the due process clause of the U.S. Constitution." The Court in *Walter v. Ville de Paris*, 4:2009cv03939 (S.D. Texas Houston Div. July 5, 2012), though awarded damages without explanation since the ACPA action was based on mark owner's stipulation of personal jurisdiction which is implied in the mutual jurisdiction.

ACPA actions can also be litigated in state courts. In *Carr v. Miss. Lottery Corp.*, No. 2021-CA-01304-CT (Supreme Court of Mississippi, November 10, 2022) plaintiff (registrant of three domain names) challenged the award in *Mississippi Lottery Corp. v. Jonathan Car*r, FA1905001842961 (Forum July 15, 2019) (<mississippilottery.com> plus 2 others).

The domain names in *Mississippi Lottery* predated the registration of Claimant's mark but not the accrued common law rights. The Panel held:

> Before taking up specific indicia of bad faith, the Panel addresses Respondent's argument that since he registered the Domain Names before the Lottery's enabling legislation was passed, and well before Complainant's corporate existence even came into being, he cannot be found to have registered them in bad faith. This is a powerful argument and Respondent is generally correct in that

> UDRP panels have almost universally held that a complainant cannot prove bad faith registration of a domain name when that name was registered before the complainant acquired rights in its mark.

However, "[t]he exceptions to the general rule are relevant to the facts in this case." The Court found that public and legislative discussions on having a lottery date from a period predating the registration of the domain names, and this is a significant factor.

Precisely why this is so is more fully analyzed in the Mississippi Supreme Court decision:

> Carr argues that the MLC could not have owned a distinctive mark at the time of his registration because he registered his domain name before the MLC was approved by the legislature. Similar arguments have been addressed by several federal courts in cases in which a domain name was registered in anticipation that a mark may become distinctive or famous.

The Court concluded that

> MLC had a distinctive or famous mark entitled to protection under the ACPA, despite the fact that the lottery had not yet been approved by the legislature when Carr registered his domain names.

Carr also argued that "the MLC mark is generic, which would not entitle it to trademark protection [. . .] but there is no rule under federal or state law that generic marks are not entitled to trademark protection," citing case law to the effect that "a protectable right in use for trade purposes of a word in common use may be acquired under the doctrine of secondary meaning."

FRAUDULENT TRANSFERS: A PARALLEL JURISPRUDENCE

Venue of Choice

Either because of laxness on the part of domain name registrants or cunning on the part of thieves, registrars have been duped into transferring domain names out of registrants' accounts, and thefts may not be known for months or longer.

What makes it enticing to steal domain names is answered by their sometimes astonishing values. Sales in the millions of dollar are not unheard of. Many if not most fraudulent transfer cases are filed in the Eastern District of Virginia, Alexandria Division, where the .com and .net registry, Verisign Inc., is located (dot org registry is also located in this district).[13]

13 The are several UDRP decisions awarding transfer to complainants. The risk, though, is illustrated in cases in which complainant is not a trademark owner. Discussed further below, where the complaint has trademark rights, it has UDRP standing.

As the thieves are unknown and the rights holder is "not able to obtain in personam jurisdiction over the person who would have been a defendant in a civil action" the court allows the action to proceed against the *res*, the fraudulently transferred domain name(s) in an *in rem* action under the ACPA.

In many of these cases the victims are noncommercial registrants in the business of arbitraging and monetizing domain names. They can be said to offer both goods (domain names) and services (advising and brokering domain names). To the question as to whether this class of registrant has standing to maintain an action under the ACPA, the Alexandria Division has affirmatively held that they have common law rights, although (as we shall see) the court is naturally skeptical where it perceives that the domain names in issue may correspond to famous or well-known marks, thus the mere holding of them would be in violation of the ACPA by raising a dirty hands issue.

Generally, these fraudulent transfer cases are not reported, and because defendants rarely appear and the judgments restoring domain names to the victims' accounts are never appealed, the authority developed in the Alexandria Division is, for all intents and purposes, The Law. It is a jurisprudence that runs parallel to the jurisprudence established for ACPA cases where courts have *in personam* jurisdiction. The developing law, and hence the jurisprudence on fraudulently transferred domain names, remains at the district court level.

Three principal classes of victims to fraudulent transfer of domain names can be identified: registrants who are rights holders (registered or unregistered), those who are not (professional domainers), and innocent purchasers of stolen domain names. The third class come into possession of stolen domain names and the question with this class is whether their innocence protects them from having to surrender the domain names to the rightful owner.

Fraudsters are unlikely to defend their registrations in either the UDRP or the ACPA, but for victims there may be good reason to choose one over the other. Where there is an innocent purchaser and it is amenable to service, the choice will most certainly be a district court under the ACPA in a district in which the plaintiff can secure *in personam* jurisdiction over the innocent purchaser (*Alston v. Calculator.com,* discussed further below).

Non trademark holder-victims (professional domainers but they could also be more casual investors in domain names) have no remedy under the UDRP but they do (or most likely do) under the ACPA. I will explain shortly what I mean by "most likely do" and have a quick look at the UDRP docket. One might wonder how this class has standing to maintain an action in federal court since they are not what one would consider traditional mark owners. This too needs some explanation.

As the law has evolved in the Alexandria Division, victims engaged in the lawful commercial enterprise of acquiring and selling domain names can be considered as having common law rights. That this status is a fiction is of no moment. Commencing an *in rem* action does not disqualify the registrant from appearing and defending a claim that it acquired the domain name lawfully. but it runs the risk that by appearing it will expose itself to liability for damages and attorney's fees under the Lanham Act. Other than putting this issue on the table I will not pursue it further here.

Two Jurisdictional Bases

The Court in *Solid Host, NL v. NameCheap, Inc.*, 652 F. Supp. 2d 1092, 1101-02 (C.D. Cal. 2009) draws a distinction between prototypical cybersquatters "who register[ ] well-known trademark[s] as [. . .] domain name[s] before the trademark owner is able to register [them]" and a "'hacker' who 'steals' an existing domain name." This distinction

> is not the only aspect of the case that differs from the norm. Doe purportedly obtained control of solidhost.com by "hacking" into eNom's system and transferring the registration to a different account; he did not register the domain name himself in the first instance. Id. at 1102.

Then, in a twist on the typical:

> [a]fter obtaining the registration . . . Doe proceeded as a typical cybersquatter would, attempting to ransom the domain name to Solid Host, the alleged trademark owner. Thus, analyzing Doe's liability under the ACPA would appear to be relatively straightforward. *Id.*

To repeat, for trademark owners there are two possible ways of proceeding under the ACPA, either *in personam* or *in rem*.[14] A good illustration *Alston v. www.calculator.com*.[15] In this case, plaintiff sued the fraud doer (actually the domain name *in rem* because his identity and whereabouts were unknown). It sued the innocent purchaser of <calculator.com> Stands4 Ltd. personally as doing business in Florida, and GoDaddy (the current registrar), were sued in the Southern District of Florida. It successfully moved *ex parte* over Stands4's opposition for a preliminary injunction to return the domain name to plaintiff.

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14 15 U.S.C. § 1125(d)(2)(A)(ii).

15 See *Alston v. www.calculator.com*, No. 20-cv-23013-BLOOM/Louis, at *1 (S.D. Fla. Aug. 3, 2020).

Stands4 objected on on two grounds: 1) the court did not have personal jurisdiction over it, and 2) it was a bone fide purchaser for value. The Court rejected both arguments:

> [A]lthough it is likely that the monetary harm Stands4 will suffer pursuant to the TRO is significant, the Court gives more weight to the evidence Plaintiff submitted demonstrating the ongoing, irreparable injuries she is suffering due to the alleged theft of the Domain Name [. . .].

As for the innocent purchaser:

> the only cognizable harm Stands4 seemingly stands to suffer by maintaining the TRO are financial losses while the injunction is in place, which is not sufficient to outweigh the significant and ongoing monetary and non-monetary injuries Plaintiff has sustained—and continues to sustain—due to the allegedly fraudulent transfer.

The general rule at common law is that "[o]ne who purchases, no matter how innocently, from a thief, or all subsequent purchasers from a thief, acquires no title in the property. Title always remains with the true owner."[16] Plaintiff's choice in the *Alston* case of commencing its claim in Florida was most likely by the Court having *in personam* jurisdiction over the purchaser who the victim was able to identify.

For investor-victims, though, the leading *in rem* case is *Weitzman v. Lead Networks Domains*, l:09-cv-01141 (ED Virginia, Alexandria Div, 9/24/2010) which involved nineteen domain names including <daffy.com>, <oncologics.com>, and <sunlet.com>. On the issue of common law rights and standing, the court (Magistrate's Recommendation) found:

> Plaintiff is in the business of domain monetizing and establishes and registers domain names for the purpose of turning Internet traffic into monetary gain through the use of "click through traffic." (Compl. 9.) Domain monetizing is a process in which advertisements are placed on "parked" domain names in order to generate revenue for both the party that owns the domain and the party that places the advertisement. [. . .]

The Magistrate then found that

> Plaintiff's pervasive use of the Domain Names transposed the trademarks into valuable assets to Plaintiff, representing Plaintiff's substantial goodwill and solid reputation with consumers. . . . Therefore, through Plaintiff's longstanding, continuous, and exclusive use of the Domain Names, Plaintiff owns valid

16 *Kingdom of Spain*, 616 F.3d at 1030, n.14 (quoting Marilyn E. Phelan, Scope of Due Diligence Investigation in Obtaining Title to Valuable Artwork, 23 Seattle U. L. Rev. 631, 633–34 (2000), citing cases. traces its lineage to Roman law (nemo dat quod non habet , meaning 'no one gives what he does not have.'")

> and enforceable rights to each of the registered Domain Names. (Emphasis added).

The Magistrate Judge concluded that "legal precedent dictates that Plaintiffs Domain Names should be afforded the protection of the ACPA."

This view of investor-monetizing/reseller rights is recognized in later cases. In *Traffic Names, Ltd. V. Zhenghui Yiming In Re: 224.com*, 604.com; and 452.com, 1:14cv1607 (E.D. Va, Alexandria Division April, 14 and May 12, 2015) the Magistrate Judge held: "Plaintiff's registration of the Subject Domain Names and use of them in business since that registration establishes his common law rights in the marks. Therefore, plaintiff is entitled to enforce the provisions of §1125(d) against any domain name that violates its rights in the protected marks."

The view is further cemented in *Blackshore Properties, Inc. v. EQN, an Internet domain name, et al*. l:I8cvI325, slip op. at 3 (E.D. Va., Jan. 28, 2019). In its complaint, the Plaintiff had alleged

> 18. Blackshore used the EQN.com domain name in U.S. commerce in association with the paid provision of information and advertisements for goods and services until Defendant John Doe stole the domain name and thereby disabled Blackshore's access to and control of the domain name.
>
> 19. Blackshore is entitled to common law trademark protection in the EQN.com mark by virtue of its use of the mark in U.S. commerce in association with paid advertising and information services.

The Court (Magistrate's Recommendation January 11, 2019 and Order confirming the Recommendation January 28, 2019) did not question Plaintiff's contention that it had common law rights for its business operations involving the stolen domain name. It concluded that the domain name had been spirited away from Plaintiff's account and it was entitled to relief:

> Plaintiff ... established that it is the rightful owner of EQN.com and the associated trademark, that Doe had a bad-faith intent to profit from using that domain name, and that the domain name Doe was using was identical to plaintiffs distinctive mark.

The court reached a similar decision in *Yoshiki v. John Doe*, 18-cv-01338 LO/TCB (ED Virginia, Alexandria Div. 2019). On motion for default judgment, assisted by an Intervenor Complaint for one of the domain names, the court ordered the domain names restored to plaintiff's account.

The essential insight of *Weitzman*, which has never been challenged on appeal (and is unlikely ever to be because defendants never appear), elevates domain names to the status of property and their holders to trademark owners. In an earlier motion practice in *Yoshiki* the court underscored that investor-victims cannot expect to be granted trademark status (thus would lose on standing) for registering domain names identical or confusingly similar to well-known or famous brands or marks. In other words, they cannot at the same time claim rights to infringing domain names and be tortfeasors. The Magistrate Judge in *Yoshiki* stated that it

> is especially concerned about the prospect of granting relief when Plaintiff's only use for domain names such as tang.com, wtv.com, and nnn.com is domain monetization. Names such as "tang" arouse the Court's suspicion that Plaintiff may be engaged in the type of activity that ACPA was intended to remedy.

A principal consideration in restoring domain names lost to fraudulent transfers to victims must be whether they are "engaged in the type of activity that ACPA was intended to remedy." If they are, domain name registrants cannot expect any sympathy from the court.

In an unusual case, *Gong Zheng Jin v. 001HH.com,* 1:14-cv-1120 (E.D. Va. Aug. 29, 2014), unusual because 1) plaintiff is a Chinese resident whose domain names were in the U.S.; and 2) there are 184 domain names—the Court held that it had *in rem* jurisdiction and that plaintiff was entitled to relief. *R. & R.*, No. 1:14-cv-1120 (E.D. Va. May 7, 2015) (Dkt. No. 22). It pointed out that "Plaintiff's ACPA claim is not artfully pled. Indeed, none of the four counts of the complaint explicitly invokes 15 U.S.C. § 1125(d). However, that section is pled as the basis of jurisdiction and the complaint requests transfer of the domain names as relief." *Id*. at 1.

The Complaint alleges that plaintiff uses the domain names in his business and that he has common law rights, although to what trademark or service mark name is not alleged:

> 31. Zheng Jin has owned the Domain Names since their registration has used them to promote his businesses for many years and has common law rights in the marks.
>
> 32. Zheng Jin, because of the Defendant's actions is being prevented from using and exercising control over the subject Domain Names.
>
> 33. Zheng Jin is being harmed through the loss of prospective traffic to his business.

The Court noted:

> First, defendant Domain Names do not incorporate either Registrant's name or intellectual property rights and were registered under potentially misleading and inaccurate contact information, satisfying three of the bad-faith factors. Second, Registrant took the Domain Names from plaintiff having made no prior use of them in order to "pull down" plaintiff's websites instead of to engage in bona fide commercial or fair use of the marks, thereby satisfying a further two bad-faith factors.

Gong Zheng Jin, WL 3456569, at *4 (E.D. Va. May 28, 2015). Nevertheless, the Court ruled that Jun was entitled to judgment on default judgment to have the domain names returned to his account.

There is also another route to a fraudulent transfer judgment in a 2021 case also in the Alexandria Division. Counsel creatively combined the ACPA for its *in rem* feature with the Computer Fraud and Abuse Act of 1986. In *Aiping Wei v.* [*a number of allegedly stolen domain names*] the court granted default judgment quieting title under the CFAA and returning the domain names to Plaintiff's account.

Summing Up

While the *Weitzman* line of decisions has largely been adopted, investor-victims are not totally in the clear because of the Court's initial position in a 2019 case, *Yoshiki v. John Doe*. It stated that it was "especially concerned about the prospect of granting relief when Plaintiff's only use for domain names is . . . domain monetization."

The *Yoshiki* challenge to alleged victims is that they cannot expect to be granted trademark status (thus would lose on standing) for registering domain names identical or confusingly similar to famous or well-known brands or marks. In other words, they cannot at the same time claim rights to infringing domain names and be tortfeasors. Nevertheless, on a final reckoning, Yoshiki prevailed except as to one domain name transferred to an intervenor.

Thus, whether a registrant states an actionable claim depends on both the domain names and their use. A principal consideration in restoring domain names lost to fraudulent transfers to victims must be whether they are "engaged in the type of activity that ACPA was intended to remedy." If they are not, domain name registrants cannot expect any sympathy from the court.

REMEDIES

Consequences of Cybersquatting[17]

Two professional domainers in earlier cases were found liable for unlawful registrations and marked as cybersquatters, Gregory Ricks (once as plaintiff and once as defendant)—*Ricks v. BMEzine.com, LLC*, 727 F.Supp.2d 936 (D. Nevada 2010) and *Bulbs 4 E. Side, Inc., supra.*—and David Lahoti (*Lahoti v. Vericheck, Inc.*,

17 "In a case involving a violation of [the ACPA], the plaintiff may elect at any time before final judgment is rendered by the trial court to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just." 15 U.S.C. § 1117(d).

636 F.3d 501, 510-11 (9th Cir. 2011). There are also more recent cases involving Donald Trump, in which the mark owner succeeded in UDRP proceedings, and also in federal court where the registrant was ordered to pay statutory damages.

The Court found *Lahoti* an "exceptional" case as that term is used in the Trademark Act §1117(a). It was exceptional because (the court found) Lahoti's willful registration and use of the www.vericheck.com domain name, his "attempt to extort thousands of dollars from Vericheck," his disregard for Vericheck's trademark rights, his "pattern and practice of cybersquatting, including a pattern and practice of abusive litigation practices," and his "disregard for the submission of inaccurate answers to interrogatories." Having found the case exceptional, the district court ordered Lahoti to pay Vericheck $78,109.95 in fees and costs.

But, in *BMEzine.com*, the Court denied the defendant's request for attorney's fees because it has "shown only that Ricks is not entitled to prevail on any of his claims against the LLC. Defendant has not established Ricks' conduct was malicious, fraudulent, deliberate, or willful as to Defendant LLC with respect to the claims upon which Defendant LLC has prevailed at this stage of the proceedings."

In turning to domain name registrants as plaintiffs or defendants, the stake is higher because litigating in US federal court can be prohibitively expensive, and even if there is merit to plaintiff's case, the cost could well be out of range unless undertaken on a contingent fee basis. One should distinguish good faith registrants (investors and other legitimate businesses suing to protect valuable property) from bad faith registrants that lose in the UDRP and again as plaintiffs in ACPA actions (properly labeled cybersquatters).

The latter as plaintiffs have incurred either or both attorney's fees and statutory damages. Ricks, for example in *BMEzine*, but several other domain name registrants having no actionable claim rolled the dice and paid the piper. But, good faith registrants are in a predicament: unless they are able to recoup their legal fees, there will be nothing to offset the cost of litigation.

It is not all bad news, but the alignment of facts has to support either or both remedies, attorney's fees and statutory damages. I have already looked at *AIRFX.com* and *Joshua Domond.* In the first, the UDRP Panel awarded the disputed domain name to complainant and in the second the Panel dismissed the complaint. In *Airfx*, attorney's fees which amounted to over $100,000 dollars were imposed because

> [A] defendant's counterclaims were groundless and unreasonable.... [And B] defendant's trademark infringement counterclaim was groundless and unreasonable. The claim was groundless because the defendant did not present any evidence that plaintiffs' use of the AirFX mark was commercial.

To this was added an additional strike against defendant in the manner in which it conducted its defense:

> On August 24, 2012 we granted plaintiffs' motion for summary judgment on defendant's counterclaim. Neither the factual basis for our conclusion, nor the law compelling it, were genuinely subject to dispute. On October 20, 2011, before defendant filed its counterclaims, we informed the parties that the original registration date of airfx.com was the determinative issue in connection with any ACPA claims [. . .].

The Court underscores that it is applying Ninth Circuit jurisprudence as it must; that is, the date of domain name creation and not the date of domain name acquisition. It continued:

> [While] it is unclear from the record whether defendant knew the original registration date of the airfx.com domain name at the time it filed its counterclaims ... by the time the parties filed their motions for summary judgment, it was undisputed that airfx.com was originally registered more than two years before the AirFX mark existed. *It was unreasonable for defendant to pursue its ACPA counterclaim once it discovered that the airfx.com was originally registered before the AirFX mark*. (Emphasis added)

From this, it is reasonable to draw another general observation that should alert parties to proceed with caution before filing an ACPA claim or a counterclaim: the facts must align with their theory of the case and counsel must conduct themselves properly.

To take an example: it appears from the Court's trial decision in *Black v Irving Materials* that Black had damages, but they were inadmissible as evidence for statutory damages since the Court had dismissed the (D)(iv) claim ("knowing and material misrepresentation"). On the final motion for attorney's fees, the Court cited *Octane* to the effect that "Black's success on the subsection (v) declaratory relief claim does not independently render the instant case exceptional" and explained the reasons why:

> Irving notes that throughout the instant case, "this Court has clearly and unequivocally warned [Black] that he does not have either a claim for reverse domain name hijacking or any other affirmative claim against" Irving. Opp'n at 19. Notwithstanding this fact, Black repeatedly "ignored this warning," which militates against the award of attorney's fees in the instant case. Id. The Court agrees. The "unreasonable manner in which the case was litigated" by Black is an equitable factor that militates against the award of attorney's fees.

There is surely a lesson here: there must be both proof and counsel decorum in representing a client. The Supreme Court held that it matters, and the Courts in *Airfx* and *Black* underlined the consequences. The other lesson is this: in order to prevail in both protecting one's property and coming out whole in money terms, domain name registrants must earn their right to attorney's fees and statutory damages. By earn, I mean having the factual evidence to support the remedies.

As plaintiffs or counterclaim-defendants, rights holders have the benefit of resting their claim or defense on the distinctiveness of their marks; the stronger they are in the marketplace, the heavier registrant's burden, but even owners of weak marks have an advantage where the proof establishing the registration was unlawful.

In *Black*, attorney's fees (allegedly close to $500,000 dollars as alleged in Black's motion) went unrecouped; there must have been pleasure in prevailing but deep frustration in not recouping attorney's fees. In contrast, the Court awarded Dent (after analyzing the *AIRFX* and *Black* decisions) attorney's fees in the amount of $236,752.50.

Defendant's arguments that the case was not exceptional included the split views of the 3rd and 11th versus the 9th Circuit holding on registration and re-registration discussed earlier in Chapter 19. The Court explained:

> Defendant's argument that a circuit split on the question of re-registration under the ACPA rendered Defendant's litigation of this question reasonable ignores the important policy considerations imposed by federal appellate courts that are expressed in the doctrine of the "law of the circuit." "Law of the circuit is stare decisis, by another name. The doctrine requires that we 'stand by yesterday's decisions'—even when doing so 'means sticking to some wrong decisions.'"

The Court also explained an important concept:

> Published decisions of the Ninth Circuit become law of the circuit, which is binding authority that the Ninth Circuit and district courts within the circuit must follow until overruled. . . . [Citing authority]. Overruling authority includes only intervening statutes or Supreme Court opinions that create "clearly irreconcilable" conflicts with published Ninth Circuit case law. [Citing authority]. . . . A district court is not free to disagree with a decision by its own court of appeals on a controlling legal issue because such binding authority "is not merely evidence of what the law is[,]" but rather "case law on point is the law." [Citing authority].

In *Pocketbook Int'l SA v. Domain Admin/SiteTools, Inc. and Philip Ancevski*, CV 20-8708 (CD Cal. February 2, 2022) the Court made it absolutely clear that 9th Circuit precedent is the law in dismissing the ACPA claim:

> If distinctiveness at the time of re-registration constitutes distinctiveness at the time of registration, as Pocketbook argues is the case in other circuits, then bad faith that arises after the initial registration may give rise to a new ACPA claim. But in this circuit, where distinctiveness at the time of registration means at the time of initial registration, distinctiveness at the time of initial registration is a condition for liability, and bad faith that arises after initial registration will not give rise to ACPA liability.

Since "Pocketbook.com was registered in 1997, long before Pocketbook began to use either of its marks" the Court granted defendant's motion for summary judgment dismissing the ACPA claim.

Since several registrars including GoDaddy and Epic are located in Ninth Circuit states losing mark owners contesting UDRP awards must adjust their arguments to take into account the law in that Circuit.

False Expectations: Attorney's Fees and Statutory Damages

The final question here is expectations. What can a registrant reasonably expect when it sues for reverse domain name hijacking? The answer is: Be careful for what you wish. It has come in two different forms in ACPA actions. There have been for actions commenced that have ended in settlement than have gone the full distance to trial. A number of actions have been determined on summary judgment that I have already discussed in Chapter 19.

The Lanham Act, section 1117(a) provides "The court in exceptional cases may award reasonable attorney fees to the prevailing party." The US Supreme Court in *Octane*, *supra*. defined "exceptional" as a case that "is simply one that stands out from others with respect to the substantive strength of a party's litigating position [. . .] or the unreasonable manner in which the case was litigated."

An early illustration is presented in *Scholastic, Inc. v. Stouffer*, 221 F. Supp. 2d 425, 444 (S.D.N.Y. 2002) in which the Court found the case exceptional where the defendant "asserted claims and defenses without any reasonable basis in fact or law and [. . .] attempted to support such claims and defenses with items of evidence that have been created or altered for purposes of [the] litigation", aff'd, 81 F. App'x 396 (2d Cir. 2003).

It must already be clear that the remedies for registrants cannot be relied on as automatic upon prevailing in actions either for statutory damages (unlikely) and attorney's fees (more likely, but not with certainty). I have already brought up the difference between RDNH heavy and light (Chapter 19), and that without proof of the former there can be no statutory damages and that under the latter there is a fair but not certain chance of getting reasonable attorney's fees.

Thus, the Court in *Retail Services, Inc. v. Freebies Pub*., 247 F. Supp. 2d 822, 827 (E.D. Va. 2003), aff'd 364 F.3d 535 (4th Cir. 2004), held:

> In their complaint, plaintiffs also seek a declaration that the domain name registration freebie.com does not violate the ACPA. The ACPA prohibits registration of a domain name that is confusingly similar to a trademark with bad faith intent to profit from that confusion. Because we have already found defendants' trademark ineligible for protection, there can be no ACPA violation.

However,

> even if defendants' trademark were entitled to protection, we find that plaintiffs' domain name, freebie.com, does not violate the ACPA, and that the decision of the UDRP Arbitration panelist should be reversed.

Notwithstanding plaintiff-domain name registrant prevailed, it was denied attorney fees because the Court did not find the case exceptional. Plaintiff also was not eligible for statutory damages because there was no actionable claim for "knowing and material misrepresentation" tainting the UDRP decision. This also underscores a previous point that mark owners are more likely to get attorney's fees for prevailing on cybersquatting but for registrants the bar is set higher.

The not surprising answer to the question of remedies is that they must be earned. Plaintiffs get no more than what they can prove; and if they lack proof of RDNH heavy, there is nothing they can get unless the court agrees that the case is exceptional.

There were a number of motions in *Black* before and after trial in an attempt to get attorney's fees. While an advisory jury did rule in Black's favor that his registration of <imi.com> was lawful, that the registration was (to use the ACPA term) "not unlawful", this marvelous result came at a significant monetary cost: Black's motion for attorney's fees was denied. The reasons are important and deserve further discussion. He was ineligible for statutory damages because the claim that would have supported the remedy was dismissed from the complaint in an early motion: properly so since there Black offered no evidence of RDNH heavy.

As a general observation, few cases have actually gone the distance to summary judgment or trial in US federal courts, but for those that have the decisions sketch out the disappointments under the ACPA. When the challenge moves to federal court standards and remedies change. The evidentiary demands grow heavier. Unless complaints are well-crafted, some claims (the kind that must necessarily be sustained for statutory damages and attorney's fees) are not likely to survive motions to dismiss.

In *Black* the Court dismissed the (D)(iv) (fraud) claim and noted in deciding a later motion for attorney's fees that Plaintiff had failed to state a claim for RDNH when he cited to § 1114(2)(D)(iv) (RDNH heavy) instead of § 1114(2)(D)(v) (RDNH light). To prevail on attorney's fees, the case must be "exceptional." The Supreme Court defines exceptional as the "rare case" that "stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated," *Octane Fitness, supra.*

In *Octane* and district court cases applying it, two conditions have been raised to prominence: there must be "substantive strength" to a party's litigating position and counsel for the prevailing registrant must conduct him or herself properly. Either weakness of a party's litigating position or the unreasonable manner in litigating the claim can sink a motion for attorney's fees. Black lost on both counts. Only if the conditions are met does the court determine whether the claim is exceptional. Having said this, taking in a wide reading of decisions, exceptional defies definition and is more likely granted to mark owners than domain name registrants, with some exceptions as already noted.